

Indonesian unemployment insurance scheme reviewed for improvements after six-months of implementation

The ILO supports the review and examination of the implementation of the Indonesian unemployment insurance scheme (JKP) for better improvements and expansions to benefit all workers facing job lost and replacement.

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A year after the introduction of its unemployment insurance scheme (JKP), Indonesia has started the payout of cash employment benefit, job counselling service as well as reskilling and upskilling training last February 22. To further examine and improve the 6-month implementation of JKP, the ILO in collaboration with the Ministry of Manpower conducted a one-day seminar on 8 September.



Panels of the one-day seminar to examine and improve the 6-month implementation of unemployment insurance scheme (JKP) in Indonesia.

The seminar aimed to gather feedbacks and find a strategy from various stakeholders, such as employers' and workers' organizations, unit of presidential staff, the Employment Social Security Administration (BPJS Employment) and other relevant institutions, to ensure temporary income replacement, re-skilling training and employment placement to all workers who lost their jobs.

According to Retno Pratiwi, Director of Social Security of the Manpower Ministry, up to the month of September, a total of 3,725 persons have received JKP's cash benefit, 1,260 joined the job counselling, 21 participated in the reskilling training and 39 have employment placement. In addition, the JKP programme has worked together with 34 job portals and employment providers as well as with 121 training institutions in 24 provinces.

However, Retno admitted that improvements were still needed to make the ongoing JKP programme benefit all workers across the nation to get reemployed while maintaining the budget needed through a sustainable contribution programme.

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Agus Triyana and Supriyono, two beneficiaries of JKP programme, supported the needs to improve and expand the JKP programmes. Still looking for jobs, they said that they benefitted from the cash benefit; yet, they were in need of the assistance in finding the right jobs and reskilling or upskilling training programmes.

"I previously worked as a producer and researcher at one of the Indonesian media organizations; however, although the number of jobs offered in the JKP website was numerous, but the actual available jobs were only a few, did not match the number shown on the website," shared Agus during a testimonial session at the beginning of the seminar.

Meanwhile, Supriyono who previously worked as a graphic designer suggested a more direct connection to the employment providers and an immediate response as he had to wait for four

months to get responses for his job application.

Both of them also hoped for a more variety of training skills provided particularly for employment sectors related to mass media, graphic designs, arts and other types of professional works. They also hoped the job counselling could help them more in job matching and in rethinking about their skills and job potentials.

Ways forward to a better JKP programme



A website for the JKP programme

To maximize the benefits of the JKP programme, representatives of employers' and workers' organizations, P. Agung Pambudhi, Research Institution Director of the Indonesian Employers' Association (Apindo) and Djoko Heriyono, Chair of the National Trade Union (KSPN), both agreed that there was an urgent need to expand the coverage of JKP to all types of workers and to extend the 3-month time limit for submission considering the time needed for bipartite dispute resolution ranging from five months to one year.

In addition, Agung suggested to take into consideration the contribution potentials of micro and small enterprises and to strengthen the labour market information provided in order to improve and expand the JKP

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programme. Meanwhile, from the perspective of workers, Djoko proposed the use of 1 percent contingency of the State Budget for the JKP programme.

In agreement, Fajar Dwi Wishnuwardhani from Executive Office of the President, was fully supported the expansion needed, particularly the improvement in participation, review of the cash benefit provided and the contribution scheme.

"The JKP programme is part of the commitment of Indonesian government to provide better social security protection, especially for workers who have lost their jobs and are in need of finding job replacement. Therefore, we need to continue strengthening the institution of JKP programme from the regulation, execution and implementation," he added.

The seminar was concluded with the reminder from the ILO in view to ensuring financial sustainability and effectiveness of the JKP programme. "We need to assess whether the programme is effective and financially sustainable. Is the programme covering unemployed workers who need income support and paying adequate benefits? Is the financing arrangement fine? Workers are not contributing, while employers and the government are paying," said Ippei Tsuruga, ILO's Social Protection Programme Manager.

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Supports to JKP programme



The seminar also marked the closing of the ILO's [Unemployment Protection in Indonesia: Quality Assistance for Workers Affected by Labour Adjustments \(UNIQLO\)](#) >. Funded by the Fast Retailing Co., Ltd., the Project has been running since 2019 to strengthen support mechanisms for unemployed workers in Indonesia by designing an effective employment insurance system, expanding re-skilling training and improving public employment services.

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Yukihiro Nikita, Sustainable Deputy Director of Fast Retailing Co., Ltd.

Michiko Miyamoto, Country Director of the ILO for Indonesia, congratulated Indonesia for the implementation of JKP programme and appraised the support of Fast Retailing Co., Ltd for the realization of the programme in the country. “The ILO is committed to support Indonesia and will continue to support the JKP programme for the benefits of Indonesian workers,” she added.

Yukihiro Nikita, Sustainable Deputy Director of Fast Retailing Co., Ltd., emphasized the commitment of Fast Retailing as the mother company of the Japanese fast growing garment manufacturer and retailer, in contributing to sustainable economic growth and the protection of Asian workers, especially in garment sectors, who are at risk of job displacement.

“Enhancement of social protection in supply chain will, in turn, increase the productivity as well as social and economic growth,” he stated.

Tags: unemployment, social dialogue, social protection, unemployment benefits

Regions and countries covered: Indonesia

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Event

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