

Building a social protection floor in Indonesia

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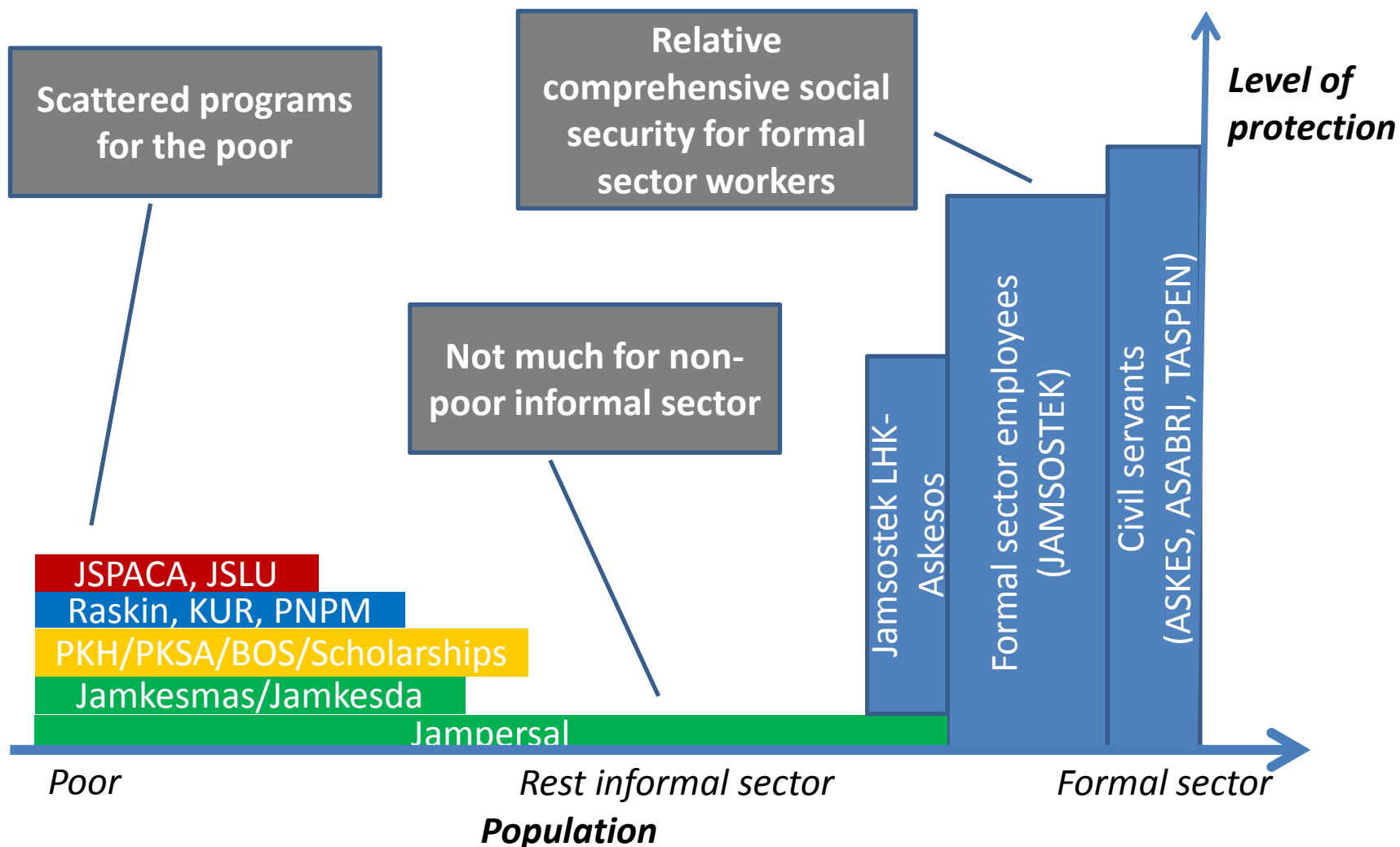
21 November 2012

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
- Focus on the recommendations for HIV-AIDs

The social protection situation in Indonesia



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%)

