A SOCIAL-ECONOMIC ANALYSIS OF THE IMPLEMENTATION OF THE JOB GUARANTEE PROGRAM IN INDONESIA

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ABSTRACT

Social security is an essential component that is the responsibility of the state. In 2021, according to the mandate of Law no. 11 of 2020 concerning Job Creation, the government made the employment ecosystem more competitive by adding a social security component, namely Job Loss Guarantee (JKP), which will provide guarantees for workers to get severance pay if workers experience termination of employment (PHK). In principle, severance pay is the responsibility of the employer or company for the laid-off workers, which is an award from the employer for the employee's tenure and compensation. JKP's initial initiation was a middle way solution to continue providing workers' rights when layoffs occurred. Based on the derivative regulations of the JKP regulated in the Government Regulation (PP), One of the components in the JKP requires the government, thru the State Revenue and Expenditure Budget (APBN), to pay a contribution of 0.22 percent for each participant. This study aims to analyze the extent of the government's fiscal capacity to accommodate the mandate of Law No. 11 of 2020 concerning Job Creation. The data used are data on state spending thru the central government, government allocations for the social security function, and related general employment data. Based on the projection results using time series analysis, it shows that the estimated critical point for JKP will burden state spending starting in 2026 or 2027. Therefore, it is necessary to take concrete steps to anticipate the swelling of the JKP budget.

Keywords: Social security; Job Loss Guarantee; job creation; state

Background

Article 28H of the 1945 Constitution of the Republic of Indonesia affirms that workers are entitled to social security for workers that will enable them to develop as human beings with dignity fully. Social security aims to protect people and ensure that they have an acceptable standard of living [1]. By the constitutional mandate, Indonesia is trying to make this happen, including supporting the employer's social security system. Law Number 40 of 2004 concerning the Social Security System emphasizes that "Social Security is a form of social protection to ensure that all people can fulfill their basic needs for a decent life." Therefore, social security is a lofty ideal and must become a public policy so that it must be clear what goals to be achieved. In this regulation, social security targets all levels of society, without exception, including the workforce, namely laborers and workers.

The workforce is an essential aspect for companies and, in aggregate, as a development driver. Investment in human resources, one of which is in the employment sector, can be interpreted as an effort to accelerate growth [2, 3]. In some of these studies, social security is the affected side of human resource investment. In other words, investment in human resources positively impacts productivity, social stability, and a healthy lifestyle [4]. [5] look at social security from a different perspective and find that social security impacts growth and education levels.

Employment conditions in Indonesia until August 2021. [6], the labor force in August 2021 was 140.15 million people, an increase of 1.93 million people compared to August 2020. The working population was 131.05 million people, increasing to 2 .60 million people from August 2020. Employment that experienced the most significant percentage increase was the manufacturing sector (0.65 percentage point). Meanwhile, the jobs that experienced the most significant decline were the agriculture, forestry, and fisheries sectors (1.43 percentage points). A total of 77.91 million people (59.45 percent) worked in informal activities, down 1.02 percentage points compared to August 2020. The percentage of part-time workers increased by 1.03 percentage points, while the number of underemployed people decreased by 1.48 percentage points compared to August 2020. August 2020.

Not only in terms of quantity but also limited job opportunities as indicated by the low indicators of investment attractiveness in Indonesia and the "fat" regulations for doing business in Indonesia. On the other hand, the industrial world continues to move along with Industry 4.0. The study results show that several industrial sectors are transitioning toward Industry 4.0 Ministry of Industry, 2019. Industry transformation also means job transformation. For this reason, the Indonesian government took the initiative to break down these challenges by enacting the Job Creation Law as a form of increasing the "attractiveness" of investment in Indonesia and the formation of a more competitive employment ecosystem where several indicator variables are considered "labor costs," one of which is the problem of redundancy between the existence of social security and severance pay, which is the obligation of the employer.

Workforce development is an inseparable part of national development. As a factor of production, labor plays an essential role in developing companies in particular and social economic development in general [7]. With a productive workforce, the welfare of society and the economy of a country will increase [8]. To ensure the productivity of the workforce and the company and the welfare of workers, it is necessary to "reward" workers with proper wages and guarantees for their families [9]. "Rewards" and social security provided by the company are following the value of the services or productivity of workers during work and also after completion of work in the form of old-age benefits, severance pay, and other guarantees by regulations. By providing a "reward" and guarantee from the company, it is hoped that workers will increase the productivity and welfare of workers and their families, which will improve the welfare of the community nationally.

