

RESEARCH REPORT

# The Effectiveness of the Raskin Program

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# **ABSTRACT**

## **The Effectiveness of the Raskin Program**

The Raskin program is a subsidized rice program for poor families which provides 10 kg of rice per poor households at the price of Rp1,000 per kg. This report describes the findings of the study undertaken by the SMERU Research Institute to uncover the effectiveness of the Raskin program in achieving its objectives as well as to obtain lessons learned to improve the program. This qualitative study uses three different approaches to data collection: document review and secondary data analysis or meta- evaluation; interviews of key informants at the central level; and field study. The findings suggests that, in general, the Raskin program indicates relatively low effectiveness, that many problems emerge in the distribution of the rice from the primary distribution point to the beneficiaries, and that the issues faced are actually similar each year. The low effectiveness of the program is indicated by the lack of program socialization and transparency; inaccurate targeting, amount, and frequency of rice received by beneficiaries, as well as price of rice; high cost of program management, ineffective monitoring and evaluation; and ineffective complaint mechanism.

Keywords: Raskin, program evaluation, poverty reduction program

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## LIST OF ABBREVIATIONS

APBD	: Regional Budget
APBN	: National Budget
BKKBN	: National Family Planning Coordinating Board
BPK	: State Audit Agency
BPKP	: Financial and Development Supervisory Board
BPS	: Statistics Indonesia
Bulog	: The State Logistics Agency
FEUI	: Economics Faculty of Indonesian University
FGD	: Focus Group Discussion
JPS	: Social Safety Net
<i>mudes</i>	: village consultation ( <i>musyawarah desa</i> )
OPK	: Special Market Operation
PSE-05	: Socioeconomic Data of Households Collection 2005
NGO	: nongovernment organization
Raskin	: rice for the poor
RT	: neighborhood association (consisting of households)
RTM	: poor household
RW	: village administrative unit (consisting of several RT)
Susenas	: National Socioeconomic Survey
TP PKK	: Family Empowerment and Welfare Team ( <i>Tim Penggerak Pemberdayaan dan Kesejahteraan Keluarga</i> )
UPM	: community complaints unit
WFP	: World Food Programme

# EXECUTIVE SUMMARY

The Raskin program is a national program aimed at helping poor households to fulfill their food needs and reducing their financial burden by providing subsidized rice. The program is a continuation of the Special Market Operation (OPK) program launched in July 1998. In 2007, Raskin plans to provide 1.9 tonnes of rice for 15.8 million poor households with the total cost of Rp6.28 trillion. Each targeted household should receive 10 kg of rice each month with the price of Rp1,000 per kilogram at the distribution point. The State Logistics Agency (Bulog) is responsible for the distribution of rice to the distribution points, while the local government is responsible for distributing the rice to poor households from the distribution points.

The Raskin program has been modified several times, but the program's effectiveness is still debatable. In light of this, the National Development Planning Board (Bappenas) asked The SMERU Research Institute to study the effectiveness of the Raskin program and to draw lessons that can be used to improve the program. The study used the meta-evaluation method (document review and secondary data analysis) supported by: interviews with key informants at the central level and field research. The following describes the main findings of the study.

In terms of rice distribution up to distribution points, Bulog has conducted its task relatively well as mandated by the program guidance. Nevertheless, the program's success cannot be assessed solely based on this fact because Raskin is a program to distribute subsidized rice to poor households and not just to distribution points. The problems with Raskin's implementation often occurred from distribution points up to household beneficiaries.

According to the Raskin General Guidelines, Raskin's success can be measured based on the level of achieving the "6T" (six correct) indicators: correct target, correct amount, correct price, correct time, correct quality, and correct administration. In general, the results of the study on Raskin program's implementation show that the program's effectiveness is still relatively low. This is shown in the program's lack of socialization and transparency; inaccurate targeting, prices, amounts, and distribution frequencies; high management cost; below optimal monitoring; and poorly functioning complaints system. The main findings of the research are presented below.

## A. Socialization and Information Transparency

Program socialization is one of the keys to a successful program, but Raskin's General Guidelines do not regulate socialization activities in detail. This has led to the varied socialization activities aimed at local officials in the regions and the program's weak socialization to the community.

1. The document review concludes that the Raskin program was socialized to implementers at various levels of government using a structural-bureaucratic approach. There were no specific meetings to socialize the program; rather it was discussed in general meetings. This is in line with field findings that the socialization was conducted in stages based on the level of government and usually at the same time with monitoring and evaluation activities. Socialization at the provincial level was conducted twice a year. At the district/city level, socialization activities varied depending on each regional government.

2. It can be concluded from the document review and field visits that one of the program's weak points is the informal method of socializing the Raskin program to the community via village/*kelurahan* officials and local people distributing the rice to the beneficiaries. Generally, the community and Raskin beneficiaries have not received comprehensive program information; in fact, many were not aware of general information about the program, such as what the program name means, how much rice beneficiaries are entitled to receive, what the government-stipulated price of the rice is, and how often or how many times a year they should receive the rice. Nevertheless, the community was widely aware of the essence of the program—that Raskin is rice assistance from the government for poor communities.
3. Limited socialization influences the program's transparency to the community and has the potential to cause corruption, inaccurate targeting, and the inaccurate perception held by regional governments that Raskin is a central government program which negatively influenced their commitment to supporting the program's implementation.
4. The results of both the document review and field visits show that the program is still relatively opaque. This can be concluded by the poor availability of general information on the program, lists of beneficiaries, and pricing. SMERU did not come across any information about the Raskin program posted in public places in any of the sample regions, with the exception of Kabupaten Agam, West Sumatra, where the community had access to information on beneficiaries.

## **B. Beneficiaries, Targeting, and the Amount and Price of Rice**

In general, there are still problems with the distribution of Raskin, such as under-coverage (the maximum number of poor household (RTM) beneficiaries is below the total number of RTM), inaccurate targeting, shortfalls in both the amount of rice that the majority of beneficiaries received and how often they received it, and inconsistencies in the price that beneficiaries paid.

1. Until 2005, the Raskin program targeted households falling into the preprosperous (KPS) and prosperous I (KS-1) economic classifications based on data from the National Family Planning Coordinating Board (BKKBN). Since 2006, the program has targeted households categorized as poor households (RTM) according to the results of the BPS PSE-05 (2005 Household Socioeconomic Survey) data. As RTM are spread across all administrative levels of all regions, the Raskin program operates in all regions, without differentiating between regional poverty conditions. Nevertheless, the document review reveals several cases where subdistricts (*kecamatan*) or villages/*kelurahan* did not receive Raskin for a certain period due to outstanding payments, implementational deviation, or a request from the subdistrict.
2. The Raskin program's targeted number of RTM is increasing by year, but is still lower than the total number of RTM. For instance, the program targeted 19.1 million RTM in 2007, but the central government only agreed to 15.8 million RTM. Consequently, 3.3 million RTM did not receive a Raskin rice quota. Based on the document review and field visits, the allocation shortfall led to the emergence of various implementational problems, such as targeting issues, inaccurate amounts, and inconsistent distribution frequency. The insufficient national allocation as well as the inaccuracy of BPS's RTM data—that is, some poor households were not listed while nonpoor households were

- listed as RTM—were often used by regional governments to justify their divergence from the stipulated distribution mechanisms and target beneficiaries.
3. Raskin's 2001–2005 General Guidelines stated that household beneficiaries should be determined during community consultative meetings at the village level (*mudes*) by referring to BKKBN's KPS and KS-1 data. However, Raskin's 2006–2007 General Guidelines do not stipulate that *mudes* must now refer to BPS RTM data. Furthermore, in the chapter on determining beneficiaries, there is no statement that beneficiaries must be poor households. Implementers can use these oversights to justify the distribution of Raskin rice to nonpoor households or the even distribution of Raskin rice to all households, as long as the decision is made during a *mudes*.
  4. The document review also reveals that *mudes* are not implemented in all villages/*kelurahan* and that even if a *mudes* does take place, the process is not ideal, does not involve most of the community members, and is generally not aimed at improving targeting. This is supported by field findings that *mudes* are only held in the sample villages in East Java and only with the aim to obtain agreement to distribute the rice evenly to all households regardless of their economic status.
  5. The document review shows that targeting is Raskin's weakest point, as some poor households are not listed as beneficiaries while nonpoor households are listed. Results of the analysis of Susenas data support this finding.
    - a. Raskin is received by households from all prosperity groups (all quintiles of households based on household expenditure per capita). Households in quintile 1 and 2, the least prosperous, only account for 53% of all beneficiaries; in other words there is 47% leakage. The three sample provinces in the study all demonstrate similar figures.
    - b. During 2005–2006, the proportion of poor households reached by the Raskin program increased by 19.8 percentage points, from 62.9% to 82.7%. Unfortunately, the increased coverage of poor households was accompanied by an increase in the coverage of nonpoor households by as much as 8 percentage points, or an increase from 23.8% to 31.8%.
    - c. The correlation between Raskin beneficiaries and RTM status between 2005 and 2006 increased from 40% to 48%. Nevertheless, the figure is still relatively low.
  6. Field findings show varied targeting accuracy. Targeting in West Sumatra is relatively accurate. In this region, BPS data is used, but minor adjustments are made as the data is considered to be slightly inaccurate. In East Java, rice is evenly distributed to all households regardless of socioeconomic status. In Southeast Sulawesi, targeting is inaccurate in some areas due to even or alternating distribution and accurate in other areas where the rice is only distributed to poor households.
  7. There have been several changes to the allocation of rice for each beneficiary household. The document review shows that when the stipulated allocation of rice was 20 kg per beneficiary household, beneficiaries received varied amounts that were generally below the stipulated levels, with some recipients only receiving two liters. The analysis of Susenas data shows that Raskin rice has been distributed to up to two or three times more beneficiaries than targeted, which has resulted in each household receiving less than the

stipulated amount of rice. The results of field visits show that in 2007, with the stipulated amount of 10 kg, beneficiaries do not always receive their full allocation, with differences between the sample regions. In West Sumatra beneficiaries generally receive the correct allocation of 10 kg, while in East Java they only receive 4–7 kg and in Southeast Sulawesi they receive 4–10 kg.

8. In theory, beneficiaries should receive Raskin rice each month, except in 2005 when it was determined that beneficiaries were to receive it only 10 times in a year. However, in practice, several documents show that beneficiaries do not receive the Raskin rice every month, and some have only received it once during a year. Results of the Susenas data analysis show that in 2003, beneficiaries only received Raskin rice five times over the course of a year on average. Field findings show that the frequency varies between regions. In West Sumatra and East Java, households generally received rice every month over a year, while in Southeast Sulawesi households received rice every 1–4 months.
9. The General Guidelines stipulate that the price of Raskin rice at the distribution point is Rp1,000 per kilogram. The results of document review show that beneficiaries have paid between Rp1,000 and Rp2,900 per kilogram. The Susenas data analysis shows that beneficiaries paid more than the stipulated rate of Rp1,000 per kilogram, and the average price paid increases from year to year: Rp1,160 per kilogram in 2004, Rp1,225 per kilogram in 2005, and by 2006 it had risen to Rp1,253 per kilogram. Field findings show that the varying prices between regions were caused by the difference in cost of transporting rice from the distribution points that Bulog delivered the rice to (hereafter referred to as primary distribution points if distinction is necessary) to the points from where rice was distributed to beneficiaries (secondary distribution points) and by the different policies used by local implementers. In West Sumatra, the established price was around Rp1,200–1,300 per kilogram, in East Java Rp1,000 per kilogram, and in Southeast Sulawesi the price ranged between Rp1,000 and Rp1,440 per kilogram.

## C. Funding

Since 2002, the program has been funded by the national budget (APBN) or government internal resources (*rupiah murni*). Moreover, some district/city governments allocate varying amounts of APBD funds to implement the Raskin program. Beneficiaries also contribute to program costs when they paid more than the stipulated rate. In general, the use of Raskin funds, whether sourced from the APBN, APBD, or the community, is still ineffective and inefficient.

1. There have been several changes to the funding source of the Raskin program since the program was first implemented. During the first eight months, all program funding came from the APBN or *rupiah murni*. Following that until 2001, the program became part of the Social Safety Net program which was funded by the World Bank under the Social Safety Net Adjustment Loan (SSN-AL). Since 2002, the funding has again been taken from the APBN or *rupiah murni*.
2. The APBN allocation for the Raskin program has increased from year to year, reaching Rp6.28 trillion (approximately USD690 million) in 2007. During 2002–2007, the majority of Raskin program funds from the APBN were spent on rice procurement (41–57%) and cost for carryover stock histories (22–43%). Other cost components were bank interest (7–9%), exploitation funds (5%), management fees (3%), and packaging costs (1–3%). In

- this context, the APBN only funds program costs related to paying for rice from Bulog warehouses and getting it to distribution points. Regional governments are responsible for funding the operational costs of getting the rice from the distribution points to the beneficiaries through the APBD.
3. The national average distribution cost for 2007 is around Rp173 per kilogram. The cost varies between regions, ranging from Rp105 per kilogram for Java and Rp1,855 for Papua. This includes not only transportation costs, but also supporting costs such as administration fees and the cost of reporting, program socialization, bonuses, official travel, and honorariums.
  4. Some district/city governments allocate APBD funds to cover the cost of their responsibility to distribute Raskin rice to beneficiaries from the distribution points. In West Sumatra, all district/city governments have provided funding in 2007 with varying amounts. As an example, Kabupaten Pasaman allocates Rp1.3 billion, while Kabupaten Agam only allocates Rp110 million. In East Java, only five districts provide such funding: Kabupaten Probolinggo (Rp62.8 million), Kabupaten Lamongan (Rp250 million), Kabupaten Lumajang (Rp112.7 million), Kabupaten Jember (Rp90 million), and Kabupaten Nganjuk (Rp156 million). In Southeast Sulawesi, not one district or city provides special funding for the implementation of the Raskin program.
  5. The document review on the effectiveness of the use of Raskin funds showed two main opinions. The first is that the use of Raskin program funds is inefficient and ineffective because (i) the program's targeting is inaccurate, resulting in the leakage of funds to households that are not entitled to receive the benefit; (ii) the program's operational costs are considered to be too high; and (iii) the difference between Bulog's cost price in obtaining rice and its selling price is too high. In 2003, from Raskin's budget of Rp4.83 trillion, only 18% benefited poor households, 52% benefited nonpoor households, and 30% was used for operational expenses and Bulog's profit. In the same year, it only cost Bulog Rp2,790 per kilogram to procure the rice, while they sold it to the government for up to Rp3,343 per kilogram. The second opinion states that the Raskin program is efficient as the operational or management costs are only 3%, lower than the operational or management costs for similar programs in other countries.
  6. Field findings support the opinion that the use of Raskin funds is ineffective and inefficient. This is shown by the inaccurate targeting and the allocation of honorariums to local officials. As an example, Bulog's subregional divisions in several regions provided funds of Rp25,000 per distribution to each distribution point, while the subregional division of Bojonegoro gave an honorarium to several officials at a total cost of Rp2,060,000 per month, or Rp24,720,000 per year. APBD funds for the Raskin program in Kabupaten Agam were also used to pay honorariums to implementing officials at the subdistrict level. These kinds of practices not only caused inefficiencies but also violated the guidelines governing the use of Raskin funds. Implementing the Raskin program is part of the job description for the aforementioned officials; as such they should not receive additional honorariums.
  7. The Raskin program also uses funds from the beneficiaries inefficiently. In West Sumatra for example, transportation costs of around Rp200–300 per kilogram of rice have been imposed on Raskin beneficiaries when the real costs were only around Rp44–125 per kilogram. Distributors and other village officials divided the excess funds between

themselves as profit. In this case, the beneficiaries “subsidized” the distributors, who were generally not categorized as poor.

## **D. Capacity Building**

The Raskin program did not specifically include a capacity building aspect for implementing institutions or the community. Although Bulog has provided assistance through tertiary institutions, the capacity building for implementers was not effective.

1. Document review results show that in 2005–2006, Bulog asked ten universities to conduct a study and provide assistance in 12 provinces. The assistance aimed to help program officers at the village/*kelurahan* or distribution point level with program socialization, targeting, and distribution. These activities did not effectively build the capacity of program implementers as they were focused more as research activities. Moreover, the areas that received assistances were very limited. For example, of the 900 villages in West Sumatra, Andalas University only provided assistance in 6 villages/*kelurahan* in 2005 and 12 villages/*kelurahan* in 2006.
2. The field visits reveal that no efforts were made to give assistance to and to build the capacity of implementers or the beneficiaries in any of the three sample regions in 2007.

## **E. Monitoring and Evaluation**

Various groups, both internal and external, have conducted monitoring and evaluation (M&E) activities of the Raskin program and have given various feedbacks for the program. However, the feedbacks have generally not been followed up and have not led to any positive change in the program’s implementation methods. Hence, the implementation of the Raskin program is still not effective.

1. Results of the document review and field visits reveal that internal M&E is carried out in stages based on the level of government by the central, provincial, and district/city Raskin teams regularly or as required, in a limited number of sample regions. The internal M&E activities are part of the control for the program and are aimed at evaluating how effective the Raskin program’s implementation is according to the 6T performance indicators. However, in practice these M&E activities are conducted more like general investigations and complaint receiving exercises, and consequently have not achieved their intended objectives. Internal M&E activities have also tended to focus only on financial and administration aspects.
2. Various institutions have conducted the external M&E, including universities, nongovernment organizations, research institutes, and international institutions. Most have evaluated the program’s implementational processes, while evaluations of the program’s impact are still limited and tend to look at the macro-level (i.e. national level) impact. In general, external M&E activities have provided information about program implementation on a case by case basis according to field findings and on a macro-scale based on analysis of secondary data.
3. The field visit findings show that M&E activities in the sample areas do not reach the community level, stopping at the Raskin implementing officer at the subdistrict level. SMERU only found village- or community-level M&E activity in one sample village in

Southeast Sulawesi, but this was not extensive and was only in the form of a single visit by an NGO in 2007.

