

## Indonesia

### Restructuring of the social security system (Part 3)

ILO PROJECT INS/00/M04/NET

Employment injury and benefits



**International Labour Organization  
Social Security Policy and Development Branch  
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# 1. Executive summary

## 1.1. Background

1.1.1. The employment injury benefit scheme was put into place by Act No. 2 of January 1951. The original Act was replaced by the Accident Act, No. 33 of 1974 and was gazetted to apply to the whole of Indonesia. The scheme to provide protection for employment accidents was based on the principle of individual employer's liability. Later, attempts were made to improve the protection provided through the Government Regulation No. 33 of 1977 known as the Employee's Social Insurance State Gazette 1977 No. 54 and a Supplementary State Gazette No.3112. This law changed the employer's liability principle and introduced protection through social insurance. The administration of the coverage was assigned to a Government agency known as Perum ASTEK (*Asuransi Sosial Tenaga Kerja*).

1.1.2. These developments over three decades mark attempts by the Government to review the available protection with a view to improving it and make it more relevant to the times and the needs of the workers. At the time of these changes the Government recognized that the measures had not provided comprehensive social security protection to the employees and existing schemes did not meet their needs. The above-mentioned Laws limited the scope of protection to accidents at work while the responsibility to provide this coverage was placed on the employer. Employers were required to make good all the payments due either from their own resources or through the purchase of an insurance policy to cover the liability.

1.1.3. Developments in social security protection advanced with the introduction of the Employees' Social Security Act No 3 of 1992. The Government established a public limited liability company – PT Jamsostek (*Jaminan Sosial Tenaga Kerja* - Social Security for the Workforce), to implement the provisions of the Act.

1.1.4. The scope of benefits provided by this Act is:

- employment accident benefits (including benefits for occupational diseases);
- old age;
- death; and
- health care benefits.

1.1.5. The provisions of the Act apply to employers with ten (10) or more employees or with a monthly payroll of Rp. 1,000,000 or more.

1.1.6. An ILO study, TSSI Indonesian Social Security in 1993, noted that there are several deficiencies with regard to protection in respect of employment injury and concluded that:

- legislation should be enacted to provide for the payment of benefits by way of a periodic payment in respect of disablement where the degree of disablement is 30 per cent or more and in the case of death;
- there is considerable anecdotal evidence supported by inference from statistics that employment accidents are under reported and that claims are not being made in respect of entitlement. This requires increased publicity focused on both the employer and worker to ensure that obligations and rights are known and it also requires supporting emphasis by those responsible for the enforcement of the provisions (the labour inspectorate); and

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- priority should be given to extending coverage against employment injury scheme to all employees including home workers.”

1.1.7. These recommendations were not implemented. As a result, the protection provided is limited to a small proportion of the labour force and is seen as irrelevant to the needs of the injured employees and their dependants. Jamsostek is seen as a private company that makes profits for the government. Jamsostek’s administration over the years has tended to concentrate on financial aspects rather than social protection.

1.1.8. The Terms of Reference for the Study of the Feasibility of Improvements of Benefits in respect of Employment Injury and Death in the present project were:

- undertake a financial assessment of the existing scheme and the basis on which contribution rates are determined;
- undertake consultations with employers and workers organisations and Jamsostek staff to determine the experience in the operation of the scheme;
- design a revised benefit and contribution structure to address existing weaknesses;
- on the basis of the actuarial analysis conducted as part of the social budget exercise advise on different design options including whether the scheme should be financed on a uniform rate of contribution or on a variable rate with modification; and
- identify and analyse the administrative implications of the reform.

## **1.2. Funding profile**

1.2.1. The JKK scheme is funded entirely by contributions from employers. Employers pay differential rates of contribution according to five occupational groups. The rate of contribution for industries in Group 1 is 0.24 per cent, while the rate for Group 2 is 0.54 per cent, Group 3 is 0.89 per cent, Group 4 is 1.27 per cent and Group 5 is 1.74 per cent. Jamsostek also covers other groups of workers who are independent contractors in the construction sector, the transport sector, harbour workers and migrant workers through employment agencies. These groups are charged different rates of contribution and in the case of the construction industry it is 1.74 per cent of the value of the contract. The method of determining the rate of contribution for each group is not clear, and the occupational groups appear to have been drawn up according to an arbitrary assessment of risk. The collection system is considered to be unnecessarily costly to administer and would benefit from simplification - such as a change to a unified rate of contribution.

1.2.2. The JKK scheme statistics show that contributions collected considerably exceed benefit outgo. The ratio of benefit payments to collections has declined steadily from 53.95 per cent in 1994 to 42.29 per cent in the year 2000. This is partially due to the inadequacy of the level of benefit paid but also to the low level of claims which is considerably less than could be expected. This low incidence of reported accidents and claims is believed to be a combination of low awareness of the availability of employment injury benefits and employers’ reluctance to report accidents in case their contribution liability is increased.

## **1.3. Consultations with workers and employers**

1.3.1. A number of employers, in particular those representing oil exploration and exploitation concerns, expressed dissatisfaction with the contribution structure and felt that there was inadequate recognition of employers who introduced good health and safety practices or maintain low accident

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records - by way of reduction in liability or movement to a lower risk group. Not surprisingly, workers' representatives considered that the level of benefit provision was inadequate.

## **1.4. Proposals for improvement**

1.4.1. The report weighs the advantages of the different contribution systems to support employment injury schemes and recommends a unified contribution system. A number of recommendations are also made concerning possible improvements in the method of payment of benefits, especially the introduction of periodic payment of benefit throughout the contingency for the long-term disabled or for the survivors of persons who die as a result of an employment injury or disease.

1.4.2. Comment is also made in the report regarding:

- the scope of coverage of occupational diseases under the present employment injury scheme being restricted, due to the list of diseases not being updated to reflect the developments in this field.
- the scope of commuting accidents needing to be reviewed with a view to extending it to other work-related journeys.
- artificial aids or prosthetics being provided only once with no provision for replacement or repair;
- the need for extension of coverage to enterprises employing one or more employees;
- the need for enhancement of medical care for the injured and improvement in provision for vocational and physical rehabilitation; and
- the need for the provisions for death benefit to be changed to provide survivor's pension to the primary dependants of the employee or in their absence the secondary dependants.





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## 2. Introduction

2.1. The employment injury insurance scheme (JKK) is administered by PT Jamsostek, the present legal status of which under Law 3 of 1992 is a Persero, a public limited liability company required to make profits and pay taxes. This is considered to be inappropriate for a system based on State responsibility and constitutional rights and the overall strategy of the project: “Restructuring of the Social Security System” was to reconstitute Jamsostek as a public social security institution that will hold its members’ contributions in trust against future benefit entitlement under the supervision of a tripartite Board. Alongside this the project was to focus on the reform of the institution to ensure that it will be able to undertake the role envisaged as a core of the social security system in Indonesia. This will entail review of the organizational and administrative system aiming at improved accountability and efficiency and improved service to the public. The activities towards these institutional improvements are summarized in the main project Report - Part 1 of the series of reports on the project.

2.2. On the basis that whatever improvements are made in governance and operating efficiency would still leave the programme weaknesses, the project has also studied options for improvements in the benefit programme including the following:

- *pensions* to replace lump sums based on savings: Replacement or partial repayment of the existing provident fund scheme (JHT) by a social insurance pension scheme;
- *employment injury pensions*: Introducing pensions more fully into employment injury insurance for long-term contingencies of serious disablement and death within the present financial system;
- *maternity benefit* as a social insurance benefit: Converting maternity benefit into a social insurance benefit by utilizing the same resources as are now expended by employers;
- *feasibility of unemployment insurance*: Compensating those with recent formal sector employment through insurance financed by the payment of contributions;
- *social assistance*: A feasibility study into the establishment of a social assistance system under which the most vulnerable among the poor would be identified and paid a monthly subsistence payment;
- *health care*: The role of Jamsostek in relation to the provision and financing of access to health care and its relationship with other health care providers and insurers will be reviewed;
- *social budget*: Analysing and projecting total social expenditure against anticipated income - this to include an actuarial analysis and an assessment of the administrative implications and recommendations for policy decisions; and
- *extension of coverage*: Formulating policy options for the extension of coverage to those presently excluded - i.e. those who work for small employers, the informal sector and the self-employed.

2.3. The Director-General of the International Labour Office appointed Mr Paguman Singh, an international expert on Occupational Injuries Policy, to undertake the study and to support the Chief Technical Adviser, Mr Michael Smith, who was in Indonesia throughout the period of the project. Mr Singh was in Indonesia for the period 26 January to 23 February 2002. In addition to meetings with officials and interested individuals and groups in Jakarta, Mr Singh presented the issues involved with the study at workshops in Jakarta, Medan, Bandung and Makassar which enabled wider discussion with employer and worker representatives. Appendix 4 lists the meetings held.

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2.4. This present report (Part 3) relates to the study into the feasibility of improvements of benefits in respect of employment injury and death. Further reports will be issued separately on the other studies.

2.5. The Director-General of the ILO would like to thank Minister Jacob Nuwa Wea of the Department of Manpower and Transmigration and his staff; the President Director of PT Jamsostek and officials in the Head Office, Regional Offices and Branch Offices for their invaluable support and assistance.

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## 3. Overview of the legal provisions and their implementation

### 3.1. Coverage of enterprises

3.1.1. The Employees' Social Security Act 1992 covers all enterprises irrespective of whether or not they are established to make profits and whether they are state or privately owned. Foundations, scientific institutions or other NGO's with managing directors also fall within the scope of the Act.

