

Expansion of BPJS Ketenagakerjaan BPU Membership through Marketing Mix Strategy and Regulation

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Abstract

Implementation of the social security system in Indonesia has entered a new era, in line with the implementation of Law no. 40 of 2004 on Social Security System (Navigation) and Law No.24 of 2011 on Social Security Agency (BPJS), one of which is where the mandated implementation of the national social security system. This study aims to do a comparison of the Indonesian social security system and how the expansion of its participants with marketing mix strategy and regulation. Analysis was performed on workers not wage (BPU). The analysis was performed on the program, promotion, distribution, amount of dues, processes, actors, and physical evidences, regulation, and provision of an age limit of 56 years. The study shows that the application of the social security system by the method of marketing mix and regulation will have a broad effect on the expansion of membership. Their overall strategy and emphasis through the regulation will affect the expansion of the BPU coverage. The addition of the age limit for BPU will increase the number of participants.

Keywords:

expansion of membership; BPU; JHT Program; JKK; JKm; marketing; mix, regulation

Introduction

As an island country with 70% of its territory is sea and 17.504 islands spread, Indonesia has great challenges in conducting a quality development in all dimensions. The geographic and demographic condition is a challenge and opportunity for the Government to fulfill the mandate of the Preamble of the 1945 Constitution on the fulfillment of Indonesians, which includes: "... to realize a government which protects the people and whole Indonesian country, promote common welfare, and educate the nation." In order to carry out this mandate, it is essential for the government to provide social security for the people, especially social security for employment. In this context, the government needs to encourage the involvement of the community for strengthening the labor social security system.

The establishment of the Social Security Agency (BPJS) on 1st January 2014 as a transformation of PT. Jamsostek (Persero) is one of the government's real initiatives to realize the social security. The establishment of BPJS Ketenagakerjaan is based on Law No. 40 of 2004 on National Social Security System and Law No. 24 of 2011 on Social Security Agency. Since 1st July 2015, BPJS Ketenagakerjaan has been fully operational for the Employment Social Security, which takes form in Provident Fund (JHT), Work-Related Accident Insurance (JKK), Pension Benefit (JP) and Death Insurance (JKm). One of the fundamental changes of the transformation of PT. Jamsostek (Persero) to be BPJS Ketenagakerjaan lies in the aspect of membership coverage expansion and service orientation. In this case, the membership coverage of BPJS Ketenagakerjaan include all workers in formal and informal sector, even though the main priority is focused on formal workers.

The national social security system enforcement in Indonesia is consequential for the amendment of implementation system. The social insurance and employment social security programme, which is previously handled by five (5) state-owned enterprises, i.e. PT. Askes, PT. Taspen, PT. Asabri, PT. Jasaraharja and PT. Jamsostek (Bapepam and LK, 2011), is finally handled by two entities, namely BPJS Kesehatan and BPJS Ketenagakerjaan. In addition to that aspect, other aspect, which is also altered, is the membership coverage. If the membership coverage of BPJS Kesehatan is all citizens, the membership coverage for BPJS Ketenagakerjaan is all workers. The confirmation on the membership coverage of BPJS Ketenagakerjaan is mentioned in Law No. 40 of 2004 on National Social Security System and Law No. 24 of 2011 on Social Security Agency, which mandate the employment social security management integrated into one administrator, i.e. BPJS Ketenagakerjaan.

Regarding this membership target, the Government has stated in the Government Regulation No. 10 of 2015 on Roadmap of the Employment Social Security Implementation of 2013-2019. That roadmap of BPJS Ketenagakerjaan projects the number of formal sector workers is respectively 48.21 million in 2014; 50.93 million in 2015; 53.72 million in 2016; 56.58 million in 2017; 59.50 million in 2018, and 62.47 million in 2019. Out of such projection and based on the conservative assumption, the BPJS Ketenagakerjaan formal workers membership is expected to reach the target of 23.69 million in 2014; 29.85 million in 2015; 36.20 million in 2016; 42.73 million in 2017; 49.46 million 2018, and 56.43 million in 2019. Meanwhile, the social insurance/security membership expansion programme for the informal workers is targeting a gradual increase, i.e. minimum 1.3 million new members in 2015; 1.9 million new members in 2016; 2.5 million new members in 2017; 3 million new members in 2018, and minimum 3.5 million new members in 2019.

Table 1.
Target of the Road Map of Employment Social Security Implementation of 2013- 2019
under the Conservative Scenario (million)

Year	Projection for Formal Sector Workers	Membership Target of BPJS Ketenagakerjaan in the Formal Sector	Membership Target of BPJS Ketenagakerjaan in the Informal Sector
2014	48.21	23.69	-
2015	50.93	29.85	1.3
2016	53.72	36.20	1.9
2017	56.58	42.73	2.5
2018	59.50	49.46	3.0
2019	62.47	56.43	3.5

Source: Bappenas, 2014

The BPJS Ketenagakerjaan programme management report data in 2015 shows that the non-wage earning (BPU) workers membership target accomplishment remains low, i.e. only 13.44%, which is much lower than the 2013 target of 131.56%. Meanwhile, in the previous year, the BPU worker membership target accomplishment is 76.72%. Such data explanation shows that the achievement of the BPU workers membership target faces a number of obstacles and difficulties. Generally, the difficulty to achieve the BPU workers membership target encountered by the branch office is the minimum information data related to the BPU. The absence of information is due to the data collection difficulty level as BPU workers are varied and widely scattered. Many BPU workers primarily work independently and such works are generally small-scaled. As a consequence, many approaches and strategies applied by branch offices are quite varied. The approach and strategy variation binds to take place considering the BPU workers' characteristics in each region are diverse. Thus, each branch office uses different innovation and method in order to improve this BPU membership.

