

Evaluating Indonesia's Job Loss Insurance Program (JKP): Policy Implications for Financial Assistance, Labor Market Integration, and Reskilling

Muhyiddin¹, Andy Fefta Wijaya², Fadillah Putra³, and Wike⁴
{udyn.muhyiddin@gmail.com, andyfefta@ub.ac.id, fadillahputra@ub.ac.id, wike_fia@ub.ac.id}

Universitas Brawijaya and Ministry of Manpower, Indonesia¹
Universitas Brawijaya, Indonesia^{2, 3, 4}

Abstract. The Job Loss Insurance Program (Jaminan Kehilangan Pekerjaan - JKP) in Indonesia was introduced to provide financial assistance, reskilling opportunities, and job placement services for workers affected by layoffs. This study assesses the program's effectiveness in supporting unemployed workers through a mixed-methods approach, incorporating surveys, interviews, focus groups, and secondary data analysis. While most participants appreciated the financial assistance, the benefits often failed to cover living costs, particularly in urban areas. Job placement services were underutilized, and the reskilling programs were misaligned with labor market needs, limiting their impact on reemployment. Administrative issues, such as delayed disbursements and low digital literacy, further impeded the program's effectiveness. The findings suggest policy reforms are necessary to enhance JKP's support for workers' welfare and reintegration into the labor market.

Keywords: Job Loss Insurance, Social Protection, Unemployment, Reskilling, Indonesia

1. Introduction

Indonesia, like many other countries, has experienced significant economic disruptions due to the COVID-19 pandemic, which led to widespread layoffs and business closures. As unemployment rates surged, the need for a robust social protection system to support displaced workers became evident. In response, the Indonesian government introduced the Job Loss Insurance Program (Jaminan Kehilangan Pekerjaan - JKP) as part of a broader effort to reform the national social security system. The JKP aims to provide financial assistance, reskilling opportunities, and job placement services to workers who have been laid off due to economic downturns or company restructuring.

A. The Role of Unemployment Insurance Globally

Unemployment insurance programs play a crucial role in maintaining social and economic stability, especially during economic recessions. These programs typically provide financial support to workers who lose their jobs involuntarily, allowing them to meet basic living expenses while they search for new employment. Countries like Germany, Denmark, and Japan have long-established unemployment insurance systems that not only offer cash benefits but also emphasize active labor market policies (ALMPs), including job counseling, training programs, and reemployment services [1].

In developing economies, where informal employment is widespread, the implementation of unemployment insurance programs presents unique challenges. Many workers operate

outside formal employment contracts, making it difficult to extend social protection coverage. However, the increasing recognition of the importance of social safety nets in reducing poverty and improving labor market outcomes has led countries like Brazil, South Africa, and Thailand to develop unemployment insurance schemes tailored to their specific labor market conditions [2]. In this context, Indonesia's introduction of the JKP program represents a significant step towards improving social protection for its workforce.

B. The Structure and Objectives of JKP

Launched in 2022, JKP is administered by Ministry of Manpower and BPJS Ketenagakerjaan, Indonesia's social security agency, which previously focused on providing employment insurance and health benefits. JKP specifically targets formal sector workers who have been laid off, providing them with three main types of support:

1. **Financial Assistance:** Cash benefits are provided to help cover basic living expenses during unemployment.
2. **Access to Labor Market Information:** JKP participants can access job vacancies and labor market data through the SIAPKerja platform, which is designed to connect job seekers with potential employers.
3. **Reskilling and Job Training:** The program offers training and counseling services to improve the employability of laid-off workers and facilitate their reentry into the labor market.

The JKP program is part of a broader effort by the Indonesian government to enhance the national social protection system, as initially outlined in Law No. 40/2004 on the National Social Security System (Sistem Jaminan Sosial Nasional - SJSN). This legislation provides the legal framework for a range of social insurance programs aimed at reducing poverty, promoting equitable economic growth, and protecting workers from economic shocks. Further, Law No. 11/2020 on Job Creation, Government Regulation No. 37/2021 on the Implementation of the Job Loss Insurance Program (JKP), and Minister of Manpower Regulation No. 15/2021 detail the specific regulations and mechanisms for JKP, ensuring its operationalization. However, the success of JKP, like any social protection initiative, depends on its ability to effectively reach its intended beneficiaries and on the quality of services provided.

