Social Insurance
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Why do governments engage in social insurance programs?

- **Group shocks**
  - Informal insurance mechanisms break down

- **Insurance market break downs**
  - Adverse selection
  - Moral hazard

- **Help facilitate markets**
  - e.g. unemployment insurance
Not just a “developing country” problem....
In fact, social insurance spending rises with GDP.
Research to improve social insurance programs

- Different ways to design and improve programs
- Often times, different designs have tradeoffs in policy goals
- Understand how policies and programs can be improved within Indonesia’s diverse context
How do you get people to enroll in health insurance?
WAJIB DAFTAR BPJS!

Pemerintah sedang menyiapkan aturan agar kepesertaan BPJS menjadi syarat mengurus:

- Paspor
- Sertifikat Tanah
- SIM Motor dan Mobil
- STNK Motor dan Mobil
- Izin Mendirikan Bangunan
- Izin Usaha
- Izin Tenaga Kerja
Some results

• Information campaigns and “assisted” help in registration were less useful in increasing enrollments than hypothesized.

• Subsidies can increase the goal of increasing enrollments, but may not necessarily reduce government costs.
Conclusions

• Social insurance important policy tool

• High-quality research is necessary in ensuring that we design programs in ways that meet policy goals, and help reduce the risks poor households face.
Thank you.