

Evaluating active labor market policy in Indonesia: A case study of the job loss insurance program

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Abstract: Indonesia's Job Loss Insurance Program (Jaminan Kehilangan Pekerjaan / JKP), introduced in 2022, represents a key component of the country's Active Labor Market Policy (ALMP) agenda, designed to support formal workers affected by layoffs through cash benefits, retraining, and job placement services. This study evaluates the effectiveness of JKP using a qualitative case study approach guided by the Context–Input–Process–Product (CIPP) model. Data were collected through semi-structured interviews, focus group discussions, and document analysis across six provinces representing diverse labor market conditions. The findings reveal a disconnect between policy objectives and on-the-ground implementation, marked by institutional fragmentation, limited coordination, burdensome administrative procedures, and minimal labor market reintegration outcomes. Only 17% of participants gained employment through JKP, and 43% reported lower-quality jobs. The program's focus on formal workers excludes over 59% of Indonesia's labor force, limiting its equity and impact. To improve effectiveness, the study recommends cross-agency coordination, digital integration, mandatory training requirements, and inclusive pilot schemes targeting informal workers. These findings contribute to public policy and ALMP literature by demonstrating how the CIPP model can be applied to evaluate complex, multi-actor interventions in developing country contexts.

Keywords: ALMP, Job loss insurance, Policy evaluation, Public administration, CIPP model, Indonesia.

1. Introduction

1.1. Indonesia's Labor Market: Structure and Challenges

Indonesia's labor market has undergone major transformations over the past two decades, driven by globalization, technological advancements, and changing labor demand. The growing use of automation and digital technologies has gradually displaced routine jobs, especially in the formal sector, altering traditional employment patterns [1]. The COVID-19 pandemic further intensified labor market disruptions, with the national unemployment rate peaking at 7.07% in August 2020 [2, 3]. Formal sector workers—particularly in manufacturing and services—were disproportionately affected due to widespread business closures and mobility restrictions [4]. Although Indonesia began showing early signs of economic recovery by 2023, long-standing structural issues such as the rise in informal employment, job insecurity, and underemployment continue to challenge the labor market's resilience [5].

Historically, Indonesia's social protection mechanisms have leaned toward passive measures, relying primarily on severance pay, old-age savings schemes such as Jaminan Hari Tua (JHT), and pension systems administered by BPJS Ketenagakerjaan [6]. These mechanisms, however, have proven insufficient in addressing the needs of unemployed workers, particularly in periods of structural economic change [7]. In response to these deficiencies, the Indonesian government launched the Job Loss Insurance Program (Jaminan Kehilangan Pekerjaan – JKP) in February 2022. Established under the broader legal framework of Law No. 11/2020 on Job Creation and Government Regulation No.

37/2021, JKP marks a significant shift in labor policy by introducing the country's first active labor market intervention [8, 9]. In addition to providing temporary income support, JKP includes access to retraining programs and job market information via the SIAPKerja platform [10].

Despite its progressive intent, JKP's implementation has faced considerable obstacles. Participation remains low, particularly among workers employed in smaller formal enterprises, suggesting limited public awareness and inadequate outreach mechanisms [8]. Complex administrative procedures, including stringent documentation requirements and delays in benefit disbursement, have further hindered program effectiveness [11]. Moreover, vocational training offered under JKP has often been misaligned with actual labor market needs, while institutional coordination—especially between BPJS Ketenagakerjaan and the Ministry of Manpower—has been fragmented and inconsistent [12]. These issues raise a critical policy question regarding JKP's ability to reduce unemployment and facilitate the reintegration of displaced workers into productive employment.

1.2. Objectives and Significance of the Study

This study seeks to critically assess the implementation of JKP, focusing on its administrative and institutional performance, as well as its impact on the welfare of laid-off workers. Specifically, it aims to evaluate how effectively JKP has delivered financial support, training opportunities, and job placement services; identify key barriers to implementation, including limited institutional capacity, low public awareness, and disconnects between training content and labor market needs; and offer evidence-based policy recommendations to enhance the program's future performance within Indonesia's evolving labor landscape.

