Analysis of the Contributing Factors to the Surge In Job Loss Insurance (JKP) Claims at BPJS Ketenagakerjaan in the First Quarter of 2025

Annisa Rahimah Nasution[1*], Embun Tri Aulia[2], Faiqoh Luxfia[3], Yeyen Ayuka[3]

[1]Universitas Sumatera Utara

nisa04nst@gmail.com, embuntriaulia06@gmail.com, faiqohluxfia08@gmail.com, yeyenayuka62@gmail.com

Abstract

This study aims to identify and analyze the factors contributing to the surge in Job Loss Insurance (JKP) claims in the first quarter of 2025 and its correlation with layoff (PHK) data in Indonesia. Using a qualitative approach through literature and desk research, the study identifies the factors influencing the relationship between mass layoffs and the spike in JKP claims data in Q1 2025, data were collected from official reports of the BPJS Employment Agency, news articles, and statistical publications on Indonesia's economic growth in the first quarter of 2025. The study finds JKP claims in the first quarter of 2025 reached 35,493 cases, with total disbursements amounting to IDR 161.005 billion, representing a 100.6% increase compared to the same period in the previous year. This surge in JKP claims reflects significant pressure on Indonesia's labor market, driven by factors such as economic growth, digitalization, and cost-efficiency measures.

Keywords: BPJS Ketenagakerjaan, Growth Economic, Job Loss Insurance (JKP), Mass Layoffs (PHK)

1. INTRODUCTION

In recent years, Indonesia's labor market dynamics have come under significant pressure due to global economic uncertainty, technological disruption, and corporate operational efficiency measures. One of the most evident impacts of this situation is the increasing number of layoffs across various industrial sectors, particularly in manufacturing, technology, and media. Data from Statistics Indonesia (BPS) indicate a rise in the open unemployment rate, which directly reflects the widespread occurrence of mass layoffs.

Programs providing unemployment insurance are essential for maintaining economic stability, though their effectiveness depends on the specific labor market conditions. In more developed countries, these programs are typically closely linked to broader social protection systems.

The Job Loss Insurance (JKP) Program managed by BPJS Ketenagakerjaan is an initiative by the Indonesian government to provide social protection for workers who experience termination of employment (layoffs). The Job Loss Insurance (JKP) program is a component of the National Social Security System designed for workers who experience termination of employment (layoffs). This program is legally established under Law No. 6 of 2023, which ratifies Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into law. In essence, JKP is an enhancement of Law No. 40 of 2004 on the National Social Security System (SJSN), which previously encompassed programs such as Health Insurance (JKN), Work Accident Insurance (JKK), Old-Age Security (JHT), Pension Insurance (JP), and Death Insurance (JKm), (Habibi, 2025)

In the first quarter of 2025, BPJS Ketenagakerjaan recorded a significant surge in JKP claims, with total disbursements made to approximately 35,000 laid-off workers (Prahendra, 2025). This phenomenon indicates considerable pressure on the labor market, which is suspected to be driven by various factors. BPJS Watch has highlighted this increase in claims as a reflection of structural challenges in the labor sector, such as corporate policy shifts or industrial transformation (Badan Penyelenggara Jaminan Sosial Ketenagakerjaan, 2025).

In addition, factors such as global economic fluctuations and digitalization are also cited as triggers for the rising number of layoffs (Kontan.co.id, 2025). The spike in JKP claims underscores the need to analyze its underlying causes, both from macroeconomic perspectives such as economic growth slowdowns and micro-level factors, such as corporate workforce management strategies (Kontan.co.id, 2025). External factors like automation and changing business models also have the potential to worsen the situation (Badan Penyelenggara Jaminan Sosial Ketenagakerjaan, 2025).

A comprehensive analysis of these factors is essential to understand labor market dynamics and to formulate effective mitigation strategies for the government, BPJS Ketenagakerjaan, and other stakeholders. This article aims to identify and analyze the causes behind the surge in JKP claims during the first quarter of 2025 and their correlation with layoff data over the same period.

