

**SUGGESTED INTERVENTION**  
**BRIEFING ON “SOCIAL PROTECTION FLOOR FOR ALL: POST-2015 TARGETS,**  
**INDICATORS AND MEANS OF IMPLEMENTATION”**

**WEDNESDAY, 12 MARCH 2014, 1:15 – 2:30 PM, CONFERENCE ROOM 9 (CB)**

**A. Reflection on Social Protection Floors**

- *There is broad recognition that poverty is multidimensional and that it is a cause as well as consequence of the social dilemmas that the poor face. Therefore, to place poverty eradication as the center objective of the sustainable development agenda is the right approach and the right thing to do.*
- *This approach will require the development agenda to adopt a strong focus that links various areas of development in order to unify actions in achieving the ultimate objective of the development agenda, namely poverty eradication.*
- *Indonesia attaches the utmost importance to poverty eradication as the ultimate goal of development, but most notably as the reflection of Indonesia’s constitutional mandate that upholds the ultimate objective to improve public welfare and social justice for all the people of Indonesia.*
- *In this connection, we believe that the development agenda should be directed to achieve welfare and better life for people.*
- *In my opinion, employment and social protection are essential basis in our effort to safeguard the people’s wellbeing, and to improve their standard of living. Employment and social protection are like two sides of the same coin that emblemize the vision of sustainable growth with equity.*
- *For those reasons, we are very pleased to see employment and social protection floors as elements that were mentioned in the Rio+20 outcome document and the focus areas document of the OWG SDGs discussions.*
- *Employment is a vital link between growth and equity. Employment is a means to share growth, thus becoming an avenue to realize equity. We also view that employment can address the economic dimension of development as the engine of growth. With employment, people can earn an income to afford themselves goods and services, which ultimately pushes consumption and growth. Employment can address the social dimension, by affording people social needs such as education and health.*
- *While employment is an important key link of sustainable growth with equity, the equity aspect could be further translated through an adequate social protection system. Social protection is a way to distribute growth therefore creating equity. It could also serve as a tool to bring about social cohesion within a society, and reduce social tensions. We, therefore, consider social protection as a reflection of “equity”, which is part of the Indonesian President’s Vision on development namely sustainable growth with equity.*

- *With regard to the focus areas, it is noted that some elements in the focus areas can be linked with social protection such as:*
  - ✓ *Addressing inequalities at both national and international levels (focus area 1);*
  - ✓ *Providing social protection to reduce vulnerabilities of the poor, including children, youth, unemployed, persons with disabilities, indigenous people and local communities and older persons (focus area 1);*
  - ✓ *Food Security (focus area 2);*
  - ✓ *Universal Health Coverage (focus area 3);*
  - ✓ *Universal primary education for girls and boys, significant progress towards ensuring that every child receives at least a secondary education (focus area 4);*
  - ✓ *opportunities; ensuring equitable access to education at all levels with focus on the most marginalized (focus area 4);*
  - ✓ *Social security (focus area 11);*
  - ✓ *Strengthening social protection system (focus area 12);*
  - ✓ *improving the lives of those living in slums, including by provision of adequate and affordable housing, infrastructure and basic services (focus area 13);*
- *Those elements can be developed into goals and targets with a focus to continue current national efforts in developing a social protection system as well as to make expansions in term of form and coverage by developing national indicators.*

## **B. Lesson Learned from Social protection system in Indonesia**

- *The existing social protection system principally comprises of social security schemes and a tax-financed social assistance system (public welfare) as part of a broader set of antipoverty programmes and government subsidies.*
- *Currently, Indonesia spends 1.2% of GDP on social protection (+/- US\$ 10.5 billion). Still very modest in term of achieving the standard developed by ILO. Completing the Social Protection Floors (SPF) according to ILO standards requires an additional budget that ranges from 0.74 % to 2.45% GDP.*
- *There are several national and local level social protection programmes in place providing health and income security to various groups, in Indonesia such as:*
  - a. **Social protection for the formal sector:** *This plan is primarily managed by state-owned companies that cover public (civil servants, military personnel and police) and private sector employees. The plans provide wide range coverage such as injury, death, health insurance, an old age provident fund and pensions. This scheme covers 14% of the population.*
  - b. **Health access for the poor** *targets people in the informal sector and covers 45% of the population which include plans funded by the national government (Jamkesmas and Jampersal). In 2011, the plan was 0.087 percent of GDP (US\$ 680 Million) with more than 20% of the financing covered by the national health budget.*
  - c. **School Assistance Programs** *include school operational assistance programme, a scholarship programme for students from poor families, and a school construction and rehabilitation programme. In 2012, Government disbursed more than US\$2.5 billion for this program from a total US\$ 32 billion national education budget. The programs covered 44.7 million students.*