Given Indonesia's high rate of labor informality—where over 57% of the workforce is outside the formal employment system—understanding how such programs function within constrained administrative environments is particularly important [12]. JKP's experience can offer insights not only for Indonesian policymakers, but also for other developing countries seeking to strengthen their unemployment insurance systems amid rising economic volatility. More broadly, this study contributes to a growing body of literature that positions active labor market policies as essential components of inclusive and responsive social protection frameworks, particularly during times of economic uncertainty [13].

1.3. Active Labor Market Policies in Developing Economies

In advanced economies, active labor market policies have long served as a cornerstone of employment strategies, particularly among OECD countries. These interventions—which include job search assistance, skills training, employment subsidies, and entrepreneurship support—have been shown to improve re-employment outcomes and reduce long-term unemployment [14]. Denmark's widely recognized flexicurity model integrates labor market flexibility with strong social protections and compulsory training, contributing to both workforce adaptability and low unemployment levels [15]. This model highlights the importance of aligning income support with proactive labor market interventions that respond to evolving economic conditions.

However, implementing ALMPs in developing countries presents a different set of challenges. High levels of informal employment, limited public budgets, and underdeveloped administrative infrastructures often constrain policy impact [7]. In Indonesia, the Pre-Employment Card (Kartu Prakerja), launched in 2020, represents an innovative attempt to combine digital training access with direct cash transfers. Yet, early assessments have revealed a frequent misalignment between training content and the practical needs of displaced workers in the formal sector [3]. Similar patterns have been observed in Brazil's Seguro-Desemprego program and Thailand's employment insurance system, where success depends heavily on accurate labor market data and effective coordination among implementing agencies [16, 17].

In this context, JKP stands as a significant policy experiment in Indonesia's transition toward integrated labor market support. By combining income support with access to training and job

information, JKP has the potential to function as a model of adaptive social protection. However, the program's long-term viability depends on addressing persistent challenges, including low digital literacy, unequal access across regions, and mismatches between training services and employer needs [9]. The central research question guiding this study is thus: To what extent is JKP effective in facilitating labor market reintegration, and how do administrative and regulatory conditions shape its outcomes? In exploring this question, the study also considers how JKP can evolve into a more inclusive and responsive social protection mechanism within Indonesia's shifting economic and labor landscape.

2. Literature Review and Theoretical Framework

2.1. *The Evolution of Active Labor Market Policies (ALMPs)*

Active Labor Market Policies (ALMPs) have become a central strategy for addressing labor market disruptions, especially in relation to unemployment and skill mismatches. Unlike passive income support schemes, ALMPs are designed to enhance employability, promote re-entry into the workforce, and reduce long-term dependence on welfare systems [18]. Developed in post-war Western Europe, notably in Sweden and Germany, ALMPs were gradually institutionalized across OECD countries to manage both cyclical and structural unemployment [19].

ALMP instruments typically include vocational training, job-search assistance, wage subsidies, public employment schemes, and entrepreneurship support. Their success often hinges on program design, precise targeting, and strong administrative and institutional capacity [14]. Denmark's flexicurity model exemplifies this balance, combining labor market flexibility with robust protection and compulsory training to maintain low unemployment and high workforce adaptability [15]. Similarly, Germany's Hartz reforms in the early 2000s significantly reduced long-term unemployment through integrated training and placement services [14].

In developing countries, however, ALMP implementation faces more acute structural challenges. These include high levels of informality, limited fiscal capacity, and fragmented institutions [7]. Indonesia, where more than 59% of the workforce is informally employed, has experimented with ALMP-style programs, most notably Kartu Prakerja and Jaminan Kehilangan Pekerjaan (JKP) [2, 9, 10]. Although Kartu Prakerja aimed to provide digital training alongside cash transfers, evaluations show a disconnect between training content and labor market needs, especially for formally employed workers who experienced layoffs [20]. JKP, while integrating financial support, training, and access to job opportunities through the SIAPKerja platform, similarly suffers from limited private sector engagement and misalignment between training programs and employer demand [10]. These challenges mirror patterns in Brazil and Thailand, where unemployment insurance programs also struggle with coordination inefficiencies and inadequate outreach to informal workers [16].

2.2. *Administrative Capacity and Policy Integration*

Administrative capacity plays a foundational role in the effective implementation of ALMPs. This includes not only institutional competence and sufficient resources, but also regulatory clarity and cross-sector coordination [21]. Well-functioning administrative systems are essential for ensuring timely benefit delivery, effective registration processes, and the provision of labor market-relevant training [13].