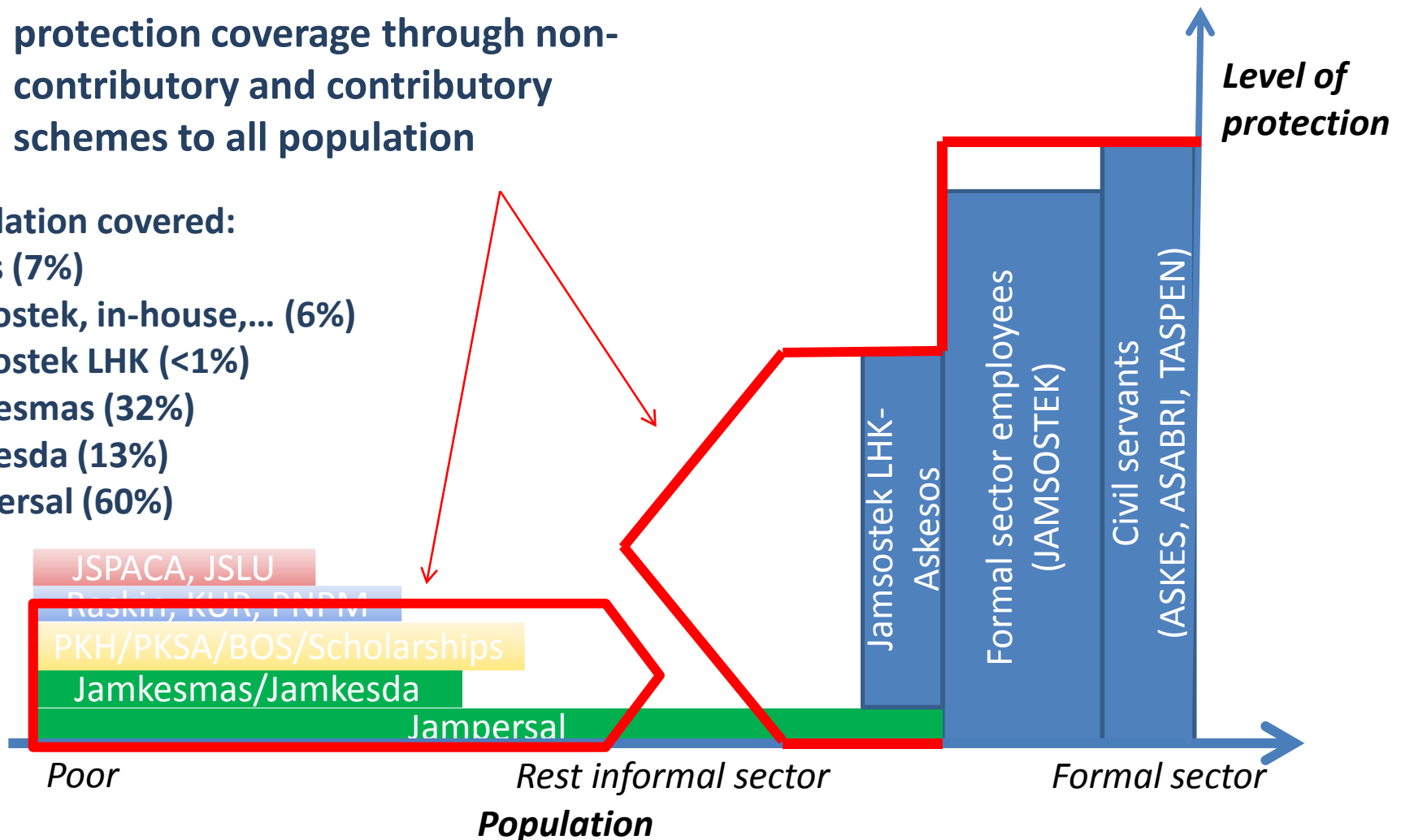
Jamsostek, in-house,... (6%)

Jamsostek LHK (<1%)

Jamkesmas (32%)

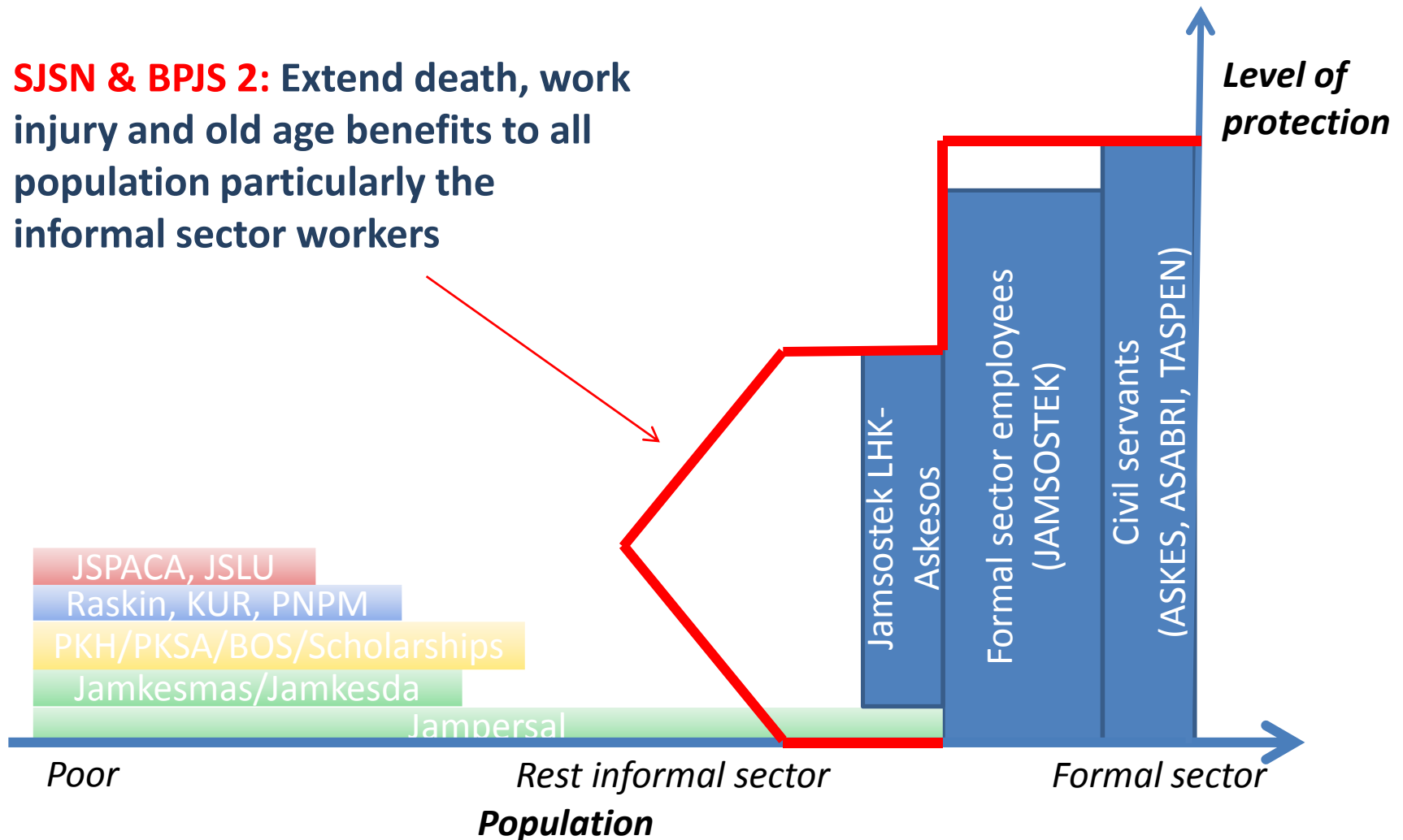
Jamkesda (13%)

