

## Indonesia to build a new scheme to protect the unemployed

The ILO with support from the Fast Retailing Co. Ltd commenced a new project to help Indonesia developing an effective mechanism for the unemployed through employment insurance, re-skilling and up-skilling programme and improved public employment service.

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Around 30 key representatives of the Ministry of Manpower and the National Social Security Provider for Employment (BPJS Ketenagakerjaan) participated at a three-day workshop conducted by the ILO in Jakarta from 20-23 January, aimed to provide an overview of international standards on social protection and unemployment benefit. The workshop was also aimed to introduce the new ILO project titled “Unemployment Protection in Indonesia: Quality Assistance for Workers Affected by Labour Adjustments” or also known as the ILO-UNIQLO Project.



Kroum Markov, the ILO's Social Protection Policy and Legal Specialist highlighted the importance of unemployment benefit scheme for Indonesia

Funded by the Fast Retailing Co, Ltd, the ILO-UNIQLO Project is a public-private partnership aimed to provide quality assistance for Indonesian government in developing a protection scheme as a response to massive labour adjustments due to digitalization and an increase of minimum wage. Other objective the project included the efforts to strengthen mechanisms for the unemployed in Indonesia by designing an effective employment insurance, expanding re-skilling and up-skilling training, as well as improving quality of public employment service.

Kroum Markov, the ILO's Social Protection Policy and Legal Specialist, as the main speaker, highlighted the importance of unemployment benefit scheme for Indonesia. He presented international standards related to social protection and unemployment issues: the ILO Convention No. 102 on Social Security and No. 168 on Employment Promotion and Protection against Unemployment.

The Convention No. 102 covers nine types of protections including medical care, sickness, unemployment, old-age, employment injury, family, maternity, invalidity and survivors' benefits. Meanwhile the Convention No. 168 specifically covers standards of unemployment protection and employment promotion. These two Conventions can help member States of the ILO, including Indonesia, to establish a sound and effective protection system against unemployment and at the same time promote productive employment.

**“** It is highly relevance for Indonesia to establish a protection system against unemployment considering the predominance of employment in informal economy. This protection system combines financial with employment supports that will not only help more people getting into formal occupation, but also support social and economic growth of the country.”

*Kroum Markov, the ILO's Social Protection Policy and Legal Specialist*



During the working groups, participants identified the best scheme and mechanism for Indonesia

"It is highly relevance for Indonesia to establish a protection system against unemployment considering the predominance of employment in informal economy. This protection system combines financial with employment supports that will not only help more people getting into formal occupation, but also support social and economic growth of the country," he stated.

**"Unfortunately, the national labour law does not provide adequate protection for the unemployed. Thus, we continue improving our labour regulation to ensure all people are protected from any unfortunate situation related to work. We will need further assistance from the ILO and other relevant partners."**

*Retna Pratiwi, Director of Social Protection of the Ministry of Manpower*

To give a technical illustration on the unemployment benefit system, the representative from JICA and Japanese Ministry of Health, Labour and Welfare (MHLW) shared practices that have been implemented in Japan for over 70 years.

Yuichi Kuwabara, Section Chief of the International Affairs Division of the MHLW, shared the public employment service named Hello Work with its main role to help connect job seekers to companies in need of skilled labourers. To date, there are more than 540 main offices nationwide serving as a safety net for people who become unemployed. "I encourage the government of Indonesia to look for the most suitable scheme to protect

the unemployed without adding so much burden to the government, companies and workers,” said Yuichi.

Meanwhile, Satoshi Ushijima, a Labour Policy Advisor from JICA, explained about the role of unemployment protection during economic recession. The unemployment insurance has provided a safety net for workers who are affected by labour adjustment as a result of the recession in Japan. “Economic recession can strike every country, including Japan and Indonesia. Indonesia must be prepared by creating unemployment insurance that will help workers to cope with the situation even during the hardest time,” said Satoshi.

Responding to international standards and good practices, Retna Pratiwi, Director of Social Protection of the Ministry of Manpower, said that the objectives of the ILO-UNIQLLO project were in line with the objective of the Ministry to improve the quality of labour protection in the country. The technological advances have made workers more vulnerable to the job loss.

“Unfortunately, the national labour law does not provide adequate protection for the unemployed. Thus, we continue improving our labour regulation to ensure all people are protected from any unfortunate situation related to work. We will need further assistance from the ILO and other relevant partners,” she added.

**“During the next two years, the project will facilitate dialogues among stakeholders to set up the effective protection scheme against unemployment as well as improving the public employments service that will help promote re-employment of workers from a declining sector to emerging one.”**

*Ippei Tsurugai, Manager of the ILO-UNIQLLO Project*

Ippei Tsurugai, Manager of the ILO-UNIQLLO Project, said that the ILO together with Fast Retailing Co. Ltd. were committed to provide further assistance and advisory to the government and its partners on the development of protection mechanisms against unemployment. “During the next two years, the project will facilitate dialogues among stakeholders to set up the effective protection scheme against unemployment as well as improving the public employments service that will help promote re-employment of workers from a declining sector to emerging one,” he concluded.





Participants actively and interactively involved in the working group

**Tags:** employment services, unemployment, unemployed, social protection, unemployment benefits, skills

**Regions and countries covered:** Indonesia

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## See also

### Project

Unemployment Protection in Indonesia – Quality Assistance for Workers Affected by Labour Adjustments (UNIQLO) >

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