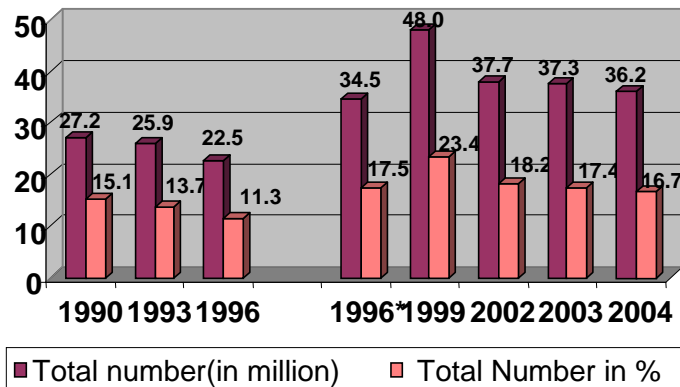


GOAL 1: ERADICATING EXTREME POVERTY AND HUNGER

Target 1 : Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 per day

Status and trends

Figure 1.1 Total number of Poor Population in Indonesia

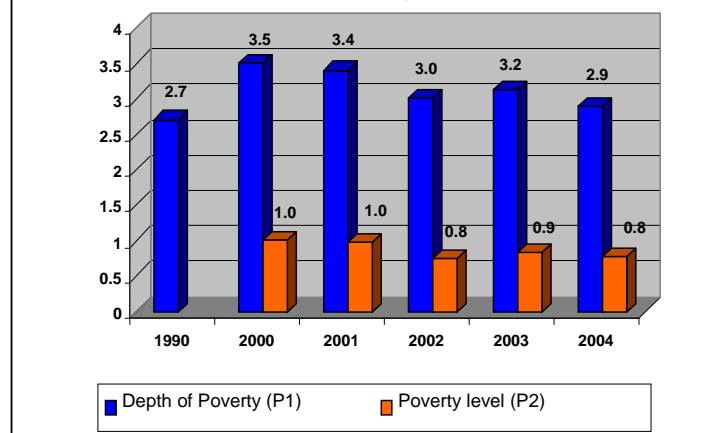


Indonesia has succeeded in lowering the poverty level which was previously increasing due to the economic crisis in 1999. The number of poor people dropped from 23.4 percent to 18.2 percent in 2002, 17.4 percent in 2003, and 16.66 per cent in 2004. Meanwhile, the total number of population whose daily income under \$ 1, also dropped from 9.2 percent in 2001 to 7.2 percent in 2002.

The declining number of poor people shows a positive trend to achieve the target of lowering the poverty level to 7.2 per cent in 2015. Therefore, it should be achieved by building cooperation among stakeholders and programmes in favour of the poor in implementing development programmes in Indonesia.

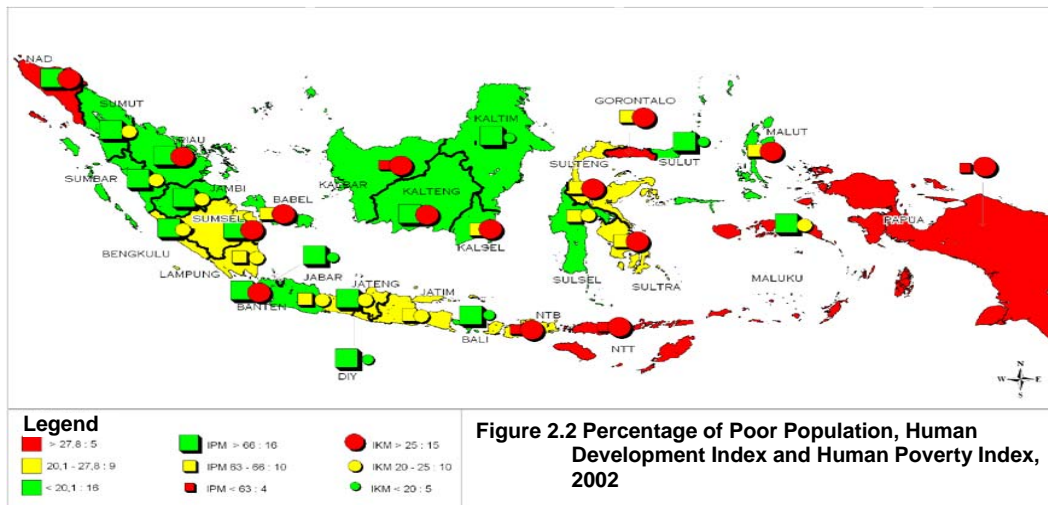
In addition, the level of poverty deepness (P1), in Indonesia that is, the discrepancy between poor people's expenditures and the poverty line, also tends to decline in 2004, compared to 2003 and 2002. The level of poverty absoluteness (P2) also declines. Graphic 2 illustrates the level of poverty deepness (P1) and poverty absoluteness (P2) during the 1999-2004 periods.