Jampersal (60%)



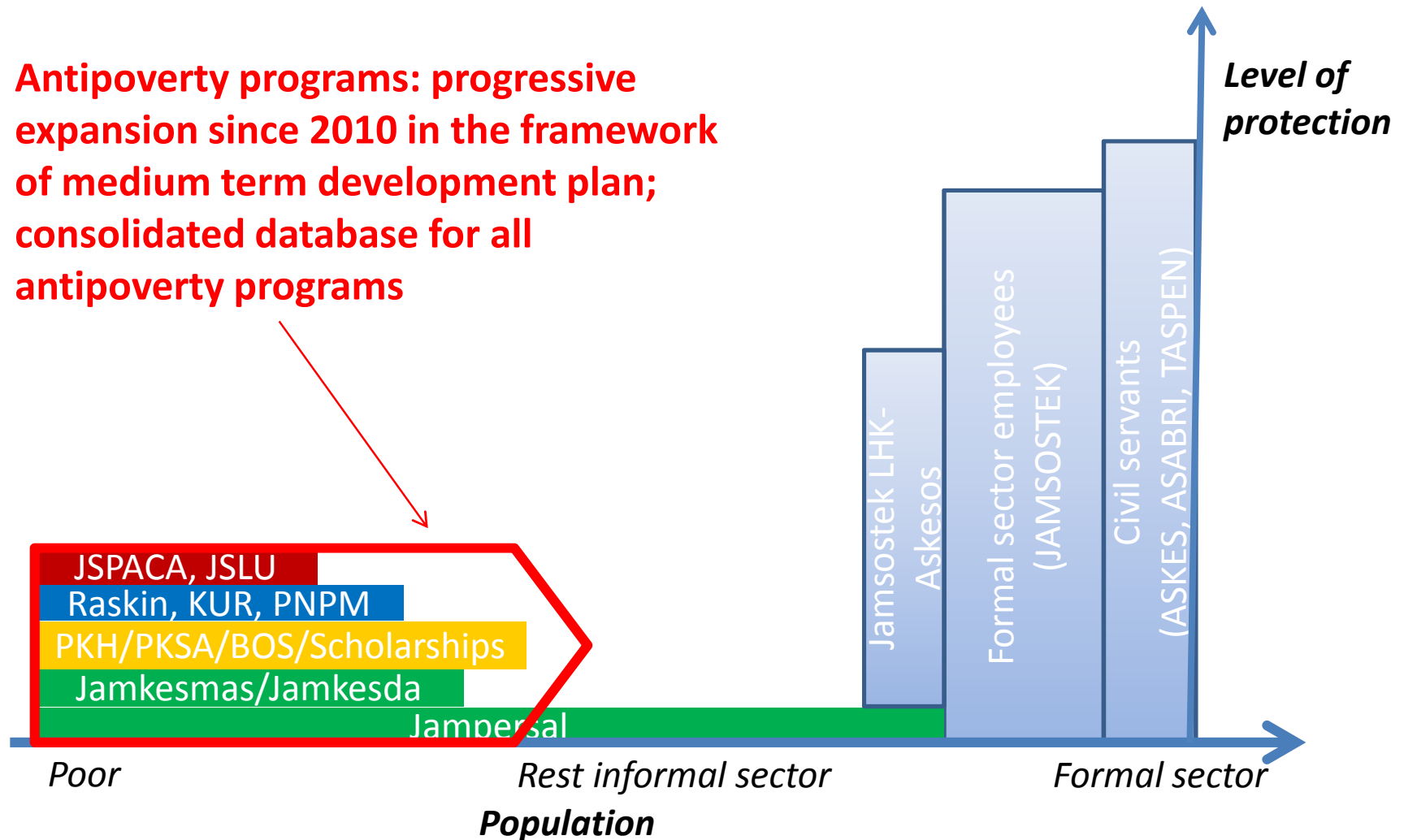
Recent developments: SJSN & BPJS 2

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



Access to health social protection and HIV-treatments in Indonesia

- **41% of the population has no access to health social protection** (formal and informal economy workers)
- Lack of health care services in some areas
- HIV treatment excluded from most social health protection programs (except recently, Jamsostek included HIV in its benefit package)
- New SJSN/BPJS 1 Law supposed to include HIV
- For that to happen: (i) benefit package needs to be specific, (ii) treatments need to be available... otherwise coverage will be theoretical