Table 2.
Target and Percentage of the 2013-2015 Realization According to the Wage-Earning and Non-Wage Earning Workers

Year	2013 Target	2013 Realization (%)	2014 Target	2014 Realization (%)	2015 Target	2015 Realization (%) [*]
Wage-Earning Workers	10,971,423	6,294,931 (57.38%)	13,109,802	13,115,059 (99.26%)	14,595,183	14,066,630 (96.38%)
Non-Wage Earning Workers [*])	320,000	421,006 (131.56%)	900,000	588,233 (76.72%)	2,232,087	299,963 (13.44%)

Construction	1,950,000	5,632,527	1,188,000	3,088,105	2,272,730	4,668,065
Services		(288.85%)		(259.94%)		(205.39%)
Active Workers	13,241,423	12,348,464	15,197,802	16,791,397	19,100,00	19,034,658
		(93.25%)		(110.49%)	0	(99.66%)

*) Position in December 2015; **) Definition in 2013: Independent Workers and Individual

Source: BPJS Ketenagakerjaan

By definition, Non-Wage Earning (BPU) workers are workers who perform activities or commercial business independently to earn income from activities or such business, who include Employers, workers outside an employment relationship or self-employed and workers excluded in the group of non-wage earning workers outside an employment relationship. The examples are motorcycle taxi riders, public minibus drivers, peddlers, doctors, lawyers/advocates, celebrities, and many more. These workers can gradually join the BPJS Ketenagakerjaan programme by choosing the suitable programme with their ability and needs. They can also register themselves directly to the nearest BPJS Ketenagakerjaan Branch Office or via an umbrella organization/group/Partner/ Payment Point (Aggregator/Banks) which have a Partnership Agreement (IKS) with BPJS Ketenagakerjaan.

Based on all descriptions above, a significant lesson to be noted appears, i.e. the transformation process from PT. Jamsostek (Persero), Tbk. to be Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan was not as smooth as the plan. The government regulation (PP) drafting for BPJS Ketenagakerjaan's programmes seemed to be a closed process and did not include aspiration from labour unions. Thus, it caused many rejections from various parties and in the end, BPJS Ketenagakerjaan faces more difficulties to expand its membership coverage.

From such issue, this review intends to further review on how BPJS Ketenagakerjaan can accelerate the expansion of non-wage earning sector membership. By considering the vast potential of BKU workers who have not become BPJS Ketenagakerjaan members, the following description will further describe on how marketing mix method and regulations have a chance to answer BPJS Ketenagakerjaan's problems in expanding its membership.

Methods

The data were collected from various reports by Bappenas, BPJS Ketenagakerjaan and other relevant sources. Then, all the data were coded based on the focus of this study, i.e. membership expansion. From the curated data, we then built several tables and graphs to illustrate several striking findings. Based on these, we narrated our analysis with cross references.

Discussion

An employment status is a type of a person's position in performing his job in a business unit/activity. Beginning in 2001, the employment status is divided into 7 categories:

- a) Independent work is defined as working or having a business by bearing economic risks, i.e. non-return of production costs spent for such business and do not employ any paid employees, including the work characteristics need a specific technology or skill.
- b) Have a business which is assisted by temporary workers/unpaid workers is defined as working or having a business on his own risks and employing temporary workers.
- c) Employers assisted by permanent/paid workers is defined as working or having a business on his own risks and employ at least one paid permanent worker.
- d) Workers/Employees are persons working with another person or permanently at an institution/office/company regularly and they received salary/wage in cash or product. Workers who do not have a permanent employer are not classified as workers/employees, instead they are considered as an independent worker. A person is considered to have a permanent employer if s/he remains to have one (1) same employer (person/ household) in the past month, especially in the construction sector in which the limit is three months. If the employer is an institution, it can be more than one.
- e) Freelancer in the agricultural sector is a person who works non-permanently for other person/employer/institution (more than one employer in the past month) in the agricultural sector, either a family business or professional business. S/he works with remuneration by receiving wages or remuneration in cash or goods, and the payment system can be daily payments or lump sum. Agricultural businesses include: food crops, plantations, forestry, animal husbandry, fisheries and hunting, as well as agricultural services. Employer is a person or party who provide jobs with agreed payments.
- f) Freelancer in the non-agricultural sector is a person working non-permanently with other person/employer/institution (more than 1 employer in one past month), in the non-agricultural sector. S/he works with remuneration by receiving wages or remuneration in cash or goods, and the payment system can be daily payments or lump sum. Non-agricultural businesses include: businesses in mining sector, industry, electricity, gas and water, construction/building sector, commercial sector, transportation sector, warehouse and communication, financial sector, insurance, building lease business, land and service company, public service sector, social and individual.

