

Policy Brief: Inclusive Social Protection for Persons with Disability in Indonesia

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Summary Box

People with disability in Indonesia are at great financial risk. Nearly 9% of the population experience moderate or severe disability, and their costs of participating in society are significantly higher than their non-disabled peers. People with disability are therefore more likely to live in poverty and must often rely on family members for support who are struggling themselves.

While the existing social protections system provides partial income security for persons with disability, 94.5% of the people with severe disability do not benefit from social protection programs. A disability grant for people with severe disability, coupled with meaningful concessions, would offset the additional costs that they incur, and would significantly reduce poverty among persons with disability.

The disability grant could also complement existing social protection schemes, such as the PKH disability benefit as well as the employment insurance schemes that offer disability and worker's compensation for mainly formal sector workers. A comprehensive social protection system for persons with disability is implemented by over 60 countries globally, including many low and middle-income countries such as Nepal, Vietnam, South Africa, and Mauritius.

The right to social protection for persons with disability is stipulated in the UN Convention of Rights for People with Disability (UNCRPD) and instated in the Indonesian Disability Law (Law No 8/2016).

Indonesia has a significant number of persons with disability who are struggling to support themselves

According to the 2015 intercensal population survey (SUPAS)¹ almost 9 per cent of the population aged two and above have a moderate or severe disability, and the IFLS (2014) found that just over 10 per cent of the population aged 15 and above experience difficulties with

basic activities of daily living. Furthermore, evidence shows that, throughout the life cycle, people with disabilities in Indonesia have consistently lower educational attainment, lower health outcomes, fewer economic opportunities and lesser access to public services than people without disabilities.²

¹ SUPAS defines people with disability as having physical, mental, intellectual or sensory limitations, that in the long term can make it difficult for them to participate fully and effectively based on equal rights. SUPAS assesses the severity of disability by following the Washington Group disability questions.

² Cameron et al (2017), TNP2K (2014)

Table 1. Number of People with Disability in Indonesia in 2015 (based on age group)

Age Group	All Population	Persons with Moderate or Severe Disability		Persons with Severe Disability	
		Number	%	Number	%
Aged 0 - 6 yrs	24,083,555	1,047,703	4	305,918	1
Aged 7 - 18 yrs	38,230,392	622,108	2	173,217	0
Aged 19 - 59 yrs	162,732,512	9,549,485	6	1,449,725	1
Aged 60 yrs ++	21,609,716	9,888,281	46	2,683,278	12
Total	246,636,175	21,107,575	9	4,612,138	2

Source: calculated from SUPAS 2015 by TNP2K (2018)

For instance, children with disabilities are much less likely to have a birth certificate, attend primary school, and progress to secondary education as compared to children without disabilities of the same age.³

Adults with disabilities consistently participate less in the labor force than the general population and are mostly self-employed.⁴

Over 45 per cent of people above the age of 60 experience some form of disability, and just over 10 per cent experience severe disability, limiting their ability to support themselves in old age and requiring them to depend on others for support.⁵

Box 1. UNCRPD and Supporting Legislation for an Inclusive Social Protection System

The UN Convention of the Rights of Persons with Disabilities (UNCRPD), ratified by Indonesia in 2011, stipulate that persons with disabilities have the right to social protection without discrimination. Specifically, it states that social protection systems should:

- ensure adequate standards of living and protection from poverty
- help cover disability related expenditures and ensure access to appropriate and affordable services, devices and other assistance for disability-related needs
- provide support to children with disabilities and their families, with specific attention to women with disabilities
- strive for inclusion and participation of persons with disabilities

In line with the above principles, the National Law 8/2016 on persons with disabilities provides a legal framework for a comprehensive social protection system for persons with disabilities in different articles related to social welfare (articles 17 and 90-96), living independently and being included in the community (article 23), concessions (articles 114-116), women and children (articles 5 and 126) among others. Law 8/2016 also reinforces existing Law No. 40/2004 on the National Social Security System (*Sistem Jaminan Sosial Nasional or SJSN*), as well as the Director General of Treasury's Regulation (*Peraturan Direktur Jenderal Perbendaharaan*) No. 20 of 2006 on Technical Cash Disbursement for Severely Disabled People and for the Vulnerable Elderly (*Petunjuk Penyaluran dan Pencairan Dana Jaminan Sosial Penyandang Cacat bagi Penyandang Cacat Berat dan Jaminan Sosial Lanjut Usia bagi Lanjut Usia Terlantar*).