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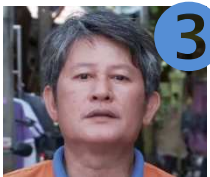
In a country with a Social protection floor, four guarantees:



All residents have access to **essential health care** (including HIV)



All **children** enjoy **income security** through transfers in cash or kind → access to nutrition, education and care



All those in **active age groups** who cannot earn sufficient income enjoy a **basic income security** (particularly in case of sickness, unemployment, maternity, disability)



All **residents in old age** and with disabilities have **income security** through pensions or transfers in kind

Nationally defined Social Protection Floors^s

- **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...

And endorsed by the 185 member states of the ILO in June 2012 with the adoption of the SPF Recommendation (No 202)



**101st ILC
14 June 2012
456 yes votes
1 absention**

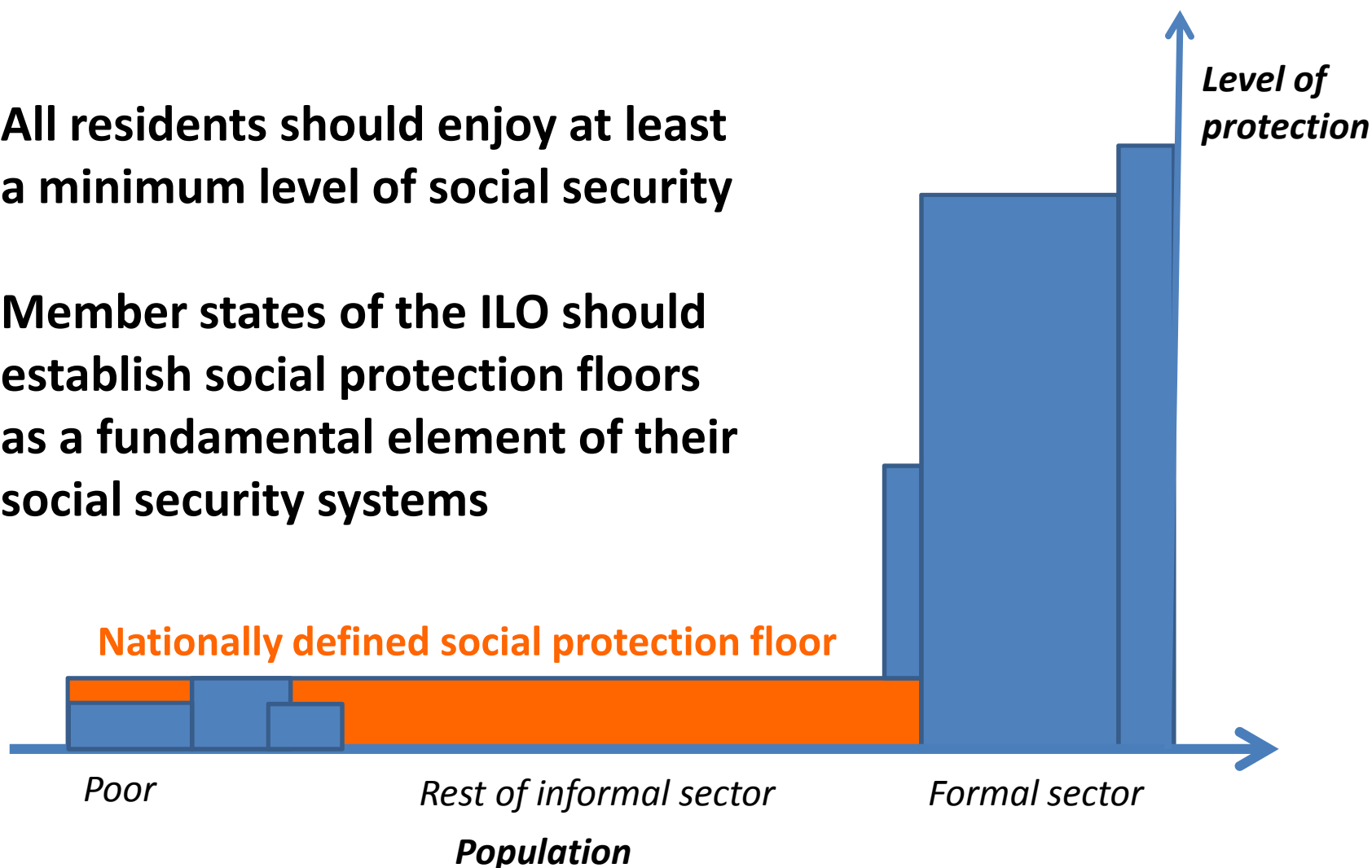
**Member states have until December 2013 to submit the recommendation
before national authorities to enact legislation or take action to give effect to
the recommednation**

