

# The Potential Use of NTAs in Indonesia's Social Policy Formulation Process

Regional Meeting on National Transfer Accounts (NTAs) in Asia  
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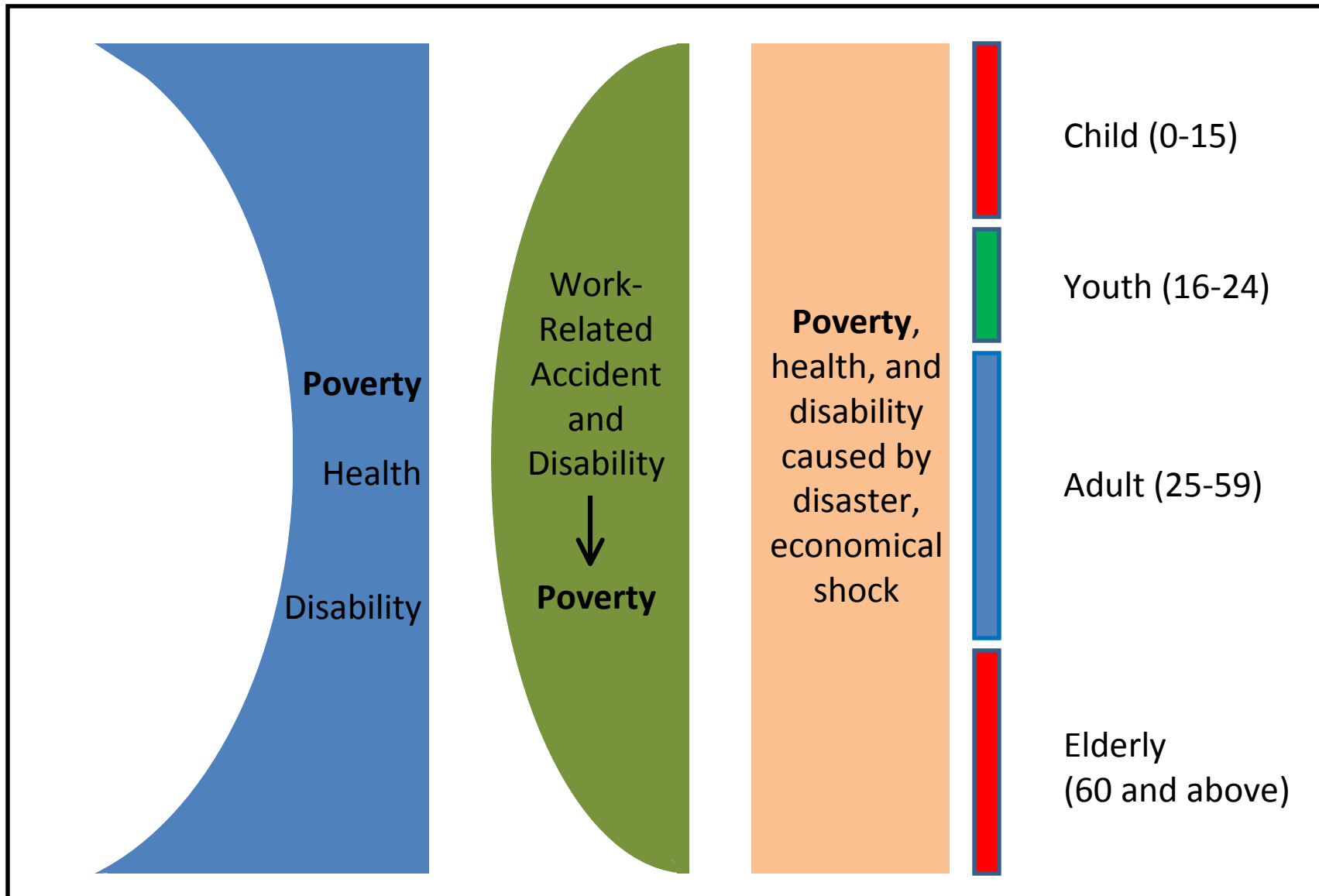
Directorate of Social Protection and Welfare  
Ministry of National Development Planning