2. RESEARCH METHODS

This study employs a qualitative approach using literature and desk research methods to analyze the contributing factors behind the surge in Job Loss Insurance (JKP) claims at BPJS Ketenagakerjaan in the first quarter of 2025. The literature review method was chosen because it enables the comprehensive collection of data from various relevant secondary sources, such as news articles, official reports, statistical data, and academic publications, which provide in-depth insights into the phenomenon under investigation.

Data collection techniques:

a. This study collects secondary data from credible sources, including official reports from BPJS Ketenagakerjaan.
b. Data were gathered through a systematic search of official websites and news articles published in 2025, focusing on information related to JKP claims, causes of layoffs, and labor market dynamics. Keywords such as "JKP claims 2025," "layoffs in Q1 2025," and "BPJS Ketenagakerjaan" were used to ensure comprehensive data coverage.
c. The collected data were analyzed qualitatively using a descriptive-analytical approach. The analysis process involved categorizing the contributing factors behind the surge in JKP claims into macroeconomic, microeconomic, and external factors. Findings from various sources were compared to identify patterns and causal relationships between layoff data and BPJS claim data in the first quarter of 2025.
d. The results of the analysis were synthesized into a coherent narrative outlining the key factors driving the increase in JKP claims. The findings were presented in the form of logical arguments supported by citations from relevant literature sources.

3. RESULTS AND DISCUSSION

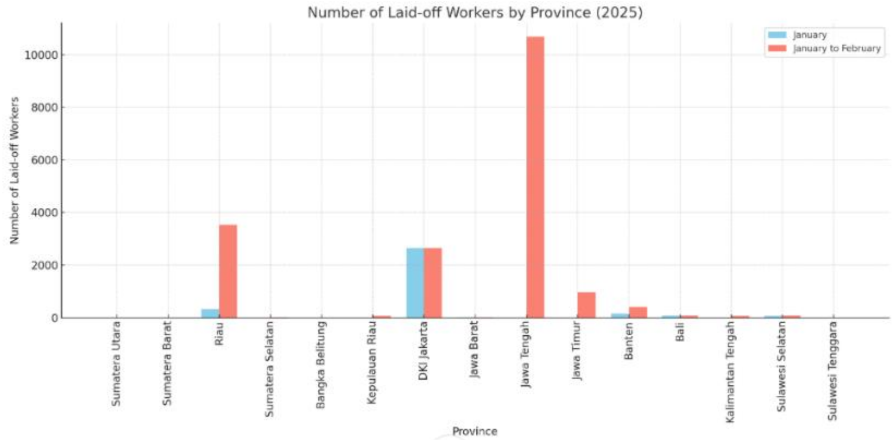
1. Lay-Off

Termination of employment (layoff) is a legal action that occurs unexpectedly and impacts both parties involved, namely the workers and the employers (Prameswari & Handayani, 2020). For workers, layoffs mark the beginning of job loss, which serves as their primary source of income for themselves and their families. Meanwhile, from the employer's perspective, losing employees means losing valuable assets essential to the company's operational continuity (Husni, 2023).

Within the framework of labor law, layoffs are considered a last resort, permitted only after all possible efforts for resolution have been exhausted and in compliance with applicable regulations. This approach reflects the understanding that maintaining a working relationship that is no longer aligned or compatible can cause even greater harm if forced. Layoffs may occur due to industrial relations disputes or external circumstances beyond the company's control, such as natural or non-natural disasters (Israhadi, 2020).

Based on the data on the number of workers who experienced layoffs (PHK) by province during the Q1 of 2025 (January to February), a total of 18,610 workers were recorded as having been laid off. The distribution of layoff cases was uneven across Indonesia. The province with the highest number of layoffs was Central Java, with 10,677 cases, accounting for more than half of the national total. This was followed by Riau Province (3,530 cases), DKI Jakarta (2,650 cases), East Java (978 cases), and Banten (411 cases). These figures indicate that regions with a high concentration of industries and labor-intensive economic activities tend to experience a higher number of layoffs.There was a significant surge in the number of layoffs from January to February 2025. In January, only 3,325 layoffs were recorded, but this number spiked to 18,610 by the end of February. This increase of nearly 460% within just one month suggests the occurrence of mass restructuring.

