

- Indonesia Social Protection Technical Seminar (ISPTS)

INTEGRATED AND INCLUSIVE SOCIAL SECURITY

DIRECTORATE OF SOCIAL SECURITY FOR LABOR



Supported by:



Australian Government

SOCIAL PROTECTION PROGRAMS ACROSS THE LIFE CYCLE

DEFINITION

1

Social Assistance is the transfer of money, goods and services from the Government to poor or vulnerable people without requiring contributions.

2

Social Security is a form of social protection to ensure that all people can meet their basic needs for a decent life.

Time	Social Assistance	Social Security
Child (0-4 years)	Child Social Welfare Program	
School Age (6-18 years)	<ul style="list-style-type: none"> • Bidik Misi Program • PIP (Smart Indonesia Program) 	
Productive Age (19-59 years)	<ol style="list-style-type: none"> 1. Family Hope Program (Children, Pregnant Women, Elderly, People with Disabilities) 2. Food Assistance 3. Energy Subsidy 4. Village Funds <ul style="list-style-type: none"> • Pre-employment card (Prakerja) • Joint Business Group Program (KUBE) • Ministry/Institution Job Training • People's Business Credit/Micro Business Financing • TKM 	<ul style="list-style-type: none"> • Health insurance • PBI (subsidized) Health Insurance • Work Accident Insurance • Death Insurance • Job Loss Guarantee
Elderly (60+ years)	PKH for the Elderly	<ul style="list-style-type: none"> • Pension plan • Pension Guarantee

Source
National Development Planning Agency



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LEGAL BASIS OF SOCIAL SECURITY

Article 28H paragraph (3) of the 1945 Constitution

Everyone has the right to social security that allows for the full development of oneself as a dignified human being.

CONSTITUTION

1. SJSN Law
2. BPJS Law
3. PMI Law
4. JOB CREATION ACT
5. P2SK Law

GOVERNMENT REGULATION per Program

1. JKN (Presidential Decree No. 82/2018)
2. JKK (PP No. 44/2015 Jo. PP 82/2019 Jo PP 49/2023)
3. JKM (PP No. 44/2015 Jo. PP 82/2019)
4. JHT (PP No. 46/2015 Jo. PP 60/2015)
5. JP (PP No. 45/2015)
6. JKP (PP No. 37/2021)

ILO CONVENTION 102 (Minimum Social Security Standards)

1. Health Services → JKN
2. **Sickness**
3. Unemployment → JKP
4. Old Age Allowance → JHT and JP
5. Work injury → JKK
6. Family allowance → PKH
7. **Maternity**
8. Disability → JP , JHT
9. SUrvivor Benefits → JP, JHT, JKM

SOCIAL SECURITY IMPLEMENTATION ISSUES

01

LOW SOCIAL SECURITY PARTICIPATION

Sakernas, February 2024

The working population is 142.18 million

- Formal Sector: 58.31 Million (40.83%)
- Informal Sector: 84.12 Juta (59.17%)

BPJS Employment, August 2024

Total Participants= 39,189,387

- Salaried workers = 30,987,697
- Non-salaried workers= 8,201,690

Social Security Participation Coverage

- National= 27.56%
- PU workers who are protected by the Social Security program= 53.14%
- BPU workers who are protected by the Social Security program= 9.74%

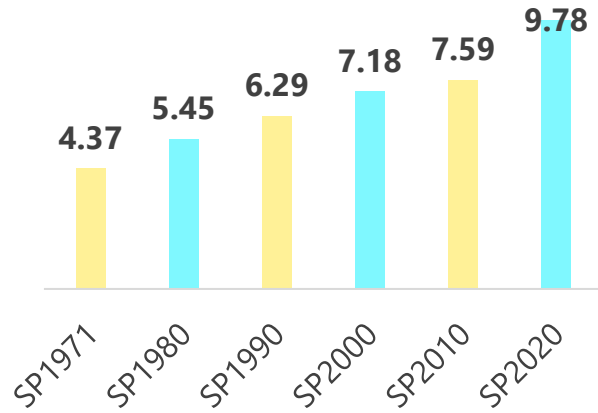


PROTECTION OF WORKERS IN OLD AGE

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Changes in the composition of the productive population and the growth rate of the elderly population (60+) indicate that the peak of the demographic bonus will be sooner.