# Socio Economic Profile of Indonesia

Population (2010)	238.5 million
<i>0 – 14</i>	<i>28.6%</i>
<i>15– 64</i>	<i>66.5%</i>
<i>65 and above</i>	<i>4.9%</i>
Population growth (2000-2010)	1.49%
Dependency Ratio (2010)	50.5
Unemployment rate (Feb 2013)	5.9%
Income/capita (2012)	USD 3,557
Economic growth (2012)	6.85%
Poverty index (Sept 2013)	11.47%
Human Development Index (2012)	73.29
Access to proper water source (2012)	41.11%.
Access to proper sanitation (2012)	57.82%.

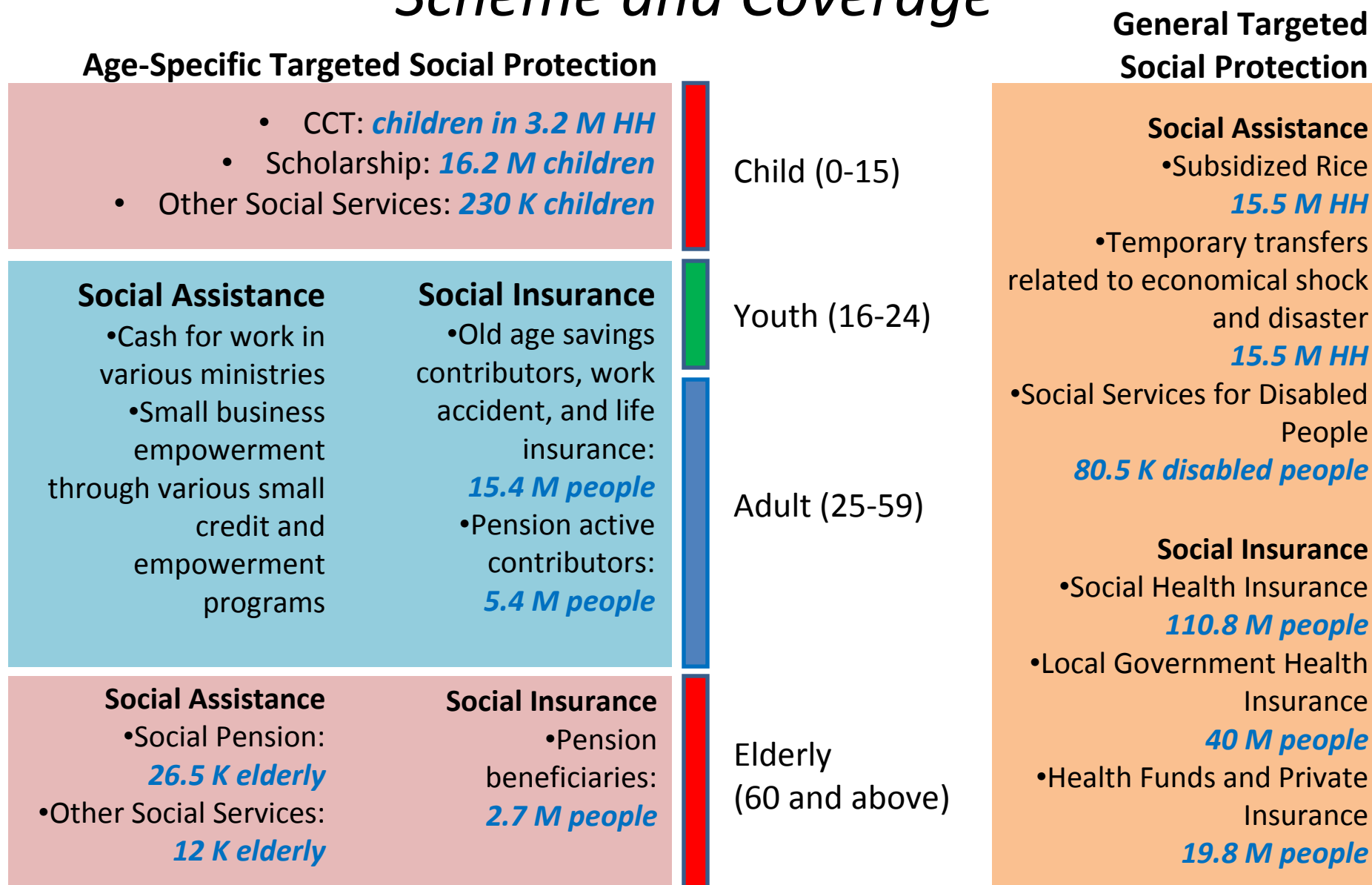
*Source: Statistics Indonesia, World Bank*