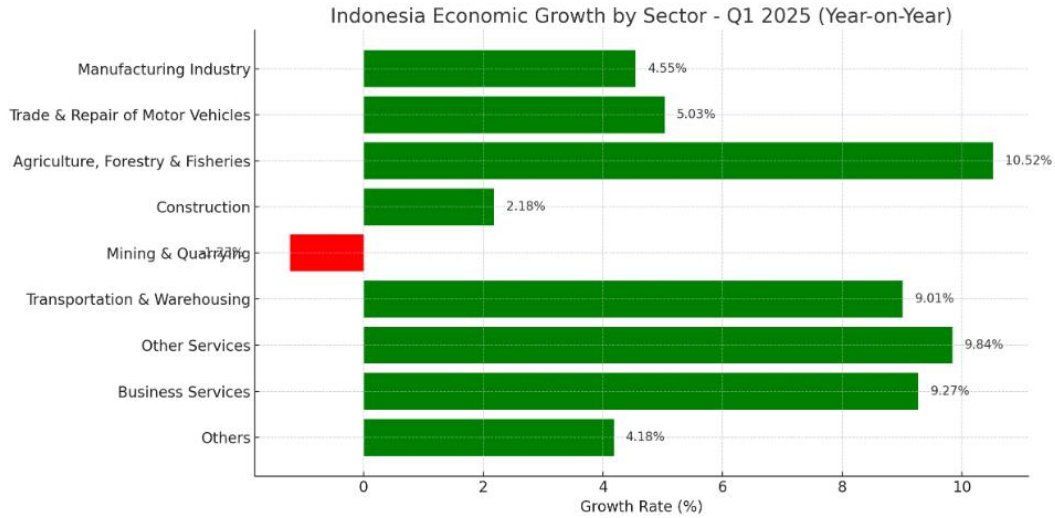
Grapich 1. Number of Layoffs by Province in 2025

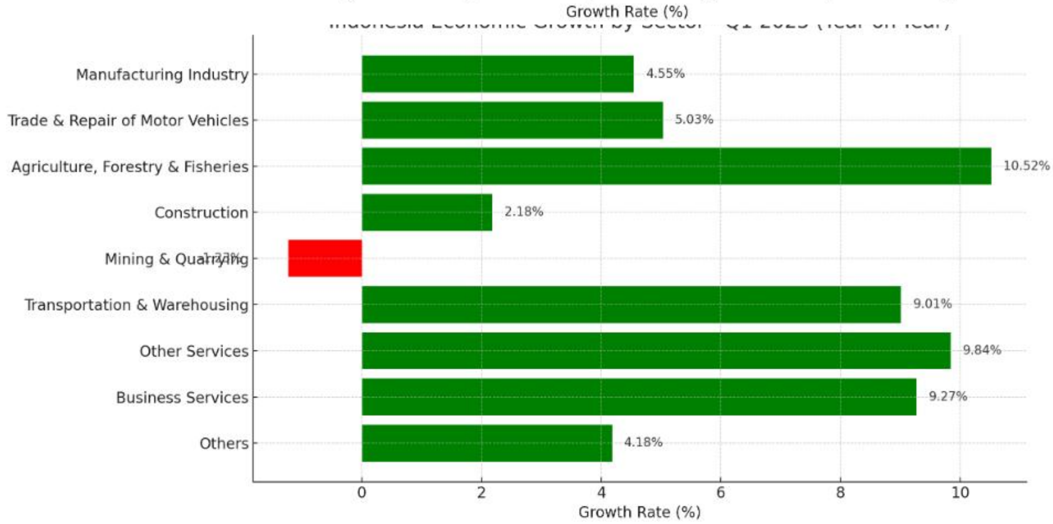


Source: Kemnaker RI, 2025

2. Macroeconomic Growth

Grapich 2. Indonesia Economic Growth By Sector – Q1 2025 (YoY)





Source: BPS, 2025

Meanwhile, Statistics Indonesia (Badan Pusat Statistik/BPS) recorded Indonesia's economic growth in the first quarter of 2025 at 4.87% year-on-year, with significant growth observed in the Agriculture, Forestry, and Fisheries sector (10.52%), Other Services (9.84%), Business Services (9.27%), and Transportation and Warehousing (9.01%). However, the Manufacturing Industry and Wholesale and Retail Trade sectors, which play a dominant role in the economy, grew modestly by only 4.55% and 5.03% respectively, while the Mining and Quarrying sector contracted by 1.23% (Statistics Indonesia, 2025).

