

LEARNING OBJECTIVES

After completing the module, the participant should be able to:

- Explain what a poverty profile is
- Why it is useful.

TOPICS

- 1. What is Poverty Profile?
- Key questions should be asked when preparing a poverty profile
- 3. Poverty profile of Indonesia

POVERTY ANALYSIS

1.	How many are poor or how bad is the poverty problem?	Measuring Poverty
2.	WHO ARE THE POOR?	POVERTY PROFILE
3.	Why are they poor?	Determinants of Poverty
4.	What will happen to poverty if?	Implications of Poverty Reduction Policies

WHAT IS POVERTY PROFILE?

- Poverty profile is a descriptive presentation of statistical data on poverty.
- In general, poverty profile use basic techniques, such as table, graph, bar-chart, pie-chart, and mapping.
- Poverty profile provides information for development of policies, and for monitoring & evaluation on poverty

WHAT IS POVERTY PROFILE? (Cont.)

- Poverty profiles shows poverty pattern and poverty variations based on:
 - ☐ geographic characteristics, (e.g. regions, urban/rural, etc.),
 - community characteristics (e.g. community with and without school),
 - household characteristics

WHY IS IT USEFUL?

- A well-presented poverty profile can be informative and useful in assessing how the sectoral or regional pattern of economic change is likely to affect aggregate poverty
- Regional poverty comparisons are important for targeting development programs to poor areas

KEY QUESTIONS

- Is poverty differ among regions within a country?
- 1. Is the most density populated region has the highest poverty incidence?
- 2. How poverty correlated with gender, age, urban and rural areas, race, or ethnicity?
- 3. What is the main income source of the poor?
- 4. On what sectors do the poor depend for their livelihood?

KEY QUESTIONS (Cont.)

- 6. What product or services do the poor sell?
- 7. To what extent are the rural poor engaged in agriculture? In off-farm employment?
- 8. How large a factor is unemployment? Underemployment?
- 9. Which are the important goods in the consumption basket of the poor? How high is share of tradable and non-tradable?
- 10. How is income poverty linked with malnutrition or educational outcomes?

KEY QUESTIONS (Cont.)

- 11. What are characteristics of the poor?
- 12. To what public services do the poor have access? What is the quality of the service?
- 13. How important are private costs of education and health for the poor?
- 14. Can the poor access formal or informal credit markets?
- 15. What assets –land, housing and financial do the poor own? Do property rights over such access exist?

KEY QUESTIONS (Cont.)

- 16. How secure is their access to, and tenure over, natural recourses?
- 17. Is environmental degradation linked to poverty?
- 18. How variable are the incomes of the poor? What risks do they face?
- 19. Are certain population groups in society at a higher risk of being poor than others are?



DATA AND CONCEPT

- Source of data: National Socio-Economic Survey of consumption module (68.800-280.000 households).
- Method: Basic needs approach (the daily minimum requirement of 2,100 kcal per capita plus the nonfood minimum requirement).
- Poverty line: value of expenditure (in rupiahs)
 needed to fulfill the basic minimum requirement
 including food and non-food.
- A person who cannot afford to fulfill the basic minimum requirement is categorized as poor.