# Different Distribution of Risks Based on Life Cycle



# Current Social Protection Programs in Indonesia

## *Scheme and Coverage*

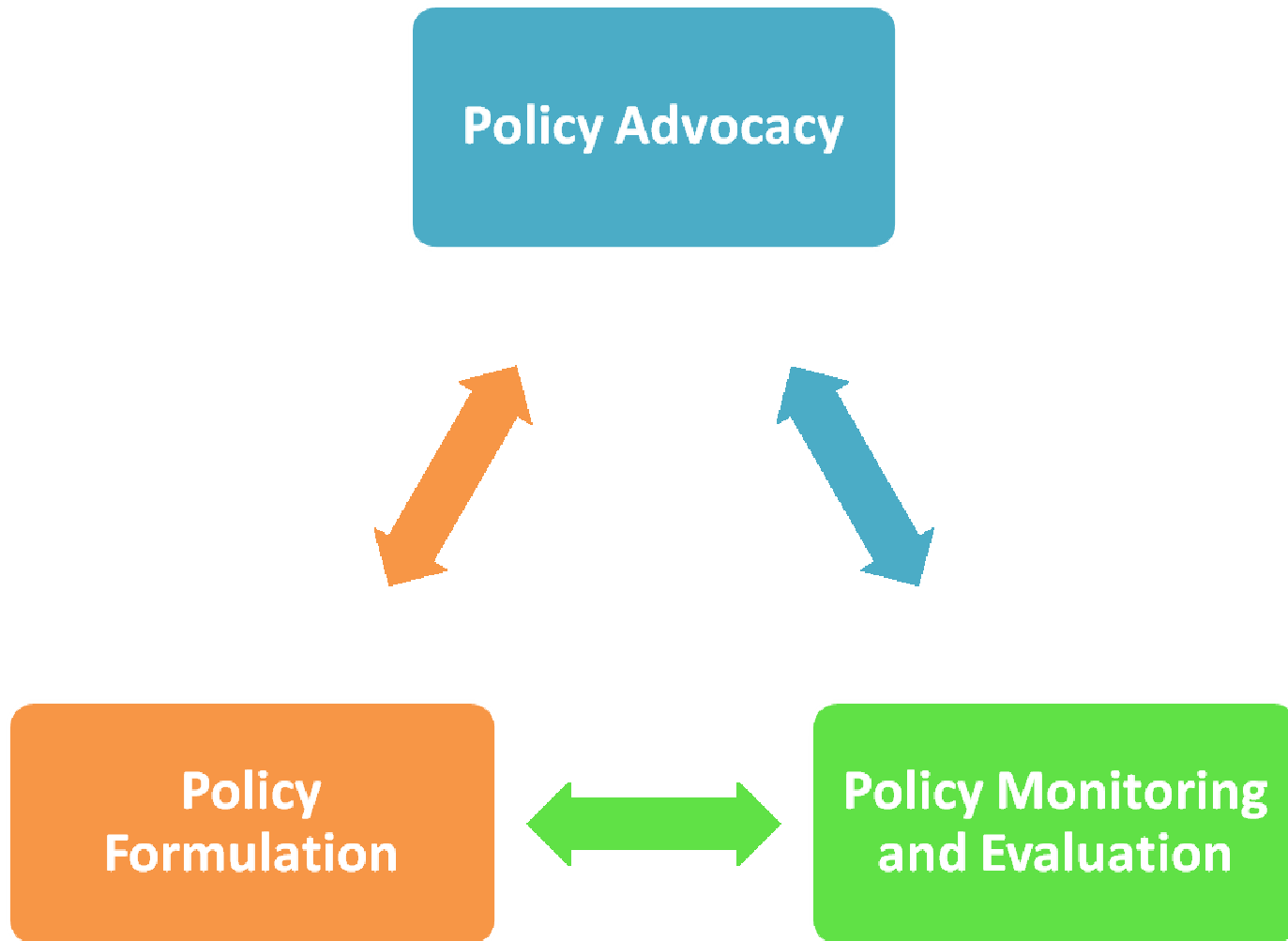


Source: Program documents

# Future Social Protection Policy

- Improvement in Social Assistance Programs
  - Development of a more integrative system → Family Based Social Assistance.
  - More emphasize, commitment, and focus on elderly and disabled population.
- Improvement in Social Insurance Programs