- g) Non-paid workers are persons who work to assist other persons in which the other persons have a business and the workers do not get any wage/salary in either cash or product.

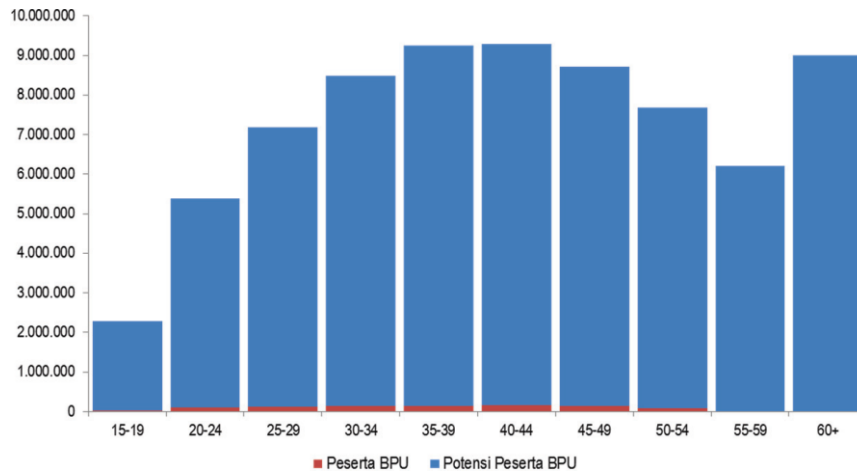
Three employment statuses are independently working without any assistance from other person, having a business assisted by a family member/temporary worker, family workers (often applied as an informal sector worker proxy). Meanwhile, two other employment statuses are workers/employees and having a business assisted by permanent workers (often applied as a formal sector worker proxy).

After PT. Jamsostek (Persero) transformed into Badan Penyelenggara Jaminan Sosial Ketenagakerjaan (BPJS Ketenagakerjaan) on 1st January 2014, in accordance with the mandate of Law Number 24 of 2011 on Social Security Agency, the term of LHK worker is admitted and classified as a non-wage earning (BPU) worker. The programme to be joined by BPU members are Death Benefit (JKm), Work-related Accident Benefit (JKK), and Provident Fund (JHT). It is regulated in the Presidential Regulation Number 109 of 2013 on Social Security Programme Membership Stages.

Characteristics of workers outside an employment relationship (LHK), who are referred to as non-wage earning (BPU) workers, are they generally have informal commercial businesses under following traits: 1) micro- scaled business which has a relatively small working capital, 2) use a simple/low technology, 3) produce a relatively low quality product or service, 4) non-permanent business place, 5) a very high work mobility or worker turnover, 6) no assurance for business continuation, 7) irregular business hours, and 8) a relatively low and non- fixed productivity and revenue rate. The potential BPU members estimation for 2016 is 72.56 million people, while workers who remain as members have age composition ranging from 400,000-900,000 persons. people. It can be seen in the following figure:

Figure 1.

BPU Potential Members Estimation 2016



Source: BPJS Ketenagakerjaan

The following section will discuss the Marketing Mix and Regulations on BPU membership expansion.

1. Product as referred to is a programme offered by BPJS Ketenagakerjaan in which BPU workers are offered 3 programmes, i.e. Provident Fund (JHT), Work-Related Accident Benefit (JKK), and Death Benefit (JKm). Several social security programme provisional amendments for BPU workers are: 1) BPU members are required to join 2 (two) programmes, i.e. JKK and JKm, and they can voluntarily join the JHT programme, 2) they can register via an umbrella organization/group, or 3) they can register independently via a distribution network of BPJS Ketenagakerjaan. The grace period is increased from previously 1 month to be 3 months. The outstanding contribution settlement process is no longer mandatory. It means the outstanding contribution exceeding the grace period is not required to be paid, unless members submit a claim on the grace period.

Benefits provided from the Work- Related Accident Benefit (JKK) consist of workers mobilization costs for them suffering from work-related accidents, medical treatment costs, rehabilitation costs, wage reimbursement when Temporarily Incapable to Work (STMB), permanent partial disability benefit, total permanent disability benefit, death benefit (according to labels), funeral costs, periodic benefit for members passed away or suffering from total permanent disability. The Death Benefit (JKm) consists of funeral costs and periodic benefit. The Provident Fund (JHT) consists of all paid-up contributions and its investment yields.

Furthermore, the Work-Related Accident Benefit (JKK) programme provides protection for BPU members against accident risks taking place during works. The protection against work-related accident is started when workers leave house, during works, until they come back to their house. Under such wide coverage, the workers are expected to be able to work without any burdens and feel safe because they have maximum protection from the Work-Related Accident Benefit programme. If they suffer from an accident during their work, benefits enjoyed by members are healthcare treatment costs at hospitals up to IDR20 million. If they pass away due to a work-related accident, inheritors of members are entitled to 48 times registered salary and periodic benefit of IDR200 thousand per month for 2 years. The same applies for a total permanent disability due to a work-related accident, workers will get additional benefits from JKK, i.e. JKK-Return to Work (JKK-RTW). This additional benefit provides trainings for workers suffering from a total permanent disability due to a work-related accident. Therefore, relevant workers can return to work with new skills from such trainings. Thus, a risk to loss job due to a work-related accident can be minimized.

