

Extending Social Security Coverage To Vulnerable Groups: Indonesia Experience

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Deputy of Membership



RAJA AMPAT ISLAND-WEST PAPUA PROVINCE



THE REPUBLIC OF INDONESIA
CAPITAL : JAKARTA

**LAND OF
THOUSAND
ISLANDS**

18,108
ISLANDS



6,000
INHABITED

38
PROVINCES

514
CITY/REGENCY

81,616
VILLAGES

POPULATION

279 MILLION

1,340 ETHNIC GROUPS

733 LOCAL LANGUAGES



148 MILLION
WORKFORCE

60%
Self-Employment

40%
Paid-Employment

Indonesia's Social Security System

Law Number 24 Year 2011

Public Entity



The Workers Social Security Agency



Social Security Agency for Health

State Owned Enterprise



Social Insurance for Civil Servant



Social Insurance for Army or Police

Membership Segmentation

Paid Employment and Self-employment

Paid Employment/Formal Workers

Paid Employment Member are any person who works for the Employer by receiving salary, wages, or other forms of remuneration.



Office Workers



Government Worker



Construction Workers

Self-Employment/Informal Workers

Self-Employment Member are individuals who carry out business activities independently to earn income



Traditional Market Seller



Streetfood Seller



Online Driver



Fisherman



Farmer



Disabled Workers

Program Coverage:



**Occupational
Accidents Benefit**



**Death
Benefit**



**Old Age
Benefit**



**Pension
Benefit**

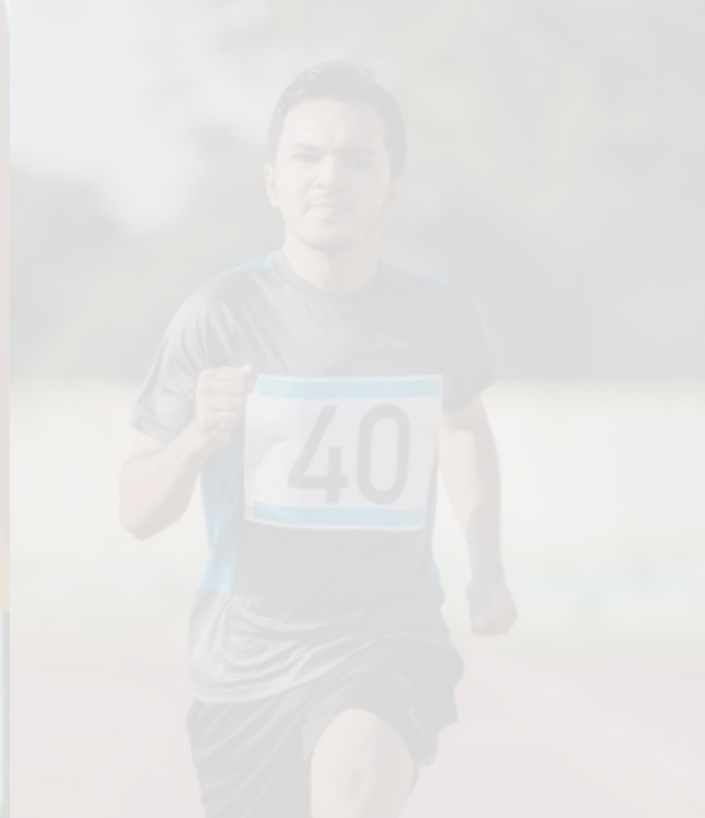


**Unemployment
Benefit**

Min. Contribution 16.800 IDR (1USD)

Min. Contribution
36.800 IDR (2,4USD)



