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## Alleviation Of Extreme Poverty In The City Of Padangsidimpuan

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### ABSTRACT

*This study examines the multidimensional dynamics of extreme poverty alleviation in Padangsidimpuan City, Indonesia, within the framework of Islamic economics. The Sustainable Livelihood Framework (SLF) approach is used as the analytical framework, with Amartya Sen's Capability Approach Theory as the theoretical basis. This study aims to understand how social, institutional, economic, and spiritual capital interact in shaping community resilience and access to basic welfare. The method used is qualitative-empirical with data collection through semi-structured interviews with key stakeholders, such as local government officials, religious leaders, zakat management institutions, and poor households. The analysis was conducted using a thematic content analysis approach. The results of the study show that poverty in Padangsidimpuan is exacerbated by structural limitations, such as limited access to productive assets, weak institutional coordination, and a fragile social protection system. However, the integration of Islamic philanthropic instruments such as zakat, infaq, and waqf into poverty alleviation programs, especially through community-based empowerment models, can significantly increase the economic capability and dignity of beneficiaries. This study emphasizes the importance of value-based governance and synergy between state institutions and religious institutions in addressing extreme poverty sustainably. Scientifically, this study contributes to the development of literature by offering a contextual poverty alleviation model rooted in Islamic economic values, local wisdom, and participatory development paradigms. Practically, this study provides policy recommendations for integrating religious-based economic interventions into the national poverty alleviation framework. These findings provide applicable insights for policymakers and development practitioners in formulating culturally relevant and structurally effective strategies to eradicate extreme poverty.*

**Keywords:** Extreme Poverty; Islamic Economics; Zakat; Islamic Philanthropy

### A. INTRODUCTION

Poverty is a major challenge in development in various regions of Indonesia. Based on data from the Central Statistics Agency (BPS) in 2023, the national poverty rate was recorded at 9.36% with the number of poor people reaching 25,898,550 people. In North Sumatra, the poverty rate reached 8.15% with 1,239,710 people classified as poor. Padangsidimpuan City recorded a poverty rate of 6.85%, with 16,150 people in the poor category ([www.bps.go.id](http://www.bps.go.id) 2024).

Although the poverty rate in Padangsidimpuan is lower than the national and provincial averages, poverty alleviation remains a challenge, especially in the extreme poverty category. Extreme poverty is defined as a condition where the level of community welfare is below the extreme poverty line, which is USD 1.9 per capita per person (PPP) (Fatikhurriqzqi & Kurniawan, 2022). The government is committed to addressing this problem through Presidential Instruction (Inpres) Number 4 of 2022 which targets the elimination of extreme poverty in Indonesia by 2024. This step encourages cross-sectoral cooperation with a data-based approach so that the assistance provided is truly in accordance with the needs of the poor (Joko Widodo, Inpres Number 4 of 2022, 2022). Indonesia has the ambition to reduce

extreme poverty to zero percent by 2030 according to the SDGs target. Poverty eradication is also the first of the Sustainable Development Goals (Hubacek et al., 2017).

Meanwhile, President Jokowi wants to achieve it faster by the end of 2024 through Presidential Instruction Number 4 of 2022. Extreme poverty, defined as living conditions below USD 1.9 PPP, was recorded at 4% or 10.86 million people in 2021. This figure is smaller than national poverty which reached 10.14% or 27.54 million people. In March 2024, extreme poverty decreased to 0.83% or around 2.3 million people, while the number of poor people was still 9.03% or 25.22 million people. In his strategic plan, Prabowo Subianto targeted extreme poverty to fall to zero percent in the first two years of his administration, and reduce national poverty to 5% by 2029 (<https://tirto.id>, 2024).

