



SEKRETARIAT WAKIL PRESIDEN  
REPUBLIK INDONESIA



# **Beyond COVID-19**

## **Towards More Responsive, Inclusive, and Sustainable Social Protection**



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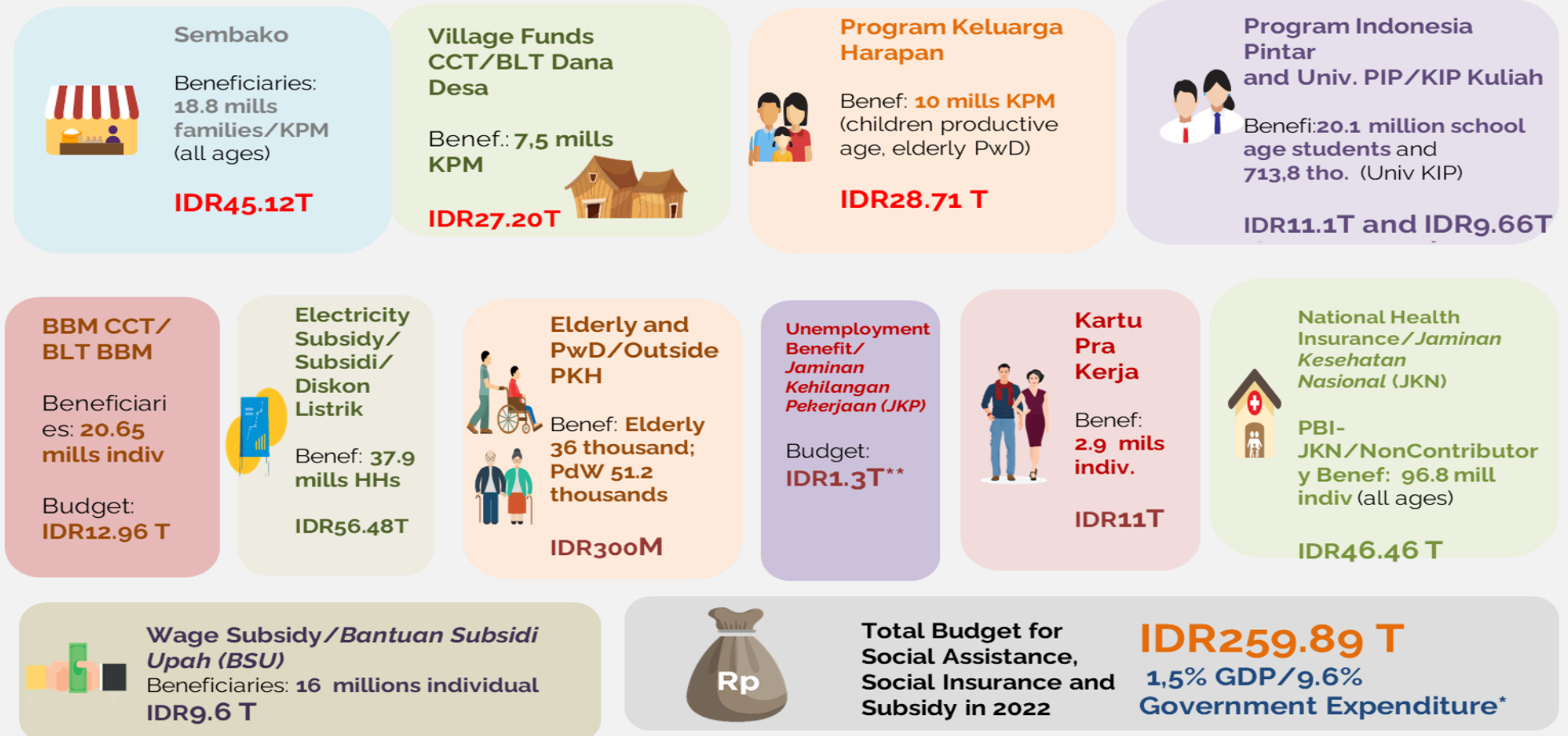
**T20 Indonesia Summit 2022**

**TF5 Parallel Session “Rethinking Inequality, Human Capital, and Wellbeing Post Covid-19 Pandemic**

**Tuesday, 6 September 2022**

# As many other countries, Indonesia expanded its Social Protection Coverage during Pandemic to protect the people from falling into poverty

Total coverage for existing expanded programs and new program reached to bottom ~60%



Source: APBN and Fiscal Notes 2022 Information from MoF (UU No.6/2021)

