A photograph of three young children, two girls and one boy, smiling and hugging each other. They are positioned in the lower-left and center of the frame. The background is a rich red fabric with intricate, repeating geometric patterns in gold and white. The text is overlaid on the upper portion of the image.

# THE DYNAMICS OF POVERTY AND THE MEASURING OF POVERTY VULNERABILITY IN EFFORT TO PROTECT CHILDREN FROM POVERTY IMPACT (Case Study on Households in Java Island, 2008-2010)

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- ❖ In 2010, approximately 31.02 million Indonesians lived in poverty (13.33%), BPS (2010)
- ❖ Poverty is dynamic and stochastic (Chaudhuri, 2003)
- ❖ A large number of Indonesians are, although not poor, vulnerable to poverty (Suhariyanto, 2009)
- ❖ Poverty has negative impact not only to adults but also to children.
- ❖ Poverty causes long-term detrimental impact to children.
- ❖ Children of poor families experience shifts of roles.
- ❖ Children are the future generation of a nation and valuable assets whose continued existence has to be ensured.



- ❖ Thorbecke (2004):  
Poverty issues → poverty dynamics → poverty and vulnerability
- ❖ *World Bank Institute* (2002) defines vulnerability as the probability or risk of becoming poor or poorer in the future
- ❖ Measuring vulnerability to poverty is not the same as measuring poverty itself.
- ❖ Measuring vulnerability is an ex ante forward looking measure, in which an event is measured before it happens; the strategy devised is thus expected to reduce the risk of poverty (Dercon, 2002)
- ❖ Chaudhuri (2003) emphasizes the need for measuring vulnerability not only because vulnerability is a dimension inseparable from welfare, but also because the measurement plays significant roles, namely:
  - To provide information on forward-looking strategy on poverty reduction
  - To highlight the differences between poverty prevention and poverty alleviation intervention
  - To explain the risks in poverty dynamics.



# Methodology

## Data Source

- Susenas Panel Data 2008, 2009, dan 2010 (raw), Badan Pusat Statistik (BPS)
- Village Potential (Podes) Data Collection 2008 (raw), BPS
- Various BPS publications

## Data Matching

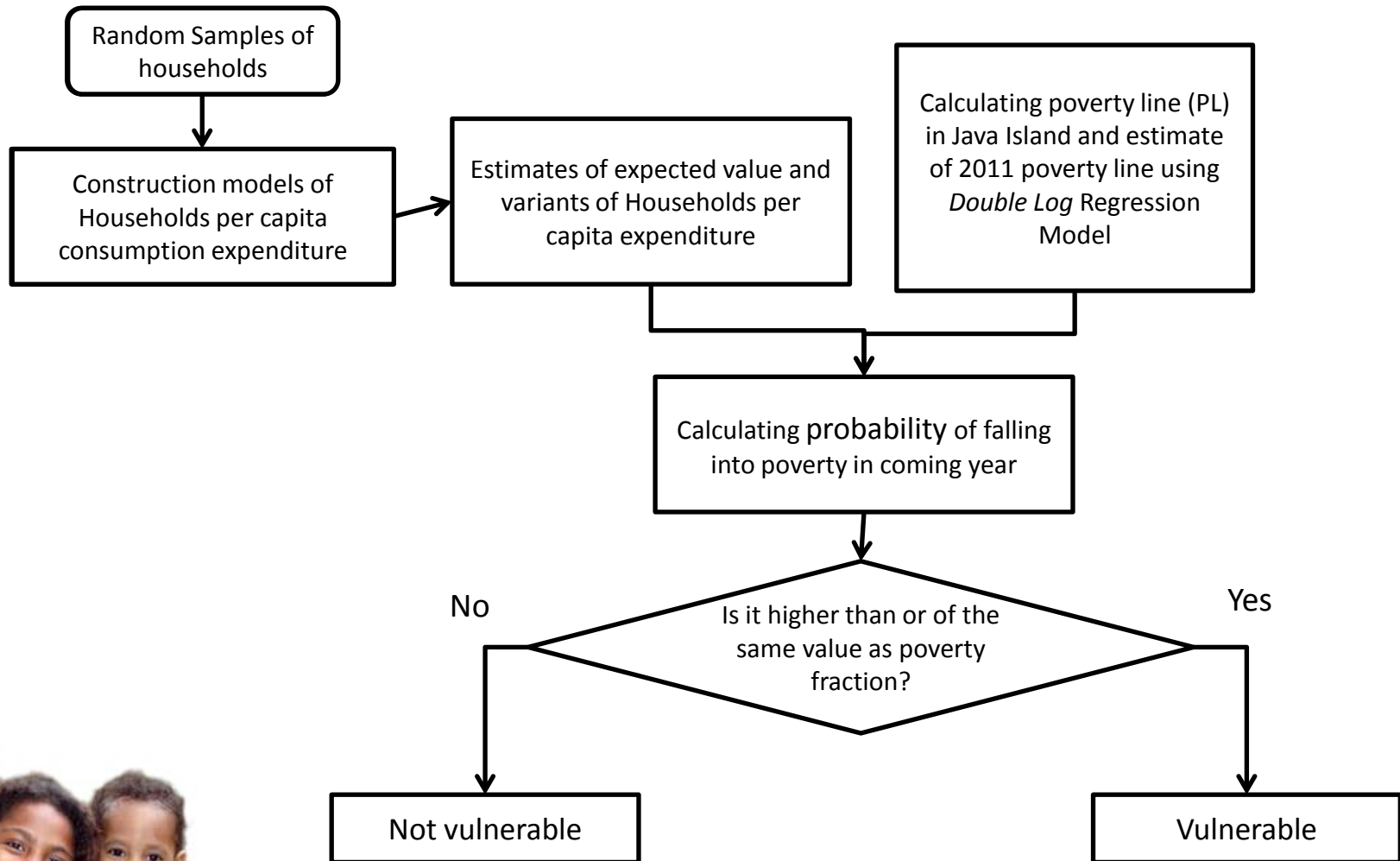
- Susenas Panel Data 2008-2010 and Podes were matched, resulting in a match of 13,999 (urban) dan 14,138 (rural) households

