Reproduced from *Poverty and Social Protection in Indonesia,* edited by Joan Hardjono, Nuning Akhamdi, and Sudarno Sumarto (Singapore: Institute of Southeast Asian Studies, 2010). This version was obtained electronically direct from the publisher on condition that copyright is not infringed. No part of this publication may be reproduced without the prior permission of the Institute of Southeast Asian Studies.
Individual articles are available at < http://bookshop.iseas.edu.sg >

INDEX

A
absolute poverty
  government target for reduction of, 14
  steep decline, 5
agricultural growth, (1970s), 5
agricultural labourers, 71
agricultural sector, poverty rate, 55
all non-food deflator, 85
anti-poverty strategy, pre-crisis period, 235
Asian Development Bank
  funding for JPS, 146
Asian economic crisis (1997–98), 1
  currency depreciation, 7
  growth and poverty after, 7–14
  hyperinflation, 11
  onset of, 7–9
  socio-economic impact, 9–13
    capital outflows, 10
    shifts in relative prices, 10
Askeskin program, 226
  replacement by Community Health Insurance, 233

B
Bahan Bakar Minyak (BBM), 218
Bali, poverty line, 79
Bantuan Langsung Tunai (BLT), 199, 227, 229
  final stages, 231
  fundamental concerns, 230, 231
  prevention of sudden increase in poverty, 230
basic consumer theory, use of inflation rates, 97
benefit incidence, 186
bottom 30 per cent index, 22

C
Central Bureau of Statistics (BPS), 3
Central Kalimantan, 46
Central Sulawesi, total vulnerable group, 47
children, supplemental food program, 131
China, research in rural households, 60
chronic poverty
  increase in, 51, 59
chronically poor, 44, 46, 75
Cibulakan, 205
  CBMS testing, 202
  characteristics of poorest and richest families, 206, 207
community based monitoring system, 200–01
  ease of data collection, 209
  entering of data into database, 203
  enumerators, training of, 203
  family questionnaire, 203

pilot testing, 202–08
use of Principal Components Analysis (PCA), 201, 202
variables, 204
verification of accuracy, 208
Community Empowerment Program and Infrastructure, 220
community projects, 152
compulsory education, 224
Conditional Cash Transfer (CCT) program, 231
consumer price index, 20
Consumer Price Index (CPI), 20, 21, 92
actual food share, 34
differences in inflation rates, 94
increase in non-food components, 84
non-food inflation, 92
consumption
changes in, 68–72
per capita, August (1998) to October (1999), 69
consumption expenditures
deficit of, 81
deflation of, 31
economic crisis, 17–32
median consumption expenditures, 24, 27
regional evolution, 23–26
Consumption Module SUSENAS, 123, 124
comparison with Core SUSENAS, 143–44
consumption quintile, transition matrices, 70
consumption-based poverty, predicting, 242
construction of poverty line, 65–66, 80
controlling variables, community characteristics, 42
Core SUSENAS (Survey Sosial Ekonomi Nasional), 19, 124
see also National Socio-Economic Survey
comparison with Consumption Module SUSENAS, 143–44
cumulative distribution function
vulnerability to poverty, 45
crash programs, 115, 146

D

Dana Bantuan Operasional (DBO)
operational grants for schools, 223, 240
data collection
improved real time, 244
measurement error, 41
Demography Institute of the University of Indonesia, 107
development policies, after (1987), 6
dynamic benefit incidence, 150–57
definition, 154–57
household income and expenditures, 153–54
use in measuring and comparing programs, 183
dynamic benefit incidence of participation, 155

