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### Research Paper

# Breaking the Poverty Cycle: Impact of Social Assistance on Intergenerational Poverty

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## Abstract

The intergenerational transmission of poverty is a structural problem in Indonesia. The transmission of poverty presents a considerable barrier to poverty eradication and requires concerted government intervention. Social assistance plays a vital role in strengthening household income, fostering better outcomes for children, and addressing the long-term transmission of poverty from one generation to the next. Despite its potential, this program also faces dependency and suboptimal utilization, which limit its impact on enhancing children's human capital. Therefore, this research seeks to examine the impacts of social assistance on intergenerational poverty. This research primarily utilizes IFLS data from 2007 to 2014 using the method of propensity score matching. The findings indicated that parents receiving social assistance had a 19.4% point decrease in the likelihood of their children experiencing poverty. The Family Hope Program (PKH), as a conditional cash transfer, has the most substantial impact on alleviating child poverty. These findings provide important lessons for designing policies to achieve the Sustainable Development Goals (SDGs), particularly Goal 1 and Goal 10.

**Keywords:** social assistance; intergenerational poverty; social welfare policy; propensity score matching.

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## 1. Introduction

Poverty is still one of the social problems in today's world, especially in developing countries. This condition is exacerbated by the issue of intergenerational poverty, which makes it difficult for children to escape the poverty trap due to the social status of their parents. Children who grow up in poor households have a high probability of experiencing poverty as adults compared to those who live in non-poor families (Zuo et al., 2023). Intergenerational transmission of poverty also occurs in Indonesia. Irwan and Moeis (2019) state that every child in Indonesia has a high chance of becoming poor as an adult if they are raised by poor parents. This is due to restricted access to education, hindering their ability to secure viable employment possibilities. Therefore, they are unable to fulfill their needs and provide a decent life for their children.

Breaking out of the cycle of intergenerational poverty requires financial investment so that children receive adequate health, nutrition, education, and other socioeconomic factors. This is also in line with the opinion of Fatimah and Kofol (2019) that reducing the chances of intergenerational poverty can be done by increasing the level of education and health of children. Enhancing children's education and health can be achieved by augmenting household income. Social assistance serves as a strategic investment in enhancing household income and ultimately contributing to improving their well-being. By increasing household income, the social assistance program plays a critical role, not only enhancing child welfare but also interrupting the transmission of intergenerational poverty. Neves et al. (2020) emphasized that with social assistance, intergenerational poverty can be reduced. Despite ongoing efforts, there remains limited clarity on which types of social programs are most effective in boosting household income and preventing poverty transmission to future generations (McInnis et al. 2023).

Social assistance programs, including the Family Hope Program, Direct Cash Transfer, and Rice for the Poor (Raskin) Program, have been implemented by the Indonesian government to address intergenerational poverty. The Family Hope Program, a conditional cash transfer initiative, targets low-income families who meet specific eligibility criteria and provides support on the condition that families comply with requirements such as sending children to school and attending health check-ups. It continues to assist a substantial number of beneficiaries beyond its initial six-year plan. According to Wediawati et al. (2021), in 2018, there were still 1.104,990 cohorts from 2007 to 2012 who were still registered as beneficiaries. This indicates that 11,05% of recipients have exceeded the recommended participation duration without advancing to the graduation phase or escaping poverty. The enduring poverty within beneficiary households signifies continual difficulties in fulfilling fundamental requirements. Financial constraints hinder educational investment for children, jeopardizing their future employment opportunities and perpetuating intergenerational poverty.

The Direct Cash Transfer program was initially proposed in 2007 as a temporary measure to reduce fuel subsidies. This seeks to prevent reliance and discourage the perpetuation of a culture of poverty (Dewi & Andrianus, 2021). However, according to Herdiana et al. (2021), the Direct Cash Transfer program has not been effective because it creates dependence on the assistance provided. Continued reliance on social assistance suggests that its positive effects are temporary and lack long-term sustainability. This implies that the ability to meet children's needs, including education, is heavily dependent on ongoing support from social aid programs. If the program stopped, the investment in children's education would also stop. As a result, social assistance is unable to have a long-term impact on children's well-being (Suarez & Cameron, 2016).

