



KEMENTERIAN SEKRETARIAT NEGARA RI  
SEKRETARIAT WAKIL PRESIDEN

# POVERTY ALLEVIATION IN INDONESIA AND ROLES OF THINK TANKS & UNIVERSITY

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[www.tnp2k.go.id](http://www.tnp2k.go.id)



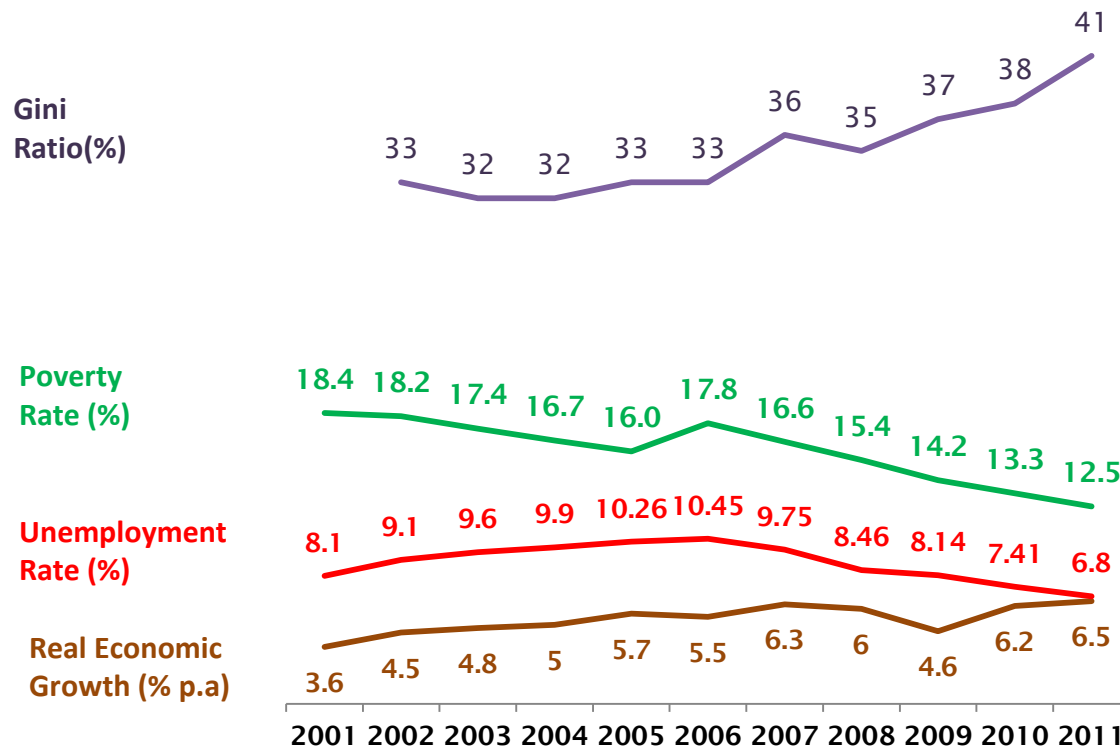
TIM NASIONAL PERCEPATAN PENANGGULANGAN KEMISKINAN

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# POVERTY ALLEVIATION: DYNAMICS AND POLICY PERSPECTIVES

## INDONESIAN ECONOMY: PROGRESS WITH NEW CHALLENGES



- Improvements in last decade in terms of economic growth, unemployment reduction , and poverty alleviation
- Great potential to move further
- Increasing inequality
- Poverty alleviation and social protection programs

