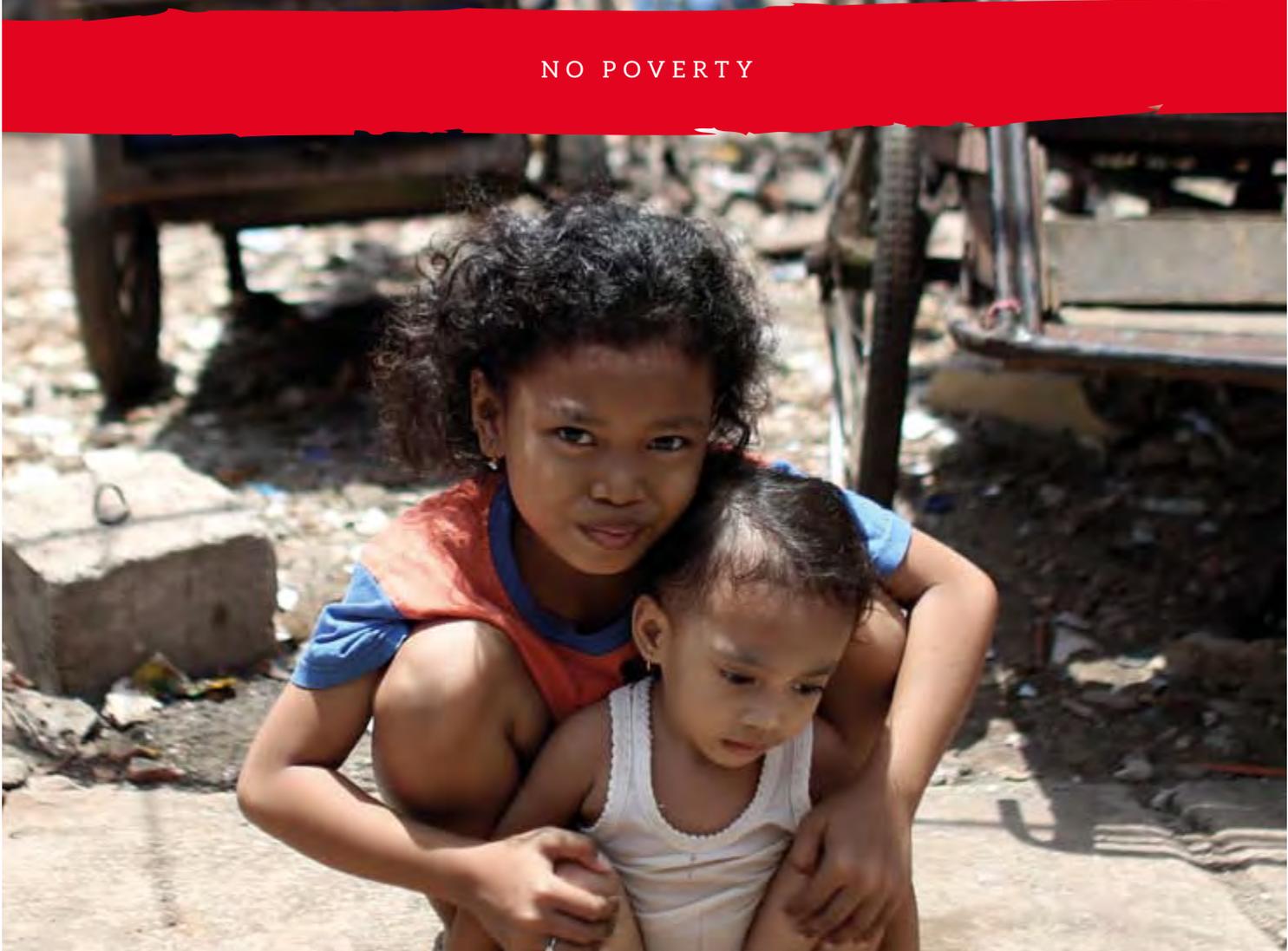




GOAL

01

NO POVERTY



4 in 10
people living below the
national poverty line are
younger than 18 years



65%
of children are deprived in
two or more non-income
dimensions of poverty



The main cash transfer
programme (PKH) reaches
around
7% of children

No poverty



WHAT THIS GOAL IS ABOUT

Sustainable Development Goal 1 aims to end poverty in all its forms by 2030. The targets include both global and national-level commitments and differ from the MDGs by including an explicit multidimensional focus and specifically mentioning children. A focus on multidimensional poverty is important to better understand how children are experiencing poverty and in what form, and to allow a more nuanced set of policy responses in poverty-reduction strategies. The indicators under Target 1.2 are therefore of particular relevance to capture child poverty in both monetary and non-monetary forms.

The Indonesian economy has enjoyed strong and stable economic growth over the past decade and a half, leading to reductions in poverty and improvements in living standards. The national poverty rate fell from 24 per cent in 1990 to around 11 per cent in 2015. Nonetheless, the rate of poverty reduction is slowing down and a large share of the population is vulnerable to falling into poverty, while levels of income inequality are rising (with a Gini coefficient of 0.408 in 2015). This links to SDG 10 which seeks to reduce inequality between and within countries. In response to the new global SDG framework, BPS has started integrating measures of child poverty and multidimensional deprivation in national statistics to enable regular tracking of progress.