Raskin complements these programs by providing subsidized rice to poor and vulnerable households, with nationwide coverage and village-level targeting based on poverty indicators. Food remains a pressing daily need for many households, as Mustofa et al. (2023) indicate that almost 65% of the highest expenses for impoverished and vulnerable households are allocated to food purchases. However, according to Rasyid (2012), Raskin has the potential to disincentivize work because the food assistance program can be considered as an additional form of income without working, which can have an impact on reducing household income. A decline in household income may lead to disruptions in children's living conditions, with potential long-term consequences on their health, educational attainment, and emotional development. Thus, any disincentive to work may adversely affect the future well-being of children.

Several studies related to the impact of social assistance on child welfare have been conducted (Miller et al., 2010; Patel-Campillo and Salas García, 2022; Hennessy, 2023; d'Errico et al., 2020). It is

commonly presumed that child-focused social assistance programs will enhance the long-term nutritional status, health, and education of beneficiary children; however, neither conditional cash transfer programs (as seen in Brazil and Mexico) nor unconditional cash transfer programs (such as child support grants in South Africa) indicate a significant increase in children's welfare. Social assistance programmes have great potential to break the cycle of intergenerational poverty, because they can enable parents to increase investment in human capital in children, such as education (Patel-Campillo & García, 2022). Enhancing the capacity of human resources from an early age contributes to improved welfare outcomes in adulthood, thereby serving as a strategic measure to break the cycle of intergenerational poverty (Miller et al., 2010). Social assistance programmes can also help prevent children from engaging in hazardous work that can endanger their health and safety (Hennessy, 2023). Therefore, children can focus more on pursuing quality education, creating better future opportunities for themselves. d'Errico et al. (2020) also share the same opinion that social assistance programs have an impact on a person's welfare because they can increase spending. It will provide a multiplier effect on child welfare, particularly through educational investment. García et al. (2019) state that the impact of social assistance on parents also increases children's education by 20 percentage points in the short term. However, another research indicates that parents receiving social assistance do not significantly affect child welfare.

A negligible effect arises when households fail to invest in the enhancement of children's human capital while receiving social assistance, resulting in a minor influence on child welfare (Yun-li et al., 2021). Moreover, recipients' children would encounter additional external challenges throughout time that hinder their pursuit of higher education. Obstacles to achieving higher education will reduce their chances of getting a decent job with high pay and stability. It will affect the child's future welfare status. Other studies also state that cash assistance programmes do not affect children's future education and employment choices. Social assistance has only a modest impact on education and shows no significant effect on children's long-term well-being. Consequently, social assistance may prove insufficient to extricate children from poverty in the future, perpetuating their entrapment in the cycle of poverty (Araujo et al., 2018).

The negligible effect of social assistance on intergenerational poverty is also attributable to reliance on such assistance. This aligns with the theory that poverty is reinforced by environmental influences, where children in households receiving social assistance may adopt inherited patterns of behavior and expectations, especially when such aid lacks components that encourage long-term mobility (Vauhkonen et al., 2017). These findings align with Beaulieu et al. (2005), who found that parental receipt of social assistance is associated with a 0,29 percentage point increase in the likelihood that their children will also receive such assistance. Parental participation in social assistance historically has enhanced their children's likelihood of participating in social assistance.

The provision of social assistance has not succeeded in eliminating intergenerational poverty, primarily due to suboptimal allocation toward human capital development and continued household dependence on such programs. Intergenerational poverty is central to the persistent cycle of poverty and requires urgent intervention. A comprehensive understanding of how social assistance influences intergenerational poverty is essential for creating more resilient and inclusive social protection policies. Nevertheless, in Indonesia, studies on the intergenerational transmission of poverty remain limited.

The persistent and imperative challenge of intergenerational poverty is a significant obstacle to poverty alleviation. A key question is whether improving children's education and health by social assistance can help disrupt the cycle of poverty persistence. This research examines the impact of social assistance programs on child poverty outcomes. The aim is to explain the effectiveness of social assistance programs in breaking the cycle of intergenerational poverty and provide guidance for formulating current and future poverty alleviation measures.