3.1.2. Despite these provisions, the Act is enforced only in respect of the private sector and semi Government agencies. Employers with 10 (ten) or more employees or paying a monthly payroll of not less than Rp. 1,000,000 (one million) are required to register with Jamsostek. The dual conditions imposed have caused some confusion and have complicated enforcement and consequently compliance. Many employers only rely on the first condition and conveniently forget the second condition. Taking into consideration the minimum wage in Indonesia, which ranges from Rp. 230,000 in the district of Maluku to Rp. 426,250 in Jakarta, in relations to the second condition, all employers with 3 or more employees should be liable for coverage. All other enterprises with less than the minimum number of employees are not covered by the Act and remain under the old law and are liable to pay compensation to their injured employees. This excluded group of employers and employees has not been covered under the social security system for the past fifty years.

3.1.3. Although there are no legal provisions to cover certain employees, some small employers have been permitted to register with Jamsostek providing them with the protection. A number of such employers in the construction sector, harbour workers and self employed workers register voluntarily and once registered they remain under Jamsostek.

3.1.4. Since 1987, enterprises in the construction sector have been compulsorily required to register with Jamsostek for employment injury coverage under a program known as JAKOM. The registration has to be completed before the start of any construction project irrespective of the number of employees or the total monthly payroll. Employers in this sector are classified in Group 5 and are required to pay the highest rate of contribution - 1.74 per cent. The contribution is paid on the total value of the construction project and not on the wages of the employees hired to complete the project. The mechanism for enforcement of this compulsory requirement is exercised through the authority issuing the contract, which does not permit work to commence prior to registration. Similarly, protection has been extended to transport workers in Makassar through their association. The association collects Rp. 1,690 per member per day for coverage of the contingencies of employment injury, death, medical and old age. In addition workers employed at the harbour are also covered through special arrangements with their unions and at rates calculated by Jamsostek. Many other groups are also being considered for coverage through special arrangements but details of such coverage were not made available. There seem to be no legal provisions for such new instruments of coverage, although the Act permits voluntary membership. The provisions are equivalent to group insurance coverage provided by private insurance companies that tends to reinforce the public view that Jamsostek is a private insurance company. This process, if continued, may lead to the proliferation of different micro schemes with varying provisions creating a potential harmonization problem and possibly affecting portability.

## 3.2. Employees covered

3.2.1. The provisions in the Act cover all employees receiving wages and working with liable employers. Employees employed under a contract of service are covered irrespective of their employment status - be it permanent, casual or temporary. The method of calculating the wage of the employee that is monthly, daily, an hourly rate or piece rate is also not material in determining the coverage of employees. Hence, theoretically and as provided in the legislation, all workers in the private sector, who are directly employed or employed through contractors should be registered for coverage of employment injury by Jamsostek.

3.2.2. In reality this does not happen as employer groups informed the consultant that only permanent employees drawing monthly wages are registered with Jamsostek for coverage, while all other categories of employees are excluded. Employees who work for periods of less than three months are assumed to be contract workers by employers and hence excluded.

3.2.3. An examination of the data (Table 2 below) confirms that there is a large gap between the number of employees gainfully employed for wages and the membership of Jamsostek. Although the gap seems to be narrowing from 17.5 million in 1994 to 9.5 million in 1999, the general consensus is that the Jamsostek figures of registered employees are not reliable. The Jamsostek figure of registered employees is artificially high due to multiple registrations of the same employee. Each time an employee shifts from one enterprise to another he re-registers and is allocated a new number. This has been pointed out by unions representing employees from various sectors and is a cause of concern. Discounting this factor, 47.1 per cent of the gainfully employed workers have no social security protection. In reality the figure could be higher.

**Table 1. Membership statistics of Jamsostek**

Employees	Active	Inactive	Total	Employed labour force* (4)	% covered active (1)/(4) (5)	% covered total (3)/(4) (6)
	(1)	(2)	(3)			
Males	6,309,902	4,074,907	10,384,809	19,788,206	31.89%	52.48%
Females	3,072,884	1,694,920	4,767,804	9,709,833	31.65%	49.10%
Total	9,382,786	5,769,827	15,152,613	29,498,039	31.81%	51.37%

Jamsostek IT Bureau \* Figures August 2000.

**Table 2. Labour force, employment and Jamsostek membership**

Description	1994	1995	1996	1997	1998	1999	2000
1. Labour Force (million)	83.7	85.7	87.8	90.1	92.7	94.8	97.9
2. Employment opportunities (million)	81.1	83.4	85.7	88.2	87.6	86.7	90.01
3. Job Seekers (1-2)	2.6	2.3	2.1	1.9	5.1	6.03	7.77
4. Number of employees employed gainfully for wages (million)	25.1	25.7	26.3	27.1	26.3	25.5	28.62
5. Number of formal Employers (thousand)	182	182	183	183	183	183	Na
6. Member ship of Jamsostek:							
a) Wage employees (million)	7.6	9.1	11.3	13.4	14.9	16.0	15.15
b) Employers (thousand)	51.6	60.1	68.7	77.7	82.5	86.6	
6 Potential Members:							
a) Employees (4-6a)	17.5	16.6	15.0	13.7	11.4	9.5	13.47
b) Employers (5-6b)	130.4	121.9	114.3	105.3	100.5	96.4	Na

Source: Ministry of Manpower, Central Bureau of Statistics & Jamsostek.

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3.2.4. The low level of coverage of only 52.9 per cent of employed workers has been achieved despite the period of nine years since the implementation of the Act. This indicates there is a need to examine the causes of the low coverage rate. The coverage is even lower at only 32.49 per cent (less than 10 per cent of the total workforce) using the figure for active employees (i.e. discounting multiple registrations and inactive members).

3.2.5. The reasons for such ineffective coverage given by various groups in their discussions can be summarized as follows:

- the enforcement function has been delegated to a separate agency - the Inspectorate Division of DEPNAKER. This Division, while burdened with its own priorities, has a limited numbers of inspectors. Hence, the enforcement of the Social Security Act compared to other labour laws is given low priority. Furthermore, the number of DEPNAKER officers appointed to carry out enforcement is also small, while the scope of their duties has been expanded over the years in other areas of labour law enforcement and in some regions the resettlement of internal transmigration workers. The Inspectorate being responsible for the enforcement of a host of other laws mentioned above and their provisions, leave them little or no time to concentrate or pay due attention to the enforcement aspects of the Social Security Act;
- the Report on Enforcement and Compliance by the Department of Manpower and Transmigration for 2001 shows that of the 30 provinces, enforcement was carried out in only 11. The compliance level is low with almost two thirds of the inspected industries defaulting or not complying in full. Despite such widespread non-compliance, action to prosecute is taken against only a handful of employers;
- given this inherent weakness, compliance activities are unable to ensure quality inspections by checking on the correctness of remittances to Jamsostek. Payment of contribution should be verified to ensure that the amount paid is based on the actual wage of the employee. There is also no programme to detect employers who are liable but have not registered with Jamsostek. On the ground, officers from Jamsostek are able to identify some liable enterprises but are unable to take any action due to the lack of authority. The ineffectiveness of enforcement is illustrated through the difference in the budgeted estimates of new contribution collections for the year by Jamsostek and the amount that is actually collected. The gap between this statistic is the direct result of the non-enforcement of statutory contributions due from employers who have registered with Jamsostek as well as those who should have registered;
- employers and employees view Jamsostek with suspicion and some employer groups in their discussions stated that they had lost confidence in Jamsostek. This is due to the bureaucratic manner in which the organization functions. An additional factor is the investment of the funds in projects that do not directly benefit the employers or workers. Others regard Jamsostek as a political legacy of the former ruling regime. Some employers believe the scheme to be voluntary: this could be due to a misunderstanding as exemption is allowed only for the Health Care Scheme if the employer provides health care benefits superior to the basic health care benefit package or has some other form of insurance which provides better coverage of the health liability;
- there is ignorance among employers and employees of the benefits and obligations of the Jamsostek schemes. Employers and employees alike did not have a proper understanding of the workings and administration system of Jamsostek. This lack of knowledge has led to suspicion and reduced cooperation amongst social partners;

- there is a low level of communication between Jamsostek and the Inspectorate Division of DEPNAKER. There is no formal mechanism of communication between the two organizations to exchange information, which would enhance compliance; and
- the Inspectorate Section of the Department of Manpower and Transmigration's view is that Jamsostek is not able to provide the promised service to its clients, nor clear information on the requirements of the Act. This has led to many employees defaulting on their contribution payments and refusing to register with Jamsostek. Even state owned companies and their employees do not comply with the requirements to register and contribute to Jamsostek.

### **3.3. International labour standards in relation to employment injury benefits**

Two up-to date ILO Conventions cover employment injury benefits: The Social Security (Minimum Standards) Convention, 1952, No. 102 and the Employment Injury benefits Convention, 1964, No. 121. Convention No. 102 fixes worldwide agreed minimum standards of social security whereas Convention No.121 sets higher standards with regard to the protection in case of an employment injury or an occupational disease. Indonesia has not yet ratified either Convention No. 102 or Convention No. 121. However, Convention No. 102 contains basic requirements and general principles and serves therefore as a guideline which should be applied for all social security systems throughout the world. A short description of the requirements of the Convention with regard to employment injury and occupational diseases benefits is set out below.

Convention No. 102 covers the contingency of employment injury and occupational diseases benefits in respect of:

- a) a morbid condition;
- b) incapacity for work involving suspension of earnings;
- c) permanent total or partial loss of earnings capacity; and
- d) the loss support suffered by the widow or the child as the result of the death of the breadwinner; however, in case of a widow, the right to the benefit may be made conditional on her being presumed to be incapable of self-support.

The Convention requires that 50 per cent of all employees, and, for benefit in respect of the death of the breadwinner, also their wives and children, shall be protected.