Poverty Line In Indonesia

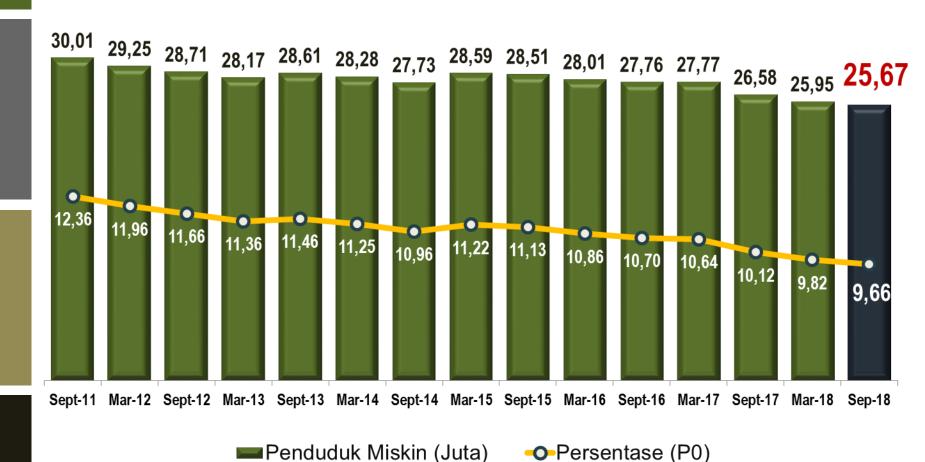
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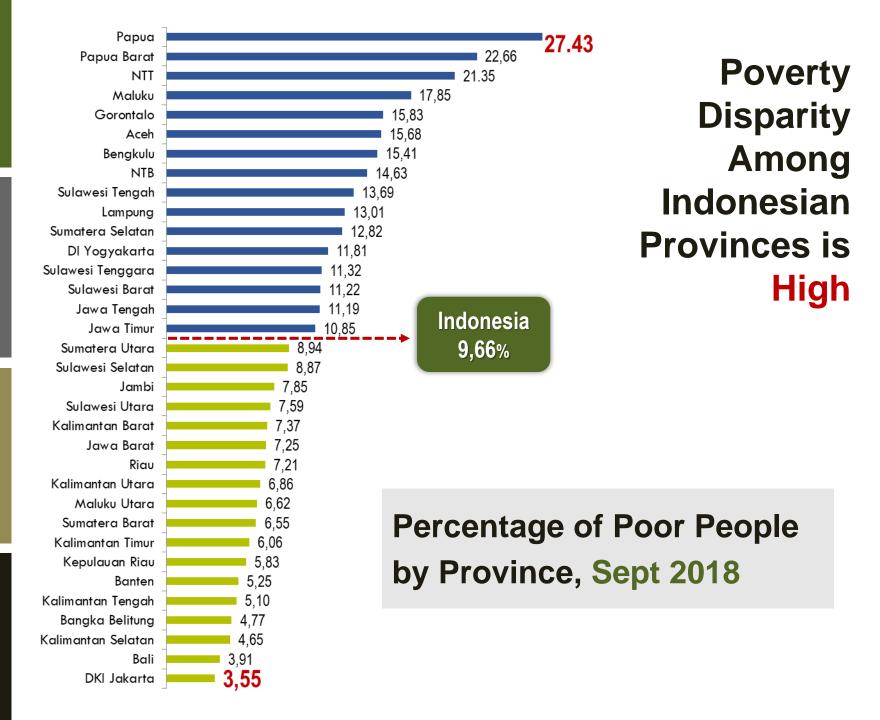
(Rupiah/ Capita/Month)

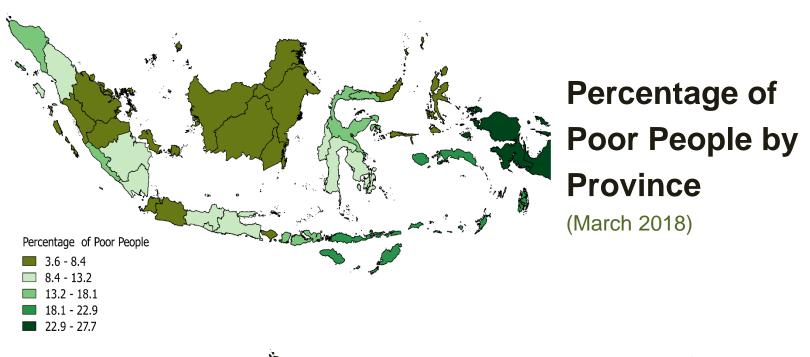
Year	Food	Non Food	Total
Maret 2015	242 241	88 535	330 776
Maret 2016	260 469	93 917	354 386
Maret 2017	274 544	99 933	374 478
Maret 2018	294 806	106 414	401 220

Poverty Trend in Indonesia

(2009-2018)







