



FINDING OUT THE POTENTIAL OF NUSA TENGGARA TIMUR IN POVERTY ALLEVIATION: THE EFFECT OF LOCAL GOVERNMENT'S POLICIES

Erlinda Matondang *

Ministry of Defence of the Republic of Indonesia
Jalan Tanah Abang Timur No. 8, Central Jakarta, Indonesia

Received: 1 February 2017; Accepted: 13 October 2017; Published online: 28 November 2017

DOI: [10.21787/jbp.09.2017.231-242](https://doi.org/10.21787/jbp.09.2017.231-242)

Abstract

Poverty issue in East Nusa Tenggara Timur (NTT) has happened for years. Some efforts have been done, but there is no significant impact yet. Poverty issue in NTT is being the concern of Indonesia's government not only because of the high number of poverty, but also the location, which is in the border territory of Indonesia-Timor Leste. Actually, whether we realize it or not, NTT has a great potential for the problem caused by its dry soil and some social issues in its society. Some of those potential is able to be seen in five local economic sectors, i.e. demography, forestry, farming and animal husbandry, trading, and tourism. This article is written to explain how big the potential of NTT is and how to manage it in order to alleviate poverty. The approach used in this article is qualitative approach with literature review as well as data collecting method. There is no special method used in analyzing this article; it just utilizes objective analysis based on current data, situation, and condition. Based on the analysis, there are a lot of potentials in NTT, but they are yet to be developed well, whereas people are stuck in the current situation, so there is no significant achievement in poverty alleviation efforts. Potential utilization can be optimally taken through strategic, effective, and efficient efforts supported by the government, both nationally and locally, and NTT society. Through potential optimization, the poverty rate in NTT should be able to be pushed down.

Keywords: Government, Policy, Potential, Poverty Alleviation

I. INTRODUCTION

Poverty stands as a difficult term to define but is the most crucial issue to be solved. It has been the first issue to be concerned about, both in Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs). Although SDGs is the successor of MDGs, poverty standing as the first concern shows that it has not been solved well as targeted.

The different definition of poverty has resulted in different criteria, which at last causing different rates and solutions. For the example, PRS (Poverty Reduction Strategy) documents define poverty as a condition where people are unable to meet their eligible basic rights to take and develop dignified life (Buhaerah, 2016, p. 225). This definition implies that the violation of human rights, which happened in Papua, is the reasons why currently Papua is the

poorest region in Indonesia.

There are many efforts taken by countries all over the world just to alleviate poverty. From all of these efforts, there are five shown as the best impacts to poverty alleviation. They are direct foreign aids, investment in microfinance institutions, social entrepreneurship, "base on the pyramid" initiatives, and the establishment of property rights among the abjectly poor (Alvarez, Barney, & Newman, 2015, p. 24). All of these efforts have different impacts on poverty rates, but they have not provided an optimum result as targeted both in SDGs and MDGs.

Unfortunately, five efforts done to alleviate poverty are unable to give the best result. For example, direct foreign aid given by the government of developed countries and non-governmental organization makes the poor countries unable to get out of poverty. It makes dependency of poor

* Corresponding Author

Phone : +62 853 8548 0891

Email : erlinda.matondang@gmail.com



countries to developed ones (Alvarez et al., 2015, p. 25).

Actually, most of the activities taken by countries to support poverty alleviation are based on the assumption that there are market failures (Alvarez et al., 2015, p. 24). However, only some of them that are released of poverty and developed their industrial bases, such as Taiwan, South Korea, and China respectively. They use five limited efforts above (Alvarez et al., 2015, p. 31).

Based on the data released by World Bank, India and China are two countries which have the significant decreasing number of poverty. Meanwhile, Indonesia, as one of lower-middle-income countries, is still standing below India, but higher than China. There is no significant changing in poverty rate for the last 30 years in developing world (Olinto, Beegle, Sobrado, & Uematsu, 2013, p. 3).

Every nation has a different policy in poverty alleviation. Malaysia, as one of Indonesia's closest neighbors, is an upper middle country which generated new employment opportunity to alleviate poverty (Mohamed & Xavier, 2015, p. 20). Meanwhile, other countries use their local comparative advantages, such as China and Bangladesh, by using cheap labor, India by using highly educated population, and South Korea by using manufacturing capabilities (Alvarez et al., 2015, p. 32).

Vietnam, which also develops as an emerging market, tries really hard to alleviate its poverty rate. Based on World Bank Data, one-third of its population, or approximately equals to 25 million Vietnamese, lives in poverty (Fritzen, 2002, p. 636). Vietnam has made significant changes as shown by the fastest rates of poverty reduction in the 1990s, but they have to be aware that political situation which impacts the economy will be a reason to increase poverty (Fritzen, 2002, p. 654).

Some countries can solve poverty by their own policy, but some others need help from an institution or other international actors because of the complexity of their problem. Nigeria is a country with complex poverty issues. It has economic problem affected by industrial growth. It has presented a high level of unemployment. Therefore, in their 1990 report, the World Bank advised it to undertake four efforts, i.e. (1) increasing demand; (2) transferring assets to the poor; (3) providing social services to the poor; and (4) providing subsidy to the poor, in the form of cash and food (Taiwo & Agwu, 2016, pp. 25–26).

Indonesia is not as poor as Nigeria but also unable to alleviate poverty like Malaysia and India. The case is always different because it is influenced by geography, customs and habits, and perception. Moreover, the regulations in Indonesia are different

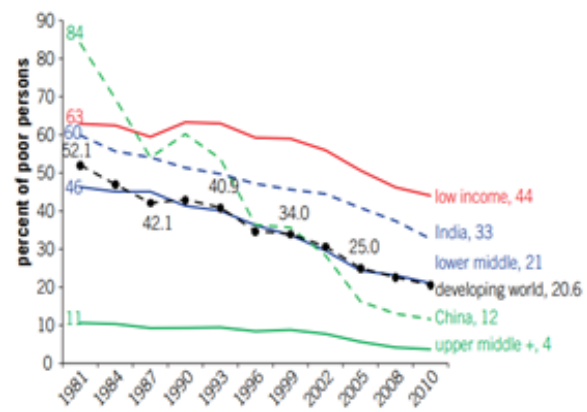


Figure 1. The Developing World Has Experienced a Large Decline in Extreme Poverty Rates

than western area. Nusa Tenggara Timur (NTT), as one of Indonesia's provinces in the eastern area, has a high number of poverty rate which should be solved.

