



FACULTY OF
ECONOMICS
AND BUSINESS

Human Deprivation and Multidimensional Poverty in the Time of Covid-19 in Indonesia

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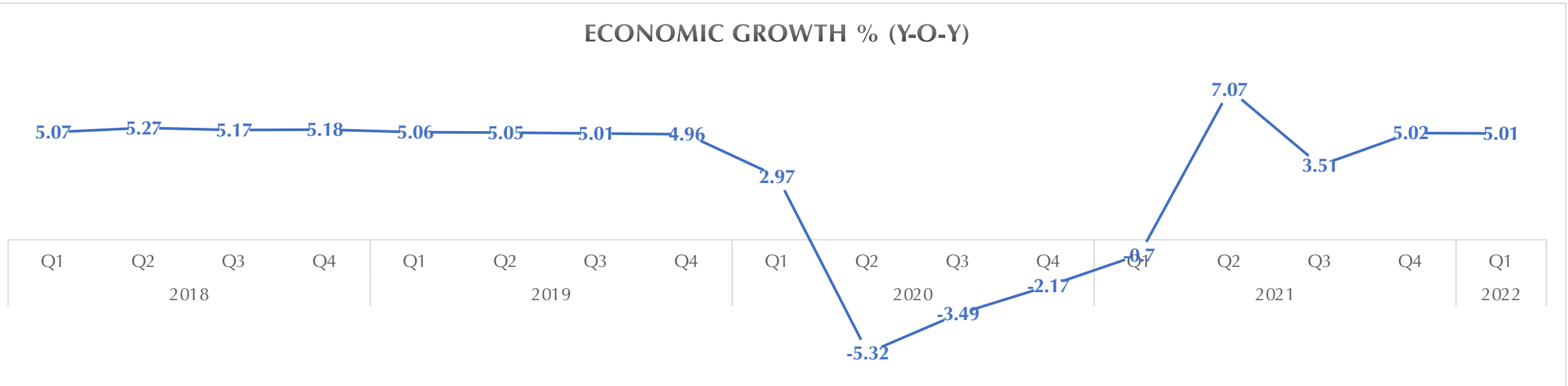
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T20 TF5 Side Event: Jakarta, 27 July 2022

