Basic Income as a Means toward Re-democratization of Indonesia's Economy

Fiscal Feasibility Analysis of Basic Income in Indonesia

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I. Why Economic Re-democratization?

Economic re-democratization entails fairer burden sharing between the haves and the have nots, the ultra-rich and the middle class. Re-democratization means higher taxes on the super-wealthy as a means to boost Indonesia's tax income and budget. Re-democratization also refers to an increase in social spending for strengthening and expanding social security, not confined to the provision of goods or services but extends also to basic income.

The basic income model that we have proposed for Indonesia shall be known as *Jaminan Tunai Indonesia* (JTI) or Indonesian Basic Income. JTI is a universal basic income guarantee scheme that starts with three key populations in Indonesia: women, senior citizens and persons with disabilities. They represent 15% of Indonesia's total population of 240 million, or equivalent to 38 million people.

This paper is structured into four main sections. **Part One** provides an introduction to the issue of inequality in Indonesia. **Part Two** builds the case for basic income in Indonesia. **Part Three** explains in more detail about the Indonesian model for basic income guarantee (JTI). **Part Four** puts forward possible sources of financing in which Indonesia is capable of harnessing for funding the proposed JTI scheme.

Inequality in Indonesia

In the past decade, inequality in Indonesia has risen from 0.35 in 2005 to 0.41 in 2012. Available data on the inequality situation in Indonesia synthesized by development economics experts from Padjajaran University revealed the following: (i) In 2012, the Gini coefficient for Jakarta (9,6 million populations), Indonesia's capital city, was 0.42; (ii) In 2012, the wealthiest 20% enjoyed 49% of national income which increased 40% in 2002. Meanwhile, the poorest 40% was only left with 16% of national wealth, shrinking from 20% in 2002. (iii) The richest 10% saw a twelvefold surge in income compared to the bottom 10% of the population (increased from 9.6 times in 2007).

Jakarta is not the only city beset with chronic inequality. Bandung, with 2,4 million populations is also grappling with ever worsening disparities. The city's rapid economic growth (9% per year) unfortunately is accompanied with widening inequality. This is evident when comparing its economic and consumption growth. If increased income resulting from economic growth is not equitably distributed, enjoyed by only the selected few, average household consumption spending will tend to grow at a less rapid rate. This is due to the inclination of the rich and affluent to withhold income increases as savings rather than for consumption.

As a consequence, income will tend to grow at a faster pace compared to consumption. This has been proven by a substantial amount of evidence. Data from the National Socio-Economic Survey (SUSENAS) showed that Bandung's rising income inequality from 2007 to

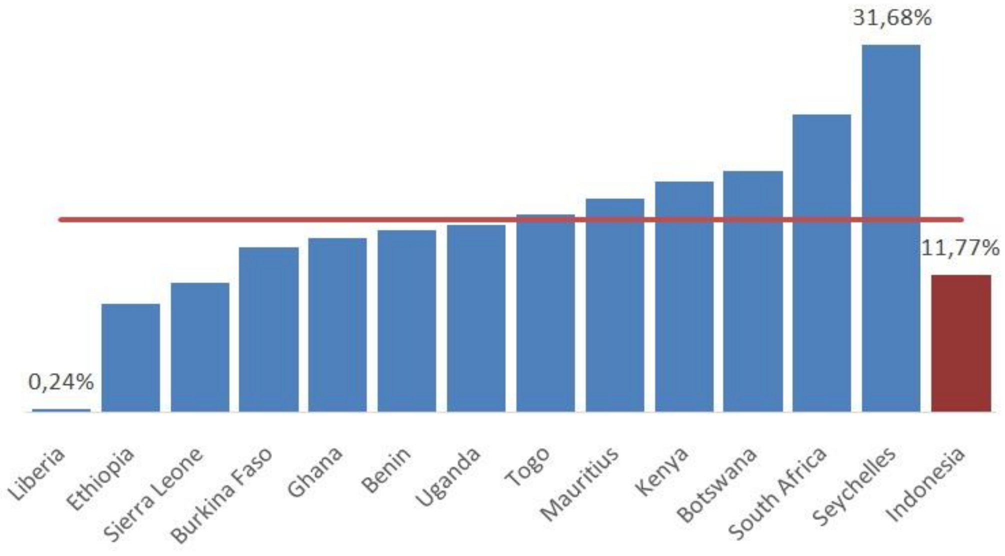
2012 is among the highest in Indonesia. In 2007, Bandung scored 0.37 in its Gini index which later rose to 0.47 by 2012. This is much higher than the national average of 0.41 (Arief Anshory Yusuf, *Pikiran Rakyat*, 8 January 2014).