E

East Kalimantan, 79, 195
East Nusa Tenggara, 46–47, 79
economic activity, sustaining local, 113

economic crisis
poor and vulnerable, 42–59
consumption expenditures, 17–32
evolution of poverty, 81
poverty estimates, consistency, 98–104
poverty incidence, 17–32
social impact, 234, 235
social welfare impact, 31
economic growth, poverty alleviation, New Order [1966–98], 1
economy, contraction of, 9
education programs
post-crisis, 220–21, 223–25
social safety net program, 113, 116
El Nino, 9
ELL methodology, 193–95
employment creation, 115–16
budget allocation, 140
coverage of program, 127
nature of labour intensive work, 159
social safety net program, 113
study on targeting of program, 157
targeting of program, 132
employment creation program
comparison to subsidized rice program, 169–72
funding by state, 238
lack of coordination, 159
problem of favouritism, 159
program participation, 161
receipts and budget shares, 175
relative likelihood of benefiting, 169
static and dynamic incidence, 164–69
static and dynamic participation, 167
Engel's Law, 85, 95, 106
estimates, reconciliation of, 105
estimation model, 197
Ethiopia, panel dataset of households, 64
exact inflation index, 83
expenditure function, 82
expenditures, reduction in, 236

F

family workers, 11
family planning list, used for subsidized rice program, 158
family planning services, 120
feasible generalized least squares (FGLS), 39
female headed households, 58
India, 62
poverty rate, 58
fixed weights deflator, 85
focus group discussions (FGDs), 196, 198–99
food, ensuring availability of, 113
food poverty line, definition, 89
food security, social safety net program, 113
food security sector, 237
food share
changes, 87
poverty line, 95
food share deflator, 85
food versus non-food process, methods of choosing weights, 91
Ford Foundation, 194
formal sector, loss of jobs, 11

Fuel Subsidy Reduction Compensation Program, (PKPS-BBM), 219, 221–22
fuel subsidy reductions, 218, 246

G
Gadjah Mada University, 107
geographical information systems (GIS), 192
Gross Domestic Product
  per capita, (1960s), 2
  proportion for social and human development, 232

H
headcount poverty rate, 63, 76, 86
  method for estimating change, 89–98
  sensitivity to poverty line, 88
health, 116–17
  insurance for poor, 225–27
  social safety net program, 113
health cards, 120
  distribution of, 239
  unused, 130, 148
  possession of, 130
health insurance scheme
  employees of medium to large enterprises, 235
health program, budget allocation, 140
health programs
  eligibility, 120
  impact evaluation, 239
  post-crisis, 221–23
Health Service Insurance for Poor Families, post-crisis, 222, 226
high vulnerability group, 60
  increase in all sectors, 55
  increase in numbers, 44
high-performing Asian economies, 2
household income, relation to expenditures, 153–54
household survey data, 38,
  use in ELL method, 193
household specific deflator, Engel's Law, 85
household-level poverty data, 226
households
  aversion to risk, 177–80
  categories of vulnerability, 39
  choice of programs, 179
  consumption, changes in, 72, 76
  distribution by participation in JPS programs, 136
  female headed, 58
  head educated at tertiary level, 56
  possession of health cards, 129
  pre-prosperous, 34, 134
hyperinflation, Asian economic crisis, 11

I
Ikhsan's Poverty Line index, 22
International Monetary Fund (IMF), 8
income
  changes in, 68–72
  per capita *see* per capita income
  per capita, August (1998) to October (1999), 69
  transition matrices, 70
income mobility, 154
India, panel research of households, 60, 62

indirect utility function, 82
Indonesia
  macroeconomic background, 67, 68
  macroeconomic indicators, August (1998) to November (1999), 78
  official poverty line, 6
Indonesia Family Life Survey (IFLS), 101
Indonesian rupiah, 7
Indragiri Ilir, 23
inflation
  early (1960s), 1
  extent of, 22
  increase in, 10
inflation estimates, effect on real expenditures, 87
inflation index, exact, 83
inflation rates
  differences, 94
  calculation of aggregate, 106
informal coping mechanisms, 244
informal social safety net, 236
Inpres grants, 5

J

Jabotabek, 19, 32
  100 Village Survey, 19
Jakarta, total vulnerable group, increase, 47
Jaminan Kesehatan Masyarakat, 233
Java, population, (1960s), 2
JPK-Gakin program, 222, 231
JPS, *see* Social Safety Net
JPS Bidang Kesehatan (Health Sector JPS) programs, 117

K

Kendari, 23
Kecamatan Development Project (PPK), 115, 152
krismon (monetary crisis), 9, 17