Covid-19 & Economic Condition

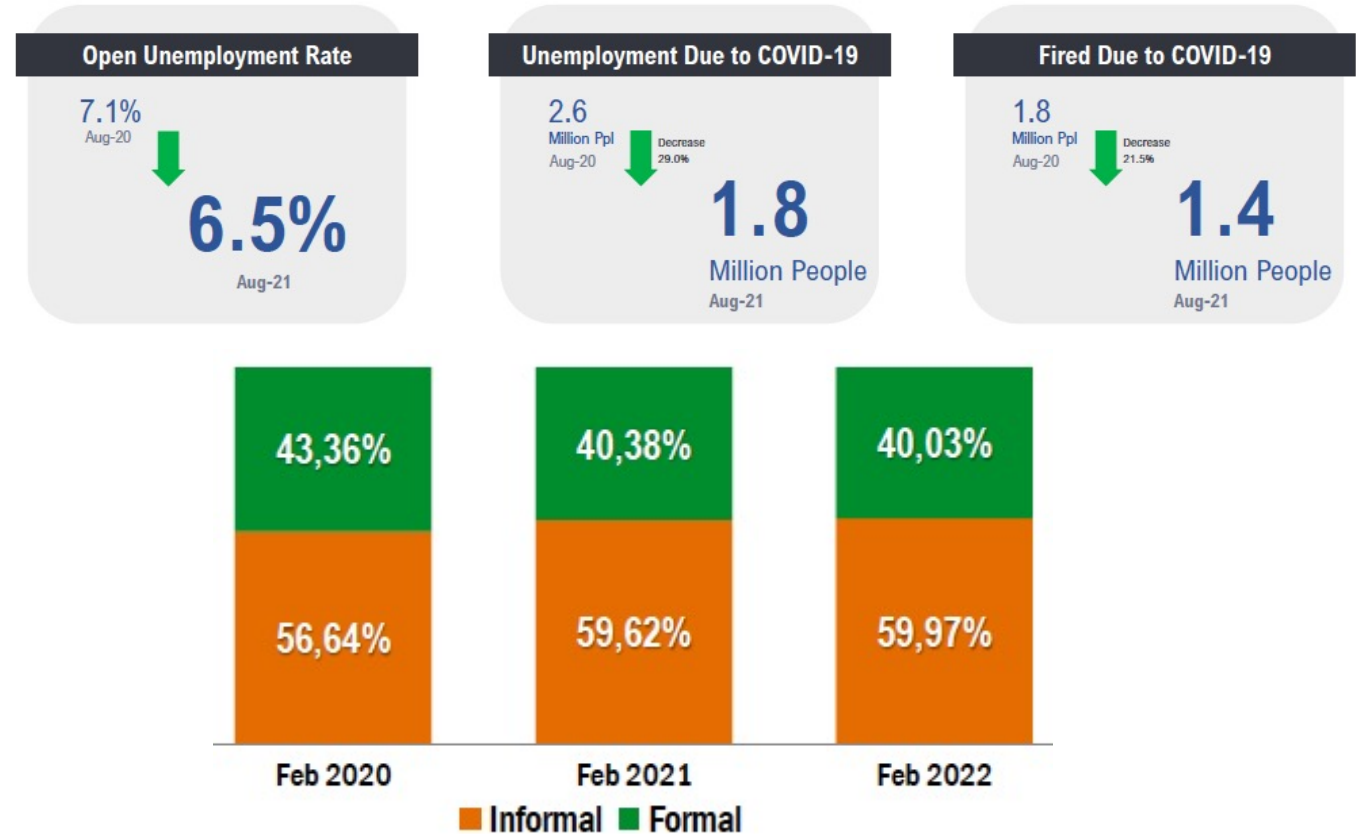
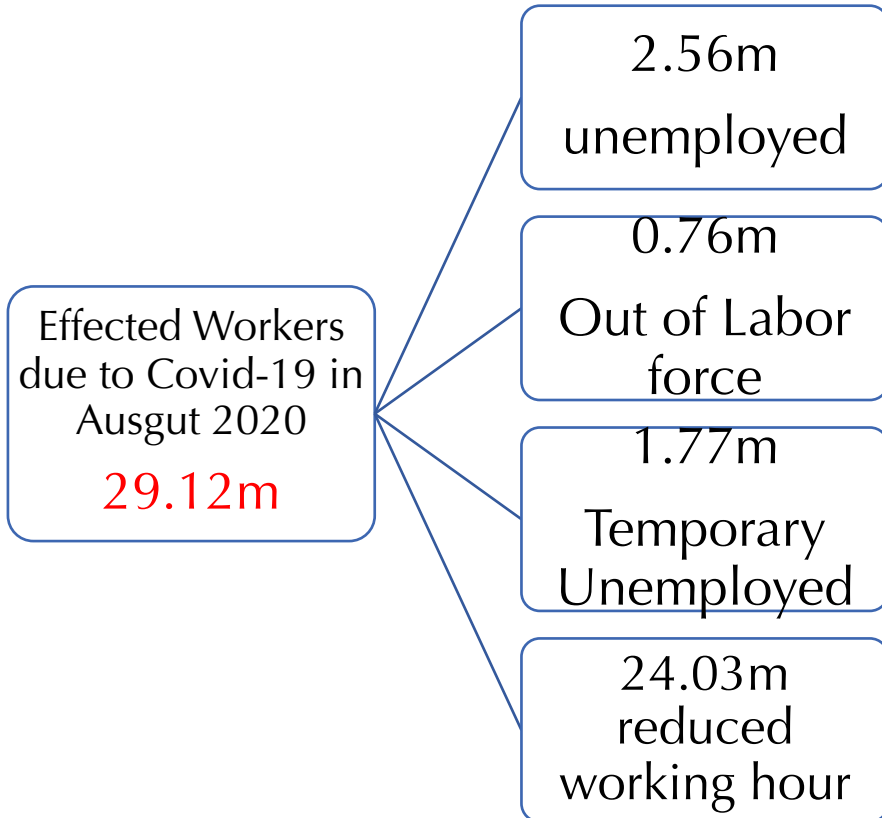
ECONOMIC GROWTH % (Y-O-Y)



ECONOMIC GROWTH (%) (C-ON-C)



