

The Role of Local Government in Organizing Social Security for Employment: A Comparative Case Study Between Cities and Regencies

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ABSTRACT

Various risks and uncertainties in the world of work become obstacles to workers' productivity in carrying out their duties. In this case, social security for workers acts as a form of protection for workers' social rights from various risks that may occur during the work period. This study aims to determine the role of local governments in cities and districts in implementing social security programs for workers and what challenges are faced in implementing the program. The type of research used in this study is normative legal research, namely a type of legal research methodology that bases its analysis on applicable laws and regulations that are relevant to the legal problems that are the focus of the research. In addition, this study also uses secondary data obtained from references in the form of journals, writings, websites, and other sources. The conclusion of this study is that local governments have a very important role in implementing social security for workers by linking central policies and implementation at the local level. This role includes socialization, regulation, supervision, provision of access, and infrastructure. So that synergy is needed between the central government, local governments, and various related parties to ensure that all workers can be protected by the social security program for workers.

INTRODUCTION

The implementation of labor social security in Indonesia has become increasingly important as economic and social challenges faced by society grow. In this context, local governments play a key role in ensuring that social security programs are effectively implemented, especially for workers in the informal sector who are often not registered in the social security system. Based on Presidential Instructions Number 2 of 2021 and Number 4 of 2022, local governments are expected to integrate labor social security programs into regional planning policies. This includes ensuring that workers in the informal sector, such as farmers and laborers, receive the same protection as formal sector workers. Therefore, local governments must be proactive in encouraging community participation in labor social security programs. Local government oversight is crucial, considering the many companies that have yet to comply with the obligation to participate in labor social security programs, as stipulated in Law Number 24 of 2011 concerning the Social Security Organizing Body, which requires companies to register workers/laborers with BPJS Employment. This obligation is also stated in Article 15, paragraph (1) of the BPJS Law, which mandates that companies with more than 10 employees must register workers/laborers with BPJS Health and Employment. BPJS Employment administers several programs, including the Work Accident Insurance (JKK), Death Insurance (JKM), Old Age Insurance (JHT), Pension Insurance, and Job Loss Insurance.

In November 2023, Bambang Supriyono, a registered Gojek driver partner, had an accident in the Kebayoran Lama area of Jakarta and was taken to Eka Hospital Permata Hijau for treatment. Bambang Supriyono's medical and treatment costs, totaling more than Rp 158 million, were covered by BPJS Employment.

Recent data shows that from January to September 2024, the number of workers affected by mass layoffs reached 52,993 people. This phenomenon reflects the difficult economic conditions and their impact on job stability. With the occurrence of layoffs, the need for social protection through labor security programs becomes urgent, especially for those who have lost their jobs and require financial support. A person who is registered with the labor social security system, when affected by layoffs, will receive benefits through the Job Loss Insurance program provided by BPJS Employment. Labor social security not only protects individuals but also contributes to the overall economic welfare of society. With this protection, workers can face work-related risks with more confidence.

Collaboration between local governments and BPJS Employment is key to the success of this program. Local governments are responsible for overseeing the program's implementation in their areas, ensuring that companies register their workers in accordance with the applicable regulations.

METHOD

The type of research used in this study is normative legal research, a methodology that bases its analysis on the applicable laws and regulations that are relevant to the legal issues being studied. This research can be conducted using various approaches, such as the statutory approach, case approach, historical approach, comparative approach, etc. In this case, the research approach used is the statutory approach. Additionally, this study also uses secondary data obtained from references such as journals, articles, websites, and other sources.

RESULTS AND DISCUSSION

Regional autonomy is an ongoing process that is never fully completed and continually changes due to new demands and the weaknesses of previous formulations, which are influenced by internal and external environmental changes. The experience of regional autonomy practices since the reform era to the present shows signs of change toward better implementation of autonomy.

