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Protecting the garment industry in Indonesia in response to the Covid-19 crisis: ILO-BMZ Wage Subsidy Programme

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AGENDA

- 1 Introduction & opening** welcoming speech by ILO Director, APINDO Representative
- 2 ILO-BMZ Wage Subsidy Programme** qualifying conditions, timelines & process, forms, etc
- 3 Q&A**
- 4 Factories' Feedback**



Interactive Segment

Please go to www.menti.com

Code: 66 25 893



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What is it?

- A temporary emergency fund by Germany's Federal Ministry for Economic Cooperation and Development (BMZ) implemented by the ILO targeting ILO Better Work Indonesia (BWI) factories
- To cover furlough situations due to Covid-19.
- Employer pays wages of at least IDR 30,000/employee/working day.
- Wage subsidy at IDR 15,000 per employee for each furloughed day.
- Only covers one-month payroll (either February or March 2021).

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Where is the programme implemented?

- Bangladesh, Cambodia, Ethiopia, Indonesia, Laos PDR, Madagascar and Vietnam.
- In Indonesia the programme is implemented by the ILO in partnership with BWI programme.
- Targeting factories in the BWI programme (non-office/ non-management staff).

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Purpose

- Provide a complimentary income to factories affected by the Covid-19 crisis.
- Protect and maintain jobs.
- Promote social dialogue.



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Why the garment sector?

Covid-19 restrictions had halted operations temporarily in 80 percent of textile and textile product companies in Indonesia.

May and June 2020 export levels of the garment industry in Indonesia were down 60 percent compared to the previous year.

More than 150 enterprises in the programme employing 163,000 employees have experienced significant operational disruptions, as a result of COVID-19.

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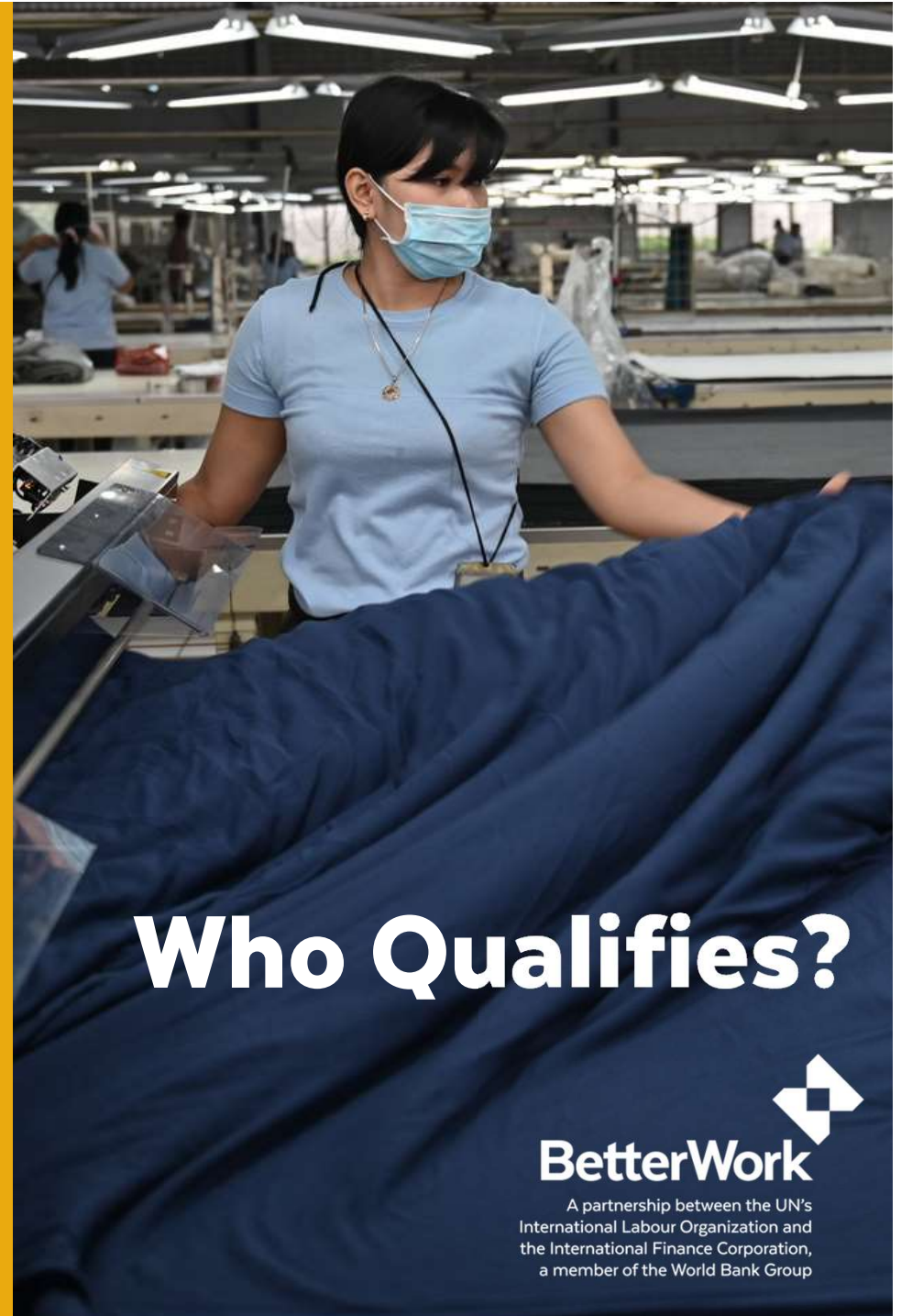
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- **Member of the BWI as of 1 January 2021**
- **Plan to execute furlough or are implementing a furlough due to economic downturn by Covid-19.**
- **Fulfilled the furlough schemes:**
 - **Execute based on a collective agreement**
 - **Employer compensates furlough wage at least IDR 30,000/employee/working day.**
 - **One working day or longer.**
 - **Execute on statutory working days that employees are supposed to work by contract.**
 - **Claim for employees who employed on 1 February 2021 or before and still in employment until the end of payroll cycle and have any types of employment contracts.**
- **Agree to submit to the ILO necessary documents and data for verification and accept the ILO's verification and investigation**
- **Remain solvent until the decision for the subsidy is made by the ILO.**

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Who Qualifies?



