SOCIAL ASSISTANCE FOR THE ELDERLY: THE ROLE OF THE *ASISTENSI SOSIAL LANJUT USIA TERLANTAR* PROGRAMME IN FIGHTING OLD AGE POVERTY

SRI MOERTININGSIH ADIOETOMO, FIONA HOWELL, ANDREA MCPHERSON, JAN PRIEBE

TNP2K
WORKING PAPER

TNP2K
TIM NASIONAL
PERCEPATAN PENANGGULANGAN KEMISKINAN

Australian Government
Department of Foreign Affairs and Trade

Australian
Aid

SOCIAL ASSISTANCE FOR THE ELDERLY: THE ROLE OF THE *ASISTENSI SOSIAL LANJUT USIA TERLANTAR* PROGRAMME IN FIGHTING OLD AGE POVERTY

SRI MOERTININGSIH ADIOETOMO, FIONA HOWELL, ANDREA MCPHERSON, JAN PRIEBE

Social Assistance for the Elderly: The Role of the *Asistensi Sosial Lanjut Usia Terlantar* Programme in Fighting Old Age Poverty

Sri Moertiningsih Adioetomo, Fiona Howell, Andrea McPherson, Jan Priebe[1]
August 2014

ABSTRACT

Indonesia has undergone a demographic transition since the 1970s that has led to significant changes in the population age structure. Life expectancy increased from 45 years to 67 years. The number of elderly people (60 years and above) rose from about 5 million in 1970 to 18 million in 2010, and is projected to increase to over 80 million by 2050.

The economic situation of the elderly is precarious. In 2012, 12.65 percent of older people (60 years and above) lived below the official poverty line. Older people, especially those aged 70 and above, have the highest poverty rate among all population groups, 14.92 percent. At the same time, a much greater proportion of the elderly population officially classified as poor is vulnerable to falling into poverty.

Currently, the coverage of existing pension schemes for the elderly is very low. The proportion of older people in receipt of civil service and military pension schemes, the only formally available pensions in Indonesia, was 15.5 percent of the population aged 60 years and above in 2010. These pension benefits, available to government workers, civil servants, military personnel and formal sector employees only, are usually insufficient to cover the basic needs of retirees. The Government of Indonesia has recognised these gaps in the social insurance schemes and is taking actions to improve pension coverage. ASLUT, the current social assistance programme targeted directly at the elderly, started in 2006 in six provinces targeting 2,500 beneficiaries. It has subsequently expanded to all 34 provinces and increased the number of recipients to 26,500 beneficiaries in 2013.

Social Assistance for the Elderly: The Role of the *Asistensi Sosial Lanjut Usia Terlantar* Programme in Fighting Old Age Poverty examines empirically, both quantitatively and qualitatively, the socioeconomic conditions of poor elderly persons in Indonesia. In contrast to other reports, a particular focus is given to investigating the operations of ASLUT, Indonesia's only targeted cash transfer programme for the elderly. By doing so, the report draws on a unique household survey of 2,200 elderly households from 11 provinces which was conducted by SurveyMETER and the Demographic Institute of the University of Indonesia on behalf of TNP2K in 2012.

[1] Sri Moertiningsih Adioetomo is Team Leader at Demographic Institute, University of Indonesia (LD UI): toening@indo.net.id. Fiona Howell is the social assistance policy advisor at TNP2K, Government of Indonesia: fiona.howell@tnp2k.go.id. At the time of the research, Andrea McPherson was the Lead Researcher at HelpAge International. Jan Priebe is a senior economist at TNP2K's Cluster 1 team : jan.priebe@tnp2k.go.id. Any remaining errors are solely our responsibility.

Table of Contents

List of Figures

List of Tables

Acknowledgements

Abbreviations

Askes	*Asuransi Kesehatan* (Social Health Insurance for Civil Servants and Military)
ASLUT	*Asistensi Sosial Lanjut Usia Terlantar* (Social Assistance for Older Persons)
Bappenas	*Badan Perencanaan dan Pembangunan Nasional* (National Development Planning Agency)
BLT	*Bantuan langsung tunai* (unconditional cash transfer)
BPS	*Badan Pusat Statistik* (Statistics Indonesia)
DI	*Daerah istimewa* (special area)
DKI	*Daerah Khusus Ibu Kota* (Special Capital Region)
FGD	Focus group discussion
Jamkesmas	*Jaminan Kesehatan Masyarakat* (Health Insurance for the Poor)
Jamsostek	*Jaminan Sosial Tenaga Kerja* (Social Security Programme for Employees)
JSLU	*Jaminan Sosial Lanjut Usia* (Social Security for Older Persons)
MoSA	Ministry of Social Affairs (*Kementerian Sosial Republik Indonesia*)
PBI	*Penerima Bantuan Iuran* (Contribution Assistance)
PT	*Perseroan terbatas* (limited company)
Raskin	*Beras untuk Rakyat Miskin* (Rice for Poor Households)
Susenas	*Survey Sosial dan Ekonomi Nasional* (National Social and Economic Survey)
TNP2K	*Tim Nasional Percepatan Penanggulangan Kemiskinan* (National Team for the Acceleration of Poverty Reduction)
UNFPA	United Nations Population Fund

Executive Summary

Indonesia has undergone a demographic transition since the 1970s that has led to significant changes in the population age structure. Life expectancy increased from 45 to 67 years. The number of elderly people rose from about 5 million in 1970 to from about 20 million in 2010 (National Development Planning Agency [*Badan Perencanaan dan Pembangunan Nasional*], Statistics Indonesia [*Badan Pusat Statistik*], and UN Population Fund 2005), and is projected to increase to more than 71 million by 2050. Furthermore, age-selective internal migration has resulted in more advanced age profiles in some regions. These changes will lift the proportion of people aged 60 and older from 7.6 percent of the population in 2010 to 25 percent by 2050, putting more pressure on existing social security networks.

The economic situation of the elderly is precarious. In 2012, 12.65 percent of older people (aged 60 and older) lived below the official poverty line. Older people, especially those aged 70 and older, have the highest poverty rate, 14.92 percent, among all population age groups (Priebe and Howell 2014, pp. 6–7). At the same time, a much greater proportion of the elderly population officially classified as poor is vulnerable to falling into poverty. The share of older people older than 65 years who are 'nearly poor', that is, below 1.2 times the official poverty line was 26.26 percent, about double the number below the official poverty line, which was 13.81 percent.

Many elderly people suffer from poor health. The main diseases reported by the elderly are heart disease, hypertension, or rheumatism. The incidence of disability among the elderly is 27 percent (Adioetomo, S.M., D. Mont and Irwanto. forthcoming.), much higher compared with the nonelderly population. This health status negatively affects their welfare and poverty situation. The elderly incur substantial health costs, often requiring additional financial support.

Moreover, older people have very low literacy levels, especially elderly females and rural residents. Only about 33.47 percent of females above the age of 75, and about 39.05 percent of rural residents in the same age bracket, are literate (Priebe and Howell 2014, p. 22) as a consequence of a relative educational disadvantage in their childhood. Illiteracy makes them susceptible to social exclusion and highly reliant on the support of family networks.

There are many ways in which older people cope with their conditions. Some make use of various sources of petty income and assistance available to them, while others receive support from their networks. Work is of crucial importance in their lives, not only as a source of food and material well-being but vital to defining their position in their families and in society. They also take advantage of health services available to them through the Health Insurance for the Poor (*Jaminan Kesehatan Masyarakat* or Jamkesmas) programme, recognising the relationship between their health status and ability to work. Yet in many cases, their sources of support are insufficient to maintain a dignified living standard.[2] Currently, the coverage of existing pension schemes for the elderly is very low. The proportion of older people receiving civil service and military pension schemes, the only formally available pensions in

---

[2] Jamkesmas is literally translated as 'Public Health Insurance', but this does not correspond to the actual meaning of Jamkesmas, which explicitly targets poor households for which it covers the costs of basic health services. In early 2014 the government renamed Jamkesmas as Contribution Assistance (Penerima Bantuan Iuran or PBI), which makes clear that the target group is poor persons. PBI is one element of National Health Insurance (Jaminan Kesehatan Nasional).

Indonesia amounted to 15.5 percent of the population aged 60 years and older in 2010. These pension benefits, available to civil servants, military personnel and employees in the formal sector only, are usually insufficient to cover the basic needs of retirees.

The Government of Indonesia has recognised these gaps in the social insurance schemes and is taking actions to improve pension coverage. Social Assistance for Older Persons (*Asistensi Sosial Lanjut Usia Terlantar* or ASLUT) started in 2006 in six provinces reaching 2,500 beneficiaries. It has subsequently expanded to all 34 provinces and increased the number of recipients to 26,500 beneficiaries in 2013. For 2014 the Ministry of Social Affairs plans to expand the programme to cover about 32,500 recipients, subject to budget approval.

ASLUT is relatively effective in targeting poor and neglected elderly people. It predominantly reaches those elderly of more advanced age, living alone and older women, assisting them in meeting their basic needs. However, it only covers 0.56 percent of poor people older than 60 years (Priebe and Howell 2014).

There is, therefore, significant scope for the expansion of the programme. Many nonbeneficiaries of the programme share the same characteristics as ASLUT beneficiaries, indicating the existence of a large share of elderly persons potentially eligible for assistance. There are many elderly in Indonesia who are bedridden and more than 70 years of age, have high levels of illiteracy, and live in relative poverty that do not yet receive ASLUT. To address poverty among the elderly and meet the challenges posed by the demographic transition in Indonesia, the ASLUT programme should be expanded. The upscaling should consist of increasing the number of beneficiaries in areas where the programme already operates, as well as expanding it geographically to cover all districts. Other government assistance programmes, especially Jamkesmas, should ensure they cover poor elderly persons in order to ameliorate the impacts of elderly health expenses. The expansion of ASLUT would provide some income security for poor elderly persons in Indonesia who are ineligible for pensions under the current social security schemes.

1. Introduction

Indonesia has considerably improved some of its key development indicators in the past four decades. Between 1971 and 2010, the fertility rate decreased from 5.5 to 2.1 children per woman, while life expectancy increased from 45 to 67 years (in 2007). Meanwhile, advances in health care enabled the survival of a higher number of children till adulthood. These changes have resulted in a rapid process of population ageing that is expected to continue into the future. The number of people aged 60 years and older is projected to double from about 20 million in 2010 to 36 million in 2025 (National Development Planning Agency [*Badan Perencanaan dan Pembangunan Nasional* or Bappenas], Statistics Indonesia [*Badan Pusat Statistik* or BPS], and United Nations Population Fund [UNFPA] 2005), increasing their proportion from 7.6 percent in 2010 to 11 percent by 2020[3](Bappenas, BPS, and UNFPA 2005). The overall trend will continue so that by 2050 about 71 million elderly people will live in Indonesia, representing about 25 percent of the population (World Bank, as cited in Priebe and Howell 2014).[4]

A closer examination of the socioeconomic profile of elderly people reveals that they tend to be poorer and more vulnerable to poverty than most other population groups (Adlakha and Rudolf 1994; Niehof 1995; Lloyd-Sherlock and Schröeder-Butterfill 2008; Ananta and Arafin 2003, 2009; Arifianto 2006; van Eeuwiik 2006). They often depend on their families and intrahousehold money transfers, for support. In many cases, they have little potential for economic empowerment. Their low welfare status is best illustrated in numbers. For 2012, 13.81 percent of people older than 65 were living below the official poverty line.[5] This compares with 11.91 percent of the nonelderly population living below the poverty line.[6] At the same time, 26.26 percent of those aged 65 and older were considered to be vulnerable to poverty (Priebe and Howell 2014, pp. 7, 22), that is, living below the near-poor line, equivalent to 1.2 times the official poverty line. The poverty of all the elderly, moreover, is often compounded by poor health, low literacy, and living alone.

The socioeconomic profile of the elderly poses new policy challenges; adequate social assistance and social security should be extended to older people. So far, the Government of Indonesia has addressed the issue by administering pension programmes for civil servants, military personnel, public sector employees and employees in the formal sector, as well as providing health insurance for the elderly through Health Insurance for the Poor (*Jaminan Kesehatan Masyarakat* or Jamkesmas) services.[7] However, only a small share of the entire working age population (aged 15–59 years) is covered by these schemes.

---

[3] BPS Population Census 2010 data.
[4] United Nations Population Projection 2008 Revision.
[5] Official BPS poverty lines (rural/urban province level) have been applied.
[6] The percentage of the entire population living below the poverty line in March 2012 was 11.96 percent (Priebe and Howell 2014, p. 11).
[7] Jamkesmas is literally translated as 'Public Health Insurance', but this does not correspond to the actual meaning of Jamkesmas, which explicitly targets poor households for which it covers the costs of basic health services. In early 2014, the government renamed Jamkesmas to Contribution Assistance (*Penerima Bantuan Iuran* or PBI), which makes clear that the target group is poor persons. PBI is one element of the National Health Insurance (*Jaminan Kesehatan Nasional*).

To include more elderly people in the social safety net, the government introduced a social assistance programme for indigent elderly persons—Social Assistance for Older Persons (*Asistensi Sosial Lanjut Usia Terlantar* or ASLUT).[8] This programme, implemented by the Ministry of Social Affairs (MoSA or *Kementerian Sosial Republik Indonesia*), has a tangible impact on reducing the burden of poverty for neglected elderly people. However, given the large and increasing number of elderly, current coverage rates of this programme are very low.

This report is intended to inform academics and policy makers alike about social assistance options in the context of rapid population ageing. It provides an overview of the nature of old-age poverty in Indonesia and identifies the mechanisms that older people and their family networks use to cope with poverty. It complements two other reports on elderly people in Indonesia published by the National Team for Accelerating Poverty Reduction (*Tim Nasional Percepatan Penanggulangan Kemiskinan* or TNP2K): Old-Age Poverty in Indonesia: Empirical Evidence and Policy Options, A Role for Social Pensions (Priebe and Howell 2014) and Social Assistance for the Elderly in Indonesia: An Empirical Assessment of the ASLUT Programme (Howell and Priebe 2013).

This report also presents an overview of the legal framework of social assistance programmes for the elderly as well as a more detailed analysis of ASLUT coverage of elderly persons. The report identifies similarities and differences between programme beneficiaries and nonbeneficiaries and provides insight into the effect of the programme on older people. It draws on research findings from a specific survey 'Findings of a Household Survey of JSLU Beneficiaries and Non-Beneficiaries' (Demographic Institute and HelpAge International 2012a) conducted in 11 provinces to provide quantitative and qualitative evidence on the relationship between poverty and old age.

This study of elderly people in Indonesia, and the social assistance programmes available to them, was undertaken by TNP2K and is based on TNP2K-commissioned research and analysis conducted by HelpAge International and the Demographic Institute.[9]

---

[8] In 2012, the programme name was changed from Social Security for Older Persons (Jaminan Sosial Lanjut Usia or JSLU) to Social Assistance for Older Persons (*Asistensi Sosial Lanjut Usia Terlantar* or ASLUT). The name change did not reflect any corresponding reform of the programme design itself.

[9] This report is a compilation of two reports prepared by the Demographic Institute (University of Indonesia) and HelpAge International: 'Findings of a Household Survey of JSLU Beneficiaries and Non-Beneficiaries' (2012a) and 'Social Assistance of Poor and Vulnerable Older People in Indonesia' (2012b). Both reports can be obtained upon request from TNP2K.

2. Overview on Population Ageing in Indonesia: Demographic Outlook

Since the 1970s Indonesia has been undergoing a demographic transition that has led to significant changes in its population age structure (Adioetomo 2006). The average number of children per woman fell from 5.5 in the 1970s to only 2.1 by 2010, while life expectancy increased from 45 in the 1970s to 67 years by 2007 and is projected to rise to 71.5 years by 2015. Meanwhile, a decline in infant mortality led to greater numbers of children reaching adulthood (BPS 2005). As Figure 1 shows, the number of people in working ages (15–59 years) has also increased significantly, which is attributed to advances in health care and better access to health facilities (Figure 1).

Figure 1. Population Group Trends in Indonesia, 1950–2050

Declining Number of Children, and Increasing Working Age (15 - 59)
and Old Population (60+), Indonesia, 1950-2050 (millions)
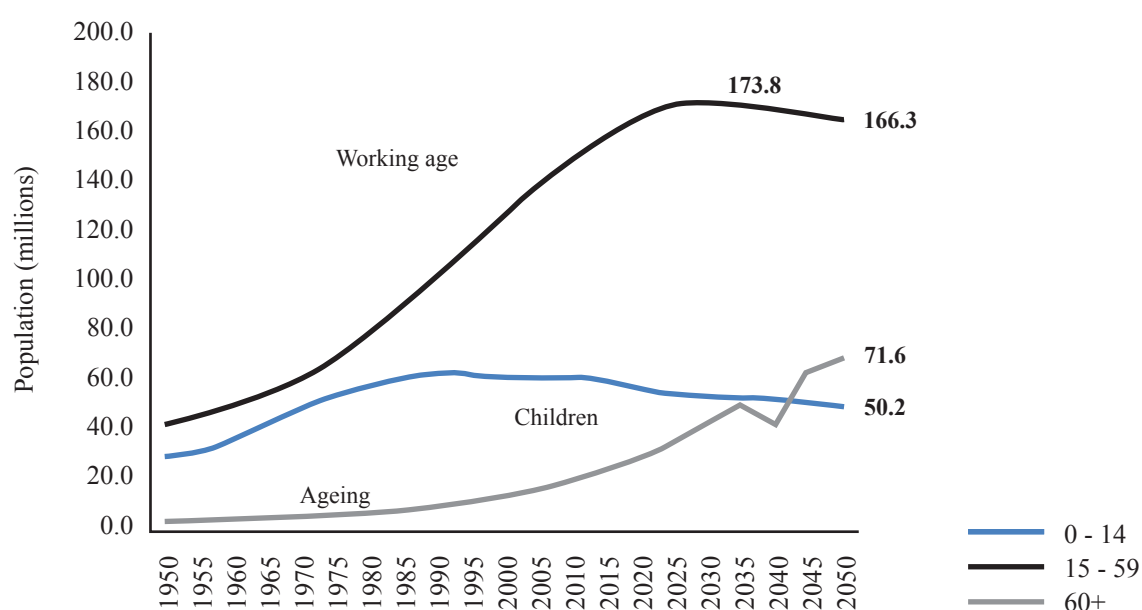
Source: Calculated by Sri M. Adioetomo from UN projection 2008. See UNFPA at www.unfpa.org/public.

