Service delivery to reduce inequality

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Who failed Putri?
All actors have failed Putri.
providers failed Putri
Vital services are often unavailable or too far away.

Source: Podes 2011 Infrastructure Survey
Existing facilities are often inadequate.

**Puskesmas Service Readiness Index**
(amenities, equipment, diagnostics, medicine, SOPs)

Source: Risfaskes (2012)
Existing facilities are often inadequate.

SHARE OF JUNIOR HIGH SCHOOLS WITH LABORATORIES

77% national
68% rural
45% Maluku/papua

Source: Podes 2011 Infrastructure Survey
The quality of workers is also problematic.

Teacher absence rates (%)

- Papua and Maluku
- Sulawesi
- Kalimantan
- Bali and Nusa Tenggara
- Java
- Sumatra

Source: SMERU (2014)
Improvements should tackle both access and quality.

Increase in long-run growth rates based on education interventions

- Closing quality gap (all students to basic skills): 0.92
- Closing access gap (full secondary school participation): 0.13
- Closing both gaps: 1.16
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.

Source: Susenas 2012, APBN 2102 (realized), World Bank calculations
The allocation of spending is not pro-poor enough.

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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>727m</td>
</tr>
<tr>
<td>2016</td>
<td>1,151m</td>
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</tbody>
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- 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

Immunization completion
Communities do not demand better provision.

Community pressures → Central government incentivizes LOCAL GOVERNMENTS to monitor & evaluate Service providers.
Behavioral change is needed.

In 2016, Indonesia is allocating **419 trillion IDR for education**

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

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

WILL NOT WORK
IF TEACHERS DON’T TEACH

WILL NOT WORK
IF THE COMMUNITY DOES NOT PARTICIPATE

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.

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

The community

Service providers

Government