

SOCIAL PROTECTION PROGRAMS IN INDONESIA: Accuracy, Leakages, and Alternative Criteria of Poverty

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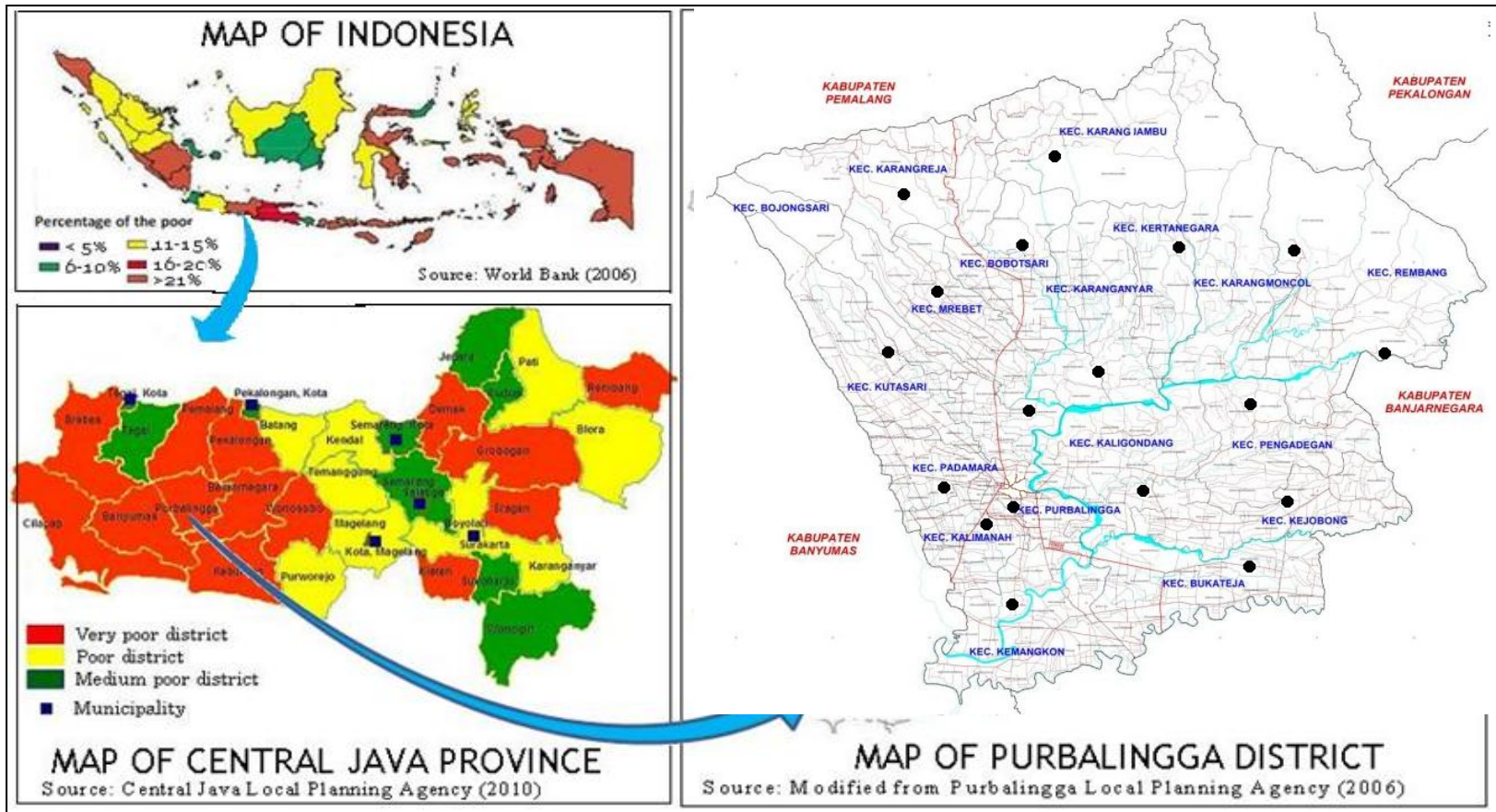
I. Introduction

- To alleviate poverty, the government of Indonesia has since 2000 implemented Social Protection Programs, which constitute transfers in kinds or cash to the targeted households.
- Many studies present that the implementation of the programs is still dealing with two main issues, which are whether all of the poor are officially listed, and whether the listed beneficiaries receive the full benefits ([Cook & Pincus, 2014](#); [Gabel, 2014](#); [Ramesh, 2014](#); [Widjaja, Simanjuntak, Asher, Oum, & Parulian, 2010](#)).
- Considerable improvements are needed to create program effectiveness. This study aims to contribute to discussion, foremost by measuring the accuracy and leakage of distribution and by proposing alternative criteria of beneficiaries to improve program implementation.

II. Literature Reviews

- Social protection is integrated programs to protect the poor against social and economic risks ([Gabel, 2014](#)). The programs are implemented every where, like *Bolsa Escola* (school grant) in Brazil, and the PhilHealth Poor Sponsored Program and Food for School Program in Philippine. In Indonesia, various programs are found like *Raskin*, *Jamkesmas*, *Bantuan Langsung Tunai*, and so on.
- [Skoufias, Lindert, and Shapiro \(2010\)](#), analyzing 56 social transfer programs in Latin America and Caribbean, find that appropriate establishment of beneficiary criteria can increase targeting effectiveness. Their study finds the needs to combine geographic targeting and individual assessment in program distribution.
- Access to information and transparency in beneficiary selection are also important in increasing targeting efficiency ([Jha, Shankar, & Gaiha, 2011](#)).

