

Indonesia to learn from the United Kingdom to set up public employment service

Following the release of unemployment benefit regulation, Indonesia is now strengthening employment agencies' capacity to provide training and job placement service for the unemployed. Policymakers in Indonesia learned from other countries experiences in developing effective public employment service.

News | Jakarta, Indonesia | 01 April 2021

Like many other countries' scheme, the Indonesian new unemployment benefit scheme, known as Jaminan Kehilangan Pekerjaan (JKP), has two main features: cash benefit and active labour market policy (ALMP). While the government has started to collect contribution and scheduled to make the first cash benefit payment in 12 months, the ALMP part is still under development. To support the Indonesian government developing ALMP, ILO facilitated a webinar to share United Kingdom experiences (UK) in countering unemployment on Thursday, 25 March 2021.



Pendahuluan



- Pendahuluan:
 - Suatu negara (Inggris)
 - Periode tertentu (1975-95)
- Untuk menggambarkan :
 - bagaimana situasi dapat mempengaruhi kebijakan
 - bagaimana kebijakan jangka panjang berkembang dari keadaan darurat
 - pembelajaran dan inovasi di dalam pemerintahan

Program Pelatihan Orang Dewasa



15

A webinar titled "Countering Unemployment in the United Kingdom" held with the Ministry of Manpower

"Unemployment insurance and ALMP link to each other in many countries. Combining these two features provides effective protection for the unemployed with temporary and partial income replacement and access to labour market information. Indonesia has established an unemployment insurance scheme, and it is time to improve its employment service. We thought it would be a good time for Indonesian leaders to get insights from international practices, in this case, the UK," said Ippei Tsuruga, Project Manager, ILO's [Unemployment Protection \(UNIQLO\) Project](#) >.

The webinar was opened by Rasyid Amir, Acting Director of Labour Market Development, Ministry of Manpower. He hoped that government official and other social partners could learn UK's long experiences in establishing employment service. "UK is one of the countries that have progressive policies to address unemployment. Today, we can gather insights from their experiences and, if possible, apply some good practices in Indonesia," said Rasyid during his opening remark.

“ UK is one of the countries that have progressive policies to address unemployment. Today, we can gather insights from their experiences and, if possible, apply some good practices in Indonesia.”

Rasyid Amir, Acting Director of Labour Market Development, Ministry of Manpower

More than 90 government officials and representatives of trade unions attended this online event. ILO invited John West, former staff of the UK's Ministry of Labour and Education as the speaker. John presented a summary of his report "Countering unemployment in the United Kingdom", published earlier this year. In this report, he highlighted the evolution of measures to combat unemployment in the UK in 1970-2000.

"In the 1970s, the UK's unemployment rate rose sharply due to the oil crisis that was followed by economic recession and high inflation. During the shock, many measures had been taken to combat unemployment. Some measures worked, but some others needed improvement. This gives us an illustration of how circumstances can influence the policy-making process. Often policy is not something we do carefully to change society, but rather in response to events in the external environment," John started his presentation.

Modernized employment programmes

One of the measures that had been taken was modernizing employment and training services. According to John, the government realized that the labour market was not dynamic and that productivity needed to be improved. Thus, the government decided to form semi-independent

agencies to conduct public employment and training services. "The idea was to manage major services that were not politically sensitive in a business-like way. These agencies did not depend on ministerial decisions in their day-to-day operations," he explained.



The Indonesian new unemployment benefit scheme, known as Jaminan Kehilangan Pekerjaan (JKP), will benefit Indonesian workers

Two agencies were established: one to modernize labour exchange services - called Jobcentres - and another one to expand adult training and apprenticeship. At the Jobcentres, people, regardless of their employment status, could access the available jobs and consult with job counsellors about their career plans. As for apprenticeship, the government created Industrial Training Boards (ITBs) to specify apprenticeship standards in each industry sector and impose a levy (tax) for employers, who could reclaim grants if they undertook training to the set standards.

“As for the long-term unemployed, the UK's government initiated community work programmes. These programmes allowed people who had been unemployed for a long time to receive a minimum wage by doing socially useful work in their local community. Aside from that, the unemployed were also invited to the Jobcentres for counselling, where they were guided to create an action plan and given motivational courses.”

In the 1980s, the employment programmes evolved as the government wanted to focus on the two most vulnerable groups: youth and the long-term unemployed. For youth who found it difficult to enter the labour market, the government created a Work Experience Programme (WEP), where young people had the chance to be placed with an employer for six months to familiarize themselves with the world of work.

"This scheme was slightly different from an apprenticeship as employers did not have an obligation to offer employment contracts either during the work experience or after the programme ended. However, when a firm's circumstances recovered, and a vacancy arose, it is natural for employers to hire someone whom they are already familiar with," said John.

“ Long-term unemployed people often suffered from demotivation. They could become dependent on cash benefits. To prevent this from happening, the government set up a scheme where the unemployed could not receive the cash benefit unless they committed to an agreed action plan.”

John West, former staff of the UK's Ministry of Labour and Education

As for the long-term unemployed, the UK's government initiated community work programmes. These programmes allowed people who had been unemployed for a long time to receive a minimum wage by doing socially useful work in their local community. Aside from that, the unemployed were also invited to the Jobcentres for counselling, where they were guided to create an action plan and given motivational courses.

"Long-term unemployed people often suffered from demotivation. They could become dependent on cash benefits. To prevent this from happening, the government set up a scheme where the unemployed could not receive the cash benefit unless they

committed to an agreed action plan. In-work benefits were also applied to attract people back to work. This way, searching for and accepting work was necessary to access benefits," John further explained.

Lessons for the government officials

At the end of his presentation, John advised officials in Indonesia to keep learning and experimenting because the employment programmes must constantly evolve, responding to the economic situation and industrial change. He added that the officials needed to build a sense of ownership of, and commitment to, the programmes they created, so they will continue to develop.

Finally, he suggested officials should take advantage of a crisis. "Never waste a crisis. This is the best time to attract the interest of the politicians to support your proposed policy," John advised.

The establishment of ALMP requires strong political will to carry out reforms, particularly in the employment agencies and budget allocation. Ippei understood that ALMP might sound new to Indonesian. However, he is optimistic that the country can improve its employment service in one year time. "The services are already in place. The government and other stakeholders only need to create a link and distribute the jobs to each institution. Indonesia has one year to prepare before the first payment of cash benefit," said Ippei during his closing remark.

“ The services are already in place. The government and other stakeholders only need to create a link and distribute the jobs to each institution. Indonesia has one year to prepare before the first payment of cash benefit.”

Ippei Tsuruga, Project Manager, ILO's Unemployment Protection (UNIQLO) Project

ILO will continue to provide technical assistance to the government of Indonesia and other social partners in developing ALMP. ILO will continue to provide technical assistance to the government of Indonesia and other social partners in developing ALMP. Through its [Unemployment Protection \(UNIQLO\) Project](#) >, funded by Fast Retailing Co., Ltd. as well as [Promoting and Building Social Protection Project](#) >, funded by Government of Japan, ILO will facilitate discussion among policymakers and share other international practices for learning.

Tags: employment services, unemployment, unemployed, trade unions, social protection, unemployment benefits, human resources development, skills

Regions and countries covered: Indonesia

See also

Projects

[Promoting and Building Social Protection in Asia \(Indonesia - 4th phase\)](#) >

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

Event

[Social protection lecture series #1: Countering Unemployment in the United Kingdom >](#)

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](#)