Covid-19 & the 2020 & 2021 Labor Market Condition

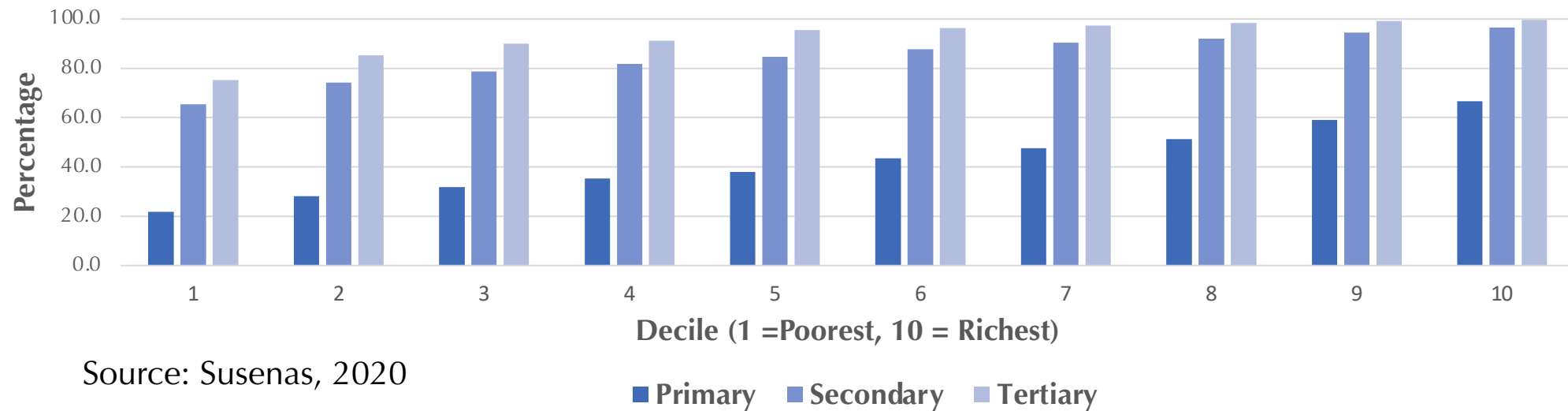


- Labor market adjustment has made a drop out around 5.43 million in the National Health Insurance (BPJS Kesehatan)

