

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

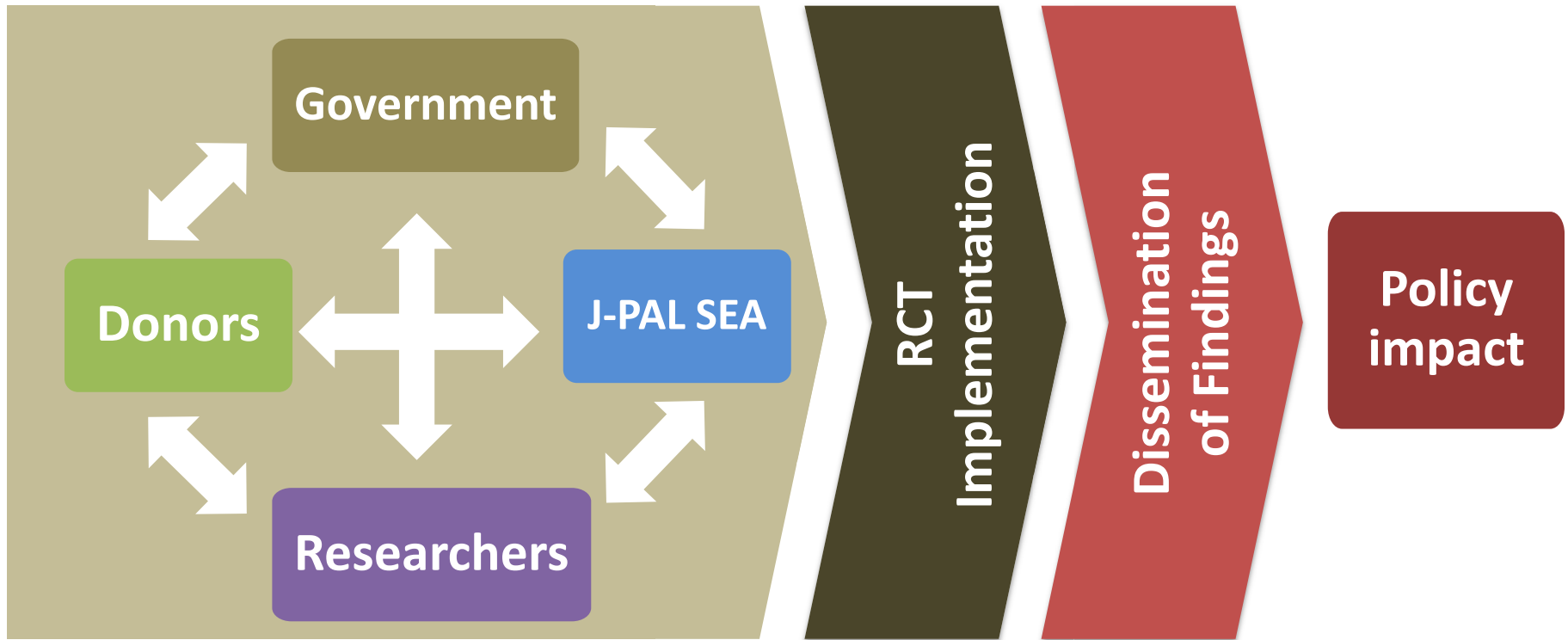
Policy Outreach: Translating findings into action

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



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



A facilitator explaining Raskin Cards to village leaders in Central Lampung, Lampung



