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## REGIONAL CONFERENCE

# INCLUSIVE ENERGY TRANSITION IN SOUTH ASIA AND BEYOND

7–9 MAY 2024 • Galle, Sri Lanka



# ► Social protection schemes to facilitate just transitions

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## Indonesia: National strategy to accelerate early retirement of coal-fired power plants

**Objective: To achieve net zero emissions by 2060**

- Exiting coal power plants / mining industry = Job loss / Employment termination
- Promoting renewable energy = Job creation

How can social protection facilitate unemployed workers to return to work?

## ► Country with unemployment benefits (social protection)

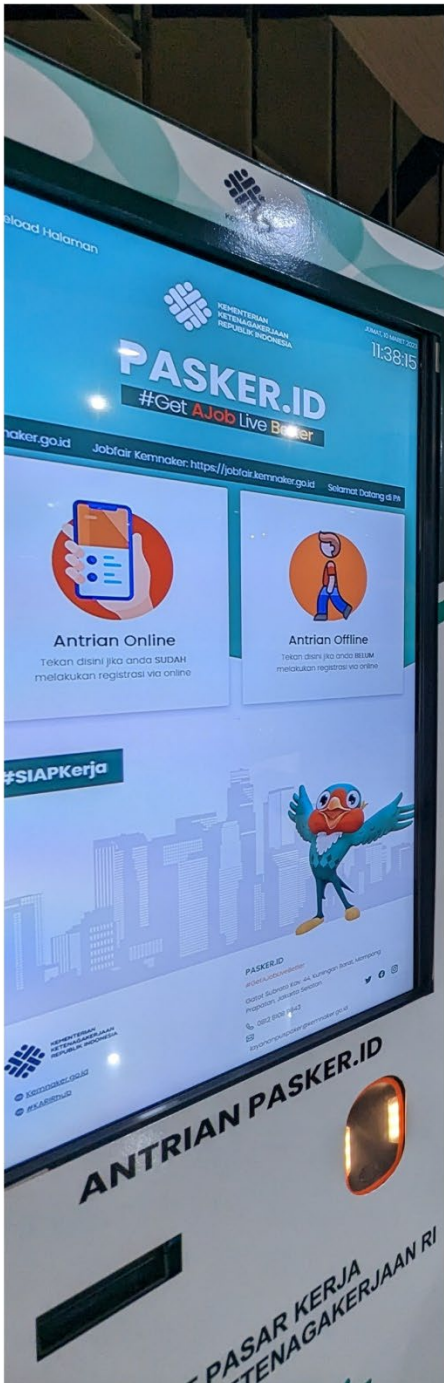
### Unemployed workers access to a single-window / one-stop service

- Unemployment benefits during job search (e.g. 45 – 60% of wage up to 3 – 6 months)
- Public employment services (job counselling, vacancy database, job matching/fair, CV/interview training..)
- Public vocational training institution (referral to re/upskilling training, fee/lodging/transport allowance)



Indonesia

*Siap Kerja*







## Republic of Korea

### *Welfare+ Centre*

Employment Welfare+ Centre	102
Dispatch Centre	42
Employment Welfare Centre	30
<b>Total</b>	<b>174</b>
<b>Staff: 5,000</b>	
<b>Job placement: 1.5 million</b>	



## Japan

### *Hello Work*



Local government office	268
One-stop counters	340
<b>Total</b>	<b>544</b>
<b>Regular employees: 10,000</b>	
<b>Contracted counsellor: 16,000</b>	
<b>Job placement: 1.9 million</b>	



## Japan: Closure of the Miike Coal Mine in 1997

4 years after the closure	
Dismissed workers	1,553
Jobseeker (vocational training)	1,317 (709)
Employed workers	1,065
Unemployed workers	252
Employment rate	80.9%

Unemployment benefits (50 – 80% up to 3 years)

Reemployment allowance (UB 30 – 180 days)

Relocation allowance

Vocational training (9 days – 1 year, free, allowance)

PES office's active supports

\*Financed by workers and employers (and the State)

