

Issue And Challenges In Low Membership Of Labor Social Security In Indonesia: The Role Of Perisai

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Abstract: This study aimed to identify issues and challenges of low participation rate at the Indonesia National Agency for Labor Social Security (BPJSTK) membership. With the high number of informal sectors labor but low participation in labor social security membership, National Agency for Labor Security (BPJSTK) wants to reach those who haven't subscribed as a member of BPJSTK. BPJSTK has developed Perisai, an agent system in order to reach labors who have not subscribed to BPJSTK membership. This study aims to explain on one of National Agency for Labor Security (BPJSTK) challenge to increase their subscription rate. Our findings found that there are still rooms for improvement, especially for the Perisai scheme. Issues from low compliance of social security policy, low understanding of the BPJSTK program itself, and regulation disharmony among institution has contributed to the low number of BPJSTK participants. This paper could benefit BPJSTK to evaluate the existing membership program and to improve its quality and approach. Moreover, policy makers could utilize findings and recommendation from this study to perfecting the policy based on evidence. This study is the first to investigate the issues and challenges of membership expansion in BPJSTK from various perspectives, specifically from social security perspective, economic perspective, financial perspective, and employment perspectives. Gel Classification

Keywords: Indonesia, national agency for labor social security; bpjstk, labor, social security, insurance, membership,

INTRODUCTION

Good governance makes sure that their labors are paid well and they have security on their job. Starting from 2014, Indonesia has developed a scheme where every labor must have sufficient protection in case any risks related from work environment happened, such as sickness, work-accident, disability, death of the family's income bearer and income discontinuity due to several factors. This scheme is known as National Social Security System (SJSN). International Labour Organization stated that social security is important for labor itself and their family. Not only as a safety net, social security also plays a role to reduce income inequality, poverty and social insecurity (International Labour Organization, 2012). To meet this demand, Indonesian government decided to build PT Jamsostek Persero in 1977 that mainly serves on labor social security obtainment. Based on Act no. 24/2011, PT Jamsostek Persero transformed into two national entities that served national health and employment security system known as Badan Penyelenggara Jaminan Kesehatan/BPJSK (National Agency for Health Social Security) and Badan Penyelenggara Jaminan Sosial Ketenagakerjaan/BPJSTK (National Agency for Labor Social Security). Founded in 1 January 2014 and operated in 1 July 2015, BPJSTK provided several protections for labor, ranging from work accident security, pension plan, old age security and death security. Koenig and Myles (2013) have discussed about the importance of social security. Not only to secure labor and their family, social security can also give an impact to the national income

through bigger spending from the social security. Social security is a significant income sources for the disabled or retired labor. Generally, lower income households spend more of their income rather than higher income family (Koenig and Myles, 2013). Therefore, it might trigger higher marginal propensity to consume that will lead to higher consumption number accounted to the national income calculation. The transformation Jamsostek undergo into BPJS format also play a role to Indonesia's financial market. Due to regulation, Jamsostek is not allowed to invest in instrument rated less than A-. Now with the objectives to increase more capital, BPJS is welcomed to invest in a more diverse instrument. Thus, it will widen the opportunity for other instrument that hasn't rated A- yet to be involved into BPJSTK capital gathering (The World Bank, 2014). Apparently, participants number of BPJSTK is not as big as BPJSKs. While BPJSKs has 196,66 million participants in 2018 (Katadata, 2018), BPJSTK has only 30,5 million participants (Suara, 2019). Indonesia has more informal sector labor than in the formal sector. In 2018, 73,98 million people (58,22%) works in informal sector while 53,09 million people (41,78%) works in the formal sector (BPS, 2018). The problem is, BPJSTK subscription is only compulsory for the formal sector labor while it is voluntary for informal sector labor, except for foreign worker who already worked in Indonesia for 6 months (Japan International Cooperation Agency (JICA), 2018). With the low participants number, BPJSTK must find a way to cover their increasing operating cost, as shown by Figure 1.

