

INDONESIA POVERTY ASSESSMENT

PATHWAYS TOWARDS ECONOMIC SECURITY

LOOKING BACKWARD



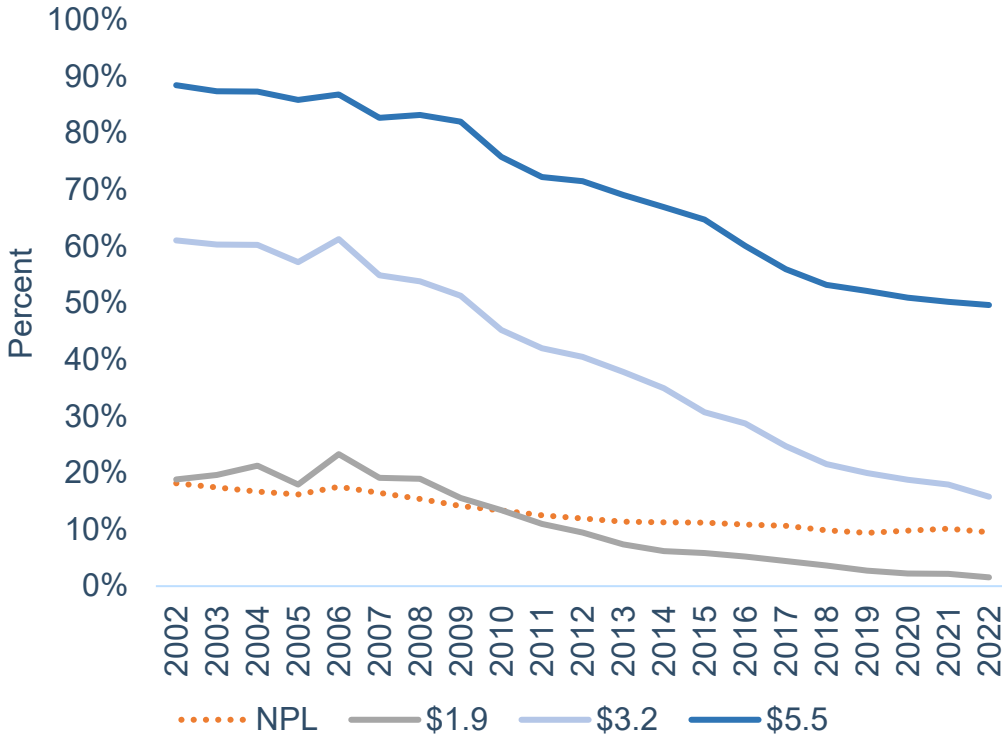
WORLD BANK GROUP
Poverty & Equity

Indonesia has eradicated nearly all extreme poverty.

Extreme poverty, defined by living on less than US\$ 1.90 2011 PPP per day, dropped from 19 percent in 2002 to 1.5 percent in 2022.

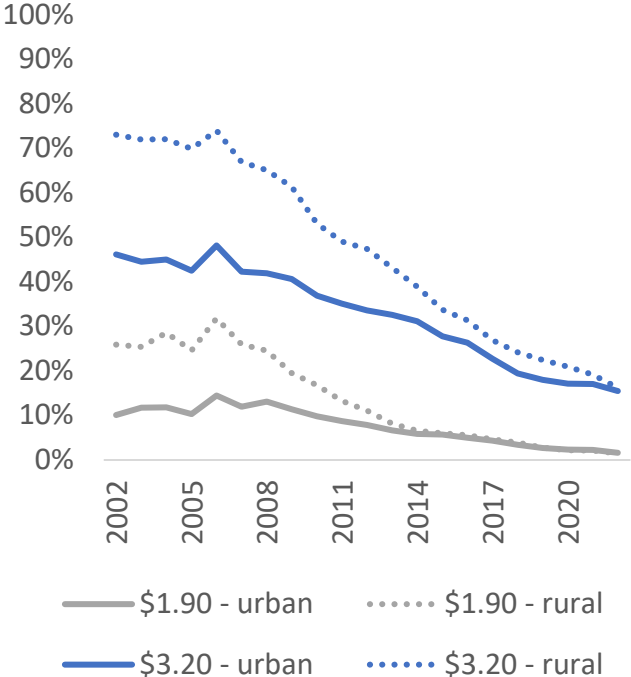
Extreme poverty, defined by living on less than US\$ 1.90 2011 PPP per day, dropped from 19 percent in 2002 to 1.5 percent in 2022.