In respect of a morbid condition, the Convention stipulates that the medical care benefit shall include general practitioner and specialist in-patient and outpatient care, dental care, nursing care and the maintenance in hospitals, sanatoria, etc., as well as dental pharmaceutical and other medical or surgical supplies. include pre-natal, confinement and post-natal care as well as hospitalisation, if necessary. The medical care shall be afforded to maintaining, restoring or improving the health of the protected person and his ability to return to work. Furthermore, the institutions or departments administering medical care shall cooperate with the vocational rehabilitation services with a view to the re-establishment of the handicapped persons in suitable work.

In respect of permanent total loss of earning capacity, the Conventions stipulates that the benefit shall be a periodical payment which, in case of an earnings related scheme, shall amount to at least 50 per cent of the previous earnings of the person concerned or, in case of a flat-rate scheme, the benefit shall amount to at least 50 per cent of the wage of an unskilled male worker. The same amount of benefit shall be granted in case of temporary incapacity for work. In case of the death of the breadwinner, the periodical payment shall be not less than 40 per cent of the former earnings of the breadwinner or not less than 40 per cent of the wage of an unskilled male worker.

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The periodical payment may be commuted for a lump sum if the degree of incapacity is slight or where the competent authority is satisfied that the lump sum will be used properly.

The Convention does not authorise a qualifying period for the entitlement to the benefit.

The medical care benefits and the periodical payments shall be granted throughout the contingency, except that in respect of temporary incapacity for work the benefit need not to be paid for the first three days of suspension of earnings.





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## 4. Systems for fixing rates of contribution

Employers normally fund employment injury schemes wholly. Broadly there are three alternative systems for fixing the rates of contributions under employment injury schemes (so that the costs are shared among the employers), namely:

- *uniform rates*, independent of risk or industry;
- *differential rates*, according to risks or industry, independent of the actual experience of the individual establishment; and
- *merit or experience rating*, where the rate is fixed or adjusted individually for each establishment on the basis of the accident record and safety conditions in the individual establishment.

### 4.1. Uniform rates

4.1.1. Under this system no account is taken of the risk or hazards in the establishment or in the industry to which the establishment belongs. This system is the simplest to apply in practice. Once the contribution rate is fixed, the assessment of the contribution liability for each employer may be calculated in the same way as for other social security branches. Should there be a need to raise the level of funding for the scheme this can be achieved by simply increasing the percentage of insurable wages included in the assessment. It has also the advantage that the collection of contributions can be co-ordinated with the collection of contributions for other social security branches as and when established so that the overall contribution payable for the full range of the social security programme can also be unified. The need to employ qualified staff will also be less - reducing administrative costs of the social security institution and for employers. This lower administrative cost would apply whether there was a single or several agencies collecting social security contributions.

4.1.2. Furthermore, under the uniform rate system there is scope for developing better employer/employee relations since the employer would help the injured person to make and process his claim for employment injury benefit from the Fund. This may not be the case under the merit rating system, where the interest of the employer would run counter to that of the injured person in as much as it would be in the employer's interest to show a lower incidence of claims entitling him to a reduction in his contributions to the scheme.

4.1.3. It may be said that this system does not provide for an equitable distribution of charges among the various establishments. This raises the question of principle regarding the extent of collective solidarity in social security. It should be observed that in other branches of social security (e.g. sickness and unemployment) there is some variation in the incidence of interruption of employment between different industries yet, following the principle of collective solidarity and pooling of risk, uniform rates of contribution are applied, irrespective of risk.

4.1.4. It may also be advanced that the system of uniform rates does not contain an incentive for accident prevention measures. If such measures encouraging accident prevention and observance of safety regulations are to be achieved in an active way, they should be done through other means such as an effective enforcement of safety measures, etc. rather than through the system of fixing contributions. Under this system, the legislation may, however, contain provisions under which the insurance institution can impose sanctions such as penalties or the ability to claim reimbursement of benefit payment from establishments or undertakings, which have infringed the safety rules or failed to introduce safety measures. But it may be preferable to contain such provisions in legislation separate from the laws creating liability for contributions.

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4.1.5. Further, it may be argued that the introduction of uniform rates may impose a slightly increased burden on establishments in the light risk industries – which also may not be uniform among the individual institutions in any industry – such as plantations. Against this the counteracting effects of increased administrative, inspection and investigation expenses, and also higher per capita costs of medical benefits, which are caused by the very nature of the distribution of institutions in sparse and far-flung areas, cannot be overlooked.

## **4.2. Differential rates**

4.2.1. Under this system contribution rates are fixed for each risk class or classes of industry. The establishments are then assigned to the various classes according to the activity, which they carry out or according to which branch of industry they belong. No account is taken of the experience of the individual establishment or of any measures taken for accident prevention. Under this system each class is usually considered as an autonomous financial unit, and the statistics and accounting data are compiled separately for each class which permits the fixing of the contribution rate and which will assure the financial equilibrium of the class. The contribution rates are subject to periodical reviews, perhaps every three or five years.

4.2.2. The application of this system requires more complicated administrative machinery. First, statistical and accounting data must be available by risk class in order to be able to review and check up on the contribution rate fixed for each class. Secondly, this system requires qualified and experienced staff for classification of the establishments. Further, it may more often be difficult to draw a clear-cut line between the different classes. The question of classification itself would become more difficult with a larger number of classes. It requires several years to construct scales of contributions applicable to different classes of risks based on a country's own experience.

## **4.3. Merit or experience rating**

4.3.1. Under this system the rates are fixed or adjusted according to the accident experience in the individual establishment or on the basis of the accident-preventive measures taken by the establishment.

4.3.2. This system is usually based on a schedule or classification of industries by risks, which indicates a "normal" or "average" rate of contribution for each class. The normal rate can then be modified upwards or downwards within certain limits according to the accident experience of the individual undertaking and/or according to the safety measures taken or general safety conditions prevailing in the establishment. The application of the system of merit or experience rating is most likely to result in great variations of the contribution rates between the different categories of establishments.

4.3.3. The merit rating system may be applied to all the establishments covered or it may be applied to only establishments over a certain size. The system is applied to small establishments mainly when the merit rating is made according to prevention measures taken or to safety conditions in the individual establishments. When the rating is made according to experience, the application is usually limited to establishments over a certain size, say establishments with over 100 employees, where chance variations play a smaller role and statistical data are more significant. The administration of a system based on merit or experience rating requires very elaborate and smooth working machinery. All establishments have to be classified individually, all records and statistics have to be kept individually and highly qualified and specialized personnel are required for the assessment of the various factors for determining the rates of contribution for each establishment. Further, the decision in this respect may be a source of dispute, and sometimes, particularly when the provisions governing the merit rating are not very clear, the fixing of the rate may be somewhat arbitrary. Moreover, when the system is in its early stages and the rules also not clear, the personnel responsible for the application may also be subject to undue pressure from interested parties.

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4.3.4. In view of the more complicated administrative machinery, the merit or experience rating system will generally involve higher administrative costs than co-ordinate operations such as collection of contributions, etc.

4.3.5. Lastly, if this system is stretched to its extreme form, the insurance element (i.e. pooling of risk) would disappear and each establishment would in effect pay its own accident costs.

4.3.6. The *Government of Indonesia* has preferred to use the differential rating system in its modified form for the contingency of employment injury coverage. Industries are grouped into five categories and the rate of contribution according to each of the categories is as follows:

➤ Group I	0.24% of monthly wage	19 industries
➤ Group II	0.54% of monthly wage	29 industries
➤ Group III	0.89% of monthly wage	99 industries
➤ Group IV	1.27% of monthly wage	13 industries
➤ Group V	1.74% of monthly wage	28 industries.

4.3.7. The types of businesses falling within each of the Groups have been listed under the Government Regulation No.14 Year 1993 dated 27 February 1993. It must be noted that:

- the list has not been changed since 1992 despite the emergence of new industries within the economy in the past eight years (such as the Information Technology industry). Manufacture and service of computers and related services have not been provided for and are hence notably missing from the list;
- there is also ambiguity in the list as products are stated without referring to any process relating to their manufacture, storage, transport, export or marketing. The risk of each of the activities is different but there is no provision for this. Furthermore present day companies have operations that transcend these boundaries as their business activities range across industrial classifications found within the stipulated list.
- there are no legal provisions to determine the basis on which each industry would fall within a risk class or the group into which a company should be classified. No provisions exist providing for change from one group class to another in the event that programs for improvements in safety have been successful introduced (or refused). Some enterprises have won the annual Golden Award for Safety while others have won the zero accident awards but their contribution liability remains unchanged and they continue to pay contributions according to their respective risk group;
- similarly, the method of determining the rate of contribution for each of the Groups is unclear. There was no explanation available from Jamsostek on the formula used to determine the contribution rate for each of the risk Groups. Apparently, some historical data has been used together with private insurance formula on risk assessment to determine the rates of contribution to be charged to ensure the viability of the fund;
- the procedure is that Jamsostek officers visit any enterprise submitting a new registration in order to determine the risk of the industry and subsequently informs the enterprise of the rate to be paid. There is no process for appeal against the decision; and

- the main reason for adopting the differential rates seems to be to influence health and safety outcomes. However, there is no evidence that Indonesia has maximized the beneficial effects of the method it has adopted and there has been no change in the rate of contribution for many years. Jamsostek probably does not have the capacity to link the incidence of accidents to contribution rates.

