

# International Conference on Social Protection for the Elderly

Selasa, 22 May 2018  
Jakarta, Indonesia



BADAN KEBIJAKAN FISKAL  
KEMENTERIAN KEUANGAN  
REPUBLIK INDONESIA



Australian Government



**National Strategy  
Towards an Independent, Prosperous and Dignified Ageing Population Society**

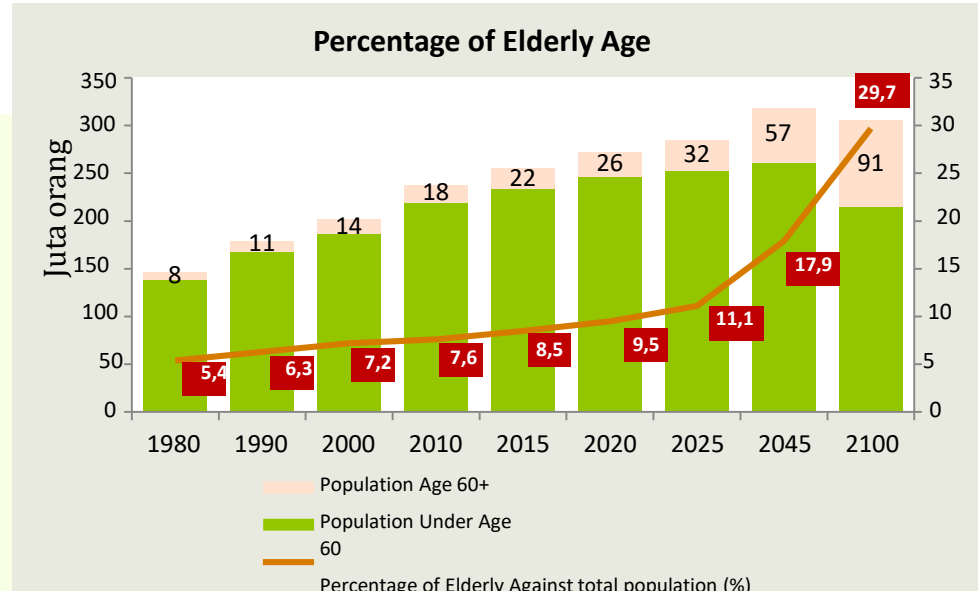
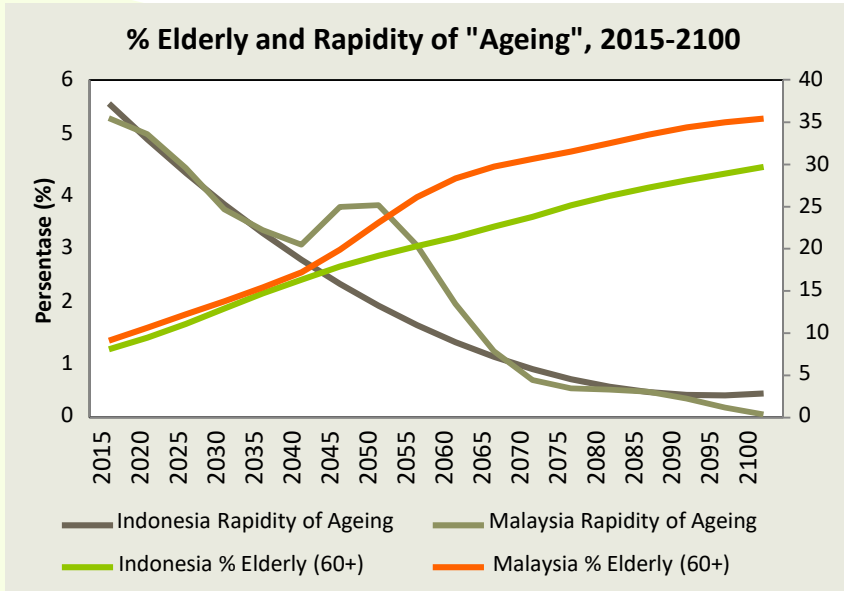
**MALIKI**

**Director of Population Planning and Social Protection  
Ministry of National Development Planning / Bappenas  
Jakarta, 22 May 2018**