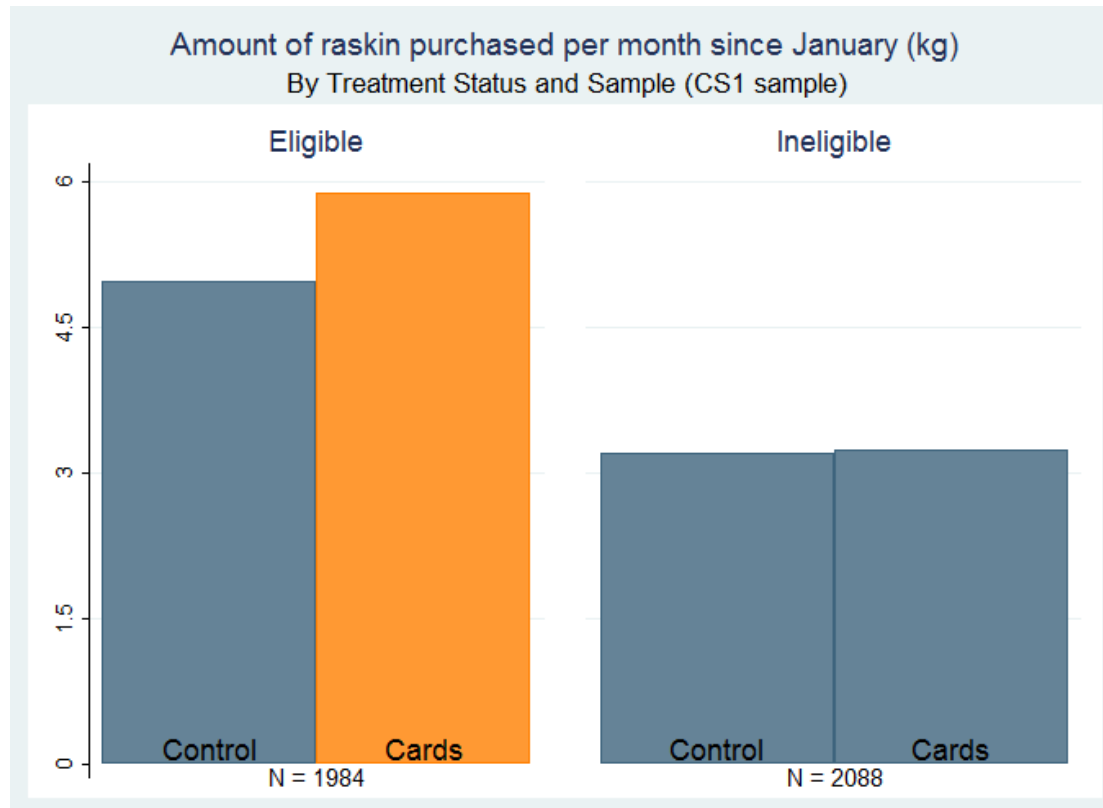
Raskin RCT Design and Implementation (Phase 1)

- **Locations:** 572 villages within 6 Districts
 - Pemalang and Wonogiri (Central Java)
 - Palembang and Ogan Komering Ilir (South Sumatera)
 - Bandar Lampung and Central Lampung (Lampung)
- **Interventions**
 - 378 villages receive cards :
 - 192 villages got Enhanced Socialization
 - 186 villages got Standard Socialization
 - 194 villages control