  - Schemes development to include more population, especially those engaged to informal economy
  - Schemes improvement to provide more comprehensive protection
  - More emphasize to old-age related social insurance

# Potential Use of NTAs in Policy Making Process



# Potential Use of NTAs

Context: Social Protection Policy for Elder People

## 1. Policy Advocacy

- Evidence based policy making process
- Current situation on elderly's welfare
- The incoming aging population

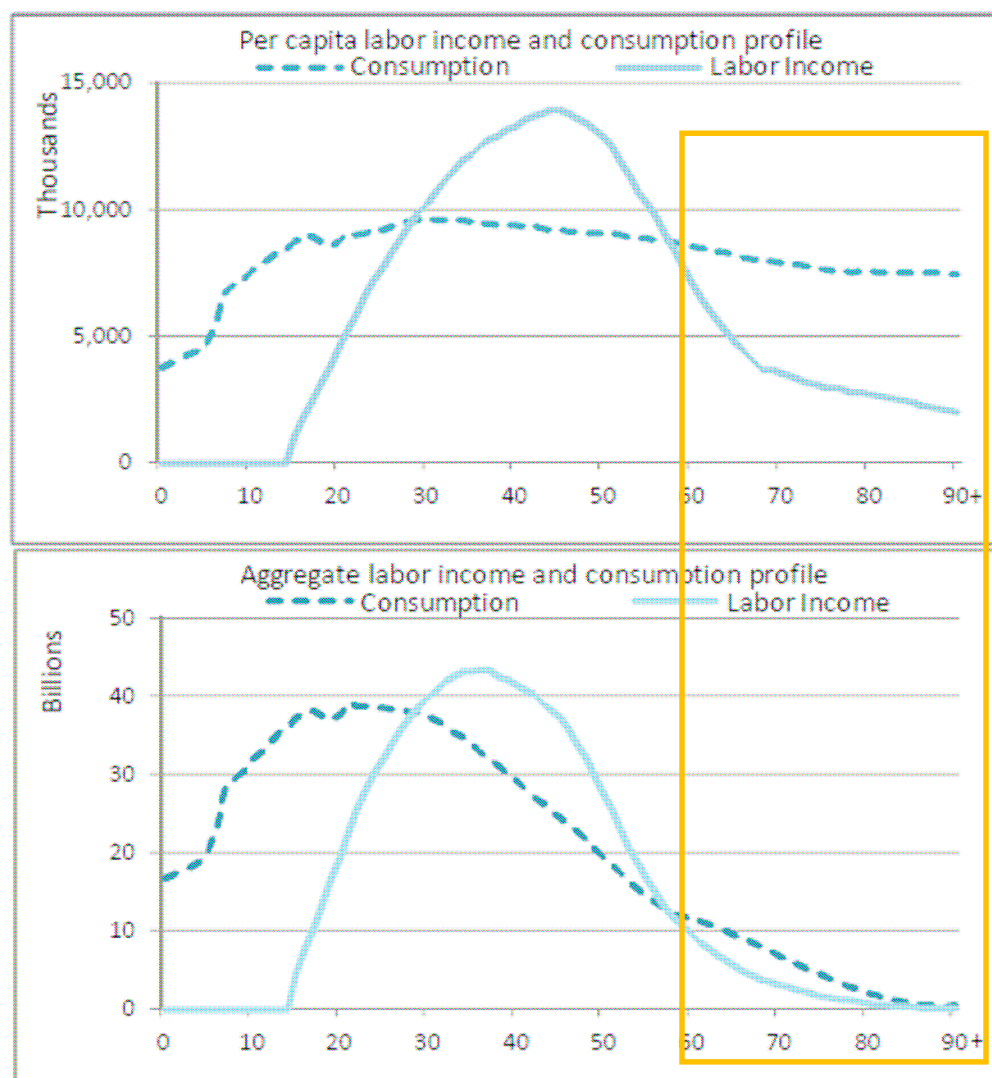
# Indonesia's NTAs (2005)

