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The Challenge of Poverty Research in Indonesia:
Should Poverty Alleviation Data be Politically Correct?

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Introduction

In present-day discussions on evidence-based policy making, evidence is often (mis-) understood as objective, quantified data. Development research is oriented to influence policymaking process and to change policy, while policy makers are encouraged to formulate policies based on 'valid and objective' evidence. Quality of evidence sometimes is put as an end, as if in a market of ideas: best ideas will be bought by policy makers. The idea to make evidence 'as objective as possible' might undermine the role of politics in policy making.

Similarly, poverty data and research may also be judged from its level of objectivity. For instance, the 'objectivity' in deciding certain criteria for a person or household to be categorised as 'poor', and at which level of 'poor' they are at, often become the subject of poverty debates. In addition, using those certain criteria may also indicate whether a government have taken effective measures to reduce poverty. Actors, therefore, cannot always be totally objective or neutral because they have their own interests that might affect their interpretation of data. In addition, actors' varying capacities and resources meaning the arena of contestation of ideas and interpretation is not necessarily a fair one.

This paper argues that development actors may uphold their poverty data interpretation because they deem it 'politically correct' and necessary to reduce the political risks incurred to their organisation by the opposite interpretation. This is exemplified through a case study of a contemporary poverty debate in Indonesia that was occurred after an independent local research and advocacy adjusted poverty data and brought different interpretation from the published official data. The case will be analysed to show how poverty alleviation data are political and that it needs to be challenged by a more diverse development actors.

Recent debates: poverty data, poverty line and the politics

There are myriads dimension of poverty debates that have been subject of studies on poverty. The ambiguity of the concept of poverty itself makes it impossible to have mutual consensus on the definition of poverty. This is the 'mother' of all problems and debates about poverty. Maxwell (1999: 2-3) summarises nine dimension of poverty debate such as individual vs household measures, private consumption only or private consumption plus publicly provided goods, monetary or monetary plus non-monetary components of poverty, snapshot or timeline, actual or potential poverty, stock or flow measures of poverty, input or output measures, absolute or relative poverty, objective or subjective perceptions of poverty.

Similarly, Barder (2009) points out that there is a trade-off between poverty reduction: focusing the depth or the breadth, the potential or the current poverty, and between sustainable vs temporary redistribution of income and public goods. Others like Laderchi et.al (2003), Ludi and Bird (2007) and so on also propose the dimensions of definition and measurement of poverty. Barder (2009) concludes that maybe it does not matter at all which definition is correct in defining poverty, and it is indeed not necessary to find out one because poverty has multidimensional faces. In addition, Thomas (2000), points out that except the post-development school of thought, many agencies' agree that the aim of development is to tackle poverty, in its multidimensionality nature. The using of Human Development Index (HDI) as indicator of development success reflects the international recognition of

multidimensionality of poverty. Yet, because the first development target in the MDGs is to reduce poverty, the popular 1 dollar per day is still used as the indicator of poverty reduction success.

In that light, setting of poverty line is still critical. In many countries, poverty line, as a tool for policy makers to redistribute resources to the poor through poverty alleviation programmes, often debated and can be traced from the difference in looking at the dimension of poverty debate. While inherently quantitative in nature, the choice of poverty lines is actually depends on '…an interplay between statistics and politics' (Deaton and Kozel, 2005:190). Wagle (2007) simplifies poverty line as an attempt to identify the poor in a more systematically way, to apply objective criteria and target policies to address poverty (see also Booth, 1993; Ravallion & Bidani, 1994; Sjahrir, 1986; and Asra & Fransisco, 2001 for Indonesian poverty line). Economists are particularly interested in setting the poverty line from the welfare concept of utility. Further, adds Ravallion (2008), they also employ more 'subjective' methods and information such as preference of commodities for a person normal activity and perception of adequacy.

On contrary, Sen (1992) disagrees with the idea of targeting through a 'yard stick' of any kind, because they are tools to make the state's benefits spending to the poor more efficient, -indication of state's unwillingness to spend more for the citizens, and because it only measure economic deprivation and put the beneficiaries as passive agencies, and as a matter a fact can cost more to the state, whether cost associated with monitoring poverty alleviation programs or social cost in the community.

Taking the case of India in setting and debating poverty line, Deaton and Kozel (2005) again points out that poverty line is half science and half politics, and even sometimes policy makers decide it without the need to make scientific basis justification. They add that once it is decided by policy maker, often the poverty line, once becoming political and economic discussion, '…poverty lines are resistant to change (Deaton and Kozel, 2005: 190-191). They further add that in order for poverty debate to be moved forward it must also involve the role of press in triggering constructive public conversation, and as an agent for public education.