Along with these successes, new population challenges have arisen (BPS 2005). The elderly population of Indonesia is projected to increase from about 20 million in 2010 to 36 million in 2025 (Bappenas, BPS, and UNFPA 2005) and to more than 71 million in 2050 (Figure 2). The increase in the number of older people will result in a rapid attainment of demographic milestones associated with ageing societies. By 2018 Indonesia will reach the 'ageing' threshold when people aged 60 years and older will comprise 10 percent of the total population.[10] By 2038 the country will move from the 'ageing' to 'aged' phase when people aged 65 and older will constitute 14 percent of all people in Indonesia.[11] This transition is projected to occur faster than in the case of two countries previously considered as having made this transition the fastest in Asia: Thailand (in 22 years) and Japan (in 26 years).

---

[10] Although there are no absolute definitions for 'ageing' and 'aged' population structures, many international and country reports use certain definitions. If the older population is defined as 60 years and older, 'aging' and 'aged' will be respectively marked when the older population accounts for 10 and 20 percent of the total population. If the older population is defined as 65 and older, 'aging' and 'aged' will be respectively marked when the older population accounts for 7 and 14 percent of the total population. See Andrews and Phillips (2005).
[11] Calculated by Sri M. Adioetomo from UN projection 2008. See UNFPA at www.unfpa.org/public.

Figure 2. Growth of Indonesia's Population Aged 60 and Older, 1950–2050
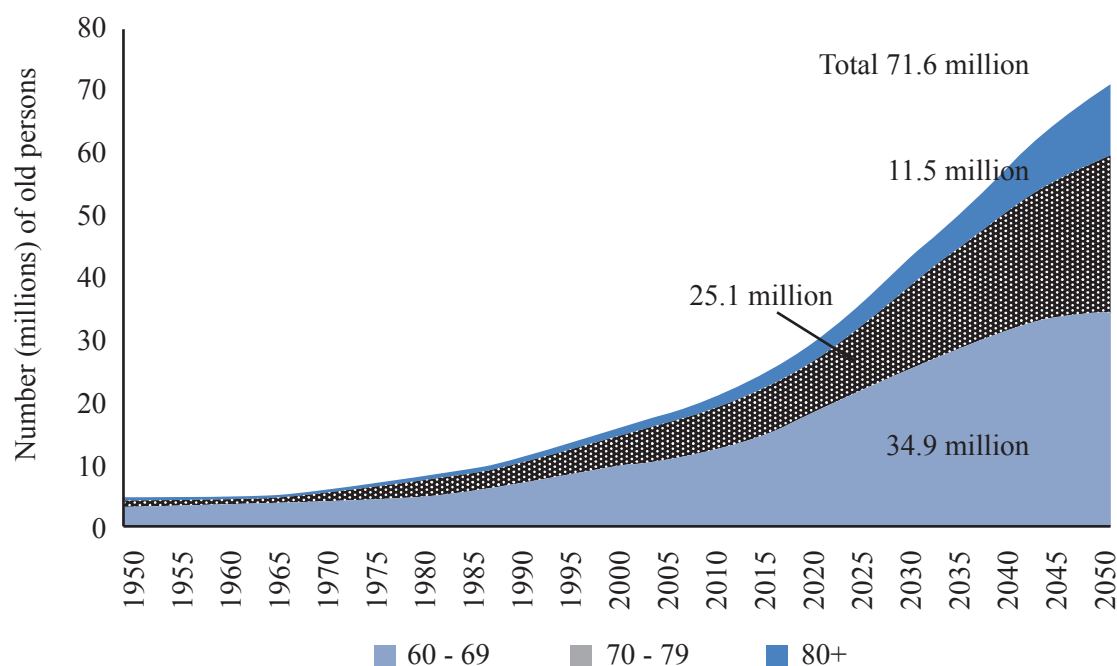
Source: Calculated by Sri M. Adioetomo from UN projection 2008. See UNFPA at www.unfpa.org/public.

The demographic landscape of Indonesia is also changing because of internal migration. Due to rapid improvements in information technology and transportation, Indonesia has been experiencing increased population mobility, particularly among younger rural residents migrating to urban areas, as the country undergoes greater urbanisation. This age-selective migration is likely to elevate the average age in some provinces and in rural areas (Figure 3), despite their poorer performance in reducing fertility rates and infant mortality rates.[12] However, it will offset ageing in provinces such as Jakarta where child mortality has declined (Ananta and Arifin 2009). In areas like East Java with historically low fertility rates and high childlessness, out-migration may combine with the small average number of children that women have to heighten age dependency ratios (Hull and Tukiran 1976; Kreager and Schröder-Butterfill 2005).

The demographic transition is reflected in the changing profile of the elderly population. The average life expectancy for those Indonesians who are 60–64 years old has increased by four years since 1971 (Figure 4): in 2010, their life expectancy at 60 years old was 17 years, up from 13 years in 1971.[13]

---

[12] The trend is reflected by the proportion of elderly people living in rural areas, which by 2010 was 57 percent (Census 2010 data).

[13] BPS calculation, various years. Life expectancy at the age of 60 years is defined as the number of years a person aged 60 can expect to live if mortality levels remain the same for the rest of his/her life.

Figure 3. Ageing Index by Province, 2000 and 2010
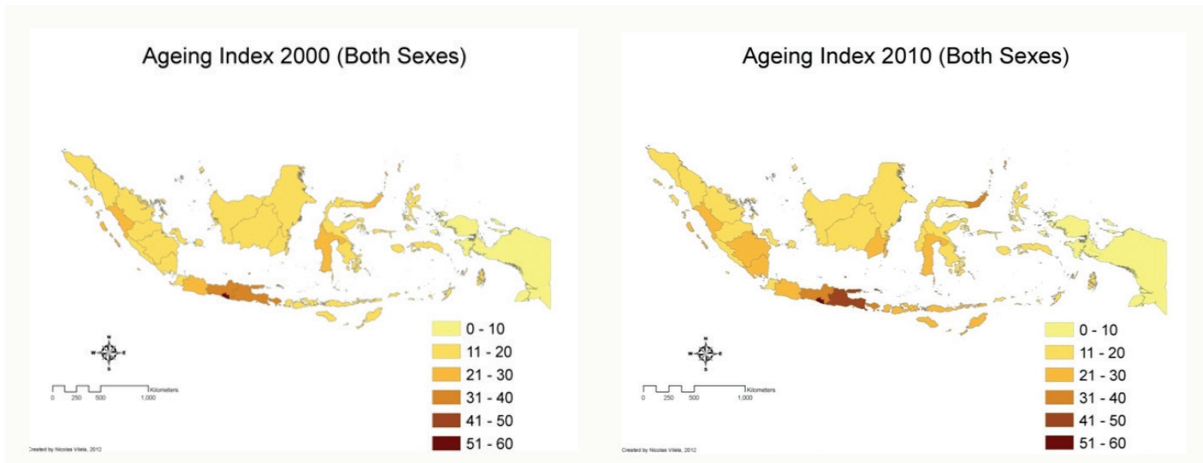
Source: BPS, Census 2000 and 2010.
Note: The ageing index, calculated as the number of persons 60 years or older per 100 persons under age 15, is used to compare the proportion of older people and the proportion of children.

The gender composition of the older population in Indonesia will also undergo gradual changes. The imbalance between older females and older males, often referred to as the 'feminisation of ageing', occurring largely due to longer average life spans of females, will decrease slightly. Male life expectancy of men will tend to catch up with female life expectancy, although at a very low pace. In 2010, the age group 65–69 years had 106 females for every 100 males, whereas the age group of 75 years and older had 130 females for every 100 males (Table 1).[14] By 2025 these ratios will fall to 105 and 126 females respectively.

Figure 4. Old-Age Female and Male Life Expectancy in Indonesia by Age, Various Years

---
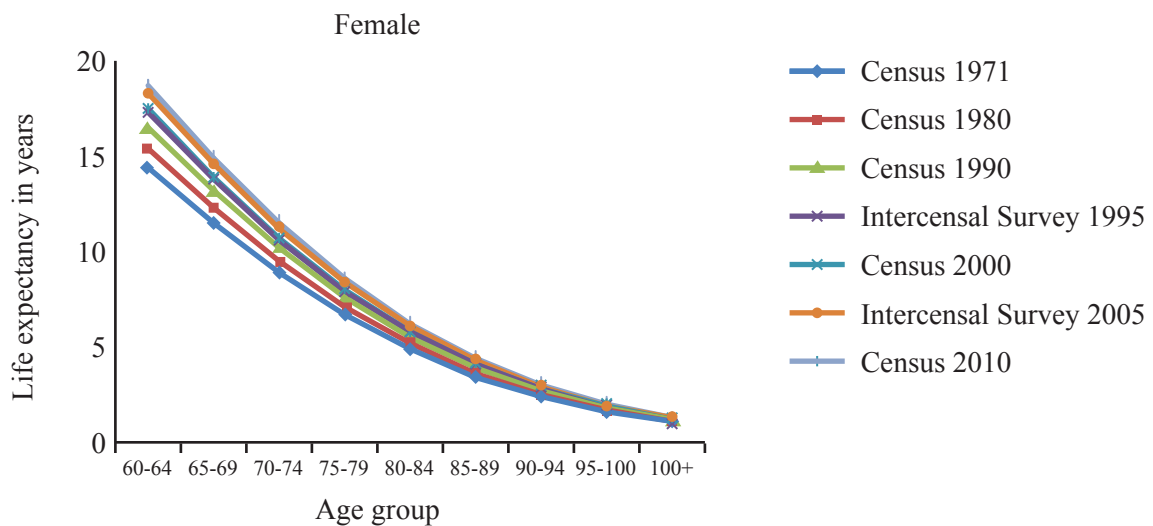
[14] Population projections from Bappenas, BPS, and UNFPA (2005).
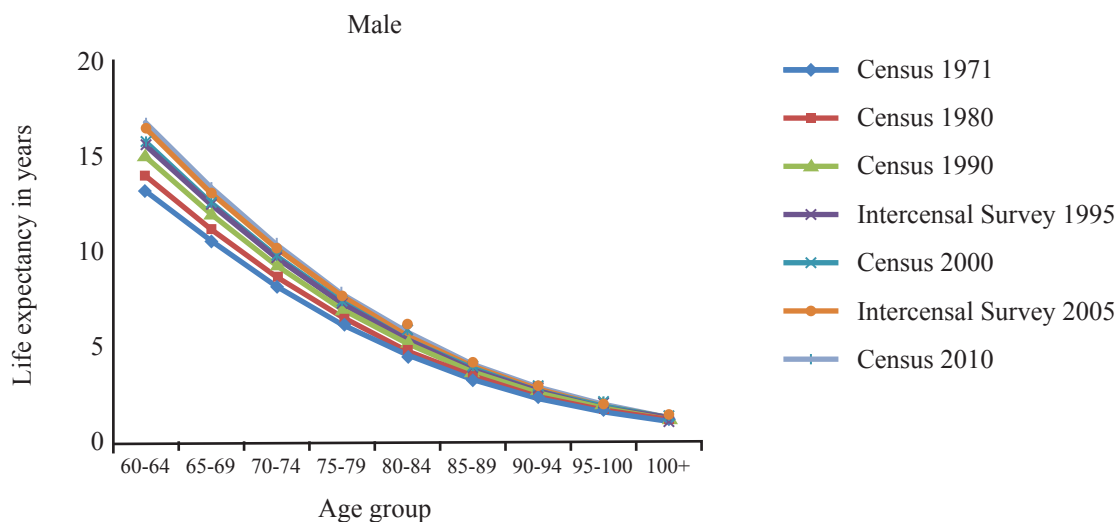
Source: Calculations from BPS (various years).

Table 1. Female-to-Male Ratio of Elderly People in Indonesia by Age, Various Years

Age Group	2010	2015	2020	2025
60–64	98	96	100	105
65–69	106	102	100	105
70–74	115	111	107	106
75+	130	130	127	126

Source: Population projections from the National Development Planning Agency (Badan Perencanaan dan Pembangunan Nasional or Bappenas), BPS, and United Nations Population Fund or UNFPA (2005).

In the next several decades, the demographic transition will transform Indonesia into an ageing society with a large proportion of older people. Low fertility and higher life expectancy will elevate the number of the elderly from about 20 million in 2010 (Bappenas, BPS, and UNFPA 2005), which is just below 10 percent of the population to 71 million in 2050 (25 percent of the population). Additionally, age-selective migration will differentiate the age profiles of the provinces, creating areas with high dependency ratios. Overall, the higher numbers of elderly people will exert increased pressure on the social security system and family support networks in Indonesia.

3. Coping Mechanisms of the Poor Elderly: A Qualitative Assessment

Recent studies show that old age is associated with higher poverty. Older people, especially those aged 70–75 years and those 75 years and older, have the highest poverty rates among all population age groups in Indonesia, respectively, 14.92 and 15.42 percent in 2012 (Priebe and Howell 2014, p. 6). Old age is also highly correlated with disability, which in turn, is associated with increased poverty (Howell and Priebe 2013). Therefore, elderly people emerge as a primary target group for social assistance programmes.

To understand the challenges that elderly people face, this report makes extensive use of the qualitative study of elderly people in Indonesia carried out by the Demographic Institute at the University of Indonesia.[15] The qualitative profile is based on 50 in-depth interviews with older people, 12 village-level focus group discussions, 6 district-level stakeholder focus group discussions (FGDs), and a selection of researcher field notes. The methods of qualitative research used included FGDs, key informant interviews, case studies, and observations. The geographic framework developed for this data collection reflects some of the heterogeneity of Indonesian culture. Data were collected from major ethnic groups (Sundanese, Javanese, Minangkabau, Banjar, Bugis, and Timorese) in urban and rural settings and in areas where youth out-migration has resulted in high ratios of older people. These data were collected from 24 villages in the 12 subdistricts within the 6 districts with the highest proportion of people 60 years and older in the pre-selected 6 provinces.[16]

3.1. Family Support

The qualitative survey revealed that older people need to rely on various informal coping mechanisms in order sustain their livelihoods. In most cases, the elderly have to rely on family networks, communities, or other informal safety nets to maintain sustenance. Yet, the qualitative evidence also shows that informal networks of support are usually insufficient to cover basic needs and that elderly people have to work to make ends meet. The case of Ibu Y (Box 1) provides an example of how have to rely on various sources of support; her house was funded by her family, and she receives subsidised rice from the programme Rice for Poor Households (*Beras untuk Rakyat Miskin* or Raskin) and occasional assistance from her church, but she also works to maintain her basic living standard (Priebe and Howell, forthcoming) .

The case of Ibu Y shows that older people rely on pooling resources to support their livelihoods. The households that form her informal support network contribute from the income sources to which they have access: agricultural produce, wages from manual labour, and access to social assistance. Yet, the smaller the size and social status of the network, the more limited its pool of resources, as well as its capacity to aid impoverished elderly people. The case of Bapak T (Box 2) provides an example of this. In his network, all households appear to be living below the poverty line; the assistance he receives from the community provides a modest contribution to the family economy and seems vital to his functioning. It is insufficient, however, to elevate him or his network out of poverty.

---

[15] A profile of the elderly population derived from the quantitative data is presented in Priebe and Howell (2014).

[16] Appendix 2 presents an overview of the qualitative research.

Box 1: Ibu Y, Kupang, East Nusa Tenggara

Ibu Y is a widow, more than 80 years old, who lives in her own house and looks after her mentally disabled daughter. She has seven surviving children, all of who live in the vicinity: her eldest son and his family live next door and another son and family live in a neighbouring hamlet. She communicates regularly with all her children via mobile phone. Her family network, which also includes siblings in the community, paid for and built her house. Although this simple concrete block construction is in good condition, its lack of internal plumbing and its external toilet and kitchen facilities reflect the modest, subsistence-level incomes of those in her support network. Ibu Y was selected for the government's subsidised rice scheme Raskin, receives occasional sums from her church, and once received a one-off payment of Rp 350,000 from the local office of MoSA. Despite Ibu Y's age, she still regularly weaves cloth, which she sells to merchants for the tourist market; presses coconut oil; raises pigs; and sells fruit from her garden. However, this self-sufficiency does not permit her to save. As she says, 'The important thing is that there is something to eat today. Tomorrow is another day'. Ibu Y contributes small amounts to her grandchildren's school fees. Occasionally, she walks to the puskesmas for medical assistance but does not use other available health services. She does not benefit from any other social assistance programmes.

Box 2: Pak T, Indramayu, West Java

Bapak T is a partially blind widower who lives with his daughter, her husband, and three grandchildren. His two surviving sons live with their families in neighbouring villages. He has little or no contact with two additional children by a previous marriage. The house, which he inherited from his parents, has no internal plumbing and is in poor condition. His daughter uses the front terrace to sell vegetables grown by the family and his two sons work as labourers. All three family members contribute food or small sums of money towards their father's daily needs. Larger purchases, such as the gas stove, depend on credit from a local moneylender. When Bapak T was younger, he was a farmer and masseur. His blindness however prevents him from continuing to work. The household receives *zakat* once each year and occasional charity from the community. The household qualifies for subsidised rice, and Bapak T's daughter has been able to claim direct cash assistance through the Unconditional Cash Transfer (Bantuan Langsung Tunai or BLT) programme. He is often given small sums of money as he walks through the community, so he is able to regularly supplement his household income without directly begging. Together, these several sources have enabled Bapak T and his family to get by; however, his income has not been sufficient to permit any savings. Bapak T has a health insurance card (Jamkesmas), which he used once to have a hernia treated. He has been referred to a hospital in Cirebon for a possible operation to correct his cataracts, but he does not have enough money to pay for transportation to the hospital, so he is not considering having the operation.