Poverty headcount rates using \$1.90, \$3.20, and \$5.50 per-day 2011 PPP as well as the national poverty line (NPL)

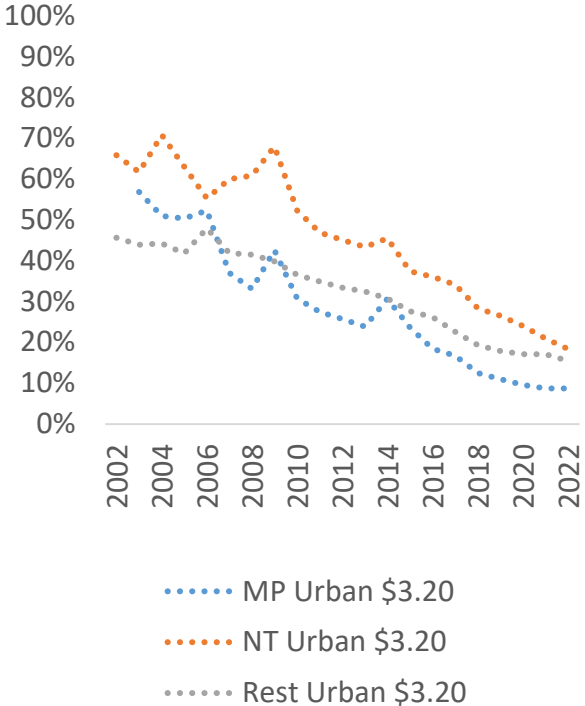


Poverty rates are converging across the country, except in rural areas of two lagging island-regions.