Case study: the interpretation of poverty data in Indonesia

Poverty alleviation data is important, because its impact is crucial aspects of the people's lives. For instance, on the one hand, Government of Indonesia stated that national budget for food subsidies was cut from Rp 20.9 trillion to Rp 17.1 trillion in 2012 because number of poor people declined nationally. In reverse, energy subsidies, a much hotter political commodity[2], which contribution to poverty line –non food items, only between 3 to 6 per cent in 2012, was increased 35 per cent between 2012 and 2013 fiscal year, because of more political rather than economical reason: people pressure through rallies and demonstrations all around the country.

While on the other hand, the amount of poverty alleviation programme budget keeps on increasing, from 80.1 trillion in 2009 up to 99.2 trillion in 2012, or a total 24 per cent increase. At the same period, number of poor people was only decreased less than one percent, or only reduced at 2.2 per cent over four years time (Martawardaya, 2012). The imbalance between poverty budget and poverty alleviation data have been the source of critiques to the government in power. It is obvious that even by employing such a low poverty line, which was set at Rp 248,707 in 2012 (or around US$ 26 per capita/month), still the poverty rate decline is sluggish. Moreover, if the number of the poor who are non-poor according to the poverty line, but vulnerable to fall back to poverty, is calculated (Suryahadi et al, 2010; Cahyat, 2004).

In line with that critique, Prakarsa, -a research and advocacy organisation in Jakarta releasing its Policy Review on poverty and inequality in Indonesia in end 2011[3]. After having a press conference in Jakarta,
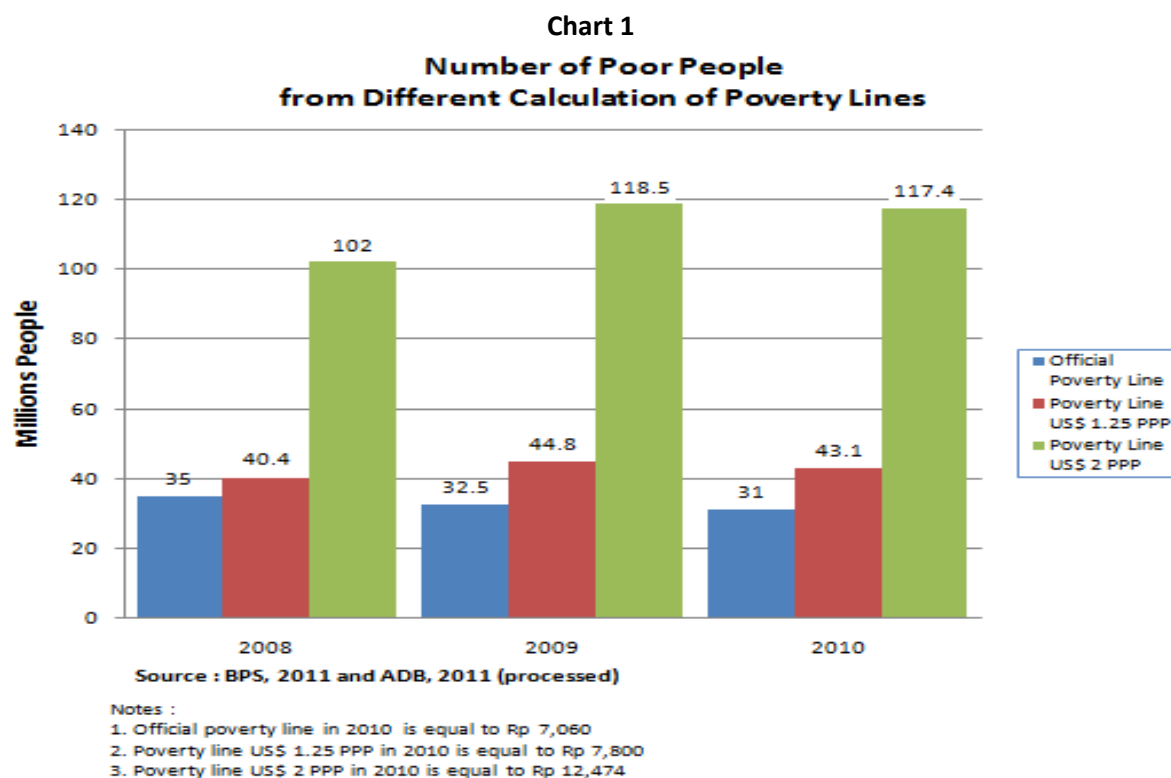
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[2] http://ekbis.rmol.co/read/2012/09/09/77368/Hindari-Debat-Politik,-Patokan-Soal-Kemiskinan-Apa-Saja-Sih...-
[3] http://www.theprakarsa.org/uploaded/lain-lain/Prakarsa-Policy-Review.pdf

the national media started to expose the issue, pointing that the government told a lie by always stating the decline of poverty incidence, while the alternative calculation shows a gloomier picture[4].