# OUTLINE

- Elderly and Poverty
- Fulfilment of Elderly Needs
- Pension Plan
- National Strategy on Ageing Population / Elderly

# The elderly (60+) population reached 10% by 2021

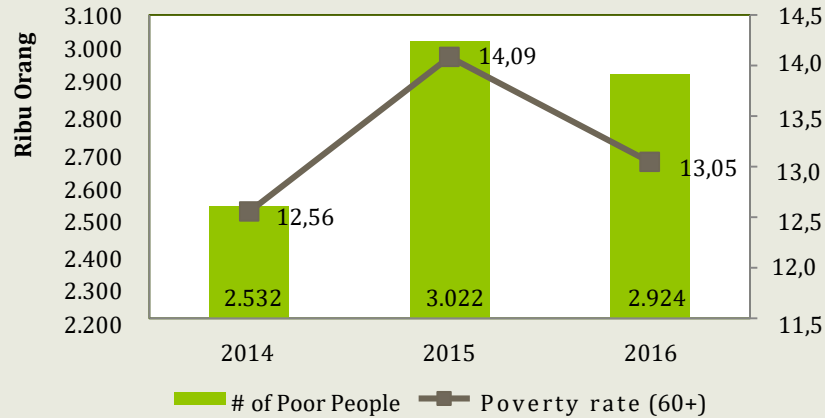


Source: BPS, SUPAS 2015, UN Population Projection 2017 Revision

- Indonesia is a country that will enter the era of aging population (*ageing population*)
- Number of people aged 60 years and over that has exceeded 8.5% in 2015 and 10% in 2021
- By 2045, the elderly population reaches 57 million people and contributes about 3% of the world's elderly population

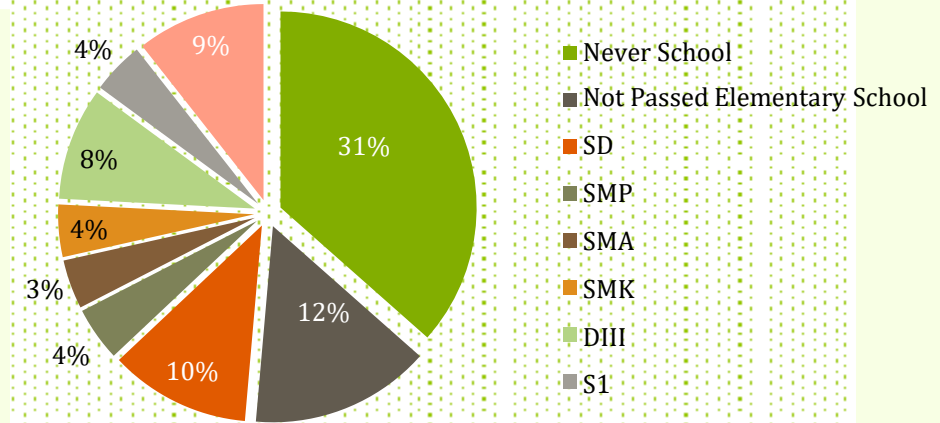
# With a relatively low level of education, the elderly vulnerable to falling into poverty