4. The various M&E activities have resulted in feedbacks that resulted in some changes to the program regarding the data used as a targeting reference, the process of verifying beneficiaries through *mudes*, and the amount of rice allocated to each beneficiary. Nevertheless, any improvements to the program's design have not been followed up properly during implementation. Consequently, the Raskin program continues to be implemented in an inefficient and ineffective manner.

## **F. Program Audit**

Program audits are conducted routinely in accordance with national regulations. Bulog has responded to the audit results appropriately with regard to the problems and the auditor's recommendations.

1. Program implementation audits are regulated, *inter alia*, in Law No. 15, 2004 on State Financial Responsibility Management Audit and the annually revised Minister of Finance Regulation on Bulog's Budget. The BPKP (the Financial and Development Supervisory Board) conducted the audits until 2004 and BPK (the State Audit Agency) took over the task in 2005. The two institutions have audited different aspects of the program: BPKP focused on aspects concerning the achievement of the program's implementation targets while BPK emphasizes on financial aspects.
2. The results of the 2004 BPKP audit show that in 2003, the Raskin program's implementation performance at the national level reached 78.2% (from the ideal of 100%). Raskin's performance on the targeted number of poor households only reached 59.4%. Performance on the amount of rice distributed to targeted households was only 61.42% and only 68.5% on correct price. BPKP also found that distribution transaction documents were not sufficiently detailed, that a number of district/city governments had still not published technical guidelines, and the monitoring of rice distribution was weak.
3. The 2006 BPK audit on Bulog's rice procurement and storage expenses for FY2004 found several basic accounting errors. Before the audit, Bulog's claim to the government for procurement and storage expenses reached Rp350 billion, but after the audit, the total figure changed to Rp249 billion—a negative correction of Rp101 billion (29%). This correction was necessary as Bulog had included other costs in the rice procurement and storage expenses. Bulog followed up the results of the audit in line with the findings and the auditor's recommendations, which included creating guidelines for goods/service procurement and sending reminder notices to regional governments with Raskin-related outstanding payments.

## **G. Complaints and the Complaint Handling System**

The complaints secretariats are ineffective as the community is not generally aware of their existence. Community members usually lodge any complaints with local implementers or village/*kelurahan* officials. Almost all complaints have not been resolved.



1. In accordance with the Raskin General Guidelines, the Raskin program provides a community complaints secretariat at the provincial and district levels. The results of the document review reflect that the existence of the secretariats has not been socialized to the community and consequently they do not know where they should go to register their complaints.
2. Even when there are problems, the community does not officially file their complaints. If community members have complaints, they usually lodge them with a village/*kelurahan* official or with a local implementer, and almost all complaints are not resolved. In general, complaints are not passed on to higher levels, except if they are related to rice quality.
3. The field findings support the results of the document review.

## H. Level of Satisfaction and Program Benefits

Program implementers generally stated that they are not satisfied with the performance of the Raskin program, while beneficiaries generally stated that they are satisfied as they obtain a direct benefit from the program.

1. The document review reveals that not a single regional government expressed satisfaction regarding Raskin's implementation. Instead, many stated that the regional governments are not satisfied with the program's implementation as it is not inline with the program objectives. One village official had complained that the program has negatively impacted the community's spirit of mutual cooperation (*gotong-royong*) and creativity. Although beneficiaries considered the program's targeting to be inaccurate, they considered Raskin's service quality to be satisfactory.
2. Field visits results show that various informants from the provincial level down to the village/*kelurahan* level assessed several aspects of the program's implementation as still weak, primarily the socialization of the program to the community, targeting, and the less than functional complaints mechanism.
3. Although regional government officials are not satisfied with Raskin's implementation, they have differing attitudes towards the program's continuation. In East Java, some officials are of the opinion that the program does not need to be extended as its impact does not justify the cost, whereas in West Sumatra and Southeast Sulawesi, some regional government officials are of the opinion that the program is still needed to help provide food for poor households.
4. The results of FGDs with beneficiaries reveal that the most satisfying aspects of Raskin's implementation are price, payment methods, and distribution. Although a high proportion of beneficiaries pay more than Rp1,000 per kilogram for the rice, they do not object as it is still much cheaper than the market price, which was around Rp4,200 per kilogram during the field visits in August 2007.
5. The FGDs with beneficiaries reveal that the most unsatisfying aspects of the program are the monitoring system, complaints system, and the amount of rice. The community was not satisfied with the program monitoring since there had not been any monitoring activities in their region since the program was started. They were not satisfied with the complaints system as they were unaware of the community complaints secretariats and

the official complaints mechanisms. The community was also not satisfied with the amount of rice they received as it was far below their household needs.

6. The document review results reveal that Raskin is beneficial for beneficiaries because it can lessen their economic and rice need burdens and improve the quantity and quality of their consumption. It does this by providing in-kind income transfer to beneficiaries worth Rp20,500 per month, based on the assumption of a total transfer of benefits worth Rp3.25 trillion per year and of a total number of 13.2 million beneficiaries. In addition, Raskin is considered to be able to increase poor households' access to rice.
7. The analysis of the field findings results shows that the economic benefit of Raskin for beneficiary households from income transfer is relatively small because both the amount of rice that households receive and the frequency at which they receive it are below the stipulated levels. Moreover, beneficiaries often pay more than the stipulated price. Theoretically, each month Raskin beneficiaries would receive a subsidy equal to the difference between the market price and Raskin rice price of rice per kilogram multiplied by ten. At the time of the study, the average market price of medium quality rice was Rp4,200 per kilogram. Using this as a guide, beneficiary households should be receiving a subsidy of Rp32,000 per month or Rp384,000 per year. In practice however, income transfer to beneficiary households in the sample areas ranges between Rp12,800–Rp29,000 per month or Rp38,400–Rp348,000 per year. This is because beneficiaries pay Rp1,000–Rp1,440 per kg, receive 4–10 kg, with a distribution frequency of 3–12 times per year.
8. FGD participants mentioned several kinds of benefits they receive from Raskin. The three primary benefits of Raskin are assistance with food expenses, peace of mind for beneficiaries and their families, and assistance with school fees. Raskin reduces food expenses, so beneficiaries can have extra income that can be used for other necessary expenses such as school fees. Moreover, the FGD participants also mentioned that the Raskin program is able to hold back price fluctuations at the village level.

## **I. Lessons Learned**

Both negative and positive lessons can be drawn from the findings of this study in order to determine how successful the Raskin program has been in achieving its objectives.

1. Positive Lessons
  - a. Targeting accuracy is highly dependent on the level of commitment and roles of the regional government and implementers at the local level, socialization which stresses that the Raskin program is only for the poor households, the use of BPS data that has been verified at the local level, and the transparency of the list of beneficiaries.
  - b. Price accuracy is dependent on whether or not rice is distributed directly to recipients from (primary) distribution points, the distance between the (primary) distribution point and the beneficiaries, and the size of the contribution from the APBD.
2. Negative Lessons
  - a. The shortfall between the total allocation of RTM and the total number of RTM has caused targeting inaccuracies as well as inaccuracies in the amount of rice distributed to beneficiaries and distribution frequency.

- b. Targeting inaccuracy is influenced by weak socialization, community indifference, the lack of commitment from regional governments, and the shortfall in total rice allocation compared to the total number of RTM.
- c. The regional government's lack of commitment is influenced by their saturation with the already long-running program which has become routine, program implementation that does not reflect the objectives, and weak socialization.
- d. Price inaccuracy is influenced by whether or not rice is distributed from the primary distribution point or a secondary distribution point, and how far the distribution point is from household beneficiaries.
- e. Distribution delays are caused by outstanding payments from the distribution points.
- f. Distribution delays affect the community's readiness to allocate the time and prepare the funds to purchase the rice.
- g. The accuracy of distribution frequency and amount of rice that beneficiaries receive is not always a good indication of successful program implementation. Distribution frequency may be correct every month, but the amount of rice received may be below the stipulated amount, or vice versa.

## **J. Recommendations**

The Raskin program has been running for nine years and has used a significant amount of funds and involved many parties, but it is still not performing effectively. Therefore, Raskin should only be continued if the following conditions are met.

- a. The program needs to be revitalized. This can be done by implementing a guided national information campaign (socialization) to increase the awareness and real understanding of the program's essence for all stakeholders, including local implementing agencies and the community. These socialization activities must be clearly regulated in Raskin's General Guidelines.
- b. The allocation for beneficiary households at the national level must be firmly stipulated and in accordance with the total number of households in the targeted group. The target household category must be clearly defined, including whether it is limited to very poor households only or is to include poor or near poor households.
- c. One institution must be appointed to oversee those responsible for the distribution of rice starting from procurement down to distribution to the community in order to clarify the respective tasks, responsibilities, and performance evaluation.
- d. Local governments must be responsible for dividing rice allocation and ensuring accurate targeting of beneficiaries. To ensure accurate targeting, regional governments should verify the BPS data on RTM or other data which is used to determine targets at the national level.
- e. The maximum number of beneficiary households determined by verification at the village/*kelurahan* level must correspond to the total allocation the village has obtained in

order to guarantee that each household receives the stipulated amount of rice. The subdistrict should be responsible for formally approving and validating the list of targeted households.

- f. Arrangements must be made for (primary) distribution points to be located closer to household beneficiaries so they can distribute rice directly to beneficiaries.
- g. A policy is needed to force regional governments to seriously support Raskin implementation through both providing funding support (through the APBD) and helping to achieve the program objectives.
- h. An incentive and penalty system should be introduced and implemented to ensure that the program is implemented in accordance with the guidelines. A reward should be given to regions or program implementers that successfully implement the program in line with the regulations, based on a set of predetermined indicators. Incentives could be in the form of an award, while penalties could take the form of media announcements identifying unsuccessful regions, or the dismissal, transfer of duties, or demotion of the implementing officials.
- i. A serious, planned, and accountable practice of monitoring and evaluation activities by independent and credible external institutions will help to guarantee the appropriate implementation of Raskin and will support the incentive and penalty system. The results of monitoring activities must be widely presented to various parties including the public and systematically used for the improvement of the program's implementation.
- j. All stipulations regarding the program's implementation, such as those concerning socialization, targeting (verification and data reference), and monitoring and evaluation must be clearly regulated in the program's guidelines.

If those conditions are not met, Raskin should be ended and in-depth studies, including on the following aspects, will be required:

- a. the impact of Raskin's phase out on the food security of poor households;
- b. the transfer of Raskin funds to another program that will provide better assistance for poor households; and
- c. Bulog's role in the procurement and stabilization of the national price of rice, as currently more than 80% of the rice procured by Bulog has been distributed through the Raskin program.

# I. INTRODUCTION

## 1.1 Background

Raskin (rice for poor households) is a national program that aims to help households to fulfill their food needs and reduce their financial burden through the provision of subsidized rice. Since 2007 the Raskin program has been coordinated by the Coordinating Minister for the People's Welfare. The Logistics Agency (Bulog) is responsible for distributing the rice to the distribution points, while local governments are responsible for channeling the rice from the distribution points to poor households.

In 2007 the Raskin program aimed to supply 1.9 million tons of rice to 15.8 million poor households. Each targeted household was to receive 10 kilograms (kg) of rice per month at the price of Rp 1,000 per kilogram at the distribution point.<sup>1</sup> The total budget of Rp 6.28 billion was funded by the national budget (APBN).

The Raskin program is a continuation of the Special Market Operation (OPK), which was launched in July 1998 as part of the Social Safety Net (JPS). The program has been evaluated several times since 1998, and the findings have provided feedback for how the program's concept and implementation could be improved. Various adjustments have been made, including changes to the program name, the quota of rice per household, distribution frequency, the sources and types of data on targeted beneficiaries, and the designation of institutions to provide assistance to local implementers.

In 2002, the central government changed the name of the program from OPK to Raskin in order to reflect the change in the program's nature; whilst initially the program was an emergency program intended to overcome the impact of the economic crisis, it had since become part of the social protection program for poor households. The monthly quota of rice per poor household, which was originally set at 10 kg but in subsequent years varied between 10 kg and 20 kg, once again became 10 kg in 2007. In 2006, the distribution frequency, which had previously been 12 times per year, was reduced to 10 times per year, but in 2007 it was again raised to 12 times per year. The method of targeting beneficiaries was also changed in 2006. Targeting had previously relied on data for preprosperous (KPS) families and prosperous level-1 (KS-1) families collected by the National Family Planning Coordinating Board (BKKBN). Since 2006, Statistics Indonesia (BPS) data for poor households collected in the PSE-05<sup>2</sup> has been used.

In addition to these changes and in an attempt to improve the performance of the program, Bulog worked together with ten national universities in 2005 and 2006 to provide assistance teams for the implementation of Raskin in 12 provinces.

Even though the government has endeavored to improve both the concept and implementation of Raskin, many still question the program's effectiveness. In light of this, the

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<sup>1</sup>Conceptually, the distribution points are the places in villages and *kelurahan* at which the rice is handed over to the persons handling distribution and which can be accessed by beneficiaries, or other places whose locations are determined on the basis of a written agreement between the local government and Bulog (2007 Raskin General Guidelines).

<sup>2</sup>The PSE-05 (2005 Household Socioeconomic Survey) was initially intended to identify target beneficiaries for the Direct Cash Transfer (SLT) Program.

National Development Planning Board (Bappenas), with the support of the World Bank and the Decentralization Support Facility (DSF), has conducted an independent evaluation to study the effectiveness of the implementation of the Raskin program. The SMERU Research Institute, which has conducted a number of studies on Raskin, was given the task of undertaking this evaluation.

## 1.2 Study Aim

The general aim of this study is to investigate the extent to which the implementation of the Raskin program has been effective and to examine implementation practices so as to obtain lessons relevant to program improvement. More specifically, this study seeks to answer the following main questions:

- Has implementation achieved the purpose of the program?
- Has the program reached the poorest members of the community?
- How have program monitoring, evaluation, and auditing been carried out?
- How is program funding structured and how effective is it?
- What is the level of stakeholder satisfaction with program implementation?
- How beneficial has the program been for the community?

## 1.3 Methodology

The present study was conducted over a period of five months from July to November 2007. The main activity of the study was an examination of documents and secondary data analyses (meta-evaluation). To complement meta-evaluation activities and at the same time obtain the most recent information, the study was supported by interviews with key informants at the central level and field research.

In meta-evaluation activities, SMERU researchers examined 44 documents consisting of 7 Raskin General Guidelines, 23 research and evaluation reports made by a number of institutions, 4 audit reports, 4 presentations, 3 articles and 3 ministerial regulations. Although these documents were published throughout the implementation of Raskin, the majority (73%) appeared in the 2004–2007 period (Table 1). A document review examined a number of decrees and circulars issued by governors, district heads, subdistrict heads and village/*kelurahan* heads and of the results of village consultative meetings (*musyawarah desa* or *mudes*). In data analysis, SMERU researchers examined secondary data from Susenas for the years 2002–2006 as well as data from Bulog.

**Table 1. Type and Number of Documents**

Type of Document	Year of Publication										Total
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
General guidelines		1	1	1	1			1	1	1	7
Research and evaluation reports	1	2	1	1	1	1	3	2	9	2	23
Presentation materials	-	-	-	-	-	-	-	2	2	-	4
Articles	-	-	-	-	-	1	-	1	1	-	3
Ministerial Regulations	-	-	-	-	-	-	-	1	1	1	3
Audit Reports	-	-	-	-	-	-	2	-	2	-	4
<b>Total</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>16</b>	<b>4</b>	<b>44</b>

Interviews with key informants at the central level were conducted with several stakeholders, such as government institutions, research institutes, universities, and nongovernment organizations (NGO). A question guide was used to in the interviews to gain in-depth information about the implementation of Raskin and to discuss the results of research and evaluation carried out by the institution concerned.

To obtain the latest information about Raskin's implementation, SMERU researchers conducted field studies in three provinces between 20 and 30 August 2007. One district (*kabupaten*) was selected in each province: Kabupaten Agam (West Sumatra), Bojonegoro District (East Java), and Kolaka District (Southeast Sulawesi). The three districts were chosen purposively based on variations in location, level of rice production, Raskin rice allocation, poverty level, and availability of an accompanying institution from a university (Table 2).

**Table 2. Selection Criteria for Sample Provinces**

Province	Production of Rice 2005 (tonnes)	Raskin Allocation 2006 (tonnes)	Proportion of Beneficiary Households 2006 (%)	Poverty Level 2004 (%)	Accompanying University 2005–2006
Java					
East Java	9,007,285	285,917	51.68	20.08	Brawijaya University Malang
Outside Java (western and eastern)					
West Sumatra	1,907,390	22,060	23.68	10.46	Andalas University Padang
Southeast Sulawesi	339,847	19,199	59.22	21.89	None

In each sample district, one subdistrict (*kecamatan*) that received a fairly high and regular allocation of Raskin rice and at the same time had a high level of poverty was chosen. Two villages<sup>3</sup>/*kelurahan* were selected in each subdistrict: one an urban or semiurban location or otherwise located close to the subdistrict capital, and the other a in rural location or otherwise far from the subdistrict capital. In all, field studies involved visits to six sample villages/*kelurahan* (Table 3).

<sup>3</sup>In West Sumatra villages are called *nagari*.

