



Poverty Alleviation Programmes Lessons from Indonesia

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2015

INDONESIA In Brief



Independence
17 Agustus 1945

Area 1.9 million km²
comprising 13.466 islands.
Population 237.6 million.
1.128 ethnicity.

GDP : 888.5 billion (2014)
GNI per cap: 3.524 (2014)
Economic growth : 4,67
Inflation : 7,26

VISION AND MISSION

2015-2019

VISION:

INDONESIA: SOUVEREIGNTY, SELF RELIANCE AND PARTNERSHIP

MISSION:

1. National security to maintain territorial sovereignty, support self reliance in economy through securing maritime resources as reflection of Indonesia as archipelagic country.
2. Developed, equitable and democratic society based on law.
3. Independent and active foreign policy and strengthening the identity as a maritime country.
4. Better quality of life, progressing and prosperity.
5. Competitive nation.
6. Pursuing a strong and independent maritime country based on national goal.
7. Community which based on national personality and culture.

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9 Development Agenda

NAWACITA

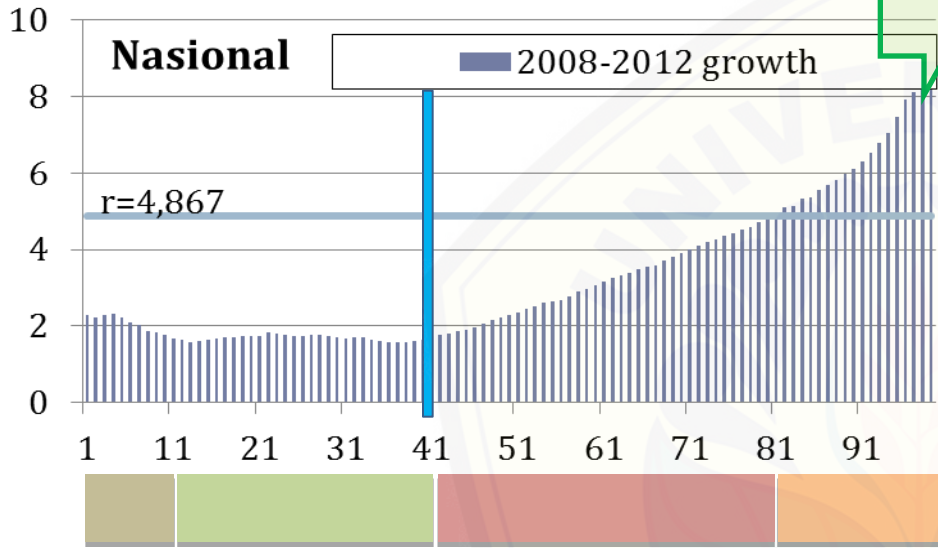
1. To renew the state's obligation to protect all people and provide security to all citizens through the free and active foreign policy, national security and the development of reliable national defense based on integrated national interest and strengthening national identity as a maritime nation.
2. The presence of the government through a clean, effective, democratic and reliable governance by giving priority and efforts to restore public confidence in democratic institutions and continue the consolidation of democracy through reform of the political party system, electoral and representative institutions.
3. To build Indonesia from its periphery; to strengthening the rural areas within the framework of a unitary state of Indonesia.
4. To reject a weak state by reforming the system through corruption-free dignified and reliable law enforcement.

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5. To improve the quality of Indonesians by improving the quality of education and training through “Smart Indonesia” program and increasing Indonesia’s social welfare and health through the Healthy Indonesia” and Prosperous Indonesia” programs. To encourage land reform and land ownership for the people in Indonesia by 2019.
6. to improve people’s productivity and competitiveness in the international market so that Indonesia can move forward and stand up with other Asian nations.
7. To achieve economic independence by moving the strategic sectors to domestic economy.
8. To revolutionise the nation’s character through a policy of restructuring the national education curriculum with advanced civic education; to teach the history of the nation, the values of patriotism and to love the country, as well as to build the passion and character to defend the state through national education.
9. To strengthen diversity and social restoration of Indonesia by highlighting the policy of education for diversity and creating spaces of dialogue among citizens.

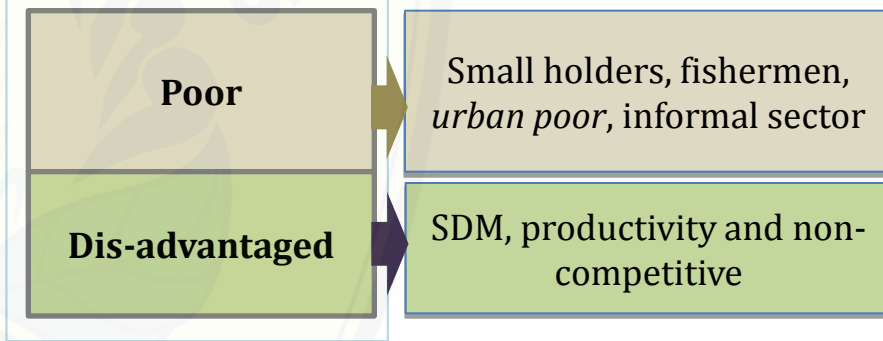
Who are the Poor and Disadvantaged Groups?

Growth rates of per-capita Consumption, 2008-2012

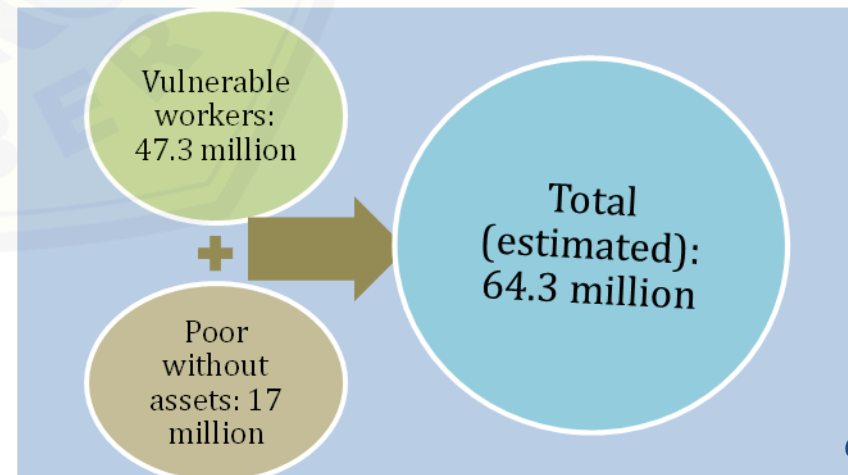
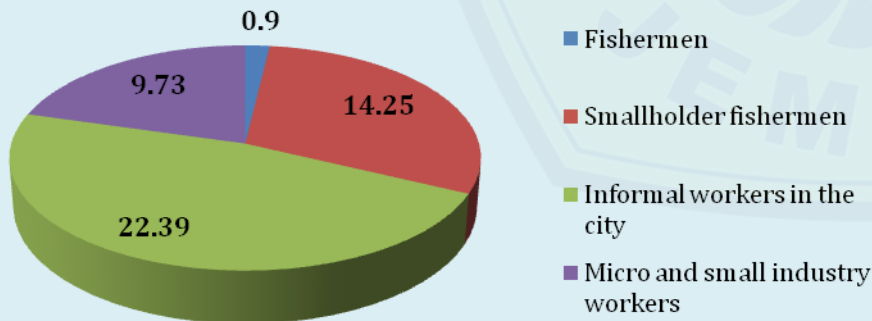


