

DISCUSSIONS AND ACTIVITIES ON EMPLOYMENT INSURANCE IN INDONESIA

Jakarta, November 2019

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ILO'S TECHNICAL COOPERATION 2018 – 2019

MEETINGS

Government

- Kick-off meeting with MOM (May 2018)
- Inter-ministerial consultations at MOM (September 2018)
- The President Office (January 2019)
- MOM (February 2019)
- MOM (March 2019)
- MOM Minister (March 2019 - canceled)
- MOM (November 2019)

Workers

- National consultation (September 2018)
- High-level lunch meeting (October 2018)
- Training workshop (November 2018)

Employers

- National consultation (September 2018)
- Training workshop (November 2018)

Tripartite

- LKS Tripnas (December 2018)

BACKGROUND STUDIES

- Report on the latest information of legislation and rules in Indonesia
- Report on fact-finding and consultation missions on employment insurance system in Indonesia
- International practices of income protection for unemployed persons and implications for Indonesia
- Legal, financial and administrative considerations for an unemployment insurance system for Indonesia

EMPLOYMENT INSURANCE IN JAPAN

Unemployment benefit	Job seekers' benefits (General employees)	Basic allowance	Income replacement
		Skill acquirement allowance	Per diem, transport
		Lodging allowance	Accommodation
		Injury and sickness allowance	Unable to seek jobs
	Job seekers' benefits (Vulnerable employees)	Old-age job seekers' allowance	
		Short-term employees' allowance	
		Day labour job seekers' allowance	
	Employment promotion benefits	Employment promotion allowance	Employment bonus
		Relocation expenses	Moving cost
		Job seeking activities expenses	Transport, hotel
	Education and training benefits		Tuition
	Continuous employment benefits	Old-age continuous employment allowance	Income replacement
		Childcare leave allowance	Income replacement
		Long-term care leave allowance	Income replacement
Two services	Employment stabilisation programme		PES
	Human resource development programme		

CAN INDONESIA INTRODUCE AN EMPLOYMENT INSURANCE SYSTEM?

YES, BUT THERE ARE DECISION POINTS

Yes, because Indonesia has:

- Finance: Employment insurance is not an expensive scheme
- Institution: BPJS Employment has similar operational flows through JKK
- ALMPs: Vocational training and some employment services exist

But, Indonesia needs to decide how to:

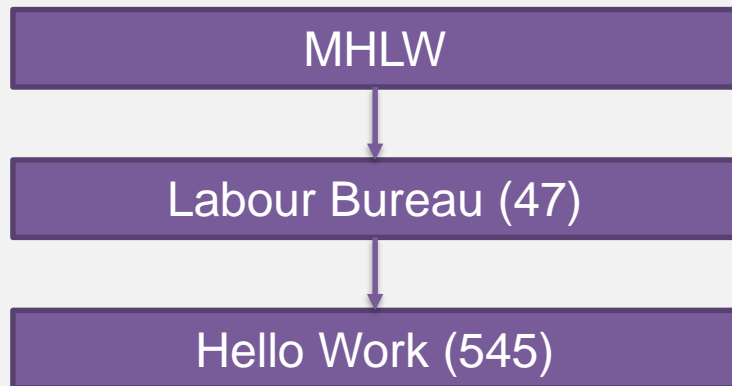
- Reform or keep statutory severance pay
- Harmonise EI with JHT, JP, JKK and JKm
- Coordinate unemployment benefits and ALMPs within the government
- Consult among tripartite stakeholders