### Number and Poverty Level 60+



Source: BPS: Susenas 2013-2016, processed by Bappenas

### Level of Elderly Education, 2015

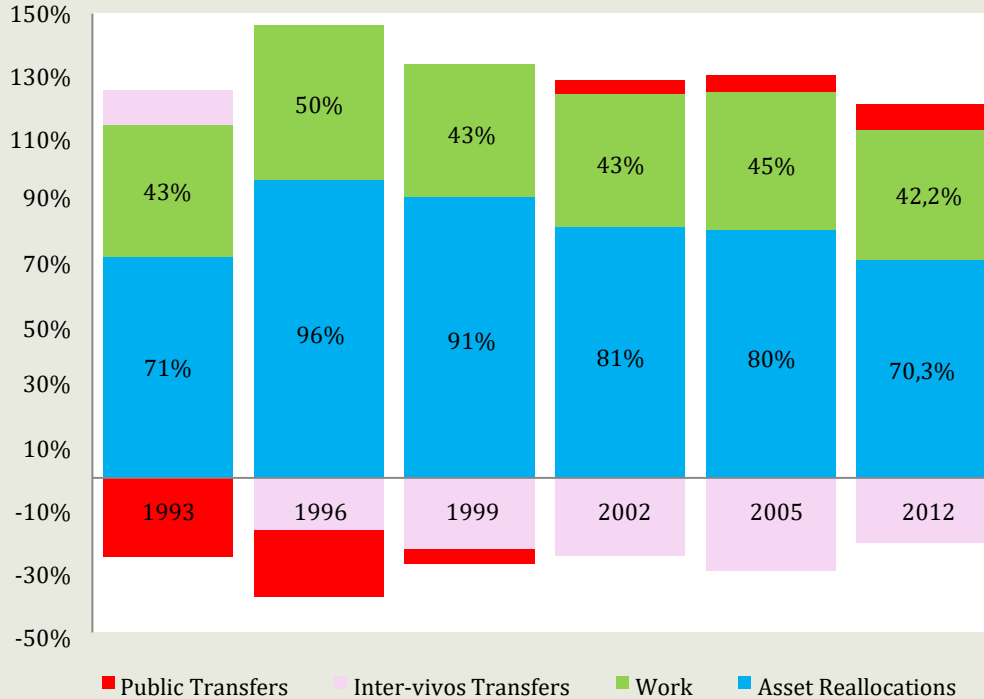


Source: SUPAS 2015 processed by Bappenas

- The poverty rate of the elderly is relatively higher than in the last two years :
- (a) lack of skills (low level of education) to get a good job after retirement, (b) have no pension, (c) not getting family support.

# Elderly Give More to Younger Generation

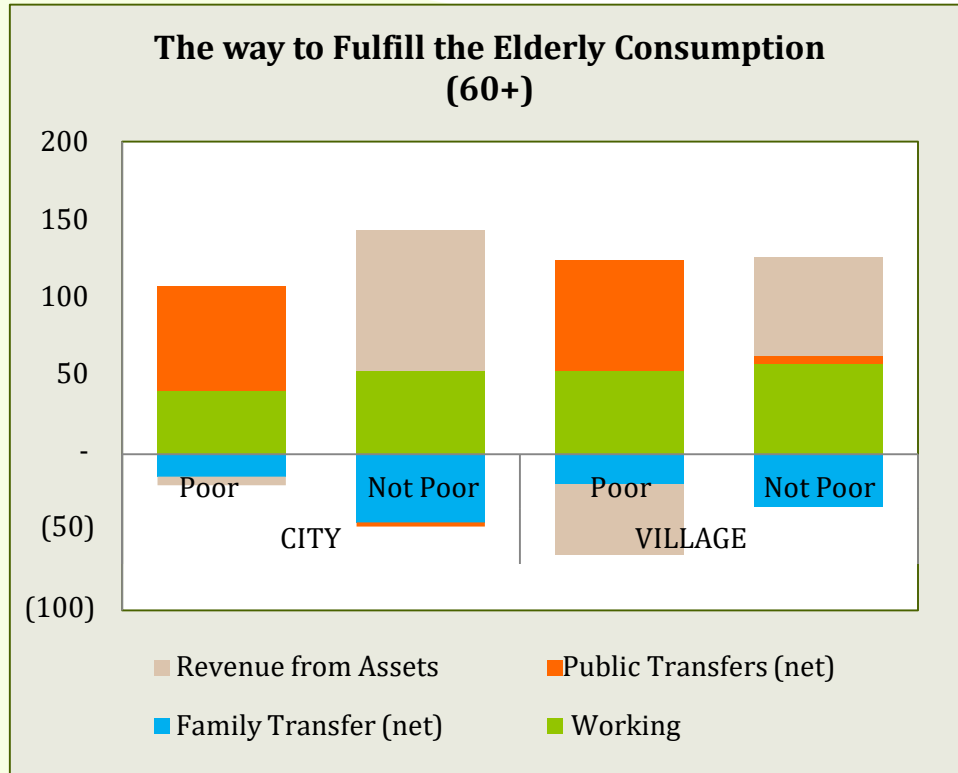
Trends in Financing the Elderly (65+) 1993-2012



- ✓ Within years, there are more role of government in social assistance transfers for the elderly (65+).
- ✓ In 2012, government transfers meet about 8% of the consumption needs of the elderly.
- ✓ There is a tendency of the elderly to provide support to the younger generation.
- ✓ Labor income and asset allocation remain an important part to be fulfilled as their needs.