In Indonesia, decentralization since 2001 has introduced significant complexity to labor policy delivery. Responsibilities for vocational training, employment services, and social insurance are dispersed among the Ministry of Manpower, Ministry of Education, BPJS Employment, and local governments. This fragmentation has contributed to overlapping mandates and inconsistent program implementation. The JKP program exemplifies these challenges: delays in service delivery and miscommunication between institutions stem from the absence of integrated digital systems and clear operational frameworks [11]. Coordination gaps between BPJS and local labor offices have particularly affected program outreach and timely benefit disbursement, especially in rural areas [8, 22].

These institutional constraints are not unique to Indonesia. In South Africa, for example, the Unemployment Insurance Fund has faced similar issues due to fragmented policy responsibilities and the digital divide affecting informal workers [23]. Conversely, Thailand's labor market reforms demonstrate the potential for inter-ministerial task forces and digital service platforms to improve ALMP implementation [17]. For JKP, strengthening administrative infrastructure and digital literacy among both workers and implementers remains a priority [22].

2.3. *The CIPP Evaluation Model in Labor Policy Analysis*

The Context–Input–Process–Product (CIPP) model by Stufflebeam offers a structured framework for evaluating public programs, especially in complex policy environments [24]. This model enables multidimensional analysis across four components. The context dimension assesses the relevance of a program based on economic and social needs, such as rising unemployment or labor market shifts. The input component examines available resources, institutional arrangements, and policy instruments. The process focuses on implementation mechanisms, including coordination, efficiency, and service delivery. Finally, the product component evaluates outcomes—such as improvements in re-employment rates—and unintended effects like access disparities [24].

The CIPP model is well-suited for multi-stakeholder programs like JKP, where the interaction between central policy design and decentralized implementation must be critically examined. Its use in prior public sector evaluations, including Mavrot, et al. [25] assessment of Swiss healthcare reforms, shows its capacity to account for both technical operations and political realities. Applied to JKP, the model allows this study to capture both the program's structural effectiveness and its practical implications for policy reform [22].

2.4. *Global Comparisons and Policy Adaptation in Developing Countries*

Comparative evidence from other countries offers lessons for strengthening JKP. South Korea's Employment Insurance System, launched in 1995, initially faced low employer participation and administrative delays. However, subsequent reforms—including digital integration, compulsory training, and performance-based incentives—boosted effectiveness, with re-employment rates reaching 70% within six months of job loss [26]. Brazil's Seguro-Desemprego has combined income support with a national job matching system (SINE), though it continues to struggle with informal sector inclusion and political uncertainty [16]. In India, the MGNREGA program guarantees rural employment through decentralized implementation and strong legal backing, though challenges such as corruption and weak monitoring persist [27].

Key factors driving success in these contexts include legal clarity, digital infrastructure, and stakeholder involvement. In contrast, JKP remains underdeveloped in these areas. Engagement with SIAPKerja is still limited, with only 52% of registered users accessing the platform and just 32% reporting relevant job matches—highlighting persistent issues of digital literacy and training-labor misalignment [8, 22]. These findings reinforce the importance of investing in digital capacity and fostering collaboration with employers to make JKP more responsive to labor market realities.

2.5. *Conceptual Framework*

Guided by the CIPP model, this study develops a conceptual framework for analyzing JKP's performance through three interrelated domains. The first is regulatory coherence, which concerns the alignment of national laws, government regulations, and technical guidelines to ensure uniform implementation across institutions [9]. The second is administrative capacity, which includes institutional resources, bureaucratic efficiency, and coordination mechanisms necessary for program delivery [21]. The third is user-centered design, which focuses on accessibility, procedural clarity, and the alignment of training and job placement with worker needs [28].

These domains interact to determine whether JKP functions as an effective ALMP or devolves into a passive support mechanism. The framework allows for a nuanced evaluation of how governance,

institutional capacity, and service delivery jointly influence the inclusivity and success of Indonesia's emerging unemployment protection system.

3. Methodology

This study employs a qualitative case study approach to evaluate the implementation of Indonesia's Unemployment Insurance Program (Jaminan Kehilangan Pekerjaan – JKP), introduced in 2022 under the broader framework of Active Labor Market Policies (ALMPs). The case study design is particularly appropriate for analyzing complex public programs that operate at the intersection of institutional capacity, regulatory frameworks, and dynamic labor market conditions [29]. In the Indonesian context—where informal employment dominates and public service delivery remains highly fragmented—this approach enables an in-depth examination of implementation processes and stakeholder perspectives [17].

