The Role Of Society Power In Reducing Poverty

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Abstract

The purpose of this study is to analyze the role of the society in reducing poverty, especially from perspective social exclusion, diversity and social capital. This study uses data of 6,523 households from all regencies/cities in Bangka Belitung Islands province, Indonesia, which collected in February 2017. Then, binary logistic regression is used for hypothesis testing and data analysis.

The result shows that diversity is a strength for Bangka Belitung community. There is no discrimination or social exclusion, even a high tolerance and cooperation created social inclusion. It means that, all groups of society have equal opportunity to contribute in development and take a benefit from the development itself, even when local development is not as their expectation. The poor has a greater chance to improve their life, so that poverty can be reduced.

Sex of the head of the household is not related to poverty, but indirectly through mediation of tolerance and cooperation, in which the women's ability in tolerating and cooperating is still lower. The study also revealed that young and single individuals have higher level of tolerance. This condition can be a positive signal, due to future generations are predicted to be more tolerant. Thus, this will be a great opportunity that can be utilized by the local government to plan development programs for poverty reduction in Bangka Belitung Islands Province.

Keywords: Poverty, Diversity, Social Exclusion, Social Inclusion, Tolerance.

Introduction

The literature of poverty revealed various poverty theories which is produce different intervention strategy (Bradshaw, 2006). One theory that is widely used in studying poverty is poverty caused by individual deficiencies, in which the theory focuses on individuals as those responsible for their poverty (Bradshaw, 2006), or the characteristics of households and individuals are the cause of poverty (Haughton and Khandker, 2009). Individualism puts more emphasis on individual responsibility in obtaining basic needs including food, shelter and health care (Rank, 2004). As a result, poor people are the ones who are blamed for creating their own problems, which should be avoided with hard work and better choices. (Bradshaw, 2006).

The various theories about poverty, shows that the cause of poverty is not only from individual deficiencies. The other factor that has a role in reducing poverty is the characteristic of a community (Haughton and Khandker, 2009), which includes the causes of poverty proposed by Bradshaw (2006) namely the cultural belief system and social distortions or discriminant.

At the community level, several studies (Phillips, Miranti, Vidyattama and Cassells, 2013; the World Bank, 2011; Asia Development Bank, 2012; the World Health Organization, 2010; Whelan and Maître, 2010, Department for International Development, 2005) focus to social exclusion as the cause of poverty. Social exclusion describes a process by which certain groups are systematically disadvantaged because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live. Discrimination occurs in public institutions, as well as social institutions like the household (Department for International Development, 2005: 3).

Characteristic differences between individuals within a community can lead to social exclusion of individuals or households. Social exclusion is necessary to get attention, because it is not only the cause of poverty, but also the impact of poverty itself. Therefore, if there is no external intervention, the mutual relationship between social exclusion and poverty will lead to poor households or individuals to stuck in worsening conditions. Social exclusion can be avoided by tolerance and willingness to cooperate among individuals in the community. Tolerance and cooperation are elements of social capital, which are also factors of concern to some researchers to reduce poverty (Haughton and Khandker, 2009).

Bangka Belitung is one of the provinces with low poverty level in Indonesia, even much lower than national poverty level. In the second half of 2017 the percentage of poor people in Bangka Belitung was ranked the fourth lowest in Indonesia at 5.3%, while the percentage of poor people in Indonesia was 10.12% (BPS, 2018). However, some macroeconomic indicators of the Bangka Belitung show relatively no better conditions than other provinces in Indonesia, such as: economic growth only 4.11% in 2016 (Indonesia 5.02%); income per capita IDR 46,457,430 (Indonesia = IDR 47,957,400); Human Development Index 69.55 (Indonesia 70.18) (BPS, 2018). This condition raises the question, why there is an anomaly relationship between macro indicators and poverty level in Bangka Belitung.