In the Death Benefit (JKm) programme, it protects workers from a death risk which is not related to work-related accident. Legal inheritors of passed away workers are entitled to get compensation of IDR21 million in which the contribution premium is only 0.3% of the reported revenue. It is meant to reduce impacts from social risks due to loss of a family member. However, there is also a hope on a programme from BPJS Ketenagakerjaan to provide scholarship to children even though their parents, who are BPU members, do not pass away. It means there is lifetime sustainability.

2. Price here is a contribution stipulated to join the JKK, JKm, and JHT programme. The following is the amount of Programme contribution for BPU members and benefits to be taken.
 - a) JHT programme is 2% of the revenue which is based on a specific figure stipulated in the list and such figure is adjusted with each member's revenue. The Provident Fund Benefit is a programme which will give security for workers in their old age and it comes from savings balance stored in BPJS Ketenagakerjaan. The unique thing from saving in the JHT programme of BPJS Ketenagakerjaan is a higher interest rate than saving in banks. Balance of JHT can be withdrawn when they no longer work.
 - b) The JKK programme is 1% of the revenue. Under the JKK (Work-Related Accident Benefit) programme, a BPJS Ketenagakerjaan member will get security when s/he

suffers from a work-related accident. The security is compensation provided. Even though this member only registers for several days and they suffer from an unexpected work-related accident, they will still get compensation. However, JKK cannot be withdrawn like JHT.

- c) The JKm programme has a very affordable monthly contribution, i.e. IDR6,800.-. It is similar to the JKK programme above. By joining the JKm programme, members will get death compensation.

For the contribution payment process for BPU members of BPJS Ketenagakerjaan, they must pay independently because they do not work at a company and work independently. If it is observed from the contribution percentage provided to the BPU sector and two programmes, i.e. JKK and JKm, have a revenue assumption of IDR1,000,000,00 the contribution will only be IDR16,800,00 per month. This figure is not a big amount if it is compared to benefits accepted. However, why do many people not want to become a member? Is the contribution too big or have benefits provided not been enjoyed optimally by people? The following is the Table on Salary, Contribution, and Benefits Basis for BPU members.

Table 3.
Table on Salary, Contribution, and Benefits Basis for BPU members.

