



OFFICE OF THE VICE PRESIDENT OF
THE REPUBLIC OF INDONESIA



The Future of Indonesia Social Protection System: Social Protection for All

**Office of The Vice President The Republic of Indonesia/
The National Team for the Acceleration of Poverty Reduction (TNP2K)**

January 2019

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Indonesia's Existing Social Protection Programs

A Vision for Indonesia's Social Protection Strategy

To protect all citizens across the life-cycle

I. Non-Contributory Social Assistance

1. Safety net schemes for poor and vulnerable groups.
2. Targeted program.
3. Human capital investment.

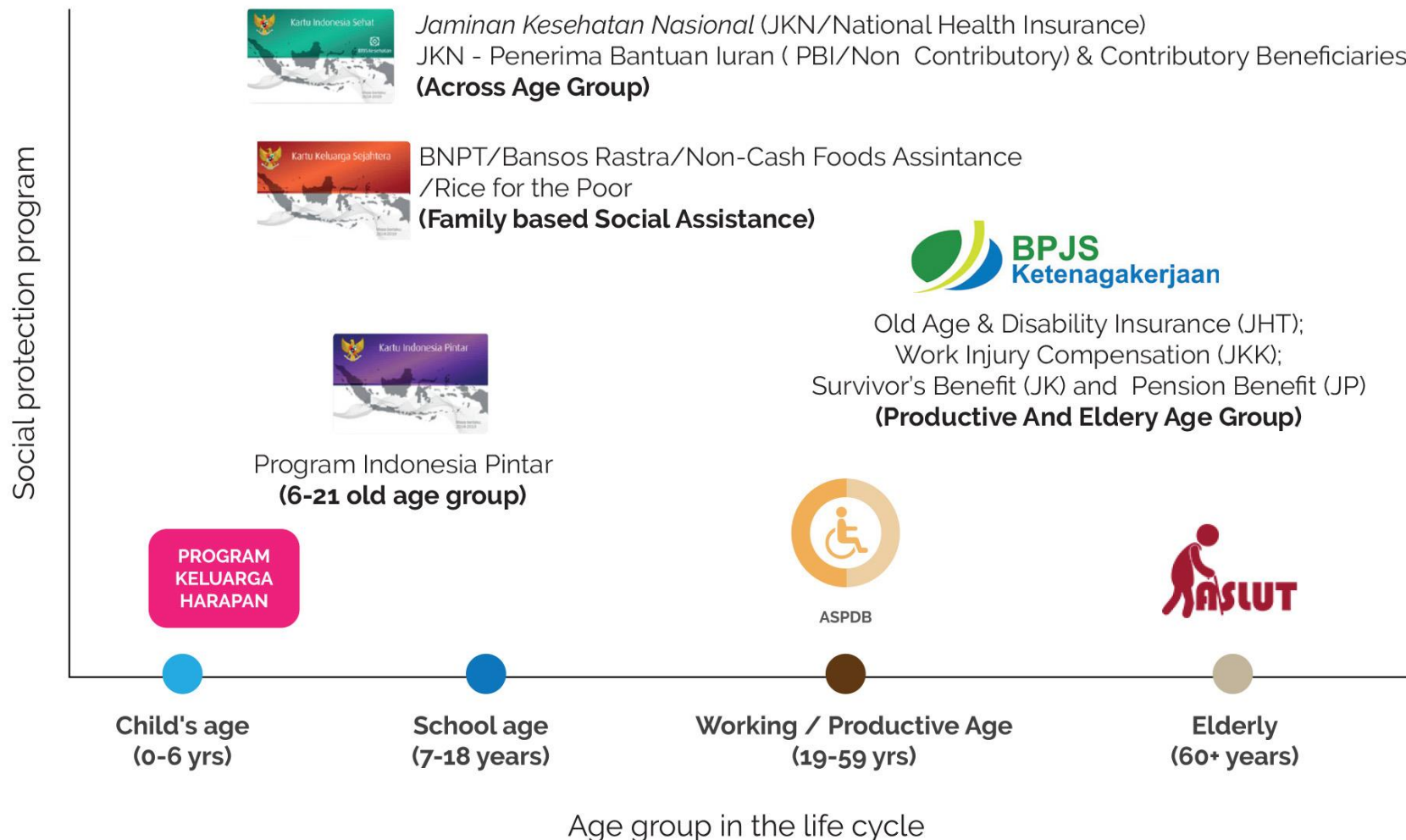
II. Contributory Social Security/Insurance

1. Provide security for health-related and employment-related risks across life cycles.
2. Slowly increase citizen's contribution.