C. The Importance of Evaluating JKP's Effectiveness

Despite the clear benefits of unemployment insurance programs, their effectiveness can be hindered by various factors, including administrative inefficiencies, inadequate outreach, and misalignment between training programs and labor market demands. In Indonesia, several challenges have been identified in the early stages of the JKP's implementation, including:

1. **Awareness and Accessibility:** Many workers, particularly in rural areas and those employed in smaller companies, are unaware of their eligibility for JKP benefits or face difficulties accessing the program due to low digital literacy [3].
2. **Administrative Barriers:** The registration and claims process for JKP has been described as cumbersome, with many workers reporting delays in receiving financial benefits due to the complexity of the required documentation [4].

3. **Training Program Relevance:** While the JKP offers reskilling opportunities, there is concern that the training provided does not align with the needs of the current labor market, reducing its effectiveness in helping workers find new jobs [5].

Given these challenges, it is crucial to evaluate the JKP's performance to ensure that it meets its objectives of providing comprehensive support to laid-off workers. This study aims to assess the program's effectiveness in delivering financial and social protection, identify key challenges in its implementation, and propose policy recommendations for improving the program's outcomes.

D. Research Questions

The study is guided by the following research questions:

1. To what extent has the JKP program successfully provided financial assistance, job placement services, and training to laid-off workers?
2. What are the main challenges faced by JKP participants in accessing the program's benefits?
3. How can the implementation of the JKP program be improved to enhance its effectiveness in supporting unemployed workers?

E. Significance of the Study

This research contributes to the growing body of literature on social protection systems in developing economies, with a specific focus on unemployment insurance programs. By evaluating the performance of the JKP, this study provides insights into the strengths and weaknesses of Indonesia's approach to supporting workers during periods of economic uncertainty. The findings will also inform policymakers and stakeholders on how to refine and expand the program to better meet the needs of workers in the evolving labor market. Additionally, the study offers lessons for other developing countries seeking to implement or improve their unemployment insurance schemes.

2. Literature Review

This section provides a comprehensive review of the literature on unemployment insurance programs, social protection systems in developing economies, and the challenges of implementing such programs in Indonesia and Southeast Asia. It is structured into the following subsections:

A. Theoretical Framework: Unemployment Insurance and Social Protection

Unemployment insurance (UI) is a key component of broader social protection systems, which are designed to reduce poverty, vulnerability, and inequality by providing financial assistance, healthcare, and other essential services during periods of economic or employment crises. According to Barrientos and Hulme (2008), social protection systems can be classified into three main types: social insurance, social assistance, and labor market programs.

Unemployment insurance falls under social insurance, as it is a contributory program where employees and employers pay into a system to provide benefits when workers lose their jobs. The Esping-Andersen welfare state typology (2021) is often referenced in discussions of social protection systems. Esping-Andersen identified three distinct models of welfare regimes:

1. Liberal welfare states, which are characterized by minimal government intervention and rely on market forces (e.g., the United States).
2. Conservative welfare states, which emphasize social insurance and are typically found in continental European countries (e.g., Germany).
3. Social-democratic welfare states, which offer comprehensive welfare programs funded by taxes, providing strong social safety nets (e.g., Denmark).

Although Esping-Andersen's framework was developed to describe European welfare states, it provides valuable insights into the different ways in which governments approach unemployment insurance and social protection. Developing economies, such as Indonesia, often face challenges in adopting these models due to fiscal constraints, administrative capacity, and the high prevalence of informal employment [6].

Unemployment Insurance (UI) aims to provide temporary financial support to workers who lose their jobs involuntarily [7]. The primary goal of UI is to buffer the income shock experienced by unemployed individuals, thereby preventing them from falling into poverty. In addition to offering financial security, UI can enhance labor market flexibility by allowing workers to search for jobs that match their skills and qualifications, rather than forcing them into underemployment or informal work. Gruber (1999) argues that UI plays a crucial role in maintaining aggregate demand during economic downturns, as it sustains household consumption levels [8].

