From Policy to Practice: Lessons from Prakerja's G2P Payment Solutions – English Transcript

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00:16

Hey everyone, greetings from Jakarta, Indonesia! Welcome to the Prakerja session at Financial Inclusion Week 2024. This event is hosted by Prakerja in collaboration with the Center for Financial Inclusion, and we're really excited to have you all here today for an important discussion. The theme is "From Policy to Practice: Lessons from Prakerja's G2P Payment Solutions." Just a bit of background—Prakerja is Indonesia's first government program with a fully digital setup and a recipient-focused G2P payment system.

00:54

G2P 3.0 gives people flexible payment choices by teaming up with banks and e-wallet providers. This user-friendly, mobile-first approach focuses on transparency, helps with financial planning, and creates a competitive atmosphere, including some options for zero-fee transfers. Alright, everyone, we have 60 minutes total. We welcome your questions and will do our best to answer as many as we can if time allows after the presentations and panel discussion. Also, just a heads up, this session is…

01:32

We're being recorded and live-streamed, so we invite you to share your thoughts on social media with the hashtag #FIW2024. I'm Puri Anindita, and I'm really excited to be your moderator and host tonight, Jakarta time. To kick things off, I'm honored to introduce Miss Denni Puspa Purbasari, the Executive Director of the Program Management Office at Kartu Prakerja (or Prakerja for short), who will give her opening remarks. Welcome, Miss Denni! I'll hand it over to you now. Thank you, everyone!

02:16

It's an honor to speak at Financial Inclusion Week. The Prakerja program is a key initiative that has helped 18.9 million people over the last five years to adjust to the changing job market and support the unemployed. So, how does Prakerja work? Every participant gets training credits to buy courses in our system. Once they finish their training, they get cash rewards straight to their bank or e-wallet. These incentives are really important for motivating folks to take courses.

03:06

We're not just handing out cash to cover things like internet and transportation costs; the real value of Prakerja is in the training and skills we provide. We don't just give people fish; we teach them how to fish, helping them become self-reliant. When we first launched the program, the pandemic hit, and we had to quickly adapt. It turned into a safety net that not only caught people but also helped them bounce back with new skills during tough times. So, Prakerja played a dual role.

03:55

Prakerja has shifted its focus back to its main mission and is still a key part of Indonesia's government training programs. Studies show that Prakerja has led to a lot of positive results, like better job prospects, more entrepreneurs, higher incomes, improved digital skills, a culture of learning, and greater financial inclusion. Before Prakerja, government cash aid was funneled through state-owned banks, and people often had to wait in line at local offices.

04:42

"To collect their cash, offices had to either visit a bank to open an account or wait for bank staff to come to the villages. You can imagine how costly this was logistically for a country with 177,000 islands. Prakerja is the first program to use a consumer-friendly government-to-person (G2P) system that offers easy onboarding, works with fintech, and gives users choices. Joining us today to talk about how Prakerja can speed up financial inclusion and change lives are Mr. Hengki Sihombing, our Director of Operations, and Mr. Dharmasaputra, President of OO Fintech."

05:34

"And Mr. Purnagunawan from the national team for poverty alleviation, I really hope today's discussions inspire us and spark some real teamwork to create a more inclusive, resilient, and thriving society. Thank you so much, IU Deni or Miss Deni, for your motivating words and for sharing the vision behind the Pras initiative. It reminds me of the saying, 'Give a man a fish, and you feed him for a day; teach a man to fish, and you feed him for a lifetime.' I couldn't agree more! So, Prakerja provides participants with training credits to..."

06:24

Buy courses and cash incentives to motivate people to finish the program. The real value of the program is in teaching skills that promote self-reliance and help individuals adapt to the job market. The government has updated the cash distribution process by using a consumer-friendly tech system, making onboarding easier and giving participants more

choices. Studies show that this approach boosts employability, entrepreneurship, income, digital literacy, and learning habits.

07:01

"Alright, moving on to our next topic, let's give a warm welcome to Mr. Hani Sing, the Director of Operations at PMO. He's here to share some insights about the success of Rak's G2P payment solutions. You've got 15 minutes, so take it away! Thanks! Good afternoon, everyone. Let me dive a bit deeper into what Ms. Denni mentioned earlier about the K program. I'll be explaining how this skill development program works and its benefits."

