

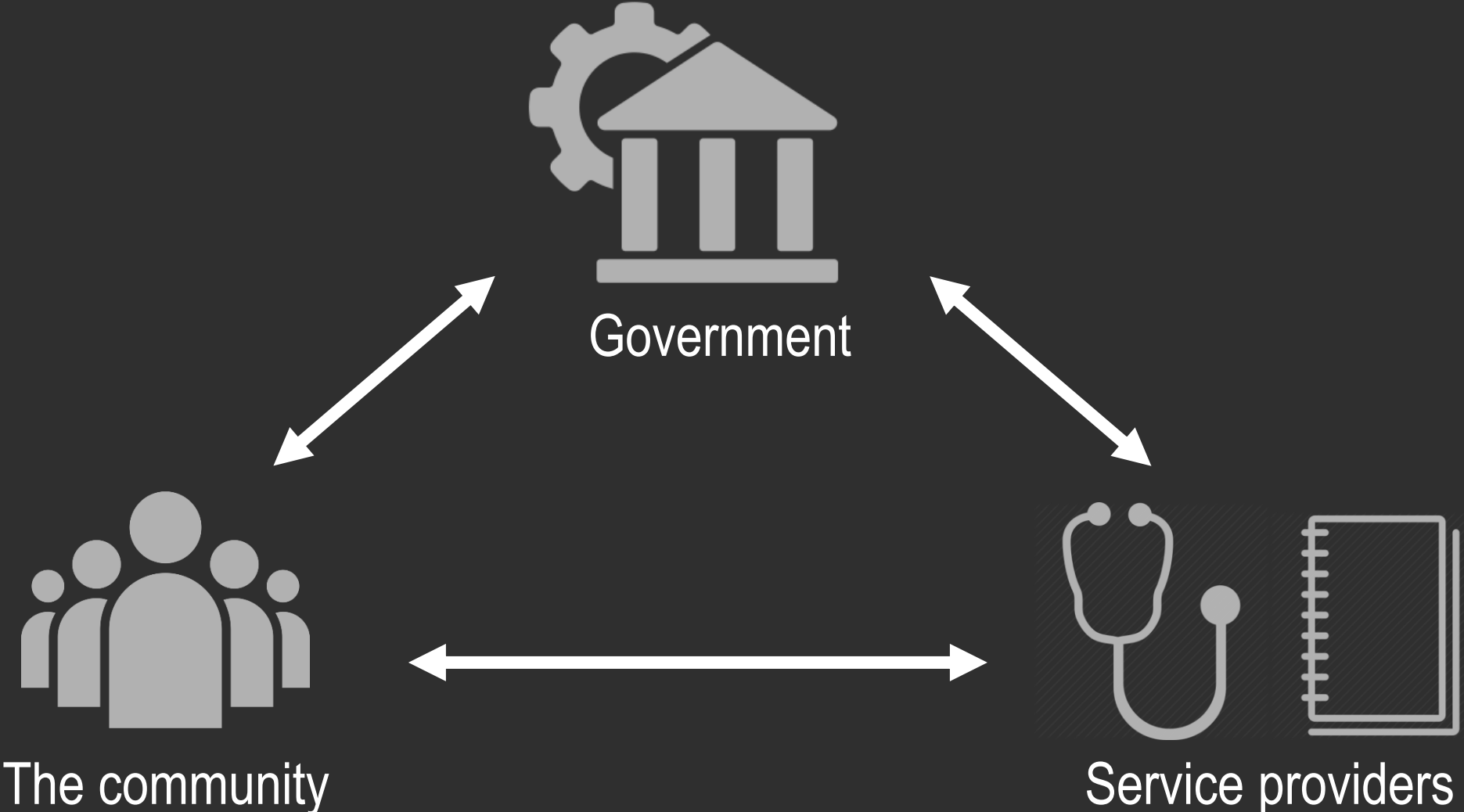
Service delivery to reduce inequality

Vivi Alatas

Lead Economist, World Bank