Per Capita Income (US\$)
772
922
1098
1186
1318
1663
1938
2270
2350
3005
3543



# CHALLENGES

## FOR POVERTY ALLEVIATION PROGRAM IN INDONESIA

### **Poor**

living below poverty line

### **Vulnerability**

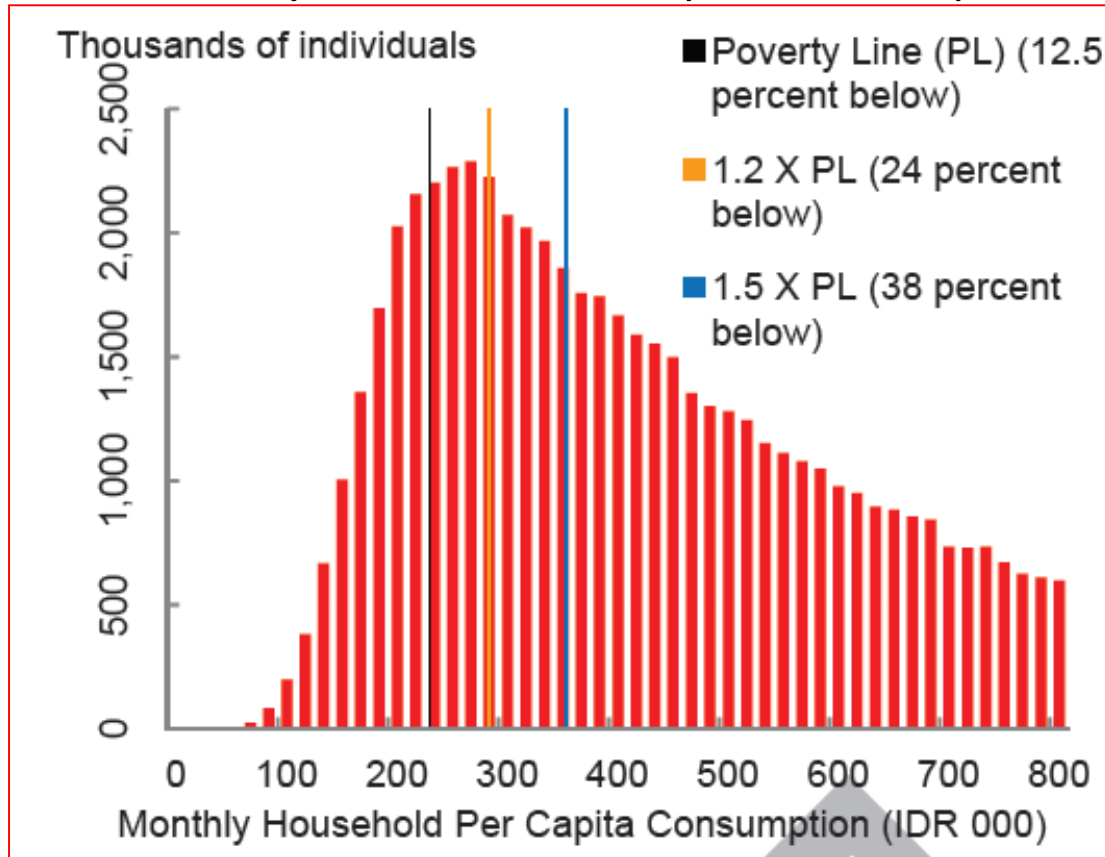
easily fall back below the poverty line

### **Inequality**

interregional differences in the number of poor and poverty rates

# Number of Poor (2011) 30 million people (12.5% of population), but about 40% population lives around Poverty Line

## 2011 Monthly Household Percapita Consumption



Source: World Bank (2012)

## Poverty Line

Approx. USD (PPP) 37/capita/mo.  
(national average)

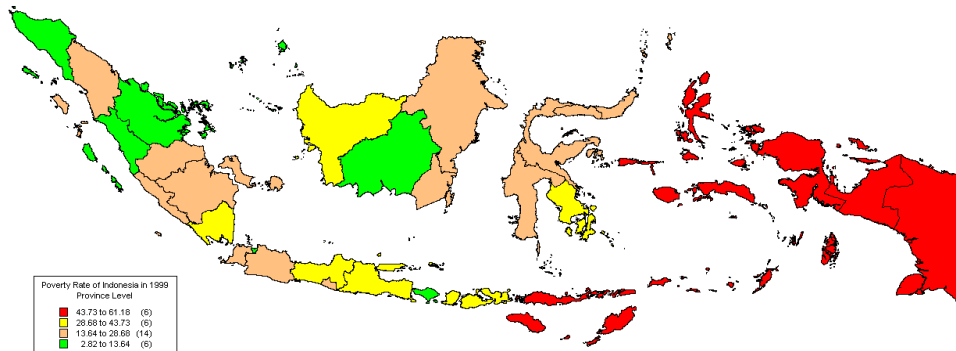
For capital city Jakarta approx. USD (PPP) 54/capita/mo.