An article written recently by an economist well-versed in Indonesia's economic situation, Vikram Nehru (2013), forecasted that by 2035 Indonesia will be able to elevate its status to the ranks of rich and advanced nations with an income per capita of over **USD 12,600**. For the next 20 years, Indonesia's income will therefore leap fourfold compared to 2013 (USD 3,500).

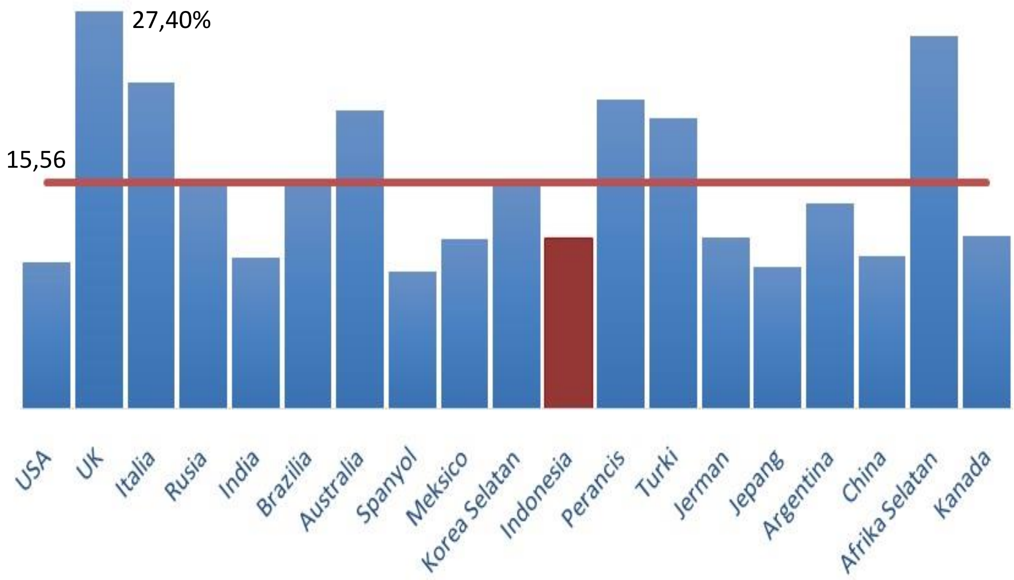
This is indeed attainable given Indonesia's economic performance in 1968-1998 which grew at average of 7.8 percent. Nehru further emphasized on the need for the new government to prioritize five key agendas, one of which is **narrowing inequality**, specifically with regard to opportunities in accessing healthcare, education, employment and others. Other priority agendas are strengthening the manufacturing industry, infrastructure development, environmental protection, and guaranteeing quality education.

Inequality in Indonesia among others is attributed to the following factors (a) a ***dysfunctional tax and transfer system in Indonesia*** means the inability to make a significant difference in the lives of the people and in addressing economic disparities. Indonesia's tax revenue still hovers at the range of 13-15%, while non-tax revenue only contributes 3-5% of GDP.

Indonesia's tax revenue performance therefore remains dismally poor compared to other G20 member states or low-income countries.



Graph 1. Indonesia's Tax Ratio Compared to African Countries.
Source: *Kristian Agung Prasetyo.http://www.bppk.depkeu.go.id/webpajak/index.php/artikel/146–opini/1492–quo–vadis–tax–ratio–indonesia. Accessed on 13 June 2014.*



Graph 2. Indonesia's Tax Ratio Compared to G20 Member Countries (*ibid*).