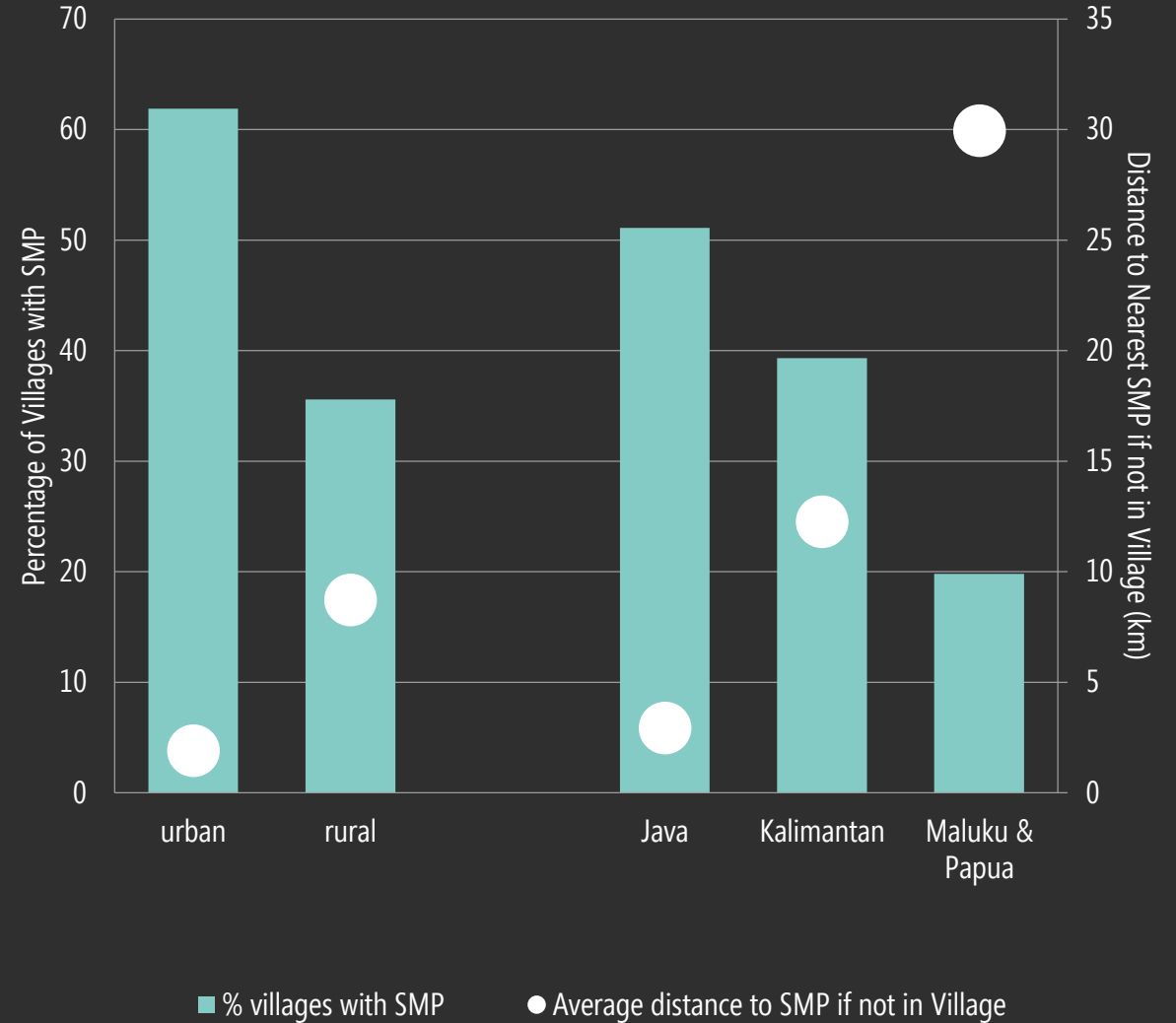
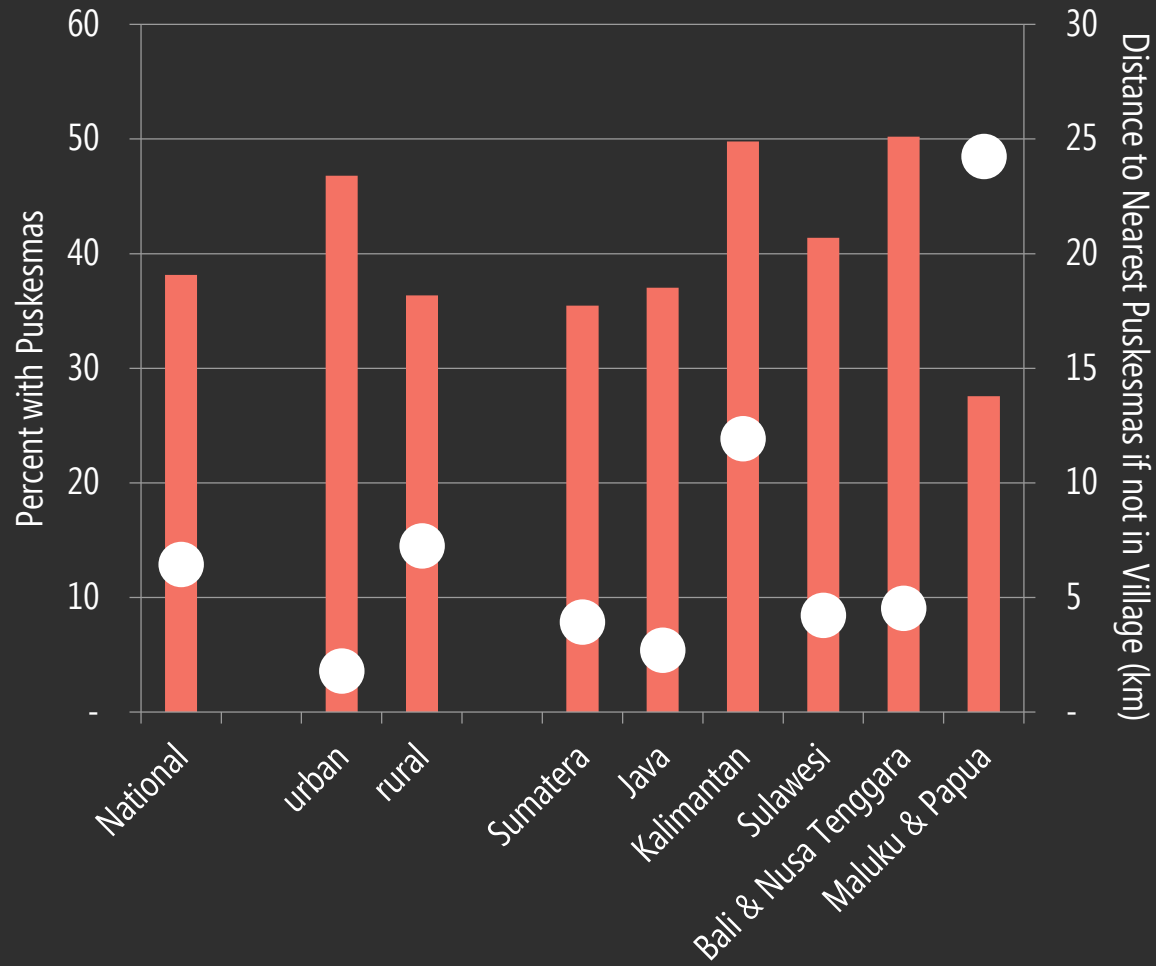
Who failed Putri?

