

ASEAN SOCIAL SECURITY ASSOCIATION

**SOCIAL SECURITY PROFILES
IN ASEAN COUNTRIES**

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FOREWORD

One of the considerations for the establishment of the ASEAN Social Security Association (ASSA) is to be a forum whereby the members could exchange views and experiences regarding relevant social security issues. This primary consideration is manifested in one of the objectives of the ASSA to exchange experiences, statistical data and information for social security.

“Social Security Profiles in ASEAN Countries” is the product of a cooperative effort among social security institutions in this region. The first of its kind, it may be regarded as an embryo for further development in the systematic approach and methodology as well as in the scope of its coverage. Eventually, the compilation and drawing up statistics on social security in the ASEAN countries might form the basis for comparisons among the countries.

In this first report, permit me to acknowledge all of the leaders of the social security organisations in ASEAN countries that provided the information for this edition. Special thanks go to the ASEAN Secretariat in Jakarta who helped provide data and information for the profiles of the ASEAN countries.

AWALOEDIN DJAMIN

Chairman

ASEAN Social Security Association

CHAPTER I

PROFILES OF ASEAN COUNTRIES

1. Comparative Profiles of ASEAN Countries.

The social security system prevailing in each country depend on a variety of factors, many peculiar to a specific country as determined by its demographic structure, labour and employment situation, as well as its tradition, history, level of socio-economic development, and social philosophies.

It is therefore relevant to observe different political and social structure as well as demographic and economic indicators prevailing in ASEAN member-countries in order to appreciate their distinctive social security schemes.

2. Political structure.

Indonesia.

Official name : Republic of Indonesia.

Form of government : Presidential government based on the state ideology of Pancasila.

The executive : Presidency is highest executive office, with direct legislative powers and authority to appoint cabinet; the president is elected for a five-year term by the People's Consultative Assembly (Majelis Permusyawaratan Rakyat/MPR).

Head of state : President.

National legislature : The 1,000-member MPR is nominally the highest authority in the state and consists of members of the House of People's Representatives (Dewan Perwakilan Rakyat, DPR) and 500 appointed members; the MPR meets every five years to establish the guidelines of state policy and elect the president and vice-president; the 500-member DPR must approve all laws; 425 members are elected, while 75 representing the armed forces are appointed by the president.

Main political organisations : Majority party: Sekretariat Bersama Golongan Karya (Golkar); minority parties: Partai Persatuan Pembangunan (PPP, coalition of previously moslem parties), Partai Demokrasi Indonesia (PDI, coalition of previously non-moslem Parties).

Malaysia.

Official name : Federation of Malaysia.

Form of state : Federated constitutional monarchy.

The executive : The King appoints a prime minister and, on the prime minister's advice, a cabinet.

Head of state : The Yang di-Pertuan Agong (king or supreme sovereign) elected by the Conference of Rulers from one of the nine hereditary rulers.

National legislature : Bicameral federal parliament. The Senate (Dewan Negara) has 68 members, 26 of whom are elected from the state legislatures and 42 appointed by the king. The House of Representatives (Dewan Rakyat) has 194 directly elected members. The Senate has a six-year term of office and the House of Representatives a five-year term.

State government : There are state governments in each of the 13 states, in nine of which the heads of state are hereditary rulers. Each state has its own constitution. A Council of State or cabinet has executive authority in the state and each state has a legislature which legislates on matters not reserved for the federal parliament.

National government : The Barisan Nasional, the governing coalition, the main component of which is the United Malays National Organisation (UMNO) Baru, won 164 of the 194 seats in the Dewan Rakyat in the 1995 general election. The Barisan has the two-thirds majority required to pass constitutional amendments.

Main political organisations : Government: the main parties in the Barisan Nasional are UMNO Baru, the Malaysian Chinese Association (MCA), the Malaysian Indian Congress (MIC), Gerakan Parti Pesaka Bumiputera Bersatu (PPBB) and Sarawak National Party (SNAP); opposition: Parti Islam Sa-Malaysia (PAS), the Democratic Action Party (DAP) and Parti Bersatu Sabah (PBS).

The Philippines.

Official name : Republic of the Philippines.

Form of government : Under the 1987 constitution government is based on separation of powers between executive presidency, bicameral legislature and independent judiciary.

The executive : President is chief executive, head of state and commander-in-chief; serves no more than one six-year term; may approve bills passed by Congress or may exercise veto which can be overridden only by two-thirds majority of Congress; cabinet appointments subject to approval by Congressional Commission of Appointments.

National legislature : Congress of the Philippines consisting of a Senate (of 24 members) and a House of Representatives (of 204 members); senators nationally elected for six-year terms; representatives sit for three-year terms.

Legal system : Based on common law; 1987 constitution contains Bill of Rights and prescribes a judiciary with Supreme Court at apex.

Main political organisations : Lakas ng Edsa-National Union of Christian Democrats (Lakas), a government party with 130 seats in the lower house; Laban ng Demokratikong Pilipino (Laban); Nationalist People's Coalition (NPC); Partido ng Masang Pilipino (PMP); Communist Party of the Philippines (CPP); Moro National Liberation Front (MNLF); Moro Islamic Liberation Front (MILF).

Singapore.

Official name : Republic of Singapore.

Form of state : Parliamentary democracy.

The executive : The prime minister and cabinet are appointed by the president and are responsible to parliament.

Head of state : The president, for a five-year term.

National legislature : Unicameral parliament of 83 elected members; 9 members are directly elected from single-member constituencies and 74 are elected in teams of 4-6 to represent the 15 Group Representation Constituencies (GRCs). At least one member of any group standing for the GRCs must be from an ethnic minority, that is non-Chinese. Non-constituency and nominated MPs can also sit in parliament.

Legal system : Courts of first instance ultimately lead, on appeal, to the Supreme Court, the members of which are presidential appointments.

National government : The ruling People's Action Party (PAP) won 65% of the 1997 votes and holds 81 seats in parliament.

Main political organisations : Government: People's Action Party (PAP); opposition: Workers' Party (WP); Singapore Democratic Party (SDP); National Solidarity Party (NSP); Singapore Justice Party (SJP); Singapore Malay National Organisation (SMNO); Singapore People's Party (SPP).

Thailand.

Official name : Kingdom of Thailand.

Form of state : Constitutional monarchy.

The executive : The constitution requires that the prime minister be an elected member of the House of Representatives.

Head of state : King Bhumibol Adulyadej.

National legislature : The legislature consists of a 393-member elected House of Representatives and a 270-member Senate appointed by the king.

Main political organisations : New Aspiration Party (NAP), Democrat Party (Dem), Chart Pattana (CP), Chart Thai (CT), Social Action Party (SAP), Prachakorn Thai (PT), Solidarity Party, Seritham, Muan Chon (MC).

3. Economic and Demographic Data

Indonesia

	1996	1997	1998	1999	2000	2001	2002
Economic growth (%)							
GDP	8.0	6.6	-4.8	3.5	4.1	6.8	5.0
Private consumption	15.3	7.0	-2.0	2.0	3.5	5.5	4.5
Government consumption	3.8	2.5	0.5	1.0	2.0	2.3	2.5
Gross fixed investment	14.9	5.5	-3.5	1.5	6.0	8.5	7.0
Exports of goods & services	5.5	10.0	2.8	3.8	8.3	11.7	13.5
Imports of goods & services	18.2	8.0	-1.1	3.4	9.8	10.6	11.6
Change in stockbuilding (% of GDP)	2.1	0.1	3.6	1.7	0.5	0.4	0.0
Domestic demand	11.4	6.2	-5.7	3.4	4.6	6.6	4.5
Sectoral output (% change)							
Agriculture	1.9	1.3	-2.0	2.6	2.0	1.7	2.0
Industry	10.5	6.5	-5.3	4.5	6.1	8.5	9.0
Services	7.9	8.7	-5.2	2.9	2.7	6.9	1.5
Population, income and market size							
Population (m)	196.9	200.1	203.4	206.7	210.0	213.3	216.7
GDP (\$ bn)	227.4	209.0	107.4	135.9	147.1	159.9	164.0
GDP per head (\$)	1,150	1,040	530	660	700	740	75.6
Private consumption (\$ bn)	139.0	128.7	66.9	83.8	90.5	96.3	100.2
Private consumption per head (\$)	710	640	330	410	430	450	400
Economic structure (% of GDP)							
Private consumption	61.1	61.6	62.3	61.7	61.5	61.0	60.9
Government consumption	7.6	7.4	7.7	7.5	7.4	7.1	6.9
Gross fixed investment	32.1	38.0	38.3	37.6	38.3	39.1	39.9
Exports of goods & services	25.8	26.6	27.9	28.0	29.0	30.5	33.1
Imports of goods & services	26.7	27.0	27.6	27.6	29.0	30.2	32.2
Agriculture	15.2	15.8	15.4	15.5	15.5	15.1	15.0
Industry	42.8	37.2	40.4	40.0	39.7	38.8	38.0
Services	42.0	46.9	44.2	44.5	44.8	46.1	48.0
Policy indicators (% of GDP)							
Government expenditure	14.7	14.8	14.0	13.2	12.5	12.6	12.0
Government revenue	15.8	15.4	12.7	12.9	12.6	12.5	12.0
Budget balance	1.2	0.7	-1.3	-0.3	0.1	0.0	-0
Government debt	27.8	34.6	73.4	62.0	56.1	49.5	46.0
Wage and price inflation (%)							
Consumer prices (av)	8.0	7.5	55.0	15.5	8.5	7.0	7.5
Consumer prices (year-end)	6.6	11.6	28.7	12.5	7.5	7.8	6.0
Real wages	3.7	2.3	-29.4	-5.6	0.5	0.9	3.0
The labour market							
Labour force (m)	91.0	93.2	95.4	97.6	99.8	102.0	104.2
Unemployment rate (%)	4.5	4.8	8.4	7.4	6.7	6.0	5.5
Financial indicators							
Exchange rate Rp: \$ (av)	2,342.3	2,909.4	8,500.0	8,000.0	8,320.0	8,819.2	9,524.0
Exchange rate Rp: \$ (year-end)	2,383.0	4,650.0	8,250.0	8,160.0	8,569.6	9,172.0	9,715.0
Short-term interest rate (av: %)	19.2	21.8	28.0	22.0	19.0	17.8	16.5

Indonesia

	1996	1997	1998	1999	2000	2001	2002
Current account (\$ bn)							
Current-account balance	-8.0	-6.1	-2.1	-4.2	-3.9	-2.7	-1.6
% of GDP	-3.5	-2.9	-2.0	-3.1	-2.6	-1.7	-1.0
Goods: exports fob	49.8	52.9	52.5	54.3	57.2	62.9	70.8
Goods: imports fob	-42.9	-42.4	-39.5	-43.3	-45.2	-49.3	-54.7
Trade balance	6.9	10.5	13.0	10.9	12.0	13.6	16.1
Services: credit	6.2	6.7	7.5	8.3	10.2	11.1	12.0
Services: debit	-13.8	-13.5	-12.8	-13.1	-14.6	-15.6	17.3
Services: balance	-7.6	-6.8	-5.3	-4.8	-4.4	-4.4	-5.3
Income: credit	1.6	1.8	1.9	2.0	2.0	2.4	2.4
Income: debit	-9.8	-12.5	-12.6	-13.3	-14.4	-15.2	-15.9
Income balance	-8.2	-10.7	-10.7	-11.3	-12.4	-12.8	-13.5
Current transfers: credit	0.9	0.9	1.0	1.0	1.0	1.0	1.2
Current transfers: debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current transfers balance	0.9	0.9	1.0	1.0	1.0	1.0	1.2
Foreign debt							
Total foreign debt (\$ bn)	109.3	133.7	134.2	139.8	140.1	137.8	139.3
% GDP	48.1	64.0	124.9	102.9	95.2	87.3	84.7
Debt-service ratio, paid (%)	31.0	33.5	37.9	36.3	34.9	32.5	30.2

Malaysia

	1996	1997	1998	1999	2000	2001	2002
Economic growth (%)							
GDP	8.2	7.0	1.6	2.8	5.0	6.0	5.8
Private consumption	8.0	5.2	-3.0	1.3	3.8	4.0	4.5
Government consumption	0.4	4.2	2.0	2.5	2.5	2.0	1.5
Gross fixed investment	8.7	7.5	1.6	3.0	5.0	6.5	7.0
Exports of goods & services	7.8	3.8	7.0	8.5	10.0	11.0	11.5
Imports of goods & services	6.0	3.7	4.8	8.0	9.0	10.0	11.0
Change in stockbuilding (% of GDP)	1.1	0.7	0.0	0.2	0.0	0.0	0.0
Domestic demand	7.3	6.1	-0.3	2.2	4.2	4.9	5.3
Sectoral output (% change)							
Agriculture	-0.6	2.0	0.8	1.0	2.5	2.5	2.0
Industry	11.3	5.0	1.5	3.5	5.5	6.0	6.5
Services	6.1	11.0	1.9	2.5	5.7	6.9	6.0
Population, income and market size							
Population (m)	21.2	21.8	22.3	22.8	23.3	23.8	24.3
GDP (US \$ bn)	99.3	95.1	65.5	59.2	61.8	68.4	74.3
GDP per head (US \$)	4,683	4,373	2,937	2,595	2,650	2,870	3,052
Private consumption (US \$ bn)	45.7	44.1	30.2	28.0	30.2	34.3	38.4
Private consumption per head (US \$)	2,154	2,028	1,352	1,230	1,294	1,439	1,578
Economic structure (% of GDP)							
Private consumption	46.0	46.4	46.0	47.4	48.8	50.1	51.7
Government consumption	11.4	11.4	11.9	12.4	12.6	12.7	12.8
Gross fixed investment	42.2	43.5	45.3	47.4	49.4	51.9	54.8
Stockbuilding	-0.7	-0.6	-0.7	0.1	0.2	0.2	0.2
Exports of goods & services	90.4	91.9	137.0	167.9	182.2	188.4	199.6
Imports of goods & services	92.4	93.4	139.5	170.9	185.2	190.8	195.8
Agriculture	8.8	8.4	8.3	8.2	8.0	7.7	7.4
Industry	33.6	32.9	32.9	33.1	33.2	33.2	33.5
Services	57.6	59.7	59.9	59.8	60.0	60.6	60.7
Policy indicators (% of GDP)							
Government expenditure	22.6	22.4	23.6	22.6	22.4	22.0	21.0
Government revenue	23.3	23.6	25.0	22.8	22.7	22.3	22.2
Budget balance	0.7	1.3	1.4	0.1	0.3	0.3	0.9
Wage and price inflation (%)							
Consumer prices (av)	3.5	2.7	4.0	4.6	4.7	4.9	4.7
Consumer prices (year-end)	3.7	2.9	4.7	4.8	4.9	4.8	4.5
Average wages	10.0	6.3	2.0	3.5	5.5	8.5	12.5
Real wages	6.3	3.5	-1.9	-1.1	0.8	3.4	7.4
Unit labour costs	5.3	-8.3	-30.2	-8.3	3.0	10.5	12.8
Labour costs per hour (US \$)	1.9	1.8	1.2	1.1	1.2	1.3	1.5
The labour market							
Labour force (m)	8.4	8.7	9.0	9.3	9.6	9.9	10.2
Unemployment rate (%)	2.6	2.7	3.5	3.0	2.5	2.2	2.0
Financial indicators							
Exchange rate M\$: US \$ (av)	2.52	2.81	4.15	4.73	4.78	4.59	4.48
Exchange rate M\$: US \$ (year-end)	2.53	3.89	4.54	4.85	4.72	4.51	4.42
Short-term interest rate (av: %)	2.31	2.33	2.95	3.48	3.73	3.67	3.62