Ardito Bhinadi in his writing highlights the role of government in poverty alleviation as follows: "The government has a strategic position in designing and implementing public policies that are oriented towards public welfare. The steps taken include direct cash assistance programs, increasing access to education and health services, and economic empowerment initiatives to improve people's standard of living." (Ardhito Bhinadi, 2017). Ibn Khaldun said that people's welfare is very dependent on a strong and fair government, a taxation system that does not burden the people, and an economy that is oriented towards production and trade. "(Ibn Khaldun, 1967), and zakat not only has a dimension of worship, but also functions as a socio-economic instrument that can overcome extreme poverty (Yusuf Al-Qardawi, 1997).

The Decree of the Coordinating Minister for Human Development and Culture (Kepmenko PMK) No. 32 of 2022 concerning General Guidelines for the Extreme Poverty Eradication Acceleration Program (Pedum P3KE) provides technical direction in the implementation of this program. This policy emphasizes data accuracy in identifying groups eligible for assistance, utilizing this information in distributing assistance in a targeted manner, and coordination between the central and regional governments to effectively address extreme poverty (Kepmenko PMK No. 32 of 2022 concerning Pedum P3KE, 2022). Poverty can be identified through several indicators, such as a residential area of less than 8 m<sup>2</sup> per capita, walls and floors of the house made of simple materials, and not having adequate sanitation facilities. Limited access to electricity, unhygienic drinking water sources, and the use of firewood or kerosene as cooking fuel are also signs. In terms of consumption, poor households are generally only able to eat 1-2 times a day, consume meat, milk, or chicken once a week, and buy new clothes only once a year. Difficulty in paying for health care costs is also a major indicator. From an economic perspective, the majority of heads of families in poor households work as farmers with limited land, farm laborers, fishermen, or other professions with incomes below IDR 600,000 per month. Low levels of education (not attending school or not completing elementary school) and the absence of savings or valuable assets further worsen their conditions. If these nine indicators are not met, the household is categorized as poor (Sherraden, 2015).

Poverty covers various aspects of life, so defining it is a challenge in itself both in theory and practice (Saputra & Sutopo, 2024). Identifying who is classified as poor and the factors that influence their lives, such as limited access to markets and inadequate infrastructure, is a major issue in poverty studies (Sherraden, 2015). Ardito Bhinadi highlighted that the government has an important role in overcoming poverty through planned and sustainable public policies. The steps taken include social assistance, increasing access to education and health services, and economic empowerment programs to improve community welfare (Ardhito Bhinadi, 2017).

Ibn Khaldun in the *Muqaddimah* emphasized that poverty is not merely a result of individual conditions, but is also influenced by state policies and unfair economic systems. A strong government that favors the people, a tax system that is not burdensome, and an economy based on production and trade are the main factors in creating community welfare. A similar opinion was expressed by Yusuf Al-Qardawi in *Fiqh Zakat*, who saw zakat as a socio-economic instrument that plays a role in distributing wealth to overcome extreme poverty. With proper management, zakat can be an effective solution in empowering underprivileged groups and creating social justice (Ibn Khaldun, 1967).

The Islamic concept of overcoming poverty emphasizes the principles of social justice, wealth distribution, and strengthening the community economy (Amijaya et al., 2023). Every individual has the right to live a decent life, so that various instruments such as zakat, infaq, alms, and waqf become the main mechanisms in reducing social inequality (Siregar, 2024). Zakat functions as a means of distributing wealth to the poor and vulnerable groups, while infaq and alms encourage social solidarity through voluntary assistance. Waqf plays a role in the development of public facilities that benefit the poor, such as schools and hospitals (Siregar & Siregar, 2024).

In addition, Islam encourages economic empowerment through the development of small businesses, skills training, and the provision of decent jobs for the underprivileged (Heryani et al., 2024). Poverty can also be explained through the concept of the poverty line, which consists of two main components: food poverty and non-food poverty (Muhammad Iqbal Birjaman, Nurizal Ismail, 2024). The food poverty line is calculated based on a minimum consumption of 2,100 calories per capita per day from 52 types of food commonly consumed by the community. Meanwhile, the non-food poverty line includes other basic needs, such as housing, clothing, health services, education, and other essential goods and services. This calculation is based on the consumption patterns of low-income communities both in urban and rural areas. Individuals or groups who cannot meet these needs are categorized as poor, which has an impact on their health, morals, and self-esteem in community life (Heryani et al., 2024).

