

Informal Sector- Coverage Extension

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Social Security Administering Body for Employment/ **BPJS Employment** / **BPJS Ketenagakerjaan**



State owned enterprise

Profit Oriented

Coverage: Formal Sectors

Program:

- Provident Fund
- Accident Benefit
- Death Benefit
- **Healthcare Benefit**



Full operation on July 1, 2015

Public Institution

Nonprofit Oriented

Coverage: Formal & Informal Sectors

Program:

- **Provident Fund**
- **Accident Benefit**
- **Death Benefit**
- **Pension Fund**

Operation Fee

ILO: all economic activities that are in law or practice not covered or insufficiently covered by formal arrangements (2002)

		Economy	
		Formal	Informal
Employment	Employed	Civil servant, big, medium & small enterprise	Micro enterprise
	Self Employed	Lawyer, artist, Individual doctor	Motorcycles Driver, Taxi Driver, Fisherman, street vendors



Workforce: **114,38 Million**



Formal Worker: 46,47 Million



Informal Worker: 67,9 Million

INFORMAL SECTORS WORKERS DISTRIBUTION:

▪ Farmer, Plantation, Forestry, labour & Fishery	: 34,26 milion - 50,4%
▪ Trading, restaurant and accomodation services	: 17,03 milion - 25,1%
▪ Industry	: 4,49 milion - 6,6%
▪ Social & individual service	: 4,4 milion - 6,5%
▪ Construction	: 4,09 milion - 6,0 %
▪ Transportation, Warehousing & Communication	: 2,67 milion - 3,9%
▪ Mining	: 0,56 milion - 0,8%
▪ Financial instituion, Real Estate & services	: 0,41 milion - 0,6%
▪ Electriticity & Gas	: 0,03 milion - 0,1%

Indonesian Employment Structure by Island

21,04%-informal

Sumatera Worker:
Informal 14,29 milion
Formal 9,37 milion

5,98%-informal

Kalimantan Worker:
Informal 4,06 milion
Formal 2,87 milion

7,55%-informal

Sulawesi Worker:
Informal 5,13 milion
Formal 2,78 milion

2,09%-informal

Papua Worker:
Informal 1,42 milion
Formal 335 milion



Jawa
Informal 37,84 milion
Formal 28,69 milion

55,7%-informal

Bali
Informal 1,19 milion
Formal 1,08 milion

1,75%-informal

Nusa Tenggara
Informal 3,27 milion
Formal 1 milion

4,81%-informal

Maluku
Informal 717 thousand
TK Formal 340 thousand

1,06%-informal

Formal : **46,47** milion
Informal : **67,9** milion

Informal sector characteristic?

- Behavior (news, group, communication)
- Ability to purchase/contribution/Continuity income
- Acceptance to social security
- Intention to buy
- Brand awareness





- Fisherman
- Modern/Tradisional/Mall merchant
- Street Vendor
- Public transport driver
- Small Enterprise
- Farmer

- Ethnografi, 10 persons
- 9 cities
- Quantitatives, questioners
400 subject

Result:

- Reluctant to deal with **bank and modern shop** even at BPJS Ketenagakerjaan office, prefer to pay at their **neighbour**
- Willing to buy social security scheme, **value for money for social security scheme**
- Willing to pay contribution **daily, monthly**, or based on at the time when they get **harvest**
- **Anxiety:**
 - Health
 - School for their children
 - Lost of income
 - Get accident at work
 - Have no house

Communication



- Brand/Positioning
- Benefit/Product
- Price
- How to deal with the product: register, payment, claim

Convince & how to use

Access/distribution channel

How can targeted member can access easily as their comfortability:

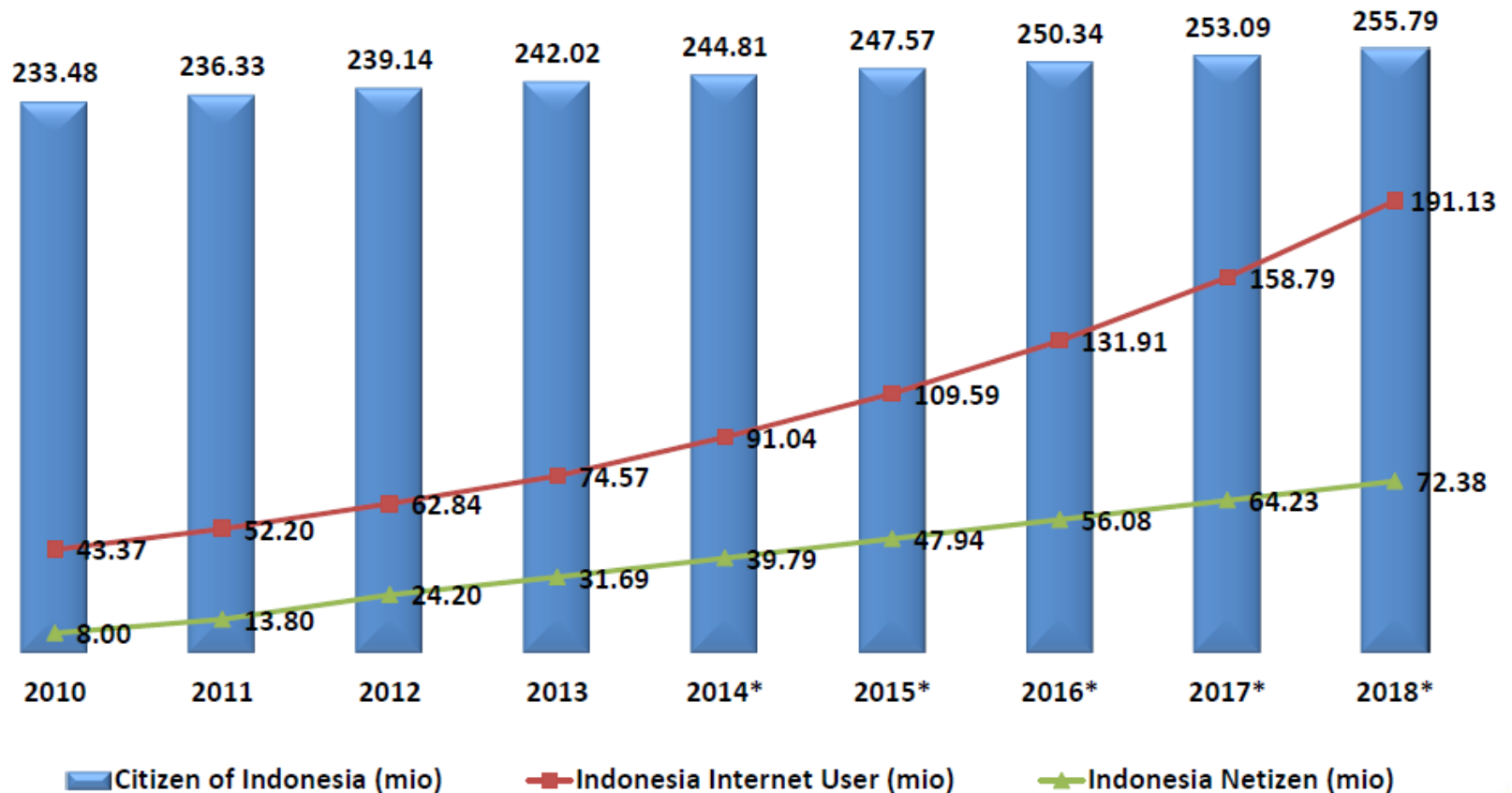
- Convenience
- Comfortability (Pshycologist)
- Cheap



BPJS Ketenagakerjaan has only:

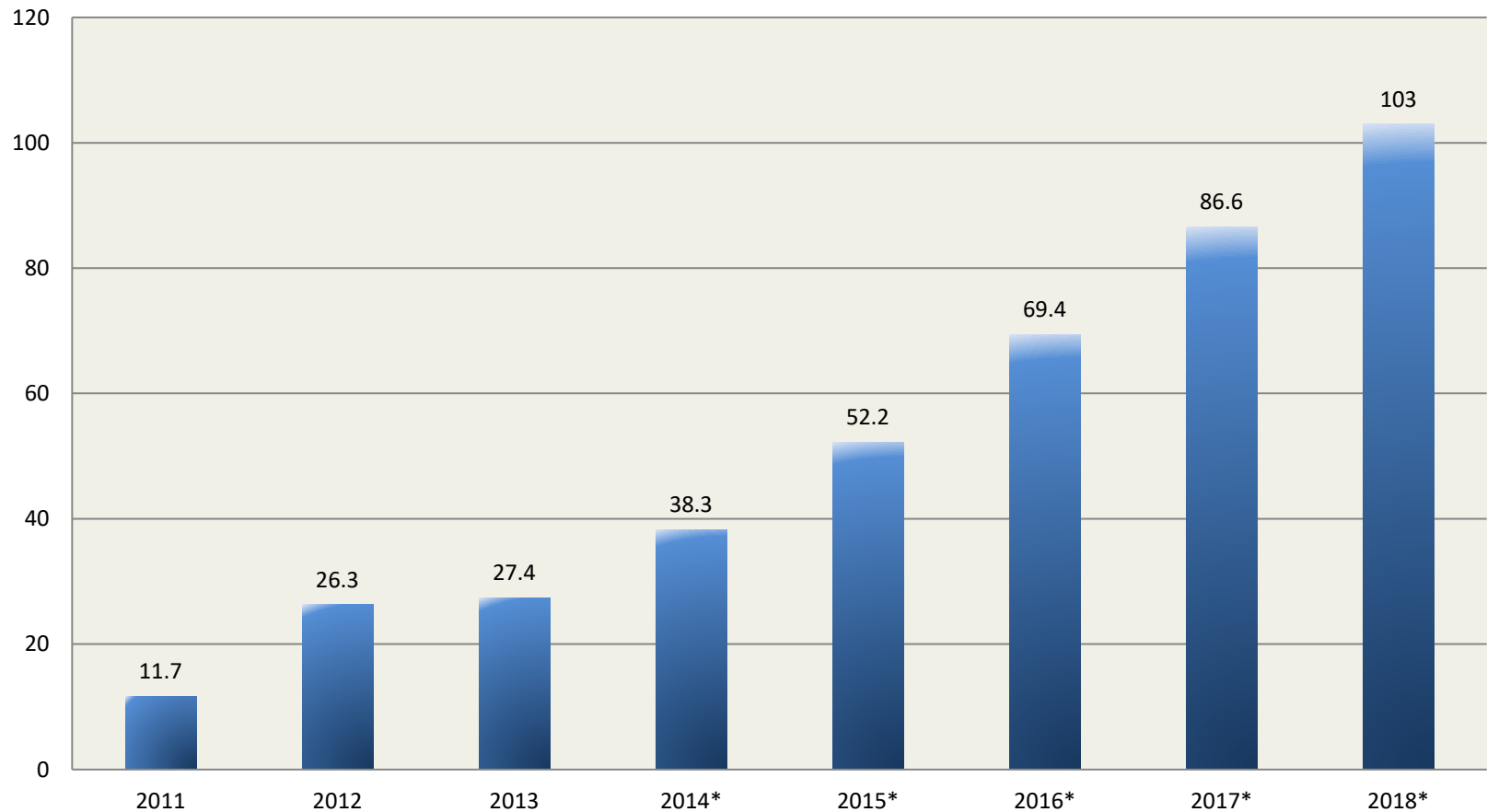
- **324 branches**

Opportunity-Internet Users



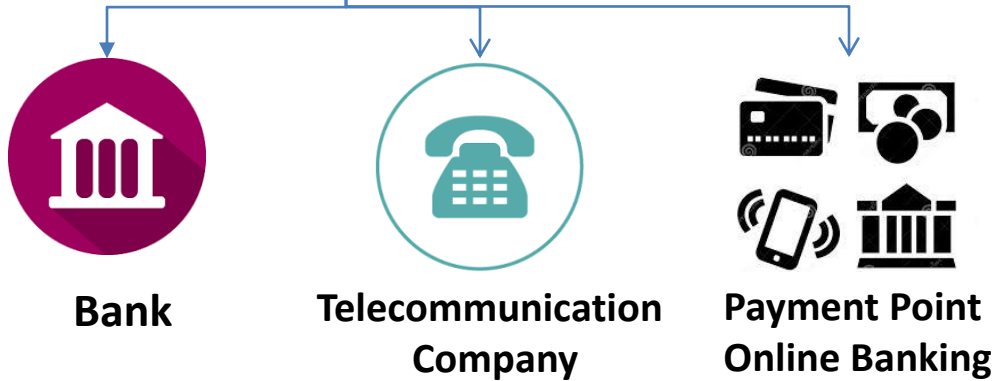
Source: Markplus Inc

Indonesia's Smartphone user (million)