The evaluation framework is guided by the Context–Input–Process–Product (CIPP) model developed by Stufflebeam, which facilitates a structured assessment of policy relevance, institutional readiness, implementation quality, and program outcomes [24]. The model is particularly applicable to multi-stakeholder programs such as JKP, which involves coordination between the Ministry of Manpower, BPJS Employment, subnational labor offices, and public vocational training centers. Applying the CIPP model allows the study to examine the degree to which JKP aligns with labor market demands, supports unemployed workers, and addresses Indonesia's long-standing social protection gaps [8].

Considering Indonesia's high level of labor informality—estimated at 56%—and uneven administrative capacity across regions, the study adopts qualitative methods to capture the lived experiences of government officials, program beneficiaries, and civil society observers. Similar qualitative approaches have proven effective in evaluating labor policy implementation in countries such as Brazil and Thailand [16, 17].

The unit of analysis is the JKP program as implemented between February 2022 and December 2024, a period covering both its initial rollout and early post-pandemic operation. In accordance with Law No. 11/2020 and Government Regulation No. 37/2021, JKP delivers income support, retraining opportunities, and access to job matching services via the SIAPKerja platform [6]. The evaluation focuses on four key institutions: the Ministry of Manpower, BPJS Employment, regional labor offices, and vocational training providers. The study also draws from the experiences of JKP recipients, particularly those who faced delays or mismatches in training and employment outcomes [8].

Fieldwork was conducted across six provinces—West Java, East Java, Jakarta, Banten, South Sumatra, and East Kalimantan—chosen for their economic diversity and varying levels of JKP engagement [8]. Data were collected through semi-structured interviews with beneficiaries, policymakers, union representatives, and experts. These interviews explored themes such as program accessibility, institutional coordination, and satisfaction with training and job placement services. Focus group discussions (FGDs) were also held to explore collective experiences and refine emerging insights. In addition, relevant documents—including laws, ministerial regulations, BPJS reports, and SIAPKerja content—were reviewed to assess alignment between policy design and implementation [30].

Thematic content analysis was applied using both inductive and deductive coding strategies, organized around the four CIPP dimensions: context, input, process, and product. Triangulation of interview, FGD, and documentary evidence enhanced the reliability and depth of findings. Key themes—such as poor inter-agency coordination and misalignment between training content and labor market needs—were interpreted in light of international ALMP literature [14, 17] ensuring contextual sensitivity and analytical rigor.

While the study's qualitative focus and limited provincial scope restrict generalizability, triangulation and inclusion of independent perspectives strengthen its credibility. The findings provide a robust empirical foundation for assessing JKP and informing future labor market policy reforms in Indonesia.

4. Research Findings

4.1. Overview of the Implementation of the JKP Program

The implementation of Indonesia's Unemployment Insurance Program (JKP) between 2022 and 2024 reveals a mixed performance in terms of coverage, service utilization, and outcomes.

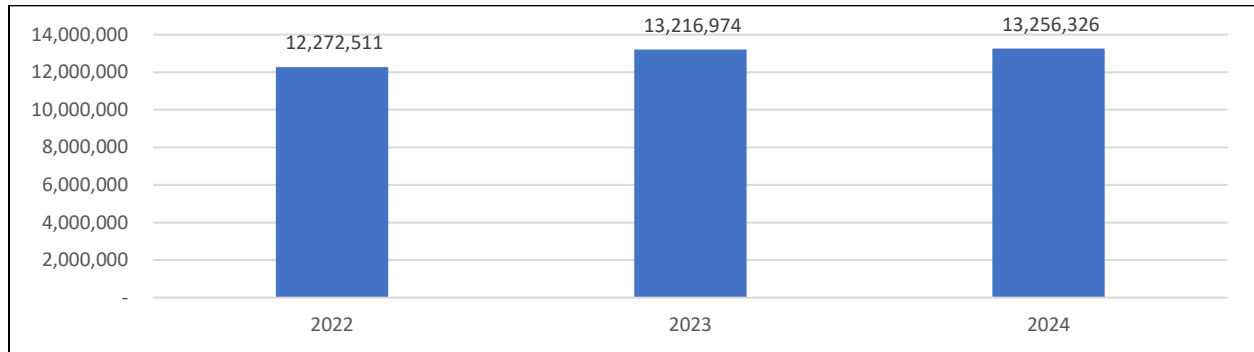


Figure 1.