Haughton and Khandker (2009) suggest, besides individual and community characteristics, poverty is also due to regional characteristics. The macro indicators mentioned above can be viewed as the cause of poverty at the regional level. However, conditions in Bangka Belitung show that although macro indicators are relatively poor, it does not cause poverty to be large. Therefore, this study will only focus on the causes of poverty at community and household or individuals level.

Indonesia, including Bangka Belitung, has a population with diverse ethnic, religious and ethnic groups. The diversity has potential for discrimination, which can lead to social exclusion, and then lead to poverty. Social Identity Theory explains that cultural homogeneity can increase the level of satisfaction and cooperation, and reduce emotional conflict (Williams and O'Reilly, 1998), because individuals have a tendency to communicate more frequently, and shared attachments and perceptions (Earley and Mosakowski, 2000), have no significant cultural barriers to social relationships, positive social relationship, and social contacts in groups can be built (Blau, 1977). Therefore, as Pelled, et al (1999) states, diversity is associated with negative performance.

However, there are some previous studies that reveal the opposite to researchers suggestion mentioned above, that the diversity in the working group can improve its effectiveness and improve performance (Cox et al., 1991), resulting in better financial performance and innovation (Nelson, 2014), sales revenue, customer numbers, markets, and greater profits (Herring, 2009). Thus, diversity is a valuable potential if it is well managed and integrated, especially if tolerance and cooperation between individuals are embedded in society, so that individu of different backgrounds can engage in various social activities or called social inclusion.

Based on the above description, then the question arises whether social exclusion or social inclusion in society depends on the attitude of the community towards diversity. The attitude of community to diversity can be shown through the attitude of tolerance and willingness to cooperate, both of which are elements of social capital. Meanwhile, people can be tolerant and willing to cooporate depends on the characteristics of the individual. Thus, the purpose of this research are studying the relationship between household and individuals characteristics and social capital, studying the determinants of poverty in Bangka Belitung based on household and individual characteristics, diversity, tolerance and cooperation, and studying the indirect effect of household and individuals characteristics on poverty through tolerance and cooperation as mediation variable.

Study of literature

Poverty

Poverty can be defined as a pronounced deprivation in wellbeing (Haughton and Khandker, 2009) or it may be stated as lack of necessities (Blank, 2003). Both definitions seem simple, but actually have a very broad meaning. A person who is hungry, homeless, unable to go to a doctor, unable to go to school, or has no freedom, can be declared poor. The broad scope and meaning of this definition creates problems in determining whether a person is poor or not poor in quantitative terms. On the other hand, needs are relative, which are not same between individuals or groups, as stated by Sen (1999) that needs may be relative to what is possible and is based on social definition and past experience.

The objective definition of poverty is usually a statistical measure which is set by the government as the minimum annual income that is families need to survive, known as the poverty line (Blank, 2003). So, the poor are those who do not have enough income or consumption to place them above a reasonable minimum threshold (Haughton and Khandker, 2009). Atkinson and Marlier (2010) stated that poverty is the lack of economic resources.

The Indonesian government, represented by BPS, uses the definition of poverty as an individual's economic disability to meet the basic needs of food and non-food as measured by expenditure. Determination of a household or individual is poor or not through 3 important stages as also proposed by Ravallion (1992) and Deaton (1997), namely (a) choosing a welfare indicator, i.e. food and non-food consumption, (b) set a poverty line, equivalent to 2100 kilo calories per capita per day, and (c) aggregating poverty data.

Diversity

A group is diverse if it consists of members who have different characteristics based on social identity (O'Reilly, Williams, and Barsade, 1998). On the one side, diversity is associated with negative performance results (Pelled, et al, 1999), but on the other hand, diversity within the working group can improve effectiveness and performance (Cox, et al, 1991), profit (Herring, 2009), innovation (Nelson, 2014), and creativity (Morgan, 1989).

Herring (2009) stated that the advantage of diversity is due to: (1) multicultural organizations having an advantage in attracting and retaining the best talent; (2) multicultural organizations are better suited to serving diverse external clients in an increasingly global market; (3) the ethnically generated talent base is wider in size so as to be an invaluable advantage; (4) multicultural organizations are better on solving problems, as they tend to display many perspectives and interpretations in dealing with complex issues: (5) multicultural organizations tend to be more flexible, and more adaptable to change.

