



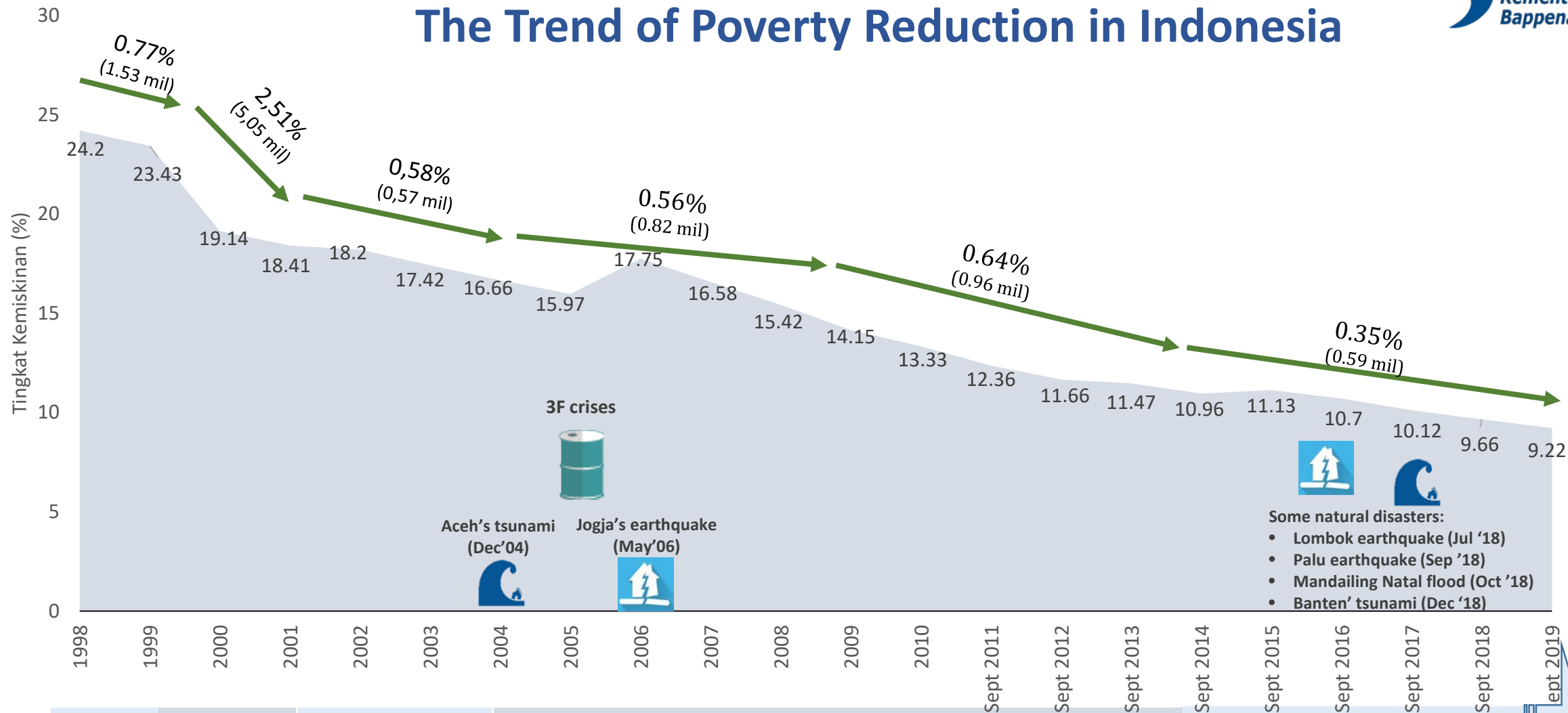
DEVELOPMENT STRATEGY OF ANTI-POVERTY PROGRAMS IN INDONESIA

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Bappenas for Social Affairs and Poverty Reduction

Canberra, 17 - 18 February 2020

The Trend of Poverty Reduction in Indonesia



BJ Habibie
21 Mei 1998-
20 Oktober 1999



Abdurrahman Wahid
20 Oktober 1999-
23 Juli 2001



Megawati S.
23 Juli 2001-
20 Oktober 2004



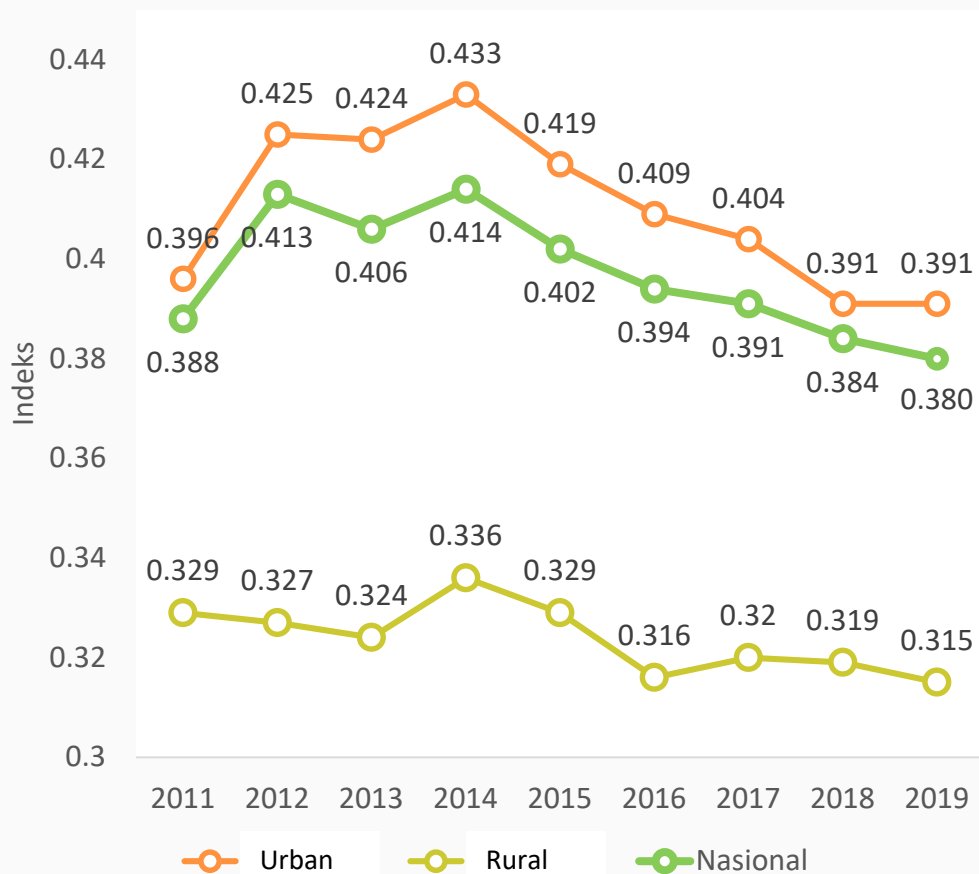
Susilo Bambang Yudhoyono
20 Oktober 2004-
20 Oktober 2009