All actors have failed Putri.



providers failed Putri

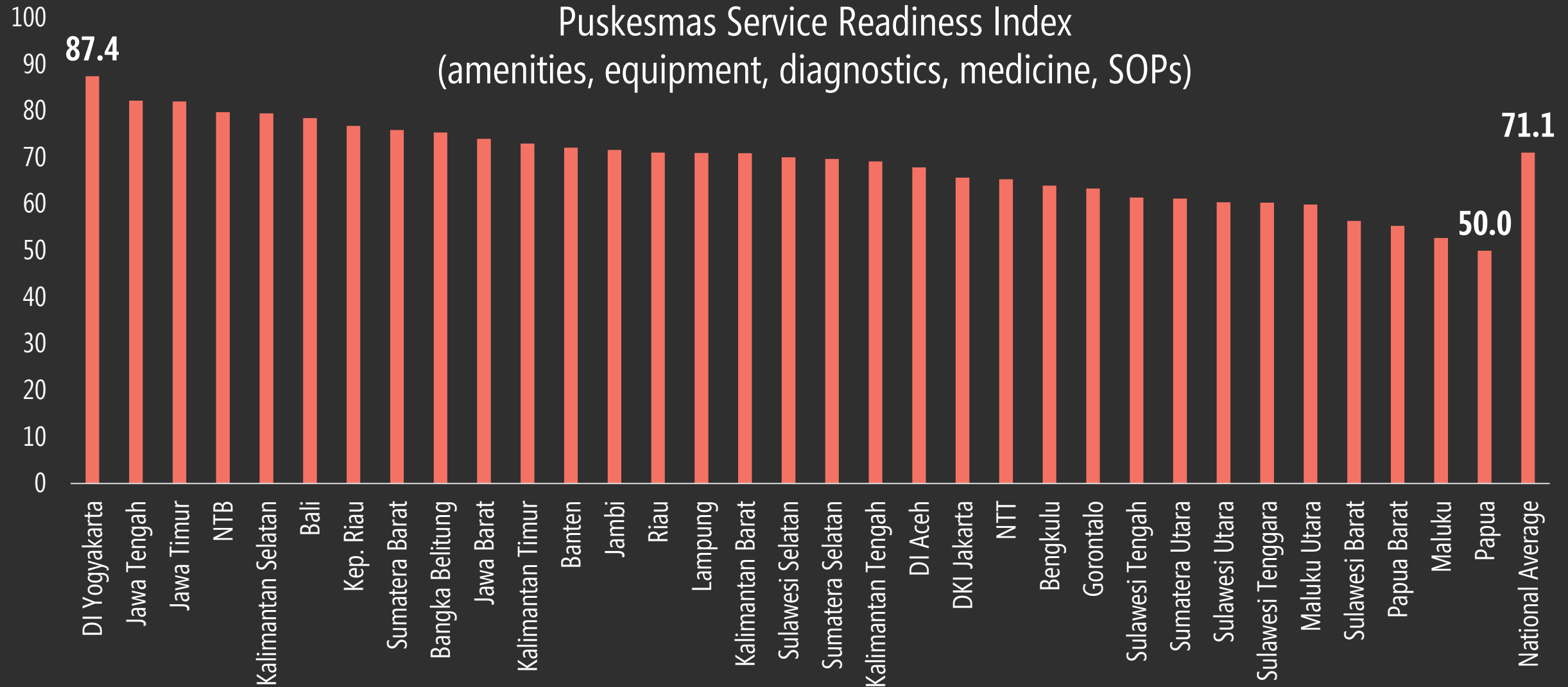
Vital services are often unavailable or too far away.



■ % village with puskesmas ● Ave. distance to puskesmas, if not in village

■ % villages with SMP ● Average distance to SMP if not in Village

Existing facilities are often inadequate.



Existing facilities are often inadequate.