07:55

We're also rolling out a G2P payment solution for our beneficiaries. But before we dive into that, let's talk about what challenges Indonesia faced in 2019. First, looking at the workforce, we see that 41% of the skills needed for jobs are changing between 2015 and 2025. Workers are having a tough time adapting and growing. Plus, job seekers often have low education levels.

08:36

In August 2020, 34% of people were just junior level or below, which is a drop from 2019. The ranking was pretty low too, sitting at 71 out of 77. On the flip side, 20% is considered high, and the participation rate for women and the LBGTQ+ community in Indonesia is really low at just 42%. This might be why President Joko's initiative started in 2020, aiming to boost skills, productivity, and competitiveness among entrepreneurs in Indonesia.

09:19

Before K started, we had some results and identified a problem: people aren't taking the course because they don't have the money. The labor force doesn't have enough cash to buy the training resources, plus they lack the time and information to find the courses they need. So, based on these three issues, PR is trying to come up with solutions, especially focusing on the financial aspect.

09:52

To offer a training credit through scholarships and CAS, and once they finish, the issue isn't just about providing training since it's really short. They can handle it because they know it's flexible. The main thing is that it's online; they can train from anywhere. Maybe after school or when they're done with their job, even on their way home, they can learn online without any hassle.

10:24

They're trying to create a marketplace where job seekers and workers can find all the information they need about costs in the PR ecosystem. Basically, PR stands for training plus incentives, so beneficiaries have to complete at least one training before they can qualify for incentives. They're also using GTP for this because the training is part of the program, and they're trying to build a digital credit system.

11:00

You'll get a physical card for C, which has a 16-digit number. The details about the incentives will be explained later since we're working with a bank and a fintech company like Iala to distribute them. Basically, this is a big skill development program, and anyone can sign up. It's an on-demand program, so if you want to upgrade your skills, just go to w.g go.id. It's online 24/7, so you can access it anytime to register your account, and then we'll have a lot of activities planned.

11:34

To the chosen participants, what's the goal? Basically, it's all about the workers. They need to upgrade their skills or even reskill because it's important for them to stay relevant and boost their abilities. This way, when they go up against new workers and job seekers, they have a better chance. When you graduate from school, you need practical courses and skills to stand out and be more competitive.

12:11

Job seekers and entrepreneurs, you know? Like, you could have a side gig after your full-time job, which is usually around eight or nine hours. You could start a small business, like selling something. But there are some requirements for this program. It's only for Indonesian citizens aged 18 to 64. Also, there are certain groups that can't be beneficiaries, like civil servants, police, military personnel, and some other legal categories.

12:52

If you're still in school or pursuing higher education, you can't apply for the program yet. You need to finish your formal education first. After that, you can apply. Since 2020, we've been running the program under the CID mode because it was launched during COVID. The program has changed to a semi-assistant scheme from 2020 onward.

13:30

It's all online now because we can't do any offline training in that mode. We've cut down on the training credits and made the incentives bigger since people can't move around and all that. We're doing this to keep track of the impact after the training is completed. That's why

we have a huge number of participants in that mode—60.4 million! Also, starting in 2023, we're moving back to a normal scheme, which is basically the ideal setup.

14:06

The original idea behind the carto tracker was to offer both online and offline training. We're also increasing the training allowance for credit because the training takes longer and is more extensive. Since we have both online and offline options, the offline courses tend to be much larger. We've also decided to cut back on the cash incentives because we want to focus more on the skill development program.

14:41

As of 2023, we already have around 2.5 million participants in the regular program. Since 2020, we've been serving all of Indonesia's 38 provinces, covering every city and region. We've reached about 18.9 million beneficiaries. We've also established a G2P collaboration with our partners from banks and digital wallets.

15:18

We've already successfully transferred cash incentives to participants' wallets and their bank accounts without any physical contact. So far, we've distributed around 41.5 trillion, which is about 2.66 billion US dollars. This is part of our ecosystem that's fully integrated with our partners. We're building this ecosystem and connecting all the dots, like a job portal, a digital platform, and training partners, all in one place. On the flip side, we're trying to keep things a bit flexible because we need to.