## 2. Methods

The data used in this study are secondary panel data from the Indonesia Family Life Survey (IFLS), specifically IFLS 4 (2007) and IFLS 5 (2014). The IFLS is a nationally representative survey designed to provide an overview of household socioeconomic conditions in Indonesia. The main strength of IFLS lies in its panel structure, which allows the same families and individuals to be tracked over time. This makes

it possible to analyze intergenerational poverty dynamics by observing the socioeconomic conditions between parents and children in different periods. Additionally, IFLS collects extensive information on household participation in social assistance programs. While more recent datasets are available, they are cross-sectional and therefore cannot capture intergenerational transmission of poverty. We acknowledge that the 2007–2014 data may appear dated. However, they remain uniquely suited for studying long-term intergenerational poverty. Instead of projecting the trends forward to 2025, which would involve many assumptions and could lead to misleading results, this study focuses only on the evidence directly observed in the survey years.

The number of parent-child pairs observed in this study was 1,274 household heads and 1,518 children, spanning from the time the children lived in their parents' homes to when they formed their own households. This study sampled children who were still members of a household in IFLS 2007 but separated from their parents and formed a new household in IFLS 2014. IFLS collects data from various respondents, including individuals, households, and communities. The data used in this study are household and individual-level. The reason for using this data set is that the availability of data for poverty status and the provision of social assistance are given at the household level. Meanwhile, the socioeconomic characteristics are at the individual level, so the data at the individual level is focused on the head of the household.

We examined poverty as an inability to meet living standards. The measure of poverty widely applied in developing countries compares household income or expenditure with the poverty line. The Central Bureau of Statistics uses this method to assess the poverty rate in Indonesia. The Central Bureau of Statistics (BPS) assesses poverty under the necessities methodology. Poverty is perceived as an economic incapacity to satisfy fundamental food and non-food requirements. This incapacity is quantified by per capita household expenditure. Consequently, it can be construed that those classified as impoverished possess a monthly per capita spending below the poverty threshold. This study employs the poverty line from 2007 and 2014 across several provinces under investigation.

**Table 1.** Definition of Variables

Variables	Unit	Description/Measurement
<b>Dependent Variable</b>		
Poverty status	Dummy (0, 1)	Dummy = 1 if the household poor, dummy = 0 if not
<b>Independent Variable</b>		
Social assistance program	Dummy (0, 1)	Dummy = 1 if the household receives social assistance (at least 1 of the three social assistance), dummy = 0 if not
<b>Control Variable</b>		
Years of schooling	Years	Number of years of study completed by the head of household
Age squared	Years	The square of the age of the head of household
Gender	Dummy (0, 1)	Dummy =1 if the gender is male, dummy = 0 if female
Employment status	Categorical (0, 1, 2)	Category 0 if the individual works in the formal sector; category 1 if the individual works in the informal sector; category 2 if the individual does not work
Place of residence	Dummy (0, 1)	Dummy = 1 if the households live in urban areas, and dummy = 0 if households live in rural areas.

The study on the effects of social assistance on intergenerational poverty employs a matching methodology. This research uses propensity score matching as its methodology. Propensity score matching (PSM) integrates two methodologies: matching and propensity (Wang 2020). The fundamental concept of matching involves pairing treated subjects with controls with similar covariate values, creating matched pairs. Matching can mitigate the impact of variables, hence diminishing variability and potential bias. Consequently, Propensity Score Matching can establish quasi-randomization, enabling a direct comparison between treated and control participants.

Research models are used on non-observation data to measure the average treatment of treated (ATT) as follows.

$$T_{ATT} = E(Y|D = 1) = E[Y(1)|D = 1] - E[Y(0)|D = 1]$$

However,  $E(Y(0)|D=1)$  cannot be observed in observed data, so an appropriate surrogate is required to estimate ATT. It can be done by drawing several identification assumptions to solve the problem. For ATT, it can be seen in the following equation:

$$E[Y(1)|D=1] - E[Y(0)|D=0] = T_{ATT} + E[Y(0)|D=1] - E[Y(0)|D=0]$$

As for TATT can only be identified if

$$E[Y(0)|D=1] - E[Y(0)|D=0] = 0$$

The propensity score reflects the probability that each unit will receive treatment based on observed characteristics or covariate (Wang 2020). In the nearest-neighbourhood matching, there are no limitations placed on the relationship between control participants and treatment as long as there is a strong correlation in terms of propensity scores (Kane et al., 2020). The research model can be seen through the following equation:

$$Y_{it} = \alpha + \beta X_{ht-1} + \gamma Z'_{it} + e_{it}$$

Notes:

- i : Children
- h : Household of origin
- X : Social assistance to parents (dummy variable): benefit recipients (KPM) = 1; non-benefit recipients (non-KPM) = 0
- Y : Child poverty status (dummy variable)
- Z : Control Variable

### 3. Results and Discussions

Research by Irwan & Moeis (2019) on the intergenerational transmission of poverty in Indonesia indicates that children from disadvantaged households are more likely to encounter poverty in adulthood compared to those from affluent households. Nonetheless, both studies have neglected the variable of parental social assistance received.