Social Exclusion vs Social Inclusion

Social exclusion is defined as the political, economic and societal processes, which prevents their full participation in the society in which they live (Atkinson and Marlier, 2010: 1). Social exclusion results from discrimination within a group or community, as the Department for International Development (2005: 3) states that social exclusion describes a process by which they are discriminated against on the basis of their ethnicity, race , religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live. Discrimination occurs in public institutions, as well as legal institutions like the household. Thus, discrimination can lead to social exclusion and create barriers to social mobility, hampering people's ability to participate in economic opportunities and get benefit and contribute to economic growth (Klasen and Woolard 1999).

Based on the definition, it can be said that social exclusion ignores the rights and closes the opportunity of some people to participate in one or many fields, so that the potential is not used optimally. This condition causes the poor will find difficulty to improve their living conditions. Sen (1999) states that poverty as consisting of a "deprivation of capabilities," so that the poor have inadequate resources (financial, informational, and so on) to participate fully in society; in short, they are socially excluded. So, even though the economy may grow and general income levels may rise, excluded people are likely to be left behind, and make up an increasing proportion of those who remain in poverty (Department for International Development, 2005).

The opposite of social exclusion is social inclusion, like two sides of a coin. Social inclusion may refer to a process encouraging social interaction between people with different socially relevant attributes or an impersonal institutional mechanism of opening up access to participation in all spheres of social life (Silver, 2015). Thus, social inclusion can give opportunities for the poor to increase income and welfare, in line with economic growth.

Poverty is an important cause of social exclusion. Therefore, combating poverty and social exclusion through a process of social inclusion is intended to create a "society for all" (Atkinson and Marlier, 2010: 1). Social inclusion which encompasses economic and political participation is inherently part of the solution to poverty. The process of social development, the "features of social organization, such as networks, norms, and social trusts that facilitate coordination and cooperation for mutual benefit" (Putnam 1995: 67).

Social Capital

Research on poverty, recently, there has been more emphasis on the importance of social networks and institutions, and social capital. Social capital, in its broadest sense, refers to the internal social and cultural coherence of society, the trust, norms and values that govern interactions among people and the networks and institutions in which they are embedded (Parts, 2009). Johannes (2009) argue that social capital refers to the quality of human relationship and the opportunities that emanate from them that could be of benefit to the population concerned. It is generally interpreted as the degree of trust, co-operative norms and networks and associations within a society. While Haughton and Khandker (2009) mentions that social capital is a person's ability to be cooperative, tolerance, avoid conflict and its kind. This ability makes it easy for people to interact within the community, including understanding the values and norms prevailing in society, so as to create mutually beneficial cooperation.

Collier (1998) argue that social capital is usually characterized by a triple involvement with externalities. First, the initiation of social interaction always involves an externality. Secondly, the social interaction has an economic effect which is not mediated through the market. Thirdly, usually, this economic effect is not the primary purpose of the social interaction but is incidental or even unintended. Therefore, social interaction and trust are two factors that generate social capital. Coleman (1988) and Putnam (1993) argue that social capital as a "stock" of trust and an emotional attachment to a group or community. Meanwhile, World Bank (1998) stated that social capital is not just the sum of the institutions which underpin a community but more of the glue that holds them together.

Johannes (2009), in his research indicated a strong and positive correlation between social capital and household welfare: households with high social capital have higher expenditure per capita and thus are less likely to be poor. Therefore, acknowledges social capital as a useful tool for poverty reduction (World Bank, 1998).

Narayan and Pritchett (1999) in rural Tanzania, find that village-level social capital raises household incomes. Meanwhile, Maluccio et al. (2000) find positive and significant effects of social capital on household welfare in South Africa. Adeyeye (2004) provides results of the impact of village level social capital on poverty in the south western part of Nigeria. Easterly and Levine (1997) using ethnic heterogeneity measured by ethnolinguistic diversity find that per capita output growth is negatively associated with ethnolinguistic heterogeneity.