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_183326.pdf

Social security extension: the social protection floor

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

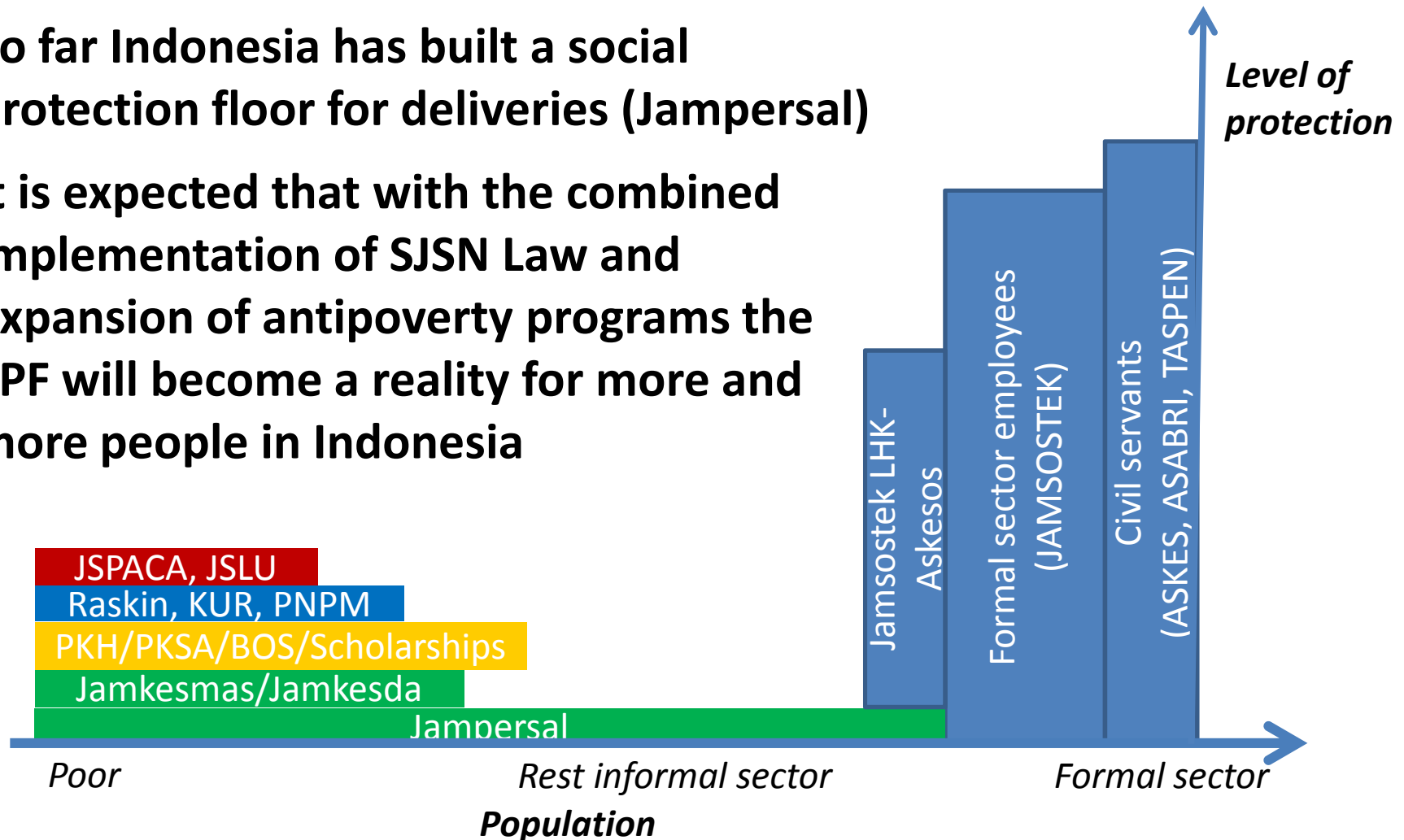
Member states of the ILO should establish social protection floors as a fundamental element of their social security systems



The social protection situation 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



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Purpose:

“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

ASSESSMENT FACTSHEET:

DECENT WORK
Create and defend the future

Assessment Based National Dialogue on Social protection in Asia and the Pacific
A participatory approach

A process uniting many actors

The Assessment Based National Dialogue (ABND) on Social Protection aims at identifying priority areas for the Government's intervention in the field of social protection, and at estimating the cost of these interventions. It requires the involvement of a number of actors:

- UN agencies involved in the Social Protection Floor (SPF) initiative (ILO, UNICEF, WHO, UNFPA, UNAIDS, UNESCO, UNWOMEN, WFP) and development partners.
- Line ministries (Labour, Health, Social Welfare, Finance, Planning, Rural Development, etc).
- The National Statistics Office and academia.
- Workers' and employers' representatives, civil society organizations.
- Local governments (in some cases).

Their contribution includes providing information on existing schemes and programmes (including statistics relating to coverage and budgets), identifying policy gaps and implementation issues, and formulating recommendations in line with Government strategies, advocating for these recommendations and ensuring that they can be translated into concrete actions.

A unique opportunity for national dialogue

Many stakeholders work in isolation and only deal with a part of the social protection agenda. The ABND provides a unique opportunity to gather all stakeholders together and come up with a common diagnosis of the social security situation, formulate shared priority policy options, and progressively define a vision for the development of social protection. This consensus is achieved progressively, through consultations, workshops, and technical sessions where the proposed policy options are revised to take budgets and costs into account.

An opportunity for UN collaboration

In Thailand and Indonesia the assessments were conducted by the UN SPF team/working group under the ILO's leadership. In Viet Nam the ILO led the assessment in close collaboration with other UN agencies.