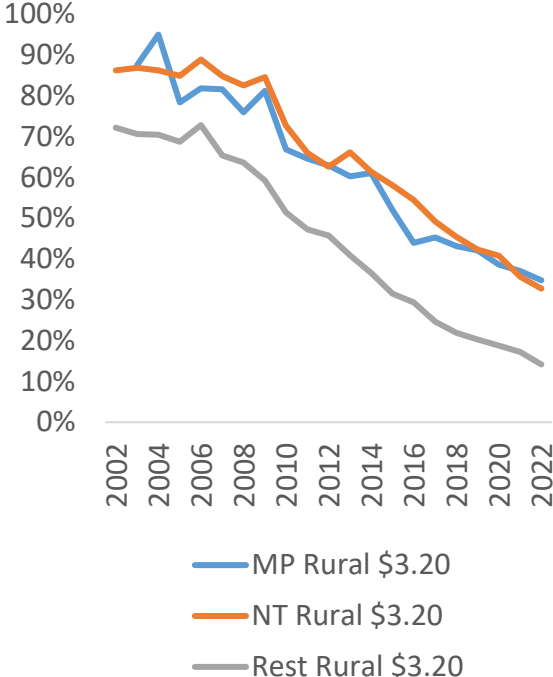
Poverty rates in rural and urban areas



Poverty rates in urban areas of lagging regions



Poverty rates in rural areas of lagging regions

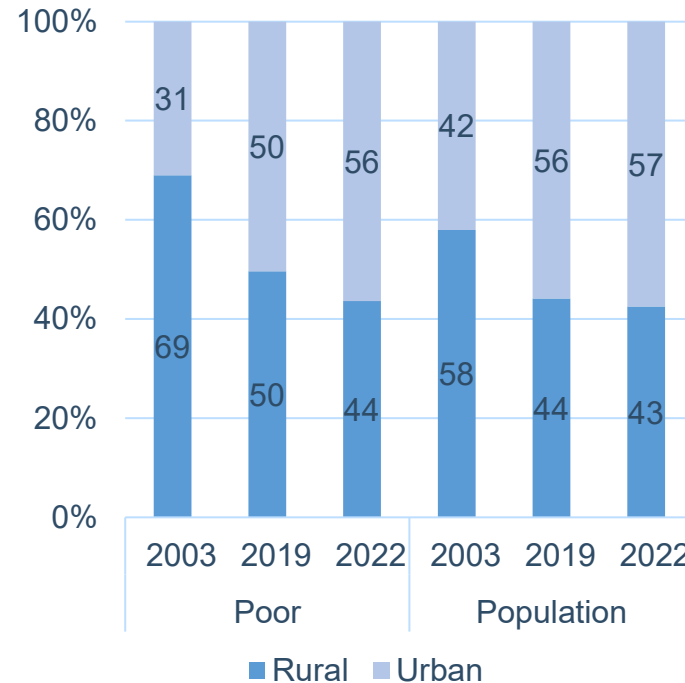


Most of Indonesia's poor now live in urban areas.

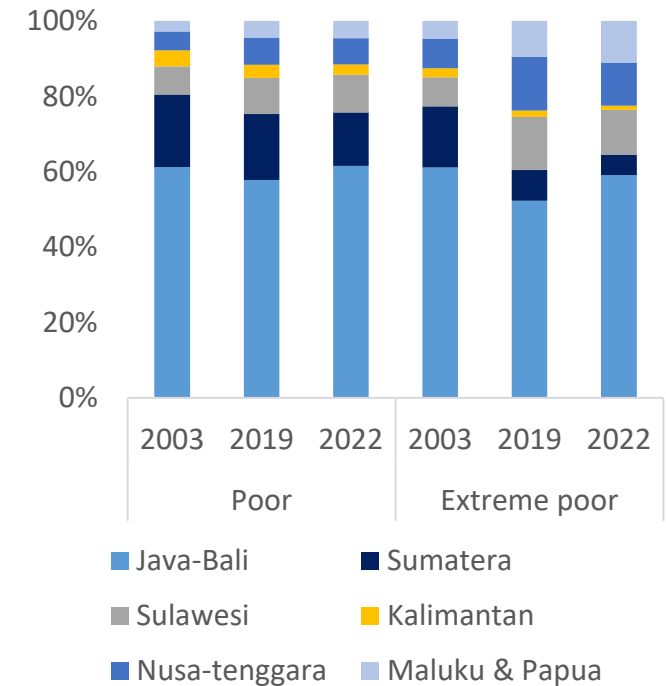
The number of poor living in rural areas declined from 82 million in 2002 to 19 million in 2022, and in urban areas from 41 to 24 million respectively.

While the Java-Bali region is still home to the vast majority of the poor, an increasing share of the extreme poor live in the lagging regions.

Share of the poor and the general population in rural and urban areas



Share of the (extreme) poor, by region



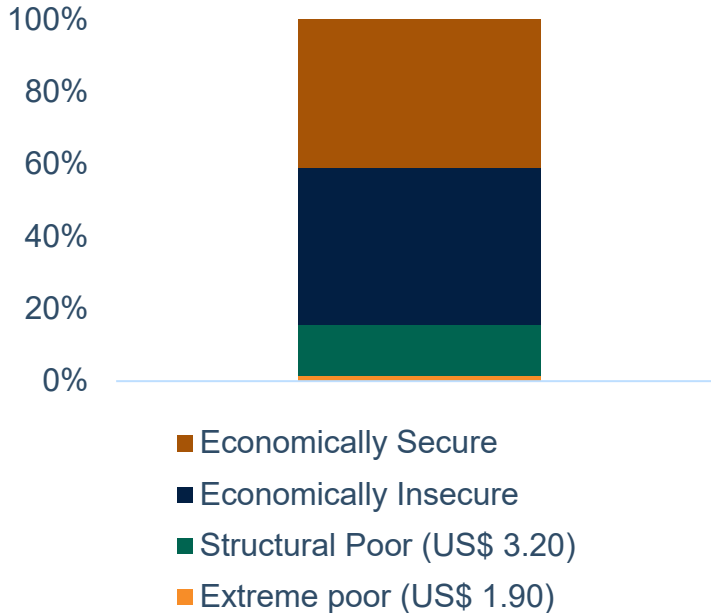
A large share of the population remains economically insecure, i.e., susceptible to becoming poor in the future.