One variation of the Raskin Card

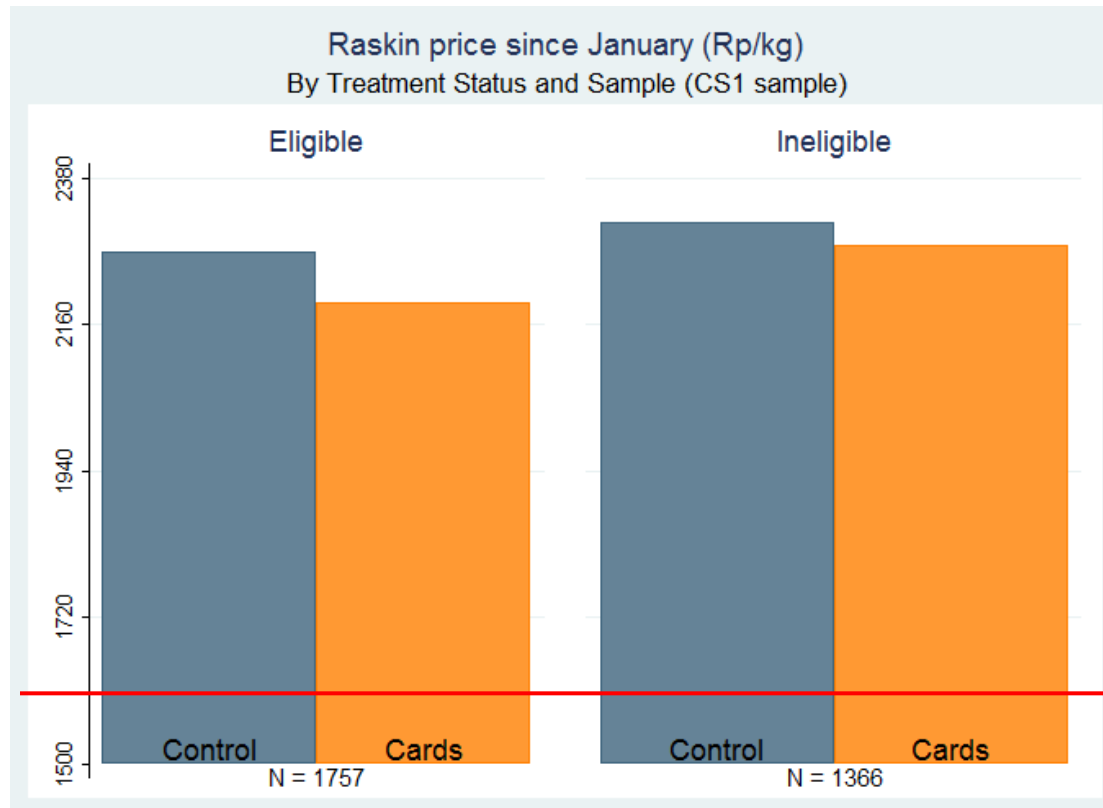
Results: Households purchase more rice



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



Smaller markup price

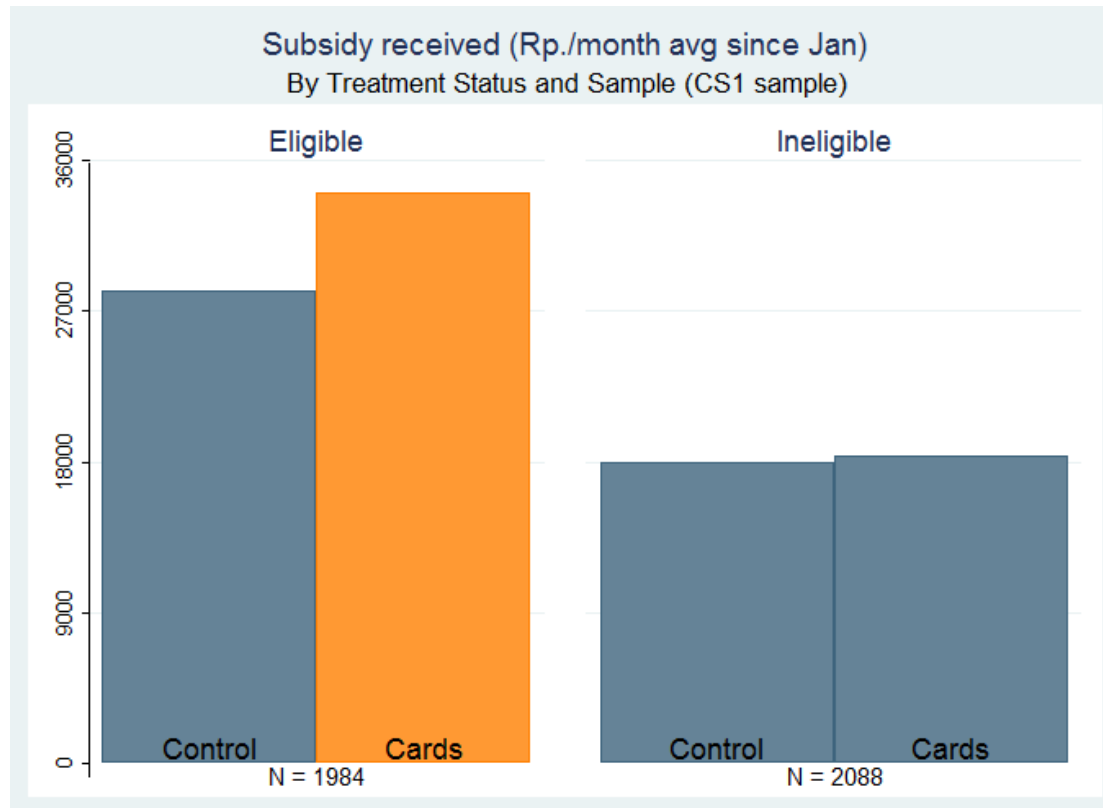