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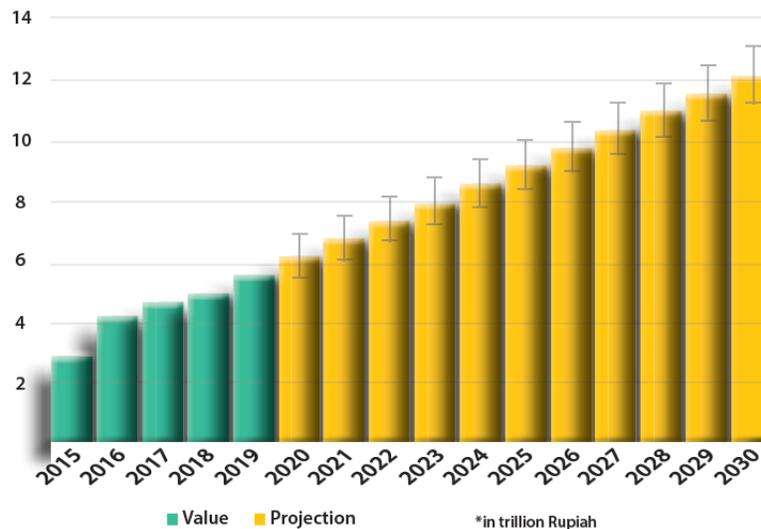


Figure 1 BPJSTK Current and Projecting Operating Expense

Source : Research Team

In order to cover the costs, BPJSTK willing to increase their participants number through a third-party agent called Perisai, shorts of Penggerak Jaminan Sosial Nasional or National Social Security Agent. As BPJSTK Head Director said, Perisai development also can be an answer to reduce unemployment rate because agent will get incentive when they successfully recruit new participant (Medcom.id, 2019). Perisai started to operate in 2018. Perisai adopted Sharoushi system, a Japanese independent profession whose function is to address industrial problem, especially between labor and employee. Beside Sharoushi, Perisai also adopted Jimukumiai, a Japanese regional-based industry association who manages membership recruitment, premium collection and services. Perisai would like to combine these two entities so not only recruit a new BPJSTK participant, but also help labor become more educated on social security regulation and workflow. After thorough observation for 8 months, we found that there are still plenty of room for improvement that BPJSTK should be aware of especially when they want to have higher participants number. This study aims to elaborate factors that may affected the low number of BPJSTK's participants and how to resolve the problem.

Design/methodology/approach

Six data gathering methods were conducted namely focus group discussions, in-depth interviews, observations, field survey, online survey, and literature review. Acquired data were analysed by employing gap analysis, system thinking and forecasting. Observation samples are seven Regional Offices and 12 Branch Offices that have represented three Indonesian development areas (west, central and east). The research team interviewed a variety of respondents' i.e. top management, middle, and lower management of BPJSTK; main stakeholders of the social security system; and outsourced marketing agents named Perisai. The study

evaluated the existing membership program including the utilization of community-based membership activities and their premium-based incentives. Focus group discussion were conducted with the team inviting officials from various institutions, executives from several private companies to discuss about labor social security and membership. In-depth interview was conducted among the management of BPJSTK including nine deputy directors at the headquarter of BPJSTK in order to understand more about their strategic policy, especially in the marketing department regarding to Perisai development. In-depth interview was also conducted with the marketing department and service department in nine regional office, in order to gain more insight and understanding on the regional level about the coordination and evaluation with the branch offices. Additionally, this interview also held in twelve branch offices, along with the Perisai agents who work in the branch office area. The goal of the interview with the branch office management is to explore more information regarding to membership and technical challenges find by the marketing and service department, especially Perisai partnership. On the other hand, interview with Perisai agent was conducted in order to gain more insight about agents' understanding on their responsibility and function, what they know about BPJSTK marketing strategy and how they communicate and coordinate to BPJSTK management and their practices issues. Additionally, Perisai agents must filled online survey. This survey wants to obtain the perception regarding to policy of BPJSTK and their understanding of career development in Perisai. Secondary data collection was held through journal, financial report and any other document related to BPJSTK.

Findings

This study found nine significant findings that related to lower rate of participation in BPJSTK membership. Firstly,

the difficulty of obtaining Indonesian and English written literature on Sharoushi and Jimukumiai. In the process of evaluating and adopting the concept and the practice, the role of literature is crucial to obtain comprehensive information. Insufficient literature causes a lack of understanding and less accurate adoption of the concept and the practice in the Indonesian context. The Research Team has obtained literature from a few official websites in the form of description or report. However, none of the peer reviewed journals on Sharoushi and Jimukumiai were found. To overcome data insufficiency, the Research Team conducted a field study to get primary data from various parties in Japan. Secondly, the adoption of Sharoushi and Jimukumiai in BPJSTK is less applicable due to the differences in the social security system, institutional aspects, regulations, and the social-cultural context between Indonesia and Japan. Japan does not possess an institution alike BPJSTK. Jimukumiai, a regional-based industry association, manages membership recruitment, premium collection, and services. Furthermore, Sharoushi as labor specialists does not carry out the recruitment and