Figure 1.2. Depth of Poverty (P1) and Level of Poverty (P2) in Indonesia



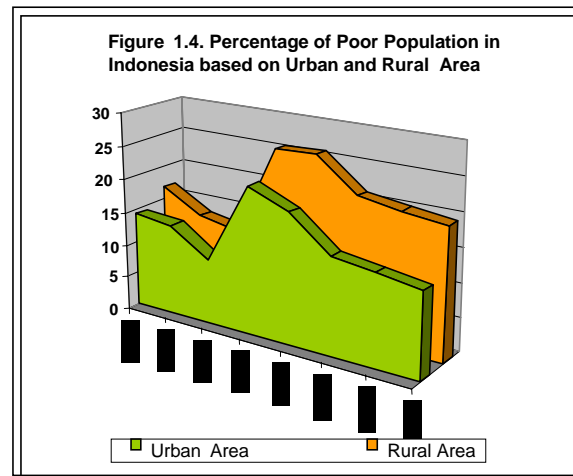
Challenges

Poverty problem in Indonesia is also characterized by poor quality of its community life. This can be indicated in the Human Development Index of Indonesia in 2002, i.e. 0.692. In ASEAN, this figure is lower than Thailand's and Malaysia. Meanwhile, Human Poverty Index of Indonesia in 2002 was 0.178, which is higher than the Philippines' and Thailand's. In addition, gender gap in Indonesia is relatively higher than other ASEAN countries.



Even though the national proportion of poor people tends to decline, the disparity among regions in terms of their Human Development Index and the fulfillment of basic rights still exists. (As shown in Figure 1.3).

The other challenge is the disparity between urban and rural areas. The proportion of poor people in rural areas is relatively higher than that in urban areas. (See Figure 1.4.) The data from the economic census in 2004 shows that around 69 per cent of people in rural areas are poor, and most of them work in agriculture sector.



In addition to that, challenges also include poverty among women shown by the low quality of life and of their roles, high violence against women and children, and low Gender-related Development Index (GDI) and Gender Empowerment Measurement Index (GEM).

The other challenges are poverty among women, shown by the low quality of life and of their roles, violence acts towards women and children, and the Gender-related Development Index (GDI) and Gender Empowerment Measurement Index (GEM)

Another challenge is regional autonomy that has impacts on the improvement of regional administration's role in dealing with poverty. As such, the role of the region is very important in making poverty eradication a success nationally, especially in providing basic services to community.

Policies and Programmes

The mainstream of poverty eradication in Indonesia is that of placing poverty eradication program as a main priority in the national development policy. The policy of poverty eradication has become an agenda in the 2004-2009 Medium-term Development Plann, and elaborated in more detail in the Annual Government Work Plan (RKP) and used as a reference for ministries/ institutions and regional administration in their annual development programme. Policies in the 2004-2009 Medium-term Development Plann, are expected to lower the percentage of poor people to 8.2 per cent by 2009.

In order to realize a mutual movement in eradicating poverty and to achieve MDGs, a National Strategy for Poverty Eradication has been compiled by the participation of all stakeholders in Indonesia. The document employs right-based approach as its main approach, and it highlights progressive realization in respecting, protecting and fulfilling the basic rights of the people; paying attention to gender equality, as well as the acceleration of regional development. In addition, around 60 per cent of regional administrations have established the Regional Committee for Poverty Eradication (KPKD), and have compiled the Regional Strategy for Poverty Eradication (SPKD) as the basis to mainstream poverty eradication in the regions and to encourage social movement in poverty eradication.