Official price
Rp. 1600/Kg

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

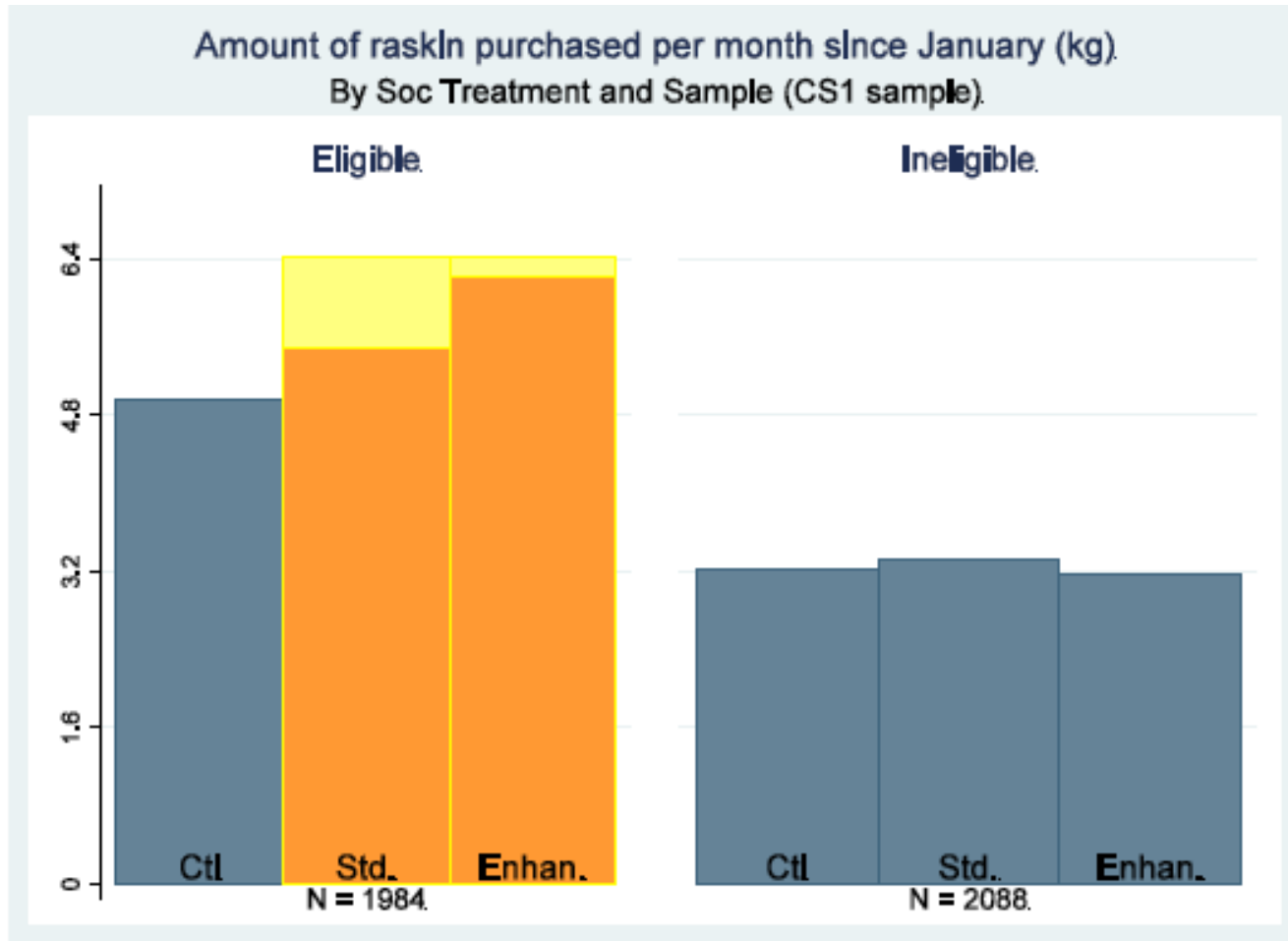
- Projection of effect of cards on the Raskin program

Total Yearly Subsidy Gain:

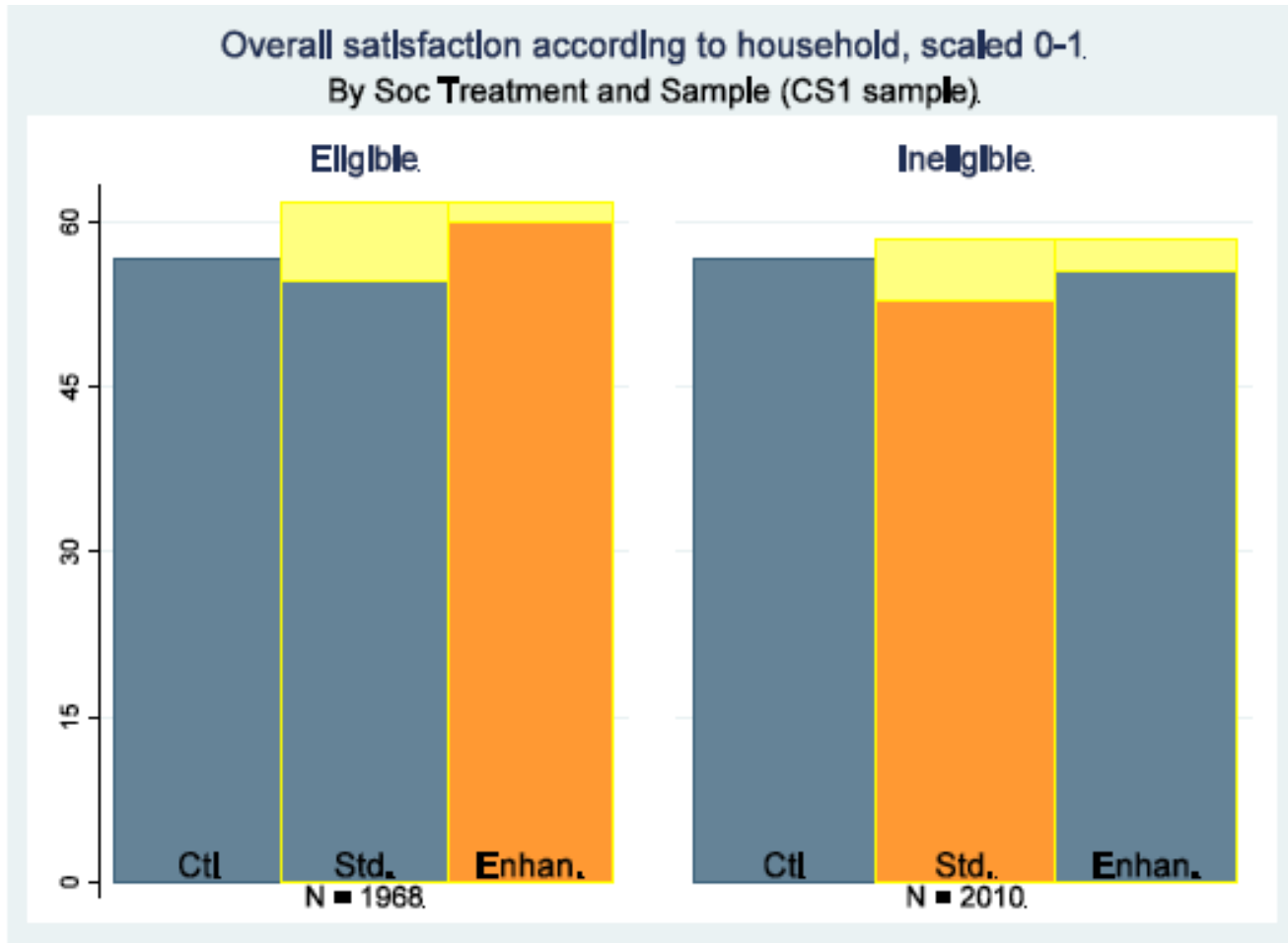
$$\begin{aligned} & (\text{Subsidy increase}) \times (\# \text{ Raskin Beneficiaries}) \times (12 \text{ months}) \\ \approx & \quad \text{Rp. 6000} \quad \times \quad 15 \text{ million} \quad \times \quad 12 \\ \approx & \quad \boxed{\text{Rp. 1.1 trillion / year}} \end{aligned}$$



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).



Tampak depan

Tampak belakang

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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