Prior to the issuance of the Job Creation Law, based on Law No. 13/2003 concerning Manpower, there were "rewards" in the form of severance pay (severance pay) given by employers to workers ending with layoffs by the type of work, type of termination of employment, allowances, and factors such as the terms of the period of work allowance and the reason for stopping work. This new policy is a form of state responsibility thru regulatory instruments that seek to strengthen workers' safety net. However, there has been a shift in the meaning and implementation of severance pay following its implementation. Instead of severance pay, it should be a safety net. However, it causes many workers' rights to be unfulfilled, resulting in economic instability until they can work again [10].

Layoffs are scary for the workforce, both from the company's and the workers' perspectives. On the one hand, for a worker, layoffs become a feat because they have to lose their source of income. On the other hand, the employer considers layoffs scary because they cannot pay the amount specified in the severance pay regulations. Severance pay in the context of workers' social security has been regulated by Law 13 of 2003, which includes three components that will be obtained by employees, namely severance pay (UP), service period rewards (UPMK), and compensation payments (UPH). In the implementation of Law No. 13 so far, it is estimated that only about 7 percent of severance pay can be fulfilled following the applicable regulations, and most of these become disputes between employers and workers, which often last for a long time and enter the realm of the court, which is quite tiring and can incur relatively high costs for the employer.

Since employers and workers cannot fully implement the severance pay regulations that have been in force so far, a severance policy is needed that is transformed into a Worker Loss Guarantee (JKP) to maintain a decent standard of living when workers/laborers lose their jobs. The principle of social insurance and the certainty of sufficient funds to pay severance pay. Implementing optimal JKP with the principle of social insurance requires many participants. So, the principle of social insurance will protect socio-economic risks that befall participants and is built on cooperation with the principle of togetherness. Philosophically, the Job Creation Law was presented to improve rigidity in several ways. One of which was the expansion of social security for contract workers, as well as the expansion of the social security program, namely JKP - (Job Loss Security), where the state still provides workers' rights when workers are laid off—and building an active labor market system integration infrastructure [11].

As a new instrument that comes from the mandate of the Job Creation Law in the social security system in Indonesia, it still requires a lot of in-depth reviews. The system in the JKP needs serious attention, considering that it uses components of the State Revenue and Expenditure Budget (APBN). The components of the APBN are included in the composition of the contribution subsidy. According to Government Regulation No. 37 of 2021 concerning the Implementation of Job Loss Guarantee (JKP), the APBN shares 0.22 percent of the contributions that JKP participants must pay per month. However, the regulation limits JKP beneficiaries to less than 5 million rupiahs in wages. However, hypothetically, the involvement of the APBN in the JKP is predicted to cause fiscal instability in the short and long term.

JKP is also feared to burden the state budget regarding workers' claims. As stipulated in the regulation, the benefits of JKP obtained are access to the job market, access to training, and living costs for the first six months, with a predetermined amount. The point that needs to be underlined from these three components is the cost of living allowance, considering that, according to BPS, the waiting time for job seekers to find a job in Indonesia reaches eight months. This study aims to determine the extent to which the JKP policy will lead to fiscal instability in Indonesia.

B. Literature Review
1. Social Security For Job Loss

Job loss affects one of the most extensive networks of workers because it has a domino effect both economically, psychologically, and socially. For this reason, the state needs to play a protective role systematically by building an ecosystem so that workers can return and ensure that there is no shift in numbers or movements [12]. The system can be synergized thru social protection instruments where comprehensive measures start with a labor market policy, giving severance pay, and returning to work. Based on Law No. 13/2003, when workers lose their jobs, they must provide severance pay to workers. In practice, severance pay is a transitional bridge for workers to return to work, but it turns into severance pay as social assistance. Implementing such severance pay is less effective, considering that layoffs often occur when workers are considered productive. Therefore, severance pay can be a less reliable and less effective instrument than benefits for workers as a financial result of losing their job. Severance pay can help demand financial assistance from employers and the ability of workers to pay, which often arises from industrial relations. Each country can, in principle, decide to continue, eliminate, or change payments when establishing an aid system allowance [13].

In general, some literature says that social security is part of social protection. Many of these interpretations were made by the Deutsche Stiftung für Internationale Entwicklung (DSE) thru a discussion report taking the definition of social protection used by the United Nations in the "United Nations General Assembly on Social Protection," which is a collection of government and private policies designed in the form of assistance as a result or even substantially reduced income/honor received, assistance to families (and children) and assistance with health and health services. Policies must also cover the importance of access to efforts to fulfill basic needs and human rights, including access to income, life, work, health, education, nutrition, and housing. In addition, social protection also aims to address the vulnerabilities and vulnerabilities faced by the very poor. In social terms, the United Nations has divided two categories, namely social assistance and social insurance [14]. *Social assistance* is defined as a resource for groups experiencing resource difficulties, while social insurance is the principle of social security using resources according to the premise.