Source: Statistics Indonesia, 2021

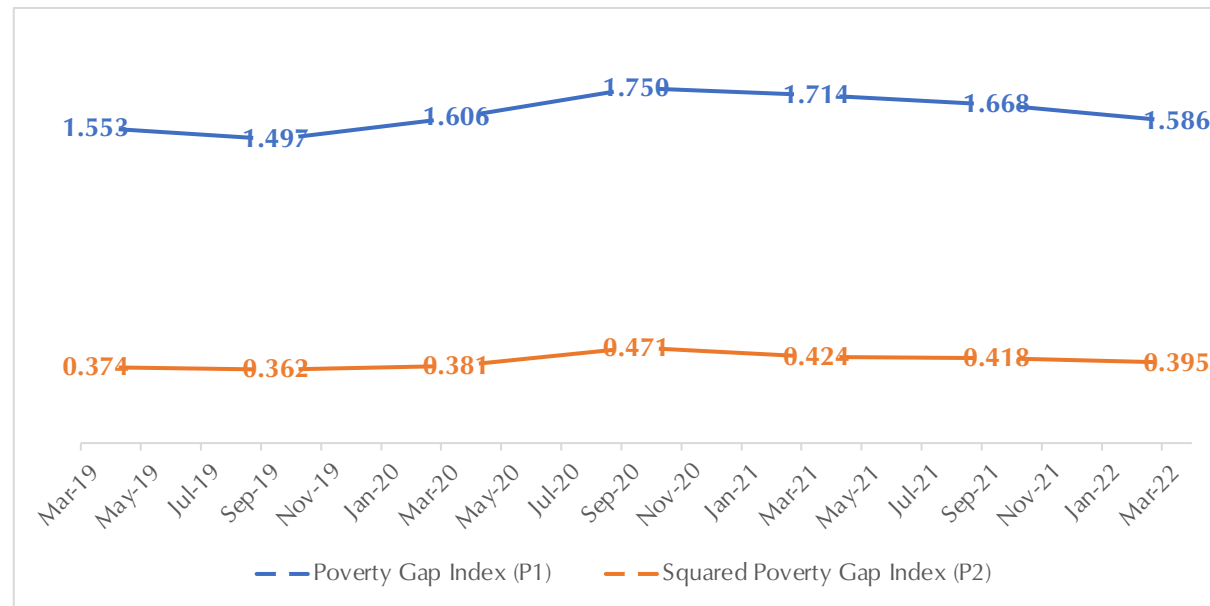
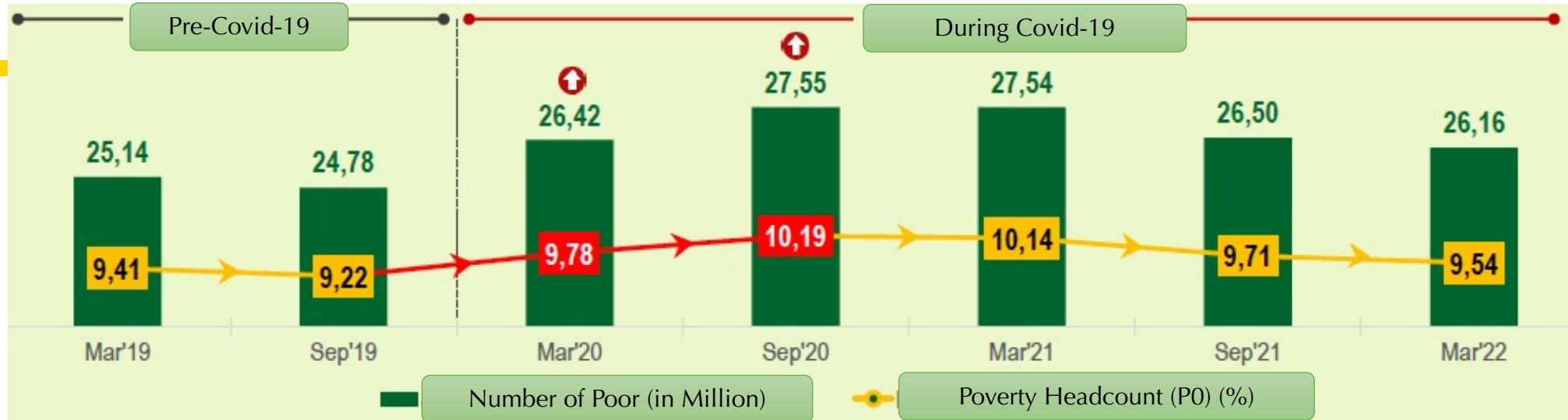
Other New Forms of Human Deprivation during Covid-19

- Access to internet services for schooling from home and working from home



- Housing is function as home, health facility, school and office during the pandemic
 - Must be enough space and utilities

A Monetary Poverty: P0, P1, P2



Source: Statistics Indonesia, 2021

Multidimensional Poverty Measurement in Indonesia

Why MPI?

“Poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes” – Sen (2000)

Poverty = Multidimensional Aspects, not only Income
/ Expenditure



Multidimensional Poverty Measure (MPM) by WB

Dimension	Parameter	Weight
Monetary	Daily consumption or income is less than \$ 1.90 per person.	1/3
Education	At least one school-age child up to the age of grade 8 is not enrolled in school.	1/6
	No adult in the household (age of grade 9 or above) has completed primary education.	1/6
Access to basic infrastructure	The household lacks access to limited-standard drinking water.	1/9
	The household lacks access to limited-standard sanitation.	1/9
	The household has no access to electricity.	1/9

Year	Deprivation rate (share of population)						Multidimensional poverty headcount ratio (%)
	Monetary (%)	Educational attainment (%)	Educational enrollment (%)	Electricity (%)	Sanitation (%)	Drinking water (%)	
2016	5.3	5.0	1.7	2.4	16.5	10.7	6.8
2017	4.5	4.3	1.7	1.9	24.7	9.3	5.9
2018	3.6	5.0	1.6	1.5	22.9	8.9	5.0
2020	2.3	3.7	1.4	1.0	14.0	7.4	3.0
2021	2.2	3.8	1.2	0.8	11.6	6.5	2.8

Source: <https://www.worldbank.org/en/topic/poverty/brief/multidimensional-poverty-measure>

- Under the dimension and parameter, Covid-19 has no effect on Multidimensional Poverty headcount, but slowed the progress of poverty reduction

Source: [World Bank, 2018](#)



