

Protection and Livelihood Program: The Indonesia's Experience on PKH

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Introduction

- ▶ How social assistance programs for households can also aim to provide protection, livelihood and improved health and education status of children?
- ▶ How can such program be simple enough and administratively feasible?
- ▶ An extreme situation: post-war or post-conflict. But also during peaceful time.

From the video lecture: Challenges with current approaches

- ▶ How to provide bridging and accelerated learning programs for education catch-up?
- ▶ How to match vocational training program with market opportunities? Through job placement programs?
- ▶ How MFIs can target youth and provide start-up funds?
- ▶ How should the proper monitoring and evaluation activities be?

Indonesia's social assistance programs

- ▶ **Unconditional cash transfers**
 - ▶ Money is given to the family and can be used for anything
- ▶ **Rice transfer for the poor**
 - ▶ Similar to cash transfers but in the form of rice
- ▶ **Health insurance for the poor**
 - ▶ Similar to cash transfers in the form of medical subsidies
- ▶ **Scholarships for poor students**
 - ▶ In practice, reaching only those who are currently at school

Program Keluarga Harapan (PKH): a conditional cash transfer

- ▶ Following the steps of Progresa, Bolsa Familia
- ▶ Idea: using cash transfer as incentives for poor HHs to improve their children's health and education
- ▶ Eligible households are those with:
 - ▶ A) pregnant moms, B) children below 5, C) elementary and junior secondary school age-children
- ▶ Households will keep receiving cash providing:
 - ▶ Pregnant moms visit health clinic each month
 - ▶ Children below 5 visit health clinic for weight/height measurement and immunization
 - ▶ School-age children maintain at least 85% attendance each month

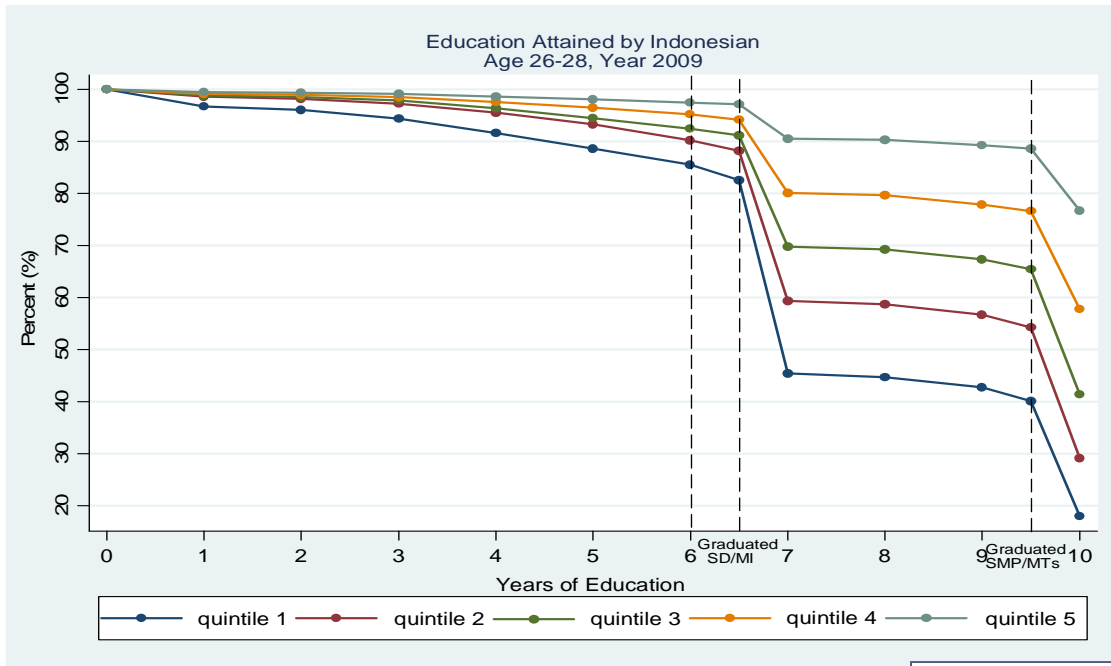
Targeting and coverage of PKH

- ▶ Begin as a pilot program in 2007, delivered cash to >432,000 very poor households in 7 (of 32) provinces
 - ▶ Expanded in 2010 to reach >700,000 HHs in 13 provinces
 - ▶ Up to 3 children per HH, so the program covers up to 2.1m children
- ▶ Compared to HHs with similar characteristics and poverty level but had not received the program, PKH has:
 - ▶ Significantly increased HH consumption
 - ▶ Significantly increased health service utilization
 - ▶ Significantly increased health expenditure as % of HH budget
 - ▶ Not shown significant impact in education variables

Why lack of impact in education?