Goal 1 explicitly recognizes the important role of national social protection systems and floors, which guarantee income security to all throughout the life cycle, as a key instrument to help address poverty.

Growing up in poverty impacts on children's health and nutrition, their educational attainment and psychosocial well-being which in turn makes it less likely for them to become economically self-sufficient and succeed in the labour market as adults. Social protection is a critical instrument for reducing poverty, especially through the provision of cash transfers that offer regular, predictable support to individuals or households. Many of the world's most vulnerable citizens, including children, are yet to benefit from social protection programmes. In Indonesia, the National Long-Term Development Plan 2005–2025 aims to ensure that, by 2025, 'social protection and social security systems are prepared, organized and developed to ensure and strengthen the fulfilment of people's rights to basic social services.' The National Medium-Term Development Plan 2015–2019 reaffirms the Government's commitment to expand social protection coverage and quality.

Table 1.A

Priority targets for children	Selected indicators to measure progress	Type of indicator	Baseline value	Data source
1.1 By 2030, eradicate extreme poverty for all people everywhere	Proportion of children living below the international poverty line (US\$1.90 a day at 2011 international prices)	Global indicator	9%	SUSENAS 2015
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Proportion of children living below the national poverty line	Global indicator	14%	SUSENAS 2015
	Proportion of children living below twice the national poverty line	National indicator	60%	SUSENAS 2015
	Proportion of children deprived in two or more non-income dimensions of poverty	National indicator	65%	SUSENAS 2016
1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable	Proportion of children receiving a child grant (PKH)	National indicator	7%	Estimate based on 2015 administrative data

Note: Several SDG indicators are repeated under two or three different targets. To avoid duplication, nationally adopted proxy indicators on access to basic services (such as immunization or sanitation) under target 1.4 and the indicator on persons affected by disasters under target 1.5 are discussed in subsequent chapters.

STATUS OF PRIORITY INDICATORS FOR CHILDREN

MONETARY CHILD POVERTY

Monetary poverty lines are set at both national and international levels. The most commonly used indicator to assess extreme poverty is the international poverty line developed by the World Bank and currently set at US\$1.90 per person per day using 2011 purchasing power parity (PPP) exchange rates to adjust for the difference in cost of living across countries. By this measure, 8.7 per cent of Indonesian children under 18 years of age – or 7.3 million children – were living in a household in extreme poverty in 2015 (Table 1.B).

Indonesia's national poverty line is updated annually by the national statistical agency. It consists of a food and a non-food component; the food component is meant to represent the cost of a food basket that satisfies a minimum calorie intake of 2,100 kilocalories per capita per day while the non-food component is derived from a pre-specified basket of non-food items. The poverty line is established as an average, allowing for the fact that prices vary between urban and rural areas and between different provinces. Its average value was equal to approximately Rp331,000 per person per month in 2015.

Using this national threshold, 13.7 per cent of children under the age of 18 years were living in households below the poverty line in 2015.

Because poorer families tend to be larger, children are disproportionately represented among people living below the extreme poverty line. While children 0–17 years old account for one third (33 per cent) of the total population, they make up 40 per cent of the population living below the poverty line.

Provincial disparities in child poverty are pronounced, irrespective of the poverty measure used (Figure 1.A). In Gorontalo and Nusa Tenggara Timur, more than a quarter of children were living below the international poverty line of US\$1.90 (PPP) per person per day in 2015, while such extreme poverty has been virtually eliminated in at least five provinces (Kepulauan Bangka Belitung, Kepulauan Riau, DKI Jakarta, Kalimantan Timur and Kalimantan Utara). The share of children living below the national poverty line ranged from a low of 6 per cent in DKI Jakarta to a high of 35 per cent in Papua in 2015.

In absolute numbers, the spatial distribution of children below the national poverty line is skewed towards more populous provinces. For example, just

three provinces – Jawa Barat, Jawa Tengah and Jawa Timur – are home to 42 per cent of all children below the poverty line (Figure 1.B).

It is worth noting that poverty lines are not a hard-and-fast border dividing the poor from the non-poor. Research by the National Team for the Acceleration of Poverty Reduction (TNP2K) based on panel surveys interviewing the same households over multiple years has shown that incomes and consumption are highly variable and that there is significant movement of households across the wealth spectrum even over relatively short periods of time.¹

These dynamics are typically the result of households experiencing ‘shocks’ – such as illness, unemployment, drought, disability, death, childbirth, etc. – or

responding to new opportunities.

As a result, millions of children living above the national or international line still live in poverty, are vulnerable to it or experience deprivations in other dimensions of their lives. For instance, the World Bank also tracks higher international poverty thresholds, such as US\$3.10 per person per day (in PPP) – often considered a measure of moderate poverty. Applied to Indonesia, this would increase the child poverty rate to 36.7 per cent. Moreover, a significant share of households live on incomes that are only marginally higher than the national poverty line. This is illustrated by the fact that a doubling of the value of the national poverty line would lead to a four-fold increase in the national child poverty rate, up to 60 per cent.