Malaysia

	1996	1997	1998	1999	2000	2001	2002
Current account (\$ bn)							
Current-account balance (US \$ bn)	-4.7	-5.9	-2.7	-2.9	-3.8	-3.9	-4.0
% GDP	-4.7	-6.3	-4.1	-4.9	-6.2	-5.7	-5.4
Goods: exports fob	77.2	77.5	66.7	72.6	80.2	90.4	101.6
Goods: imports fob	-73.3	-73.3	-60.4	-66.6	-74.8	-85.4	-97.5
Trade balance	3.9	4.2	6.2	6.0	5.4	5.0	4.1
Services: credit	8.0	9.4	10.0	10.6	11.6	13.0	14.5
Services: debit	-10.5	-10.8	-11.3	-12.7	-13.8	-15.0	-16.5
Services: balance	-2.5	-1.4	-1.3	-2.1	-2.2	-2.0	-1.5
Income: credit	3.0	3.7	5.0	5.4	6.5	8.0	9.2
Income: debit	-9.3	-11.2	-11.2	-11.0	-12.4	-14.0	-15.0
Income balance	-6.3	-7.5	-6.2	-5.6	-5.9	-6.0	-5.8
Current transfers: credit	0.3	0.7	-6.2	0.6	0.7	0.7	0.8
Current transfers: debit	0.0	-2.0	0.6	-1.9	-1.8	-1.7	-1.7
Current transfers balance	0.2	-1.3	-2.0	-1.3	-1.1	-1.0	-0.9
Foreign debt							
Total foreign debt (US \$ bn)	39.0	44.4	44.5	48.0	53.5	58.3	63.0
% GDP	39.3	46.6	67.9	81.1	86.6	85.2	85.1
Debt-service ratio, paid (%)	8.4	9.2	11.4	11.3	11.3	11.2	11.2

The Philippines

	1996	1997	1998	1999	2000	2001	2002
Economic growth (%)							
GDP	5.7	4.9	2.4	4.0	4.4	4.8	4.3
Private consumption	4.6	4.2	1.8	2.1	3.1	3.6	5.0
Government consumption	5.2	5.4	2.5	-3.2	1.0	4.0	4.3
Gross fixed investment	12.0	7.0	1.5	4.4	6.8	8.0	8.0
Exports of goods & services	20.3	23.0	19.0	24.0	18.0	18.0	14.7
Imports of goods & services	21.1	15.0	14.0	20.4	15.6	16.3	15.4
Change in stockbuilding (% of GDP)	0.9	0.5	1.0	0.8	0.5	0.7	0.2
Domestic demand	7.0	4.4	0.9	2.9	3.3	4.0	5.6
Sectoral output (% change)							
Agriculture	3.1	3.0	1.8	2.0	1.7	1.9	0.9
Industry	6.3	5.6	5.0	7.0	8.2	8.0	7.8
Services	6.5	5.2	0.6	2.3	2.2	3.2	2.5
Population, income and market size							
Population (m)	69.8	71.2	72.9	74.5	76.0	77.4	78.8
GDP (\$ bn)	83.8	82.0	72.8	79.3	90.4	104.2	117.6
GDP per head (\$)	1,200	1,151	999	1,064	1,189	1,347	149.3
Private consumption (\$ bn)	60.9	59.1	46.4	48.9	54.5	61.9	69.4
Private consumption per head (\$)	871.8	830.5	636.1	656.3	717.6	800.0	880.4
Economic structure (% of GDP)							
Private consumption	72.6	72.1	63.7	61.7	60.3	59.4	59.0
Government consumption	11.7	11.8	10.5	9.6	9.2	9.1	9.0
Gross fixed investment	23.2	23.6	20.8	20.6	20.9	21.4	21.9
Stockbuilding	1.0	0.0	0.1	0.1	0.1	0.1	0.1
Exports of goods & services	30.6	35.9	46.2	53.7	55.6	56.9	57.8
Imports of goods & services	36.8	40.4	49.6	56.0	56.7	57.2	58.5
Agriculture	21.0	20.6	18.2	17.6	17.0	16.4	15.7
Industry	35.6	35.9	32.6	33.2	34.0	34.9	35.6
Services	43.4	48.5	49.2	49.2	49.0	48.6	48.7
Policy indicators (% of GDP)							
Government expenditure	18.4	19.2	17.5	16.4	16.0	16.8	18.2
Government revenue	18.7	19.3	16.9	16.4	16.5	17.6	19.1
Budget balance	0.3	0.0	-0.5	0.0	0.5	0.8	0.9
Government debt	68.6	68.5	71.8	75.3	69.6	63.9	61.0
Wage and price inflation (%)							
Consumer prices (av)	8.4	5.1	9.5	8.2	7.2	6.8	6.2
Consumer prices (year-end)	7.8	6.1	8.6	7.5	7.0	6.5	5.9
Average wages	11.6	7.3	1.1	7.9	6.3	7.8	8.5
Real wages	2.9	2.1	-7.7	-0.3	-0.8	0.9	2.2
Unit labour costs	7.1	-5.8	-29.3	1.0	5.2	8.4	6.9
Labour costs per hour (\$)	0.8	0.8	0.6	0.6	0.6	0.7	0.8
The labour market							
Labour force (m)	28.0	28.6	29.3	29.9	30.5	31.1	31.6
Unemployment rate (%)	8.3	7.6	9.0	9.1	8.6	8.3	8.5
Financial indicators							
Exchange rate P: \$ (av)	26.2	29.5	42.0	44.0	43.6	42.5	42.3
Exchange rate P: \$ (year-end)	26.3	39.5	45.0	43.5	43.7	42.0	42.5
91-day Treasury-bill rate (av: %)	24.1	24.4	29.9	32.4	34.1	34.0	33.8

The Philippines

	1996	1997	1998	1999	2000	2001	2002
Current account (\$ bn)							
Current-account balance	-3.9	-4.0	-2.7	-2.8	-2.1	-3.2	-4.9
% of GDP	-4.7	-4.9	-3.7	-3.6	-2.4	-3.1	-4.2
Goods: exports fob	20.5	25.3	30.3	37.0	43.7	52.5	61.7
Goods: imports fob	-31.9	-37.0	-41.8	-49.9	-56.6	-65.7	-75.8
Trade balance	-11.3	-11.7	-11.5	-12.9	-12.9	-13.2	-14.2
Services: credit	12.9	15.7	17.7	20.0	23.3	27.0	30.4
Services: debit	-9.5	-11.5	-13.0	-14.5	-17.3	-20.5	-24.1
Services: balance	3.4	4.2	4.7	5.5	6.1	6.5	6.3
Income: credit	6.1	6.4	7.3	8.4	9.3	9.8	10.7
Income: debit	-2.7	-3.2	-3.7	-4.0	-4.8	-6.5	-8.2
Income balance	3.4	3.2	3.6	4.4	4.5	3.3	2.5
Current transfers: credit	1.2	1.1	1.5	1.2	1.9	2.3	2.5
Current transfers: debit	-0.6	-0.8	-1.0	-1.0	-1.7	-2.1	-2.1
Current transfers balance	0.6	0.3	0.5	0.2	0.2	0.2	0.4
Foreign debt							
Total foreign debt (\$ bn)	42.9	45.7	47.6	50.7	51.1	53.2	56.7
% GDP	51.2	55.7	65.3	63.9	56.5	51.0	48.2
Interest payments ratio (%)	13.2	11.9	11.7	10.7	10.8	10.3	10.5

Singapore

	1996	1997	1998	1999	2000	2001	2002
Economic growth (%)							
GDP	7.0	7.6	2.5	4.1	5.1	5.6	6.0
Private consumption	8.0	6.0	0.5	2.0	4.0	5.5	6.6
Government consumption	18.9	6.0	9.0	11.0	8.0	6.5	7.0
Gross fixed investment	16.1	11.5	0.5	7.2	7.5	7.1	6.3
Exports of goods & services	7.4	7.5	8.5	9.6	9.7	9.4	9.1
Imports of goods & services	8.1	8.2	9.0	10.0	10.4	9.8	9.4
Change in stockbuilding (% of GDP)	1.6	1.4	0.9	0.8	0.2	0.2	0.0
Domestic demand	10.6	10.1	2.4	4.3	6.3	6.2	6.4
Sectoral output (% change)							
Agriculture	0.0	-1.0	-1.0	-0.8	-0.5	-0.3	-0.3
Industry	6.5	6.2	3.9	4.5	5.8	5.8	5.7
Services	7.2	8.4	1.6	3.8	4.7	5.4	6.2
Population, income and market size							
Population (m)	3.0	3.1	3.2	3.2	3.3	3.4	3.4
GDP (US \$ bn)	94.1	98.1	87.5	95.8	105.3	118.9	136.2
GDP per head (US \$)	30,897	31,612	27,663	29,712	32,033	35,492	39,859
Private consumption (US \$ bn)	38.3	39.3	34.4	36.9	40.1	45.3	52.2
Private consumption per head (US \$)	12,565	12,667	10,871	11,444	12,212	13,523	15,277
Economic structure (\$ of GDP)							
Private consumption	40.7	40.1	39.3	38.5	38.1	38.1	38.3
Government consumption	8.9	8.8	9.4	10.0	10.3	10.4	10.5
Gross fixed investment	36.5	37.8	37.1	38.2	39.1	39.7	39.8
Stockbuilding	-1.4	0.5	0.6	0.1	0.1	0.0	0.0
Exports of goods & services	166.9	156.2	150.0	152.6	154.4	154.5	153.8
Imports of goods & services	151.5	143.4	136.1	138.9	141.3	141.9	141.5
Agriculture	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Industry	35.0	34.6	35.1	35.2	35.5	35.6	35.5
Services	64.8	65.3	64.8	64.6	64.4	64.3	64.4
Policy indicators (% of GDP)							
Government expenditure	14.5	14.1	13.7	13.3	13.1	13.4	13.3
Government revenue	21.1	20.8	20.6	20.6	20.5	20.3	20.5
Budget balance	6.7	6.7	6.9	7.3	7.4	6.9	7.2
Government debt	-48.0	-47.8	-50.0	-47.0	-43.9	-40.7	-37.6
Wage and price inflation (%)							
Consumer prices (av)	1.4	2.1	2.6	2.2	1.9	2.2	2.1
Consumer prices (year-end)	2.1	2.5	2.4	2.0	1.8	2.3	2.0
Average wages	12.9	7.2	4.3	4.5	5.0	5.6	6.0
Real wages	11.4	5.0	1.7	2.3	3.0	3.3	3.8
Unit labour costs	9.3	-3.8	-16.1	2.3	2.6	4.9	6.5
Labour costs per hour (\$)	8.3	8.5	7.5	8.1	8.7	9.6	10.8
The labour market							
Labour force (m)	1.8	1.9	1.9	2.0	2.0	2.1	2.1
Unemployment rate (%)	2.7	3.0	3.3	3.0	2.7	2.6	2.3
Financial indicators							
Exchange rate S\$: US \$ (av)	1.41	1.48	1.75	1.70	1.66	1.58	1.50
Exchange rate S\$: US \$ (year-end)	1.40	1.68	1.71	1.69	1.62	1.54	1.45
Commercial banks' prime rate (av: %)	6.3	6.5	6.9	6.5	6.6	6.8	7.1

Singapore

	1996	1997	1998	1999	2000	2001	2002
Current account (US \$ bn)							
Current-account balance	14.3	12.1	12.9	14.0	14.1	15.1	16.6
% of GDP	15.2	12.3	14.7	14.6	13.4	12.7	12.2
Goods: exports fob	126.0	122.5	105.0	117.0	129.0	144.8	164.4
Goods: imports fob	-123.7	-122.5	-103.6	-115.6	-128.4	-145.1	-165.3
Trade balance	2.3	0.0	1.5	1.5	0.6	-0.3	-0.9
Services: credit	30.0	28.5	21.8	24.6	27.0	31.2	35.6
Services: debit	-18.7	-17.1	-11.2	-12.8	-14.4	-17.0	-19.7
Services: balance	11.3	11.4	10.7	11.8	12.6	14.2	15.9
Income: credit	12.1	13.4	15.1	16.5	18.8	21.2	24.0
Income: debit	-10.4	-11.6	-13.1	-14.4	-16.4	-18.5	-20.8
Income balance	1.7	1.8	2.0	2.1	2.3	2.7	3.2
Current transfers: credit	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Current transfers: debit	-1.2	-1.4	-1.5	-1.6	-1.7	-1.7	-1.9
Current transfers balance	-1.0	-1.1	-1.2	-1.3	-1.4	-1.5	-1.6
Foreign debt							
Total foreign debt (US \$ bn)	8.3	8.4	9.1	10.3	11.0	11.5	12.1
% GDP	8.9	8.6	10.4	10.7	10.4	9.7	8.9
Debt-service ratio, paid (%)	0.5	0.5	0.6	0.6	0.5	0.5	0.4