**Table 3. Location of Raskin Field Studies**

Province	District	Subdistrict	Village/ <i>Kelurahan</i>
West Sumatra	Agam	Tanjung Raya	Maninjau Tanjung Sani
East Java	Bojonegoro	Ngasem	Ngasem Jelu
Southeast Sulawesi	Kolaka	Watubangga	Wolulu Sumber Rejeki

During field visits the research team used several rapid survey methods such as direct observation, in-depth interviews, and focus group discussions (FGDs). Observations made at the community level involved, among other things, taking note of local living conditions, especially those of respondents. In-depth interviews were conducted with a number of stakeholders at the provincial, district, subdistrict, and village/*kelurahan* levels. Interviews were conducted with representatives from institutions such as Bulog regional divisions and subdivisions, government officials, universities, NGO, the local media, as well as local program administrators (the persons responsible for handling Raskin at the village level). In-depth interviews were also held with recipient households and nonrecipient households, selected purposively based on housing distribution considerations.

A semi-structured interview guide was used in all interviews with informants and respondents. Interviews sought information covering a number of aspects related to the implementation of the Raskin program, such as socialization, allocation, targeting, distribution, amount of rice received, price of distributed rice, capacity building, monitoring and evaluation, the complaints system, satisfaction levels, and program usefulness.

One FGD was conducted in each village/*kelurahan*, totaling six FGDs. Approximately 16 beneficiaries attended each FGD. Participants consisted of roughly equal numbers of men and women (7–9 of each in each FGD) who normally purchase the rice or at least understand how Raskin is implemented in their village. All FGD participants were selected from separate households. The FGDs obtained information about the implementation of Raskin in the village concerned, participant knowledge about program management, satisfaction levels, and program usefulness.

The data and information collected from the document review, in-depth interviews, and FGDs were analyzed using qualitative methods, while secondary data from the BPS Susenas were analyzed using quantitative methods.

The study was carried out by seven SMERU researchers, consisting of two advisors, Sudarno Sumarto and Asep Suryahadi, and five researchers, namely, Hastuti, Sulton Mawardi, Bambang Sulaksono, Akhmadi and Silvia Devina. The study also involved one guest researcher, Rima Prama Artha, and three local researchers, namely, Joni Saputra (West Sumatra), Heri Rubianto (East Java) and Laode Udin (Southeast Sulawesi). SMERU's librarian, Ratna Dewi, conducted the document review.

The study findings are presented in four chapters. The introductory chapter describes the study background, objectives and methodology. The second chapter presents the findings concerning program implementation, covering the aspects of socialization, allocation, targeting, prices and payment, the funding structure, monitoring and evaluation, the auditing system,



complaint handling, levels of satisfaction, and the usefulness of the program. The third chapter presents the positive and negative lessons that have been drawn from the evaluation of the program implementation. The fourth and concluding chapter offers recommendations for the future implementation of the program.

## II. RESEARCH FINDINGS

Two agencies are responsible for the distribution of Raskin: Bulog and local government. Bulog is responsible for getting the rice to the distribution points, while the local government is responsible for distributing the rice from the distribution points to the target households. To date, Bulog has performed its task relatively well and in accordance with the implementation guidelines. This partial evaluation, however, cannot be used to evaluate the success of the program, as Raskin is a program that provides subsidized rice to poor households. Findings from the document review and field studies indicate that most of the problems associated with the implementation of Raskin occur between the distribution points and the recipient.

According to the 2007 Raskin General Guidelines, there are six indicators (known as the 6 Ts) by which the level of Raskin success is measured, namely, accuracy in targeting, in amounts of rice, in pricing, in timing, in quality and in administration. On the whole, the results of the present study show that the effectiveness of Raskin program's implementation has been poor. This can be seen from the lack of socialization and transparency; the inaccurate targeting of recipients; inaccurate pricing, amounts of rice, and frequency of rice distribution; the high cost of program management; deficient monitoring; and the poorly functioning complaints mechanism. The following sections present details of these problems.

### 2.1 Program Implementation

The performance of Raskin can be evaluated by looking at the aspects of socialization and transparency in information, allocations, targeting, distribution frequency, the amount of rice received by beneficiaries, rice prices and the payment system, and the use of funds. One way of measuring the performance of each of these aspects is to compare the extent to which the actual achievements revealed in information from the document review, the analysis of secondary data and field findings conform to Raskin's General Guidelines.

#### 2.1.1 Socialization and Transparency in Information

Socialization is one of the keys to successful program implementation. Nevertheless, the General Guidelines do not deal with this important activity in detail. For example, they do not clearly state the frequency and time of socialization at each level of government or at the community level, nor do they state who is responsible for implementing and funding the activity. Detailed rules should have been set down in the instructions for program implementation (*juklak*) prepared by provincial and district/city governments. Only a limited number of local governments prepared instructions for the program's implementation. Even in cases where such instructions have been prepared, the contents are merely a copy of the General Guidelines without any further detailed stipulations about various aspects, including socialization. The absence of any such stipulations, among others, has led to regional variations in socialization activities for local government officials and has caused the weak socialization to the community. This weak socialization has caused a lack of program transparency among the community.

According to the 2007 Raskin General Guidelines, the purpose of socialization (or the dissemination of information) of the program is for the community, and specifically poor members of the community, to learn about the background, implementation mechanism, community rights and obligations, and complaints mechanism. Information can be disseminated through coordination and socialization meetings, the mass media, and other

means such as booklets, brochures and stickers. Additional informal socialization can be carried out through revolving credit groups (*arisan*), customary (*adat*) gatherings, and religious gatherings.

### Socialization among the bureaucracy

According to the documents, socialization among those responsible for implementation in local government circles depends on a structural approach within the bureaucracy, that is, in a tiered manner down to the district or subdistrict levels. There were no specific meetings to socialize the program; rather it was discussed in general coordination meetings (*rakor*) (Anak Bangsa Peduli 2005: 33, 40; LP3ES 2000: 51; Institute for Empowerment and Development Studies 2005: 71–72). There is the impression among the bureaucracy that socialization is not an important aspect because Raskin is merely a follow-up program to the OPK. Consequently, there is no specific agenda for socialization; rather it is based upon need (Hastuti and Maxwell 2003:12).

Field studies in the three sample districts show that coordination meetings are held at each level of government, from the provincial down to the village/*kelurahan* levels. At the provincial level these meetings are usually held twice a year. One of these is held at the beginning of program implementation, where the division of supplies to districts/cities is also discussed; a second meeting is held in the middle or at the end of the year to plan the program for the following year and at the same time to evaluate the current year's program. These meetings are attended by persons from the agencies on the provincial Raskin team as well as representatives of district/city governments.

At the level of the sample districts, implementation for coordination meetings varies and depends on the respective local governments, but at the very least a meeting is held at the beginning of program implementation to specifically discuss the division of supplies to each subdistrict and village/*kelurahan*. In Kabupaten Agam, coordination meetings are conducted at the beginning and end of the year. In addition, a routine quarterly meeting is held between the Bulog subdivision and Raskin administrators from the district government level. Raskin implementation and problems associated with the program are also discussed at every meeting of the district poverty eradication team. In Bojonegoro District, a coordination meeting is conducted twice a year but additional meetings are usually held if particular problems or topics need to be discussed. In Kolaka District, a coordination meeting is held only at the beginning of program implementation. This district-level meeting is normally attended by the district Raskin team and representatives from the subdistricts.

Not all subdistricts conducted socialization activities in 2007. Tanjung Raya in Kabupaten Agam was the only sample subdistrict to carry out socialization at the beginning of the year of the program's implementation. The participants, who were all village heads (known locally as *wali nagari*) and neighborhood heads (known locally as *wali jorong*), met together to discuss the system of distributing the rice and the method used to determine the selling price to beneficiaries. At the village/*kelurahan* level, annual socialization is not conducted because Raskin is regarded as a long-running program that does not undergo much change from year to year. If any socialization meetings are held, usually only village officials and community leaders attend, without community involvement.

The document review shows that socialization activities in the form of dissemination of the Raskin General Guidelines are generally limited to the district/city level (Lembaga Demografi FEUI 2003: 33–34; PT Daya Makara UI 2006: 85). Although there are provinces and districts/cities that have prepared instructions for the implementation of Raskin, distribution

of these instructions does not extend to lower levels of government (Lembaga Demografi FEUI 2003: 33–34). Field study findings also reveal that the distribution of the General Guidelines is very limited. Although some sample regions have prepared instructions for implementation, namely, the provinces of East Java and Southeast Sulawesi and the district of Kolaka, distribution does not reach down to the village/*kelurahan* level. As a result, program implementation at the village/*kelurahan* level normally depends more on verbal instructions issued at subdistrict or district level meetings. The same is also true at the community level; local distributors, who are actually spearheading the Raskin program implementation for households, are usually guided only by verbal instructions that are normally issued informally by the village/*kelurahan* head or the subdistrict staff.

At the same time, information channels like community service announcements on television and the distribution of brochures or posters, which were common several years ago, are no longer used. The community members who were respondents in the present study have never even heard of the brochures or posters that should have been placed in public places. A study carried out by Anak Bangsa Peduli (2006: 40) in West Java reveals that socialization by local governments through the mass media only occurred in Garut District, which used the printed media and the radio. Andalas University (2006: 3-6) reported that in West Sumatra socialization had at one time been carried out in the form of interactive dialogue on TVRI and through the printed media.

#### Socialization among the community

It was concluded from a review of a number of documents that socialization of the Raskin program among the community varies and on the whole is not optimal. The findings of a previous SMERU study indicate that at the village level there is no special socialization among the community (Fillaili et al 2007: 70). According to Andalas University, not one of the 12 villages for which assistance was provided had previously undertaken socialization (2006: 3-15). Brawijaya University stated that in Madiun District, a large number of villages did not undertake socialization, at 42% (2006: 61). The field findings show that there has never been any formal socialization among the communities in any of the sample villages/*kelurahan*.

Variations in socialization activities caused variations in the sources of information about the program for the community. The village/*kelurahan* head is the initial source of information for the community, but information is generally forwarded informally and indirectly. According to LP3ES, the responsibility to pass on information about the program to the target families is entrusted entirely to the village head (2000: 51). Brawijaya University reported the same findings (2006: 63–69). However, according to Hastuti and Maxwell the village head generally does not give information directly to the community but rather passes it on to the hamlet head, the neighborhood (RT) head or community figures (2003: 12). Fillaili et al found that the community learned about the Raskin program not from the head of the village/*kelurahan* but rather from the RT head, neighbors and television (2007: 92). The field study findings also show that generally the village head is not the direct source of information on the Raskin program. On the whole, the community obtained information from the persons who handled Raskin distribution, such as RT heads and Family Empowerment and Welfare Team (TP PKK).

Socialization activities to the community were usually below optimal levels, which meant that many members of the community, including beneficiaries, do not understand the program as a whole.<sup>4</sup> Hastuti and Maxwell, for example, reported that the information given to the community is limited to implementation aspects, such as the quota of rice per family, the price per kilogram and the methods of cost collection and payment (2003: 13). Additionally, information about the purpose of the program and the targeting of poor families are not emphasized. As a consequence of the lack of information, the change in name from OPK to Raskin, which had been hoped to sharpen targeting, was pointless. At the time of their study, Raskin was still better known among the community as a government distribution of *sembako* (the nine basic foods/materials), which meant that families not included among the target households still demanded to receive a share (Hastuti and Maxwell 2003: 13).

The field study findings similarly show that socialization is still weak and has not been carried out to the full, the result being that many people, including beneficiaries, do not understand the overall program. In fact, beneficiaries do not even have general information about the program, such as the meaning of the name Raskin, how much rice they should receive, the stipulated price of the rice at the distribution point, and the number of times per year that they should receive the rice. Nevertheless, the essence of the Raskin program as assistance in the form of rice from the government for poor households is understood by the wider community, even though this knowledge was not automatically applied in program implementation.

### Transparency of information

The influence of limited socialization can be seen in the low level of program transparency to the community. Only one of the documents that were examined, stated that certain villages in one sample subdistrict placed information about Raskin on the village notice board (Brawijaya University 2006: 69). Efforts to provide transparency in the list of beneficiaries were reported in only a few documents. According to Hastuti and Maxwell, certain villages once had the list of recipients placed in the village head's office, but it was torn down by persons who demanded to become beneficiaries (2003: 13). In other villages the list of names was deliberately not put up because it was feared that an announcement of this kind would give rise to community claims. Meanwhile, the Institute of Demography (FE-UI 2003: 89) and PT Daya Makara UI (2006: 87) reported that the list of poor households was intentionally not announced for security reasons and to prevent the occurrence of undesirable consequences.

These findings are supported by the field findings, which indicate that no information about the Raskin program is posted in public places or in places accessible by the community in most of the study areas. Accessible lists of Raskin recipients were found only in the sample villages in Kabupaten Agam. Local distributors made the lists of beneficiaries available and it was planned to put them up very soon in local mosques, in accordance with local efforts to use the mosque to announce poverty reduction programs.

Weaknesses in program socialization and transparency has caused a number of negative effects to emerge, including: (i) the potential for corruption due to a lack of community control as a consequence of the lack of understanding of the program (Olken, 2006: 856); (ii) inaccuracy in

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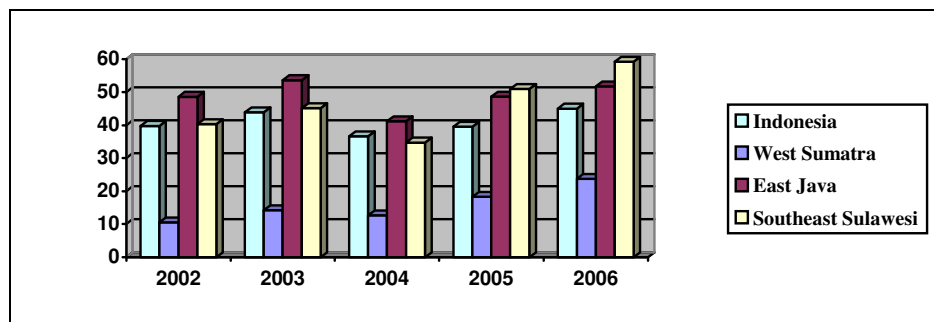
<sup>4</sup>This was also found in other studies, including Anak Bangsa Peduli (2006: 47), PT Daya Makara UI (2006: 84), Hastuti and Maxwell (2003: 13), IPB (2006: *slide* 19), Komisi IV DPR RI (2007: 10), Institute of Demography FE UI (2003: 89), Olken (dalam Journal of Public Economics 2006: 856), SMERU (1998: 8), Fillaili et al (2007: 70), Andalas University (2005: 3-16), Brawijaya University (2006: 60-68), and the University of Indonesia (2004: 160).

targeting because community members who are not poor have demanded a share of benefits (Universitas Indonesia 2004: 160); (iii) the appearance of complaints, criticisms, and unrest or conflict in the community (Anak Bangsa Peduli 2006: 47); and (iv) a perception on the part of local governments that Raskin is a central government program and is therefore not their responsibility (PT Daya Makara UI 2006: 84). This false perception on the part of local governments influences their commitment to supporting the program's implementation, including the provision of funding support.

### 2.1.2 Allocation Quotas and Target Households

According to Susenas data for 2002–2006, the proportion of Raskin recipients from all households in Indonesia has fluctuated between 36% and 45%. In West Sumatra, the proportion ranged from 11% to 24%, in East Java from 41% to 53%, and in Southeast Sulawesi from 35% to 59% (Figure 1). These conditions are in line with the proportion of poor households in the respective regions.

National decisions about the allocation of Raskin rice quotas are based on the availability of the budget for subsidies and on the number of target beneficiaries. At the national level, quotas are allocated to each province based on data on targeted beneficiaries after considering proposals submitted by the regional governments. After that, provincial governments decide on the allocation for each district and city, while the district and city governments subsequently determine the allocation for their respective subdistricts and villages/*kelurahan*. These shares are all set in proportion to the data for prospective recipients in each area. From the beginning of the OPK program until 2005, target beneficiaries were determined by the data for preprosperous (Pra-KS) families and prosperous-1 (KS-1) families obtained from the results of the BKKBN data collection, but since 2006, BPS data on poor households (RTM) has been used.



Source: Susenas BPS 2002–2006 (processed)

**Figure 1. Proportion of Households Receiving Raskin in Indonesia and the Sample Provinces, 2002–2006**

The Raskin program is conducted throughout Indonesia without any distinction based on regional poverty level as poor households are found in all parts of the country. This is supported by the document review and data analysis. All regions, down to village/*kelurahan* level, receive a Raskin allocation. In actual implementation, however, some areas have not received Raskin for several months at a time. Hastuti and Maxwell found that some villages and subdistricts did not participate in the program for a long period of time—in some cases for more than a year (2003: 14–15). Reasons for this include being in arrears with payments, procedural deviations, or due to a request from the subdistrict. The subdistricts concerned regarded Raskin as a nuisance and felt that the rice that they received was not in proportion to the labor required and the risk that had to be borne. Fillaili et al also reported that as a

consequence of disruptions in Raskin payments at the kelurahan level, several subdistricts in Tangerang did not submit proposals for Raskin rice allocations during 2004–2005 (2007: 77).

**Table 4. Number of Households and National Raskin Allocations**

Year	Total Households			Allocation (tonnes)
	Total Number of Poor Households*	Target Households	Target Households as % of Total Number	
2000	16,000,000	7,500,000	46.88	1,350,000
2001	15,000,000	8,700,000	58.00	1,501,274
2002	15,135,561	9,790,000	64.68	2,349,600
2003	15,746,843	8,580,313	54.49	2,059,276
2004	15,746,843	8,590,804	54.56	2,061,793
2005	15,791,884	8,300,000	52.56	1,991,897
2006	15,503,295	10,830,000	69.86	1,624,500
2007	19,100,905	15,800,000	82.72	1,896,000

Source: Bulog

Note: \* To 2005, data for poor families came from the BKKBN while in 2006 and 2007 BPS data was used

The total national Raskin rice quota increased each year until 2002, after which it decreased, but in 2007 it rose again slightly. Meanwhile, the number of poor households that the program targeted has tended to increase from year to year. Although the proportion has risen, the total number of target households is still lower than the total number of poor households (Table 4). For example, in 2007 the total number of poor households was 19.1 million but the the Raskin program target was only 15.8 million poor households, which meant that 3.3 million poor households did not receive a Raskin allocation. The implications were apparent in implementation problems such as targeting, and inaccuracy in the amount of rice received by beneficiaries as well as distribution frequency.