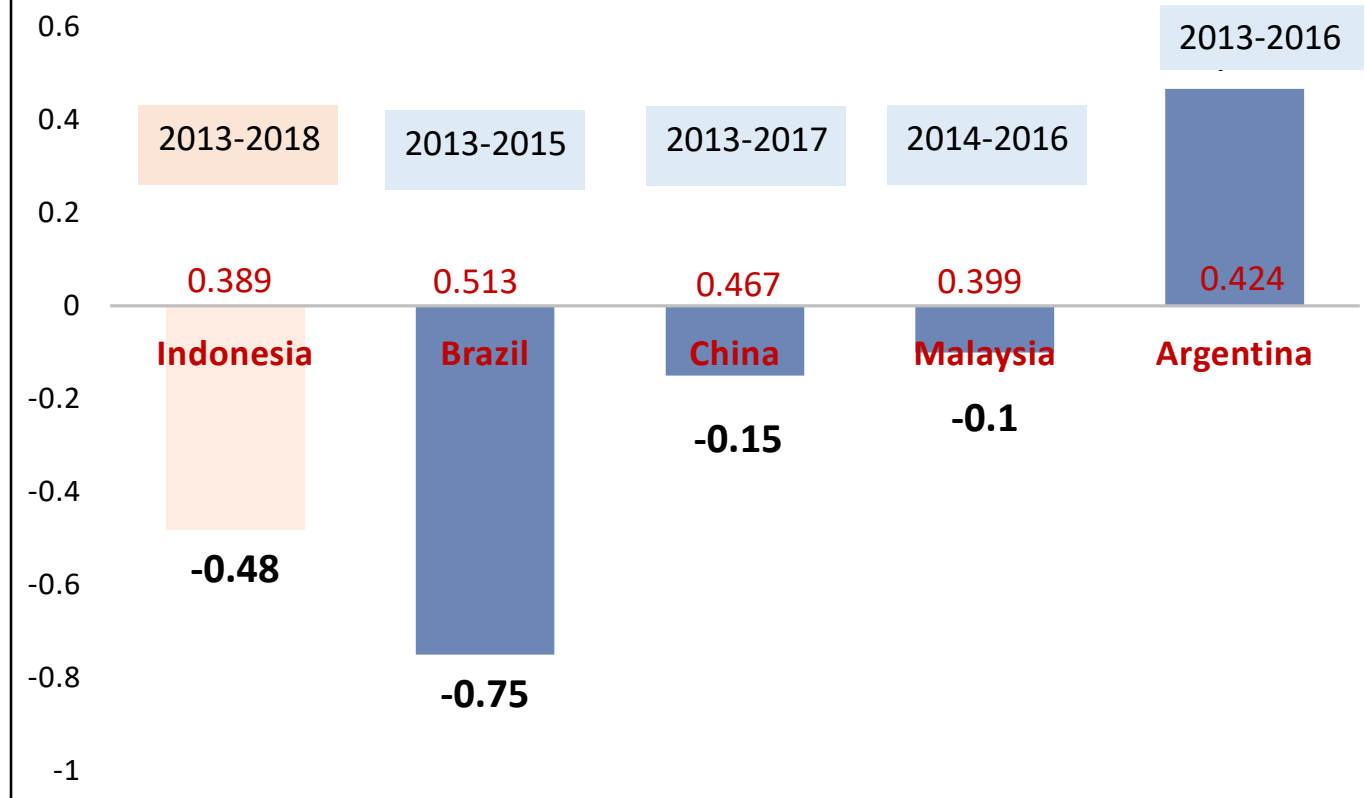
Joko Widodo
20 Oktober 2014-
sekarang

Gini Ratio and Comparison with Some Countries

Gini Ratio, 2011 – 2019



Average Gini Ratio Reduction per year (poin Gini)



Source:
<https://data.worldbank.org>
<https://bps.go.id>
<https://www.ceicdata.com>

Some Challenges Remain

Extreme poverty



63,8% live in rural



39% head of HH only had elementary education



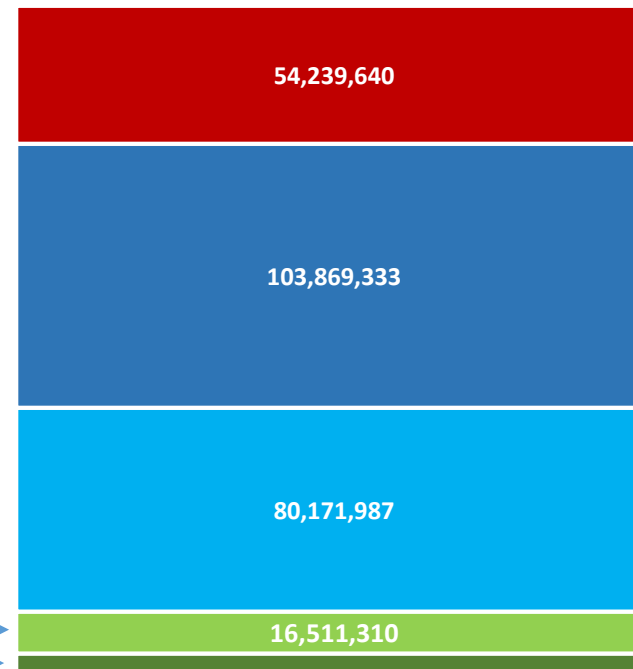
60% HH without sanitaton, 46,3% without drinking water.