16:04

Let's focus on the g2p side. After people register, we'll do a lottery to choose participants who will be beneficiaries. Once we select them, we'll issue a decree from the government. For example, we might decree that 400,000 people will be chosen. We'll request funds from the Minister of Finance, who will then transfer the money to each participant's account at BNI Bank, which will manage the funds.

16:44

We're working on a funding program and managing a virtual account for each participant. We're also reaching out to our partners like BNI, BCA, GOP, Oana, and Ling to collaborate and integrate with BNI. We really need their system because it minimizes manual work. We're aiming to automate everything—pricing, checks, data—so we're also looking for some banks and wallets. This integration will need approval too.

17:23

"We're reaching out to the regulator because we're asking the bank NBCA, the GOP, and LA to create an API for verification. We need to ensure that when people link their accounts—whether it's an e-wallet or a bank account—we validate that the name and ID match the data from the C. This is a screenshot of the actual dashboard on C Prad. When someone is selected as a beneficiary, they'll be onboarded on the dashboard and will be asked to link their bank account or e-wallet of their choice."

17:58

They can choose from six options, and their current partner is BICO, etc. The second screen is when they try to enter their name and bank account. We need to check if this data still exists with the bank or wallet. If it does, we need to confirm that the citizen ID from Indonesia matches the name on the bank account. If it doesn't match, we have to fail the linkage because we need to ensure all the data is consistent.

18:34

Yeah, for sure! We need to make sure that all the reconciling of the bank accounts and wallets is done properly and isn't fraudulent or anything. After the successful linkage, they'll be able to access the main dashboard. The dashboard will show how much credit allowance or credit training the participants can use, and they'll also see the 16-digit C number they can use for transactions.

19:11

"We have a digital platform where everything is super transparent. After participants finish their training, we show them when they'll receive their incentive. If they succeed, we also provide details about the transfer, like the bank account number at BNI and the date of the transfer. We explain everything in detail, and if something goes wrong, we also share those results. So, we keep track of all this information."

19:43

So, I logged in and started the story. The next part is about the impact of financial inclusion. If we look at the data, about 46% of participants didn't have a bank account or e-wallet before. After receiving benefits, they created accounts in e-wallets. We're encouraging them to have at least a wallet or a bank account since they didn't have one before. But yeah, e-wallets are definitely the most popular choice, with 93% of people preferring them.

20:24

"Basically, they just have an e-wallet and the rest is linked to a bank. Out of the 54%, a lot already have bank accounts, so they're using e-wallets but haven't completed KYC (Know

Your Customer). We're pushing them to upgrade their accounts and do KYC to verify their e-wallets with their ID. It's really important to validate their accounts, and we're here to help them with that."

21:02

The beneficiary now has an account and an e-wallet. Next, we're looking at how they use e-money for financial support after they've started using it. We're conducting a survey with the K team to gather feedback from all participants or beneficiaries. This survey focuses on people who are new to having an e-wallet as beneficiaries. We're asking them about their experience after they received the e-wallet and what they've done since then.

21:41

People are using bank accounts or wallets to transfer money and withdraw cash. They rely on e-wallets or banks for their financial needs, but they mainly use them just to receive incentives, like paychecks, bill payments, and transportation costs. Then there's the issue of access to financial services. Many people who don't have a bank account live more than 5 kilometers from a bank branch.

22:16

Yeah, so this might be my last slide. It's about the incentive to help with purchasing power. We transfer money through the CL incentive program, which is aimed at improving skills and processes. About 61% of people are spending it on food each month. The cash incentive is really significant for them because they use it for 88% of their daily needs, 67% for business capital, 57% for personal use, and 31% to buy more courses outside of their practice. So after the training, they're putting it to good use.

22:56

"They're really excited about the cash incentive to buy more training, and we're super happy with the results because it's making them eager to upgrade their skills. That's about it for me, thanks, Overi, for walking us through the PRER G2P 3.0 initiative. It's impressive to see how digital transformation has made social assistance more efficient and inclusive. Panki, please stick around as we invite two other esteemed panelists to dive deeper in our fireside chat."