According to Wiradilmustan, the regulation of regional authority in the implementation of autonomy since the reform era is similar to the provisions of the Regional Autonomy Law, meaning it brings the government closer to the people. Autonomy exists to make the government aware that the people need it because it is part of the people.

In addition to playing a role in protecting the community and realizing public aspirations, local governments must also be able to manage various authorities delegated and entrusted by the central government. In exercising this broad authority, the government is still limited by important policies within the framework of the Unitary State of the Republic of Indonesia.

The authority delegated to local governments to implement regional autonomy that cannot be delegated by the central government is labor affairs. This labor aspect is very comprehensive and also includes supervision over labor regulations issued by the central government, such as Labor Regulations and Social Security, which are currently managed by an agency called the Social Security Organizing Body (BPJS Ketenagakerjaan).

The policy of designating provinces as autonomous and administrative regions is carried out to maintain the central-local government relationship in the unity of the Republic of Indonesia. Moreover, to achieve regional autonomy, which essentially involves inter-district and inter-city regions, the realization of regional autonomy is not solely carried out by district or city governments. Additionally, local governments are responsible for carrying out certain governmental functions delegated as part of the implementation of the principles of deconcentration.

One of the current challenges in social security is the limited coverage and involvement of the population. Raising awareness among the public and business actors about the benefits and obligations of participating in the labor social security system (BPJS Ketenagakerjaan) is not easy and is full of obstacles.

Social protection is an important part of the government's strategy to fight poverty and alleviate the complex suffering experienced by disadvantaged groups. Social protection as a public policy refers to various forms of services, provisions, and programs developed by the government to protect its citizens, especially disadvantaged groups, from various economic, social, and political threats that continuously affect their lives.

Legal protection for residents enrolled in labor and social security (BPJS Ketenagakerjaan) is one of the local government's tasks in the social field when implementing its political duties at the regional level. This legal protection is provided based on the authority regulated in Law No. 23 of 2014 on Regional Government.

In essence, BPJS is a social security system provided by the state to its citizens. This means that all Indonesian citizens automatically receive social security, regardless of where they are and whether they work or not. However, recently, social security has become an obligation for all community members, considering the risk of not receiving special services, particularly in the health sector.

In general, BPJS Ketenagakerjaan membership is open to both formal and informal sector workers. Permanent workers are usually those in industries that require specialized knowledge, such as civil servants, private employees, and workers in the industrial, service, and transportation sectors.

Labor inspectors operate at all national and regional levels. Central-level inspections are based in Jakarta under the Ministry of Manpower, while regional inspectors operate under the Department of Manpower, under the Governor. Based on Law No. 23 of 2014, oversight is no longer at the district/city level, so regional supervision is carried out by provincial governments.

Since the authority of local governments is very clear, local governments can carry out supervision, coaching, and enforcement based on their authority. Therefore, referring to the accountability principle, local governments must be able to be responsible for ensuring the protection of workers in their regions.

The role of local governments in the implementation of labor social security is crucial in ensuring worker protection and welfare, both at the city and district levels. Although in general their duties and responsibilities are similar, there are differences in implementation and challenges faced by city and district governments.

A. Role of Local Governments in Labor Social Security

Local governments are responsible for:

1. **Socialization and Education:** Increasing public awareness, especially among informal sector workers, about the importance of labor social security. Lack of education and cooperation with BPJS Ketenagakerjaan can result in this program being poorly recognized by the public.
2. **Regulations and Policies:** Formulating local regulations that support the implementation of labor social security, such as what the Blora District has done in formulating policies for social protection for informal workers.
3. **Facilitation and Supervision:** Facilitating worker registration into the social security program and overseeing its implementation to ensure compliance with regulations. Local governments also need to ensure that companies and workers in their regions are registered as BPJS Ketenagakerjaan participants.