Thailand

	1996	1997	1998	1999	2000	2001	2002
Economic growth (%)							
GDP	6.7	0.4	-3.0	2.5	5.5	4.8	4.8
Private consumption	6.5	-0.2	-5.0	1.0	4.0	5.5	5.8
Government consumption	4.4	-0.1	-2.0	0.2	0.8	1.5	1.5
Gross fixed investment	8.4	0.5	-6.0	2.8	6.0	7.6	7.6
Exports of goods & services	3.1	4.5	8.0	6.8	8.4	7.5	7.5
Imports of goods & services	5.2	2.2	2.0	6.0	7.0	10.0	10.0
Change in stockbuilding (% of GDP)	0.0	0.4	0.0	0.4	0.0	0.0	0.0
Domestic demand	7.1	-0.3	-5.3	2.1	4.7	6.1	6.1
Sectoral output (% change)							
Agriculture	3.0	2.9	2.0	2.9	2.5	2.8	2.8
Industry	7.7	-4.0	-3.0	4.2	5.6	6.0	6.5
Services	6.0	3.0	-4.0	2.0	6.0	4.7	4.7
Population, income and market size							
Population (m)	60.1	60.8	61.4	62.1	62.7	63.3	63.8
GDP (\$ bn)	185.9	159.3	123.4	146.8	173.3	184.6	198.9
GDP per head (\$)	3,090	2,620	2,010	2,360	2,760	2,920	3,120
Private consumption (\$ bn)	101.0	86.0	65.3	76.5	89.1	95.5	103.9
Private consumption per head (\$)	1,680	1,410	1,060	1,230	1,420	1,510	1,630
Economic structure (% of GDP)							
Private consumption	54.3	54.0	52.9	52.1	51.4	51.8	52.2
Government consumption	9.2	9.1	9.2	9.0	8.6	8.4	8.1
Gross fixed investment	43.6	43.6	42.3	42.4	42.6	43.8	44.9
Stockbuilding	3.4	3.4	3.5	3.4	3.2	3.1	2.9
Exports of goods & services	39.7	41.3	46.0	48.0	49.3	50.6	51.9
Imports of goods & services	47.3	48.1	50.6	52.4	53.1	55.8	58.5
Agriculture	10.7	10.4	10.7	11.2	11.2	10.9	10.7
Industry	39.8	40.2	38.6	38.6	39.1	39.1	39.5
Services	49.5	49.4	50.8	50.3	49.8	50.0	49.9
Policy indicators (% of GDP)							
Government expenditure	16.2	16.9	14.7	14.6	14.9	15.6	16.2
Government revenue	18.4	16.4	13.2	14.6	15.0	16.1	17.1
Budget balance	2.2	-0.5	-1.5	0.0	0.1	0.5	0.9
Government debt	16.4	19.9	16.8	22.1	24.0	22.3	21.4
Wage and price inflation (%)							
Consumer prices (av)	5.9	5.6	12.4	6.0	5.0	4.9	5.2
Consumer prices (year-end)	5.0	7.7	8.0	5.0	4.5	5.0	5.5
Average wages	8.3	0.0	0.9	7.0	7.5	8.5	9.0
Real wages	2.3	-5.3	-10.3	0.9	2.4	3.4	3.6
Unit labour costs	-2.3	-22.3	-29.8	13.8	10.7	0.1	1.4
Labour costs per hour (\$)	1.4	1.1	0.8	0.9	1.1	1.1	1.2
The labour market							
Labour force (m)	32.0	33.9	34.0	34.2	34.5	34.7	35.2
Unemployment rate (%)	2.6	4.5	8.5	6.7	5.5	4.9	3.0
Financial indicators							
Exchange rate Bt: \$ (av)	25.3	31.4	44.2	40.3	37.8	39.0	40.0
Exchange rate Bt: \$ (year-end)	25.6	47.2	41.0	38.0	39.0	39.5	40.0
Commercial bank prime rate (av: %)	13.6	14.8	15.0	29.7	29.6	31.2	32.0

Thailand

	1996	1997	1998	1999	2000	2001	2002
Current account (\$ bn)							
Current-account balance	-14.7	-5.3	0.9	-3.5	-7.5	-9.5	-10.5
% of GDP	-7.9	-3.3	0.8	-2.4	-4.3	-5.1	-5.3
Goods: exports fob	54.4	55.5	60.1	65.4	72.9	80.3	88.7
Goods: imports fob	-63.9	-58.4	-54.6	-62.9	-73.4	-83.1	-93.0
Trade balance	-9.5	-2.9	5.6	2.5	-0.5	-2.8	-4.3
Services: credit	17.0	21.1	22.6	23.1	24.6	26.3	27.4
Services: debit	-19.6	-21.0	-23.0	-25.8	-28.5	-29.8	-30.5
Services: balance	-2.6	0.0	-0.4	-2.7	-3.9	-3.5	-3.1
Income: credit	4.0	3.1	2.9	3.4	4.9	5.7	6.1
Income: debit	-7.4	-7.3	-9.8	-7.8	-9.1	-10.5	-11.2
Income balance	-3.4	-4.2	-6.8	-4.4	-4.1	-4.9	-5.1
Current transfers: credit	1.7	2.5	3.5	2.0	2.0	2.6	3.0
Current transfers: debit	-0.9	-0.8	-0.9	-0.9	-1.0	-1.0	-1.0
Current transfers balance	0.8	1.7	2.6	1.1	1.0	1.6	2.0
Foreign debt							
Total foreign debt (\$ bn)	101.2	100.8	100.9	207.5	114.3	118.9	124.1
% GDP	54.5	63.2	81.8	73.2	65.9	64.4	62.4
Debt-service ratio, paid (%)	11.2	12.9	16.1	12.2	11.0	11.8	11.4

CHAPTER II

SOCIAL SECURITY IN INDONESIA

1. **The Indonesian National Social Security Association.**

Social security in Indonesia, based on the membership, may be classified into four categories, namely social security for the Government Civil Servants, Retirees and Veterans, the Armed Forces Personnel, the Private Employees, and the General Public. Meanwhile according to the types of program, it may be divided into five categories: JAMSOSTEK, TASPEN, ASKES, ASABRI, and JASA RAHARJA. Therefore, the five state corporations administering the five programs social security form **INDONESIAN NATIONAL SOCIAL SECURITY ASSOCIATION (INSSA)** at the national level, and joining **ASEAN SOCIAL SECURITY ASSOCIATION (ASSA)** at the regional level, and be members of **INTERNATIONAL SOCIAL SECURITY ASSOCIATION (ISSA)** at the international level.

2. **The Social Insurance For The Government Civilian Employees’.**

TASPEN (the Government Civilian Employees’ Saving and Insurance Scheme) was first established under the Government Regulation No. 10 Year 1963 to provide for lump-sum cash benefits at retirement age, death benefits, and cash value before retirement. The scheme was broadened to include old-age, survivors, and invalidity pension for the Government Civil Servants under Government Regulation No. 25 Year 1981. The scheme is administered by the State Corporation PT TASPEN (Persero).

The TASPEN scheme is an endowment insurance where the lump-sum amount is payable to the employee when he reaches retirement age, or to his heirs if he should die before retirement. A burial allowance is included in the benefits schedule. In the

event the employee should terminate his employment before retirement age, he is given the cash value of the insurance. The scheme is financed with a contribution of 3.25% of monthly earnings from the employee.

The Pension scheme has been provided under Law No.11 Year 1969. As a general rule, the retirement age is 56. The amount of the monthly pension is the equivalent of 2.50% of the basic salary for every year of service. In the event of the employees death before retirement as well as the retirees death, a monthly pension is given to the widow or the widower, or to the children if there are no spouses. The pension scheme is financed primarily from the State Budget, and partly from the employees contributions of 4.75% of monthly earnings.

TASPEN Statistics

Membership

Types of membership	1995	1996	1997
a. Taspen program			
i. Civil servants	3,906,247	3,855,423	3,578,275
ii. State enterprise	153,134	162,400	158,678
iii. Family			
Total	4,059,381	4,017,823	3,736,953
b. Pension program			
i. Civil servants	1,554,228	1,614,306	1,646,184
ii. Family	727,471	746,508	742,816
Total	2,281,699	2,360,814	2,389,000
c. Grand Total	6,341,080	6,378,637	6,125,953

Contributions Receipt

(million Rp)

Types of contributions	1995	1996	1997
a. Taspen program	353,746.1	339,442.5	468,066.9
b. Pension program	470,003.7	3,008,908.7	4,017,118.3
c. Total	825,744.8	3,350,347.1	4,487,182.2

Investible fund

(million Rp)

Types of program	1995	1996	1997
a. Taspen program			
1. Time deposits	350,493.5	525,481.8	914,175.5
2. Certificate of deposits	2,078,675.0	2,123,907.3	1,663,750.2
3. Corporate bonds	122,582.9	107,982.9	111,500.0
4. Shares of stocks	279,512.3	253,011.8	139,047.0
5. Central Bank certificate	0.0	0.0	0.0
6. Land and building			
7. Direct equity	47,813.4	53,928.0	55,006.6
Total	2,879,077.0	3,064,311.7	2,883,479.3
b. Pension program			
1. Time deposits	1,628,686.9	2,476,614.0	3,708,533.7
2. Certificate of deposits			
3. Corporate bonds	1,069,251.0	824,518.5	535,016.0
4. Shares of stocks	908,167.6	984,103.3	778,312.6
5. Central Bank certificate	2,306,200.0	2,137,513.5	1,533,476.9
6. Land and building	0.0	0.0	0.0
7. Direct equity	252,075.1	251,564.5	229,022.1
Total	6,164,380.5	6,674,313.8	6,784,361.3
c. Altogether			
1. Time deposits	1,979,180.4	3,002,095.8	4,622,709.2
2. Certificate of deposits	2,078,675.0	2,123,907.3	1,663,750.2
3. Corporate bonds	1,191,833.9	932,501.4	646,516.0
4. Shares of stocks	1,187,679.9	1,237,115.1	917,359.5
5. Central Bank certificate	2,306,200.0	2,137,513.5	1,533,476.9
6. Land and building	0.0	0.0	0.0
7. Direct equity	299,888.4	305,492.5	284,028.8
Grand Total	9,043,457.6	9,738,625.5	9,667,840.5

Investment returns
Rp)

(million

Types of program	1995	1996	1997
a. Taspen program			
1. Time deposits	70,380.9	64,079.7	125,995.8
2. Certificate of deposits		715.5	0.0
3. Corporate bonds	15,165.0	23,609.8	17,969.4
4. Shares of stocks	6,475.5	5,028.9	5,609.7
5. Central Bank certificate	251,124.9	298,997.3	291,231.5
6. Capital Gain	3,881.6	49,517.0	10,909.2
7. Other investments	5,563.8	26,938.2	(87,207.3)
8. Direct equity	271.3	11.3	5.6
Total	352,863.0	468,897.6	364,513.8
b. Pension program			
1. Time deposits	224,540.5	343,105.1	468,863.8
2. Certificate of deposits			
3. Corporate bonds	158,647.3	167,989.6	113,370.0
4. Shares of stocks	39,778.7	22,730.6	22,272.3
5. Central Bank certificate	311,089.7	310,810.0	281,470.6
6. Capital Gain			
7. Other investments			
8. Direct equity	1,313.1	235.0	4,193.2
Total	735,369.3	844,870.2	890,169.9
c. Altogether			
1. Time deposits	294,921.4	407,184.7	594,859.5
2. Certificate of deposits	0.0	715.5	0.0
3. Corporate bonds	173,812.3	191,599.4	131,339.4
4. Shares of stocks	46,254.1	27,759.4	27,882.0
5. Central Bank certificate	562,214.5	609,807.3	572,702.1
6. Capital Gain	3,881.6	49,517.0	10,909.2
7. Other investments	5,563.8	26,938.2	(87,207.3)
8. Direct equity	1,584.5	246.3	4,198.8
Grand Total	1,088,232.3	1,313,767.8	1,254,683.8

Benefits payment
Rp)

(million

Types of program	1995	1996	1997
a. Taspen program			
I. Old age savings			
- Retirement	276,738.4	304,783.5	323,021.7
- Death	90,576.0	99,755.2	105,724.5
- Dismissal	3,196.7	3,520.7	3,731.4
Total	370,511.2	408,059.4	432,477.6
II. Death benefits			
- Members	13,524.5	15,772.9	19,403.2
- Spouse	3,574.1	4,168.2	5,127.6
- Children	663.7	774.0	952.2
Total	17,762.2	20,715.2	25,483.0
Grand Total	388,273.4	428,774.6	457,960.7
b. Pension program			
I. Old age			3,114,729.6
II. Survivors			1,013,125.2
III. Orphans			29,322.3
IV. Parent			452.5
Total	3,105,961.9	3,501,257.8	4,157,629.5

Selected financial statistics

(million Rp)

Types of program	1995	1996	1997
a. Taspen program			
1. Current assets	280,087.3	313,343.7	649,345.4
2. Fixed assets	(24,552.4)	(29,191.2)	(32,775.0)
3. Investment	2,889,077.0	3,068,544.7	2,912,393.5
4. Other assets	0.0	0.0	0.0
Total assets	3,144,611.9	3,352,697.2	3,528,964.0
1. Current liabilities	108,064.7	123,240.8	142,161.8
2. Technical reserves	2,710,827.9	2,836,729.5	3,505,804.4
3. Long-term liabilities	229,611.0	99,429.1	638,595.6
4. Other liabilities			
5. Capital	209,300.8	270,945.5	72,298.6
Total equity	3,257,804.4	3,330,344.9	4,358,860.4
b. Person program			
1. Current assets	183,427.4	383,812.2	538,661.0
2. Fixed assets	71,392.0	79,302.0	57,916.2
3. Investment	6,235,462.1	6,718,510.9	6,849,401.2
4. Other assets	227,363.4	222,267.9	242,536.6
Total assets	6,717,644.9	7,403,893.1	7,688,515.0
1. Current liabilities	456,775.9	649,904.7	675,480.7
2. Technical reserves	6,260,869.0	6,753,999.3	7,013,023.4
3. Long-term liabilities			
4. Other liabilities			
5. Capital			
Total equity	6,717,644.9	7,403,904.0	7,688,504.1
c. Altogether			
1. Current assets	463,514.7	697,155.9	1,188,006.5
2. Fixed assets	46,839.5	50,110.8	25,141.3
3. Investment	9,124,539.2	9,787,055.6	9,761,794.7
4. Other assets	227,363.4	222,267.9	242,536.6
Total assets	9,862,256.8	10,756,590.3	11,217,478.9
1. Current liabilities	564,840.6	773,145.5	817,642.4
2. Technical reserves	8,971,697.0	9,590,728.8	10,518,827.8
3. Long-term liabilities	229,611.0	99,429.1	638,595.6
4. Other liabilities	0.0	0.0	0.0
5. Capital	209,300.8	270,945.5	72,298.6
Total equity	9,975,449.4	10,734,248.9	12,047,364.5

3. The Government Employees' Health Insurance.

ASKES (the Government Employees' Health Insurance) was first established by the President Decree No.230 Year 1968 to provide health care for civil servants, pensioners, and their dependents. The scheme was restructured based on health service organisation under the Government Regulation No.69 Year 1991 providing for comprehensive health services in the framework of achieving an optimal health standard for the people. The scheme is administered by the State Corporation PT ASKES INDONESIA (Persero).