23:38

"Thanks for joining us today or tonight, Jakarta time! We have Mr. R Muhamad Pagan here, who leads the Economic Capacity and Improvement Policy Team at TNB2K, Indonesia's national team for poverty reduction. Welcome, Parade! We're excited to have you. Also with

us is Mr. Karaniya Dharmasaputra, the president of OVO, one of the payment partners. They'll be sharing their insights on how PRZ G2P works."

24:20

"Let's kick things off by talking about how our initiative fits into the bigger picture of financial inclusion and policy goals in Indonesia. Welcome back to the panel, gentlemen! We need to keep an eye on the clock since we have to wrap up by 7:00 PM Jakarta time, which gives us about 35 minutes for our discussion before we open it up for audience questions, if we have time. So, to start, let's reflect on P's journey. My first question is for Raden: what do you think we can do to strengthen public-private partnerships?"

24:55

"Let's make the delivery and effectiveness of the G2P program better. Alright, thank you. Before I dive into your questions, I want to thank the PMO for being ready just in case PAR needs to log in quickly. I'm going to count down from five, and if they're not here, I'll hand it over to Pakar. Five, four, three, two, one. Sorry, folks, we're almost there but not quite. Technology can be tricky sometimes. So, P, I'm passing the spotlight to you as the leader."

25:49

"Private sector, what challenges and opportunities do you see in expanding digital payments for the G2V program in Indonesia? Go ahead. Okay, thanks, Puri, and good evening, everyone. I have a few slides to share, if that's alright. Just a moment, please. Sure, go ahead. Plenty of time. We'll help you out from our team, too. Yeah, but I can't share my screen. Oh, okay, someone will make you the co-host or host so you can share your slides while you answer the question."

26:32

"Alright, so I might just go ahead and share my screen. So, first off, I really think that Soo has been involved from the start with Pahen Bu, Denni, and the team. I've said this in a bunch of public forums before. In my opinion, PRRI is one of the most innovative, successful, and important initiatives in the G2P space in Indonesia. And that's why I'm saying all this."

27:25

I think there are two main reasons for this. First, this is the first g2p initiative that really brings in the private sector in a big way. It's not just about involving them but also using all the resources and strengths of the tech companies in Indonesia. This public-private

partnership is pretty unique, and honestly, it's really smart. We managed to kick off this initiative in a really effective way.

28:05

In such a short time, we remembered that our president instructed Budan and the team during COVID to expand the role of the program beyond what it was initially designed for. It was meant to deliver social aid funds to people in a contactless manner since we were still in the pandemic. So, I believe that...

28:53

Prakara went with this public-private partnership approach, so they didn't start from scratch. Instead, they built a centralized platform to handle registrations and validate participants in the program on both the supply and demand sides. This setup lets various private tech companies collaborate and connect to this government-controlled platform. That's the gist of it.

29:37

So, out of nowhere, you know, in the financial and payment space, tech companies like Gopay and others already have really developed technology and a big user base. This public-private partnership lets us not only launch quickly but also connect with a significant part of society using this proven end-to-end technology. I think that's the reason behind all of this.

30:22

The G2P initiative is, in my opinion, a really innovative breakthrough in our digital economic history. Plus, we need to acknowledge that, when we were distributing social aid funds manually in Indonesia, we faced a long-standing issue. We always struggled with how to get the social funds to the right groups targeted by the program. And on top of that, there were some serious problems with intermediaries.

31:13

"Haunting and keeps coming up in this program, and there's definitely corruption and inefficiency involved. But using technology has really helped. Based on our experience, Prakerja has been really successful in tackling the inefficiencies caused by middlemen. For example, I think this is the first time in Indonesia that every eligible participant can register on their own, without needing any intermediaries. They can directly sign up on the Prakerja platform. Initially, when there was a potential..."

32:06

Young people in really remote areas of Indonesia can't register themselves, right? They usually have to go through a bunch of middlemen, like the village heads and stuff. This creates some problems because, for example, the village head might register their own relatives instead of the people who actually qualify for the funds. So instead of getting the right people signed up, they end up helping out their family and friends.