Available data shows that employees in Indonesia are the highest tax contributor compared to wealthy company owners or individual shareholders. This is partly due to weak tax policies that have yet to embrace the progressive approach and which have only set the highest tax rate (35%) for those earning IDR 500 million in annual income (USD 42,300). At least 3,000 ultra-rich Indonesians in fact generate an annual income of IDR 5-10 billion or USD 500,000-1 million. The average CEO (private and state-own companies) in Indonesia also earn within this income range. Indonesia should therefore be able to bring in 25% in tax and non-tax revenue which is the average tax revenue for middle-income countries particularly given the fact that Indonesia is among the world's 20 largest economies.

The country's tax revenue is largely drawn from companies instead of individuals. Indonesia's highest income tax rate remains at 35% levied on those earning IDR 500 million and over. This is an outdated policy that does not take reality into account. Indonesia faces potential lost revenue of 10-20 times the amount that the national budget (APBN) could have amassed. Indonesia should be able to increase its tax rate to 40-45 percent on annual income of over IDR 5 billion. In European countries, the highest tax rate stands at an average of 40 percent.

Other causes of inequality: (b) *a social security system that has long been overdue and lack universal coverage* which has left the majority of citizens unable to shoulder life's increasingly unbearable burden, particularly with respect to education, healthcare and housing (widefare instead of welfare). Indonesia introduced the Law on National Social Security System (UU SJSN) only in 2004 and even more recently, the Law on Social Security Agencies (UU BPJS) in 2011. Meanwhile, other middle-income countries such as Brazil and Thailand have been far ahead in implementing universal health coverage for their people, in addition to social security schemes specifically for the poor.

To date, Indonesia's social security is far from universal as it adopts a selective targeting approach. This is reflected among others in the Law on Social Welfare enacted in 2009 that only provides social security programs targeted for the poor and vulnerable. Schemes under this law include JAMKESMAS (health insurance), JAMPERSAL (maternity insurance), ASKESOS (social welfare for informal sector workers), JSLU (old-age benefits) and JSPACA (social welfare for persons with disabilities). Indonesia's conditional cash transfer scheme is only available through PKH (Family of Hope Program) directed at poor communities. From available data, at least 100 million people in Indonesia are not covered by any health insurance or pension plan scheme. Indonesia also does not provide any form of employment benefit.

Indonesia however has made significant breakthroughs by issuing UU SJSN 2004 and UU BPJS 2011 that mandates universal social security. Progress however has been slow as social security programs were only implemented in 2014 for healthcare, and citizens must wait until July 2015 before they have access to employment benefits (pension, old-age, occupational accident and life insurance).

(c) *inaccurately targeted subsidies*. Despite substantial subsidies for fuel and energy, such policies are more advantageous for the upper-to-middle classes. In Indonesia's 2014 budget, energy subsidy accounts for the largest spending component, reaching 22 percent of total state budget, yet it is only enjoyed largely by the industry and middle-class citizens who are mostly vehicle owners. Furthermore, energy subsidy will at any time inflate to 30% as world oil prices soar.

(d) *no salary cap for CEOs*, primarily in state-owned enterprises and private corporations. Data compiled by SWA magazine clearly shows how CEOs from 100 companies (shareholders and commissioners) determine their own salary, bonus and other allowances. They earn between IDR 5 and 10 billion every year.

II. Why *Jaminan Tunai Indonesia* (JTI)?

Jaminan Tunai Indonesia (JTI) or Indonesian Basic Income refers to an unconditional cash transfer scheme which is more suitable and easier for implementation in Indonesia. JTI does not require additional administrative requirements and neither does it need sophisticated data. Indonesia's experience in implementing PKH (conditional cash transfer) in the past five years can provide a sturdy platform for the administration, delivery and oversight of JTI.