In 2019, 40 percent of Indonesians were economically insecure.

Most of these households were non-poor but could fall into poverty when exposed to a shock.

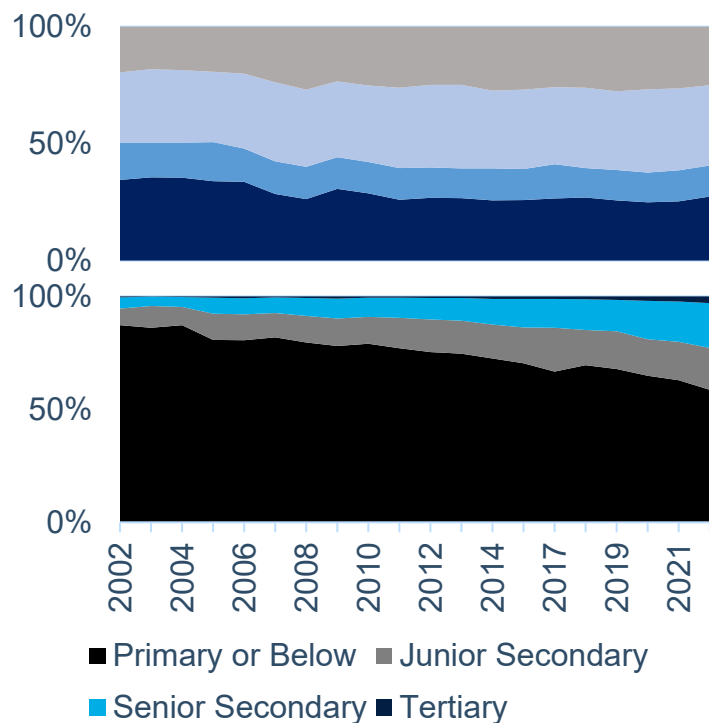
Indonesia's success in reducing poverty notwithstanding, this degree of economic insecurity undermines the progress in productivity.

Share of population classified as extreme poor, poor and non-poor and relationship with economic insecurity

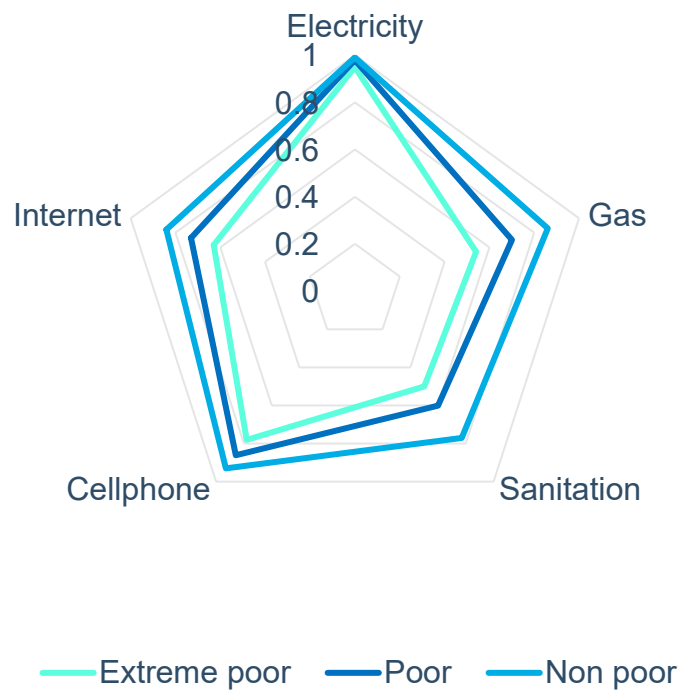


Wealth gaps in access to basic services are narrowing but remain large...