The ABND three step approach

STEP 1 – Development of the assessment matrix

The four guarantees of the Social Protection Floor (SPF) are used as benchmarks to describe existing social security, social protection and poverty alleviation programmes, identify policy gaps and implementation issues, and produce recommendations for the design and implementation of further social protection provisions with the aim of guaranteeing at a minimum the SPF to all the population.

Figure 1: Assessment Matrix

| | SPF objectives | Existing SP provision | Planned SP provision (strategy) | Design plan | Implementation | Recommendations |
|-------------|----------------|-----------------------|---------------------------------|-------------|----------------|-----------------|
| Health | | | | | | |
| Children | | | | | | |
| Working age | | | | | | |
| Elderly | | | | | | |

The assessment matrix is compiled in close collaboration with all relevant stakeholders, using face-to-face consultations and workshops at both national and provincial levels.

Participatory workshops in Bangkok and Jakarta

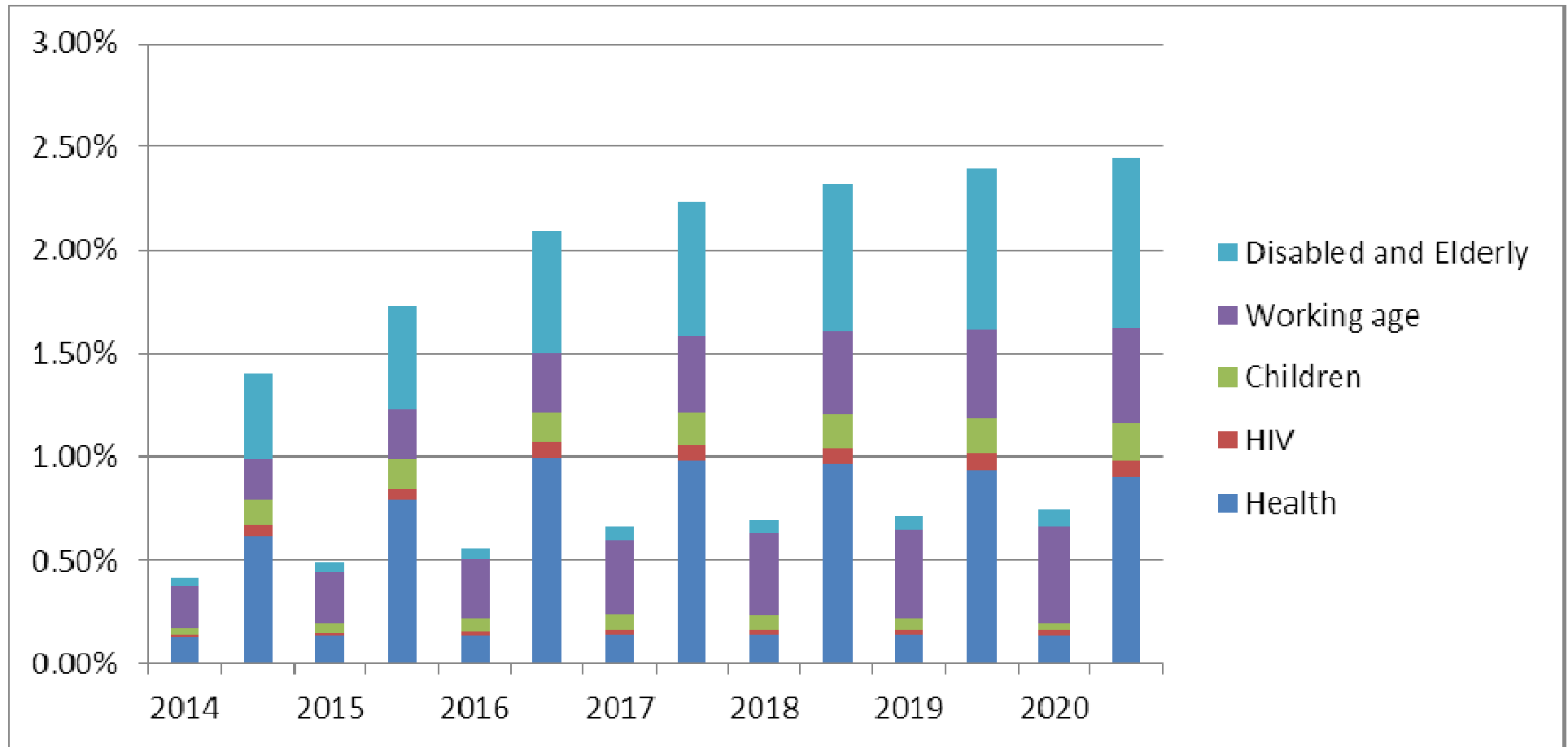
Results: two types of recommendations

| | Recommendations | |
|-----------------------------|--|--|
| | Type 1 - Adapted or additional SPF provisions to complete the SPF | Type 2: Structural reforms of the social security system |
| Cross-cutting | Design and pilot a Single Window Service (SWS) Improve enforcement of social security law (TWIN system) | |
| Health | Expand access to health care, adequate benefit package, including HIV treatment, MTCT for HIV and Syphilis | Improve health care supply Build capacities in actuarial calculations |
| Children | Extend coverage of the PKH programme (very poor and poor) ; explore the possibility of a universal child allowance | Improve the supply of health and education services, Merge PKH and scholarship for the poor |
| Working age | Public employment scheme linked with skills development | Feasibility study for UI Maternity benefit for IE workers |
| Elderly and disabled | Extend coverage of existing minimum old age and disability pension schemes | Design and implement DB pension scheme for workers in the formal sector |
| | ➔ Costing exercise using the RAP | ➔ More comprehensive studies |

