

THE URGENCY OF ADDRESSING MULTIDIMENSIONAL CHILD POVERTY IN INDONESIA

Executive Summary

The first child poverty and disparity study conducted in Indonesia in 2010–2011 revealed that in 2009, despite progress made towards reducing income deprivation and other dimensions of deprivation, around 55.8% of Indonesian children lived in households with a per capita consumption of less than PPP \$2 a day, 17.4% lived below the official (national) poverty line, and 10.6% lived on less than PPP \$1 per day. Moreover, only around 18% of children were free from any of the six deprivation dimensions—lack of access to education, engagement in child labour, poor access to health, shelter, sanitation, and clean water; whilst around 78% of them suffered from between one to three deprivation dimensions. The fact that the number of children in income poor households is disproportionately larger than those in richer households, and that children in poorer households lag far behind those in richer households in many deprivation dimensions, poses a real challenge to poverty reduction in the long term. This calls for the government to not only continue mainstreaming children's rights into the development agenda, but also to build stronger alliances with nongovernmental actors towards focusing more attention on vulnerable children in order to reduce disparities and safeguard children's wellbeing across household income levels and regions.

Children in the Indonesian Development Context

The future of Indonesia depends on the wellbeing of its children who make up around one third of the total population. According to the 2010 Population Census, out of a population of 237.6 million, around 81.3 million were under 18 years old, the age bracket for children as defined by Law No. 23/2002 on Child Protection and the United Nations Convention on the Rights of the Child (CRC). More than half (54%) of Indonesian children live in rural areas. However, as Indonesia becomes more urbanized, the proportion of children living in urban areas is increasing. The proportion increased from 40% to 46% during the period 1993–2010. The distribution of children across the regions is highly unequal. Around 55% of the total child population live in the most populous islands, Java and Bali. However, the provinces in eastern Indonesia have the highest proportion of children, as a percentage of their total populations. The Province of East Nusa Tenggara has the highest proportion of children (43%), while the Province of Yogyakarta has the lowest (27%).

The Government of Indonesia's (Gol) commitment to placing child welfare at the forefront of Indonesia's national development, provides a strong legal basis for the realization of the rights of all children, affirming their right to be part of, and to benefit from, the country's development. Article 28B, clause 2 of the Indonesian 1945 Constitution stipulates that all children have the right to survive, grow, and develop to realize their full potential, as well as the right

to be protected from discrimination and violence. In addition, as stated in Article 34, clause 1 of the Constitution, "Poor people and abandoned children shall be under the custody of the state". These statements demonstrate official endorsement of the view that no child in Indonesia is to be deprived or left behind. Moreover, Indonesia is bound by international commitments relating to children's rights and protection¹. During the last decade, the Gol has promulgated various laws pertaining to children's rights, including laws on child protection (Law No. 23/2002), the elimination of domestic violence (Law No. 23/2004), the civic administration system (Law No. 23/2006), the eradication of human trafficking (Law No. 21/2007), social welfare (Law No. 11/2009), and the criminal juvenile justice system (Law No. 11/2012).

Improving children's wellbeing and child protection were among the priorities in the 2004–2009 National Medium-Term Development Plan (RPJMN). Subsequently, the 2010–2014 RPJMN identified the need to mainstream the rights of children into several development priorities, including improvements in education and health, and poverty reduction. This marked the adoption of a holistic and structural approach to child protection in the government's work plan. Concurrently, many sectoral programmes, particularly in the education and health sectors, have been expanded to achieve the targets for the Millennium Development Goals (MDGs).

Table 1. Poverty Rates among Children and Overall Populations, 2003 and 2009

Poverty Line	Children (%)			Overall Populations (%)		
	2003	2009	Overall Decline	2003	2009	Overall Decline
PPP \$1/capita/day (extreme poverty)	12.75	10.63	-17%	10.09	8.55	-15%
Official poverty line (basic needs standard)	23.44	17.35	-26%	17.15	14.15	-17%
PPP \$2/capita/day (decent income standard)	63.54	55.78	-12%	57.82	50.65	-12%

Source: Calculated from the 2003 and 2009 Susenas.

Various official reports, especially those on the achievements of the MDGs, revealed that considerable progress has been made in many dimensions of children’s wellbeing. The 2010 MDGs report (Bappenas, 2010) in particular, highlights achievements in improving children’s nutritional status, education, and health at the national level. Despite the successes recorded in the national aggregate, the first child poverty and disparity study for Indonesia (UNICEF, Bappenas, and SMERU, 2012), which analysed monetary and non-monetary dimensions of child poverty based on available national data set,² identified several alarming trends in child poverty.