4.3.8. The base rate for industries with very low risks has remained at 0.24 per cent of the monthly wage from 1978 to the present. Changes to the rates in the other categories were made in 1993, which led to the reduction of the maximum rate of contribution for high-risk industries in Group 5 from 3.6 to 1.74 per cent of the monthly wage, a 51.7 per cent reduction. It is also clear that the average risk category is Group 3, where the largest number of products is listed, which could mean that most of the employers are contributing at a rate of 0.89 per cent of the employee's monthly wage. It was also verbally confirmed that a very small proportion of employers pay contributions according to Group 1 & 2. It is also noticed that most of the industries listed in Group 4 and Group 5, with the exception of the construction industry, have been improving their safety records. Despite these improvements they continue to contribute at the higher rates. This has significantly contributed to the profit margin of the Jamsostek JKK programme. A detailed examination of the data, if available would confirm this view.

4.3.9. Despite the overall reduction of the contribution rates, which was carried out in 1993, this branch of Jamsostek provides the largest profit to the Organisation. The achieved surpluses or profits do not reflect the true picture of the situation of the number of industrial injuries at the work place. There is evidence of under reporting of accidents. Also the level of benefit paid to injured employees is low, as employers tend to under declare the wages of employees further boosting surpluses in the programme. Another reason for the surpluses is that contractors in the construction sector are charged the highest rate of contribution based on the total value of their contract and not on the wages of the employees. Table 3 provides the rates of contribution and rates of benefits for the various periods.

**Table 3. Schemes, contributions and benefits in Jamsostek**

Item	1978-1983	1984-1988	1989-1992	1993-1998	1999	2001
Work accident (%)	0.24-3.6	-	-	0.24-1.74	-	
Survivors' plan (%)	0.5	-	-	0.3	-	
Provident Fund (%)	2.5	-	-	5.7	-	
Health Care (%)	-	-	-	3.6	-	
Promised Interest (%)	6	8	10	10	17	
Survivor's Benefit (Rp)	0.17 mil	0.4 mil	0.7 mil	1.2-2.4 mil.	-	3.6 mil
Maximum work Accident hospitalization costs (Rp)	1.0 mil	-	1.5 mil	3.0-4.0 mil	-	6.4 mil
Rate of Death Benefit due to work accident (Rp)	21.6 times wage	-	28.8 times wage	Times Wage	-	42 Times
Rehabilitation Orthopaedic and other devices	Injured Employee	-	-	140% of Cost set by Rehab. Centre	-	-

Source: Bambang Purwoko (1999).

4.3.10. It is recommended that consideration should now be given to the introduction of a uniform rate of contribution due to the following reasons:

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- lower administration costs;
  - promotes solidarity amongst the employers. However, employers who are in Group I and II may have to pay a higher rate and consequently incur higher labour costs. This group of employers would oppose the proposal with arguments that they were subsidizing the employers who were in the higher risk groups or had no proper safety program in place. It could be argued that the companies in Group IV and Group V are large and over time have established better safety standards resulting in a lower rate of accidents;
  - furthermore, employment injury includes commuting accidents for all workers and the risk of its occurrence is uniform irrespective of the industry or the risk Group; and
  - the other benefit is the simplicity of the system and the ease of implementation. Employers and employees will understand the system easily.

#### **4.4. The case for accident benefit**

4.4.1. The investigation of employment injuries, in order to confirm in cases of doubt that the injury is indeed work-related, is administratively expensive. There is an argument that as the incapacity or death resulting from an accident is more important than the cause, there should be no distinction in the compensation paid to an injured worker between work-related accidents and accidents occurring outside the work environment. While an 'accident benefit' would be easier to administer it would inevitably raise the number of claims and would need to be an actuarial valuation of the proposals. However, the control of work-related accident claims for the informal sector would be even more difficult than for the formal sector and it is recommended that serious consideration should be given to widening the scope of accident insurance in the future.

4.4.2. Should the Government of Indonesia decide to consider converting the JKK scheme to a broader, accident insurance scheme, it would be important to study the possibility of coordination between such a scheme and the present 'travel insurance' provided by PT Jasa Raharja. Although not covered by the terms of reference of the ILO Project, it is understood that since 1964 PT Jasa Raharja has operated a compulsory, third party insurance for road accidents under the supervision of the Ministry of Transport & Communications and Ministry of State-Owned Enterprises. The main features of the scheme are that the victims of travel accidents (whether by Air, Sea, Rail or Road, etc.) are covered for limited medical expenses, death and disablement (maximum of Rp. 10 million for death, Rp. 5 million for medical). Passengers and pedestrians are covered and also the driver of any vehicle involved in a traffic accident, provided he or she has a licence to drive. Damage to vehicles is not, however, included. The insurance is funded by a levy on each public transport ticket sold and from a component in the annual registration of motor vehicles. It is further understood that any payment from PT Jasa Raharja may be made in addition to any entitlement under the Jamsostek scheme. The effect of this might be that medical expenses may be payable within the total of Rp. 5 million limit plus the JKK limit of Rp. 6.4 million. It is not clear whether provision exists for effective recovery of the full amount from any separate, private motor vehicle insurance that may exist, either by Jamsostek or PT Jasa Raharja. However, anecdotal evidence suggests that many drivers in Indonesia do not possess legal licences to drive and that many may also not have insurance cover.

4.4.3. Should it be decided to review the concept of accident insurance, it may be that some strengthening of enforcement of private, third party insurance is possible - possibly by making the annual renewal of vehicle registration dependent upon evidence of such insurance. This would need to go hand-in-hand with improved enforcement (by the Traffic Police) of vehicular registration.

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## 4.5. Benefits

4.5.1. The following benefits are available to workers injured at work or suffering from an occupational disease:

- the cost of transportation;
- the cost of medical examination, treatment, and/or hospital care;
- the cost of rehabilitation;
- cash allowances which consist of the following:
  - temporary disablement allowance;
  - permanent partial disablement allowance;
  - permanent total disablement allowance;
  - death allowance.

4.5.2. Entitlement to any of the benefits is dependant on the occurrence of an 'Employment Injury', which is defined as an accident arising out of and in the course of employment, including diseases arising out of employment and accidents on the way from the residence to the place of work and back to the residence via the usual and reasonable route. Based on this definition an occurrence can be separated into three categories namely:

- an accident at the work place or otherwise that is directly related to the nature of the employment. This is the most common scope of coverage found in all social security schemes with some using the word 'or' in place of 'and';
- an occupational disease arising out of the employment. Attachment No.22 to the Presidential Decree lists 31 diseases where compensation would be payable. The list is not exhaustive and nor is it in line with accepted international lists. There is also no time limit given for the emergence of occupational diseases, length and level of exposure to the agents and elements causing the disease; and
- travel accidents that occur while travelling to work or on the return journey following the usual route. The coverage is limited, as commuting during authorized meal breaks for purposes of taking a meal is presently not covered. The area of commuting accidents should be restricted as provided in the present Law and due consideration should be given to many other situations: such as travelling to receive medical care, and all other travel related to the nature of a person's work.

4.5.3. Employees, or the dependants of a deceased employee, who suffer an employment injury, are paid their benefits as a lump sum. However, the elucidation provided to Act No. 3 states the following: "Basically, payments of this benefits are provided on a periodic basis, with the intention that the employees and their families could meet a portion of their necessities of life" There is also a statement that these periodic benefits could be paid as lump sums. The original intention was to pay benefits periodically but this was changed to lump sum payments. The weaknesses of a lump sum compensation for employment injury are:

- lump sum payments have the inherent weakness in that they do not provide life long guarantees to the recipients of the benefit;
- injured employees, dependant widows and children of employees normally exhaust the lump sums received within a short period of time;

- the money received is normally spent on consumption expenditure leaving little or none for the future needs of the employee or the dependants;
- there is also the danger that the lump sums may not be utilized for the benefit of seriously injured persons as the nature of the disablement may prevent the management of their own finances;
- in the case of widows the probability of being cheated by relatives and others cannot be discounted, as the literacy level of the widow is generally low;
- the normal inclination to consume is compounded by the fact that the quantum of benefit itself is low. The lump sum benefit received is on average low, due to employers paying contributions to Jamsostek based on wages that are actually lower than the wage paid. Since Jamsostek computes the quantum on the last wage preceding the month of accident, in the event the employer has contributed based on a lower amount the employee receives a benefit lower than his entitlement. This has resulted in the benefits being inadequate and insufficient to support the injured worker or in the event of death the dependants for a long period of time; and
- table 4 provides figures of the average amount paid to employees and these figures verify the contention that benefits are inadequate.

**Table 4. Amount of benefit expenditure & number of cases**

Year	No. of cases	Total expenditure (Rp.million)	Amount per case (average)
1997	101,414	78,686.	578,704
1998	92,177	81,950.	889,054
1999	84,168	91,622.	1,088,563
2000	99,843	105,158.	1,053,230
2001 (June)	54,970	61,156.	1,012,435

Data from Jamsostek August 2001.

4.5.4. The cost of transportation reimbursed by Jamsostek for land or river transportation to the hospital is a maximum amount of (Rp. 150,000. In the event there is a need to transport the injured employee by sea the maximum amount of reimbursement is (Rp. 300,000) while the rate for air transport is (Rp. 400,000).

4.5.5. The maximum medical cost for treatment of an injured employee reimbursed are (Rp. 6,400,000) six million four hundred thousand Rupiah. The medical expenditure is limited to the payment of medical fees, medicines, surgery, X-rays, and laboratory tests. Treatment may be obtained at community health centres or Public Hospitals in normal ward class. Treatment is provided for dental and ophthalmic services while the services of authorized traditional medicine providers are also accepted.

4.5.6. The maximum medical benefit has been increased from October 2000 but is both insufficient in terms of the quantum and is restrictive in the administrative provisions, as Jamsostek has outsourced its medical coverage provision to health management organizations (HMO) which control the treatment costs and the hospitals where treatment is to be provided. Employers and employees at workshops and at separate meetings reported that Jamsostek members received poor treatment and lower priority at hospitals due to the controls and as a result of late payments to them by Jamsostek.

