

UNDP- FISCAL AGENCY WEBINAR

Reforming Social Protection System Amidst COVID-19 Pandemic

Remarks by UNDP Indonesia, Resident Representative, Christophe Bahuet

Good morning ladies and gentlemen.

I am very pleased to welcome you to this webinar on Reforming Social Protection System Amidst COVID-19 pandemic, a joint webinar held by UNDP and Fiscal Policy Agency of Ministry of Finance.

I would like to especially welcome Bapak Febrio Kacaribu, Head of Fiscal Agency of Ministry of Finance; Balasz Horvath, Senior Advisor of UNDP Regional Office of Asia and the Pacific; Ibu Vivi Yulaswati, Expert Staff of Social Affairs and Poverty Alleviation of Ministry of National Development Planning; Ibu Athia Yumna, Deputy Director of Research and Outreach of SMREU Research Institute; and Bapak Rus'an Nasrudin, Lecturer at Faculty of Economics and Business Universitas Indonesia.

Social protection is a well-known concept in Indonesia, and in most of the countries in the world. All central and local Government officials know what it is, all citizens knows what it is. Social protection in various forms, with various schemes depending on countries is today considered as part of the relations between the State and citizens. Allocations for social protection is considered as part of a normal national budget.

However, there was a time, in the early XX century, when things were very different. Social protection not only did not exist but was hardly considered as a possible prospect. Workers and citizens did not dream of benefiting from it. Governments did not want to allocate funding just to protect citizens. And many banks would have been loudly claiming that this would not be a wise use of money, that this would not be good for the economic growth and would just not work.

And nevertheless, with time, mentalities changed, and some political and economic leaders had the courage to challenge the traditional views and make bold decisions. And social protection was invented, accepted and implemented. And this was a turning point in the economic-social history because it changed the life of millions of people, though many remained and still remain left out and without social protection rights.

Today, in the early part of the XXI century, we may be in a similar situation, one where there could be another turning point in the economic-social history, if State leaders and Government officials have the courage to make the decisions that will change the life of citizens, of all the citizens.

The COVID-19 crisis confirms a reality that many had recognized in recent years. Social protection as we know it today is not enough. Targeting has many flaws, leakages are too many, and many citizens are left without protection, when they most need it like when an economic or a health crisis hit them.

UNDP, as the organization of the United Nations system that stand for human development and progressive ideas has been over the recent months demonstrating that social protection as we know it today does not work well and is not enough. UNDP has been calling to think about social protection in a new way drawing the lessons from the COVID-19 and preparing for the next crisis to come for which Government responsibility is to give a better protection to all citizens. In a moment, our UNDP Senior economist Mr. Balazs Hovarth will present an analysis that UNDP has made for the Asia-Pacific region. Our Office of UNDP Indonesia has translated in Bahasa, and that I would very much invite you to read because it shows why social protection is not enough in this period, and why it needs to be not only adjusted with minor changes but transformed with a new way of thinking.

As part of its analysis of social protection needs in the world of today and tomorrow, UNDP has been also advocating with a solid economic rationale, for universal coverage in the form of a temporary scheme, or in the more ambitious permanent Universal Basic Income, which has been already implemented in several placed. UNDP together with BKF has also done a study about what IBU can mean for Indonesia, which I would also encourage you to read. Like in the early past centuries, there are voices to say that universal coverage is not economically feasible or socially desirable, and many would still prefer to stick with the system we have, like many who 100 years ago thought social protection was not a good idea.

But with the COVID-19 shock, more senior people in the political, economic and financial spheres are starting to think differently, to embrace a vision of a different social protection system and a different society. As Balazs will explain, availability of financial resources can be the excuse but in reality, it is not the obstacle for universal coverage to happen, and there is strong social and economic reasons to move to a totally new model.

Because it is placed in this context of imagining a different future, our discussion is not about business and is not about the new normal. It is about the need and the real possibility to change social protection to benefit all citizens, and in truth, leave no one behind.

Ladies and Gentlemen,

I will be leaving Indonesia at the end of this week, completing 5 years of assignment in this beautiful country. I hope that Indonesia will be one of these countries that adopts and implement the transformation of social protection for all, and I wish Indonesia and its people the very best for a better safer future.