



International
Labour
Organization

► Unemployment Protection in Indonesia – Quality Assistance for Workers Affected by Labour Adjustments (UNIQLO)



Fast Retailing Co., Ltd



1 August 2019 – 31 July 2021



Indonesia



Social security, skills, employment services



BENEFICIARIES/
PARTNERS

The project implements activities in wide collaborates with Trade Union Confederations, Indonesian Employers' organization (Apindo), the Government of Indonesia including Ministry of Manpower, Public Vocational Training Centres (BLK), Ministry of National Development Planning (Bappenas), Coordinating Ministry of Economic Affairs, Social security agency (BPJS Ketenagakerjaan), development partners and academic institutions.



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The ILO/UNIQLO project is an unique public private partnership that aims to strengthen support mechanisms for unemployed workers in Indonesia by designing an effective employment insurance (EI) system, expanding re-skilling training and improving public employment services.

With the current mechanisms, unemployed workers are not effectively protected in case of job loss. Without an employment insurance provision, statutory severance pay and lump-sum withdrawal of old-age saving are their main source of income replacement against unemployment. However, these schemes are not designed to guarantee an adequate level of benefit; and in particular case of insolvencies, the employers' liability scheme often becomes less reliable to protect unemployed workers. Public employment services and re-training programmes are also expected to play an important role to protect unemployed workers by promoting reemployment and shifting workers from a declining sector to emerging one.

Under the circumstances, Indonesian stakeholders have been actively debating possibility to establish a comprehensive unemployment protection system that effectively harmonises unemployment protection benefit, public employment services and re-skilling programmes. The ILO/UNIQLO project contributes to the country's efforts to better protect unemployed workers.

► Expected Results

- The capacity of government agencies and social partners is built to design an EI scheme suitable for Indonesia and review overall social security system
- Support mechanism to jobseekers is reinforced by generating a more integrated package of income



protection (EI), re-skilling training and employment placement services

- Re-skilling training courses are designed and piloted, facilitating jobseekers to gain skills that are in high demand (e.g. digital skills)
- A training package on job search assistance and career counselling is designed targeting public employment service staff members. This will help implement EI smoothly in the future
- Tripartite stakeholders learn policy lessons from countries that face similar challenges relating to workers' protection in the textile, garment and footwear sectors.