4.5.7. Rehabilitation costs are reimbursed for the purchase of artificial limbs and other devices in accordance with the cost guidelines set by the Professor Doctor Suharso Rehabilitation Centre Surakarta. The rehabilitation cost is only given once and is equivalent to 140 per cent of the guidelines. This benefit is considered to be grossly inadequate as it is given only once and there are no provisions for replacement or repair of artificial limbs or other prosthetic devices. The guidelines provided do not take into consideration the developments in the field of rehabilitation as they refer to the basic, functional

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prosthetic appliances. An additional drawback is that the injured employee has to pay for the required devices before being able to claim reimbursement.

4.5.8. Temporary Disablement Benefit is paid to an injured employee for a maximum period of twelve months (12) where the replacement rate for the first four months (4) is 100 per cent of the monthly wage, 75 per cent for the following four months and finally 50 per cent for the last four months. On average an injured employee receives 75 per cent of the last drawn wage. The benefit is paid by the enterprise and the total amount is then claimed from Jamsostek. This method of compensation favours those with minor injuries by providing full replacement rates, while penalizing employees with severe injuries. Such high replacement rates do not encourage injured employees with minor injuries to return to work as soon as they become fit, especially during the first four months following the accident. There is also a limit to the period of compensation and the injured employee who is still in need of medical treatment or recuperation is denied any compensation after twelve months (12). The employer at this stage can dismiss the worker in accordance with the provisions of the Labour Laws.

4.5.9. The lack of a proper system of data collection in Jamsostek leads to the inability to determine the average number of days of medical leave of injured employees. Although reimbursement payments to employers are based on the number of days of medical disablement the data is not captured electronically. Recommendations are made without supporting detailed data for purposes of analyzing the relative experience of the present scheme.

4.5.10 Permanent Disablement Benefit, known as Disability Benefit, is paid for partial and total disablement. The percentage of partial and total disability is listed in Attachment II of the Act and is used as a guide by the doctor treating the injured worker and by Jamsostek to determine the loss of earnings capacity. Based on the assessment of loss of earnings capacity the lump sum is calculated by multiplying the assessment with the last drawn wage and multiplied by seventy (70). As the maximum rate of permanent total disablement is 70 per cent of seventy months wages, effectively and injured employee who is totally disabled receives forty-nine (49) months of wages.

4.5.11. An additional Rp. 1,200,000 is paid for permanent total disablement irrespective of the wage of the injured employee. Assuming a minimum wage of Rp. 500,000 the Rp. 1,200,000 additional payment, which is to be paid for twenty-four months amounts to a little over two and a half month's wage. The maximum period of coverage through the lump sum method of compensation is 51.5 months. This is slightly over 4 years and is relatively short considering the increasing life expectancy in Indonesia.

4.5.12. The Government has revised the formula for calculating the lump sum by increasing the number of months wages used to calculate the compensation. The provisions in 1993 calculated the quantum by taking sixty (60) months of wage and this has been increased to seventy (70) months from 1st October 2001. Apparently this is an attempt to increase the quantum of the lump sum, which has been recognized as small and inadequate.

4.5.13. Dependents Benefit (in respect of employment injury) is paid as a lump sum to the widow(er) or other relatives of the deceased employee in the event of an employment injury. The total amount paid is equivalent to the sum of 60 per cent of seventy (70) months wages and an additional Rp. 1,200,000. This represents twenty-four (24) monthly payments at a rate of Rp. 50,000 per month. The payment represents three and a half years of wages for the dependants. This payment is received by widows and with the life expectancy of females in Indonesia rising, this payment is clearly insufficient to provide protection for a significant period. An added problem is that the quantum is calculated on low wage, which makes it inadequate.

4.5.14. Funeral Benefit: expenses amounting to Rp. 600,000 are paid to the relatives of employees and in certain cases to the employer or person who has paid the expenses of the funeral. The amount given to cover the expenses seems to be low and there were complaints that it does not provide adequately for a modest decent funeral.



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## 4.6. Death benefit scheme

4.6.1. Death Benefit (in respect of death due to any cause) is also paid as a lump sum to the relatives of a deceased employee irrespective of the cause of death. The death must occur while the employee is in employment. The amount paid is a flat rate equal to three million Rupiah (Rp. 3,000,000). The rate of contribution paid by the employer for this contingency is 0.3 per cent of the monthly wage. In addition a Funeral benefit of Rp. 600,000 is also given to the family. There are inequalities in the system of benefit provision as:

- the family of an employee who newly joins the enterprise is entitled to the benefit without having contributed, while the family of an employee for whom contributions have been made over a long period will not get the benefit if the employee dies after retirement or during the time he is unemployed;
- contributions are wage based while benefits are flat rate payments. This makes the benefit inadequate for the families of employees earning high monthly wages; and
- the benefit is a lump sum of three million Rupiah and does not provide long-term protection. At the average minimum monthly rate, the payment is equivalent to 8.6 months wages.

4.6.2. There is also potentially an overlap between this benefit and proposals for providing survivors benefit to dependant relatives on the death of an insured person. It is accordingly recommended that this benefit be reviewed in the light of decisions taken as regards the development of pension benefits for surviving dependants and funeral grants.



## 5. Implementation and experience of the schemes

- 5.1. The statistics provided by Jamsostek for the employment injury scheme shows that contributions collected exceed benefits payments and the ratio of benefits to collections had declined steadily from 53.95 per cent in 1994 to 42.29 per cent in year 2000. However, the amount paid out has increased from Rp. 35.482 million to Rp. 102,440 million. Details of the experience are in Table 5.

Table 5. Employment injury contributions and benefit data 1994- 2001

Year	Cases	Contributions (Rp.)	Benefits (Rp.)	Change cases %	Change contributions %	Change benefits %	Ratio %
1994	64,577	65,771,000,233	35,482,884,188	22.71	5.72	32.90	53.95
1995	65,949	97,474,918,167	40,485,876,020	2.12	48.20	14.10	41.53
1996	82,066	112,828,488,833	50,312,692,864	24.44	15.75	24.27	44.59
1997	95,759	148,306,145,068	71,144,314,315	16.69	31.44	41.40	47.97
1998	88,595	164,289,413,670	75,120,269,613	-7.48	10.78	5.59	45.72
1999	82,456	193,141,087,437	87,694,598,285	-6.93	17.56	16.74	45.40
2000	98,902	242,251,594,478	102,439,839,461	19.95	25.43	16.81	42.29
2001 <sup>a</sup>	54,447	150,916,481,239	59,639,500,271	-	-	-	39.52

Jamsostek Technical and Customer Service Division August 2001.

<sup>a</sup> 2001 Data from January to 9 June only.

- 5.2. The number of death and permanent total disablement cases under the scheme were not available. These figures are given under the old age benefit scheme where the balances of the individual employees have been paid out due to death or disablement. These figures do not include employees who may have no balances. The figures are low and do not reflect the real experience of the employment injury scheme (Table 6).

Table 6. Number of cases of withdrawal

Year	Normal deaths	Deaths (employment injury)	Permanent total disablement
1994	7,494	625	150
1995	6,678	570	97
1996	8,020	393	69
1997	12,052	1,893	745
1998	12,081	1,563	351
1999	10,742	1,376	58
2000	9,382	1,283	38
2001	6,982	635	22

- 5.3. The program to cover contractors for the employment injury scheme is known as JAKOM and this program has a very low ratio of benefits to contributions. The number of cases of accidents has declined drastically while contribution income has seen a slower decline leading to profits from this program. (Refer to Table 7).

**Table 7. Income and expenditure – employment injury for construction industry**

Year	Cases	Contributions	Benefits	Ratio %	% change cases	% change contributions	% change benefit
1994	4,600	32,287,722,734	5,054,818,500	15.66	-7.98	15.90	11.57
1995	4,536	36,756,622,717	5,495,480,339	14.95	-1.40	13.84	8.72
1996	5,239	49,678,458,869	6,919,557,159	13.93	15.49	35.16	25.91
1997	5,024	48,924,745,793	7,251,101,404	14.82	-4.09	-1.52	4.79
1998	3,113	26,516,661,724	5,414,315,996	20.42	-38.04	-45.80	-25.33
1999	1,712	31,800,745,057	3,927,650,189	12.35	-45.00	19.93	-27.46
2000	941	32,926,346,778	2,717,851,559	8.25	-45.03	3.54	-30.80
2001	523	6,211,948,786	1,511,096,163	18.40	-	-	-

5.4. The experience of the Death Benefit program shows a rising trend in the number of death claims, significant rise in contributions received and a moderate increase in the benefit payments. The benefit to contributions ratio has remained below 30 per cent resulting in surpluses from the program. The total number of death benefit cases for the period 1994 to 2001 was 88,559, while those under the old age protection was 73,411. Details of the experience are in Table 8 below.

**Table 8. Death Benefits by Cases, Contributions and Benefits**

YEA Year	Cases	Contribution	Benefit	% change cases	% change contribution	% change benefit	Ratio %
1994	6479	28,206,508,884	8,253,200,000	10.28	13.35	28.20	29.26
1995	7143	43,072,835,124	8,569,000,000	10.25	52.71	3.83	19.89
1996	7899	48,294,930,957	9,660,471,000	10.58	12.12	12.74	20.00
1997	9074	62,892,895,815	11,160,019,000	14.88	30.23	15.52	17.74
1998	10729	69,926,812,097	12,874,407,000	18.24	11.18	15.36	18.41
1999	17575	82,126,938,369	21,615,300,000	63.81	17.14	67.89	26.32
2000	16817	102,489,541,402	24,652,336,000	-4.31	24.79	14.05	24.05
2001 <sup>a</sup>	12843	64,822,517,715	18,991,492,800	-	-	-	29.30

<sup>a</sup> 2001 Data from January to 9 June only.