JTI is crucial and suitable for Indonesia to serve the following purposes: *first*, to strengthen Indonesia's tax and transfer system in a view to generate significant impact in efforts to reduce inequalities, and *second*, scale up the coverage and benefits of Indonesia's social security system which has long been inadequate and futile in ensuring that the people lead more decent lives.

On a macro scale, JTI is necessary and effective for reducing inequalities. It can help strengthen government intervention in lowering Indonesia's maternal mortality rate which is the highest in Southeast Asia. Women are the ones most affected when poverty persists, and healthcare remains substandard and inequitable. Hence, the need to bolster government efforts with cash transfers.

JTI is essential to strengthen and consolidate various forms of social assistance which have thus far been fragmented and ineffective, not to mention rife in corrupt practices based on the political patronage of constituents. Furthermore, more often than not, the recipients of social assistance are not well-defined and targeted, thus unable to ease the people's burden.

Socially and normatively, we are convinced that the implementation of JTI across Indonesia will accelerate or strengthen citizenship and unity among people from all corners of the country. JTI is also intended as a means to build citizenship in order to quell the rising tide of religious radicalism and intolerance in the past five years. Spanning across 13,000 islands with hundreds of languages and dialects from Aceh to Papua, Indonesia is in desperate need of a social program that the people can tangibly relate to.

Politically, JTI will benefit the government by boosting trust and support (legitimacy) towards the government, not only from beneficiaries but also citizens at large which in turn will possibly lead to the re-election of the government implementing the program. In our proposed basic income scheme, three social groups will be the key beneficiaries and constituents: (a) single mothers; (b) the elderly, who may not be substantial in numbers but hold considerable political and cultural clout; (c) persons with disabilities, who over time have gained strength in spurring public advocacy movements.

It should be noted that our recommended JTI approach is not intended at replacing the ongoing health insurance and employment benefit program implemented by the government of Indonesia pursuant to UU SJSN 2004 and UU BPJS 2011 as both schemes provide assistance in the form of goods and services instead of cash transfers.

Neither is JTI meant as a substitute of the education and health subsidy scheme (Indonesia Smart Card and Indonesia Healthy Card) currently being formulated by one of the presidential candidates for the forthcoming elections on July 9th, as the two agendas are targeted at aiding the productive-age population, including school-age children and workers, who are still left unserved and uncovered by social security.

III. Indonesian Basic Income Scheme

The basic income model that we propose is called *Jaminan Tunai Indonesia* (JTI) or Indonesian Basic Income. JTI refers to a universal cash transfer scheme for all Indonesian citizens specifically for the following three elements: women, the elderly and persons with disabilities.

We recommend that PKH be changed into JTI with the following three groups as the key beneficiaries: (a) all senior citizens (men and women) aged 64 above, totaling 12 million people; (b) all persons with disabilities, totaling 20 million people; and (c) all women heads of household, totaling 6 million people.

Operationalization. JTI is provided as an entitlement and not out of sympathy from the ruling elite or government to the poor. The basic income policy therefore should on no account create stigma against its beneficiaries who should instead be rightfully treated as respectable citizens of Indonesia.

Population data. Based on data in 2014, Indonesia's population reaches 237 million people from which 119,630,913 are males and 118,010,413 are females.

Classified by age and gender, the population is divided into three groups: age 15 below, age 15-64, and age 64 above. Those age 15 below totals 68,603,263 people from which 35,298,880 are males and 33,304,383 are female. For the 15–64 age bracket, the number reaches 157,053,112 people with 78,969,160 males and 78,083,952 females. At least 11,984,951 are aged 64 above of which 5,362,873 are men and 6,622,078 are women.

In the first five years, JTI as we propose should cover basic income for all 12 million senior citizens, 20 million persons with disabilities and 6 million single mothers. Total population covered by JTI shall reach 38 million people.

They will be entitled to a monthly guaranteed income of IDR 500,000 (USD 42.3). This will entail annual costs amounting to IDR 72 trillion for the elderly, IDR 120 trillion for people with disabilities and IDR 36 trillion for single mothers. Total annual costs will reach IDR **228** trillion. This is a substantial amount of funds. If Indonesia's annual budget is IDR 1,700 trillion, it will make up 20-25 percent of the state budget.