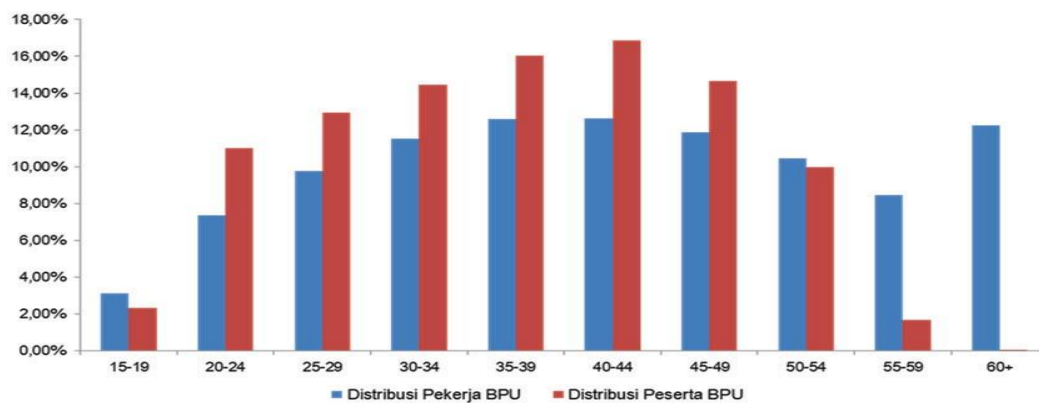
URUAN	DASAR PENGESAHAN MANFAAT	BESARNYA IURAN			MANFAAT					
		JKK (%)	JKM (%)	JHT (%)	MENINGGAL (Gatutan Sekelompok)	BIAYA PEMAKAMAN	BERKALA 2 Tahun (Sumbangan Sekelompok)		BERKALA 2 Tahun (Sekelompok)	
							MENINGGAL	BIAYA PEMAKAMAN	MENINGGAL	BIAYA PEMAKAMAN
sampai dgn 1.099.000	1.000.000	10.000	6.800	20.000	48.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
1.100.000 - 1.299.000	1.200.000	12.000	6.800	24.000	57.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
1.300.000 - 1.499.000	1.400.000	14.000	6.800	28.000	67.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
1.500.000 - 1.699.000	1.600.000	16.000	6.800	32.000	76.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
1.700.000 - 1.899.000	1.800.000	18.000	6.800	36.000	86.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
1.900.000 - 2.099.000	2.000.000	20.000	6.800	40.000	96.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
2.100.000 - 2.299.000	2.200.000	22.000	6.800	44.000	105.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
2.300.000 - 2.499.000	2.400.000	24.000	6.800	48.000	115.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
2.500.000 - 2.699.000	2.600.000	26.000	6.800	52.000	124.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
2.700.000 - 2.899.000	2.800.000	28.000	6.800	56.000	134.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
2.900.000 - 3.099.000	3.000.000	30.000	6.800	60.000	144.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
3.100.000 - 3.299.000	3.200.000	32.000	6.800	64.000	153.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
3.300.000 - 3.499.000	3.400.000	34.000	6.800	68.000	163.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
3.500.000 - 3.699.000	3.600.000	36.000	6.800	72.000	172.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
3.700.000 - 3.899.000	3.800.000	38.000	6.800	76.000	182.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
3.900.000 - 4.099.000	4.000.000	40.000	6.800	80.000	192.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
4.100.000 - 4.299.000	4.200.000	42.000	6.800	84.000	201.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
4.300.000 - 4.499.000	4.400.000	44.000	6.800	88.000	211.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
4.500.000 - 4.699.000	4.600.000	46.000	6.800	92.000	220.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
4.700.000 - 4.899.000	4.800.000	48.000	6.800	96.000	230.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
4.900.000 - 5.099.000	5.000.000	50.000	6.800	100.000	240.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
5.100.000 - 5.299.000	5.200.000	52.000	6.800	104.000	249.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
5.300.000 - 5.499.000	5.400.000	54.000	6.800	108.000	259.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
5.500.000 - 5.699.000	5.600.000	56.000	6.800	112.000	268.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
5.700.000 - 5.899.000	5.800.000	58.000	6.800	116.000	278.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
5.900.000 - 6.099.000	6.000.000	60.000	6.800	120.000	288.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
6.100.000 - 6.299.000	6.200.000	62.000	6.800	124.000	297.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
6.300.000 - 6.499.000	6.400.000	64.000	6.800	128.000	307.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
6.500.000 - 6.699.000	6.600.000	66.000	6.800	132.000	316.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
6.700.000 - 6.899.000	6.800.000	68.000	6.800	136.000	326.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
6.900.000 - 7.099.000	7.000.000	70.000	6.800	140.000	336.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
7.100.000 - 7.299.000	7.200.000	72.000	6.800	144.000	345.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
7.300.000 - 7.499.000	7.400.000	74.000	6.800	148.000	355.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
7.500.000 - 7.699.000	7.600.000	76.000	6.800	152.000	364.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
7.700.000 - 7.899.000	7.800.000	78.000	6.800	156.000	374.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
7.900.000 - 8.099.000	8.000.000	80.000	6.800	160.000	384.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
8.100.000 - 8.299.000	8.200.000	82.000	6.800	164.000	393.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
8.300.000 - 8.499.000	8.400.000	84.000	6.800	168.000	403.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
8.500.000 - 8.699.000	8.600.000	86.000	6.800	172.000	412.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
8.700.000 - 8.899.000	8.800.000	88.000	6.800	176.000	422.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
8.900.000 - 9.099.000	9.000.000	90.000	6.800	180.000	432.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
9.100.000 - 9.299.000	9.200.000	92.000	6.800	184.000	441.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
9.300.000 - 9.499.000	9.400.000	94.000	6.800	188.000	451.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
9.500.000 - 9.699.000	9.600.000	96.000	6.800	192.000	460.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
9.700.000 - 9.899.000	9.800.000	98.000	6.800	196.000	470.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
9.900.000 - 10.099.000	10.000.000	100.000	6.800	200.000	480.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
10.100.000 - 10.299.000	10.200.000	102.000	6.800	204.000	489.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
10.300.000 - 10.499.000	10.400.000	104.000	6.800	208.000	499.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
10.500.000 - 10.699.000	10.600.000	106.000	6.800	212.000	508.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
10.700.000 - 10.899.000	10.800.000	108.000	6.800	216.000	518.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
10.900.000 - 11.099.000	11.000.000	110.000	6.800	220.000	528.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
11.100.000 - 11.299.000	11.200.000	112.000	6.800	224.000	537.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
11.300.000 - 11.499.000	11.400.000	114.000	6.800	228.000	547.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
11.500.000 - 11.699.000	11.600.000	116.000	6.800	232.000	556.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
11.700.000 - 11.899.000	11.800.000	118.000	6.800	236.000	566.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
11.900.000 - 12.099.000	12.000.000	120.000	6.800	240.000	576.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
12.100.000 - 12.299.000	12.200.000	122.000	6.800	244.000	585.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
12.300.000 - 12.499.000	12.400.000	124.000	6.800	248.000	595.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
12.500.000 - 12.699.000	12.600.000	126.000	6.800	252.000	604.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
12.700.000 - 12.899.000	12.800.000	128.000	6.800	256.000	614.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
12.900.000 - 13.099.000	13.000.000	130.000	6.800	260.000	624.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
13.100.000 - 13.299.000	13.200.000	132.000	6.800	264.000	633.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
13.300.000 - 13.499.000	13.400.000	134.000	6.800	268.000	643.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
13.500.000 - 13.699.000	13.600.000	136.000	6.800	272.000	652.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
13.700.000 - 13.899.000	13.800.000	138.000	6.800	276.000	662.400.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
13.900.000 - 14.099.000	14.000.000	140.000	6.800	280.000	672.000.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
14.100.000 - 14.299.000	14.200.000	142.000	6.800	284.000	681.600.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
14.300.000 - 14.499.000	14.400.000	144.000	6.800	288.000	691.200.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
14.500.000 - 14.699.000	14.600.000	146.000	6.800	292.000	700.800.000	3.000.000	4.800.000	16.200.000	3.000.000	4.800.000
14.700.000 - 14.899.000	14.800.000	148.000	6.800	296.000	710.400.000	3.000.000	4.800.000			

The benefits of the protection provided by BPJS Ketenagakerjaan's programmes for BPU workers are treatments up to recovery without any cost limitation for workers who are injured at work and compensations up to 48 times wages for the inheritors of the workers who died due to a work-related accident. All protections are provided by paying only IDR16,800,00 for the contributions of Work-Related Accident Benefit (JKK) and Death Benefit (JKm) programme. This contribution payment should be explained to the public because they can pay the contribution per 6 or 12 months. In addition, they have facilities in terms of technical procedure.