In the three study regions, the allocation quotas and the numbers of targeted poor households changed, but the trends differed as can be seen in Table 5. In West Sumatra, allocation quotas and the number of target households increased. The rise in allocations is explained by the shift from BKKBN to BPS data and the subsequent increase in the number of poor households. Up to the subdistrict level, the number of targeted poor households was smaller than the total existing number of poor households, but the opposite happened in the sample villages. This can be explained by the fact that adjustments at the subdistrict level were made to the allocations per village based on information from village and neighborhood heads. In the sample neighborhoods however, the slight reduction in the number of target households was not a problem because changes had occurred in the economic situation of households and because some poor households had moved away or household members had died. This is also true for the increases in the number of targeted poor households, since some poor households had not been registered as being poor.

**Table 5. Raskin Allocations in Study Regions, 2005–2007**

Administrative Area	2005		2006		2007	
	Target Households	Quantity of Rice (kg)	Target Households	Quantity of Rice (kg)	Target Households	Quantity of Rice (kg)
Province of West Sumatra	141,410	22,060,000	147,067 (233,695)	22,060,000	302,640 (312,640)	36,317,000
Kabupaten Agam	8,995	1,702,120	11,453 (18,199)	1,702,120	22,647 (23,417)	2,717,640
Kecamatan Tanjung Raya	863	138,080	1,718	171,800	2,523 (2,535)	302,760
Nagari Maninjau	97	15,520	130	13,000	230 (226)	27,600
Nagari Tanjung Sani	222	35,520	375	37,500	544 (538)	65,280
Province of East Java	1,441,750	346,020,000	1,906,115 (3,236,871)	285,917,000	2,653,598 (3,236,880)	318,431,760
Kabupaten Bojonegoro	108,950	26,148,000	128,471 (163,469)	19,271,000	134,142	16,096,996
Kecamatan Ngasem			11,580 (11,580)	1,737,000	9,606	1,152,720
Ngasem village			491 (491)	73,650	402	48,240
Jelu village			907 (907)	136,050	861	103,320
Province of Southeast Sulawesi	230,045	25,304,950	239,987 (332,023)	19,198,960	259,384 (271,082)	23,344,560
Kabupaten Kolaka	16,557	1,821,270	17,273 (33,294)	1,381,840	20,689 (29,455)	1,862,010
Kecamatan Watubangga	2,960	296,000	3,000	240,000	3,244	291,960
Kelurahan Wolulu	126	12,600	126	12,600	143	14,300
Sumber Rejeki village	137	13,700	137	13,700	142	14,200

Source: Decrees of governors, district heads, and subdistrict heads in the sample locations

Note: Figures in parentheses are total existing poor households.

In East Java the Raskin rice allocations experienced a fall in 2005–2006 but rose again in 2007. This, however, was not reflected in Bojonegoro District or in the sample subdistricts and villages in the same province. In these areas the 2007 allocation actually dropped by comparison with the amount provided in the previous year. This was caused by the small increase in the number of poor households in Bojonegoro district against the overall fall in the number of poor households in the sample subdistricts and villages in Bojonegoro in 2007. As in East Java, the Raskin rice allocation for Southeast Sulawesi was also reduced in 2005–2006



but rose again in 2007. In both East Java and Southeast Sulawesi, the quota for the number of targeted poor households was lower than the existing number of poor households.

The document review showed that the shortfall caused several problems to emerge. The Institute of Demography) states that because the Raskin rice supply was insufficient for the total number of poor households the rice was distributed evenly, with beneficiaries taking turns to receive rice once every 2 to 3 months and with a reduction in the quota of rice per recipient (FEUI 2006: 47. The same thing has been reported by Anak Bangsa Peduli (2006: 12), PT Daya Makara UI (2006: 95), IPB (2006: slide 4), and the University of Indonesia (2004: 142, 149, 161). Meanwhile, according to Brawijaya University, the shortfall in supply not only meant that recipients were given less than the stipulated amount of rice but also that it caused horizontal conflicts when the rice was distributed (2006: 38, 121). The Institute for Empowerment and Development Studies also reported that the fact that the supply was less than needed for the number of poor households created social jealousy and disharmony at the community level, at the same time causing difficulties for those handling village-level distribution when it came to prioritizing who most needed the rice (2005: 74).

Field studies showed the same tendencies. The shortfall in the amount of rice supplied was used as an excuse by local-level program administrators to deviate from the official mechanisms for distributing the rice and determining targets. These deviations, which included reducing distribution frequency, rotating recipients, increasing the number of recipients and distributing the rice evenly, ultimately meant that target households did not receive the stipulated amount of rice. Deviations were also encouraged by inaccuracies in BPS data, that is, poor households that were not registered while on the other hand non-poor households that were registered as being poor.

### **2.1.3 Determination of Target Beneficiaries**

#### **Village consultative meetings (*mudes*)**

According to the 2006-2007 Raskin General Guidelines, the BPS list of poor households, which represents data for the target households intended to benefit from the program, is to be used as the basis for setting allocations down to village/*kelurahan* level. At this level, a village consultative meeting is used to determine beneficiaries. The meeting should be conducted in a transparent and participatory manner by involving the various components of the community, including representatives of poor households.

The 2001–2005 Raskin General Guidelines states that village meetings to determine target households are to refer to data on target families, at that time BKKBN data for KPS and KS-1 families. The 2006–2007 Raskin Guidelines, however, do not stipulate that the village meeting must refer to the BPS data on poor families. In fact, in the section entitled ‘Determination of Beneficiaries’, it is not stated that beneficiaries must be poor households. The absence of such a requirement can be used by program administrators as justification for distributing Raskin not only to poor households or for sharing it out equally, provided that the decision to do so is made during a village meeting. Although in the introduction to the Raskin General Guidelines it is stated that the Raskin program targets poor households, it is quite possible that program administrators do not use the guidelines in full, especially since, as stated above, distribution of the Raskin General Guidelines itself is still very limited and does not extend to those handling implementation at the community level.

The findings of the document review show that village consultative meetings are not held in all villages/*kelurahan*. Even in cases where such meetings were conducted, their implementation was still below optimum because there was insufficient community involvement and because on the whole the meetings did not seek to sharpen the targets. Andalas University reported that only one of the 12 villages (*nagari*) which they assisted had ever held a village meeting for this purpose and that the implementation was not complete (2006: 3-15). According to Hasanuddin University, not all villages/*kelurahan* have conducted village meetings to determine Raskin beneficiaries (2006: 40). In fact, IPB states that there have been virtually no village meetings for allocation, and, where there have been held, they have involved only the village head and the heads of villages and neighborhoods (RW and RT) (2006: slide 15). Brawijaya University reported that village meetings have been conducted in two sample districts, but in one other district only a few of the villages held such meetings (2006: 73, 79). According to Hastuti and Maxwell, discussions were held in some villages; however, only village staff participated and the discussions were only intended to justify that the decision-making process had proceeded in accordance with the stipulations (2003: 40). University of Indonesia (2004: 142, 150) and PT Daya Makara UI (2006: 86) had similar findings, both stating that village meetings did not actually involve the community and that village meetings, which was really to verify data, did not fully realize their intended function. In fact, Hastuti and Maxwell (2003: 30), Andalas University (1999: IV-25) and the University of Indonesia (2004: 142) all reported cases of village meetings at which it was decided that the supply of rice should be shared out equally among all families, rich and poor alike.

Field work revealed a situation fully in line with the findings of the document review. Of the six sample villages/*kelurahan*, only the two East Java villages held village consultative meetings. Even then, the aim of the meetings in these two villages was not to sharpen or verify the data concerning beneficiaries, but rather to decide that Raskin rice would be shared equally among all households.

According to Brawijaya University, lack of funds and time limitations are the reason for why so many villages do not hold village meetings, or else they believe that it is sufficient for discussions to be held at subdistrict level (2006: 74). The Institute of Demography found that one reason for why village meetings are not conducted is that a list of recipients provided by BKKBN officials already exists (FEUI 2003: 86).

### **Methods of determining beneficiaries**

As a consequence of the fact that village consultative meetings are not conducted in all areas and implementation is far from optimal, the method by which beneficiaries are determined varies from place to place. Some villages set targets through a village meeting, some use national reference data as the basis (BKKBN data or BPS data for poor households), and in some cases decisions are made by RT and RW heads or by village/*kelurahan* heads.<sup>5</sup> In many cases these various methods ultimately result in a decision that the rice should be shared out equally among a greater number of households or among all households.<sup>6</sup> The different

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<sup>5</sup>For the different methods in determining beneficiaries, see Hastuti and Maxwell (2003: 31–2), Institute for Empowerment and Development Studies (2005: 68), Brawijaya University (2006: 115), Hasanuddin University (2006: 38–40), and USESE Foundation (2004: 47, 49, 53).

<sup>6</sup>These cases were found in the following studies: Bulog (2006: 21), Hastuti and Maxwell (2003: 30), Institute for Empowerment and Development Studies (2005: 34, 46), IPB (2005: *slide* 28), IPB (2006: *slide* 15), Lembaga Demografi (FE-UI 2003: 17, 39, 70), Perdana and Maxwell (2004: 27), PT Daya Makara UI (2006: 27), Fillaili et al (2007: 95), Andalas University (1999: IV-25), Bojonegoro University (2006: 46–47), Brawijaya University (2006: 41), Hasanuddin University (2006: 46–47), University of Indonesia (2004: 142, 151), and USESE Foundation (2004: 47).

reasons behind these decisions include prevention of conflict, insufficient supply of rice than is needed for the number of poor households, avoidance of social jealousy, the existence of demands from persons who were not entitled to receive the rice, and the need to reach deadlines for the sale and payment of the rice.<sup>7</sup>

Field studies also revealed variations in the ways in which beneficiaries are determined. In Kabupaten Agam, West Sumatra, the local government has put pressure on all Raskin administrators to use the BPS list of poor households. In the sample villages, program administrators at the community level have adjusted the list with the agreement of the village head because they regard the BPS data as inaccurate. They have adjusted the lists of beneficiaries by asking relatively well-off households to transfer their quota to unregistered poorer households. In some cases replacement of beneficiaries is done with the knowledge of the registered poor households although not routinely in each distribution. There are also those who make adjustments by increasing the number of recipients in such a way that beneficiaries obtain Raskin rice in alternate months or else they receive only a small quota of rice. Distributors at the village/*kelurahan* level select replacement or additional recipients after considering the socioeconomic situation of the households in question.

The sample villages in East Java conduct village consultative meetings involving the community. However, these meetings are held only to decide that Raskin rice will be shared out equally among all households, without taking the economic status of the individual households into account. In one hamlet, only public servants, members of the army or police force and pensioned individuals are excluded from the equal distribution because they are considered to have a regular income and to be financially well-off. The policy of distributing equal shares is intended to prevent any social tension as a consequence of demands by nonpoor members of the community who believe that Raskin rice is a “gift” from the government and hence every household has the right to receive it.

In the sample villages in Southeast Sulawesi, the Raskin rice distribution system differs from one village to another and even from one neighborhood to another. In Kelurahan Wolulu, officials in one neighborhood have applied a system of equal distribution among all households in an attempt to prevent any conflict and tension among residents, meaning that beneficiaries do not receive the full Raskin rice quota. In another neighborhood, a rotational system has been applied, which means that recipients do not receive rice every month. In the village of Sumber Rejeki, Raskin rice was only divided among a set number of beneficiaries in keeping with quota, determination of which referred to BKKBN data.

### Accuracy in targeting

Several documents have concluded that the determination of target beneficiaries is the main weakness of the Raskin program because not all poor households receive Raskin rice while many nonpoor households do. The University of Indonesia came to the conclusion that in terms of effectiveness in implementation, Raskin has many problems related to targeting accuracy (2004: 159). Hasanuddin University stated that the problem with beneficiary targeting is still the main issue because there are poor households that do not receive Raskin rice and *vice versa* (2006: 35). The same finding was expressed by Andalas University, which stated that one

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<sup>7</sup>These reasons were stated in the following studies: Bulog (2006: 21, 27, 29), Institute for Empowerment and Development Studies (2005: 46–47), Institute of Demography (FEUI 2003: 39, 47, 70, 78), Perdana and Maxwell (2004: 28), PT Daya Makara UI (2006: 86), Fillaili et al (2007: 95), Andalas University (1999: IV-25), Bojonegoro University (2006: 46), Brawijaya University (2006: 113, 133), University of Indonesia (2004: 136, 142), and USESE Foundation (2004: 49, 51).

of the weaknesses of the Raskin program is the fact that there are nonpoor recipient families that receive the rice (2005: 3-16). According to Sumarto and Suryahadi, Raskin reached 52.6% of poor households but the number of nonpoor households that benefited was also relatively high at 36.9% (2001: 13). The World Bank has even reported that more nonpoor than poor households receive Raskin rice (2006: 215). A number of other documents contain similar statements regarding inaccurate targeting.<sup>8</sup>

The results of the secondary data analyses point to the same conclusion. The analysis of Raskin targets and achievements in Table 6 shows that according to both Bulog and Susenas (BPS) data for 2002–2006, Raskin rice was distributed to a greater number of recipients than the number of target households. According to Bulog data, the ratio of recipient households to target households ranged from 128% to 147%, while data from Susenas indicate that the proportion was between 214% and 284% or approximately two to three times greater.

**Table 6. Raskin Beneficiaries: Targets and Achievements**

	2002	2003	2004	2005	2006
No. of poor households	15,135,561	15,746,843	15,746,843	15,791,884	15,503,295
Target recipients (poor households)	9,790,000	8,580,313	8,590,804	8,300,000	10,830,000
<b>Achievements:</b>					
No. of recipients:					
▪ Bulog data	14,355,227	11,832,87	11,664,050	11,109,274	13,882,731
▪ BPS data	20,943,085	22,519,131	20,063,738	23,552,956	25,147,329
Ratio of BPS data to Bulog data	1.46	1.90	1.72	2.12	1.70
% recipients from poor households					
▪ Bulog data	94.84	75.14	74.07	70.35	89.55
▪ BPS data	138.37	143.00	127.41	149.15	162.21
% recipients from targets					
▪ Bulog data	146.63	137.91	135.77	133.85	128.19
▪ BPS data	213.92	262.45	233.55	283.77	232.20

Source: Bulog and Susenas BPS (processed)

If Raskin rice had only been distributed to the poorest households recorded in Bulog data, the program would have been able to reach 70% to 95% of existing poor households, while according to BPS data it would have even exceeded the number of poor households (127% to 152%). Furthermore, with a total number of 50–59 million households between 2002 and 2006, the Raskin program should have been able to provide benefits for approximately 40% of households in Indonesia, and could have reached all households at the lowest level of prosperity, although the amount of rice would have been below the stipulated level.

According to the Susenas results, however, Raskin rice was received by all household groups where grouping is based on quintiles of per capita expenditure. Households in quintiles 1 and 2, which are the least prosperous groups, constituted only 53% of total recipients. A similar pattern was found in the three sample regions, where Raskin recipients belonging to quintiles 1 and 2 constituted only 44% to 63%. By contrast, Raskin rice was received by households classed as nonpoor in quintiles 3 to 5, despite the fact that these households should not have obtained Raskin rice at all. This means that leakage of 47% occurred at the national level and between 37% and 56% in the sample regions (Table 7).

<sup>8</sup>See, among others, Anak Bangsa Peduli (2006: 47), Hastuti and Maxwell (2003: 45), Komisi IV DPR RI (2007: 10), Institute of Demography (FEUI 2003: 17), LP3ES (2000: 54), Perdana and Maxwell (2004), Andalas University (2006: 3–25), Brawijaya University (2006: 113, 133), Hasanuddin University (2006: 52), World Bank (2003: 61), and World Bank (2005: 3).

**Table 7. Distribution of Raskin Recipients by Quintile of per Capita Household Expenditure (%)**

Quintile	2002	2003	2004	2005	2006
<b>Indonesia</b>					
Quintile 1	29.11	28.19	28.47	29.19	29.04
Quintile 2	23.66	23.38	23.37	24.01	23.48
Quintile 3	19.63	19.88	20.03	19.84	19.83
Quintile 4	16.37	16.74	16.60	16.06	16.36
Quintile 5	11.22	11.81	11.53	10.90	11.29
Total	100.00	100.00	100.00	100.00	100.00
<b>West Sumatra</b>					
Quintile 1	20.82	22.49	27.21	26.26	27.95
Quintile 2	23.47	21.90	20.98	21.38	22.50
Quintile 3	22.30	20.82	22.13	21.99	19.07
Quintile 4	17.86	21.37	17.28	16.63	17.91
Quintile 5	15.55	13.43	12.40	13.75	12.58
Total	100.00	100.00	100.00	100.00	100.00
<b>East Java</b>					
Quintile 1	31.26	31.86	31.79	33.64	33.19
Quintile 2	23.94	24.53	24.94	25.24	24.74
Quintile 3	19.18	19.43	19.21	19.18	19.36
Quintile 4	15.58	14.33	14.79	13.72	14.08
Quintile 5	10.04	9.85	9.28	8.21	8.64
Total	100.00	100.00	100.00	100.00	100.00
<b>Southeast Sulawesi</b>					
Quintile 1	34.25	35.39	33.14	39.67	36.59
Quintile 2	22.79	27.43	25.80	23.24	24.20
Quintile 3	19.57	20.46	19.98	17.17	18.55
Quintile 4	13.94	12.05	13.09	12.56	13.96
Quintile 5	9.45	4.68	7.98	7.37	6.70
Total	100.00	100.00	100.00	100.00	100.00

Source: Susenas BPS 2002–2006 (processed)

The extent of targeting accuracy can also be judged by comparing the proportions of poor and nonpoor households that the program does or does not reach. Analysis of Susenas data shows that in the 2005–2006 period, the proportion of poor households reached by the Raskin program rose by 19.8 percentage points from 62.9% to 82.7%. Unfortunately, this increase in poor beneficiaries was accompanied by an increase of 8 percentage points in the nonpoor households that benefited, namely, from 23.8% to 31.8% (Table 8).