This study will analyze the intergenerational poverty transmission matrix for parents who receive social assistance. Based on Table 2, it is known that households receiving social assistance consist of poor and non-poor households, so that 4 groups of parent-child pairs are measured based on their poverty status.

- a. Group 1: poor parents and poor children
- b. Group 2: poor parents and non-poor children
- c. Group 3: non-poor parents and poor children
- d. Group 4: non-poor parents and non-poor children

**Table 2.** Parent-Child Poverty Transmission

Poverty status of the child	Poverty status of parents	
	Poor (%)	Not poor (%)
Poor	12,28	7,44
Not poor	87,72	92,56
Total	100	100

Source: IFLS, reprocessed (2025)

The chart indicates that the likelihood of intergenerational poverty transfer from parents to children is low when the parents have received government-provided social assistance. This is seen from the 87,72% of impoverished parents who did not pass their poverty onto their children, resulting in the

children's non-poor status. Consequently, the provision of social support will enable parents to meet household requirements, thereby enhancing children's welfare. Nonetheless, 12,28% of children continue to live in poverty despite their parents receiving social assistance.

**Table 3.** Impact of Social Assistance on Child Poverty Status by Propensity Score Matching (PSM)

Dep. Var.: Child Poverty Status	PSM (1)	PSM (2)	PSM (3)	PSM (4)	PSM (5)	PSM (6)	PSM (7)
Social Assistance to Parents (1 = recipient; 0 = non-recipient)	-0,185*** (0,039)	-0,207*** (0,039)	-0,188*** (0,032)	-0,215*** (0,033)	-0,205*** (0,034)	-0,194*** (0,039)	-0,212*** (0,047)
<b>Control Variables</b>							
Parental poverty status	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Years of education of parents and children	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Age of parent and child	No	Yes	Yes	Yes	Yes	Yes	Yes
Household size of parents and children	No	No	Yes	Yes	Yes	Yes	Yes
Employment status of parents and children	No	No	No	Yes	Yes	Yes	Yes
Regional status of parents and children	No	No	No	No	Yes	Yes	Yes
Gender of parent and child	No	No	No	No	No	Yes	Yes
Observations	1.518	1.518	1.518	1.518	1.518	1.518	583

**Notes:** The probability values are given in the parentheses \*\*\* significance at the 1% level, respectively. Dependent variable is child poverty status (dummy variable) and the independent variable is parental social assistance participation (dummy variable).

Table 3 illustrates the estimation findings of the primary model with Propensity Score Matching-Nearest Neighbourhood, which reveals consistently negative impact estimates statistically significant at the 1% level in equations (1) to (6). The primary estimation result in equation (6) indicates that social assistance supplied to parents will reduce the risk of their children experiencing poverty by 19,4 percentage points. Additionally, in the model provided in equation (7) concerning solely to poor parents, the findings indicate that impoverished parents receiving social assistance will reduce the likelihood of their children experiencing poverty by 21,2 percentage points. This indicates that social assistance may serve as a strategy for reducing intergenerational poverty. Offering social assistance to parents can enable these households to fulfil their needs, hence facilitating enough access to enhance the quality of human capital in children. These results also confirm that social assistance policies can effectively disrupt the intergenerational cycle of poverty, particularly by providing targeted support to families with economically disadvantaged children.

Upon closer examination, the three social assistance programs have differing impacts due to their distinct designs. Consequently, it is essential to analyze additional studies about the impact of each social assistance program on children's poverty status. By examining the disparities in the impacts of the three social assistance programs, we can determine which program is more effective in alleviating intergenerational poverty.