Table 1.B

Children are at a higher risk of monetary poverty than adults

Children and adults living below the poverty line, by poverty thresholds, 2015

Poverty line	Children (< 18 years)		Adults (18+ years)		Total population	
	Percentage	Number	Percentage	Number	Percentage	Number
International poverty line of US\$1.9 a day (2011 PPP)	8.7%	7,342,450	6.5%	11,064,500	7.2%	18,406,950
International poverty line of US\$3.1 a day (2011 PPP)	36.7%	30,946,300	29.7%	50,636,950	32.0%	81,583,250
National poverty line	13.7%	11,537,000	10.0%	17,070,850	11.2%	28,607,850
At-risk-of-poverty line (national poverty line x 2)	60.0%	50,678,250	51.0%	86,863,200	54.0%	137,541,500

Source: SUSENAS 2015



Figure 1.A

There are wide geographical disparities in levels of child poverty

Percentage of children living below various poverty lines, by province, 2015

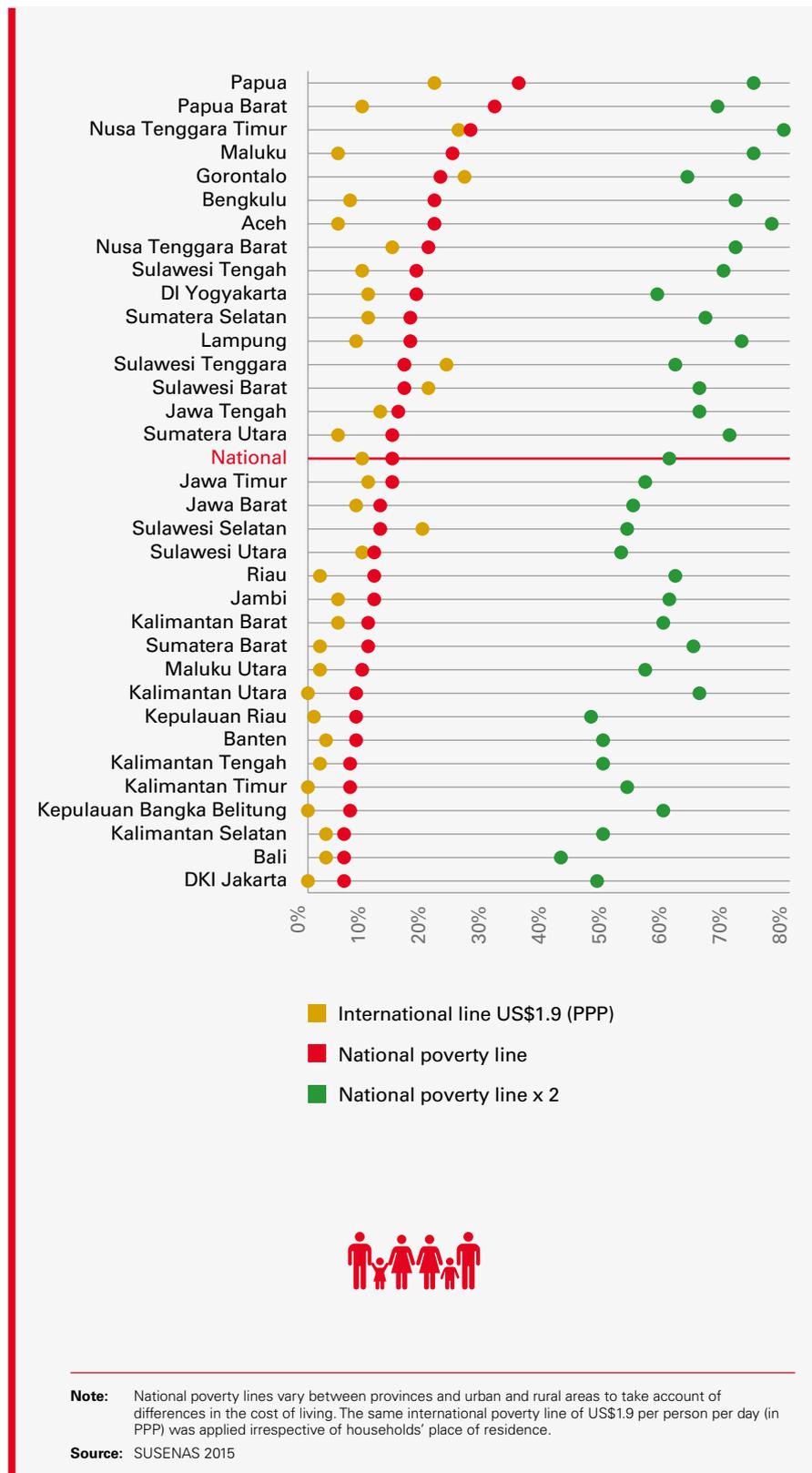
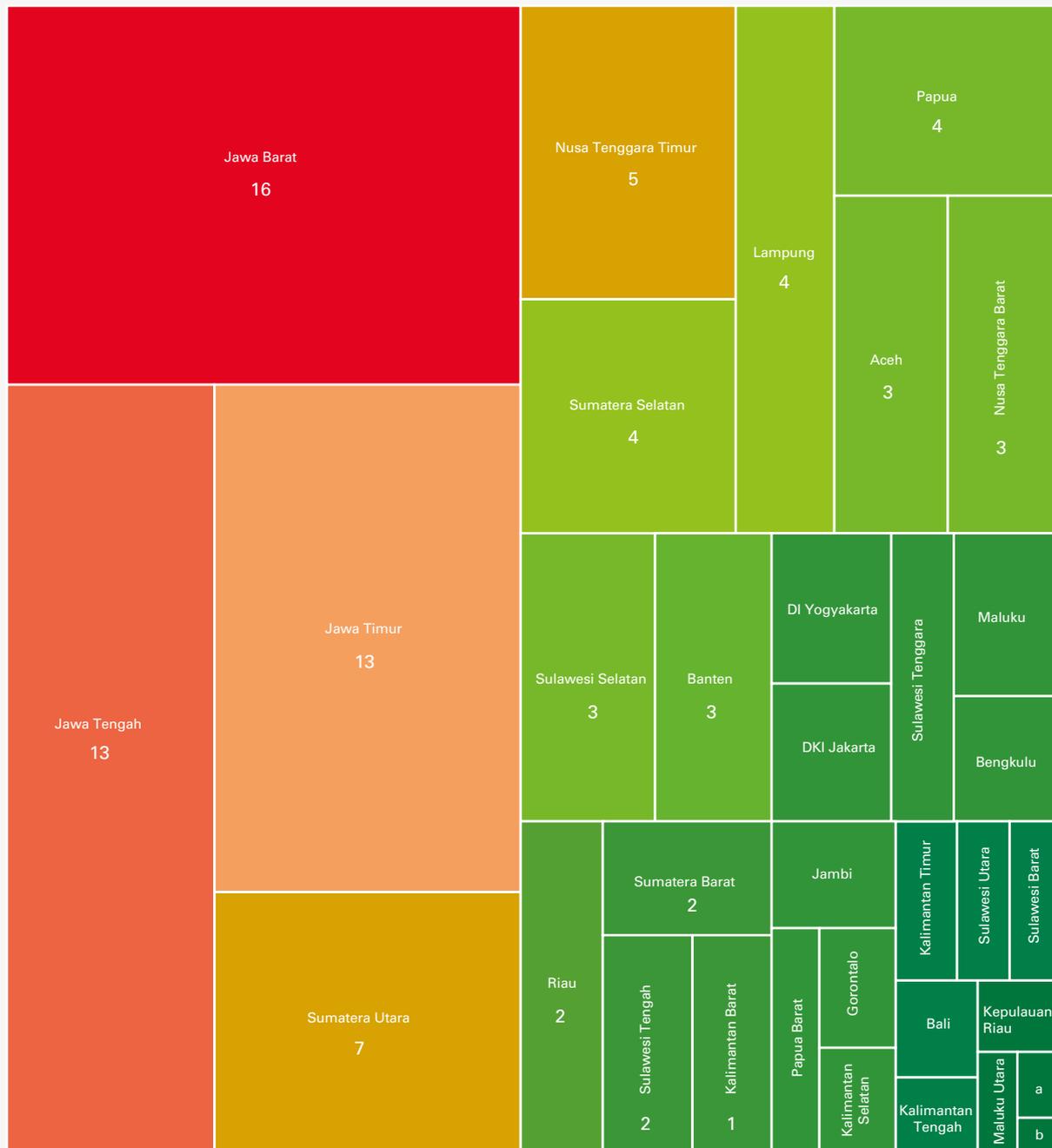