This paper is written to find the best solution based on the potential of NTT. Moreover, the efforts to alleviate poverty are influenced by the professionalism of local government. As stated in the Law of the Republic of Indonesia Number 23 of 2014 on Regional Government, all of the potentials in local areas are managed by local government to prosper local people. The role of local government is the most important in finding out the problem, shaping the policies, and managing the budget to eradicate poverty.

There are four pieces of research related to this research. First, the research conducted by Taiwo and Agwu entitled "Problems and Prospects of Poverty Programmes in Nigeria" and published in International Journal of Business and Management Review is the reference for this research. Taiwo and Agwu stated that there are a lot of problems that cause poverty in Nigeria and how international actors like United Nations give a big attention in resolving it. This research is chosen to be a comparison for Indonesia in national level. The most important role of this research is to be a consideration to invite the international organization to alleviate poverty in NTT. Second, a research by Kwong and Ronnas that talks about how important employment is in supporting poverty alleviation in NTT. It was published by International Labour Organization (ILO). The focus of this research is the employment in NTT. Third, a research conducted by Fransiskus X. L. Aba, Osman Mohd. Yussof, and Saidatulakmal Binti Mohd that explore the impact of economic growth on NTT prosperity. This research found that although local government builds the policy at a local level, the impact of national economy condition still causes a huge impact. Therefore, we should be aware

Table 1.
Research Position

	Taiwo and Agwu	Kwong & Ronnäs	Aba, Yussof, & Binti Mohd	Agus Andrianto
Object	Poverty in Nigeria	Employment in NTT	NTT's economic growth	The Role of District Government
Locus	Nigeria	NTT	NTT	East Kalimantan
Scope	Poverty, Problem, and Programmes Applied by International Actors	The problem of employment in NTT	The impact of economic growth on poverty	The role of District Government on Poverty Alleviation

Source: Created by Author, 2017.

with national economy stability. Fourth, a research conducted by Agus Andrianto that explains the role of district government on poverty alleviation with a case study in East Kalimantan. This research should be an equal comparison to NTT because it works with the same national regulations.

Poverty in Africa, including in Nigeria, attracts a lot of attention from international society (Taiwo & Agwu, 2016, p. 1). Mainly, the poverty problems in Nigeria and Indonesia have the same roots, like employment and corruption. However, the policy in Nigeria cannot be applied in Indonesia due to the different system; Indonesia gives some of the authorities to its local governments to shape their own policies by considering their local potential. Meanwhile, Nigeria invites international aid to its region. Indonesia ever did the same thing, but the aids were not distributed well; the western area of Indonesia was developed better than the eastern area.

As a province of Indonesia, NTT should be affected by Indonesia's economic situation. NTT will need to intensify and increase its market, diversify its economy, intensify its niches for export, and achieve growth with equity in inclusive economic development. The biggest problem faced by NTT is the lack quality of human resources to drive economic development. Moreover, the bureaucracy in NTT is unfavorable and unreliable which causes a low number of business investments (Kwong & Ronnäs, 2011, p. 41).

All of those statements are the result of research conducted in the frame of ILO. The same aspects are reviewed in this research, but this research focuses on potential in NTT. This research tries not only to find the problems but also to see the possible solution based on potential.

Again, NTT's economic growth was proven to be driven by domestic consumption, rather than production capacity (Aba, Yussof, & Binti Mohd, 2015, p. 85). The research written in *Procedia*

explains about economic growth as shown in a number of data. It is still talking about poverty alleviation in NTT, but more focus on the economic sector.

As a comparison to the situation in NTT, Agus Andrianto showed that Malinau—one of the districts in East Kalimantan—also has a high number of poor because the main activities of people are in dryland rice farming, so it just contributes 5% to the district economy (Andrianto, 2006, p. 8). Besides, the people in Malinau have Java-centric perception and top-down system on policymaking. The same thing also happened in other areas of East Kalimantan, including West Kutai. The role of district government is significant on poverty alleviation in East Kalimantan. They build some programmes and prepare the budget, but the problems, like what benefit they can take, arise for the causes why the programmes are not effective. Moreover, Andrianto also concludes that most programmes are driven by national mandates and agency priorities than the needs of local people (Andrianto, 2006, p. 52).

This research is being crucial due to the rise of ASEAN Community and applied free market system. NTT with the highest number of poor should develop its economy double-faster than other areas in order to chase after its fact of having fallen behind. The best and fastest way to improve economic life and to alleviate poverty in NTT is finding the potential that could be optimally developed.

In this paper, I give you the holistic frame of poverty issue in NTT before discussing it. The holistic frame will be followed by the explanation of the governments' roles. It is important due to the decentralization system applied in Indonesia. Then, the explanation about the solution ever used and already applied in alleviating poverty in NTT will be the last introduction of NTT poverty issue.

The main data is collected from literature reviews and my short analysis is written in the next part of this paper. There are five potential reviewed

in this paper; namely demography, forestry, farming and animal husbandry, trading, and tourism. Perhaps, you look at them as problems, but for me as an author, they are potential that still have some problems in their utilization. Based on those potential, a mapping is created in order to find the best solution and/or opportunity in poverty alleviation.

II. METHOD

This research uses a qualitative approach, especially literature review. The main reason for choosing this method is the high number of available data can be reviewed by linking it to my previous observation done in 2013 which looked at the poverty in NTT border areas. This method is applicable to the limited time, fund, and worker.