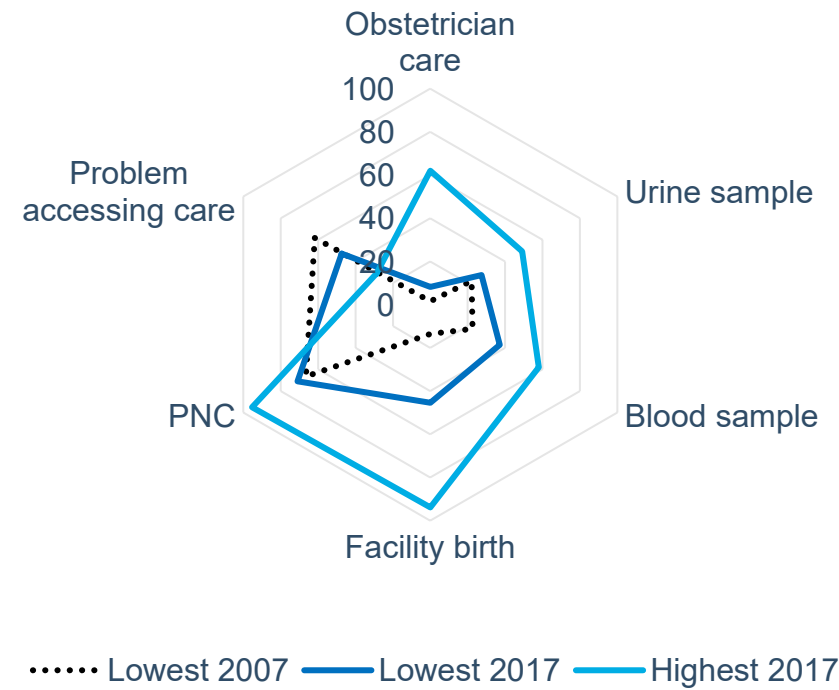
Educational attainment among the top 20 (top) and bottom 20 percent (bottom), household heads



Share of households with access to services, by poverty status



Access to quality maternal health care among pregnant women, by wealth quintile

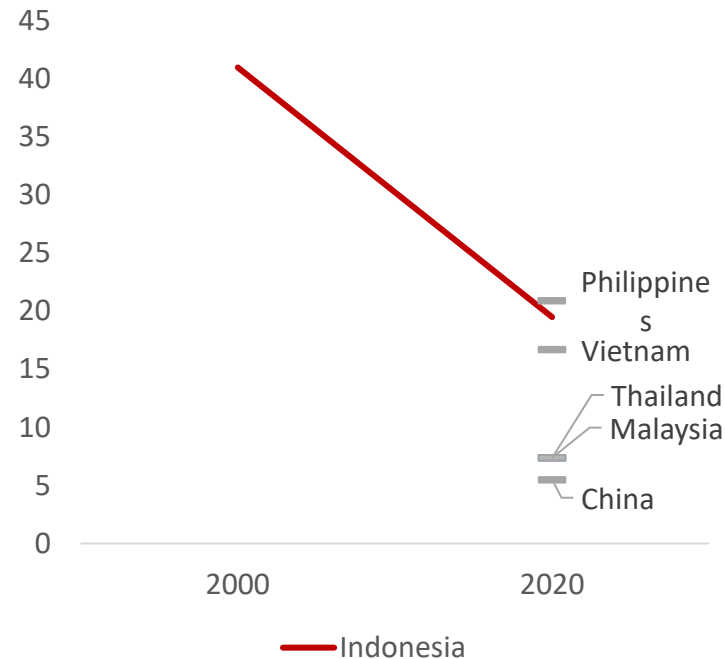


...and contribute to weak foundations of human capital...

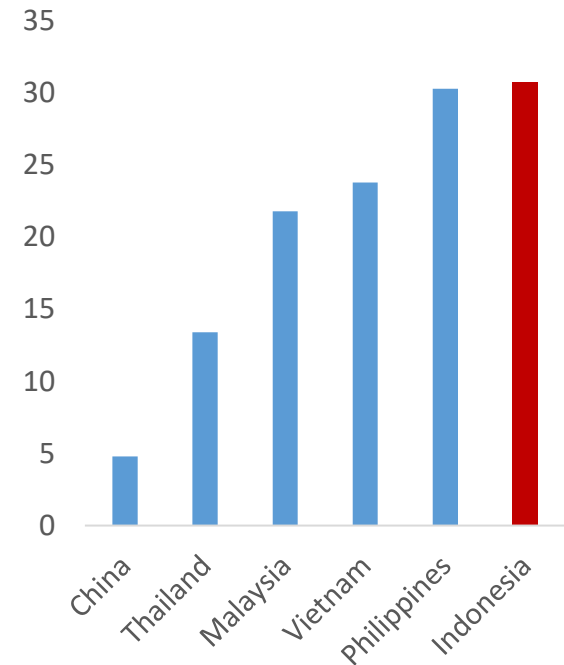
Indonesia's Human Capital Index grew only modestly from 0.50 in 2010 to 0.54 in 2020.