Health services are delivered through structured health care networks providing for promotive, preventive, curative, and rehabilitative care. The scheme is financed with a contribution of 2% of earnings from the employee based on capitation system, budget system, and package system under the managed health care concept.

Health care services provided for the members constitute a comprehensive care including:

Primary/ambulatory care.

Hospital out-patient visits.

Hospital in-patients.

Maternity and delivery care.

Pharmaceutical supplies.

Blood transfusion.

Dental care.

Artificial limbs.

Hearing aids.

Spectacles.

Special services :

- haemodialyses,
- CT scan,
- heart care.

Health centers and family physicians deliver primary care, while secondary and tertiary care are delivered by Public, Military, and Private Hospitals.

**Compulsory and Mandatory Members
according to Types of membership**

(person)

Item	Year		
	1995	1996	1997
Members			
A. Compulsory members			
I. Civil servants	3,884,589	4,021,066	4,029,492
II. Families	7,837,930	7,998,011	7,689,124
III. Retirees	1,440,415	1,491,960	1,421,775
IV. Families	2,906,324	2,967,550	2,713,048
Total	16,069,258	16,478,587	15,853,439
B. Voluntary members			
I. Employees	322,487	495,158	579,612
II. Families	-	-	-

Highlight of Financial Development
(million Rp)

No.	Item	1995	1996	1997
1	2	3	4	5
1.	Current assets	356,959	343,994	382,849
2.	Fixed assets	31,441	59,202	65,479
3.	Investment	25,700	33,879	46,288
4.	Other assets	5,683	9,565	10,687
5.	Total assets	414,068	437,029	491,647
6.	Current liabilities	27,759	21,519	21,380
7.	Technical reserves	143,778	154,819	192,940
8.	Long Term liabilities	-	-	-
9.	Other liabilities	-	-	-
10.	Capital	130,000	130,000	185,000
11.	Reserves	49,118	64,118	38,722
12.	Total equities	414,068	437,029	491,647

Income and expenditures
(million Rp)

No.	Item	Year		
		1995	1996	1997
I	Income			
	1. Compulsory members' premium	280,695.2	296,366.4	378,296.8
	2. Voluntary members' premium	11,571.2	21,952.8	40,210.3
	Total	292,266.4	318,319.2	418,507.1
II	Main expenditures			
	1. Health care expenses			
	A. Compulsory health services			
	a. Out-patient	31,548.4	35,913.3	41,970.0
	b. In-patient	41,233.9	47,238.6	59,368.7
	c. Pharmaceutical	80,328.4	99,167.8	119,160.4
	d. Dental care	253.8	265.5	235.8
	e. Eye care	3,838.4	3,807.5	3,670.7
	f. Haemodialyses	12,617.2	14,167.1	17,139.8
	g. CT-Scan	1,172.2	1,221.5	1,737.9
	h. Heart diseases	5,395.3	6,070.5	6,547.5
	i. Other	7,704.6	7,692.9	8,435.1
	B. Voluntary health services	9,923.9	15,708.6	28,708.4
	Total	194,016.6	231,253.8	286,974.8
	2. Service management	1,640.8	1,546.4	1,621.3
	3. Technical reserves	13,002.6	11,041.9	38,120.8
	Total	208,660.2	243,842.2	326,717.0

Investible fund
(million Rp)

No.	Item	1995	1996	1997
1	2	3	4	5
I	Investment fund			
	1. Time deposits	284,174	236,887	277,123
	2. Certificate of deposits	-	-	-
	3. Corporate bonds	25,750	31,500	38,704
	4. Shares of stocks	17,953	33,052	7,618
	5. Central Bank certificate	10,000	10,000	-
	6. Land	-	231	231
	7. Building	-	-	-
	8. Direct equity	-	2,147	7,347
	9. Fund management	24,738	10,435	7,766
	10. Mutual fund	-	22,035	32,797
	Total	362,615	346,287	371,586
II	Investment returns	47,836	60,432	36,100
	Percentage	13.19	17.45	9.72

4. The Armed Forces Social Insurance.

ASABRI (the Armed Forces Social Insurance) was first established by the Government Regulation No.44 Year 1971 to provide protection for the armed forces personnel and the civilian employees of the Ministry of Defense and Security against reduction or loss of income due to old-age, termination of employment, and death. The scheme was redefined under the Government Regulation No.67 Year 1991. The scheme is administered by the State Corporation PT ASABRI (Persero) which is also assigned to administer the payments of four main benefits, namely :

1. The insurance benefits
2. The death benefits
3. The insurance cash-value benefits, and
4. The funeral expenses.

The insurance benefit is payable to the member who retires with the right for pension. If the member dies, the heirs will receive the death benefits coupled with the insurance cash-value. In the case the retiree died, his or her heir will receive the funeral expenses. In the event the member terminates his employment before retirement, he will only receive the insurance cash-value.

The pension scheme for the armed forces personnel is provided under Law No.6 Year 1966 in the forms of old age, survivors, and disability pension, as well as allowance in lieu of pension. The amount of the monthly pension is the equivalent of 2.50% of basic salary for every year of service.

Retired members

Members	1995	1996	1997
Retirees			
i. Armed forces	11,236	9,338	8,040
ii. Civil servants	5,767	7,599	5,258
iii. Families	17,346	6,747	7,642
Total	34,351	23,684	20,940

Contributions (million Rp)

Contributions	1995	1996	1997
i. ASABRI program	52,917,911	55,387,556	72,173,392
ii. Pension program	n.a.	n.a.	n.a.
Total	52,917,911	55,387,556	72,173,392

Types of investment	1995	1996	1997
1. Time deposits	355,800	433,600	568,670
2. Corporate bonds	20,851	25,851	32,851
3. Shares of stocks	11,714	21,130	-
4. Direct equity	3,500	3,500	2,600
Total	391,865	484,081	604,121

Investment Returns

Item	1995	1996	1997
1. Million Rp	44,775	76,953	n.a.
2. Percentage (Rate of Return)	-	-	-

Benefits (million Rp)

Types of benefits	1995	1996	1997
ASABRI program			
i. Insurance benefits	25,094.6	28,205.0	33,245.9
ii. Death benefits	4,502.1	3,834.2	6,487.3
iii. Cash value	102.5	110.9	131.9
Total	29,699.3	32,150.2	39,865.2

Selected Financial Data (million Rp)

Item	1995	1996	1997
1. Current assets	11,302	10,192	14,497
2. Fixed assets	15,232	15,242	14,159
3. Investment	391,865	484,081	604,121
4. Other assets			832
5. Total assets	418,399	509,515	633,609
6. Current liabilities	8,473	2,503	3,884
7. Technical reserves	318,803	388,178	495,182
8. Long Term liabilities			
9. Capital	91,123	118,834	134,543
10. Total equities	418,399	509,515	633,609

5. The Insurance for Passenger Accidents and Third Party Legal Liability.

PT JASA RAHARJA is the state corporation administering Law No.33 Year 1964 on the Mandatory Insurance Fund for Passenger Accidents, and Law No.34 Year 1964 on the Fund for Road Traffic Accidents.

The Mandatory Insurance Fund for Passenger Accidents provides protection for any legal passenger of public passenger-carrier against accident resulting from such carrier which include public transportation vehicles, rail-roads, sea/river/lake/ferry vessels, as well as airplanes of the national airline. The Fund is basically insurance for passenger accidents of public transport.

The Fund for Road Traffic Accidents provides protection for the general public againsts road traffic accidents resulting from motor vehicles. The beneficiaries are the accident victims which are outside the vehicle causing the accident. The Fund is basically a third party legal liability insurance in the event of motor vehicle accidents.

The benefits of the passenger accident insurance is provided for the victims or the heirs of the victims of accidents on their journey. The benefits of the third party legal liability insurance is provided for the victims or the heirs of the victims of the motor vehicle. The benefits are provided in the forms of reimbursements for medical treatment, invalidity compensation, or death allowance.

The passenger accident insurance is financed from the mandatory contributions of the employers or the owners of the public transportations. Meanwhile, the legal liability insurance is financed from the mandatory subscriptions of every transportation employer and motor vehicle owner. The system of collection of contributions and subscriptions is administered through the Joint Office for One-Roof Single Administration System (SAMSAT) consists of the three related service for the process of motor vehicle licensed number, namely the Regional Tax Service, Police, and Jasa Raharja.

Benefits Payment
(million Rp)

	Death	Injured	Invalidity	Total
4th Quarter /1996	18,148	33,093,013	262	51,503
Benefits	Rp 36,666,500	Rp 20,522,306	Rp 1,124,247	Rp 58,313,053
4th Quarter /1996	20,521	36,630	194	57,345
Benefits	Rp 55,483,640	Rp 26,400,178	Rp 1,194,800	Rp 83,078,618
Jan + Feb 1996	3,043	4,917	24	7,984
Benefits	Rp 6,121,900	Rp 2,864,774	Rp 170,435	Rp 9,157,109
Jan + Feb 1997	3,788	5,384	32	9,204
Benefits	Rp18,525,875	Rp 6,111,152	Rp 281,827	Rp 24,918,855

Investible Fund
(thousand Rp)

Types of investment	1995	1996	1997
Time deposit	115,706,000	165,887,449	194,154,675
Shares of stocks	5,011,030	2,289,737	9,903,653
Corporate bonds	23,550,000	17,750,000	18,000,000
Mutual fund	-	6,965,825	9,178,030
Direct equity	23,683,035	32,080,535	32,113,611
Promissory notes	-	6,010,507	6,340,872
Other investment	500,000	-	-
Total	188,450,664	230,093,071	269,691,641

Investment returns
(thousand Rp)

Types of investment	1995	1996	1997
Time deposit	12,214,617	20,666,861	25,683,567
Shares of stocks	333,779	3,692,943	(52,502)
Corporate bonds	3,139,982	2,998,389	2,471,205
Mutual fund	304,052	35,000	43,199
Direct equity	467,702	1,284,316	4,423,355
Promissory notes	-	618,833	960,385
Other investment	-	-	-
Total	18,454,143	29,296,842	33,529,206

6. The Employees' Social Security.

ASTEK (the Employees' Social Insurance) was first established by the Government Regulation No.33 Year 1977 to provide for protection of Employment Accident Insurance, Provident Fund, and Death Insurance. The ASTEK scheme was enacted into the Law No.3 Year 1992 as the JAMSOSTEK scheme (the Employees' Social Security), and broadened with Health Care Benefits. The JAMSOSTEK Scheme is administered by the State Corporation PT JAMSOSTEK (Persero).

Employment Accident Benefits provides for protection against work related accident and diseases. The benefits constitutes compensation to reimburse the employers expenditure for transport of the injured worker, wages during temporary disability, and medical/hospital care. The compensation is also provided for invalidity and death due to the loss of income. The scheme is financed by the employers' contributions.

The Provident Fund is a mandatory saving scheme, where the monthly contributions from the employer and the employee are credited in the account of the individual employee in which interests are added annually. The benefits of the scheme is provided for the employee when he reaches the age of 55, or the heirs in the event the employee dies before that age.

Death Benefits constitutes a term insurance for the employee during his membership in the program. The benefits is provided for the heirs of the employee who dies before the age of 55. The scheme is wholly financed by the employer.

Health Care Benefits provides comprehensive medical care for employees and their families. The types of medical service provided cover :

1. Ambulatory care through Community Health Centers, general practitioners, and specialists.
2. In-patient hospital care through General and Private Hospitals.
3. Maternity and delivery care.
4. Provision for medicines.
5. Laboratory examination for diagnostic support.
6. Dental and eye care.
7. Emergency Care.

The scheme is financed by contributions from the employers.

**Rates of Contributions
(percentage of wages)**

Program	Contributions rates	
	Employer	Employee
1. Employment accident	0,24 – 1,74	-
2. Death benefits	0,30	-
3. Old age benefits	3,70	2,00
4. Health care	3,00 (unmarried) 6,00 (married)	-

Membership

Membership	1995	1996	1997
Total	9,171,090	10,990,748	12,994,186

**Contributions
(million Rp)**

	1995	1996	1997
a. Employment accident	97,474.7	112,828.4	148,306.1
b. Old age benefits	656,928.9	902,314.2	1,139,343.8
c. Death benefits	43,072.8	48,294.9	62,892.8
d. Health care	44,365.3	64,314.5	86,233.0

Investible Funds
(million Rp)

Types of investment	1995	1996	1997
Time deposits	1,860,993	2,912,214	4,642,937
Certificate of deposits	26,630	-	-
Corporate bonds	320,138	388,487	407,937
Shares of stocks	291,754	297,009	383,558
Central Bank certificate	558,809	637,209	-
Land and building	21,141	42,709	342,855
Direct equity	47,474	70,474	70,476
Promissory notes	17,051	10,000	-
Commercial Paper	78,348	-	-
Total	3,222,338	4,358,102	5,847,763

Investible returns
(million Rp)

Item	1995	1996	1997
Million Rp	385,601	579,807	734,828
Percentage (Rate of Return)	11.97	13.30	12.57

Benefits
(million Rp)

Item	1995	1996	1997
a. Employment accident	40,485.8	50,312.6	71,144.3
b. Old age benefits	119,180.5	179,186.8	239,303.8
c. Death benefits	8,569.0	9,660.4	11,160.0
d. Health care	35,822.1	51,680.9	65,629.3

Financial Statistics
(million Rp)

Item	1995	1996	1997
1. Current assets	157,254	204,537	121,987
2. Fixed assets	48,747	58,548	59,745
3. Investment	3,222,338	4,358,102	5,847,763
4. Other assets	8,579	7,322	129,711
5. Total assets	3,436,918	4,628,509	6,159,206
6. Current liability	145,629	46,793	86,808
7. Technical reserves	266,308	303,945	395,525
8. Long-term liability	2,747,368	3,887,841	5,207,849
9. Other liability	-	-	-
10. Capital	50,000	50,000	62,500
11. Total equity	3,436,918	4,628,509	6,159,206
12. Other reserves	114,563	146,919	142,157
13. General reserves	31,296	48,019	65,717
14. Surplus	81,754	144,992	198,649

SOCIAL SECURITY IN INDONESIA

Membership coverage	Program	Contribution as % wages		Benefits	Organisation			
		Employee	Employer					
Social security system in Indonesia	Govt. Employee Law No.8/1974	Civilian Employee Presd. Decree No.8/1977	1. TASPEN Govt Reg. No.10/1963 No.25/1981	3.25	-	Endowment Insurance	PT. TASPEN	
			2. Health care Presd. Decree No. 230/1968 Govt Reg. No.69/1991	2.00	-	Medical care	PT. ASKES	
			3. Pension Law No.11/1969	4.75	State Budget	Monthly Pension	PT. TASPEN	
		Armed Forces Presd. Decree No.8/1977	1. ASABRI Govt. Reg. No.44/1971 No.67/1991	3.25	-	Endowment Insurance	PT. ASABRI	
			2. Health care	2.00	-	Medical care	MINDEF	
			3. Pension Law No.6./1966	4.75	State Budget	Monthly Pension	PT. ASABRI	
		Private Employee	JAMSOSTEK Law No.3/1992	1. Work Accident	-	0.24 – 1.74	Compensation	PT. JAMSOSTEK
				2. Health care	-	3.00 – 6.00	Medical care	
				3. Death benefit	-	0.30	Term Insurance	
	4. Old age benefit			2.00	3.70	Savings Withdrawals		
				2.00				
				2.00				
	General Public	JASA RAHARJA Law No.33/1974 Law No.34/1974	1. Passenger Accident Insurance			Compensation	PT JASA RAHARJA	
			2. Third party Traffic Accident Insurance					

CHAPTER III

SOCIAL SECURITY IN MALAYSIA

1. The Employees' Provident Fund (EPF).

The EPF is a social security program in Malaysia operating through a provident fund scheme to provide retirement benefits for the private and the non-pensionable public sector. The employee and the employer pay monthly contributions to the Fund to be credited at the individual member's accounts, and earned interest annually.