B. Differences in Implementation Between Cities and Districts

Differences between city and district governments in the implementation of labor social security can be seen in several aspects:

1. **Population Density and Characteristics:** Cities tend to have higher population densities with a predominance of formal sector workers, while districts may have more informal sector workers. This affects the socialization and education strategies, which must be tailored to the characteristics of workers in each region.
2. **Resources and Infrastructure:** City governments may have more adequate resources and infrastructure than district governments, enabling them to provide better services in implementing labor social security. However, this is not always the case, depending on the priorities and policies of each region.
3. **Local Policies:** Some regions have developed specific local regulations regarding labor social security, such as Blora District, which formulated policies for social protection for informal workers. These kinds of policies show the local government's commitment to protecting workers in their region.

C. Challenges Faced

Several challenges faced by local governments in implementing labor social security include:

1. **Lack of Public Awareness:** Many workers still do not understand the importance of labor social security, particularly in the informal sector.
2. **Limited Resources:** Some regions may face limitations in human and financial resources to optimally implement social security programs.

3. **Coordination Between Institutions:** Lack of coordination between local governments and BPJS Ketenagakerjaan can hinder the implementation of this program.

Labor social security is a form of protection provided to the workforce to ensure they receive fair social rights when facing certain risks, such as work accidents, death, pension, or job loss. In Indonesia, labor social security is managed by BPJS Ketenagakerjaan (formerly known as Jamsostek), which was established to provide social protection for all workers, both in the formal and informal sectors.

The role of local governments in implementing labor social security is vital, particularly in ensuring broad coverage, overcoming local constraints, and aligning policies with the needs of the communities in their regions. However, there are significant differences in the implementation of labor social security between urban (city) and rural (district) areas. These differences are related to factors such as the level of urbanization, economic structure, and accessibility of services.

This chapter will examine the role of local governments in implementing labor social security through a comparative study between urban and district areas. The main focus of this discussion is to explore how local governments in both types of regions implement labor social security programs and the challenges they face.

Before delving further into the role of local governments, it is important to understand the basic concept of labor social security. Labor social security is a social protection system designed to provide guarantees against various social risks faced by the workforce, such as work accidents, death, pension, and job loss. In Indonesia, labor social security programs are regulated by law and administered by BPJS Ketenagakerjaan, which provides the following types of benefits:

- **Work Accident Insurance (JKK):** Provides protection for workers who experience work-related accidents, including medical and rehabilitation costs and compensation for workers with disabilities.
- **Death Insurance (JKM):** Provides benefits for the heirs in case a worker dies due to a work-related accident or other causes.
- **Old Age Insurance (JHT):** Provides pension funds for workers who have reached retirement age or stopped working for other reasons.
- **Pension Insurance (JP):** Provides income for workers who have reached retirement age.

Local governments play a crucial role in supporting the implementation of this labor social security program. Local governments act as a link between national policies and field implementation and are responsible for addressing emerging challenges, such as socialization, supervision, and law enforcement.

CONCLUSION

The conclusion presents a summary of the discussion of the results, referring to the research objectives. Based on these two aspects, new ideas are developed, which are the essence of the research findings. Occupational social security is a form of protection designed to provide social rights for workers in the face of risks such as workplace accidents, death, retirement, or job loss. This program is regulated by law and managed by BPJS Ketenagakerjaan to cover both formal and informal workers in Indonesia.

Local governments play a very important role in implementing occupational social security by linking central policies with local implementation. This role includes socialization, regulation, supervision, providing access, and infrastructure. However, there are significant differences in the implementation approaches between urban and rural areas.

In urban areas, local governments have the advantage of easier access to formal sector workers, adequate infrastructure, and better supervisory capacity. In contrast, in rural areas, the majority of the population works in the informal sector, which requires a community-based approach, innovation in outreach, infrastructure improvements, and coordination with various local stakeholders. Despite these differences, both in cities and rural areas, local governments face the same challenges, such as budget limitations, low public awareness, and the need for policies that are tailored to regional characteristics. Therefore, synergy between the central government, local governments, and various relevant parties is needed to ensure that all workers are protected by the occupational social security program.

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