Social Protection Floor Assessment: concept, process and key findings

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Structure of the presentation

• The social protection situation in Indonesia and recent developments
• The social protection floor
• The assessment based national dialogue exercise: purpose, process and results
The social protection situation in Indonesia

Scattered programs for the poor

Relative comprehensive social security for formal sector workers

Not much for non-poor informal sector

Formal sector employees (JAMSOSTEK)

Civil servants (ASKES, ASABRI, TASPEN)

Level of protection

Population

Poor

Rest informal sector

Formal sector

JSPACA, JSLU
KUR, PNPM
PKH/PKSA/BOS/Scholarships
Jamkesmas/Jamkesda
Jampersal
Jamsostek LHK-Askesos
Recent developments: SJSN & BPJS 1

SJSN & BPJS 1: Extend social health protection coverage through non-contributory and contributory schemes to all population

Population covered:
- Askes (7%)
- Jamsostek, in-house, ... (6%)
- Jamsostek LHK (<1%)
- Jamkesmas (32%)
- Jamkesda (13%)
- Jampersal (universal)

Jampersal
Jamsostek
LHK
- Askesos
Jamsostek (universal)
Civil servants (ASKES, ASABRI, TASPEN)

Recent developments: SJSN & BPJS 1

Extend social health protection coverage through non-contributory and contributory schemes to all population

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- Jamkesda (13%)
- Jampersal (universal)
Recent developments: SJSN & BPJS 2

SJSN & BPJS 2: Extend death, work injury and old age benefits to all population particularly the informal sector workers.
Recent developments: expansion of anti poverty programs and coherence

Antipoverty programs: progressive expansion since 2010 in the framework of medium term development plan; consolidated database for all antipoverty programs
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Four guarantees for all residents

ACCESS TO HEALTH CARE

EDUCATION, NUTRITION, CARE FOR CHILDREN

INCOME SECURITY FOR WORKING AGE

INCOME SECURITY FOR ELDERLY
A minimum entitlement for all

All residents should enjoy at least a minimum level of social security

Member states of the ILO should establish social protection floors as a fundamental element of their social security systems
Nationally defined Social Protection Floors

• Not a one size fits all approach: each country defines the levels of benefits that it can/is willing to provide

• Each country also decides how to do it – through universal schemes, targeted social assistance, social insurance, a combination...
SPF Recommendation (No 202)
Adopted by ILO’s 185 member states

101st ILC
14 June 2012
456 yes votes
1 abstention
ILO’s constitutional obligations

According to *ILO’s constitutional obligations*, ILO member states have the obligation to *take action* to give effect to the SPF Recommendation.

With the launch of the Assessment report today Indonesia is *one of the first ILO member states* that has taken concrete follow up action after SPF recommendation’s adoption.
Is the SPF a reality in Indonesia?

So far Indonesia has built a social protection floor for deliveries (Jampersal).

It is expected that with the combined implementation of SJSN Law and expansion of antipoverty programs the SPF will become a reality for more and more people in Indonesia.
Structure of the presentation

- The social protection situation in Indonesia and recent developments
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- The assessment based national dialogue exercise: purpose, process and results
Purpose of the assessment exercise: “Is the social protection floor a reality?”

😊 Full achievement of the SPF!!

😊 Still some gaps → recommendations to the government to reach the full accomplishment of the SPF
Process: three steps

Step 1 – Building the assessment matrix: inventory of schemes, policy gaps, recommendations

Step 2 – Rapid Assessment Protocol to estimate the cost of implementing the social protection provisions

Step 3 – Finalisation of the assessment report for endorsement and further action by the higher levels of government
## Results: two types of recommendations

<table>
<thead>
<tr>
<th>Category</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type 1 - Adapted or additional SPF provisions to complete the SPF</strong></td>
<td><strong>Type 2: Structural reforms of the social security system</strong></td>
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<tr>
<td>Cross-cutting</td>
<td>Design and pilot a Single Window Service (SWS)</td>
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<td>Improve enforcement of social security law (TWIN system)</td>
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<tr>
<td>Health</td>
<td>Expand access to health care, adequate benefit package, including HIV treatment, MTCT for HIV and Syphilis</td>
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<td>Improve health care supply</td>
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<td>Build capacities in actuarial calculations</td>
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<td></td>
<td>Support the implementation of BPJS I</td>
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<tr>
<td>Children</td>
<td>Extend coverage of the PKH programme (very poor and poor) ; explore the possibility of a universal child allowance</td>
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<tr>
<td></td>
<td>Improve the supply of health and education services,</td>
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<td></td>
<td>Merge PKH and scholarship for the poor</td>
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<td>Working age</td>
<td>Public employment scheme linked with skills development</td>
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<td></td>
<td>Feasibility study for UI Maternity benefit for IE workers</td>
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<td></td>
<td>Support the implementation of BPJS II</td>
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<tr>
<td>Elderly and disabled</td>
<td>Extend coverage of existing minimum old age and disability pension schemes</td>
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<td></td>
<td>Support the implementation of BPJS II (pension and savings)</td>
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<td></td>
<td>➤ Costing exercise using the RAP</td>
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<td></td>
<td>➤ More comprehensive studies</td>
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</tbody>
</table>
Example of recommendation of type 2 (requiring additional studies)

The Single Window Service
• **Cover more people** through adapted mechanisms at sub national level

• **Increase efficiencies** of existing programmes (sharing administration)

• **Create and update databases** to monitor extension and assess impact

• **Provide a combination of employment and social protection programs** to increase opportunities for people

• **“A place to combine ideas and empower communities”** (Pa Anton, Maluku)
Example of recommendation of type 1

A set of policy options to complete the social protection floor for health, children, working age and the elderly

We were able to calculate and project the cost of these policy options
# Low and high scenarios for costing

<table>
<thead>
<tr>
<th>Category</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td>health insurance to the poor – 3rd class wards</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 5</td>
<td>health insurance to all informal economy – 1st class wards</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 6</td>
<td>HIV testing for high-risk population, regular check-ups for all PLWHIV, ARV treatment for PLWHIV who are eligible for treatment</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 7</td>
<td>HIV testing for general sexually active, regular check-ups for all PLWHIV, ARV treatment for PLWHIV who are eligible for treatment</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 8</td>
<td>Introduction of a universal package to reduce mother-to-child transmission (MTCT) for HIV and Syphilis</td>
<td>X</td>
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<tr>
<td><strong>Child</strong></td>
<td></td>
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<tr>
<td>Scenario 1</td>
<td>Extension of the PKH programme to all poor households</td>
<td>X</td>
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<tr>
<td>Scenario 3</td>
<td>Universal child allowance</td>
<td>X</td>
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<tr>
<td><strong>WA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td>Public works guarantee linked with vocational training</td>
<td>X</td>
</tr>
<tr>
<td><strong>Disabled Elderly</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td>Non-contributory pension scheme for all disabled</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>Non-contributory pension for all the vulnerable elderly</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>Universal pension for old age people of 55+</td>
<td>X</td>
</tr>
</tbody>
</table>
Today, Indonesia spends 1.2% of GDP on social protection. Completing the SPF would entail an additional cost of 0.74% to 2.45% of GDP.
Fiscal deficit (in % GDP) in case SPF financed from government budget only

Need for budget reallocations, changes in the tax structure and/or the collection of social contributions, sequencing the implementation or further extension of the social protection floor components...
QUESTIONS?