The Number of Registered JKP Participants

Source: SiapKerja Application (Ministry of Manpower), processed by the author (2025)

As shown in Figure 1, the number of registered JKP participants increased steadily over the three-year period, from 12.27 million in 2022 to 13.26 million in 2024, reflecting a positive expansion of formal worker enrollment in the national social security scheme.

However, as illustrated in Figure 2, only a very small proportion of these participants accessed the core benefits of the program. While cash claim submissions rose sharply from 29,687 in 2022 to 247,298 in 2024, the number of beneficiaries who actually received cash transfers remained low—just 3,844 in 2022, 40,646 in 2023, and 52,232 in 2024. More strikingly, the number of beneficiaries who successfully returned to employment through JKP remained stagnant or declined, with only 471 re-employed in 2022, 4,690 in 2023, and 3,577 in 2024, highlighting a persistent gap between the program's job placement goals and its actual labor market outcomes.

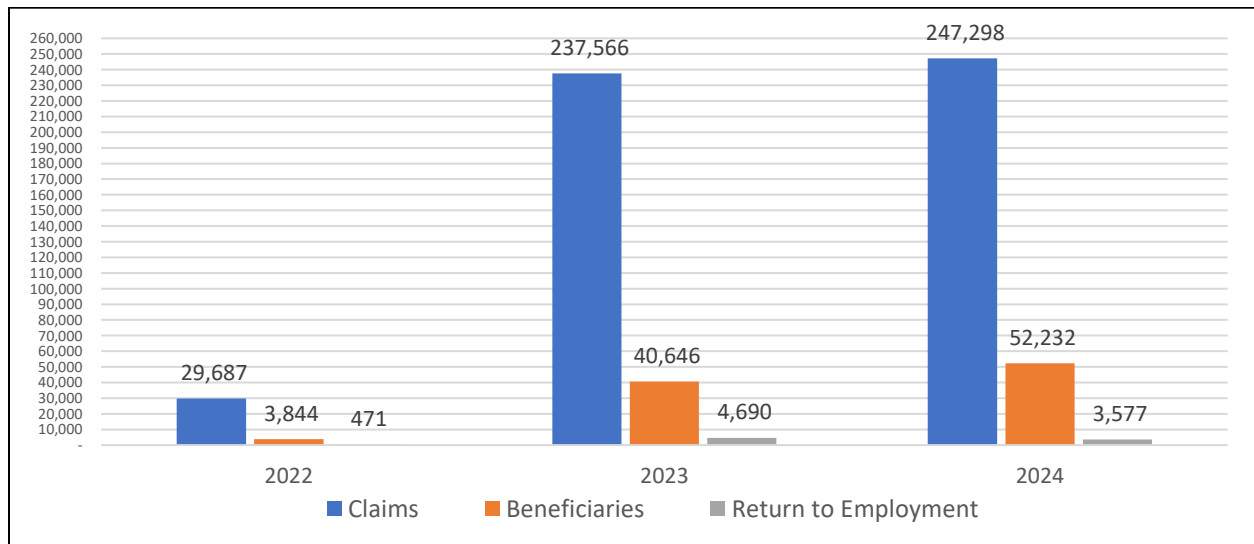


Figure 2.

Number of Claims, Beneficiaries, and Return to Work Participants

Source: SiapKerja Application (Ministry of Manpower), processed by the author (2025)

Figure 3 underscores another critical issue—low utilization of core ALMP services. Despite the increase in counseling services from 2,908 in 2022 to 6,491 in 2023, and a modest increase in job interview support, the number of participants who completed training activities was minimal and declining—from 118 in 2022 to just 24 in 2024. This suggests a structural weakness in the training component of the program, which is essential for reintegrating displaced workers into the labor market.