The disparity in economic growth across sectors emerged as one of the key factors behind the surge in layoffs during the first quarter of 2025. The Manufacturing sector, which includes the textile and textile product (TTP) industry predominant in Central Java grew by only 4.55%, significantly lower than sectors such as Agriculture and Services. The bankruptcy case of a major textile company, such as PT Sritex in Central Java, serves as a concrete example of this pressure's impact, contributing to the 10,677 layoffs recorded in the province, (Tempo.co, 2019).

Microeconomic growth in Indonesia in the first quarter of 2025 reflects significant dynamics, particularly in the sectors of household consumption, agriculture, livestock, and employment. Based on available data, household consumption grew by 4.89% year-on-year (yoy), although this marked a slight slowdown compared to the 4.91% recorded in Q1 2024. This growth remains one of the main pillars supporting the national economy, driven by increased domestic demand, especially during the Ramadan and Eid al-Fitr period. However, the deceleration indicates mounting pressure on household purchasing power, particularly among the lower-middle-income groups, influenced by global economic uncertainty and rising prices of certain commodities, (BPS, 2025).

3. Microeconomis Growth in Household Consumption

In the first quarter of 2025, household consumption remained a key driver of Indonesia's economic growth, recording a year-on-year (y-o-y) increase of 4.89%. Although this figure shows a slight deceleration compared to the 4.91% growth in the same period of 2024, it still reflects the resilience of domestic demand amid global economic uncertainties and rising commodity prices. The growth in consumption was primarily fueled by seasonal factors such as Ramadan and Eid al-Fitr, which significantly boosted the demand for food, meat, and eggs. Consequently, this contributed to notable growth in the livestock sector, which expanded by 8.83%, and an exceptional surge in the food crop sector, which increased by 42.26%. These trends demonstrate the strong link between household consumption patterns and the performance of agricultural sub-sectors, particularly during religious and cultural festivities, (BPS, 2025).

Despite signs of economic activity, the Indonesian labor market in early 2025 was significantly impacted by a surge in mass layoffs. While the Open Unemployment Rate (TPT) slightly declined from 4.82% in February 2024 to 4.76% in February 2025, the absolute number of unemployed individuals increased by 80,000. This paradox highlights a growing labor force outpacing job creation, with layoffs in various sectors—including technology, manufacturing, and retail—contributing to job losses.

The wave of layoffs exacerbated structural challenges within the labor market, particularly the rising proportion of informal workers, which climbed from 59.17% to 59.40% over the same period. This increase suggests that many individuals affected by layoffs turned to the informal sector as a means of survival. The growing reliance on informal employment points to vulnerabilities in Indonesia's economic fabric, especially regarding job security, worker protection, and access to social benefits, (BPS, 2025).

Despite the turbulent employment landscape, several microeconomic sectors provided significant job absorption. The trade sector led with the employment of approximately 0.98 million individuals, followed by the agriculture sector (0.89 million) and the manufacturing sector (0.72 million). These sectors became critical safety nets for workers displaced by layoffs in more formal, capital-intensive industries. The shift of labor into these sectors—many of which are part of the informal economy—reflects both resilience and risk: while they offer immediate employment, they also highlight the fragility of Indonesia's formal labor market in times of economic shock, (BPS, 2025).

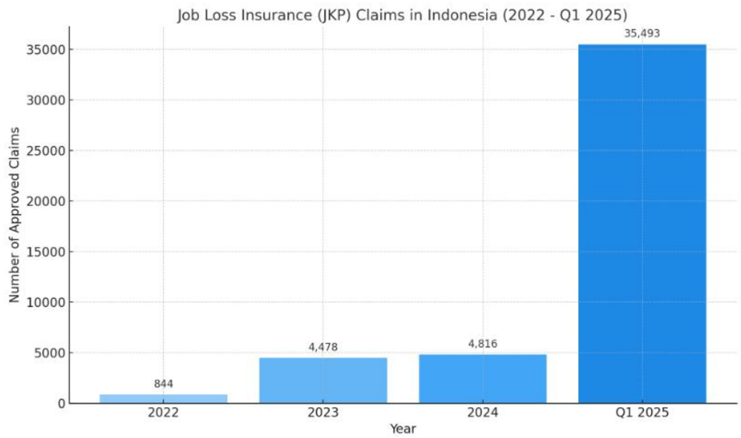
4. Statistics Of Job Loss Insurance (JKP) Claims