The data used are secondary data collected from some government publications and analysis papers. The object of this research is NTT and it is chosen because it is one of the poorest areas in Indonesia (Badan Pusat Statistik, 2012, p. 8). If compared to any areas in eastern Indonesia, including Papua, NTT has a lack of natural resources and human resources. Indeed, as the impact of the unbalanced policy from the government at the national level, the condition in NTT has not improved significantly although it stays in border areas and faces a young country, Timor Leste, and a developed country, Australia.

Actually, this research was done at early 2017, but the observation (in different scope but still poverty issue) has been done since 2013. This research was done by reviewing some potential aspects in NTT and looking the best solution to poverty eradication. There is no special analytical tool. Every analysis is based on the objective analysis in several sectors possible to increase people income due to the dry land use in NTT, which made people there cannot depend on the agricultural and common sectors, like people in Java and Sumatera Island do.

III. RESULTS AND DISCUSSION

A. Poverty in NTT

In the Central Agency on Statistics' data, the number of Indonesia's poor was decreasing to 28.59 million people or equivalent to 11.66% in September 2012 (Badan Pusat Statistik, 2012). Based on research of SMERU Research Institute, most of the poverty in Indonesia stays in agricultural sector both in rural and urban areas (Suryahadi et al., 2006, pp. 23–26). The same patterns happen every year since the 1980s. Agricultural is the basic sector; if the economic crisis happened and caused depressed industries, people who work in agricultural sectors

are as impacted as the industries. Besides, the income of farmers and industry drivers have a significant gap.

It is a fact that the inequality still exists in Indonesia, especially between eastern and western Indonesia. However, it did not happen because of human rights violation, which happened and seen by other countries still exists in Papua. International economy and politics are the most reasonable things. The situation and condition which happened in Vietnam also happened in Indonesia.

As stated by Riedel & Turley (1999), economic reforms will change the capacities of a political system, and at last, it would be the determinants of income distribution (Fritzen, 2002, p. 654). It is what happened in Indonesia, especially in the New Order. During 32 years of Soeharto's administration, the developments were focused on the western area, especially Java Island, whereas the eastern area was intimidated by military force. It caused the income distribution not to spread evenly.

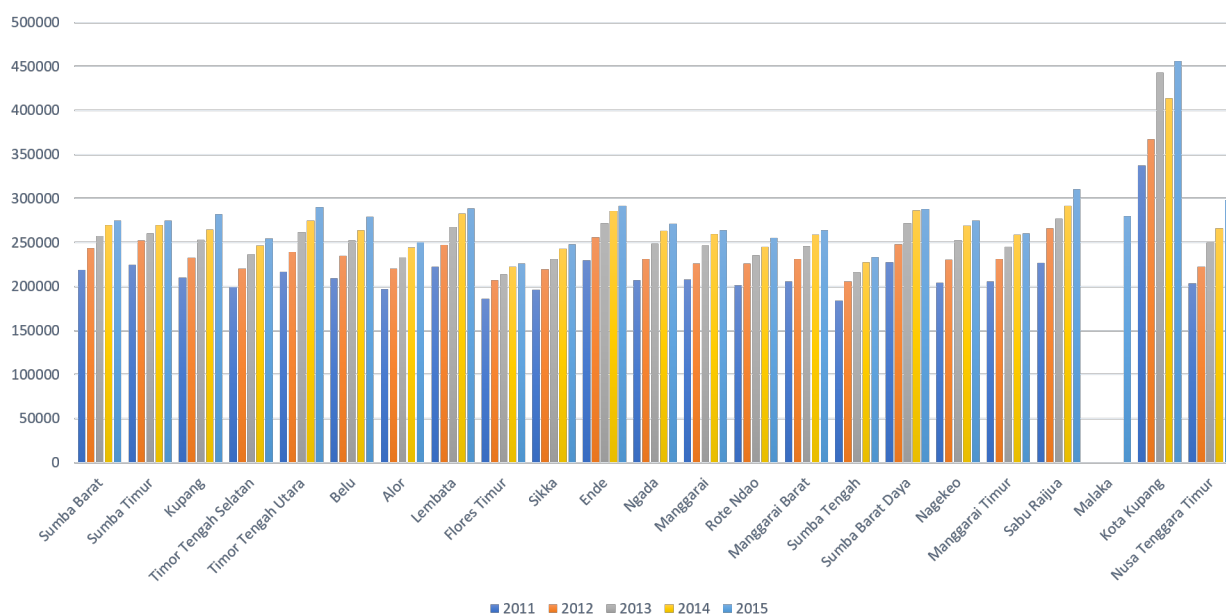
From the total poor people in Indonesia, NTT has more than 1 million poor people or equal to 20.41% of its total population. In 2013, the number of poor had some slope to 20.24% of total population. The significant decrease happened in 2014 as shown by 991 thousand people live in poverty. Unfortunately, this number roughly increased in 2015 which noted 1.161 million people live in poverty (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 227).

NTT's poverty was more than 3% of Indonesia's poor in 2012. Unfortunately, it rose 17.16% in 2015. It was the big number for a small province. This number was really higher than Bali and Nusa Tenggara Barat (NTB) which have improved their economy through tourism sector.

Based on data released by National Family Planning Board of NTT, the highest number of poverty is in Timor Tengah Selatan (72,232 people), Sumba Barat Daya (54,789 people), Manggarai (41,814 people), Kupang Regency (40,994 people), and Timor Tengah Utara (36,119 people) (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 226). However, the index of poverty severity shows that the highest index is in Sumba Timur (2.26), Sumba Tengah (2.09), Rote Ndao (2.05), Sabu Raijua (1.36), and Sumba Barat Daya (1.33). Meanwhile, for the poverty gap, Sumba Tengah has the highest index with 6.84 followed by Sumba Timur (6.63), Rote Ndao (6.10), Sabu Raijua (5.30), and Sumba Barat Daya (4.89) (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 228).

The data published by BPS shows that the poverty spreads all over the districts. In some districts, the situation may be worse or better, but the problem to resolve is still same. Therefore, the solution should cover all districts' poverty.