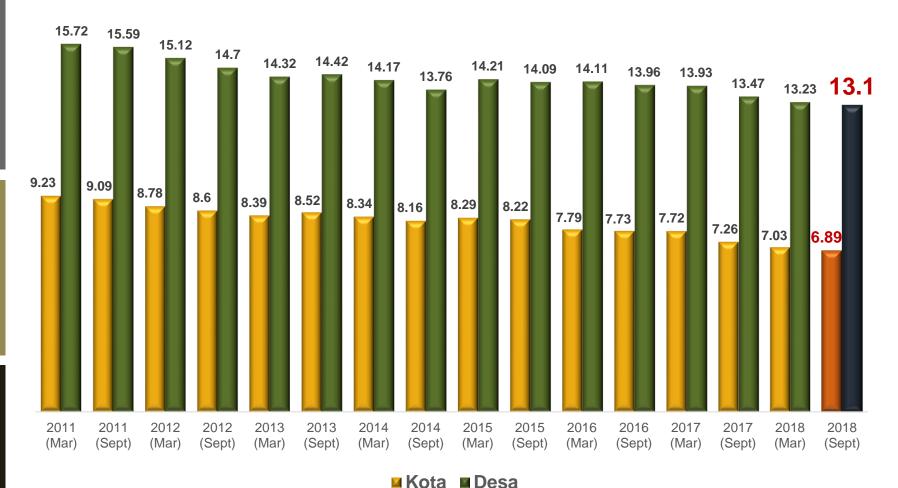
Number of Poor People by Province

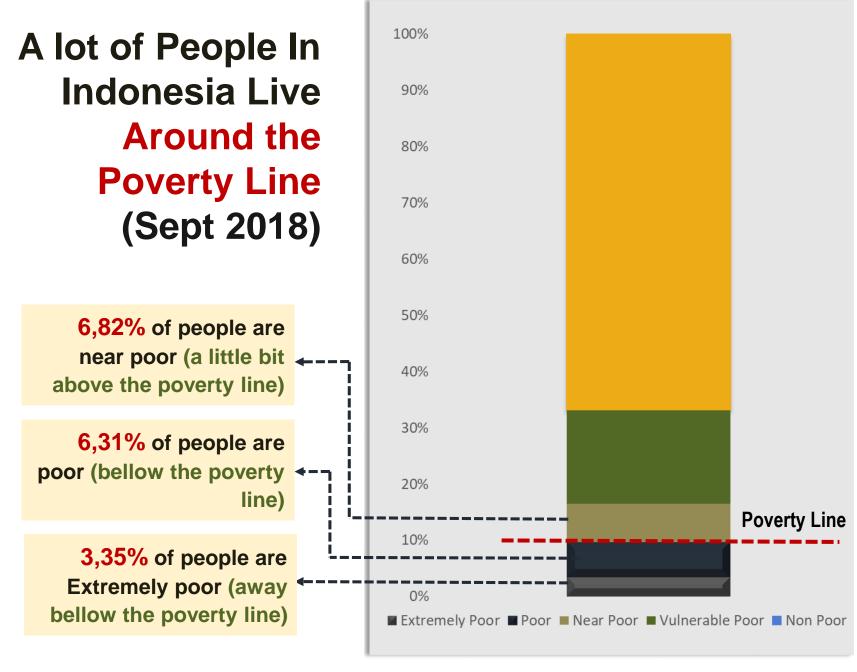
(March 2018)



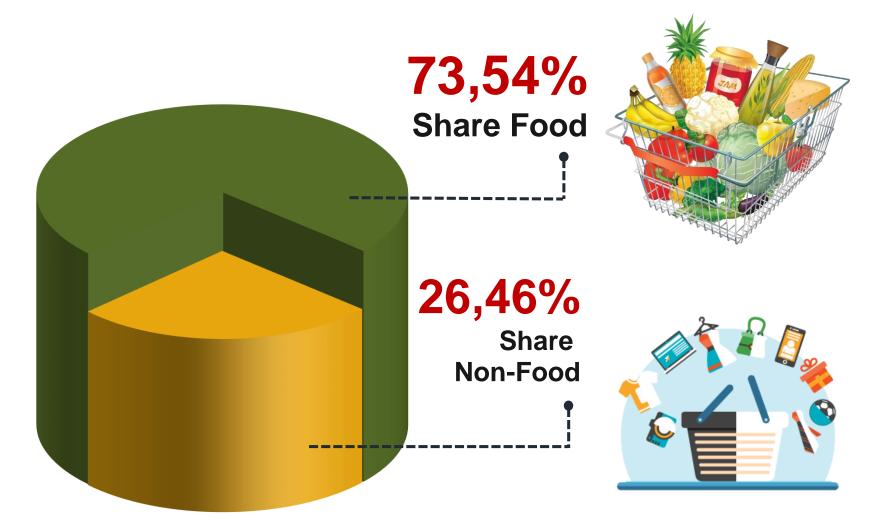
Poverty Disparity Between Urban and Rural is also High (20011-2018)