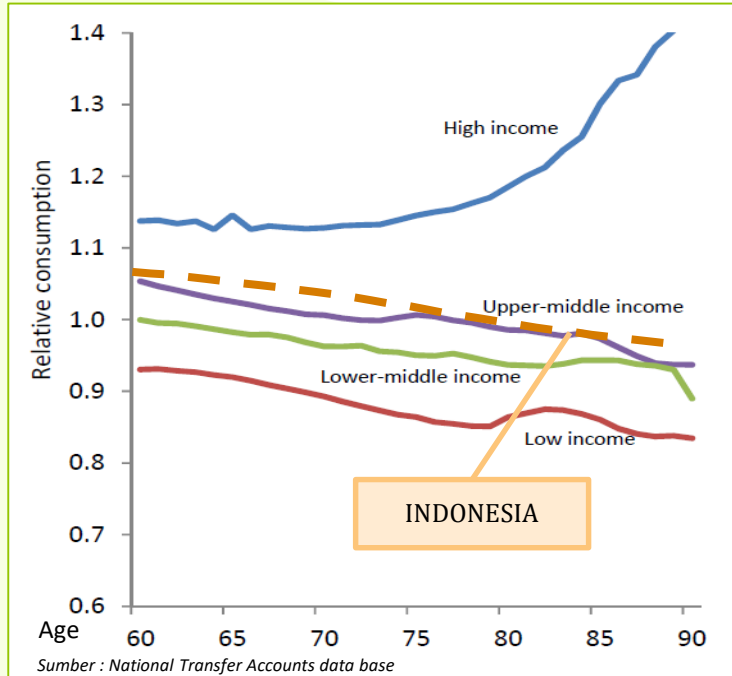
- Starting from 2015, Pension Program and Old Age Savings are mandatory
- Pension Program is only for formal workers

# Elderly people still can not be financially independent



- In general, elderly people still have to work to meet the needs of life
- The half of the poor elderly population needs are still depend on government assistance
- The assistance is then distributed to other family members (intergenerational transfers)
- The non-poor elderly population has divested as a way to fulfill their needs