Based on the data released by Central Agency



Source: BPS-Statistics of Nusa Tenggara Timur Province, 2016

Figure 2. Poverty Line Based on Regency and City in NTT

on Statistics of NTT, there is no declination. Since 2011 to 2015, the poverty line was increasing. The highest number is in Kupang City. The poverty line in Kupang City shows anomaly compared to other regencies in NTT. In 2014, the poverty line in Kupang City decreased significantly, but it jumped up in 2015, whereas in other regencies, poverty line was ascending softly. Meanwhile, Malaka is the newest regency that also has a high number of poor people; indeed, it is more than Flores Timur and Sumba Tengah.

From those data, we can see that poverty becomes the issues in every district of NTT. Nevertheless, Sumba Barat Daya should be the most apprehensive because it does not only have the highest number of poor people but also stands as one of the worse districts for poverty severity and gap. Meanwhile, the rate of poverty severity is running in line with poverty gap. Moreover, there is no significant change after all efforts already undertaken by the government. Poverty is still high although several years have passed and government regime has changed.

B. Classifying the Role of National and Local Government in Alleviating Poverty in NTT

In terms of poverty alleviation, there are three national parties that should be engaged and take the important roles. They are local government, both in districts and provincial level, national government, and society. For NTT, this form prevails.

NTT is not only a province of Indonesia but

also a border to other countries, including Australia and Timor Leste. NTT has Lombok Straits, which is a part of Indonesia's Sea Line of Communications (SLoCs), so there are so many ships pass its water. Those are the reasons why national government should be engaged in NTT development effort, especially poverty alleviation in terms of border and territory management.

Border areas are both challenge and opportunity. They are the first line for facing people in the neighboring countries. If a country is able to manage and build its border, it will be great by having prospered people and good people-to-people contact with neighboring countries' society. However, conflict can arise when people in border area feel that the government does not build their region. The potential conflict would arise as vertical conflict—from people to its government—and/or horizontal conflict—inter-community in people-to-people contact.

As stated in Article 10 Act No. 43/2008 on National Territory, National Authority can decide how to use and manage border area, including on managing, shaping and coordinating development programme, estimating budgetary issue, and evaluating and controlling development programme in the border area. Meanwhile, the local government has the authority in operational level as stated in Act No. 32/2004 on Local Governance. Besides, the mandate for local government to manage its territory, including border area, is also stated in the Minister of Home Affairs Letter No. 412.6/2489/Sj dated 30 October 2002 regarding Poverty Alleviation Committees to Create Poverty Alleviation Strategic

Plans.

For alleviating poverty, local government can shape cooperation both in inter-local governments and with international actors. However, for shaping cooperation with international actors, it should gain approval from national government or national authority because it relates to foreign policy. Local government in Regency or city level also has an authority to shape cooperation with international actors, but it has more specific scope than the one conducted by the provincial government. All of the authority is regulated by Act No. 43/2008.

C. Previous Solution to Alleviate Poverty in NTT

The provincial government of NTT has formed Province Board on Border Management by Governor Regulation No. 28/2010 to perform three policies in poverty alleviation, i.e. (1) solving community land issues by making them have legal basis as Act on Land Issues; (2) accommodating socio-cultural aspects in solving border dispute; and (3) doing affirmative action on anything related to technology intervention factor and supports in financial capital, water, seeds, and cultivation (Partnership for Governance Reform, 2011, pp. 12–13).

In line with those policies, the provincial government of NTT also formed Local Middle Term Development Plan 2009—2013 which stated 11 priority programmes and 3 infrastructure development programmes. The priority programmes are related to (1) people with social prosperity issues; (2) agricultural expansion and intensification; (3) development of agricultural business institution; (4) development of non-agricultural industry; (5) revitalization of economic

institution; (6) improvement of society's health; (7) improvement of health services; (8) basic study obligation for 9 years; (9) non-formal education; (10) manpower quality and protection and employment opportunity; and (11) empowerment of traditional women. Meanwhile, three infrastructure development programmes are (1) building and maintaining transportation infrastructure and facilities, such as road and bridge; (2) building and maintaining electrical and mineral energy; and (3) building rural infrastructure.

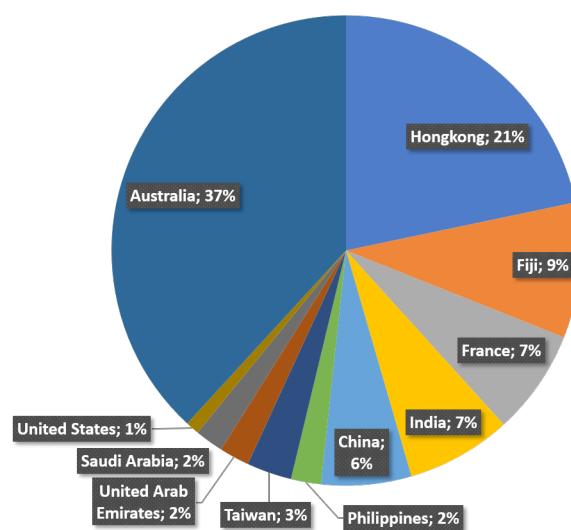
By implementing this solution, in late 2011, NTT has increased its economic growth from 5.13% to 5.76%, but it slipped to 5.42% in 2012 (Aba et al., 2015, p. 83). After 2012, the poverty rate in NTT increased, except in 2014, but it significantly grew to 22.58% in 2015 (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 227).

D. Potential of NTT

Local potential has various kinds and spreads in any sector. In this paper, there are five sectors explored to find the solution to poverty alleviation in NTT; namely demography, forestry, farming and animal husbandry, trading, and tourism. Those potential are chosen based on dominant economic activity in NTT.