- Per-Capita Consumption expenditure of poor households only grew slightly above 2%
- Poor and vulnerable – close to the 40th percentile-grew slightly below 2%

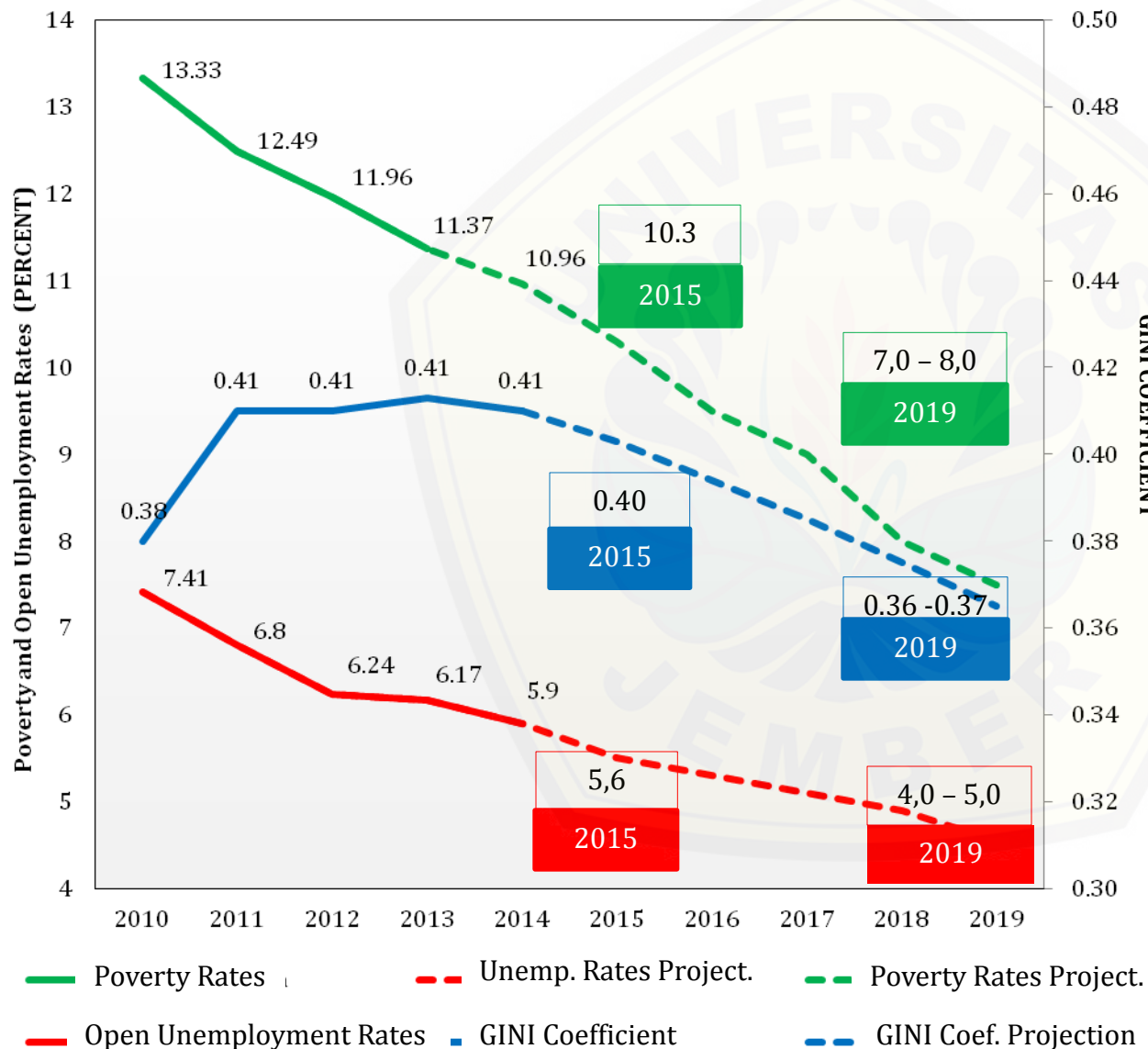
Biggest Challenge: Inequality



Composition of vulnerable workers (47,3 Million People)



POVERTY, OPEN UNEMPLOYMENT, and GINI COEFFICIENT PROJECTION 2015-2019



- ✓ Poverty Rate is 10,96% (September 2014)
- ✓ Open Unemployment Rate is 5,94% (Agustus 2014)
- ✓ GINI Coefficient is projected around 0,41 in 2014

TARGETS 2016

- ✓ Poverty Rate is 9-10%
- ✓ Open Unemployment Rate is 5,2-5,5%
- ✓ GINI Coefficient 0,39

ASSUMPTIONS

- ✓ Inflation Rate 4-5%
- ✓ Economic Growth 5,5-6,0%
- ✓ New addition to labor force 2 Million
- ✓ Employment opportunities (created) for every 1% of economic growth is 300.000