premium collection activities as BPJSTK does. Therefore, the adoption of Sharoushi should be the authority of government institution which oversees the industrial relationship between employers and labors, i.e., Ministry of Manpower and related institutions. Thirdly, according to a comparison study conducted by the Research Team, the similarity level between Perisai and Sharoushi is 20%, Perisai and Jimukumiai is 60%, while Perisai and insurance agent is 70%. Fourthly, the legal justification and design of Perisai do not refer to the insurance industry regulation. Due to the similarity function between Perisai and insurance agent, the regulation of Perisai should refer to the concept and the Insurance Act. The insurance agent system in Indonesia has been equipped with organizational instruments, code of ethics, training, certification, and other supporting infrastructure. Nevertheless, in the Director Regulation (Perdir) of Perisai, we did not find any application of insurance agent business concept and model. Furthermore, the Management of BPJSTK attempts to adopt a system with the least similarity compared to Perisai, namely Sharoushi.

Table 1. Result of Similarity Analysis of Perisai, Sharoushi, Jimukumiai, and Insurance Agent

Description	Perisai	Sharoushi	Jimukumiai	Insurance Agent
Performing participant recruitment of insurance program	Yes	No	Yes	Yes
Earning income from premium commission	Yes	No	Yes	Yes
Possessing occupation in legal aspect and conflict resolution	No	Yes	No	No
Individual Basis	Yes	Yes	No	Yes
Possessing work area boundary	No	Yes	Yes	No
Working with on behalf of an employer	Yes	No	No	Yes
Regulated by national regulation (equivalent to Constitution and Law)	No	Yes	Yes	Yes
Possessing network/organization at a national level	No	Yes	No	No
Working supported by office	Yes	Yes	Yes	Yes
Possessing certification as the operational basis	No	Yes	No	Yes
Similarity Percentage	100%	20%	60%	70%

Source: Research Team

Fifthly, the incentive scheme offered to Perisai tends to be worse than that of insurance agents. The Research Team creates a simulation of incentive scheme comparison between Perisai and insurance agents. The result shows that a Perisai agent needs 14 years (assumption: the bonus

is given for recruiting 50 people) and 15 years (solely relying on premium commissions) to earn higher commission than an insurance agent does. The simulation is based on the commission scheme that is generally applied to Perisai and insurance agent.