The cases of Ibu Y and Bapak T illustrate a crucial point: elderly people, even though they receive assistance from their families, are compelled to find additional sources of support. In most cases they have to work. Some also provide for other vulnerable members of their families. Ibu M (Box 3), for example, had to take on responsibility for her grandchild, despite being partially dependent on her siblings' support.

Box 3: Ibu M, Hulu Sungai Selatan, South Kalimantan

Ibu M's life changed abruptly with the tragic death of her daughter, with whom she was living at the time. Her son-in-law then remarried, which marginalised Ibu M's position in the household, so she decided to move to another community where her sister lives and build a simple house (i.e., no electricity). Ibu M does not lack companionship as her granddaughter moved with her and several of Ibu M's siblings are still alive and live nearby, although her support network as a whole is poor and can provide little support. Aside from *zakat*, Ibu M does not appear to receive any institutional support. To support herself and her granddaughter, therefore, she must work as an agricultural labourer in the fields three kilometres away. Her granddaughter receives no significant support from her father, so Ibu M's support is critical to paying for her granddaughter's schooling: to reduce these expenses, the young girl attends an Islamic school.

Box 4: Ibu N, Bone, South Sulawesi

Ibu N is a widow, aged 80 years old. Only one of her two children survives, and Ibu N has taken responsibility for her deceased daughter's children: a school-age granddaughter, who lives with her and a grandson who sometimes stays with her and works for the village head. Her surviving daughter lives with her husband and six children in a neighbouring village, where she teaches the *Koran*. The daughter once invited Ibu N to move in with her, but Ibu N preferred her independence, so remained in her own home. Ibu N makes a small income buying rice from a local factory and selling it in the market; she also raises chickens. Other relatives in the village occasionally provide small amounts of support, particularly a nephew living next door who provides regular support, including ensure a supply of electricity to Ibu N's home. The village head has also been helpful since her daughter's death, arranging repairs for Ibu N's house and providing a job for her grandson, who also helps her carry heavy loads of rice. Ibu N has a health card and access to Jamkesmas but does not avail its services; when she is ill, she prefers the services of a local dukun or shaman. As she cannot pay for her granddaughter's schooling, a scholarship was arranged through the national Conditional Cash Transfers for Families (*Program Keluarga Harapan*) to cover the costs of attendance at a local *madrasah*.

Similarly, the case of Ibu N (Box 4) confirms that older people cannot always rely only on their family or network support. The dynamics of support relationships can change regularly due to a range of social, economic, and environmental changes in life. For example, the everyday life of Ibu N was abruptly changed by the death of her daughter, leaving Ibu N with responsibility for her two grandchildren whom she must now house. With occasional help from her other daughter, she provides sufficient food for the household. The village head tried to supplement the household's income by providing work for her grandson and arranged needed repairs to her house as well as payment for them. Her granddaughter also received a scholarship at a madrasah, an Islamic school; this suggests that local government and religious institutions have discussed Ibu N's situation and that a number of senior members of the community have contributed to this solution.

These four cases (Boxes 1–4) confirm that an individual's coping capacity depends on network and social relations built during their lifetime. Older people are more likely to receive assistance from their children or other family members if they have contributed to these networks early on in life. However, that is not always the case. Many elderly people must rely completely on themselves, as their children might not have the capacity to help or are unable or unwilling to do so. The example of Bapak B (Box 5) and his wife reveals that elderly people may face the danger of neglect by their own children.

Bapak B has several children living nearby in his network, but he receives little or no help from them; Bapak B and his wife have coped largely on their own. Their self-reliance depends heavily on his continued fitness, both in farm work and in scouring the countryside for plastic bottles.

> **Box 5: Bapak B, Hulu Sungai Selatan, South Kalimantan**
>
> Bapak B is an active man of 65 who lives with his wife in a home built 16 years ago on land owned by his children, all of whom live in the same village with them. He and his wife actually moved there to be near their children, hoping they would look after them when they grew older. All of the children are married and have children; three of them work as agricultural labourers; and two are unemployed. Unfortunately, Bapak B and his wife's hopes for good relations with their children have resulted in disappointment and hurt feelings, as their children have both not offered any help and refused their parents' requests for assistance. Bapak B and his wife's household income depends on his agricultural work for a farmer in the village and his collection of plastic bottles and product waste, for which he gets Rp 700 per kilogram; his wife sometimes helps with this work. He has not registered with Jamkesmas, although he does receive subsidised rice.

3.2. Role of Community Support and Employment

When family assistance for elderly people is unavailable or insufficient to meet their basic needs, they must rely on other sources to maintain a basic living standard. In such cases, the community often steps in, either providing direct assistance or employment opportunities to the elderly (or their family members). The connection between community support and employment is very close; the latter can be arranged through institutional channels or through patronage.

Bapak K (Box 6) provides an example of patronage arrangements and the extent to which a modest working role in local government may be vital in providing a sustainable livelihood for elderly people. In addition to his job, he has access to community agricultural land (both for himself and his children) and to income from renting that land. He also receives housing, income, food, and medical assistance, all fully or partially provided by the local government. Institutional support, as Bapak K's case shows, can therefore be crucial in helping elderly people cope with daily life; it can ensure their basic living standard and continual contribution to the family and community networks.

The example of Bapak K shows that employment and ownership of productive assets can be important in providing livelihoods for elderly persons lucky enough to have them. Yet many older people have limited productive employment opportunities and have accumulated little wealth in the course of their lives. Lack of education and a predominantly rural location of residence generally keeps them in manual job sectors, such as agricultural labour, construction, or petty trade. Additionally, a lack of savings forms a barrier in accessing health services or improved nutrition. Their material situation can also be

compounded by ill health, which can then bring losses of independence/autonomy, mobility, dignity, privacy, confidence, and self-esteem. The case of Bapak A (Box 7) demonstrates the important links among health, livelihoods, informal networks, and social assistance for older people.

Box 6: Bapak K, Indramayu, West Java

Bapak K, age 67, and his wife have five children, all married with offspring of their own. He and his wife have little contact with their eldest son, who lives in Jakarta and works as a scavenger. However, three children live in their village and one in a neighbouring community. Since the 1970s, Bapak K has worked as a member of local government in various junior capacities, chiefly security and land management. He has been allowed to lease community land, and his children pay part of the lease so that they can work the land too. He makes additional income by leasing some of the land to others and from requests to carry out land measurements. At the village head's recommendation, his home was renovated with an Rp 5 million grant. Bapak K has received quarterly aid from the government in the form of groceries and also cash through the Direct Cash Transfer (*Bantuan Langsung Tunai* or BLT) programme. He received assistance through Jamkesmas to finance his hernia operation. Bapak K is aware that most villagers do not have access to Jamkesmas and that the patronage he has received through his association with local government has improved his quality of life compared with his neighbours.

Box 7: Bapak A, Agam, West Sumatra

Bapak A is a widower, nearly 80 years old, with a large family. He lives with his daughter, her husband, and two grandchildren in a home that his son-in-law built on a small plot of land. The house has a well and an indoor bathroom. Bapak A has three other children with families close by in the community, two in neighbouring communities, and three additional children living farther away. All his children work in menial and part-time jobs. Money is short in this family network, and basic household appliances have all been purchased on credit. Bapak A's feet were amputated as a result of an accident 20 years ago. Since then he transferred his rice paddy and other small pieces of land to his children and has depended on them for support. He also gets important support—some Rp 300,000 a month—from the ASLUT assistance programme, which he uses for his basic needs, medications, and transport to health facilities and to help his grandchildren. His health needs have increased in recent years: he has been diagnosed with hypertension and has recurring headaches and an ulcer. He visits a doctor frequently, and his children must contribute to costs above and beyond his ASLUT support. His children have been told that Bapak A does not receive Jamkesmas assistance because authorities decide on eligibility on the basis of the physical condition of the home, and the recent house built by his son-in-law, in effect, disqualified him.

Bapak H (Box 8) provides an example of the fragility of marriage in the context of a life of sustained poverty. Bapak H made a new life for himself following his second divorce by moving, as Ibu M did, to a community where he had family. His marriage has provided modest security in old age, but he depends on his wife's labour. His village network is poor and unable to provide additional support.

Bapak R (Box 9) is a third example of self-reliance. He exemplifies the situation faced by childless older people who are generally placed at a disadvantage: they do not receive any support from offspring later in life. Bapak R has received subsidised Raskin rice and, on several occasions, direct cash assistance through the BLT programme.

Box 8: Bapak H, Hulu Sungai Selatan, South Kalimantan

Bapak H, age 70, lives with his fourth wife, with whom he has a married son, who lives in a neighbouring village. His wife has four children from a previous marriage, some of whom live far away and none of whom appear to be part of their active family network. His first wife died childless. He then lived with the family of his second and then third wives. Both women divorced him on the grounds that he did not provide adequate support. Following the second divorce, he moved to his current home, where he has kin. Together with an uncle, he bought some land, and each built a house. For many years, he was active in the community as an assistant to the local civil registration service and as a security guard for the village hulling plant. When he was younger, he worked in the market as a fruit seller, either buying fruit from farmers or collecting it himself. Now he is unable to work and depends on his fourth wife's income as an agricultural labourer. Their network of family members in the village is poor and able to provide little or no support. He gets small sums of money from a nephew and from one of his sons by a previous marriage and is sometimes sent vitamins by another son. He does not appear to receive any state assistance.

Box 9: Bapak R, Kupang, East Nusa Tenggara

Bapak R is a childless widower, 78 years old, whose wife died more than 20 years ago. Every day he tends his own field, some 1.5 kilometres from his house, on which he grows vegetables and fruit for himself and his kin in the village. He works unassisted, except at harvest time when his nephew helps him. The nephew and a niece live close by and frequently help in other ways, for example, by cooking for him or selling some of his produce in the market. Bapak R has regular visitors, as well as cash to buy rice and other necessities. His house is a simple structure with electricity; he shares a toilet with neighbours. Water is delivered twice a week; otherwise it must be carried from a source one kilometre away. Bapak R has received subsidised rice and, on three occasions, a BLT of Rp 200,000. His health remains good. He is not aware of Jamkesmas but satisfied with walking to the mobile health centre (*puskesmas pembantu*) for care when he needs it. He retains a strong attachment to his land and working on it, and he does not feel he is poor as long as he is able to work and help others.

There are many more examples of how older people cope with their conditions. Those who are destitute find it difficult to make ends meet. Others make use of various sources of petty income and assistance available to them and weave together a decent livelihood for themselves. Yet others receive support from their networks and are sufficiently integrated into the lives of their family or community to fulfil their basic needs.

In most cases, older people's perceptions of poverty—their own and others'—draw strongly on religious and moral attitudes to life. The 50 in-depth interviews revealed two critical issues defining the nature and experience of poverty in old age. One is older people's attitude to work and its importance in their lives, not only as a source of food and material well-being but as crucial to defining their position in their families and in society. The second is the relation between their health and work: how health affects their ability to work and older people's status in communities. Older people also attribute poverty and their vulnerability to poverty to disadvantages during their lifetime. Particularly in the case of rural respondents, a lack of their own small area of land to grow rice has confined them and their family network to unreliable income from manual labour.

3.3.   Qualitative Profile Summary

The welfare status of elderly people across Indonesia varies significantly, as do their responses to the conditions they face. Older people are more susceptible to poverty than other age groups. They use their savings, income they are able to earn on a continuous basis, or what the community provides them to support their basic needs. Should these three sources be insufficient, they require institutional support or direct social assistance. As a group, elderly people are, therefore, a prime target for social assistance due to their limited options for economic and social empowerment. The social safety net should be expanded in light of limited coverage of retirement pensions and old-age benefit schemes in Indonesia. Many elderly persons are members of large, poor households; in those cases, social assistance to the elderly can relieve pressure on entire poor families and contribute to wider poverty alleviation.

4. Government Programmes and Initiatives

4.1. National Social Security System and Legal Background

The establishment of a social security framework covering older people has a firm basis in Indonesian law. The articulation of the commitment to social assistance is expressed in the Indonesian constitution in Article 28H, which mandates 'the right to social security in order to develop oneself fully as a dignified human being'.

This provision is strengthened by four separate pieces of legislation. The first one is a specific commitment to the social security of older persons, expressed in Law No. 13 of 1998 on the Welfare of Older Persons. It stipulates that older persons who do not have the potential to become largely independent (e.g., through work) should be given social protection.

The second law was Government Regulation No. 43 of 2004 on the Implementation of Efforts to Improve Older Persons' Welfare. According to this regulation, older persons who have potential for greater empowerment but are poor should be given social assistance to increase their welfare. This assistance can be in cash or in kind (Article No. 36).

The third legal initiative demonstrating the government's commitment to providing social protection for all was the enactment of the National Social Security System Law No. 40 of 2004. The law mandates universal coverage of social security with compulsory contributions. For those who cannot afford to contribute, the law states that the government pays the premium, called contribution assistance (*penerima bantuan iuran*).

Concern for the health of older persons was addressed in a fourth piece of legislation, Law No. 11 of 2009 on Social Welfare. This law, however, does not specifically mention older persons. Instead, it prioritises the implementation of social welfare targeted to people who lack a 'decent' life, as per the following criteria: poor, neglected, disabled, and/or remote persons; disaster victims; victims of social misconduct; and victims of violence, exploitation, and/or discrimination (Article no. 6). The law can be implemented in the form of (1) social rehabilitation, (2) social security (*jaminan sosial*), (3) social empowerment, or (4) social protection. Social security is targeted to those older persons who are poor, neglected, physically disabled, mentally disabled, suffering from chronic diseases, and suffering from social and economic inability to meet their basic needs. Article No. 15 describes social assistance, targeted to individuals, families, or groups that suffer from shock and vulnerability to enable them to maintain a decent life. The article states that social assistance can be in the form of direct assistance (cash transfer); provision of means of access; or strengthening of institutions.

4.2. *Existing Social Insurance Programmes*

Social security programmes in Indonesia have two forms: contributory social insurance mechanisms and noncontributory social assistance schemes. Social insurance is designed to provide long-term benefits, financed by contributions accumulated over the years. It comprises several programmes for the formal sector:

- PT Social Security Programme for Employees (*Jaminan Sosial Tenaga Kerja* or Jamsostek), providing insurance for workers[17]
- PT Civil Service Pension Fund (*Tabungan Asuransi dan Pegawai Negeri*), administering a pension system for retired civil servants
- PT Social Health Insurance for Civil Servants and Military (*Asuransi Kesehatan* or Askes), administering health insurance for civil servants and military personnel
- PT Asabri, providing pensions for retired military personnel

These schemes cover employees in the formal sector, civil servants, and military personnel. Only a tiny proportion of those who work in the informal sector (Table 3) and the unemployed are covered by any existing mechanism.

Together, these programmes cover a very small section of the working age population. The scale of undercoverage is illustrated by the relatively small size of the formal sector. In 2010 the formal sector made up just under a third (32 percent) of Indonesia's workforce of 108 million (BPS 2011, p. 91). The proportion of older people receiving all contributory schemes in 2010 was 15.5 percent of the population aged 60 years and older.[18] The data for 2010 include only, as mentioned above, employees in the formal sector, civil servants, and military personnel.

The pension amounts received by employees in the formal sector, civil servants, and military personnel are usually minimal. Table 2 shows that the per capita pension per month as a percentage of per capita monthly household expenditures for all elderly was only 6.35 percent. In most cases, therefore, the pension amounts received are insufficient to maintain an adequate livelihood after retirement. Only those retired from high-level positions may have savings, usually in the form of bank deposits; however, interest rates are declining in line with the Indonesian Central Bank's policy. Additionally, most older persons aged 60 years and older are not eligible to apply for commercial health insurance, even if they can afford to pay the premiums. Effectively, only wealthy retirees have savings to support their expenses.

---

[17] PT stands for perseroan terbatas or limited company.
[18] Calculations based on data from the Indonesian Census 2010 (BPS), PT Civil Service Pension Fund (*Tabungan Asuransi dan Pegawai Negeri*), and PT Askes on pension recipients in 2009. Based on these data, civil service and military totaled 2,802,435 in 2009. The total population in 2010 of those 55 years and older was 52,969,241 and those 60 years and older was 18,036,009 (Census 2010). The 2009 pension coverage data is compared with total population numbers for 2010. Because pension coverage changes only very slowly with time, we expect that the ratios still provide reliable statistics.

Table 2. Average Monthly Pension Income (Conditional on Receiving a Pension), by Age, Gender, and Location, November 2007 to April 2008

Age, Gender, and Location	Mean Value of Pension per Month (Rp)	Per Capita Pension per Month as Percentage of Per Capita Household Expenditures per Month
All old age	90,158.8	6.35
Age group		
60-69	103,300.7	6.51
70-79	70,268.3	5.87
80+	66,020.5	6.78
Gender		
Male	117,139.1	7.72
Female	34,890.7	3.54
Location		
Urban	194,680.2	12.80
Rural	32,214.6	2.77
Poverty		
Nonpoor	156,091.1	8.08
Poor	37,343.2	4.96

Source: Calculations from the 2007 Indonesia Family Life Survey.

Moreover, formal pensions are received only by those who have contributed to existing mechanisms for the past two decades. The amount of benefits that they receive is usually small, as the programmes are based on voluntary contributions, and most people choose to contribute the bare minimum. As a result, eventual pension benefits are usually insufficient to cover even basic living expenses. As a consequence and as shown in Table 2, the amount of pension received varies a great deal. In terms of vulnerable groups, elderly women, poor elderly, and rural elderly receive very low pension benefits.

Additionally, any reform to the system intended to increase the coverage to all formal-sector employees would require at least two decades to take effect, primarily because people would have to accumulate substantial contributions towards a future pension. Age cohorts retiring before the two-decade period would most likely not generate enough contributions for adequate coverage or would not qualify for the programmes because they had not contributed for the minimum number of years.