CHALLENGES

for Poverty Alleviation Program in Indonesia

**CHRONIC
POVERTY**

Living below poverty line

VULNERABILITY

Easy fall back below the poverty line

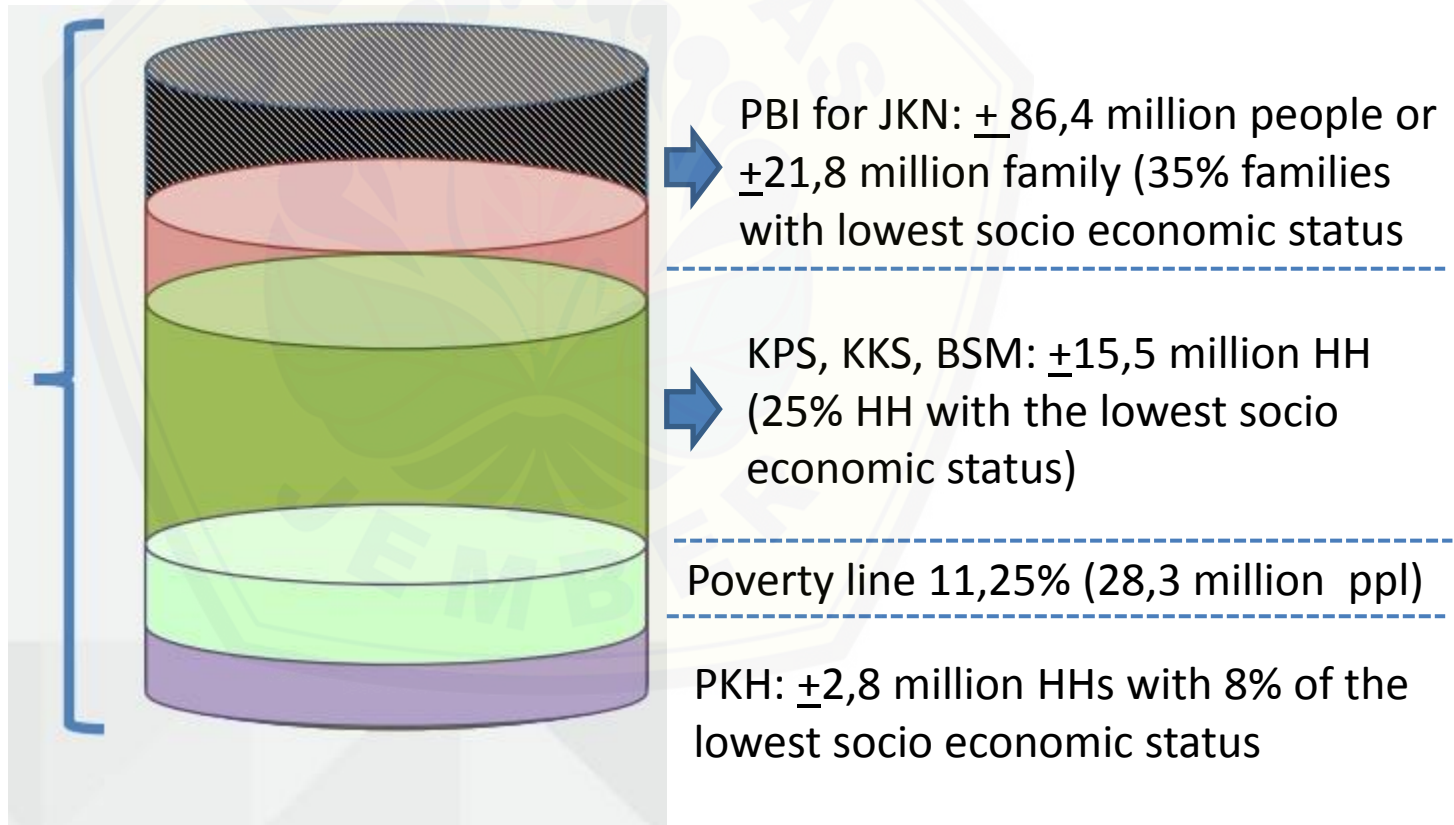
INEQUALITY

Interregional differences in the number of poor and poverty rates.

Unified Single Database

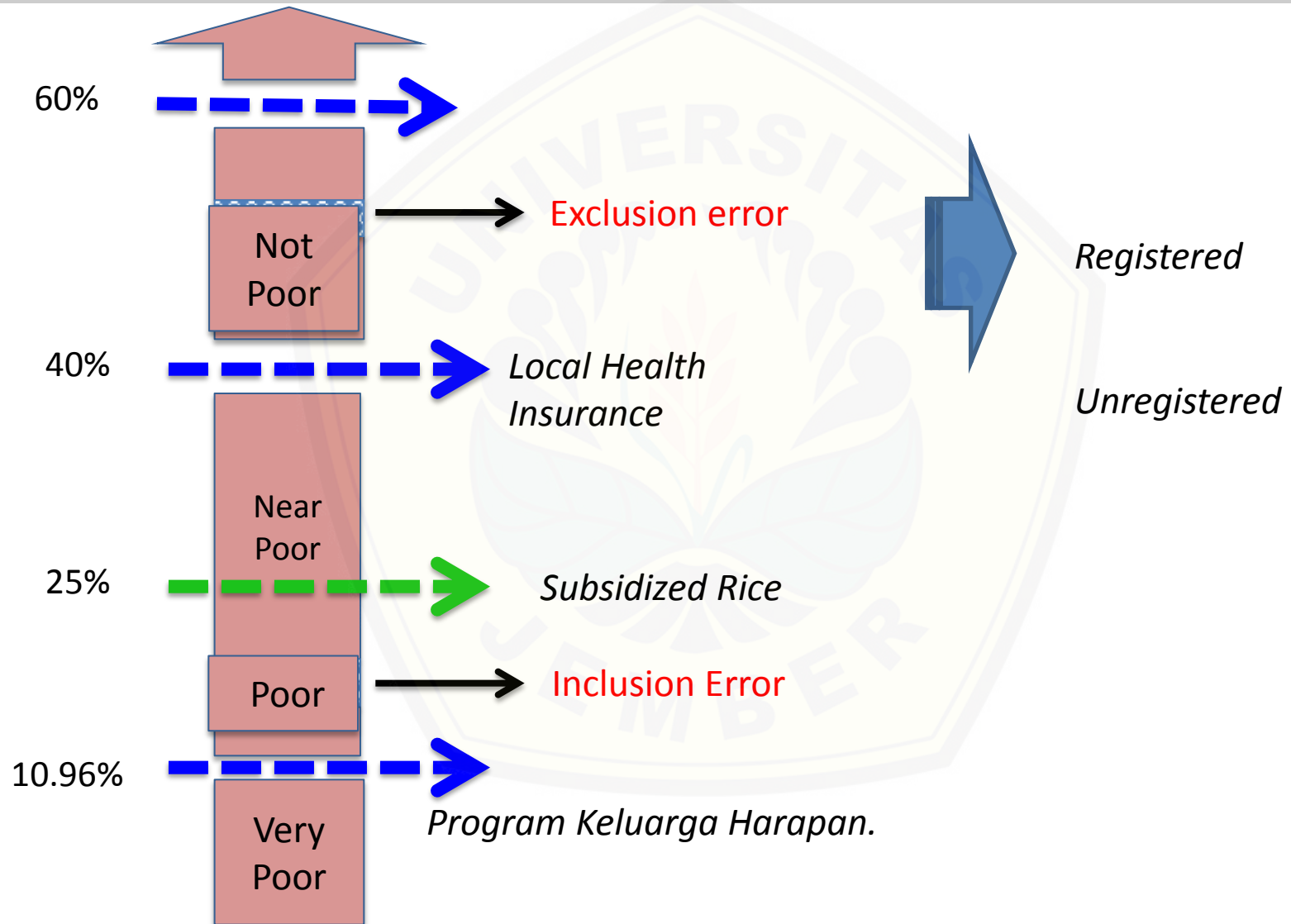
40% families with lowest social economy status