SHARE OF JUNIOR HIGH SCHOOLS WITH LABORATORIES

77%

national

68%

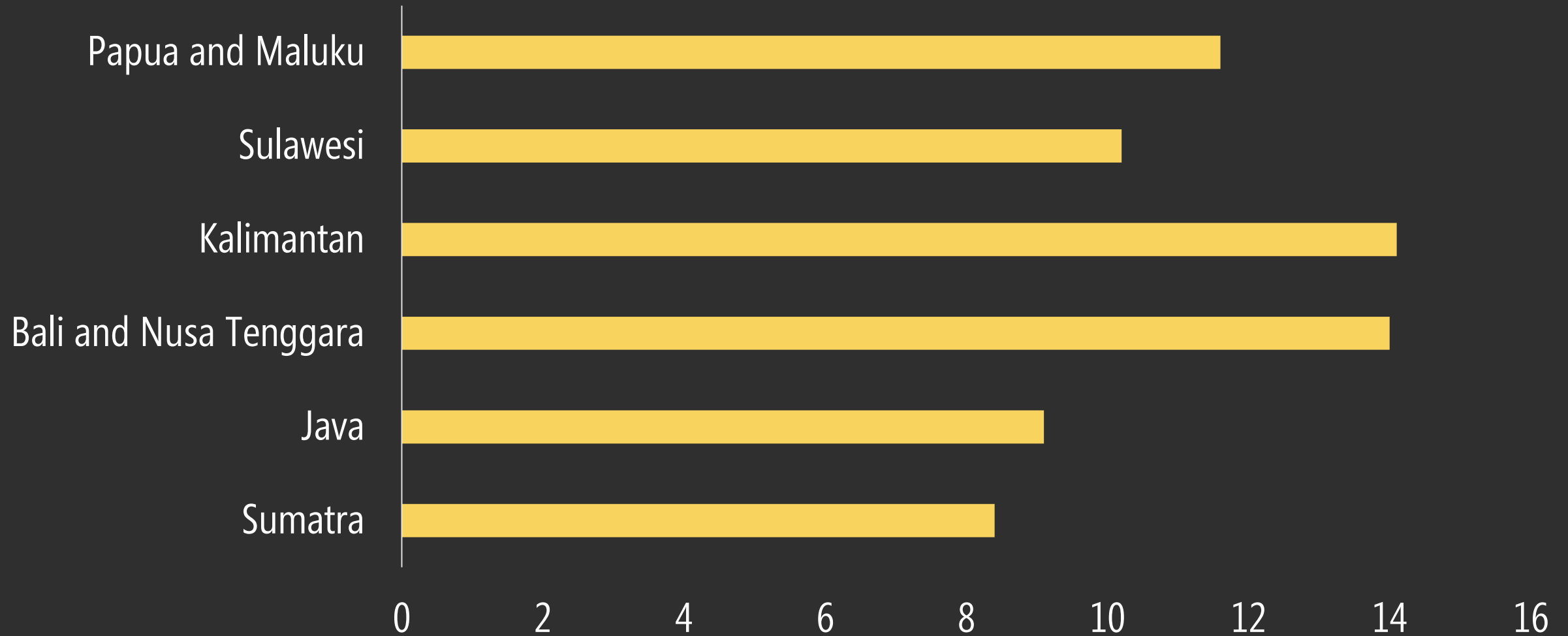
rural

45%

Maluku/papua

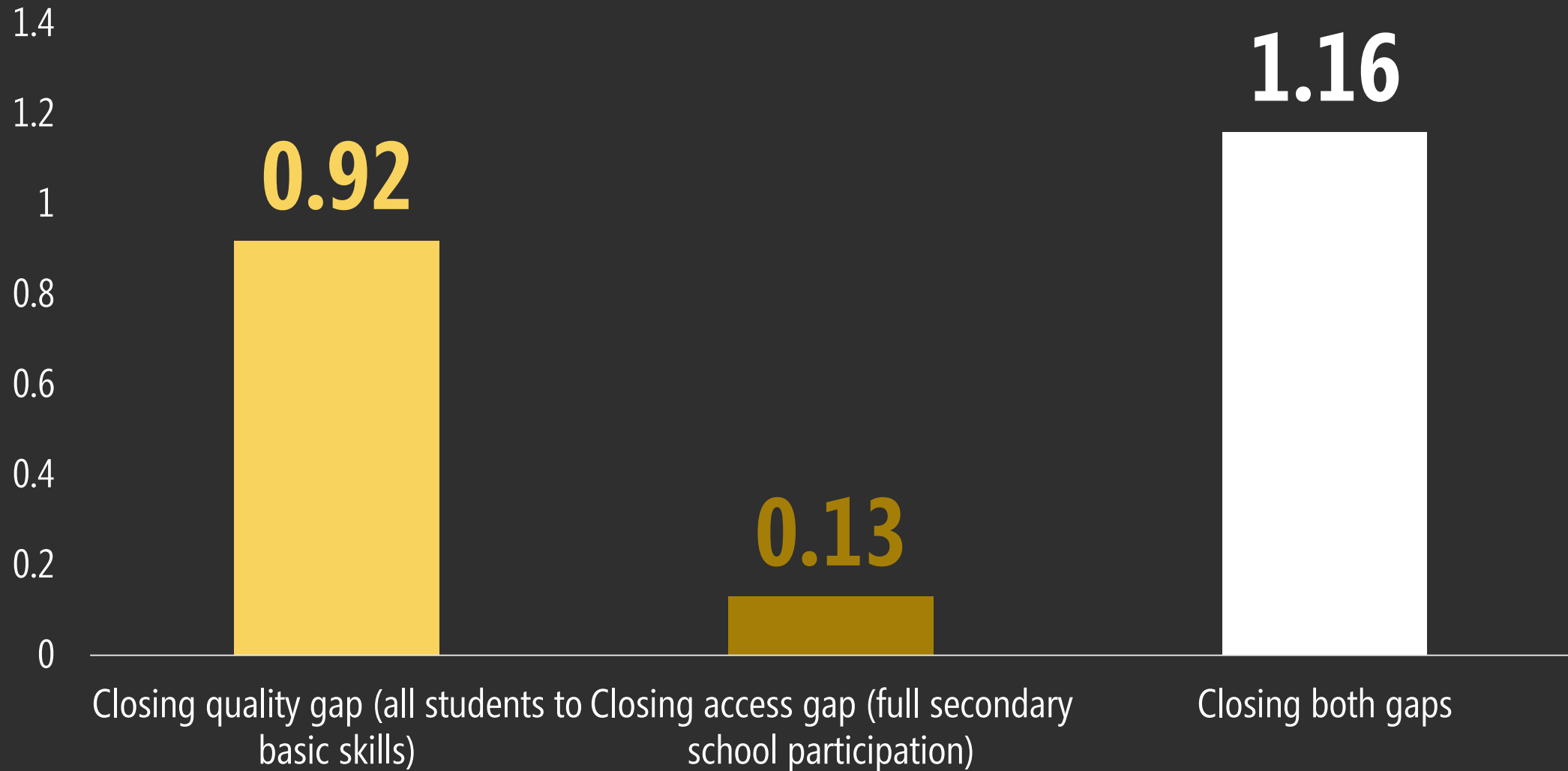
The quality of workers is also problematic.