The two-thirds of the labour force working in the informal sector are not covered by any social insurance scheme. Similarly, older persons who used to work in the informal sector are not eligible for a pension. In addition, most of the retirees from the formal sector who have already spent their Jamsostek funds do not have access to any other social protection schemes. The scale of undercoverage is, therefore, immense. Social assistance options need urgent consideration to provide assistance to elderly who are not covered by existing systems of social security and have no regular source of income.

4.3.   Social Assistance

The Government of Indonesia recognises the gaps in the social insurance schemes and is taking affirmative action. These include the development of Jamkesmas in 2008 for 76 million poor and near-poor people, with a target of reaching 96 million poor and near-poor individuals by the end of 2014. Other social assistance schemes include programmes such as the Conditional Cash Transfer for Families programme (PKH) and Assistance for Poor Students (BSM), as well as the subsidized rice delivery programme for poor people (Raskin).[19]

Total expenditures on social assistance programmes for the elderly by the central government of Indonesia in 2004–11 has increased with time but experienced a reduction in budgetary allocation between 2009 and 2011 from Rp 82 trillion to Rp 62.5 trillion (World Bank 2012a; Demographic Institute and HelpAge International 2012a, p. 114; and the 2011 national budget [*Anggaran Pendapatan dan Belanja Negara*]). Such expenditures remain low compared with other government programmes, as shown in Figure 5, which presents allocations in the central government budget for household-based social assistance programmes in Indonesia in 2011. The portion specifically allocated for older persons is very small at 0.53 percent. This means that a large number of older persons remains excluded from both old-age insurance and social assistance. With the rising number of poor older persons and the current low coverage rate of the ASLUT programme, it is crucial to increase its resources in order to cover a larger number of eligible older persons.

Figure 5. Central Government's Budget Allocations for Household-Based Social Assistance Programmes, 2011
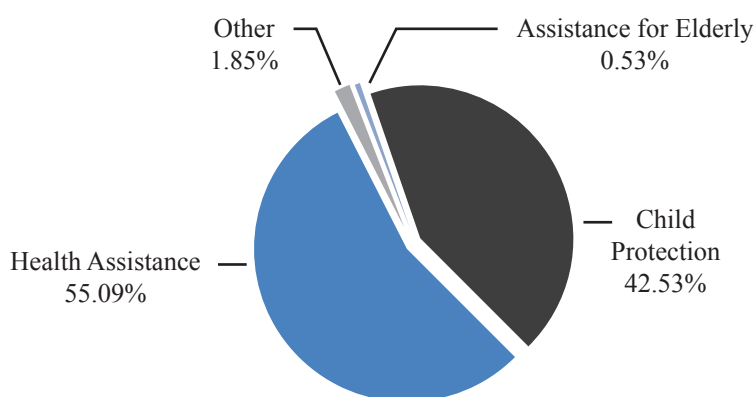
Source: National budget data (2011).

---

[19] Appendix 4 briefly describes social assistance programmes for the elderly in Indonesia.

5. ASLUT Programme

5.1. Programme Description

In light of the minimal coverage of social insurance in Indonesia, the social safety net could be extended to vulnerable elderly citizens through social assistance schemes. Currently, the only initiative targeted directly at the elderly is ASLUT, a programme of cash transfers to neglected and abandoned older people. Its objective is to meet their basic needs and maintain their well-being (MoSA 2011a). Started in 2006 (World Bank 2012b, p. 11) in 6 provinces and targeting 2,500 beneficiaries, it has since expanded to all 34 provinces; the number of recipients reached 26,500 in 2013 (Table 3). For 2014 MoSA plans to expand the programme to cover about 32,500 recipients, subject to budget approval.

Eligibility
The eligibility of beneficiaries for ASLUT is based on the following criteria:

- Older persons 60 years and older who suffer from chronic diseases, whose lives depend on others' assistance, or who are bedridden, have no income sources, or are poor and neglected
- Older persons aged 70 years and older without the potential for empowerment and independence, who have no income sources or who are poor and neglected
- Those elderly who own a resident identity card (*kartu tanda penduduk*), family card (*kartu keluarga*), or statement letter (*surat keterangan tidak mampu* or SKTM) of poverty validated by the village head

Coverage
In 2011 the ASLUT cash transfer amount was Rp 300,000 a month per person. In 2012 this amount was reduced to Rp 200,000 a month per person, enabling the programme to expand to 26,500 beneficiaries. Although the number of programme recipients has increased over the years, it is still low given the total number of poor and neglected older persons in Indonesia, estimated by MoSA to be 1.8 million.[20]

---

[20] Unpublished MoSA documents.

Table 3. Coverage and Expenditures of the ASLUT Programme, 2006–13

Year	Additional Provinces Covered	Cumulative Coverage by Province	Cumulative Number of Beneficiaries	Expenditure (Rp)
2006	Banten, Central Java, DI Yogyakarta*, East Java, Jakarta, and West Java,	6	2,500	9,000,000,000
2007	East Nusa Tenggara (NTT), North Sumatra, South Sulawesi, and South Kalimantan	10	3,500	12,000,000,000
2008	Bali, Maluku, North Sulawesi, West Sumatra, and West Kalimantan	15	5,000	18,000,000,000
2009	Aceh, Bengkulu, Jambi, Central Kalimantan, Central Sulawesi, East Kalimantan, Lampung, North Maluku, Papua, Riau, South East Sulawesi, South Sumatra, and West Nusa Tenggara (NTB)	28	10,000	36,000,000,000
2010	Gorontalo	29	10,000	36,000,000,000
2011	Bangka Belitung, Kepri, West Papua, and West Sulawesi	33	13,250	47,700,000,000
2012	All provinces	33	26,500	63,600,000,000
2013	All provinces	34	26,500	NA†

Sources: MoSA 2014.
* DI stands for Daerah Istimewa or Special Area.
† The budget figures for 2013 are not confirmed at the time of writings.

Targeting

The targeting of ASLUT beneficiaries is done in the following manner: the MoSA office at the provincial level decides which districts in the province will be assigned to the ASLUT programme, based on which districts have the largest numbers of older persons and other factors, district poverty rate (using BPS data in 2006 when the programme was started), and the district's preparedness for conducting the ASLUT programme. Subsequently, subdistricts are chosen from each district using the same criteria. The programme officers, assisted by a facilitator, then identify older persons who meet the criteria for cash transfers. The list is subsequently sent to MoSA officers handling ASLUT at the provincial level for verification and selection of potential beneficiaries. All the lists from districts/municipalities are subsequently sent to MoSA headquarters for completion of the formal selection of beneficiaries.

Screening of beneficiaries is performed using a standard format questionnaire, which collects information on various characteristics: demographic, education, employment (also among pensioners), marital status, living arrangements, number of children, health conditions, health complaints, health-seeking behaviour, financial source of a candidate's health services, daily activities, income, assistance, and sources of protein, as well as whether the person receives any other subsidy or assistance from the government.

MoSA confirms the selected beneficiaries by signing the 'Letter of Decision', that is, an overall list of recipients by province. As the last step, an ASLUT card is prepared for each beneficiary.

Disbursement

The objective of the ASLUT programme is to help cover the cost of beneficiaries' basic needs—food and nutrition, transportation, social participation, funeral, etc. The actual payment transfer is done through a local post office, which acts as a carrier of ASLUT funds. Post office staff are supposed to deliver the ASLUT money directly to beneficiaries (MoSA 2011b, p. 19). However, findings from the qualitative study in Special Capital Region (*Daerah Khusus Ibu Kota* or DKI) Jakarta indicated that programme facilitators sometimes keep the ASLUT card in order to prevent it from getting lost or damaged. With this card, the facilitators collect the money and, together with post office staff, deliver it to the beneficiaries. There are cases, however, in which the beneficiaries themselves collect the money from the post office.

The money disbursement is carried out periodically due to difficulties in delivering the transfer, especially to people residing in remote areas. The average cost of delivery (especially the transport cost) is estimated to be Rp 25,000 per person; if distributed monthly, the cost of disbursement for 13,250 ASLUT beneficiaries would amount to more than Rp 300 million monthly, or almost Rp 4 trillion annually. To reduce this cost, in 2011 the first delivery was carried out in July, amounting to Rp 2,100,000 per person as a lump sum for the rest of 2011. Such accumulated payments may, however, undermine the programme objective of supporting day-to-day basic consumption needs.[21] In light of this, in 2012 MoSA permanently changed the distributions to every four months: (1) January–April, (2) May–August, (3) September–December.

5.2. ASLUT Research Methodology

TNP2K commissioned HelpAge International and the Demographic Institute to conduct an in-depth survey of beneficiaries and nonbeneficiaries of the ASLUT programme.[22] This quantitative survey of 2,202 poor and vulnerable older people was conducted in 2012 in 11 provinces in Indonesia: Central Java, DKI Jakarta, East Java, East Nusa Tenggara, Maluku, South Kalimantan, South Sulawesi, South Sumatra, Special Area (*Daerah Istimewa*) Yogyakarta, West Java, and West Sumatra. The 2,202 respondents were purposively sampled to include an equal number of poor and vulnerable older people who receive cash transfers from the ASLUT programme and older people who, due to quotas in the programme, do not receive cash transfers but who are also poor and vulnerable.

5.3. Demographic and Socioeconomic Profile of Respondents

Age, Gender, and Residency Distribution

In total, the survey encompassed 1,082 ASLUT recipients and 1,120 nonrecipients. Nonrecipients were chosen against the same criteria used by ASLUT facilitators when selecting beneficiaries, to ensure that socioeconomic characteristics of both groups were as similar as possible.

---

[21] It has been noted that, in one case, the lump sum money was used for house renovation (MoSA 2011b).

[22] The findings of the research and resulting policy recommendations presented below are based on the analysis of the Demographic Institute (University of Indonesia) and HelpAge International (2012a).

Table 4 presents the gender and age composition of the surveyed sample. It shows more women than men among both ASLUT beneficiaries and nonbeneficiaries. This gender breakdown is consistent with the gender profile of current ASLUT recipients, that is, more women than men. In terms of age, most of the people in the sample were older than age 70, a priority target group of ASLUT. The percentage of respondents in the youngest age group (60–69 years) is the smallest, 12.25 percent for men and 10.25 percent for women.

Table 4. Composition of ASLUT Survey Respondents by ASLUT Beneficiary Status, Gender, Age, and Location, March 2012

Gender/Age and Location	ASLUT Beneficiary?	
	Yes (%)	No (%)
Male	23.38	31.87
60–69	12.25	19.05
70–79	39.92	36.13
80–89	37.15	35.85
90+	10.67	8.96
Female	76.62	68.13
60–69	10.25	19.92
70–79	40.17	39.97
80–89	37.15	30.14
90+	12.42	9.96
Total	100.00	100.00
Urban	40.94 (n=443)	41.61 (n=466)
Rural	59.06 (n=639)	58.39 (n=654)
Total	100.00 (n=1,082)	100.00 (n=1,120)

Source: Demographic Institute and HelpAge International (2012a).
Note: The figures in the age breakdowns may not add up exactly to 100% due to rounding errors.

Differences in gender between beneficiaries and nonbeneficiaries are also significant. There are proportionately more female beneficiaries than female nonbeneficiaries.

The survey also looked at the residential location of all respondents. Some 58.7 percent live in rural areas, whereas the rest (41.2 percent) live in urban areas. This pattern is similar to the urban-rural distribution of the entire Indonesian population recorded in Census 2010 (that is, 57.4 percent rural and 42.6 percent urban residents). Yet, residence is not a criterion for selecting ASLUT beneficiaries and, therefore, the difference between respondent beneficiaries and nonbeneficiaries is not significant.

Bedridden Status

One of the eligibility criteria for selection as an ASLUT beneficiary is the condition of being bedridden (MoSA 2011b). Among the entire sample of 2,202 respondents, only 15.62 percent of respondents (344 persons) are bedridden; of those, 24.4 percent (84 persons) are male and 75.6 percent (264 persons) female. This gender difference echoes the general ratio of males to females in the ASLUT programme; relatively more older women are recipients of ASLUT than older men. Furthermore, as shown in Figure 6, the likelihood of being bedridden and being an ASLUT beneficiary increases with age.

Figure 6. ASLUT Survey Respondents Who Are Bedridden, by Age Group, March 2012
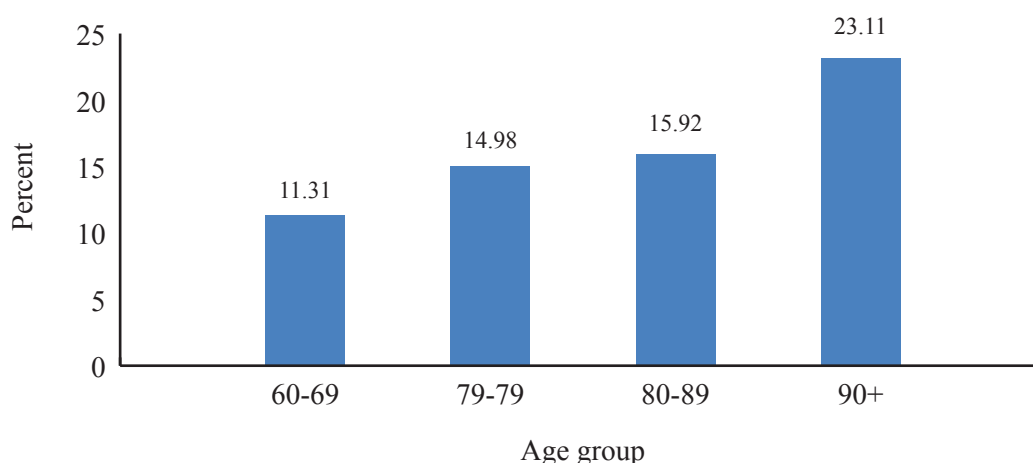
Source: Demographic Institute and HelpAge International (2012a).

If in compliance with MoSA guidance, all 344 bedridden respondents in the sample would have been covered by ASLUT. However, the survey revealed that only half of them (53 percent) receive ASLUT assistance. A possible explanation for this is budgetary constraints: ASLUT's current budget is insufficient to cover all bedridden older persons, particularly as there are other criteria determining which beneficiaries must also be selected. To minimise this problem, the targeting process needs clarification. Ministry guidelines, for example, could be defined more specifically, allowing for inclusion of beneficiaries with special circumstances, yet precise enough to minimise the possibility of intentional or unintentional errors by ASLUT facilitators at the local level.

Education

The difference in the educational attainment of ASLUT beneficiaries and nonbeneficiaries is very small, largely because education is not a criterion for selecting ASLUT recipients. The education profile of both groups in the sample is similar to that of all older persons in Indonesia. As Table 5 shows, more than 85 percent of respondents have not finished primary school or have no education at all (both ASLUT beneficiaries and nonbeneficiaries). This is the effect of a lack of wider access to primary education before 1973, when a Presidential Decree sanctioned the establishment of at least one primary school in each village. Older persons aged 60 years and older today were already too old to enrol in primary school when the decree was implemented.[23]

---

[23] Older persons aged 60 years in 2012 were born in 1952 and therefore, already 21 years old in 1973.

Table 5. Education Level by ASLUT Beneficiary Status, March 2012

Education Level	ASLUT (%)	Non-ASLUT (%)
Below primary	88.08 (n=953)	85.00 (n=952)
Completed primary	8.78 (n=95)	11.43 (n=128)
Completed junior or senior high school	3.14 (n=34)	3.48 (n=39)
Above senior high school	0.00 (n=0)	0.09 (n=1)
TOTAL	100.00 (n=1,082)	100.00 (n=1,120)

Source: Demographic Institute and HelpAge International (2012a).

Living Arrangements

Figure 7 shows that 22.6 percent of ASLUT beneficiaries live alone, compared with 21.4 percent of nonbeneficiaries.[24] It also shows that, in general, living arrangements of ASLUT beneficiaries and nonbeneficiaries are similar.

Figure 7. Living Arrangements by ASLUT Beneficiary Status, March 2012
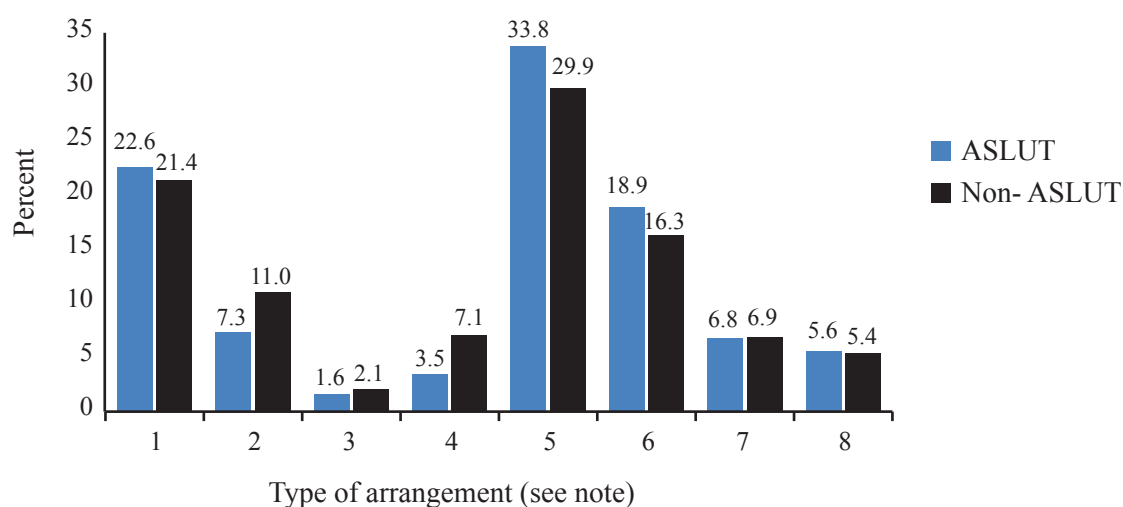
Source: Demographic Institute and HelpAge International (2012a).
Note: 1. Living alone; 2. With spouse; 3. With spouse + grandchildren; 4. With spouse + children; 5. With or without spouse + children + grandchildren; 6. With children only; 7. With grandchildren only; 8. With others or other living arrangement.

