

## Abstract

# **The Vulnerable People of Indonesia and the Social Security**

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Indonesia's most significant achievements since the 1970s have been the reduction in proportion of people living below the national poverty line. The proportion of population living in income poverty has been declining from around 60 percent in 1970s to 18 percent in 1996. From 1997, as a result of the crisis, poverty rose steeply to 23 percent in 1999. By 2002, however, the level had fallen back to 18 percent or 38 million people. It should also be emphasized that income poverty has been consistently higher in the rural areas than in the urban areas: in 2002 the rate was 21 percent in the rural areas but only 15 percent in the urban areas (Statistics Central Agency, 2003).

Despite the success story on reducing the poverty rate, Indonesia still observes the existence of some of the poor that are worse off than others. These vulnerable people exposed to many kinds of shock, such as sudden price increases, or the loss of employment, or family sickness or death. The vulnerable people's condition has been worsening when there is no comprehensive social security applied for them. At present social security in Indonesia is generally available only to workers in public and private formal employment. Most vulnerable Indonesians have strong reliance on the extended family and communities to provide an informal social safety net against lost of income, ill health or other misfortune.

The 2001 study on the Social Economic Security in Indonesia confirms the situation by providing information on those people living in some forms of social and economic insecurity. The study data shows who experiences more or less insecurity than others; how they cope with their vulnerability; and what mechanisms and institutions exist and are used to help people to overcome the insecurity, etc. The rich data that covered 3000 households was drawn from 4 provinces in Indonesia that is North Sumatra, the capital city of Jakarta, Central Java and West Nusa Tenggara. The study that aimed to obtain a wide range of information regarding social economic security for

workforce community in Indonesia covers poor area, districts with low educational level community and disabled persons, in rural and urban areas. Sample respondents in the poor enumeration areas in a village include those who stay in a house with soil/dirt floor, who don't finish elementary school, who don't have Health Card and who don't have identity card (in Indonesian: KTP). Poor households in urban enumeration areas were generally identified as those who located in slum areas, who do not have KTP (identity card) that confirms that they are illegal residents, who are homeless drifter and trash collector, or who live in riverside area that they use the river as their toilets.

While most Indonesians suffer from some forms of insecurity, a primary aim of the analysis is to identify and focus on the characteristics of the most vulnerable people in the country. In fact, the sampling methodology was designed to provide much better information concerning the characteristics of the most vulnerable than is available. Knowing the characteristics of the vulnerable people of Indonesia and the very limited availability of social security schemes would drive us to the awareness that there are people who are really need to be alleviated from worse situation. The data reveals that only about 14 percent of workers, that is 13.5 million workers out of total workforce of about 98 million people, are currently covered by mainstream social security schemes.

The Social Economic Security data will be descriptively analyzed through the constructing of contingency tables. The study results recognize that different types of household are likely to experience very different degrees and forms of insecurity. Inequalities between men and women, between people living in urban and rural areas, between people of different ages, as well as many other dimensions of inequality are pervasive features of low-income societies. In other words, by tabulate results that highlight the most striking inequalities and their relationships to the various forms of insecurity experienced by the most vulnerable people, we would be able to have comprehensive understanding of the vulnerable people of Indonesia. And this could provide interesting, policy-relevant conclusions of the study, which in turn could be used as the basis for particular intervention provided by the government or other institutions.