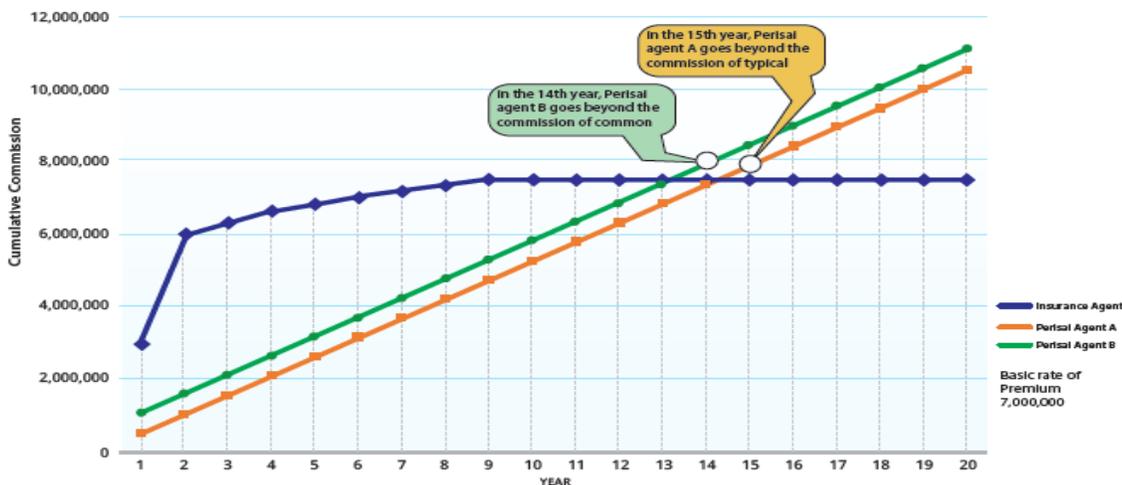


Figure 2 Incentive comparison between Perisai agent and regular insurance agent

Source: Research Team

According to Director Regulation No. 15/082018, Perisai is an individual who has fulfilled the requirements stipulated by BPJSTK to conduct socialization, participant acquisition and management of membership in labour social security programs. To be registered as Perisai agent, a person must be registered to the Perisai Office, not an active employee of BPJSTK, denoted as a BPJSTK participant and having a minimum of high school education. Perisai incentives consist of acquisition incentives and contribution incentives. This incentive is regulated in the Decree of the BPJSTK Director No. Kep / 260/112017. The acquisition incentive of IDR 500 thousand is given every 1st of the following month after Perisai acquires 50 new participants every month and is not accumulative. Perisai will receive contribution fee of 7.5% by the number of contributions of participants recruited by Perisai. Acquisition and contribution incentives are paid with a composition of 10% to the Perisai Office and 90% to the Perisai agent. Perisai agent can be deactivated if they do not acquire membership and pay contributions for three consecutive months, automatically by the Perisai

Information System. Thus, the Perisai agent will lose its rights.

Agency and expectancy theory stated that incentives would increase performance positively (Corgnet, Martin, Ndodjang, & Sutan, 2019; Harris, Majerczyk, & Newman, 2018). Perisai is responsible for managing the membership of salaried worker in Micro and Small Business scale as well as Self-Employed, which is categorized as difficult segment. Stress and fatigue because of pressure may affect performance negatively. If fatigue or stress play a role, higher effort in one period increases effort cost in the next period, leading to a decline in effort after times of high incentives (Angelova, Giebe, & Ivanova-stenzel, 2018). They may perceive periods with low incentives as less valuable due to the presence of periods with higher incentives. In Perisai case, a certain number of Perisai agent become inactive, affect their recruitment contribution and at the end affect the BPJSTK membership performance, as shown in the following graph.



Figure 3. Growth of Perisai Agents, Source: BPJSTK

In the year 2018 BPJSTK recruit 4000 number of Perisai agents whereas the number of Perisai's recruitments in December 2018 is 400.000 of 600.000 targeted member, with a total contribution of 32 billion (Kompas.com-07/12/2018). Statistic of Indonesia shows that the number of informal workers registered is 2.4 million (Kompas.com-28/01/2019). If we compare the data with the recruitment of Perisai, we can calculate that Perisai contribution to nonformal sector membership is around 17%. Survey result regarding Perisai perception correlated to this threshold rule and income made is quite impressive. 54.85% of respondents considered that this policy was right. However, 80.13% of respondents claimed that they only earned IDR 1 million from their profession as Shields, in contrast to 0.86% of Shields that were able to make more than 10 million. Sixthly, there is an overlapping in the marketing function between BPJSTK and Perisai. They are referring to Director Regulation No.33 of 2017 concerning Organizational Structure and Work Procedure of BPJSTK, section 35 and section 149 state that the Deputy Director of the Membership Expansion Directorate is responsible for the membership of Salaried Worker and Self-Employed. On the other hand, Director Regulation No.15 of 2018 concerning Perisai, section 27 states that Perisai is responsible for managing the membership of Salaried Worker in Micro and Small Businesses and Self-Employed. Seventhly, the threshold rule of Perisai causes complexity in the

recruitment process. Act No. 20 of 2008 concerning Micro, Small, Medium Enterprises section 6 regulates the classification of micro and small business based on assets, particularly up to IDR 50 million for micro-enterprise, and around IDR 50 million and IDR 500 million for small business. On the other hand, the classification of Micro and Small business for Salaried Worker is based on the accumulation of premium per month, which is a maximum of IDR 7 million. In term of performing the recruitment process, Perisai agents have run into difficulties with such difference of classification. In the case of Perisai recruits a company that surpasses the threshold, then the Perisai should transfer the company to the marketing department of BPJSTK. Eighthly, the lack of internal control over Perisai, as evidenced by several such actions of fraud, i.e., participant data falsification, and company data manipulation. In the first case, Perisai agents help to register candidates who do not meet the requirements because of personal reason and to achieve recruitment target. Meanwhile, the second case arises by dividing a company; for instance, PT Maju is registered as PT Maju A and PT Maju B due to threshold rule. Through such trick, Perisai agents are still able to register the company under their recruitment. Ninthly, the partnership between BPJSTK and Perisai is incompatible with the principle of "Prudence" and "Accountability." As stated in Act No.24, BPJSTK is considered reckless in assigning out its duties to those who