However, there is an ongoing debate in the literature about whether UI creates disincentives for job search. Some scholars argue that generous unemployment benefits may prolong job search periods, as workers may not feel the urgency to find new employment [9]. On the other hand, studies by Card et al. (2007) suggest that when UI is combined with effective labor market policies, such as job training and reemployment services, it can actually enhance labor market mobility and improve the quality of job matches in the long term [10].

B. Global Examples of Unemployment Insurance Programs

Numerous countries have implemented unemployment insurance programs, each with varying degrees of success based on the specific context of their labor markets. In developed economies, unemployment insurance is often part of a well-established social safety net.

1. United States: The U.S. unemployment insurance system is decentralized, with benefits and eligibility criteria varying across states. Funded through payroll taxes, the system provides temporary financial assistance to workers who lose their jobs involuntarily. While the U.S. UI system is among the oldest in the world, it has been criticized for its inadequate coverage and failure to provide sufficient support during crises such as the 2008 financial downturn and the COVID-19 pandemic [11].
2. Germany: Germany's unemployment insurance system is more comprehensive, integrating active labor market policies (ALMPs) with unemployment benefits. The Hartz reforms of the early 2000s significantly restructured the system, emphasizing reemployment through job training, counseling, and job placement services. The reforms succeeded in reducing long-term unemployment and improving job matching [12].
3. Denmark: The Danish "flexicurity" model combines flexible labor market policies with a strong social safety net. Workers are easily laid off but are provided with generous

unemployment benefits and robust retraining and job search assistance programs. This model has resulted in high levels of employment security while maintaining labor market flexibility [13].

Developing economies face different challenges in implementing unemployment insurance programs due to structural labor market issues, such as the prevalence of informal employment, limited fiscal resources, and administrative capacity.

1. Brazil: Brazil's Seguro-Desemprego program provides financial assistance to laid-off workers and offers access to training and employment services. However, the program has faced challenges in ensuring coverage for informal workers, who make up a large portion of the labor force [14].
2. South Africa: South Africa's Unemployment Insurance Fund (UIF) provides benefits to workers who have lost their jobs, but the system struggles with administrative inefficiencies, such as delays in benefit disbursement. Like Brazil, South Africa faces difficulties in extending coverage to informal sector workers [15].

In Southeast Asia, the implementation of unemployment insurance has been more recent. For example, Thailand introduced an unemployment insurance program in 2004, funded through contributions from employers, employees, and the government. While the Thai system provides cash benefits and training services, it has encountered challenges in terms of coverage and benefit adequacy, particularly for workers in the informal sector [16].

C. Social Protection in Developing Economies

In many developing economies, unemployment insurance programs are relatively underdeveloped due to several factors, including:

1. Informal Employment: A significant proportion of workers are employed informally, making it difficult to design contributory systems that include this population. In Indonesia, for example, over 56% of the workforce is employed in the informal sector [17], limiting the reach of programs like JKP.
2. Fiscal Constraints: Limited government budgets often mean that unemployment insurance programs are underfunded, resulting in lower benefit levels and less comprehensive coverage.
3. Administrative Challenges: Weak institutional capacity can hamper the implementation of unemployment insurance programs, leading to inefficiencies in benefit distribution and service provision.

Despite these challenges, there has been growing recognition of the importance of social protection programs in reducing poverty and promoting economic stability. According to Powel and Barrientos (2004), well-designed unemployment insurance programs can provide a crucial safety net for vulnerable workers while also promoting labor market resilience by facilitating faster reemployment [18].

D. The Indonesian Context: Job Loss Insurance Program (JKP)

Prior to the introduction of the Job Loss Insurance Program (JKP) in 2022, Indonesia's social protection system did not provide comprehensive unemployment benefits. Although severance pay was mandated by law, many workers—particularly those in small and medium-sized enterprises (SMEs)—struggled to receive it due to weak enforcement and financial

constraints faced by employers [19]. The COVID-19 pandemic exacerbated these vulnerabilities, exposing the limitations of Indonesia's existing social protection system.