Existing Social Protection in Indonesia

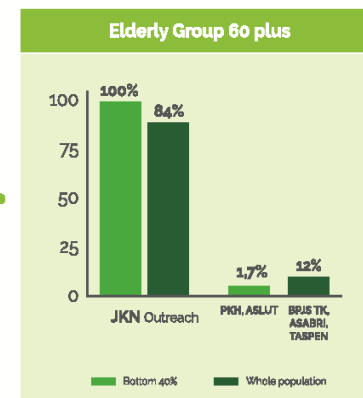
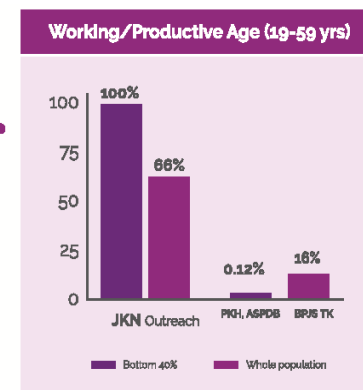
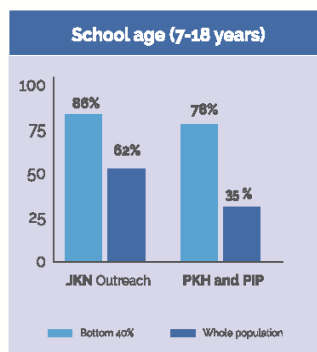
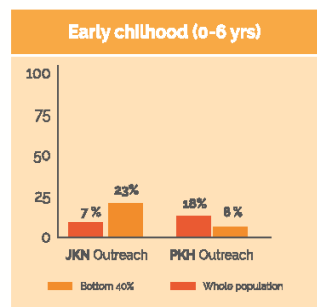


Existing Social Protection in Indonesia



Indonesia's social protection programs across the life cycle, bottom 40 per cent and all of the population, 2017 (percentages)

- Based on the identification of Social Protection coverage both for the bottom 40% and the whole population, **the Health Insurance/JKN coverage have a good coverage especially for the working age and elderly group.** However, for the 0-6 years group, the coverage are still low and need to be improved.
- For the elderly and people with disability, social protection coverage is still minimal, as well through **ASLUT and ASPDB** (approximately reaches 30,000 elderly and 22,500 PwD respectively), thus further efforts are needed to improve the coverage for these two age groups.