International institutions and several countries have several mutually reinforcing views regarding the meaning of social security. The [15] reveals that social security is a form of protection provided for the community in facing financial difficulties caused by disasters, births, deaths, old age, or death. It is further explained that social security comes from social insurance contributions, social donations, family allowances, pension funds, and schemes provided by employers such as compensation and other complements. The ILO's international labor standards have three significant guidelines to support the design of employment insurance, namely the Social Security (Minimum Standards) Convention, 1952 (No. 102) setting minimum standards for benefits; and the 1988 Employment Promotion and Protection from Termination Convention (No. 168) and the 1988 ILO Employment Promotion and Protection from Termination Recommendation (2002). The principle of social security for all aims to build a social protection foundation and a comprehensive social security system. *Social protection* is a broad concept reflecting economic and social changes that impact the concept and implementation of social security. It was further explained that the social protection system has 3 integrated layers: The first layer is a social safety net funded by the government; The second tier is a social premium scheme that is financed from donations from employers (employers) and workers; and the Third Layer, which is complete management by the private sector.

The ILO states that there is a minimum requirement for social security. This is stated in the International Labor Organization (ILO) Convention No. 102 of 1952

concerning Social Security (Minimum Standards), which regulates at least nine branches of protection or social security, including health benefits, sickness benefits, unemployment benefits, maternity benefits, work accident benefits, old-age benefits, pension benefits, family benefits, and allowances [16].

The [17] defines social protection in several meanings related to (i) safety nets and "springboards"; (ii) investment in human resources; (iii) efforts to overcome social segregation; (iv) being severe about causes, not signs; and (v) considering the actual situation. The World Bank also describes how the social protection system instrument helps the poor and vulnerable find work. Social protection instruments are the key to efforts to protect and employ individuals. In the context of protecting social protection, the instrument is a safety net program that provides additional income for struggling families, increases access to information, increases productivity, and supports people when they are looking for work. On the other hand, social protection helps people be productive and invest in human capital in employment.

Job loss insurance has been widely implemented in various countries, either in unemployment insurance, unemployment insurance assistance, or other forms to help workers quit their jobs. Social security schemes for workers/laborers who have lost their jobs or are considered to be using unemployment insurance are usually designed to be able to help people of productive age who are economically active and earn a living through work activities that earn income, both in formal and informal employment, replacing possible income risks. Furthermore, ensure they have a minimum level of basic income security when they lose their job. In general, this will be accompanied by the concept of social assistance for unemployment severance pay. As in Japan, since the enactment of the Employment Insurance Law (Law No. 116 of 1974), there have been changes in the social security system in Japan, namely the unemployment benefits scheme and the two service schemes. This distinction is based on the contribution burden between workers, the government, and employers, including the duration and period of payment of contributions. To support this, Japan has built a support system such as public employment security offices, better known as *Hello Work*. It plays a role as manager of job placement and governance of unemployment benefits.

Meanwhile, Malaysia has previously implemented labor market policies in the form of training and skills development programs, the job market, and the job market, but they are considered unable to cover existing employment problems. Malaysia has made changes to its employment social security system thru regulatory changes, namely since the enactment of the Employment Insurance System (EIS) Act in 2017, which stipulates a mandatory insurance program for unemployed workers from the private sector. The system only started operating in 2018 by the Social Security Organization (SOCSO). The benefits provided by EIS are in the form of (1) a percentage of previously paid wages for a maximum of six months; (2) a training allowance ante; (3) a re-employment program; and (4) an early return to work allowance.

The Philippines implemented the Skill Fund Development and established the Technical Education and Skills Development Authority (TESDA). This specialized agency is a joint venture of the Ministry of Manpower, Bureau of Technical and Vocational Education, Ministry of Education and Culture and Sports, and Bureau of Employment Internship Programs, to encourage participation fully and mobilize industry, the workforce, local government units, and technical-vocational institutions in the development of human resource skills in the Philippines [18].

In Indonesia, the original idea of The JKP, an instrument of the state, was there to protect its citizens, especially amid economic disruption that made the job market dynamic. This JKP can be taken from the severance fund reserved for employees who have been laid off, considering that, after all, the employer has an obligation when laying off their workers. The goal is to develop a more competitive employment ecosystem to develop the capacity of human resources needed in work.