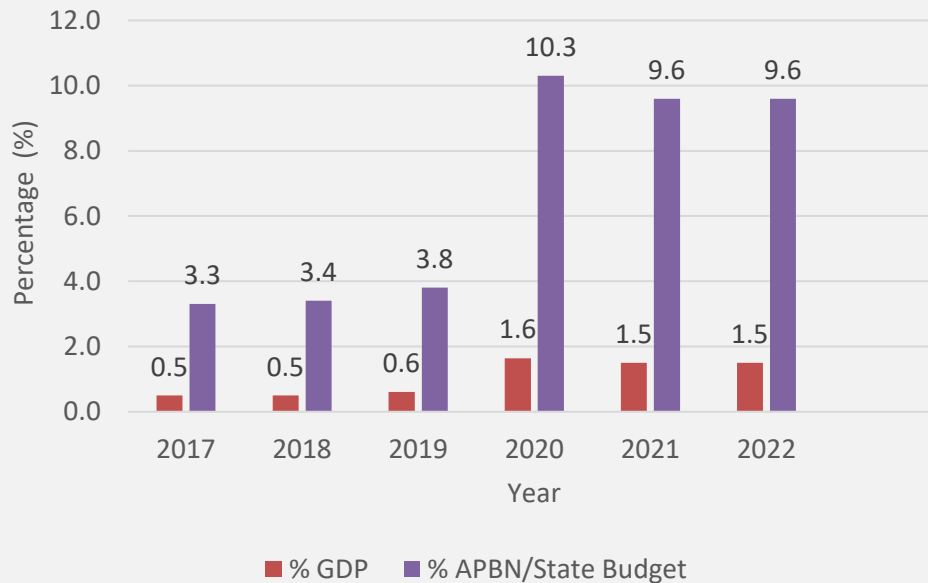
BPS – GDP 2021: IDR16,971 Triliun\*, APBN 2022: IDR2,714,2 T

\*\* March 2022: <https://www.indopos.co.id/nasional/2022/03/22/menaker-alokasi-anggaran-jkp-2022-capai-rp1131-triliun/>

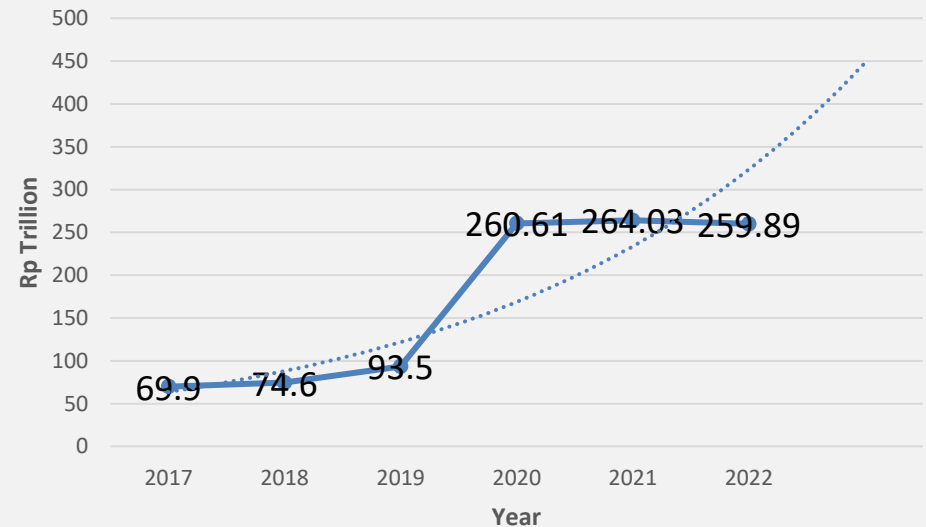
# The budget allocation for its Social Protection Investment continues to increase as well...

- ❖ The noncontributory part of Indonesia social protection budget since 2017 to 2022 continues to increase from IDR69.9 T in 2017 to approximately IDR259.89 T in 2022.
- ❖ During the 6 years period, Indonesia budget allocation for social protection has increased from around 0,5% GDP in 2017 to around 1,5% GDP in 2022.