³ Cameron et al (2017)

⁴ Cameron et al (2017), TNP2K (2014)

⁵ Adioetomo, Mont, Irwanto (2014); WHO (2012); OECD (2015); Estimates are based on the 2010 census.

People with disabilities are more likely to fall below the national poverty line than their non-disabled peers. Figure 1 compares the prevalence of poverty (below IDR11,944 per day) among people with and without difficulties in carrying out the basic activities of daily living. Approximately 13 to 24% of households in Indonesia include at least one member with moderate or severe disability.⁶

Disability related expenses - such as inaccessible public transport, assistive devices, assistance for daily care, and healthcare - can result in families experiencing up to 30 per cent higher costs. Therefore, two households may have similar incomes, but if one household includes a person with a disability it will have a significantly lower standard of living.⁷

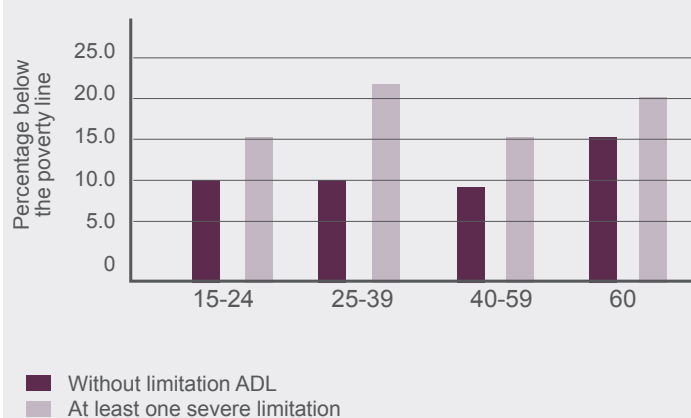
Disability related costs can vary significantly depending on the level and type of disability, and would be higher if people with disabilities could purchase all the goods and services that they require to participate equally in society.

Indonesia's social protection system for persons with disability can be significantly strengthened

The Government of Indonesia partially covers the needs of persons with disabilities through a range of health and employment insurance schemes and social assistance schemes (see Table 2). However, coverage is still inadequate and benefit levels can be increased. People with disability from the bottom 40 per cent of the socio-economic spectrum (approximately 1.2 million individuals) have access to fully subsidized health insurance (*Jaminan Kesehatan Nasional – Penerima Bantuan Iuran*, or JKN-PBI⁸).

A small number of assistive devices are provided through this scheme based on a medical assessment⁹ (4,028 cases in 2015; 6,196 cases in 2016; and 10,180 cases in 2017)¹⁰. However, approximately 94.5% of people with severe disabilities in Indonesia are lacking access to Indonesia's social protection system.

Figure 1: Poverty rates in Indonesia according to disability status, by age group



ADL = activities of daily living

Official BPS poverty line = IDR11,994 (or around USD2.39 PPP) per person per day

Source: IFLS (2014)

"People with disabilities are more likely to fall below the national poverty line than their non-disabled peers."

⁶ TNP2K (2014)

⁷ Groce *et al.* (2011)

⁸ UDB 2015, calculated by TNP2K 2018. Information on the total number of PwDs with access to the JKN program (the National Health Insurance) from the contributory scheme is not available.

⁹ See Permenkes No. 28/2014 and Permenkes 52 of 2016 clause 24 on the type, time-period and maximum cost ceiling of assistive device eligible under the JKN scheme (it includes hearing aid, prostheses, spinal corsets, collarnecks and crutches)

¹⁰ BPJS Kesehatan 2018 (<https://bpjs-kesehatan.go.id/BPJS/index.php/post/read/2018/827/JKN-KIS-Ramah-Bagi-Penyandang-Disabilitas>) (in 2015, it provided access to assistive device for 4.028 cases; 2016: about 6.196 cases and in 2017 of 10.180 cases)

Table 2: Coverage of persons with disabilities in disability specific social protection schemes

Social Protection Scheme	Description	No. of beneficiaries	Percentage of persons with severe disability benefiting from scheme
Non-Contributory Schemes/Social Assistance			
<i>Program Keluarga Harapan (PKH)</i>	PKH is Indonesia's flagship conditional cash transfer, reaching 10 million families in 2019. Currently, PKH families who have a person with disability receive an additional top-up of 2 million IDR/yr.	118,382 persons with severe disability are receiving disability top-ups (2018) ¹¹	2.6%
<i>Asistensi Sosial Penyandang Disabilitas Berat (ASPDB)</i>	ASPDB provides a cash transfer for people with severe disability. The transfer value is IDR300,000 per month.	22,500 (in 2017)	0.5 %
Skema Kontribusi/Jaminan Sosial			
Social Security for Employment schemes	BPJS Ketenagakerjaan (Social Security Agency for Employment) provides disability and work injury benefits through Jaminan Kecelakaan Kerja (JKK), Jaminan Kematian (JKM) and Jaminan Hari Tua (JHT) schemes	112,490 persons with disability received benefits from BPJS Employment (2017)	2.4%
PT. Taspen and PT Asabri	A small number of people receive disability benefits through the public service pension system for military and police, although the number of beneficiaries is unknown	N/A	N/A
No access to social protection coverage	Persons with severe disabilities who have no access to contributory or non-contributory schemes	4,358,766 persons with severe disability are currently uncovered	94.5%