**Table 8. Percentage of Raskin Beneficiaries and Nonbeneficiaries by Household Poverty Status (%)**

	2005		2006	
	Poor	Not poor	Poor	Not poor
Recipients	62.88	23.85	82.69	31.82
Nonrecipients	37.12	76.15	17.31	68.18
Total	100.00	100.00	100.00	100.00

Source: Susenas BPS 2005 and 2006 (processed)

Note: In 2006 the poor were defined as recipients of the Direct Cash Transfer and the nonpoor as those who did not receive this Transfer.

Between 2005 and 2006, the correlation between Raskin recipients and poor households in Indonesia increased from 40% to 48% but the value remained low. The correlation between Raskin recipients and poor households in the three sample regions also increased. The correlation in Southeast Sulawesi increased quite a lot from 43% to 65%, whereas in West Sumatra and East Java the rises were relatively smaller, moving from 36% to 50% and from 41% to 47% respectively (Table 9).

**Table 9. Correlation between Raskin Beneficiaries and Households with Poor Status**

Region	Correlation Coefficient	
	2005	2006
Indonesia	0.3987	0.4836
West Sumatra	0.3658	0.4995
East Java	0.4154	0.4757
Southeast Sulawesi	0.4316	0.6574

Source: Susenas BPS 2005 and 2006 (processed)

The results of the field studies show interregional variations in the determination of targets. Targeting is relatively accurate in the sample villages in West Sumatra, but even so a small number of poor households still do not receive Raskin rice while some nonpoor households do. Targets in the sample villages in East Java are not accurate because a system of equal distribution is applied, which means that households in all “poverty” categories receive rice. In the sample villages in Southeast Sulawesi the accuracy of targets varies. One sample village applies a rotational system and an equal share system, as a consequence of which both poor and nonpoor households are recipients. Targeting in the other sample villages is relatively accurate because Raskin rice is only distributed to households entitled to receive it.

The document review reveals the existence of villages that have implemented the Raskin program relatively accurately as far as targeting is concerned, although only in a limited number of areas. Hastuti and Maxwell showed that targeting accuracy is influenced by the determination and commitment of the village head to distribute Raskin rice only to poor households (2003: 47). The local community accepted this policy because the village head socialized the fact that Raskin rice is intended only for poor households and because transparency existed on the part of recipient households. It proved possible to carry out this practice despite the fact that there was a tendency in neighboring villages for Raskin rice to be shared out equally among all households.

Field findings in West Sumatra also show that targeting accuracy is influenced by commitment on the part of program administrators. In this region, governments from the provincial down to the village/*kelurahan* level support the Raskin program as part of the attempt to activate the poverty eradication program. Local governments include the successful handling of the Raskin program as an indicator in the performance evaluation of lower-level governments. Local governments stress to program administrators the need to use BPS data for poor households when identifying Raskin beneficiaries.<sup>9</sup> Lists of beneficiaries are provided down to officials handling distribution of the rice to individual households. The community knows about the data and has easy access to these lists. Targeting accuracy is also encouraged by the efforts of various parties to increase

<sup>9</sup>In Kabupaten Agam, verification of the BPS data for poor households, which had been used to determine targets, was done again at the end of 2006 by the local government in cooperation with BPS using APBD funds.

community understanding that Raskin rice is the right of poor households.<sup>10</sup> In addition, an award was recently (2007) given to the district/city government that best managed Raskin rice distribution, with the expectation that an award of this kind will encourage all of districts/cities to try to obtain similar recognition in coming years.

In Southeast Sulawesi, targeting in one study village was accurate because the supplied amount of rice was in accordance with the existing number of poor households. In addition, efforts are often made to include socialization of the Raskin program for the community at village meetings.

#### 2.1.4 Frequency of Distribution and Receipt of Rice

Since July 1998, rice allocated through the Raskin program has been distributed every month or 12 times a year, except in 2006, when it was distributed only 10 times (Table 10).<sup>11</sup> Distribution frequency for 2007 was set at 12 times, yet there is a possibility that in reality the frequency will be lower because of the increase in the price of rice. When the National Budget was approved the price of rice supplied by Bulog was set at Rp3,550 per kg, but in reality there has been a price increase since June. At the time of the research the price had reached Rp4,000 per kg. Consequently, there is a possibility that Raskin rice will not be distributed for the month of December unless the government increases the budget.

**Table 10. Raskin Distribution Frequency by Year**

Year	Frequency per Year
1998/1999	9
1999/2000	12
2000	9
2001	12
2002	12
2003	12
2004	12
2005	12
2006	10
2007	12

Source: Raskin General Guidelines, various years

Several documents state that distribution frequency is in line with stipulations in the majority of regions. Nevertheless, there are some regions where frequency has been lower for various reasons. Hastuti and Maxwell (2003: 29), the Institute of Empowerment and Development Studies (2005: 56) and the University of Indonesia (2004: 161) have all reported the existence of

<sup>10</sup>Socialization efforts were also undertaken by Andalas University, which designed stickers and offered them to the local government to be placed on each target house. The wording on the stickers was “*Poor Household: Oh God, grant prosperity to our poor brothers, protect and bless them. If they are only pretending to be poor, we are aware that Your wrath is very bitter.*” The local Bulog division also prepared CDs containing the Raskin song, which stresses that Raskin rice is intended only for poor households.

<sup>11</sup>In 2000 there was a change in the budget year from April–March to January–December, which meant that in that year rice was distributed only nine times.

regions that have requested that Raskin rice be distributed once every two months because of allocation shortages. According to Tabor and Sawit, in West Nusa Tenggara Raskin is only distributed in the preharvest period because during the harvest season there are plenty of employment opportunities and foods is available (2006: 35). In that case, the region had actually received the correct amount of Raskin rice according to the quota for one year, but it was not distributed every month. Brawijaya University states that some villages have not received Raskin rice every month because of administration and payment problems (2006: 94).

Field visits have indicated that Raskin rice is distributed regularly and in accordance with stipulations in the three sample regions. Kolaka District is an exception; in this district the amount of rice that is received is smaller than needed for the total number of poor households and so a decision has been made to distribute the allocation only nine times a year. One district in West Sumatra Province does not carry out monthly distribution, namely, the District of the Mentawai Islands. There rice is distributed once every four months because the area is located far from the provincial capital and can only be reached by sea transportation, which is greatly affected by weather conditions.

Distribution frequency at the regional level is not always the same as the frequency with which target households receive the rice. Target households may not always access Raskin rice at each distribution because a rotation system may be in place. In other cases households cannot obtain the rice because they do not have the money to pay for it or because they have not been informed that the rice has arrived.<sup>12</sup>

Documents reveal that while beneficiaries do not always obtain Raskin rice every month, there are even some cases where they have received it only once in a year. IPB states that frequency of rice receipt in its study areas varied from 1 to 10 times a year rather than 12 times IPB (2005: slide 12–13). Anak Bangsa Peduli also stated that quite a lot of respondents (20% to 23%) only purchased Raskin rice 1 to 3 times in 2005 (2006: 37, 45). The Institute of Demography (FEUI 2003: 39) and Andalas University (2006: 3–22) also found that beneficiaries in several villages could not buy Raskin rice every month or else they bought it only once in 2 or 3 months because recipients took turn to do so. At the same time, when distribution frequency was fixed at 10 times a year in 2006, Fillaili et al reported that respondents received the rice once 1 to 6 times in that year (2007: 94).

Analysis of Susenas data supports the document review findings. The frequency at which households at the national level and also in the three sample provinces received rice ranged from 1 to 8 times. This means that no households in the Susenas sample received Raskin the full 12 times during 2002. On average, households received the rice only 4 or 5 times a year, or less than 50% of the stipulated frequency (Table 11).

**Table 11: Average Frequency of Receipt of Raskin per Beneficiary Household in 2002**

Region	Average	Minimum	Maximum
Indonesia	5	1	8
West Sumatra	4	1	8
East Java	5	1	8
Southeast Sulawesi	4	1	8

Source: Susenas BPS 2003 (processed)

<sup>12</sup>This is found in the following studies: Anak Bangsa Peduli (2006: 47), Bulog (2006: 18), Institute of Demography (FE-UI 2003: 79-81), Andalas University (2006: 3-22), and the University of Indonesia (2004: 78).



In the study regions, the majority of beneficiaries were able to obtain rice at each Raskin rice distribution. In the study areas in West Sumatra, most recipients obtained the rice once every month. However, beneficiaries who did not obtain rice at each distribution were found in one hamlet where a rotation system was applied for certain households that were not regarded to be among the poorest households, which meant that they received Raskin rice every second month. Beneficiaries in the sample villages in East Java on the whole obtained Raskin rice every month. In the sample villages in Southeast Sulawesi, some recipients were able to obtain the rice in accordance with the distribution timetable, that is, 9 times per year, but in areas that applied an equal allocation system or a rotation system, beneficiaries received rice only 3 to 4 times a year.

### 2.1.5 Amount and Quality of Rice Received by Beneficiaries

Each year, the distribution of the Raskin rice allocation at the national level is almost fully realized, at the rates of 95.13–99.97% (Table 12). Bulog distributes the rice allocation to the distribution points all over Indonesia, which numbered more than 50,000 in 2007. However, this alone does not adequately reflect the program’s distribution success; rather, the accuracy of both the quantity and quality of the rice received by beneficiary households must also be taken into account.

**Table 12. Raskin National Allocations and Their Allocation Realizations**

Year	Allocation	Realization	
		Tonnes	%
2002	2,349,600	2,235,141	95.13
2003	2,059,276	2,023,664	98.27
2004	2,061,793	2,060,198	99.92
2005	1,991,897	1,991,897	99.96
2006	1,624,500	1,624,500	99.97

Source: Bulog

#### Quantity of rice received by beneficiaries

The quota of Raskin rice per targeted household per month has experienced several changes. After being set at 20 kg for several years, the Raskin monthly quota per household fell to 15 kg in 2006 and to 10 kg in 2007 (Table 13). The rice quotas per household in 2001, 2005, and 2006 are different with the General Guidelines. That is, for those years, the General Guidelines did not firmly set the amount of rice for each targeted household but put it within a certain range. In 2005, for instance, the General Guidelines allowed the distribution of between 10 and 20 kg per beneficiary household, whereas the allocation was set at 20 kg. While on one hand this gave program administrators room to reach poor households that do not receive a quota, but on the other hand, it opens up opportunities for deviation.

The document review reveals that the quantity of rice that beneficiary households receive varies and is generally less than the allocation to which they are entitled.<sup>13</sup> In fact, when the

<sup>13</sup>See Anak Bangsa Peduli (2006: 44), Bulog (2006: 37), Hastuti and Maxwell (2003: 37), Institute of Empowerment and Development Studies (2005: 58), IPB (2005: slide 12), IPB (2006: slide 11), FEUI Demography Institute (2003: 79), LP3ES (2000: 29), PT Daya Makara UI (2006: 95), Fillaili et al (2007: 72-73), West Java Raskin Monitoring and Evaluation Team (2005: slide 26), Andalas University (1999: IV-30), Andalas University (2005: 3-13), Andalas University (2006: 3-22), Bojonegoro University (2006: 53), Brawijaya University (2006: 133), University of Indonesia (2004: 142), and USESE Foundation (2004: 83).

rice quota was set at 20 kg, some beneficiaries only received 2 liters.<sup>14</sup> The World Bank (2005: 3) has suggested that on average, beneficiaries only received 6–10 kg per distribution and University of Indonesia (2004: 142) stated that the figure is 8–16 kg per distribution. Andalas University (2006: 3-22) also reported that some beneficiaries only received 3 kg. Bogor Agriculture Institute (IPB) found that beneficiaries in Kabupaten Bogor received an average of only 2–4 kg per month and those in Kabupaten Sukabumi received an average of 6–8 kg per month (2005: slide 12–13).

**Table 13. Raskin Quotas and Realizations per Households per Month**

Year	Quota (kilogram)		Average Realization (kilogram)	
	Allocation/RTM	General Guidelines	Bulog	Susenas BPS
1998/1999	10 and 20*	10 and 20*	n.a.	n.a.
1999/2000	20	20	n.a.	n.a.
2000	20	20	n.a.	n.a.
2001	14.38	10–20	n.a.	n.a.
2002	20	20	13.0	8.9
2003	20	20	14.3	7.5
2004	20	20	14.7	8.6
2005	20	10–20	14.9	7.0
2006	15	10–15	9.8	5.7
2007	10	10	n.a.	n.a.

Sources: Raskin General Guidelines, Bulog Data, and Susenas BPS for the various years (processed)

Note: \*The monthly Raskin rice quota per beneficiary household was 10 kg during July–November 1998 and 20 kg during December 1998–March 1999; n.a. = data not available

The result of the analysis of Susenas data shows that Raskin rice is distributed to more than 2 to 3 times the targeted number of beneficiary households and that consequently each beneficiary received less rice than they should have (Table 14). According to Bulog data, beneficiaries received 9.8–14.9 kg per month, while according to BPS Susenas data they received 5.7–8.9 kg per month. These amounts only reach 65%–78% and 35%–45% of the total allocation quota per beneficiary respectively.

**Table 14. Realization of Amount of Raskin Received per Household**

Year	Distribution Realization (tonnes)	Realization of Beneficiaries (households)		Quantity of Rice per Household (kilograms)	
		Bulog	BPS	Bulog	BPS
2002	2,235,141	14,355,227	20,943,085	13.0	8.9
2003	2,023,664	11,832,897	22,519,131	14.3	7.5
2004	2,060,198	11,664,050	20,063,738	14.7	8.6
2005	1,991,897	11,109,274	23,552,956	14.9	7.0
2006	1,624,500	13,882,731	25,147,329	9.8	5.4

Source: Bulog and Susenas BPS 2002–2006

<sup>14</sup>See Institute of Empowerment and Development Studies (2005: 58), IPB (2005: slide 12), IPB (2006: slide 11), and FEUI Demography Institute (2003: 79).

Similar findings were also obtained during the field visits, which showed that since the rice allocation has been determined at 10 kg, beneficiaries have not always received the correct amount, with differences found between regions. In the sample villages in West Sumatra, beneficiaries usually receive the stipulated quantity of 10 kg per month. Beneficiaries who received less Raskin rice than is stipulated, at only 10 liters, were only found in one neighborhood. This was caused by the fact that distributors had added unregistered poor households as beneficiaries, with the approval of the village and neighborhood heads and with the knowledge of registered beneficiaries.

In one sample village in East Java, beneficiaries received 4–7 kg per month because Raskin rice was distributed evenly among all households. While they received less rice than they should have, the community did not fault this as they emphasized the importance of togetherness.

In the case of Kabupaten Kolaka, Southeast Sulawesi, variations in the quantity of rice received did not only occur between villages or *kelurahan*, but also between hamlets. In one hamlet which alternated distribution, beneficiaries received the correct amount of 10 kg, but did not receive the rice during every distribution. In another hamlet of the same village which evenly distributed the rice, beneficiaries only received 4 kg each distribution. In a different sample village the number of beneficiaries was the same as the target, and so each beneficiary household received the correct amount of 10 kg in each distribution.

### Rice Quality

According to the General Guidelines, Raskin rice is to be of medium quality and in good condition without any blighting or pests, in accordance with the government purchase quality standards as regulated in legislation. The document review shows that beneficiaries received rice of varying quality, with the majority of a satisfactory condition but occasionally spoiled.<sup>15</sup> According to FEUI Demography Institute, only a few sacks contained rice of an unsatisfactory quality (2003: 24).

During the initial stages of the OPK program the quality of the rice was often criticized. However, over the following years the quality of Raskin rice tended to improve. According to Hastuti and Maxwell, the quality of Raskin rice in the sample regions was of an acceptable standard (2003: 25). IPB (2005: slide 25), the West Java Raskin Program Monitoring and Evaluation Team (2005: slide 10, 16, 27), and Andalas University (2006: 3-24) reported that the majority of respondents stated that the rice they received was suitable for consumption. University of Indonesia (2004: 145) also reported that the quality of Raskin rice was not particularly different to quality of the rice that beneficiaries usually consume.

The field study results support the results from the document review. Respondents in the three sample regions stated that the Raskin rice they had received to date was of a good quality or equal to the quality of the rice they usually consume. However, in past years they had sometimes received poor quality rice that smelled bad, was infected with pests, or was yellow in color.

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<sup>15</sup>See Anak Bangsa Peduli (2006: 37, 44), IPB (2005 *slide* 25), Institute of Empowerment and Development Studies (2006: 86), Komisi IV DPR RI (2007: 11), LP3ES (2000: 30), PT Daya Makara UI (2006: 98), SMERU (1998: 9), Fillaili et al (2007: 98), Universitas Bojonegoro (2006: 55), Universitas Brawijaya (2006: 105-109), and USESE Foundation (2004: 73)

## 2.1.6 Price Paid by Beneficiaries and Payment Systems

Since the program was initially implemented in 1998, the price of Raskin rice has been set at Rp1,000 per kilogram at the distribution point. The results of the document review show that in reality, beneficiaries pay prices varying between Rp1,000–2,900 per kilogram. The majority of the documents state that there are beneficiaries who pay the correct amount of Rp1,000 per kilogram, but all of the documents also state that some beneficiaries have paid above that amount. In fact, according to IPB (2006: slide 12), in some of their sample regions the price reached Rp3,750 per kilogram (Table 15).