Percentage (%) of Social Protection Budget to GDP and APBN Expenditure from 2017 - 2022



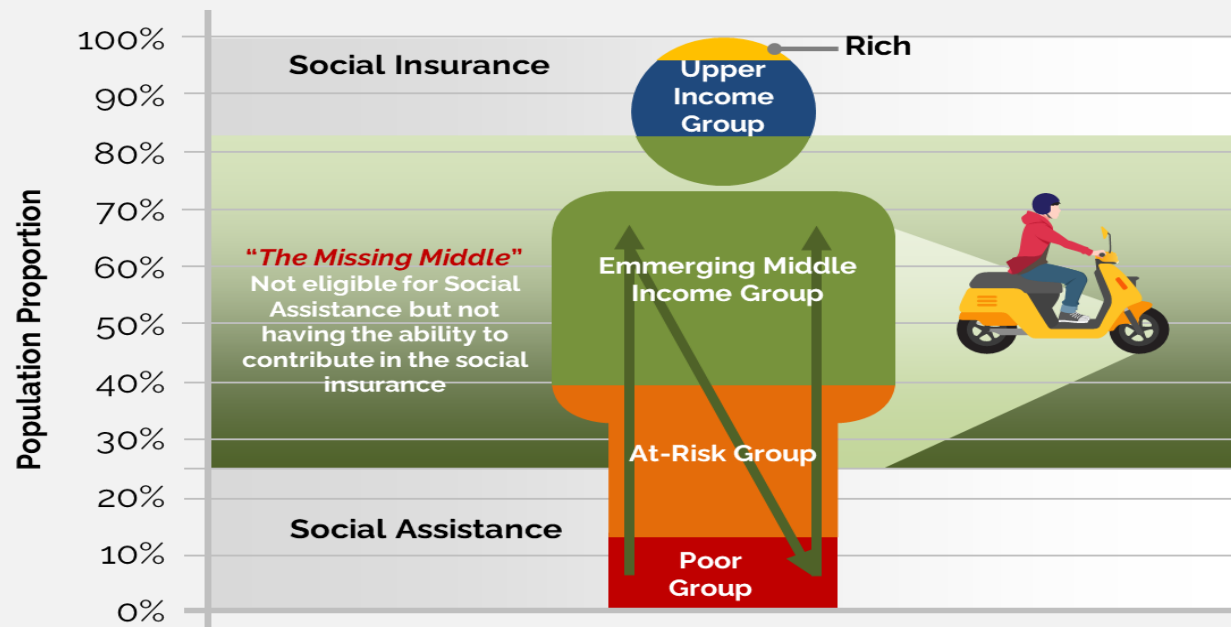
Social Protection Budget 2017 - 2022 (IDR-Trillion)



Source: TNP2K compilation based on Ministry of Finance (MoF) State Budget Information since 2017 – 2022 as advertised in MoF Website.

... however, despite its unprecedented policy measures to cope from the extraordinary crisis, there remain issues to address

- **The existing social assistance program in Indonesia only targets the poor and some vulnerable groups** (with the exception of social insurance for health through the noncontributory scheme/PBI-JKN that has reached the bottom 40%).
- **Lack of beneficiary data updating resulting on high inclusion and exclusion errors**
- **The poor and at-risk elderly and people with disability in Indonesia is not yet to be covered sufficiently through the social assistance scheme.**
- **Too many programs with different disbursement mechanisms resulting on high administrative cost**
- **Absence of responsive system to deal with unanticipated shocks**



# Toward More Comprehensive, Inclusive and Sustainable Social Protection for All (1)

## 1. Developing Comprehensive Beneficiary Database

- Utilizing big-data involving various data sources: survey, spatial, administrative data
- Dynamic updating to capture the rapid welfare change
- On-demand application
- Community based-targeting

## 2. Expanding the Social Protection coverage for the marginalized groups particularly elderly, people with disability and at-risk informal workers

- Elderly Grants/Social Pension for the elderly without access to pension
- Disability Grants coupled with Meaningful Concession
- Matching Defined Contribution as an incentive towards a more sustainable social protection for the productive age group

## 3. Establishing Adaptive Social Protection

- Institutional strengthening and partnerships.
- Expansion, Adaptation and Convergence of Adaptive Social Protection-Related Programs and Interventions.
- Availability and Utilization of Adaptive Social Protection Data and Information.
- Development and Implementation of sustainable Adaptive Social Protection Planning and Budgeting.

# Toward More Comprehensive, Inclusive and Sustainable Social Protection for All (2)

## 4. Promoting Inclusive Delivery Mechanism

- From card-based to biometric based benefits disbursement
- Transitioning in-kind to cash-based Social Protection
- Utilizing technology to reach everyone

## 5. Sustainable Social Protection Financing

- Create more fiscal space by expanding the country's tax ratio
- Consolidate and integrate similar social protection programs to improve efficiency
- Reforming energy subsidy: from commodity-based subsidy toward people targeted subsidy

# Terima kasih

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