Determinant of Poverty at Individual level

The causes of poverty can be divided based on regional, community, household and individual characteristics. At the regional level, in general, high poverty in isolated areas, low resources, low rainfall and unfriendly climatic conditions. At the community level the main indicators of poverty are infrastructure, human resource development, access to employment, social mobility, and land distribution. While at the household and individual level, demographic, economic and social characteristics are the causes of poverty (Haughton and Khandker, 2009).

Reseach conducted by Albert and Collado (2004) in Philippines reveals that highest education level of household head, marital status of household head, household head sex, and household head age (as individual level) have impact on poverty. Meanwhile, based on reseach of Jan, Chishti, and Eberle (2009) in Pakistan, the results show that household size, age of household head, and household head's schooling years have a significant effect on poverty. Similar results also found by Sakuhuni, Chidoko, Dhoro, and Gwaindepi (2011) in Zimbabwe, which is the results show that household head sex, household head age, household size, highest education level of household head, marital status of household head have a positive effect on poverty.

In several studies (like as: Parts, 2009, 2013, Oorschot et al., 2006; Knack and Keefer, 1997, Denny, 2003, Helliwell and Putnam, 1999, Paldam 2000) showed that social-economic-demographic characteristics at the individual level affect the community level. Parts (2013) suggests that one determinant of social capital is the psychological and socio-economic characteristics of individuals such as personal income and education, family and social status, values and personal experiences. Income and education seem to be the most influential socio-economic factors of social capital. Moreover, several other social and demographic determinants like age, gender, marital status, number of children, and others seem to be important in determining social capital.

These results are in line with Erickson (2001) that people who have higher socio economic status know more individuals also they know more individuals from greater diversity of backgrounds. According to Brooks et al. (2011), higher socio-economic status relates to larger so the respondents with higher socioeconomic status have larger friend lists than those with lower socio-economic status.

Hypothesis

Based on the explanation of the study literature and previous studies, hypothesis of this research are:

H1: Characteristics of individual level have an influence on poverty
H2: Characteristics of individual level have an influence on social exclusion and social capital
H3: Social exclusion and social capital have an influence on poverty

Methodology

This research uses data from field study result of student of Sekolah Tinggi Ilmu Statistik Jakarta which has theme "Multipurpose Survey and Small Area Estimation: Study of Poverty and Equal Revenue in Bangka Belitung 2017". Population in this research are: (1) All ordinary households in Bangka Belitung; (2) All villages and sub-districts in Bangka Belitung.

The observation unit are: 1) Head of household or household member who knows the condition of the household in Bangka Belitung; 2) Village and sub-district apparatus that know the characteristics of the villages and sub-districts of Bangka Belitung. For households, the sampling method uses Stratified Three Stages Sampling, by: 1) Primary Sampling Unit: village; 2) Secondary Sampling Unit: ordinary census block; 3) Ultimate Sampling Unit: ordinary household. The sampling size as many as 7080 households interviewed with a questionnaire on Computer Assisted Personal Interviewing (CAPI) which contains 263 questions. The survey was conducted on February 20th to March 3th, 2017. Considering the completeness of the data on each variable, the number of samples used in this research were 6523 households.

The determinants of poverty in this research are characteristic of individual level, social exclusion and social capital. The poverty variable is based on the concept of BPS that measures poverty with a monetary approach, which sets the poverty line based on food and non-food consumption expenditure from a household. Characteristics of individual level consist of variables used in the previous studies (Parts, 2009, 2013, Oorschot et al., 2006; Knack and Keefer, 1997, Denny, 2003, Helliwell and Putnam, 1999, Paldam 2000), namely: sex of head of household, age of head of household, number of household member, marital status of head of household, education of head of household.