Early childhood development outcomes show limited progress and lag regional peers.

Infant mortality for Indonesia and its economic peers



Stunting levels for Indonesia and its economic peers

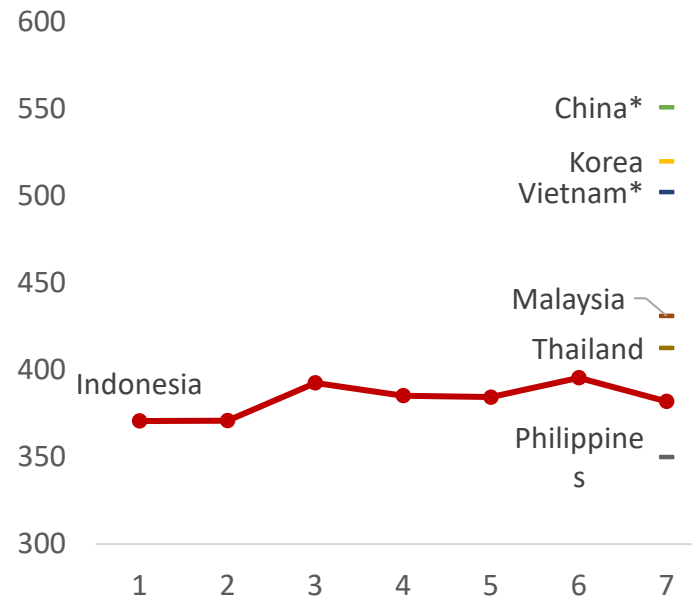


...resulting in poor education and health outcomes at older ages...

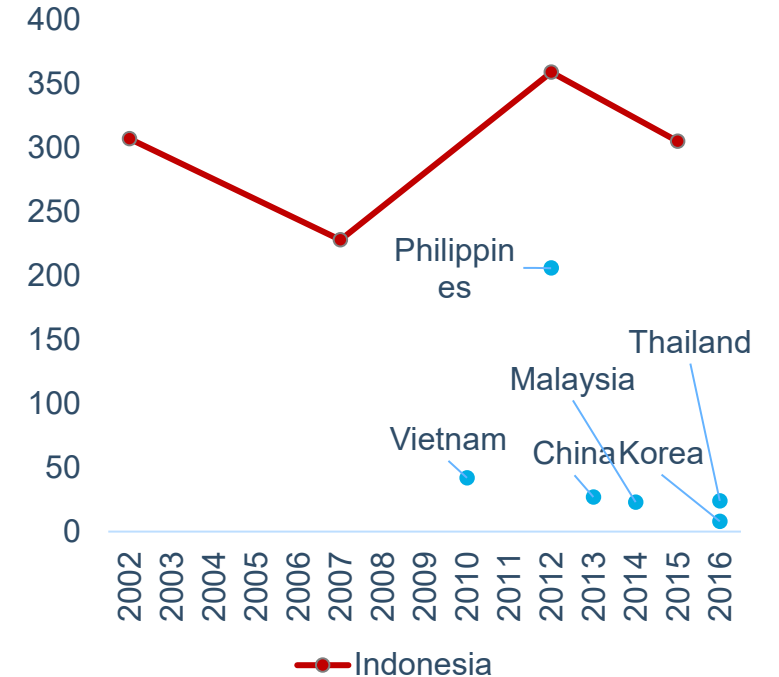
Stagnating learning outcomes at older ages indicate that many Indonesians are not adequately prepared for the transition from school to work.

Maternal health—a key contributor to development outcomes, especially in childhood—improved little over the last two decades.