1) Demography

Based on population projections, the population of NTT is approximately 5,120,061 people which consist of 2,536,872 males and 2,583,189 females. The population is concentrated in the city, especially Kupang. The highest population density is in Kupang, whereas Sumba Timur Regency is the lowest. From those numbers, 95.92% are working,



Source: UNCTAD, 2014

Figure 3. Vanuatu Sandalwood Exports (2009—2014)

so the unemployment rate is just 3.19%. As stated in Kwong and Ronna's research, NTT is lacking in human resources quality. Most of them are low educated people; 55.5% of NTT people just finished their primary or lower school, whereas just 27.05% finished their senior high school or higher education (BPS-Statistics of Nusa Tenggara Timur Province, 2016, pp. 82–83).

2) *Forestry*

In 2015, the forest area in NTT is 1,781,181.86 ha. Most of them spread in Kupang Regency, Manggarai Barat, and Sumba Timur. Their forests are able to produce 20,123.48 m³ in 2015 (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 271). The best and most impressive product of the forests in NTT is sandalwood (*Santalum album* L.). Indeed, NTT becomes the center of the world for sandalwood because its ecology supports the growth of this expensive wood. The natural habitat of sandalwood in NTT is in nine regencies, they are Kupang, Timur Tengah Selatan, Timur Tengah Utara, Belu, Sumba Barat, Sumba Timur, Manggarai, Alor, and Solor. The problem arose in sandalwood conservation was caused by the establishment of Local Government Regulation No. 16/1986 which made people stop their activities in sandalwood sector; people's perception sees sandalwood as a sector manipulated by the government, so it would inflict them (Kementerian Kehutanan Pemerintah Provinsi Nusa Tenggara Timur, 2010, p. 12).

The production of sandalwood decreased from 2014 to 2015. In 2014, the total production of sandalwood is 632.5 tons, whereas it is just 30.70 tons in 2015 (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 320). This number is still higher than Vanuatu where sandalwood is being an important plan for economic reasons; it produces 80–120 tons per year representing up to 2% of world supply (United Nations Conference on Trade and Development, 2014). However, Vanuatu has imported its sandalwood to other countries, such as United States, India, Taiwan, Philippines, Australia, and Saudi Arabia.

The potential of sandalwood markets is really huge. Australia is one of the largest contributors to the sandalwood markets. It has been the main exporters for sandalwood. Due to the declination of sandalwood production in the world, including in India—as one of the high-quality sandalwood producer countries, Australia plants sandalwood and it is estimated to be the largest global producer in 2020 with total production reaching 8,800 tons per years (Page, Tate, Bunt, Potrawiak, & Berry, 2012, p. 51).

The great potential markets should be in the eastern area and the emerging markets. However, the western market also still has high demand

because sandalwood is used for several purposes, like fragrance, toiletries, aromatherapy, and incense. Moreover, in the western lifestyle, products with natural ingredients and made by manufactured industries are preferred and they are standing as the current trend (Page et al., 2012, p. 51).

3) *Farming and Animal Husbandry*

NTT is the eastern and southern part of Indonesia. It gets Australian wind which moves to Asia and brings dry season. It makes NTT dry as causes a great problem for farming sector, especially for vegetable farms. They have lack of water for growing. Indeed, for people living there, water is in limited number, so 13% of households in NTT have to switch to unimproved water sources ("ACAPS Briefing Notes: Indonesia Drought," 2016, p. 1).

Actually, people in NTT eat maize as the main food, but they still plant paddy. Indeed, paddy production is greater than maize. Moreover, people in NTT also plant horticulture. The highest number of vegetable production is chayote, especially in Sikka, whereas for fruits, the highest volume production is the banana (BPS-Statistics of Nusa Tenggara Timur Province, 2016, pp. 269–270).

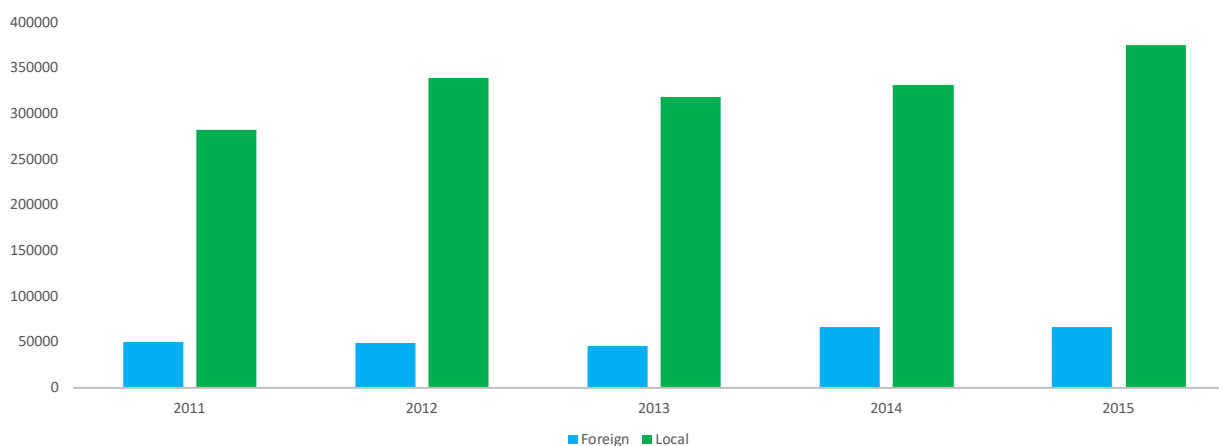
The main problem in farming is the infertile land, so the productivity is low. This is not only about land, but also the planting process and the limited technology. Seed variety like Unggul Inpari 13 has been acquainted by the government, but the supporting technology is yet to be utilized well (Priyanto & Diwyanto, 2014, p. 214). However, farming sector is still able to be developed by using dry plant and the supporting technology.

For animal husbandry, pigs are the most preferred kind of NTT people because it has a customary price, so the price is higher than cow and chicken. The animal husbandry has a function as a bank of the hoof or liquid capital which can be used when critical economic arises (Priyanto & Diwyanto, 2014, p. 216).

The problem faced in animal husbandry is the low productivity. The cow productivity is low because three main factors, i.e. the high number of birth, the high number of calves died, and the low net growth rate (Priyanto & Diwyanto, 2014, pp. 209–210). But actually, in the case of Indonesian people in other areas, they really need the cow to be consumed as food. It means a great market is ready if the cow industry in NTT could be developed well.