**National Transfer Accounts summary, per capita values**

THB	All ages	0-19	20-64	65+
Lifecycle Deficit	1,955,138	6,126,404	-1,064,193	4,358,138
Consumption	8,191,452	6,736,039	9,197,258	7,842,547
Less: Labor Income	6,236,313	609,634	10,261,452	3,484,409
Transfers	207,163	5,805,524	-3,314,343	-2,017,587
Public Transfers	5,768	1,086,764	-724,671	94,327
Private Transfers	201,395	4,718,760	-2,589,672	-2,111,914
Asset-based Reallocations	1,747,975	320,880	2,250,150	6,375,725
Asset Income	4,626,565	538,147	7,203,983	6,192,725
Less: Saving	2,878,590	217,266	4,953,834	-183,000

**National Transfer Accounts summary, aggregate values**

1000000 THB	All ages	0-19	20-64	65+
Lifecycle Deficit	441,984	523,914	-136,293	54,364
Consumption	1,851,785	576,048	1,177,908	97,829
Less: Labor Income	1,409,800	52,134	1,314,201	43,465
Transfers	46,832	496,473	-424,473	-25,168
Public Transfers	1,304	92,937	-92,810	1,177
Private Transfers	45,528	403,536	-331,664	-26,344
Asset-based Reallocations	395,152	27,441	288,180	79,531
Asset Income	1,045,895	46,021	922,626	77,249
Less: Saving	650,743	18,580	634,446	-2,283



Source: Maliki in NTAs Country Report, Indonesia, 2005

# Potential Use of NTAs

Context: Social Protection Policy for Elder People

## 1. Policy Advocacy

- Evidence based policy making process
- Current situation on elderly's welfare
- The incoming aging population

## 2. Policy Formulation

- Provide information for social policy planning
  - Type of intervention/transfer policy
  - Targeted beneficiaries
  - Formulating benefit type and level, etc