Figure 1.B

Indonesia's four most populous provinces are home to nearly half of all children below the national poverty line
 Percentage distribution of the number of children below the national poverty line, by province, 2015



a. Kepulauan Bangka Belitung b. Kalimantan Utara

Source: SUSENAS 2015

MULTIDIMENSIONAL POVERTY

The SDGs explicitly recognize that poverty is a multidimensional phenomenon and propose that countries track the ‘proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions’. Multidimensional poverty assessments aim to measure the non-financial aspects of poverty to provide a more comprehensive assessment of deprivation. Several multidimensional methodologies have been developed globally, and BPS and UNICEF recently applied the Multiple Overlap Deprivation Analysis (MODA) to Indonesia.

It analyses to what extent children experience deprivations in six domains of well-being – food

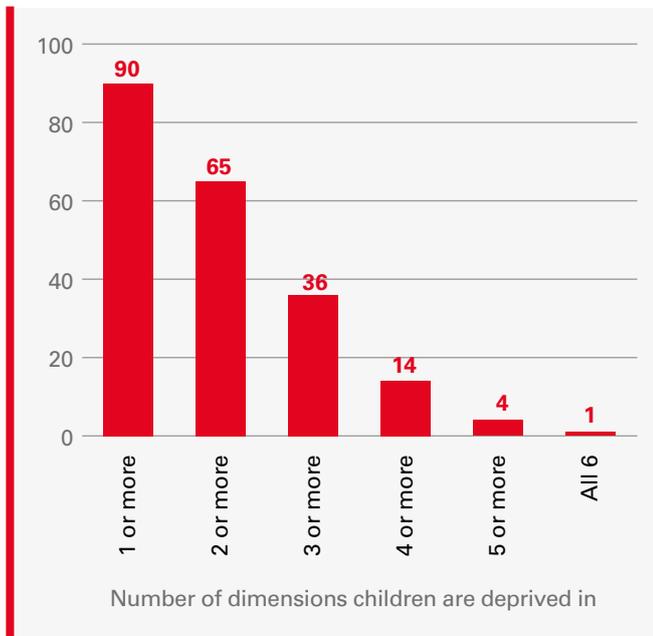
and nutrition; health; education; housing; water and sanitation; and protection – using a total of 15 indicators calculated from the SUSENAS 2016.² The MODA provides insights on how many children are deprived in multiple dimensions, and the overlap with monetary child poverty.