The living arrangements of ASLUT survey respondents align with those of elderly people nationally (as captured by the Susenas 2008 survey). A higher percentage of women living with no spouse (living alone, with children and grandchildren, with children only, or with grandchildren only) receive ASLUT assistance. In contrast, a higher percentage of men living with a spouse in all possible scenarios receive

---

[24] The nature of the t-test is only applicable to dichotomous variables; therefore, it is not applicable to run a t-test for living arrangements.

ASLUT. This conclusion is supported by findings showing that, nationally, there are many more unmarried older women than men: the percentage of older females who are unmarried is 62.9, compared with only 15.6 percent of older males (Demographic Institute and HelpAge International 2012a, p. 42).

Furthermore, there is almost no sex discrimination in the selection of beneficiaries who live alone: about 22 percent of male and female beneficiaries alike live alone. However, among ASLUT nonbeneficiaries, the trend is skewed more towards females: 24.9 percent of older women beneficiaries live alone, compared with 14 percent of older male beneficiaries. The latter results are similar to the findings from Susenas 2008 in which 3 percent of older men and 13 percent of older women in Indonesia reported living alone. However, elderly people living alone were found to have the lowest poverty rates compared with elderly people with other living arrangements (Howell and Priebe 2013, p. 7). Living alone is, therefore, not necessarily a sign of neglect or poverty but is often associated with higher welfare levels.

Income

There is no significant difference in income status (measured by the wealth index using 'principal component analysis') of ASLUT beneficiaries and nonbeneficiaries. The income distribution shows a greater proportion of nonbeneficiaries in the poorest quintile in the purposive sample and a greater proportion of beneficiaries in the wealthier quintile. However, there is no clear-cut interpretation of this distribution across quintile categories from the wealth index. First, there are limitations in the accuracy of the principle component analysis itself. Second, the results are not representative of the population at large and do not reflect the poverty distribution of ASLUT beneficiaries versus nonbeneficiaries in Indonesia; this would require a nationally representative sample (such as Susenas). As a purposive sample drawn from MoSA's list of beneficiaries, the distribution presented here focuses on poorer older people who meet programme eligibility criteria. It is also possible that MoSA quotas per area focused on other eligibility criteria, such as age or health, rather than the relative poverty of beneficiaries. Thus, it is likely that older people from quintiles 4 and 5 within the survey sample would, in fact, fall into lower quintiles if they were to be measured through a nationally representative sample.

Income distribution among beneficiaries indicates that ASLUT's targeting is not optimal. Causality is not clear; it could imply either that relatively better-off people access ASLUT more easily than relatively poorer people or that poorer beneficiaries have benefited from the programme and as a result have been able to improve their living conditions (e.g., with improved water and sanitation). Disaggregation by household type also suggests some targeting errors in reaching the poorest older people in these areas, which warrants further investigation (see Demographic Institute and HelpAge International 2012b, p. 47).

Overall, ASLUT covers a very small proportion of those officially eligible. The undercoverage is a consequence of the programme's small budget allocation, resulting in many elderly people in Indonesia who are poor, neglected, bedridden, or without the potential for empowerment and independence who do not receive ASLUT assistance. Consequently, the study could easily find elderly persons who are eligible for ASLUT and, in some cases, appear to be even more in need of help than some current ASLUT beneficiaries.

Work Status

Some 86.6 percent of ASLUT beneficiaries in the sample do not work. This figure indicates that the selection of recipients complies with eligibility criteria of having no income (in this case not working for an income). Among nonbeneficiaries, the ratio of nonworking elderly is similar: 80.5 percent.[25] A number of respondents still have to work (13.4 percent of ASLUT beneficiaries compared with 19.5 percent of nonbeneficiaries). Among them, about 10.6 percent and 15.3 percent, respectively, are either self-employed or casual labourers.

Table 6 presents the motivations for older people taking up employment. Those elderly who do work mostly do so for income: 88.33 percent of urban and 76.40 percent of rural beneficiaries, compared with 85.11 percent of urban and 81.25 percent of rural nonbeneficiaries, respectively. A minority—about 30 percent of ASLUT beneficiaries and 20 percent of nonbeneficiaries—works 'to keep active or busy'. Interestingly, nonbeneficiaries were less likely to report that their main reason for working was 'to keep active or busy'. This could indicate that ASLUT incomes relieve the pressures of immediate consumption needs among some older workers. It could also imply that ASLUT decreases the necessity to work for income for some older people.

Table 6. Respondents' Motivation for Work by ASLUT Beneficiary Status and Location, March 2012

Reason for Work	ASLUT (%)		Non-ASLUT (%)	
	Urban	Rural	Urban	Rural
Seeking income	88.33	76.40	85.11	81.25
Socialising	0.00	1.12	2.13	0.78
Keeping active or busy	28.33	34.83	19.15	22.66
Other	1.67	0.00	0.00	0.00

Source: Demographic Institute and HelpAge International (2012a), which also did the calculations.

Health

The ASLUT survey also asked about the health of respondents. Figure 8 indicates that rheumatic pain/gout and feeling tired are the most pronounced among both beneficiaries (67.84 and 71.53 percent) and nonbeneficiaries (70 and 69.29 percent). Hypertension and fever are also commonly cited by respondents (nearly 32 percent and 52 to 56 percent, respectively).

---

[25] It is not known whether the unemployment status of the nonbeneficiaries is an adverse effect of the ASLUT programme, that is, that a respondent's strategy is to be included in the programme to avoid having to work.

Figure 8. Self-Reported Prevalence of Selected Health Conditions by ASLUT Beneficiary Status

Percentage of Respondents Reporting Health Complaints
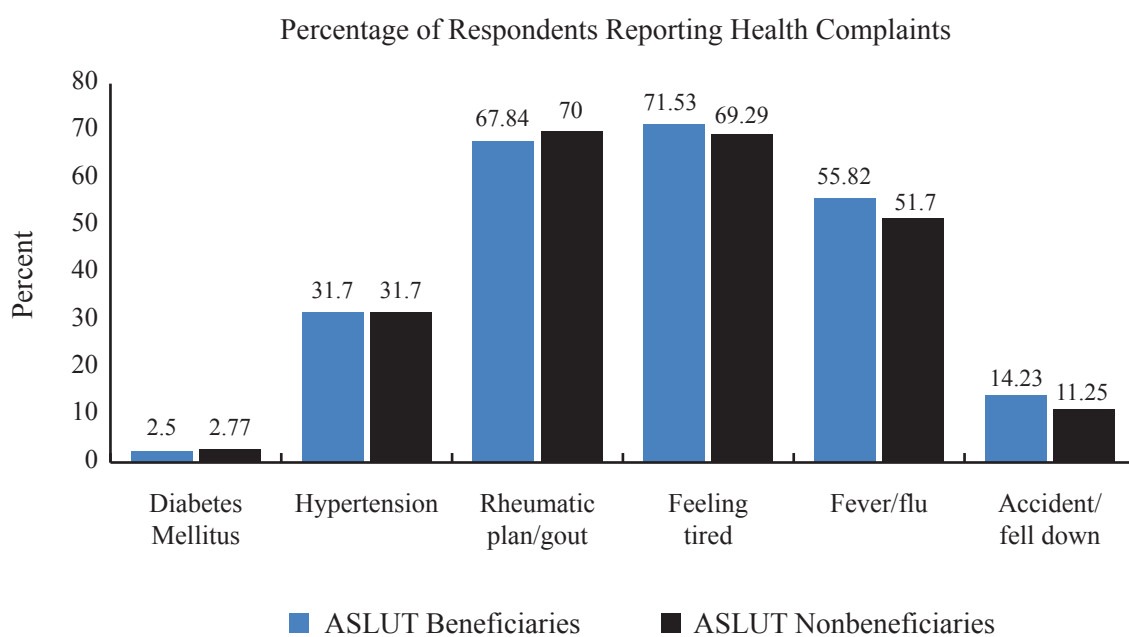
March 2012

Source: Demographic Institute and HelpAge International (2012a).

Respondents who reported suffering from sickness said in most cases that they seek medical help. This is usually obtained from several service providers; health centres are the most popular, both among beneficiaries and nonbeneficiaries. However, nonbeneficiaries are less likely to seek medical help (males as well as females). Nonbeneficiaries are also slightly less likely to use health centres. These findings indicate that ASLUT increases the use of health care among the poor elderly in general, as well as their use of formal health centres.

It is also worth noting that a fairly high percentage of ASLUT beneficiaries visit private practices and midwives/paramedics (respectively, 8.18 and 20.91 percent of male beneficiaries and 9.04 and 19.44 percent of female beneficiaries), which shows that the programme has evident positive effects on elderly people's access to health care.

The prevalence of disability increases with age for both men and women, as well as for both beneficiaries and nonbeneficiaries.[26] Beneficiaries are slightly less likely to self-feed, self-dress, get up independently, and self-bathe than nonbeneficiaries (see Table A14 in Appendix 1), indicating that targeting of recipients using health criteria may have been given more of an emphasis than poverty criteria.

However, no causal relationship between being an ASLUT beneficiary and improved health can be drawn from the research. On the one hand, ASLUT increases the use of Jamkesmas services, which might positively affect the health of beneficiaries. On the other hand, the presence of pre-existing diseases likely influenced the selection of ASLUT beneficiaries. Therefore, no causality can be established.

---

[26] This finding is consistent with the research on disability from a forthcoming Adioetomo, S.M., D. Mont and Irwanto. (forthcoming) report, "People with Disabilities in Indonesia: Empirical Facts and Implications for Social Protection Policies," which states (p. 46) that the prevalence of disability increases with age.

Determinants of Selection

With the knowledge of respondent profiles, it is worth investigating which among the analysed variables are mostly associated with selection as an ASLUT beneficiary. Logistic (Logit) regression was applied (Demographic Institute and HelpAge International 2012b, p. 59) to see whether targeting of the elderly complies with technical guidance set by MoSA (2011b).

The regression showed that activity limitations (lifting up a 5-kg load, and climbing stairs), living alone, gender, age, and a proxy of the wealth index (by quintile) are significant factors in determining whether older persons are selected. For example, those unable to lift a 5-kg load are 1.278 more likely to receive ASLUT than those unable to walk 200 metres. Living alone is also a strong determinant of selection: older persons living alone are 1.28 times more likely to receive ASLUT than people living with somebody (see Table 7).

Moreover, men are less likely to receive ASLUT assistance than women, which aligns with the demographic composition of the country as described in Chapter II. It also indicates that older women living alone are a priority group for ASLUT. Older age (80 years and older) is also a very strong determinant of being a beneficiary, increasing the likelihood of selection by two times. It is interesting to note that the results of the wealth index are not clear, which underscores limitations in the principle component analysis.

Table 7. Results of Logistic Regression on Determinant of Selection as ASLUT Beneficiaries, March 2012

Variables	Odds Ratio	P > z	Significance
Self-feeding	1.548	0.197	
Self-dressing	1.235	0.505	
Self-bathing	1.333	0.242	
Getting up by oneself	0.993	0.972	
Walking for 200–300 metres	1.076	0.533	
Lifting a 5-kg load	1.278	0.046	*
Climbing up stairs	0.721	0.006	**
Living alone	1.280	0.034	*
Male	0.668	0.000	***
Aged 70–79	1.916	0.000	***
Aged 80–89	2.158	0.000	***
Aged 90+	2.156	0.000	***
Bedridden	1.061	0.644	
Q1 (Poorest) by Asset Index	0.660	0.005	**
Q2 by Asset Index	0.910	0.511	
Q3 by Asset Index	0.696	0.010	*
Q4 by Asset Index	0.882	0.368	

Source: Demographic Institute and HelpAge International (2012a).
*Notes: n = 2,202; Significance: * p < 0.05; ** p < 0.01; *** p < 0.001, where p = probability.*

5.4. Access to and Benefits of ASLUT Programme: Respondents' Perceptions

To learn about the cash and in-kind benefits that the ASLUT programme provides to its recipients, respondents were given multiple-choice questions on a range of food-related, health-related, and socioeconomic variables (Table 8). The answers indicate that ASLUT recipients primarily use expenditures to help meet their basic needs. In order of incidence, ASLUT respondents reported spending money primarily on staple foods, followed by medication and then health services. A significant amount of assistance is spent on supplementary food items, which shows that ASLUT supports diversity in food consumption and nutritional variety (even though the money is not distributed monthly).

Table 8. ASLUT Beneficiaries by Benefit Use and Province, March 2012

	Benefit Use (%)							
	Funeral Cost	Give to Children/ Grandchildren	Transport	Recreation, Entertainment	Health Services	Medicines	Food Supplements	Staple Foods
Central Java	3	15	14	3	66	91	62	100
DI Yogyakarta	28	59	13	47	76	95	48	100
DKI Jakarta	2	53	3	0	75	93	64	97
East Java	19	37	12	28	74	93	38	95
East Nusa Tenggara	25	35	47	13	70	91	88	100
Maluku	42	53	53	11	61	88	80	97
S. Sulawesi	43	69	60	3	85	97	59	100
South Kalimantan	25	29	3	5	42	77	23	97
South Sumatra	4	21	6	29	71	100	67	99
West Java	10	16	1	0	85	97	61	96
West Sumatra	34	58	47	51	78	91	61	95

Source: Demographic Institute and HelpAge International (2012a).

As indicated in Figure 9, beneficiaries perceive ASLUT as having an overwhelmingly positive impact on their health and livelihood; the vast majority perceived ASLUT as having a good or very good impact on their livelihoods (91 percent) and health status (80 percent). Almost half of respondents also reported an increase in their use of health services as a result of the transfer. Findings suggest minimal variation by age and gender.

Figure 9. Self-Reported Impact of ASLUT Benefits on Respondents' Livelihood and Health Status, March 2012

Self-reported impact of ASLUT benefits on livelihood

Self-reported impact of ASLUT benefits on respondent health
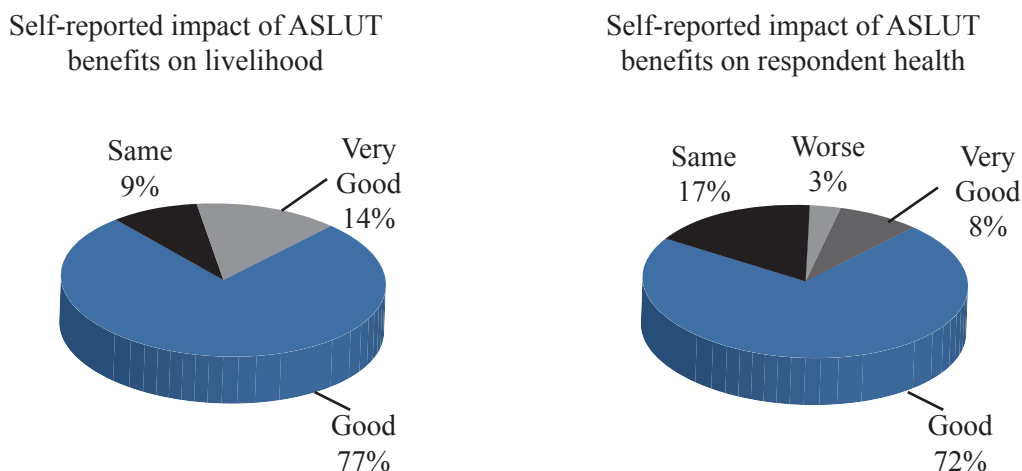
Source: Demographic Institute and HelpAge International (2012a).

The survey also found (Figure 10) that the families of nonbeneficiary respondents were more likely to bear the costs of their older relatives' health care by around 10 percentage points (for both men and women). Beneficiary, compared with nonbeneficiary, respondents presented therefore less of an economic burden on their families. In addition, Figure 10 shows that beneficiary respondents, whether male or female, were more likely to access Jamkesmas than nonbeneficiaries. This could be related to the associated benefits of ASLUT, which can enable better access to other government assistance; however, causality is not clear from the survey. Yet, among both beneficiaries and nonbeneficiaries alike, use of subsidised health insurance (Jamkesmas) is extremely low, despite high levels of health service use when sick.

Figure 10. Financing Sources for Health Expenditures by ASLUT and Non-ASLUT Respondents, by Gender, March 2012
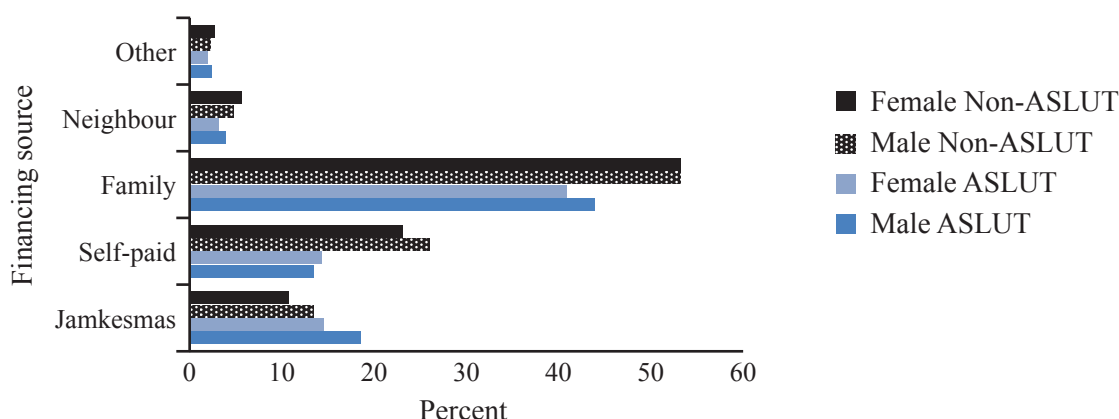
Source: Demographic Institute and HelpAge International (2012a).