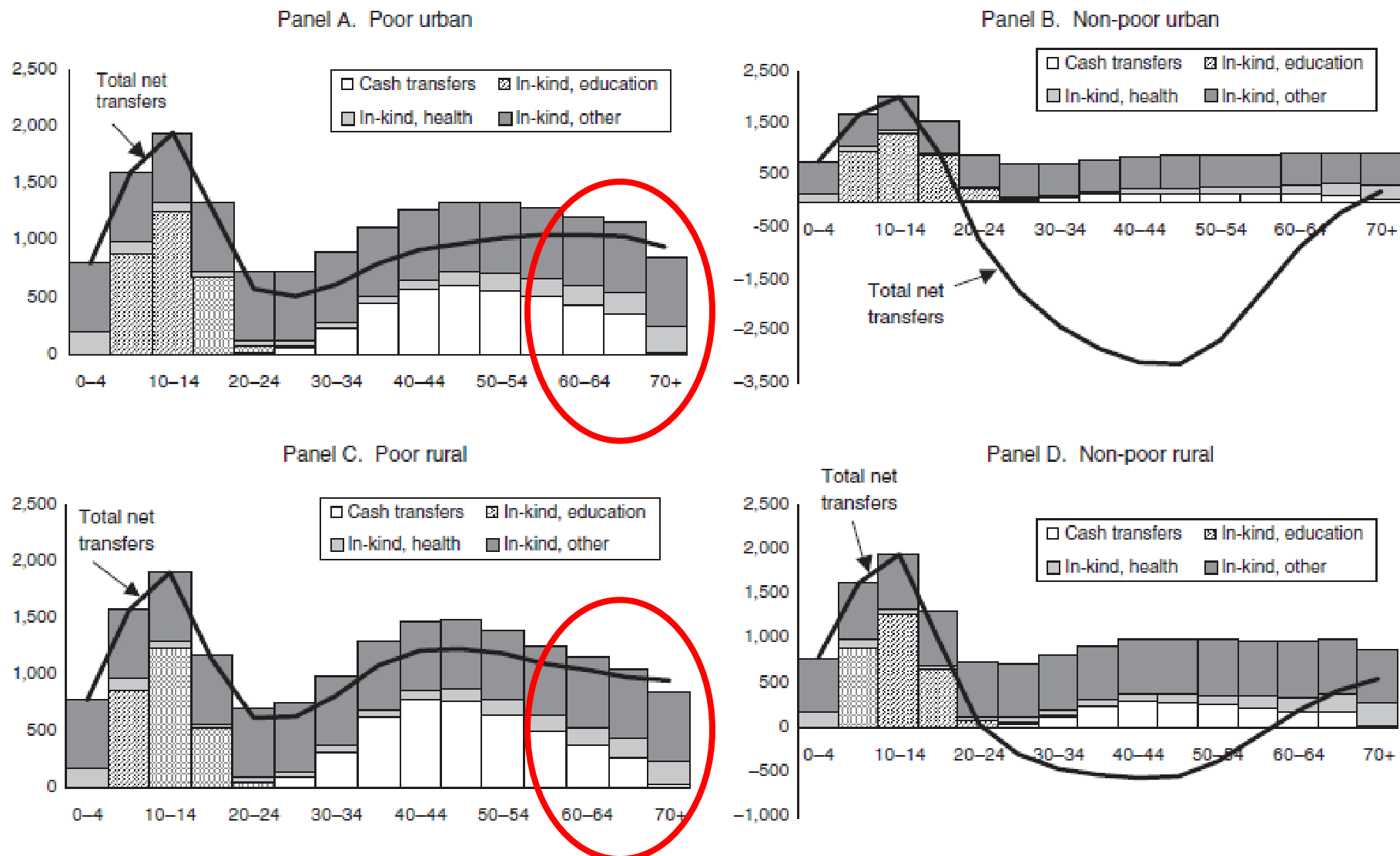


Figure 30.1 Per capita public transfer inflows and per capita net total public transfers, by income level, place of residence, and age group: Indonesia, 2005 (thousand rupiah)

Source: Maliki, 2011

# Potential Use of NTAs

Context: Social Protection Policy for Elder People

## 1. Policy Advocacy

- Evidence based policy making process
- Aging population
- Create the political will

## 2. Policy Formulation

- Provide information for social policy planning
  - Type of intervention/transfer policy
  - Targeted beneficiaries
  - Formulating benefit type and level, etc

## 3. Policy Monitoring and Evaluation

- NTAs can be utilized as a general instrument to monitor and evaluate social transfer programs
  - Monitoring the sustainability of the program
  - Evaluating the scheme's potential and actual effectiveness
  - Evaluating the scheme's targeting effectiveness

# Recommendations for Higher Utilization of NTAs

- Conduct more socialization and dissemination of NTAs → to increase awareness among policy maker about the availability and potency of NTAs instrument
- Create a more updated NTAs calculation/studies → to better inform policy making process
- Enable more variations on NTAs calculation/studies, addressing more specific issues/population group → to enable policy makers in generating more specific policies/addressing more specific problems

*Thank you*