**High vulnerability** around the Poverty Line

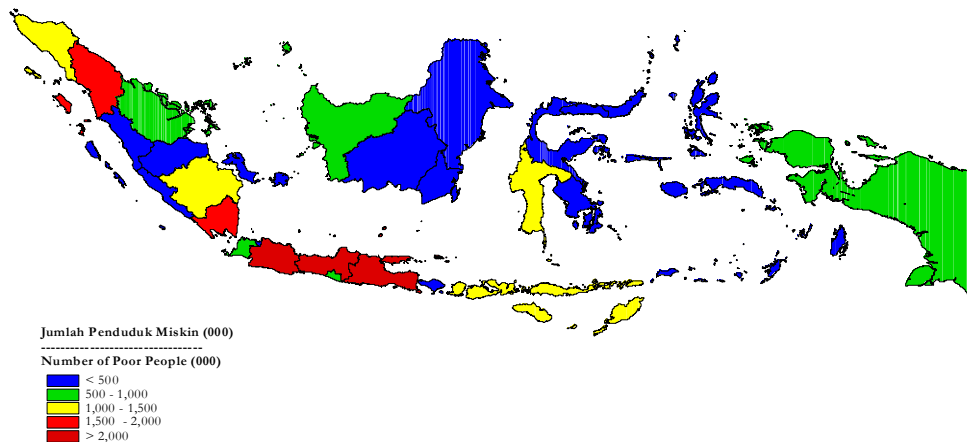
Poverty programs needs to **cover the poor and the near poor**

# INEQUALITY

## ACROSS DIFFERENT REGIONS IN INDONESIA



*High poverty intensity in Eastern Islands (Maluku, Papua, and Nusa Tenggara)*



*High concentration of poor people in Java Island*

# THE NATIONAL TEAM FOR THE ACCELERATION OF POVERTY REDUCTION

## Achieving 8 – 10 % Poverty Rate in 2014

The National Team for the Acceleration of Poverty Reduction (TNP2K) is established to speed up Government's response to reduce poverty.

TNP2K led by the Vice President and report to the President, which **main role:**



**To improve the implementation of targeted poverty alleviation program by introducing better targeting system, promote coordination & integration of poverty alleviation program and effective monitoring & evaluation.**



### TNP2K's Main Priorities:

1. Unification of National Targeting System through single database
2. Improvement of the implementation of health social assistance for the poor
3. Improvement of the implementation of PKH as a conditional cash transfer program
4. Integration of community empowerment programs into PNPM
5. The Implementation of Financial Inclusion System for social protection program

# POVERTY ALLEVIATION PROGRAM OVERVIEW

## A Comprehensive Strategy Approach

The strategy is articulated around three clusters to comprehensively reduce the poverty rate.

Cluster

### **1** Household-based Social Assistance

Cluster I focuses on household-based social assistance programs.



**Raskin**

Beras untuk Keluarga Miskin

**BSM**

Bantuan Siswa Miskin

Cluster

### **2**

### Community Empowerment

Cluster II emphasizes community empowerment programs.



Cluster

### **3**

### Small/Micro Enterprise Empowerment

Cluster III seeks to expand economic opportunities for low-income households.

**KUR**

Kredit Usaha Rakyat



# CLUSTER 1: FAMILY-BASED SOCIAL ASSISTANCE PROGRAMS

Program Name	<b>BLT</b> <i>Unconditional Cash Transfer</i> (2008-09)	<b>Raskin</b> <i>Rice for the Poor</i>	<b>Jamkesmas</b> <i>Health Protection</i>	<b>BSM</b> <i>Scholarship for the Poor</i>	<b>PKH</b> <i>Conditional Cash Transfer</i>
Transfer Type	Cash	Subsidized Rice	Health service fees waived	Cash	Cash & Conditions
Target group (HHs)	Poor & near poor HHs	Poor & near poor HHs	Poor & near poor HHs	Students from poor HHs	Very poor HHs
Number of beneficiaries	18.7 Mn HHs	17.5 Mn HHs	18.2 Mn HHs	8 Mn Students	1.5 Mn HHs
Benefit level	IDR 100,000 per month	15 kg rice per month	Unlimited	IDR 480,000 per year	IDR 1,287,000 per year
Key executing agency	Ministry of Social Affairs (MoSA)	Bureau of Logistics (BULOG)	Ministry of Health (MoH)	MoNE & MoRA	MoSA