32:46

Once someone registers and gets validated as a participant, I think this is the first time in our history that they can receive the social aid funds directly in their wallet without any middleman. We realized that in the past, when the government distributed these social aid funds through intermediaries, corruption happened. Our data shows that…

33:33

"I think the success rate of the distribution is almost 100%. So when the government wants to distribute, let's say, the incentive fund, it's around $550,000 per stage. And then that amount goes to every recipient. Again, I really think this is an important innovation. To answer your question, I've been working with a few friends to propose this kind of thing."

34:18

"We have a plan to support and help students, which we call the Student Free Meal Program. We believe that improving certain processes can really enhance how we deliver these free meals to students. I can explain more about this if I have time. Thank you! Great, thank you so much! We've also set up a way for you to explain things later with slides, so hopefully that goes smoothly."

34:57

"Hey everyone, so Indonesia's president-elect, Subianto, has this program for nutritious food for kids. The big question is, how can we use digital payments for government-to-person (G2P) services to support that? Pak will explain more on that later. Welcome back, Hengki Thanks a lot. I want to revisit my first question—feel free to use slides or visuals if you need to. What can we do to create better partnerships between the public and private sectors to make G2P programs like this one more effective?"

35:32

Alright, thanks, and sorry for the interruption. So, back to your questions. From our experience, to create a stronger, more efficient, and sustainable public-private partnership, we need to focus on three key things. First, we need to have clear roles and responsibilities. Second, we should prioritize continuous improvement through innovation and feedback.

And third, we need to establish clear value or business value. Let me break this down a bit more. Since this is a government-initiated PPP, the government has to define the objectives.

36:14

Each actor has specific roles and responsibilities they need to concentrate on, and the government should clearly define the essential responsibilities for all parties involved. For example, in this case, the government should prioritize policy development and improvements for financial inclusion and government-to-person (G2P) programs, as well as the overall program ecosystem. This includes figuring out who the target beneficiaries are, setting eligibility criteria, standardizing service delivery, and establishing compliance mechanisms. Meanwhile, the private sector should focus on…

36:57

"Providing the necessary training is important, not just for PR training providers but also for the government partners. We also need to support the infrastructure and have a digital platform for disbursements, while keeping an eye on monitoring and evaluation to ensure a better experience. This should be a joint effort between both parties, sharing responsibilities. The second part is about continuous improvement through innovation and feedback. It's essential to make the public-private partnership (PPP) stronger and more efficient. So, how can we do that?"

37:37

Using technology to improve the simplest services means enhancing digital infrastructure, managing data better, and building up financial tech skills for both partners. It's important for everyone to understand their roles and responsibilities. For example, private companies might not be aware of the regulatory requirements for public programs, while the government needs to recognize the value that private sectors can bring to these programs.

38:14

"We need to come up with new ways to improve how we deliver services and implement programs with our current partners or even potential ones. It might be helpful to run some small-scale pilots to test out this new approach before we expand it. We should also use monitoring and evaluation results, along with feedback from beneficiaries, and data analytics to keep refining our program design and delivery. I really appreciate GBMO's effort to engage more partners."

38:51

"Outside groups are looking at the Parer G program to figure out how to make it better. I think the evaluation results will help not just the PR but also make this public-private partnership work more effectively. One last important thing for making sure the PPP lasts is that it needs to have shared value or business value. This business value can come from financial incentives, tax benefits, or market expansion for partners involved in the program."

39:24

The program might stick around because its goals match the company's values. Even though there's not a ton of business value right now, private partners might still get involved. With these three aspects, we expect public-private partnerships to become stronger and more sustainable in the future. That's my answer, thanks! Now, picking up where we left off with P. Karia, yes, Indonesia's president-elect...

40:03

"We have a nutritious food program for kids, and our next question is how can digital payments for government-to-person (G2P) help with that? Alright, thank you. Could the admin please share the screen? If there's a specific slide you want to show, just let us know. We have Miss Abi here helping us out remotely. Maybe we can do that after this. So, the program has a few challenges that I think the system or mechanics set up by PR can address."

40:57

"I'm going to talk about some really interesting solutions. So, I've identified a few challenges. First off, Indonesia has very limited fiscal space, so next year's budget has allocated about $5 billion to support this program, which aims to feed 15 million students across the country. The main issue, of course, is similar to previous situations: how can we control and tackle governance and corruption challenges?"

