KEMENTERIAN PERENCANAAN PEMBANGUNAN NASIONAL/
BADAN PERENCANAAN PEMBANGUNAN NASIONAL

TOWARD UNIVERSAL HEALTH COVERAGE FOR INFORMAL SECTOR

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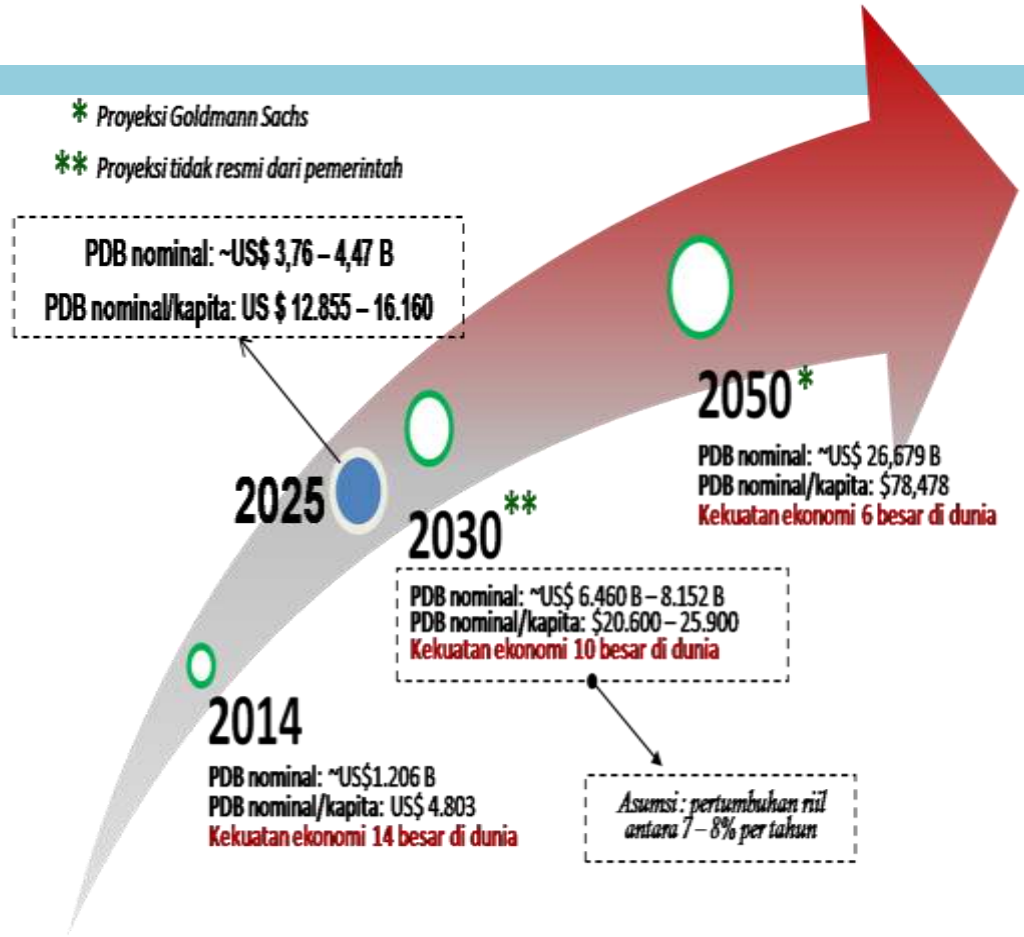
THE VISION OF LONG TERM DEVELOPMENT