**Table 15. Amount Paid by Beneficiaries (per kilogram) according to the Document Review**

Study Implementer	Year of Publication	Price (Rupiah/kilogram)
Anak Bangsa Peduli	2006	1,000–1,500
Bulog	2006	1,000–2,000
Hastuti & Maxwell (SMERU)	2003	1,100–1,875
Bogor Agriculture Institute	2005	1,400–1,800
Bogor Agriculture Institute	2006	1,037–3,750
Institute of Empowerment and Development Studies	2006	1,000–1,440
LP3ES	1999	1,000–1,500
FEUI Demography Institute	2003	1,000–2,200
SMERU	2003	1,100–1,875
Fillaili et al (SMERU)	2007	1,100–1,750
West Java Raskin Team	2005	1,125–1,500
Andalas University	1999	1,000–1,300
Andalas University	2005	1,000–1,500
Andalas University	2006	1,000–1,600 (one case of 2,700)
Bojonegoro University	2006	1,000–1,400
Brawijaya University	2006	1,000–1,250
Hasanuddin University	2006	1,000–1,350
University of Indonesia	2004	1,000–1,200
USESE Foundation	2004	1,000–1,800
World Bank	2006	maximum of 2,900

Based on the Susenas 2004–2006 data, the national average for the price paid by beneficiaries has exceeded the stipulated rate and has increased from year to year. This is also reflected in the three sample provinces (Table 16). Out of the three sample regions, West Sumatra recorded the highest prices and East Java the lowest.

**Table 16. Raskin Price at the Household Level (rupiah per kilogram)**

Region	Average Price		
	2004*	2005*	2006**
Indonesia	1,160	1,225	1,253
West Sumatra	1,175	1,261	1,477
East Java	1,090	1,117	1,081
Southeast Sulawesi	1,126	1,233	1,319

Source: Susenas BPS 2004–2006 (processed)

Notes: \*: figures from final quarter

\*\* : figures from final half

The field findings show that beneficiaries pay varying prices per kilogram among the three sample regions. In the sample villages in West Sumatra, beneficiaries paid between Rp1,200–1,300, in East Java they paid Rp1,000, and in Southeast Sulawesi they pay between Rp1,000 and Rp1,440. In East Java, the price is in accordance with the stipulated price as distribution points are located in each village and hence also function as direct distribution points.<sup>16</sup> The price is higher in West Sumatra as the primary distribution points are only located in subdistrict offices, which are located up to 25 kilometers from where the rice is distributed to beneficiaries from secondary distribution points. In Southeast Sulawesi, depending on whether the rice is distributed to beneficiaries from direct or secondary distribution points, prices are either accurate or inaccurate.

It can be concluded from the above facts that the factors contributing to the accuracy of the price of Raskin rice include the distance of the distribution point from beneficiaries and the function of the distribution point, that is, whether it is only a primary distribution point or whether it also functions as a secondary point from where the rice is distributed to beneficiaries. Several studies have found that the price of Raskin rice is determined by transportation costs.<sup>17</sup> Differences in the price of Raskin rice can be influenced by the provision of packaging (plastic bags, sacks, buckets) from beneficiaries (Institute of Empowerment and Development Studies 2005: 34; Institute of Demography (FEUI 2003: 22) and the size of the contribution from the regional budget (APBD) (Andalas University 2006: 3–23).

Price variations have also been influenced by the policies that determine the price, the majority of which have been decided by local implementers. Hastuti and Maxwell reported a tendency for village heads to have the greatest role in the determination of the Raskin rice price (2003: 35). According to USESE Foundation (2006: 56, 64, 69) and FEUI Demography Institute (2003: 19, 88–89), price determination methods vary, sometimes including community meetings, or otherwise prices are decided by RT/RW heads, PKK members, or the village head. However, according to the Institute of Empowerment and Development Studies (2005: 67), PT Daya Makara UI (2006: 93), and Hasanuddin University (2006: 39), the village head and beneficiaries determine the price together.

<sup>16</sup>Direct distribution points both receive the rice from Bulog and distribute it directly to the beneficiaries. In areas where this does not occur, in this study, the points to where Bulog delivers the rice are referred to as primary distribution points (*titik distribusi*), and the points from where beneficiaries collect their rice are called secondary distribution points (*titik bagi*).

<sup>17</sup>See Hastuti and Maxwell (2003: 35), Institute of Empowerment and Development Studies (2005: 67), Institute of Demography (FEUI 2003: 19), PT Daya Makara UI (2006: 93), and Bojonegoro University (2006: 51).

The field findings show that various methods are used to decide upon the price. In the sample villages in West Sumatra and Southeast Sulawesi, the village head or distributor determines the price, while in East Java a village meeting is held for that purpose. While beneficiaries are not involved in the price determination process in all locations, they generally accept the suggested price as it is always less than the market price.

Beneficiary households generally pay for their Raskin rice with cash (cash and carry). In several cases households pay before the rice arrives, but in other cases they can pay after they have collected the rice. The requirement to pay for the rice with cash can mean that beneficiaries are not able to purchase it when the rice arrives. According to FEUI Demography Institute, if a poor household were unable to redeem rice, then their quota would be offered to other households who are not necessarily poor (2003: 18).

Distributors transfer the money collected from beneficiaries to program administrators at the distribution points. The administrators will then transfer the money to the Bulog subregional division directly or via bank transfer. Usually, the implementers at the distribution points are given leeway of up to two weeks after the rice distribution to transfer the funds. The disbursement of funds from the distribution points determines the timing of the following disbursement of rice, as Bulog will not distribute the rice if the funds have not been received.<sup>19</sup>

### **2.1.7 Capacity Building**

The Raskin program does not have a special agenda to increase the capacity of implementing institutions or the community. It is only designed to provide subsidized rice for poor families in order to reduce their food expenditure. Nevertheless, in 2005–2006, Bulog invited 10 tertiary institutions to conduct a study and assist in 12 provinces. To carry out their assignment, the universities placed students in several villages/*kelurahan* to assist the Raskin administrators with aspects of socialization, target determination, distribution, and payments, and also provided feedback to Bulog.

The assistance from the tertiary institutions to village/*kelurahan* -level administrators is not effective as it is a research-focused project and the areas of assistance are limited. For instance, Andalas University only provided assistance in 6 villages/*kelurahan* in 2005 and 12 villages/*kelurahan* in 2006, out of a total of 900 villages/*kelurahan* in West Sumatra. In addition, the assistance was only provided for 2 months each year.

The field study found similar results. SMERU did not come across any assistance or capacity building efforts for implementing institutions or beneficiaries in the three sample regions. In fact, in one sample village in East Java that should have received assistance from a tertiary institution, there was no sign of information that confirmed the village had actually received any assistance.

Nevertheless, although not specifically provided, capacity building can also result from the experience of implementing the program. Program implementers can obtain additional knowledge and skills, such as planning, target determination, distribution methods, management, complaint handling, and reporting. For other groups, such as tertiary institutions, NGO, and research institutes, Raskin implementation can be used as a source of knowledge through the implementation of research or monitoring and evaluation activities. Tabor and

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<sup>19</sup>See Anak Bangsa Peduli (2006: 47), FEUI Demography Institute (2003: 18), Fillaili et al (2007: 77), Hasanuddin University (2006: 36), and USESE Foundation (2004: 74).

Sawit have stated that Raskin functions as a laboratory that is beneficial for building the capacity of civil society at various levels via monitoring activities and program accountability (2006: 61).

## 2.2 Funding Structure

In accordance with the national scale of program operations, the central government is primarily responsible for the Raskin program's funding. There have been several changes to funding sources since the program's initial implementation. According to Tabor and Sawit, during its first eight months the program was entirely funded by APBN routine funds (*rupiah murni*) (2006: 98). After that and until 2001, the program was included as one of the Social Safety Net (JPS) programs and was entirely funded by soft loans from the World Bank, IMF, World Food Programme (WFP), and grants and bilateral aid through the Social Safety Net Adjustment Loan (SSN-AL). In 2002 the program split from the JPS and since then it has again been funded by APBN routine funds. In addition to the APBN, Raskin's implementation is subsidized by funds sourced from regional budgets and the community.

### 2.2.1 Funding Amounts

The government has increased its allocation of funds for the Raskin program from year to year in line with the increases in the number of targeted RTM. In the program's first year (1998–1999), Rp2.67 trillion of APBN funds was allocated (Tabor and Sawit 2006: 107). In 2007, Raskin funding had increased to Rp6.28 trillion (Table 17), equaling an average annual increase in the Raskin budget of 15%.

**Table 17. Raskin Budgets and Their Budget Realizations**

	2002	2003	2004	2005	2006	2007
Raskin budget (trillion rupiah)	4.24	4.8	4.83	4.97	5.32	6.28
APBN realization costs per kilogram (rupiah)						
Procurement	1,781.55	1,582.09	1,410.14	2,240.98	3,143.53	3,671.88
Packaging	96.59	106.74	36.83	42.73	49.7	57.06
"Exploitation"	157.54	175.75	175.84	354.37	474.43	483.59
Management	87.54	84.52	90.35	190.96	248.65	246.17
Bank fees	21.53	25.32	21.41	48.98	79.1	110.62
Interest repayments	280.51	277.44	232.32	452.91	592.72	n.a.
Historic stock carryover	677.21	1,086.98	1,494.67	n.a.	n.a.	n.a.
Total cost	3,102.47	3,338.84	3,461.56	n.a.	n.a.	n.a.

Source: Years 2002–2004 from Tabor and Sawit (2006: 41); Years 2005–2007 from Bulog

Notes: Bulog did not provide data for historic stock carryover for 2005–2007; "exploitation" costs involve warehouse fees (rental, surveying, construction, and renovation), transporting the rice between regions, depreciation, fumigation, and spraying; historic stock carryover is the historic value or book value of rice bought in the previous year and sold to the government in the current year.

The General Guidelines ask that regional governments allocate APBD funds in line with their responsibility to distribute rice to beneficiaries from the distribution points. Provincial governments are asked to provide a budget for program support, coordination, and monitoring and evaluation (M&E). District/city governments are asked to allocate a budget for operational

costs from the distribution points to the beneficiaries, as well as for the establishment of a Community Complaints Unit (UPM), coordination, and M&E.

According to University of Indonesia, regional government commitment via the APBD is needed to provide advance funds (*dana talangan*)<sup>20</sup> and the cost of distribution and socialization (2004: 153–156). Only one of the five sample districts provided advance funds and not one provided operational costs. Anak Bangsa Peduli stated that they found one sample district that provided operational costs and another that provided improvement costs (2006: 33, 40). Conversely, Andalas University stated that all districts/cities in West Sumatra had provided co-funding but in varying amounts and that only one city provided advance funds (2006: 3-26 and 3-27).

The field findings show that regional government funding support for the Raskin program varies. The regional governments of the sample regions in West Sumatra are reasonably responsive in providing Raskin funds, with all districts/cities contributing but in varying amounts. As an example, in 2007, Kabupaten Pasaman provided Rp1.3 billion while Kabupaten Agam provided Rp110 million. In East Java, according to the Community Empowerment Board (Bapemas) for August 2007, only five districts have allocated a budget for conducting Raskin activities: Kabupaten Probolinggo (Rp62.8 million), Lamongan (Rp250 million), Lumajang (Rp112.7 million), Jember (Rp90 million), and Nganjuk (Rp156 million). However, not one district/city government in Southeast Sulawesi allocated APBD funds to support the Raskin program.

The General Guidelines also encourage the community to contribute towards the cost of distributing the rice from the distribution points to beneficiaries. This is realized in the form of payments for the rice that are higher than the official price of Rp1,000 per kilogram at the distribution points. The results of the document review and field study show that these community contributions vary, as outlined in subchapter 2.1.6 on the price that beneficiaries pay for the rice.

## 2.2.2 Use of Funds

Technically APBN funds for the Raskin program are used to fund three main activities: procurement, storage, and distribution of the rice to the distribution points. Table 17 details the use of APBN funds for Raskin, the majority of which are used for rice procurement, during 2002–2007. According to Tabor and Sawit, during 2002–2004, the majority of the Raskin budget was used to fund rice procurement (41–57%) and historic stock carryover (22–43%) (2006: 41). Other components include bank interest (6.7–9.0%) and “exploitation” cost (5.1–5.3%). Management costs, often used as a measuring rod for the efficient use of funds for a program, only accounted for 2.5–2.8% of the budget.

For 2005–2007, Bulog’s data on the use of APBN funds indicates a similar pattern. Nevertheless, during the period 2002–2007, the different funding components show different tendencies. The procurement and packaging costs fluctuate, while operational costs, management fees, bank fees, and interest all experienced significant increases.

In the provincial and district/city levels, the cost of distributing the rice to the distribution points still falls under the responsibility of the APBN. Nationally, in 2007 the average distribution cost reached Rp173 per kilogram. At the provincial level, distribution costs from

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<sup>20</sup>*Dana talangan* are funds provided by regional governments and paid to Bulog to advance Raskin rice payments from the community, hence ensuring the routine distribution of Raskin rice.



the APBN vary between Rp105 per kilogram for Java to Rp1,855 per kilogram for Papua. In West Sumatra, distribution costs are around Rp141 per kilogram, with the exception of the Mentawai Islands (Rp411 per kilogram), which are difficult to access. In East Java, distribution costs are maintained at Rp102 per kilogram, and Rp114 per kilogram for Bulog's Bojonegoro subregional division, which includes three districts.

In fact, distribution costs from the APBN are not only used for transportation fees, but also for supporting costs such as administration fees, reporting costs, socialization, official travel, and honorariums. For example, in the Bojonegoro subregional division in East Java, the total Raskin operation costs for July 2007 reached Rp280.8 million to distribute 2,456 tonnes of rice to 1,232 distribution points. The majority of the funds are reserved for the cost of transporting rice from Bulog to the distribution point (43% or Rp49 per kilogram) and costs at the distribution point (25% or Rp28 per kilogram). There are also supporting costs, mostly consisting of the cost of honorariums and official travel (Table 18).

The cost of honorariums includes honorariums for members of regional Raskin teams and other related parties. The policy regarding the provision of honorariums is not formally regulated by Bulog, rather it depends on the respective regional or subregional division and the consideration of conditions in each region. One subregional division gives program administrators honorariums of Rp25,000 per distribution, while another gives honorariums to the relevant official or agency.

**Table 18. Use of Raskin Operational Costs in the Bojonegoro Subregional Division for July 2007**

<i>Component</i>	<b>Cost (rupiah)</b>		
	<b>Total Cost (rupiah)</b>	<b>Cost per Unit (Rp per kg)</b>	<b>Percentage of Total Costs</b>
<b>A. Distribution costs</b>	189,933,390	77	68%
- Transporting costs	120,349,390	49	43%
- Distribution point expenses	69,584,000	28	25%
<b>B. Supporting costs</b>	90,832,990	37	32%
- Administration costs	18,502,530	8	7%
- Honorariums and official travel	45,052,800	18	16%
- Meetings and coordination	27,277,660	11	10%
<b>Total operational costs</b>	<b>280,766,380</b>	<b>114</b>	<b>100%</b>

Source: Bulog East Java Regional Division, 2007

Regarding the use of APBD funds, several documents that report that regional governments provide APBD funds for administering Raskin do not provide details regarding the use of the funds. The documents only state that APBD funds are used for operational costs, improvement costs, and as advance funds. Nevertheless, Andalas University reported that APBD funds in Kabupaten Pasaman are used for the cost of distributing rice, so that beneficiaries only pay Rp1,000 per kilogram (2006: 3–23).

The field study shows that APBD funds are generally used to fund the activities of the Raskin administration team. In West Sumatra, Rp18 per kilogram of APBD funds are used for incentives for subdistrict-level program administrators. In the sample subdistricts, there are six program administrators including the subdistrict head, so each of them receives Rp75,000 per

distribution. In East Java, the majority of APBD funds are used for the operational costs of Raskin coordination teams in each district, not for distributing the rice or to make up for shortfalls in the amount of rice received.

The funds sourced from the community from payments for the rice that exceed the stipulated price are generally used for the cost of transporting the rice from primary distribution points to the secondary distribution points. Transportation costs also include loading and unloading and incentives for officials. According to Tabor and Sawit, from 2002 to 2004, the community contributed Rp190 per kilogram, Rp210 per kilogram, and Rp250 per kilogram, totaling Rp425 billion in both 2002 and 2003 and Rp515 billion in 2004 (2006: 41).

### 2.2.3 Effectiveness and Efficiency of Funds Usage

The performance of a program is determined by the effectiveness and efficiency of its use of funds. Indicators for this include the appropriateness of the use of funds, the unit cost of activities, and the outcome of the activities.

Based on the document review, there are two opinions concerning the effectiveness and efficiency of the use of Raskin funds. The first opinion states that the use of Raskin funds is ineffective and inefficient (World Bank 2003: 63; 2005: 3; 2006: 215). The arguments behind this view are:

- (i) the Raskin program's targeting is flawed as it has resulted in the leakage of Raskin funds to households who are not entitled to receive the benefit. In 2003, poor households only benefited from 18% of the total budget of Rp4.83 trillion. The majority (52%) of the budget actually benefited nonpoor households. This is supported by the Susenas data covered in section 2.1.3, that targeting leakage has reached 47%;
- (ii) program operational costs including Bulog's profit are considered to be too high, accounting for 30% of the total Raskin budget;
- (iii) the difference between Bulog's procurement costs and the price they charge the government for rice is too high. In 2004, the government paid Rp3,343 per kilogram, whereas rice could be obtained from private enterprises for Rp2,800 per kilogram. Table 19 shows the differences between the cost of procurement and Bulog's selling price. The difference between the two prices ranges between 12% and 20%, or an average of 16% per year.