## Analytical Method

- Poverty dynamics and poverty characteristics of children from vulnerable households: Descriptive Analysis
- Vulnerability measurement: Inferential Analysis (Panel Data Regression Model with Random Effect Approach) and advanced analysis



# Stages of Vulnerability Measurement



# Shifts in Poverty Status of Households

| Condition in March 2009 |                 | Kondisi Maret 2010 |                         |                               |                     |       |
|-------------------------|-----------------|--------------------|-------------------------|-------------------------------|---------------------|-------|
|                         |                 | Poor (< PL)        | Almost Poor (1-1.25 PL) | Almost Not Poor (1.25-1.5 PL) | Not Poor (> 1.5 PL) | Total |
| (1)                     |                 | (2)                | (3)                     | (4)                           | (5)                 | (6)   |
| Urban                   | Poor            | 44.5               | 24.7                    | 13.1                          | 17.7                | 100   |
|                         | Almost Poor     | 20.3               | 27.2                    | 20.1                          | 32.4                | 100   |
|                         | Almost not Poor | 8.9                | 17.5                    | 22.2                          | 51.4                | 100   |
|                         | Not Poor        | 1.5                | 3.0                     | 5.3                           | 90.3                | 100   |
| Rural                   | Poor            | 44.2               | 23.84                   | 11.32                         | 20.64               | 100   |
|                         | Almost Poor     | 20.2               | 28.2                    | 17.7                          | 33.9                | 100   |
|                         | Almost not Poor | 10.3               | 20.7                    | 20.8                          | 48.2                | 100   |
|                         | Not Poor        | 3.8                | 8.6                     | 10                            | 77.6                | 100   |

