

# BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO TOGETHER, TO CHANGE MILLIONS OF LIVES IN INDONESIA



International  
Labour  
Organization

## ONGOING REFORMS OF THE SOCIAL PROTECTION SYSTEM

Indonesia has undertaken significant reforms of its social protection system since the 1998 Asian financial crisis and its impact on Indonesian society. In 2012, the International Labour Organization (ILO) facilitated an Assessment-based National Dialogue (ABND) to assess the social protection situation in the country, identify gaps and challenges, and identify recommendations to set up a social protection floor (SPF) in Indonesia. The ABND was done in close collaboration with the government, the UN SPF sub-working group in Indonesia, social partners and relevant stakeholders,

This ABND reached a consensus on social protection policy recommendations to develop a comprehensive and inclusive SPF in the country. It also made a preliminary estimate of the affordability of the proposed SPF.

In January 2014, the Government launched a national social health insurance scheme, building on existing scattered programmes, to provide universal social protection coverage for its 271 million population by 2019. The new scheme combines contributory and non-contributory components (with government subsidies for the poor).

In addition, the Government consolidated the fragmented social security programmes into one programme providing work injury benefits; old-age, disability and survivor pensions (with defined benefit and provident fund pillars); and death allowances. Workers of the informal economy can contribute on a voluntary basis to receive work injury benefits and death allowances, as well as pensions from the provident fund. Further, the Ministry of Civil Affairs implements various social assistance programmes for the poor and vulnerable.



## STRENGTHENING SOCIAL SECURITY INSTITUTIONS AND EXTENDING COVERAGE

In August 2016, Indonesia conducted a High-level tripartite dialogue on employment, industrial relations and social protection. The dialogue, with other resolutions, reiterated Indonesia's commitment to extend social protection to all. The main agreed areas of action include:

- strengthening social security institutions
- achieving social security coverage for all workers, including workers of the informal economy and migrant workers
- assessing the conditions for introducing an unemployment insurance
- reviewing pension policies and regulations

A Japan-funded ILO project (2016-19) partially covers technical assistance and capacity building to extend social security coverage.

In the recently issued National Medium-Term Development Plan RPJMN 2015-19, the Government aims for universal coverage of the National Health Insurance scheme (BPJS Kesehatan) by 2019.

The objective of the social security scheme (BPJS Ketenagakerjaan) is to cover 3.5 million informal sector workers (from a baseline of 1.3 million members in October 2014) and 62.4 million formal sector workers (from a baseline of 29.5 million members in 2014) by 2019.

Our goal is to cover all workers, including vulnerable working groups. This is an important element of our 'no-poverty strategy'.



- Agus Susanto, President Director of BPJS Ketenagakerjaan

## FROM POLICY TO REALITY WITH YOUR SUPPORT

The ILO and other UN agencies are engaged to extend social protection. "Equitable access to social services and social protection" is one outcome of the United Nations Partnership for Development Framework (2016-20).

You can support us to:

- Support on-going national initiatives on education and awareness raising for small and medium enterprises and informal economy workers (to cover 3.5 million people by 2019).

US\$ 100.000

- Strengthen the implementation and administration of the work injury scheme and linkages with occupational safety and health policies (system review, guidelines, education of social partners, service providers, strengthen the national task force in charge of reforming the scheme).

US\$ 1,200.000

- Advocate for better protection in case of unemployment, maternity and sickness, assessing the conditions for introducing new short-term benefits.

US\$ 800.000

- Build capacities of relevant social security institutions to implement and monitor the national social health insurance scheme (to cover 271 million by 2019) and support expansion strategies and actuarial valuation.

US\$ 800.000

- Support the improvement of social security legislation for migrant workers from and to Indonesia.

US\$ 300.000

- Support initiatives of the Government in updating the social protection floor gap analysis and recommendations for extending social protection.

US\$ 300.000

## LISTENING TO YOUR AMBITIONS

As a donor, you receive regular reports on the progress made and have access to ongoing project activities and performance indicators.

To further discuss your objectives and the ways in which you can support stakeholders in Indonesia and improve millions of lives, you can contact:



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