Share Food Commodity to Poverty Line is Much Higher than Share of Non-Food (housing, clothing, education, health) – Sept 2018

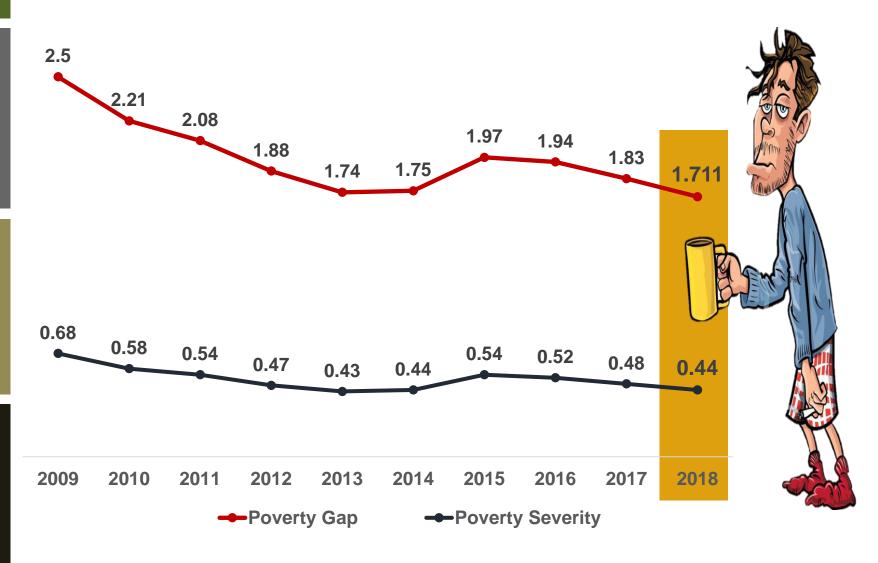


Food Commodities Which Have Big Influences on Poverty Line Sept 2018

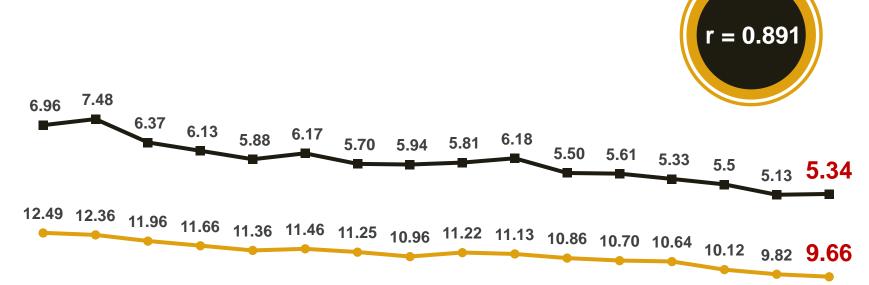
Food Commodity	Rural (%)	Urban (%)
Rice	25,51	19,54
Cigarette	10,06	10,39
Egg (Chicken)	3,36	3,89
Chicken (meat)	2,21	3,80
Instant Noodle	2,13	2,37
Sugar	2,84	2,04
Instant Coffee	1,81	1,96
Cake (Traditional)	1,98	1,94

Non-Food Commodity	Rural (%)	Urban (%)
Housing	7,26	8,42
Gasoline	3,65	4,44
Electricity	2,05	3,67
Education	1,19	1,93
Toiletries	1,05	1,22

Poverty Gap and Poverty Severity Index (2009-2018)