Source: Bappenas (2016 and 2017) for ASPDB and PKH beneficiaries and Social Security Agency for Employment (2017)

Table 3: Coverage of persons with severe disabilities subsidized health insurance

Subsidized health insurance scheme (JKN-PBI)	BPJS Kesehatan (Social Security Agency for Health) subsidizes health insurance premiums for the poorest 40% of the population (including persons with disabilities). Benefits include access to assistive devices for a small number of individuals, based on a medical assessment.	1.2 million of persons with disabilities have access to JKN-PBI, and approximately 20,404 individuals received assistive devices from 2015 to 2017	27.5 %
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¹¹ Source: calculated from UDB Data from SK 71 – by TNP2K - 2018

Moving towards an inclusive social protection system for persons with disability

The key issue to consider is that persons with disabilities below and above the official poverty line face significant disability extra costs and barriers that impair socio economic participation, which either leads to poverty, or prevents sustainable escape from poverty.

It is therefore critical to provide comprehensive access to social protection for all persons with disability, as recommended by the UNCRPD Committee, the UN Special Rapporteur on the Rights of Persons with Disabilities, and the International Labour Organisation (ILO).

A multi-tiered social protection system for people with disability is shown in Figure 2, with each level of support further described.

Figure 2: Multi-tiered social protection system for persons with disability



Tier 1: PKH with disability 'top-up' (Non-Contributory)

The PKH scheme for the poorest families, inclusive of a top-up for persons with disability, is a positive step forward for offsetting the additional disability costs that the most vulnerable families incur. However, it is critical to ensure that the 'top-up' benefit is directly transferred to the person with disability within the PKH family. If the top-up is provided to the "*pengurus keluarga*" (existing PKH beneficiary, typically the female head within the family), the additional funds may be used towards meeting household needs but will not necessarily result in increased autonomy

for the person with disability. Furthermore, as a family graduates from PKH, the person with disabilities should retain their disability transfer, as these individuals will still require continued support to meet their additional costs of disability (e.g. assistive devices, extra costs of transport, etc).

However, given that PKH is a child grant focused on human capital development for future generations, in the long-term it is necessary to separate the disability grant from the PKH scheme, and manage the disability grant as a separate program (as suggested in Tier 2 below).

Tier 2: Disability grant for all adults and children with severe disability (Non-Contributory)

Given that only the poorest decile of the population benefit from PKH, and that mainly people in formal employment are covered by BPJS Employment's disability and worker's compensation schemes, a significant gap in coverage among persons with disability will remain.

Therefore, as a means of compensating persons with disability who do not reside in PKH households, a disability grant to all persons with severe disability (and not benefiting from BPJS employment schemes) should also be provided by the government. The proposed disability benefit should initially be set at IDR300,000 per individual per month, although the costs and impacts of setting the benefit at IDR200,000 and IDR400,000 per month have also been analysed. It is important that the grant provides a minimum level of income replacement, given that many caregivers of severely disabled children are often obliged to leave the labour market.

A disability benefit would also enable additional resources to be quickly mobilized to persons with disabilities in the aftermath of a natural disaster. In Tonga, for instance, the government topped-up the national disability benefit scheme in the aftermath of tropical cyclone Gita.

Tier 3: Disability insurance for those who acquire disability while engaged in employment (Contributory)

Individuals who have made contributions into BPJS' employment schemes and acquire disability while working could benefit from disability and worker's compensation schemes (JKK and JKM), although old age savings with a disability benefit (JHT) can be claimed more flexibly. These schemes would provide periodic cash, rehabilitation services, and access to specific return to work programs for eligible members.