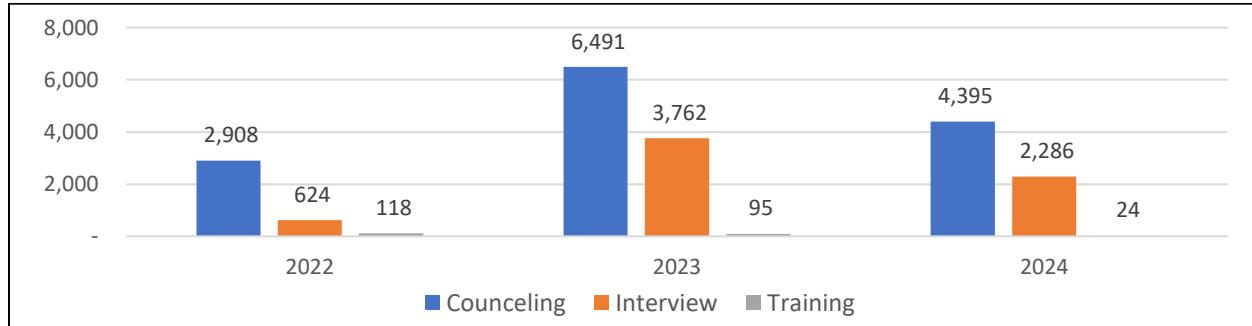


Figure 3.

Utilization of JKP Activities by Participants

Source: SiapKerja Application (Ministry of Manpower), processed by the author (2025)

Overall, while the JKP program has achieved broad enrollment coverage among formal workers, the low uptake of active labor market services—especially training and job placement—raises concerns about the program’s effectiveness as a transformative ALMP. The data also highlights the need to strengthen digital integration, improve service delivery, and expand outreach, particularly to ensure that JKP is more than a passive income support mechanism.

4.2. Context Evaluation: Labor Market Vulnerability and Policy Urgency

Launched in February 2022, Indonesia’s Unemployment Insurance Program (JKP) emerged in response to the socio-economic disruptions caused by the COVID-19 pandemic. The crisis led to a dramatic rise in unemployment, peaking at 7.07% in August 2020, with formal sectors—particularly manufacturing and services—bearing the brunt of job losses [3]. Laid-off formal workers, traditionally dependent on severance pay or informal job networks, experienced heightened insecurity in the absence of structured social protection [6]. A Ministry of Manpower official described JKP as a “structural modernization of social protection to support worker transitions and increase resilience during recurring crises” [13].

Despite its timely introduction, several experts view the program as a reactive policy, designed under political urgency rather than through deliberate, long-term planning. As one labor economist observed, the program’s rushed implementation was largely shaped by international commitments, such as the G20 agenda, which left inadequate space for institutional readiness and context-specific adaptation [13]. This reflects broader critiques of policy borrowing in developing countries, where imported models often lack sufficient localization [7].

Although Indonesia’s Constitution guarantees social justice under Article 27, the fragmented nature of the country’s social protection system—divided among ministries, BPJS Employment, and regional governments—continues to undermine effective delivery [11]. With over 59% of the national workforce engaged in informal employment as of 2024, JKP’s narrow targeting of formal workers registered with BPJS Employment exacerbates exclusion and limits equity [1, 9].

4.3. Input Evaluation: Institutional Design and Regulatory Readiness

JKP operates under Law No. 11/2020, Government Regulation No. 37/2021, and Ministerial Regulation No. 7/2021. However, implementation has revealed a significant disconnect between

regulatory intentions and institutional preparedness. A lack of centralized coordination has resulted in unclear role distribution among BPJS Employment, the Ministry of Manpower, and local labor offices. One district-level official noted that their responsibilities were communicated months after the program's launch, without dedicated funding or standardized procedures [13].

Eligibility requirements have also proven problematic. The regulation mandates a formal court ruling to verify employment termination—a barrier for many workers who lack documentation or access to legal recourse [9]. Consequently, in its first year, JKP processed only 9,800 claims—far below its target of 50,000 [14].

Financially, JKP is funded through a reallocation of resources from the occupational injury (JKK) and death benefit (JKM) schemes, without requiring additional contributions from workers or employers. This approach raises long-term sustainability concerns, particularly regarding the potential expansion of coverage to informal workers. Similar funding constraints have been observed in comparable programs in Brazil and South Africa, where structural limitations have hindered inclusivity and scale [16, 23].