# Nearly HALF the elderly do not have pension funds



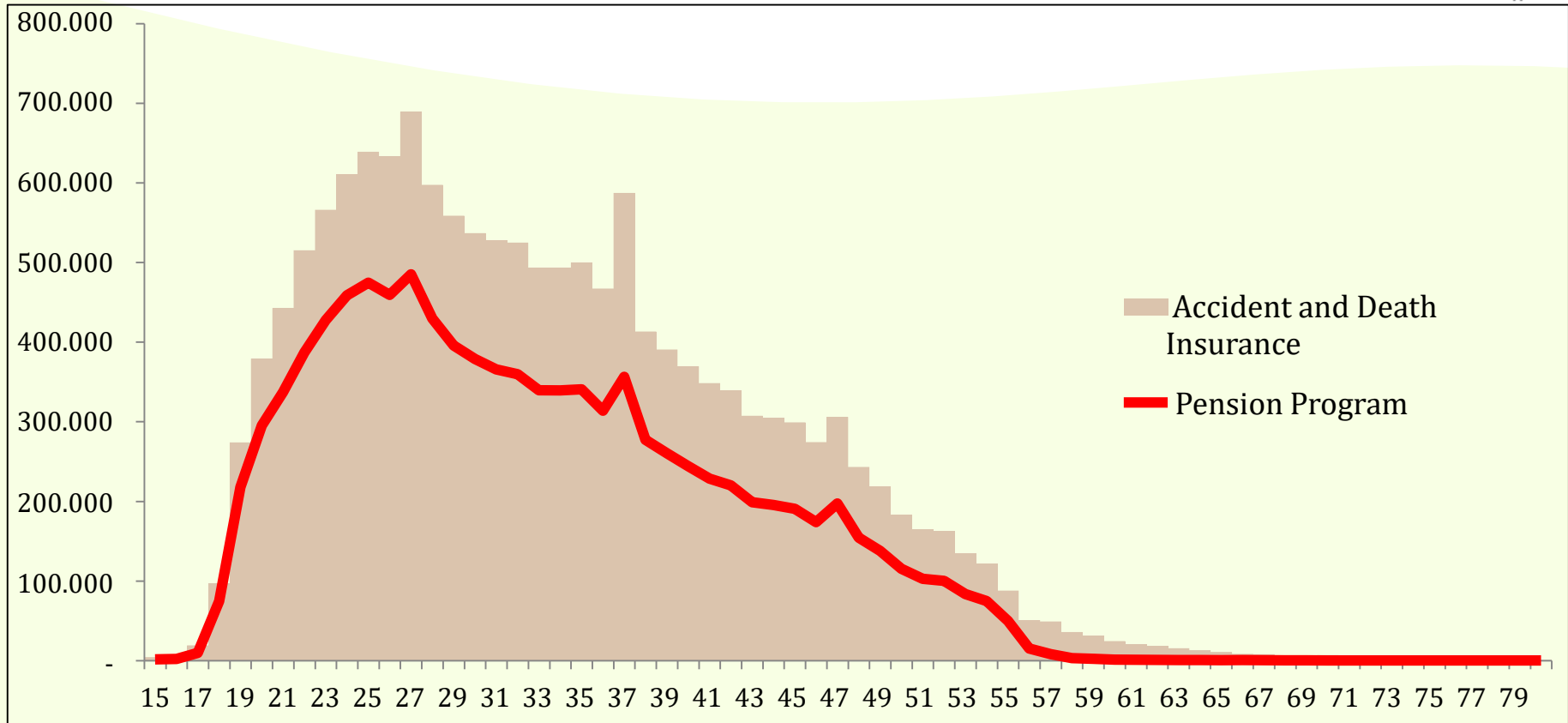
- The pattern of consumption of elderly population shows the level of welfare
- The elderly population in the middle and lower income countries are relatively more vulnerable to poverty
- In countries with adequate pension funds, the poverty rate of the elderly population is relatively lower than the total population → e.g. Latin America
- Coverage of pension funds :
  - Europe and America, retirement coverage reaches up to 90%, Middle East <30%, Asia and Pacific <40%
- Elderly women are more vulnerable with lower pension fund

Per capita consumption age of 60 years and over (relative to consumption 30-49), per age and state income level