41:41

I think we learned a lot when we helped the government with PR. The issues of fraud and cybersecurity were really significant and need to be tackled. Of course, we need to use mature technology for that. The third challenge is even more ambitious than before because the president-elect, Prabowo, has big plans. This program isn't just about improving students' nutrition; it aims to do so much more.

42:22

"Support local MSMEs, farmers, vendors, and traditional markets. Also, this program is huge because free meals will be given out all over the country almost every day, about five

to six days a week. So, here's my point: we're discussing why we shouldn't extend the PRRI. PR has been really successful, and I truly believe, based on my experience, that it's worth continuing."

43:06

I think there are five solid ideas we can propose for rolling out this program. First off, we need a well-established Model A G2P model. It's crucial because this program is huge and really ambitious. For it to succeed, we need mature technology that's ready to go. The government, of course, has to be willing and able to create an end-to-end tax system for it to work.

43:57

"We need tax money to support this program, but I really don't think one year is enough to develop and build this kind of technology. Instead, I believe we should adopt a model like a public-private partnership, using the tech and digital resources that our private sector already has."

44:38

It would really help the success of this program. The second value is that, right now, in Indonesia's digital economy, we have 5 million MSMEs focused on food and beverage, plus at least 4 million gig workers, including ride-hailing drivers. So, the government can easily empower these MSMEs and gig workers and make a really solid impact.

45:22

The direct economic impact on them is significant. The third point about our value proposition is that our financial flexibility is pretty tight. So, we really need to figure out how to set up a system that lets the government operate more efficiently with capital and operational expenses. By empowering and leveraging the MSMEs that are already part of our ecosystem—like food and beverage businesses that are already running every day—we can help reduce costs.

46:12

The government really wants to build new central kitchens, which would help cut down the costs for setting up a thousand of them nationwide. Also, like I mentioned before, we should consider a public-private partnership. This way, the government can tap into the resources, talents, and technologies that private companies already have to support this program effectively.

46:52

It's going to be a short run, and about number five, I think based on what we've seen, I've already talked to several friends who are leading tech companies in India. Almost all of them are on board to support this program. So, we're not saying that the tech companies are just in it for the profit; I think everyone is really willing to back this up.

47:31

"Alright, so, uh, moving on to the next slide, please. Sorry about that! So, yeah, I think I'll just take questions now. Thanks! We do have a question from the audience. It's a great time to turn it over to you all. We're really excited to have Miss Natasa Goronja with us; she's the managing director of the Center for Financial Inclusion. Thank you so much! I can't really see your messages at the moment, but I'm really happy to get this question from you, Miss Goronja."

48:11

"Hey everyone in Jakarta! Thanks for joining this super helpful presentation. I'm curious about how you all are doing. So, Peni, what are your thoughts on the impact of this program? What kind of results are you seeing from this initiative? Just shining a light on you for a moment—go ahead! Thanks! So, basically, we've been doing some research and studies, and we've found that the program has a significant impact on the beneficiaries. One key point is that there's a 25% improvement."

49:01

After finishing their training, it takes about two months for people to start working. Once they complete the training, around 25-26% of them find jobs. There's also an impact on their average annual income, which increases by almost 1 million rupiah, or about 63 US dollars. Additionally, 5% of those who weren't registered before end up registering for their SMA after going through the entrepreneurship training. And about 2% of them…

49:52

"Before they finish the training, the participants transition from being informal workers to formal workers. This might be the impact I can share. For the full results of our PR study, you might want to check out pr.go.id and head to the publication page. We've posted all our research and studies there about the topic, so you can read about the impacts from various institutions."

50:34

"I'm doing some research about C, and I hope that answers your question. Thank you so much, Denni, and you Natasa, or Miss Natasa. I hope you can hear and see us clearly since

we can't see you on the screen. I hope that covers your questions. Alright, everyone, we only have 10 minutes left, so this might be my last question for all the panelists. I'd like to get your thoughts on this final question: based on your experiences, what suggestions do you have to help speed up financial deepening?"

51:13

"Alright, so let's focus on PP Car first, then we'll hear from P Raden and wrap it up with Hani. I just want to emphasize my earlier point. I really think Prakerja has created an innovative and successful program that shows how using digital technology can make a big difference. It can really help tackle our long-standing issues with financial literacy and boost our economic inclusion."