**Table 19. Difference between Bulog's Procurement Cost and Selling Price**

	2002	2003	2004	2005	2006	2007
Procurement price (Rp/kg)	2,470	2,790	2,790	2,790	3,550	4,000
Selling price (Rp/kg)	2,804	3,343	3,343	3,494	4,275	4,620
Difference (Rp/kg)	334	553	553	704	725	620
Difference (%)	12%	17%	17%	20%	17%	13%

Source: Tabor and Sawit (2006: 38); Bulog (2007).

The second opinion, which states that the implementation of the Raskin program is effective and efficient, is only based on the proportion of program management costs to total program cost (Tabor and Sawit 2006: 39–42). From 2002–2004, Raskin management costs only accounted for 2.66%, 2.38% and 2.43% of the total budget. These figures are quite low when compared to the standard management costs of international social assistance programs, where a management cost ratio of 10% is usually considered to be good according to international standards. The management costs of some social assistance programs in Europe even reach 12–15%.

Although they stated that management costs are low, Tabor and Sawit (2006: 42) also stated the need to significantly reduce the cost of the Raskin program as it uses short-term commercial credit,<sup>18</sup> it has higher distribution costs than needed, the quality of rice in the program is lower than it should be, it has a higher historic stock carryover than needed, and Bulog use temporary workers to manage the program.

According to Tabor and Sawit, inaccurate targeting, which accounts for a significant portion of the program’s implementational costs, cannot yet be used to evaluate the efficiency of Raskin funds usage (2006: 35–37). They noted that there are still weaknesses in the data and differing perceptions regarding poverty and food security, and as a result it is difficult to conclude whether or not the Raskin program’s targeting is appropriate.

The field study results indicate that the use of Raskin funds is ineffective and inefficient. This can be concluded from the inaccurate targeting and funds utilization (see section 2.1.3). The inappropriate use of funds is indicated by the use of APBN Raskin funds for honorariums for local officials and agencies. As an example, several Bulog subregional divisions provided funds of Rp25,000 per distribution point. In a more extreme case, another gave honorariums to officials and agencies administering the program from the district level to the village level, totaling Rp2,060,000 per month or Rp24,720,000 per year (Table 20). If this practice was carried out nationally it would absorb Raskin funds of around Rp40 billion per year.<sup>19</sup>

**Table 20. Operational Costs for Honorariums for Local Officials and Agencies**

Honorarium Recipient	Honorarium Amount (Rp/Distribution)
<i>Bupati</i> (Regent)	800,000
Regional government	300,000–400,000
BPS	300,000
<i>Bawasda</i>	400,000
Subdistrict head	75,000
Statistics Assistant ( <i>Mantis</i> )/family planning field worker (PKLB)	50,000
Village head	35,000
Sector police	25,000–50,000

Source: Results of informant interviews

<sup>18</sup>Bulog funds procurement and operational costs of distributing the rice with commercial credit from banking institutions, which is then invoiced to the central government via the Department of Finance.

<sup>19</sup>Estimation based on the number of *kabupaten*, *kecamatan*, and villages.

The inefficient use of funds in the Raskin program is not limited to the use of APBN funds, but also occurs with APBD funding. An example of this was found in Kabupaten Agam, where APBD funds were used to provide honorariums to subdistrict program administrators.

Apart from being inefficient, the practice of giving honorariums also breaches the regulations for the use of the budget. As the role of each official involved in the implementation of the Raskin program is part of their respective job descriptions, they should not receive any additional honorarium or incentive.

The field findings also show that funds sourced from beneficiary households are also used inefficiently. In a sample village in West Sumatra, for example, beneficiaries pay between Rp1,200 and Rp1,300 per kilogram, which means that Rp200–300 per kilogram is budgeted for the cost of transporting the rice from the primary distribution point to the secondary distribution point. However, as the real transportation cost is only Rp44–125 per kilogram, there are excess funds of Rp154–175 per kilogram. The community is not informed about the excess funds from beneficiaries in a transparent manner, and the money is considered to be the “rightful property” of the distributors. Some distributors use the funds for their personal use while others divide the funds between other parties such as the PKK, community health posts, and village heads. With only 34–66 beneficiary households for each secondary distribution point, distributors and others involved at the local level have obtained excess funds of around Rp53,000–118,000 in each distribution. This is not only a case of the inefficient use of funds, it is a moral issue. Irrespective of the amount of funds involved, poor households are “subsidizing” to distributors, who are generally not poor.

The emergence of the inefficient and/or misuse of the Raskin budget, be it sourced from the APBN, APBD, or the community, are a result of various factors, including the fact that the Raskin program is not fully funded by the central government, that is, the cost of distributing Raskin rice from the distribution point to beneficiaries is not covered. The Raskin General Guidelines indeed spell out that regional governments are responsible for distributing Raskin from the distribution points to the beneficiaries. On one hand, the central government has not seriously issued an imperative policy that is able to force regional governments to provide funds to support the implementation of Raskin. On the other hand, most officials at both the provincial and district level treat the Raskin program as they do other central government projects. This means that their involvement in the Raskin program depends on the provision of operational funding. Considering that the Raskin program is a central program, there is a tendency among local government to expect that all costs incurred as a result of the program are the full responsibility of the central government.

## **2.3 Monitoring, Evaluation, and Complaints Handling**

According to the 2007 General Guidelines, monitoring and evaluation (M&E) is part of program control and aims to review and evaluate Raskin’s implementational effectiveness based on the 6T performance indicators. As one aspect of M&E, the community can convey complaints, criticisms, and suggestions for improvements regarding the program directly to the UPM or via electronic media.

### **2.3.1 Monitoring and Evaluation Activities**

The Raskin program has both internal and external M&E. The central, provincial, and district/city Raskin teams conduct internal M&E, while institutions external to the Raskin team

conduct the external M&E at either the request of the Raskin team, at the own initiative of relevant institutions, or at the request of a third party.

According to Bulog's 2006 M&E report, internal M&E is conducted in a limited number of sample regions for only one district/city per province. In practice these M&E activities could be better characterized as the handling of general complaints from officials administering the program, largely circumventing the intended M&E function of detecting and evaluating the program's effectiveness according to the 6T indicators. According to the Institute of Empowerment and Development Studies, in Banten province, internal M&E is conducted in stages according to the level of government (2005: 71–72). Anak Bangsa Peduli stated that regional governments periodically conduct monitoring (2006: 33, 41). Hastuti and Maxwell (2003: 40–41), Olken (2006: 855), and Fillaili et al (2007: 100) considered that internal M&E is inclined to focus on financial and administrative aspects. BPKP (2004: 21) and IPB (2006: slide 22) stated that monitoring is not yet optimal. According to Brawijaya University, the ineffective monitoring is caused by a lack of concern from stakeholders in the various levels of administration as no one is specifically responsible and no special funds are allocated for program management (2006: 135).

According to Tabor and Sawit, however, the Raskin program can have a role in building public capacity to monitor a government service program (2006: 61). It can be seen from the review of several documents that external M&E has indeed been carried out by various institutions, including tertiary institutions, NGO, research institutes, and international organizations. The majority of the activities have focused on the Raskin program's implementational processes by analyzing secondary data and conducting field visits. External M&E looking at the program's impact is extremely limited and has only been done on a macro scale or using national-level secondary data.

Since the program has been running, the Central Raskin Team has several times assigned various institutions to conduct M&E, among them LP3ES, CEFFNAS, and UGM in 1998–1999, 35 private and public tertiary institutions in 2003, and ten tertiary institutions in 2005 and 2006.

The field findings show that M&E in the study regions has been conducted by the regional Raskin teams. In addition, the regional and subregional divisions of Bulog have their own M&E teams, but their activities are only focused on the aspects falling under the interests and responsibilities of Bulog, such as payments, distribution timetables, weights, and rice quality.

Internal M&E has only been done to the level of subdistrict officials administering Raskin. In West Sumatra, M&E is done in stages according to the level of government by either Bulog or regional government groups. M&E sometimes also encompasses socialization activities. There are no routine M&E activities in East Java as no specific funds are allocated for that purpose. Internal M&E tends to be incidental, done whenever community complaints are received. In Southeast Sulawesi, internal M&E is conducted via a staged reporting mechanism beginning from the lowest level of government in the Southeast Sulawesi regional division and from direct observation in the field.

External M&E also varies between the regions. In West Sumatra and East Java, both assisted areas, the university assistance groups conduct M&E, but it is limited. In East Java, external M&E tends to be conducted only at the specific request of Bulog. In Kabupaten Agam, M&E has only been done in 2007, and this was not intensive. Only one day was set aside to visit one district, one subdistrict, and one sample village. In Southeast Sulawesi, external M&E at the

community level was only found in one sample village, and only extended to one visit by an NGO in 2007.

The results of M&E have provided information about the program's implementation, both casuistic based on field findings and on a macro level based on the analysis of secondary data, as found in the document review and discussed in the main findings. Generally, M&E results provide input for the improvement of the program's design, such as the need for increasing the accuracy of target determination through the change in the program's name from OPK to Raskin, the change of the source of data from BKKBN to BPS, the implementation of village consultative meetings, and the need for program and targeting transparency. Nevertheless, such design improvements have not been fully adopted in the program's implementation, resulting in the continuing shortfalls in the program's implementation.

### 2.3.2 Auditing System

Audits of the Raskin program are regulated in Law No. 15/2004 on Audit of State Financial Management and Accountability and Minister of Finance Regulation on Bulog's Budget which is reissued each year.<sup>20</sup> For example, in Minister of Finance Regulation No. 117/PMK.02/2007 in Chapter 8, section 3, article 19 clause (1) states that "The cost of maintaining (*perawatan*) the rice as defined in article 8 clause (3) and the Raskin program food subsidy as defined in article 11 clause (6) is to be audited by an auditor that is authorized in accordance with the valid stipulation."

During the time that Raskin has been running, the auditing institution has changed based on the change in Bulog's legal status from a nondepartmental government institution to a public company (*perum*). BPKP (the Financial and Development Supervisory Board) conducted the audits up to 2004, and in 2005 BPK (the State Audit Agency) took over the task. The two organizations have audited different aspects of the program: BPKP focused on aspects of the program's implementation, whereas BPK concentrates on fiscal aspects.

The BPKP's report on their audit of the program's 2003 implementation was published in 2004, showing that the national performance of the Food Sector Fuel Subsidy Reduction Compensation Program (Raskin), or PKPS BBM *Bidang Pangan* (Raskin), reached 78.2% of the ideal of 100%. The overall performance achievement figure is based on the figures for accuracy of household targeting (59.4%), amount of rice (61.42%), and realization of the amount paid by beneficiaries (68.5%). In addition, the BPKP stated that the distribution transaction documents did not contain sufficient detail, that there were still a number of district/city governments that had not published technical guidelines, and that the actual monitoring of rice distribution was weak. They also stated that the results of the functional monitoring officials' audit had not been followed up, and so deviations in rice distribution had continued in that year's program implementation.

The BPK audit of Bulog's rice storage costs (*biaya perawatan*) for the 2004 financial year was published in 2006 and reported several basic accounting discrepancies. Before the audit, Bulog's claim to the government for rice storage totaled Rp349,980,847,938.02, but after the audit it was revised to Rp248,792,012,813.14, a negative correction of Rp101,188,835,124.88, or 29%. The discrepancy was created as Bulog had included other costs in the storage costs claim, such as (i) the cost of asset construction and construction management costs that had been included in building maintenance costs; (ii) the cost of wages, and functional, official, and operational allowances, holiday allowances, and the one month's wage bonus in personnel

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<sup>20</sup>These include Minister of Finance Regulation No.115/PMK.02/2005, No.50/PMK.02/2006, and No.117/PMK.02/2007.

management costs; iii) the inclusion of electricity, water, and telephone expenses for officials' residences, contributions, and the maintenance of their commercial operations warehouses in procurement management expenses; and (iv) the cost of WFP rice, incentives, allowances for the operational team, representative allowances, and official travel for commercial operation, as well as celebratory costs and contributions external to public service obligation (PSO) activities, to operational management costs.

The BKP 2004 audit of Perum Bulog and its adherence to legislative regulation and internal controls found several issues related to Raskin's implementation, such as regional governments that are in arrears, the embezzlement of 598 tonnes of rice from the Kabanjahe warehouse worth Rp2.2 billion, and the misuse of the proceeds from Raskin sales of Rp148 million by officials in Bulog's Semarang subregional division.

According to the BPK, Bulog has followed up the majority of audit reports in accordance with the findings and recommendations. Follow-up measures have included the creation of guidelines dealing with the procurement of goods and services and informing regional governments with Raskin payments in arrears.

### **2.3.3 Complaint Handling System**

Community feedback regarding the program's implementation in the form of complaints, criticisms, or suggestions for improvement can be lodged with the UPM, which is coordinated by the village community empowerment board (BPMD). According to the General Guidelines, UPMs are established at the provincial and district/city level. The units receive written feedback, telephone feedback, or community members can visit the UPM secretariat.

Several documents stated that each province and district/city has a community complaints unit. Nevertheless, communities are not informed about the existence of the service so they are barely functional. PT Daya Makara Universitas Indonesia stated that UPM are still functioning at a minimum as the community is not fully aware that they are in place (2006: 99–100). LP3ES stated that the majority of the community is not aware that they are permitted to lodge complaints (2000: 27). The field findings support the document review findings that each region already has a UPM. In addition, Bulog regional and subregional divisions also provide a complaint facility through a post office box and a free-call telephone service. However, again, as information regarding the services is not provided to the community, the services are hardly functioning.

Due to the lack of socialization, the community is largely unaware of the existence of community complaints service, feedback mechanisms, and to where or with whom they should lodge their feedback. On the other hand, the community is generally also reluctant to complain even if there is a problem. According to PT Daya Makara Universitas Indonesia, communities are unconcerned about problems in the Raskin program in their region and some are apathetic to complaints as government programs have a bad stigma (2006: 99–100). The LP3ES report states that the majority of respondents (89%) have never lodged a complaint about program implementation problems (2000: 34). Brawijaya University stated that the community has generally never complained to anyone about the Raskin program (2006: 108–109).

If a member of the community does have a complaint, they usually only lodge it with village/*kelurahan* officials, Raskin rice distributors, or the community leader in the region. Anak Bangsa Peduli stated that the majority of complaints are lodged with the neighborhood heads (*ketua RT/RW*) (2006: 38, 45). According to Institute of Empowerment and Development,

community complaints are redirected to the Raskin official at the RT level (2005: 76). LP3ES reported that complaints are lodged with village heads, distributors, or community leaders (2000: 35). The field study supports these findings: generally the community does not file complaints, but if they do they lodge them with the distributor or a village/*kelurahan* official.

The complaints that do emerge from the community are generally related to the issues of quality or quantity of rice that the beneficiaries have received, targeting accuracy, and the accuracy of the weight of rice in each sack. Anak Bangsa Peduli reported that complaints from the community are generally regarding rice quality, the packaging, inadequate quotas, and uneven division of allocations (2006: 38, 45). Institute of Empowerment and Development stated that the complaints are generally regarding the quality of Raskin and totals of rice below 20 kg per sack (2005: 75–76). LP3ES stated that the problem dominating complaints is related to the policy regarding rice amounts and targeting accuracy (2000: 35).

Almost all complaints are never resolved. Brawijaya University stated that although a small proportion of community members have complained, none have received a response from a village/*kelurahan* official (2006: 109). LP3ES reported that very few respondents stated that their complaints had been resolved. This is because their complaints were policy-related, usually concerning the amount of rice or targeting accuracy, and as such did not fall under the authority of the village head or local program administrators (2000: 35).

According to the field findings, the community is reluctant to complain as they are afraid of a negative impact on the continuation of their status as a Raskin beneficiary. If someone does wish to make a complaint, they would only lodge it with the distributor. A small number of complaints are resolved at the local level, but the majority of complaints which are not resolved are never passed up to a higher level. The complaints that are passed on to a higher level (to a Bulog official) usually only concern rice quality.

## **2.4 Attainment of Results, Level of Satisfaction, and Benefit of the Program**

The government has spent quite a large amount of money every year on the Raskin program. Besides that, the program has also involved a number of government agencies from the central level down to the village/*kelurahan* level. Several institutions outside the program such as research institutes, universities, and NGO have conducted extensive research and evaluation in order to provide feedback for program improvement. With all the resources that have been involved and the efforts that have been made, it is hoped that this program can be implemented properly to the point where attainments are high, where the various parties are satisfied, and where it proves beneficial for beneficiaries.

An explanation of the results that the Raskin program has achieved, stakeholder satisfaction with program implementation, and the extent to which the program has proved useful for recipient households is provided below. The explanation is based on the results of the document review, secondary data analyses, and field studies. In the field studies, satisfaction levels and program benefits for recipient households were evaluated during FGDs in the six sample villages. FGD participants were asked to rate their opinions on a scale of 0–10, with 0 indicating the lowest level of satisfaction or benefit and 10 indicating the highest level. FGD participants were divided into two groups by sex, which meant that 12 varying assessments were obtained.



### **2.4.1 Attainment of Results**

The objective of the Raskin program, according to the General Guidelines, is to reduce the burden of expenditure on poor households by helping them to fulfill part of their food needs by providing subsidized rice. If a poor household obtains the full quota of 10 kg a month, approximately 25% of their rice needs will be subsidized since on average a household consumes around 40 kg of rice per month.

The document review, secondary data analyses and field studies show that so far the Raskin program has not achieved its goal, the main reason being targeting inaccuracy. The number of households to which Raskin rice is distributed is greater than the stipulated figure and it also reaches nonpoor households, meaning that the quota of rice obtained by poor households is far below the stipulated amount. The situation has been made worse by reductions in distribution frequencies, the fact that there are still poor households that are not Raskin beneficiaries, and the high prices at which households have to purchase the rice. For example, the World Bank has stated that on average the value of the Raskin rice subsidy received by beneficiaries is only around 2.1% of per capita expenditure and that most of the subsidy does not reach the right households (2005: 3).