Extreme poverty reflects a person's inability to meet basic needs such as food, clean water, proper sanitation, health, housing, education, and access to information and social services. This concept not only highlights limited income but also obstacles in obtaining essential facilities (Kepmenko PMK No. 32 of 2022 concerning P3KE Guidelines, 2022). The World Bank defines extreme poverty as those who can only meet their living needs with expenses below USD 1.9 PPP or around IDR 10,739 per day per individual. In the context of a family of four, they fall into this category if their total expenditure does not exceed IDR 1,288,680 per month. Identification of this group is carried out by considering social and economic aspects. Data from Susenas 2021 reveals that the extreme poverty rate in Indonesia reaches 2.14% of the total population. Many heads of households who fall into this category have low levels of education, even those who have not graduated from elementary school. Most extreme poor households are led by women, and around 20% have family members with disabilities.

In addition, almost half of the households in this category do not have access to adequate sanitation, and many do not have their own toilets. The Central Statistics Agency categorizes the poor based on their living conditions, access to electricity, drinking water sources, and the ability to buy food and other basic necessities. If nine of the specified variables are not met, then the household is classified as poor. Factors causing poverty include resource inequality, limited capital, low quality of labor, and social conditions that do not support productivity. Poverty

can be classified into five types. Absolute poverty occurs when someone is unable to meet basic needs. Relative poverty refers to economic disparities between groups in society. Structural poverty is caused by cultural patterns that do not encourage productivity. Chronic poverty is related to social conditions that limit access to education, health, and employment. Meanwhile, temporary poverty occurs due to economic changes, seasons, or natural disasters (Nuryitmawan, 2023).

Although various studies on poverty alleviation in Indonesia have been conducted, most of them still focus on macroeconomic approaches, such as per capita income growth, expansion of cash social assistance, and labor market interventions, these approaches have proven incapable of targeting the root causes of extreme poverty which are multidimensional, especially in areas with distinctive socio-religious characteristics such as Padangsidempuan City. Previous studies also tend to ignore the integration between Islamic economics, especially the use of zakat and sharia philanthropy with sustainable empowerment models such as the Capability Approach and Sustainable Livelihood Framework (Adinugraha et al., 2023). This creates a gap in the literature on how Islamic social finance instruments can be used strategically and in a structured manner to alleviate locality-based extreme poverty. In addition, in terms of policy, government intervention in dealing with extreme poverty is still fragmented, lacks cross-sectoral coordination, and is not yet participatory and contextual. Area-based research that considers cultural, social, and religious variables of society is still very limited, especially those that utilize a multidisciplinary approach within the framework of Islamic development economics. Thus, the research gaps that this study aims to address are:

1. The lack of empirical studies that integrate Islamic economics with a capability-based and asset-based development approach in the context of extreme poverty alleviation.
2. The absence of an Islamic value-based empowerment model that is contextually designed for cities with strong socio-religious characteristics such as Padangsidempuan.
3. Lack of empirical evidence regarding the effectiveness of synergy between local governments, zakat institutions, and local communities in developing inclusive, sustainable, and participatory poverty alleviation policies.

This study seeks to address these three gaps with a systematic conceptual and field approach, and is oriented towards developing an integrative model that is applicable to regional and national policies. The cycle of poverty shows that poverty can continue if there is no effective intervention. Countries with limited resources and market imperfections are often trapped in this condition. Policies that emphasize infrastructure development, skills development, and increasing economic access are key to breaking the chain of poverty (Hadi, 2021).