Table 1. Number Of Job Loss Insurance Claims – Q1 2025

Quarter	Claim Value (IDR Billion)	YoY Growth (%)
Q1 2025	161.005	100,6%

Source: Kontan.co.id

Grapich 3. Number Of Job Loss Insurance Claims In Indonesia 2022 – Q1 2025



Source : Dewan Jaminan Sosial Nasional, 2025

Data from the National Social Security Council indicates a sharp surge in Job Loss Insurance (JKP) claims since the program began. In 2022, the number of JKP claims was recorded at only 844 cases, increasing to 4,478 claims in 2023 and slightly rising to 4,816 claims in 2024. However, in just the first quarter of 2025, the number of approved claims skyrocketed to 35,493 surpassing the total annual claims of the previous three years combined by a significant margin.

This increase is evident not only in the number of cases but also in the economic value disbursed to affected workers. In the first quarter of 2024, the total value of claims was estimated at Rp80.25 billion, whereas in the first quarter of 2025, the amount surged to Rp161.005 billion, representing a year-on-year increase of 100.6%. The claim value in Q1 2025 has already reached nearly half of the total payments made throughout 2024, which amounted to Rp380 billion.

These statistics signal a growing dependency on the JKP program and reflect the intensifying labor market distress in Indonesia. The spike in claims could be attributed to rising layoffs across major sectors like manufacturing, media, and technology. The data also highlight the increasing burden on the national social protection system, emphasizing the urgent need for policy interventions aimed at job preservation, reskilling programs, and strengthening economic resilience

5. About Job Loss Insurance (JKP) Claims

The Job Loss Insurance (JKP) program by BPJS Ketenagakerjaan (Indonesia's Social Security Agency for Employment) is a form of social protection provided to employees who experience termination of employment (PHK). This program is regulated under Government Regulation No. 37 of 2021 and Minister of Manpower Regulation No. 15 of 2021. Its primary objective is to support laid-off workers by offering cash benefits, access to labor market information, and job training, to help them quickly reintegrate into the workforce.

The JKP program offers several benefits. First, eligible participants receive monthly cash compensation for up to six months: 45% of their last salary for the first three months, and 25% for the following three months, with a maximum salary cap of IDR 5,000,000. Second, participants gain access to labor market services through the SIAPKerja platform provided by the Ministry of Manpower. This includes job listings, career counseling, and job matching services. Lastly, participants are entitled to free job training programs provided by government or partner vocational training centers (BLK).

To claim JKP benefits, participants must meet several requirements: they must be active members of BPJS Ketenagakerjaan, registered under the Work Accident Insurance (JKK), Death Benefit (JKM), Old Age Security (JHT), and Pension programs; and they must have been terminated not due to resignation, retirement, permanent disability, or death. Required documents include a valid national ID card (e-KTP), Family Card (KK), termination letter or reference letter (*paklaring*), a savings account under the participant's name, BPJS membership card, and a Tax ID (NPWP) if available. Before submitting a claim, participants must register for an account on the SIAPKerja portal (https://kemnaker.go.id), and then apply for the JKP claim online through the BPJSTKU application or official BPJS website.

BPJS will verify the claim within a maximum of five working days. Once approved, the cash benefit is disbursed monthly to the participant's bank account. To continue receiving benefits, participants are required to actively engage in training and job-seeking activities facilitated by the Ministry of Manpower. Claims must be submitted no later than three months after termination. If the participant secures a new job before the six-month benefit period ends, the payments will be discontinued, (BPJS Ketnegakerjaan, 2025).

6. Factors Behind Layoffs and Their Relation to Job Loss Insurance (JKP) Claims

The surge in layoffs in the first quarter of 2025 closely correlates with the sharp increase in Job Loss Insurance (JKP) claims, which reached 35,493 cases with a total value of Rp161.005 billion—an increase of 100.6% compared to the first quarter of 2024 (Prahendra, 2025). Several key factors driving layoffs and JKP claims include economic growth disparity, import pressure, digitalization, and cost-efficiency policies.