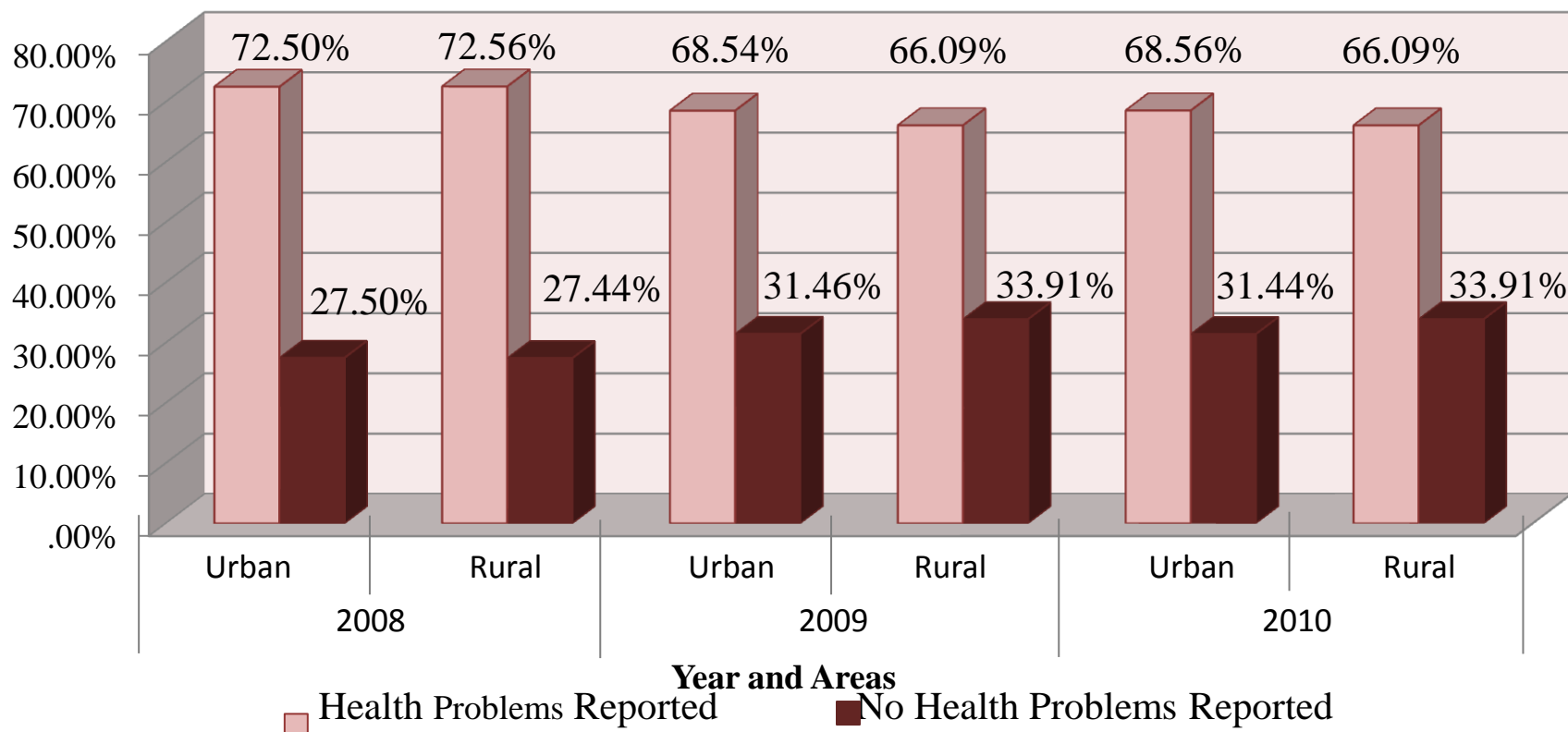


# Estimates of Households' Vulnerability

| Year, Number, and Percentage |            | Urban     | Rural     |
|------------------------------|------------|-----------|-----------|
| (1)                          |            | (2)       | (3)       |
| 2008                         | Number     | 1,344,754 | 5,279,606 |
|                              | Percentage | 8.2       | 30.4      |
| 2009                         | Number     | 1,847,481 | 8,249,573 |
|                              | Percentage | 10.9      | 46.1      |
| 2010                         | Number     | 2,056,044 | 6,742,476 |
|                              | Percentage | 10.4      | 44.0      |