4) *Trading*

Trading is the main economic activity in NTT. In border areas, trading is a preferable sector to fulfill society's needs. Border markets were formed by the government in 2003 to increase income and to prevent people entering the neighboring land. Unfortunately, some markets are closed due



Source: Statistics of Nusa Tenggara Timur Province

Figure 4. Number of Foreign and Local Travelers in NTT

to some issues, especially conflict in the border area. Nowadays, trading activity is concentrated in Atambua with rice, maize, sugar, edible oil, and kerosene as the main commodity (Priyanto & Diwyanto, 2014, p. 211).

There is a cooperative called Koperasi Unit Desa (KUD) in supporting trading activity. However, we should remember that there is an institutional issue in cooperative management caused by lack of human resources and the private sector which plays a big role (Priyanto & Diwyanto, 2014, p. 218).

Unfortunately, the trading in NTT is still limited to the local market and border market. They have not reached regional market yet. It is really late with regards to the ASEAN Community 2015, which is an open market and free trade cooperation throughout ASEAN. Moreover, the sold products are still the common product with no value adding. That's why the trading sector has not been developed well.

Besides trading commodities, NTT people are also able to open service sector. They are able to access social media to reach the international market. However, it is back again to the fulfillment of education needs. To do so, the skill and educational level should be improved.

5) Tourism

As its commitment in Master Plan on Acceleration of Indonesia Economic Development, NTT will prepare itself to be the world tourism destination with 700,000 tourists in 2015; 1,200,000 tourists in 2020; and 1,700,000 tourists in 2023 (Masterplan Pariwisata Nusa Tenggara Timur 2013-2023, 2012, p. 10). Unfortunately, in 2015, the total tourists visiting NTT reaches 441,316 people which consist of 66,860 foreigners and 374,456 local tourists (BPS-Statistics of Nusa Tenggara Timur Province, 2016, p. 368). This number was higher than 2014 which was 397,543 tourists, but it was

still below the target.

The number of local tourists is significantly higher than foreigners for five years. It is predicted to happen for the next years if there is no improvement to the promotion system. But actually, the case is the Association of South East Asian Nations (ASEAN) provides a big chance for forming the ASEAN Community. If we are able to maximize NTT participation on ASEAN Community, it should be the best solution for poverty eradication efforts.

There are eight destinations that should be the best potential in developing tourism sector. They are called eight wonders, namely (1) Komodo Island, place of the scarce and protected reptile, Komodo; (2) Pink Beach in Padar Island which is close to Komodo Island; (3) Taman17 (Garden17) in Riung Island which shows beautiful beaches with white sands; (4) Danau Tiga Warna (Three Colors Lake) in Kelimutu Mount; (5) Taman Laut Maumere (Maumere Sea); (6) Nihiwatu Beach which is nominated as the 10 best and beautiful beaches in Asia; (7) Alor Dive which is the best place for diving after Caribia; and (8) Nemberalla Beach as the 2nd place for surfing after Hawaii, but still needs improvement in its facility and infrastructure (Masterplan Pariwisata Nusa Tenggara Timur 2013-2023, 2012, p. 18). Based on these potential and the prospect of tourists coming to NTT, it demands 72,800 job opportunity with professional curricula (Masterplan Pariwisata Nusa Tenggara Timur 2013-2023, 2012, p. 30).

E. Mapping and Finding Solution

Based on the data above, we could find that there are some potentials in NTT to increase people's income, but some issues are being the challenge. To optimize the impact of those potential, we should find the solution and opportunity. There are five areas of local potential that should be

Table 2.
Potential, Challenges, and Solution for Poverty in NTT

Area	Potential	Challenges	Solution
Demography	High number of productive people	Low education	<ul style="list-style-type: none"> Enforcing student to join vocational school; and Holding non-formal skill education to poor people, especially in rural areas.
Forestry	Sandalwood	Impact of the policy misapplication in New Order Era	Inviting national Investors to start sandalwood cultivation
Farming and Animal Husbandry	Cow and pig husbandry	Dry soil	Planting sorghum and other plants for dry soil, including onion.
Trading	<ul style="list-style-type: none"> Border market and service sector ASEAN Free Trade Area 	Limited in local and border market.	Joining regional markets by using social media to promote to ASEAN Countries.
Tourism	<ul style="list-style-type: none"> A unique and ethnical place which is close to Bali and Lombok ASEAN Social and Cultural Community 	Is not promoted well yet	Promote interesting place to the regional and international community.

Source: Created by the author, 2017

considered, i.e. demography, forestry, farming and animal husbandry, trading, and tourism. In Table 2 we could see how to alleviate poverty by utilizing potential and finding opportunity.

NTT has bonus demography. It has a high number of people in productive age and more than 90% people working in every sector. Nevertheless, bonus demography will not significantly give good effect to economic life, except it has the high-quality population. Better work with better payment can be achieved if there is skill and/or high education, while the low-educated people are dominating NTT workforce. This is the reason why NTT is still standing as one of the worse provinces on poverty alleviation. To solve this situation, forcing people to go to school by using law and government's authority should be a long-term process. Therefore, the most favorable and simplest choice to do is opening non-formal skill education. People would be taught in short-term about some skills. Meanwhile, the junior high school students should be pushed to join a vocational school, so even though their parents cannot send them to the university, they have the skill that could be used to make their future better.

Knowledge is also important. It can support any skill, which is needed in doing certain jobs. It is like a window to see the whole world. To increase people's capability in understanding any knowledge

to see any opportunity locally, nationally, and globally, the lessons any children get in the school should be taught. People in NTT also need it for a better life.

The government could make a good cooperation with Indonesia Mengajar, as a stakeholder and an organization which has attention to education in Indonesia. It has young teachers all over Indonesia to help people in the poor and cloistered area in order to achieve good education as equal as achieved by people who live in the city. They are not only the potentials but also the opportunity in making better Indonesia.