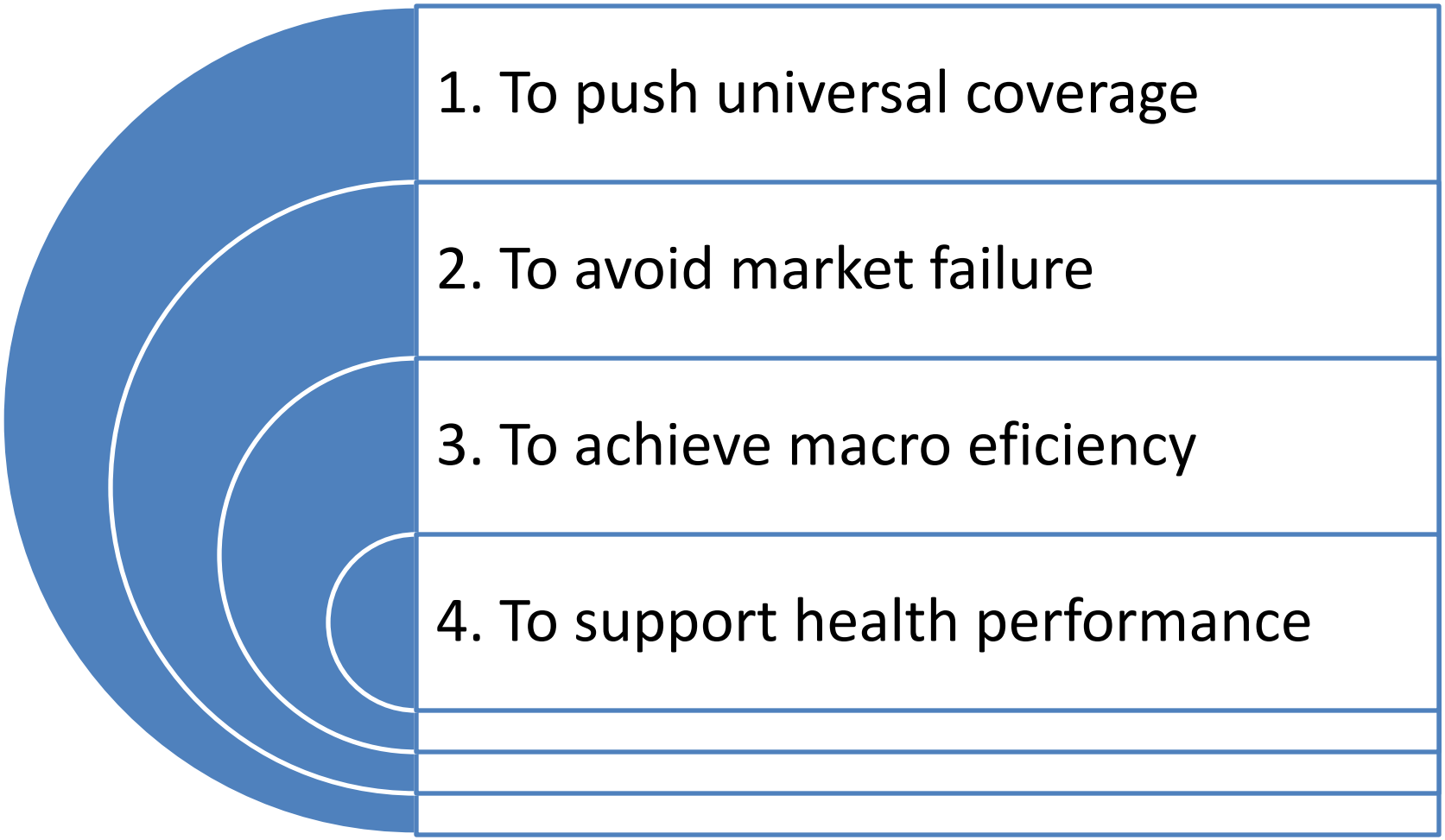
- The vision of Indonesia's development until 2025 (Law No. 17/2007) is to **"Create nation that is self-sufficient, advanced, just, and prosperous"**
- With assumption real growth 7-8% per annum, GDP in 2025 will be around US$ 3.76 – 4.47 billion.
- With population projection around 293 million people in 2025, it is estimated GDP per capita will be around US$ 12.855 – 16.160.
- Based on *Goldmann Sachs & Economist projection*, Indonesia's GDP in 2050 will be more than US$ 26.000 billion and will be one of important world economics.