3. Promotion is held by BPJS Ketenagakerjaan via media and advertisement and there has been many promotions carried out by BPJS Ketenagakerjaan. However, public remain consider two different BPJS organizations, i.e. BPJS Kesehatan and BPJS Ketenagakerjaan, are the same. This misconception significantly happens on the BPU sector. Up to recently, the BPU members registered into the Social Security programme range from 400,000 to 900,000 members, compared to the estimated figures on BPU workers. It means only 1% of BPU workers are protected by the Employment Social Security Programme. Regarding a total BPU workers in 2015 is estimated to reach 73.49 million people, the potential BPU members in 2015 is predicted to reach 72.56 people. Therefore, the BPU membership potential remains high, either potential for members under the retirement age (56 years old) or above the retirement age. The following is a comparison on BPU members Distribution vs Estimated BPU Workers Distribution.

Figure 2.

BPU Members Distribution vs Estimated BPU Workers Distribution



Source: Processed from the data of BPS: BPU Employment Database in 2016

The membership can be expanded by maximizing the internal membership equity via salary complaint service in BPJSTK Mobile. Then, a massive expansion to non- wage earning (BPU) workers sector can be acquired by hiring a third party as the representative of BPJS Ketenagakerjaan in order to acquire BPU workers and develop additional benefits for members. The synergy of all existing elements is significant to reach such main target. Promotions should be carried out in a place where many potential BPU members gather, such as fishermen's residences, traditional markets, craftsmen's residences, or farmers' residences because in general, BPU workers lack on information about BPJS Ketenagakerjaan. They know more on BPJS Kesehatan because they can directly enjoy the benefits and also promotions by BPJS Kesehatan can reach many public members. BPJS Ketenagakerjaan should promote intensively, i.e. visiting public groups at the village or orchard level and cooperating with other parties. It should also synergize with the provincial, regency/city, and even village or village administrative unit government. Other promotions are advertisement in printed and electronic media which is circulated to all provinces and regencies/cities, or local radios which can reach up to remote areas. Therefore, public can directly listen to such information.

Several regions have a promotion by integrating the BPJS Ketenagakerjaan membership card as a discount card to purchase products at certain outlets, hotels, restaurants, or BPJS Ketenagakerjaan's outlets. It must be carried out by other regions also. Thus, public can enjoy more benefits as members.

The following is the example of promotion.

Picture 1.

Example of Promotion



Source: BPJS Ketenagakerjaan

- Place or distribution is an area coverage and availability of BPJS Ketenagakerjaan's offices in all over Indonesia. Nowadays, BPJS Ketenagakerjaan has 11 Regional Office in Indonesia, i.e. Sumbagut, Sumbariau, Sumbagsel, Jakarta, West Java, Banten, Central Java and DIY, East Java, Bali Nusa Papua, Kalimantan and Sulawesi Maluku. Then, BPJS Ketenagakerjaan also has 121 branch offices and 203 pioneering branch offices. The distribution composition is as follows.

Table 4.

Total Work Unit per Regional Office

No.	Regional Office	Number of Branch Offices	Total KCPs
1	Sumbagut	11	20
2	Sumbariau	11	19
3	Sumbagsel	8	19
4	Banten	6	8
5	DKI Jakarta	17	6
6	Jawa Barat	14	11

7	Jawa Tengah	12	23
8	Jawa Timur	16	20
9	Banuspa	7	20
10	Kalimantan	11	19
11	Sulama	8	38
	Total	121	203

Source: BPJS Ketenagakerjaan

If above figures are analysed, it is still considered as a small number of offices for a massive work areas and high workers coverage, especially BPU workers who are spread all over Indonesia. Many BPU workers are located in remote areas which are not reachable by internet network. Thus, members may face some difficulties to register. In order to reach the 2019 Roadmap target, it is expected that BPJS Ketenagakerjaan has offices in all regencies/cities. Thus, it can penetrate sub-districts and villages. If it is difficult to be carried out due to an efficiency reason, BPJS Ketenagakerjaan may cooperate with a local bank or BRI, which has branch offices up to regencies and even sub-districts. Then, BPJS Ketenagakerjaan should also expand its distribution through channels, which are also regulated in regulations. In terms of informal workers acquisition mechanism via channels, it has a weakness in which the contributions are often embezzled. Therefore, anticipation can be taken by registering such channels via relevant Ministries. This channel mechanism should be recommended to the Board of Directors in order to grasp more informal workers and a review should be conducted in order to know whether fees for channels can be considered as gratification or not. If so, it can provide solutions.