**Table 4.** Impact of Specific Social Assistance Programs on Child Poverty Status

	Family Hope Program	Cash Transfer Program	Raskin Program
Parental social assistance participation	-0,157*** (0,060)	-0,051** (0,023)	-0,065*** (0,021)
Observation	1.518	1.518	1.518

**Notes:** The probability values are given in the parentheses \*\* and \*\*\* significance at the 5% and 1% levels, respectively. The dependent variable is child poverty status (dummy variable), and the independent variable is parental social assistance participation (dummy variable).

Table 4 indicates that the Family Hope Program has the most significant effect on alleviating child poverty. At a significance level of 1%, parents participating in the Family Hope Program will reduce the likelihood of their children experiencing poverty by 15,7 percentage points. The presence of specific conditions or criteria that recipients must fulfil to receive social assistance promotes the enhancement of human capital in children, hence improving their welfare in adulthood. Several previous studies support this finding, suggesting that conditional cash transfers can improve children's well-being by enhancing their access to education, healthcare, and future participation in the labour market (Kugler et al., 2018; Beuermann and Pecha 2020).

Raskin has an impact on reducing the intergenerational poverty probability by 6,5 percentage points. This is because with the presence of the Raskin, households can meet their food needs, thereby fulfilling the daily caloric requirements of children. Fulfilling children's daily caloric needs can improve children's health, which can affect their welfare status in the future. Although the impact chain of the Raskin program is quite long, it does have an effect on children's welfare. Arif et al. (2010) stated that the Raskin program enabled them to save on rice expenditures, hence allowing funds to be redirected towards other necessities, such as children's educational requirements. Consequently, social protection for food security not only addresses nutritional requirements but also facilitates poverty alleviation. Nevertheless, the impact of the Raskin program on children's poverty status is less significant than the Family Hope Program

The total benefits gained by recipients of the Raskin scheme were small. This discrepancy arises from the quantity of rice received and the price paid, which does not comply with the Raskin criteria. Recipients occasionally paid a price for rice that exceeded the normal rate. As to Minister of Finance Regulation No. 117/2007, the head of an impoverished household is entitled to receive a maximum of 10 kg of rice monthly or may purchase it for Rp1,000 at the distribution centre. Concurrently, the average cost of rice per kilogram acquired via the Raskin scheme is Rp1.735. Thus, the government is transforming the Raskin food security project into the Sembako Program to improve efficiency, accuracy, and effectiveness in the provision of non-cash food assistance to the community.

The Direct Cash Transfer Program has a nearly equivalent projected effect on children's poverty status as Raskin. At a significance level of 1%, the impact of Direct Cash Transfer on parents resulted in a 5,1 percentage point reduction in the likelihood of their children experiencing poverty. This suggests that the Direct Cash Transfer program may serve as a viable solution to the problem of intergenerational poverty. Nonetheless, the Direct Cash Transfer Program has the low impact on altering children's poverty situation. Wafik and Putra (2023) stated that the Direct Cash Transfer program funds received by households have not been able to increase the consumption of program beneficiary households because the amount of benefits provided is not enough to meet the consumption needs of beneficiary households, especially to improve their children's human capital.

The results indicate that the Family Hope Program significantly impacts the prevention of the intergenerational cycle of poverty. The Family Hope Program, as a conditional cash transfer initiative, aims to enhance investment in education. Education is crucial for enhancing the quality of human resources, ultimately aiming to elevate individual productivity and wealth. Certain researches indicate that conditional cash transfer systems enhance children's schooling (Awaworyi Churchill et al. 2021; Cahyadi et al., 2020).

**Table 5.** Impact Analysis of the Social Assistance Program on Years of Schooling

	Family Hope Program	Cash Transfer Program	Raskin Program
Parental social assistance participation	1,749**	0,148**	0,161
	(0,786)	(0,072)	(0,122)
Observation	1.518	1.518	1.518



**Notes:** The probability values are given in the parentheses \*\* significance at the 5% levels, respectively. Dependent variable is years of schooling children, and the independent variable is parental social assistance participation (dummy variable).

