

Indonesia's Quest in Addressing Multidimensional Poverty

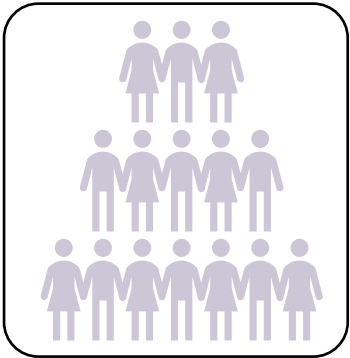
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Poverty is Inherently Multidimensional



Targeting the bottom 40% of the Indonesian Families with the Unified Database



Demography

Gender of the head of the family; The number of the family members; Age of the head of the family; Age of the family members; Marital status of the head of the family; Dependency Ratio



Education

Education of the head of the family, and Education of the family members



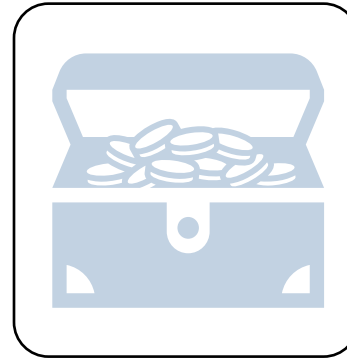
Employment

Employment status of the head of the family, and Employment status of the family members



Housing

Type of most roof material; Type of most wall material; Source of Lighting; Source of drinking water; Sanitation; and Residential status



Assets

Bicycle, Motorcycle, Refrigerator, Gas 12 kg for cooking, Boat, Fixed line, Assets ownership



Spatial

Geographical Remoteness Index

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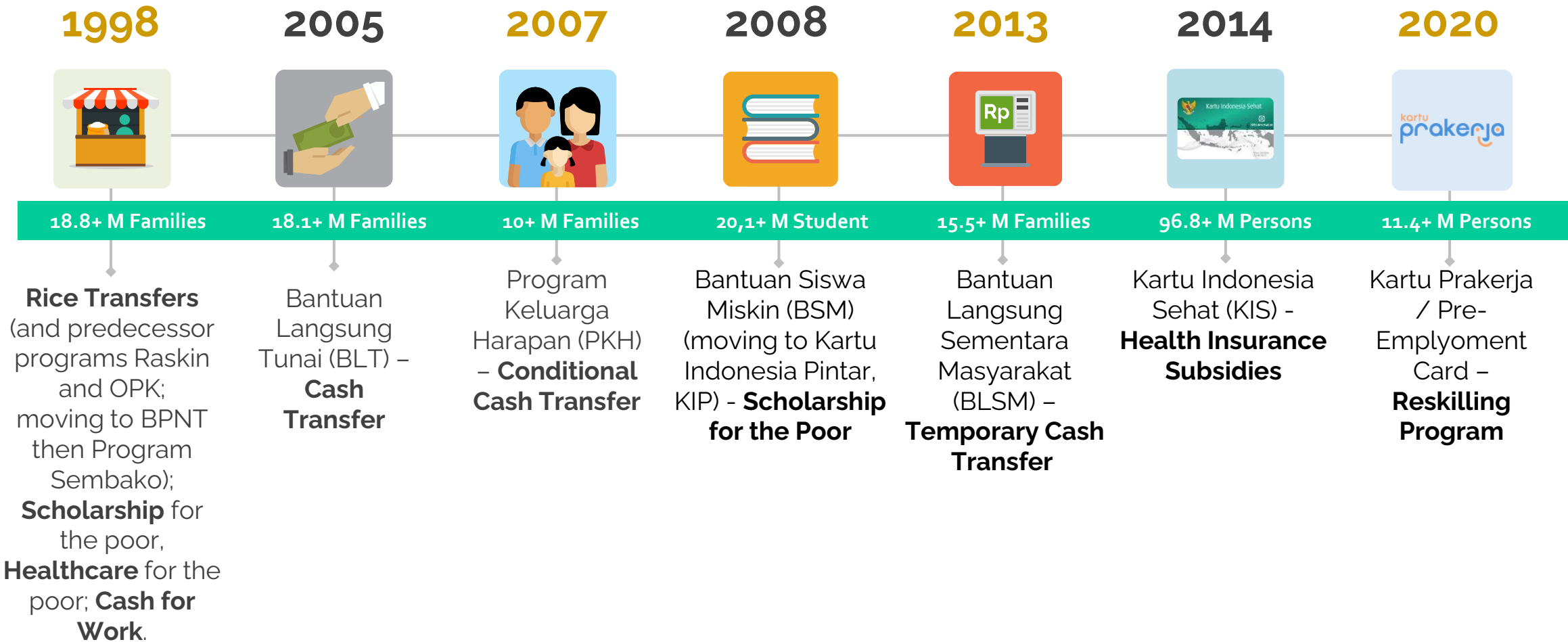


Proxy Means Test is the most accurate method. The Unified Database covers the poorest 40% of the population.