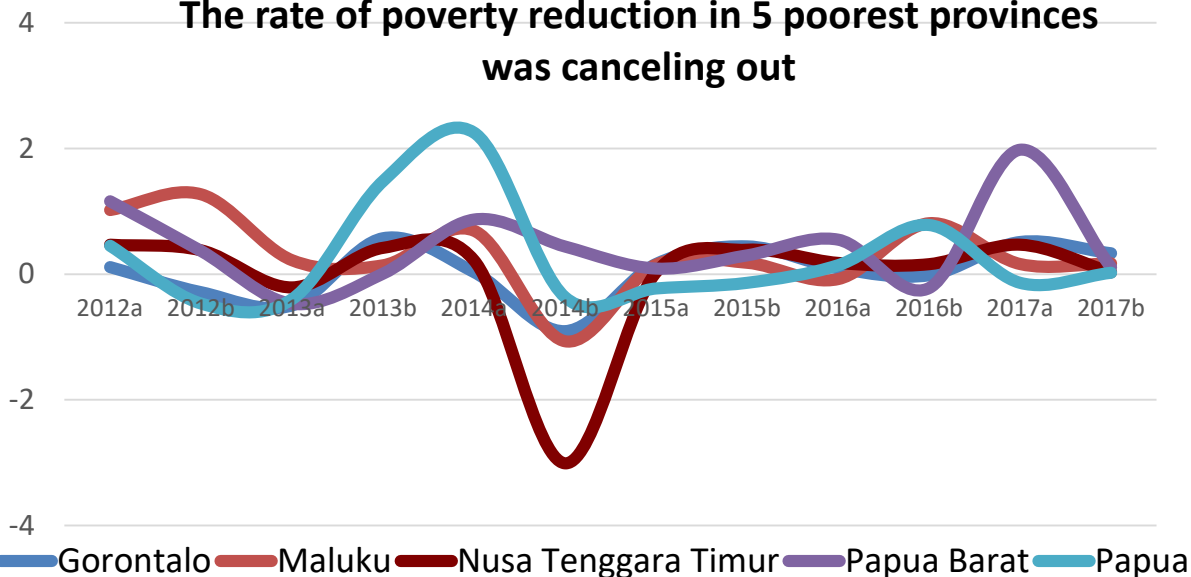
29,7% head of HH is elderly.

Number of Population by Welfare Status

- High class > 3.71GK
- Middle class 1.76GK-3.71GK
- Vulnerable GK - 1.76GK
- Moderate Poor 0.8GK - GK
- Extreme Poor < 0.8GK



The rate of poverty reduction in 5 poorest provinces was canceling out



Source: Susenas and Podes 2018



Flood: 19,675 villages



Landslide: 10,246 villages



Earthquake: 10,115 villages

Some Milestones

2005

- Fuel prices increased up to 185%
- Social Economic Census to determine 40% lowest income group.
- UCT was distributed to 19 million HH.

2007

- UCT → CCT.
- CDD Integration: PNPM/Nat'l Community Empowerment Program

2014/15

- Significant cut of fuel subsidy
- Improved UDB
- Integrated Social Protection Card (KPS) → Health Card, Smart Card, Welfare Card.
- National Social Security System: health and labor
- PNPM → Village Fund.