L

Lampung
  poverty line, 79
  total vulnerable group, highest increase, 47
Laspeyres indices, 91, 97, 106
Logistics Depot (DOLOG), 188
lower secondary school scholarship program, coverage, 128

M

Malaysian ringgit, depreciation, 7
male-headed households, poverty rate, 58
Maluku, 47
mean food share of SUSENAS, 85
median household real consumption expenditures, 24, 27
medical services program
  coverage, 129
  coverage at district level, 138
  targeting, 131
Method 1 deflator, 92
Method II deflator, 92
Method III, 96
Mini SUSENAS, 99
  December (1998), 101
Ministry of Manpower, 115
moral economy, 236
multimodule data, 151

N
National Family Planning Coordinating Board (BKKBN), 29, 32, 228, 242
  classification of households, 29, 34, 117, 147, 238
  methodology, 199
National Logistics Agency (BULOG), 188
nutrition program, 125
  targeting, 131
National Socio-Economic Survey (SUSENAS), 41, 65
  February 1998, 11
New Order
  absolute poverty, reduction, 4
  industrialization, rapid, 2
  poverty, downward trend, 66
  poverty alleviation, 1–7, 3
  social development, 3
New Order government, 1
nominal expenditure, deflation of, 84
non-food allowance, 89, 90
"non-food only" deflator, 84

O
100 Village Survey, 17–19, 99
  aggregate consumption evolution, 26–28
  changes in incidence of poverty, 28–31
  changes in real consumption, 20
  consumption expenditures, 23–26
    pure measurement error, 163
  continuous fall in real consumption expenditures, 25
  coverage of areas, 19
  data, 160–61
  data by quintile of per capita household expenditure, 162
  data to be treated differently, 100
  data on participation in Padat Karya work, 168
  deflator issue, 19–23
  households receiving *sembako*, 165
  introduction, 18–19
  median consumption expenditures, changes, 27
  median household real consumption expenditure, 24
  poverty incidence, benchmarks, 30
  price index, 20, 28
  rebound in real consumption, 25
  sample size, 18
  sensitivity of real consumption changes to deflator, 21
100 Village Survey Index, 21, 28
  increase in median real income, 23
oil, price decline, 9
oil boom, end of, 5
Operasi Pasar Khusus (OPK, Special Market Operation), 114, 157, 220, 237

P
padat karya (labour-intensive program), 115, 127
  coverage, 128
padat karya programs, 119
Papua, chronically poor category, 46

Parakantugu, 205
CBMS testing, 202
per capita income, (1960s), 3
persistently poor, 74
petty traders, 71
Philippine peso, depreciation, 7
PODES (Potensi Desa), 19, 33, 41
point estimate, significance, 216
policies and programs after 2005, 223
poor and vulnerable households,
across gender, 58
educational level of household head, 56–58
national level, 43–46
poor households, supplementing purchasing of, 113
Population Census 2000, 46
population census, use in ELL methodology, 193
poverty
absolute, *see* absolute poverty
August (1998) to October (1999), 69
before and after economic crisis, 36–62
categories, 39, 75
changes in, 68–72
changes in incidence, 28–31
dynamic nature of, 37, 64
evolution of, 81–106
headcount measure, 4, 13, 76
increase in, 44
movements, 74
narrow definition, 81
national headcount rate, 36
reasons for persistence of, 6
steady decrease, 3
sustainable reduction, 246
total vulnerable group, 39
poverty alleviation, 3
long term, 245
New Order period, 1–7
poverty basket food share, 97
poverty categories, 75
by province, 48, 49
by urban and rural areas, 52
changes by province, 50
educational level of household heads, 57
gender of household heads, 59
occupation of household heads, 54
population distribution, 43
regional variations, 51
poverty dynamics, short term, 63–79
poverty estimates, consistency during economic crisis, 98
poverty incidence
change between May (1997) and December (1998), 29
decrease, between August and December (1998), 32
economic crisis, 17–32
poverty level, increase, Asian economic crisis, 12
poverty line
based on food consumption, 80
construction of, 65, 66, 67, 80
deflation of, 82
food share, 95
food share in, 34
rise in, 87
sensitivity of poverty rate, 86
poverty estimates, use of SUSENAS Core, 99, 101
poverty incidence studies, 151
poverty line, Riau, 79