The JKP was introduced to fill this gap and align Indonesia's social protection framework with global best practices. The program, administered by BPJS Ketenagakerjaan, provides temporary financial assistance, reskilling opportunities, and job placement services to workers who lose their jobs due to layoffs. While the introduction of the JKP represents a major step forward in expanding social protection, the program faces several challenges, including limited public awareness, administrative complexity, and the relevance of the training programs offered.

E. Challenges in Implementing JKP in Indonesia

Although JKP is a promising initiative, its implementation has been met with several challenges:

1. **Limited Awareness:** Many eligible workers, particularly those in rural areas or in sectors with low digital literacy, are unaware of the program or do not understand how to access its benefits. This highlights the need for more effective outreach and communication strategies [20].
2. **Administrative Barriers:** The process of registering for JKP and applying for benefits can be cumbersome. Workers have reported delays in receiving financial support due to the complexity of the required documentation and the slow processing times. Streamlining the registration process and improving the efficiency of benefit disbursement is critical for the program's success [21].
3. **Training Program Relevance:** While JKP offers reskilling opportunities, many participants have criticized the training programs for not aligning with the demands of the current labor market. This misalignment has limited the effectiveness of JKP in facilitating labor mobility and ensuring that workers can secure new employment after losing their jobs [22].

3. Research Methodology

This study evaluates the effectiveness of Indonesia's Job Loss Insurance Program (JKP) using a mixed-methods approach that combines quantitative and qualitative data collection. The goal is to measure program outcomes while exploring participant and stakeholder perspectives.

A. Research Design

A mixed-methods approach was chosen to allow both numerical assessment and in-depth exploration of the challenges faced by JKP participants and implementers.

1. **Quantitative Analysis:** This aspect examines program outcomes such as the number of participants benefiting from financial support, reskilling, and job placement services, using data from surveys and BPJS Ketenagakerjaan's administrative records.
2. **Qualitative Analysis:** Qualitative data from interviews and focus groups provide deeper insights into the experiences of workers, officials, and employers. These methods help identify barriers to program access and implementation challenges.

B. Data Collection Methods

Surveys were distributed to JKP participants to gather data on their experiences with the program, focusing on:

1. Demographics: Age, education, and employment history.
2. Financial Benefits: Satisfaction with support and delays in disbursement.
3. Reskilling Programs: Participation and relevance to the labor market.
4. Job Placement: Whether participants secured employment and job quality.

Surveys were distributed online and in-person to ensure broad accessibility, with a target sample size of approximately 200 participants.

Interviews were conducted with:

1. Government officials involved in JKP implementation, to understand challenges.
2. Employers of laid-off workers, to explore the alignment of reskilling programs with industry needs.
3. Beneficiaries, to capture their personal experiences with the program, including the ease of access and adequacy of the support provided.

Focus groups, involving 6-8 participants each, were used to discuss:

1. Awareness and access to JKP.
2. Perceptions of the financial and training support.
3. Suggestions for improvement.

Secondary Data Analysis, administrative data from BPJS Ketenagakerjaan was analyzed, including:

1. Number of participants.
2. Disbursement of financial benefits.
3. Completion rates of reskilling programs.
4. Job placement outcomes.

C. Sampling Techniques

1. Random Sampling.
2. Purposive Sampling was employed for interviews and focus groups, selecting participants based on their roles in the JKP program, including government officials, employers, and beneficiaries.

D. Data Analysis

1. Quantitative Data was analyzed using descriptive and inferential statistics, such as regression analysis, to examine relationships between reskilling participation and re-employment.
2. Qualitative Data was processed through thematic analysis, using NVivo software to identify recurring themes like program challenges and participant satisfaction.

E. Ethical Considerations

Participants provided informed consent, and confidentiality was maintained. Personal data was anonymized, and ethical approval was obtained from the relevant review board.

F. Limitations

The study's limitations include potential response bias in self-reported survey data and limited generalizability from the qualitative sample size. However, these limitations are mitigated through the integration of multiple data sources.

4. Results

The results of this study provide insights into the effectiveness of Indonesia's Job Loss Insurance Program (JKP) in supporting workers who have lost their jobs due to layoffs. The analysis focuses on key areas of the program, including financial benefits, job training and reskilling, labor market integration, and challenges faced by both participants and administrators. These results are drawn from survey responses, interviews, focus group discussions, and secondary data analysis from BPJS Ketenagakerjaan.

