

# Social Insurance and Climate Change in Indonesia: Implications to the Adaptive Social Protection Roadmap

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# World Economic Challenges in 2023

- **Three main challenges for the World economy: Geo-politics, Climate Change & Digitalization**
- In 2023 there are still many challenges from the impact of high global inflation and tightening world monetary policy.
- Based on B20 Meeting in 2022: 6 Task Forces & 1 Action Council to develop policy recommendations for post-pandemic economic recovery efforts.
- In 2023, BPJamsostek focus to cover the informal sector's worker with social security program.



*BPJamsostek plays a role in helping to maintain their economic conditions and ability to survive in the labor market, through social security protection and increasing worker welfare. BPJamsostek's focusing on sustainable informal workers membership coverage in 2023.*

# Climate Change and Natural Disaster Challenge

Climate change and natural disaster has pushed around 100 million people to become extreme poor by 2030\*

**Indonesia is among the countries with the highest exposure to natural disasters**, facing the risk of earthquakes, tsunamis, floods, landslides, volcanic eruptions, fires, extreme weather, extreme wave activity, and drought in most regions of the country (BKF, 2018).

## Natural Disaster in Indonesia during 2022

- **Death Case** 858 person
- **Suffer & evacuate** 6.144.534 person
- **Total of Disasters** 3.544 Case
- **Total impact of the disaster** 95.403 damaged houses and public facilities



## Challenges Of Climate Change in Indonesia in 2023



Source: BNPB 31 December 2022

Source: Bappenas April 2022

\* Source: Shock Waves: Managing the Impacts of Climate Change on Poverty (2016)

# Adapting social protection systems in Indonesia

to build economic, disaster and climate resilience for all

Adaptive Social Protection is Policies and programs aimed at preventing and protecting communities against poverty, vulnerability and social exclusion in their life cycle, especially for vulnerable groups (including disaster victims) are adapted to their conditions.

- **The Government of Indonesia envisages a presidential decree for ASP and has put forward an indicator to achieve by 2024:** 30% national and local government institutions have adopted the ASP system.
- Three elements of Adaptive Social Protection According to National Medium Term Development Plan of Indonesia (RJMN 2020-2024) :



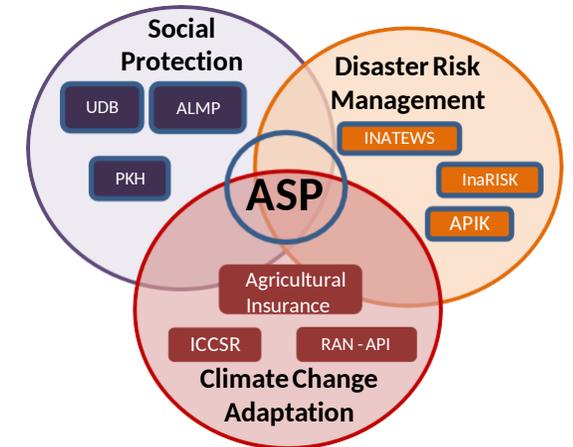
**ASP reflects the integration of three different sectors** – Social Protection, Disaster Risk Management, and Climate Change Adaptation in an integrated manner.



**Strengthening the Social Protection Institutional System** to be more responsive to socioeconomic risk due to climate change and natural disasters.



**Development of a sustainable ASP Financing System** to overcome climate change and natural disaster risks.



# The Need of Adaptive Social Protection In Indonesia

BPJamsostek play an important role In Ex-post absorptive capacity phase

**Adaptive social protection (ASP)** systems play a crucial role in reducing the need for negative coping strategies by increasing vulnerable populations' resilience and access to economic opportunities



**Adaptive Capacity:**  
Help individuals, households, and communities living in areas exposed to disasters to adapt their lives and livelihoods to these condition.