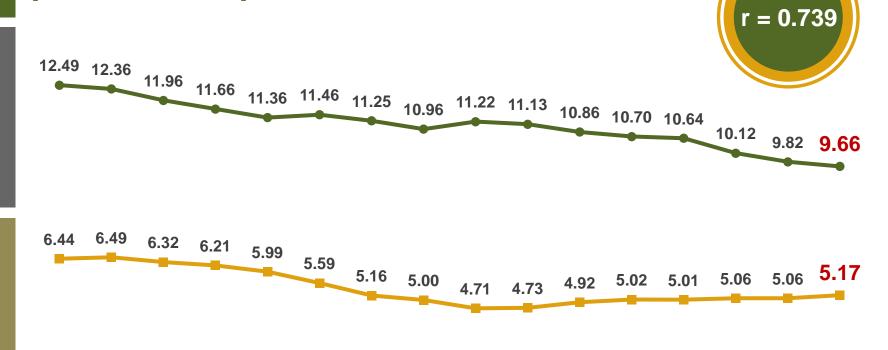


Percentage of Poor Household and Open Unemployment Rate (2011-2018)



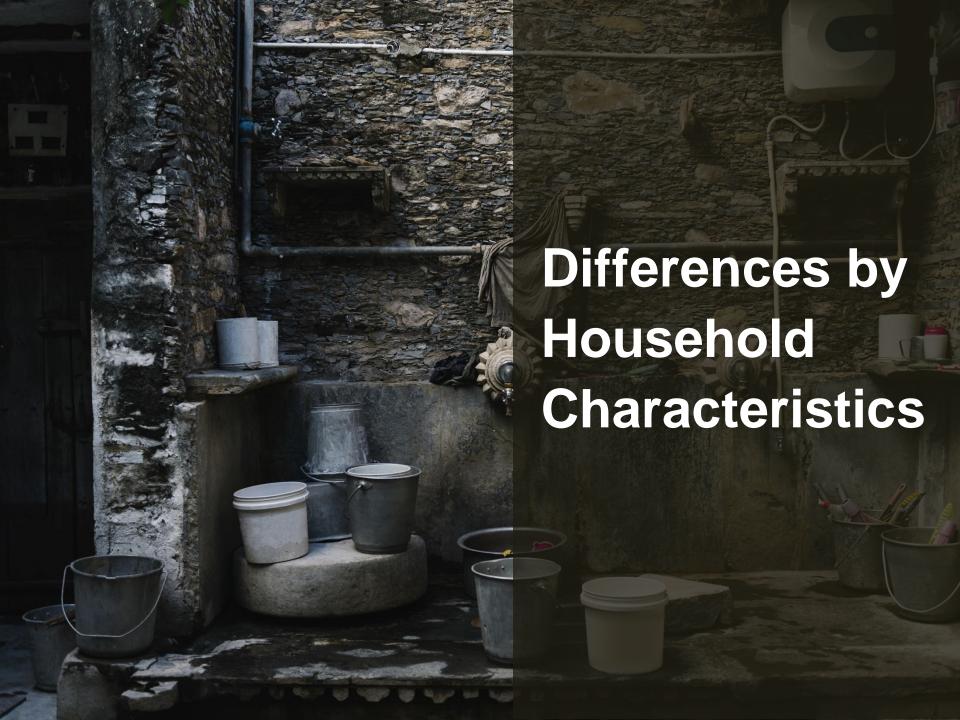


Percentage of Poor Household and Economic Growth (2011-2018)