The multidimensional child poverty headcount refers to the share of children deprived in a certain number of dimensions simultaneously. Using a cut-off of two or more dimensions, 65 per cent of children in Indonesia were multi-dimensionally poor in 2016 (Figure 1.C). The multidimensional child poverty headcount is substantially higher in rural areas compared with urban areas (Figure 1.D). Households’ socio-economic status and the educational attainment level of the household head are important correlates of multidimensional child poverty.

Figure 1.C

65 per cent of children are deprived in at least two non-income dimensions of poverty

Percentage of children 0–17 years who are simultaneously deprived in multiple dimensions, by number of dimensions, 2016



Note: The MODA analyses child deprivation in six domains of well-being: food and nutrition; health; education; housing; water and sanitation; and protection.

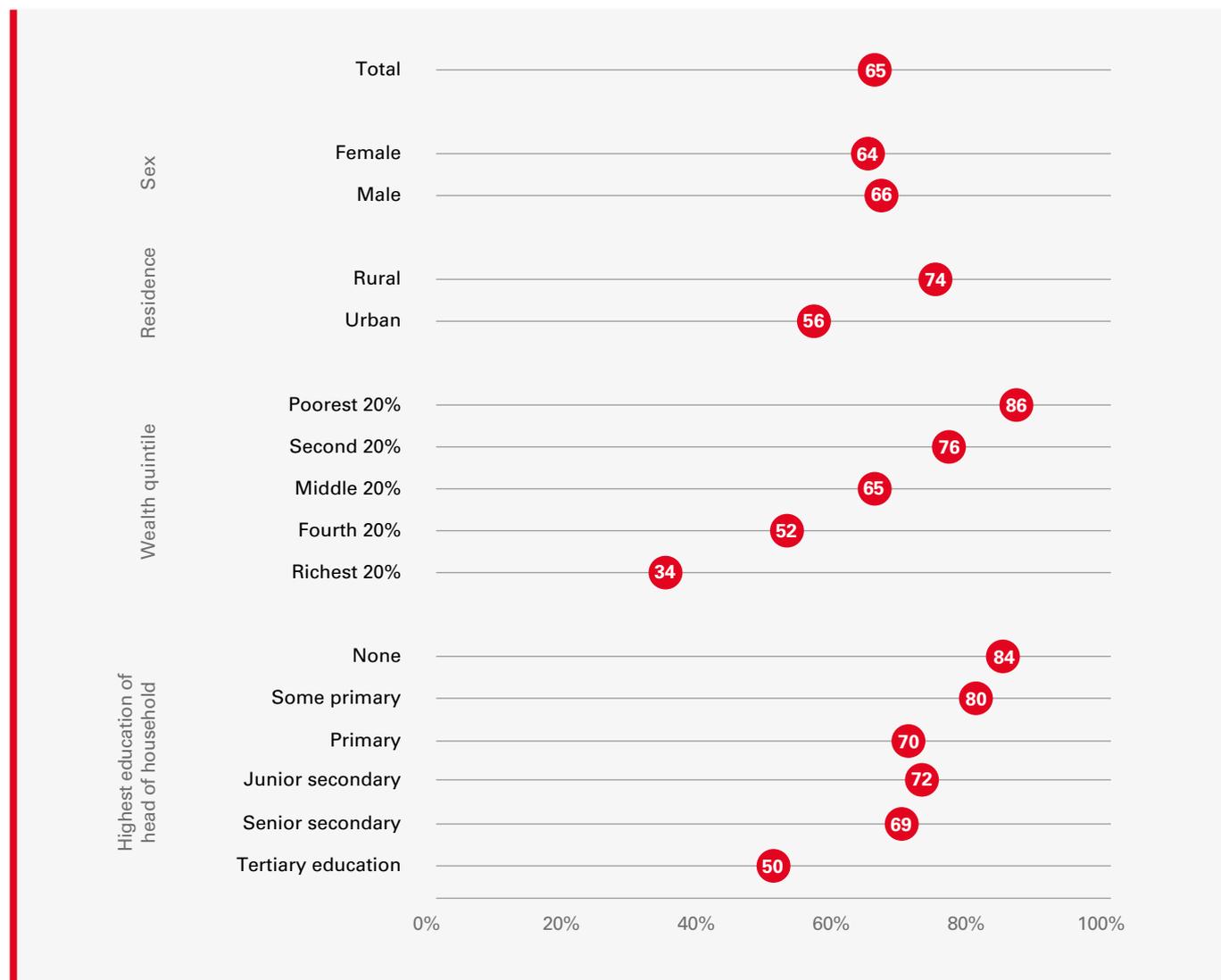
Source: SUSENAS 2016



Figure 1.D

There are significant disparities in multidimensional child poverty

Percentage of children 0–17 years who are deprived in two or more out of six non-income dimensions of poverty, by selected characteristics, 2016



Note: The MODA analyses child deprivation in six domains of well-being: food and nutrition; health; education; housing; water and sanitation; and protection.