Moreover, there are so many people that are concerned with social issues, especially poverty and children protection. They are spread all over the world, not only in Indonesia. The problem is people who come from the outside of Indonesia will not have the attention as big as local people do. Although we can't ignore that in some cases, foreigners are more concerned than anyone who lives in its region.

There are so many movements formed by the youths. They build some program to help people in a critical area, such as in NTT. One of them is Sahabat Alor with a program called "1000 Sepatu" to support students in Alor, NTT. The attention from any element in Indonesia, especially youth, is the solution and opportunity to solve poverty in

NTT. Children and youth in NTT will be motivated to empower their potential in order to eradicate poverty.

In forestry issue, sandalwood, the expensive wood in the world, is the big potential of NTT. Unfortunately, the misapplication of policy in New Order Era which exploited sandalwood in NTT has changed people's behavior and interests, so they are not interested to conserve and develop it. Indeed, the International Union for Conservation of Natural Resources (IUCN) 1997 has included sandalwood as one of the vulnerable plants (Kementerian Kehutanan Pemerintah Provinsi Nusa Tenggara Timur, 2010, p. 2).

If we look at the potential of international markets, sandalwood from Vanuatu just fulfills 2% of supply, so Australia is predicted to produce more than current global supply. However, the needs of sandalwood will rise as fast as the changes in human lifestyle. Natural ingredients are more preferred than chemical ingredients. For example, people will choose cosmetics with natural substances rather than chemical because there are dangerous chemical substances used to skin that give contraindications, like irritation, allergy, and, in some cases, cause death.

In addition to the importance of sandalwood and its benefits, it is also about the expansion of the new markets. China is just one of the emerging markets which have been the biggest one in the world. Actually, there are the potential markets in Africa, such as South Africa. Meanwhile, Australia is a big market for sandalwood, but it has tried hard to develop its own sandalwood forests, so it is currently not a potential market. It is a competitor for Indonesia. Therefore, we need to look outside the region to find the potential market for available quality sandalwood to be produced by people in NTT.

Local government made conservation programme based on social activity to save and develop sandalwood, but it did not work. For this condition, the most applicable programme that has to be done is to build the trust of NTT people to local government by engaging them in planting a thousand sandalwoods in a project called as "1000 sandalwoods for NTT". This movement will explain to them the importance and the potential of sandalwood for the prosperity and how they can take part in it.

In farming and animal husbandry, NTT has unique potentials. Pig as the animal with custom value clearly helps people when they are in economic crisis. Some people in NTT also breed cows. The quality of NTT cow is similar to the one in Bali. Unfortunately, people in NTT choose to breed pig because of custom values. But actually, the case is most Indonesians are Moslem, so they are

prohibited to eat pork. Most Indonesians eat beef, especially in the Moslem holidays, like in Eid al-Fitr and Eid al-Adha. Moreover, to fulfill people's needs, the government imports beef which quality is the same with local beef, but with cheaper price.

Dry soil dominating NTT is a different thing. During this time, NTT people plant rice, vegetables, maize, and fruits; they do try hard although the result is almost never satisfying. Less of them try to plant things that are suitable for dry soil, such as sorghum and onion. They have good prices in the eastern markets. They can sell it to eastern Indonesia or to tourists who come to NTT.

From all of the issues in trading and tourism, a great opportunity and potentials are offered by the ASEAN Community which has been implemented since the end of 2015. By using ASEAN Free Trade Area, NTT people can use all information access to develop their local business, especially for the business opportunity as explained above. Moreover, they can utilize ASEAN Socio-Cultural Community, especially Youth Community, to attract tourists and to promote NTT. Meanwhile, in forestry, sandalwood cultivation really has a promising future. It is a really big opportunity. However, it needs government's supports by facilitating and giving a wide access to the regional market.

Tourism is the main focus on development for 2011 to 2025, as stated in Master Plan for Acceleration and Expansion of Indonesia's Economic Development, which was launched in Susilo Bambang Yudhoyono (SBY) Administration. NTT is a gateway for tourism and national food support corridor which has a justified potential on tourism, like Bali and NTB. However, tourism has never been the focus of NTT development. Therefore, it should be raised as a national priority and vision and become a concern for local government. ("Masterplan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia (MP3EI)," 2011). Unfortunately, this measure is neglected by Joko Widodo (Jokowi)'s Administration. MP3EI is reputed as an unsuitable policy towards maritime vision raised by Jokowi's Administration. It is not continued anymore although it should be done until 2025. If the local government, especially NTT government and the poorest area regency in NTT, uses MP3EI as the foundation to solve poverty issues, tourism will be developed well and NTT will have the same opportunity in reaching more benefits like Bali does. Moreover, NTT has many unique tourism destinations. Local government should consider the old policy to develop its regional potentials in terms of poverty alleviation.

IV. CONCLUSION

NTT as Indonesia's eastern province with a worse people's prosperity condition has really great

potentials that are yet to be developed and seized on. They are hiding for a long time because of the culture and the impact of the previous policy. Those potentials could be utilized in order to alleviate poverty and push people's prosperity. To alleviate poverty, there are some efforts recommended to be done; they are (1) optimizing the advantages of bonus demography by upgrading education capacity, especially in skill and/or vocational sector, and empowering the youths who are more concerned with social issues, including poverty issues; (2) inviting investors to invest in sandalwood cultivation in order to push the interest of NTT society; (3) optimizing the opportunity opened through ASEAN Community, both in trading and tourism sector; and (4) implementing MP3EI as the tool to build tourism sector.

All of the efforts suggested above will not run well without the synergy of local and national governments and local people. Moreover, there are some societies and groups who have a huge concern to people who live in NTT, their attention and aids should be a great help that must be supported. By doing all of these efforts, poverty in NTT can be alleviated phase by phase. Poverty can't be blotted out, but it is able to be eradicated and its impacts could be managed and minimized.