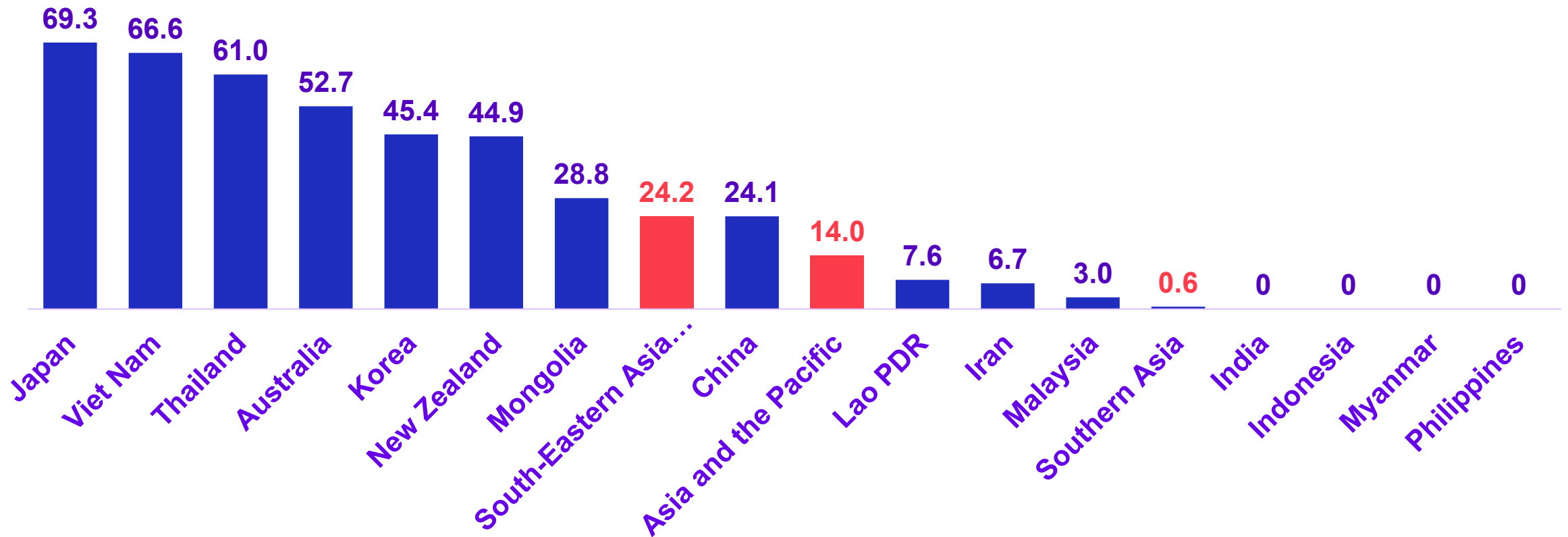


## Senior workers required special treatments (employment, pension)

Age	Employed	Unemployed	Employment rate (%)
21~30	6	0	100.0
31~40	91	1	98.9
41~45	150	2	98.7
46~50	240	13	94.9
51~55	104	26	80.0
<b>56~60</b>	<b>96</b>	<b>76</b>	<b>55.8</b>
<b>61~</b>	<b>10</b>	<b>31</b>	<b>24.4</b>
Total	697	149	<b>82.4</b>

- Senior workers were facing difficulty in finding jobs, especially in the same town.
- Senior workers were receiving old-age benefits (low motivation to find jobs).

## Proportion of unemployed receiving benefits to the number of unemployed persons (%)



Note: Ratio of recipients of unemployment cash benefits to the number of unemployed persons (2020 or latest available year).  
 Source: ILO. 2021. [World social protection report 2020–22: Social protection at the crossroads in pursuit of a better future.](#)

## ▶ Country without unemployment benefits

### Unemployed workers access to three separate/disconnected services

- Redundancy/severance/termination pay (employer's liability)
- Public employment services (weak capacity)
- Public vocational training institution (separate entrance requirements/procedure)



# Key messages

**The Energy Sector can drive the improvement in the social protection system.**

- **Money is there – 1% of project budgets can assist in establishing a social protection policy.**
- **Create a momentum.**
- **Establish a mainstream and permanent scheme (instead of ad hoc one).**
- **Benefit not only workers affected by the transition but also all other unemployed workers.**

## ▶ **Key issues (unemployment protection)**

- **Availability/Integration of unemployment benefits, PES and vocational training**
- **Compensation for small business supplying to closed power plants**
- **Social protection throughout life cycle**

**Linkage to employment injury benefits (e.g. occupational disability benefits)**

**Linkage to old-age benefits (e.g. early retirement of miners)**

## ▶ For more information

The cover features the ILO logo and text in the top left. The main title is in white on a blue background, with a subtitle below it. A decorative geometric shape is in the bottom right corner.

 International Labour Organization

▶ **Just energy transition in Indonesia**  
The role of social protection in facilitating the process

The cover features the ILO logo and text in the top left. The main title is in white on a blue background, with a subtitle below it. The bottom half shows a photograph of two construction workers on a site. A decorative geometric shape is in the bottom left corner.

 International Labour Organization

▶ **Social insurance and climate change in Indonesia**  
Implications for Adaptive Social Protection ambitions



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 International Labour Organization

▶ **Unemployment insurance in Indonesia**  
Challenges and recommendations





# THANK YOU

This note has been prepared by Ippei Tsuruga. Please contact Ippei Tsuruga ([tsuruga@ilo.org](mailto:tsuruga@ilo.org)) for more details.