In the case a member reaches retirement age of 55 years, he may withdraw all his saving. However early withdrawal may be made in case of death, invalidity, and emigration. Eventhough the provision of retirement benefit is the main program, however, the EPF introduced other withdrawals programs i.e. house ownership and medical care.

The EPF is one of the two main retirement programs in Malaysia. The other program is the Government Employees Pension Program for the pensionable public sector employee. In addition to the retirement program, other organisation is the Social Security Organisation (SOCSO) administering Employment Accident and Invealidity Pension Program.

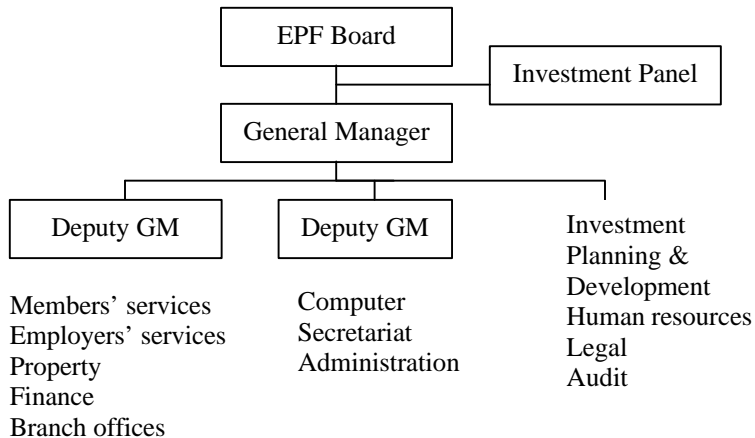
2. Legal Basis.

The EPF was established on October 1, 1951 under the EPF Ordinance 1951 which was later amended to the EPF Act 1991. The principal activities of the EPF are to receive and to recover the contributions for the benefit of its members, to meet all withdrawals of savings and other benefits to members or their beneficiaries upon satisfaction of any conditions for withdrawals, and to invest its monies for the benefits of its members.

3. Organisation.

The EPF Board is a legal entity under the Ministry of Finance. The Board is a tripartite body, consists of representatives from the government, the employer, and the employee, plus several professionals. Beside the Board, an Investment Panel was established responsible for the investment of the EPF fund. The Panel consists of representatives from the Ministry of Finance, the Central Bank, and several finance and investment experts. The members of the Board and the Investment Panel are appointed by the Minister of Finance.

Further, the Board appoints the Management to run the daily operation and administration of the EPF. The organisation chart of the EPF is as follows:



4. Coverage of Membership.

The principal membership of the EPF is the compulsory membership for :

- a. the private sector employees,
- b. the non-pensionable public sector employees.

In addition, certain employees may opt for voluntary members of the EPF, namely :

- a. the self-employed,
- b. domestic helpers,
- c. foreign employees,
- d. pensionable public sector employees.

It is the employer who is responsible to register their respective employees in the EPF. The membership principle of the EPF is once a member always a member.

The EPF has a four-fold mission as stated in the following statement:

For members,

EPF primary mission is to provide retirement benefits to the members through the management of their savings in an efficient and reliable manner.

For employers,

EPF is committed to provide an efficient and convenient system to ensure that they meet their responsibility and moral obligations of contributing to the EPF for their employees.

For the nation,

EPF is also committed towards the nation's socio-economic development through prudent investments.

For the EPF employees,

To all employees, the EPF will provide a motivating, participating and challenging working environments which can propel them to peak performance.

The mission and commitment has resulted in the increasing membership from year to year.

Employers and Members

	1994	1995	1996
Employers	235,929	256,114	276,417
Members (million)	7.28	7.76	8.05
Active members (million)	3.78	3.99	4.18

Active members are those who pay contributions in the year concerned.

The number of EPF executives and non-executives administering the scheme and serving the members have increased over the years in a modest manner.

EPF Executives and Non-executives

	1994	1995	1996
Executives	308	350	397
Non-executives	3.196	3.338	3.335
Total	3.504	3.688	3.732

5. Sources of Fund.

Most sources of EPF fund to provide benefits for the members constitute contributions from the employer and the member. The rate of contributions is determined as a percentage of the members' wages.

The contribution rates have been undergoing changes from time to time since the establishment of the EPF in 1952.

The Rate of Contribution (as a percentage of the members' wage)

Year	Employee	Employer	Total
1952 – June 1975	5	5	10
July 1975 – Nov 1980	6	7	13
Dec 1980 – Dec 1992	9	11	20
Jan 1993 – Dec 1995	10	12	22
Jan 1996 - current	11	12	23

**The Amount of Contributions
(million RM)**

Year	1994	1995	1996
Total contributions	8,792	10,324	12,899

In Ringgit Malaysia (RM), the amount of contributions have increased over the years. The rate and total of contributions are substantial in order to provide for various future needs of the member.

Age group (year)	Total members (person)	Total savings (million RM)	Rata-Rata Tabungan Perorangan (million RM)
16 - 25	2,132,555	7,552.6	3,541.5
26 - 30	1,313,337	12,971.7	9,876.9
31 - 35	1,234,080	19,851.1	16,085.7
36 - 40	1,097,337	23,710.6	21,607.4
41 - 45	871,813	22,101.9	25,351.7
46 - 50	638,774	16,454.6	25,759.7
51 - 55	399,256	8,231.4	20,616.9
> 55	356,127	2,615.8	7,345.2
uncertain	7,459	1.5	209.8
Total	8,050,738	113,491.7	130,395.3

6. Benefits.

The EPF is, essentially, a Trust Fund operating through a fully funded defined contribution scheme. Contributions from the employer and the employee are credited to members' individual

Withdrawals and Additional Amounts
(million RM)

Types of Withdrawals	1994		1995		1996	
	Member	Withdrawal	Member	Withdrawal	Member	Withdrawal
55 year (42.47%)	60.325	1,047.7	56.048	1,111.1	75.901	1,480.1
50 year (16.00%)	39.346	444.3	31.940	386.5	50.068	557.1
Deceased (5.17%)	12.486	130.3	13.757	156.1	16.301	180.1
Incapacitation (1.43%)	2.344	50.3	2.385	55.8	2.469	49.5
Leaving country (1.46%)	1.456	66.5	1.487	66.2	1.575	50.5
Low cost housing (1.35%)	13.937	99.2	11.091	50.3	11.400	47.0
Non-low cost housing (17.12%)	45.594	484.1	58.499	535.2	63.258	596.6
Redemption housing loan (12.65%)	3.941	71.2	30.969	601.5	22.739	440.6
Village house (0.51%)	5.525	56.5	3.675	28.6	2.488	17.7
Medical (0.14%)	5	0.02	747	3.1	643	4.7
Periodical payment (0.24%)	4	896.8	111	8.8	163	8.2
Investment scheme (0.97%)	-	-	-	-	2.065	33.5
Annual dividend (0.45%)	1.144	7.2	1.495	10.9	2.966	15.3
Additional amount:	9.877	41.4	11.188	48.6	13.246	62.6
Death benefits						
Incapacitation Benefits	2.730	23.3	2.782	25.7	2.393	21.9

account on the cash received basis. Annual dividend is calculated on the opening balance as at 1 January (less withdrawals) and on monthly contributions credited to the members' account at the end of the financial year.

The EPF benefits constitute several saving withdrawal schemes which may be distinguished into four main categories.

a. Retirement benefits.

A member upon reaching his/her retirement age of 55 years may benefit from the credit balance of his/her saving under the Age 55 Withdrawal Scheme, and may choose one of the following options :

- (i) withdraw the whole savings in a single lump-sum,
- (ii) withdraw the whole savings in annuity monthly payments, or partly lump-sum and partly annuity,
- (iii) withdraw the dividend from his/her savings annually, and retain the principal saving in the EPF.

b. Pre-retirement benefits.

- (i) A member may withdraw his/her savings before reaching the age of 55 years, in cases of :
 - incapacitation under the Incapacitated Withdrawal Scheme.
 - death under the Deceased Withdrawal Scheme.
 - emigration under the Leaving Country Withdrawal Scheme.
- (ii) A member may withdraw part of his/her savings for :
 - purchasing a house under the Housing Withdrawal Scheme.
 - attaining the age of 50 years.
 - medical expenses under the Medical Withdrawal Scheme.

c. Additional benefits.

- (i) Death benefit, minimum RM 1,000 and maximum RM 30,000 payable to the beneficiaries/next-of-kins of the deceased member.
- (ii) Incapacitation benefit, minimum RM 1,000 and maximum RM 30,000 according to the degree of incapacitation.

d. Members' investment program.

The Investment of Members Saving Scheme offers EPF members with savings of at least RM 55,000 other alternative in investing their money through Fund Management Institutions in which the investment risk will be borne by the members.

Investment.

The members' savings are managed and developed through prudent investment to produce the highest and optimum yield possible. The types of investment and their respective amount are as follow :

Item	1994	1995		1996	
	Total	Total	%	Total	%
• Government securities	40,270.80	39,150.19	40.53	38,754.22	33.64
• Other securities	-	-	-	-	-
• Debentures and loan	12,079.95	17,131.68	17.74	23,992.03	20.82
• Equity	8,817.11	11,487.24	11.89	17,830.33	15.56
• Money market	21,805.09	28,491.06	29.49	34,170.07	29.66
• Property	334.96	339.81	0.35	370.84	0.32
• Total	83,308.91	96,599.93	100	115,271.49	100

Of the total investible fund, Malaysian Government Securities (MCS) continued to remain the mainstay of the EPF's investments, albeit at a declining proportion. This decline was a corollary of the marked reduction in the issuance of the new MGS issues as the Government's fiscal position looks set to remain strong and its borrowing requirements continue to be low.

As part of the EPF programme to diversify their income base, the EPF are set to include investments beyond the shores of Malaysia on a larger scale. The EPF has appointed a consultant of international standing to assist them in this venture, and will proceed with the process of selecting appropriate fund managers who will manage the overseas investment.

Financial Statistics.

The highlight of financial statistics in the last three years are as follows :

Highlight of Financial Statistics (million RM)

Item \ Year	1994	1995	1996
Gross income	6,108	6,661	8,232
Operating expenditure	142	171	212
Contributions	8,792	10,324	12,899
Withdrawals	2,592	3,160	3,638
Members dividend	5,881	6,428	7,685
Cummulative investment	83,309	96,600	115,217
Cummulative assets	84,591	98,849	117,335
Dividend rate	8.0%	7.5%	7.7%

In 1996, EPF earned an income of RM 8.23 billion as compared to RM 6.66 billion in 1995, an increase of 23.57%. Based on this income, EPF was able to declare a dividend of 7.70% for 1996. A total of RM 7.69 billion was distributed as dividend to 8.05 million members.

The total assets increased by RM 18.48 billion or 18.70% from RM 98.85 billion in 1995 to RM 117.33 billion in 1996. Total accumulated investments also increased by 19.27% to RM 115.22 billion at the end of 1996 from RM 96.60 billion in the previous year.

In 1996, EPF collected a total contributions of RM 12.90 billion as compared to RM 10.32 billion in 1995, an increase of 25.00%. Hence, the cumulative contributions as at the end of 1996 were RM 114.19 billion.

CHAPTER IV

SOCIAL SECURITY IN THE PHILIPPINES

1. PHILSSA.

The Philippine Social Security Association, known as PHILSSA, was established on July 1, 1996 consisting of the following member institutions :

- a. The Social Security System (SSS).
- b. The Government Service Insurance System (GSIS).
- c. The Armed Forces of the Philippines – Retirement and Separation Benefit System (AFP-RSBS).
- d. The Employees Compensation Commission (ECC).
- e. The Philippine Health Insurance Corporation (PHIC).
- f. The Home Development Mutual Fund (HDMF).

The Association is intended to be a venue wherein member-institutions could deliberate and work on matters concerning social security among Filipino workers with the end-view of further developing the social security system of the Philippines.

2. Social Security System (SSS).

General.

The SSS is charged with administering three programs, namely: the social security program, the medicare program, and the employees' compensation program for workers in the private sector. The social security program provides replacement of reduced or lost of income due to sickness, maternity, invalidity, old age, and death. The medicare program assists in the hospitalization and other medical needs to the members and their dependents. The employees' compensation program provides compensation to the worker when the illness, death, or accident occurs during work-related activities.

Legal basis.

The legislative basis of the social security, the medicare, and the employees' compensation programs have undergone changes and amendments.

- a. The social security program. First law: Republic Act 1161 (the Social Security Act) 1954 implemented 1957; current law: Republic Act 8282 approved 1997, implemented 1997.
- b. The medicare program. First law: Republic Act 6111 (the Philippine Medical Care Act) 1969; current law: Republic Act 7875 (the National Health Insurance Act) 1995.
- c. The employees' compensation program. Presidential Decree 626 (the Employees' Compensation Act) 1975.