A. Economic Growth Disparity

Indonesia's economic growth in Q1 2025 stood at 4.87% year-on-year; however, growth was uneven across sectors. The Agriculture, Forestry, and Fisheries sector grew significantly by 10.52%, while the Manufacturing sector grew by only 4.55%, and the Mining and Quarrying sector experienced a contraction of -1.23% (Badan Pusat Statistik, 2025). This imbalance directly impacted the manufacturing industry—Indonesia's largest employment sector especially in labor-intensive regions such as Central Java and Riau, where mass layoffs occurred. Although the agriculture sector recorded rapid growth, its seasonal nature and inability to absorb skilled industrial labor exacerbated unemployment levels (Kompas.com, 2025).

Research by Leasiwal *et al.,* (2022) indicates that economic growth has a negative effect on unemployment, where higher growth typically leads to a reduction in unemployment. However, when growth is uneven, sectors experiencing low growth or contraction such as manufacturing and mining become the main sources of layoffs. The study also highlights that regional disparities, such as those found in Central Java, exacerbate the impact of unemployment.

B. Import Preassure

In addition, the manufacturing sector particularly the textile and textile products (TPT) industry—faced severe pressure from the influx of cheap imported goods, especially from China. As a result, companies such as PT Sritex struggled to remain competitive, triggering mass layoffs (Tempo.co, 2025a). Declining domestic purchasing power further worsened conditions in the trade sector (Kontan.co.id, 2025). According to Hermawan et al. (2025), regions that are more exposed to imports experience higher levels of unemployment and poverty. This finding is relevant to Indonesia, where the manufacturing sector—highly integrated into the global market—faces similar challenges. It underscores the need to revitalize the manufacturing industry through import protection measures to reduce layoffs. The pressure from imports has contributed to the surge in JKP (Job Loss Insurance) claims, as workers laid off from the manufacturing sector seek JKP benefits as a social safety net.

C. Digitalization

Meanwhile, technological transformation such as automation in manufacturing and digitalization in the services sector—has reduced the demand for manual labor. Many large companies have turned to technology to increase efficiency, leading to workforce reductions in labor-intensive sectors (BPJS Ketenagakerjaan, 2025). This trend is also visible in the service sector, such as mass media, where digitalization has led to the dismissal of contract workers, as seen in institutions like RRI and TVRI (Tempo.co, 2025b).

D. Cost Eficiency

Cost-efficiency and restructuring policies implemented in both public and private sectors have further contributed to the wave of layoffs, as companies seek to remain competitive amid global economic pressures. Consequently, the spike in JKP claims is a natural outcome. Furthermore, the enactment of Government Regulation No. 6 of 2025, which eliminated the requirement for six consecutive months of contributions to be eligible for JKP, has made it easier for workers to file claims (BPJS Ketenagakerjaan, 2025). Geographically, regions like Central Java and Riau accounted for the highest number of claims, reflecting the concentration of layoffs in labor-intensive industries such as textiles and mining in those areas. A study by Rustinah *et al.,* (2025) indicates that fiscal consolidation measures, such as budget tightening, can increase unemployment in the short term. In Indonesia, this policy affects not only the public sector but also the private sector through a decline in domestic demand.

Budget efficiency is fundamentally a feasible strategy for companies aiming to balance production costs with expected revenue over a given period. Ideally, this process involves thorough analysis and careful planning to ensure that cost reductions do not compromise operational effectiveness. However, in practice, many companies implement efficiency measures hastily, without adequate preparation or strategic execution, leading to outcomes that are often counterproductive—where expected savings turn into significant unforeseen expenses (Rustinah, 2025). According to Article 43 of Government Regulation No. 35 of 2021 concerning Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Periods, and Termination of Employment (PP 35/2021), budget efficiency is typically driven by three main factors: (1) companies experiencing financial losses; (2) efforts to prevent losses by reducing operational costs and maintaining financial stability; and (3) reallocating funds towards priority programs such as infrastructure and education by cutting unproductive expenditures.