The content of the Pakarsa's review is a comparison of Indonesian poverty rate if the poverty lines are at 1, 1.25 and $2 PPP per day. The chart shows the statistic for the number of poor would further increase to reach at least 117 million, or about half the population, which groups are vulnerable to the shocks (Chart 1). One of the main references quoted in Prakarsa's review is from an ADB economic outlook publication (Wan and Sebastian, 2011).

Few days after the news spread on the papers and online media, the Asian Development Bank (ADB) clarified the data to Prakarsa, stating that Prakarsa has incorrectly cited authors' work as ADB's work in the press conference and has misinterpreted its data, emphasising on the fact that number of poor people in Indonesia is indeed declined, and Prakarsa has used incomparable data that come from different sources and methodologies (which are put in its report in a single table), therefore it was not an 'apple to apple' comparison and Prakarsa cannot have a conclusion, moreover contradictive one, out of it.

Chart 1

Number of Poor People from Different Calculation of Poverty Lines

Source : BPS, 2011 and ADB, 2011 (processed)

Notes :
1. Official poverty line in 2010 is equal to Rp 7,060
2. Poverty line US$ 1.25 PPP in 2010 is equal to Rp 7,800
3. Poverty line US$ 2 PPP in 2010 is equal to Rp 12,474

According to the ADB, it is incorrect to compare the data for 2008, which is based on the Indonesian government's statistics agency (BPS) National Socio-Economic Survey; the 2009 data which is taken from the World Bank's PovcalNet database, whereas the 2010 data was based on an economic modelling method that assumes poverty rates change relative to a country's GDP. ADB suggests Prakarsa to use World Bank's 2005, 2008 and 2010 instead, which indicates a slightly decrease in the number of people living in poverty[5]. Such statement appeared in ADB subsequent rebuttal on the same English newspaper in Jakarta few days after that aimed to clarify Prakarsa's statement.

Prakarsa addressed the objection by revealing inconsistency in ADB's previous statements in the same newspaper, that "...Indonesia, Pakistan and Nepal fared badly, with the number of poor people

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[4] http://www.thejakartaglobe.com/home/indonesia-should-be-ashamed-of-failure-to-reduce-poverty/474346
[5] http://www.thejakartaglobe.com/home/real-poverty-is-actually-decreasing-overall-adb/475431

growing last year compared with 2005...”[6], contradicts its objection to Prakarsa that said the number of poor people in Indonesia in 2010 has been **decreased** compared with 2005. Nevertheless, the rebuttal has the same conclusions: that if using similar $2 PPP per day poverty line, 50.57 percent of Indonesians lived in poverty. Prakarsa correspondence has never been replied since then. Prakarsa also sent reply to the newspaper but never been addressed.

ADB's change its own position compare with several months before, using more or less the same data in an attempt to prove the mainstream position of the government that the poverty is indeed declined in Indonesia. It changed reactively as a response to Prakarsa's view, only after the media quoted its name as the source of the data (which opposing the government's position), and created controversies.

Similarly, TNP2K as the main poverty alleviation agency of the government (a 'hybrid' one according to Brown & Bazeley, 2012), also contending it by dedicating a web page contained elasticity analysis on poverty incidence in Indonesia as a response to Prakarsa's analysis after the news was put on the same newspaper[7]. With various kinds of charts explaining about how poverty had been declined seeing from different calculations, TNP2K implied that the government's claim that poverty rate is consistently declined is true. However, since the data remained at its website and relatively not published through the media, it has missed public attention, beside the fact that the chart is too technical to be used as public debate and not being covered by the press.

Case study analysis

The aforementioned poverty debate implies the following. **First**, that debating poverty line remains the most appealing poverty related public conversation in Indonesia. Reactions from government-related and donor institution show that, aside of the detail technical issues, poverty line adjustment worth an explanation from the government and donor alike, in order to clarify their position on it. This is not always the case if it is about other topic. It is because beside the need to clarify technical issues, poverty line implies broader direct consequences: resource allocation for anti-poverty programmes and indication of government's performance on poverty reduction. The latter might pose risks to government's image.