Teacher absence rates (%)



Improvements should tackle both access and quality.

Increase in long-run growth rates based on education interventions



THE STATE failed Putri

Governments need to ensure that services are done right.

RIGHT

LEVEL OF RESOURCES

AMOUNT OF SPENDING

TIME OF DELIVERY

MODE OF DELIVERY

There is not enough spending on service delivery.

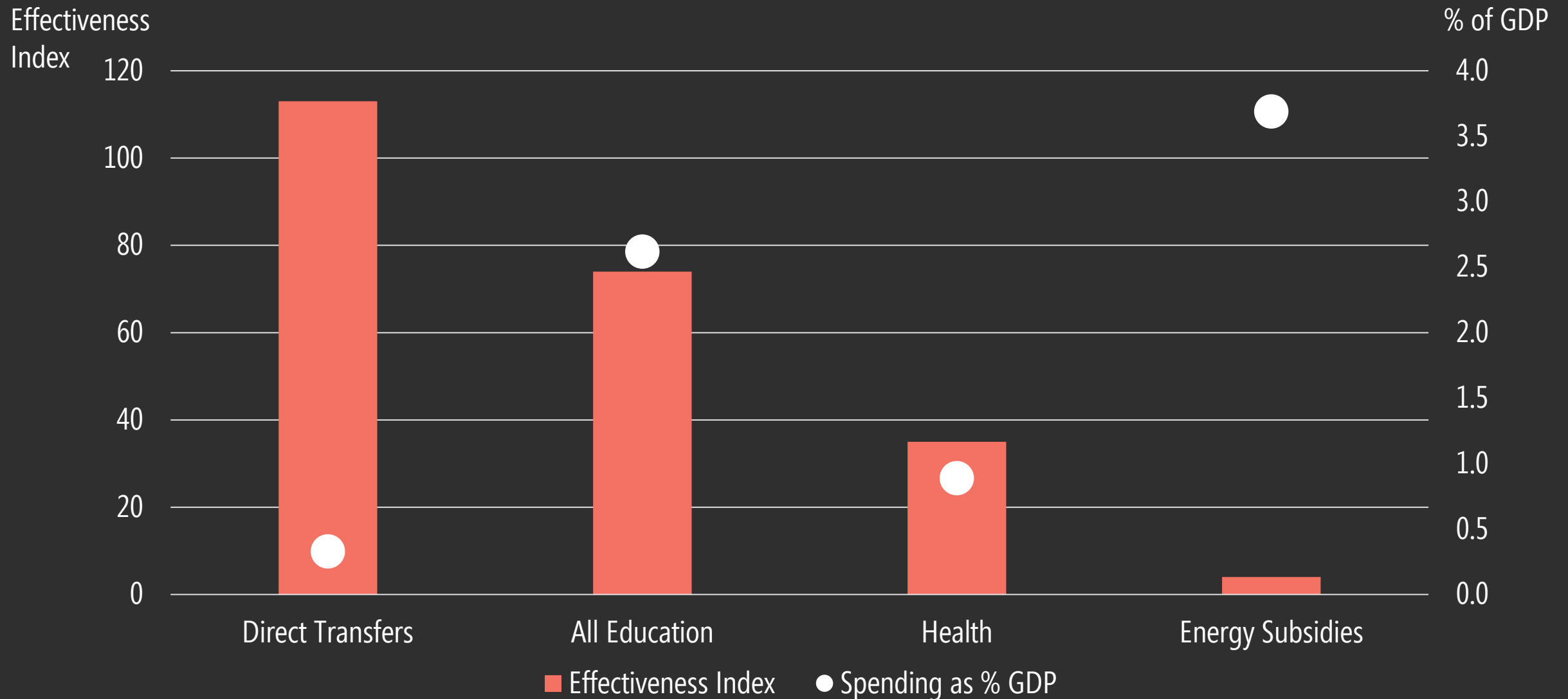
2012 spending breakdown

Education : **20%** of the budget

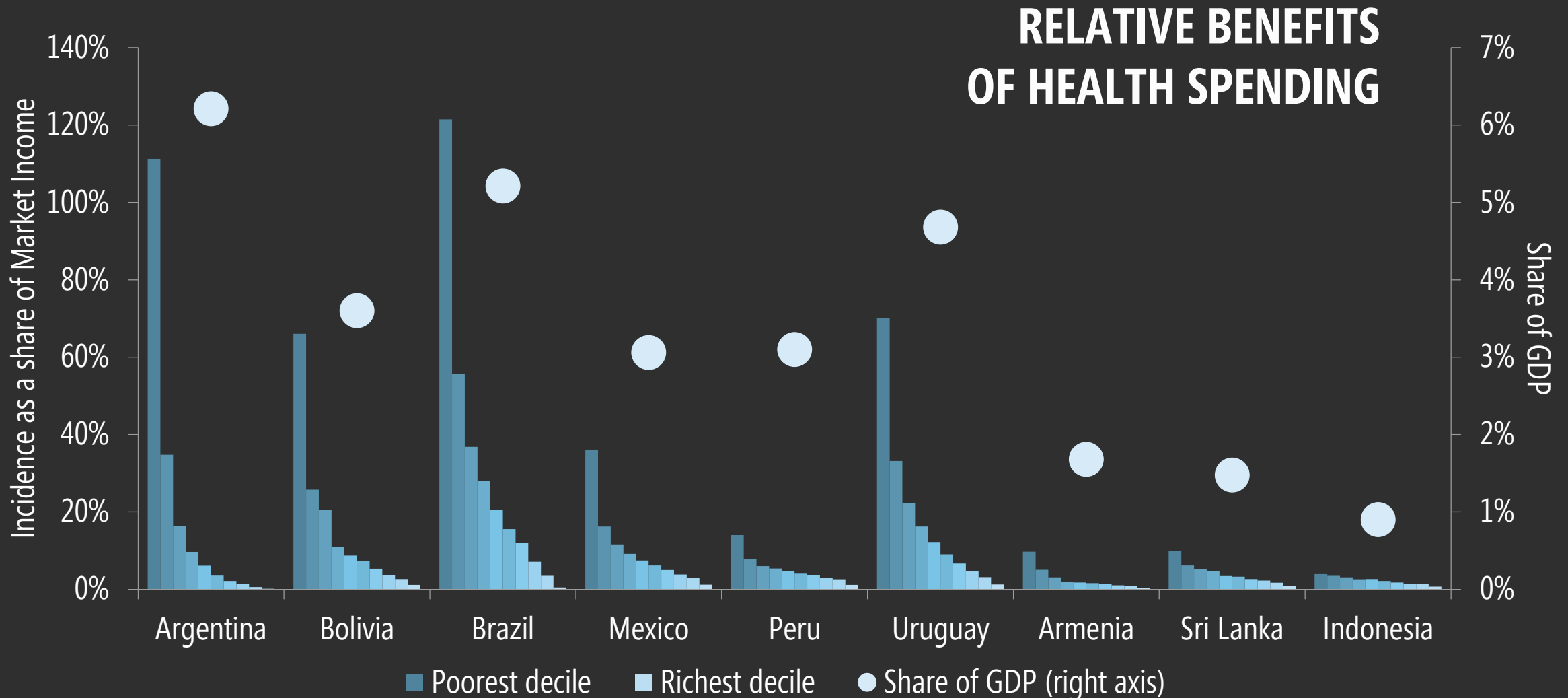
Health : **5%** of the budget

Social assistance : **3%** of the budget

Spending is often allocated to the wrong places.



The allocation of spending is not pro-poor enough.



Source: For Latin America see: Lustig and Pessino 2014; Paz, et al. 2014; Higgins and Pereira 2014; Scott 2014; Jaramillo 2014; Bucheli, et al. 2014; Lustig, et al. 2014. For Armenia and Sri Lanka, results are preliminary by Younger, et al. (2014) and Arunatilake, et al. (2014).

However, recent development in spending are encouraging.

SIGNIFICANT CUTS IN FUEL SUBSIDIES

**EXPANSION IN DIRECT TRANSFER
SPENDING**

Accountability mechanisms must be improved and enforced.

Central government

incentivizes

LOCAL GOVERNMENTS

to finance, monitor & evaluate

Service providers

Central Government can incentivize pro-poor spending.

In order to encourage pro-poor spending by local governments, central government can link transfers to:

- **Needs** (poverty, inequality, service quality)
- **Performance** (improvement in needs indicators in the previous year)

The Village Law initiative also enables pro-poor spending.

Average allocation of "Village Fund"
per village:

727m	1,151m
2015	2016

- Community-driven decision-making for allocation of "Village Funds"
- Participation by poor and marginalized groups is needed to ensure their needs are also met

Data on spending and service delivery must be tracked.

**5,500 medical doctors, 34,000 nurses, and
10,000 midwives graduate each year,
but where they take up jobs is not tracked.**

Data also needs to be collected from citizens and beneficiaries.



Citizen monitoring apps have been developed, but are still under-utilized.

New technology should be utilized for improved data collection.

Satellite data to monitor infrastructure

Crowdsourcing mechanisms

Real-time reporting

Better data allows the identification of positive deviance.

Better data collection allows central government to track high performing areas and check:

- **What is the local government doing differently?**
- **What are the service providers doing differently?**
- **What are the beneficiaries doing differently?**

Information dissemination must also be improved.