are lack of competency and do not possess any certification; thus, it has employed a weak internal control. As a result, the accountability of BPJSTK as the provider of social security program prompts public doubts and presents exposure to various risks. Hence, BPJSTK should establish partnerships with qualified parties who possess network strength and self-managed organization. National Agency for Labor Security (BPJSTK) Risk Exposure Based on those findings, this paper identifies five risks faced by BPJSTK as the result of Perisai establishment. Increasing strategic risk due to poor planning and business model of Perisai The first risk, Perisai, increases a strategic risk due to its immature planning and business model. Strategically, Perisai is supposed to be the solution for membership issue and premium sustainability. For Perisai, to be able to duplicate Sharoushi successfully, the Board of Directors has been cooperating with Japan International Cooperation Agency (JICA) and Sharoushi Federation. However, the confusion on what is the best concept to be adopted in Perisai leads to the inadequate planning of Perisai. A more suitable concept to Perisai is Jimukumiai concept. As a result, Perisai could not solve the membership problem in BPJSTK; not because of the lack of internal control on Perisai, instead, it is due to the inadequate plan regarding Perisai. Another demonstration of the high strategic risk of Perisai can be examined through the segmentation and incentive policy. By providing 7.5% annually (without a gradual decrease in commission), should be able to attract insurance agents. Generally, an insurance company offers a gradual decrease in commission from 10% to 0% in 10-20 years. Additionally, a performance-based program given to the outstanding Perisai agents has been implemented by involving them in comparative study overseas. Unfortunately, a lot of Perisai agents find it is challenging to get such incentive as the impact of segmentation limit policy. Furthermore, the average income of the majority of Perisai agents is less than one million rupiahs per month (80,13%). If the threshold is eliminated, then the opportunity for the best individuals with competencies expected by BPJSTK to join will increase. Increasing compliance risk due to weak understanding of Perisai to the regulations of employment and BPJSTK program The second risk, Perisai induces compliance risk due to lack of understanding of the regulation of employment and BPJSTK programs. Compliance with all regulations governing BPJSTK should also be carried out by Perisai as the representatives of BPJSTK. The lack of understanding by Perisai on labor regulations and BPJSTK programs certainly opens opportunities for regulatory violation. It certainly will give an impact on increasing the risk of compliance with BPJSTK as the agency responsible for overseeing Perisai. Increasing reputational risk due to marketing function executed by partner with inadequate competency The third risk, Perisai, causes reputational risk because incompetent agents executed the marketing function. Perisai data profile confirms their competency weaknesses. The result of the online survey shows that most of Perisai agents graduated from high school level (44.32%). They never assist companies in either calculating the premium of a social security program or managing their personnel administration (66.45%). They never manage the claim of labor social security (56.7%). They never provide consulting or training services to companies related to labor and or

social security system for labor (77.48%). They do not have working experience in the field of human resource development (69.37%). The lack of competencies certainly has an impact on the ability of Perisai to perform the functions of dissemination, education, and recruitment, as stated in Director Regulation No. 15 of 2018. Also, until now, there is no serious effort to address the issue of Perisai competency. Whereas 53.17% of Perisai agents said that they need training related to marketing activities, 38.95% of them need training related to labor regulations, 41.53% of them need training related to claim to handle. If there is no effort to deal with the competency problem as soon as possible, it can create concern that Perisai will precisely undermine the reputation of BPJSTK as the labor social security agency which under the direct authority of the President. Increasing financial risk due to weak segmentation rules of Perisai, internal control of Perisai, information system of BPJSTK and application of Perisai The fourth risk, Perisai, creates financial risk due to the lack of segmentation rule, internal control, Perisai application system, and information system of BPJSTK. BPJSTK provides the troublesome limitations that even reduce Perisai motivation to work optimally. The first dominant limitation affecting Perisai business process is the premium threshold. If Perisai agents have exceeded the premium threshold of IDR7 million, they must submit the company to the marketing department of BPJSTK, without obtaining financial awards or any compensation. As a result, fraud occurs in the form of disintegrating company participation into several recruitments in order to remain within the recruitment threshold of Perisai. Moreover, Perisai has committed to manipulating the data of membership; ineligible participant candidates are still able to become participants in the program BPJSTK due to personal reason and recruitment target. For instance, registered participants who have been suffered from illness or have exceeded the age limit. This practice was recognized by Perisai agents whom the Research Team met at the interview. This practice is certainly able to give an impact on claims escalation, which in turn will increase operational costs of BPJSTK. Due to the lack of internal control on Perisai as well as some weaknesses in the application and information system of BPJSTK, these fraudulent practices have become challenging to be addressed and seems to be legalized by the system. Increasing operational risk due to unstandardized competency of Perisai, poorly comprehension of data protection, and overlapping of marketing duty between Perisai and BPJSTK The fifth risk, Perisai produces operational risk due to its unstandardized competency, lack of understanding on participant database protection, and overlapping of marketing duties between Perisai and BPJSTK. BPJSTK assigns uneducated and unskilled Perisai agents who have a lack of understanding of labor regulations and do not meet the standards in serving the participants. Since Perisai represents BPJSTK; as a result, BPJSTK is exposed to institutional operational risks. Even though BPJSTK has arranged the system of recruitment, training, and standardization of Perisai through certification, there has not been found either dissemination given or implementation to all Perisai. 73% of Perisai agents confessed that they merely only got training at new recruitment; there has not been further mandatory