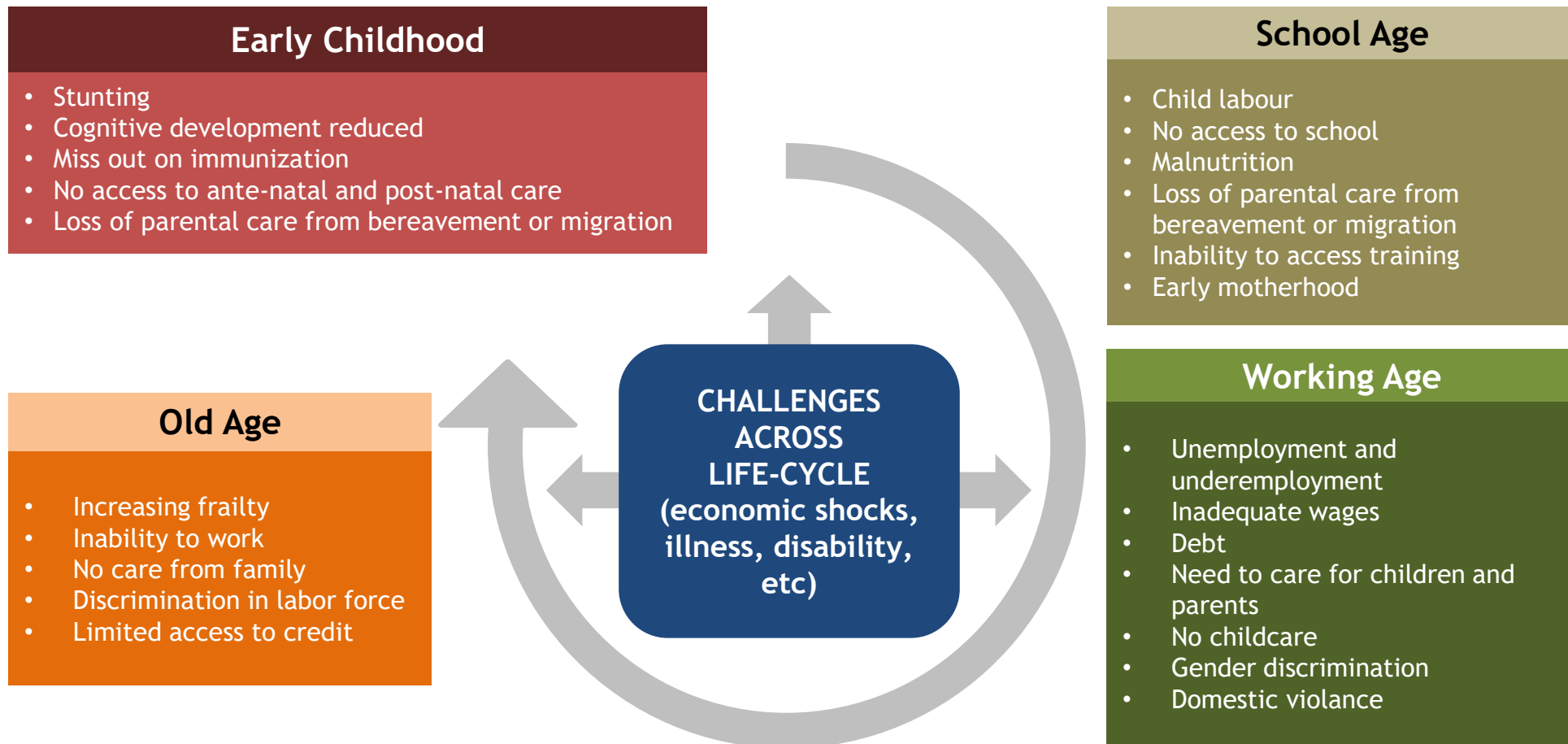


Source: Susenas 2017 and 2017 program administrative data – compiled and calculated by TNP2K (2018)

Notes:

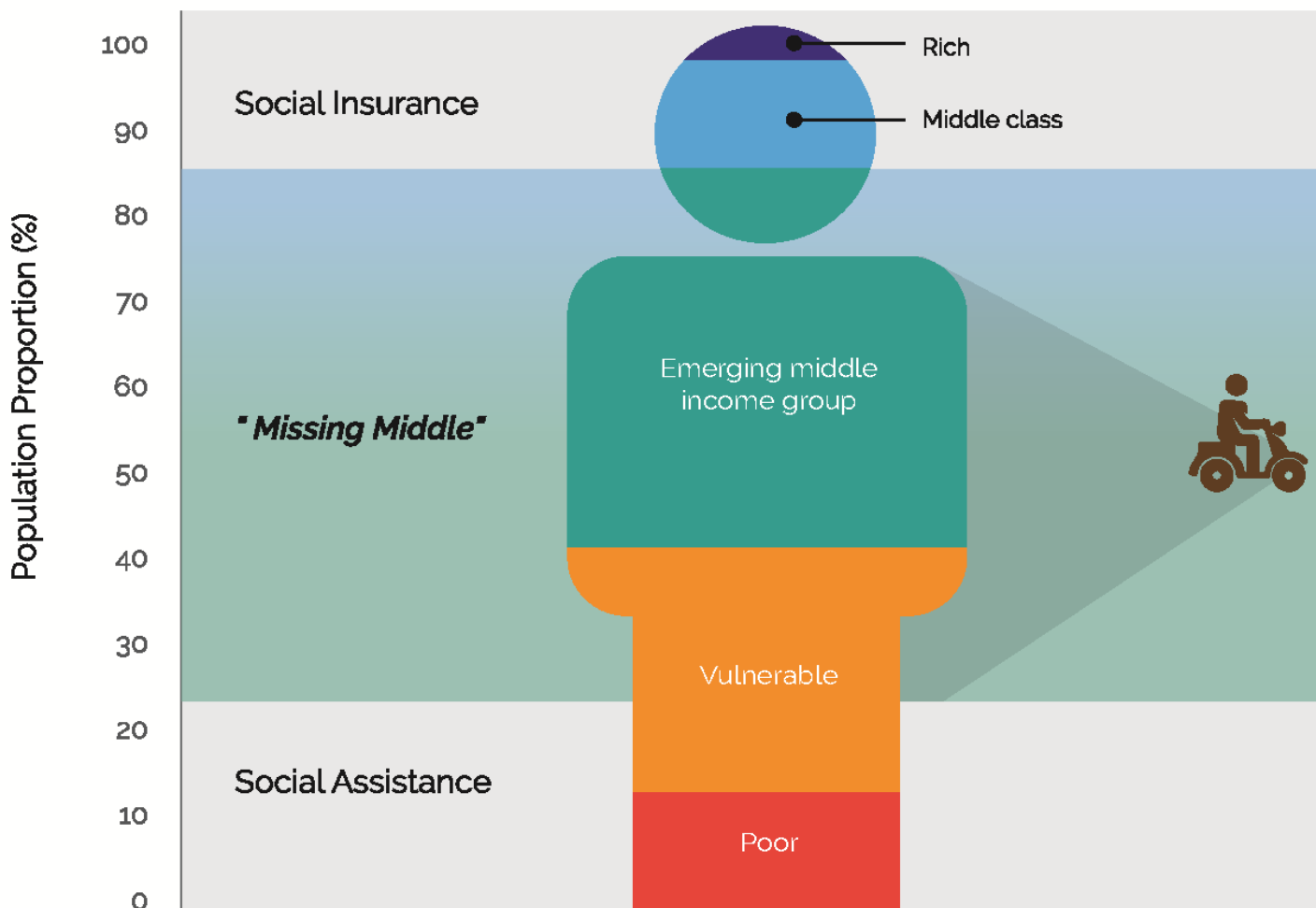
- The percentage calculation of PKH and PIP outreach in the early childhood and school age groups assume perfect targeting among the poorest 40% of households;
- For the contributory schemes, the coverage among the elderly and productive age groups only represents contributions made into the schemes as there are very limited benefit pay-outs to date

In a life cycle, all age groups from all social economic status experience various challenges in their life



Source: compiled from various literatures and Data (SUPAS 2105, UN DESA 2017, Susenas, Riskesdas, IFLS, Sakernas, World Bank, dll)

Social protection for the “missing middle” are still limited even though they need them, as well...