Several reasons justify why these three groups deserve protection from JTI. *First*, they are those in most dire need. *Second*, all three groups have not received proper attention from the government. *Three*, JTI will generate a multiplier effect for the three groups, specifically with regard to the overall household welfare. The elderly in Indonesia typically still helps out in the household, be it for their grandchildren or other family members, even when they are no longer income earners.

Cash transfers, as the right of single mothers, will also guarantee that children remain in school. Providing cash assistance to persons with disabilities on the other hand will tangibly demonstrate the government's commitment to provide equal opportunities for the disabled who require special assistance.

The gradual implementation of JTI will allow for the proper listing of recipients and registrations, and sufficient time for reforming and improving tax policies. We have set 20% for implementation and institution costs for the first year, which will decrease to 5 percent by the third year. JTI will be implemented in cooperation between executing agencies, banking institutions, post offices and various institutions with networks in rural and remote areas.

Implementation and administrative costs will cover the following:

a. List of names and addresses of all recipients
b. Verification of list of names
c. Trial run and implementation on a national scale
d. Establishment of a complaints unit in every executing agency, including banks and post offices
e. Establishment of representatives of JTI recipients in every city and district, and at the national level

Every recipient shall obtain a registration card that may resemble an ATM card for withdrawing money. JTI will be jointly implemented with banks having extensive networks such as BRI, BCA and Bank Mandiri, and local banks. Funds will be transferred directly to the recipient's account on a monthly basis to cut costs and prevent corrupt practices.

IV. Sources of Financing

JTI requires an estimated budget of IDR 228 trillion (USD 19.3 billion). Financing can be drawn from the following sources: (a) improve and increase amount of personal and corporate income tax (b) value-added tax (c) reallocate fuel subsidy (d) increase non-tax revenue sourced from royalties from oil and gas fields operated by foreign and national corporations (e) improve and increase taxes from cigarette or tobacco duties. The IDR 228 trillion budget will be explained further in the following section.

Not all sources of financing mentioned above can be easily mobilized, specifically for (c) and (d). Both sources require the political will and audacity of the president. Reallocating fuel subsidy will mean fuel price hikes which in turn will push other costs upwards, such as transport and food prices.

Nevertheless, fiscal feasibility also denotes political feasibility which refers to the government's ability to restructure sources of state revenue, while ensuring more appropriate allocations for social and development spending. The following presents six main sources of JTI financing and estimated funding increase. Appendix 1 enclosed at the final section of this paper provides our estimates and measures that should be taken.

First, increase cigarette tax to secure financing worth IDR 40 trillion. Cigarette sales in Indonesia generate a substantial amount of money. In 2013, tax revenue from cigarettes reached over IDR 100 trillion. A 50-100% increase in tobacco duty will yield additional income worth IDR 40-75 trillion for two years in the 2015/2016 budget year. Cigarette producers have contributed significantly to government budget but at the cost of deteriorating human health.

Second, reallocate fuel subsidy to generate IDR 20–30 trillion as a source of financing. For the 2014 budget year, energy subsidy amounts to IDR 240 trillion. This includes fuel and power subsidy. Subsidy reallocation to the amount of IDR 50 trillion is therefore possible. Indonesia's fuel subsidy is considerably high each year, particularly when global oil prices increase. Energy subsidy in fact works more in favor of the industry and Indonesia's middle class who can afford to buy fuel at market price. Indonesia plans to reduce energy subsidy and reallocate it for infrastructure development and social security.

Third, increase non-tax revenue from oil and gas to as much as IDR 30 trillion from royalties from oil and gas mining operations that have not been optimally collected due to weak tax management and administration.

Fourth, increase value-added tax (VAT) by 30–100% which will generate additional revenue amounting **IDR 75 trillion** in 2015 and 2016. In parallel with economic growth, Indonesia's consumption has also increased in the past 10 years. The service industry, such as restaurants, hotels, transportation and tourism, has flourished in Indonesia. Passengers on domestic flights have increased exponentially in terms of quantity and dispersion, not only restricted to Jakarta or Java Island, but also across Indonesia's five major islands. On the other hand, value-added tax has not seen any significant increase for years.

