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Indonesia Development Forum 2017

## **Fighting Inequality for Better Growth**

Jakarta, 9-10 August 2017





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# 'Hidden Affluence' and Perverse Consequences of Conditionality – Insights on PKH



# ‘Hidden Affluence’ and Perverse Consequences of Conditionalties – Insights on PKH

Dr. Sherria Ayuandini – Senior Lead Researcher – Reality Check Approach



# Program Keluarga Harapan (PKH)



2007 - Ministry of Social Affairs, Ministry of Home Affairs, Ministry of Health  
and Ministry of Education  
IDR 150,000 to IDR 550,000

# Reality Check PKH Study



25 locations  
15 provinces  
2014: TNP2K – Poverty and Social Assistance  
2015: PRSF and TNP2K – Social Assistance  
2016: UNICEF – Child Poverty

# REALITY CHECK APPROACH



# RCA+ Findings

Increasing need for cash



PKH? BSM? BLSM?

*“because that’s what everyone does”*

Perverse consequences of conditionalities



6-12% monthly household expenses  
*“small gifts from the government”*

Reluctant to complaint  
Some are missing out  
*‘Hidden affluence’*



# Study Implications

## To increase understanding:

- ▶ **Use simple unambiguous names for the schemes**
- ▶ Make entitlements simple and unambiguous
- ▶ Make more use of prime time national TV slots

## For better targeting:

- ▶ **Re-visit the basis for UDB classification of poverty**
- ▶ Communicate the bases of inclusion/exclusion more clearly
- ▶ Check and update family status regularly

## To remove barriers to access:

- ▶ **Fast track inexpensive services to issue official documents**
- ▶ Social workers can follow up 'cases'
- ▶ Ease of access for those with physical access problems

## To make the programmes more relevant:

- ▶ **Providing more significant cash assistance to fewer genuinely in need families**
- ▶ Take into consideration life cycle in disbursement
- ▶ Consider exploring in kind support especially in relation to schooling needs



# Thank you



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