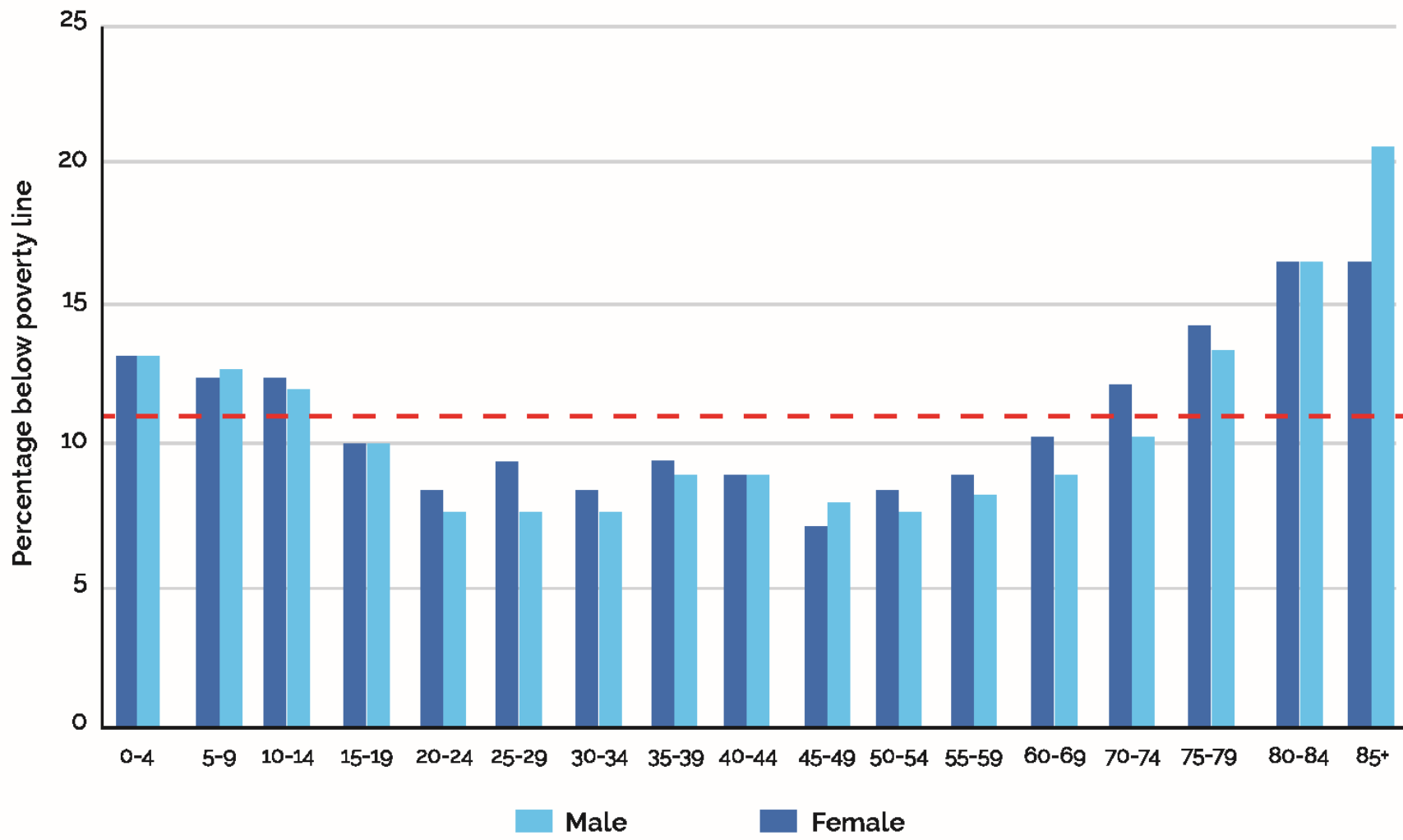
Source: Designed by TNP2K-Mahkota (2017)

...and their social economic status are also still **very dynamic...**



Source: IFLS (2007-2014) and Susenas (2014-2015)