Second, that there is a need to broaden public conversation and engagement in poverty debates. Every year, when government launches national poverty alleviation data, it always create debates from politicians, -opposition, BPS, government ministerial and so on about the low poverty line. Using of poverty line in Indonesian politics is just often for attacking one's political competitor/s. Perdana and Maxwell (n.d) depict how poverty debates in Indonesia are relatively not progressing over time, compare to Indian debate for instance (Deaton and Kozel, 2005).

Third, even as 'hard' evidence, figures and numbers are still prone to subjectivity and interests. ADB attempted to use the 'bugs' in the way Prakarsa presenting its data, such as different sources, different sequence of period and proper quotation, to justify its position that the government is indeed right. From its loan portfolio in Indonesia, it can be seen that ADB is currently the third largest creditor after Japan and the World Bank, with over 16 percent of the total Indonesia's loans[8]. It has interest to keep building its loan portfolio in Indonesia. Being seen as an opposition to government's data is disadvantageous for ADB. Its quick response to the media exposure indicate the criticality of being 'politically correct' in a country that started to (supposedly) reduce foreign aid and develop its own development financing.

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[6] http://www.thejakartaglobe.com/home/millions-of-asians-escape-poverty-despite-crisis/461440
[7] The page, however could no longer be accessed at the time this paper is written
[8] http://www.dmo.or.id/dmodata/5Statistik/1Posisi_Utang/4BSPUN/Buku_Saku_Perkembangan_Utang_Negara_Edisi_Februari_2011.pdf

Also, TNP2K (National Poverty Reduction Acceleration Team), which was established in 2010, has a mid-term mandate of 'consolidating and improving Indonesia's social assistance and poverty reduction programs. Its ultimate goal is to extend the reach and effectiveness of these programs so as to reduce Indonesia's poverty rate to 8 per cent by 2014' (Brown et al, 2012:6). The advisers come from prominent government officials, academia, and think tanks, as well as national and international consultants. The largest share of its funding sourced from AusAid, and only some handful proportion from the Indonesian government (more than ten times smaller).

It is often seen as a 'super team', consists of high-calibre poverty experts, yet has fragile position in terms of legitimacy (Perdana & Maxwell, n.d), as has been elaborated in the previous section. It has paramount interest to reach 8 percent poverty reduction in 2014, as stated in the country's mid-term development planning 2009-2014, a target that will be used to review how successful (or not) the current president in reducing poverty. It stands in a fragile glass floor because it is seen as 'unconstitutional' by the lawmakers, funded by foreign entity (mostly), in addition to its huge task to integrate all poverty data from different departments, with their well-known sectoral ego. Too much is at stake for TNP2K.

Fourth, the role of BPS (Indonesian Statistics Body) as the primary statistics data collector is often being looked at in suspicious because the head is responsible to and directly report to the president. In the context of Indonesia, -that has been applauded as a new emerging economies, there is a tendency of current government to portray itself as succeeded in bringing the citizens out of poverty to prosperity. Budiantoro & Martha (2011) suggest BPS to be oversight by multi stakeholder groups rather than only by the president. Although DPR (House of Representative) members also conveyed their critiques to the poverty line, there have been hardly any other substantial discussion or debates brought into public realm.

BPS is under president, TNP2K is under vice president: both representing executive branch of power in producing and utilising poverty data. Donor group with their plentiful resources could hire the best experts in their field to process the data in more sophisticated ways. Inevitably, their poverty data analysis is deemed more reliable. While at the same time it is difficult for civil society group to access government data (GAPRI, n.d) because not all raw data are available (or affordable). This represents an imbalance of power and resources and leaving groups like the CSOs and academicians (non-technocrats) to join the broad space of poverty knowledge contestation.

It must be highlighted too that Prakarsa has gained attention using the press as a media to expose its work and in a way, communicate with policy makers. However, while the role of media in bridging political context and evidence is very important (see RAPID Framework in ODI, 2004:2), it is not the case in Indonesia, where media is not yet bear the responsibility to educate public and raising public awareness of the poverty knowledge.

Conclusions

The context and the case study highlight the following conclusions:

- The importance of developing a more constructive and progressive poverty debates from more diversified actors, including independent researchers, policy makers, media and the parliament.

- Different statistical data interpretation brought different results. Actors' interests can be read from the interpretation of data.

- State's statistical agency must encourage more openness to spark domestic debate, because it is one of the means to ask the policy makers to be held accountable.

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