4.4. Process Evaluation: Implementation Practices and Stakeholder Coordination

The JKP program entails a seven-step administrative process—from employer notification to benefit disbursement and access to training. However, stakeholders frequently described the system as opaque and excessively bureaucratic. About 26% of participants experienced delays exceeding 45 days in benefit receipt—well beyond the official 14-day target [9]. One beneficiary from East Java recounted navigating between offices multiple times, often encountering staff unfamiliar with the procedures [13].

Additional issues surfaced during fieldwork. The BPJS Employment database is not integrated with the SIAPKerja platform, hindering efficient job matching. Training content varies considerably across provinces, with some regions offering only generic online modules perceived as irrelevant to local labor demands. Furthermore, awareness remains low: only 52% of formal workers in smaller cities knew about JKP, and 35% learned about it informally [9].

The limited capacity of local employment service centers further constrains implementation. Only two provinces operate integrated digital job-matching systems compatible with JKP. Moreover, the absence of conditional participation requirements—such as mandatory job-search reporting or training attendance—reduces the program's active labor market function. As noted by one provincial official, JKP risks being “cash assistance in the guise of training” due to its lack of enforceable obligations [13].

4.5. Product Evaluation: Outcomes, Perceptions, and Initial Impact

Quantitative data on JKP's labor market impact remains scarce, but early qualitative findings point to mixed outcomes. In 2023, only 18% of registered beneficiaries enrolled in training, and fewer than 10% completed the courses. Among those who did, just 17% secured jobs via the JKP platform, and nearly half reported lower wages and weaker job security compared to previous employment [9].

While 73% of participants who received cash benefits stated that the assistance was helpful in covering essential expenses, 38% found the amount insufficient, especially in urban areas. Regarding the training and placement services, only 25% considered the content relevant to market needs. Many participants criticized the focus on generic digital skills, which they found misaligned with their professional experience.

Administratively, field implementers expressed concerns over insufficient program guidance. Around 37% reported confusion regarding operational procedures, and many highlighted limited technical support. In terms of inclusivity, the program's exclusive targeting of formal workers was widely criticized. With 84.2 million informal workers currently excluded, JKP is seen by some as reinforcing existing inequalities. As one union representative asserted, “JKP is unfair—it neglects the very workers who need protection the most” [9].

In summary, JKP currently functions more as a temporary social safety mechanism than a fully integrated ALMP. Persistent challenges related to coordination, regulatory clarity, administrative capacity, and narrow coverage continue to hinder its effectiveness and inclusive reach [9].

5. Discussion

5.1. Bridging the Gap Between ALMP Design and Implementation

This study highlights a persistent disconnect between the ambitious design of Indonesia's JKP program and its constrained implementation—an issue frequently observed in developing countries with fragmented governance structures [21]. Although JKP was introduced as an Active Labor Market Policy (ALMP) offering cash assistance, training, and job placement services, its operational features have not lived up to these objectives. The absence of mandatory training requirements and a notably low participation rate of just 18% have reduced the program to a passive safety net rather than an activation mechanism [18].

This implementation gap reflects broader challenges faced by middle-income countries, where reform ambitions often outpace administrative capacity [25]. While SIAPKerja was envisioned as a digital gateway for labor reintegration, only 52% of beneficiaries used it, and among these, two-thirds reported that job listings did not match their skillsets [9]. Addressing these limitations will require both technical and strategic reforms. Technical improvements include integrated digital platforms and standardized operating procedures. Strategically, mandatory training participation and enhanced institutional coordination are essential. These elements were central to Germany's Hartz reforms, which demonstrated how synchronized systems can significantly improve ALMP outcomes [14].

5.2. Regulatory Fragmentation and Institutional Realignment

A key obstacle to JKP's success lies in regulatory fragmentation. While Government Regulation No. 37/2021 and Ministerial Regulation No. 7/2021 provide a basic policy framework, the lack of detailed operational guidance has created confusion over agency roles [11]. The absence of meta-governance—the state's capacity to coordinate across sectors—has further compounded this challenge, as seen in similar contexts such as South Africa [23]. For instance, BPJS Employment is responsible for benefit disbursement but lacks control over training delivery, which is assigned to underfunded regional training centers [9].