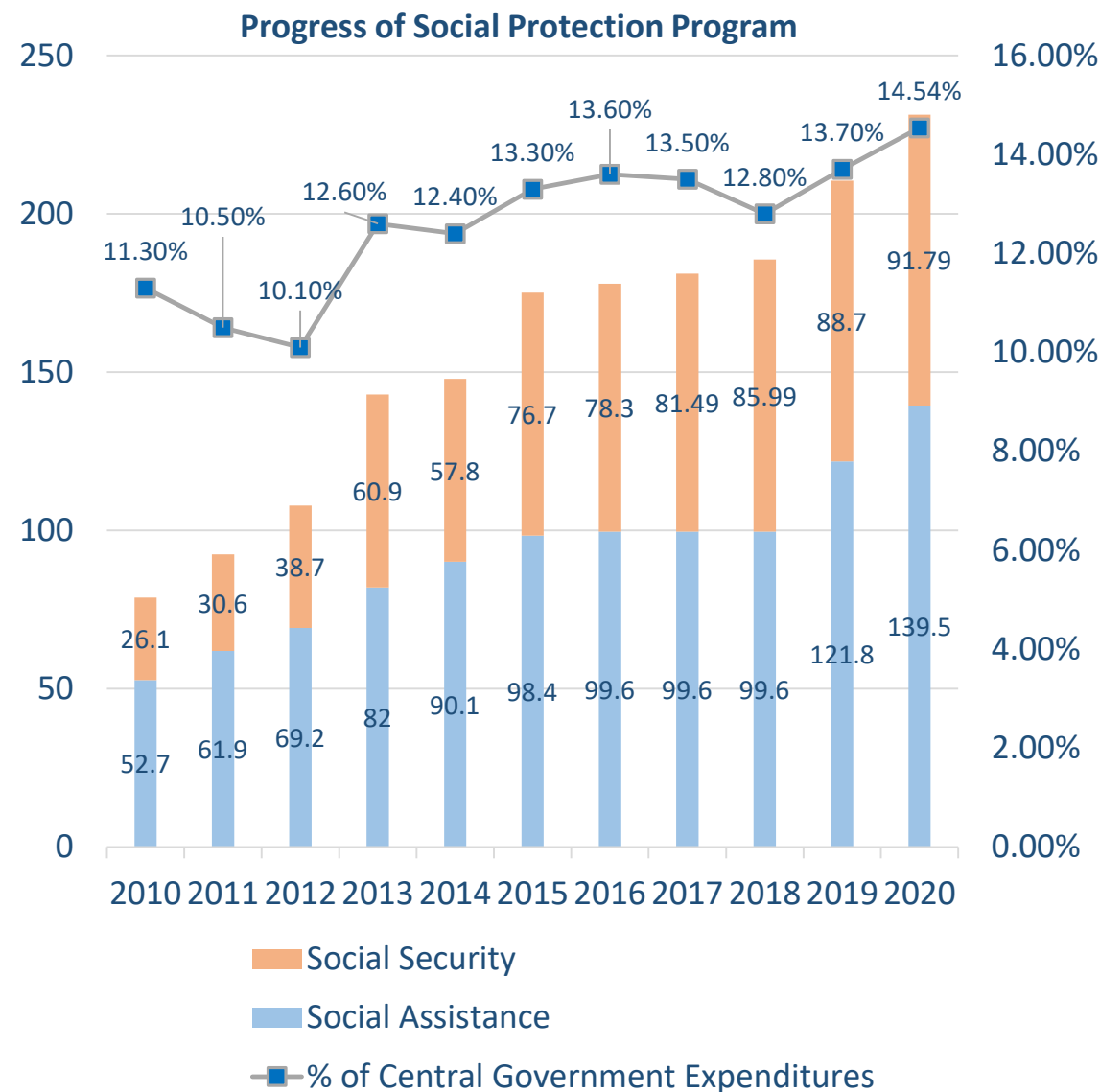
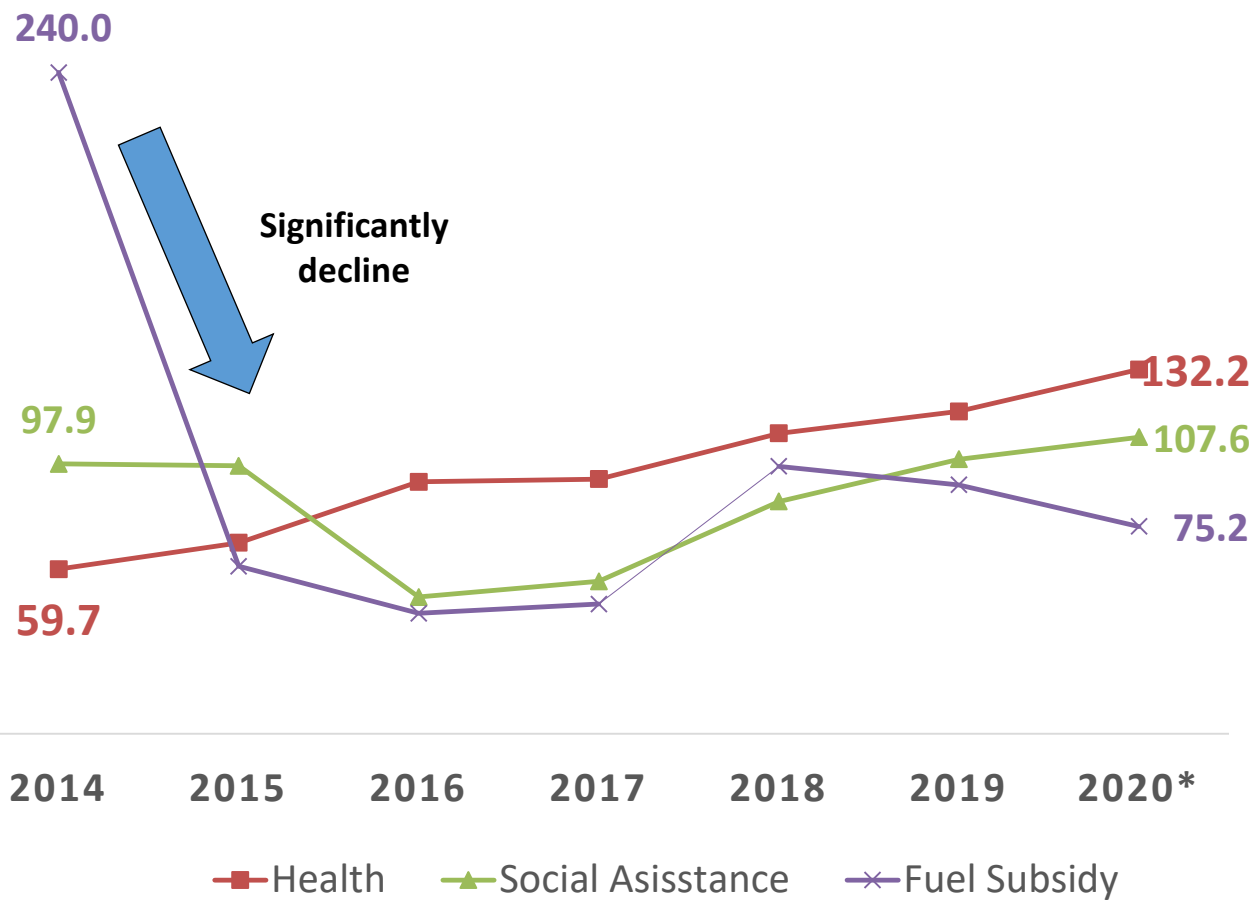
2017

- Digital payment of CCT
- Rastra → BPNT
- CCT has expanded to 6 K, then 10K families

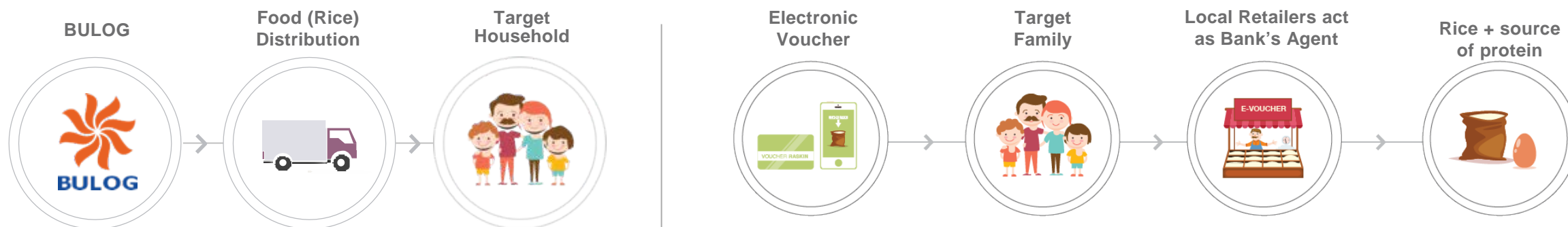
2019

- Piloting Digital payment for energy subsidy
- More integration of social registry and civil registry.