III. Methods



The study is conducted in Purbalingga District of Central Java Province. 18 villages within the district are selected based on geographical condition. The population consists of 100.281 households registered in the Database of Social Protection Program, which are accessed from the District Planning Agency. Totally 648 households, or 36 households per village, are randomly selected to be the respondent.



Snapshots of Study sites



IV. Socioeconomic Condition Study Sites and Respondents

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No	Socio Economic Condition of Resposndent	Number	Percentage
1	Gender of HH Head		
	❖ Male	577	89%
	❖ Female	71	11%
2	Education of HH Head		
	❖ Having no formal education	274	42%
	❖ Elementary school	335	52%
	❖ Junior High School	35	5%
	❖ Senior High School	4	1%
3	Occupation of HH Head		
	❖ Agriculture	250	39%
	❖ Labour	203	31%
	❖ Business	52	8%
	❖ Service	24	4%
	❖ Other	95	15%
4	Number of HH with physical disabilities	31	5%
5	Number of HH with chronic illness	102	16%
6	Number of HH with pregnant	18	3%
7	Number of HH with child under five	164	25%
8	Number of HH with child in school age (6-18 Years)	328	51%

Some important notes...

- Informal economies like farmer, small trading and laborer were the main occupation. In informal economy, insecurity is the biggest challenge, meaning that they feel that they are eligible to any social protection programs.
- Most farmer had less than 0.5 Ha of cropland. Scarcity of cropland exists, meaning that Landholding size is traditionally the symbol of wealth
- Electricity covers nearly all households, and ownership of handphone and motorbike has been very common, meaning that they cannot be used to differentiate the poor from community.

V. Programs Found in Study Sites

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- Subsidized Rice Program (*Raskin*) that distributes 15 kg of subsidized rice per month;
- Health Insurance (BPJS *Gakin*) that distributes a card for free medication in government facilities;
- Conditional Cash Transfer Program (*Program Keluarga Harapan*) that distributes cash for poor household with pregnant and pupils, and;
- Unconditional Cash Transfer Program (*Bantuan Langsung Tunai*) that distributes cash to the poor to maintain their purchasing power after the withdrawal of price subsidies.



Criteria Used to select the beneficiaries

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- Size of House is less than 8 m² per capita
- Dirt floor
- bamboo or wooden wall of house
- Roof from palm leaf
- Having no latrine
- Having no access to electricity
- Having no access to clean water
- Using firewood as cooking fuel

VI. Accuracy and Leakage of Distribution

- Accuracy is defined as a condition in which the people in the official beneficiary lists receive the program benefits.
- The accuracy of social protection programs was 97% in Subsidized Rice Program, 86% in Health Insurance Program, 75% in Unconditional Cash Transfer, and 51% in Conditional Cash Transfer.
- Subsidized Rice Program suffered from the biggest leakage, in which a half of the stated benefits were not received by the beneficiaries, while Unconditional Cash Transfer lost 7% of the stated benefits

VII. Alternative Criteria of Poverty

- The existing criteria deemed not work and unsuitable to local condition:
 - ▣ Type of roof, because most houses in rural areas similarly had plain roof;
 - ▣ Access to electricity, because the coverage of electricity in Indonesia, especially Java, had been nearly 100%;
 - ▣ Access to clean water, because most houses in the study sites similarly used public water pump;
 - ▣ Cooking fuel, because difficult to observe

New proposed criteria of beneficiaries deemed suitable to local condition

- ❑ Type of floor, because there was usually clear differentiation, in which the poor had dirt floor while the non poor had tile;
- ❑ Type of wall, because there was usually clear differentiation, in which the poor had bamboo or wood while the non poor had cemented brick;
- ❑ Health condition of households member, because the poor usually had member with physical disabilities and chronic illness;
- ❑ Size of landholding, because there was usually clear differentiation of landholding between the poor and the non-poor.

Newly proposed criteria to filter the non poor becomes the program beneficiaries

- ❑ Ownership of car, because only the rich were able to buy car;
- ❑ Ownership of Cow or Buffalo, because the poor will not able to buy and breed them;
- ❑ Occupation as civil service, army or police, because they provide proper wage, insurance and pension scheme. These jobs were deemed to better equipped to cope with risks and economic uncertainties.

VIII. Conclusion and Policy Implication

- The existing method to distribute social protection programs may work, but not always accurate. There is still inaccuracy and leakage in program distribution, which ranges from 3% in Subsidized Rice to 49% in Conditional Cash Transfer.
- In addition to the existing literatures, findings from this study identify another problem that lead to inaccuracy and leakage of social protection programs, which is unsuitable criteria of poverty

- Revision of criteria of poverty/programs beneficiary is needed.
- It is argued here 2 factors should be considered in revising the criteria:
 1. First, local social and economic condition varies across regions, meaning that the definition and criteria of poverty are not homogen across the countries.
 2. Secondly, within the government low capacity to conduct enumeration and manage the data of poor people, involvement of local officers and community is needed.

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