Children in Monetary Poverty

The child monetary poverty rate—the proportion of children living below a determined poverty line—is higher than the poverty rate of the overall population (Table 1) because poorer households tend to have more children. The 2009 Susenas data reveals that the distribution of children skews towards lower income brackets, with 28% of children being in the poorest quintile (the poorest 20% of households—Q1), 22% in the second poorest quintile (Q2), 20% in the third poorest quintile (Q3), 17% in the fourth poorest quintile (Q4), and just 13% in the richest quintile (Q5). It was estimated that in 2009 approximately 44.3 million Indonesian children lived on less than PPP \$2 per capita per day, out of which 13.8 million lived below the official poverty line (OPL), and around 8.4 million lived in

extreme poverty (less than PPP \$1 per capita per day). During the period 2003–2009, both child poverty and overall poverty declined by all measures. Nevertheless, child poverty declined at a faster rate than overall poverty. This implies that reducing overall poverty lifts a greater proportion of children out of poverty, and this reduction is crucial for improving the wellbeing of vulnerable children living in poor households.

The incidence of child poverty is strongly associated with household characteristics, including the gender and educational background of the household head, as well as the household size. Both the proportion of children living below the PPP \$1 and the official poverty rates in female-headed households were higher than those in male-headed households, by 3.6 and 2.8 percentage points respectively. The proportion of children living in extreme poverty in households with more than seven members is approximately four times higher than those in households with just three to four members. The proportion of children living in extreme poverty from households whose heads graduated from junior high school or higher was substantially lower than those from households headed by individuals with lower education levels. However, when the higher poverty lines—the OPL and the PPP \$2—were applied, a significant positive impact could only be associated with the household head being a senior secondary school graduate or having a tertiary education. This provides a strong case for expanding educational assistance to poor children even beyond the current policy of the nine-year compulsory basic education.

There are also important geographic factors to consider when looking at child poverty. The risk of child poverty is much higher in rural areas—child poverty rates in rural areas are almost 16% using the PPP \$1, 21% using the OPL, and 70% using the PPP \$2; whereas the corresponding rates in urban areas are 5%, 13%, and 39%, respectively.

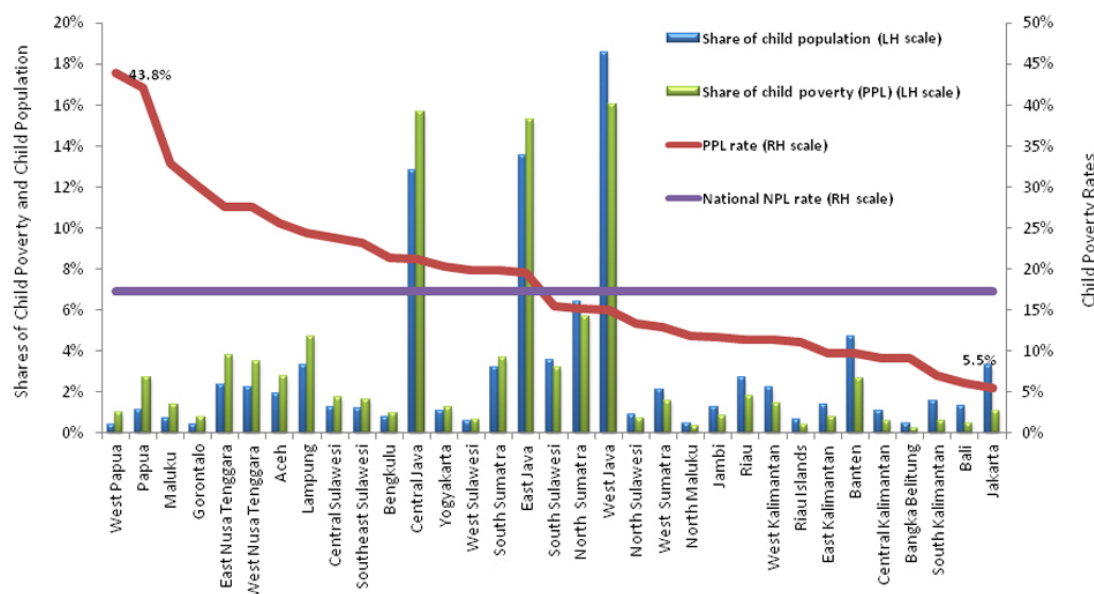


Figure 1. Child poverty rates and shares by province, 2009

Source: Estimated based on the 2009 Susenas.