Coverage of membership.

Compulsory coverage consist of :

- a. Coverage of employees: a private employee, whether permanent, temporary, or provisional, who is not yet 61 years old; a household helper; a Filipino seafarer.
- b. Coverage of employers: an employer or any person who uses the services of another person in business, non-profit organizations, social, civic, professional, and charitable.
- c. Coverage of self-employed: a self-employed person, not yet 61 years old with an annual gross income of at least P 1,800, including: single proprietors, business partners, professional athletes, actors, farmers and fishermen.

Voluntary coverage consists of :

- a. Separated members from employment.
- b. Employees under Foreign Governments.
- c. Overseas workers in countries with bilateral agreements with the Philippines.
- d. Overseas contract workers.
- e. Non-working spouses of SSS members.

Sources of fund.

Financing of the three social security programs comes exclusively from contributions and investment earnings. Monthly contributions based on the compensation of SSS members are payable under the three programs, as follows :

- a. the social security program: 8.4% average monthly compensation not exceeding P 10,000, and payable by both employer (5.04%) and employee (3.36%),
- b. the medicare program: 2.5% of average monthly compensation not exceeding P 3000, and payable by both employer and employee in equal shares,
- c. the employees' compensation program: 1% of average monthly compensation not exceeding P 1000, and payable only by the employer.

Benefits.

The employee, as member, is entitled to a package of benefits in the social security, medicare, and employees' compensation programs.

- a. Social security benefits, provide for replacement of income reduced or lost on account of sickness, maternity, disability, old age, and death.
 - i) Sickness benefits, is a daily cash allowance paid to a member for the number of days he is unable to work due to sickness or injury.
 - ii) Maternity benefits, is a 60-day allowance paid to a female member who gives birth thru normal delivery, has a miscarriage or medically necessary abortion; or a 78-day allowance in case of caesarean section delivery.
 - iii) Disability benefit, is a cash benefit (monthly pension or lump-sum amount) paid to a member who becomes permanently disabled, either partially or totally.
 - iv) Retirement benefit, is a cash benefit (monthly pension or lump sum amount) paid to a member who can no longer work due to old age (60 years old and unemployed; or 65 years old whether employed or not).
 - v) Death benefit, is cash (monthly pension or lump-sum amount) paid to the beneficiaries of a deceased member.

- b. Medicare benefits, provide for financial assistance when members and their dependents get hospitalized. The benefits for a single period of confinement are :
- Room and board.
 - Medical expense.
 - Operating room fee.
 - Medical/dental practitioner's fee.
 - Surgeon fee.
 - Anesthesiologist's fee.
- c. Employees' compensation aims to assist workers who suffer work-connected sickness or injury resulting in disability or death. The benefits include :
- Medical services.
 - Rehabilitation services.
 - Income cash benefit for temporary total disability or sickness, permanent total disability, permanent partial disability, and death.
- d. Member loans, provide the members with loan program from which they can borrow for personal purposes:
- i) Salary loan, is intended to meet a member's short-term credit needs.
 - ii) Privatization fund loan program, is a lending program through the purchase of privatized shares of stocks on an installment basis.

Administrative Organization.

The Social Security Commission (SSC) has general supervision over the SSS. It is the policy making body composed of the Secretary of Labour and Employment and the SSS President and CEO as ex-officio members, and seven other members to be appointed by the President of the Philippines :

- three representing the worker's group, at least one of whom shall be a woman,
- three representing the employer's group at least one of whom shall be a woman, and
- one-representing the general public.

The Chairman is designated by the President of the Philippines from among its members.

Membership and Financial Statistics

Coverage of Membership and SSS Staffs

Membership SSS Staffs	1994	1995	1996
Employees (E)	15,472,433	16,594,396	17,803,046
Employers (R)	454,623	480,780	503,685
SSS Staffs (S)	3,111	3,071	3,044
Ratio E/S	4,973	5,404	5,849
Ratio R/S	146	157	165

Income and Expenditures (million Peso)

Income Expenditures	1994	1995	1996
Income			
• Contributions	16,247.5	18,742.9	21,588.9
• Investment returns	14,444.5	15,355.7	15,476.5
• Others	97.9	134.2	194.0
Expenditures			
• Benefits	17,276.4	18,666.5	20,376.0
• Expenses	1,330.2	1,667.7	2,202.5

Assets, Trust Fund, and Investible Fund (million Peso)

Item	1994	1995	1996
Assets (SSS owned)	116,036.7	128,352.4	143,151.1
Trust Fund (Members owned)	113,145.8	127,104.2	141,803.5
Investible Fund	111,005.2	122,347.0	134,781.4

3. The Government Service Insurance System (GSIS).

General.

The GSIS is tasked primarily with administering social security program of employees in the public sector, including pension, employees' compensation, and medical program. It is also charged with the insurance coverage of assets and properties which have government insurable interest.

Legal basis.

First laws: Commonwealth Act 186 approved 1936 implemented 1937.

Coverage of membership.

Compulsory membership covers all public employees, irrespective of employment, status, except contractual employees with no employer-employee relationship with the agencies they serve.

Voluntary membership for all public employees not over 65 years old, and who have retired, or resigned from the service, and would like to continue paying their premiums until maturity of their policy-contracts.

Sources of funds.

Member: a member pays 9.0% of his maximum average monthly compensation (AMC) limit and below.

Employer: an employer pays 12.0% based on the member's AMC limit and below.

Benefits.

a. Retirement.

- Old age pension is a lifetime monthly cash benefit payable to a member who is 65 years old, whether employed or not, and who has rendered at least 15 years of service.
- Annuity pension is a monthly cash benefit payable to a member who is unemployed at the age of 60 years old, provided the member has rendered at least 15 years of service.

- Gratuity benefit is a lump sum benefit equivalent to one month salary for every year of service payable to a member who has completed at least 20 years of service.
 - Survivors' pension is a monthly cash payment for surviving spouse and dependent children.
- b. Compulsory life insurance for disability and death.
- Permanent total disability benefit is a monthly cash payment equivalent to Basic Monthly Pension (BMP) plus lump-sum payment equal to 18 x BMP.
 - Permanent partial disability benefit, payable to a member who must have paid at least 36 monthly contributions within the last 5 years prior to the disability.
 - Temporary total disability benefit is a daily cash allowance equal to 75% of current daily pay not to exceed 120 days.
 - Death benefit and funeral grant payable upon the death of the insured to designated beneficiaries.
- c. Unemployment.
The member is paid 18 times his BMP provided he/she is retiring below 60 with 15 years of service.
- d. Optional life insurance.
Unlimited optional life insurance with features like maturity, cash surrender value, death, waiver of premiums in case of permanent total disability.
- e. Sickness.
Medicare: hospitalization, surgical, and medical expenses.
Employee compensation: cash allowance, medical services, rehabilitation, and funeral benefits.
- f. Additional benefits.
- Carer's allowance to disabled pensioners.
 - Annual dividends are paid for compulsory and optional policies.
 - Free accidental death insurance.
 - Christmas cash gift to retiree-pensioners, disability pensioners, and survivors of deceased pensioners.

- g. Loan windows.
- Salary loan, equivalent to one/two/three month's basic salary at 8% interest per annum.
 - Policy loan, equivalent to 50% of cash surrender value for Compulsory Policy, and 90% of cash surrender value for Optional Policy, at 8% interest per annum.
 - Individual real estate is a mortgage loan for (a) acquisition of house and lot packages, (b) construction of house, (c) transfer of mortgage, or (d) improvement of existing housing units.
 - Mass housing is loan for the purchase of a house and lot from GSIS housing project.
 - Members' assistance for the development of entrepreneurship in the small scale industries and cooperatives.
 - Stock purchase financing plan is a loan facility for acquiring shares of stock as a form of investment.
- h. General insurance, covers assets and properties which have government insurable interest and are mandated to be protected by GSIS insurance, including: fire, engineering, marine and aviation, casualty and miscellaneous, and surety bonds.

Financial statistics

Selected Balance Sheet Data (million Pesos)

Items	1996	1995
• Total admitted assets	101,594	85,199
• Loan to members and non-members	34,890	31,568
• Investments	28,654	25,364
• Liabilities and deferred credits	4,646	3,535
• Reserves	79,288	73,840

Selected Income and Expenses
(million Pesos)

Items	1996	1995
Net insurance income		
• Social insurance	13,796	11,881
• Optional insurance	683	561
• Medicare insurance	1,393	1,310
• Employees' compensation	703	525
• General insurance	949	1,165
Claims and benefits		
• Social insurance	6,582	6,129
• Optional insurance	155	125
• Medicare insurance	1,220	842
• Employees' compensation	616	568
• General insurance	189	192
Administrative and operating expenses	1,892	1,568

4. The Armed Forces of the Philippines-Retirement and Separation Benefits System (AFP-RSBS).

General.

The AFP-RSBS is a social security institution that is committed to serve the Filipino soldiers and their beneficiaries by providing them with living pensions and complementary welfare benefits.

Legal basis.

The AFP-RSBS was created by virtue of Presidential Decree 361 on December 30, 1973. The System started with its operations on October 8, 1976 with a P 200 million initial contributions from the government.

Sources of funds.

The sources of funds consist of the government capital and the members' contributions. The initial capital was paid by the government on July 1976, subsequently the paid-up capitals were deposited between 1977 and 1980.

Previously, the members' contributions were set at 4% of base and longevity pay. In 1979, the members' contributions were simplified into 5% of the soldiers' basic pay.

Coverage of membership.

The AFP-RSBS members are all members of the Armed Forces of the Philippines (AFP). Active AFP members are 110,000 persons, and retired AFP are 74,000 retirees.

Benefits.

The AFP-RSBS benefits consists of a pension scheme and intermediate benefits. Features of the pension scheme are as follows :

- Refund of total contribution is given with 6% compounded interest.
- Equalization feature: pension is updated as current base pay increases.
- Retirement benefits is based on the next higher rank.
- In case of death, pension is passed on to the wife, who receives 75% of the amount, in case the wife dies or remarries, 50% of the pension amount is passed on to the children aged 21 or below.
- Stoppage of contribution of age 65.

Retirement provisions: optional retirement at 20 years of service; compulsory at 30 years of service or upon reaching the age of 56. Intermediate benefits for members before retirement, include :

- Small business loans.
- Corporate or institutional loans.
- Low cost/medium cost housing.
- Cooperative assistance for members.
- AFP livelihood program.
- Service support/financial services assistance.

Fund management.

The fund, or any part thereof, shall be invested or reinvested in stocks, bonds, notes, shares, real-estate and/or other investment media deemed suitable for investment. While returns on investments are maximized, safety and stability are the primary considerations in the selection of investment media.

Financial statistics

Selected Financial Statistics (million Pesos)

Item	1994	1995	1996
Total assets	7,948.9	10,905.0	13,644.9
Total equity fund	6,850.1	8,147.9	9,431.8
• Capital	200.0	200.0	200.0
• Contributions	1,020.3	1,181.1	1,362.1
• Retained earnings	5,629.7	6,766.7	7,869.7
Gross income	1,397.6	1,853.4	1,970.4
Net income	1,065.5	1,374.8	1,460.5
RAFE	17.88%	19.93%	18.12%
RATA	15.49%	15.73%	13.51%

RAFE (Return on Average Fund Equity) = Net income: Average equity fund

RATA (Return on Average Total Assets) = Net income: Average total assets

CHAPTER V

SOCIAL SECURITY IN SINGAPORE

1. General.

The Central Provident Fund (CPF) is a social security savings scheme jointly supported by employees, employers, and the Government. CPF members are employees and self-employed persons in Singapore.

The basic purpose of the CPF is to help members meet primary needs like shelter, food, clothing, and health services in their old age, or when they are no longer able to work. Benefits offered are to help meet one or more needs of the CPF member in his retirement. They include withdrawals of the member for retirement, permanent disablement, homeownership, and medical care. The amounts available depend on how much the member has saved in the CPF.

The CPF Board are trustees for the CPF savings of members. The Board seek to protect and preserve the value of the savings. The Board provide fair market returns at minimal risk, while opening avenues for members to try for higher returns on their own after carefully considering the risks involved. The guiding principle is prudence. And returns should contribute towards the member's well-being in his retirement.

2. Legal Basic.

The CPF was established under the CPF Ordinance on 11 December 1953. In the beginning, the CPF was launched in July 1955 as a simple old age savings scheme to give low-income workers some security in their old age. This stand prevailed for over a decade.

However, it was soon realised that financial security could take many forms, and need not be restricted to a monetary pay off in old age. Many people reaching old age, without any shelter of their own, therefore they need houses. Elderly people more often suffer de-generative illness, therefore they need medical care.

Since then, the CPF has been slowly and judiciously liberalised to meet the changing needs of an increasingly sophisticated and educated people. Today, members can use their CPF savings for a host of different schemes and decide how their savings are to be invested. Nevertheless, saving for old age remains the primary objective of the fund, and controls are in place to ensure the money is safeguarded for this purpose.

3. Coverage of Membership.

The CPF member are the employee and the self-employed person. The CPF contributors are the member and the employer. An employer is (a) a person, enterprise, association or group of persons employing one or more employees; (b) a ship-owner employing one or more employees; and (c) manager, agent, or person responsible for paying wages. On the other hand, an employee is (a) a person employed in Singapore; and (b) Singaporean employed under working contract agreed upon in Singapore to work as labourer, craftman, seaman, or apprentice.

In the beginning of the operation in July 1955, the CPF membership consists of 13,000 employers and 180,000 employees. Since then the membership has grown as follow:

Membership growth

Year	1994	1995	1996
Membership			
Employees	2,521,750	2,683,525	2,741,804

In 1996, CPF membership include 1,193,852 active members and 201,163 self-employed persons who had made contributions under the Medisave for the Self-Employed Scheme.

Total savings in the fund grew with the growing membership.

**Members' Balance
(million S\$)**

Year	1994	1995	1996
Amount			
Members' balance	57,649.2	66,035.4	72,566.6

4. Sources of funds.

Each month, both employer and employee contribute to the employee's CPF savings which earn interest. The employee's contribution is deducted from his salary while the employer contributes an additional amount equivalent to a percentage of the salary. The employer is responsible to remit the contributions to the CPF each month.

