DISCUSSIONS AND ACTIVITIES ON EMPLOYMENT INSURANCE IN INDONESIA

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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)

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

Workers
- National consultation (September 2018)
- High-level lunch meeting (October 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

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<th>Job seekers’ benefits (Vulnerable employees)</th>
<th>Employment promotion benefits</th>
<th>Education and training benefits</th>
<th>Continuous employment benefits</th>
<th>Two services</th>
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<td>Basic allowance</td>
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<td>Old-age continuous employment allowance</td>
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<td>Transport, hotel</td>
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<td>Income replacement</td>
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- **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
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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