The unified database consist of \pm 25 million families or \pm 96,7 million people

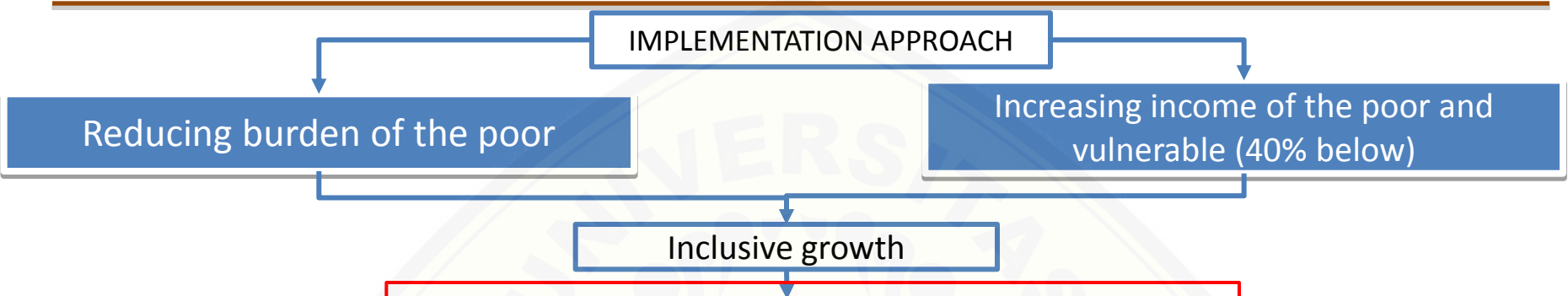


Families are ranked based on their welfare status

CUT-OFF PROGRAM CLUSTERS



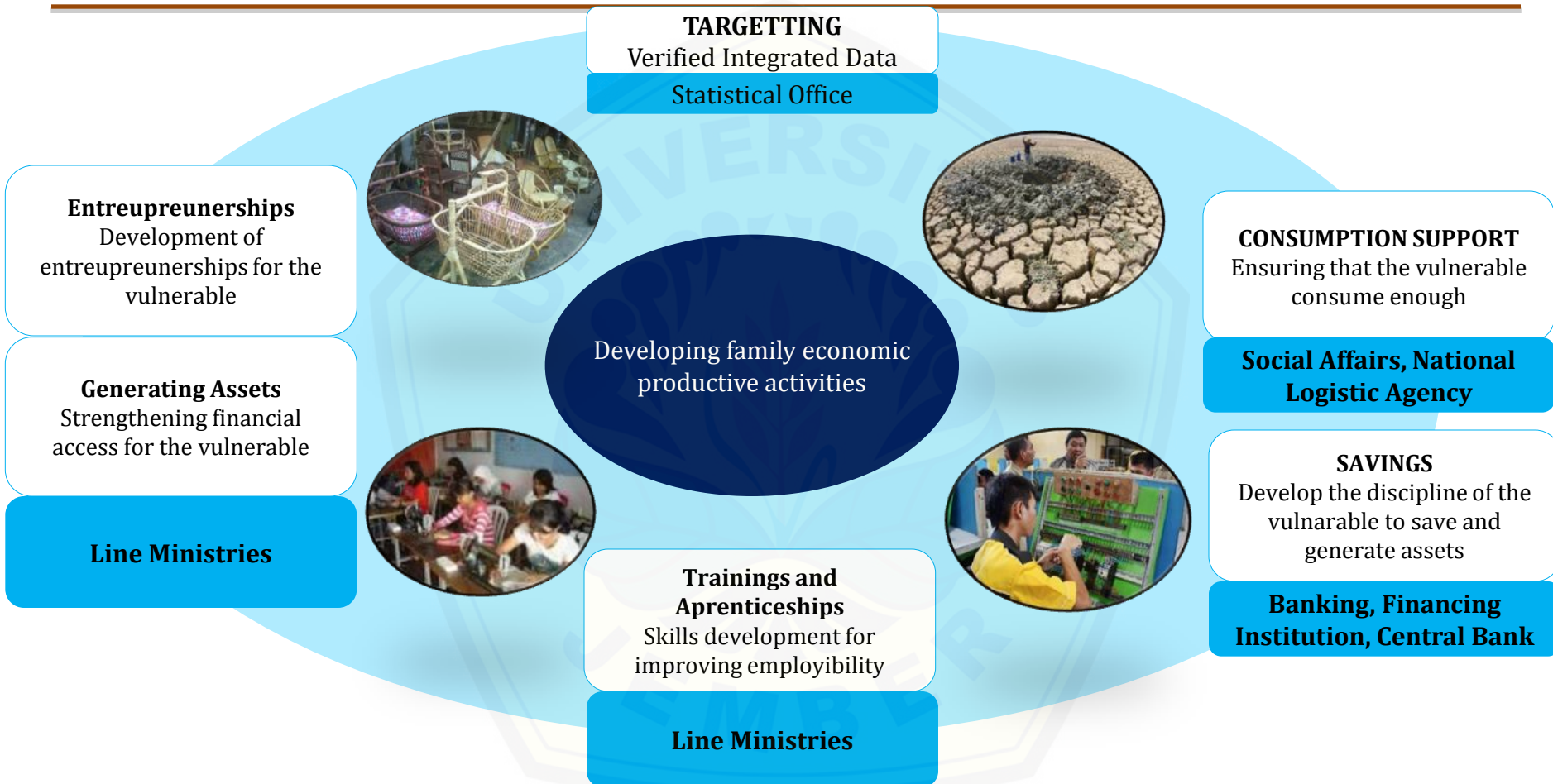
Policy Strategy on Reducing Poverty and Inequality