While budget efficiency is aimed at operational cost reduction and financial stability, its implementation often has severe repercussions for the workforce, primarily resulting in layoffs (PHK). Mass layoffs frequently become an unavoidable consequence as companies strive to minimize expenses. The impact extends beyond the dismissed employees to their families, who depend on the lost income. Furthermore, the rising unemployment rates caused by layoffs contribute negatively to overall economic growth, illustrating the broader socio-economic effects of such corporate efficiency measures.

7. Impact and Policy

On May 20, 2025, the National Social Security Council (Dewan Jaminan Sosial Nasional/DJSN) participated in a Public Hearing Meeting (RDP) with Commission IX of the Indonesian House of Representatives (DPR RI) in Jakarta to address the impact of mass layoffs (PHK) on the implementation of the employment social security program. The session, chaired by Deputy Chairman of Commission IX, Charles Honoris, was attended by representatives from the Ministry of Manpower, BPJS Ketenagakerjaan, as well as key stakeholders including APINDO and labor unions. During the meeting, DJSN emphasized the need to ensure the sustainability of the Job Loss Insurance (Jaminan Kehilangan Pekerjaan/JKP) program through transparent and accountable fund management. Commission IX called on BPJS Ketenagakerjaan to guarantee that claim services remain uninterrupted despite the surge in JKP applications and urged the agency to strengthen communication with participants. DJSN also advocated for stronger inter-institutional coordination to mitigate the impact of layoffs, particularly through worker retraining and reemployment initiatives.

The discussion also highlighted key challenges, such as the low level of active participation in the JKP program—especially among informal sector workers—and the heightened risk of an economic downturn. In response, DJSN recommended improving social security literacy and expanding program coverage to enhance protection for vulnerable workers. The meeting underscored the urgency of addressing the socioeconomic effects of layoffs through stronger policy coordination, program reinforcement, and comprehensive worker protection. DJSN reaffirmed its commitment to ensuring the sustainability of the employment social security system in accordance with Law No. 40 of 2004 on the National Social Security System and Government Regulation No. 37 of 2021 on Job Loss Insurance (JKP), which serve as the legal basis for implementing the program, (DJSN, 2025).

The budget efficiency measures implemented by both companies and the government, while aimed at maintaining financial stability, have had significant negative consequences—most notably, mass layoffs (PHK). These layoffs not only increase the unemployment rate but also reduce the purchasing power of the population, weaken household consumption, and ultimately slow down economic growth. Additionally, mass layoffs place substantial pressure on social security systems, contribute to social inequality, and erode investor confidence.

An economics expert from UMS, Dr. Agung Riyardi, provided an analysis from a microeconomic perspective, stating that layoffs are often the result of economic accounting logic applied by companies. When a company's revenue declines (for example, from Rp400 million to Rp300 million), labor costs (e.g., from Rp120 million) are cut (to Rp60 million) in order to maintain profit margins (for instance, Rp30 million). However, Dr. Agung emphasized that layoffs could be avoided if business owners were willing to reduce personal profits or top management salaries. By the end of the first quarter of 2025, around 750 workers from media outlets such as Kompas TV, CNN Indonesia, and MNC Group had been laid off, with several media offices even preparing to cease operations, (UMS, 2025).

A high number of layoffs can trigger social instability. Rising unemployment increases the risk of poverty, crime, and public dissatisfaction, all of which can negatively affect the investment climate and national political stability. Additionally, the surge in layoffs and unemployment places a greater burden on the country's social security system. The government must allocate more funding for social assistance, unemployment benefits, and job training programs, which may ultimately widen the fiscal deficit.

Another impact of layoffs is the decline in productivity, as companies lose skilled and experienced workers. This can disrupt production processes and reduce the quality of goods or services. Affected companies also tend to cut budgets for research and development (R&D), which delays innovation and weakens long-term competitiveness.