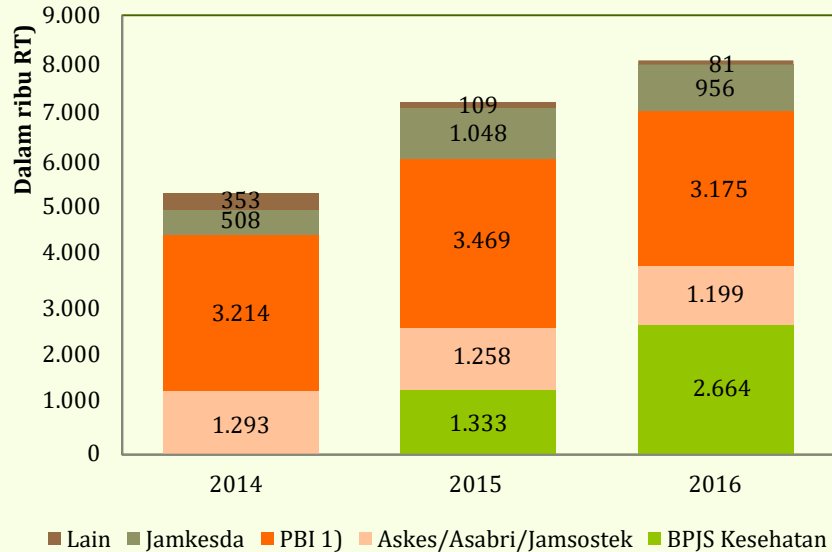


# Number of Participants of the Pension Plan, per age, 2017

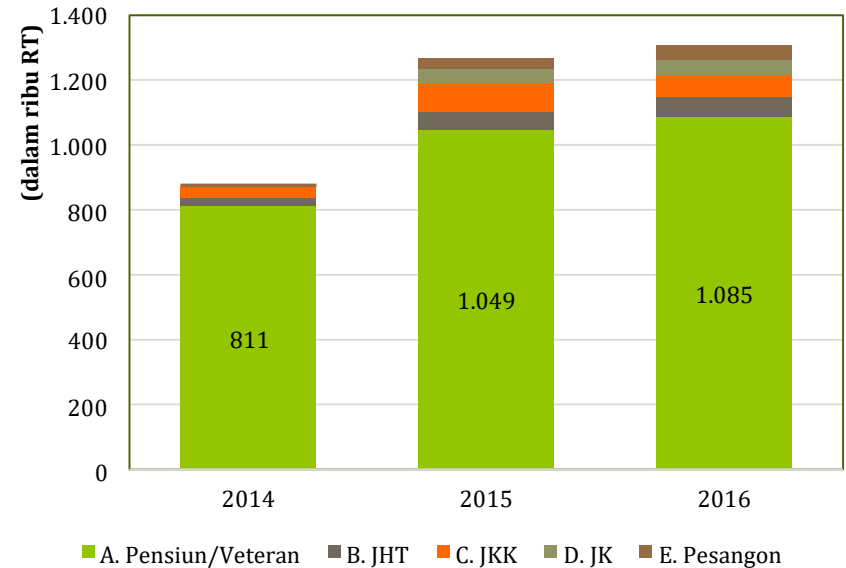


# Limited ownership of Health Insurance and Old Age or Retirement among the elderly

## Number of Households with Elderly (60+) with Health Insurance



## Number of Households with Elderly (60+) Have Workers Insurance



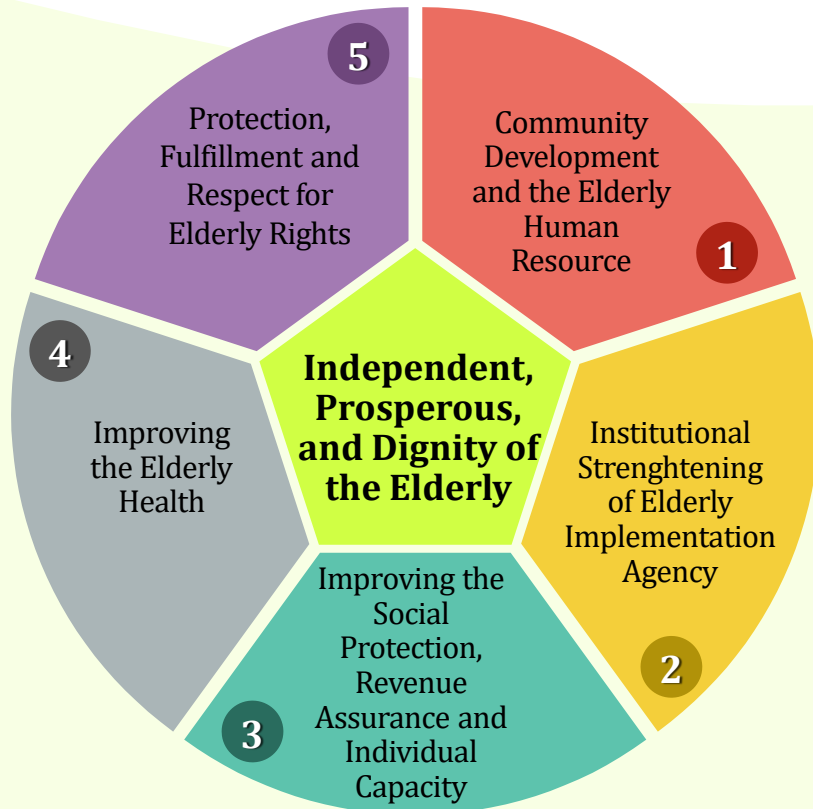
Source: Susenas 2014-2016, processed by Bappenas