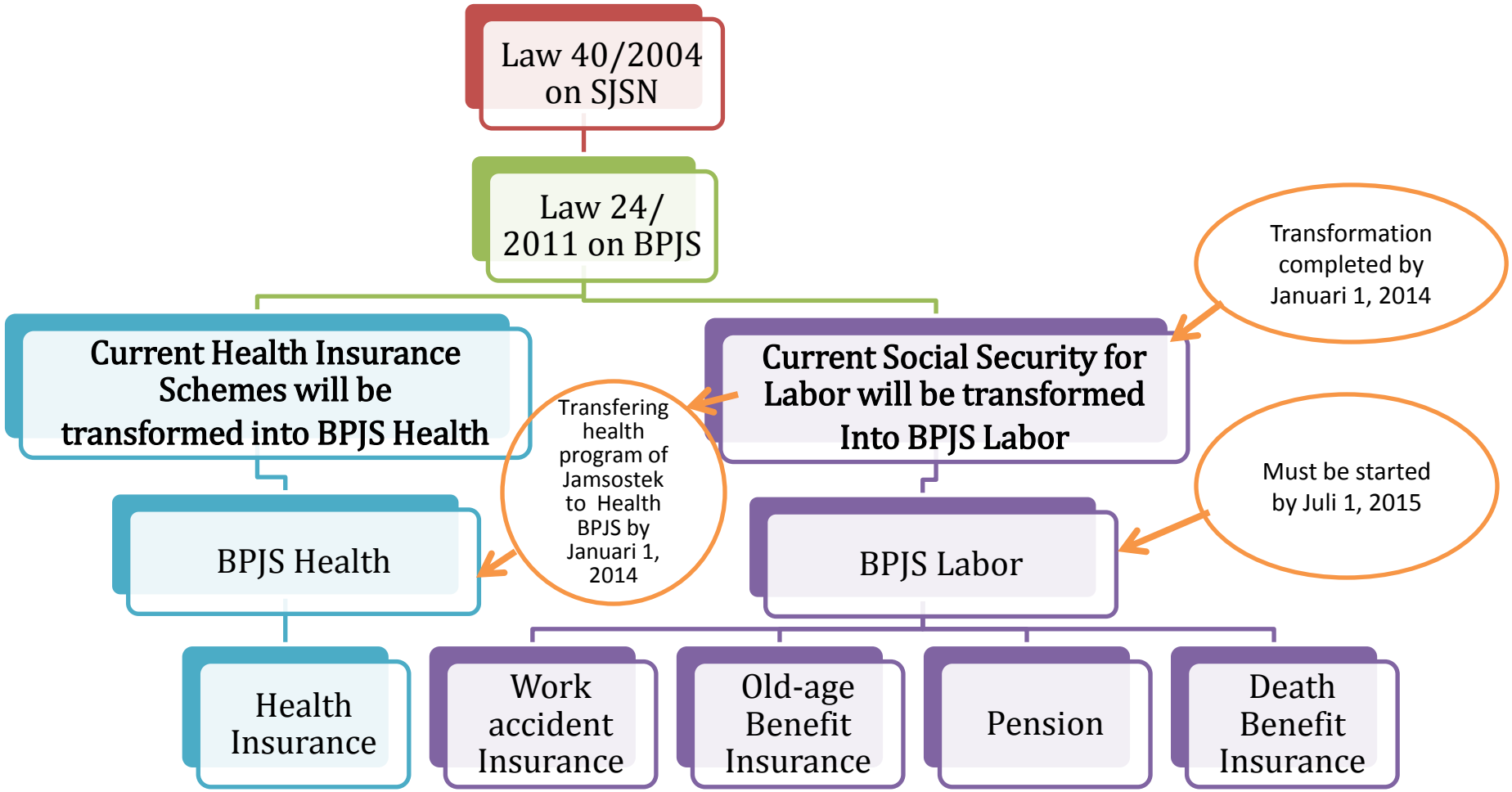
"Build Indonesia to be a country among the 10th big global economies in 2030 and among 6th big economies in 2050 through "High Inclusive and Sustainable Growth"

Acceleration and expansion of inclusive economic growth to improve people's welfare

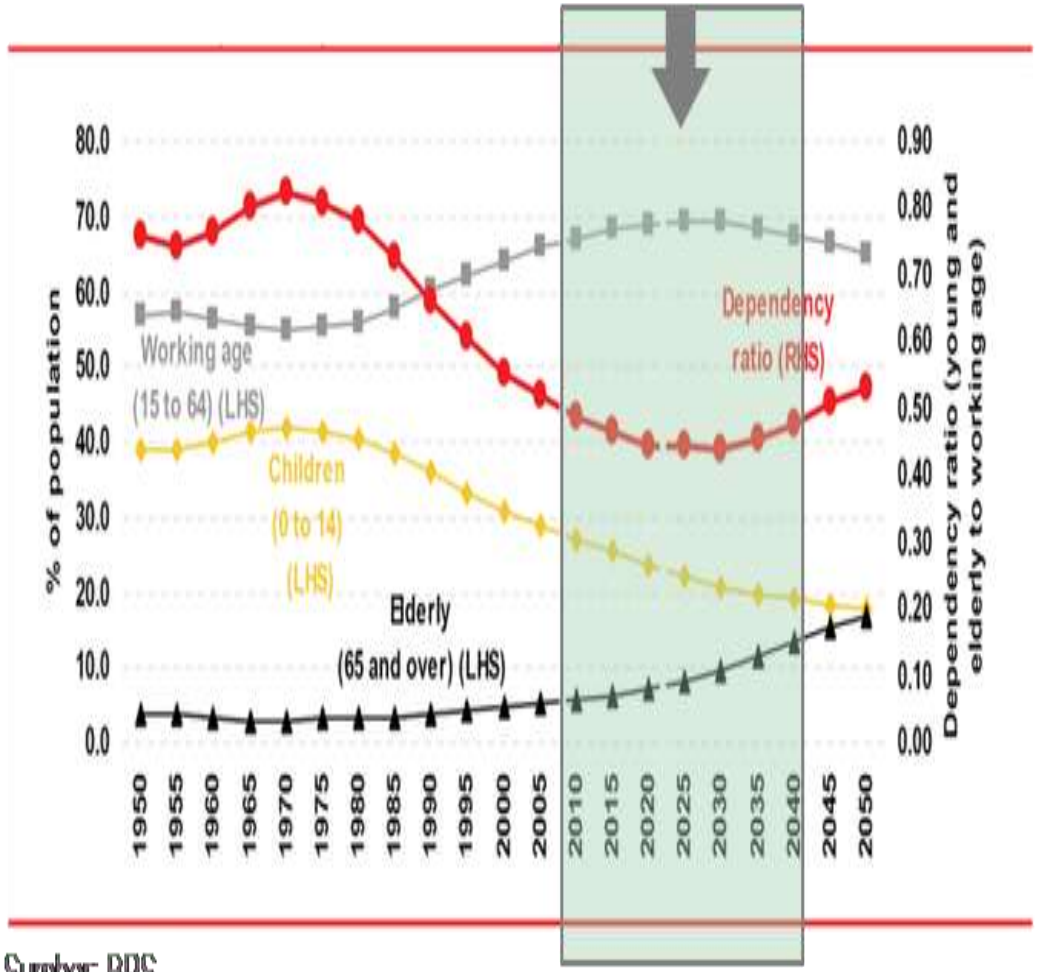
RATIONALE FOR SOCIAL INSURANCE
(AS MANDATED BY LAWS NO. 40/2004 AND 24/2011)