51:57

Hey, can we please just extend this platform? It's already built, owned, and controlled by the government, so why do we need to keep creating new ones? Let's follow what the private sector does. Instead of constantly building new platforms, we should be iterating, expanding, and enhancing what we have to make it richer and more powerful. I really believe that's the way to go.

52:43

We've seen how successful the program has been, right? It's really made a difference for the country, especially during one of the toughest times in our history, like the COVID pandemic. Thank you! Now, we'd love to get the government's perspective. So, go ahead. Okay, thanks! So, Indonesia has been running the G2P programs for a while now, and it was only after we reformed in 2017 that things really started to change.

53:31

All the reforms are really starting to take off, but we also need to recognize that while Prakerja has done a great job scaling GTP 3.0 nationally, K beneficiaries have some unique traits. Our study with the World Bank in 2021 revealed that PR beneficiaries tend to be younger, better educated, and more digitally and financially savvy compared to other GTP programs. For instance, 73% of C beneficiaries actually use the social assistance money they receive.

54:12

The issue is that at least one other financial transaction is happening, but only 4 to 12% of people are benefiting from other social assistance programs that use their accounts for transactions beyond just receiving and sending out payments from these programs. So, the

support isn't really showing up in the other parts of our programs. How can we fix this? We definitely need to boost financial and digital literacy because there's a big gap there.

54:58

Sure! Here's the translated content: "We have a good financial inclusion index, but there's a big gap in financial and digital literacy. By boosting financial literacy for everyone, we can help people access other financial services like credit, investments, and insurance. Plus, expanding the number of service points—like banking agents, ATMs, and bank branches—will make it easier for customers to deposit and withdraw cash, which will help build trust in the system."

55:41

So, they can access the system whenever they want, right? And with digital literacy, people can also get access to financial services that aren't available locally. I totally agree with P car; we should expand the scope of the GTP 3.0. Plus, the government wants to push for GTP 4.0 now, so yeah, back to you, B. Thanks a lot, Raden. I think we all agree that we don't need another...

56:28

"We don't need a new platform; what we really need is expansion, better digital literacy, and financial literacy, for sure. So, Peni, our last speaker of the day, do you have anything else to add? Yeah, maybe just to wrap up, I'd suggest we focus on expanding digital infrastructure. There are so many rural areas in Indonesia that could really benefit from this."

57:09

We need to improve the digital infrastructure to enhance internet access in some rural areas. Our friends living in the mountains or near forests might have internet, but it's probably really slow. They definitely need better digital infrastructure. Also, as Raden mentioned, we should develop inclusive financial products, like easy-to-access microcredit and micro-savings.

57:44

Insurance and mobile apps might start using alternative data for people, so they can still have a credit score even if they're unbanked. Also, one big issue right now is cybersecurity. We really need to boost financial innovation in that area and support fintech and banks to have regulations that build trust and ensure strong consumer protection.

58:22

"We need to talk about data and privacy laws because, you know, in this digital age, we really need some regulations in place. Also, we should take advantage of government programs, like the K program, which was started for skill development. But, interestingly, it's also helping to boost financial inclusion. Even though the K program wasn't originally aimed at financial inclusion, the training it provides is having a positive impact on that front."

58:56

Upgrading skills is also about financial inclusion. So, I think government programs could target more viable groups to boost government-to-person payments. Like R mentioned, once people have a bank account and a digital wallet, they can use that wallet to buy anything. That's my take on it. Thanks, MRI. Thanks a lot, Hengki. I can see all the panelists are nodding, and I think we all agree that we need better digital infrastructure, especially in remote areas, as well as improved cybersecurity.

59:32

"Please take advantage of the government program for financial inclusion. Unfortunately, that's all the time we have for this session. I want to thank all the panelists again, especially Hengki, Raden and Karaniya for making the time to join us. We hope today's session has shown how powerful PR's g2p model can be in promoting financial inclusion. Thanks for being with us, everyone, no matter where you are. I'm Puri Anindita, signing off. Enjoy the rest of Financial Inclusion Week 2024. Bye for now!"