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Indonesia to learn unemployment benefit schemes from 5 countries' experiences

Experts from five countries share their experiences in providing protection against unemployment as lessons learnt for Indonesia

JAKARTA (Joint Press Release) - To support government's initiative to improve its national social protection system, the Ministry of Manpower in collaboration with the International Labour Organization (ILO) is conducting a joint National Conference titled "International Experiences of Protection against Unemployment and Its Relevance for Indonesia" today (3/3) in Jakarta.

This National Conference aims to provide technical advice and further assistance on the development of unemployment insurance in the country by presenting experts on unemployment benefits from five Asian countries.

These experts from Japan, South Korea, Malaysia, Thailand and Vietnam share good practices of unemployment benefit implementation in their countries as references for Indonesia in designing its own unemployment benefit scheme.

As of today, the Indonesian government has only been operated three types of benefits: Employment injury benefit, survivors' benefit and old-age benefit under BPJS Employment. The government is now in the process of improving the quality of social protection in the country by adding the unemployment benefit (JKP) into the system.

Today, workers and businesses are surrounded by diverse challenges and risks. A rise of digital economy and industrial, in one side, can potentially eliminate conventional jobs and lead to labour efficiency. In the other side, the rapid advancement of digital technology opens so many new creative and innovative job opportunities such as digital fin-tech, start-up, YouTuber, "selebgram", etc.

"Through JKP, I hope the involuntarily unemployed workers could maintain their livelihood and quickly find a new job after receiving adequate up-skilling and re-skilling trainings or becoming an entrepreneur who has competitive values," said **Directorate General of Industrial Relation and Social Security, Mrs Haiyani Rumondang** who opened the event today on behalf of **Mrs Ida Fauziyah, Minister of Manpower, Republic of Indonesia**.

The support of the ILO is part of its commitment to encourage its member States to improve their national social protection systems and ensure that no one is left behind. The unemployment benefit is part of the minimum standard of social protection according to the ILO Convention No 102 on Social Security. This Convention covers nine branches of social protection including medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivors' benefit.

“The ILO strongly supports the initiative taken by the Indonesian government to set up a new system to protect the unemployed. We believe that experiences from other countries can assist key Indonesian labour actors to discuss an ideal policy design and mechanism for Indonesia that can better protect the unemployed,” said **Kazutoshi Chatani, Deputy Country Director of ILO Office for Indonesia and Timor Leste.**

During this event, the experts shared mechanism of unemployment benefits to workers who experience job loss and how their public employment services could help them get a new job. Indeed, the key success of the unemployment benefit is the good linkage between the unemployment benefit and employment services.

In this regards, the government needs to develop an innovative public policy in order to create a better work and business environment. Therefore, the government set up a “Cipta Kerja” bill which is built upon an omnibus law to boost job creation while protecting the workers.

Through this new bill, the workers who are affected by involuntarily job loss are eligible to receive both lay-off compensation and JKP at the same time. This new social protection scheme provides three benefits such as 1) training and certification, 2) cash benefit, and 3) job placement. While receiving JKP’s benefits, the unemployed also protected by other employment protection schemes such as health benefit (JKN), employment injury benefit (JKK), old-age benefits (JHT and JP), and survivor’s (JKm). A new government regulation will be prepared to further discuss the detail scheme.

“I hope we can leverage this event to gain valuable insights and recommendations for the government. To develop a good programme as well as improving our social protection system, we need input and feedback from all related stakeholders,” added Mrs Haiyani.

The event is conducted by the ILO through its Unemployment in Indonesia: Quality Assistance for Workers Affected by Labour Adjustment (UNIQLLO) Project. Funded by the parent company of UNIQLLO, Fast Retailing Co., Ltd, the Project facilitates tripartite dialogues and provide technical assistance to formulate an effective and comprehensive unemployment benefit scheme as a part of social protection system. The Project will run for two years until 2021.

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