The rates of contributions have been undergoing changes throughout the years. The rates also vary according to the age of the member. Since 1 July 1994, the rates of contributions are as follows:

Contribution rate (as a percentage of wage)

Age	Employer	Employee	Total
55 year and below	20	20	40
Above 55 to 60 years	7.5	12.5	20
Above 60 to 65 years	7.5	7.5	15
Above 65 years	5	5	10

The monthly wages for calculation of contributions, minimum S\$50 and maximum S\$600. The rate of contributions for the self-employed is 6% of the annual net trade income.

The member individual savings and the interest earned which are tax-exempt, are maintained in three accounts :

- a. The Ordinary Account, which may be used for retirement, buying a home, and paying for insurance, investment, and education.
- b. The Medisave Account, which is for paying hospital and other medical bills.
- c. The Special Account, which is for old age and contingencies.

At age 55, the member also has a Retirement Account under the Minimum Sum Scheme.

The total rates of contributions are credited to the three accounts based on the following allocations:

Contribution allocations (as a percentage of wages)

Age	Ordinary Account	Medisave Account	Special Account	Total
35 year and below	30	6	4	40
Above 35 to 45 years	29	7	4	40
Above 45 to 55 years	28	8	4	40
Above 55 to 60 years	12	8	-	20
Above 60 to 65 years	7	8	-	15
Above 65 years	2	8	-	10

The contributions of the self-employed are directly credited to the Medisave Account only for the purpose of medical care.

**Contributions Received and Annual Withdrawals
(million S\$)**

Year	Contributions Received	Annual Withdrawals
1994	11,278.6	7,292.0
1995	13,536.1	7,252.7
1996	14,623.0	20,529.6

5. Interest earned by Members.

CPF members receive a market-related interest rate on their CPF savings. The CPF interest rate is a simple average of the 12-month deposit and month-end savings rate of the four major local banks, subject to a minimum rate of 2.5% as spelt out in the CPF Act.

The CPF rate of interest is revised every six months. The rate for January to June 1996 was 3.52%, and for July to December 1996 was 3.48%. Savings in the Special and Retirement Accounts receive an additional interest of 1.25% points above the normal CPF interest rate to help members build up their retirement fund.

6. Benefits.

Over the years, the CPF has evolved into a comprehensive social security savings scheme providing a sophisticated, life-long financial plan for all its members. Today, the CPF benefits consist of five main categories :

- a. Retirement,
- b. Health care,
- c. Home ownership,
- d. Family protection, and
- e. Asset enhancement.

Retirement.

When the member reaches 55, he may withdraw his savings from his Ordinary and Special Accounts after putting aside a certain amount, known as the Minimum Sum, in his Retirement Account for his old age. He must also retain a certain amount in his Medisave Account.

If he continues to work after 55, he must still contribute to CPF, but at a lower rate. Part of his contribution will go into his Medisave Account until the maximum is reached. His savings after 55 may be withdrawn every three years. If his Minimum Sum is less than the set amount, half of his withdrawals after 55 has to be set aside until the full Minimum Sum is reached.

A member may withdraw his savings before 55, if he becomes permanently disabled or if he emigrates permanently.

Upon retirement age of 60 years, a member receives a monthly income from his Retirement Account. Alternatively, the sum may be deposited with a bank, or used to buy a life annuity with an insurance company which will yield a monthly income.

Health care.

Health care scheme consists of three main programs: Medisave, MediShield, and MediShield Plus which are financed from the member's Medisave Account.

Medisave may be used at all government or restructured hospitals and approved private hospitals. It can pay forward charges, doctor's fees, fees for surgery and operating theaters, medical treatments and supplies, investigations and rehabilitation services (subject to withdrawal limits). It may also be used for maternity expenses. Medisave also covers certain out-patient treatment, including Hepatitis B vaccination, renal dialysis, radiotherapy, chemotherapy, AZT treatment, and assisted conception procedures. A member may use his Medisave funds for himself or any immediate family members such as his spouse, children, parents, and grandparents.

MediShield is the national catastrophic illness insurance scheme, provide members and their dependents with financial protection against high medical expenses arising from prolonged or serious illnesses. The annual premium is deducted automatically from the member's Medisave Account, unless he decides not to be insured.

MediShield Plus is similar, but the claims and premiums are higher. It allows the member to stay in the more expensive wards.

Home ownership.

CPF helps members own flats from the Housing and Development Board (HDB) through Public Housing Scheme, or own private property through Residential Properties Scheme.

Public Housing Scheme applies only to government-built HDB flats, either new or resold by existing owners. When buying a new flat, all the savings in the CPF Ordinary Account may be used to pay the 20% deposit as well as the balance of the buying price. For a resale flat, CPF savings may be used to pay either the purchase price or its market value, whichever is lower. If a housing loan is taken out, future monthly contributions paid into the Ordinary Account may be used to pay the installments.

Residential Properties Scheme covers all residential properties in Singapore built on free hold land or with a lease of at least 60 years remaining. All of the existing savings in the Ordinary Account and future monthly contributions paid into the same account may be used to buy the property, or to pay the installments on the housing loan.

Family Protection.

The CPF insurance schemes give members and their families financial protection over and above their CPF savings in the event of sudden death or permanent incapacity. The schemes consist of Dependants' Protection Scheme and Home Protection Scheme.

The Dependants' Protection Scheme (DPS) is a term-life insurance that covers members against permanent incapacity or death before age 60. Should the member die or become permanently disabled, his family will receive up to S\$36,000 to tide them over the first few years. Insured members pay an annual premium ranging from S\$36 to S\$360 depending on their age. It can be deducted from his Ordinary Account.

The Home Protection Scheme (HPS) is a compulsory mortgage-reducing insurance scheme. Should the insured member die or become permanently disabled before he is 60, the CPF Board will pay the outstanding housing loan up to his maximum insured amount. The premium is a one-time payment which can be paid for in cash, or CPF funds deducted from the member's Ordinary Account.

Asset Enhancing.

Members who wish to manage and enhance their CPF savings for their old age can do so through the CPF investment schemes. The schemes give CPF members a wider choice of ways to invest their savings while maintaining the longer term objective of ensuring their financial security in old age.

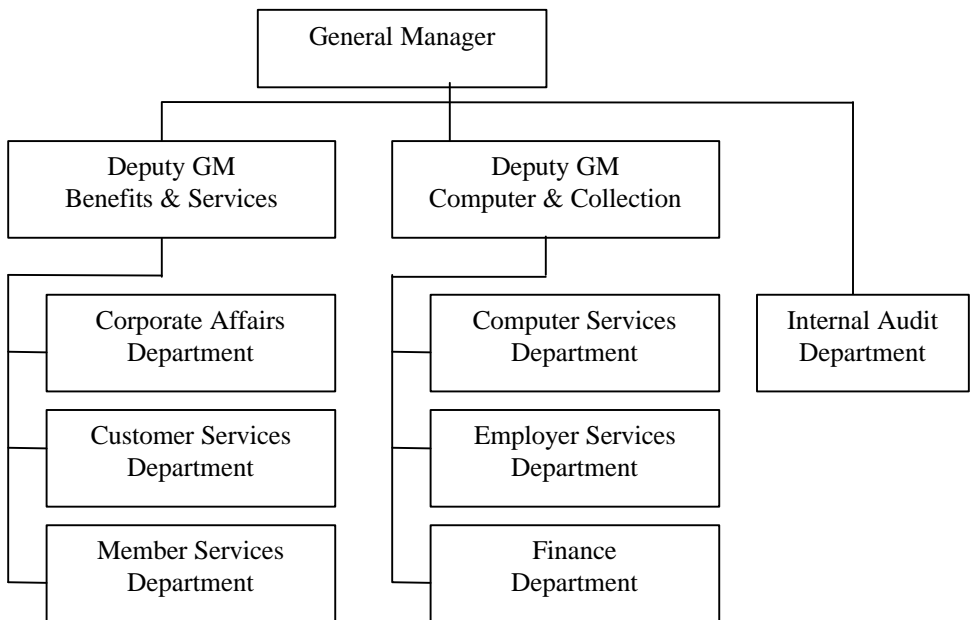
The Basic Investment Scheme (BIS) and Enhanced Investment Scheme (EIS) allow the use of CPF savings for buying shares, unit trusts, government bonds, bank deposits, fund management accounts, endowment insurance policies, and gold.

The Singapore Bus Services (SBS) Shares Scheme enables members to use their CPF funds to buy up to 5,000 shares of Singapore's key public transport companies.

The Non-Residential Properties Scheme enables members to enhance their CPF savings by investing them in office premises, shop units, factories and warehouses in Singapore.

The Education Scheme is a loan scheme which helps members finance their children's or their own tertiary education; the student must repay the funds plus interest starting a year after graduation.

7. Organisation Structure.



8. Financial Statistics

Selected Balance Sheet Items (S \$ 000)

	1996	1995
Central Provident Fund	73,771,534	67,157,430
• Members' Account	72,566,500	66,035,403
• Accumulated Surplus	1,199,350	1,117,135
• Reserve Account	5,624	4,892
Insurance Funds	1,481,449	1,086,962
• Home Protection Fund	1,030,659	719,561
• Dependants' Protection Fund	201,362	164,610
• MediShield Fund	249,428	202,791
Total Funds	<u>75,252,983</u>	<u>68,244,392</u>
Represented by:		
Fixed Assets	156,897	154,302
Long-term Investments	72,032,948	65,657,232
Staff loans	<u>2,339</u>	<u>2,132</u>
Current Assets	3,157,430	2,553,142
Less: Current liabilities	<u>96,631</u>	<u>122,416</u>
Net Current Assets	<u>3,060,799</u>	<u>2,430,726</u>
Total Net Assets	<u>75,252,983</u>	<u>68,244,392</u>

Selected Income and Expenditure (S \$000)

	Central Provident Fund		Insurance Fund		Total	
	1996	1995	1996	1995	1996	1995
INCOME						
Income from:						
• Investment	2,539,333	2,187,362	28,384	19,804	2,567,717	2,207,166
• Bank deposits	13,928	11,316	18,486	14,968	32,414	26,284
• Late contributions	15,028	14,643	-	-	15,028	14,643
Total	<u>2,568,289</u>	<u>2,213,321</u>	<u>46,870</u>	<u>34,772</u>	<u>2,615,159</u>	<u>2,248,093</u>
• Insurance premium			511,100	392,357	511,100	392,357
• Other income						
Total Income	<u>2,614,188</u>	<u>2,255,961</u>	<u>576,546</u>	<u>436,737</u>	<u>3,181,734</u>	<u>2,692,698</u>
EXPENDITURE						
• Expenses	79,148	75,671	182,059	142,587	252,207	218,258
• Interest to members' account	2,452,825	2,116,225	-	-	2,452,825	2,116,225
SURPLUS	<u>82,215</u>	<u>64,065</u>	<u>394,487</u>	<u>294,150</u>	<u>476,702</u>	<u>358,215</u>

CHAPTER VI

SOCIAL SECURITY THAILAND

1. General.

Social security in Thailand consists of the Health Care Scheme provided through the Social Security Fund (SSF) and the Employment Injury Scheme provided through the Workmen's Compensation Fund (WCF). Both Funds are managed and administered by the Social Security Office (SSO).

The distinction and separation between both Funds is a result of historical provision in Thailand. The WCF was established first under the Announcement No.103 of the National Executive Council in 1974, and administered by a body under the Department of Labour, Ministry of Interior. The SSO was created in 1990 under the Ministry of Interior, and the WCF was transferred into the administration of the SSO. The SSF was established under the Social Security Act in September 1990, implemented and administered by the SSO in March 1991. When a new Ministry of Labour and Social Welfare was established in 1993, the SSO became a Department in the new Ministry.

2. Legal Basis.

The Social Security Act 1990 and came into force March 1, 1991 provides the basis and framework for the gradual development of a comprehensive social security system in Thailand.

Stage 1 : September 1990, the Workmen's Compensation Fund was transferred from the Department of Labour to the SSO to provide for employer's liability against employment injury to the private employees.

Stage 2 : March 1991, health care scheme were implemented to provide for protection against sickness, maternity, disability, and death.

Stage 3 : July 1994, Workmen's Compensation Act was enacted to replace the employer's liability scheme with the social insurance scheme.

Stage 4 : September 1994, voluntary insurance service was introduced for the self-employed.

Stage 5 : September 1998, old-age pension insurance and child allowance schemes are to be implemented.

Stage 6 : Unemployment benefits are to be organized on a date to be announced by a Royal Decree.

3. Coverage of Membership.

The membership in the Social Security Fund covers employees in the private sector. The Act initially covers enterprises with 20 or more workers. Once registered with the scheme, the enterprise remains liable for contributions even if the number of employees falls below the prescribed number, and new employees will always be covered with such enterprises. The scheme has been extended since September 1993 to cover the employees belonging to establishments with 10 workers. In December 1996, the membership covers 82,582 enterprises with 5.59 million employees. The total membership increases 12.2% and 7.92% respectively compared to 1995.

The membership in the Workmen's Compensation Fund covers all enterprises with 10 or more employees, except employees in agriculture, forestry, and fishery, employees of state enterprises, employees of private schools, and government employees. In 1974, the Fund covered 2,492 employers with 272,848 employees, and gradually extended its geographical coverage so that in 1995, about 4.9 million employees employed by 48,380 enterprises covered throughout the country.

The current Social Security Act provides that if a person who has been an insured person and whose insurance has subsequently ceased because of termination of his employment, intends to continue to be insured person, he can do so under voluntary insurance program. In 1996, there were 19,436 insured person terminated their employment, and insured under the voluntary insurance program.

4. Sources of Funds.

The financing of the SSF is by tripartite contributions i.e. the employer, the employee, and the government at the rate of 1.5% each of the employee's wages, so that it amount to 4.5% of the monthly employee wage. The wage base for the calculation of the contributions is within certain limit of wage of 15,000 Baht a month. If the wage exceeds such amount, it is not to bring for calculation of contributions.

Total Amount of the SSF Contributions (in million Baht)

Year	Employer and Employee	Government	Total
1992	4,396.23	1,620.00	6,016.23
1993	5,554.36	3,803.74	9,358.10
1994	7,602.70	4,539.69	12,172.39
1995	8,482.82	4,119.18	12,602.00
1996	10,155.75	5,077.88	15,233.63

The contributions to the WCF are made by the employer only. The rate of contribution as a percentage of the insured earnings of the employee varies from 0.2% to 1% depending on the industrial classification of the employer. Presently, there are 131 industrial classifications. The contributions are assessed on the employee's earning up to Baht 240,000 per year. After an employer has contributed to the Fund for four years, his contribution rate based on his industrial classification is adjusted annually (experience rating), and increased or decreased for the next year to reflect his experience risks.