Source: SUSENAS 2016

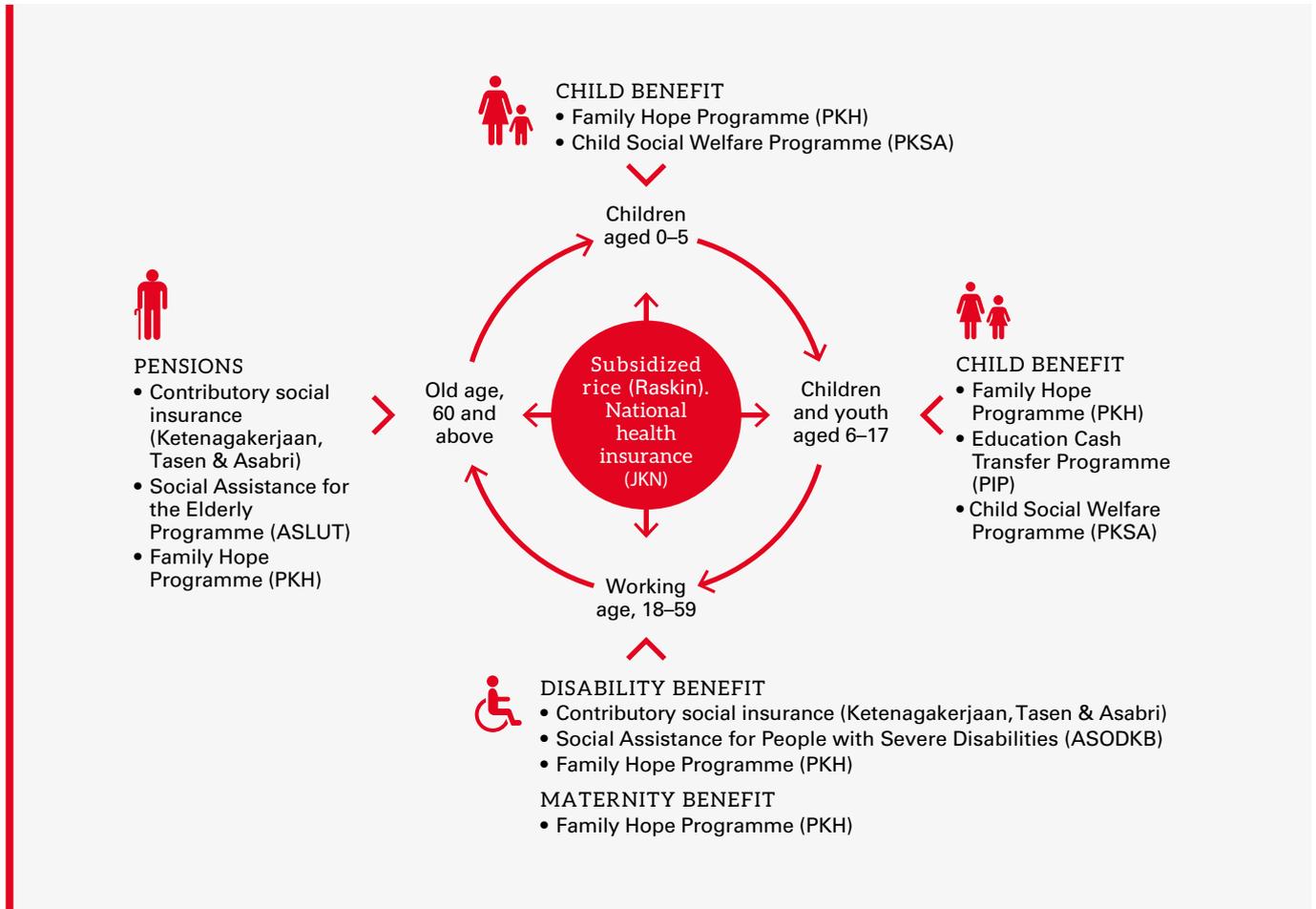
SOCIAL PROTECTION

SDG 1 refers to national social protection systems and floors, which guarantee income security to all throughout the life cycle, as a key instrument to help address poverty. The global indicator to track progress towards the achievement of Target 1.3 is the 'proportion

of the population covered by social protection floors or systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work injury victims, and the poor and the vulnerable.' Figure 1.E provides an overview of Indonesia's main social protection schemes, mapped onto the life cycle. Measuring the proportion

Figure 1.E

Overview of Indonesia's social protection programmes mapped across the life cycle



of children and other population groups reached by these programmes is, however, challenging because age- and sex-disaggregated data on the recipients are not readily available. Moreover, questions on social protection incorporated in the SUSENAS household survey do not yet capture comprehensive information on all programmes relevant to children and/or only collect information at the level of the household, not for individual children.