The Family Hope Program can extend children's school years by 1,7 years. The promotion of heightened investment in education results in the prolongation of children's academic tenure. The 2021 Family Hope Program Guidelines provide that child beneficiaries are required to attend a minimum of 85% of effective learning days to participate in learning activities. An enhancement in school attendance is anticipated to correlate with improved academic performance in children, subsequently influencing their prospects of securing gainful employment in the future. This findings is in line with (Cahyadi et al., 2020), who found that the conditional cash transfer program has been highly effective in reducing the number of out-of-school children in the targeted age group, especially among those aged 13–15, where non-enrollment is a significant issue. The Family Hope Program continues to be successful in encouraging the targeted population to engage in desired and educational behaviors. García et al. (2019) also state that children who receive social assistance are 20 percentage points more likely to pursue higher education, which gives them hope for the future.

The Direct Cash Transfer program has a significant impact on children's educational duration, increasing it by 0,148 years; however, this effect is small, and the Raskin program had no significant impact on children's educational outcomes. This suggests that beneficiaries of Direct Cash Transfer and Raskin lack the incentive to invest in their children's education. Sabates et al. (2019) emphasize that social assistance programs without explicit incentives or disincentives related to children's schooling generally show limited effectiveness in improving educational outcomes.

Indonesia has varied geographic and socioeconomic circumstances lead to regional differences in the effects of social assistance programs, which could lead to unequal benefits. Alcantara et al. (2023) state that programs aimed at reducing poverty cannot employ a standard approach. Therefore, research that differentiates between rural and urban areas is necessary to determine the impacts of social assistance programs in reducing intergenerational poverty.

**Table 6.** Impact of Social Assistance Programs on Urban and Rural Areas

Dependent variable: child poverty status	Urban Areas	Rural Areas
Family Hope Program	-0,275** (0,019)	-0,088 (0,085)
Direct Cash Transfer Program	-0,027* (0,035)	-0,011 (0,038)
Raskin Program	-0,021 (0,052)	-0,060* (0,033)
Observations	811	707

**Notes:** The probability values are given in the parentheses \* dan \*\* significance at the 10% and 5% levels, respectively. The dependent variable is child poverty status (dummy variable), and the independent variable is parental social assistance participation (dummy variable).

The table indicates that the Family Hope Program exerts a substantial impact in urban areas. Parents receiving the Family Hope Program will experience a 27,5 percentage point reduction in the likelihood of their children falling into poverty. The substantial effect arises from urban regions possessing sufficient infrastructure and convenient access to resources, particularly healthcare and educational services. Thus, recipients might enhance the support received to augment investment in education, health, or other sectors. This parallels the study by Behrman et al. (2012), which asserts that the impact of conditional social assistance varies across rural and urban regions owing to disparities in access to educational institutions, healthcare services, and employment prospects. Consequently, the impact of the conditional cash transfer program is more pronounced in urban areas.

Raskin has a significant impact on the probability of child poverty in both urban and rural areas, reducing it by 2,7 percentage points in urban areas and 1,1 percentage points in rural areas. The less significant impact in rural areas is because rural households can rely on their own agricultural production, especially for staple foods like rice. On the other hand, urban households are more reliant on mechanisms



to meet their food needs because they usually do not have access to agricultural land. Thus, Raskin's subsidized rice directly lessens their burden of food expenses. The fluctuating market prices of rice in urban areas make the Raskin program, as a rice subsidy initiative, more beneficial for urban households. Meanwhile, the Direct Cash Assistance program has a significant impact in rural areas, where children of parents who receive the Direct Cash Transfer have a 6,0 percentage point lower probability of being poor. The assistance provided through the Direct Cash Transfer program helps rural households meet their basic needs, thereby contributing to improving child welfare. This is closely related to the lower cost of living in rural areas than in urban areas. In urban areas, the cost of living is higher, so the Direct Cash Transfer is often insufficient to meet household needs. This finding aligns with [Cuesta & Danquah \(2022\)](#) assertion that adequate fiscal resources are essential for social assistance aimed at alleviating urban poverty. Without adequate social assistance benefit levels, urban-targeted social assistance programs risk being under-resourced and ineffective, potentially resulting in limited coverage or benefit levels that fail to meet households' basic needs.

### Robustness Test

Robustness testing plays an important role in empirical research, helping to confirm whether the results remain consistent when different methods or assumptions are used. In this study, we use robustness checks to strengthen the credibility of our findings and to see whether the conclusions still hold under various analytical conditions. To do this, we apply two approaches: Ordinary Least Squares (OLS) and Propensity Score Matching (PSM), using both kernel and nearest neighbor algorithms. By comparing the outcomes from OLS and PSM, we can better understand how well the model addresses potential biases.

