COMMENTING THE LESSON LEARNED: 
ILO EXPERT MEETING

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13:30-15:30 session
SOCIAL SECURITY...

- Tools to grant rights to citizens (welfare, protection)
- Providing cushion for live contingencies
- Means to address political economy agendas: e.g. Cambodian Millennium Development Goals so as to reduce poverty and inequality, and to achieve socio-economic security for the population and bring coherence to policy formulation and implementation; India employment protection; Indonesia acceleration on poverty alleviation
TO DEVELOPING WORLD IN ASIA...

- Social security is everything that can fit the “social tasks” of governments – if discussed at benefit dimension only. It in fact could be “the magic word” to support government and political party agendas

- Dilemma:
  a. Protection means contribution from government
  b. Protection means coverage for all citizens, identification of who deserves what, which government bodies take care of what (coordination)
  c. Protection means acknowledgement of vulnerability points (of poverty level, existing system, capability, management skill)
  d. Protection means investment on ways to move forward (the system, facility, incentives, law enforcement, governance)
  e. Protection means common goal --- strategy put forth together by political, economic and societal components
Often times....

- (general in most places undergoing social security reform): how to package the reform so that it won’t be regarded as “expensive” and “risky” by ruling or opposition parties or public

- (particular in developing countries): how to ensure that incentives lead to growth and employment

- (particular in Asian developing countries): all of the above plus workability with local components due to unorganized + autonomous components + diversity of needs and facilities & reality that people are alien to the concept of social security
ILO TARGETS

- The Social Security (Minimum Standards) Convention, 1952 (No. 102), is the flagship of all ILO social security Conventions, as it is the only international instrument, based on basic social security principles, that establishes worldwide-agreed minimum standards for all nine branches of social security. These branches are:
  - medical care;
  - sickness benefit;
  - unemployment benefit;
  - old-age benefit;
  - employment injury benefit;
  - family benefit;
  - maternity benefit;
  - invalidity benefit; and
  - survivors' benefit.
- While Convention No. 102 covers all branches, it requires that only three of these branches be ratified by Member states, which allows for the step-by-step extension of social security coverage by ratifying countries.

- The minimum objectives of the Convention relate, for all the nine branches, to the percentage of the population protected by social security schemes, the level of the minimum benefit to be secured to protected persons, as well as to the conditions for entitlement and period of entitlement to benefits.
PRINCIPLES IN CONVENTION NO. 102

- guarantee of defined benefits (not clear for Indonesia);
- participation of employers and workers in the administration of the schemes (sure);
- general responsibility of the state for the due provision of the benefits and the proper administration of the institutions (the laws say so);
- collective financing of the benefits by way of insurance contributions or taxation (by government too?? The laws say so).

Convention No. 102 does not prescribe how to reach these objectives but leaves certain flexibility to the member state. They can be reached through:

- universal schemes;
- social insurance schemes with earnings related or flat rate components or both;
- social assistance schemes.

Convention No. 102 also requires regular actuarial valuations to be carried out, which ensures the sustainability of the scheme. Furthermore, Convention No. 102 lays down that social security schemes be administered on a tripartite basis, which guarantees and strengthens social dialogue between Governments, employers and workers.
GOAL OF THIS SESSION:

- Support the implementation of the Indonesian Jobs Pact on social protection and SJSN Law No 40, 2004 by sharing information and knowledge on existing social protection tools and initiatives at global level (e.g. the Bachelet report) as well as ongoing social protection initiatives in the region (including preliminary research conducted in Indonesia) and through the facilitation of a tripartite dialogue in Indonesia.
Lesson learned, the components:

- Who should bring the idea of reform
- How to bring up the idea
- How to engage the government and political parties
- How to engage the bureaucrats
- Which idea is “fatalistic” forward
- What can labor unions do
- What can interest groups do
- The role of mass media
LESSON LEARNED (INDONESIA), THE COMPONENTS:

- **Who should bring the idea of reform:** better if come from experts or inner circle of politicians

- **How to bring up the idea:** plant the idea consistently inside the government, gauge it with priority agenda of the Chief Executive

- **How to engage the government and political parties:** push from all directions, engage the media & court

- **How to engage the bureaucrats:** push from all directions esp from supervisors, engage the media & court, make pact, generate feeling of guilt
Lesson Learned (Indonesia), the Components... Continued:

- Which idea is “fatalistic” forward: all in one package reform, dramatic reform, reform that unite politicians against public (e.g. financial risks), focusing on the money/benefit (better highlight the incentives for politicians)

- What can labor unions do: mobilize, raise awareness (tough on the fragmentation among labors)

- What can interest groups do: network, raise awareness

- The role of mass media: keep the news on centerstage, be cautious on raising awareness to the public (op-eds help, feature writing helps, short news often times confusing)

- Tough points: IMPLEMENTATION, LAW ENFORCEMENT, Regional autonomy (commodification of social security)
The transition process to run BPJS 1 and 2 by January 1, 2014, especially since PT ASABRI and PT TASPEN still complain about the different complexity of their fund management with that of PT JAMSOSTEK. The BPJS law simply stipulated that the transfer of pension programs of PT ASABRI and PT TASPEN should be finished by 2029. It remains unclear also how PT ASKES would absorb members currently registered with healthcare under PT JAMSOSTEK. Such transitional process is not regulated in the law. Given the past experience of how political such fund management could be, this may be a point of bottleneck in the implementation of BPJS law.

What will happen if the candidates for Monitoring Board, whose jobs would be to monitor the implementation of BPJS tasks, as presented by President is considered unsuitable by the parliament. Since division between President and parliament had been quite deep lately, such possibility of political contestation for suitable candidates may become serious obstacle for the implementation of the law in the future.
UNCLEAR AT THE EXISTING STAGE IN INDONESIA ....(PART 2):

- How could citizens **pay contribution and how to ensure the consistency of their payment**, considering that current statistics show that most workers in Indonesia are contract workers or working in informal sectors.
- How to **harmonize the law** with existing rules and local health programs.
- How to ensure **smooth regulation and compliance monitoring of healthcare facilities and personnel** (hospitals, clinics, doctors, nurses, etc).
- How to ensure that **single identity** would be granted for members, given that the project of synchronizing citizens’ identities is under the mandate of the Ministry of Home Affairs.