Learning outcomes in Indonesia and its economic peers



Maternal mortality in Indonesia and its economic peers

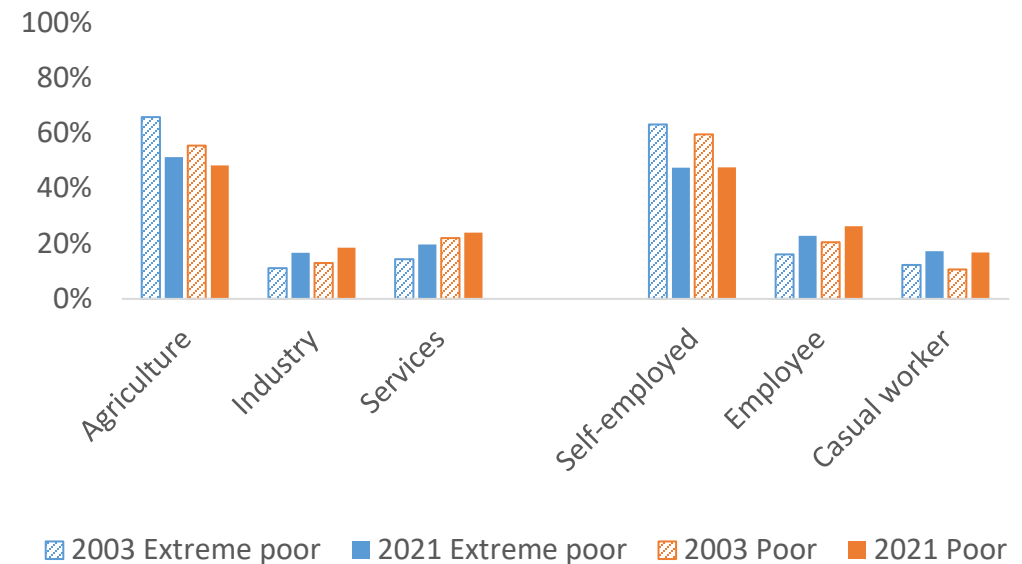


...and adding barriers to entering decent livelihoods and jobs that help secure a path out of poverty and increase economic productivity.

Agriculture still holds the largest share of workers from poor households, although the sector's share declined over time.

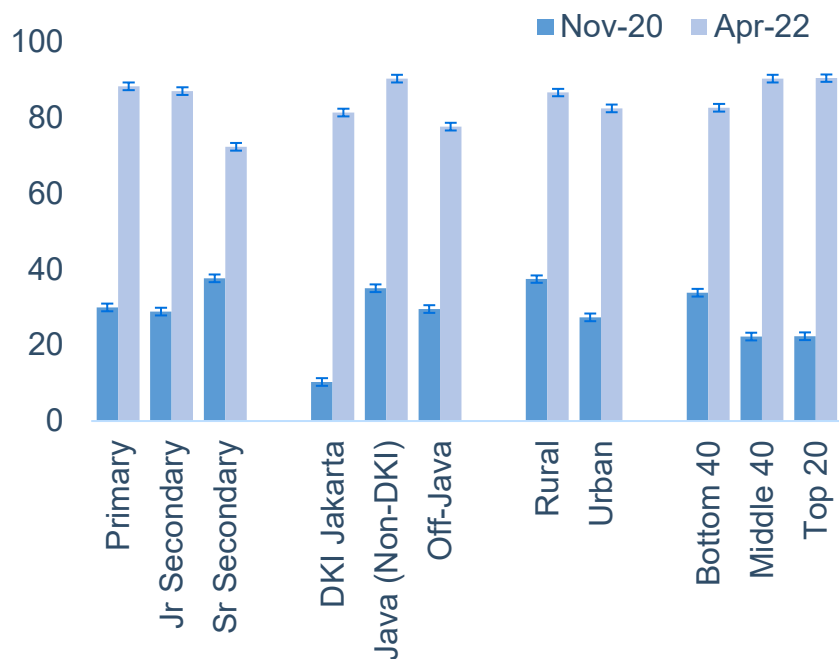
The share of poor working as employees increased somewhat, but engagement in casual work also increased.