The survey also showed that cash transfers from ASLUT are not the only form of assistance received by respondents. Among ASLUT beneficiaries, food and housing are the most common benefits, while health assistance is very minimal. Among nonbeneficiaries, food is the most common form of assistance, whereas housing and health care are the least common (Demographic Institute and HelpAge International 2012b, p. 65).

5.5. Summary of Research Findings

The research found that ASLUT fulfils its objective of helping to meet the basic consumption needs of beneficiaries. It is primarily used to purchase staple food items, followed by medication and then health services. A significant amount is also spent on supplementary food items, which indicates that ASLUT supports diversity in food consumption and nutritional variety.

ASLUT also seems to increase the use of health-care services, particularly private entities. Almost half of respondents reported an increase in their use of health services as a result of transfers. About 20 percent of beneficiaries seek medical help from health centres, whereas 30 percent use the services of private practices and paramedics. Additionally, ASLUT beneficiary respondents, especially older men, are more likely to access Jamkesmas than nonbeneficiaries. They, therefore, presented less of an economic burden on their families.

Age distribution among the beneficiaries indicates compliance with MoSA targeting guidelines, which prioritise people more than 70 years. Beneficiaries are mainly found in the 70–89 years old age category.

It is important to review the criterion of having an ID card to receive ASLUT. In the Indonesian setting, those who have an ID card (e.g., *kartu tanda penduduk* or resident identity card) mostly have a permanent address. Because many poor older persons do not have a permanent residence, they might be excluded from receiving social assistance transfers.

Scope also exists for improvements within the programme itself. Although older persons who are poor and living alone are relatively well targeted, the results of the logit regression shows that the poorest respondents are less likely to receive ASLUT compared with the better off.

5.6. Programme Recommendations

There is significant scope for expansion of ASLUT. The programme covers only a fraction of poor older people in Indonesia (0.56 percent of poor people older than 60 years). Data indicate undercoverage by the programme, both in terms of geographic distribution across the country, as well as number of beneficiaries in areas where the programme operates. Many nonbeneficiaries share characteristics that would indicate potential eligibility (for example, being bedridden and more than 70 years of age) as well as relative poverty (indicated by the wealth index analysis).

To more effectively target the poor, the possession of an ID card as one of the eligibility criteria for selection, should be reconsidered. Secondary forms of identification might be accepted while the beneficiary is encouraged to apply for an ID card. The potential for the elderly to use the national

integrated social protection card (*kartu perlindungan sosial*) as an interim form of identification should be considered. A grace period might be given for those without acceptable forms of identification (or interim ID) in order to avoid exclusion from the programme. An official letter or a statement (*surat keterangan tidak mampu* or SKTM) from a village head who recognises that the older person is facing poverty may be an alternative to using ID cards. Targeting guidelines should be reviewed to provide a consistent and coherent approach to assessing the welfare situation of the elderly. Currently, assessment of their situation is based on local interpretations of the national programme guidelines, which leads to each location using different welfare standards to assess ASLUT eligibility.

Furthermore, information about social assistance programmes—in this case ASLUT—should be widely disseminated and easily understood by communities as well as stakeholders and programme implementers. This would improve the social accountability of the programme and could improve its acceptance among the public.

The process of payment delivery should also be reviewed. In particular, alternative payment mechanisms should be explored to eliminate geographical barriers and enable delivery of cash monthly, thereby ensuring that the transfer can be used to support the basic consumption needs of ASLUT beneficiaries.

Other improvements to the programme can be made, such as identifying which criteria are least likely to exclude the poorest. It is suggested that the targeting of beneficiaries should be reviewed and updated, for example, by using 2011 Social Protection Programme (*Program Perlindungan Sosial*) data.

6. Conclusion

6.1. Elderly, Poverty, and Social Assistance in Indonesia

Many factors influence the situation of the elderly in Indonesia. Among them, a demographic transition and rapidly ageing society are having the most profound effect. Within the next 15 years, the number of elderly people will double, from about 20 million in 2010 to 36 million in 2025 (Bappenas, BPS, and UNFPA 2005). Life expectancy is also expected to rise beyond the currently observed 67 years, putting significantly more pressure on the social security systems and family networks on which elderly people rely for their existence.

The current economic situation of elderly people is challenging: 12.65 percent live below the poverty line (2012), while 26.26 percent are vulnerable to poverty. Very few have a pension. Their social and economic status is also compounded by poor health, low literacy levels, and solitary living arrangements. Most have to rely on personal savings or family support, which are often insufficient to meet basic needs.

The Government of Indonesia has recognised the need to improve the welfare of elderly people. The rights to a dignified life for all are enshrined in the Indonesian constitution, and are supported by several laws and decrees that call for the establishment of a social security system. Yet the level of coverage of existing social insurance schemes is very low—currently, contributory pensions and health benefits cover 15.5 percent of people aged 60 and older and only extend to workers in the formal sector.

The current shortfall in the coverage of contributory pension and health mechanisms can be partially met by social assistance schemes that help meet basic needs of poor elderly people. ASLUT, the only social assistance programme targeting the elderly, is an effective platform for providing such assistance. It is relatively successful in targeting poor and neglected elderly people. However, its coverage is currently too small to make a significant impact on the poor elderly population in Indonesia, as it covers only 0.56 percent of poor people older than 60.

6.2. Policy Recommendations

To fill the gaps in the social security coverage of poor elderly people, it is necessary to expand the reach of the ASLUT programme. Upscaling should consist of increasing the number of beneficiaries in areas where the programme already operates, as well as expanding it geographically to areas it does not reach.

Furthermore, certain changes to the program criteria and program implementation should be considered. It should be clearer from the program guidelines that only poor persons should be eligible for ASLUT. To prove poverty status, MoSA can rely on the local poverty letter (*surat keterangan tidak mampu* or SKTM) or ideally on the Unified Database which collects detailed poverty information. Likewise, the eligibility criteria should be in line with targeting disabled elderly. The bedridden criteria already falls under disability but a stronger and more general focus of ASLUT on disability will help to reconcile the program with Indonesia's development targets as set in various national development plans (Priebe and Howell, 2014).

With respect to the implementation of the program, ASLUT could also assist its beneficiaries in registering and receiving the national integrated social protection card and official ID cards.

The research, conducted by HelpAge International and the Demographic Institute (University of Indonesia), also found that the programme could improve links with other government initiatives to widen and strengthen the social assistance net. In particular, expanding the links with the Jamkesmas programme, from which many ASLUT beneficiaries receive health-care support, would be useful. It could bring various social assistance services under one roof, thus easing access to such services for indigent elderly.

It is, therefore, strongly recommended that the ASLUT programme is further developed as part of the government's next five-year development plan in order to meet some of the demographic challenges Indonesia is facing. The rapidly increasing life expectancy necessitates that ASLUT is scaled up, thereby contributing to the provision of social assistance to poor older persons that will in turn reduce elderly poverty levels and economic stress for their families.

References

Adioetomo, S.M., D. Mont and Irwanto. forthcoming. "People with Disabilities in Indonesia: Empirical Facts and Implications for Social Protection Policies", Jakarta, Indonesia, Demographic Institute, Faculty of Economics, Unviersity of Indonesia in collaboration with *Tim Nasional Percepatan Penanggulangan Kemiskinan* (TNP2K)

Adioetomo, S. M. 2006. *Age Structural Transitions and Their Implications: The Case of Indonesia over a Century, 1950–2050.* Paris: Committee for International Cooperation in National Research in Demography.

Adlakha, A. and D. J. Rudolf. 1994. 'Ageing Trends: Indonesia.' J*ournal of Cross-Cultural Gerontology* 9(1): 99–108.

Ananta, A. and E. Arifin. 2003. *Older Persons in Southeast Asia: An Emerging Asset.* Singapore: Institute of Southeast Asian Studies.

———. 2009. *Migration, Ageing, and Economic Development in Indonesia.* Singapore: Institute of Southeast Asian Studies.

Andrews, G. J. and D. R. Phillips (Eds.). 2005. *Ageing and Place: Perspectives, Policy, and Practice.* New York: Routledge.

Arifianto, A. 2006. *Public Policy towards the Elderly in Indonesia: Current Policy and Future Directions.* SMERU Research Report. Jakarta: SMERU Research Institute. Retrieved from www.smeru.or.id/report/research/elderly/publicelderly_rreng.pdf.

Bappenas, BPS, and UNFPA. 2005. *Indonesia Population Projection 2000–2025*. Jakarta, Indonesia.

BPS. 2005. *Results of Intercensal Population Survey 2005*. Jakarta, Indonesia.

———. 2011. *Statistical Yearbook of Indonesia 2011*. Jakarta, Indonesia.

Demographic Institute (University of Indonesia) and HelpAge International. 'Findings of a Household Survey of Jaminan Sosial Lanjut Usia (JSLU) Beneficiaries and Non-Beneficiaries'. (Unpublished manuscript, Demographic Institute and HelpAge International, Jakarta, Indonesia, 2012).

———. 'Social Assistance of Poor and Vulnerable Older People in Indonesia'. (Unpublished manuscript, Demographic Institute and HelpAge International, Jakarta, Indonesia, 2012).

Howell, F. and J. Priebe. (2013). "Social assistance for the elderly in Indonesia: An empirical analysis of the ASLUT programme", TNP2K Working Paper 05-2013. Tim Nasional Percepatan Penanggulangan Kemiskinan (TNP2K). Jakarta, Indonesia.

Hull, T. and Tukiran. 1976. 'Regional Variations in the Prevalence of Childlessness in Indonesia.' *Indonesian Journal of Geography* 32: 1–25.

Jamsostek. 2005–10. *Annual Report Jamsostek* [various years]. Jakarta, Indonesia.

Kreager, P. and E. Schröder-Butterfill. 2005. 'Actual and De Facto Childlessness in Old-Age: Evidence and Implications from East Java, Indonesia.' *Population and Development Review* 31(1): 19–56.

Lloyd-Sherlock, P. and E. Schroder Butterfill. 2008. "Social Security Pension 'Reforms' in Thailand and Indonesia: Unsustainable and Unjust." DEV Working Paper 03, Norwich, UK: School of Development Studies, University of East Anglia.

Ministry of Social Affairs (MoSA). 2011a. 'Final Report on the Study of the Social Pension of Three Provinces: DKI Jakarta, Banten and West Java'. Mimeograph. Jakarta: Directorate General for Social Rehabilitation and Directorate for Older Persons and Social Services.

———. 2011b. *Technical Guidance for Social Assistance of Older Persons*. Jakarta: Directorate General, Directorate of Services for Older Persons.

———. 2014. 'Disain Analisis Kebijakan Asistensi Sosial Lansia Terlantar (ASLUT) Tahun 2014'. Unpublished manuscript. Jakarta: Directorate General, Directorate of Services for Older Persons.

Niehof, A. 1995. 'Ageing and the Elderly in Indonesia; Identifying Key Issues.' *Bijdragen tot de Taal-, Land- en Volkenkunde* 151(3): 422–37.

Priebe, J. and F. Howell. 2014. "Old-Age Poverty in Indonesia: Empirical Evidence and Policy Options, A Role for Social Pensions.", TNP2K Working Paper 07-2014. Tim Nasional Percepatan Penanggulangan Kemiskinan (TNP2K), Jakarta, Indonesia.

Priebe, J. and F. Howell. 2014. "A Guide to Disability Rights Laws in Indonesia". TNP2K Working Paper 13-2014. Jakarta: *Tim Nasional Percepatan Penanggulangan Kemiskinan* (TNP2K).

———. n.d. "Raskin's Contribution to Poverty Reduction: An Empirical Assessment." Unpublished manuscript, Jakarta, Indonesia.

PT Askes. 2010. *Annual report 2009*. Jakarta, Indonesia.

Van Eeuwiik, P. 2006. 'Old-Age Vulnerability, Ill-Health and Care Support in Urban Areas of Indonesia.' Ageing and Society 26: 61–80.

World Bank. 2012a. *Targeting Poor and Vulnerable Households in Indonesia.* Jakarta, Indonesia.

World Bank. 2012b. *JSLU, JSPACA, PKSA: Cash and In-Kind Transfers for At-Risk Youth, the Disabled and Vulnerable Elderly.* Jakarta, Indonesia.

Appendix 1: Additional Tables

Table A1. PT Askes Coverage of Older People and Their Families by Recipient Type, 2009

Askes Recipients	Individual Members (number)	Family Members (number)
Pension beneficiaries	1,831,992	1,548,832
Military pensioners	706,661	503,186
Retired military personnel	582,185	122,015
Total	3,120,838	2,174,033

Source: Adapted from PT Askes (2010).

Table A2. PT Askes Coverage by Work Status, Age, and Gender, 2008

Age Group	Gender	Status of Work	PT Askes (%)
30–39	Male	Formal	7.71
		Informal	0.71
		Unpaid worker	0.49
	Female	Formal	14.84
		Informal	2.82
		Unpaid worker	0.64
40–49	Male	Formal	19.47
		Informal	1.35
		Unpaid worker	1.76
	Female	Formal	30.65
		Informal	4.63
		Unpaid worker	1.22
50–59	Male	Formal	23.4
		Informal	1.87
		Unpaid worker	3.3
	Female	Formal	29.88
		Informal	5.14
		Unpaid worker	2.64

Source: Calculations from the 2008 National Social and Economic Survey (Survey Sosial dan Ekonomi Nasional or Susenas), July/August 2008 rounds.
Note: Data from the 2008 Susenas survey were used because analysis required individual-level data. (Data in other Susenas surveys in this report were collected at the household-level only.)

Table A3. Jamsostek Membership Numbers, by Company Type and Worker Status, 2005–10

Description	2005	2006	2007	2008	2009	2010
Active companies	75,616	82,352	90,697	100,684	115,683	133,580
Nonactive companies	55,344	60,872	68,516	75,121	84,531	91,312
Total companies	130,960	143,960	159,213	175,805	200,214	224,892
Active workers	7,843,742	7,719,695	7,941,017	8,219,154	8,495,732	9,337,423
Nonactive workers	13,100,169	15,361,672	15,777,933	18,407,661	20,534,941	22,408,887
Total workers	20,943,911	23,081,367	23,729,950	26,626,815	29,030,673	31,746,310

Source: Compiled using Jamsostek (2005–10).
Note: All members registered with PT Jamsostek are eligible for the Old-Age Security Provident Fund, Employment Accident Benefit, and Death Benefit (respectively, Jaminan Hari Tua, Jaminan Kecelakaan Kerja, Jaminan Kematian), all of which are mandatory. However, the health-care benefit is not mandatory and companies choose alternative health insurers.
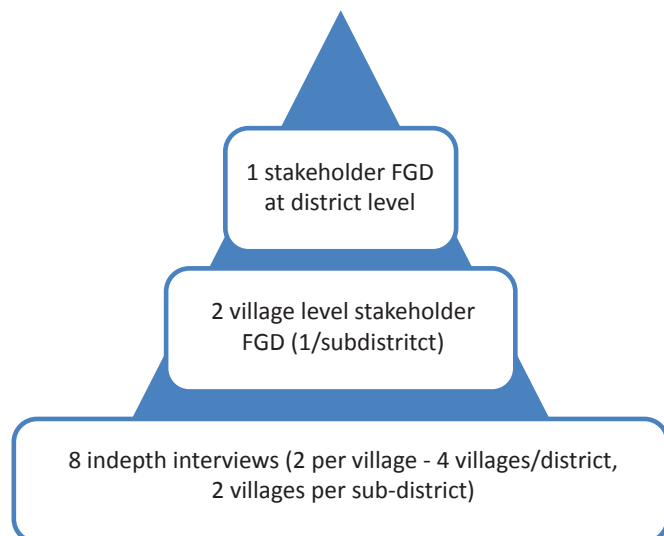
Appendix 2: Overview of Qualitative Research