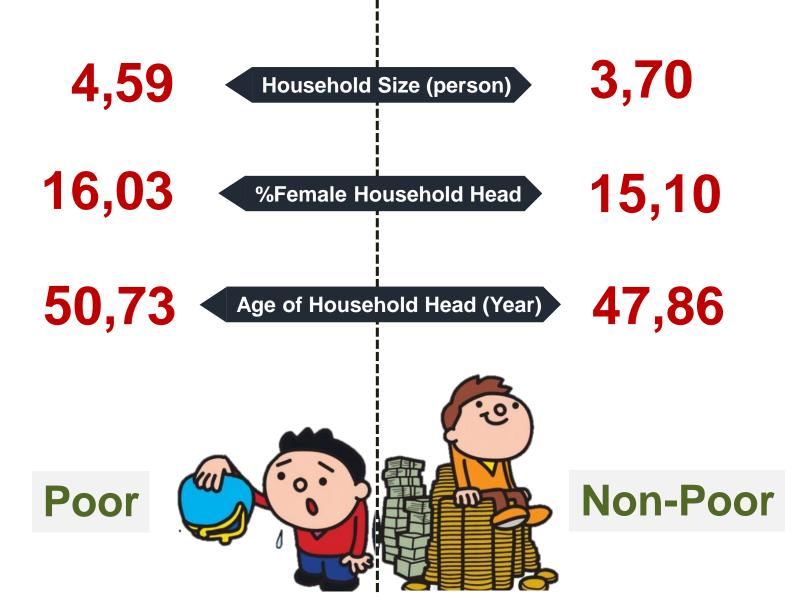




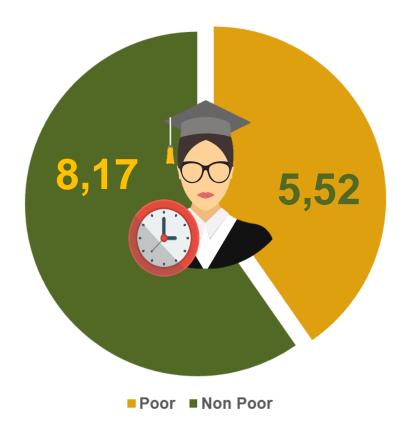
Percentage of Poor Household — Economic Growth (YoY)



Social-Demographic Characteristics of Poor and Non Poor Household (2018)

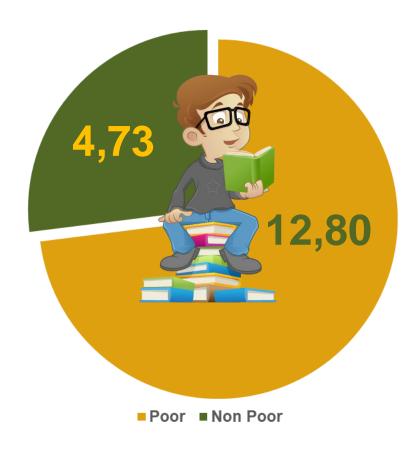


Educational Characteristics of Poor and Non Poor Households (2018)

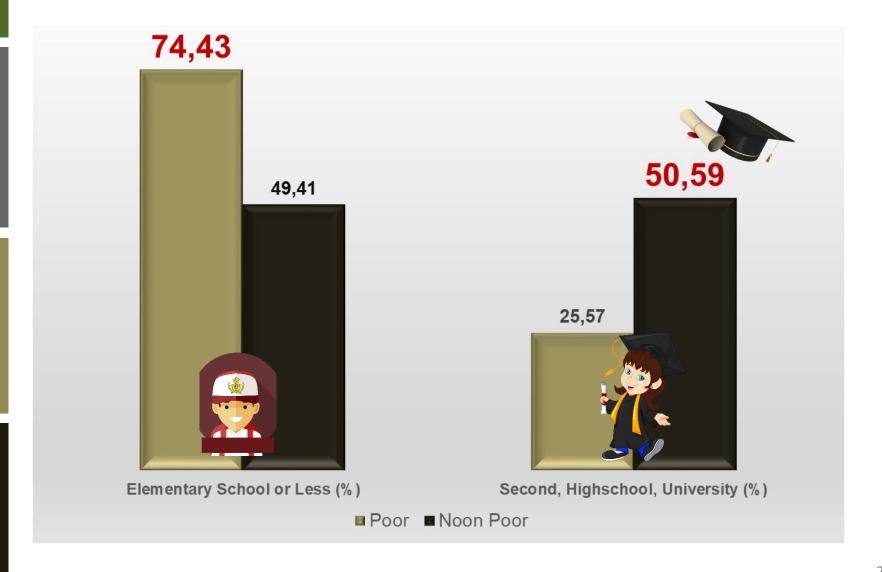


Average School
Years of Household
Head (years)