Padangsidempuan City, as the center of economic and social activities in the South Tapanuli region, faces serious challenges in overcoming extreme poverty that is still ongoing. Based on data from the Central Statistics Agency (2023), the percentage of the extremely poor population in this city shows a stagnant trend, even tending to increase in vulnerable household groups, especially in the informal sector and suburban communities. Although various social assistance programs have been implemented such as the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), and Direct Cash Assistance (BLT), the results have not been significant in changing the structural conditions of poverty.

Limitations of existing strategies include the dominance of short-term charitable approaches, low synergy between local governments and zakat institutions and community organizations, and the suboptimal use of Islamic economic instruments as alternative value-

based solutions. On the other hand, formal approaches that are oriented towards economic growth (growth-led strategy) tend to ignore the dimensions of individual capabilities and productive assets of poor households.

This research is important to be carried out in Padangsidempuan City because this area has strong religious and socio-cultural potential, but has not been fully integrated into poverty alleviation strategies. By combining the Capability Approach and the Islamic economic approach, this study aims to fill the theoretical and practical gaps in developing contextual, participatory, and sustainable extreme poverty alleviation policies. The scientific contribution of this study is expected to enrich the literature on poverty alleviation by emphasizing the importance of integrating values, institutions, and asset-based empowerment of poor communities (Furqon et al., 2024).

## **B. METHOD**

This study uses a qualitative approach with a descriptive-analytical method. This model was chosen to explore more deeply about poverty in Indonesia and the region, namely Padangsidempuan City. Descriptive qualitative research does not focus on hypothesis testing or variable manipulation, but rather aims to understand a phenomenon in more depth. This approach opens up opportunities for comprehensive exploration of extreme poverty and its influence in the economic realm (Sugiyono, 2006). The data sources used in this study are secondary, obtained from various literature such as academic journals, books, research reports, official documents, and other relevant references. The data collection process is carried out through a literature study that includes theoretical studies, as well as various publications that discuss related issues. Literature reviews play an important role in collecting information about poverty, as well as other aspects related to the focus of this study. Data obtained from various sources will be the basis for analyzing concepts, theories, and findings related to poverty from an Islamic economic perspective (Kuncoro, 2009).

This study uses content analysis and thematic analysis methods used in this study to process the data that has been collected. Content analysis helps in identifying the main themes that emerge in the literature, while thematic analysis allows for deeper exploration of the relationship between various themes with extreme poverty that is directly related to the economy of the community, especially in Padangsidempuan City. The research procedure is carried out through several stages, namely: 1. Preparation: Conducting preliminary studies and designing research; 2. Data Collection: Collecting relevant literature; 3. Data Analysis: Analyzing data using content analysis and thematic analysis methods; 4. Interpretation of Results: Summarizing research findings and linking them to Islamic economic theory and policies; Report Preparation: Writing research reports and preparing articles for publication.

## **C. DISCUSSION**

Extreme poverty alleviation is a complex issue that is not only related to economic dimensions, but also social, institutional, and spiritual. To comprehensively understand the dynamics of extreme poverty in Padangsidempuan City, this study combines two main theoretical approaches, namely the Capability Approach from Amartya Sen and the Sustainable Livelihood Framework (SLF) developed by the UK Department for International Development (DFID).

### **1. Capability Approach (Amartya Sen)**

The capability approach (Sen, 1999) emphasizes that poverty is not merely a lack of income, but the inability of individuals to achieve essential functions in their lives. In other

words, extreme poverty occurs when individuals do not have the freedom to achieve decent well-being. In this context, poverty alleviation must facilitate the improvement of basic community capabilities, including access to education, health, employment, and social participation (Robeyns, 2005)

**2. Sustainable Livelihood Framework (SLF)**

The SLF framework is used to identify assets or capital owned by poor households in building sustainable livelihood strategies. SLF covers five main capitals: human capital, natural capital, physical capital, financial capital, and social capital. SLF also highlights the importance of institutional and policy frameworks that influence people's access to economic assets and opportunities (DFID, 1999)