A. Financial Benefits and Satisfaction

One of the primary components of JKP is the provision of financial assistance to workers who have lost their jobs. According to survey results:

1. 80% of respondents reported receiving financial benefits, with 70% expressing satisfaction with the disbursement process.
2. However, 25% noted delays in receiving payments, particularly during the first few months after job loss.
3. Despite the timely disbursement for most participants, 40% of respondents indicated that the amount of financial assistance provided was insufficient to cover their basic living expenses, especially for those in urban areas with higher living costs.

The majority of interview participants emphasized the importance of these financial benefits in preventing them from falling into severe financial hardship. However, some mentioned that they had to rely on personal savings or family support to cover their expenses during the transition period.

B. Access to Labor Market Information

JKP provides participants with access to labor market information through the SIAPKerja platform, which is intended to help workers identify job opportunities and improve their employability. However, the data reveals mixed results regarding the platform's effectiveness:

1. Only 55% of survey respondents actively used the platform to search for new job opportunities.
2. Of those who used it, 30% found the information relevant to their skills and employment history, while the remaining 70% found the job listings either outdated or not aligned with their qualifications.

Focus group discussions highlighted that many participants were unaware of how to navigate the platform, citing low digital literacy as a barrier. Additionally, some participants suggested that the jobs posted were often for lower-wage or entry-level positions, which did not match the skills of more experienced workers.

The interviews with BPJS Ketenagakerjaan officials revealed that there is a significant gap between the types of jobs available on the platform and the skills of JKP beneficiaries, particularly for those coming from industries like manufacturing or services that have been disrupted by automation or economic downturns.

C. Effectiveness of Reskilling and Job Training Programs

A key component of JKP is to provide reskilling and job training programs to improve workers' employability. The results in this area are particularly concerning:

1. 45% of respondents participated in training programs offered through JKP, but only 25% of those participants felt that the training was relevant to current job market demands.
2. 35% of participants found employment after completing the reskilling programs, though many reported that the jobs secured did not align with the new skills they had acquired.

The interviews with employers confirmed that there is a misalignment between the skills being taught in the reskilling programs and the demands of the labor market. For instance, several employers mentioned that while technical skills such as IT were taught in training, the jobs they were offering required soft skills or sector-specific knowledge that the training did not cover.

In focus group discussions, participants expressed frustration with the quality and content of the training programs. Many felt that the courses were too generic and did not take into account the specific needs of different sectors or regions. For example, workers from manufacturing industries reported that the reskilling programs focused heavily on services or technology, which did not prepare them for available jobs in their regions.

D. Job Placement and Reemployment Outcomes

One of the main goals of JKP is to help workers find new employment after layoffs. The study examined the time taken to secure employment and the quality of jobs obtained:

1. On average, it took participants 5 to 6 months to secure new employment after losing their previous jobs.
2. 30% of respondents found jobs through JKP job placement services, while the rest relied on personal networks or other job search platforms.
3. Of those reemployed, 40% reported that their new jobs were of lower quality in terms of wages and job security compared to their previous positions.

These results suggest that while the job placement services offered by JKP have been moderately successful in helping participants find new employment, the quality of jobs available remains a challenge. Many respondents indicated that they accepted lower-paying jobs out of necessity rather than as a result of successful job matching.

E. Administrative and Implementation Challenges

The study identified several administrative challenges in the implementation of JKP, which have affected the overall effectiveness of the program. The most frequently cited issues include:

1. **Complex Registration Process:** 25% of survey respondents found the registration process difficult, with many citing a lack of clarity on the required documentation and eligibility criteria.

2. **Delays in Benefit Disbursement:** Some participants experienced significant delays in receiving their financial benefits, particularly in the initial phases of the program. Delays were more common among workers in rural areas or those with limited access to digital platforms.
3. **Limited Outreach:** Many workers, especially in rural areas, were unaware of the program. 35% of respondents indicated that they had learned about JKP through informal networks, rather than through official channels. This indicates a gap in the government's outreach and socialization efforts.