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## 6. Recommendations

6.1 The ILO suggests consideration of the following reforms relating to the benefit and contribution structure and the administration:

6.1.1. The benefit structure of the new scheme should be changed and a more comprehensive package of benefits with periodical payments should be introduced. The present method of predetermining the quantum of benefits and paying the liability as a lump sum payment needs to be changed and brought in line with social security protection guaranteeing life long protection to the recipients.

6.1.2. The concept of employment injury should be extended to provide protection during travel during authorized meal breaks as well as other travel related to, or incidental to work. Consideration should be given to changing the scope of the scheme to include ALL accidents, whatever the cause. The possible coordination with the travel accident insurance administered by PT Jasa Raharja should also be considered.

6.1.3. The list of occupational diseases should be updated and new and emerging diseases added to the list. Protection against occupational diseases should be extended to cover the employee for a period of sixty months (60) after leaving the industry and for a period exceeding that with medical evidence and certification.

6.1.4. The rate of compensation for temporary disablement should be set at a uniform rate of 80 per cent of the average wage for the three (3) months immediately preceding the employment injury. This rate should apply for the duration of the temporary disablement. The benefit should be payable from the fourth day the employee is certified medically unfit to work. This is in accordance with the ILO Convention requiring a waiting period of three days before the commencement of payment of temporary disablement. The employer should be responsible for the payment of wages during this period. The lower reimbursement rate encourages the employee to return to work early, while a uniform rate is equitable to all employees. The length of temporary disablement should not be limited. During the period of disablement the employee should not be entitled to both the salary from the employer and temporary disablement benefit from Jamsostek.

6.1.5. Employers should be entitled to dismiss workers only after twelve months following the occurrence if the employee continues to be medically certified to be unfit for work. The employer should continue to make payments of full wages to the employee for a period of four months and for this period and be entitled to claim reimbursements of up to the 80 per cent from Jamsostek, the organization responsible for the implementation of the scheme. After that initial four-month period, the injured employee should receive only temporary disablement benefits from the organization upon production of a medical certificate. This process should continue until the date on which the employee is certified fit for work or is able to claim permanent disablement benefit.

6.1.6. Permanent disablement benefit should be payable on a periodic basis for all cases where the loss of earnings capacity has been assessed to be twenty percent or more. However, the injured employee could be given an option to commute one fifth (1/5) of the periodic pension into a lump sum. This initial grant would assist the employee in making the adjustments to reduced income. The remainder of the employee's periodic pension would be paid for life and continue to be paid to the dependants if the injury results in death. All other injured employees with assessments of twenty per cent and below should receive lump sum payments.

6.1.7. The rate of monthly pension for permanent total disablement should be eighty percent of the average wage for the three (3) months immediately preceding the employment injury.

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6.1.8. Lump sums should be computed by multiplying the average daily rate of permanent total disablement with the assessment of loss of earning capacity and the actuarial present value factor. This factor will have to be calculated by the actuary. The factor will be dependent on the age of the injured employee at the time of the claim; the adjusted life expectancy prevailing; the expected rate of interest; and the rate of return on the fund.

6.1.9. The method of computing the lump sum payment for assessment of loss of earnings capacity of twenty percent or more (20% >) should be 1/5th multiplied by the percentage loss of earning capacity multiplied by 80 per cent of the average daily wage in the preceding three months (1/5 x per cent loss of earnings x 80 per cent of Average Wage over 3 months preceding accident x Actuarial Factor). The daily rate to be calculated by dividing the average monthly wage by twenty-six (26).

6.1.10. Dependants Benefit should be payable to the widow or widower and all children. The widow or widower should receive a pension for life but such payments should cease upon death or remarriage. Children should receive benefits up to age 18 years and the benefit cease due to death or marriage before that age. The definition of children needs to be broad to encompass natural, adopted, illegitimate and step children.

- the benefit should be equal to eighty percent (80%) of the average daily wage for the three (3) months immediately preceding death as a result of an employment injury. The daily rate should be calculated by dividing the average monthly wage by twenty-six (26). The benefit may be proportionately shared such that the widow, widows or widower receive three fifths (3/5) and the child two fifths (2/5). In the event the widow or widower dies or remarries the children should receive three fifths (3/5) of the benefit.
- in the event the deceased employee does not leave any widow/ widower or children the benefit should be paid to other relatives as follows: -
  - *the parents of the employee* - benefit for life at a rate of half (1/2) the average daily rate calculated above;
  - *grand parents of the deceased employee* - in the event no parent is alive at the time of the death, the rate should be the same as that for parents;
  - *brothers and sisters* - may all receive benefits at a rate of three-tenths (3/10) of the average daily rate up to age 18 or as long as they are not married. The amount to be equally divided amongst them; and
  - *any other relative* of the deceased employee may be considered if none of the above listed relatives are entitled to the benefit. The inclusion of such a relative may be subject to the condition that the death has caused hardship to the relative and can be approved only by the Minister responsible for social security.

6.1.11. Funeral Benefit should be paid to the dependants of the deceased employee to cover the costs of providing a decent burial. This benefit should be paid as soon as possible and the present provisions and method of providing the benefit should be followed. The maximum quantum of the benefit needs to be reviewed and based on each region. This maximum can be set after a survey of the cost of funerals in the various regions of the country.

6.1.12. Medical Benefit in respect of occupational injuries and diseases should be the responsibility of Jamsostek, the organization responsible for social security administration. An injured employee meeting with an employment injury should be entitled to medical treatment for the period he or she is suffering from disablement as a result of the injury or disease. The kind, level and scale of such benefits to be determined by the organization after taking into consideration the availability of such facilities. The organization can make arrangements with the providers of the benefits to ensure adequate and

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comprehensive medical treatment is provided to the injured employee. This benefit should be provided as long as the injured employee needs the treatment. The scale of the medical treatment to be provided should ensure easy and quick recovery minimizing permanent disablement. Such treatment may include microsurgery and the use of implants.

6.1.13. Constant Attendance Allowance Benefit. An injured employee who is permanently and totally disabled should be entitled to a constant attendance allowance equivalent to forty percent of the pension payable where he or she requires the constant attendance of another person. This allowance should be payable to the claimant for life together with the monthly pension but shall cease upon death of the recipient.

6.1.14. Facilities for Physical and Vocational Rehabilitation should be provided to an employee who suffers from permanent disablement. The organization should provide prosthetic or other appropriate appliances free of charge. The total costs of such devices to be borne by the organization together with the cost of arrangements for their fitting, repairs and replacement. The appliances should be renewed or repaired, when necessary, free of charge. The organization should also make arrangements for physical or vocational rehabilitation of the injured employee. The employee should be reimbursed for any reasonably travelling expenses incurred for the fitting or maintenance of prosthetic or other appliances.

6.1.15. There are overlapping provisions between the death benefit lump sum, the payment of pensions to surviving dependants and the funeral grant. These provisions should be reviewed and rationalized in the light of policy decisions taken on the benefit structure recommendations set out above.





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## 7. Recommended administrative changes

7.1. There needs to be improvement in the arrangements for enforcement of the provisions of the Act and for tackling the issue of compliance by employers in terms of registering their enterprises and covering all their employees while contributing monthly according to the actual wage of the employee. Proposals to address the problem of compliance are contained in the main project Report (Part 1).

7.2. Employers should be required by Regulations to maintain a Register of Employees, which will contain the following particulars:

- name of employee;
- social security identification number;
- date employment commenced;
- date employment ceased;
- basic wages;
- other allowances;
- total wages;
- total contribution deducted from employee;
- total contribution paid; and
- signature of the employee.

7.3. This Register, with the due particulars could be kept together with any other such Register required by any other Law in Indonesia. Particulars in the Register need to be updated monthly. The Register should be kept for a period of five years from the date of the last entry. The Register should be presented for inspection at any time to a social security or labour inspector. The regulations should provide for the enterprise to be responsible for the accuracy of all the entries.

7.4. Regulations should provide for a separate Register of Accidents to be maintained and kept in a place accessible to all workers. The register should record all employment injuries that occur to any employee on working on the premises. The Accident Register should record the following particulars:

- serial number;
- name of injured employee;
- social security identification number;
- date, time and place of the accident;
- name of clinic or hospital that treated the injured employee;
- names of witnesses;

- type and location of injury; and
- brief account of how the accident occurred and any first aid treatment given.

7.5. The employer, supervisor or person authorized to administer first aid should make entries into the Accident Register as soon as possible after the accident and no later than a period of two days. The Register should be maintained by the enterprise for a period of five years after the final entry.

7.6. Accident reporting:

- the employer should be required to report all accidents where there is stoppage of work and where entitlement to a temporary disablement payment is likely to arise. Accidents should be reported using the prescribed forms to Jamsostek within 48 hours from the time the employer receives notice of the accident;
- the present form for reporting accidents needs to be changed and the system presently in place should to be reengineered to account of any of the above recommendations regarding new responsibilities for accepting the reported accident as an employment injury, verifying the facts of the case and the wage of the employee;
- in cases requiring payment the process of calculating the benefit and then paying the benefit needs to be established. Some cases may require investigation before being accepted for payment;
- payment of periodic benefit will require separate divisions for permanent disability calculation, death benefit, and funeral benefit; and
- normally, the approval of cases for payment should be separated from the actual payment process to prevent fraud.