# Proportion of Vulnerable Households according to Number of Children with Health Problems and Areas, 2008-2010

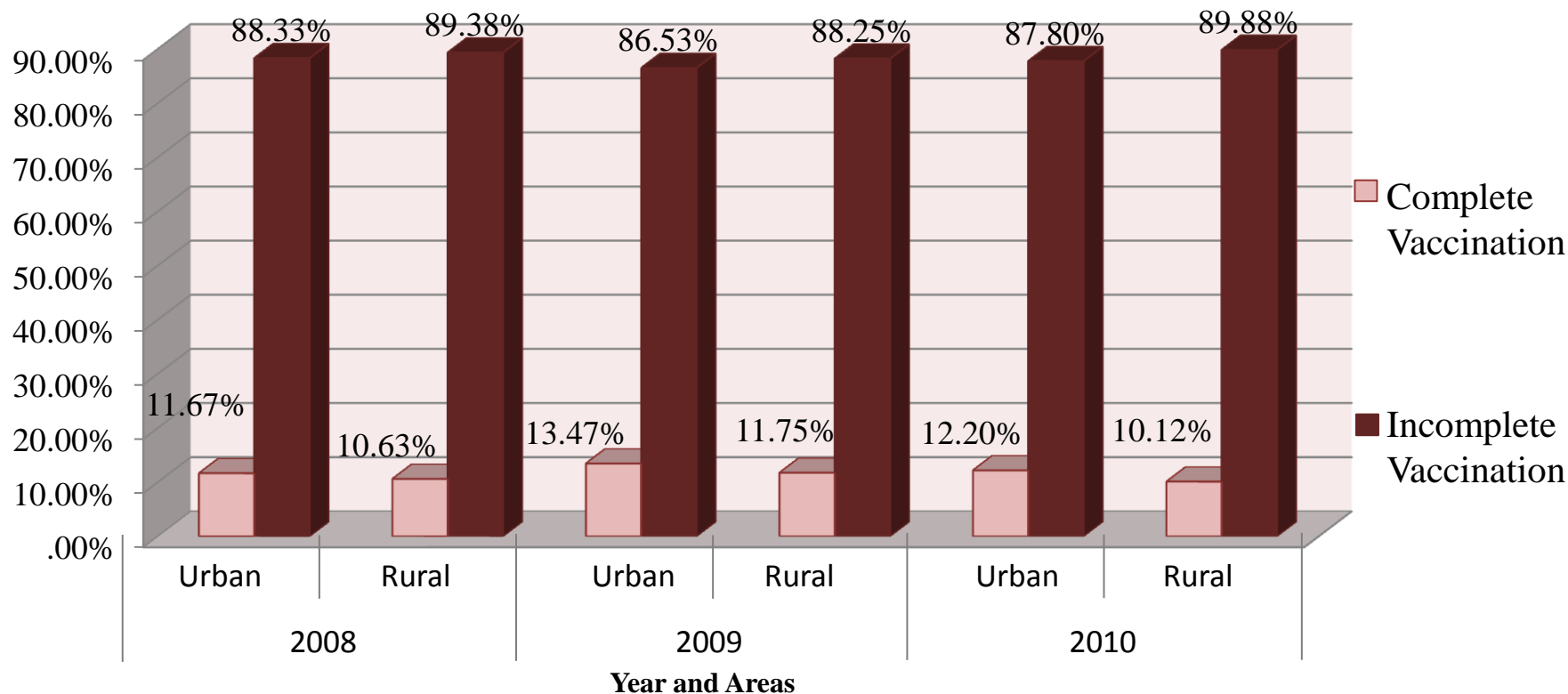


| Areas                                | Rural  |        |        | Urban  |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|--------|
|                                      | 2008   | 2009   | 2010   | 2008   | 2009   | 2010   |
| <b>Cannot afford outpatient care</b> | 27.81% | 23.89% | 23.85% | 21.55% | 23.42% | 22.54% |