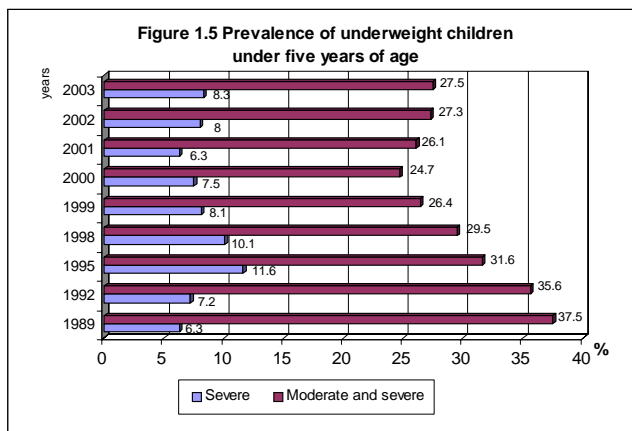
The Short-term priorities include the followings. *First*, in order to narrow down the discrepancy among regions, (i) the provision of irrigation, clean water and basic sanitation shall be prioritized, ultimately in the region which lack of clean water sources; (ii) construction of roads, bridges, and ports in isolated and poor region shall be carried out; and; (iii) funding to the regions with low income, by using the instrument of Special Funding Allocation (DAK) shall be redistributed. *Secondly*, extending employment opportunity and opening business are conducted through allocation of stimulating financial assistant for opening business by giving easier access to micro credit and UKM, vocational training for improving the manpower quality, improving investment and industrial revitalization, including labour-intensive industry, community based infrastructure and facility development. *Third*, for fulfilling the rights of the poor population some services are provided directly, such as (i) free education for accomplishing the programme on the 9 Year Compulsory Education Programme for students of the poor family and its supports; and (ii) free health services for the poor family at Puskesmas (community health centres) and Grade 3 service in hospitals.

In order to achieve all those three priorities, community empowerment and active involvement of the poor community shall be introduced to the development process in Indonesia, starting from development planning, policy making and budgeting, as well as in the implementation process, monitoring and evaluation..

Target 2:

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

Status and trends



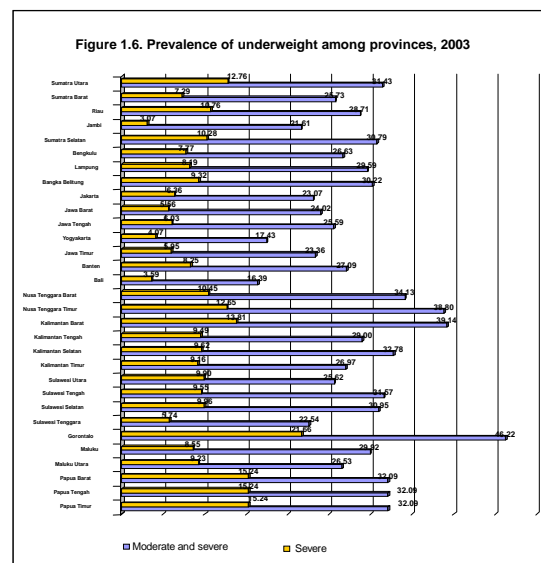
The prevalence of malnourished children was decreasing during the period of 1989-2000 and it was slightly increasing during the period of 2001-2003 (see Figure 1.5). Meanwhile, the number of malnourished children went up from 24.7 per cent in 2000 to 27.5 per cent in 2003.

Challenges

The prevalence of malnourished children is caused by the low consumption of nutritious food and infections. Indirect factors include low-purchasing power and unavailability of nutritious food, especially for mother and children under five. The ratio of children with sufficient nutrition among the region also shows high discrepancy (See Figure 1.6)

Policies and programmes

In order to deal with malnourished children, the following have been done: (1) addressing those with protein-energy malnutrition as well as micro-nutrient deficiencies; (2) empowering society to realize nutrition-aware families, (3) providing food subsidy for



Sumber : BPS, Tahun 2003

the poor; (4) improving the participation of Posyandu, and (5) providing nutrition services for pregnant mother and for children under five who especially from the poor families.

The success of the programmes and policies are not only because of the government's role, but also the participation of business community and community members in supporting.