Resource Mobilization For Social Protection



Transformation From Rice Subsidy To Food Voucher



Old-Scheme

In-kind food assistance is distributed by BULOG to the target households

Problems:

1. Mis-targeted
2. Mis-volumed
3. Over price (due to logistic and delivery cost)
4. Poor quality of rice (related with stock management)
5. Late distribution (due to geographic, weather and logistic issues)
6. Poor administered (ample room for error, fraud and corruption)

New-Scheme

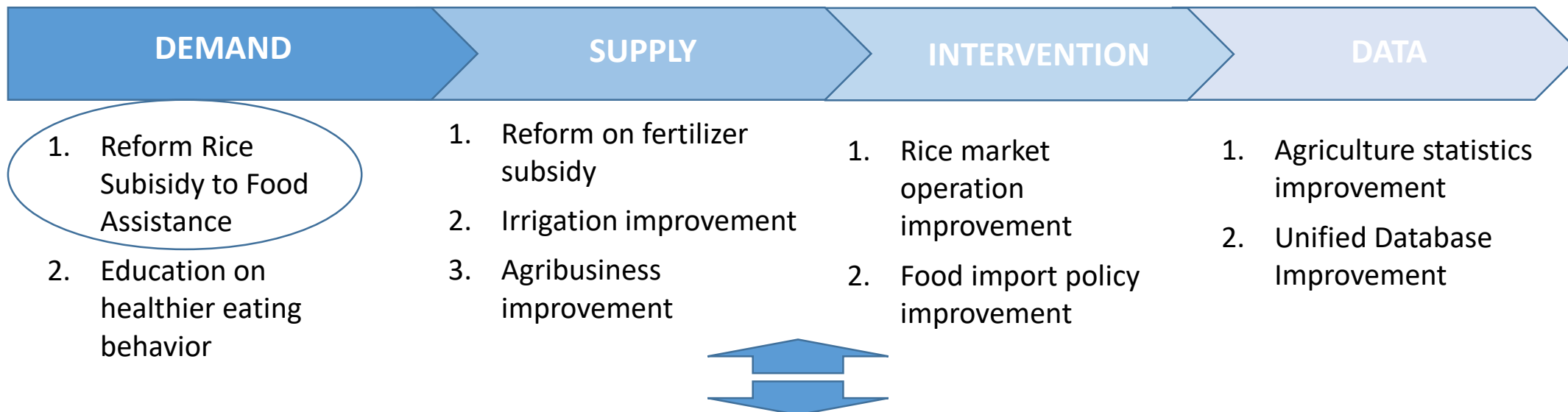
Assistance is transferred as an electronic voucher to buy rice, eggs, meat, nuts at e-warong/Bank Agent.

Benefits:

1. Better targeting accuracy
2. More options and controls by the recipient on quantity & quality of rice
3. Offer more nutrition
4. Encourage micro and small business
5. Provide access to financial services
6. More effective use of the government budget




Bigger Context: Food Security and Value for Money




How can the allocation of IDR 21 trillion could have a bigger impact?




