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

Scattered programs for the poor
Relative comprehensive social security for formal sector workers
Not much for non-poor informal sector

Population
- JSPACA, JSLU
- Raskin, KUR, PNPM
- PKH/PKSA/BOS/Scholarships
- Jamkesmas/Jamkesda
- Jamsostek LHK-Askesos
- Civil servants (ASKES, ASABRI, TASPEN)
- Formal sector employees (JAMSOSTEK)
- Jampersal
- Poor
- Rest informal sector
- Formal sector

Level of protection
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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• 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
In a country with a Social protection floor, four guarantees:

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

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

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

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

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

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

Nationally defined social protection floor
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
## Results: two types of recommendations

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

<table>
<thead>
<tr>
<th>Health</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1: health insurance to the poor – 3rd class wards</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Scenario 5: health insurance to all informal economy – 1st class wards</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Scenario 6: HIV testing for high-risk population, regular check-ups for all PLWHIV, ARV treatment for PLWHIV who are eligible for treatment</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Scenario 7: HIV testing for general sexually active, regular check-ups for all PLWHIV, ARV treatment for PLWHIV who are eligible for treatment</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Scenario 8: Introduction of a universal package to reduce mother-to-child transmission (MTCT) for HIV and Syphilis</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Child</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1: Extension of the PKH programme to all poor households</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Scenario 3: Universal child allowance</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WA</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1: Public works guarantee linked with vocational training</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disabled Elderly</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1: Non-contributory pension scheme for all disabled</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Scenario 2: Non-contributory pension for all the vulnerable elderly</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Scenario 3: Universal pension for old age people of 55+</td>
<td></td>
<td>X</td>
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</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Testing</th>
<th>Scenario “high risk population”</th>
<th>Scenario “general sexually active population”</th>
<th>Scenario “MTCT”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Two free VCT / year</td>
<td>One free VCT / year</td>
<td>One free HIV VCT and one free syphilis test for all mothers who will deliver in the year</td>
</tr>
<tr>
<td>Check Ups</td>
<td>Two viral load and 2 CD4 counts/year for HIV+</td>
<td>Two viral load and 2 CD4 counts/year for HIV+</td>
<td>ART prophylaxis and antibiotic treatment (in case of HIV/Syphilis)</td>
</tr>
<tr>
<td>Treatment</td>
<td>ARV treatment for the PLWHIV in need of treatment</td>
<td>ARV treatment for the PLWHIV in need of treatment</td>
<td></td>
</tr>
<tr>
<td>Results of the costing</td>
<td>0.02 % GDP and 0.14 % of govt expenditures by 2020</td>
<td>0.08 % GDP and 0.44 % of govt expenditures by 2020</td>
<td>0.002 % GDP and 0.014 % of govt expenditures by 2020</td>
</tr>
</tbody>
</table>
Cost of HIV-related scenarios (% of GDP)

- **0.08% GDP** for HIV testing for key populations and ARV treatment for PLWHIV
- **0.02% GDP** for HIV testing for sexually active population and treatment for PLWHIV
- **0.002% GDP** for Prevention of Mother to Child Transmission of HIV & Syphilis
QUESTIONS?