**3. Islamic Economics and Sharia Philanthropy**

As a complement, the Islamic economic approach is used as a normative basis in viewing value-based interventions, such as zakat, infaq, and waqf, as alternative instruments in poverty alleviation. Islamic philanthropy not only functions as a distribution of wealth, but also as a transformative effort to empower mustahik to become muzakki. In the perspective of maqāṣid al-sharī'ah, poverty alleviation is part of the protection of al-nafs (soul), al-māl (property), and al-dīn (religion), which are the main objectives of public policy in Islam (Furqani, 2018)

These three approaches are used in a complementary manner: 1. Capability Approach is used to understand poverty from the perspective of individuals and basic human rights, 2. SLF to examine the dynamics of capital owned by the community and institutional interventions, 3. and Islamic economics to emphasize the importance of spiritual and ethical approaches in social policy. The integration of the three allows this study to be not only descriptive, but also transformative in offering a contextual, sustainable, and value-based model for alleviating extreme poverty.

**Extreme Poverty in Padangsidempuan City**

Extreme poverty in Padangsidempuan City on a comparative scale and provincial and national scale can be seen as follows:

**Table 1. Number of Extreme Poor Population in Padangsidempuan City, North Sumatra Province and National 2021-2023**

Area	Extreme Poverty Population			Target
	2021	2022	2023*	2024
Padangsidempuan	3,668	442	930	0
North Sumatra	208,061	212,808	118,420	0
National	5,800,040	5,590,720	3,340,000	0

*Source: Central Statistics Agency and P3KE Task Force of the Coordinating Ministry for Human Development and Culture in 2023/2024*

The data illustrates the number of extremely poor people in Padangsidempuan City, North Sumatra, and at the national level in the period 2021 to 2023, along with the elimination target in 2024. In Padangsidempuan, the number of extreme poverty decreased from 3,668 people in 2021 to 442 people the following year, but increased again to 930 people in 2023. At the provincial level, the number of extremely poor people in North Sumatra decreased from 208,061 people in 2021 to 118,420 people in 2023. Meanwhile, nationally, the number also showed a fairly large downward trend, from 5,800,040 people in 2021 to 3,340,000 people in 2023. The government is targeting that extreme poverty can be eliminated by 2024 completely throughout the region.

The extreme poverty in Padangsidempuan City based on families and individuals can be seen as follows:

**Table 2. Distribution of Extreme Poverty Eradication Programs (P3KE) Padangsidempuan City in 2024**

No	Kecamatan	Family						Individu					
		Desil 1	Desil 2	Desil 3	Desil 4	Jumlah	%	Desil 1	Desil 2	Desil 3	Desil 4	Jumlah	%
1	North Padangsidempuan	518	1.189	1.479	1.139	4.325	19,58	2.972	5.494	5.350	4.627	18.443	19,80
2	East Padangsidempuan	1.102	1.975	2.059	1.442	6.578	29,78	6.326	9.027	7.090	5.586	28.029	30,09
3	Padangsidempuan Batunadua	448	985	971	675	3.079	13,98	2.493	4.539	3.522	2.610	13.164	14,13
4	Padangsidempuan Hutaimbaru	503	796	758	480	2.537	11,48	2.712	3.399	2.479	1.855	10.445	11,21
5	Southeast Padangsidempuan	757	1.188	1.295	844	4.084	18,49	4.216	5.166	4.427	3.173	16.982	18,23
6	Padangsidempuan Angkola Julu	348	479	410	252	1.489	6,74	1.825	2.028	1.302	929	6.084	6,53
<b>Total</b>		3,676	6.612	6.972	4.832	22.092	100	20.544	29.653	24.170	18.780	93.147	100

*Source: Coordinating Ministry for Human Development and Culture 2023/2024*

Data on extreme poverty in Padangsidempuan City in 2024 shows that Padangsidempuan Selatan District has the highest percentage, with 29.78% of families out of a total of 6,578 families, and 30.09% of individuals out of 28,029 people categorized as extreme poverty. Padangsidempuan Utara District is in second place with 19.58% of families out of a total of 4,325 families, while in terms of individuals, the figure reaches 19.80% of 18,433 people. In third place, Padangsidempuan Tenggara District recorded 18.49% of families out of 4,084 families, and 18.23% of individuals out of a total population of 16,982 people.