NATIONAL SOCIAL SECURITY SYSTEM



RATIONALE TO UNIVERSAL COVERAGE



Sumber: BPS

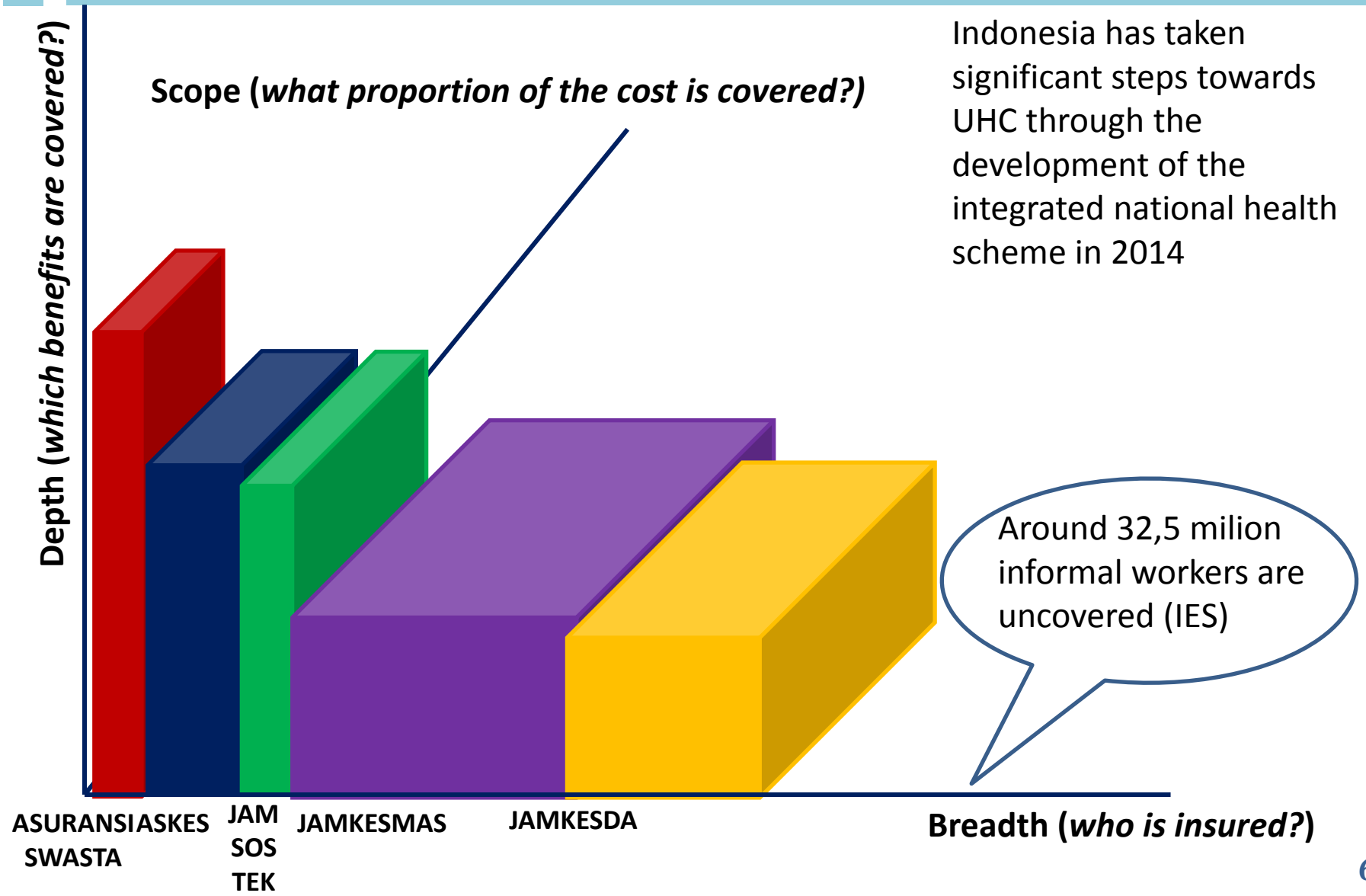
1. The amendment of constitution mandated the state to develop national social security system for everybody.