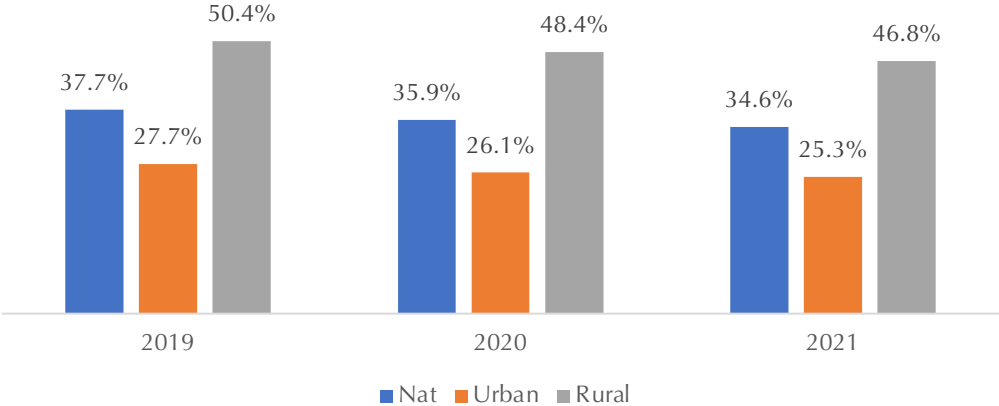
LPEM FEB UI of MPI : Dimensions, Indicators & Deprivation Cut Offs

Dimension	Indicator	Deprived If
Health (1/4)	Birth Attendance (1/12)	Labor processes at household do not get professional paramedic's help (doctors, midwife, or other professional birth paramedics)
	Vaccination (1/12)	There is a baby under 1 year-old not having complete basic immunization (BCG, DPT, Hepatitis B, Polio, Measles)
	Health Insurance (1/12)	Household is not covered by health insurance
Education (1/4)	School Attendance (1/12)	Household has school-age children (7-18 years old) who do not attend school until finishing Junior High School (SMP)
	Years of Schooling (1/12)	At least one adult member (age \geq 18) does not complete Junior High School (9-year mandatory schooling)
	Adult Illiteracy (1/12)	Any adult member (age \geq 18) who cannot read or write
Standard of Living (1/4)	Sanitation (1/28)	Household is not equipped with standard private toilet (<i>leher angsa/plengsengan</i>)
	Drinking Water (1/28)	Household does not use proper drinking water (based on BPS criteria)
	Electricity (1/28)	House does not have installed electricity
	Cooking Fuel (1/28)	Household does not use gas/electricity as cooking fuel
	Housing Condition (1/28)	House meets 2 from 3 these conditions : has inappropriate roof / floor / wall
	Housing Ownership (1/28)	House is not self-owned / official resident
Employment (1/4)	Phone Ownership (1/28)	Household does not have two-way communication tools (telephone / mobile phone owned by at least one household member)
	Unemployment (1/12)	Any household member in working-age who does not work or have any activity (school / taking care household)
	Informal Job (1/12)	Any household member in working age has informal work
	Working Hours (1/12)	Any household member has less than 35 working hours per week