1 in 3 children <5 are stunted



1 in 8 children <5 are overweight



1 in 4 Indonesian are anemic



1 in 4 adults are overweight

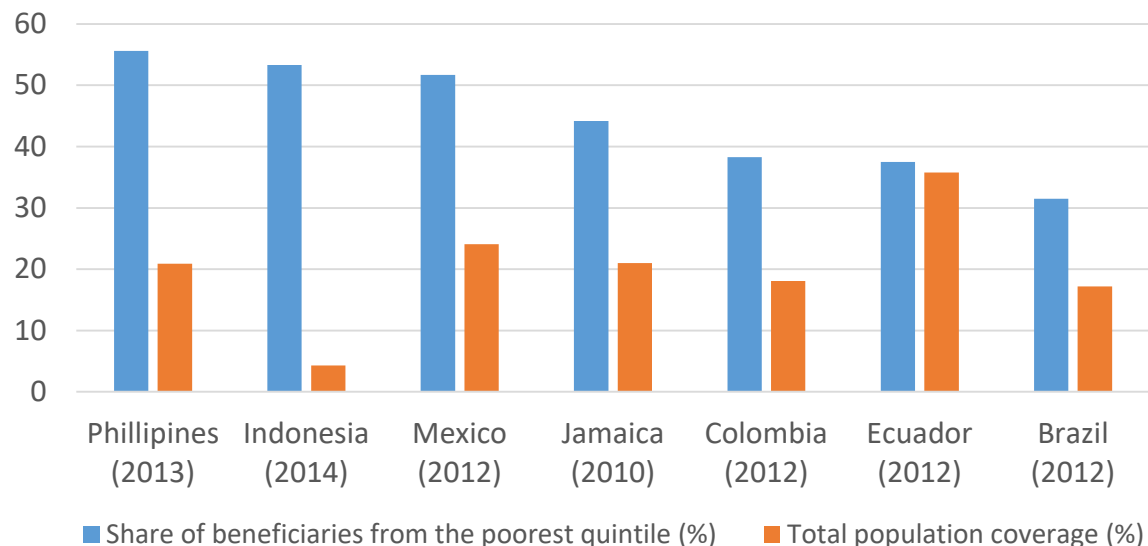
BPNT support financial inclusion

87% HH have access and opened a formal account for the first time

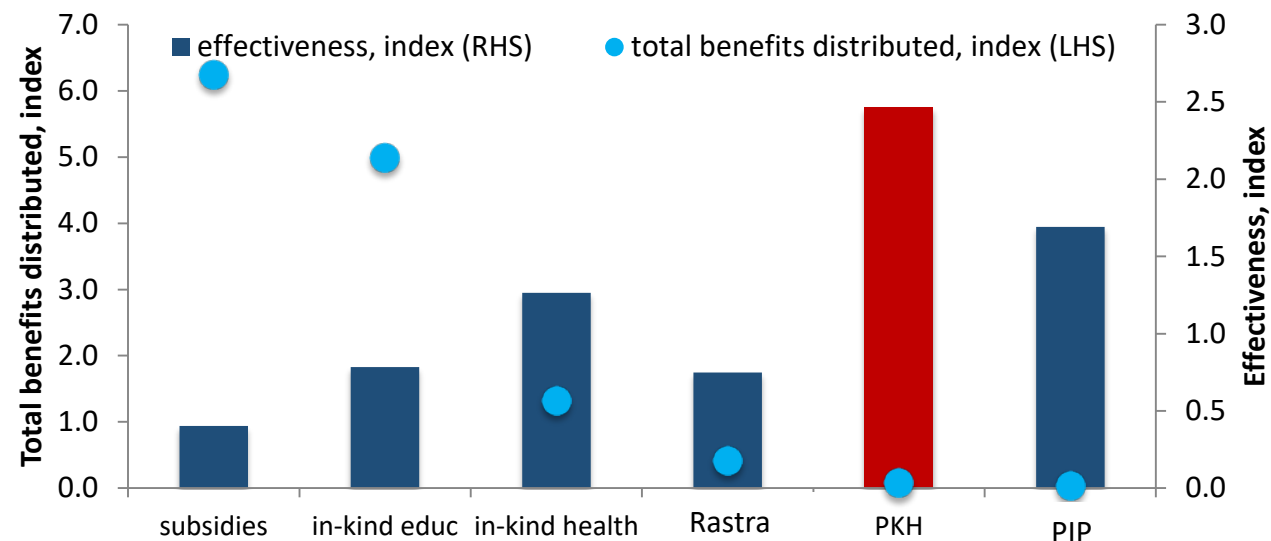
MICROSAVE STUDY (2019)

The Effectiveness of CCT in Targeting and Impact on Spending

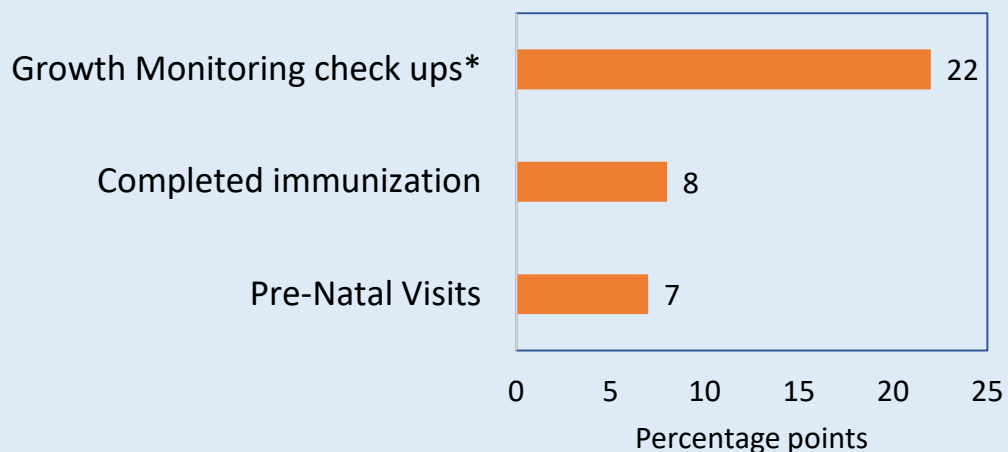
PKH has high targeting accuracy



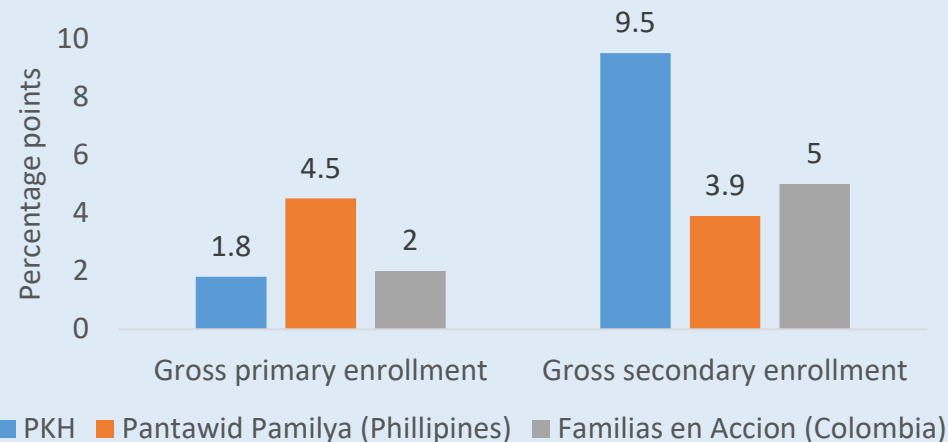
Effectiveness at Reducing Inequality Relative to Spending Levels (2012)