DEVELOPING QUALITY EMPLOYMENT OPPORTUNITIES	BUILDING A COMPREHENSIVE SOCIAL PROTECTION SYSTEM	PROMOTING SUSTAINABLE LIVELIHOODS	EXPANDING THE ACCESSIBILITY OF BASIC SERVICES
Expanding manufacturing industries for creating new employment opportunities	Restructuring social assistance through expansion of coverage and improvement of program design, e.g.: KIP, KKS, PKH, etc.	Developing primary sectors and local potentials	Expanding infrastructure and facility of basic services
Formulating regulatory framework that stimulates positive investment climate	Expanding coverage of the National Social Security for the vulnerable and informal workers	Expanding access of the vulnerable to capital and financial services through strengthening micro financing system	Facilitating the poor and vulnerable in accessing basic rights and basic services
Tax Reform	Strengthening social assistance institutions and implementers (service standard, data, and referral system, etc.	Strengthening skills and develop entrepreneurship	Strengthening M&E system for basic service delivery

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SUSTAINABLE LIVELIHOOD APPROACH



ACTIVITY	TARGETED DISTRICTS				
	2015	2016	2017	2018	2019
Family's Welfare Improvement through Community Empowerment Basis *) 157 Districts has received facility supports.	183*	215	237	260	286

PROGRAM KELUARGA HARAPAN
(FAMILY HOPE PROGRAMME)
CONDITIONAL CASH TRANSFERS



CCT (PKH) CONCEPT

- PKH is a social protection program targeted to poor families in the form of *conditional cash transfer* ☐ The main goal of PKH is to break poverty chain, by improving the quality of human resources, especially in the areas of health and education.
- The implementation of PKH is inseparable from the successful experience of CCT implementation in many countries ☐ Evaluations of CCT in Indonesia show to:
 - Encourage poor families investing in children's health and education ☐ improve children's school attendance and educational achievement in the beneficiaries families
 - Improve maternal and children health, reduce malnutrition
 - Spillovers effect: Reduce child labor and the improvement of healthier lifestyles to the non beneficiaries in the same regions.

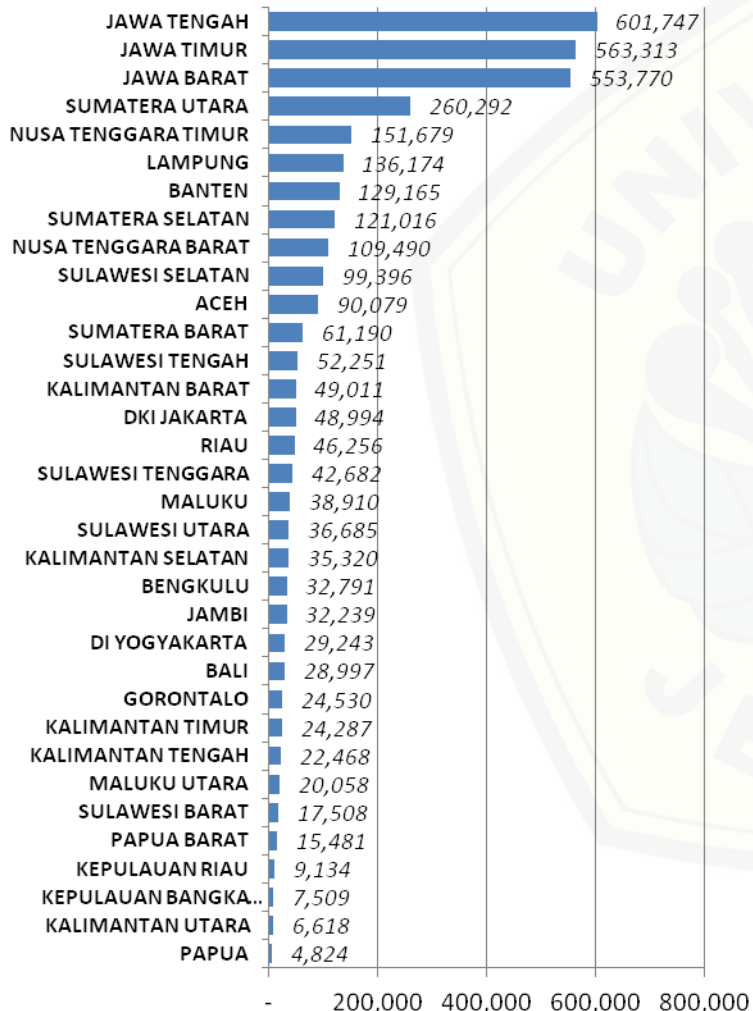
1.Exit Strategy ☐ Transformation/ Complementary Program, and FDS (Family Development Sessions)



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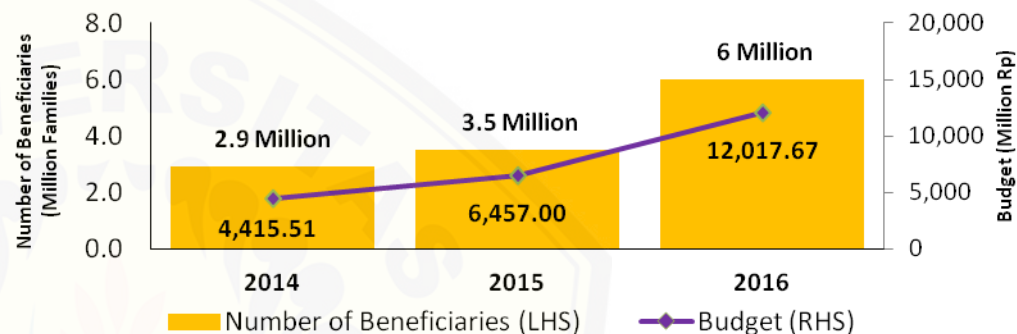
PKH Coverage (2014 – 2016)