Regarding the membership for fishermen, the fishermen's membership to the employment social security should be enforced via the Ministry of Marine and Fishery. The cooperation with the Ministry of Marine and Fishery to acquire the fishermen sector must be immediately carried out as the potential members are many and can reach all over Indonesia. Thus, fishermen as BPU workers can also enjoy benefits as members.

In addition, BPJS Ketenagakerjaan can have a partnership with a Local Government-Owned Enterprise (BUMD) for clients submitting a business loan to a local development bank, where the bank can assist the registration via counters at such bank and its branches at the regency/city level. The expansion of BPU members can be carried out by the Provincial and regency/city government via a stimulant agreement for Islamic

school/Quran study teacher, religious figures, public figures in which it will be funded from the fund of the Provincial and regency/city government. Thus, BPJS Ketenagakerjaan should open a partnership network with institutions, relevant agencies, and religious and public figures.

Cooperation with the Provincial and regency/city government is expected to include village administrators as members of BPJS Ketenagakerjaan in which the Provincial and regency/city government issues a Regulation of a Governor or Regent/Mayor. It has been performed by Tapanuli Utara Regency at North Sumatera Regency, which includes village administrators and non-permanent civil servant workers as the members of BPJS Ketenagakerjaan in September 201. Then, Sumbagut also has a Desa Sadar Jaminan Sosial (DSJS) / Village Aware of Social Security, which can become a pilot project for other regions in Indonesia. However, standardization is necessary to decide upon this DSJS. Thus, it will not overlap with villages categorization by the Ministry, or BPJS Ketenagakerjaan can have a synergy with the relevant Ministry.

At the Nusa Tenggara Barat province, the Governor has met APTI (Asosiasi Petani Tembakau Indonesia) / Indonesian Tobacco Farmers Association, and they discussed about a judicial review for Law on Dues. There is a wiggling space to include tobacco farm workers as members of BPJS Ketenagakerjaan based on needs. By a new Regulation of the Ministry of Finance, 30% of the space can be improved. The Governor expects the Board of Commissioners of BPJS Ketenagakerjaan can meet relevant Ministers, such as Minister of Forestry. Thus, the reforestation fund can cover workers at the forestry sector or communities surrounding the forests.

5. Other significant issue to expand membership is People, i.e. reliable and dedicated personnel are necessary. Personnel to manage Pioneering Branch Offices should be added, especially for marketing and service. If the personnel addition is not plausible, the BPJS Ketenagakerjaan volunteers should be hired. Several regions have practiced this method. However, active volunteer number has dropped. Therefore, BPJS Ketenagakerjaan should recruit volunteers again. These BPJS Ketenagakerjaan volunteers should be distributed to each Pioneering Branch Office as they will have direct contact with BPU members. There are vacancies for Marketing Officers in 37 Branches and not all branch offices have human resources to manage the BPU workers (recently, BPJS Ketenagakerjaan only has 29 persons). Then, the KCP function has not been optimal as some employees hold two positions and there is no allocated acquisition and BPU membership management cost.

The partnership with seven non-banking aggregators is one of the membership expansion strategies used by Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan in order to protect all Indonesian workers, especially non-wage earning (BPU) workers from work-related risks. Such aggregators are PT. Fusindo Soka, PT. Bakoel Nusantara, PT. Butracotama Sentosa, PT. Niagaprima Paramitra, PT. Design Jaya Indonesia, PT. Sarana Pactindo, and PT. Indosat, Tbk. The monitoring and evaluation for this partnership should be conducted as it has been governed in the Cooperation Agreement (PKS) signed by BPJS Ketenagakerjaan and seven non-banking aggregator directors in May 2015 in Bali. This monitoring and evaluation activity is considered highly important to measure the effectiveness of such cooperation agreement against the increase of BPU membership acquisition by BPJS Ketenagakerjaan. This cooperation should be improved if it is observed from the BPU membership acquisition up to June 2016 via branch offices of 288,368 members, banking of 138,825 members, and non-banking aggregators of 33,071 members. From previous partnerships, issues to be remedied have been evaluated in order to provide facilities for the participants in registration and contribution payment. The unique BPU worker characteristics need easy access to information and registration, and contribution payment. Here, the aggregators hold a role because they have widely distributed channels, which are potential to reach prospective BPU members. In addition to monitoring and evaluation, BPJS Ketenagakerjaan will also extend a Partnership Agreement with seven aggregators related to the registration and contribution payment of BPU members at BPJS Ketenagakerjaan in which the effective period reaches up to 2017. The scope of partnership in this agreement is to receive registrations, contribution payments, data reconciliation, and Non-Wage Earner's (BPU) contribution transactions