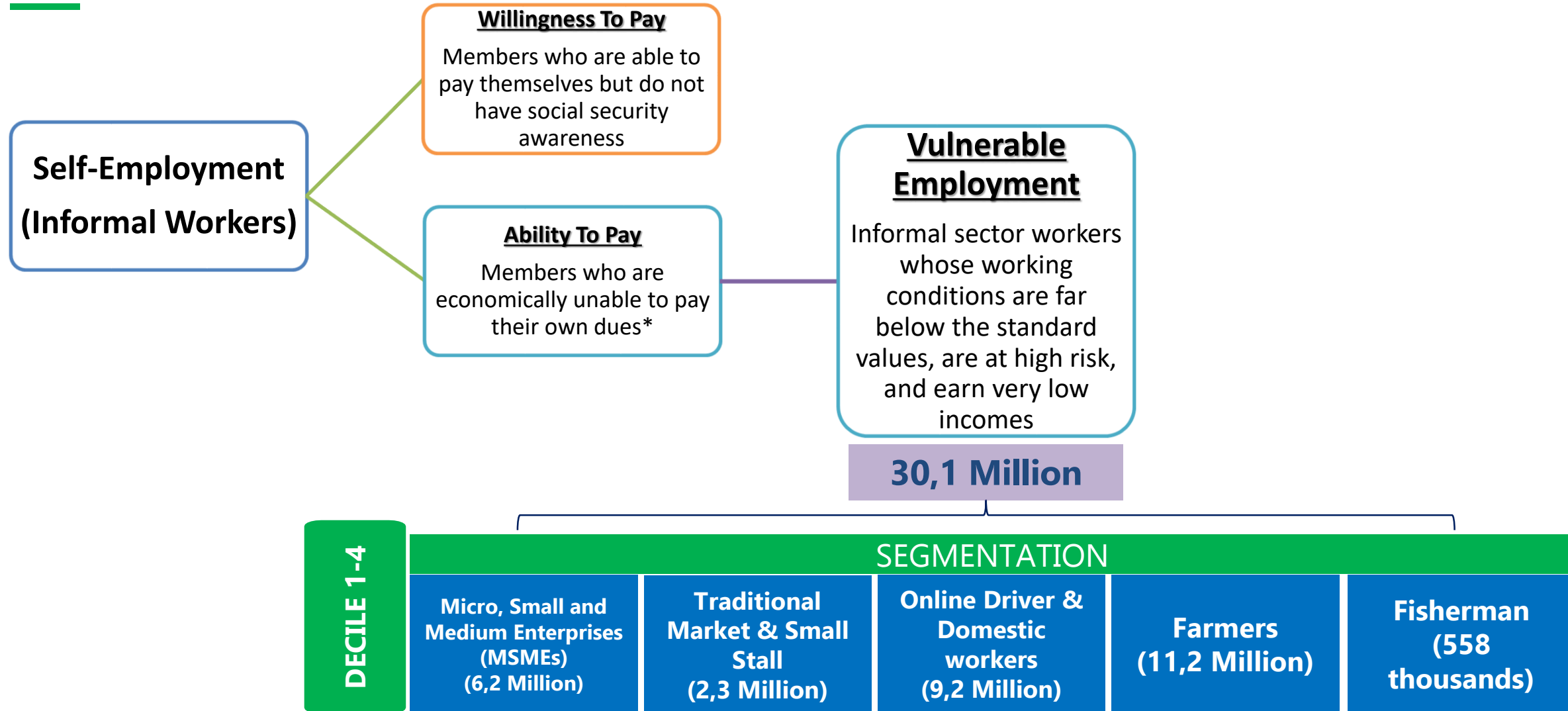


Vulnerable Employment



Vulnerable Employment

Definition



*Poverty Line per March 2023: 525.050 IDR (34 USD)

Vulnerable Employment

Why Contribution Assistance Needs to be Given to Informal Workers?

MEMBER

Formal Workers / Paid Employment

28%

There are 28% of formal workers who are vulnerable employment

However:

- ✓ The majority have **received social security** paid by the Employer and received **regular income**.
- ✓ Receiving **social assistance from the Government**

MEMBER

Informal Workers / Self-Employment

63%

have elementary school education and below so they tend to **have low income**

35%

are vulnerable employment which **have not received Social Security and Social Assistance from the Government**

2,8

household members

The majority work in the **fisheries, agriculture and trade sectors** (traditional market seller and small stalls).

The level of risk of informal workers **is relatively higher** than formal workers (fisheries vs administrative officer)

