

Term of Reference

The launch of the report “Social Protection assessment Based national dialogue:
Towards a nationally defined social protection floor in Indonesia”
Bappenas Office-Jakarta, Thursday, 6 December 2012

I. Background

In November 2011, the Government of Indonesia has issued a new law on social security service providers (BPJS), Law number 24/2011, as the implementing regulation of the Bills number 40/ 2004 on National Social Security System which aims at expanding social security for all in Indonesia.

At the global level, a parallel development has been made. At the 2012 International Labour Conference held recently, a new international instrument on social protection called Recommendation number 202 was adopted. The strategy of expanding coverage through the establishment of nationally defined social protection floors has also been recommended by the G20 and the UN system as a whole.

The new recommendation underlines the need for the design and implementation of nationally defined social protection floors. It seeks to guarantee access to health care and minimum income security for different age groups, including children, adults of working age, the elderly as well as people with disabilities. The Social protection floors Recommendation No. 202 (2012) complements existing ILO Convention No. 102 (1952) concerning minimum standards of social security.

The Indonesian social security strategy (as described in Law No. 40/2004) follows a staircase approach with non-contributory schemes for the poorest, contributory schemes (with flat rate contributions) for the self-employed and statutory social security schemes for formal sector workers.

Indonesia strives towards the extension of social protection coverage to its whole population by working both on the provision of social services and infrastructures and by facilitating access to these services through social protection programmes such as JAMKESMAS (health benefit for the poor), PKH (conditional cash transfer for poor families with children) and PNPM programme for the development of communities and provision of social services at the local level. Furthermore, the development of new social security programmes continues to be sought.

Social security programmes will ensure that the whole population has access to basic services (health, education, nutrition) and is protected when facing life-related contingencies (work injury, sickness, death of the breadwinner, old age).

However, as in most developing and middle-income Asian countries that have already fairly developed social protection mechanisms in place and are not starting from scratch, Indonesia faces challenges to fulfilling basic entitlements to the social protection floor.

From April 2011 to November 2012, the ILO, in close collaboration with relevant line ministries and the UN sub-working group on the social protection floor in Indonesia, engaged line ministries, UN agencies, social partners, civil society organizations, academia, and other relevant stakeholders to assess the social protection situation, identify policy gaps and implementation issues, and draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in Indonesia.

This policy dialogue—called the assessment based national dialogue (ABND) exercise—consisted of the following steps:

STEP 1 – Development of the assessment matrix

The assessment matrix describes existing social security schemes that provide access to health care and guarantee income security for children, the working age, the elderly and people with disabilities. The inventory identifies policy gaps, implementation issues and potential policy recommendations for social protection provisions with a goal of closing gaps in the social protection floor.

STEP 2 – Costing using ILO Rapid Assessment Protocol (RAP)

Specific social protection provisions that need to be introduced or further expanded identified during the assessment process are then translated into “costable” scenarios. The costs of these provisions are calculated and projected over the 2012-2020 period. This cost is expressed as a percentage of Gross Domestic Product (GDP) and government expenditures in order to provide preliminary indications of the affordability of the proposed social protection provisions.

STEP 3 – Finalization and endorsement

The results of the costing exercise and the next steps, including the identification of possible measures to increase the fiscal space for social protection, are discussed with all stakeholders in the framework of workshops. A report detailing the costing results and policy recommendations is produced and shared with the Government of Indonesia. Bappenas has taken lead in the finalization of the SPF report by facilitating further technical discussion and accommodating inputs and views from relevant organizations and offices

During the development of the assessment matrix we found some common gaps and issues across programmes: limitation of coverage, limited access to social services particularly in eastern parts of Indonesia, limited linkages between social protection programmes and employment services, almost no social security for workers in the informal sector, high social security evasion in the formal sector, data limitation and targeting issues, as well as issues of coordination and overlaps among programmes.

Based on this assessment, the main policy recommendations include:

- Design and pilot a Single Window Service (SWS) for social protection programmes at the local level, which would provide information to potential beneficiaries on guarantees and services, facilitate registration processes, update beneficiaries’ databases, facilitate the appeals mechanisms, and improve coordination among programmes;

- Ensure that the health care package has an adequate level of protection;
- Extend the coverage of Program Keluarga Harapan (PKH), a cash transfer programme that facilitates access to nutrition, education, and care for children from poor families;
- Support the implementation of BPJS Kesehatan (BPJS I) and BPJS Ketenagakerjaan (BPJS II);
- Conduct a feasibility study for unemployment insurance with links to employment and skills programmes;
- Extend the coverage of programmes for vulnerable elderly and for people with severe disabilities;
- Develop a comprehensive database of individuals in target groups such as people with disabilities.

For each of the SPF guarantees (access to health care and income security for children, the working age, people with disabilities, and the elderly), policy recommendations were translated into specific social protection policy options called “scenarios”. We estimate that the additional SPF provisions identified that would complete the social protection floor in Indonesia and guarantee income security across the life cycle would cost between 0.74 per cent and 2.45 per cent of GDP by 2020.

The recent development of the implementation plan of the SJSN law demonstrates the strong “political will” to expand social security coverage to the whole population, in addition to ensuring that the poor and vulnerable will receive adequate support through transfers in cash and in kind through extensive anti-poverty programme.

The assessment provides a ***number of recommendations for the expansion of social security coverage***. These recommendations are relevant in the framework of the design and implementation of SJSN Law as well as the improvement and enhanced coordination of existing anti-poverty programmes.

To this end, the Bappenas and the ILO have planned to launch the report “Social Protection assessment Based national dialogue: Towards a nationally defined social protection floor in Indonesia” and are confident that this report will be a strategic document for the development of comprehensive social protection floor in Indonesia.

II. Objective:

The objective of the event is to launch officially the SPF assessment and share the key findings and recommendations of the report for wider audiences as well as to discuss further on the key findings and recommendations to build more understanding of its alignment with current and future policies and programmes and to get feedbacks from relevant offices, organizations and public.

III. Place and date

Bappenas Office Room SG 1-2, Jalan Taman Suropati No. 2. Jakarta Pusat.
Tel. 021.3148546 on Thursday, 6th December 2012 at 09.00 to 12.00.

IV. Agenda

08.00-08.30	Registration	
09.00-09.30	Opening remarks ILO Jakarta Director Vice Minister, Bappenas	Peter van Rooij Dr. Lukita Dinarsyah Tuwo
09.30-11.30	Talk show (an hour on-air programme) <ul style="list-style-type: none">• Social Protection Floor Assessment: Concept, process and its key findings• Social Protection Floor in the context of long term development plan and post-MDGs framework• Comment on findings and recommendations of the SPF Assessment from Coordinating Minister for Peoples' Welfare • Relevance of the SPF Assessment Recommendations for the design and implementation of the national social security system• The social protection floor implementation in Indonesia: Challenges and opportunities	Valerie Schmitt, Social Protection Specialist, ILO-DWT Bangkok Dr. Lukita Dinarsyah Tuwo, Vice Minister of Bappenas Adang Sutisna, Deputy Coordinating Minister for Peoples' Welfare Haris E. Susanto Member of DJSN Dr. Dinna Wisnu, Dean of Paramadina Graduate School of Diplomacy
11.30-12.00	Discussion	Chaired by Peter van Rooij,
12.00-13.00	Lunch	

IV. Participants

100 participants from relevant government offices, Employers' and Workers' organisation, CSO and NGO, universities, parliament, think tank/ research institutes and UN agencies including mass media are expected to participate to the launch event;

V. Budget

ILO Jakarta funding and Bappenas's in-kind contribution