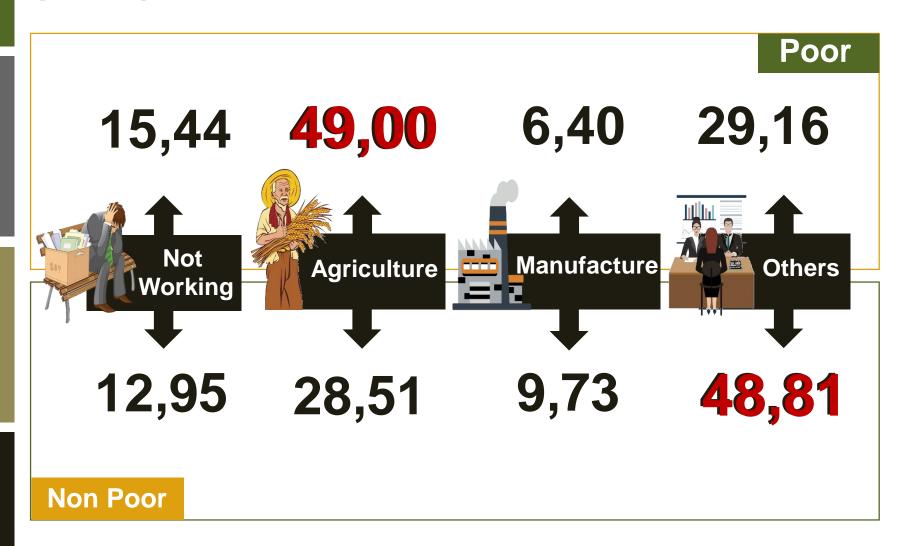
Literacy Rate (Percentage of Household that can't Read and Write)



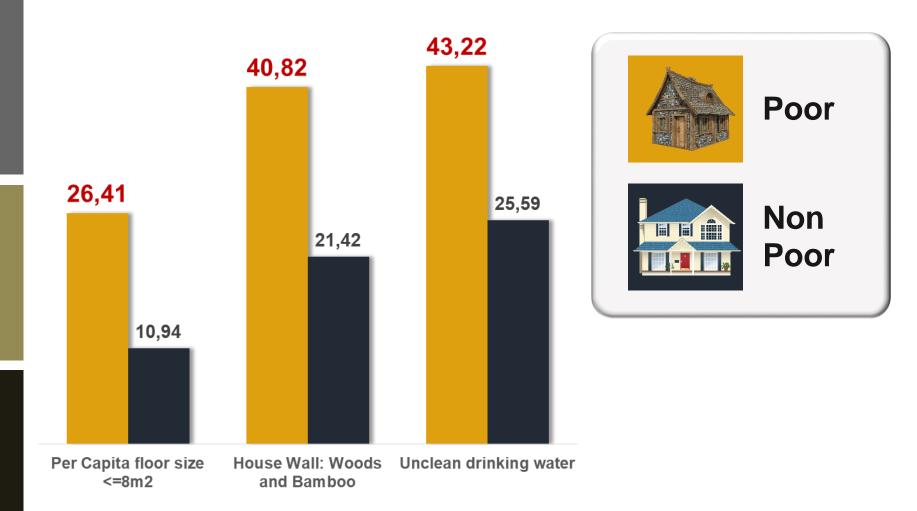
Educational Level of Household Head (2018)



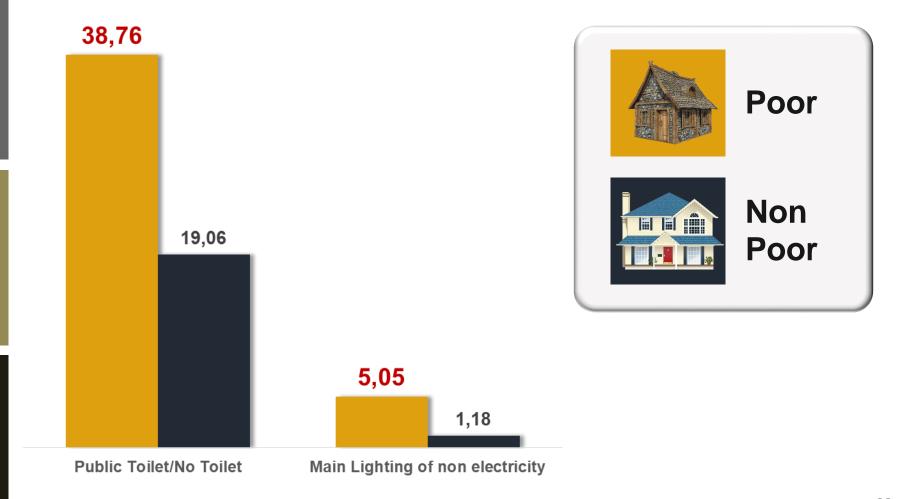
Main Source of Income (%) (2018)



Housing Characteristics of Poor and Non Poor Households (%) (2018)



Housing Characteristics of Poor and Non Poor Households (%) (2018)



SUMMARY

