

Indonesia to build resilience to climate shocks with Adaptive Social Protection

The ILO and its partners jointly support Indonesia to explore the potential of social insurance schemes to be integrated in the Adaptive Social Protection system to address climate risk and minimize the impacts of related shocks.

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Indonesia is ranked at a high level of risk of climate-related hazards. To provide adequate protection against risk from natural and climate-related hazards, the Indonesian government is currently finalizing the Adaptive Social Protection (ASP) Roadmap, aimed to bring together social protection, climate change adaptation and disaster risk management sectors.

To further discuss the role of existing social insurance schemes in the context of climate change, the ILO's [Building Social Protection Floors for All – Phase 2](#), supported by German Cooperation for International Cooperation (GIZ), conducted an ASP Forum: Social Insurance and Climate Change in Indonesia on 8 June in Jakarta. The Forum also marked the launch of the ILO's study titled "Social insurance and climate change in Indonesia: Implications for Adaptive Social Protection ambitions".

Conducted based on literature reviews complemented by bilateral interviews and discussions with relevant stakeholders, the report explores the potential of social insurance schemes in addressing climate risk and minimizing the impacts of related shocks in Indonesia. The report also highlights how the existing social insurance schemes can be expanded to provide affected workers with better protection through temporary adjustments in benefits and qualifying conditions as well as in operational capacity.



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Maliki, Acting Deputy Minister of Population and Employment of Ministry for National Development Planning (Bappenas), emphasized the importance of ASP as part of Indonesia's social transformation towards country's ambition to become a high-income country by its centenary in 2045. The four pillars of the ASP Roadmap include strong coordination and partnership; an integrated data and information; programme enhancement and coordination; and financing.

"More than 2 million people affected by natural disasters last year with the average economic loss of 22.8 billion rupiah. Therefore, through the implementation of ASP, every disaster that we face

does not cause long poverty. Indonesia that is free from poverty can be reached through various dimensions including ASP," he said before 120 participants attending the Forum offline and online.

Michiko Miyamoto, ILO Country Director for Indonesia and Timor-Leste, stated that climate-related hazards do not only affect poor and vulnerable households but also middle-class workers, women and self-employed workers and any other ordinary residents. Thus, it is important to utilize the existing social insurances that can address both short-term and long-term shocks.

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“The ILO study has recommended that investment of the social social insurance fund can play an important role to facilitate a longer-term adaptation and Just Transition to an environmentally sustainable economy and society. The report can also contribute to the ASP Roadmap and the Indonesian National Long Term Development Plan (RPJPN) 2025-45,” she added.

Meanwhile, Martin Hansen, GIZ’s Country Director, highlighted the collaboration between GIZ and the Indonesian government in supporting the development of ASP in Indonesia by saying: “We are committed to support six frameworks to transform and extend social protection in the country as declared by President Joko Widodo in 2021. It is hoped that the social protection transformation can reach the target of one billion people covered by 2025.”

Mitigating climate shocks with social insurance schemes

The Forum’s discussion sessions were divided into two sessions. The first session focused on the role of social insurance to mitigate climate shocks and the second session examined the impact of climate shocks to workers and businesses.



The Forum's interactive discussion for the first session focuses on the role of social insurance to mitigate climate shocks.

In the first session, Muhammad Cholifihani, Director of Population and Social Security of Bappenas, stated that the COVID-19 pandemic had pushed Indonesia to implement ASP in the forms of wage subsidy, relaxations of fees, overdue dues and fines as well as fee subsidy policy and cash assistance. "Indonesia is moving towards the ASP by ensuring the inclusion of the climate shocks part of the existing social insurances to protect workers in the whole cycle of life," he said

“ We cannot spend two months in planning and decision making in the post disaster context. Thus, by having established policies and regulations on indicators to declare emergency and temporary expansion measures of the existing social insurance schemes, the government institutions can immediately implement the predetermined temporary expansion measures.”

Similarly, Pramudya Irawan Buntoro, Director of Strategic Planning and Information Technology of BPJS Employment, said: “We have redefined and expanded, for example, the benefit of the employment injury scheme to better protect healthcare workers who were at far greater risks and we can also extend the coverage of the social insurances to vulnerable families and informal workers.”

Responding to measurements that had been taken to the ASP, ILO Social Protection Programme Manager who is also the co-author of the study, Ippei Tsuruga, reminded Forum’s panels and participants regarding the establishment of necessary policies and

Ippei Tsuruga, ILO Social Protection Programme Manager

regulations policies for disaster responses in a normal time. “We cannot spend two months in planning and decision making in the post disaster context. Thus, by having established

policies and regulations on indicators to declare emergency and temporary expansion measures of the existing social insurance schemes, the government institutions can immediately implement the predetermined temporary expansion measures,” Ippei remarked.

International experiences presented by Sayanti Sengupta, an independent consultant who shared the experiences of Argentina which had been expanded its family benefit, maternity benefit unemployment benefit and old-age benefit when dealing with floods, landslides and volcanic ash and Jamaica with the expansion of its pension fund when dealing with the hurricane in 2007.

Meanwhile the actuarial perspective on climate change and social insurance was presented by Simon Brimblecombe, Chief Technical Adviser and Head of Regional Actuarial Services Unit, ILO Bangkok, highlighting four roles of social security actuaries: Assessing impacts; Adapting benefits to new realities; Climate ready administration, management and communication; and Designing and financing an active role in mitigation.

Expanding the coverage to the informal workers



The Forum's interactive discussion for the second session examines the impact of climate shocks to workers and businesses

Discussing the impacts of the climate shocks to workers and businesses, Teguh Dartanto, Dean of the Faculty of Economics and Business of Universitas Indonesia, reminded the Forum about the informal workers who are still uncovered by the existing social insurances. Thus, he recommended to provide premium subsidies for social insurances.

Yeni Febriyani, Directorate of Manpower of Bappenas, emphasized the need for the enhancement of labour market information system for all the labour force, including informal workers. She also underscored the skills development programmes that have been provided within the unemployment insurance to smoothen the transition for workers affected by climate changes.

Meanwhile the importance of data to avoid information overlapping was highlighted by Nuryani Yunus, Assistant Deputy Minister for Employment Ecosystem of the Coordinating Ministry for Economic Affairs. "Thus, strong collaboration is needed at all levels that has been regulated under Presidential Instruction No. 2/2021 on Optimizing the Implementation of Employment Social Security."

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The Forum concluded with recommendations to not only focus on contribution-based social insurance but also to informal workers, the development of disaster management that is linked to social protection and expansion of the protection during climate shocks and disasters, strengthened collaboration among technical ministries and relevant institutions and subsidy for 20 million informal sectors for death and old-age benefits under the RPJPN 2025-2045.

The live streaming of the Forum can be viewed on [ILO TV Indonesia](#) >.

Tags: maternity protection, social protection, employment accident benefits, pension schemes, unemployment benefits, poverty alleviation, natural disasters, climate change, just transition

Regions and countries covered: Indonesia

See also

Event

[Adaptive Social Protection Forum: Social Insurance and Climate Change in Indonesia >](#)

Project

[Building Social Protection Floors for All - Phase II >](#)

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