

## The importance of strengthening social protection systems to cope with the impact of Covid-19 on the world of work

The rapid spread of COVID-19 has not only caused millions of confirmed cases and hundreds of thousands death worldwide, but also brought significant impact on the economy, employment and social affairs.

News | Jakarta, Indonesia | 20 April 2020

The COVID-19 is easily transmitted from person to person, forces people to do physical distancing and close the public places such as schools, offices, shopping centres, and tourism destinations. As a result, the crisis is slowing down business activities, reducing productions, worker's incomes and consumptions; instead, increasing unemployment and uncertainty in income security.



## Indonesian garment workers in Semarang, Central Java

The ILO estimates that there would be at least 1.25 billion people globally working in the most declining sectors such as tourism, hotels, restaurants and manufacturing. They are at high risk of having salary reduction due to the reduced working time. At the worst case, they might even lose their jobs. In this situation, social protection plays major role to minimize the risk and guarantee income replacement for all workers.

**“In response to the crisis, social protection is playing a central role around the world in providing unemployed workers with temporary and partial income replacement, stabilizing employment through wage subsidies or partial unemployment benefits, and guaranteeing income during sick leaves.”**

*Ippei Tsuruga, Technical Officer on Social Protection, ILO Jakarta Office*

"In response to the crisis, social protection is playing a central role around the world in providing unemployed workers with temporary and partial income replacement, stabilizing employment through wage subsidies or partial unemployment benefits, and guaranteeing income during sick leaves. It will help countries maintain employment, production and consumption during the crisis and recover the economic faster in the post-crisis," Ippei Tsuruga, Technical Officer on Social Protection, ILO Jakarta Office, explained.

The ILO summarized efforts taken by several countries in the Asia and the Pacific region in a report titled [Social protection responses to the Covid-19 crisis: Country responses in Asia and the Pacific](#) >. In this report, the ILO emphasized the role of social protection such as unemployment benefit, old-age benefit, sickness benefit, and survivor's benefit, as financial buffers to address the double challenge of increased expenditure and reduced revenue.

**Among these topics, lessons regarding sickness benefits and unemployment benefits may provide relevant and useful insights to Indonesia.**

### **Sickness Benefit**

- The absence of publicly financed sickness benefits or paid sick leave leads to the perverse situation where workers are forced to go to work sick, putting their own health in jeopardy and risking further contagion. This situation applies to a majority of workers especially in non-standard form of work such as small traders, street-food vendors, freelance workers and daily labourers.
- Japan, the Philippines, Singapore and Viet Nam have extended publicly financed sickness benefits to workers who are not otherwise entitled to paid sick leave in response to the

crisis. Workers in countries without such schemes including Indonesia can rely only on their employers' liability and affordability.

### Unemployment Benefit

- The absence of unemployment protection measures reduces the ability of companies to preserve jobs and provide unemployed workers with no income guarantee unless employers can afford to do so.
- As economic activities are slowing down during the crisis, companies, especially in the most declining sectors, are often forced to choose the option to lay off their employees. Countries that already have unemployment benefit scheme in place are taking measures to extend coverage, relax qualifying conditions or increase benefit levels or durations using reserves to provide partial and temporary income replacement for the displaced workers.
- In addition, some countries are helping enterprises maintain employment by reducing economic burdens through wage subsidies or partial unemployment benefits. Japan, Malaysia, the Philippines, the Republic of Korea, Singapore and Thailand are good examples for such practices in the region.
- Indonesia does not have unemployment benefits managed by the state. When their employers cannot afford to pay severance or unfortunately go bankrupt, unemployed workers will often have no means to ensure income replacement.

Indonesia has launched the Pre-Employment Card (Kartu Pra-Kerja) in response to the COVID-19 crisis and prepares for the establishment of employment insurance (JKP). Several social assistance programmes have also been extended to protect the poor and the vulnerable. It is a crucial moment to harmonise these schemes to help workers and employers in times of financial crisis.

For the detail information, please refer to the attached file or visit [ilo.org/jakarta](https://ilo.org/jakarta) >. The ILO also provides regular updates in the COVID-19 and the world of work worldwide at [ilo.org/covid19](https://ilo.org/covid19) > or [twitter@ilo](https://twitter.com/ilo).

**Tags:** employment services, unemployment, unemployed, social protection, unemployment benefits, skills, occupational safety and health

**Regions and countries covered:** Indonesia

[COVID-19 and the world of work >](#)



## See also

---

### Briefing note

- [COVID-19 and the world of work: Social protection responses in Asia-Pacific > \[pdf 542KB\] >](#)

---

### Projects

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

---

[COVID-19 and the world of work: Indonesia and Timor-Leste >](#)

## Receive ILO news

---

► [Sign up to get updates from the ILO's office for Indonesia and Timor Leste delivered to your inbox >](#)

---

© 1996-2024 International Labour Organization (ILO) | [Rights and permissions](#) | [Privacy policy](#) | [Fraud alert](#)  
| [Disclaimer](#)

We use cookies to give you the best experience. By using our website, you consent to the use of cookies.  
Find out more in our [privacy policy](#). [OK, I understand](#)