Indonesia has three main tax-financed social protection schemes focusing directly on children. First, the Family Hope Programme (*Program Keluarga Harapan* – PKH) is a conditional cash transfer programme, primarily designed to improve maternal and neonatal health as well as children's education. It is targeted at families in poverty who are included in the social registry (unified database) and meet at least one of the following criteria: a family member is pregnant or lactating; the household has one or more children below 6 years of age; the family has children

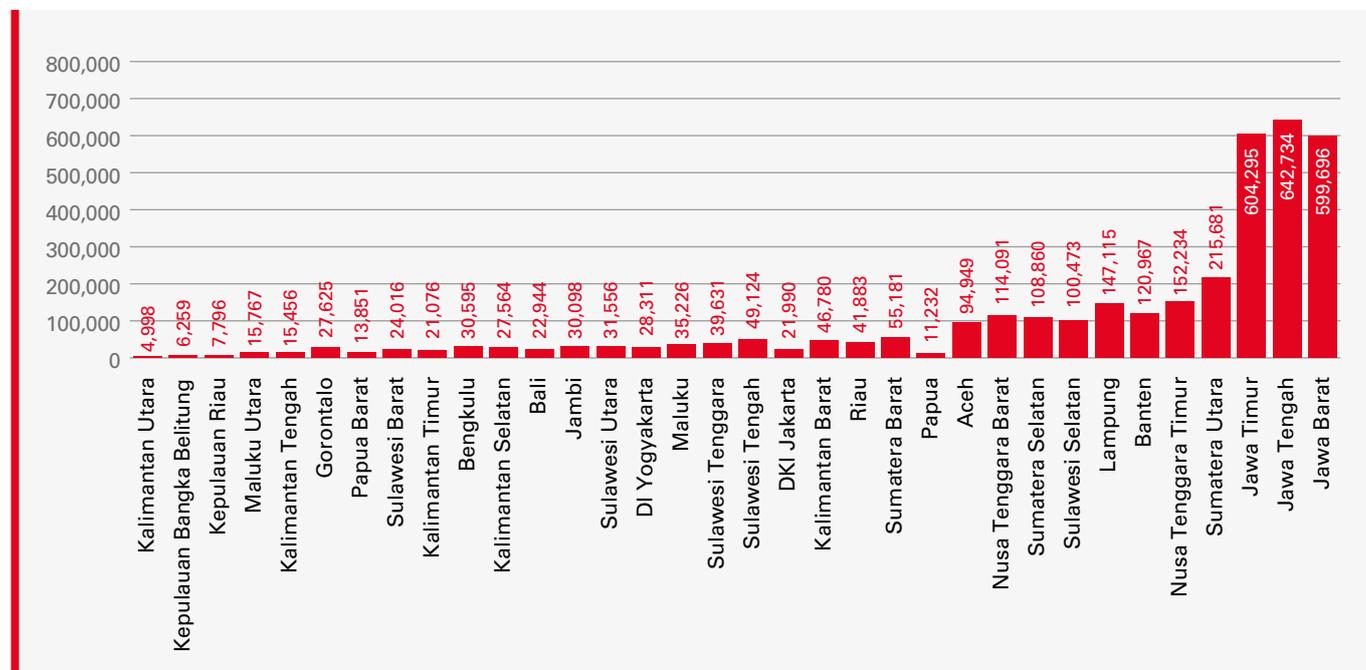
aged 7–21 years attending primary or secondary school; or the family has children aged 16–21 years who have not yet completed basic education. The programme reached 7.5 million individual beneficiaries (living in 3.4 million households) in 2015 (Figure 1.F). Benefit levels depend on the household composition and averaged Rp120,000 per household per month. The Government is currently scaling up the coverage of the PKH to around 12 million people (6 million households) and introducing additional support to eligible households with an elderly person aged 70 years and older or persons with a severe disability.

Second, *Program Indonesia Pintar* (PIP) and its predecessor, the *Bantuan Siswa Miskin*, aims to provide support to cover the indirect costs associated with education (i.e. transportation costs, uniforms, etc.), which are recognized as being a barrier to access for lower-income households. The programme is targeted at school-age children 6–21 years in low-income families, who have either a *Kartu Indonesia Pintar* (KIP) card or a

Figure 1.F

Some 3.4 million families were receiving regular financial support from the PKH programme in 2015, though coverage was unevenly spread across the country