PKH Beneficiaries 2015



PKH expansions data in 2015 has not been validated

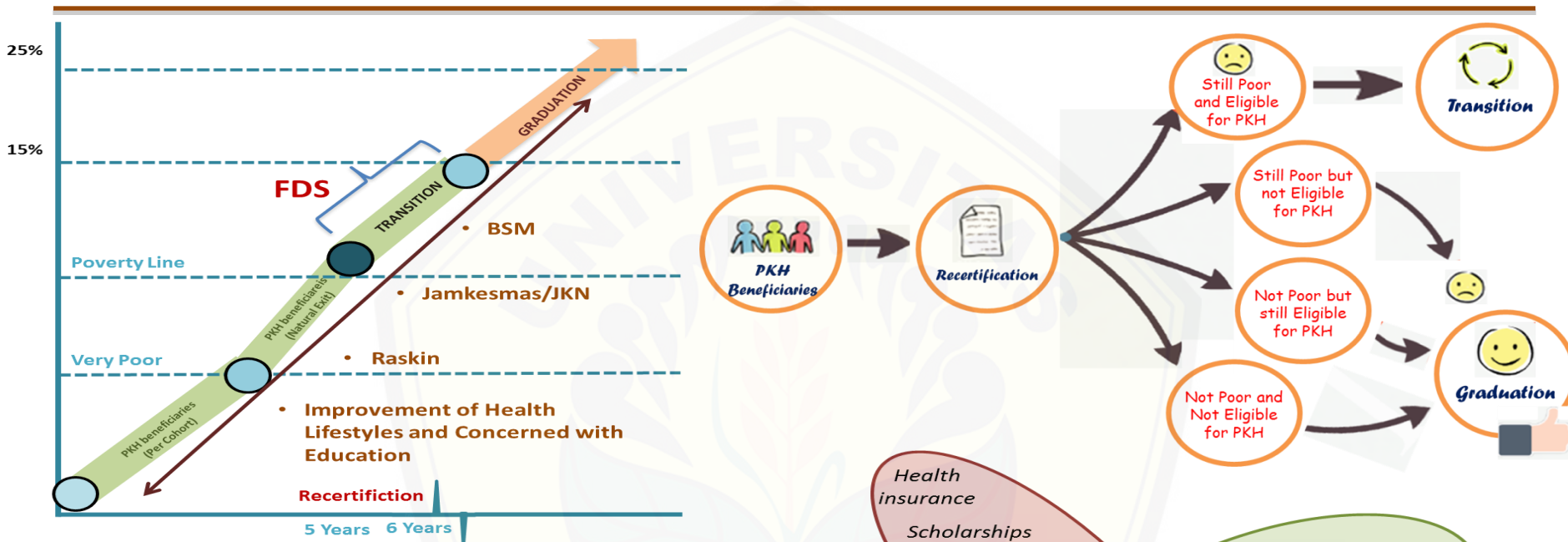
PKH Implementation Plan (2015-2016)



PKH CASH TRANSFERS INDEX BY COMPONENTS

Keterangan	2014	2015	2016
Fixed Benefit	240,000	500,000	500,000
Additional Benefit for poor Families with:			
- Pregnant Mother/Lactating Mother/Toddler	1,000,000	1,000,000	1,200,000
- Elementary school children	500,000	450,000	450,000
- Junior high school children	1,000,000	750,000	750,000
- Senior high school children	-	1,000,000	1,000,000
Notes: - People with disability	-	-	3,120,000
• PKH in 2015 is expanded up to 3.5 million families with increase benefit to families with high school student	740,000	950,000	950,000
• PKH in 2016 will be expanded up to 6 million families with an increase benefit to families with disability	274,357,000	8,700,000	7,020,000
• PKH payment will be made four times in a year with verification of compliance every three months			
• New PKH families each years will only received one payments of PKH benefits in the last year.			

Exit Strategy and Complementary Program

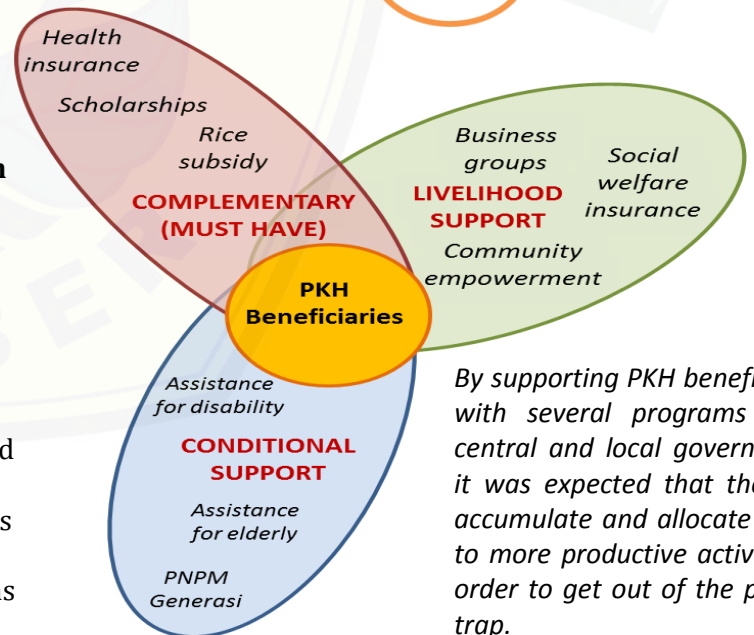


1PKH was designed to target poor families through conditional cash transfers which are given temporarily (6 years) in order to:

- Minimize the dependency of cash transfers;
- Open up the opportunities of other poor people who have not received PKH because of the limited budget;
- Lesson learned from other countries shows that program objectives can begin to be seen after 6 years.

2PKH Transformation as an exit strategy, to:

- Ensure the continuity of good behaviour of poor people resulted from PKH conditionality;
- Avoid *retrieval dan revolving door effects* after PKH beneficiaries did not received cash assistance anymore;
- Sustainable increase of welfare by directing necessary programs and other complementary social protection programs to PKH beneficiaries.



By supporting PKH beneficiaries with several programs (from central and local government), it was expected that they can accumulate and allocate assets to more productive activities in order to get out of the poverty trap.

Family Development Sessions

The transition beneficiaries receive **Family Development Sessions**, or trainings for mothers through monthly gathering and regular coaching by facilitators

<ul style="list-style-type: none"> • Good parenting • Behaviour of early childhood learning • Improve children's good behavior • Playing as a children's learning tools • Improve children's language ability • Help children success in school 	<ul style="list-style-type: none"> • Household financial management • Loan management and saving • Micro entrepreneurship 	<ul style="list-style-type: none"> • Nutrition • Pregnancy and maternity care • Postpartum and breastfeeding • Infant care (age 0-59 months) • Teens care • Clean and healthy life 	<ul style="list-style-type: none"> • Child protection • Child rights include • Preventing domestic violence • Maternity protection
Parenting Education	Economy	Health	Child Protection



FDS Module Packages



FDS Characters

- 1FDS session is carried out once a month with a duration between 2-2,5 hours.
- 2FDS is a interactive-participatory activities starteg with opening, agenda, review of previous material, and discussion.
- 3FDS group consists of 10-15 PKH mothers who live nearby.
- 4FDS time and venue determined together by facilitator and PKH mothers, with the principle to not burden PKH mothers.