Share of household heads by sector and type of employment, by poverty status, for 2003 and 2021



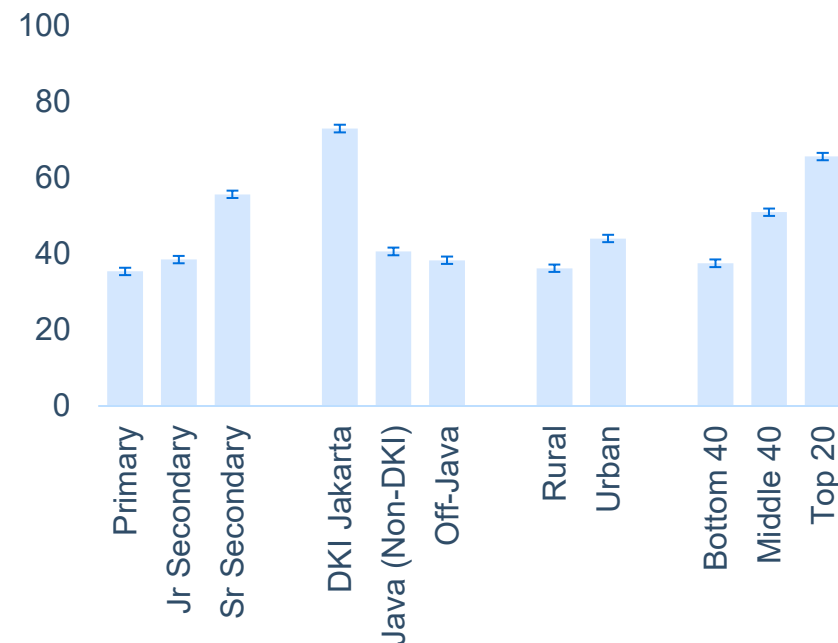
Shocks like the COVID-19 pandemic exacerbate preexisting gaps...

Share of students attending face-to-face learning



Students in DKI Jakarta were most affected by school closures.

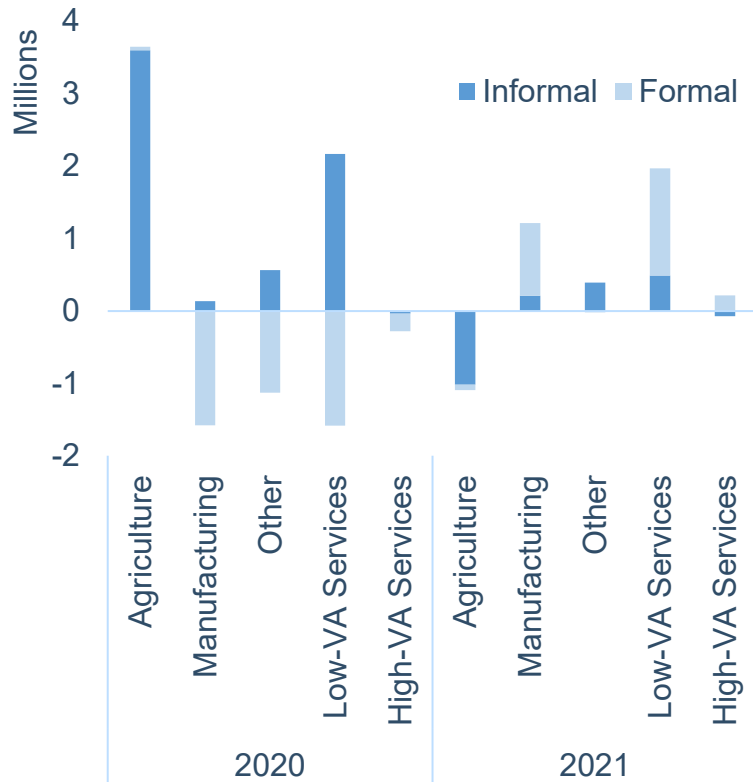
Share of students using mobile learning apps in Nov 2020



Digitally enabled remote learning modalities only reached households with internet access and digital skills.

...while simultaneously lowering the quantity and quality of jobs

Number of added/lost workers since previous year, by sector and informal/formal



Number of added/lost workers since previous year, by type of employment