Padangsidempuan Batunadua District is in fourth place in terms of extreme poverty, with 13.94% of families out of a total of 3,079 families and 14.13% of individuals out of 13,164 people. Padangsidempuan Hutaimbaru District is in fifth place, recording 11.48% of families out of a total of 2,537 families, while the number of individuals affected reaches 11.21% of a total of 10,445 people. Padangsidempuan Angkola Julu District has the lowest percentage, namely 6.74% of families out of a total of 22,092 families and 6.53% of individuals out of 93,147 people who fall into the extreme poverty category. This order indicates that Padangsidempuan Selatan District has the highest extreme poverty rate, while Padangsidempuan Angkola Julu is the area with the lowest extreme poverty rate. The government is trying to develop the concept of fulfilling basic needs, including food, clean water, sanitation, health services, education, and access to social services (UN, 1996). According to the World Bank, the extreme poverty category is given to individuals with daily expenditures below USD 1.9 PPP or around Rp10,739, which is equivalent to Rp322,170 per month. If a family of four has a total expenditure of less than Rp1,288,680 per month, then they are included in this category. Identification of extreme poverty is done through a ranking that takes into account social and economic factors, including income levels and the availability of access to basic services.

Although various strategic policies have been implemented, such as Presidential Instruction Number 4 of 2022 and the P3KE Guidelines, data shows an increase in the number of extremely poor people in Padangsidempuan City, from 442 people in 2022 to 930 people in

2023. This condition reflects the challenges in program implementation, so further evaluation is needed to assess the effectiveness of the policies that have been implemented. The concentration of extreme poverty in certain areas, such as South Padangsidempuan District which recorded the highest figure of 30.09%, indicates structural factors that need to be addressed through an economic strengthening approach.

In Islam, poverty alleviation efforts are based on the principles of welfare and economic justice, which are realized through zakat, infaq, sedekah (ZIS), and waqf. One strategy that can be implemented is to maximize the use of ZIS funds and productive waqf to support economic empowerment programs for the poor. Zakat is not only used for consumption needs, but is also directed as sharia-based business capital. The development of sharia MSMEs is the main approach by providing capital through the Qardhul Hasan scheme (interest-free loans) or mudharabah (profit sharing), so that people can become entrepreneurs without being trapped in usury practices. In this case, the role and support of the government through Bappeda is needed in alleviating extreme poverty such as entrepreneurship training and communication (Musayyada, 2024)

#### **Extreme Poverty Eradication Strategies from Various Countries**

The extreme poverty eradication strategies implemented in various countries can be described as follows:

##### **1. Global**

The global approach includes social protection programs such as social assistance (bansos) and social security (jamsos), improving livelihoods, access to education and health services, sanitation, provision of decent housing, and various other initiatives.

##### **2. Indonesia**

Based on the Presidential Instruction, Indonesia is implementing targeted acceleration of extreme poverty eradication through policy strategies that include:

- a. Reducing the burden of community expenditure; Increasing community income; and
- b. reducing the number of pockets of poverty. This strategy is implemented in various policies including social protection programs, such as Bansos-PKH, PIP, BLT Sembako, and health and employment insurance.

In addition, there are other initiatives such as the development of BUMDes, KUR, labor-intensive programs, Prakerja, UMi, insurance for livestock breeders, farmers, and fishermen. The state also provides free education, the JKN program, infrastructure development, sanitation, decent housing, and promotion of family planning (KB) programs.