For all tiers: Concessions

As a complement to these existing programs, meaningful concessions for everyday services could be offered for all person with disabilities. Concessions such as free education, free public transportation, discount on utilities, reservation for public housing programs, tax credit, and subsidized health insurance that adequately covers the needs of persons with disability are offered in countries as diverse as Nepal, India, Vietnam, Georgia or South Africa and most of OECD countries. Significant concessions are a popular and cost-effective way to partially compensate the additional costs for the vast majority of persons with disabilities.

Concessions also acknowledge that persons with disabilities and their families who may not be eligible for the other schemes also face significant disability costs and need some form of support. Concessions are affordable. In India, for instance, disability related concessions represent 0.007% of GDP and 15% of the total expenditure towards people with disabilities. Subsidized health insurance, or access to free transportation granted for persons with disability in Jakarta, are good examples of meaningful concessions which should be extended to cover all people with disabilities.



Nearly 9% of the Indonesian population experience moderate or severe disability, and their costs of participating in society are significantly higher than their non-disabled peers. Photo by Rachma Safitri - MAHKOTA documentation.

Box 2. International evidence on countries implementing comprehensive social protection systems

According to the 2015 ILO World Report on Social Protection, 60 countries globally are implementing a combination of contributory and non-contributory disability benefits. In recent years, many countries have made their targeted poverty assistance schemes more responsive to people with disabilities such as Indonesia, Zambia and the Philippines. However, low and middle-income countries are increasingly developing specific non-contributory disability benefits such as Georgia, South Africa, Bangladesh, Kenya and Fiji. Both Nepal and Vietnam, for instance, offer a fairly comprehensive social protection system for people with disabilities, combining social insurance disability schemes; non-contributory and unconditional disability benefits for both children and adults; as well as diverse concessions for education, transport or health care.¹²

South Africa has put in practice a lifecycle based social protection system for persons with disabilities that covers 65% of people with severe functional limitations. The system provides a child disability grant for children with severe disabilities, as well as a carer's allowance for their families; an adult disability grant for working age members with a severe disability; and a top-up of the old-age pension for the elderly who require additional care. In addition, a disability related income tax credit provides financial relief to higher earning households and individuals that are not eligible for the grants. As a result, the poverty rate among persons with severe functional limitations in South Africa has fallen from 71.9 per cent to 59.9 per cent, and the poverty gap has reduced by 46.8 per cent.¹³

Indonesia can afford to provide adequate social protection for persons with disability

The projected levels of investment required for providing a disability benefit would be 0.02% of GDP for a child disability benefit, and 0.03% of GDP¹⁴ for an adult disability benefit annually for the 2020–2024 period (refer Table 4).

This minimal investment would compensate people with disability for the additional costs they incur in accessing schools, healthcare facilities and employment; provide a minimum standard of living for those who are unable to work or are forced to work reduced hours; and instill a sense of dignity among people with disabilities by allowing them some financial independence.

Table 4: Levels of investment required for the 2020–2024 reforms as a percentage of gross domestic product

	Transfer value	2020	2021	2022	2023	2024
Child disability benefit	IDR200,000	0.01%	0.01%	0.01%	0.01%	0,01%
	IDR300,000	0.02%	0.02%	0.02%	0.02%	0,02%
	IDR400,000	0.03%	0.02%	0.02%	0.02%	0,02%
Adult disability benefit	IDR200,000	0.02%	0.02%	0.02%	0.02%	0,02%
	IDR300,000	0.04%	0.03%	0.03%	0.03%	0,03%
	IDR400,000	0.05%	0.05%	0.04%	0.04%	0,04%

Source: analysis undertaken by TNPK2 with data from IMF World Economic Outlook and UN DESA World Population Prospects

¹² Banks and AI (2018)

¹³ Kidd S, Wappling L, Bailey-Athias D and Tran A (2018)

¹⁴ Note: Administrative costs for targeted programs – are assumed to be 5 per cent of the transfer costs. Source: analysis undertaken by TNPK2 with data from IMF World Economic Outlook and UN DESA World Population Prospects

Initially, the program would cover over 860,000 children with severe disabilities (about 1 per cent of all children) and 1,596,000 working-age adults with severe disabilities (1 per cent of the working-age population) (refer to Table 5)¹⁵.

The disability benefit would reduce the poverty rate across households with a member with a severe disability by 44 per cent and the poverty gap by 53 per cent.

Table 5: Coverage of people with disabilities in proposed programs (2020–2024)

Program	2020	2021	2022	2023	2024
Child disability benefit	860,000	858,000	857,000	856,000	855,000
Adult disability benefit	1,596,000	1,618,000	1,639,000	1,659,000	1,679,000

¹⁵ Based on simulations using data on disability from SUPAS (2015) as published in TNP2K 2018 Publication

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