Due to their population size and density, provinces on the island of Java are the highest ranking in terms of both total child population and the number of children in poverty : altogether 54% of all Indonesian children and 46.9% of poor children live in Java. Nonetheless, the highest provincial rates of child poverty are found in the eastern provinces. However, if we combine the data for all poor children across all ten provinces with the highest poverty rates (from West Papua to Southeast Sulawesi, as shown in Figure 1), the resulting share would be just 15% of all poor children in the country. All these provinces include many remote locations, which make it logistically more difficult for programmes to reach the poorest people, compared to Java and other more densely populated parts of the country. This calls for different approaches in reaching out to poor children in these distinct regions.

Children Suffer from Multidimensional Poverty

An analysis of non-monetary poverty for the period 2003 to 2009 reveals much progress as well as some regression in various deprivation dimensions. In health, there have been improvements in indicators such as nutritional status (insufficient weight, stunting, and wasting) for children under five; complete immunization and immunization against hepatitis B1, B2, and B3; as well as neonatal, post-neonatal, and under-five mortality rates. However, there has also been some regression in terms of self-reported asthma and diarrhea, measles immunization, exclusive breast feeding, and obesity. In education, there has been an increase in enrolment rates at all levels—early childhood education, primary, junior high, and senior high schools—and access to school text books, science books, and television. On the other hand, access to story books, newspapers and magazines, and art materials has slightly declined. Despite the progress in school enrolment rates, in 2009 around 67.8% of children aged three to six years did not enrol in early childhood education and around 32.8% of 16 and 17 year olds did not go to school.

Almost all indicators for shelter—the floor area, floor type, electricity connection, and access to a proper toilet—have improved; access to safe and improved water sources³ is the only indicator that has not improved. It declined significantly by an average of 3% per year, resulting in around 35% of children not having access in 2009. The proportion of under five year olds that have a birth certificate also increased, although around 52.3% of them still had no birth certificates in 2009. In terms of labour participation, the proportion of children aged between 10 and 17 years old exclusively engaged in economic activity had declined.

Nevertheless, the proportion of those doing multiple activities—working, doing household chores, and going to school—increased. This reflects the increased burden that is put on children.

An analysis of multidimensional poverty among children, which takes into account all six deprivation dimensions simultaneously, uncovers an even more challenging picture. Based on several relevant indicators available in the 2009 Susenas panel data, it was estimated that only approximately 18.3% of Indonesian children were free from all of the six deprivation dimensions. Approximately 30.6% of children were deprived of one dimension, 29.1% two dimensions, 18.5% three dimensions, 6.6% four dimensions, 1.3% five dimensions, and 0.07% all six dimensions. The most common types of deprivation were the lack of sanitation (51.6%), water (37.4%) and shelter (37%).

These non-monetary aspects of poverty are closely linked with monetary poverty in five of the six dimensions. As shown in Table 2, it is only in terms of access to safe and improved water sources that the households' welfare level (based on expenditure proxy) is not associated with the level of child deprivation. However, this is subject to the official definition of safe and improved water sources. An analysis using a different measure of "access to safe drinking water" such as the consumption of bottled water, tap water, or water from water pumps, protected wells, or protected springs⁴ yields very different results. Using these measures, the percentage of children being deprived of access to safe drinking water in the poorest household quintile is significantly higher than those in the richest quintile—32.6% in Q1, 30.4% in Q2, 26.8% in Q3, 22.0% in Q4, and only 13.7% in Q5. These differences indicate that the richest households may have switched to using bottled water, which is more expensive.

Furthermore, the proportion of children deprived of any dimension decreases as the household expenditure level increases (from Q1 to Q5). The proportion of children who are free from any deprivation increases along with the quintiles of households' income. Only 4.95% of the children in Q1 are free from any deprivation, while for children in Q5 this figure rises to 39.76% (Figure 2).

A more detailed analysis of the distribution of progress among children across different household expenditure groups reveals the fact that children in poorer households do not always experience the same progress. The 2007 and 2010 Basic Health Surveys (Riskesdas), for example, show that despite progress at the aggregate level, the incidences of insufficient weight, stunting, and wasting among children under five in Q1 have increased.

Table 2. Children Deprived of Each Dimension by Household Expenditure Quintile, 2009 (%)

Dimension of Child Poverty	Q1	Q2	Q3	Q4	Q5	Total
Education	35.2	28.6	24.2	20.3	16.6	25.9
Labour participation	8.0	6.5	6.1	5.0	5.3	6.3
Health	17.2	17.3	17.3	17.6	16.4	17.2
Shelter	60.8	43.2	32.6	23.6	11.4	37.0
Sanitation	78.0	62.8	49.4	33.9	17.9	51.6
Water	41.37	40.34	36.14	32.98	33.63	37.38

Source: Estimated from Susenas Panel, 2009.