This vertical misalignment between national policy goals and local implementation is further illustrated by the fact that only two out of 34 provinces operate integrated job-matching systems. The lack of technical and fiscal support at the local level undermines implementation fidelity. International comparisons, including South Korea's inter-ministerial task forces and Chile's use of digital case management, demonstrate the value of institutional realignment supported by technological innovation [26, 30].

5.3. ALMPs in Developing Countries: Lessons and Limitations

Comparative experiences reveal both the potential and limitations of ALMPs in developing settings. South Korea's Employment Insurance System shows how sustained investment in digital infrastructure and mandatory participation can yield high re-employment rates [26, 30]. Brazil's Seguro-Desemprego demonstrates how real-time labor market data can make training programs more responsive, although political instability continues to threaten policy sustainability [16].

Indonesia's JKP still lacks key design elements found in successful programs: conditionality for benefit eligibility, dynamic labor information systems, and outcome-oriented evaluation tools like time-to-reemployment metrics. These omissions point to issues of policy transfer without systemic adaptation, a phenomenon well-documented in literature on policy diffusion [27]. Moreover, the program's restriction to formal sector workers, despite the informal sector accounting for 59.2% of the labor force, limits its inclusivity [1]. India's MGNREGA program offers an instructive counterexample, where flexible, community-based design has extended protection to informal workers [27].

5.4. Repositioning JKP Toward an Inclusive ALMP

To function effectively as an ALMP, JKP must shift from a compliance-oriented model to an adaptive, worker-centered governance framework. The social investment paradigm, which emphasizes enabling participation over merely compensating income loss, offers a useful foundation for this transition [25]. Core reforms could include a fully integrated digital system for registration, training, and job placement, following South Korea's model [31]. Conditioning benefit receipt on active participation in training or counseling, as practiced in Denmark's flexicurity approach, would reinforce labor market activation [15]. Performance-based financing could further incentivize local service providers to prioritize job placement outcomes [14].

Finally, expanding coverage to informal workers through modular insurance schemes and partnerships with local organizations would significantly enhance program inclusivity [23]. Achieving these reforms will require long-term investment in bureaucratic capability and sustained political commitment—foundational conditions for durable and effective labor policy reform [7].

6. Conclusion and Policy Implications

This study assessed the Unemployment Insurance Program (JKP) in Indonesia as an Active Labor Market Policy (ALMP), utilizing the CIPP evaluation model through a qualitative approach involving interviews, focus group discussions, and document analysis. The findings reveal a substantial gap between JKP's policy ambition and its operational reality. While the program was designed to offer integrated cash assistance, vocational training, and job placement, its implementation has been constrained by institutional fragmentation, weak digital infrastructure, procedural inefficiencies, and a narrow target group limited to formal sector workers.

Coordination among key actors—namely the Ministry of Manpower, BPJS Employment, local labor offices, and vocational training centers—remains weak, with only two provinces operating integrated job-matching systems. Administrative barriers, such as complex eligibility criteria and delayed benefit processing, further reduce accessibility. Critically, only 18% of JKP beneficiaries enrolled in training, and among those, merely 17% secured employment through the program. Furthermore, nearly half reported lower job quality compared to their previous roles, indicating that JKP functions more as a passive safety mechanism than a dynamic labor activation tool. These challenges reflect broader governance limitations typical in developing countries [21].

To enhance the program's effectiveness and inclusivity, several strategic reforms are necessary. Institutional integration should be prioritized through the creation of a cross-ministerial task force that coordinates implementation across national and subnational levels, supported by detailed operational guidelines and budgetary clarity. Simplifying eligibility procedures—such as replacing court-issued termination letters with employer-submitted digital records—would streamline access.

Reinforcing the program's ALMP components is equally essential. Mandatory participation in training or career counseling should be required to receive continued benefits, and training curricula must be aligned with current labor market needs through collaboration with private sector actors. Tax incentives could be used to encourage employers to hire JKP participants.

Investing in digital infrastructure is vital. A unified platform integrating registration, training, and job matching—enhanced with AI tools—can improve responsiveness and efficiency. Outcome-based performance monitoring should guide program evaluation, while mobile platforms and SMS-based tools can extend access to remote populations.

Finally, expanding coverage to include informal workers through modular insurance models and community partnerships will be critical. Drawing lessons from India's MGNREGA and tailoring interventions for women and youth can ensure JKP's evolution into a more adaptive and inclusive labor policy instrument.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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