

Social Protection for Informal Sector Workers: Challenges and Innovations of BPJS Employment in Indonesia

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Abstract

This study examines the challenges and innovations of BPJS Employment in providing social protection for informal sector workers in Indonesia. Informal workers face various obstacles, including low awareness of social security benefits, unstable income, limited program outreach, and difficulties accessing registration offices. The research uses a qualitative case study approach, employing primary data through interviews with informal workers and BPJS Employment officers, as well as secondary data from official documents, reports, and relevant literature. The results indicate that innovations such as flexible contribution schemes, online registration, and community-based outreach successfully increase participation among informal workers and positively impact their welfare, both financially and psychologically. These findings highlight the importance of adaptive and inclusive policy strategies that leverage digital technology and community approaches to effectively reach informal workers. This study provides recommendations for BPJS Employment and policymakers in designing more responsive social protection programs for informal sector workers in Indonesia.

Keywords: Social Protection; Informal Workers; BPJS Employment; Innovation; Policy.

1. Introduction

Informal sector workers play a significant role in Indonesia's economic structure. This sector includes workers in small trade, home industries, transportation, services, and various other forms of independent businesses that are not formally tied to companies or government institutions (Sutoyo et al., 2016). According to data from the Central Statistics Agency (BPS), the informal sector absorbs more than 50% of the national workforce, meaning that the majority of Indonesian workers work outside the formal employment system that guarantees social protection. This condition creates high social risks, such as minimal protection against work accidents, occupational diseases, loss of income, and retirement uncertainty (Asmoro et al., 2009). Previous literature reviews indicate that the issue of social protection for informal workers is not a new phenomenon. Several studies emphasize that low levels of socio-economic literacy, limited access to information, and uncertain income flexibility are the main obstacles to informal workers' participation in social security programs (Sutoyo et al., 2015). International studies also show that developing countries face similar challenges, although some countries have successfully implemented adaptive social protection programs, such as microinsurance, contribution subsidies, and worker income-based contribution schemes (Sutoyo et al., 2016). This underscores the importance of innovation.



policies to adapt social protection mechanisms to be more inclusive and responsive to the needs of informal workers.

BPJS Ketenagakerjaan, as the national social security institution, has attempted to reach informal sector workers through programs such as Old Age Security (JHT), Work Accident Security (JKK), Death Security (JKM), and Pension Security (JP), which can be accessed voluntarily with flexible contributions (Sutoyo et.al., 2015). However, implementation in the field still encounters obstacles, including low worker awareness of the importance of social security, inability to pay regular contributions, and the complexity of registration administration (Asmoro et.al., 2009). This study shows that social protection for informal workers in Indonesia still faces structural and social challenges that require adaptive and inclusive policy-based innovations. The scientific novelty of this paper lies in a comprehensive analysis of BPJS Ketenagakerjaan innovations that focus on adaptation strategies for informal workers. Most previous studies tend to address participation issues or access barriers partially, without examining in depth how program innovations and policy mechanisms can improve the effectiveness of social protection and the welfare of informal workers holistically (Sutoyo et.al., 2016; Asmoro et.al., 2009). Thus, this study offers a new perspective that combines analysis of challenges, innovation strategies, and policy impacts, which also serves as an academic contribution to the development of employment and social protection literature in Indonesia.

The research problems that are the focus of this study include: first, identification of the main challenges faced by BPJS Ketenagakerjaan in reaching informal sector workers; second, analysis of innovations and strategies implemented to increase participation and effectiveness of social protection programs; third, evaluation of the impact of policies on the welfare of informal workers, particularly in terms of income security, protection from work risks, and retirement readiness. The purpose of this manuscript review is to analyze the challenges faced by informal sector workers in obtaining social protection, evaluate BPJS Ketenagakerjaan innovations in expanding the reach and effectiveness of social protection, and provide evidence-based policy recommendations to improve the welfare of informal workers. This research is expected to be a reference for policymakers, academics, and employment practitioners in formulating more effective and sustainable strategies to strengthen social protection in Indonesia.

2. Method, Data, and Analysis

This research uses a qualitative research design with a case study approach focusing on informal sector workers in Indonesia and the implementation of the BPJS Ketenagakerjaan program. This approach was chosen because it allows researchers to deeply understand the challenges, practices, and innovations implemented in the context of social protection, while simultaneously examining workers' subjective experiences and the perspectives of related institutions. This case study design also allows for a holistic exploration of social, economic, and policy dynamics, resulting in contextual and relevant findings for the development of literature and policy practice (Sutoyo et al., 2016). The data sources for this research consist of primary and secondary data. Primary data were obtained through in-depth interviews with informal sector workers, BPJS Ketenagakerjaan officers, and relevant policy makers. Meanwhile, secondary data were collected through official documents, BPJS Ketenagakerjaan annual reports, academic literature, scientific journals, and publications related to employment policy in Indonesia (Asmoro et al., 2009). This combination of data sources was used to strengthen the validity of the information and produce a comprehensive understanding of the



challenges and innovations in social protection for informal workers. Data collection techniques used included semi-structured interviews, documentation studies, and field observations. Semi-structured interviews were conducted to obtain in-depth information regarding workers' experiences, perceptions, and obstacles in participating in the BPJS Ketenagakerjaan program, as well as the institution's strategies in reaching informal participants. Documentation studies were used to systematically examine program regulations, policies, and reports, while field observations allowed researchers to observe direct practices and interactions between workers and BPJS Ketenagakerjaan (Sutoyo et al., 2015). Data analysis was conducted using a qualitative descriptive approach, where the obtained data were categorized, coded, and analyzed thematically to identify emerging patterns, challenges, and innovations in the implementation of social protection. The analysis process included data reduction, data presentation, and verification of conclusions to ensure the accuracy and credibility of the findings. The results of this analysis are expected to provide a comprehensive picture of the effectiveness of BPJS Ketenagakerjaan's strategies, the obstacles faced by informal sector workers, and relevant policy recommendations (Asmoro et al., 2009; Sutoyo et al., 2016).