**Total Amount of the WCF Contributions
(million Baht)**

Year	Contributions	Year	Contributions
1992	741.95	1995	1,397.81
1993	921.36	1996	1,837.50
1994	1,126.35		

The contributions for the voluntary insurance program are made solely by the insured person/the self-employed at the rate of 3.0% of wage; currently at the fixed amount of Baht 4,800 per year.

5. The SSF Benefits.

The SSF benefits constitute the health care scheme which consists of sickness benefits, cash sickness benefit, maternity benefit, invalidity benefits, and death benefit.

Sickness benefits.

Sickness benefits include general practitioner and specialist care, hospital and in-patient care, ancillary care, prescribed medicines, certain appliances, and ambulance services. The medical services are provided through contracted health care providers consisting of public, university, military, and private hospitals.

Number of Contracted Hospital in the SS Scheme

Type of hospital	1992	1993	1994	1995	1996
Main Contractor	145	156	177	189	198
• Government Hospitals	118	119	122	126	126
• Private Hospitals	27	37	55	63	72
Network	754	864	1,300	1,940	2,840

The hospitals receive capitation payments for the insured persons registered with them, and may organize their own network of other medical institutions to provide some of the services. The annual capitation rate is currently up to Baht 80 per person. Extra costs of services are separately paid for the provider, and no user charge are in force. The capitation fee are paid monthly; 75% is paid in advance, and the remainder is settled three months afterwards.

The amount of capitation fee is determined as the average medical expenses divided by the average number of insured persons at the beginning and the end of the month. The quality of care and the utilization rate at each contracted hospital is monitored.

Cash sickness benefit.

The cash benefit is payable to the insured workers who have paid contributions for not less than 90 days within the preceding 15 months. The rate is 50% of wages for up to 90 days on each occasion, and not more than 180 days in calendar year, except for chronic conditions when benefit may be paid for 365 days.

Maternity benefit.

Maternity benefit requires a qualifying condition of 210 days of contributions paid within the period of 15 months prior to the receipt of medical care. If the claim for benefit is satisfied and approved, both medical and cash benefits will be available to the insured females, whilst the insured workers' wives entitle only to the medical benefit. These are related to the delivery and are on the same basis as sickness benefit.

All who are qualified for medical care will receive standard lump-sum payments to Baht 3,000 for each delivery. Cash benefits payable to the insured females will be at the rate of 50% of wages for up to 90 days of absence from work. The maternity benefits are limited to two confinements since the Act came into force.

Invalidity benefit.

Invalidity benefits require the payment of contributions for not less than 3 months within the period of 15 months prior to the occurrence of invalidity. The benefits constitute health care on a reimbursement basis, and a monthly pension of 50% of wages for the whole life. Invalidity benefits are to be provided after exhaustion of any sickness benefit entitlement.

Death benefit.

Death benefit or funeral grant is payable on the death of an insured person who had paid contributions for not less than 30 days within the period of 6 months before death. The amount of Baht 30,000 shall be paid to the person who arrange the funeral.

Future benefits.

The Social Security Act 1994 provides for some future schemes.

- a. Old-age pension, payable to the insured person who reaches 55 years old, and had paid contributions for not less than 15 years.
- b. Child allowance, for a maximum of two children provided the insured person had paid contributions for not less than one year; the allowance consists of certain types of financial support and medical care.
- c. Unemployment benefit shall be payable to the unemployed provided the person had paid contributions for at least 6 months within 15 months prior to unemployment; the payment will be made after a 7 days waiting period.

6. The WCF Benefits.

At present, the amount of monthly benefits provided under the Workmen's Compensation Fund range from a minimum of Baht 2,000 up to maximum of Baht 9,000. The benefits are :

Medical compensation benefit.

The medical benefit is provided as required for the treatment of employment injuries or diseases. Maximum expenditure is limited to Baht 35,000 per case including hospital room and board expenses which will be paid not exceeding Baht 700 per day.

Temporary disability benefit.

It is a monthly payment equals to 60% of wages with a minimum of Baht 2,000 per month and a maximum of Baht 9,000 per month. The benefit is payable with a 3 days waiting period, retroactive to the first day of incapacity. The maximum duration of payment is one year.

Permanent disability benefit.

- a. Permanent total disability compensation is monthly payments equal to 60% of wages, payable to a maximum of 15 years, and vary according to categories of disablement.
- b. Permanent partial disability compensation is monthly payments equal to 60% of wages, payable for up to 10 years, and vary according to the nature and degree of disability.

Survivors' benefit.

It is monthly payments equal to 60% of wages, payable for a maximum of 8 years, and is share equally among the widow (s), children under age 18 (or over 18 if disabled or in school), and parents.

Funeral grant.

It is a lump-sum payment equals to 100 times of the highest minimum daily wage.

Rehabilitation services.

Rehabilitation services are provided as required for the rehabilitation of disabilities resulting from employment injuries or diseases. The services include provision of prosthetic devices and equipment or articles used to assist the disabled organ. Services expenses for rehabilitation shall not exceed Baht 20,000 per case.

7. The Voluntary Insurance Benefits.

The benefits of the voluntary insurance program include maternity, invalidity and death.

Maternity benefit.

The voluntary insured person who had paid contributions for 9 months consecutively shall be entitled to claim maternity benefits at the amount of Baht 3,000 per one confinement. The benefit is payable for not more than two confinements.

Invalidity benefits.

The insured person will be eligible to receive this benefit provided he has been insured for at least 3 years consecutively. The benefits consist of :

- a. medical expenses concerning invalidity which can be reimbursed of the real expenses, and not exceeding Baht 1000 per month.
- b. compensation for loss of income during the period of invalidity which will be paid as long as 15 years at the amount of 50% of the highest minimum daily wage.

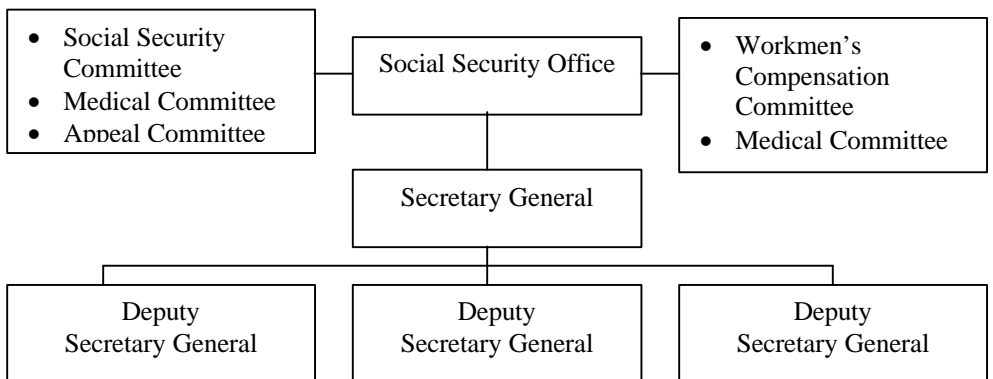
Death benefits.

If an insured person died after he has paid contribution for the first month, his survivors or the person who arranges the funeral will be eligible to receive funeral grant at the amount of Baht 20,000.

8. Organisation.

The SSO is organized under a Secretary General at the level of Director General in the Ministry of Labour and Social Welfare.

The organisation structure of the SSO



Office of the Secretary
Divisions :
Personnel
Data processing
Medical
Studies & Planning
Supplies
Registration
Projects :
Modernization
Reengineering

Inspector General
Benefits division
Office of the WCF
Rehabilitation
Training
Information
Regional offices

Divisions :
Finance & Accounting
Contributions
Inspection
Legal affairs
Internal audit

Three committees of the SSF and two committees of the WCF are appointed to advise on policy and administration to the SSO. The committees are basically tripartite bodies representing the government, the employer, and the employee plus several experts in their respective fields.

9. Financial Statistics.

Highlight of Financial Data of the SSF
(million Baht)

Item	1994		1995		1996	
	Amount	%	Amount	%	Amount	%
1. Receipt						
• Contributions	12,172.39	88.29	12,602.00	81.95	15,233.63	80.06
• Interest	1,595.49	11.57	2,756.04	17.92	3,723.82	19.57
• Others	19.21	0.14	20.39	0.13	71.50	0.38
Total	13,787.09	100	15,378.43	100	19,028.95	100
2. Expenditures						
• Benefits	3,773.29	92.93	3,991.45	86.18	6,238.62	92.28
• Expenses	287.09	7.07	64.08	13.82	521.84	7.72
Total	4,060.38	100	4,631.53	100	6,760.46	100
3. Surplus	9,726.71	239.17	10,746.90	232.04	12,268.49	181.47
4. Assets	23,784.05	-	34,350.08	-	47,070.95	-

Highlight of Financial Data of the WCF
(million Baht)

Item	1994	1995	1996
1. Receipt			
• Contributions	1,126.35	1,397.61	1,837.50
• Interest	511.21	640.19	629.25
• Others	26.70	34.25	38.52
Total	1,664.26	2,072.25	2,505.27
2. Expenditures			
• Benefits	1,169.39	1,370.03	1,609.50
• Expenses	1.48	0.44	0.23
3. Balance			
Amount	493.39	701.78	895.54
Percentage	42.14	51.21	55.63

CHAPTER VII

CONCLUSION

One of the tangible efforts toward the realization of the joint cooperation among ASEAN countries is in the field of social security. Social security institutions wielding enormous fund and serving millions of workers constitute strategic forces that could have significant bearings upon the regional cooperation. We are aware that social security is administered through different systems, ways, and means, many peculiar to a specific country, as determined by tradition, history, level of socio-economic development, and the prevailing political and social philosophies. Despite this diversity of social security schemes, it is possible to identify some major shares of similarity.

The three major schemes of social security namely the old age security, the health care, and the employment injury scheme contain three major aspects of saving, insurance, and investment in different degrees. The old age benefits program provides income replacement for workers in the event of old age, disability and death; therefore, the old age security implies more aspects of saving an investment. Through the health care scheme workers are assisted with medical care needed in times of sickness, including maternity care for female workers. Whereas, the employment injury program compensate workers who suffer work related accident resulting in disability, or death. Both programs of healthcare and injury involve more aspects of insurance whereby the healthy subsidize the sick who may find themselves in sudden need of assistance when they get sick or injured.

In most ASEAN countries, social security legislations are enacted based on coverage of membership or programs of benefits. In Indonesia, JAMSOSTEK is tasked to implement social security protection for workers in the private sector, on the other hand, TASPEN and ASKES take care of employees in the public sector, ASABRI for military personnel, and JASA RAHARJA for the general public. The six social security institutions form an association, known as the Indonesia National Social Security Association.

In the Philippines, SSS is charged primarily with administering social security program for private sector workers. GSIS performs social security for public employees, AFP-RSBS for military personnel. The three institutions together with the three other organisations performing social security and related functions namely ECC, HDMF, and PHIC form PHILSSA, the Philippine Social Security Association.

In Malaysia, EPF is a national social security organization operating through a provident fund scheme for the private sector and non-pensionable public sector employees. Whereas SOCSO provides for medical expense reimbursement and financial compensation to workers who sustain injury or contract sickness resulting in temporary or permanent disability.

In Singapore, CPF is a national compulsory saving scheme that provides retirement benefits. Although retirement benefit is its main concern, CPF has also introduced other withdrawal schemes to provide for home ownership and medical care.

In Thailand, SSO administers Social Security Fund providing workers with sickness, maternity invalidity, and death benefits, as well as Workmen's Compensation Fund providing workers suffering from injury and sickness with medical compensation, disability and survivors benefit, and rehabilitation services.

In Brunei Darussalam, the Employees' Trust Fund is entrusted with administering social security program. In Vietnam, social security programs of old age, sickness, disability, and death benefits are administered by the Ministry of Labour, the Ministry of Finance, and the Ministry of Health until the establishment of Vietnam Social Security Organisation.

The world is currently undergoing significant demographic, social and economic transformation which challenges the viability

SOCIAL SECURITY IN ASEAN-MEMBER COUNTRIES PRIVATE SECTOR

Contributions as % wages

	Country	Program	Contributions as % wages			Benefits	Organisation	
			Employee	Employer	Government			
Social Security In ASEAN Countries	Indonesia	JAMSOSTEK						
		• Work Accident	-	0.24 – 1.74	-	Compensation		
		• Health care	-	3.00 - 6.00	-	Medical care		
		• Death benefits	-	0.30	-	Term Insurance	JAMSOSTEK	
			• Old age benefits	2.00	3.70	-	Saving Withdrawals	
	Philippines	• Social Security	3.36	5.04	-	Pension		
		• Medicare	1.25	1.25	-	Hospitalization	SSS	
		• Employees' Compensation	-	1.00	-	Compensation		
	Malaysia	Employment Accident				Compensation	SOCSCO	
		Provident Fund	11.00	12.00		Saving Withdrawals	EPF	
	Singapore	Provident Fund	20.00	20.00	-	Saving Withdrawals	CPF	
	Thailand	Social Security Fund	1.50	1.50	1.50	Medical care		
Workmen's Compensation Fund		-	0.20 – 2.00	-	Compensation	SSO		

of present social security scheme to adapt to new emerging needs and the accompanying problems of increasing social security costs. Serious questions have even been raised, more pointedly now than ever before, in relation to coverage, financing, adequacy of benefits and distributional equity of social security program.

Demographic changes, notably the decline in birth rates and increasing life expectancies resulting in the aging of populations can create financial problems for the old age program to such an extent that existing public retirement benefit schemes will become unaffordable to maintain in their present form. Consequently, a number of countries have adopted measures to ensure the continuing sustainability of their public pension schemes, such as gradually raising retirement age, increasing contribution rates, restricting eligibility requirements, and resorting to other cost controlling measures.

The effective provision of adequate health care to the population is hampered by limited financial resources, given the magnitude of the expenditures required. Furthermore, most social security health insurance schemes are beset by the problem of escalating costs of supplies and services, compounded by malpractice of users and health providers leading to overutilization. Additionally, extreme pressures are projected for the financing of health care as population age. In typical developing countries, changes in life style under social modernization, has brought about changes in the disease pattern from the ones of infectious diseases to the ones of degenerative diseases resulting in prolonged and serious illnesses.

This regional cooperation could provide an opportunity for ASSA member organizations to jointly confront, examine, and endeavour to better comprehend and react to the challenges facing social security schemes in South East Asia especially on the threshold of the twenty-first century.

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