Selected Provinces and Districts for Qualitative Research

Created by Nicolas Vilela, 2012
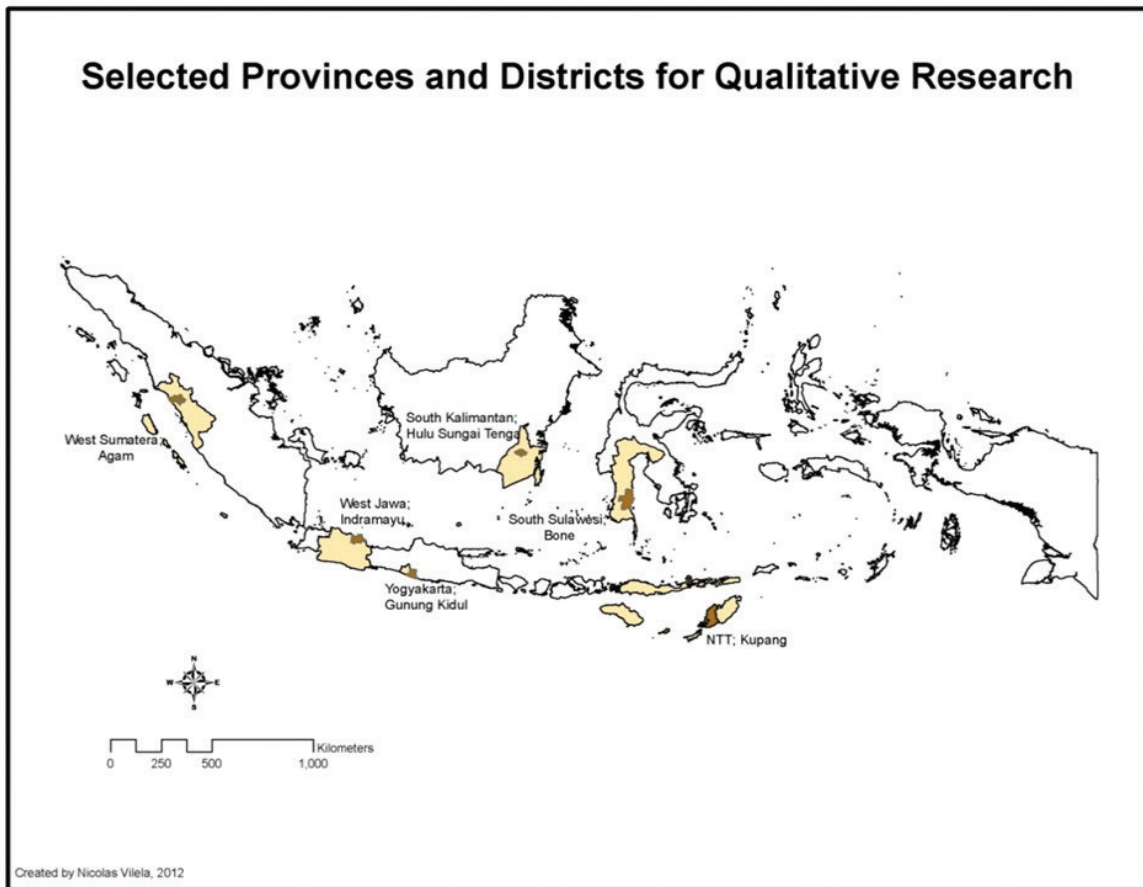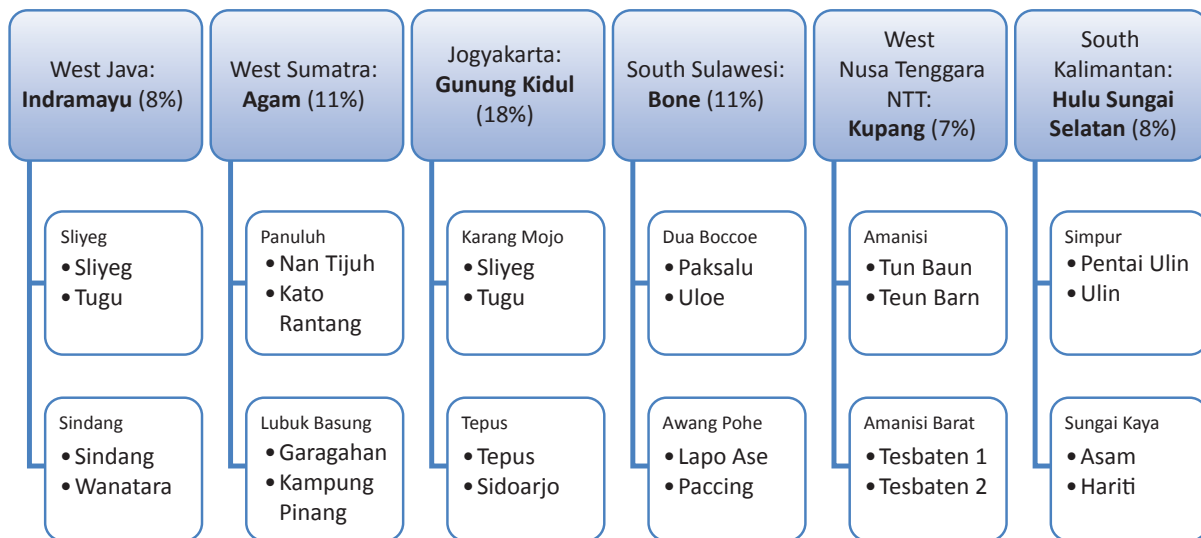
Research locations:
- 6 districts in 6 provinces selected on the basis of proportion of 60+
- 24 villages (2 per subdistrict)

Data collection approaches:
- District-level stakeholder FGDs: 6
- Village stakeholder FGDs: 12
- In-depth interviews: 50
- Researcher observation and area notes

1 stakeholder FGD at district level

2 village level stakeholder FGD (1/subdistritct)

8 indepth interviews (2 per village - 4 villages/district, 2 villages per sub-district)

Methodology/Evidence per Province

West Java: **Indramayu** (8%)	West Sumatra: **Agam** (11%)	Jogyakarta: **Gunung Kidul** (18%)	South Sulawesi: **Bone** (11%)	West Nusa Tenggara NTT: **Kupang** (7%)	South Kalimantan: **Hulu Sungai Selatan** (8%)
Sliyeg • Sliyeg • Tugu	**Panuluh** • Nan Tijuh • Kato Rantang	**Karang Mojo** • Sliyeg • Tugu	**Dua Boccoe** • Paksalu • Uloe	**Amanisi** • Tun Baun • Teun Barn	**Simpur** • Pentai Ulin • Ulin
Sindang • Sindang • Wanatara	**Lubuk Basung** • Garagahan • Kampung Pinang	**Tepus** • Tepus • Sidoarjo	**Awang Pohe** • Lapo Ase • Paccing	**Amanisi Barat** • Tesbaten 1 • Tesbaten 2	**Sungai Kaya** • Asam • Hariti

Appendix 3: ASLUT Research Design

TNP2K, because of its interest in alleviating poverty among older people, commissioned HelpAge International and the Demographic Institute to conduct an in-depth survey of beneficiaries and nonbeneficiaries of the ASLUT programme. The findings of the research and resulting policy recommendations are based on detailed analysis of the situation of the elderly carried out by these two institutions.

A quantitative nonprobability sample survey (purposive sampling) of 2,202 poor and vulnerable older people was conducted in 11 provinces across Indonesia. The 2,202 respondents were purposively sampled to include an equal number of poor and vulnerable older people who receive a cash transfer from the ASLUT programme, and older people who, due to quotas in the programme, do not receive cash transfers but who are also poor and vulnerable.

Ideally, a survey like this should apply representative sampling. Yet, as the survey needed to include beneficiaries of ASLUT, due to time constraints, it was agreed to use the complete list of beneficiaries provided by MoSA as a sampling frame. To apply random sampling that is representative nationally, we would have to use a list of 60 million households (in 2010) spread along the archipelago. Therefore, purposive sampling was seen as the best method.

This method still allows one to draw a detailed picture of demographic characteristics and living conditions of and social assistance to the sampled beneficiaries and nonbeneficiaries. However, it is necessary to be careful when interpreting the survey results, because they represent characteristics of the sampled population only, rather than the entire population.

This study was conducted in the 11 selected provinces agreed on by TNP2K. The provinces chosen were Central Java, DI Yogyakarta, DKI Jakarta, East Java, East Nusa Tenggara, Maluku, South Kalimantan, South Sulawesi, South Sumatra, West Java, and West Sumatra.

The sample districts were chosen using a clustered sampling method from the list of ASLUT beneficiaries completed in 2011. Two districts were chosen from each province and then two subdistricts from each district. Therefore, in each province, there were four subdistricts leading to a total of 22 districts and 44 subdistricts.

Respondent identification is based on the ASLUT list provided by MoSA to the research team indicating the number of beneficiaries in each village. On average, the number of ASLUT beneficiaries per village was 10–13 older people. The villages chosen for the survey had the largest number of beneficiaries. Once a village was selected, all of the ASLUT beneficiaries in the village were interviewed. Respondents were sampled from two to three villages, based on how many were needed to fill the quota of 25 respondents per subdistrict.

The same number of nonbeneficiaries as beneficiaries was selected from each village. Selected nonbeneficiaries had the same characteristics as beneficiaries, that is, more than 60 years of age, poor, neglected, and/or bedridden. This ensured a similar socioeconomic profile of both groups, as both beneficiaries and nonbeneficiaries had been assessed by the same people and against the same criteria.

Appendix 4: Social Assistance Programmes in Indonesia

Jamkesmas: Health Insurance for the Poor

Although it is often referred to as social health insurance, in practice, Jamkesmas is funded by the Government of Indonesia with no contributions from beneficiaries. Jamkesmas offers a comprehensive benefits package, including inpatient and outpatient care. In terms of medication, enrolees are only entitled to coverage for drugs from specific pharmacies and must opt for generic drugs when filling prescriptions. Exclusions from the Jamkesmas benefits package include cosmetic surgery, annual physical check-ups, alternative medicine, dental prosthesis, and fertility treatment. Cancer treatment and treatment for heart-related problems are also limited. Older people may access Jamkesmas, which targets poor and underprivileged families in Indonesia, and in 2012 membership totalled 86.4 million persons.

The Jamkesmas scheme is funded by the central government from general tax revenue. Beneficiaries are not responsible for premium payments nor are they charged a co-payment at the time of the health visit. Currently, it is the responsibility of the local government to finance the gap between the actual cost of insuring its population and what the central government provides via Jamkesmas reimbursements.

Conditional Cash Transfer for Families programme

The Conditional Cash Transfer for Families programme (*Program Keluarga Harapan*) replaced the BLT in 2007. Eligible households must be classified as very poor or chronically poor (*rumah tangga sangat miskin*) and meet one of the following conditions: have a child aged 6–15 years old and/or have a child under 18 years old who has not completed primary school; have a child aged 0–6 years old; or have a pregnant/lactating mother. MoSA is the implementing agency and the post office manages at the time of writing, the post office manages the transfer of funds.

Rice for the Poor: Raskin

Raskin is a programme of subsidised rice delivery targeted at the poor that was designed to stabilise rice prices. Initiated in 1998 as a response to the Asian financial crisis, it has become the largest household-based social assistance programme in the country in terms of government expenditures and one of the two largest, along with Jamkesmas, in terms of the number of beneficiaries. The programme provides up to 50 percent of rice consumed by poor households. Since 2008 eligible recipients in poor households should have paid only Rp 1,600 per kg of rice instead of the average market price of around Rp 6,500 per kg in 2011 (Priebe and Howell, n.d. p. 17).

TNP2K Working Paper Series
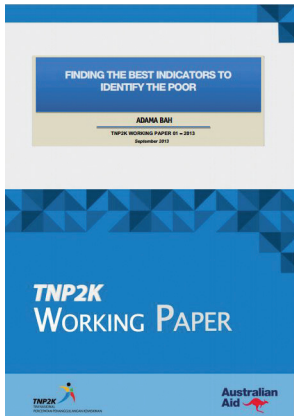
Working Paper 1
Finding the Best Indicators to Identify the Poor
Author : Adama Bah

Proxy-means testing (PMT) is a method used to assess household or individual welfare level based on a set of observable indicators. The accuracy, and therefore usefulness of PMT relies on the selection of indicators that produce accurate predictions of household welfare. In this paper the author proposes a method to identify indicators that are robustly and strongly correlated with household welfare, measured by per capita consumption. From an initial set of 340 candidate variables drawn from the Indonesian Family Life Survey, the author identifies the variables that contribute most significantly to model predictive performance and that are therefore desirable to be included in a PMT formula. These variables span the categories of household private asset holdings, access to basic domestic energy, education level, sanitation and housing. A comparison of the predictive performance of PMT formulas including 10, 20 and 30 of the best predictors of welfare shows that leads to recommending formulas with 20 predictors. Such parsimonious models have similar predictive performance as the PMT formulas currently used in Indonesia, although these latter are based on models of 32 variables on average.
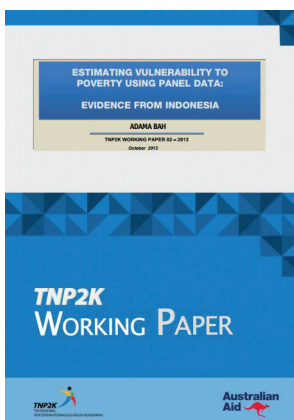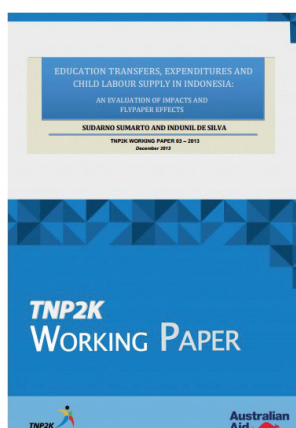
Working Paper 2
Estimating Vulnerability to Poverty using Panel Data:
Evidence from Indonesia
Author : Adama Bah

Traditional poverty measures fail to indicate the degree of risk of becoming or remaining poor that households are confronted to. They can therefore be misleading in the context of implementing poverty reduction policies. In this paper the author proposes a method to estimate an index of ex ante vulnerability to poverty, defined as the probability of being poor in the (near) future given current observable characteristics, using panel data. This method relies on the estimation of the expected mean and variance of future consumption conditional on current consumption and observable characteristics. It generates a vulnerability index, or predicted probability of future poverty, which performs well in predicting future poverty, including out of sample. About 80% of households with a 2000 vulnerability index of 100% are actually poor in 2007. This approach provides information on the population groups that have a high probability of becoming or remaining poor in the future, whether currently poor or not. It is therefore useful to complement traditional poverty measures such as the poverty headcount, in particular for the design and planning of poverty reduction policies.
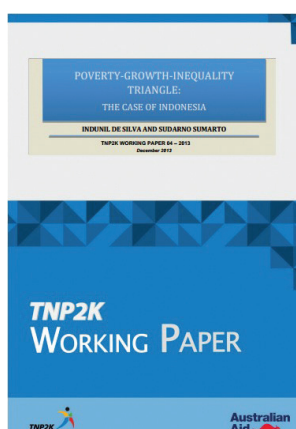
Working Paper 3
Education Transfer, Expenditures And Child Labour Supply in Indonesia: An Evaluation of Impacts And Flypaper Effects
Author : Sudarno Sumarto and Indunil De Silva

In this paper the authors investigate how the receipt of educational transfers, scholarships and related assistance programmes affects the labour supply of children and the marginal spending behaviour of households on children's educational goods. The authors use a nationally representative household survey of unusual scope and richness from Indonesia. They found strong evidence of educational cash transfers and related assistance programmes significantly decreasing the time spent by children on income-generating activities in Indonesia. Households receiving educational transfers, scholarships and assistance were also found to spend more at the margin on voluntary educational goods. These results were stronger on children living in poor families. The findings of this study lend support to the growing view in the literature that educational transfers, scholarships and related assistance can actually have a positive impact on economic development by increasing the level of investment in human capital. The results are particularly relevant for understanding the role of cash transfers and education assistance in middle-income countries, where enrolment rates are already at satisfactory levels, but the challenge is to keep post-primary students in school. Finally, the principal message that emerges from the study is: there are quantitatively non-negligible, average gains from educational transfers and support programmes on household education spending and child labour, especially for the poor.
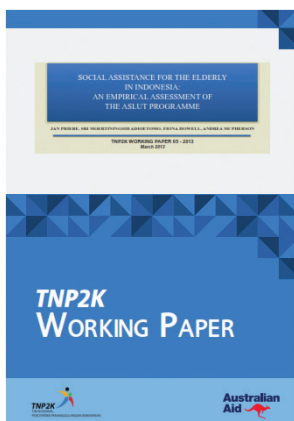
Working Paper 4
Poverty-Growth-Inequality Triangle: The Case of Indonesia
Author : Sudarno Sumarto and Indunil De Silva

This paper decomposes changes in poverty into growth and redistribution components, and employs several pro-poor growth concepts and indices to explore the growth, poverty and inequality nexus in Indonesia over the period 2002-2012. The authors find a 'trickle-down' situation, which the poor have received proportionately less benefits from growth than the non-poor. All pro-poor measures suggest that economic growth in Indonesia was particularly beneficial for those located at the top of the distribution. Regression-based decompositions suggest that variation in expenditure by education characteristics that persist after controlling for other factors to account for around two-fifths of total household expenditure inequality in Indonesia. If poverty reduction is one of the principal objectives of the Indonesian government, it is essential that policies designed to spur growth also take into account the possible impact of growth on inequality. These findings indicate the importance of a set of super pro-poor policies. Namely, policies that increase school enrolment and achievement, effective family planning programmes to reduce the birth rate and dependency load within poor households, facilitating urban-rural migration and labour mobility, connect leading and lagging regions and granting priorities for specific cohorts (such as children, elderly, illiterate, informal workers and agricultural households) in targeted interventions will serve to simultaneously stem rising inequality and accelerate the pace of economic growth and poverty reduction.
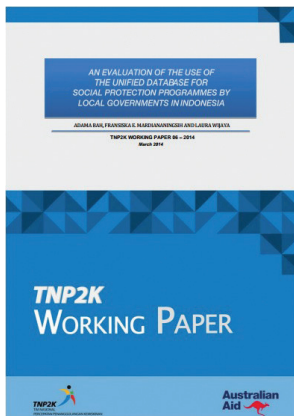
Working Paper 5
Social Assistance for the Elderly in Indonesia: an Empirical Assessment of the ASLUT Programme*

Indonesia has undergone a demographic transition since the 1970s that has led to significant changes in the population age structure of the country. Life expectancy at birth increased from 45 years to 67 years. The number of elderly people aged 60 and above rose from about 5 million in 1970 to 18 million in 2010, and is projected to increase to over 71 million in 2050. The economic situation for many elderly persons is precarious. In 2011, 12 percent of older people were below the official poverty line. Older people, especially those in their 70s and those aged 80 and above, have the highest poverty rates among the population groups, 13.3 percent and 16 percent respectively. At the same time, a much greater proportion of the elderly population than officially classified as poor is vulnerable to falling into poverty. Moreover, many of the elderly suffer from poor health and have low literacy levels.

Currently, the coverage of the elderly with the existing formal pension schemes is very low. The Government of Indonesia (GOI) recognizes the gaps in the social insurance schemes and is explicitly taking actions to improve pension coverage. ASLUT, the current social assistance programme targeted directly at poor and neglected elderly, started in 2006 in six provinces reaching 2,500 beneficiaries. It has recently expanded to all 33 provinces and increased the number of recipients to 13,250 in 2011, and 26,500 beneficiaries in 2012. This paper explores the strengths and weaknesses of the coverage provided to the elderly and recommends that the ASLUT programme be developed further to meet the demographic challenges that Indonesia faces.