Fifth, improve and increase corporate income tax that can bring in additional taxes worth **IDR 75 trillion**. This can be done through various measures including intensive efforts aimed at enhancing tax compliance in the plantation, real estate and mining sectors, in addition to stemming tax leakages through transfer pricing by national and multinational corporations.

Sixth, levy income tax on the super-wealthy to generate IDR 15–50 trillion as a source of financing. Based on tax revenue data for 2013, personal income tax contributed IDR 4 trillion. This is much lower than corporate income tax at IDR 155 trillion. Personal income tax covers the rich, super-rich who own businesses and CEOs in state-owned enterprises and private corporations. Increasing the tax rate by 5-10 percent on the ultra-rich who earn over IDR 5 billion each year can generate funds to the tune of IDR 15 –50 trillion annually. These high net worth individuals have enormous tax potential according to their ability to pay. They are typically company owners and shareholders, and CEOs in more than 100 leading corporations in Indonesia, both state-owned and private business entities.

About the authors

Sugeng Bahagijo is a life member of BIEN. He actively conducts extensive studies on social policies in which his work is documented in several of his publications, among others: "*Mimpi Negara Kesejahteraan: Telaah Dinamika Peran Negara dalam Produksi dan Alokasi Kesejahter*aan" (Jakarta: co–author, LP3ES, 2006) and "*Globalisasi Menghempas Indonesia*" (Jakarta: editor, LP3ES, 2006). He is currently the Director of INFID (International NGO Forum on Indonesian Development). He has formerly assumed as the Executive Director of Indonesian Community for Democracy (2010–2011), Associate Director of *Perkumpulan Prakarsa* (2005–2009) and Deputy Director of INFID (International NGO Forum on Indonesian Development) from 2002 to 2004. He has acted as the technical advisor to the Bappenas Deputy Minister for Regional Autonomy and Cooperation (2004–2005) and policy advisor to the Coordinating Minister for People's Welfare (2006–2007). In addition to being an avid writer, he also actively serves as resource person and facilitator while regularly assisting studies for a broad range of research institutes and think-tanks, including Tifa Foundation.

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Yustinus Prastowo is the founder of Enforce Advisory Indonesia. He is currently the Director of Center for Indonesia Taxation Analysis (CITA). He is highly experienced in the field of taxation. In addition to active as a Researcher he is also avidly became instructor and speaker at workshops and seminars on taxation. Several of his publications, among others: *"Manfaat dan Risiko Memiliki NPWP"* (Jakarta: Penebar Swadaya Publishing, 2009); *"Panduan Lengkap Pajak"* (Jakarta: Penebar Swadaya Publishing, 2009); and *"Buku Pintar Menghitung Pajak"* (Jakarta: Penebar Swadaya Publishing, 2011). He holds a B.A. from State Accounting University (STAN) and a master degree on philosophy from Driyarkara School of Philosophy in Jakarta. He experienced as the State tax examiner on the Tax Directorate of the Ministry of Finance of Indonesia (1997-2002), and numerous positions as State tax officials at the Ministry of Finance (2002-2011).