Based on Law 13 of 2003, employers pay a maximum severance pay of 32 times the monthly wage if the employer makes a layoff. This amount becomes a maximum of 25 times the monthly wage based on the Job Creation Law, of which the employer's obligation is 19 times the monthly wage, and the government bears the rest thru the JKP program, which includes cash benefits, access to job market information, and job training. Cash benefits will be given every month for a maximum of 6 months' wages at a rate of 45% of wages for the first 3 months and 25% for the following 3 months. Benefits access to labor market information in the form of job market information services and or job guidance, while competency-based job training is conducted thru job training institutions owned by the government, private sector, or companies.

According to [19], the purpose of the JKP is to deal with the possibility of changes in the available job opportunities while at the same time adjusting the demands of the required workforce capabilities. The JKP program was started by creating the concept of JKP, building labor market infrastructure thru an IT system, integrating employment data, and monitoring thru digital. The JKP concept has a philosophy of protecting workers who have lost their jobs while at the same time protecting them from improving their skills, changing skills, or changing jobs so that people continue to work.

The existence of the JKP concept helps workers not feel laid off but in a period of waiting for a new job. Workers can re-skill or upgrade their skills according to the needs of the world of work they want to enter. [20] defines *training* as part of the human investment to improve job skills and abilities and improve employe performance. With a safety net and the state being present thru a training mechanism at the job training center or an educational institution appointed by the state, it is hoped that at least some workers can improve their performance in the new workplace.

The mandate of Law Number 11 of 2020 concerning job creation, Article 82, is the addition of the JKP Guarantee to the component of the Social Security Administering Body (BPJS) for employment. The purpose of the JKP Program is to maintain a decent standard of living when workers or laborers lose their jobs. In Government Regulation (PP) Number 37 of 2021, JKP is social security provided to workers and laborers who experience termination of employment. The amount of the contribution as stipulated in PP 37/2021 is 0.46 percent of the worker or laborer's monthly wage reported by the company to BPJS Ketenagakerjaan, provided that:

a. 0.22 percent of monthly wages, borne by the Central Government;

b. companies bear 0.24 percent with the following composition:

c. 0.14 percent of monthly wages, sourced from the recomposition of contributions to the Work Accident Insurance (JKK) program; and

d. 0.10 percent of a month's wages, sourced from the recomposition of contributions to the Death Insurance (JKM) program.

JKP does not have a minimum premium value but a maximum premium value of IDR 5,000.00. The JKP program is only intended for the Wage Recipient (PU) participant segment, with the following conditions:

a. Large and medium scale businesses have participated in the National Health Insurance (JKN), Work Accident Insurance (JKK), Death Insurance (JKM), Old Age Security (JHT), and Pension Security (JP) programs.

b. Small and micro-scale businesses have participated in the JKN, JKK, JKM, and JHT programs.

Looking at the job creation law, it should be in line with the social security program in the workplace, which at the same time overcomes risks, creates job security, which in turn helps increase labor productivity. Recalling once again, the role of the Labor Social Security Program provides legal guarantees for the receipt of continued family income to compensate for part or all of the lost income.

The functions of the state in the economic field are as a guarantor (provider) of people's welfare, the state as a regulator, the state as an entrepreneur or as an organizer of specific sectors by state-owned enterprises (BUMN), and the state as an arbitrator for the formulation of fair standards for economic sectors. Including state-

owned enterprises [21]. For this reason, factors that can influence social security employment policies include a strong government commitment (political will) to encourage the growth of social security thru justice-based regulations, budget support, and stakeholder support in the employment sector. The seriousness of the government's commitment shows that the JKP program policies combine labor market policies to match job seekers, improve and adjust their skills, and stimulate job creation.

2. Indonesia's State Expenditure System

The central government bears the burden of 0.22 percent in JKP contributions. PP 37 of 2021, concerning the implementation of JKP, mandates the responsibility of the central government to be included in state spending. Indonesia's state expenditures are contained in the State Revenue and Expenditure Budget (APBN), prepared annually. The Indonesian state budget is determined at the end of each year t-1. Nevertheless, it is still possible for the APBN to change every year for various reasons, such as changes in global economic assumptions or the achievement of state revenues that are not on target.

Based on the government's financial notes in the Central Government Financial Report (LKPP), which is published annually, there are several functions in the APBN. The APBN budget allocation is distributed among several ministries/agencies and social security administering bodies concerning social security. As a manifestation of state financial management, the State Revenue and Expenditure Budget is determined annually by law and is carried out openly and responsibly for the greatest prosperity of the people. In Article 3 paragraph (1) of Law No. 17 of 2003 concerning State Finances, "State finances are managed in an orderly manner, obeying the laws and regulations, and being efficient, economical, effective, transparent, and responsible with due regard to a sense of justice and propriety."