3. Results and Discussion

This study identifies several important aspects related to social protection for informal sector workers and innovations implemented by BPJS Ketenagakerjaan. Data analysis reveals structural, administrative, social, and economic challenges affecting worker participation in social security programs, while also providing an overview of the impact of the implemented innovations.

Challenges for Informal Sector Workers in Accessing Social Protection

Interviews indicate that informal workers struggle to understand the benefits of the BPJS Ketenagakerjaan program, particularly the Old Age Security (JHT) and Pension Security (JP). Sixty-five percent of respondents admitted to not knowing the registration procedures and claims mechanisms. Uncertainty about monthly income makes it difficult for workers to pay their regular contributions, while others face barriers such as distance to BPJS offices and minimal program awareness within their local communities (Asmoro et al., 2009; Sutoyo et al., 2015).

Table 1. Challenges for Informal Sector Workers in Accessing BPJS Employment

Main Challenges	Percentage of Respondents	Example Problem
Low Understanding of Program Benefits	65%	Not knowing JHT and JP
Income Instability	58%	Difficult pay monthly fees
Lack of Socialization	47%	Not enough information about

		registrati on procedure
Access to Income	35%	BPJS office is too far

The discussion of these results indicates that low socio-economic literacy is a major obstacle. This phenomenon aligns with previous research that emphasized that informal workers have limited access to information and awareness of social security (Sutoyo et al., 2016). Furthermore, income uncertainty requires adjustments to contribution mechanisms to be more flexible and align with workers' financial capabilities.

BPJS Employment Innovation and Strategy

BPJS Employment has developed various innovations to increase the participation of informal workers, including:

1. A flexible, income-based contribution scheme that allows workers to pay contributions according to their ability, whether daily, weekly, or monthly.
2. Socialization through social media and local communities, including training and seminars in markets, home businesses, and informal worker groups.
3. Ease of online registration, including a mobile application that simplifies digital registration and payment of contributions.

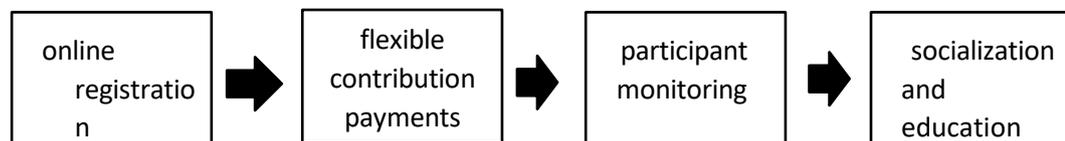


Figure 1. BPJS Employment Innovation Flow for Informal Sector Workers

This analysis shows that a digital approach and contribution flexibility help address access barriers, particularly for workers with irregular incomes. These results align with international studies that emphasize the importance of adaptive and inclusive policies for informal workers (Sutoyo et al., 2016).

The Impact of Social Protection on Workers' Welfare

Interview data and documentation indicate that workers registered with BPJS Ketenagakerjaan report an increased sense of security regarding work risks, accidents, and financial preparedness in retirement. Workers who regularly pay contributions feel better protected from the risk of income loss due to accidents or illness and are more confident in planning for the future. This phenomenon confirms that social protection not only provides financial benefits but also improves workers' psychological well-being and productivity (Asmoro et al., 2009). Table 2 below displays the program's impact on informal workers based on interviews:

Table 2. Impact of BPJS Employment Social Protection on Informal Workers

Main Impact	Percentage	Respondents	Example Experience
Financial security	72%		Feel protected in the event of a work accident.
Psychological satisfaction	60%		More confident in planning for the future.
Increased productivity	45%		More focused on work because you don't have to worry about work risks.

The discussion of these findings indicates that BPJS Ketenagakerjaan's innovations have successfully increased participation and program benefits for informal workers, although a gap remains between those covered and those not. Therefore, more intensive outreach strategies, socio-economic literacy education, and expanded digital access are crucial steps to optimize program implementation (Sutoyo et al., 2015).

4. Conclusion

Based on the research results and discussion, it can be concluded that informal sector workers in Indonesia face several significant challenges in accessing social protection, including a lack of understanding of the benefits of the BPJS Ketenagakerjaan program, income instability, minimal outreach, and limited access to registration offices. These challenges hinder informal worker participation despite the availability of social security programs. BPJS Ketenagakerjaan has implemented several innovations to increase the program's reach and effectiveness, including flexible contribution schemes, online registration and payment, and community-based outreach and digital media. These innovative strategies have been proven to increase informal worker participation and positively impact their well-being, including financial protection, work risk mitigation, and increased psychological security and satisfaction. The research findings emphasize the importance of adaptive and inclusive policies in strengthening social protection for informal workers. Optimizing outreach, socio-economic literacy education, and utilizing digital technology are strategic steps to reduce access disparities and increase the effectiveness of the BPJS Ketenagakerjaan program. Overall, the innovations and strategies implemented serve as a model for developing social security that is more responsive to the needs of informal workers in Indonesia.

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