**Table 7.** Robustness Test Results Using OLS and PSM Methods

	Dependent Variable: Child Poverty Status		
	OLS	Propensity Score Matching	
		Kernel	Nearest Neighbor
Social assistance to Parents (1 = recipient; 0 = non recipient)	-0,083*** (0,014)	-0,180*** (0,039)	-0,194*** (0,039)
Observations	1.518	1.518	1.518

The estimation results in Table 7 indicate that the application of the OLS approach produces coefficients that significantly underestimate the effect of parental social support on child poverty, specifically by around 8,3 percentage points. Conversely, the coefficient values in the other two models employing the matching method exhibit stability, demonstrating a positive and statistically significant effect at the 1% level. Using Propensity Score Matching, both the Kernel and Nearest Neighbor methods show that parental social support has a consistent effect, ranging from 18,0 to 19,4 percentage points. The results from the main method (Propensity Score Matching-Nearest Neighborhood) model also appear stable, suggesting that the estimates are robust. This supports the idea that the method helps reduce potential bias that might occur with OLS.

### Conclusion

This study suggests that providing social assistance to parents may help reduce the likelihood of children experiencing poverty, although the magnitude of its impact can vary across programs, regions, and household contexts. The results indicate that giving parents social assistance lowers the chance of their children being poor by 19,4 percent. This finding suggests that social assistance programs for parents could be a solution to help break the intergenerational poverty in Indonesia. These programs not only help with immediate household needs but also potentially create conditions supportive of children's well-being, including health and education.

The Family Hope Program is the most impactful social assistance in alleviating intergenerational poverty compared to the other two programs. The implementation of the Family Hope Program for parents resulted in a 15,7 percentage point reduction in the likelihood of children experiencing poverty. The Family Hope Program is a conditional social assistance initiative designed to enhance the quality of human capital in children among beneficiaries. Enhancing the quality of human capital in children occurs through education and health, hence diminishing the likelihood of their impoverishment. Education is a primary determinant in the reduction of poverty. The Family Hope Program resulted in an increase of 1,7 years in the average length of education for children. Meanwhile, both the Raskin and the Direct Cash Transfer Program have less significant impacts in mitigating intergenerational poverty compared to the Family Hope Program. One important limitation of these interventions is that their impact on the quality of human capital among the children benefiting from them is indirect. The Raskin program is primarily designed to improve food security for recipient households, while the Direct Cash Transfer program provides vulnerable families with additional resources to meet their basic needs. Yet, the impact of these social assistance programs on child poverty is not significant. It differs significantly between rural and urban areas, reflecting the distinct economic conditions and opportunities available in each setting. The Family Hope Program demonstrates a significant impact on breaking intergenerational poverty in urban areas, as it is supported by adequate health and education facilities, which are critical determinants of child well-being in urban settings. Meanwhile, the Direct Cash Transfer program is more significant in reducing child poverty in rural. This is because the cost of living in rural areas is lower, so the assistance provided through the Direct Cash Transfer can help rural household meet their basic living needs. The rural-urban disparity necessitates the development of social assistance programs that are customized to the distinct socioeconomic and infrastructural attributes of each area, ensuring that policy interventions are contextually relevant and optimize their effectiveness in alleviating child poverty. This research emphasizes that program efficacy is contingent upon the socioeconomic environment and regional infrastructure, highlighting the necessity for contextually tailored program design.

Based on these findings, we propose three policy implications. First, the government should strengthen social assistance programs to enhance their impact and targeting accuracy. The Family Hope Program, as a conditional cash transfer program, must be maintained as a key strategy in addressing intergenerational poverty. The Family Hope Program could be further strengthened by incorporating educational criteria that recognize both academic and non-academic achievements, ensuring that beneficiary children acquire the skills needed to improve their future employment prospects. Second, social assistance programs should be augmented to incorporate skills guidance and training tailored for youth, assuring compatibility with the changing requirements of the job market. Third, the payments allocated through social assistance must be calibrated to the socioeconomic attributes of recipient households, taking into account aspects beyond mere poverty status, including regional disparities (rural versus urban), household composition, employment status, and educational attainment.