[22] define public policy as the strategic use of all resources for challenges and strategic information and supporting development goals and objectives realized in credible, transparent, and accountable management of state finances (good governance). The budgeting system is a system that produces information in state financial management activities where the planning system should have a structure that reflects the processing, use, and utilization processes and produces information that is relevant to the needs of state financial management and not just the processes and mechanisms. Efforts in managing state finances are expected to maintain a sustainable budget in terms of allocation efficiency, both technical and economic [23].

The previous employment social security schemes run by government agencies were National Health Insurance (JKN), Work Accident Insurance (JKK), Death Security (JKM), Old Age Security (JHT), and Pension Security (JP). At the same time, the amount and burden of contributions s the area of authority of workers and employers. However, for the presence of this JKP there is a government subsidy which is set as a form of government presence. Subsidies that can be categorized as government spending can be assumed as a form of fiscal policy, in terms of implementing fiscal policy itself. [24]say that fiscal policy can be categorized into three things: (1) automatic stabilizers; (2) discretionary fiscal policy in response to economic conditions; and (3) policy discretion is exercised for reasons other than the current macroeconomic conditions. For this reason, it is necessary to take concrete steps from the government in the form of careful planning so that support for the JKP program is financially sustainable.

C. Research Method

1. Data

The data used in this study is divided into two types. First, data related to state finances, consisting of data on the state revenue and expenditure budget (APBN), and

state expenditure allocation funds for social security, sourced from the Central Government Financial Report (LKPP) published by the Ministry of Finance of the Republic of Indonesia in 1980-2020. Second, data related to employment, which includes data on the labor force and the number of the working population, was sourced from the BPS publications for 1986–2020.

Financial data is used to determine the share of state spending on social security. Social security data in the APBN is allocated to various activities, including social assistance, health insurance subsidies, and the allocation of JKP starting in 2021. Technically, the allocation of social security funds is distributed proportionally among ministries/agencies and agencies administering the social security function.

The employment data used in this study is the number of the labor force and the number of the working population. According to BPS (2021), the labor force is the population of working age (15 years and over) who work or have a job but are temporarily unemployed or unemployed. It is essential to use labor force data as an indicator considering that Indonesia has a constant positive growth in the workforce. The consequences of positive growth can be paradoxical, considering that a high labor force is also synonymous with economic growth, while, on the other hand, an unemployed workforce can have the opposite effect.

Data on the working population is also an essential component of this study. The working population is the main focus, which is the government's responsibility thru JKP. Despite this fact, the current membership of the working population in social security is still very low. This is because, in the labor market in Indonesia, the informal workforce component is still very high. This group represents a challenge for the government in attracting them to various social security programs.

2. Method

This study uses quantitative data analysis using a time series forecasting approach. The forecasting method used is the Autoregressive Integrated Moving Average Model (ARIMA). ARIMA is a generalized model of Autoregressive Moving Average (ARMA) that combines Autoregressive (AR) process and Moving Average (MA) processes and builds a composite model of the time series. As acronym indicates, ARIMA (p, d, q) captures the key elements of the model:

- AR: Autoregression. A regression model that uses the dependencies between an observation and a number of lagged observations (p).
- I: Integrated. To make the time series stationary by measuring the differences of observations at different time (d).
- MA: Moving Average. An approach that takes into accounts the dependency between observations and the residual error terms when a moving average model is used to the lagged observations (q).

A simple form of an AR model of order p, i.e., AR(p), can be written as a linear process given by:

$$x_t = c + \sum_{i=1}^{p} \emptyset_i x_{t-1} + \epsilon_t \qquad (1)$$

Where xt is the stationary variable, c is constant, the terms in φi are autocorrelation coefficients at lags 1, 2,,p and t , the residuals, are the Gaussian white noise series with mean zero and variance σ^2 . An MA model of order q, i.e., MA(q), can be written in the form:

$$x_t = \mu + \sum_{i=1}^{q} \theta_i \epsilon_{t-i} \qquad (2)$$

Where μ is the expectation of x_t (usually assumed equal to zero), the θ_i terms are the weights applied to the current and prior values of a stochastic term in the time

series, and θ0 = 1. We assume that t is a Gaussian white noise series with mean zero and variance σ2 . We can combine these two models by adding them together and form an ARIMA model of order (p, q):

$$x_t = c + \sum_{i=1}^{p} \emptyset_i x_{t-1} + \epsilon_t + \sum_{i=1}^{q} \theta_i \epsilon_{t-i} \qquad (3)$$

Where $\varphi_i = 0$, $\theta_i = 0$, and $\sigma_2 > 0$. The parameters p and q are called the AR and MA orders, respectively. ARIMA forecasting, also known as Box and Jenkins forecasting, is capable of dealing with non-stationary time series data because of its "integrate" step. In fact, the "integrate" component involves differencing the time series to convert a non-stationary time series into a stationary. The general form of a ARIMA model is denoted as ARIMA (p, d, q).