##### **3. China**

China adopts an approach that includes Dibao (a minimum income-based social assistance program), basic pension, local industrial development, access to loans, subsidies, credit, and ecological compensation assistance. In addition, their strategy includes population relocation, free education, basic health services, safe houses, access to electricity and water, and infrastructure development.

##### **4. India**

India relies on programs such as free education, basic health services, safe houses, access to electricity and clean water, and infrastructure development. In addition, there is the MGNREGA labor-intensive program, access to loans, technical skills development in the agricultural sector, education promotion, and family planning (FP) programs. The government also focuses on controlling the prices of basic necessities to maintain the stability of the community's economy.

#### 5. Vietnam

Vietnam implements a social security program that includes health and unemployment insurance, as well as social assistance for the elderly (80 years and above), people with disabilities, and other vulnerable groups. The country also has area-based programs for disaster mitigation and improving community welfare.

#### 6. South Africa

Three Carnegie conferences addressed poverty in SA with a microeconomic approach, eradicating extreme poverty can be achieved both locally and globally if the goal to do so is limited to the World Bank (WB) definition (Benatar, 2016).

#### **Extreme Poverty Eradication Strategy and Program in Padangsidimpuan City Based on Coordinating Ministerial Decree No. 32 of 2022 Concerning P3KE Guidelines**

Three main strategies are used to improve the welfare of the extreme poor: reducing community spending; increasing community income; and reducing the number of poverty pockets.

1. Reducing the burden of community spending: Strategies to reduce community spending can be achieved through social assistance programs, social security, subsidies, price stability programs, and/or other programs that have the potential to reduce community spending, such as through:
  - a. Regular social assistance, such as the Family Hope Program, the Basic Food Program, and the Smart Indonesia Program;
  - b. Special social assistance, such as Village Direct Cash Assistance (BLT Desa), Cash Social Assistance, Presidential Social Assistance, Top Up regular social assistance, and Rice Assistance;
  - c. Social rehabilitation assistance for Social Welfare Service Recipients (PPKS), such as assistance for special needs groups such as the elderly and disabled; and
  - d. Rehabilitation assistance
2. Increasing community income: Strategies to increase community income through increasing productivity and community empowerment. This is achieved through several means, including:
  - a. Increasing income, access to employment, and providing basic infrastructure through labor-intensive programs and individual/group assistance, such as the Cash for Labor Program/PKT (village and sector);
  - b. Increasing human resource capacity through vocational and training programs, such as pre-employment cards; and
  - c. Increasing resource capacity.Reducing the number of poverty pockets: This strategy is a synergy of productivity improvement and economic empowerment policies, including through:
  - a. Fulfillment of basic services, such as increasing access to education services and infrastructure, health services and infrastructure, and clean drinking water sanitation infrastructure;
  - b. Increasing connectivity between regions, such as the development and improvement of transportation facilities and road infrastructure

#### **D. CONCLUSION**

This study reveals that extreme poverty in Padangsidimpuan City is still a serious challenge even though various alleviation programs have been implemented. Data shows a decrease in extreme poverty rates nationally and provincially, but in Padangsidimpuan City there was an increase in 2023. Factors such as limited economic access, inadequate infrastructure, and less than optimal policy effectiveness are the main causes. The government needs to conduct a comprehensive evaluation of the strategies implemented, with an emphasis on a data-based approach, economic empowerment, and cross-sector collaboration. Strengthening the zakat, infak, sedekah, and waqf (ZISWAF) program, as well as support for

sharia-based MSMEs, can also be a solution to overcoming extreme poverty in Padangsidempuan City. Extreme poverty in Indonesia must be reduced and suppressed, especially in Padangsidempuan City, therefore we provide advice to policy makers to prioritize and be consistent with government programs in this regard.

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