### Limitations

There are several constraints in this research. First, the data used were collected more than a decade ago through the Indonesia Family Life Survey (IFLS), which, despite its highly comprehensive longitudinal coverage, raises concerns about timeliness. Nevertheless, the objective of this study, analyzing the impact of social assistance programs on intergenerational poverty, remains relevant. However, since then, key social assistance programs such as the Family Hope Program, the Rice for the Poor (Raskin) program, and the Direct Cash Assistance program have undergone substantial revisions, indicating the need for future studies that utilize more updated data. Moreover, the Family Hope Program was initially launched in only seven provinces as a pilot conditional cash transfer initiative in 2007, which may have limited the generalizability of findings to the national context at that time. Finally, this study's child sample does not account for age differences but rather focuses only on the child's relationship to the household head, which may restrict the depth of the analysis.

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## Appendix

### Summary Statistics

Variable	Social Assistance Recipients				Non Social Assistance Recipients			
	Obs	Mean	Min	Max	Obs	Mean	Min	Max
<b>Original Household: Parents in 2007</b>								
Poverty status	935	0,540107	0	1	583	0,1337907	0	1
Age of household head	935	59,2385	37	100	583	58,76501	36	89
Years of education (household head)	935	5,036364	0	18	583	8,234991	0	18
Household size	935	7,857754	2	19	583	7,38422	3	21
Gender of household head (1=male)	935	0,9069519	0	1	583	0,948542	0	1
Employment status of household head	935	0,9860963	0	2	583	0,8610635	0	2
Place of residence	935	0,3283422	0	1	583	0,5780446	0	1
<b>Split Household: Children in 2014</b>								
Poverty status	935	0,115508	0	1	583	0,1783877	0	1
Age of household head	935	27,18396	11	52	583	27,23156	12	55
Years of education (household head)	935	9,547594	0	18	583	11,42196	0	18
Household size	935	2,397861	1	9	583	2,379074	1	9
Gender of household head (1=male)	935	0,7679144	0	1	583	0,7735849	0	1
Employment status of household head	935	0,7764706	0	2	583	0,8027444	0	2
Place of residence	935	0,6491979	0	1	583	0,7855918	0	1

## Poverty Line in Indonesia

Province	Province Code	Poverty Line 2007		Poverty Line 2014	
		Rural	Urban	Rural	Urban
Aceh	11	218.143	233.293	369.232	396.939
North Sumatra	12	178.132	187.482	312.493	349.372
West Sumatra	13	180.669	181.602	349.824	390.862
Riau	14	214.034	210.882	374.466	386.606
Jambi	15	172.349	161.089	302.162	390.931
South Sumatra	16	178.209	171.539	285.791	346.238
Bengkulu	17	170.802	193.546	346.395	378.881
Lampung	18	157.052	175.910	307.818	350.024
Bangka Belitung	19	235.279	234.580	481.226	458.055
Riau Islands	21	248.241	275.039	431.127	399.063
Jakarta	31		266.874		459.560
West Java	32	165.734	192.173	285.076	294.700
Central Java	33	154.111	177.946	277.802	286.014
Yogyakarta	34	184.965	249.318	296.429	333.561
East Java	35	153.145	192.458	286.798	293.391
Banten	36	169.485	208.495	296.241	324.902
Bali	51	165.954	220.728	279.140	316.235
West Nusa Tenggara	52	150.026	141.188	285.205	315.470
East Nusa Tenggara	53	126.389	169.511	251.040	340.459
West Kalimantan	61	142.529	167.170	294.044	307.789
Central Kalimantan	62	162.266	164.665	338.130	316.683
South Kalimantan	63	161.514	156.670	313.954	336.782
East Kalimantan	64	220.368	220.215	420.427	459.004
North Sulawesi	71	156.550	183.376	264.321	269.212
Central Sulawesi	72	154.006	185.191	321.009	349.978
South Sulawesi	73	126.623	128.240	219.109	246.416
Southeast Sulawesi	74	142.103	127.197	238.745	254.015
Gorontalo	75	138.181	175.545	246.290	250.157
West Sulawesi	76	147.186	165.808	246.695	245.959
Maluku	81	179.552	160.798	355.478	369.738
Irian Jaya	82	202.379	454.145	423.701	440.241