ARIMA modeling does not consider other influential variables in the model. Therefore, in this study, the forecasting carried out does not consider various economic indicators that may affect it, such as inflation, demographics, and economic shock.

C. Research Results

1. Results

The best model is based on time series analysis of several variables varying over time. The best model is arranged based on the data pattern and the slightest error. The Central Government Expenditure variable has the best model ARIMA (2,0,2); the social security allocation variable has the best model ARIMA (1,1,1); the labor force variable has the best model ARIMA (0,1,0), and the population variable works with the best ARIMA model (1,0,1).

Table 1.

Selection of the Best Time Series Model

Variabel	Best Model
National Government Expenditure	ARIMA (2,0,2)
Social Security Allocation	ARIMA (1,1,1)
Workforce	ARIMA (0,1,0)
Working Residents	ARIMA (1,0,1)

The percentage increase in central government spending in recent years and forecasting results has a downward trend from year to year. This is predicted to continue for the next few years. The allocation of social security funds, which had experienced a drastic increase in 2020, is also predicted to decrease drastically following the sloping growth of state spending.
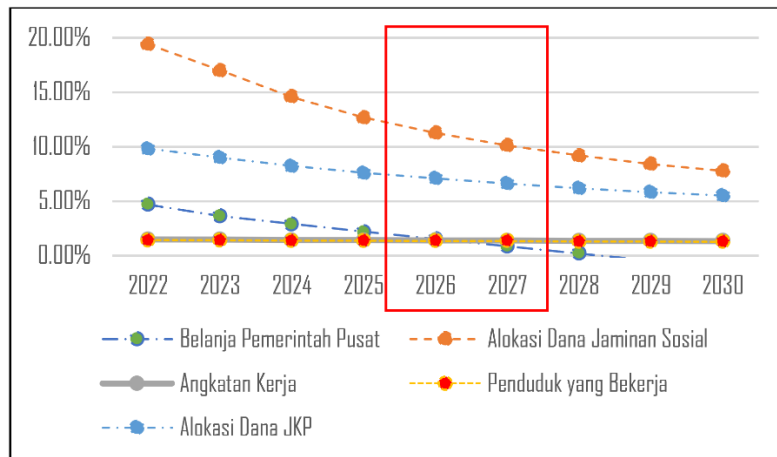

Figure 1. Percentage Change of Indicators in Relation to JKP

This is inversely proportional to what happened to the number of the workforce and the working population. The working population has the same growth pattern as the labor force. Although it cannot be said to be significant, the growth of these two variables is relatively stable and continues to be positive. If this condition continues, it is predicted that the critical point of intersection between the allocation of government expenditure and the JKP contributions that the government must pay will occur in 2026 or 2027. In nominal terms, this point is still safe for state spending because comparing the value of state expenditure and the allocation of JKP is quite different. However, this certainly needs to be watched out for as a trend.

2. Analysis

Psychologically, JKP is expected to provide guarantees for individual workers to be "not afraid" of going in and out of the labor market because the state guarantees that a person can earn a living and return to work efficiently. In addition, the presence of JKP is conceptually a validation that severance pay is no longer available but has been replaced in the form of components consisting of job loss allowance and job training allowance. However, several things need to be observed regarding the implementation of JKP based on PP No. 37 of 2021 concerning the implementation of *Job Loss Guarantee* (JKP). The arrangement for the implementation of the JKP program needs to be refined again by calculating that the JKP program should not be based on a recomposition of contributions but rather a scenario of financing phasing as a gradual transfer of fund reserves owned by the employer to the JKP program so that there is no redundancy in costs from this JKP scheme. The recomposing includes composing by considering the harmonization and synchronization of all existing social security regulations, including in the financial management of the social security administering agency so that the recomposition does not cause stagnation or impose a heavy burden on state spending.