Number of household enrolled in the PKH, by province, 2015

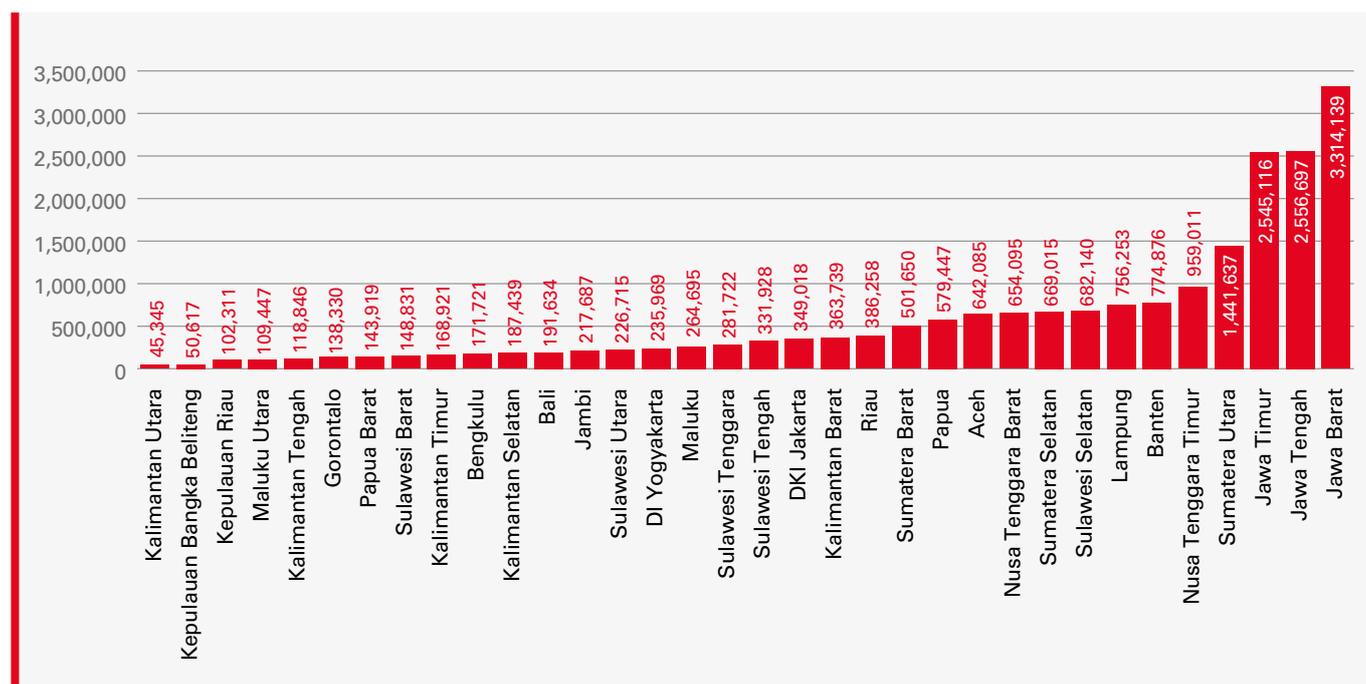


Source: TNP2K

Figure 1.G

Nearly 20 million pupils are receiving regular financial support to cover school-related expenses

Number of beneficiaries of the *Pintar* programme, by province, 2015



Source: TNP2K

Kartu Perlindungan Sosial/Kartu Keluarga Sejahtera (KPS/KKS) card. The number of beneficiaries has increased significantly since the beginning of the programme in 2008, reaching nearly 20 million pupils in 2015 (Figure 1.G). Benefit levels range between Rp225,000 and Rp500,000 per semester, depending on the education level attended by the child. Transfers are received twice a year: the first tranche between August and September and the second tranche between March and April.

Third, the Child Social Welfare Programme (*Program Kesejahteraan Sosial Anak* or PKSA) is a special conditional cash transfer programme first piloted in 2009. Its target group is 'neglected children, street children, children in contact with the law, children with disabilities and children in need of special protection.' The programme aims at reaching these children with annual cash transfers of Rp1 million per child combined with guidance and care by social workers and/or by child care institutions that link the children and their families to basic social services. The coverage of the programme

is relatively low, with around 138,000 beneficiaries.

Overall, it is estimated that 28 per cent of children up to 21 years were covered by one of the three child-focused programmes in 2015 (Table 1.C). School-age children are most likely to receive support from the state, while the coverage of young, pre-school children is low (less than 5 per cent). *Raskin* – a subsidized rice programme meant for low-income households – is another important social protection programme in Indonesia. According to the 2015 SUSENAS, some 43 per cent of children were living in a household receiving subsidized rice.

Social protection for women and men of working age and those of pensionable age is provided almost exclusively through contributory schemes. As a result, coverage tends to be low among people working in the informal sector. The Government is committed to providing universal health coverage for all Indonesian by 2019 by expanding coverage of the National Health Insurance Programme, JKN. This is further discussed under Goal 3 on health.

Table 1.C

The main child-focused social protection schemes reached around 38 per cent of school-age children in 2015, but coverage of pre-school children is less than 5 per cent

Estimated percentage of children receiving a child or social grant, by type of programme and age groups, 2015

	PKH	PIP	PKSA	Total
Coverage of pre-school children aged 0–5 years				
Number of beneficiaries	1,255,003	0	46,000	1,301,003
Total number of children	27,461,123	27,461,123	27,461,123	27,461,123
Percentage of children covered	4.6	0	0.2	4.7
Coverage of school-age children aged 6–21 years				
Number of beneficiaries	5,878,463	20,371,842	92,000	26,342,305
Total number of children	72,829,814	72,829,814	72,829,814	72,829,814
Percentage of children covered	8.1	28.0	0.1	36.2
Total coverage of children 0–21 years				
Number of beneficiaries	7,133,466	20,371,842	138,000	27,643,308
Total number of children	100,290,937	100,290,937	100,290,937	100,290,937
Percentage of children covered	7.1	20.3	0.1	27.6

Source: Calculations are based on administrative data from the Ministry of Social Affairs, the Ministry of Education and Culture and the Ministry of Religious Affairs via TNP2K. Age-disaggregated figures for the number of PKSA beneficiaries are estimates. Population estimates were derived from the SUSENAS 2015.

WHAT CAN BE DONE TO ACCELERATE PROGRESS TOWARDS GOAL 1?

- Continue strengthening the routine monitoring of monetary and multidimensional child poverty and income insecurity.
- Continue scaling up investments in building a national social protection system that provides consistent, adequate, and comprehensive coverage for all children, including addressing the low levels of coverage among young pre-school children.
- Review the adequacy of transfer levels vis-à-vis needs, impacts and programme objectives and investigate mechanisms for adjusting transfer levels to keep up with inflation.
- Improve the availability of age- and sex-disaggregated data on beneficiaries and participants in social protection and security schemes as well as the impact of cash transfer schemes to enable regular tracking of progress and support decision-making.