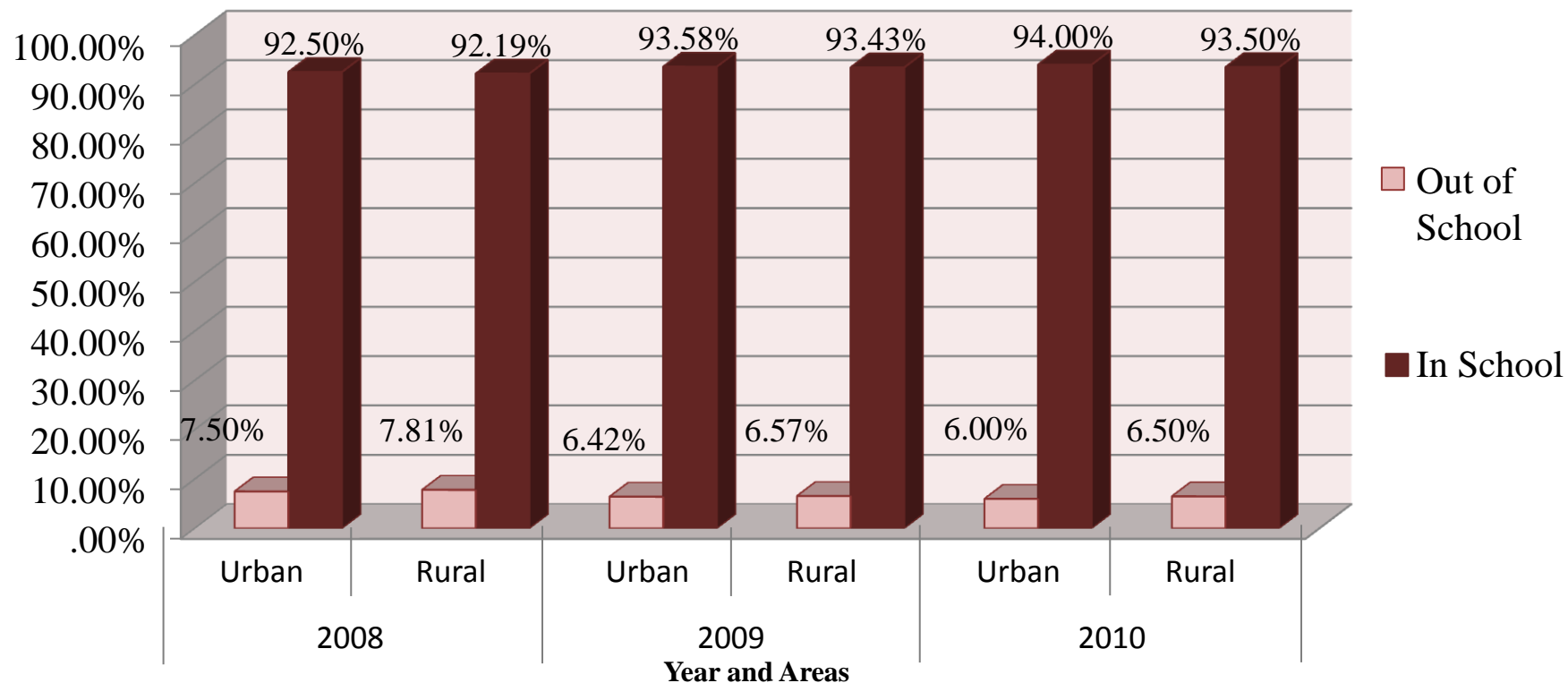
# Proportion of Vulnerable Households according to Number of Children Not Receiving Complete Vaccination and Areas, 2008-2010



| Areas  | Rural  |        |        | Urban  |        |       |
|--|--------|--------|--------|--------|--------|-------|
|  | 2008   | 2009   | 2010   | 2008   | 2009   | 2010  |
| <b>Birth Unassisted by Trained Birth Assistant</b> | 21.31% | 16.86% | 15.80% | 14.88% | 12.57% | 9.72% |



# Proportion of Vulnerable Households according to Number of Children Out of School and Areas, 2008-2010



| Areas                 | Rural |       |       | Urban |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|
|                       | 2008  | 2009  | 2010  | 2008  | 2009  | 2010  |
| <b>Child Labor</b>    | 3.21% | 2.22% | 2.34% | 1.90% | 1.18% | 1.14% |
| <b>Child Marriage</b> | 0.34% | 0.28% | 0.40% | 0.24% | 0.27% | 0.21% |



# Policy Recommendations

- Existing programs need to be continuously evaluated.
- Community Empowerment Programs have to be conducted more intensely.
- In effort to reduce poverty, special attention have to be given to children.
- Invitation to community members to participate in poverty reduction efforts.