ACKNOWLEDGEMENT

I am expressing my gratitude to the Jurnal Bina Praja which has given me the opportunity to publish this article. I have written a paper about the same issue—poverty in NTT—for Student Competition in Slamet Riyadi University, but my thought on it has not been published widely. Also, I thank my institution to give me more space, both place and time, to deliver and to develop my writing skill and my interest in social issues. Their supports enable me to write this article.

V. REFERENCES

- Aba, F. X. L., Yussof, O. M., & Binti Mohd, S. (2015). Analysis of Economic Structure in Poverty Eradication in The Province of East Nusa Tenggara Indonesia. *Procedia-Social and Behavioral Sciences*, 211, 81–88. <http://doi.org/10.1016/j.sbspro.2015.11.013>
- ACAPS Briefing Notes: Indonesia Drought. (2016). ACAPS.
- Alvarez, S. A., Barney, J. B., & Newman, A. M. B. (2015). The Poverty Problem and the Industrialization Solution. *Asia Pacific Journal Management*, 32, 23–37. <http://doi.org/10.1007/s10490-014-9397-5>
- Andrianto, A. (2006). *The Role of District Government in Poverty Alleviation: Case Studies in Malinau and West Kutai Districts, East Kalimantan, Indonesia*. Bogor: Center for International Forestry Research. <http://doi.org/10.17528/cifor/002094>
- Badan Pusat Statistik. (2012). *Profil Kemiskinan di Indonesia September 2012*.
- BPS-Statistics of Nusa Tenggara Timur Province. (2016). *Nusa Tenggara Timur Province in Figures 2016*. Jakarta: BPS-Statistics of Nusa Tenggara Timur Province.
- Buhaerah, P. (2016). Poverty and Human Rights: New Direction in Poverty Eradication. *Jurnal Bina Praja*, 8(2), 221–230. <http://doi.org/10.21787/jbp.08.2016.221-230>
- Fritzen, S. (2002). Growth, Inequality and the Future of Poverty Reduction in Vietnam. *Journal of Asian Economics*, 13(5), 635–657. [http://doi.org/10.1016/S1049-0078\(02\)00173-2](http://doi.org/10.1016/S1049-0078(02)00173-2)
- Kementerian Kehutanan Pemerintah Provinsi Nusa Tenggara Timur. (2010). *Masterplan Pengembangan dan Pelestarian Cendana Provinsi Nusa Tenggara Timur Tahun 2010-2030*. Kupang: Kementerian Kehutanan Pemerintah Provinsi Nusa Tenggara Timur. Retrieved from <http://library.forda-mof.org/libforda/koleksi-308-masterplan-pengembangan-dan-pelestarian-cendana-provinsi-nusa-tenggara-timur-tahun-20102030.html>
- Kwong, M., & Ronnäs, P. (2011). *Employment Diagnostic Analysis: Nusa Tenggara Timur, Indonesia* (No. 95). *Employment Sector, Employment Working Paper*. Geneva: International Labour Organization. Retrieved from http://www.ilo.org/employment/Whatwedo/Publications/working-papers/WCMS_162672/lang-en/index.htm
- Law of the Republic of Indonesia Number 23 of 2014 on Regional Government, Pub. L. No. 23 (2014). Indonesia.
- Masterplan Pariwisata Nusa Tenggara Timur 2013-2023*. (2012). Kupang: Pemerintah Daerah Provinsi Nusa Tenggara Timur.
- Masterplan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia (MP3EI). (2011). Kementerian Koordinator Bidang Perekonomian & Kementerian Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional.
- Mohamed, M. Z., & Xavier, J. A. (2015). Poverty Alleviation Strategies and New Economic Model in Malaysia. *International Academic Research Journal of Economics and Finance*, 3(4), 17–31. Retrieved from <http://acrpub.com/archive.php?jid=6&archiveyear=2015&archive-month=March&archivevolumn=3&archiveissue=4>
- Olinto, P., Beegle, K., Sobrado, C., & Uematsu, H. (2013). The State of the Poor: Where Are the Poor, Where Is Extreme Poverty Harder to End,

and What Is the Current Profile of the World's Poor? *Economic Premise*, (125), 1–8. Retrieved from <https://econpapers.repec.org/article/wbkprmecp/ep125.htm>

Page, T., Tate, H., Bunt, C., Potrawiak, A., & Berry, A. (2012). *Opportunities for the Smallholder Sandalwood Industry in Vanuatu* (ACIAR Technical Reports No. 79). Canberra.

Partnership for Governance Reform. (2011). *Kebijakan Pengelolaan Kawasan Perbatasan Indonesia* (No. 2/2011). Jakarta. Retrieved from <http://www.kemitraan.or.id/policy-paper/policy-paper-no-22011-kebijakan-pengelolaan-kawasan-perbatasan>

Priyanto, D., & Diwyanto, K. (2014). Pengembangan Pertanian Wilayah Perbatasan Nusa Tenggara Timur dan Republik Demokrasi Timor Leste. *Pengembangan Inovasi Pertanian*, 7(4), 207–220. <http://doi.org/10.21082/pip.v7n4.2014.207-220>

Suryahadi, A., Suryadarma, D., & Sumarto, S. (2006).

Economic Growth and Poverty Reduction in Indonesia: The Effects of Location and Sectoral Components of Growth. SMERU Working Paper. Jakarta. Retrieved from <http://smeru.or.id/en/content/economic-growth-and-poverty-reduction-indonesiathe-effects-location-and-sectoral-components>

Taiwo, J. N., & Agwu, M. E. (2016). Problems and Prospects of Poverty Alleviation Programmes in Nigeria. *International Journal of Business and Management Review*, 4(6), 18–30. Retrieved from <http://www.eajournals.org/journals/international-journal-of-business-and-management-review-ijbmr/vol-4-issue-6-august-2016/problems-prospects-poverty-alleviation-programmes-nigeria/>

United Nations Conference on Trade and Development. (2014). Baseline Study for the National Green Export Review for Vanuatu. Port Vila: United Nations Conference on Trade and Development.