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PKH Towards Productive Inclusion

Supporting financial inclusion as well as the growing concern to improve delivery mechanism of cash transfer program in Indonesia, PKH was implemented its pilot of non-cash (electronic) payments through LKD (Digital Financial Services)



1800 beneficiaries in 4 Provinces, 4 Districts, 6 Sub Districts, and 41 Villages

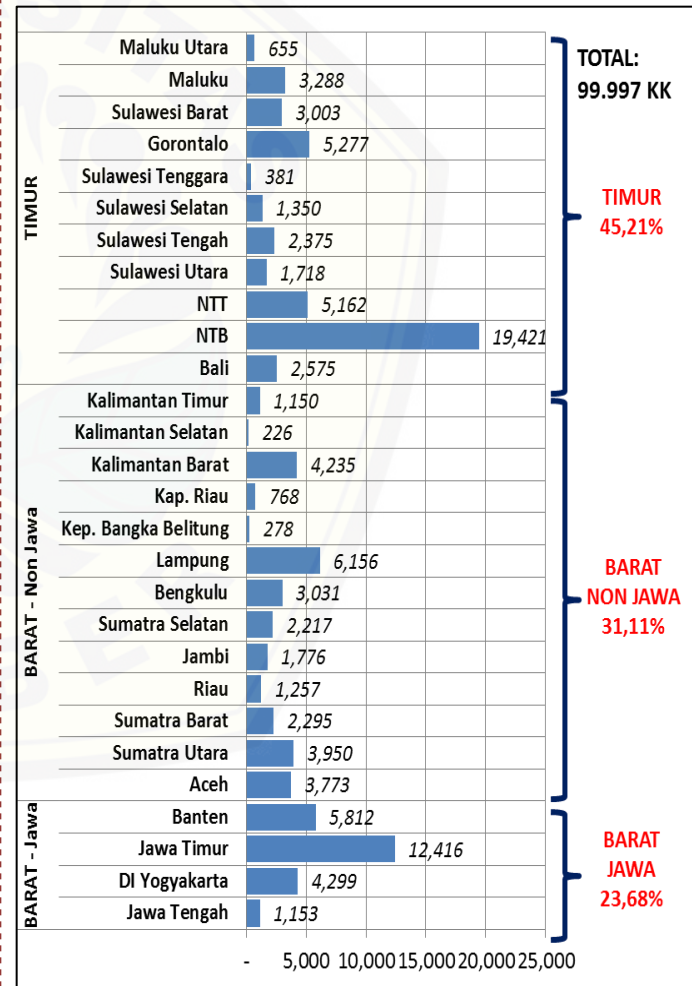
2 Banks Involved with different systems



Lesson Learned:

- Network and signal issues in rural areas
- The needs of intensive education and user-friendly technology
- Concurrent queue affect agent's shortage of cash
- Shorter location and lower cost
- 20% of beneficiaries leave it's money behind as savings.

KUBE P2B is a micro enterprises managed in a small group of +/- 10 poor HH as a media of social empowerment towards sustainable livelihoods. In 2015, there are 100.000 of PKH beneficiaries becoming target for KUBE beneficiaries



RASKIN PROGRAM

Subsidized Rice Delivery for the Poor



History of Raskin

Operasi Pasar Khusus (OPK)

Emergency relief package delivered during the Asian Financial Crisis. It delivers rice to be purchased at subsidized prices, prioritized to poor and near poor households.

Raskin as one of the poverty alleviation and social protection program cluster I

Raskin as one social assistance program of compensation of the fuel subsidy cut.

1998

2002

2010

2012

2013

The program name was changed into Raskin (Rice for the Poor) for better program target.

Raskin program reform: new names & beneficiaries name from Unified Database.

Raskin provides subsidised rice to 15.5 million low income household (poor and near poor).

Each beneficiaries entitled to receive as much as 15 kg of rice per month pricing Rp1.600,-/kg at Raskin distributions points (TD).

PURPOSE

- Reduce the financial burden of targeted households in meeting their basic needs for rice.
- Help the poor and near poor receive sufficient food and nutrients (carbohydrates) without hindrance from financial constraints.

- Raskin contribution : 39,5%
Average rice consumption : 9,5/kg/person/month.
Rice need monthly (4 person/HH): 38 Kg/HH/month
Raskin contribution: $(15/38) \times 100\%: 39,5\%$

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FAMILY WELFARE CARD

(Kartu Keluarga Sejahtera-KKS)



Sisi Depan



Sisi Belakang

Family Welfare Cards (KKS) is a card that is issued by the government to disadvantage households. As a marker of poor households, KKS is useful for accessing government social assistances.

Healthy Indonesia Card

(Kartu Indonesia Sehat-KIS)

- Healthy Indonesia Card (KIS) guarantees and ensures the provision of healthcare services to the advantaged as implemented through the National Health Insurance (JKN) which was under BPJS Health.

Indonesia Smart Program (Kartu Indonesia Pintar-KIP)



Smart Indonesia Card (KIP) guarantees and ensures that all school aged children from disadvantaged families receive financial assistance for education up to the completion of high school/vocational school.

KIP also cover the school-age children not enrolled in schools, such as street children, child labores, orphans and the disabled.



Kelompok Usaha Bersama (KUBE)
Social Welfare Microenterprise Group

KUBE (*Social Welfare Micro Enterprise*)

- Group of the very poor families (10 HH)
- To develop the potency of the very poor to help themselves.
- The basic pilar of KUBE activities: social, economic and institutional.
- Aid is given through *cash transfer*;
- KUBE as unit of treatment and its member (HH) as unit of analysis of the program.
- KUBE as the complementary program for PKH.

THE ACTIVITIES OF KUBE

Institutional

- Structure of KUBE
- Group's rule
- Administration

Social

- Regular meeting
- Social solidarity contribution
- Solidarity value

Economic

- Economic productive activities
- Embrio of Koperasi/ LKM
- Marketing
- Bank access

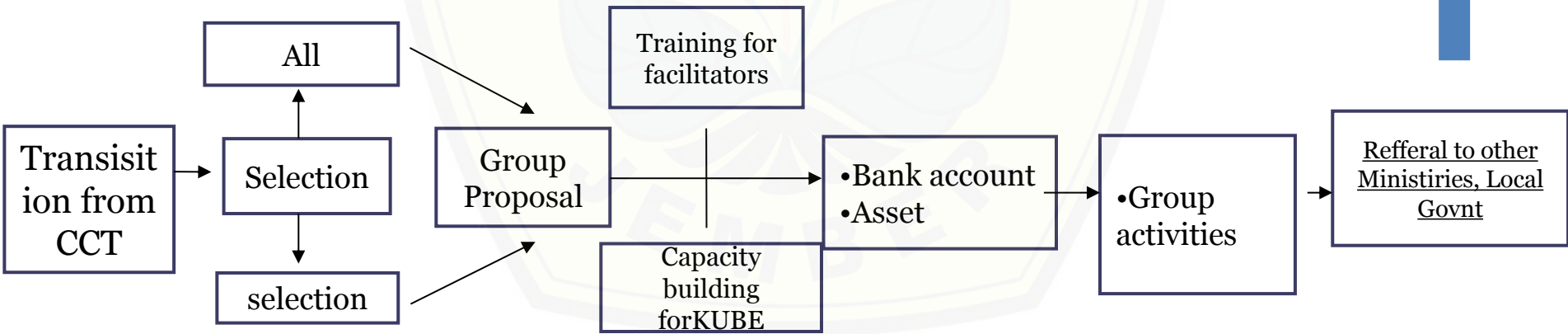
BUSSINESS PROCESS of KUBE PKH

The combination of MoSA, Bappenas, TNP2K and BRAC model

Socially Resilient Families
(Sustainable Livelihood)

