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Turning the COVID-19 crisis into an opportunity:
What's next for social protection?

Global e-Conference

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#whatsnextforSP

Social Protection Responses to COVID-19

Experiences from Indonesia

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Content

1

Before Covid-19

Single digit poverty rates achieved.

2

Possible impact of Covid-19

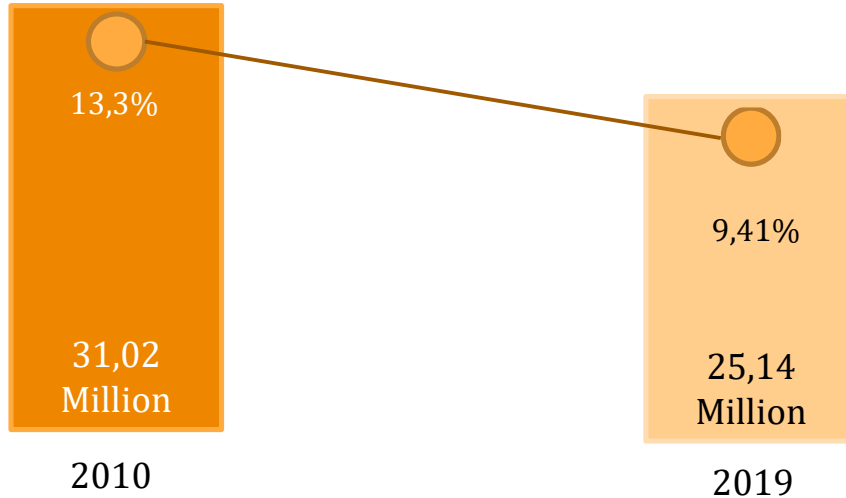
Estimates on the Covid-19 to new poor and vulnerable.

3

Respond to Covid-19

Government intervention to alleviate the effect of the pandemic.

SDGs Achievement on Poverty Rate Reduction



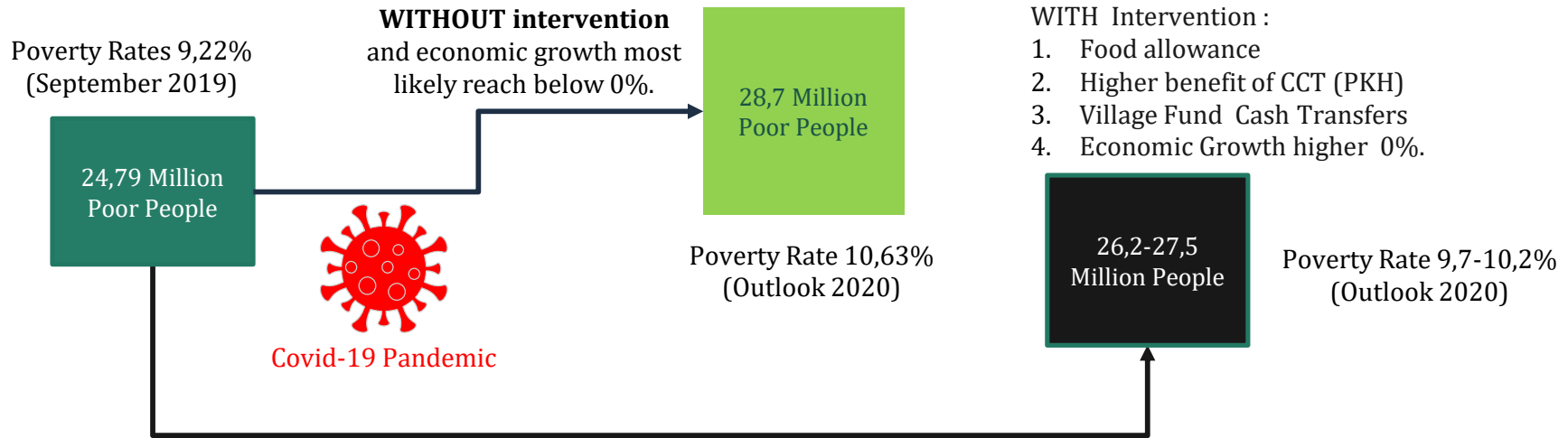
In average, we have alleviated 650 thousand of poor people per year

Poverty rate has reached single digit in 2018.

- Important interventions:
- CCT.
 - Non-cash food subsidy.
 - Social health Insurance.
 - Village fund.

More integrated multi dimension intervention is needed to achieve nearly zero chronic poverty.

Covid-19 Pandemic potentially off-set the single-digit poverty rate achievement



Source: Socio Economic Survey 2019. Bappenas simulation based on Economic growth assumption given by Macro Directorate.

- The number of new poor will reach **almost 4 Million** people if there were no policy intervention.
- Our social safety net is to reduce the effect of Pandemic Covid-19 on additional new poor and vulnerable.
- With continuing and strategic intervention, we can reach the same level of poverty rate as in 2019 in 2021.

Four Components of Social Safety Net and Economic Recovery

Central and local Government has spent approximately 4% GDP for responding Covid-19 Pandemic



HEALTH ACCESS

- ❖ Subsidizing National Health Insurance premium for the poor and vulnerable.
- ❖ Workers' Social Insurance premium relaxation and payment postponement.



BASIC NEEDS

- ❖ Providing basic needs (food and electricity) to reduce the burden of poor and vulnerable families.
- ❖ Providing sufficient nutrition for the children.