7.7. Recommendations concerning the organizational arrangements, spread of responsibility, etc. will need to be made in the light of such changes to the benefit programme as are accepted by Government and Jamsostek and in the light of further technical assistance with the development of performance indicators; quality control; internal audit and other management control systems.

7.8. However, consideration should be given to the establishment of a Benefits unit at headquarters to approve all long- term payments and maintain the monthly payments to all permanent disablement employees, widows, children and other relatives. All long-term recipients of benefits maybe required to periodic and legally binding declarations regarding their status. Pension payments should be contingent upon such a declaration. The Benefits unit will need to maintain a system for adjustment of benefits on a biannual basis in accordance with any changes to the cost of living index and after an actuarial evaluation.

7.9. Consideration may also be given to the establishment of a Medical, and Rehabilitation Division. Such a division within Jamsostek would facilitate adequate medical coverage for work injury cases. This division might be responsible for negotiating with medical service providers the best available rates for medical care and for the medical service to be provided promptly to injured employees.

7.10. This Division could be responsible for arrangements for the supply of the right prosthetic devices to injured employees within a reasonable time at competitive prices and for monitoring the supply, repair and replacement of the prosthetic and other devices. This Division might also be responsible for cooperation with vocational training and rehabilitation institutions to facilitate the return of injured workers to productive employment thus minimizing the drain on the fund.

7.11. Recommendations on ongoing publicity for Jamsostek Baru, including the need to advertise any changes in benefit or contribution rates, the benefit programme, etc. will be made when decisions on the

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change of status of Jamsostek have been taken and the content of an enhanced benefit programme are known.

7.12. Recommendations regarding the collection and recording of personal and social security data are contained in the Report on Jamsostek Operations and IT Systems but the introduction of a social security scheme to cover the contingencies of employment injury and death necessitates system to collect data on the relative experience of the operations of the scheme. Data has to be collected as follows:

- *total number of employers.* Including those registered, deregistered, active, inactive, by number of employees, number of defaulters by length of period of default and by region;
- *total number of employees.* According to region, sex, age, active, inactive, by amount of monthly contribution;
- *total number of accidents.* Reported accidents at work, commuting or occupational diseases. Number approved, paid, size and type of payment. Cause, agent, location of injury, number of days of temporary disablement, permanent disablement by lump sum, rate of pension, duration of payment;
- *long term benefits* according to the relationship of the recipients widow, children, etc. Length and size of payment, rate of remarriage and death;
- *data on the administrative costs,* with details on all types of expenditure such as remuneration, travelling, administrative expenditure; and
- *data to meet the needs of periodical actuarial reviews.*

7.13. There appears to be no proper provision for claimants to appeal against benefit decisions, particularly regarding the quality or quantity of their benefit. A proper appeals procedure should be established. This could be a dedicated Tribunal to hear appeals or the proposed Trust Fund might operate as an appeal body. An appeal body should have access to legal as well as medical advice. It should be independent from both Jamsostek and there should be right of appeal from decisions of the body on points of law.

7.14. There may need to be powers delegated to Jamsostek for the appointment of guardians for under aged children, subject to the practices in Indonesia.



## 8. ANNEXES

### 8.1 Annex 1. Groups of businesses

Group	Types of business
1	<ol style="list-style-type: none"> <li>1. Tailoring and Ready made clothing</li> <li>2. Hats</li> <li>3. Other clothing Industries (umbrellas, leather belts, coat hangers)</li> <li>4. Production of Sails and Blinds made of textile</li> <li>5. Household Articles (sheets, blankets, tarpaulins, curtains and other unwoven articles)</li> <li>6. Export-Import Trade</li> <li>7. Other Wholesale Trades (wholesale agents, distributors, brokers, ect)</li> <li>8. Consumer Cooperative Shops, etc</li> <li>9. Banks and Business Offices</li> <li>10. Insurance Company</li> <li>11. Government Services (Military, Police Government Departments)</li> <li>12. Therapeutic and other Health Services</li> <li>13. Religious Organisations</li> <li>14. Welfare Institutions</li> <li>15. Trade Associations and Workers Organisations</li> <li>16. Autonomous Research Institutes</li> <li>17. Other Public Services, such as Museum, Library, Zoo, Social Organisation</li> <li>18. Barber Shop and Beauty Saloon</li> <li>19. Animal Husbandry</li> </ol>
Group	Types of business
2	<ol style="list-style-type: none"> <li>1. General Agriculture</li> <li>2. Sugar Plantation</li> <li>3. Tobacco Plantation</li> <li>4. Non-Annual Plantation other than tobacco</li> <li>5. Annual Plantation, such as rubber, cocoa, coconut etc</li> <li>6. Tea</li> <li>7. Powdered Coffee</li> <li>8. Sugar</li> <li>9. Cigarettes</li> <li>10. Cigars</li> <li>11. Clove Cigarettes etc</li> <li>12. Other Tobacco Industries</li> <li>13. Paints and Sealing Wax</li> <li>14. Ink and Glue</li> <li>15. Quinine</li> <li>16. Other Transportation Articles Manufacture (dokar, carts, etc)</li> <li>17. Operating, Scientific Measuring and Laboratory Testing Tools</li> <li>18. Watch and clock Repairing</li> </ol>

Group	Types of business
	19. Musical Instruments 20. Sports Articles 21. Children's Toys 22. Estate Agents (renting flats, land, Houses, garage, etc) 23. Communication Service, such as PTT, Radio 24. Film Producing and Film Distribution Company 25. Cinema 26. Theatrical Company, Comedy, Opera, Circus, Band, etc 27. Entertainment Service other than Theatre and Cinema 28. Laundry, Dyeing Company 29. Photography Company

Group	Types of business
3	
	1. Irrigation Service 2. Forestry Management 3. Forestry Production 4. Charcoal Burning (in the forest) 5. Hunting 6. Fresh water Fish Breeding 7. Sea Fish Breeding 8. Fresh water Fish Catching 9. Slaughtering 10. Meat Butchery and Conserving 11. Milk and Butter 12. Vegetables and Fruits Conserving 13. Fish Conserving 14. Rice Hulling 15. Flour Milling 16. Shelling of Ground Nuts etc 17. Bread and Cakes 18. Biscuit 19. Sugar (Plantation) 20. Sweets, Chocolate, etc 21. Noodles and Bihun 22. Prawn Crackers 23. Soya Bean Cake 24. Soya Bean Source 25. Ice Cream and Lollypops 26. Margarine, Cooking Oil and Lard 27. Other Food Manufacturing Industries 28. Alcohol and Spirits 29. Alcoholic Drinks 30. Winery 31. Brewery

Group	Types of business
	<ul style="list-style-type: none"> <li>32. Soda Waters, Fruit Juice and Lemon Factory</li> <li>33. Spinning</li> <li>34. Shoe-lace, Bandage Spinning</li> <li>35. Weaving</li> <li>36. Carpet weaving</li> <li>37. Trico Factory (Underwear, socks and net)</li> <li>38. Rope works (Cable, Dragnet, Hemp, Fibre, etc)</li> <li>39. Other Textile Industries</li> <li>40. Footwear except rubber shoes, plastic sandals and others including plastic goods</li> <li>41. Repair of foot-wear</li> <li>42. Wood chips</li> <li>43. Sawmill</li> <li>44. Wooden cases and boxes</li> <li>45. Production of other wooden articles (Plywood)</li> <li>46. Production of Furniture from Rattan and Bamboo</li> <li>47. Production of Furniture in Wood and other material</li> <li>48. Newsprint and cardboard</li> <li>49. Production of other Articles made of Paper and card board</li> <li>50. Printing, Publishing</li> <li>51. Leather tanning and improving</li> <li>52. Leather Goods (such as trunks, bags and others)</li> <li>53. Rubber remoulding</li> <li>54. Other Articles made of Rubber (vehicle tyres and inner tubes, children's toys, etc)</li> <li>55. Vulcanizing</li> <li>56. Hydrochloric acid</li> <li>57. Manufacture of Gas/ Carbon Dioxide, etc</li> <li>58. Other Chemical Based industries (colour dyeing materials synthesis, etc</li> <li>59. Turpentine and Resin</li> <li>60. Coconut Oil</li> <li>61. Palm Oil</li> <li>62. Vegetable Based Oil and Fat</li> <li>63. Animal Based Oil and Fat</li> <li>64. Soap</li> <li>65. Medicine/Pharmaceuticals</li> <li>66. Perfumes and Beauty/Cosmetics Aids</li> <li>67. Polishing Materials</li> <li>68. Other Chemicals (drawing crayons, DDT, mosquito repellents, etc</li> <li>69. Coke-oven (gas distribution)</li> <li>70. Construction Material produced from Clay</li> <li>71. Glass and Glass ware</li> <li>72. Articles made from Clay and Porcelain</li> <li>73. Cement</li> <li>74. Lime Kilns</li> <li>75. Floor Tiles, Concrete Pipes</li> </ul>