# NATIONAL TARGETING SYSTEM USING UNIFIED DATABASE



*Set by each program. E.g. for PKH.  
The criteria set by Minister of Social Affairs:  
extreme poor households with elementary  
school age children or pregnant mothers*



*Data by name & address,  
containing the lowest 40% of population  
(approx. 150% of the Poverty Line)*



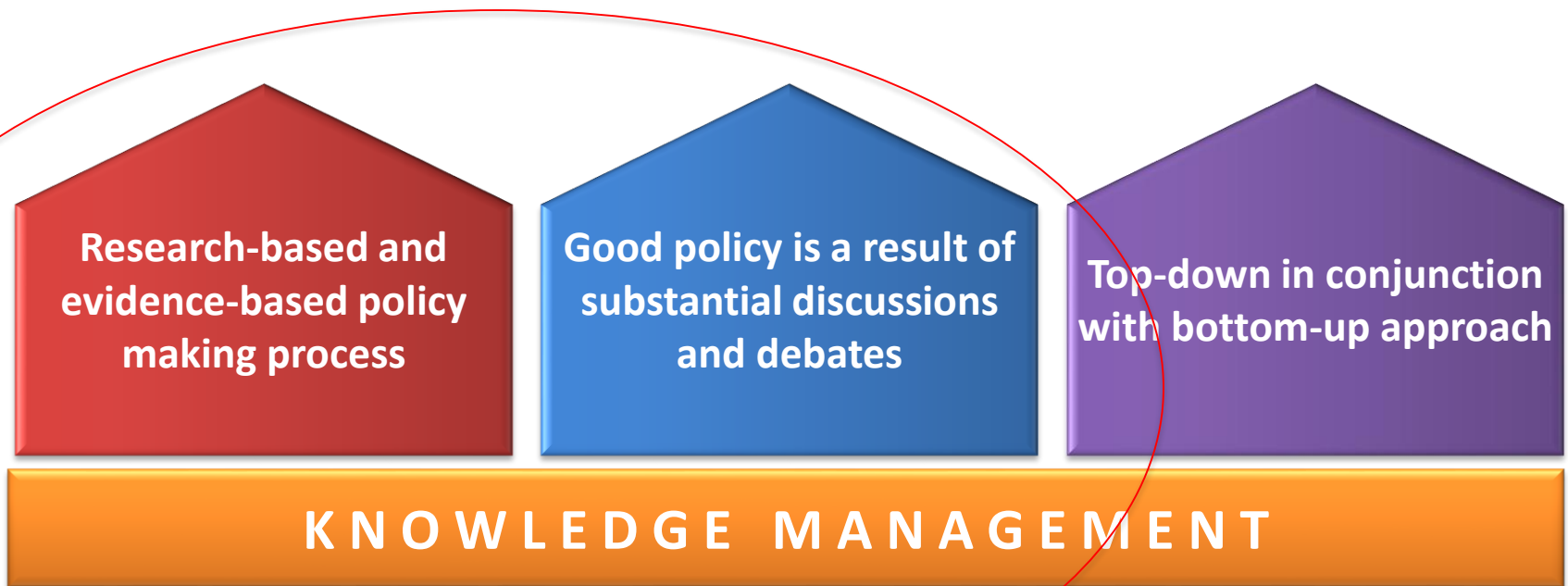
*Names and addresses of eligible beneficiaries  
of the Social Protection Program*

**Program eligibility can be formulated using different criteria:**

- **Geographical** (e.g. based on indicators of poverty, education, health, etc.)
- **Benefitting unit** (e.g. individuals, households, family)
- **Economic status** (extreme poor, poor, near poor, vulnerable)
- **Demographic status** (sex, age, education status, types of works, etc.)