The social exclusion variable used in the research are diversity and tolerance, based on the concept of Silver (2015), Department for International Development (2005) and Atkinson and Marlier (2010). Diversity shows how much diversity exists in the respondents' neighborhoods in terms of religion, ethnicity, and race. Meanwhile, tolerance shows the agreement of household members to be friend other people of different religions, tribes and races.

Table 1. The operational definitions of the variables used in the research

Variables	Category
Poverty	Poor = 1 ; No Poor = 0
Sex of head of household	Man= 1; Female = 2 (Ref)
Age of head of household	Year
Number of household member	People
Marital status of head of household	Single = 1; Couple = 2 (Ref)
Education of head of household	Junior high school or less = 1(Ref); Senior high school = 2; University = 3
Diversity	diversity = 1; no diversity = 0
Trust to community	No = 1 (Ref); Yes = 2
Trust to leader in community	No = 1 (Ref); Yes = 2
Tolerance	Low = 1 (Ref); High = 2
Cooperation	Low = 1 (Ref); High = 2

Although social capital is more and more recognized as an important factor in poverty reduction, it is difficult to measure quantitatively (Collier, 1998). Social capital is clearly a complicated characteristic and often researchers find it difficult to identify appropriate variables that measure social capital quantitatively (Haughton and Khandker, 2009). Nevertheless, Parts (2013) argues that as an attribute of a society, social capital can be understood as a specific characteristic of social environment that facilitates people's cooperation. On the other hand Rothstein and Stolle (2002) suggest generalized trust indicates the potential readiness of citizens to cooperate with each other and the abstract preparedness to engage in civic endeavors with each other. This is the underlying research using cooperative variables representing social capital. In this research, cooperation shows willingness of respondents to solve problems together in society.

One of the most important and widely discussed components of social capital is trust. In general terms, trust is based on the underlying values that people share. This type of trust is also referred to as moral trust. Similarly moral trust is general trust (shortly general trust, which also as social trust) which also assumes abstract trust to unknown members of society (Parts, 2013). This is the basis for the selection of variable trust. In this study, trust variables show confidence in community leaders and the community itself.

The analysis used in the research are descriptive analysis using tables and graphs, and inference analysis by using biner logistic regression model applied to perform hypothesis test.

Results

Table 2 shows the proportion of poor households with female heads of households is higher than men, although the percentage difference is relatively small. This condition shows that the ability of the female head of household to avoid poverty from her family is relatively similar to the capabilities of male heads of households, although the socio-economic status of women in Indonesia, including in Bangka Belitung, is still lagging behind men.

Table 2. Proportion of Poor by Independent variable

No.	Variable	Category	Proportion of Poor
1	Sex	Men	6,0
		Female	6,3
2	Marital Status	Single	4,9
		Couple	6,3
3	Education	Junior High Scholl or less	7,7
		Senior High School	2,7
		University	4,5
4	Diversity	Diversity	5,3
		No Diversity	6,8
5	Tolerance	Low	10,9
		High	5,6
6	Corporation	Low	7,7
		High	5,3
7	Trust to Community	No	6,6
		Yes	5,9
8	Trust to Leader	No	6,2
		Yes	6,0

Meanwhile, the proportion of poor households with marital status of head of household single (never married or divorce) is lower than married. There are several causes related to this condition, among others: husband or wife has income but is still inadequate; neither wife nor husband work so not have income; large number of household members, and so on. Further research may be necessary to find out more about this phenomenon. The proportion of poor households with lower-educated household heads is higher than households with higher education heads of households. This condition shows the importance of education in reducing poverty.

Furthermore, the proportion of poor households living in heterogeneous areas is lower than homogeneous areas. This indicates that diversity in community is needed to reduce poverty. More heterogeneous will make knowledge, skills, creations and innovations, the values and norms of community more diverse, so can develop creativity (Morgan, 1989) and will create a diverse product as well. This condition is in line with the statement of Cox et al (1991), Herring (2009), and Nelson (2014). On the other hand, diversity leads to more varied needs of society. This condition indicates that the existence of diversity in Bangka Belitung does not cause

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discrimination, which indicates there is not social exclusion in Bangka Belitung. Diversity becomes a strength, not a weakness.