The Job Loss Insurance Program is one of the government’s policy responses to address this issue. Large-scale layoffs can also reduce consumer and business confidence. Fears of job insecurity may cause consumers to limit spending, while businesses are likely to postpone investments and expansion plans. Financial market sentiment can also be affected; the stock prices of companies undergoing mass layoffs may fall due to investor concerns over the company's future prospects, (Putri et al.., 2024)

8. The relationship between layoff data and the increase in BPJS JKP claims

Government Regulation No. 6 of 2025 removed the requirement of six consecutive months of contributions, thereby easing access to Job Loss Insurance (JKP). This policy change has likely contributed to the surge in claims, as more workers became eligible to apply for the benefit. Data from the National Social Security Council (DJSN, 2025) shows that in the first quarter of 2025, there were 18,610 layoffs (PHK) in Indonesia, with the highest distribution in Central Java (10,677 cases) and Riau (3,530 cases). During the same period, JKP claims reached 35,493 cases with a total payout of IDR 161.005 billion, representing a 100.6% increase compared to the first quarter of 2024. A positive correlation between layoffs and JKP claims is evident, as the surge in layoffs directly increased the number of workers seeking JKP benefits as a social safety net. In the first quarter of 2025, although the number of claims (35,493) exceeded the reported number of layoffs (18,610), this discrepancy suggests that some claims may have stemmed from layoffs that occurred outside the reporting period, from a backlog of previous submissions, or from layoff data that had not yet been validated by Kementrian Tenaga Kerja.

The high number of layoffs (PHK) in Indonesia is directly related to the increase in claims for the Job Loss Insurance (JKP) program. When companies implement efficiency measures or experience a decline in revenue, a common step taken is to lay off employees. As a result, many workers who lose their livelihoods file JKP claims as a form of social protection to meet their short-term needs. The JKP program is indeed designed as a safety net for workers affected by layoffs, so the rising number of claims reflects the scale and intensity of the ongoing employment crisis. Furthermore, the surge in JKP claims can also serve as a crucial indicator for the government in assessing the condition of the national labor market and formulating mitigation policies.

E. CONCLUSION

The significant surge in Job Loss Insurance (JKP) claims recorded in the first quarter of 2025 highlights the urgent need to address underlying structural and economic issues in Indonesia's labor market. The data revealed a sharp increase in layoffs particularly in Central Java, Riau, and DKI Jakarta—driven by economic growth disparities across sectors, especially the stagnation in the manufacturing and mining industries. This uneven development has intensified unemployment in regions reliant on labor-intensive industries, despite growth in other sectors like agriculture and services.

The Job Loss Insurance (JKP) program, managed by BPJS Ketenagakerjaan, is an Indonesian government initiative designed to provide social protection for workers facing termination of employment (PHK), as regulated under Law No. 6 of 2023 on Job Creation. In the first quarter of 2025, there was a significant surge in JKP claims, with total disbursements reaching IDR 161.005 billion for approximately 35,493 laid-off workers, marking a 100.6% increase compared to the same period in the previous year. This spike reflects substantial pressure on the labor market, driven by macroeconomic factors (disparities in economic growth across sectors, contraction in the manufacturing industry, and import pressures), microeconomic factors (declining household purchasing power and corporate cost-efficiency measures), and external factors such as digitalization and automation.

Digitalization and cost-efficiency policies in both public and private sectors further exacerbated layoffs, notably in media and labor-intensive industries. Despite national economic growth of 4.87%, sectoral disparities led to robust growth in agriculture (10.52%) while manufacturing and mining weakened. The rise in informal workers (from 59.17% to 59.40%) indicates that many laid-off workers shifted to the informal sector for survival, highlighting vulnerabilities in the formal labor market.

The amendment in Government Regulation No. 6 of 2025, which eliminated the requirement for six consecutive months of contributions, facilitated easier access to JKP claims, contributing to the surge. Although the number of claims exceeded the reported layoffs (18,610 cases), this discrepancy may be attributed to backlogged claims or unvalidated layoff data. Layoffs not only increase unemployment but also reduce public purchasing power, widen social inequalities, and potentially elevate poverty and crime rates. Addressing these challenges requires enhanced inter-institutional coordination, improved social security literacy, expanded JKP coverage, and robust retraining and reemployment policies to mitigate the impact of layoffs and strengthen labor market resilience.

F. ACKNOWLEDGMENT

Thank you very much for Universitas Sumatera Utara for the valuable and great help and information to make this article possible and part to contribute in writing this article.

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