Interviews with government officials revealed that coordination between BPJS Ketenagakerjaan and other agencies, such as the Ministry of Manpower, has been challenging. There have been difficulties in integrating data from various agencies, leading to inefficiencies in the disbursement of benefits and delays in job placement services.

F. Participant Perceptions and Satisfaction

Overall, participant satisfaction with the JKP program is mixed. While many respondents acknowledged the importance of the financial support provided by JKP, they expressed concerns about the adequacy of the reskilling programs and the relevance of the labor market information provided. Key perceptions include:

1. **Financial Support:** Participants generally appreciated the financial assistance, though many felt that the amount was insufficient to meet their basic needs.
2. **Reskilling Programs:** Satisfaction with the reskilling programs was low, with many participants feeling that the training offered was not tailored to the demands of the job market.
3. **Job Placement Services:** While some participants found new jobs through JKP, others expressed frustration with the quality of the jobs offered and the length of time it took to find new employment.

5. Discussion

This section discusses the findings of the study on the Job Loss Insurance Program (JKP) in Indonesia. By analyzing the results in the context of existing literature and global examples, this section identifies the key areas where JKP has succeeded and where significant improvements are needed. The discussion focuses on the effectiveness of financial benefits, labor market integration, reskilling programs, and the overall implementation challenges faced by the program. The insights derived from this discussion offer a foundation for policy recommendations aimed at enhancing the JKP program's ability to support laid-off workers and foster their reentry into the workforce.

A. Effectiveness of Financial Support

The financial assistance provided by JKP has been instrumental in mitigating the immediate economic impact of job loss for many participants. Most respondents appreciated the financial aid, with 70% reporting satisfaction with the disbursement process, particularly because it provided short-term relief while workers searched for new employment.

However, the study reveals that the amount of financial support was inadequate for many beneficiaries, particularly those living in urban areas with high living costs. The 40% of

respondents who found the benefits insufficient echoed concerns raised in other developing economies with similar unemployment insurance programs, such as Brazil's Seguro-Desemprego and South Africa's Unemployment Insurance Fund [23], [24]. In both cases, benefit amounts were criticized for failing to keep pace with inflation and regional cost-of-living differences, issues that are also apparent in Indonesia's JKP program.

The inadequacy of financial benefits highlights a critical weakness in the program's design, particularly in its failure to address regional economic disparities. While the financial assistance provided by JKP is uniform, living costs in urban areas such as Jakarta or Surabaya are significantly higher than those in rural or peri-urban regions. Similar challenges have been observed in other developing economies, where nationwide unemployment programs fail to account for the varied cost structures of different regions [25].

B. Labor Market Integration: Access to Job Opportunities

The SIAPKerja platform, which is central to the JKP program's labor market integration efforts, has shown mixed results. While it provides access to job postings, only 55% of participants actively used the platform, and just 30% found the job listings relevant to their skills. This issue stems from a misalignment between the jobs available on the platform and the qualifications of the participants.

This challenge mirrors those faced by other developing countries. For example, South Africa's Unemployment Insurance Fund (UIF) also struggled to effectively match laid-off workers with relevant job opportunities due to gaps between worker qualifications and market demands [26]. Similarly, in Thailand, the unemployment insurance system introduced in 2004 faced difficulties in providing sufficient job-matching services to laid-off workers in rural regions [27].

The lack of digital literacy and unfamiliarity with online platforms such as SIAPKerja further compounded the problem. Many workers, particularly those from the manufacturing or informal sectors, struggled to navigate the system, reducing the likelihood of finding relevant jobs. In comparison, countries like Germany, with robust labor market information systems integrated into their unemployment insurance, have been more successful in aligning jobseekers with job opportunities [28].

Improving the accessibility and relevance of labor market information for JKP participants is crucial. It is recommended that the government collaborate with industries to ensure that the jobs posted on the platform reflect current market demands and include training in digital literacy for workers who may not be familiar with online job search platforms.

C. Reskilling and Job Training Programs

One of the most critical components of JKP is its reskilling and job training programs, intended to improve the employability of laid-off workers. However, the study found that these programs were only moderately effective, with 45% of participants enrolled in training but only 25% finding the training relevant to market needs.