Considering that JKP is a new program, it is deemed necessary to create a roadmap to anticipate a spike in state spending, including preparing a roadmap for JKP and employment in general to anticipate a spike in state spending allocated for JKP. Even though the JKP can increase state spending in nominal terms, in the long run, the formulation of the right one in the JKP will change the composition of market wages and impact the taxes that the state has received. Thus, indirectly, the implementation of JKP will create a new equilibrium point between state expenditures and revenues. There are potential changes such as a paradigm shift in the labor market, changes in worker turnover behavior in the labor market, and the emergence of new balances between the supply and demand sides to overcome production costs. This change will lead to an imperfect working relationship between wages and salaries. The government needs to make efforts to have no disadvantaged side in the new balance. Implementing JKP will cause a moral hazard for other workers to switch to groups with high turnover [25]. This is supported by the results of research conducted by [13], where some workers prefer to change jobs considering that the existence of UB fulfills their household needs.

JKP supervision is essential as it involves anticipation of problems resulting from JKP implementation, including reward and punishment if necessary. From the workers' perspective, and with the enactment of Law No. 20 of 2020 concerning Job Creation, laid-off workers are entitled to two compensation components, namely severance pay and JKP. Severance pay is a company obligation that, in principle, is a fund given to employees, in the form of money or compensation, at the end of the working period or termination of employment. This fund is entirely the responsibility of the company that uses the workforce. In Law No. 13 of 2003 concerning Manpower, it is stated that the maximum amount of severance pay, which is the company's obligation, is 32.2 times the salary in the event of layoffs. The government, thru Law No. 11 of 2020 concerning Job Creation, rearranges the amount of severance pay by changing the maximum amount received by workers in the event of layoffs. Under the new policy, workers will receive a maximum of 25 times their salary. Even tho the number has decreased, the

severance pay is still hefty for employers, and compliance with this obligation is deficient. This is proven because, based on Sakernas data from BPS in 2018, only 7 percent of workers received severance pay according to the provisions, and the rest either did not receive severance pay according to the rules or received severance pay but in an amount that was less than what should have been received.

The possible win-win solution to a policy is to combine the severance pay and JKP components into one rule. Considering that severance pay is an obligation that will be given after a layoff occurs, either due to retirement or otherwise, it should have been planned since the beginning of the recruitment of employees. Expenditures for employees, including reserves for severance pay, should have been planned. Thus, using the principle of mutual assistance in dealing with the risk of layoffs, the job loss insurance benefits should use the source of each company's contribution funds paid by the company from the severance allowance. The severance allowance in the form of contributions from employers to BPJS Ketenagakerjaan is only a transfer of the fundholder from the right pocket, namely severance funds at the company, to the left pocket, severance funds at BPJS. The government separates the Job Loss Guarantee (JKP), which is entirely for severance pay, from training thru the Training and Certification Guarantee, where employers finance contributions for severance pay (JKP) and the government funds for skills upgrading (upskilling), or skills transfer (reskilling).

LOSS OF JOB GUARANTEE SCHEME
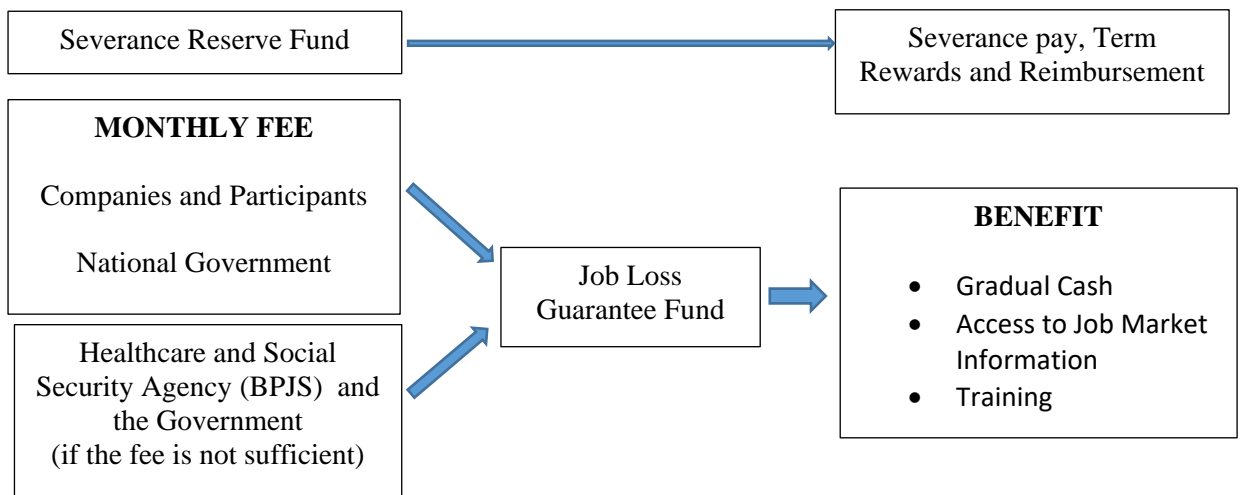### ACCORDING TO DERIVATIVE REGULATIONS OF THE COPYRIGHT LAW