*This Working Paper will be republished in 2014

Working Paper 6
An Evaluation Of The Use Of The Unified Database For Social Protection Programmes By Local Governments In Indonesia
Author : Adama Bah, Fransiska E. Mardiananingsih and Laura Wijaya

The Unified Database for Social Protection Programmes (UDB) contains detailed socioeconomic and demographic information, as well as the names and addresses of the poorest 40 percent of the Indonesian population. Since 2012, the National Team for the Acceleration of Poverty Reduction (TNP2K), which manages the UDB, has provided this data to over 500 local government institutions to facilitate the implementation of local poverty reduction programmes. This paper evaluates the use of the UDB data based on the results of a qualitative assessment of data utilisation at the local level and a self-administered user feedback survey. To improve the cooperation with local governments for increased effectiveness of poverty reduction programmes, the authors' main recommendations are for TNP2K to engage more proactively with the institutions that request data, through (i) regular follow-ups with these institutions, (ii) a broad dissemination of socialisation material explaining the UDB, and (iii) the provision of specialised training on the use of UDB data for the planning and implementation of local programmes.
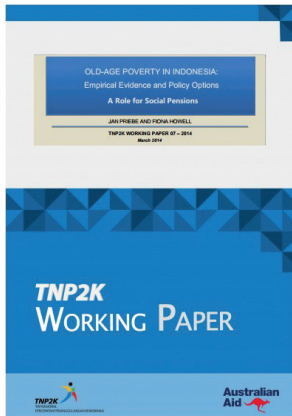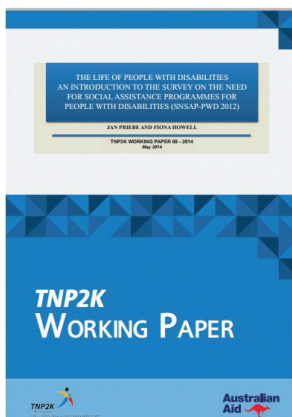
Working Paper 7
Old-Age Poverty in Indonesia: Empirical Evidence and Policy Options - A Role for Social Pensions
Author : Jan Priebe and Fiona Howell

Indonesia in 2013 is an ageing society with an elderly population (60+) of approximately 18 million or eight percent of the total population. Due to continuously low fertility levels, lower mortality and higher life expectancy rates, the number of elderly in the country is predicted to increase to more than 80 million individuals by 2050 who will by then constitute about 25 percent of the total population. Considering the rise in its elderly population and the low pension coverage, the Indonesian government has shown strong commitment towards raising the number of elderly who have access to formal pensions. In line with a variety of social welfare laws, the National Security Law (SJSN), declarations under ASEAN and commitments to a comprehensive social protection floor policy, Indonesia has endorsed a mutli-pillar approach to providing income support in old age. However, the current reforms associated with the SJSN Law; aim only at providing income support to the future elderly generation - those working age adults that will retire in 15-40 years. While the success of these reforms needs to be demonstrated, there remains substantial scope to address the need for pension coverage among the current elderly population. Old-Age Poverty in Indonesia: Empirical Evidence and Policy Options – A Role for Social Pensions aims at filling several evidence gaps in the discussion on elderly and old-age poverty in Indonesia. Firstly it provides a detailed and comprehensive picture of the socioeconomic circumstances of the current elderly generation. By doing so it provides Indonesia's first nationally representative poverty assessment on the elderly addressing aspects of education, health and remittances as well as poverty measurement. Second, the report outlines Indonesia's legal, political and programme commitments to alleviate old-age poverty and contrasts it with recent international experience on pension reform. This report discusses in particular the benefits of social pensions for Indonesia's elderly, and outlines the pros-and cons of poverty-targeted and universal pension schemes. Finally, the report provides ex-ante simulation results on the poverty and fiscal impacts for selected social pension schemes.
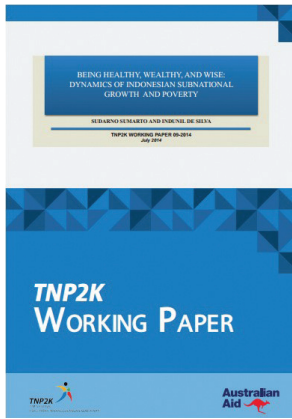
Working Paper 8
The Life of People with Disabilities: An Introduction to the Survey on the Need for Social Assistance Programmes for People with Disabilities
Author : Jan Priebe and Fiona Howell

In 2012, the Demographic Institute of the University of Indonesia conducted on behalf of TNP2K a unique survey on disability that sheds new light on the needs and living conditions of people with disabilities (PWDs) in Indonesia. This new dataset is called the Survey on the Need for Social Assistance Programmes for People with Disabilities (SNSAP-PWD 2012) and is available free of charge from TNP2K and PRSF. This paper provides an introduction into the SNSAP-PWD 2012 by describing its sampling design and the topics covered.
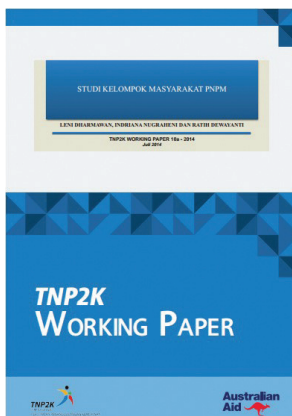
Working Paper 9
Being Healthy, Wealthy, and Wise: Dynamics of Indonesian Subnational Growth and Poverty
Author : Sudarno Sumarto and Indunil De Silva

The aim of this study is twofold. First, despite the vast empirical literature on testing the neoclassical model of economic growth using cross-country data, very few studies exist at the subnational level. The authors attempted to fill this gap by using panel data for 2002–12, a modified neoclassical growth equation, and a dynamic-panel estimator to investigate the effect of both health and education capital on economic growth and poverty at the district level in Indonesia. Second, although most existing cross-country studies tend to concentrate only on education as a measure of human capital, the authors expanded the analysis and probed the effects of health capital as well. To their knowledge, no study has done a direct and comprehensive examination of the impacts of health on growth and poverty at the subnational level. Thus, this study is the first at the subnational level, and the findings will be particularly relevant in understanding the role of both health and education capital in accelerating growth and poverty reduction efforts. The empirical findings are broadly encouraging. First, nullifying any doubts on the reliability of Indonesian subnational data, the results suggest that the neoclassical model augmented by both health and education capital provides a fairly good account of cross-district variation in economic growth and poverty in Indonesia. The authors found that the results on conditional convergence, physical capital investment rate, and population growth confirm the theoretical predictions of the augmented neoclassical model. They also found that both health and education capital had a relatively large and statistically significant positive effect on the growth rate of per capita income. Economic growth was found to play a vital role in reducing Indonesian poverty, reinforcing the importance of attaining higher rates of economic growth. Findings from the poverty–human capital model showed that districts with low levels of education are characterized by higher levels of poverty. Regions with mediocre immunization coverage and greater than average prevalence of waterborne diseases had higher poverty rates and lower output per capita. Similarly, regions with higher numbers of births attended by a skilled birth attendant were associated with lower poverty rates and higher economic output. The results in particular suggest that, in designing policies for growth, human development, and poverty reduction, it is necessary to broaden the concept of human capital to include health as well.

Working Paper 10
### Studi Kelompok Masyarakat PNPM
Lampiran Studi Kelompok Masyarakat PNPM
Author : Leni Dharmawan, Indriana Nugraheni dan Ratih Dewayanti, Siti Ruhanawati, Nelti Anggraini

The PNPM Community Groups study was conducted in four villages and two towns. It demonstrates successful programs but also highlights the limitations in terms of adopting PNPM principles and processes.

There is recognition of the expertise of individual actors in managing the project but their influence is limited since each project has its own rules and tends to form new groups instead of utilizing existing ones. Local governments are not obliged to conform to the principles and processes of PNPM outside of the PNPM program.

Facilitation does not build collective consciousness in the society to correct any imbalances in authority or power among groups within a community. Groups that implement the project need to be integrated into local institutions and there need to be better checks and balances in place to prevent specific groups from becoming dominant.
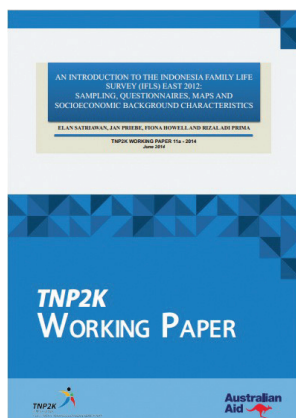
Working Paper 11a
An introduction to the Indonesia Family Life Survey IFLS East 2012 : Sampling Questionnaires Maps and Socioeconomic Background Characteristics
Author : Elan Satriawan, Jan Priebe, Fiona Howell and Rizal Adi Prima

The first round of the Indonesia Family Life Survey (IFLS) East was conducted in Eastern Indonesia in 2012. This paper is intended to provide researchers and policy makers alike an introduction to and brief overview of this new dataset. Topics covered include technical details of survey implementation (sampling procedure, calculation of weights, and field implementation) and a socioeconomic overview using Statistics Indonesia (*Badan Pusat Statistik* or BPS) data and IFLS East data of the prov- inces selected in the region.
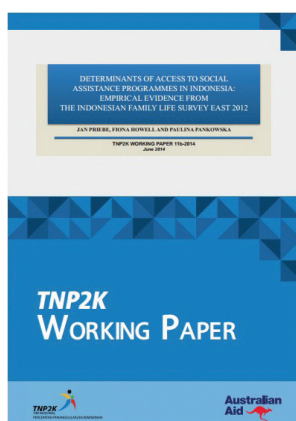
Working Paper 11b
Determinants of Access to Social Assistance Programmes in Indonesia Empirical Evidence from the Indonesian Family Life Survey East 2012
Author :Jan Priebe, Fiona Howell and Paulina Pankowska

In the past 15 years, the Government of Indonesia has implemented a variety of social assistance programmes intended to improve the lives of the poor and help them escape poverty. Many of these programmes are now operating at a national scale and cover millions of Indonesians. Using a new household survey dataset that covers the eastern areas of Indonesia (Indonesian Family Life Survey East 2012), this paper investigates the household-level determinants of access to social assistance programmes. The analysis reveals that social assistance programmes are relatively more available in poorer provinces and that poorer households—all things being equal—are more likely to access social assistance programmes than nonpoor households, which suggests that social assistance programmes in eastern Indonesia are successful in their efforts to target the poor (poverty targeting), both across regions and households. However, poverty targeting still has scope for improvement in terms of accuracy. Besides the poverty status (as measured in per capita consumption expenditures), the authors found that several other factors influence programme access. Having a disabled household member or having a household head who is a widow(er) appears to increase the likelihood of receiving social assistance programmes. Likewise, the level of trust and conflict in a community affects access to social assistance programmes. Particularly in the case of Raskin, the authors found that the programme is distributed more widely among those communities that are characterized by higher levels of conflict and lower levels of trust. The authors did not find that poor access to infrastructure and remoteness influences household access to social assistance programmes once they controlled for province fixed effects in the regression framework. Furthermore, the findings suggest that possession of a local 'poverty letter' strongly improves household access to social assistance programmes, even after controlling for a wide set of socioeconomic characteristics. In general, determinants of programme access differ significantly among provinces and between rural and urban areas.
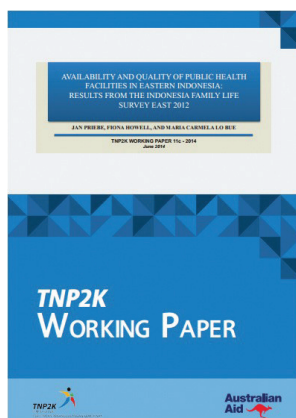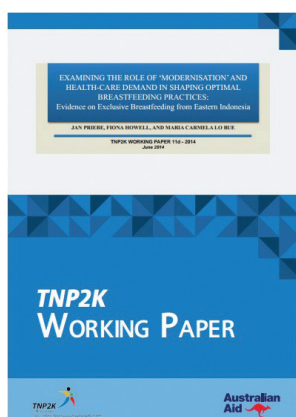
Working Paper 11c
Availability and Quality of Public Health Facilities in Eastern Indonesia : Results from the Indonesia Family Life Survey East 2012
Author: Jan Priebe, Fiona Howell and Maria Carmela Lo Bue

Little is known about public health-care supply in Eastern Indonesia, a region that shows worse health outcomes than the rest of the country. Drawing on a new dataset (IFLS East 2012), this paper examines the availability and quality of public health-care facilities (puskesmas and posyandu) in Eastern Indonesia. The findings suggest that public health-care supply plays a larger and more important role in Eastern Indonesia compared with Western Indonesia. However, this stronger reliance and dependence on public health-care provision has not necessarily resulted in quality health-care supply. Although significant improvements have been achieved over time, the authors found that many puskesmas and posyandu could benefit from more and better-trained staff (education, training, availability, absenteeism) and better physical endowment (infrastructure, medical equipment, and medications). The results further suggest that remarkable differences in the provision of health care exist between urban and rural areas; urban areas have on average better-equipped puskesmas, whereas rural areas seem to have better-equipped posyandu. Furthermore, the authors found that direct funds from the central level (central government funds and Jamkesmas), despite the decentralization process, play a major role in financing the operations of public health facilities. In rural Eastern Indonesia, these central-level funds constitute about 80 percent of the total operational budget of a puskesmas.
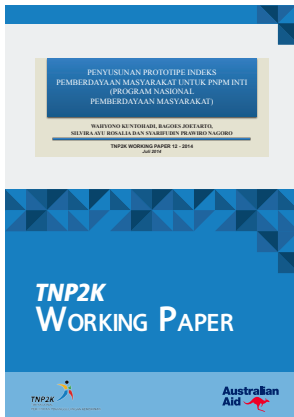
Working Paper 11d
Examining the Role of Modernisation and Healthcare Demand in Shaping Optimal Breastfeeding Practices: Evidence on Exclusive Breastfeeding from Eastern Indonesia
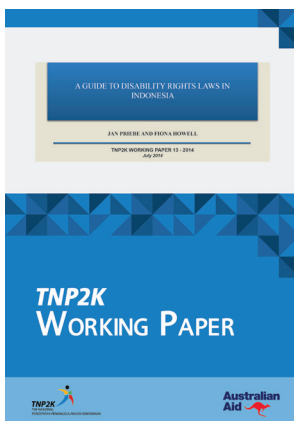Author: Jan Priebe, Fiona Howell and Maria Carmela Lo Bue

The health benefits to mothers and children in adopting optimal breastfeeding practices are well recognized. However, despite many efforts to promote optimal breastfeeding practices in developing countries, only modest progress has been achieved in past decades. This paper attempts to fill several important research gaps on the socioeconomic determinants of optimal breastfeeding. In contrast to previous studies that have focused on the timely initiation and duration of breastfeeding, this article examines exclusive breastfeeding practices. Using a new data set from Eastern Indonesia, the authors revisited the 'modernisation' hypothesis and, as a first study in this field, investigated to what extent health-care demand and supply factors influence optimal breastfeeding behaviours. Controlling for a wide range of individual, household, and community characteristics, the findings suggest that mothers' labour market participation under 'modern' employment contracts negatively affects optimal exclusive breastfeeding practices, and hence provide support for the 'modernisation' hypothesis. Moreover, the results indicate that a higher availability and quality of health-care supply does not necessarily lead to better breastfeeding practices. Only when health-care supply was matched with a significant demand for such services, did the authors observe a higher chance for optimal exclusive breastfeeding

Working Paper 12
Penyusunan Prototipe Indeks Pemberdayaan Masyarakat untuk PNPM Inti (Program Nasional Pemberdayaan Masyarakat)
Author: Wahyono Kuntohadi, Bagoes Joetarto, Silvira Ayu Rosalia and Syarifudin Prawiro Nagoro

PNPM is a national program for community driven development and poverty reduction. To date the program has used output-based performance indicators for evaluation purposes. An index that effectively demonstrates the performance of the community empowerment process has not been used yet. An effective index is needed to monitor and evaluate activities given the large number of participants, the gradual empowerment process, and the tight schedules for field validation.

Working Paper 13
A Guide to Disability Rights Laws in Indonesia
Author: Jan Priebe, Fiona Howell

In the past few decades, the Government of Indonesia has passed and signed a substantial number of domestic laws and international conventions/treaties that deal with the rights and opportunities of persons with disabilities (PWDs). Disability is a cross-cutting issue and requires an extensive review and monitoring of multiple pieces of legislation that have already been passed in or ratified by Indonesia. In this context, the objective of this report is to provide an overview for a broad audience of the crucial elements of the Indonesian legal framework on PWDs' rights.

Indonesia has undergone a demographic transition since the 1970s that has led to significant changes in the population age structure. Life expectancy increased from 45 years to 67 years. The number of elderly people (60 years and above) rose from about 5 million in 1970 to 18 million in 2010, and is projected to increase to over 80 million by 2050.

The economic situation of the elderly is precarious. In 2012, 12.65 percent of older people (60 years and above) lived below the official poverty line. Older people, especially those aged 70 and above, have the highest poverty rate among all population groups, 14.92 percent. At the same time, a much greater proportion of the elderly population officially classified as poor is vulnerable to falling into poverty.

Currently, the coverage of existing pension schemes for the elderly is very low. The proportion of older people in receipt of civil service and military pension schemes, the only formally available pensions in Indonesia, was 15.5 percent of the population aged 60 years and above in 2010. These pension benefits, available to government workers, civil servants, military personnel and formal sector employees only, are usually insufficient to cover the basic needs of retirees. The Government of Indonesia has recognised these gaps in the social insurance schemes and is taking actions to improve pension coverage. ASLUT, the current social assistance programme targeted directly at the elderly, started in 2006 in six provinces targeting 2,500 beneficiaries. It has subsequently expanded to all 34 provinces and increased the number of recipients to 26,500 beneficiaries in 2013.

Social Assistance for the Elderly: The Role of the *Asistensi Sosial Lanjut Usia Terlantar* **Programme in Fighting Old Age Poverty** examines empirically, both quantitatively and qualitatively, the socioeconomic conditions of poor elderly persons in Indonesia. In contrast to other reports, a particular focus is given to investigating the operations of ASLUT, Indonesia's only targeted cash transfer programme for the elderly. By doing so, the report draws on a unique household survey of 2,200 elderly households from 11 provinces which was conducted by SurveyMETER and the Demographic Institute of the University of Indonesia on behalf of TNP2K in 2012.