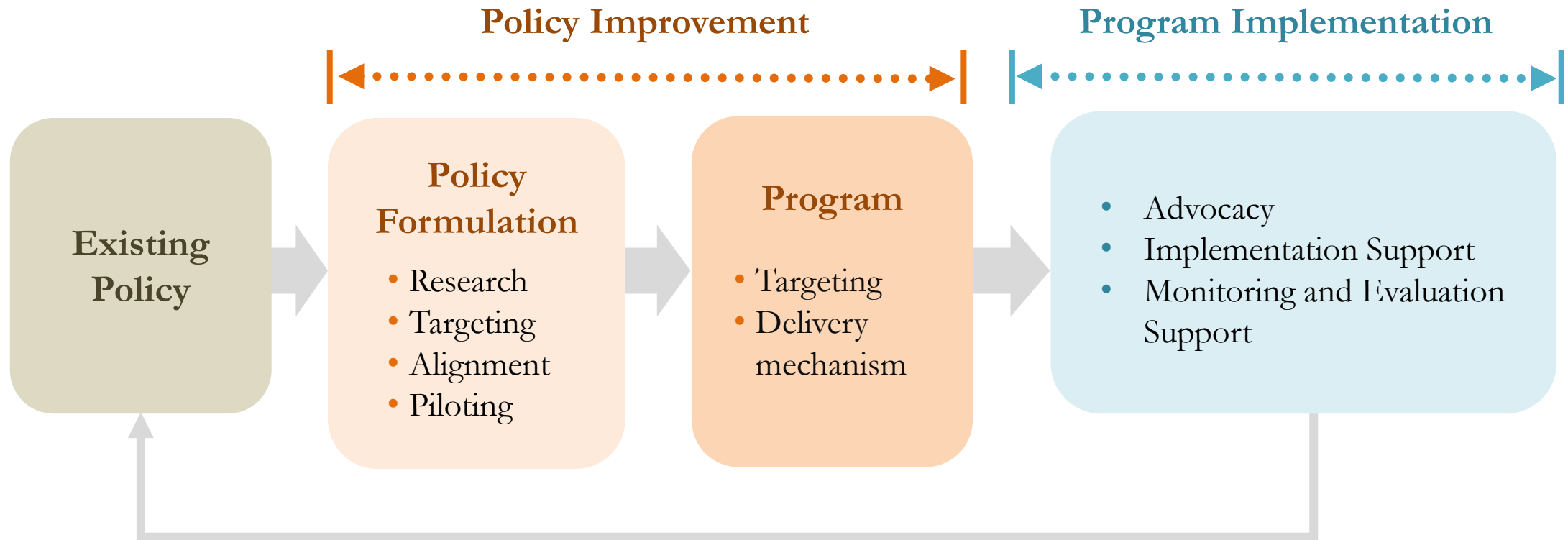


But communities are better in identifying the extreme poor. Community-based meetings are useful to update targeting lists to address exclusion errors.

The Evolution of Indonesia's Targeted Social Protection Programs



The Government Tasked a National Team to Accelerate Poverty Reduction



TNP2K is a cross-sectoral and cross-stakeholder team at the national level that was formed **to accelerate poverty reduction**. This is carried out by formulating policies and programs aimed at synergizing poverty reduction activities in various ministries or institutions as well as conducting supervision and control in their implementation. **TNP2K is led by the Vice President of the Republic of Indonesia.**

Lessons Learned from Indonesian Social Protection Programs

- Social protection programs, such as conditional cash transfers, can reduce poverty headcount in the short and long run and can break the intergenerational transmission of poverty.
- With regards to targeting, all formal methods have their gaps. Incorporating community input is important to better target the poor, which can also lower community conflict and perceptions of unfairness.
- Vouchers can improve the delivery of social protection programs relative to in-kind transfers.
- Providing information to citizens can improve service delivery and reduce leakages.
- We learned, that COVID-19 pandemic not only impacted the poor but also many middle-class families. This emphasized the need for Indonesia to have a social registry that includes more than the poorest 40% families.

Thank You