It can be concluded from the above description that the Raskin program has been unable to provide any significant assistance for poor members of the community by reducing their household expenditure. If the objective of reducing expenditure has not yet been attained, the Raskin program has likewise not yet made a contribution to poverty reduction. Andalas University stated that although 53.3% of government officials and 42.3% of community figures believe that Raskin has been successful by comparison with other programs, significant results are not yet apparent if the program is viewed from its effectiveness in reduction poverty (2006: 3-27). According to the Institute of Empowerment and Development Studies, Raskin is a Bulog project or core business that prioritizes the distribution of rice, and hence it has not reached its target of poverty reduction (2005: 74).

### **2.4.2 Level of Satisfaction with the Program**

Out of all the documents that were reviewed, not one makes mention of a local government that is satisfied with Raskin's implementation. Instead, the documents mentioned local governments that are dissatisfied. According to PT Daya Makara UI, some local governments are apathetic towards Raskin because its achievements are still far from its objectives (2006: 84). LP3ES also reported that there are village officials that were not satisfied with the impact of the program because of its effect on mutual cooperation and creativity among the communities (2000: 47). According to Hastuti and Maxwell, some village heads believed that the Raskin program is not that beneficial for the community (2003: 56).

During the field studies, various respondents from the provincial level to the community level expressed the opinion that certain program implementation activities are still weak, particularly those related to socialization to the community, targeting, and the complaints mechanism. One aspect that was positively assessed by a number of parties is the quality of the rice provided.

Seeing the reality of program implementation in the field, local government officials had different attitudes towards and perceptions of the Raskin program's existence. On the one hand, there are officials who believe that the program is still needed to help with the provision of food for poor

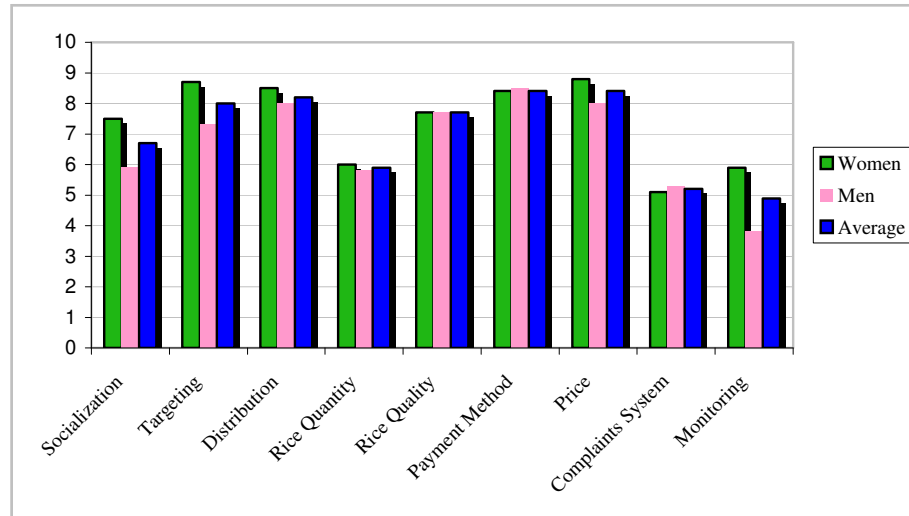
families. On the other hand, there are those who consider that the program is no longer necessary because its effects are not commensurate with the money that has been expended on it. The opinion that the program should not be continued was also found in a number of documents. Hastuti and Maxwell encountered village heads who did not agree with the Raskin program and felt that it would be far better to discontinue it (2003: 56), while the Institute of Demography stated that some village heads do not agree with the program because it teaches the community to develop a “begging” mentality (FEUI 2003: 40). LP3ES reported their concern that the community will become dependent on rice assistance and that this will give rise to social jealousy (2000: 47).

Conversely, beneficiaries are relatively satisfied with Raskin. Andalas University reports that 95% of respondents are satisfied with the method of service (1999: IV-33, IV-34), while Bojonegoro University reports that the quality of service in the disbursement of Raskin is in the “very good” category with a community satisfaction index of 82.25 (2006: 56).

An analysis of FGDs involving members of beneficiary households shows that women participants on average gave a higher evaluation rating than did men. According to women participants, the price of the rice is the most satisfactory aspect of the Raskin program, while the least satisfactory aspect is the complaints mechanism. According to male participants, the most satisfactory aspect is the method of payment, while the least satisfactory is monitoring (Figure 2).

Discussions in the combined male-female FGDs indicate that the most satisfactory aspects of Raskin implementation are the price level, payment methods, and the distribution system. Even though most beneficiaries pay more than Rp1,000 per kg for the rice, they have no objections and regard the price as appropriate because it is extremely low when compared to the prevailing market price of around Rp4,200 per kg, especially when they realize that the price they have to pay already includes the cost of transportation from the primary distribution point to the secondary distribution point. Payment methods are considered to be quite satisfactory because it does not constitute a burden on beneficiary households. In fact, beneficiaries could sometimes ask distributors that they be allowed to postpone their payment if they did not have adequate money ready at the time of distribution. Meanwhile, the distribution methods usually adopted by the village officials, hamlet, RW, or RT heads, or PKK office-bearers are also regarded as quite good because they divide the rice fairly and with a suitable measuring system (Figure 2).

The aspects regarded as least satisfactory by the combined FGD participants are the monitoring and complaint systems and the quantity of rice. Participants were not satisfied with monitoring for the simple reason that there have never been any monitoring activities in their areas. They were also not particularly satisfied with the complaint aspect because they were not aware of the existence and mechanism of the complaint system. Dissatisfaction with the amount of rice that was given to beneficiaries stemmed from the fact that it was far less than household requirements. For example, if a family receives the full quota of 10 kg, it would only be sufficient for one week’s consumption.



Source: FGDs with Beneficiaries

Note: Level of satisfaction is measured on a 0–10 scale. The value 0 means least satisfactory while 10 indicates most satisfactory.

**Figure 2. Beneficiary Level of Satisfaction with Raskin Implementation**

### 2.4.3 Program Benefit for Beneficiary Households

#### General benefit

A number of documents express the opinion that Raskin is useful for beneficiary households because it is able to help reduce their economic burden and help them meet their rice needs while also improving the quantity and quality of household consumption.<sup>21</sup> For example, Hasanuddin University reported that poor members of the community as well as community figures and local governments believed that the Raskin program was very beneficial for poor households by reducing their economic burden (2006: 52). According to Tabor and Sawit, food assistance is able to solve some of the nutrition problems of poor families (2006: 12).

Apart from its direct benefits, Raskin also yields indirect benefits such as the creation of employment and assistance with health and educational expenses, while also contributing to price stabilization. Anak Bangsa Peduli reported that some respondents believed that Raskin was beneficial because it created labor-intensive work for other people such as those employed in transportation and in loading and unloading of the rice (2006: 40). LP3ES reported that although the transfer of income from the Raskin program is small, it enables beneficiaries to save money for things such as health and educational expenses (2000: 55). Tabor and Sawit stated that Raskin can maintain stability in rice prices (2006: 45).

Field studies revealed that stakeholders at provincial, district and subdistrict levels have diverse assessments of Raskin's benefit for poor households. Some stakeholders say that it helps those members of the community who cannot afford to meet their food needs, while others believe

<sup>21</sup>See Anak Bangsa Peduli (2006: 47), IPB (2006: slide 24), LP3ES (2000: 55), SMERU (1998: 4), Tabor and Sawit (2006: 12, 50), Tim Monitoring dan Evaluasi Raskin Provinsi Jawa Barat (2005: slide 17, 21, 28), Andalas University (2005: 3–15 and 2006: 3–23, 3–24), Brawijaya University (2006: 109), and Hasanuddin University (2006: 52)

that as a program Raskin is not educating because it spoils poor households. Recipient households, however, find the program beneficial, even though the amount of rice that they receive is not sufficient and the quality is sometimes poor.

Information obtained through FGDs shows that all participants feel that Raskin is beneficial for poor households. The amount and the type of Raskin benefits mentioned by FGD participants differed a little from region to region. FGDs in Kabupaten Agam named eight benefits, whereas in Bojonegoro and Kolaka participants mentioned only four. Of all the various benefits described in FGDs, only three were consistently mentioned by participants in all locations: help with food expenses, a reduction in a family's economic burden and worries, and assistance with educational expenses (Table 21). With Raskin, beneficiaries can reduce the money spent on foods, which means a reduction in the family's economic burden and in its associated worries. Less expenditure on food creates additional income that is used, among other things, to pay for educational requirements, to help with social activities like *arisan*, and to make possible the acceptance of social invitations.<sup>22</sup> In the specific case of FGDs in West Sumatra, recipients also mentioned other Raskin benefits, namely, the prevention of price fluctuations, the raising of enthusiasm because of government attention to the economically weak members of the communities, and assistance in eradicating poverty.

**Table 21. Level of Benefit of the Raskin Program**

Raskin Benefits	Values			
	West Sumatra	East Java	Southeast Sulawesi	Average
1. Helps with food costs	6.5	6	8.7	7.1
2. Reduces economic burden/thoughts	6	6.5	7.7	6.8
3. Helps with educational costs	6.4	5	7.5	6.5
4. Prevents price fluctuations	7	-	-	-
5. Encourages enthusiasm	6.2	-	-	-
6. Helps eradicate poverty	5.5	-	-	-
7. Enables vegetables and side dishes to be added	5	-	-	-
8. Makes possible <i>arisan</i> payments and acceptance of invitations	1.5	5	3.3	3.3

Source: FGDs with beneficiaries

### Income transfers

One of the benefits of Raskin is that it represents an income transfer in the form of rice from the Raskin program to recipient households. In very simple terms, beneficiaries obtain an income transfer or a financial subsidy of an amount that depends on the quantity and distribution frequency of rice, as well as the relative price differences between Raskin rice and rice in the local market.

<sup>22</sup>In Indonesia it is generally the custom that if someone attends a celebration such as a wedding, circumcision, or *adat* ceremony they will make a cash contribution to the person holding the gathering.

Tabor and Sawit state that in 1998/1999, Raskin transferred Rp3.4 trillion to 9.3 million households or the equivalent of Rp365,590 per year or Rp30,466 per month per household (2006: 109). According to LP3ES, the income transfer to recipients in September 1999 was only Rp15,357 (2000: 55). Tabor and Sawit also reported that in 2002–2004, based on the assumption that there were 13.2 million recipient households and that the value of total transfer benefits was Rp3.25 trillion per year, recipient households obtained an income transfer that averaged Rp20,500 per month (2006: 45).

Theoretically, the total Raskin income transfer per month to recipient households in 2007 was the equivalent of 10 kg multiplied by the difference between the price of rice in the local market and the price of Raskin rice (officially Rp1,000 per kg). At the time when field studies were carried out, medium-quality rice (equal in quality to Bulog rice) in the sample areas was around Rp4,200 per kg. This means that Raskin beneficiaries would have been given a subsidy equal to Rp32,000 per month or Rp384,000 per year.

In reality, beneficiaries in the sample areas did not receive a subsidy of this size, both because the quantity of rice and the frequency of distribution were less than what had been stipulated and because the price that they paid was greater than Rp1,000 per kg. In the sample region of West Sumatra, beneficiaries obtained 8–10 kg per month or in a small number of cases every two months, but at a price of between Rp1,200 and Rp1,300 per kg. In East Java, the Raskin rice price was Rp1,000 per kg, but beneficiaries received only 4 to 7 kg per month. In Southeast Sulawesi beneficiaries received rice only 3 to 9 times during 2007. On each occasion they were given between 4 and 10 kg at a price of Rp1,000 to Rp1,200 per liter. In a situation of this kind, the income transfer to households that received Raskin rice in the sample areas ranged from Rp12,800 to Rp29,000 per distribution or from Rp38,400 to Rp348,000 per year (Table 22).

**Table 22. Raskin Income Transfers to Beneficiaries in Sample Regions (2007)**

Item	Stipulation	West Sumatra		East Java		Southeast Sulawesi	
		Min.	Max.	Min.	Max.	Min.	Max.
Market price	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Raskin price	1,000	1,200	1,300	1,000	1,000	1,000	1,440
Price difference	3,200	3,000	2,900	3,200	3,200	3,200	2,760
Amount (kg)	10	8	10	4	7	4	10
Frequency per year	12	6	12	12	12	3	9
Subsidy per distribution	32,000	24,000	29,000	12,800	22,400	12,800	27,600
Subsidy per year	384,000	144,000	348,000	153,600	268,800	38,400	248,400

### Access to rice

The benefit of Raskin rice for the community in terms of access to rice is relatively small because rice is always available at the community level. In all locations rice can be obtained both from local harvests in the area itself or from other places from where it is brought to the study areas by local traders. Moreover, rice constitutes such a basic requirement for the community that meeting this need is a top priority. If the household budget is limited, members of the community will still try to buy rice by reducing their purchase of other necessities.

### **III. LESSONS LEARNED FROM THE IMPLEMENTATION OF RASKIN**

The document review, data analysis, and field visits revealed the presence of both good and bad features in Raskin implementation. Based on implementation practices, several positive and also a number of negative lessons can be drawn that can be used to improve program implementation.

#### **3.1 Positive Lessons**

The following positive lessons can be drawn from practices in the implementation of Raskin:

- a. Targeting accuracy is highly dependent on the level of commitment and roles of the regional government and implementers at the local level, socialization which stresses that Raskin rice is only for the poor households, the use of BPS data that has been verified at the local level, and the transparency of the list of beneficiaries.
- b. Price accuracy is dependent on whether or not rice is distributed directly to recipients from (primary) distribution points, the distance between the (primary) distribution point and the beneficiaries, and the size of the contribution from the APBD.

#### **3.2 Negative Lessons**

The negative lessons that warrant attention in the implementation of Raskin are as follows:

- a. The shortfall in the total allocation compared to the total number of RTM has caused targeting inaccuracies as well as inaccuracies in the amount of rice distributed to beneficiaries and distribution frequency.
- b. Targeting inaccuracy is influenced by weak socialization, community indifference, the lack of commitment from regional governments, and the shortfall in total rice allocation compared to the total number of RTM.
- c. The regional government's lack of commitment is influenced by their saturation with the already long-running program which has become routine, program implementation that does not reflect the objectives, and weak socialization.
- d. Price inaccuracy is influenced by whether or not rice is distributed from the primary distribution point or a secondary distribution point, and how far it is from household beneficiaries.
- e. Distribution delays are caused by outstanding payments from the distribution points.
- f. Distribution delays affect the community's readiness to allocate the time and prepare the funds for the purchase of the rice.
- g. The accuracy of distribution frequency and amount of rice that beneficiaries receive is not always a good indication of successful program implementation. Distribution frequency may be correct every month, but the amount of rice received may be below the stipulated amount, or vice versa.

## IV. RECOMMENDATIONS

The Raskin program which has been running for nine years has used a significant amount of funds and involved many parties, but it is still not performing effectively. Therefore, Raskin should only be continued if the following conditions are met.

- a. The program must be revitalized. This can be done by implementing a guided national information campaign (socialization) to increase the awareness and real understanding of the program's essence for all stakeholders, including local implementing agencies and the community. These socialization activities must be clearly regulated in Raskin's General Guidelines.
- b. The allocation for beneficiary households at the national level must be firmly stipulated and appropriate for the total number of households in the targeted group. The target household category must be clearly defined, including whether it is limited to very poor households only or is to include poor or near poor households.
- c. One institution must oversee those responsible for the distribution of rice starting from procurement right down to distribution to the community in order to clarify the respective tasks, responsibilities, and how performance will be evaluated.
- d. Local governments must be responsible for dividing the allocation and ensuring accurate targeting of beneficiaries. To ensure accurate targeting, regional governments should verify the BPS data on RTM or other data which is used to determine targets at the national level.
- e. The maximum number of beneficiary households determined by verification at the village/*kelurahan* level must correspond to the total allocation the village has obtained in order to guarantee that the amount of rice for each household is as it should be according to the stipulations. The subdistrict should be responsible for formally approving and validating the list of targeted households.
- f. Arrangements must be made for (primary) distribution points to be located closer to household beneficiaries so they can distribute rice directly to beneficiaries. This would help to ensure that beneficiaries do not pay more than the stipulated rate.
- g. A policy is needed to force regional governments to seriously support Raskin's implementation, through both providing funding support (through the APBD) and helping to achieve the program objectives.
- h. An incentive and penalty system should be introduced and implemented to ensure that the program is implemented in accordance with the guidelines. A reward should be given to regions or program implementers that successfully implement the program in line with the regulations, based on a set of predetermined indicators. Incentives could be in the form of an award, while penalties could take the form of media announcements identifying unsuccessful regions, or the dismissal, transfer of duties, or demotion of the implementing officials.

- i. A serious, planned, and accountable practice of monitoring and evaluation activities by independent and credible external institutions will help to guarantee the appropriate implementation of Raskin and will support the incentive and penalty system. The results of monitoring activities must be widely presented to various parties including the public and systematically used for the improvement of the program's implementation.
- j. All stipulations regarding the program's implementation, such as those concerning socialization, targeting (verification and data reference), and monitoring and evaluation must be clearly regulated in the program's guidelines.

If those conditions are not met, Raskin should be ended and an in-depth study on the following aspects is required:

- a. the impact of Raskin's phase out on the food security of poor households;
- b. the transfer of Raskin funds to poverty reduction programs that will provide better assistance for poor households; and
- c. Bulog's role in the procurement and stabilization of the national price of rice, as currently more than 80% of the rice procured by Bulog has been distributed through the Raskin program.



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