poverty mapping, 194, 217
  advantages, 191–93
  calculation of poverty, 215
  estimating consumption model, 213
  experience in other countries, 217
  interpreting results, 216
  matching variables, 210
  methodology, 210
  selecting variables for consumption model, 211
  selection of village-level independent variables, 212
  simulations on census data, 214
  stages in process, 210
  verification, 195–97
poverty maps
  evaluation of impact of various interventions, 192
  use of, 209
poverty measurements, problems, 81, 82
poverty rates
  changes, various food shares and prices, 93
  consistent estimates, 103
  consistent series, 98
  estimates, calculation from secondary data, 102
  food share at, 106
  headcount, 76
  increase, 53
  peak, 105
  pre-crisis, 98
  sensitivity of, 86
poverty status
  pattern of change, 72–76
pre-prosperous
  definition, 146
pre-prosperous households, 34, 117
pregnant women, supplemental food program for, 131
primary data, reconciliation of estimates, 105
price inflation, measured, 87
Principal Components Analysis (PCA), 201–02
Program for Underdeveloped Villages (IDT), 115
provinces, number of, 217
proxy means test, 228
public service
  social security and health insurance schemes, 235

Q

quantitative method
  estimating vulnerability to poverty, 60

R

Raskin (rice for the poor), 220
real consumption
  changes, 20
  expenditures
  August (1998), 26
  increase, 32
real expenditures
  definition, 82–86
  nominal expenditures, deflation of, 82
  sensitivity of change, 85
real income, changes in, 72, 76
real wages, fall in, 36
Regional Development Planning Board (BAPPEDA), 203

Regional Empowerment Program to Overcome the Impact of the Economic Crisis (PDM-DKE), 115, 241
Reduced Energy Subsidy Impact Alleviation Program Health Sector, 221
Regional Autonomy Law, 199
regional development grants, 5
Regional Research Initiative on Social Protection in Asia, 194
Riau, low incidence of chronic poverty, 46
rice
  importance, 106
  subsidized
    sale of, 114–15
    social safety net program, 125
  stablization of price, 26
rice imports, ban, 12
rice price only deflator, 85
"rice-only" deflator, 84
risk mitigation programs, 150
rural areas
  poor and vulnerable, 51–53
  short term poverty dynamics, 63–79
rural development strategy, broad based, 4, 5
rural infrastructure program, 233
rural population, effect of Asian economic crisis, 10
Rwanda, chronic poverty, 64

S

Sachs, Jeffrey, 7
"safety net" guarantees, 149
safety net programs, transfer or insurance, 173–83
"safety rope" guarantees, 149
"safety rope" program, pure, 157
sale of subsidized rice
  budget allowance, 140
  coverage of program, 126
scholarships, 116, 119
  amount disbursed, 129
  budget allowance for, 140
  coverage, 126, 128
Scholarships and Block Grant program, targeting and program design, 152, 223
School Operational Assistance (*Bantuan Operasi Sekolah*, BOS), 223–25
school students, eligibility for scholarships, 120
schools
  block grants to, 116
  operational grants, 223, 240
secondary data, reconciliation of estimates, 105
self-interested voting politics, impact of, 184
sembako (basic necessities), 160
  targeting, compared to *Padat Karya*, 170
small-area estimation method, 197
small-scale credit, 113
SMERU proposal, 194
SMERU Research Institute, 200
social development, during New Order, 3
social indicators, lagging, 3
social protection post-crisis, 218–32, 245
social protection policies
  progression towards equity and efficiency, 245
social protection programs
  cost of monitoring, 232