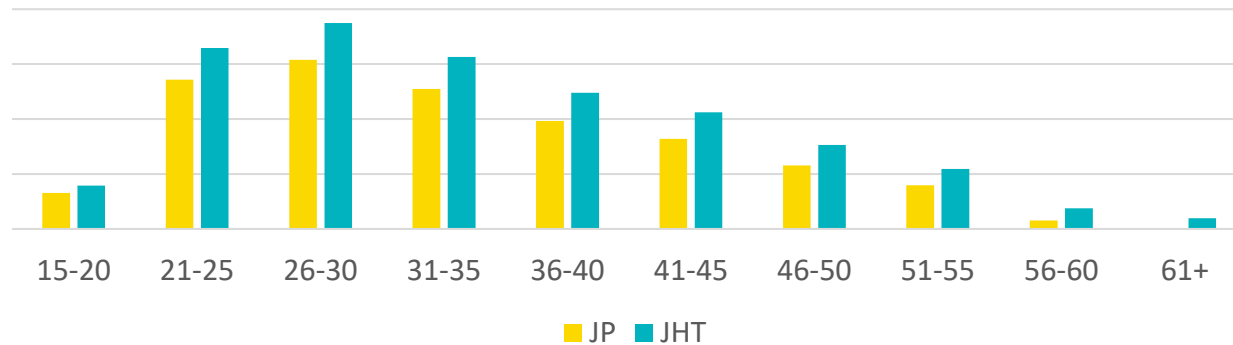
Accelerating the Growth Rate of the Elderly Population



"An ageing population shows the urgency of well-established old-age security in terms of the feasibility of benefits and the resilience of the program"

Source : Census Population 1961, 1971, 1980, 1990, 2000, 2010, 2020, BPS

JHT and JP participants by age group



JHT and JP Program Participation

JHT

18.74 million participants of 142.18 million total workers (**13.18%**)

Percentage segments

PPU: 96.58% of total JHT participants
PBPU: 3.55% of total JHT participants

JP

14.72 million participants from 58.31 million total formal sector workers (**25.24%**)

Elderly

The elderly (60+) are the least participating age group

Elderly people who have JHT and JP **197 thousand** of the total 31.91 million elderly workers (**0.61%**)

JOB MARKET CHALLENGES

1. Digital economy

The development of the digital economy has given rise to various new phenomena that make the job market more dynamic. This phenomenon opens up job opportunities while eliminating a number of jobs. The impact of the digital economy, job market flexibility, the emergence of platform workers, partnership relationship patterns, automation/mechanization/AI

2. Skill Revolution

Changes in technology can give rise to new skills and create a mismatch between kindergarten skills and abilities

3. Cultural Change

Changes in tastes and needs of future generations such as work-life balance, the emergence of WFA work culture.

4. Demographic Changes

Since 2021, Indonesia has entered an ageing population structure, where about 1 in 10 residents are elderly. The condition of the elderly in Indonesia is that they still have to work in old age, the elderly work in the Vulnerable / Informal Sector, and 10.04% of the elderly live below the poverty line.

5. Climate Change

Climate change threatens many jobs that depend on the services provided by ecosystems and can increase health and safety risks for workers.

STRATEGY TOWARDS AN INTEGRATED AND INCLUSIVE JAMSOSNAKER

02



AN INTEGRATED AND INCLUSIVE JAMSOSNAKER STRATEGY

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EXPANSION OF MEMBERSHIP THROUGH INCLUSIVE SOCIAL SECURITY

- Protection of all workers, both wage earners, non-wage earners and Indonesian migrant workers in all social security programs (including interns, training, etc.).
- Scheme for recipients of employment social security contribution assistance for the old age program for poor and underprivileged workers.
- Application of the principle of Portability of programs between segments
- Social security protection that adapts to the type of work, new patterns of employment relationships, and job portability.



STRENGTHENING AND EXPANDING PROGRAM BENEFITS

Strengthening the pension system to deal with the ageing population.

- JP for BPU workers
- JHT withdrawal at the time of entering retirement age
- Increased benefits of the pension plan

Expanded program benefits

- Development of social security programs such as maternity benefits and family benefits.



GOVERNANCE IMPROVEMENTS

- Adaptive and inclusive labor regulations.
- Social security services that are easily accessible, cheap and affordable.
- Adaptive, innovative and competitive HR setup.

THANK YOU



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