INSTITUTION

INSTITUTIONAL SET-UP IN OTHER COUNTRIES

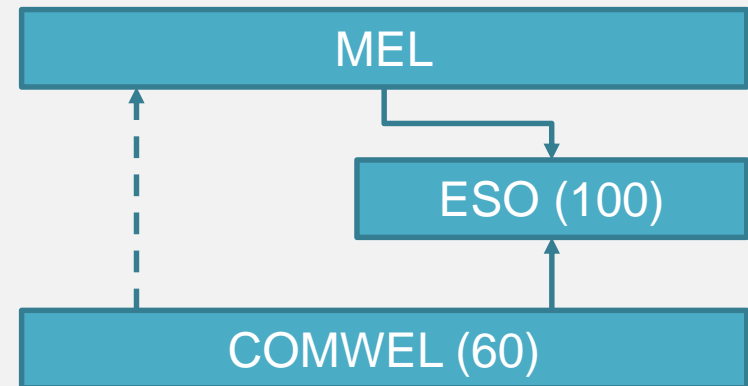
JAPAN

MHLW administers the entire system through its local bureaus. Hello Work is responsible for claim, contribution collection, payment and all other employment services.



KOREA

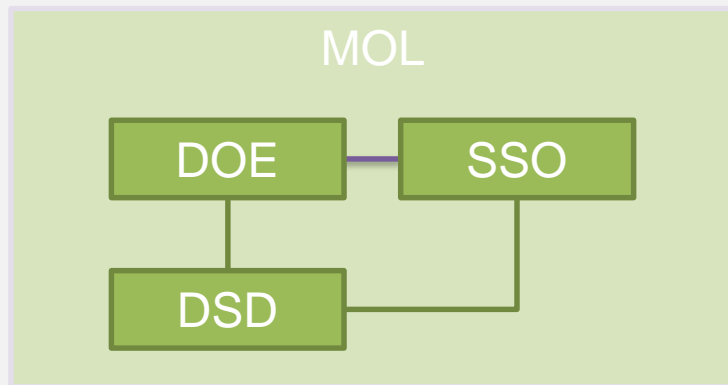
MEL administers the entire system through Employment Security Office (claim and payment) and COMWEL (registration and contribution collection). COMWEL reports to MEL, and share data with EOS.



INSTITUTIONAL SET-UP IN OTHER COUNTRIES

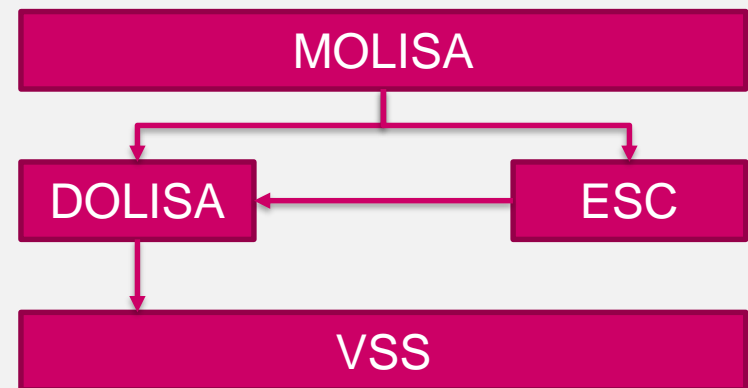
THAILAND

Department of Employment regulates, and Social Security Office deals with claim, contribution collection and payments. DOE's Employment Service Office coordinates PES with Department of Skills Development.



VIET NAM

Employment Service Centres receive claims and calculate benefits; DOLISA approves them; and VSS collect contributions and make payments.



EXISTING INSTITUTIONS IN INDONESIA

Who will play what roles to operate the employment insurance system?

- Ministry of Manpower
 - ✓ Directorate on unemployment benefits
 - ✓ Directorate on public employment services
 - ✓ Directorate on vocational training
 - ✓ Local office
 - Officers on unemployment benefits
 - Officers on public employment services
 - Officers on vocational training
- Vocational training centres
- BPJS Employment
 - ✓ Headquarters
 - ✓ Branch offices
- Coordinating Ministry
- President Office

LEGISLATION

EXISTING LEGISLATIONS IN INDONESIA

What laws and regulations need to be amended and how?

- 13/2003 Labour Law
- 40/2004 Social Security Law
- 24/2011 BPJS Law
- 109/2013 Presidential regulation: Gradual stages procedure for social security programme
- 44-46/2015 Government regulation: JKK, JKm, JP, JHT
- 60/2015 Government regulation: JHT
- 19/2015 Minister of Manpower regulation: JHT Procedures

Thank you

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