APPENDIX 1

Estimated Additional State Revenue

In billion

No.	Revenue Source	Annual Baseline Revenue			Estimated Extra Effort	Amount	Notes
		2011	2012	2013	2014		
A	**Tax**						
	VAT	277,800	337,413	423,000	75,000	30,000	VAT from integration of informal sector
						45,000	Control of VAT/e-invoice and pre-numbering administrative system
	Corporate income tax	154,609	151,809		75,000	15,000	Intensification of transfer pricing and abuse of tax treaty
						20,000	Intensification of construction and real estate/property sectors
						30,000	Intensification of forestry, plantation, mineral and coal sectors through final tax rate
						10,000	Benchmarking
	Personal income tax	3,287	3,763		15,000	5,000	Increase in marginal tax rate/highest tax rate
						5,000	Intensification of audit results related to business groups
						5,000	Extensification of taxation on new tax payers
	Income Tax Article 21	66,751	79,559		5,000	5,000	Supervision of deductions to tax objects
	Income Tax Article 23	18,702	20,290		1,000	1,000	Supervision of deductions to tax objects
	Income Tax Article 26	27,239	24,630		2,000	2,000	Supervision of deductions to tax objects
	Tobacco Duty	77,010	99,019	108,000	40,000	20,000	Increase of average tobacco duty by 10%
						20,000	Extensification of business owners for excise duty collection
B	**Non-tax state revenue**		352,379	344,493	30,000	15,000	Intensification of non-tax state revenue (royalty, etc.) in the oil and gas, and mineral and coal sectors
						15,000	Intensification of non-tax state revenue from non-oil and gas and non-mineral and coal sectors
C	**Fuel subsidy reallocation**		211,895	209,915	20,992	20,992	10% annual increase for 10 years
	Total				**263,992**	**263,992**	

Source: Estimates, data compiled and processed by Yustinus Prastowo (2014).

APPENDIX 2

Program	Year Implemented	Current Coverage	Previous/English Name	Program Classification/Background	Managing Ministry /Provider
	Social Assistance Programs				
Program Keluarga Harapan (PKH)	2007	1.5 million very poor HH	Hopeful Family Program (CCT)	Conditional cash transfer. Providing regular cash transfers to female beneficiaries with children or who are pregnant on the condition that the children/mother attends certain education and health services. Low level of political support.	Funded by Central government. Ministry of social affairs. Implementing agency *Kemensos*
BOS	2005	44.7 million students in 2012	School operational subsidy or *Bantuan Operasional Sekolah*	School operational assistance for primary and lower secondary schools. Aims to provide free basic education grades 1-9 to all poor students.	Central government budget 0.3% of GDP.
Raskin	1998/ 1999	17.5 Million targeted households in 2012	OPK	Rice subsidy for the poor. Each HH is entailed to 15kg of rice each month. Highly criticised for its miss targeting. High level of political support.	Central government Implementing agency Bulog
Jamkesmas	1998/ 1999	76.4 million poor people in 2010 (17.5 million poor households).	Jaminan Kesehatan Masyarakat-health security for the poor. Previously known as Askeskin	Free health insurance for the poor provided by the national government. Sub-program Jamkesda provides health insurance to people who are identified as poor but are not covered by Jamkesmas due to poor targeting, provided by provincial or district government.	Ministry of health and PT Askes. Funded by the central government.
BSM	1998/ 1999	In 2012 12% of poor students received BSM (consisting of 3 million primary school students, 1.7 million of junior secondary students, and 1.1 million of senior secondary students)	SSM, BKM, JPS-scholarship	Scholarships for poor students from both public and private schools.	Ministry of Education (for public schools) and Ministry of Religious Affairs (for madrasahs) and funded by the central government.
PNPM	2007	60,000 villages each year	National program for community empowerment (PNPM) and sub program PNPM Generasi	Program targets poor or rural villages. Paying the poor at a low wage to work on community projects. With the aim of stimulating pro-poor local economic growth while also strengthening governance and institutions.	Funded by a loan from ADB and Japan International Cooperation Agency. Run by ministry of marine and fishery, ministry of culture and tourism and ministry of public housing.
Temporary direct cash transfer	2005	18.5 million households	Bantuan Langsung Tunai (BLT), now known as Bantuan	A temporary unconditional cash transfer program to help the poor cope with the rising	Distributed through PT POS – state owned postal service. Coordinated by the Ministry of