Sustainable assistance for 3 years (Existing PKH Facilitators)

Ensuring → Raskin, BSM, JKN

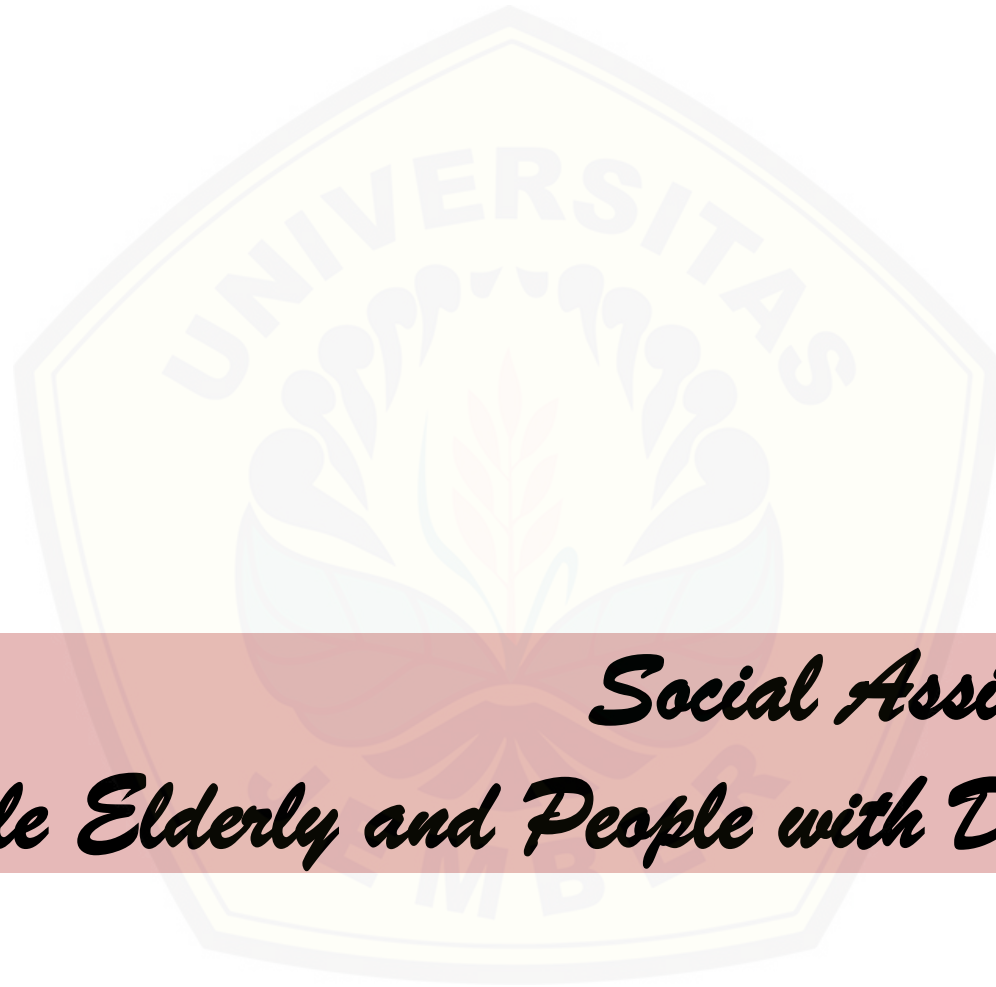


6 month

2nd and 3rd Year

The end of 3rd year





*Social Assistance for
Vulnerable Elderly and People with Disabilities*

Social Pension for Senior Citizens

- Population of senior citizen: 18,7 million. 9 million men and 9,7 million women (BPS, 2010).
- Target: 70 years or older; 60 years and older if chronically ill & depending on others for support in daily activities; bedridden; do not have fixed income support; not a disabled or person who received a permanent assistance from government; other PMT criteria
- Program: institutional based and community based (day care).
- JSLU or Social Cash Transfer for the elderly is a cash transfer program that targets elderly with diminished potential for supporting themselves or for receiving support through family and social network. The program delivers IDR300,000 per month to its beneficiaries.

Program and Activities of Social Rehabilitation Services for People with Disabilities

- Social rehabilitation based on institution
- Social rehabilitation based on non institution
- Social rehabilitation based on family/ society
- Social rehabilitation based on social institution for people with disabilities
- Aid for people with disabilities as the victim of disaster and wrong treatment.

Monthly cash transfer IDR 300.000 through care givers to their own bank account

Shifting Paradigm on People with Disabilities Program

1. Medical Model
2. Charity
3. Protection
4. Center Based
5. Incidental (by case)
6. Sectoral
7. Reactive

1. *Social Model*
2. *Right Fulfilment*
3. *Rehabilitation, empowerment, protection*
4. *Community Based*
5. *Integrated & Holistic*
6. *Cross sector, cross program, cross profession, cross knowledge*
7. *Antisipation dan Participation*

**Right
Implemen
tation**

**DISABILITY
INCLUSION ->
welfare**

Social Rehabilitation Program for People with Disabilities

▪ UU No 19 year 2011 on Ratification of the Convention on the Right of People with Disabilities

▪ INCHEON STRATEGY (Continue Action Agenda/Road Map – APDDP III, 2013 – 2021).

1. Social Rehabilitation for Netra dan Rungu Wicara
2. Program Rehabsos Tubuh dan BPP Kronis
3. Program Rehabsos Mental dan Intelektual

Center based

Non center based (Community based)

1. Social Assistance Program
2. Institutional and Social Advocacy Program

Direct Aid

1. Regulation
2. Program development
3. Facilitation

- a. Outreach
- b. **Community Centre**
- c. Penguatan Orang Tua
- d. Aksesibilitas
- e. Advocacy
- f. Capacity Building petugas dan pendamping



Thank You
Terima Kasih