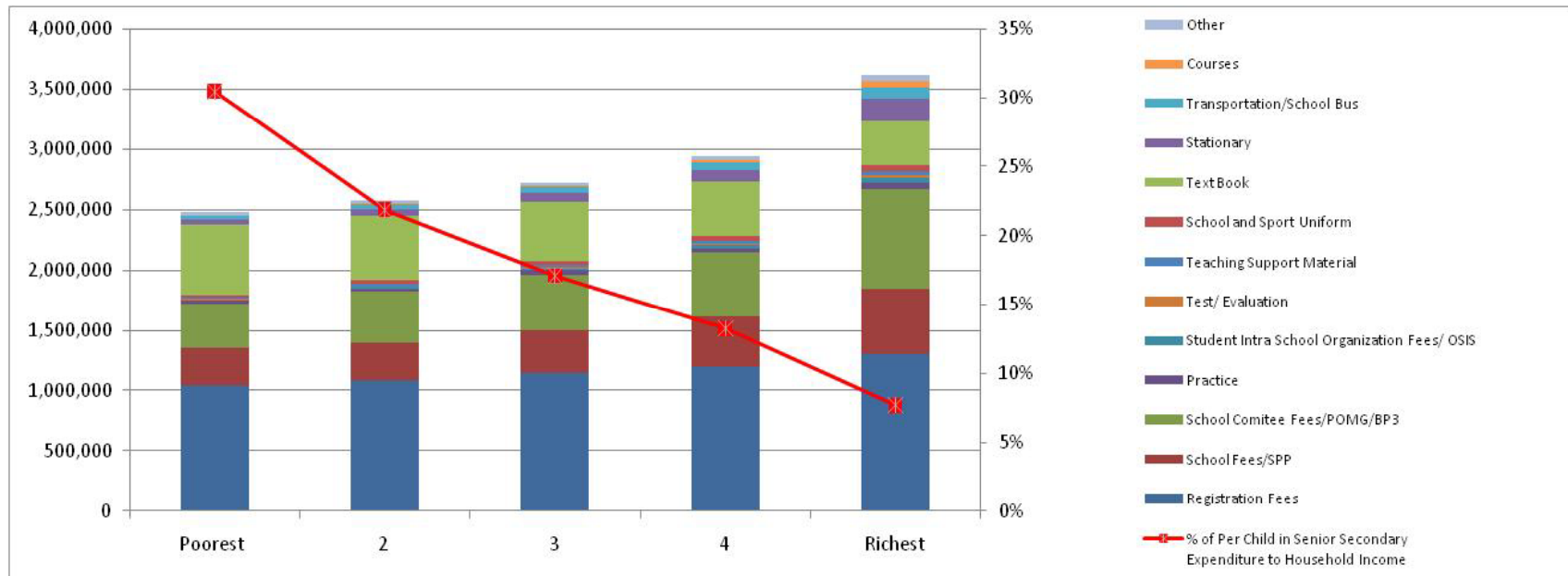
- ▶ PKH is good at keeping current student at school but it hasn't done too well in picking up children who are out of school
 - ▶ Drop-out children.
 - ▶ Child workers.
 - ▶ Street children.
 - ▶ They need bridging, acceleration and transitional program (safety/temporary house) to adjust their street lifestyle
 - ▶ Is the monetary benefit of PKH enough to create disincentives to send children to street?
- ▶ PKH hasn't been much helpful in the transition from elementary to junior secondary school
 - ▶ High associated cost, (new uniform, books). Not tuition fees

High drop-out rate during transition



	Baseline mean	
	7-12 yrs	13-15 yrs
Gross Participation rate	0.93	0.69
Net Enrollment rate	0.86	0.50
Attendance ≥ 85% rate	0.94	0.94
Hours in school last week	24	29
Late enrollment rate (SD)	0.03	
Drop-out rate (SD)	0.03	
Transition rate (SD to SMP)	0.73	

High associated cost to continue to junior secondary school



- ▶ Theoretically, PKH students can receive top-up scholarships for poor students from the Ministry of Edu
 - ▶ But in practice, schools allocate the scholarships to different students for “equal distribution”

Other issues – implementation

- ▶ **Coordination across different agencies**
 - ▶ PKH is under the Ministry of Social Affairs (and street children transitional programs)
 - ▶ (Public) schools are under Ministry of Education (as well as child labor bridging programs).
 - ▶ Religious schools under Ministry of Religious Affairs
 - ▶ Health facilities: Ministry of Health
- ▶ **Socialization to affiliated providers was weak**
 - ▶ Providers may not have understood that conditionalities (and compliance monitoring) wasn't important and the PKH was not just “business as usual” for them
- ▶ **Facilitators were not as effective at encouraging education**
 - ▶ Facilitators and the community generally did not make effort to re-insert drop-outs into the system; facilitators were sometimes too diffuse to be able to visit remote households as soon as drop-outs were noted

Lessons from PKH

- ▶ **How big should the cash assistance be?**
 - ▶ Not too big to create dependency and incentives to be poor
 - ▶ Big enough to compensate costs to go to school, clinic and keep children away from street or workplace
- ▶ **How to minimize administrative and targeting costs?**
 - ▶ Identifying the poor has always been a difficult task
 - ▶ Improper targeting will create negative effects
- ▶ **How to ensure conditionalities are met?**
 - ▶ Administrative costs and efforts.
 - ▶ Otherwise, the program will be another unconditional cash transfer
- ▶ **Coordination across agencies**
- ▶ **Supply-side: availability and quality**