Low and high scenarios for costing

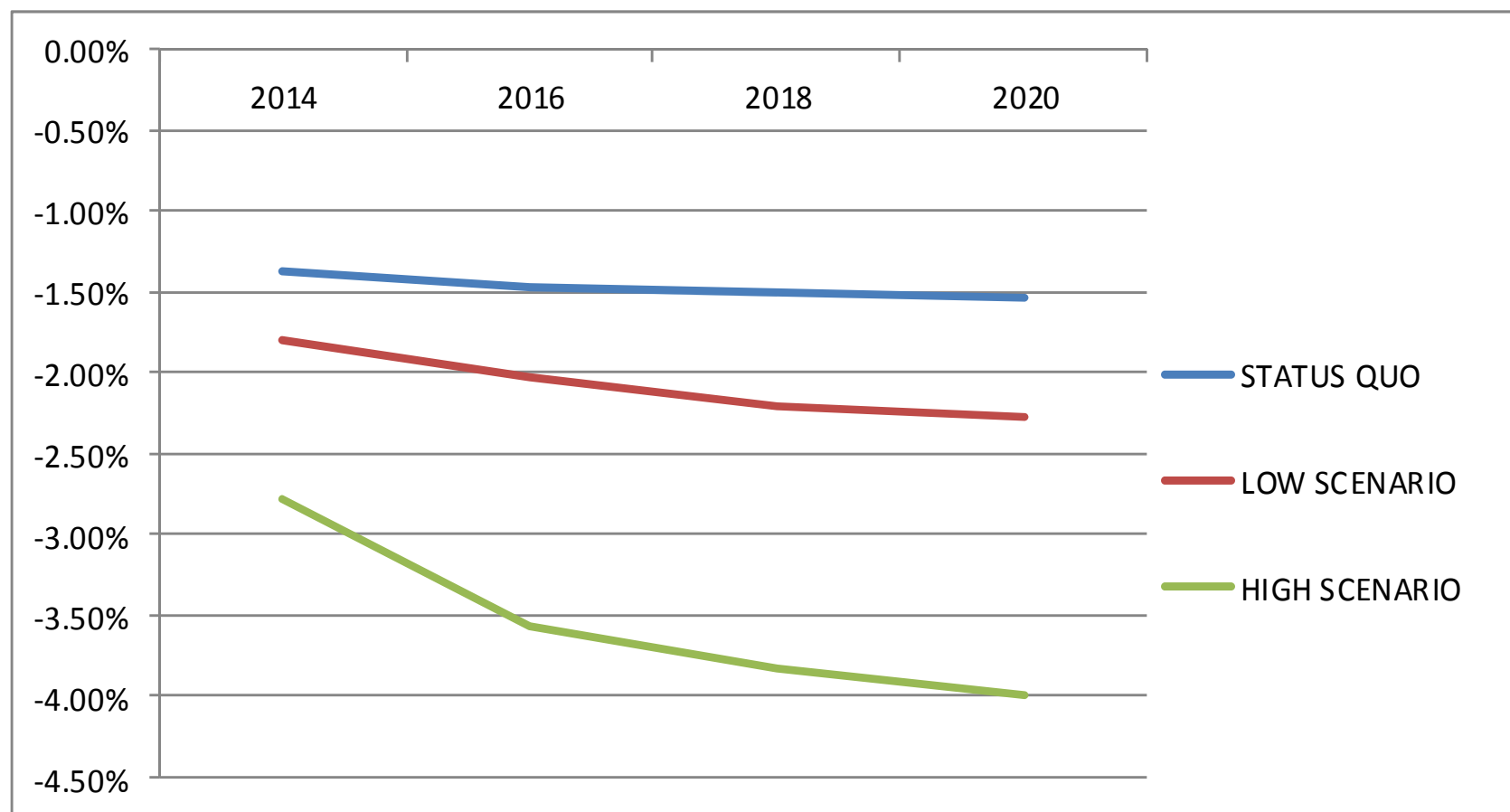
| | | Low | High |
|------------------|--|-----|------|
| Health | Scenario 1: health insurance to the poor – 3 rd class wards | X | |
| | Scenario 5: health insurance to all informal economy – 1 st class wards | | X |
| | Scenario 6: HIV testing for high-risk population, regular check-ups for all PLWHIV, ARV treatment for PLWHIV who are eligible for treatment | X | |
| | Scenario 7: HIV testing for general sexually active, regular check-ups for all PLWHIV, ARV treatment for PLWHIV who are eligible for treatment | | X |
| | Scenario 8: Introduction of a universal package to reduce mother-to-child transmission (MTCT) for HIV and Syphilis | X | X |
| Child | Scenario 1: Extension of the PKH programme to all poor households | X | |
| | Scenario 3: Universal child allowance | | X |
| WA | Scenario 1: Public works guarantee linked with vocational training | X | X |
| Disabled Elderly | Scenario 1: Non-contributory pension scheme for all disabled | X | X |
| | Scenario 2: Non-contributory pension for all the vulnerable elderly | X | |
| | Scenario 3: Universal pension for old age people of 55+ | | X |

Cost of proposed combined low and high scenarios (% GDP)



Completing the SPF would cost between 0.74 per cent and 2.45 % of the GDP by 2020

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...