Vulnerable Employment

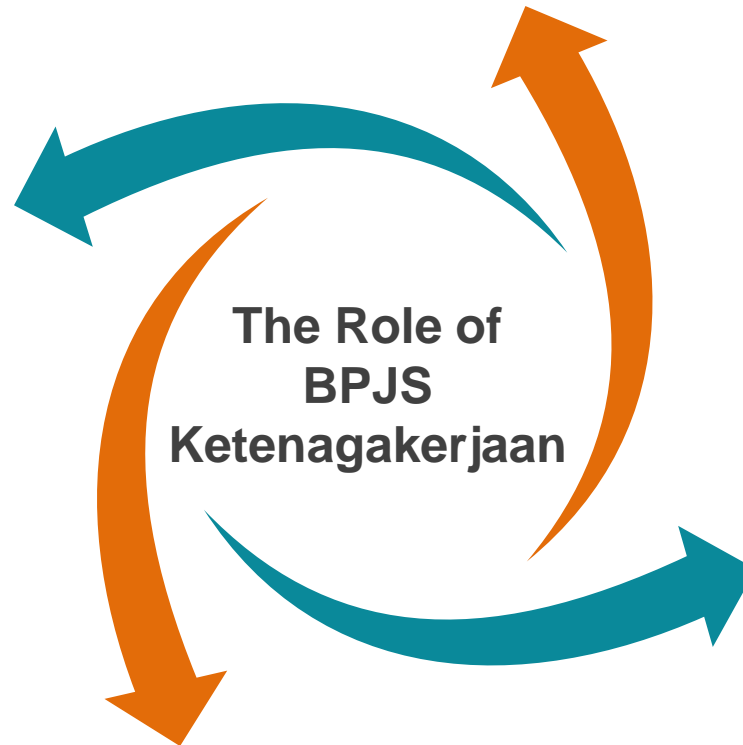
The Role of BPJS Ketenagakerjaan

MINIMIZING CHILDREN DROPPING OUT FROM SCHOOL

Benefit of educational scholarships

PROTECTING THE POOR FROM BECOMING POORER

Medical treatment without a ceiling limit
in the event of a work accident risk



COMPENSATION FOR A TEMPORARY UNABLE TO WORK

Income lost due to being temporarily
unable to work is borne by BPJS
Ketenagakerjaan

CASH COMPENSATION

The heirs are given a cash compensation

Ageing Population

Challenges for Social Security Employment



60%

- **60 % of the Indonesia workforce** or 82,67 million workers are informal worker and **only 9 %** have employment social security



20%

- Indonesia's population is gradually becoming an ageing population **and one of five Indonesians is elderly in 2045**



14%

- Only **14 % of the elderly** have access to old-age/pension benefit

Government Intervention to Vulnerable Employment

Sources of Funding

Beneficiary of Contribution Funding Schemes



STATE BUDGET

The Central Government allocate funds to subsidize vulnerable workers for social protection each year

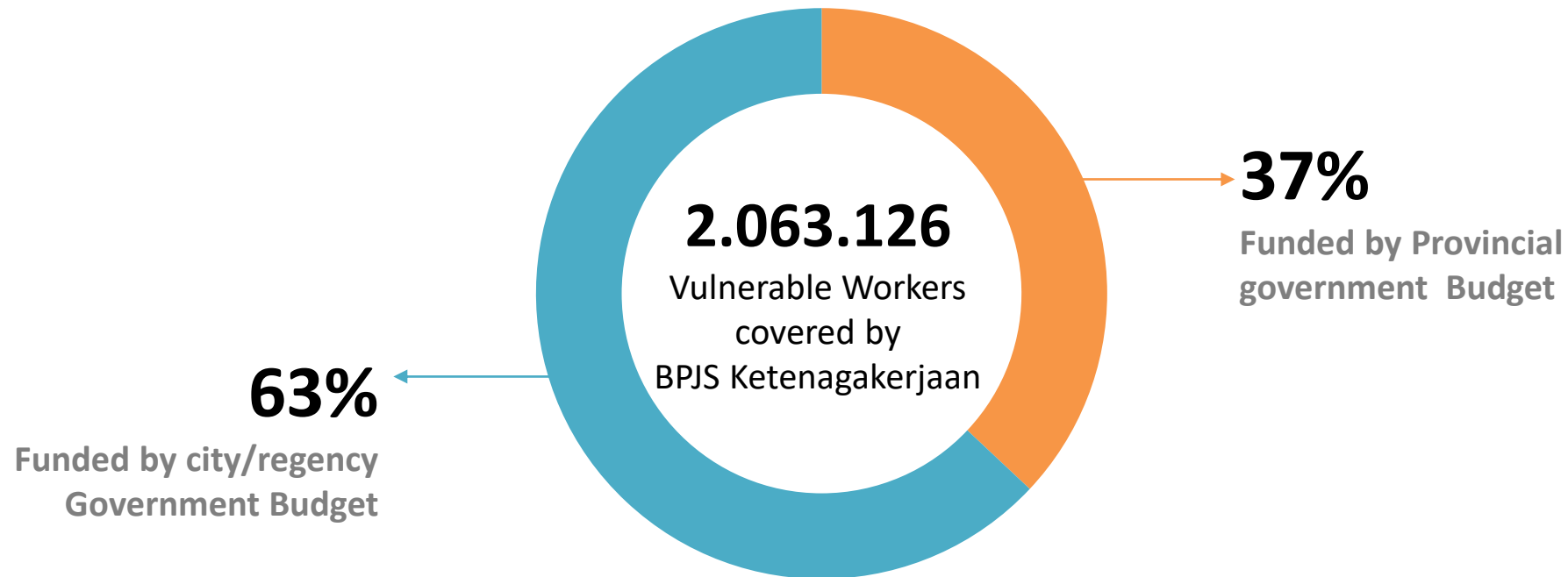


LOCAL GOVERNMENT BUDGET

The Local Government allocate funds to subsidize vulnerable workers for social protection each year