Source: www.statistica.com

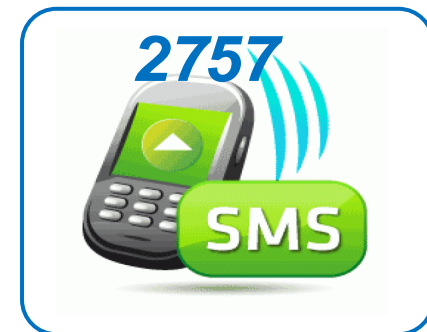
Collaborate

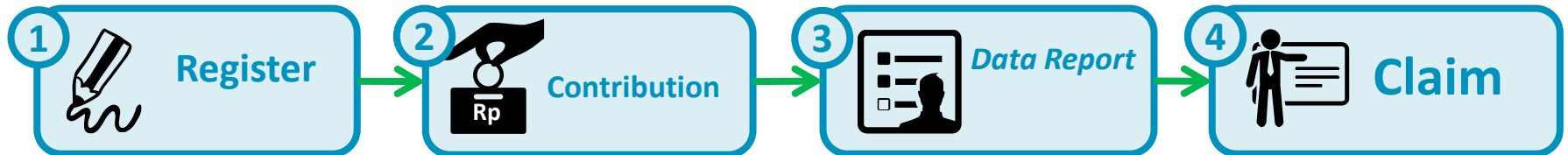


- ✓ Wide distribution channel
- ✓ IT based

Own Channel

- Self service @e-kiosk
- Website
- Mobile Application

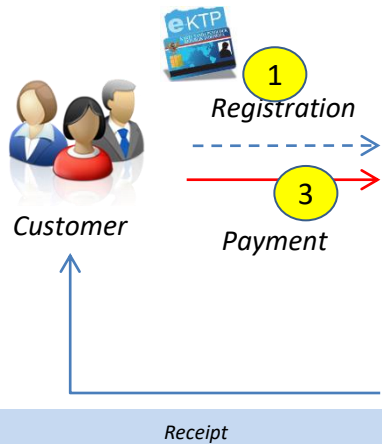




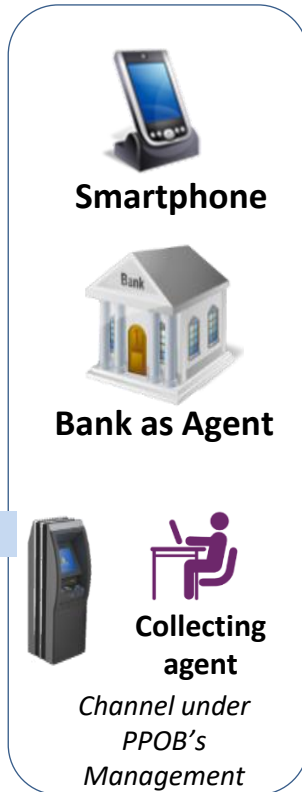
Potential Customer & Customer **BPJS Ketenagakerjaan**