JOB SECURITY

- ❖ Unemployment benefits to secure basic income.
- ❖ Providing re-skilling program.
- ❖ Providing financial incentive for micro-small-medium enterprises.














ECONOMIC RECOVERY

- ❖ Financing additional capital and loan restructuring for ultra-micro enterprises.
- ❖ Providing working capital for State-Owned Enterprises.
- ❖ Other incentives program for ultra-micro enterprises.

Social Safety Nets for Families Affected by Covid-19 in 2020



	REGULAR			ADDITIONAL/NON - REGULAR							
Community Income Decile	Conditional Cash Transfers (PKH)	Food Assistance (Sembako)	Electricity Subsidy	Food Assistance For Jabodetabek	Social cash Assistance outside Jabodetabek	Village Funds Unconditional Cash Transfer	Pre - Employment Card Program	Rice Assistance	Additional Social Cash Assistance	Productive Assistance	Wage Subsidy Assistance for Workers
6+			450 VA; 24 Million Households	DKI: 1.3 Million Beneficiaries	9 Million Beneficiaries	11 Million Beneficiaries	5,6 Million Beneficiaries		9 Million Beneficiaries	9,12 Million Micro, Small, and Medium Enterprises (MSMEs)	15.7 Million Labors
5											
4											
3											
2	10 Million Beneficiaries	Benefit Rp 200.000 / month	900 VA; 7.2 Milion Households	Bodetabek: 600 Thousand Beneficiaries	April – July : Rp 600k/month; July- Dec: Rp 300k/month	April – July : Rp 600k/month; July- Oct: Rp 300k/month	Training: Rp 1 Million/month Incentive: Rp 600k/month Survey (3x): Rp 50 k	10 Million Beneficiaries	For food assistance beneficiaries who are not beneficiaries of PKH program	Rp 2.4 Million/MSME	Workers with income less than Rp 5 million per month.and also registered in BPJSTK
1											
1	per component index increased by 25%		450 VA: Free 900: Discount by 50%	April – July : Rp 600k/month; July- Dec: Rp 300k/month	For people who are not beneficiaries of Regular Conditional Cash Transfer and Food Assistance Program	For people who are not beneficiaries of Regular Conditional Cash Transfer, Food Assistance, and Pre – employment Card Program		For conditional cash transfer beneficiaries	MSMEs who haven't received working capital and investments from bank		
Ministry	 KEMENTERIAN SOSIAL REPUBLIK INDONESIA MoSA	 KEMENTERIAN SOSIAL REPUBLIK INDONESIA MoSA	 MEMR	 KEMENTERIAN SOSIAL REPUBLIK INDONESIA MoSA	 KEMENTERIAN SOSIAL REPUBLIK INDONESIA MoSA	 MVDDR	 CMEA & MoM	 KEMENTERIAN SOSIAL REPUBLIK INDONESIA MoSA	 KEMENTERIAN SOSIAL REPUBLIK INDONESIA MoSA	 MCSME	 KEMNAKER MoM
Period of time	monthly for 12 months	monthly for 12 months	6 months (April – Sept) <i>Extended to Dec</i>	9 months (April-Dec)	9 months (April-Dec)	9 months (April-Dec)	April – Oct/Nov Incentive for 4 months	3 months (August– Sept)	Once distributed in Sept 2020	Once distributed until Dec 2020	4 months (Sept – Dec)
Delivery mechanism	Cashless - Bank	Cashless - Bank	Voucher	Cashless - Bank	Bank – nonBank (PT.Pos)	Cashless – Bank	Cashless - Bank	Non-Bank	Cashless – Bank	Cashless – Bank	Cashless – Bank
Total Budget	Rp 37.4 Trillion	Rp 43.6 Trillion	Rp 6.9 Trillion	Rp 3.42 Trillion	Rp 16.2 Trillion	Rp 31.2 Trillion	Rp 20 Trillion	Rp 37.4 Trillion	Rp 4.6 Trillion	Rp 22.02 Trillion	Rp 37.78 Trillion

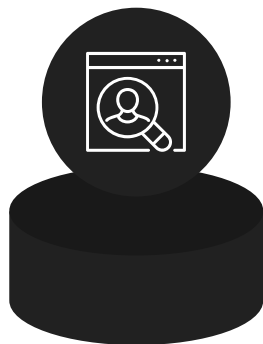
Lesson Learn

Social Protection reform and development of Social Registry



SOCIAL REGISTRY NEEDED

- ❖ Accurate data is needed.
- ❖ Updating data and expanding the coverage of the data: development of Social Registry.



COORDINATION AND PROTOCOL

- ❖ Complex coordination among government and non-government (central bank, banks, postal offices).
- ❖ Need protocol for adjusting regular program to respond to economic or natural shocks.



SUSTAINABLE FINANCING SCHEME

Developing social protection funding scheme for emergency relief: contributory, tax-based, sin-tax, return on investment, and provident fund type.



SUSTAINABILITY

- ❖ Social assistance followed by economic empowerment.
- ❖ Clear information and benefits on the period of assistance.



DESIGNING AN ADAPTIVE SOCIAL PROTECTION

- ❖ Large variation of benefits, special assistance, and multiple targeting double targeting.
- ❖ Developing broader categories of social protection for adapting.

THANK YOU