

## **Abstract**

The crisis caused by COVID-19 has once again exposed the vulnerability of more than 77 million Indonesian workers who depend on livelihood in the informal economy. Informal sector workers in Indonesia represent women, low educational attainment, low-income groups, and people who live in disadvantaged areas who work outside the reach of labour regulation, social protection and any legal supervision and recognition from the government. This study aims to reinvigorate policy dialogue and support the development of effective policy responses to extend the benefits of *Jaminan Kehilangan Pekerjaan* (JKP) for the most vulnerable workers in Indonesia. As such, this research employs the policy analysis approach "What's the Problem Represented to be?" (WPR) by Bachi to problematise why the government policy excluded informal workers from any statutory social security protection. A narrative literature review was conducted to analyse the JKP policy amidst limited statistical and qualitative evidence regarding unemployment insurance, and it is too early to measure the program's success on employment in Indonesia. It argues that although it is challenging, designing and providing social protection for informal workers can be accomplished by taking advantage of the distinctive features already available in Indonesia by carrying out several reforms. The *Kartu Prakerja* can be modified as flat-benefit unemployment assistance combined with training and employment placement services in the short term. Meanwhile, in the long term, the JKP design can be maintained by taking out reforms such as disentangling benefit eligibility from employment status, the provision of subsidies from the government to finance informal workers through synergistic social assistance and providing flexible collection premium mechanisms. Apart from these main recommendations, the author also acknowledges the importance of improving the existing Unified Database System and developing one-stop integrated services to provide a more accurate and comprehensive labour database covering informal workers to enforce these recommendations.

**Keyword:** informal workers, unemployment, unemployment insurance