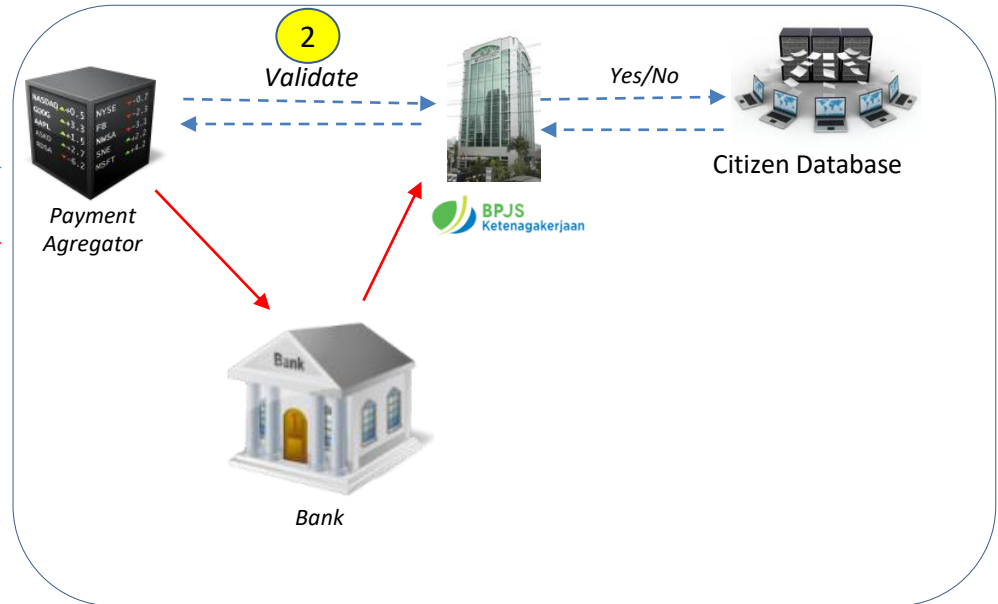
Registration

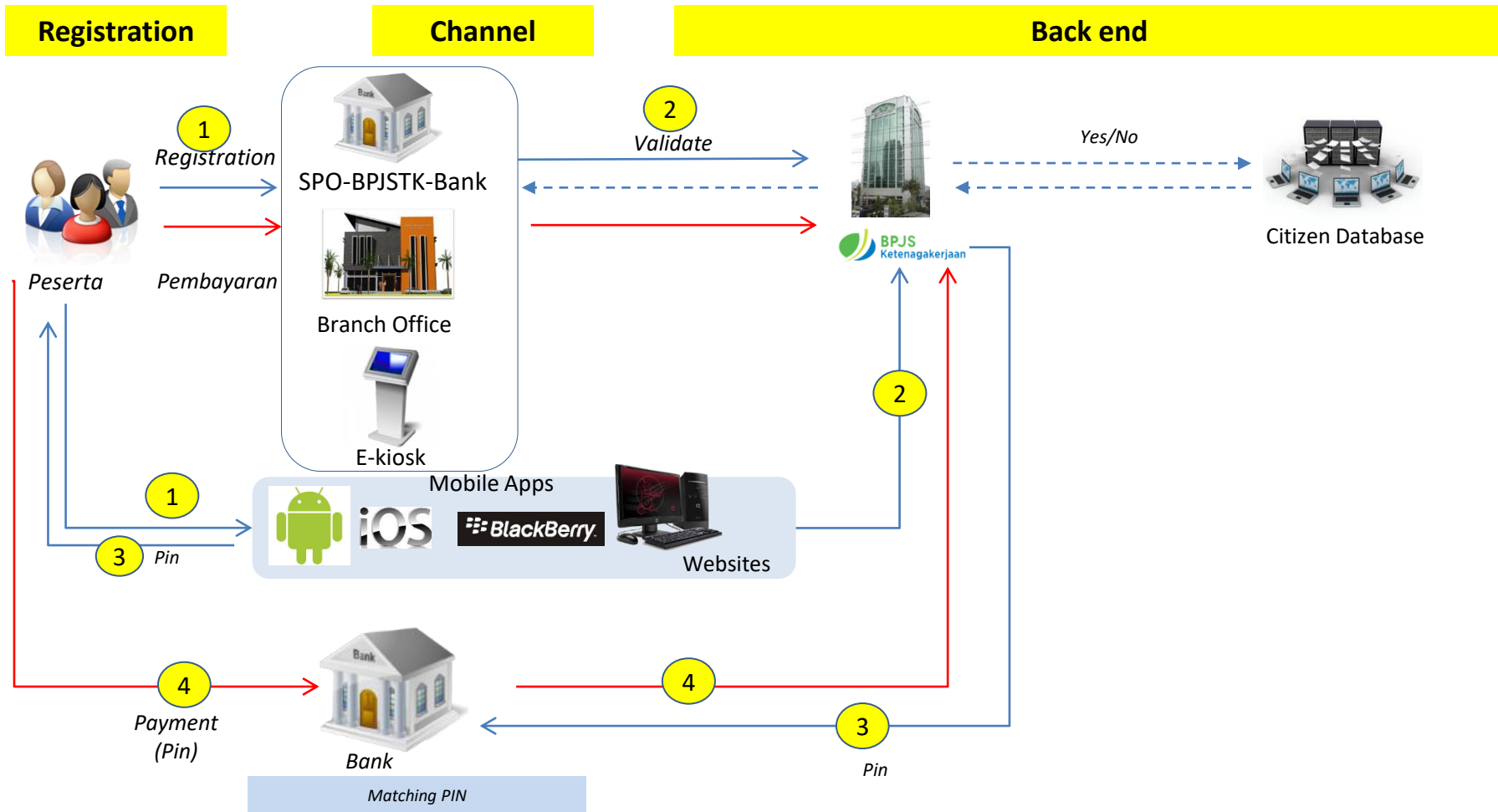


Channel



Back end





Process

Channel

Back end

1
Registration
→
5
←
Amount of Contribution



2757

2
Validate
→
4
←
Contribution
Calculation
→

3
Validate
→
←

7
Payment
→



BPJS
Ketenagakerjaan



Citizen Database

6
Payment
(NIK)
→

8
←
Receipt

9
Update Data
→
10
←
Card
Only at Branch Offices



Branch Offices

Members Acquired

✓ Members of informal sector until May 2015: **673.000**

✓ May-August 2015:

▪ Bank		5.842
▪ Branch Offices:		7.541
▪ PPOB		280



27.740 users



1.929 users claim



150.829 users



158.971



10.854



6.184



17.668 users

Challenges:

- ✓ Communication-Brand awareness of BPJS
- ✓ Infrastructure development
- ✓ Stages development
- ✓ Optimize PPOB Channel

Thanx You

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