This misalignment between the training programs and labor market demands is a significant weakness of the JKP. Employers interviewed in the study consistently reported that the skills taught in the training programs did not meet the current needs of the labor market, particularly in technical and sector-specific skills. This echoes findings from unemployment insurance programs in Brazil and Thailand, where the mismatch between training content and

labor market demand limited the effectiveness of job training in reducing unemployment [29], [30].

Moreover, the content of the training programs in Indonesia was perceived as too generalized. Workers from manufacturing sectors reported that the reskilling courses focused heavily on service industry skills or digital competencies that were not applicable to their previous industries. This misalignment has also been observed in South Africa's reskilling programs, where the general focus of training left many participants unable to secure jobs in their pre-layoff industries [31].

The issue of job training relevance is particularly important in the context of labor market restructuring, where many industries are transitioning due to technological advancements and automation. Programs like JKP must be flexible and responsive to market changes, ensuring that the training offered to participants is adaptable to the new economic landscape.

D. Administrative and Implementation Challenges

The study highlights significant administrative challenges in the implementation of JKP, which have undermined the program's effectiveness. Several respondents mentioned the complexity of the registration process and delays in benefit disbursement. These administrative inefficiencies have been widely observed in the early stages of unemployment insurance implementation in developing countries. In Thailand and Brazil, similar issues arose due to weak coordination between government agencies and limited digital infrastructure [32], [33].

In the case of Indonesia, the lack of integration between BPJS Ketenagakerjaan and local labor offices has resulted in inconsistent service delivery across regions. This has particularly impacted rural areas, where 35% of respondents reported learning about JKP through informal networks, indicating gaps in outreach and communication.

Coordination challenges have also been a problem in South Africa's UIF, where administrative bottlenecks delayed benefit disbursement and reduced the program's overall efficiency. Similar to South Africa's approach, Indonesia must streamline its administrative processes, possibly by digitizing registration and claims procedures, to ensure that benefits are delivered in a timely manner [34].

Additionally, the low digital literacy of many JKP participants presents a significant barrier. Workers in rural areas or those with limited access to digital infrastructure struggled to navigate the program's online services. This issue underscores the need for more targeted outreach and training, especially in remote areas, to ensure that all eligible workers can access JKP benefits.

E. Participant Perceptions and Satisfaction

While the study found that participants appreciated the financial assistance provided through JKP, satisfaction with the reskilling programs and job placement services was notably lower. Workers in both focus groups and interviews expressed frustration with the relevance of the training and the quality of job placements, with 40% of re-employed participants stating that they had to accept lower-paying jobs.

This dissatisfaction points to a critical issue in unemployment insurance programs globally. For instance, studies on the United States' unemployment insurance system have similarly found that while financial benefits are appreciated, the program's ability to facilitate meaningful reemployment has been limited, leading to lower job quality and income levels post-layoff [35].

In Indonesia, the high rate of participants accepting lower-quality jobs after reskilling reflects the inadequacies in job-matching and training alignment. To improve worker satisfaction and long-term employment outcomes, JKP must focus on enhancing the quality of reskilling programs and better aligning them with labor market demands.

6. Conclusion and Policy Recommendations

The Job Loss Insurance Program has shown promise in providing much-needed financial support to unemployed workers. However, the program's long-term success depends on addressing key challenges such as improving the relevance of training programs, streamlining administrative processes, and enhancing public awareness. With targeted reforms, the JKP can serve as a vital component of Indonesia's social protection system, helping workers transition back into the labor market and maintain financial stability.

To enhance the effectiveness of the JKP, the following recommendations are proposed:

1. **Improve Outreach and Awareness:** Strengthen collaboration between BPJS Ketenagakerjaan, local governments, and employers to increase program visibility, particularly in remote areas.
2. **Enhance Training Programs:** Align reskilling programs with industry demands by engaging with employers to design courses that meet labor market needs. Ensure that training is accessible both in-person and online, accommodating the varying needs of participants.
3. **Simplify Administrative Procedures:** Streamline the registration and claims process by digitizing paperwork and reducing bureaucratic requirements.
4. **Monitor and Evaluate Program Performance:** Regularly review the program's impact and adjust strategies to respond to feedback from participants and stakeholders.

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