   It had been followed up by the enactment of Law No. 40/2004 on National Social Security System and Law No. 24/2011 on National Social Security Carriers for Health and Employment.

2. Demographic Bonus and global competitiveness requires to ensure the quality of productive human resources.

3. Protect vulnerable groups.

POLICY OPTIONS FOR UNIVERSAL COVERAGE



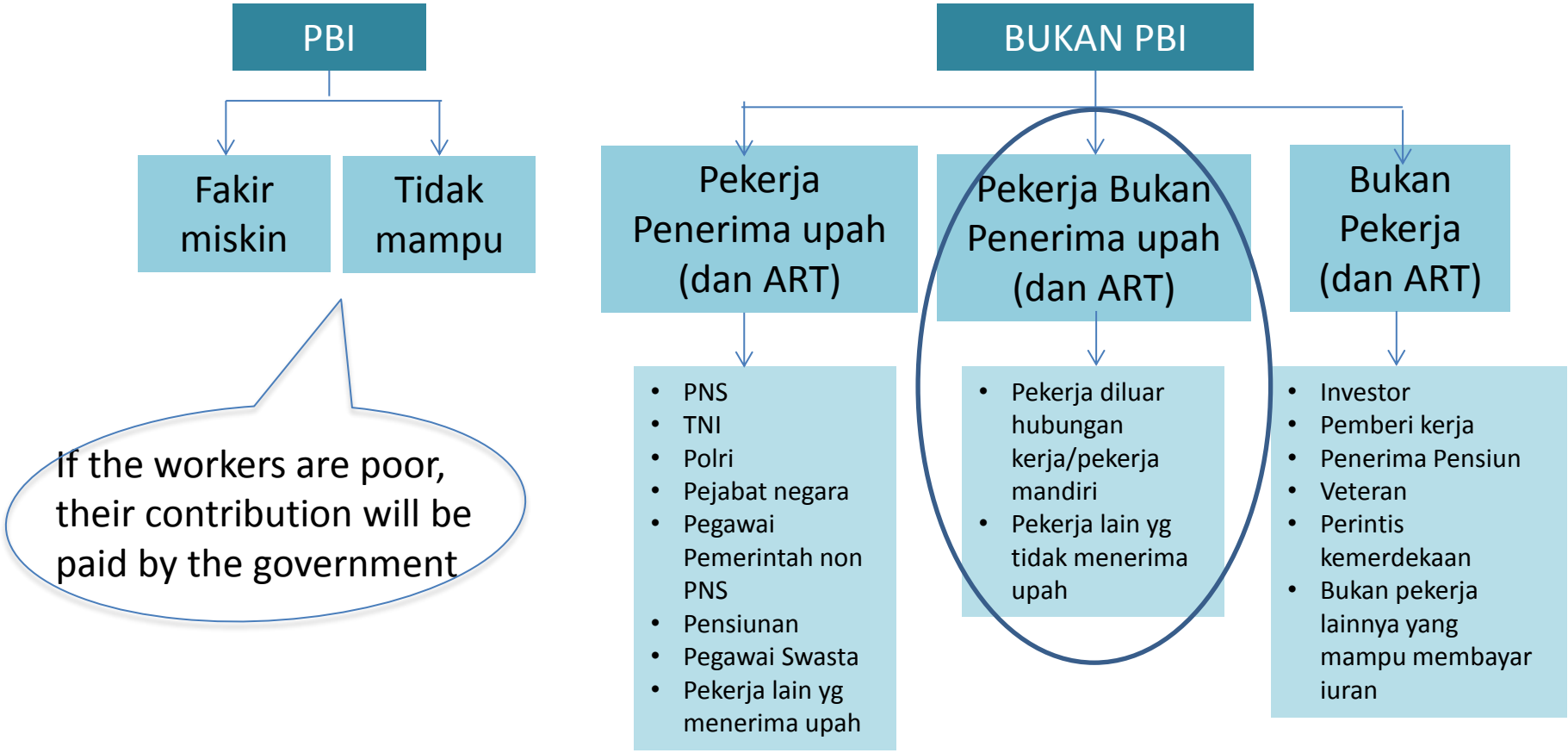
Indonesia has taken significant steps towards UHC through the development of the integrated national health scheme in 2014