Households with high-tolerance heads of households have a lower proportion of poor than households with low-tolerance heads of households. High tolerance causes a person has more choices, including in an effort to leave poverty. On the other hand, the majority of non-poor groups in Bangka Belitung also show high tolerance. The high tolerance among the non-poor groups make discrimination will be low, so the poor will have a great opportunity to avoid social exclusion, which in turn has a good chance to leave poverty.

Base on analysis mention above can be stated that the opportunity of discrimination in Bangka Belitung is small, so the possibility of social exclusion is small. It is possible to be the cause of low poverty in Bangka Belitung, although macro indicators show unsatisfactory. People in Bangka Belitung have been able to use diversity as a force to reduce poverty, with a high tolerance for diversity within the community.

Head of households with low cooperation skills have higher opportunity to bring their households into poor than households with head of household has high cooperation skills. This shows that cooperation in community can reduce poverty. Similarly, the existence of low trust to leaders and community, indicates a high proportion of poor households. These conditions indicate that trust to leader and community as one of social capital has an important role in reducing poverty

The characteristics of individual level affects poverty partially (See Table 3). Table 3 shows the variables of sex of head of household, age of head of household and marital status of head of household are not significant effect on poverty at the 5% significant level. This suggests that no matter what gender, regardless of age, and marital status from heads of households have a relatively similar household tendency to be poor.

Table 3. Determinant of Poverty

Independent Variable	Coefficient	p-value	Odd Ratio
Sex	-.479	.056	.619
Age	.007	.141	1.007
Household Size	.516	.000	1.676
Education			
Education(1)	-.989	.000	.372
Education(2)	-.410	.021	.664
Marital Status	-.034	.888	.967
Diversity	-.240	.030	.787
Tolerance	-.725	.000	.484
Cooperation	-.430	.000	.650
TrustLeader	-.141	.274	.869
TrustCommunity	.002	.987	1.002
Constant	-3.448	.000	.032

Meanwhile, the variable number of household members or household size has a positive and significant influence to poverty. Base on coefficient of regression, it can be interpreted that the larger the size of households has a greater likelihood households categorized in poor households. Variables education of head of household also have a significant influence on poverty. The regression coefficients for educational variables have sign negative. This means higher education of household heads leads to lower likelihood of households categorized as poor households. It shows the importance of the role of head of household education to avoid households from poverty. These results support several previous studies, such as Parts (2009, 2013), Sakuhuni, et al (2011), Jan, Chishti, and Eberle (2009), Oorschot et al. (2006), Albert and Collado (2004), Knack and Keefer (1997), Denny (2003), Helliwell and Putnam (1999), and Paldam (2000).

Variables diversity and tolerance have a significant influence on poverty. The sign of regression coefficient is negative, indicates higher diversity and tolerance of the head of household, have lower likelihood the household categorized as poor household. When diversity in community accompanied by tolerance, social exclusion will be able to avoided, even diversity will be a strength in solving the problems in the community of Bangka Belitung, including poverty.

Variables of cooperation has a significant influence on poverty. Sign regression coefficient is negative, indicating that households with heads of households who are able to work together have lower chances of being categorized as poor households. This result shows the important of social capital to reduce poverty in Bangka Belitung. Meanwhile, the trust to leader and community has no significant effect on poverty. This indicates that there is no significant difference in trust to leader and community between poor and non-poor households.

Table 4 shows the relationship of individual level characteristics to tolerance and cooperation. In other side, previous results show tolerance has an influence on poverty. Thus it can be stated, sex, age and marital status of head of the household have an indirect effect on poverty, by affecting tolerance first. In other words, the tolerance variable is the mediation variable of the relationship between sex, age and marital status of head of the household with poverty. Furthermore Table 4 informs that single younger male heads of households tend to be more tolerant. It means young generation able to reduce probability household to be poor.

