From Evaluation to Policy Impact: Improving Transparency and Take-up of Indonesia’s Subsidized Rice Distribution Program

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Presentation Outline

• About J-PAL
• From Evaluation to Policy Impact
• Example: Raskin Program in Indonesia
• Concluding Thoughts
About J-PAL

Network of Affiliated Professors

Six Regional Offices at leading Universities around the world
• more than 375 field evaluations in 52 countries by 78 professors from 30 universities

J-PAL SEA launched in 2013
• based at Universitas Indonesia’s Institute for Economic and Social Research (LPEM)
J-PAL Mission

To reduce poverty by ensuring that policy is based on scientific evidence, and research is translated into action

**Research:** Conducting rigorous impact evaluations utilizing randomized control trials

**Training:** Building the capacity of partners and practitioners to conduct rigorous evaluations

**Policy Outreach:** Translating findings into action
Randomized Control Trials (RCT)

• When comparing policy impacts between areas that do or do not receive a policy treatment, outcomes may be due to differences between the areas, not the policy itself

• RCTs are designed to overcome this challenge:
  • Randomly assign policies to different villages by lottery
    • Some villages randomly assigned to “id card treatment”, others to “control group”
  • Villages in the treatment and control groups were statistically equivalent when the experiment began

• Randomization ensures that any differences in policy outcomes between the two groups is because of the policy treatment
From Evaluation to Policy Impact

- Government
- Donors
- Researchers
- J-PAL SEA

RCT Implementation
Dissemination of Findings
Policy impact
Raskin (Subsidized Rice for the Poor)

- Largest Indonesian social assistance program
  - 53% of all public social assistance, or US 1.5 billion/year
- GOI subsidy: ~Rp. 6’000/kg
- Subsidized rice is distributed to villages through GOI agency (BULOG)
- Village leaders responsible to distribute to Raskin beneficiaries (poorest 30% households)

*Photo Sources: solopos.com (top); antarasumut.com (bottom)*
Raskin (Subsidized Rice for the Poor)

- Targeting is often ineffective
  - They pay a 25% mark up on the subsidized price
  - They purchase 1/3rd of their entitled quota
  - Overall, beneficiaries only receive 30% of subsidy

- Seeking to overcome this, the GOI wanted to test whether distributing ID cards & providing socialization improves targeting and take up

- Project conceptualization between GOI (TNP2K), AusAID & J-PAL from early 2012; project started July 2012
Raskin RCT Design and Implementation (Phase 1)

• **Locations:** 572 villages within 6 Districts
  o Pemalang and Wonogiri (Central Java)
  o Palembang and Ogan Komering Ilir (South Sumatera)
  o Bandar Lampung and Central Lampung (Lampung)

• **Interventions**
  o 378 villages receive cards:
    ➢ 192 villages got Enhanced Socialization
    ➢ 186 villages got Standard Socialization
  o 194 villages control

*One variation of the Raskin Card*
Results: Households purchase more rice

Eligible households in treatment villages purchase 0.9 kg (19%) more rice than those in control group
Smaller markup price

Eligible households pay Rp. 77/kg (13%) smaller markup price than eligible households in control.
Increase in subsidy

Eligible households receive approx. Rp. 6000/HH/month (21%) more in subsidy
Magnitude of effects and scale-up

- Projection of effect of cards on the Raskin program

**Total Yearly Subsidy Gain:**

\[(\text{Subsidy increase}) \times (\# \text{ Raskin Beneficiaries}) \times (12 \text{ months})\]

\[\approx \text{Rp. 6000} \times 15 \text{ million} \times 12\]

\[\approx \text{Rp. 1.1 trillion / year}\]
Socialization: increased beneficiary take up
Socialization: increased satisfaction
Evaluation Findings

• **Distributing Raskin Cards improves the program**
  • Beneficiary take-up and Raskin purchases increase
  • Price markup decreases
  • On net, subsidy of Rp. 6’000 for eligible with no decrease for ineligibles

• **Enhanced socialization improved beneficiary subsidy and satisfaction**
  • Achieved with only 2-3 person-days of external facilitation and 3 posters per village.
Impact of Findings on National Policy

- TNP2K has scaled up Raskin Cards as Social Protection Card (KPS).
- As of June 2013, KPS cards have been distributed nationally to 15.5 million households (65.6 million people).
- The cards can be used to purchase Raskin rice and to access unconditional cash transfers (BLSM).
Impact of Findings on National Policy

• TNP2K is implementing an intensive campaign to socialize the KPS cards

Left: A TV advertisement explaining the KPS cards

Above: A banner advertising the KPS cards (and that it is exclusively for the poor)

• Socialization methods include
  1. Nation-wide TV and radio advertisements
  2. Printed material, including banners, posters, stickers, leaflets, and newspaper ads
Concluding Thoughts

Key aspects for translating research into action, rapidly and rigorously:

1. Build relationships, coordinate with, and obtain buy-in from policy-makers from the start
2. Identify policy-relevant research topics
3. Conduct high-quality, rigorous evaluations as rapidly as possible. It’s possible: in Raskin, it took only one year from funding approval until policy scale up.
4. Communicate and disseminate findings to a policy audience effectively
Thank You

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