Health impacts



Positive education impacts compared

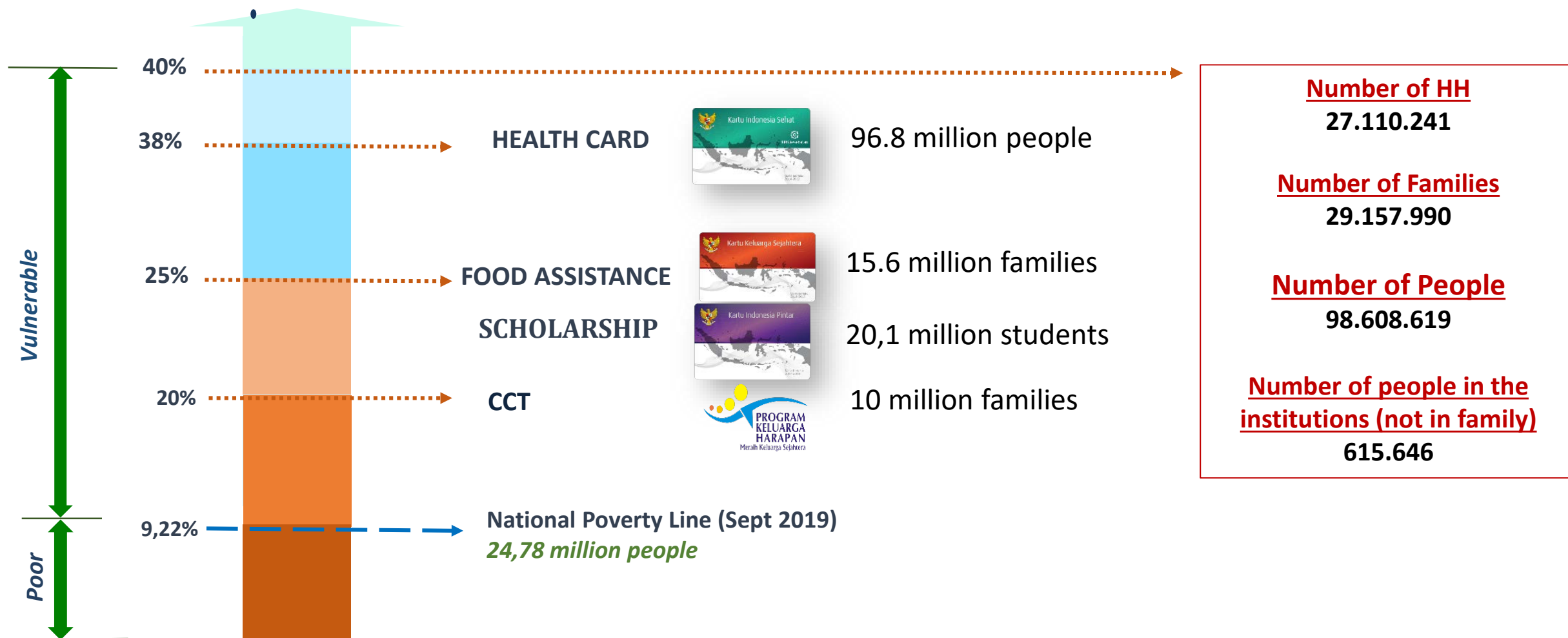


Impact of CCT on Health and Education

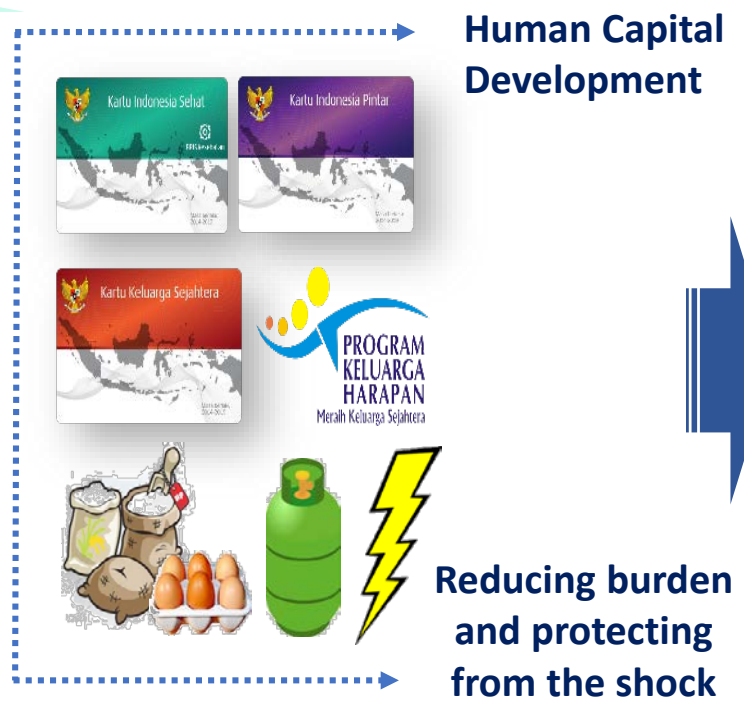
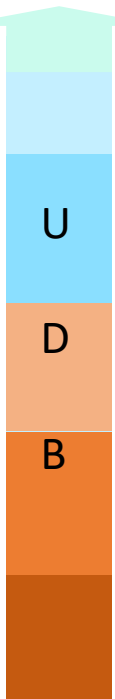
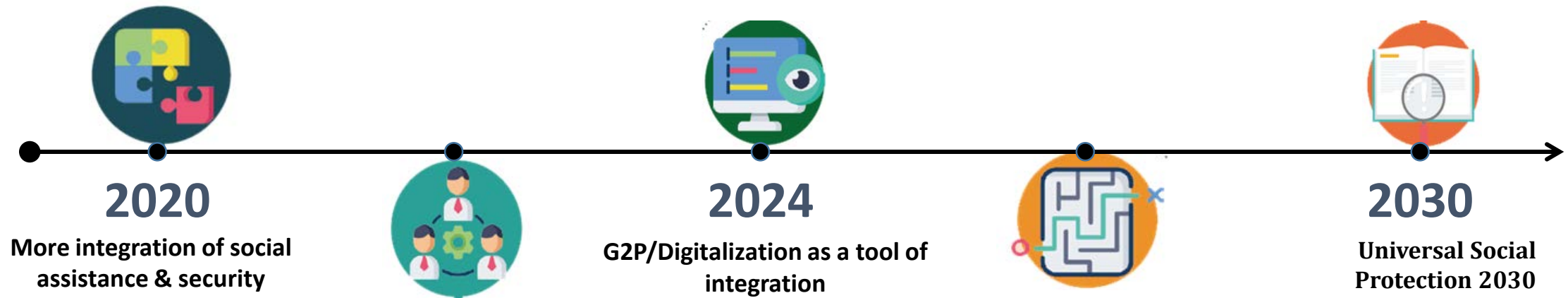
Indicators	World Bank Midline Study 2010	TNP2K Endline Study 2014	Microsave, 2019
Childbirth Delivery	Improved probability of childbirth delivery assisted by medical staff/ at health facility.	<i>Endline</i> impact was bigger than <i>midline</i> .	<i>No significant result</i>
Ante and Post-Natal visit	<ul style="list-style-type: none"> • Health visit of CCT was bigger than non-CCT families. • Antenatal increased 13% • Postnatal increased 7% 	<i>No significant differences between CCT and non CCT families in health visit</i>	<ul style="list-style-type: none"> • Ante Natal: <i>No significant result</i> • Post Natal: CCT families 7.4% higher than non CCT families
Baby Health Check	Increased 15-22%	<i>No significant result</i>	CCT families 20.9% more often to check than non CCT families
Immunisation and Vaccination	<5 year old of CCT families had 3% higher to complete immunisation and vaccination	<5 year old of CCT families had 5% higher to complete immunisation and vaccination	n/a
Enrollment rate	<i>No significant result, but CCT children improved of learning time</i>	<ul style="list-style-type: none"> • 7-15 year old: 4% • elementary: 1.8% • Junior high: 9% 	n/a