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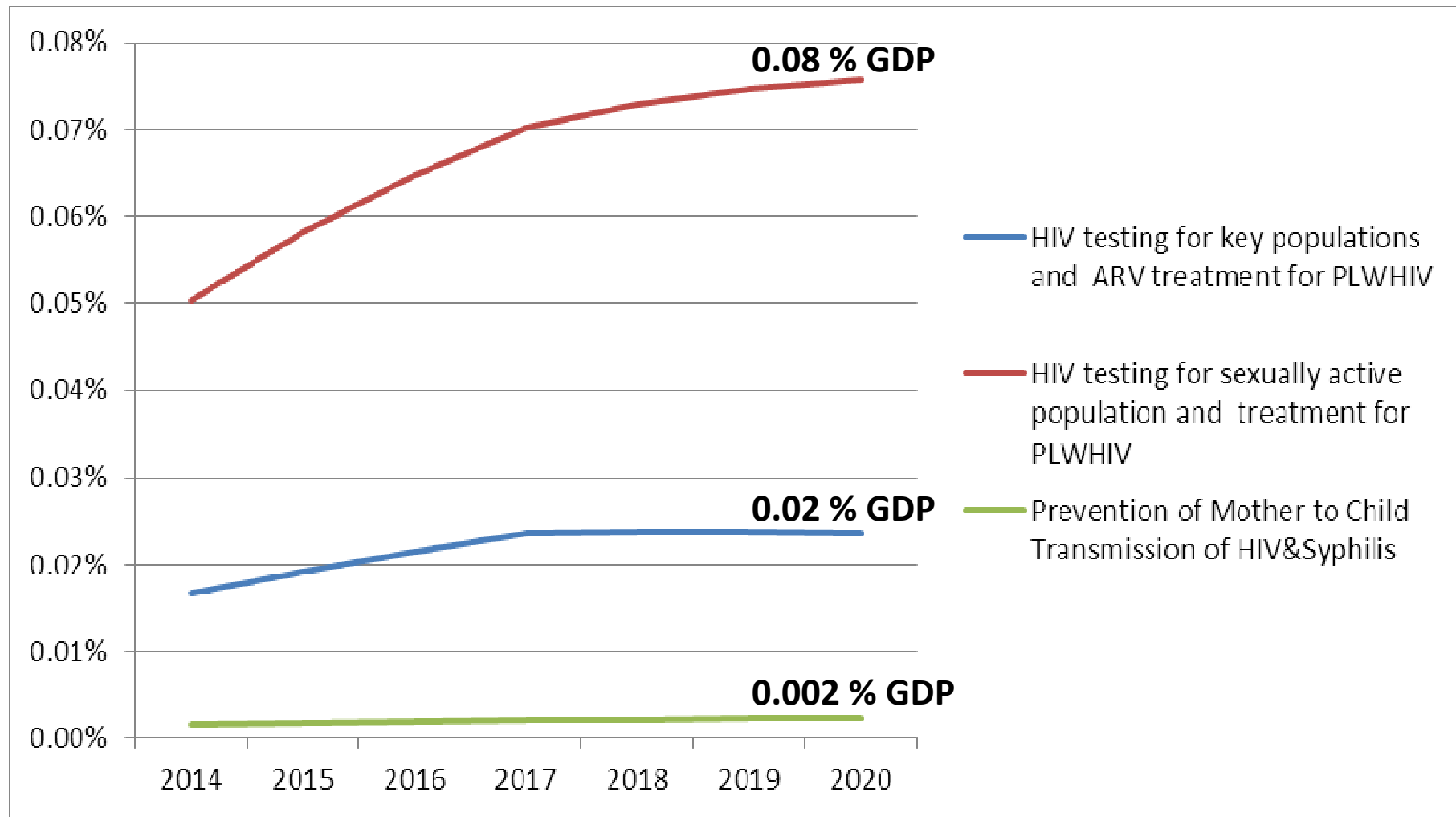
Justification

- Reduce the future cost of health care and spread of the epidemic
- Ensure that people living with HIV remain productive
- Reduce cross-generational spread of poverty
- **And its is affordable!**

Proposed HIV-related scenarios

| | Scenario “high risk population” | Scenario “general sexually active population” | Scenario “MTCT” |
|------------------------|--|--|--|
| TESTING | Two free VCT / year | One free VCT / year | One free HIV VCT and one free syphilis test for all mothers who will deliver in the year |
| CHECK UPS | Two viral load and 2 CD4 counts/year for HIV+ | Two viral load and 2 CD4 counts/year for HIV+ | |
| TREATMENT | ARV treatment for the PLWHIV in need of treatment | ARV treatment for the PLWHIV in need of treatment | ART prophylaxis and antibiotic treatment (in case of HIV/Syphilis) |
| RESULTS OF THE COSTING | 0.02 % GDP and 0.14 % of govt expenditures by 2020 | 0.08 % GDP and 0.44 % of govt expenditures by 2020 | 0.002 % GDP and 0.014 % of govt expenditures by 2020 |

Cost of HIV-related scenarios (% of GDP)



QUESTIONS?