Info: 1) PBI year 2014 include Jampersal

# **AGEING IN INDONESIA:**

***IN 2015, INDONESIA GROWS 2.4% POPULATION OF THE ELDERLY IN THE WORLD***

# Draft of Presidential Regulation: National Strategy Towards Independent, Prosperous, and Dignified Elderly



- Realizing a healthy elderly population through the strengthening of healthy lifestyle (life-course)
- Institution strengthening focus on the elderly and ageing issues
- To increase the coverage of National Social Security membership

# Five Important Factors of Consideration on the Elderly Policy

Public Awareness on “ageing” should be prepared as early as possible

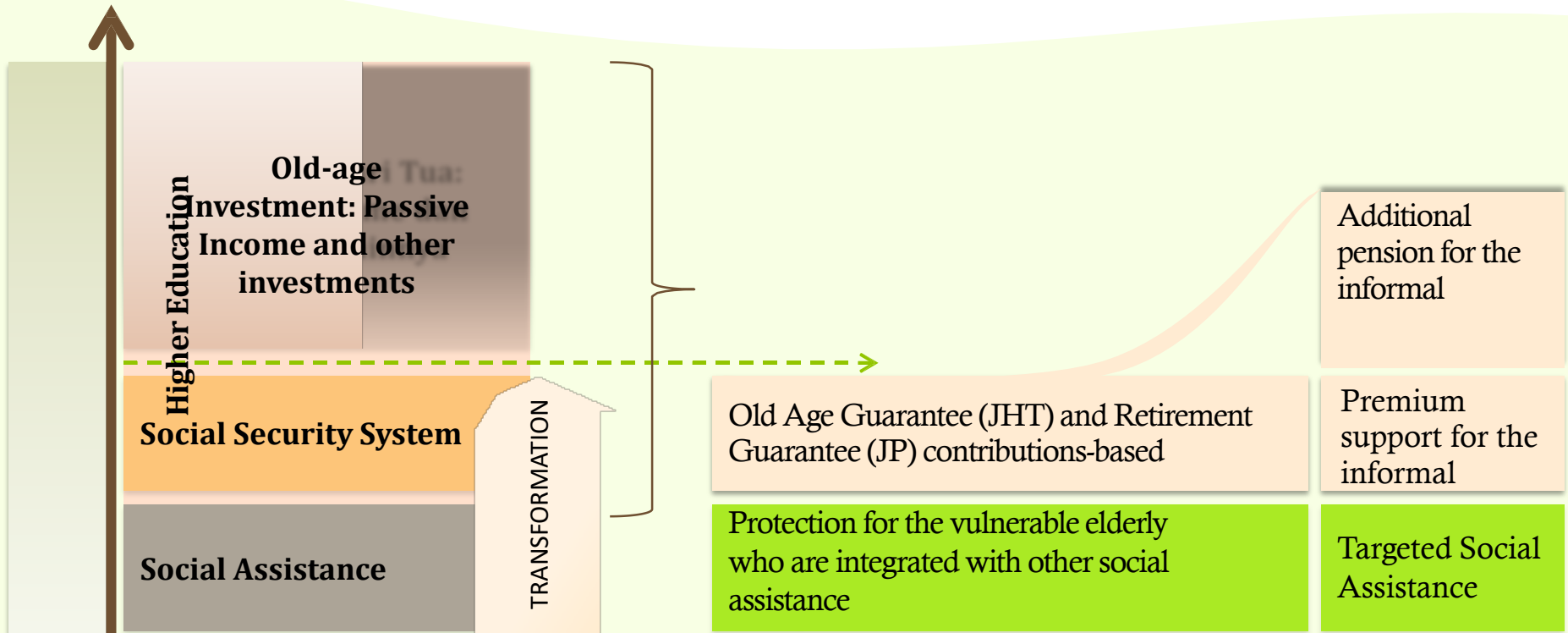
Strong institutions are needed to deal with “ageing”

Social Protection as a national scheme “ageing” *safeguarding*

Individual capacity and health need to be prepared for “active ageing”

Elderly rights as the “development subject”

# Ensure that the entire community is financially and skillfully ready to face retirement



**Thank you**