The highest rates of poverty are found among children and the elderly



Note: - - - - Official BPS poverty line = IDR11,994 per person per day

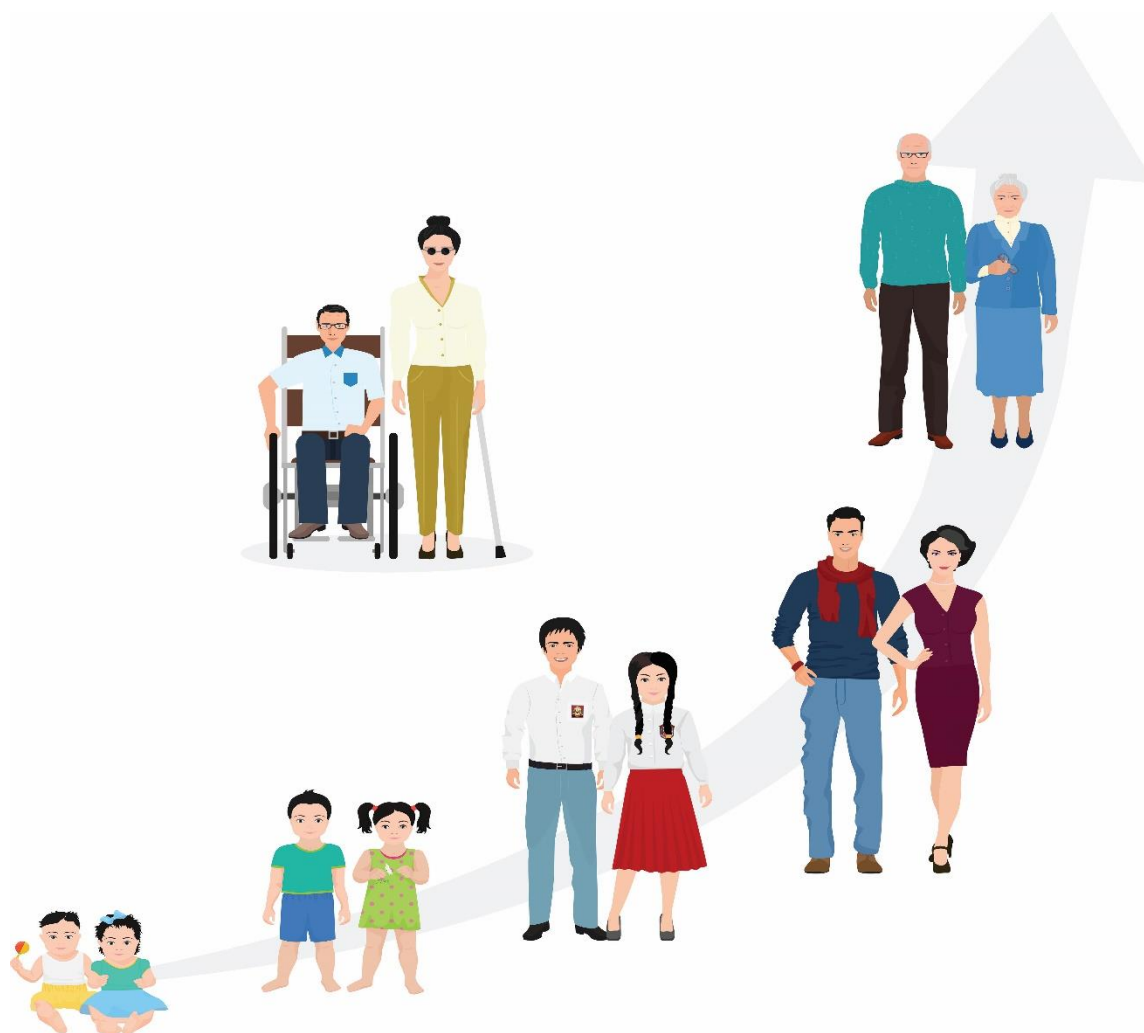
Source: Susenas (March 2017)

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Indonesia Social Protection Future Recommendation

Social Protection System for All

THE FUTURE OF THE SOCIAL PROTECTION SYSTEM IN INDONESIA: SOCIAL PROTECTION FOR ALL



Towards a life-cycle based Social Protection System

The Strategy proposes that the Government establish a comprehensive system of Social Protection that includes:

- **Childhood:** An inclusive child benefit system that reaches all vulnerable children (inclusive of those in the missing middle); a graduation incentive that encourages completion of 12 years of basic education; a disability benefit for all children with severe disabilities
- **Working age:** A system of benefits for working age adults, including increased membership into BPJS *Ketenagakerjaan* scheme (for the formal and informal sectors); a disability benefit for all adults with severe disabilities
- **Old age:** A three tier social protection for the elderly that ensures access to income security for all citizen
- **Rastra/BPNT will continue to be provided for the bottom 25% of households**
- **Sufficient budget should be set aside for responding to disasters and shocks (a shock responsive social protection system)**