Implementation of Social Protection for Vulnerable Employment

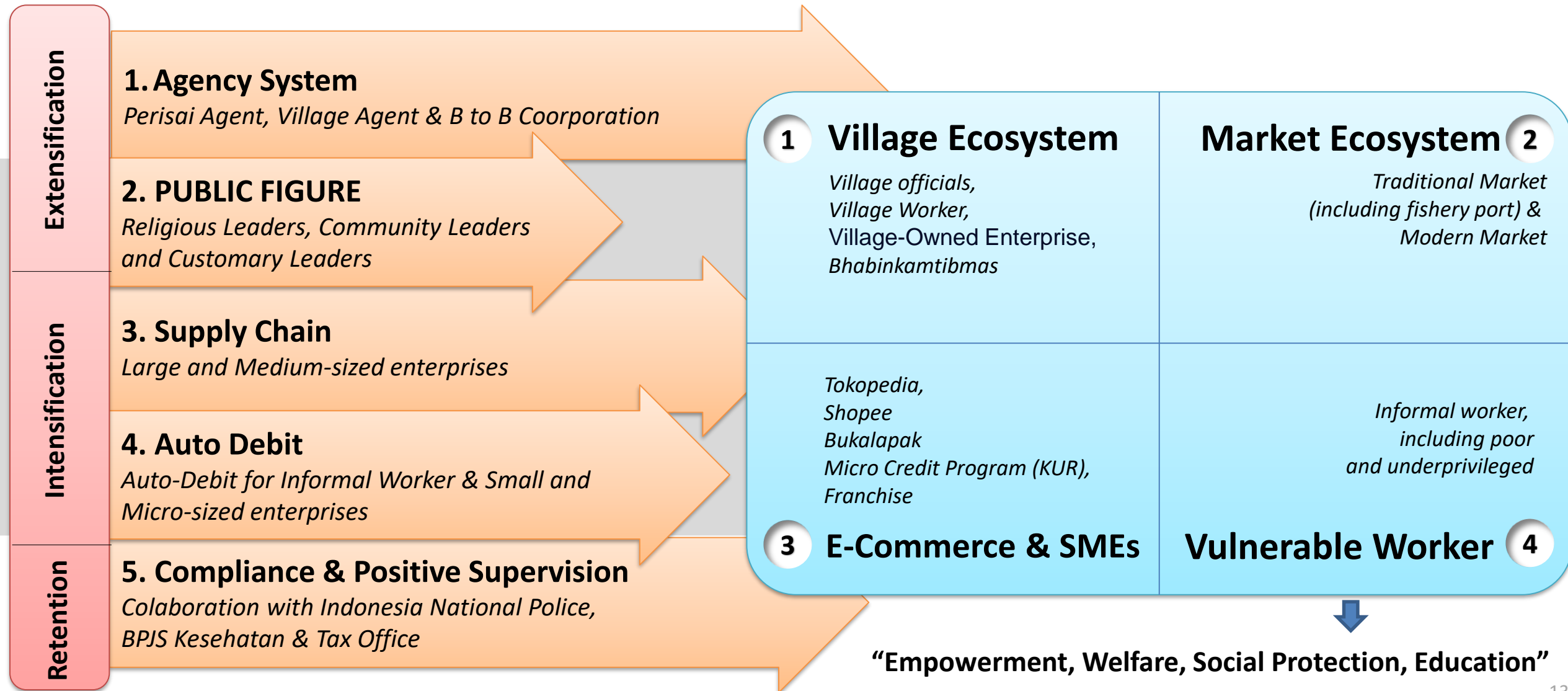
Active Member per October 2023



11 provinces and **279** city/regency have provided social security for vulnerable workers

3 STRATEGY, 4 FOCUS & 5 ENGINE 2023

“Sustainable Growth Informal Worker & Small and Micro-sized enterprise”



“ The best way to find yourself is to lose yourself in the service of others ”

– Mahatma Gandhi