			Langsung Sementara Masyarakat-(BLSM)	price of fuel caused by the decrease of the fuel subsidy. Implemented for short periods in 2005, 2008 and now in 2013. Currently beneficiaries' receive IDR150,000 (US$16.50) each over 9 months to compensate for high cost of fuel.	people's welfare
Jampersal	2011	2.6 million deliveries (60 per cent of estimated 4.8 million total deliveries)	Universal delivery care. Also known as Jampersal.	Universal delivery care, provides women with free birth delivery, pre-natal and post-natal check-ups, aimed at reducing the infant mortality rate.	Ministry of health
Jaminan Social Lanjut Usia (JSLU)	2006	13,250 beneficiaries in 2011	Assistance for vulnerable elderly	Cash transfer assistance for vulnerable elderly. Beneficiaries receive Rp 300,000 (around $33.30) per person.	Funded by the central government. Implemented by the Ministry of Social Affairs in cooperation with the post office.
Jaminan Social Penyandang Cacat (JSPACA)	2006	19,500 disabled people in 2011.	Social Welfare for Disabled	Cash transfer Assistance for people with severe disabilities. Program beneficiaries receive Rp 300,000 (around $33.30) per person per month.	Funded by the central government. Implemented by the Ministry of Social Affairs in cooperation with the post office
Program Kesejahteraan Social Anak (PKSA) -	2009	156,335 children beneficiaries in 2011	Child social welfare program	Provision of cash transfer for marginalized children in need. Targets street children; abandoned children; abandoned infants; disabled children with special needs; and children in trouble with the law (e.g. crime suspects, children in jail and children in court).	Funded by the central government. Implemented by the Ministry of Social Affairs with the post office and implementing agencies LKSA (*Lembaga Kesejahteraan Sosial Anak*) / Social Welfare Institution for Children.
	Social Insurance Programs				
Askesos	1995	359,000 members in 2011	Social welfare insurance for informal workers	Social welfare insurance program – an income replacement scheme for informal workers. The insurance provides one off cash payments in cases of sickness, work injury or death. Participants must have a minimum monthly income 300 Rupiah (or about US $ 35.00), and be aged between 20 and 59 years. Contribution rate is less than 60 US cents per month.	Managed by the Ministry of Social Affairs in partnership with community based organizations.
PT Jamsostek	1992	10,311,669 persons covered 2011 and 400,000 members in the informal sector pilot as of 2011	Labour social insurance or *jaminan social tenaga kerja*	Healthcare benefits (healthcare, work injury, death, and old age benefits) for formal sector– contribution is set at 3 percent of income for workers without dependents and 6 percent for those with dependents. Currently piloting a program for informal sector. Income mush be a minimum of IDR 1 million per month.	State owned limited liability company (perseroan terbatas) Ministry of state owned enterprises, ministry of manpower and transmigration.
PT Askes	1968	16,559,025 insured individuals in	*Asuransi Kesehatan* (Health Insurance)	Health insurance for private sector (armed forces, civil servants retired military	State owned limited liability company (*perseroan terbatas*) Ministry of defence.

		2010 (7 per cent of the total population)		veterans). Contribution 2 percent of salary.	Ministry of Finance, Ministry of health, Ministry of state owned enterprises.
PT Taspen	1963	2,361,408 pensioners receiving pensions and 4,598,100 active civil servants making contributions in 2011.	Government Civilian Employees Saving and Insurance Scheme	Pension and old age saving for civil servants. Contributes 3.25 -4.75 per cent of salary.	State owned limited liability company (*perseroan terbatas*) Ministry of Finance. Support of central government budget
PT Asabri	1963	1,159,715 members	Armed Forces Social Insurance Plan	Pension and old age savings for military and armed forces. Contributes 3.25 -4.75 per cent of salary (similar to *taspen*).	State owned limited liability company (*perseroan terbatas*) Ministry of state owned enterprises. Ministry of defence.
KUR	2007	6 million businesses in 2011	Loan program for small business	Microcredit, with government subsidised guarantee scheme. Cooperating banks distribute loans and the government guarantees these in case the loan defaults. The aim of the scheme was to improve banks' confidence in lending to small medium enterprises and improve small business growth.	Central government budget banks

Sources: Maryke van Diermen (Datta, Ajoy et al. 2011; International Labour Organization 2006; Satriana & Schmitt 2012; Sumarto & Bazzi 2011)