Unified Data Base as a Basis of Targeting of Social Protection Programs

UDB consists 40% of population who have the lowest income status, by name, by address, and by ID



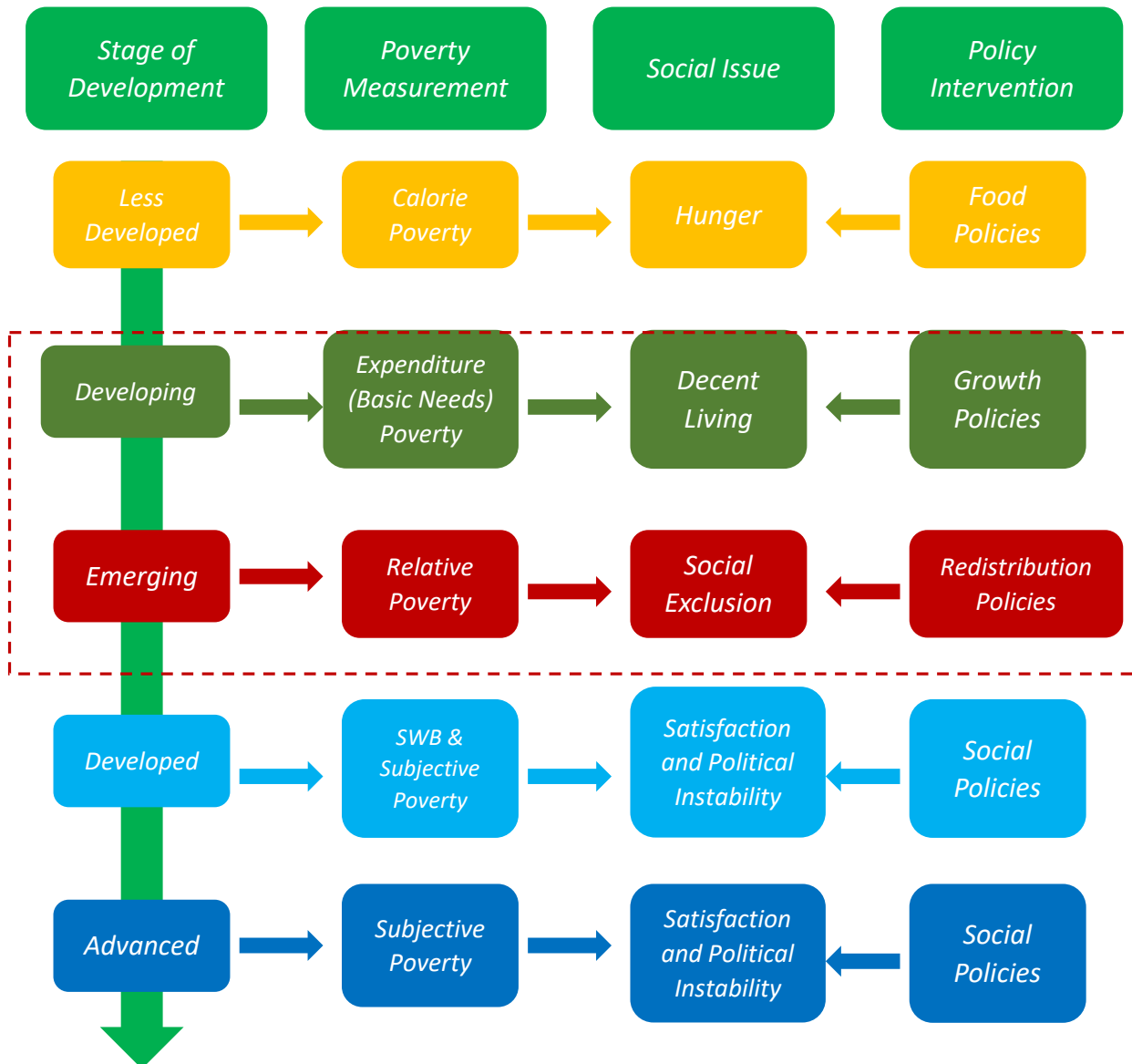
Toward Comprehensive Social Protection and Poverty Reduction



- Achievement of Minimum Standards for Basic Services
- Improved access to basic services of the 40% poorest population
- Reduction of disparities between income groups & among regions



Poverty and development stage



Source: Dartanto and Otsubo (2013)

The Way Forward

- Indonesia has become an upper middle income country. Focus of poverty reduction moves from absolute to relative poverty
 - Productive economy/sustainable livelihood
 - Inclusiveness (*basic rights*).
 - Review poverty measurement.
- Inclusive development has to be part of a broader strategy to address economic growth, longer term structural poverty, human capital development, and inequality
 - Fundamental ingredients to expand access to available labor market opportunities.



Thank You
Terima Kasih