**Ex- ante Anticipatory Capacity:**  
To manage potential Risks.



**Ex-post absorptive capacity:**  
To cope with their negative impacts.

As an organization with a mission for **Protecting, Serving, and Prospering Workers and Families**, BPJamsostek is committed to continuing to protect workers in Indonesia from economic risks that could befall them at any time through five programs, namely:

1. **Old-Age Security**
2. **Death Security**
3. **Job-Loss Security**
4. **Employment Injury Security**
5. **Pension Security**

# BPJamsostek Program to support disaster-affected populations (1)

Overview about employment injury insurance (JKK), Pension (JP), and unemployment insurance (JKP) program.



JKP



JP



JKK

Active Member

12,555,901

14.010.523

35.864.017

Program Revenue

2.730.691 (in million)

29.160.412 (in million)

9.711.697 (in million)

Description

Protection program given to workers/laborers who have been terminated. This program is given to maintain a decent life while the participants have not found work yet.

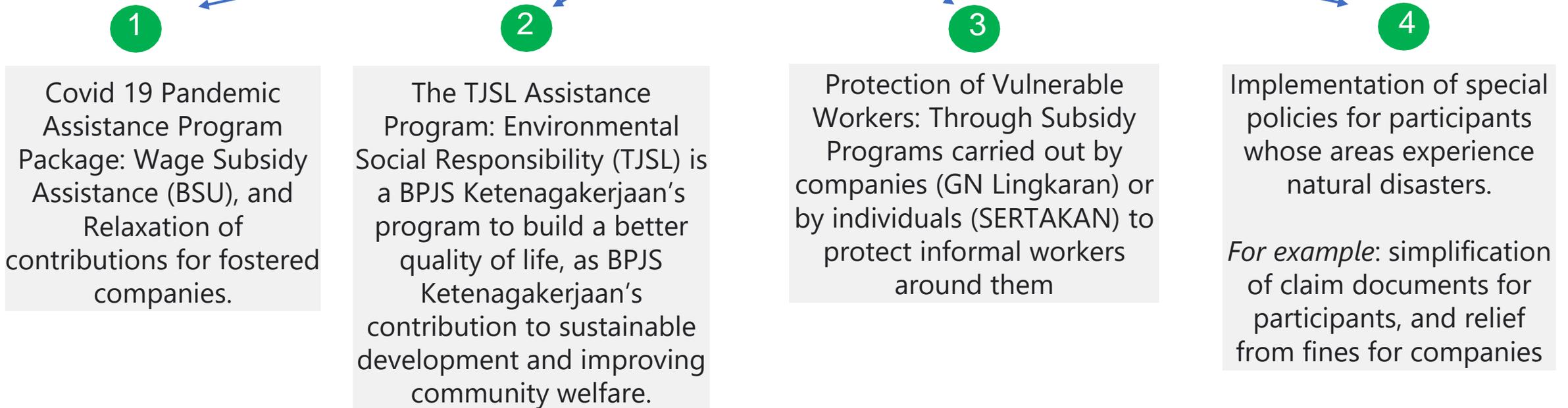
Protection program to maintain a decent life. Pension Security is given when participants reach retirement age or have a permanent total disability.

Protection program with benefits in the form of health services. This program can also be accompanied by compensation in the form of cash for participants who suffer from illness or work accidents, which are caused by the work environment.

# BPJamsostek Program to support disaster-affected populations (2)

Overview about wage subsidy assistance (BSU), environmental social responsibility (TJSL), SERTAKAN program, and natural disasters management internal policy.

Besides, the primary social security programs, BPJamsostek also has several program initiatives to mitigate the impacts of climate change and natural disasters.



# The Way Forward for Social Protection System

Inclusive development through social security to build community resilience

1

Enhancing existing social registries for vulnerable groups particularly elderly, people with disability and at-risk informal workers.

2

Government Support to provide protection to vulnerable groups worker by accelerated implementation of contribution assistance program (Penerima Bantuan Iuran)

3

Developing Comprehensive Beneficiary Database and promote digital transformation for integrating data with all stakeholder in ASP system.

4

Encouraging companies or Small & Medium-Sized Enterprises (SMES) who are participants in BPJS Ketenagakerjaan regarding the importance of the green economy concept .

5

Increase the benefits of Social Security protection, so that it can continue to be a safety net for workers if the risk befalls them

6

Consider adjusting the social security programs for future changes in employment relationships

**THANK YOU**