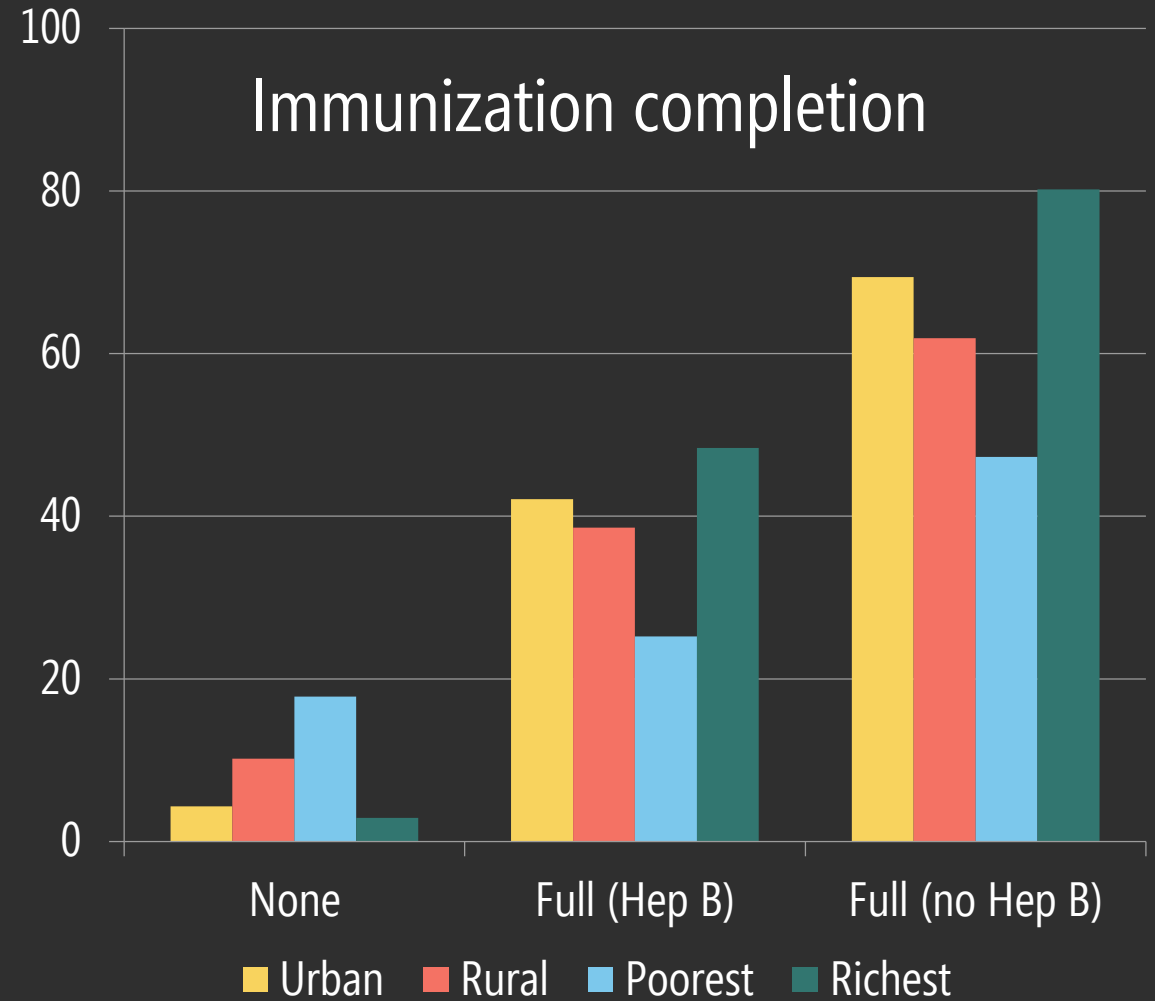
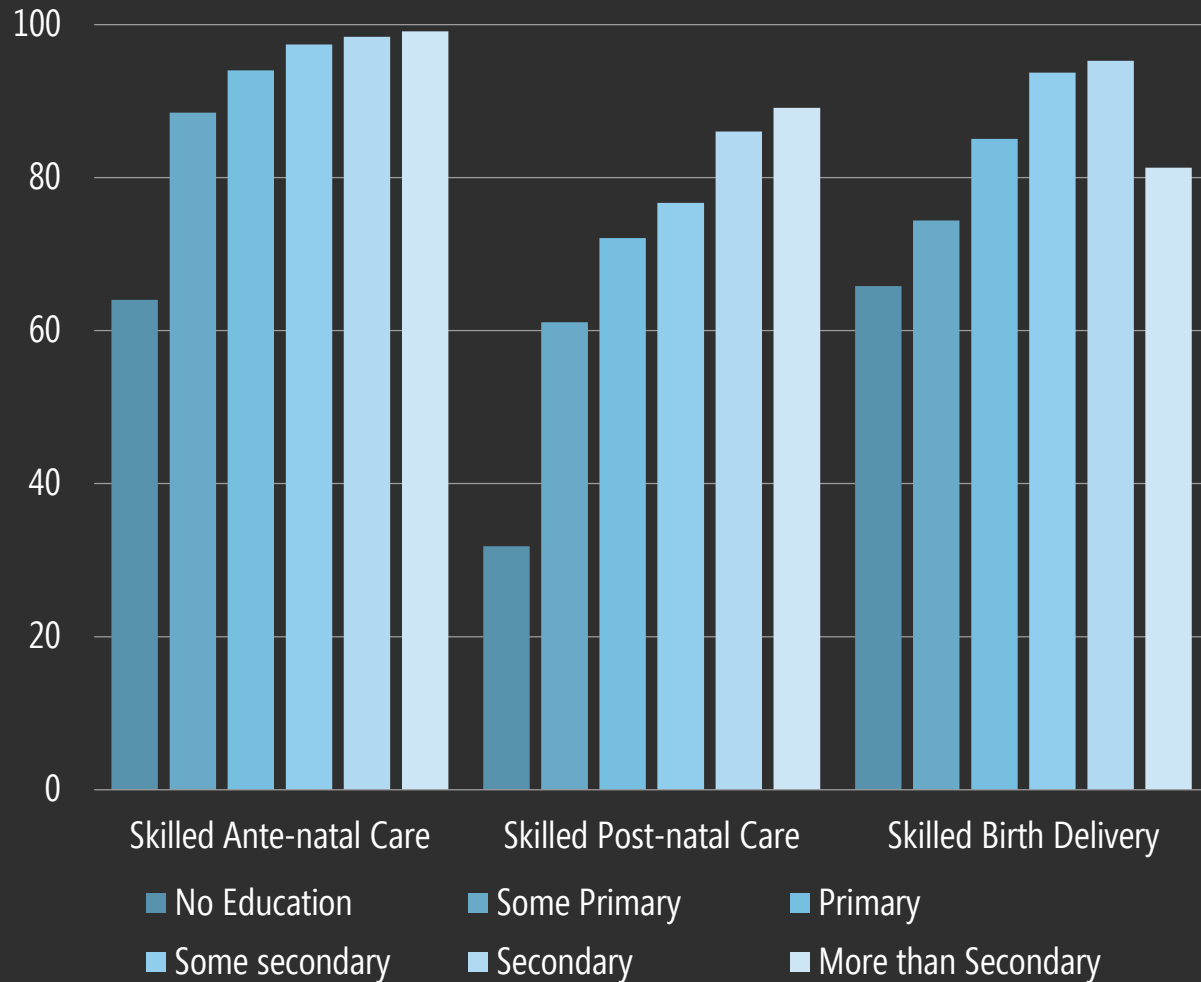
Several new initiatives are not yet well understood by local governments, providers, and beneficiaries:

- BPJS (health and employment insurance)
- Kartu Indonesia Pintar (schooling subsidies)
- Village Law (community-driven budget allocations at village government level)

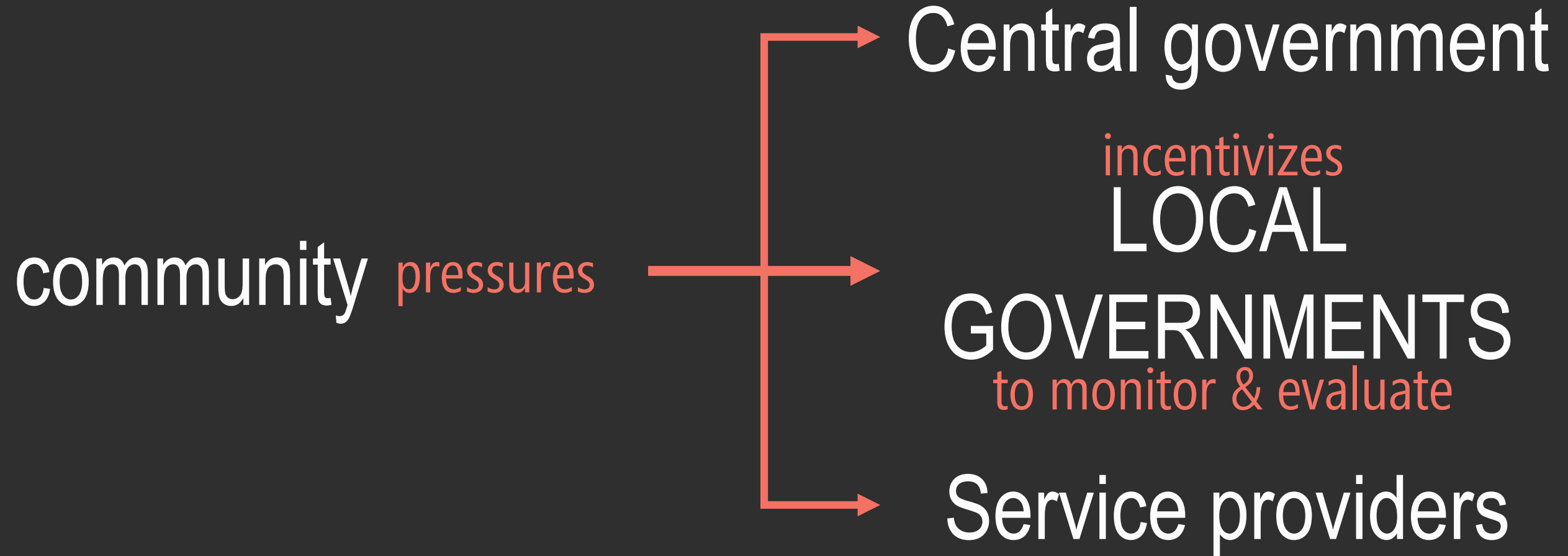
PUTRI's FAMILY AND community failed Putri

There is not enough willingness to use services.

Use of Skilled Maternal Health Services by Maternal Education

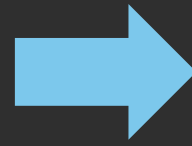


Communities do not demand better provision.



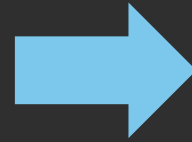
Behavioral change is needed.

In 2016, Indonesia is allocating
419 trillion IDR for education



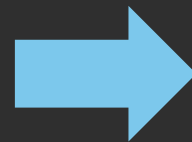
WILL NOT WORK
IF TEACHERS DON'T TEACH

Dana Desa plans to transfer
1.5 billion IDR for each village's
development plans



WILL NOT WORK
IF THE COMMUNITY DOES NOT PARTICIPATE

Universal coverage of BPJS and JKN
is planned to be achieved by 2019



WILL NOT WORK
IF HOUSEHOLDS DON'T UTILIZE IT

People can be nudged to use services.



Raw lentils increased immunization in India by
20 percentage points

People can be nudged to pressure providers.

ADOPT A HYDRANT
Claim responsibility for shoveling out a fire hydrant after it snows.

Email address

I haven't signed up yet
 I've already signed up

Name (visible to others)

Organization (visible to others)

Home phone number
617-555-1212

Mobile phone number
857-555-1212

Choose a password

Sign up

By signing up, you agree to the Terms of Service.

CODE for AMERICA
Built in BOSTON

The adopt-a-hydrant model can be used so individuals take ownership of services:

Adopt-a-Puskesmas

Adopt-a-School

Adopt-a-Village Meeting

It takes everyone to help Putri