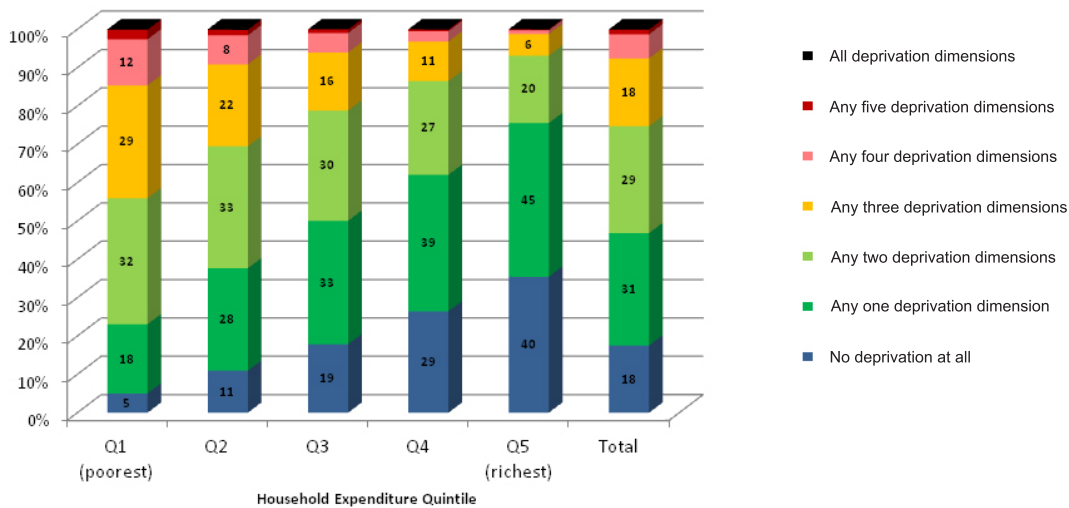


Figure 2. Children suffering from multiple deprivations by household expenditure quintile, 2009 (%)

Source: Estimated based on the 2009 Susenas.

Reducing Child Poverty and Disparity: Policy Recommendations

In reducing child poverty and disparity in Indonesia, it is important to note that progress at the aggregate or national level often hides the inequality of progress and achievements across groups of children from different backgrounds and locations. Thus, for the dimensions of deprivation where good

progress has been achieved, the challenge lies in achieving equitable results for all children. A deeper disaggregated analysis is necessary to ensure that no particular group of children is neglected and thus left behind. This also holds true for several deprivations which children still suffer from, most of which are experiencing regressive trends.

The following are some recommendations towards reducing child poverty and disparity in Indonesia:

1. Continue strengthening the legal foundation for ensuring the fulfilment of children’s rights without discrimination at all levels of government—central and regional—and strengthen the monitoring of progress in this area.
2. Enhance the focus of poverty reduction programmes by mainstreaming children’s issues into policy/ programme development and implementation, both at the national and regional levels.
3. Expand and improve social protection programmes to ensure they are more child-sensitive and to take into account the rural-urban and/or differing provincial contexts across Indonesia.
4. Focus on reducing regional disparities by devoting more effort and resources to strengthen regional governments’ awareness and capacity, build stronger alliances with non governmental actors to reduce child poverty and disparity in their own regions, and adopt policies and programmes appropriate to the local context where possible. ■

LIST OF REFERENCES

Bappenas (National Development Planning Agency) (2010) *Report on the Achievement of the Millennium Development Goals Indonesia 2010*. Jakarta: Bappenas.

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WHO and UNICEF (2006) *Meeting the MDG Drinking Water and Sanitation Target: The Urban and Rural Challenge of the Decade*. Geneva: WHO and UNICEF.

¹ These include the United Nations CRC being ratified through Presidential Decree No. 36/1990, the commitment for the declaration of ‘A World Fit for Children’ signed in 2001, and the Millennium Development Goals.

² Particularly the 2009 National Socioeconomic Survey (Susenas).

³ These include piped water, rain water, artesian and dug wells, and protected wells and springs.

⁴ This definition was used by the United Nations Development Programme (UNDP) in the past. However, according to WHO and UNICEF (2006), bottled water is considered improved only when the household uses it for cooking and personal hygiene.