Group	Types of business
	76. Iron Foundries and Steelworks 77. Articles made from Metal (iron bars, rods, plates, pipes, tubes) 78. Weighing Scales 79. Printing Block and type foundry 80. Galvanizing 81. Other Metal Articles 82. Electrical Machine Manufacture and Repair 83. Wooden ship Building and Repair 84. Bicycle and Becak repairing 85. Photography and repair 86. Watch and clock manufacture 87. Silver industry 88. Precious Metal Articles 89. Ice Factory 90. Other Industries, such as plastic industry, bird feather industry, tobacco pipes 91. Electric and Power Generating Transmission and Distribution 92. Production of Gas, Natural Gas and Distribution to households and Factories 93. Steam Industry for Power 94. Water Company (collection, filtration and distribution) 95. Cleaning (garbage and dirt) 96. Transportation Services such as Sea and Air Forwarding 97. Radio Broadcasting 98. Restaurant 99. Hotel, Boarding House and Renting of Rooms
Group	Types of business
4	
	1. Kerosene Derivatives 2. Other Articles produced from Kerosene and Coal 3. Brick and Roof Tiles 4. Engine Manufacture and Repair (motor cars and engine workshops) 5. Steel Ship Building and Repairing 6. Building and Repairing Materials Connected with Railways 7. Motor Vehicle and Components Manufacture 8. Motor Vehicle Repairing (cars, trucks, and motor cycles) 9. Aircraft Manufacture and Repairs 10. Railways 11. Tram and Bus 12. Transport of Passengers by Road except Tram and bus 13. Goods Storage and Warehousing
5	
	1. Timber Felling, Cutting and Cleaning 2. Sea fish Catching 3. Other Sea Fish Catching 4. Collecting Marine Produce other than Fish 5. Sulphuric Acid



Group	Types of business
	<ul style="list-style-type: none"> <li>6. Fertilizers</li> <li>7. Can Factory</li> <li>8. Repairing Houses, Roads, Construction of Canals, Water Pipes, Railway, Bridges and electrical installations</li> <li>9. Transport of Goods and Passengers by Sea</li> <li>10. Air Cargo and Passenger Transport</li> <li>11. Matches</li> <li>12. Crude Oil and Natural Gas Mining</li> <li>13. Stone Quarrying</li> <li>14. Clay Pits</li> <li>15. Sand Pits</li> <li>16. Lime</li> <li>17. Sulphur</li> <li>18. Diamond and Precious Stones</li> <li>19. Other Mining</li> <li>20. Gold and Silver</li> <li>21. Coal Production</li> <li>22. Iron</li> <li>23. Tin</li> <li>24. Bauxite</li> <li>25. Manganese</li> <li>26. Other Metal Mining</li> <li>27. Plantation Lorries</li> <li>28. Explosive Materials, Fireworks material, Fireworks</li> </ul>

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## 8.2. Annex 2

### Annual report, Ministry of Manpower and Transmigration 2001

*The Enforcement of the provisions of the Jamsostek schemes in eleven (11) Provinces of Indonesia.*

This report contains the results of monitoring and enforcement activities of DEPNEKAR officers in eleven (11) provinces namely, West Java, Central Java, Lampung, Jambi, Bali, NTB, NTT, Sulawesi Utara, Sulawesi Tengah, Maluku and Papua (Irian Jaya).<sup>1</sup>

#### Monitoring and enforcement

Total number of employers and employees in accordance with Act no. 7 of 1981;

- employers: 61,079
  - employees: 4,560,789
- Three of the eleven provinces; NTT, Maluku and Papua did not report reliable figures on the work force

Number of employers liable for registration under Jamsostek: 33,947

Number of employers registered under Jamsostek: 29,914

**Total liable employers not registered: 4,033**

Number of inactive employers: 7,128

Number of employees covered: 4,240,583

Number of employees not registered: 32,750

Number of employers given direction for compliance: 15,723

#### Employers who did not comply

Employers who failed to register: 4,033

Employers understated wages: 1,762

Employer registered for not all programs: 3,496

Employer understated number of employees: 1,388

**Total number of employers who did not comply 10,679**

Notices issued for non-compliance: 4,317

Data from 7 provinces on employees not registered was not provided

A total of 56 employers were prosecuted and 47 of them were from the West Java (Jawa Barat) or Jabar province. The District Courts handed down decisions on 11 cases, 8 of which

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<sup>1</sup> This explains why the number of employers and employees quoted in the annual report are significantly lower than the BPS and Jamsostek numbers.

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### Summary of the enforcement activity.

Monitoring and enforcement is being carried out in only eleven (11) of the thirty (32) provinces in Indonesia or only thirty four per cent of the provinces. In the eleven (11) provinces where the enforcement is carried out, of the employers that were obliged to register, twelve percent had not registered. Only forty six percent of employers have been informed of the requirements of Jamsostek

The total number of non- compliance cases was 10,679 and the break down is as follows:

• liable employers who had not registered:	4,033	(38%)
• under declared wages:	1,762	(17%)
• did not insure for all the programs:	3,396	(32%)
• did not cover all the employees:	1,388	(13%)

Notices were sent to forty percent of employers who had not complied with the Law. The number of such notices was 4,317.

Only 56 or 1.3 per cent of employers, who were given notices of non-compliance, were prosecuted in the Courts

### 8.3. Annex 3

#### Minimum wages by province in Indonesia

Province	Minimum wage 2001	Minimum wage 2002	Percentage change
D. I. ACHEH	300,000	330,000	10
SUMUT	340,500	453,000	38
SUMBAR	250,000	385,000	54
RIAU	329,000	491,915	20
JAMBI	245,000	304,000	24
SUMSEL	255,000	344,536	31
BANGKA BEL	-	345,000	-
BENGKULU	240,000	295,000	23
LAMPUNG	240,000	310,000	29
JAWA BARAT	245,000	280,779	15
JAWA TENGAH	245,000	314,500	28
JAWA TIMUR	220,000	277,783	11
D.K.I. JAKARTA	426,250	591,266	39
BANTEN	-	360,000	-
YOGYAKARTA	237,500	321,750	36
BALI	309,750	433,640	10
KALBAR	304,500	380,000	25
KALTENG	326,000	326,000	0
KALTIM	300,000	500,000	67
KALSEL	295,000	377,500	13
N.T.T.	275,000	330,000	20
N.TB.	240,000	320,000	33
MALUKU	230,000	285,000	24
MALUT	-	-	-
GORONTALO	-	375,000	-
SULUT	372,000	438,000	18
SULSEL	300,000	375,000	25
SULTENG	245,000	350,000	43
SULTRA	275,000	325,000	18
IRIAN JAYA	400,000	530,000	33
<b>AVERAGE</b>	<b>307,173</b>	<b>364,148</b>	<b>27.50</b>

## 8.4 Annex 4. List of people interviewed

Name	Organisation
1. Dr. Zulmiar Yanri	Director General Occupation Safety and Health, DEPNAKER, Jakarta
2. Syami Syahrizzamzami	IT Department, Jamsostek, Jakarta
3. Bambang Purwoko	Director of HRD & General Affairs, Jamsostek, Jakarta
4. Timboel Siregar	Head of education & Training, Association of Trade Unions Indonesia ASPEK
5. Douglas Todd	Resident financial Advisor, Ministry of Finance.
6. Rabin Hattari	Economist, Ministry of Finance.
7. IR Thomas Darmawan	Chairman of Compartment of Multifarious Industry, Indonesian Chamber of Commerce and Industry
8. Eddy S. Tjokronegoro	Head of Finance and Training, Indonesian Chamber of Commerce and Industry, Jakarta
9. Tdo Gultom	Head of Work, National Union of Workers in Cigarette, Tobacco, Food and Drink Industries
10. Eddy Purwanto	Assistant to the Deputy Minister for International Economic Cooperation, Jakarta.
11. S. Lumban Gaol	Director of Industrial Relations and Labour Standards, Jakarta
12. M.S. Hidajat	Vice President, Federation of Indonesian Industrial Trade Unions, Jakarta.
13. Suradi Idris	General Secretary, Indonesian Labour Arbitrator Association, Jakarta
14. M. Nazir Syafrie	General Secretary, Federation of Trade Union of Indonesian State Owned Companies, Jakarta.
15. dr. Heru P. Kasidi	Director, Bureau of Planning and foreign Cooperation, Office of the State Minister for Women's Empowerment
16. Ir. A. aziz Zen Gumay	Head, Provincial Authority for North Sumatera DINAS .
17. Drs. Haris Alberth. T	PT Jamsostek, Regional Director Medan.
18. H. Muchtar	Head, Federation of All Indonesian Trade Unions, Medan.
19. Sae Tanangga Karim	Executive Director, Indonesian Furniture Industry & Handicraft Association, Jakarta.
20. TT. Hidayat Sugandi	Employers Association of West Java, Bandung
21. Deddy Wijaya	General Head, Association of Ojeg Operators, Bandung.
22. Nur Asiah	Sub Director, Director of Social Security, DEPNAKER Jakarta
23. Syarifuddin Sinaga	Sub Director, Labour Norms and Inspection DEPNAKER Jakarta.

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## 8.5. Annex 5. Background Indonesia:

Population	224,784,210 (July 2000 est.)		
Age structure			
>14 years:	30.57 per cent	(male 34,932,102;	female 33,783,603)
15-64 years:	64.96 per cent	(male 72,889,994;	female 73,124,821)
65 years and over:	4.47 per cent	(male 4,413,268;	female 5,640,422) (2000 est.)
Population growth rate	1.63 per cent (2000 est.)		
Birth rate	22.6 births/1,000 population (2000 est.)		
Death rate	6.31 deaths/1,000 population (2000 est.)		
Net migration rate	0 migrant(s)/1,000 population (2000 EST.)		
Sex ratio			
at birth:	1.05 male(s)/female		
under 15 years:	1.03 male(s)/female		
15-64 years:	1 male(s)/female		
65 years and over:	0.78 male(s)/female		
total population:	1 male(s)/female (2000 EST.)		
Infant mortality rate	42.21 deaths/1,000 live births (2000 est.)		
Life expectancy at birth			
total population:	67.96 years		
male:	65.61 years		
female:	70.42 years (2000 est.)		
Total fertility rate	2.61 children born/woman (2000 est.)		
Widely spoken of which is Javanese			
Literacy definition:	age 15 and over can read and write		
total population:	83.8 per cent		
male:	89.6 per cent		
female:	78 per cent (1995 est.)		