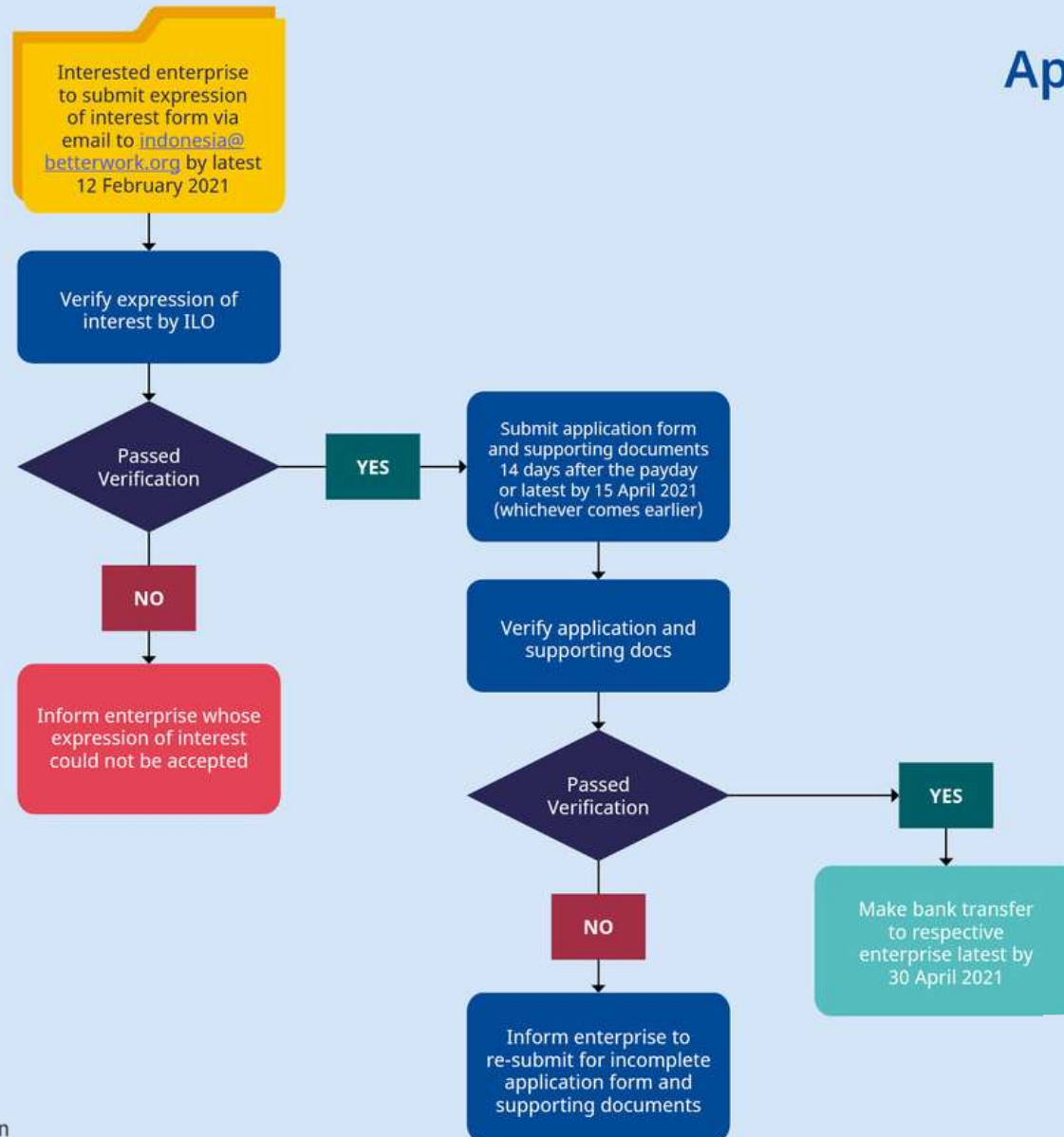
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Application Flow



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Fraud & Penalty

Grievance & investigation

The ILO may disclose the name of employer when an employer commits a fraud to receive the subsidy & impose several measures in place. If the ILO finds a fraud case seriously abusing the programme, it may take a legal action.

Employees should report to ILO if they concern employees are abusing the programme: not paying employees what they are entitled to according to the collective agreement, being asked to work while on furlough, or making a backdated claim that includes times when employees were working.

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Resources



https://www.ilo.org/jakarta/whatwedo/projects/WCMS_766702/lang-en/index.htm



SCAN ME



Questions & Answers



Factories' Feedback

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1. Are you interested to apply to the program

Apakah anda tertarik untuk mengikuti program ini?

2. What difficulties/challenges you may find to apply?

Apa kesulitan yang mungkin anda hadapi untuk mengikuti program ini?

3. What changes would you recommend so that it is more relevant to your factory?

Apakah ada perubahan yang ingin anda sarankan, agar program ini sesuai dengan kebutuhan perusahaan anda?



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Thank You

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