- d. **Scholarship for poor students**, in 2012 the government disbursed US\$ 608 Million that covered 6.3 million students.
  - e. **Cash transfer programs** primarily designed to improve maternal and neonatal health as well as children's education for poor households. Currently, this programme is also providing income security for working age women during pregnancy and delivery. In 2012, this programme covered 33 provinces and 1.5 million households under extreme poverty, with a budget allocation of US\$ 187 million.
  - f. **Children's social welfare program** is a special conditional cash transfer for children facing social problems. The program targets five groups of children: abandoned infants/infants with special needs (five years or younger), abandoned children, street children, children with criminal charges and children with disabilities. The program provides a savings account which can be withdrawn to purchase any necessities, with the approval of a dedicated social worker. Total budget for this program in 2011 was US\$ 295 million.
  - g. **Staple food program**: In 2012, the Government allocated a budget of US\$ 1.6 billion to subsidize 3.41 million tonnes of rice to be distributed to 17.5 million households.
  - h. **School feeding programme**: The programme provides additional food for kindergarten and elementary school students in 27 less developed districts in Indonesia. In 2011, the programme targeted around 1.4 million kindergarten and elementary students. The program's value at that time was US\$ 27 million.
  - i. **Universal Basic Vaccination** : Basic vaccinations are provided for free for all children of zero to five years of age. These vaccinations include BCG, DPT1-3, HepB3, Polio, and Measles. Coverage in some areas, however, is curbed by limited access to health centres or lack of awareness.
- To expand and enhance the existing social protection system, Indonesia launched a comprehensive health protection system or BPJS I, since 1 January 2014. The system integrates social services that were previously divided between the formal and the informal (programmes for the poor) schemes under one umbrella. Through this program, Indonesians (including foreign national that stay in Indonesia at least for 6 months) as registered members of the programs are eligible to have access to the health services.
  - It is expected that other plans for worker social protection or BPJS II (Ketenagakerjaan) are scheduled to start in 2015.
  - From the implementation of those programmes, we identified some challenges such as :
    - a. Many social protections programmes spread across institutions. **Schemes and programmes tend to be fragmented and scattered** under different institutions.
    - b. **The group with the least social protection are workers in the informal sector.** Current protection for the informal sector so far has provided modest protection and low coverage.
    - c. A number of programmes face **data limitations and targeting issues**. Programmes that target certain groups within the population, such as disabled people, children with special needs, or the elderly, require information about their target beneficiaries.

The availability of updated data that enumerates these target groups is still challenging.

- d. Many social protection programmes are meant to complement one another. However, **problems in coordination** often curb the impact of these programmes. Target overlaps have been found in some areas, and crosschecking recipients faces considerable challenges.

### **C. Target, Indicators and Means of Implementation**

- Some elements of Social Protection have been adopted by focus areas document. The elements may be used to develop goals, targets and indicators.
- As mentioned before, employment and social protection is like a two side of coins that reflected the vision of sustainable growth with equity. In that regard, formulating a goal that combining employment and social protection would likely be the best approach to reflect not only economic dimension of the agenda but also social dimension within development agenda.
- On target related to social protection, we can formulate indicative targets that measurable with specific time bound that reflect fair, equitable and improve situation of income distribution and social equity as well as intervention, policies and correctives to prevent widened inequality.
- For example, indicative targets would possibly be the followings :
  - a. to establish targets for minimum social spending in government budgets (e.g. 5-10 per cent of GDP);
  - b. set a minimum limit to the share of bottom 20 per cent and a maximum limit to the share of top 5 per cent in national income and use taxes and social policy instruments to achieve these targets.
  - c. strive towards decent wages and incomes for workers in the formal and informal sectors and agricultural producers.
- On indicators, I think this need to be set up and translated within national context. Global effort to formulate development agenda doesn't need to be detail into indicators in order to give some space by national decision maker to interpret global goals into national development indicators with appropriate policy. For example, countries may interpret social spending of government budget into social policy instruments such as income supports, subsidies, provisions of free housing, education and health services.
- Means of implementation for social protection programmes will be much related to availability of financial resources. There are some that can be consider to support "goal" on social protection floor:
  - a. Global means of implementation such as ODA that use to build social infrastructure such as hospital, clinics, scholarships etc. Debt relief and monetary policy whereas developed countries should fully consider the effects of their financial and monetary policies on

*developing countries. This means will help developing countries to ensure budget stability to finance social protection program.*

- b. National means of implementation such as percentage of national budget that can be used to finance social protection program. Set up policies that can mobilize funding from other financial resources to support national social protection program.*
- c. Other sources such as international tax, private sectors contribution or investments to social infrastructures and activities.*

#### **D. Closing**

- *As lessons learned from the implementation of the social protection system in Indonesia, we view that the effort to strengthen, develop and design social protection systems under the SDGs as well as post-2015 development agenda, should:*
  - a. mobilize adequate financial resources to support the programmes;*
  - b. promote and mobilize investment to build adequate infrastructure to support the programmes;*
  - c. consider extending coverage to reach the poorest and most vulnerable populations;*
  - d. contribute to better coordination among various programmes and institutions to avoid duplication;*
  - e. develop and improve the data system to monitor the progress;*
  - f. develop the national social protection system and indicators that have better linkages with goals and targets of development agenda based on needs and priorities of respected countries.*

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