# ROLES OF THINK TANKS & UNIVERSITY

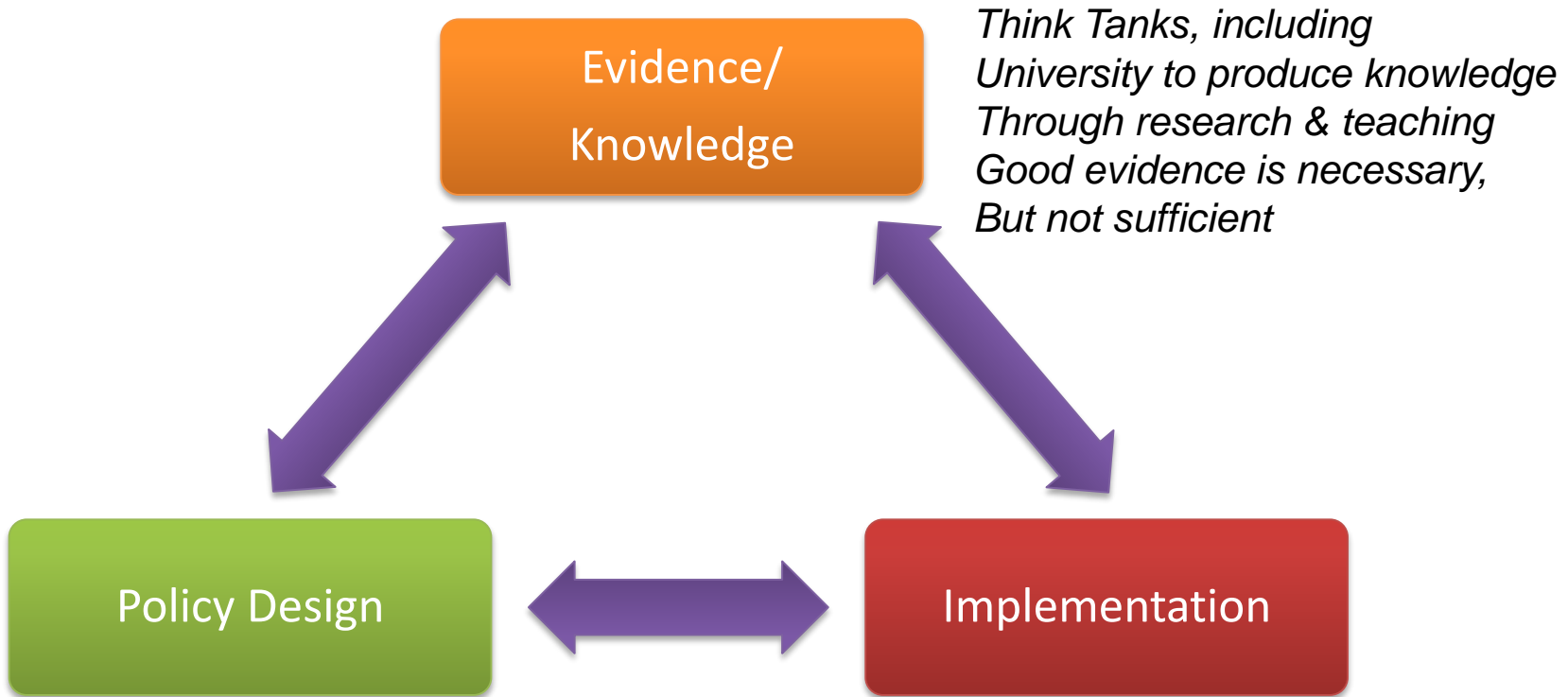
## WHAT DO WE BELIEVE NEEDED FOR A GOOD POLICY MAKING PROCESS?



*Think Tanks, including University plays big role here*

Our challenge in TNP2K is:

## Triangulation EVIDENCE – POLICY -IMPLEMENTATION



*Think Tanks, including university to help policy design, educate people who will later get Involved in the policy formulation*

*Think Tanks, including university may help implementation*



**Thank you!**