Around 32,5 milion informal workers are uncovered (IES)

MEMBERSHIPS OF HEALTH INSURANCE
(Presidential Decree No. 12/2013)

Memberships will include:

1. **Transfer and integrate memberships of** Jamkesmas/da, JPK Jamsostek, Askes PNS/TNI/Polri.
2. **Expand memberships of formal and informal workers.**



SOME CHARACTIRISTICS OF INFORMAL SECTOR

Employment Status	Main Occupation									
	Professional	Managerial	Clerical worker	Sales worker	Service provider	Agriculture worker	Production worker	Operator	Laborer	Other
Own account worker	F	F	F	INF	INF	INF	INF	INF	INF	INF
Self employed assisted by family member/ temp help	F	F	F	F	F	INF	F	F	F	INF
Employer	F	F	F	F	F	F	F	F	F	F
Regular employee/Worker	F	F	F	F	F	F	F	F	F	F
Casual worker in Agriculture	F	F	F	INF	INF	INF	INF	INF	INF	INF
Casual worker in non-agriculture	F	F	F	INF	INF	INF	INF	INF	INF	INF
Unpaid worker	INF	INF	INF	INF	INF	INF	INF	INF	INF	INF

- Currently, out of 114 miliion workers, 60% are informal (BPS, Feb 2013).
  - Around 20 million people 28,3%) are *unpaid family workers.*
  - Around 35,6 million people (31,5%) work less than 35 hours/week.
  - Around 55,5 million people (49,2%) have only elementary education.
- Without formal employer-employee relationships;
- Mostly low incomes: The average income of the household i (consists on average of 4.3 people) is IDR 1,508,724 (approx. US$ 133) per month.

SOME CHALLENGES IN EXPANDING COVERAGE TO INFORMAL SECTOR

- Spread out all over the country (including farmers, fishermen, etc)
- Mobility is quite high
  - Around 43% do not have permanen location.
  - Do not have main job, acquire 2-3 jobs, or irreguler working time.
- Unstable and unpredictable incomes;
- Less involvement in financial services.
  - Only 16% of informal workers have their own account.
  - Around 86% get salary in cash.

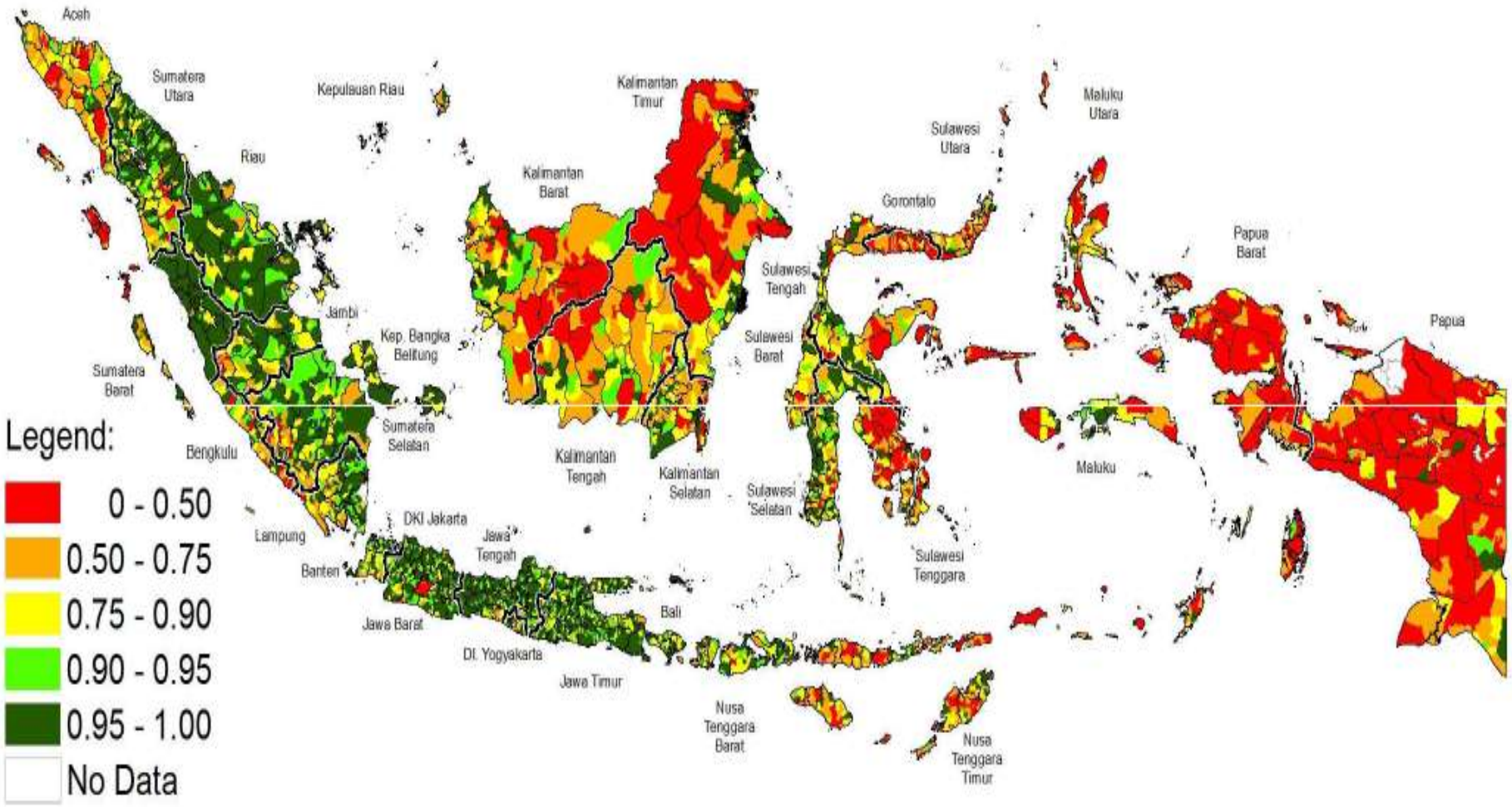
PROBLEMS IN SUPPLY SIDE:

GAP FACILTIIES AND SERVICES AT THE PRIMARY CARE PROVIDERS

Indikator Gap	Puskesmas	Pustu
Water instalation	517	2.837
Babby Incubator	5.860	22.154
Eectricity	305	10.282 (termasuk Poskesdes dan Polindes)
Physicians	733	20.871
Midwives	187	5.831
Dentists	106	7.400

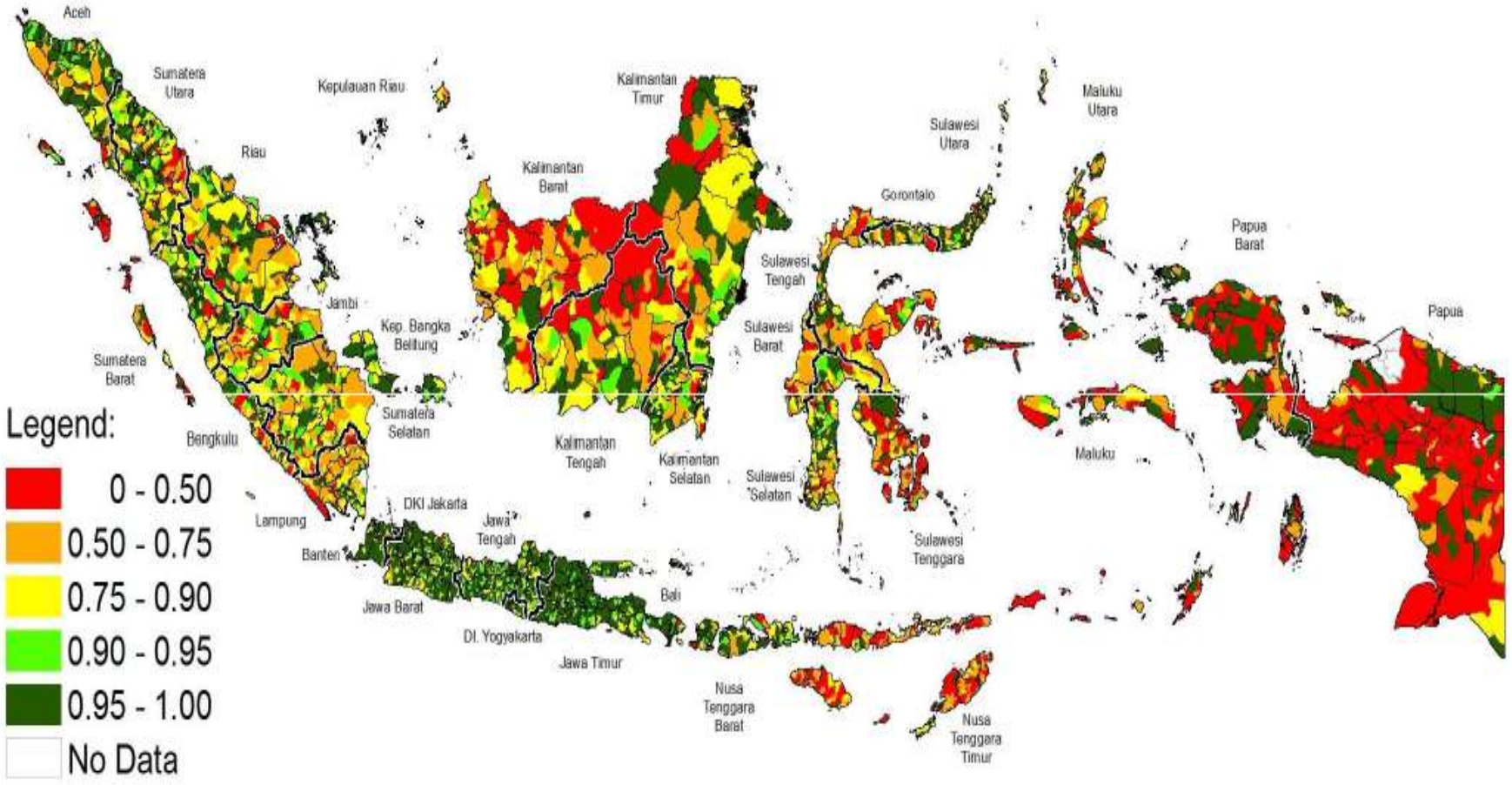
Sumber: Podes 2011

DISTRIBUTION OF MIDWIVES AT THE VILLAGE LEVEL



Sumber: Podes 2011

DISTRIBUTION OF HEALTH FACILITIES WITH ELECTRICITY

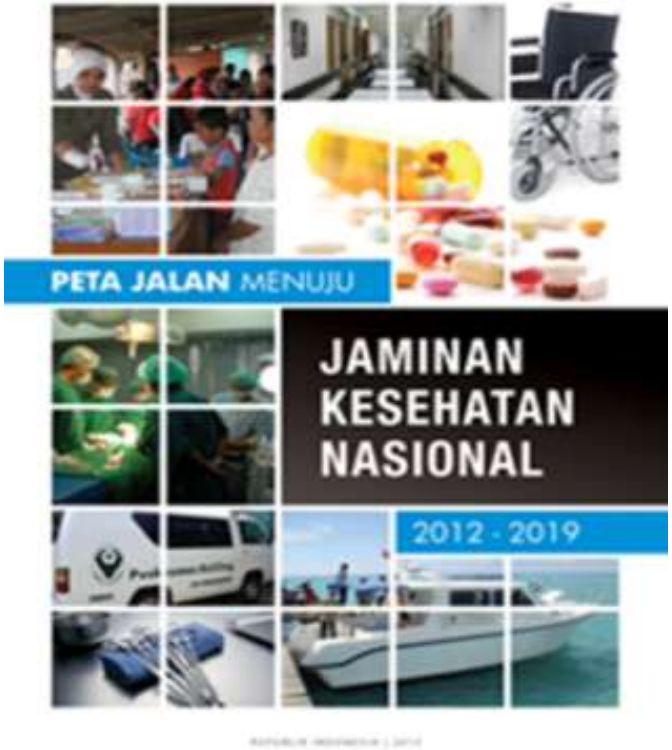


Sumber: Podes 2011

OTHER COUNTRIES EXPERIENCE IN EXPANDING COVERAGE OF INFORMAL SECTOR

3 Options:

1. Contributory (e.g. US, Jepang, Taiwan)
   - collecting contributions from informal workers is extremely challenging...
   - ...and potentially costly, particularly where a high proportion of this sector are in rural areas.
2. Non contributory (e.g. Thailand, Korsel, dan Philipina)
   - could lead to informalisation and undermine the contribution based system for formal workers in the long run
3. Combination 1 and 2 (e.g. Vietnam, China)



NEXT STEPS

From the IES:

- About 38% of informal workers do not know how to enroll in a health protection programme.
- Even members of health protection programmes showed significant knowledge gaps regarding the benefit packages they were entitled to.

- Accomodate needs and ability to pay.
- **Socialisation of design and benefit needs to be clear.**
- **Collection/payment: flexible on installment and time, trusted, legal basis of the institution, management capacity, and *good governance***.
- ***Social marketing*** on healthy life, seeking right treatment, social insurance, etc.
- Continous improvement of supply sides.

CONCLUSION

- Local government could play significant role to support the expansion.
  - Based on SMERU survey, at lease 245 kabupaten/kota have Jamkesda, some of them collect the premium, either direct or indirect..
- Utilize institutions that people/community are familiar with → legal status, capacity management, and good governance.
- Consider innovation for collection and database (ie. branchless banking – e money), particularly on the expansion in remote areas.
- Do pilot on some strategies and its evaluation.
- No magic bullet in health reform but International Experience and expertise might help finding a balance between equitable, sustainable financing, the most efficient use of resources possible and high-quality care.

THANK YOU