Short Term Proposal

1



Elderly

Elderly Grants for those of 70 plus years

2



Children

- PIP - PKH Integration
- Child benefit for a maximum of 3 children
- Graduation Incentives

3



People with Disability

PwD grants (especially children and individuals with severe disability)

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Productive/Working Age

- Expand membership of employment insurance (formal and informal)
- Design mechanism for sustainable financing



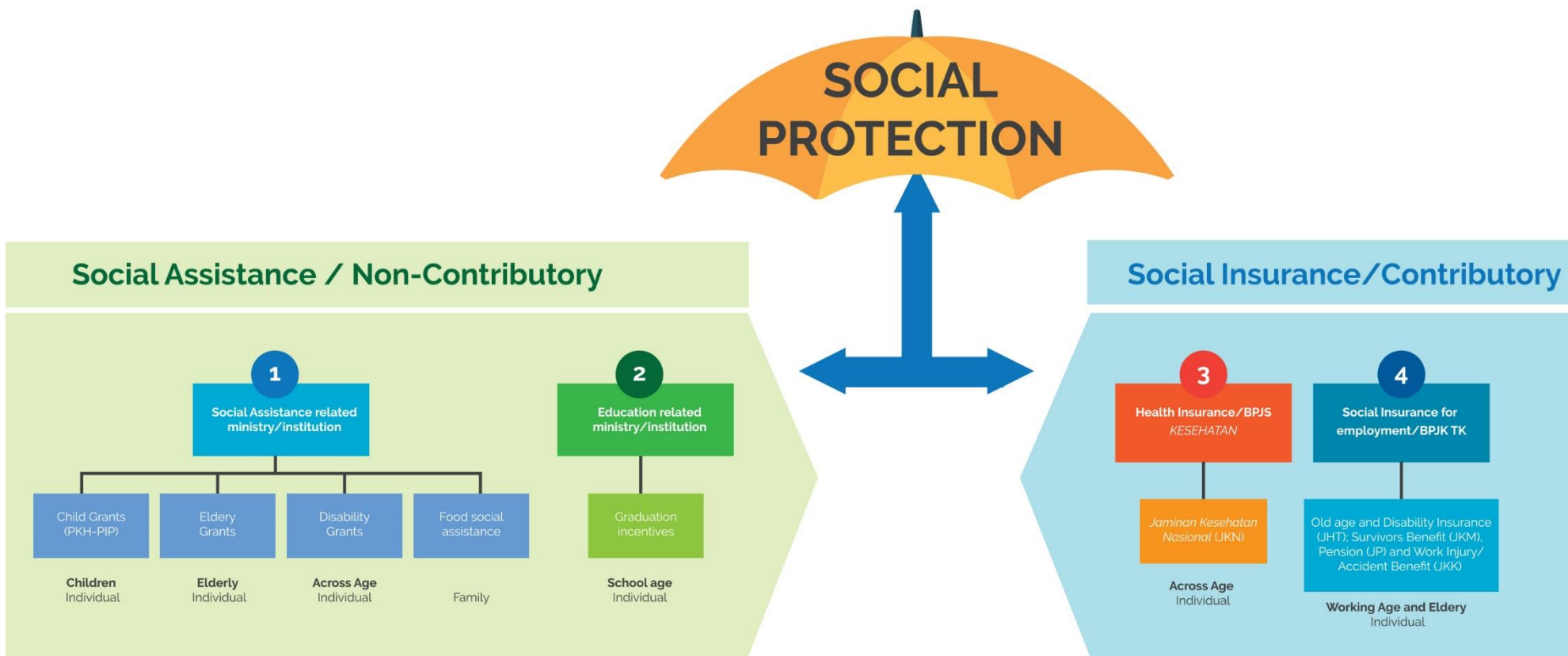
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All Individuals across age

Expand membership of health insurance



Proposed Institutional Arrangement for the Future of Indonesia Social Protection System



Source: TNP2K 2018 Publication

Thank You