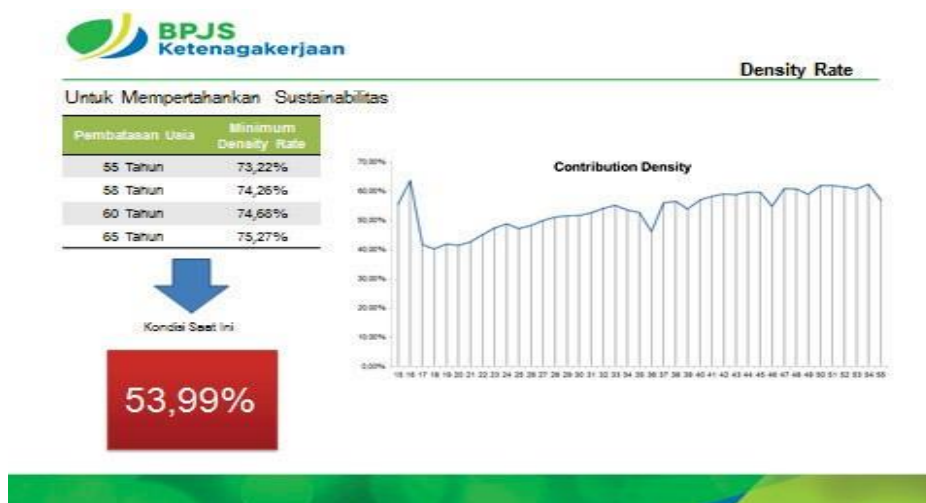
6. Physical evidence referred to is buildings or offices which can show the existence of BPJS Ketenagakerjaan. Thus, BPJS Ketenagakerjaan needs not only main office but also Regional, Branch, and Pioneering Branch Offices. The existing imaging or appearance will certainly affect the public's perception to BPJS Ketenagakerjaan. The logo, building colour and decoration, employees' appearance, and facilities at such offices will also affect the perception of the public. This branding can be conducted in cooperation with Banks providing KUR, such as BRI, by providing 3-month contribution withholding from the micro or retail KUR.
7. Process. Many inconsistencies of online BPU data are found, e.g. PU members who claim for JHT will be input as BPU members and they do not have any valid National Identity

Number. The BPS's data on formal workers and number of members who really work, cannot also be used as a reference. Some hindrances are 1) many prospective members do not have any National Identity Number, 2) age limitation is stipulated at 56 years old while BPU members have reached more than 56 years old when they resign from PU and they are still potential, 3) limited marketing personnel, especially for BPU members, so public members still face some difficulties to register as a member.

Based on the provision of PER- 24/MEN/VI/2006, the LHK membership for periods before 2016, is still limited by age, provided that the highest age limit to become a member of JAMSOSTEK is 55 years old. Since 2016, under the provisions of Regulation of the Minister of Labour Number 1 of 2016 on Procedure of Work-Related Accident Programme, Death Benefit, and Provident Fund for Non-Wage Earning Members, the age limit to become a member is 56 years old. Then, the BPU application also has some technical difficulties compared to previous application. The current application is not user-friendly.

The expansion of BPU membership needs a Regulation to govern the age limit to become a member as blue-collar workers, farmers, fishermen, and peddlers are dominantly more than 56 years old. The same thing also applies for a worker, who was a Wage-Earner and now has retired. When, s/he becomes a BPU worker, her/his ages will be more than 56 years old. From a review by the actuarial team of BPJS Ketenagakerjaan, it is highly possible to raise the age limit of BPU members to be 60 years old.

Picture 2.
Age Limit of BPU



Source: BPJS Ketenagakerjaan, 2016

Conclusion

Based on the analysis on BPJS Ketenagakerjaan's BPU membership expansion strategy as described above, the followings are the conclusions.

1. The BPU potential is still high but the membership remains low due to public perception on the benefits of JKK, JKM, and JHT programme, lack of promotion to regions where there are many BPU workers.
2. BPJS Ketenagakerjaan has conducted many programmes to improve the BPU membership, whether it is by promotion, cooperation with relevant parties, or intensive from benefits programme and stimulants. However, the programme does not run well as stimulated members do not continue independently.
3. Problems related to the BPU membership are 1) many BPUs do not know about the programme, 2) a perception that the service and implementation in the field is really complicated (not user friendly).
4. Many problems occur during the registration as a member, such as unsynchronized national identity number, difficulty to access BPU online, and a contribution payment system which is not user friendly.
5. Regulations from the Government, either central or regional, are necessary in order to regulate social protection procurement for non-civil servant workers budgeted in the National Budget or Local Budget. Thus, it can provide employment security for such workers.

Recommendation

1. Raise of BPU's age under the mandate of the Law that all formal and informal workers must be covered. It is realized by a strategy on recruitment, communication, and recruitment of BPJS Ketenagakerjaan volunteers at the regional level;
2. Image that the BPJS Ketenagakerjaan programmes are not burden. Instead, they are a solution for a proper and better life in the future. BPJS Ketenagakerjaan makes a branding to ensure people to become BPU members;
3. Regulation to determine the maximum limit for JHT membership until it can be withdrawn. Therefore, the benefits can be accepted in the future;
4. Direct promotions to community members are necessary via routine activities of communities/associations because information on BPJS Ketenagakerjaan has not been submitted. The promotions include: benefits of each programme and additional benefits from the membership, categorization of BPU and PU, friendly and accessible service for members for registration, contribution payment, claim payment, and post-accident or

death service. Then, categorizations for small/micro businesses are necessary to group them into BPU or PU.

5. Provide reward, such as Village Aware of Social Security, and regulate the categories of Village Aware of Social Security.
6. The improvement of banking partners' contribution in assisting BPJS TK, with a local development bank or similar bank which has more branch offices.
7. Workers who have not hold any National Identity Number, can still register.
8. Acquisition costs and BPU membership management fees for Partners should be made effective again.

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