Figure 2 Existing JKP Scheme

PROPOSED SCHEME LOSS OF JOB GUARANTEE
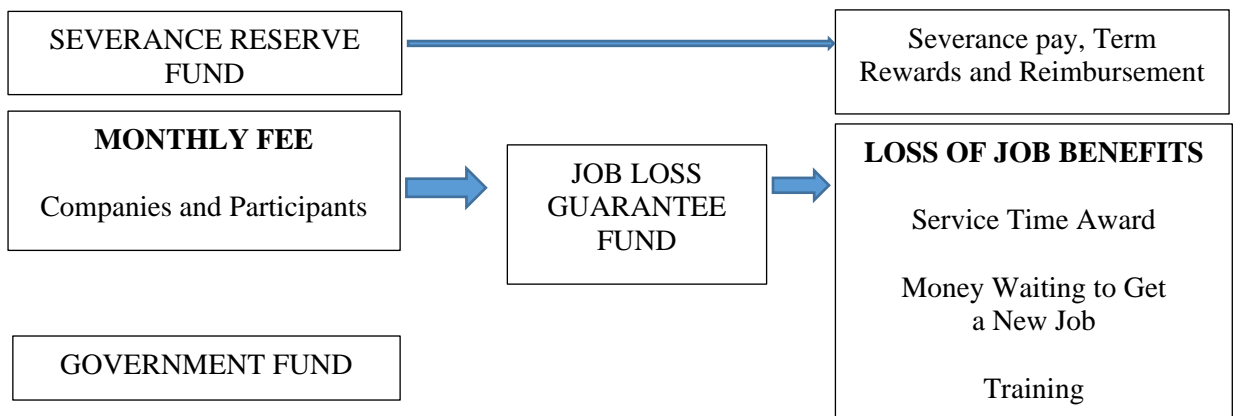(In the form of Job Loss Allowance)

Figure 3 Proposed JKP Scheme

From the government's perspective, the government's involvement in funding social security through the JKP program by contributing 0.22 percent of the monthly wages of workers whose funds are taken from the APBN will certainly burden state spending. Based on calculations and simulations, it was found that the need for APBN funds to pay JKP will be significant in the coming years, and attention needs to be paid so as not to erode the APBN in the future by the increase in the unemployment rate being laid off.

It should be noted that both severance pay and JKP are fully funded by entrepreneurs with a gradual roadmap with the involvement of the APBN at the beginning. It is hoped that this portion of the APBN can be reduced or eliminated in the long term if the JKP conditions have stabilized. With this scheme, job loss insurance contributions do not burden the state budget. The company provides special bailout funds for severance pay and JKP collected by BPJS Ketenagakerjaan. Severance pay and JKP in the form of regular contributions must anticipate the company experiencing a severance payment default.

D. *Conclusion*

Based on the data processing and analysis results, it is found that the estimated critical point for JKP will burden state spending starting in 2026 or 2027. In nominal terms, this point is still safe for state spending because comparing the value of state expenditure and the allocation of JKP is quite different. However, this certainly needs to be watched out for as a trend. Therefore, it is necessary to take concrete steps to anticipate the swelling of the JKP budget, including supervision, evaluation, policy scenarios, and governance of JKP implementation. The government needs to strengthen the projection of state financial planning by making alternative scenarios for the JKP implementation formula while still considering the principles of balance and social justice.

The government's participation in the JKP program thru the participation of 0.22 percent of funds will gradually erode the state budget and needs to be considered to restore the provision of funds by employers who use labor. The JKP program is severance pay, which is several funds given to employees when terminated employment (PHK). Following the severance pay principle, this program must be paid by the entrepreneur, and to ensure the availability of the entrepreneur's periodic contributions, it is accommodated in BPJS. The training and certification guarantee program and labor market information are ongoing units within the JKP program, whose funding is from the APBN. So there are two programs, namely the JKP program, whose contributions are paid to BPJS by employers as shelter and severance pay, and the skills improvement program and development of labor market information, whose funds are taken from the APBN. To support the JKP program, the company must make a policy on using the workforce as a strategic program for the company in the long term and pay regular contributions to BPJS.

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