Table 4. Determinant of Tolerance and Cooperation

Independent Variable	Dependent Variables			
	Tolerance		Corporation	
	B	p-value	β	p-value
Sex	.359	.045	.646	.000
Age	-.011	.002	-.003	.207
Household Size	.088	.007	.034	.078
Education				
Education(1)	.855	.000	-.082	.921
Education(2)	.461	.001	.013	.871
Marital Sttaus	.375	.000	-.206	.034
Constant	1.980	.000	.222	.189

Other individual level characteristics, such as the number of household members and education of the head of the household also have a positive and significant effect on tolerance. The higher number of household members and education from head of the household, the tolerance tends to be higher. Thus it can be said that the number of household members and the education of the head of the household has a direct and indirect effect on poverty.

Meanwhile, only the sex and marital status from the head of household have a significant influence on the cooperation. In this case, male household heads with single marital status are more able to work together in the community. This condition indicates that sex and marital status of the head of household affects poverty indirectly through cooperation as the mediation variable.

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Discussion and Conclusion

The results of the analysis indicate that ethnic, religious, and racial diversity in the Bangka Belitung are not a weakness of community as Pelled et al (1999) states, but becomes a strength as Morgan, et al (1989), Cox, et al (1991), Herring (2009), and Nelson (2014). Diversity is a source of discrimination, but with a high tolerance, social exclusion can be reduced. More than that, high tolerance can create social inclusion, where every group has equal opportunity to take an active role in development and enjoy the result of development itself. The poor have a greater chance to improve their life, thus poverty will be reduced.

The positive condition is also indicated by the high willingness of the community to work together, and the high public trust to the leader and community. Hypothesis test reveal that neither the trust to the leaders or community have no significant effect on poverty. It can be interpreted that there is no significant difference on the level of trust to leader and community between poor and non-poor households, which is both of them have relatively high trust. Trust is a fundamental element of the elemen of social capital (Coleman, 1988 and Putnam, 1993), and Johannes (2009) indicated a strong and positive correlation between social capital and household welfare. Therefore, it can be said that the people in Bangka Belitung have a strong basic capital to reduce poverty.

Sex of the head of the household does not directly affect to poverty, so it can be said that there is a similarity in the ability of female and male heads household to prevent households entering into poverty. However, through mediation of tolerance and cooperation, sex of the head of the household have indirectly affect on poverty. In other words, reducing poverty in the future, the tolerance and cooperation of women headed households in the Bangka Belitung needs to be further improved.

Age and marital status of the head of the household have no direct effect on poverty, but indirectly affect poverty through mediation tolerance. The results of hypothesis test show that young and single individuals have a higher tolerance. This condition can be a positive signal, due to future generations are predicted to be more tolerant than now generations, thus it becoming a great opportunity to reduce poverty in Bangka Belitung. More over they are supported by the better education in the future.

As mentioned above, anomalies condition occur in the Bangka Belitung, where macro indicators, such as: unemployment rate, HDI and economic growth in Bangka Belitung are less satisfactory, but the poverty rate is relatively low. One of the causes of the occurrence of such conditions is the ability of the community of Bangka Belitung in preventing social exclusion and utilizing social capital to avoid poverty.

Fukuyama (2001) argues that at the community level, generalized trust is based on society's ethical habits and moral norm of reciprocity. Thus, it can be stated that the ability of the community to solve its own problems is certainly inseparable from the values, norms and cultures that live in the community, as stated Part (2009), which in turn creating a community that is tolerant and willing to work together, in addition to the trust of leaders and community. In other words, values, norms and culture that live in the community of Bangka Belitung support to the creation of tolerance.

The success to avoiding a household falling into poverty, does not mean it automatically indicates the level of wellbeing has been good. However, the existing conditions are the basic capital to lead a more prosperous society. In this case, local governments can take advantage of these basic capital to make various development programs to achieve community welfare. One of the steps that can be taken is to strengthen the attitude of tolerance and cooperation among communities, maintain the diversity and make it as a power in society, and increase and maintain trust to leaders and fellow communities.

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