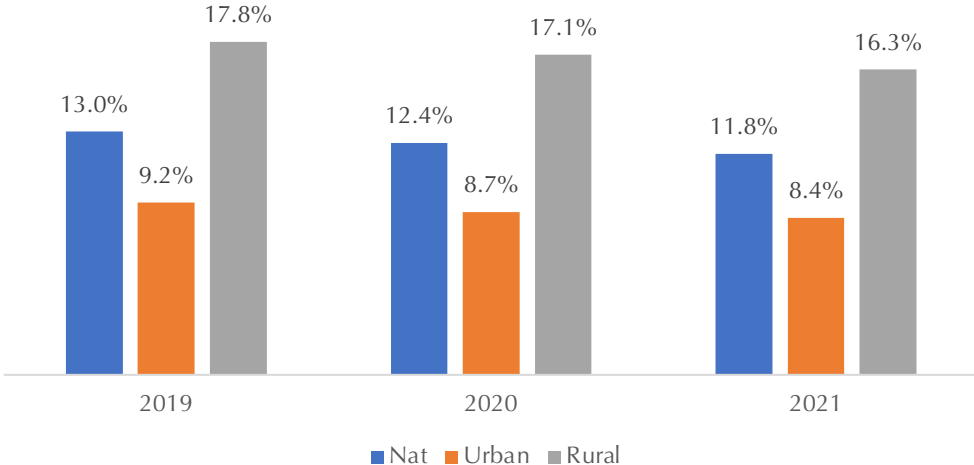


Multidimensional Poverty (MP) in the Time of Covid-19: A Preliminary Result

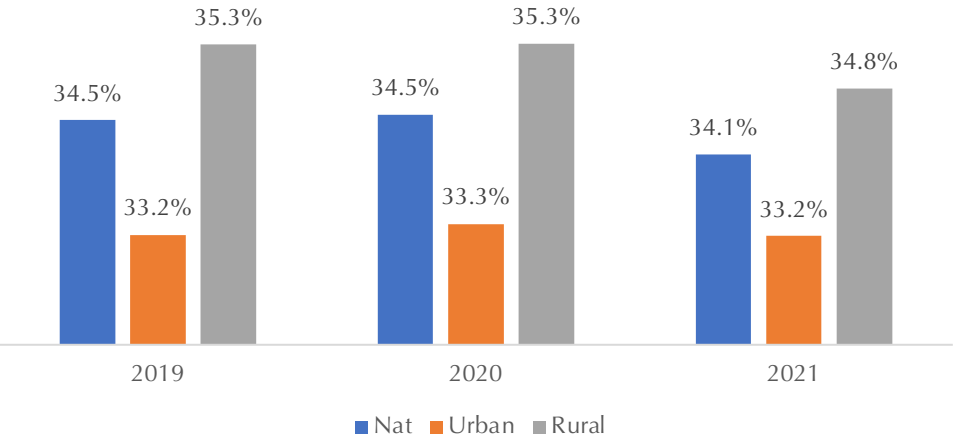
Multidimensional Poverty Headcount (H)



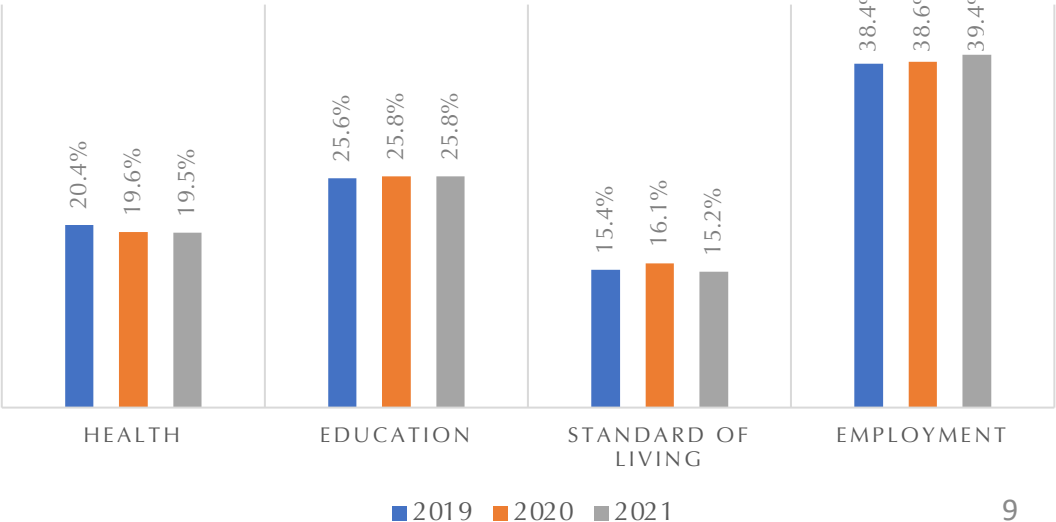
Multidimensional Poverty Index (H x A)



Intensity of Poverty (A)



Trend of Dimension MP



Some Notes

- Covid-19 has adverse impacts on economic, employment, health and education;
- A monetary poverty measure indicates a macro-overview of deprivation symptom, but might not fully show the area/indicator of human deprivation;
 - BPS poverty rate vs. social protection distribution (use multidimensional indicators)
- Covid-19 has created new forms of deprivation such as the digital access (network, device, and usage), employment, housing, etc. that cannot fully be captured by the recent poverty measure;
- Way forward:
 - urgent needs to complement a monetary poverty measure with a multidimensional poverty measure
 - what kind of dimension, indicator and threshold that can be adopted to better represent human deprivation in the recent and future context.