implementation during economic crisis, 190
importance of accurate targeting, 209
post-crisis, unconditional cash transfer program, 227–31
targeting households vulnerable to poverty, 230
targeting, 190–217
targeting, small-area poverty mapping, 191
social safety net, as metaphor, 149
social safety net programs, 33
design and implementation, 111–48
evaluation of program targeting, 153
formal, 142
main classes of targeting, 152
targeting and budget allocation, 173–77
Social Safety Net programs (*Jaring Pengaman Sosial*, JPS), 235
before economic crisis, 111, 112
response to crisis, 112–17
budget, 139–40
budget allocation, 140
calculation of implementation ratio, 133
centrally drafted program guidelines, 137
coverage, scholarship programs, 126
coverage ratio, 134, 135
coverage by quintiles of per capita expenditure, 145
design of programs, 183
designed by central government, 136
education program, 240
effect of regional heterogeneity, 136–39
effectiveness, 141, 243
employment creation, 127
evaluating targeting outcomes, 121
food security, 113
funding for, 146
heterogeneity of performance, 141, 142
household choice of programs, 175
implementation ratio (IR), 132
lessons learned from, 244–45
major programs, 113
medical services, 129
method of targeting, 117–20
multiple coverage, 135–36
objective, 113
per capita expenditure, 132
performance, 132–35
post-crisis, 218–33
program coverage, 125–31
targeting of two programs, 157
study, JPS module of SUSENAS, 122–25
supplemental food program, 131
targeting, 131–32, 152
targeting effectiveness, 120, 153, 243
targeting expenditure ratio, 133
targeting mechanism, 118
targeting problems, 244
use of data from 100 Village Survey, 160–61

social security schemes, mandatory, 235
social services
  pre-crisis, 112
  preserving access to, 113
social welfare, 31
  maximising choice, 181–83
  voting outcomes, 181–83
South Kalimantan, low incidence of chronic poverty, 46
Southeast Sulawesi, poverty line, 79
Special Assistance for Students, 221
Special Assistance to Schools program, 221
Special Market Operation (*Operasi Pasar Khusus*), 114
special regional budgetary allocations, 222
static benefit incidence, visualization, 156
static benefit incidence of participation, 155
Statistics Indonesia *(Badan Pusat Statistik*, BPS), 17, 194
subsidized rice program, 237
  comparison to employment creation program, 169–72
  coverage, 137
  household expenditure and participation in program, 163
  household participation by quintiles and changes in per capita consumption, 166
  likelihood of middle quintile households benefiting, 172
  likelihood of poorest households benefiting, 171
  maintenance after crisis, 220
  program participation, data, 161
  receipts and budget shares, 175
  relative likelihood of benefiting, 169
  static and dynamic incidence, 164–69
  study on targeting, 157
  targeting, 131
  use of family planning list, 158
  targeting mechanism not uniform, 158
supplemental food program, 148
  coverage, 131
Surabaya, 19
SUSENAS Consumption Module, 32, 99, 101, 107
SUSENAS Core, 99
  creation of poverty estimates, 101
  databases, 100
SUSENAS surveys, 32, 151
SUSENAS Unit Prices, differences in inflation rates, 94

T

targeting, definition, 156
Thai baht, depreciation, 7
The East Asian Economic Miracle, 2
total poverty rate, 77
total vulnerable group, 39
  increase in, 52, 1999
transient poor, 75
  majority of poor category, 55
  proportion of, 44
transition matrices, 71, 154

U
Unconditional Cash Transfer (BLT) program, *see Bantuan Langsung Tunai*
unemployment rate, increase, 36
upper secondary school scholarship program, coverage, 128
urban areas
  high vulnerability group, increase, 53
  poor and vulnerable, 51–53
urban areas, ratio of chronic to transient poverty, 53
urban population
  effect of Asian economic crisis, 10
  vulnerability due to consumption fluctuations, 243

V
Village Community Resilience Institution, 241
vulnerability
  before and after economic crisis, 36–62
  categories, 39
  definition of, 37–38
  method for estimating, 38
vulnerability threshold, 45
vulnerability to poverty, 37, 59
  cumulative distribution, 45

W
wages, *see* real wages
welfare-comparable basis, comparisons of poverty over time, 82
welfare indicators, availability of accurate, 194
welfare score, 228
  testing robustness of, 205
West Java
  CBMS testing, 202
  poverty line, 79
  total vulnerable group, 47
West Nusa Tenggara, 47
Workers' Social Security Law, 112
World Bank
  ban on rice imports, view, 12
  classification, 2
  funding for JPS, 146
  grant for creation of poverty maps, 194
  poverty mapping software, 217
  study of poverty, 12