development program that is required by Perisai. Perisai is authorized by BPJSTK to recruit and manage the participants. The lack of knowledge and internal control of Perisai will cause the absence of security guarantees on the participant data recruited by Perisai. Meanwhile, processing the membership administration, the copy of personal documents of the participant must be submitted. There are a lot of frauds and forgeries occurring due to the leakage of private data of the community. This issue will give an impact on the operational risk of BPJSTK. Marketing function that remains overlapping between the marketing officer of BPJSTK and Perisai agent has escalated the operational costs. The existence of Perisai causes BPJSTK to pay for recruitment incentives and commissions with the fixed rate scheme (7.5%). Nonetheless, BPJSTK still has to make a budget for operational costs for marketing officers who are also performing recruitment, although with different segmentation. Such matter indeed leads to an increase in operational costs. Besides, with the existence of Perisai, BPJSTK possesses additional duty i.e., monitoring. This responsibility will also inevitably affect the number of operational costs of BPJSTK. Ideally, with the existence of Perisai, the operating costs will decrease and achieve an optimal level of efficiency since BPJSTK can focus on service function and investment fund. The number of participants is also able to be increased since the partnership with the community will reduce asymmetric information problem, and the participation rate will either grow.

Conclusion and Recommendation

Based on our findings, we can see that there are still many rooms to improve for Perisai in order to enhance BPJSTK participant number in the future. According to this study, BPJSTK has not met their goal to adopted Sharoushi and Jimukumiai in a good way. Perisai also brought negative impacts to BPJSTK due to several risks they have when implementing this program without proper business model. Through this study, we would like to suggest several recommendations. Firstly, if BPJSTK feels that they haven't found the best business model to use external party in order to increase their member, they can return their marketing functions to the marketing officer in BPJSTK without involving external party. What they should put in mind is there will be a reputation risk they may face if they insist on recruiting external party that doesn't have aligned culture and knowledge as BPJSTK officer has. More equal human resource allocation throughout Indonesia is the key in order to reach labors who haven't got proper access for information about the importance of social security, especially for their employment. The consequence of this recommendation is that BPJSTK should expand the representation of BPJSTK in the geographical area of Indonesia, including reallocation of human resources to enable the Branch Offices and Sub-Branch Offices as the spearhead. BPJSTK directly collaborate with related institutions, including community leaders, to recruit participants. Regarding the representative expansion plan of BPJSTK, the potency of participant target in each region of Indonesia should be considered. Also, BPJSTK should improve the quality of marketing officers who will be placed at Branch Offices and

Sub-Branch Offices. The effort to upgrade the quality of marketing officers begins from recruitment to the improvement of competency of marketing officer, since successful recruitment will depend on the marketing officer's competency of BPJSTK in practice. Secondly, if BPJSTK feels the urge on recruiting external party, they must cooperate with qualified parties to mitigate risk and reduce the cost. Qualified parties should be the institutions that are regulated by law, supervised by governmental institutions and self-regulating agencies. They are also equipped with established codes of ethics, training systems and supporting organizations. In the insurance industry, the party is known as an insurance agent. The consequence of this recommendation is to establish a partnership with insurance agents. BPJSTK should initiate the partnership with insurance agents that have reputation and competency. Establishing a partnership with insurance agents is a logical option considering the insurance agents are a qualified person to represent the insurance company and to sell insurance products. Also, the existence of insurance agent in Indonesia has met adequate legal protections, has been equipped with a code of conduct and sufficient work operational standards. Establishing a partnership with insurance agents is an efficient option for BPJSTK, especially in terms of training and assistance because insurance agents are well-trained individuals in the marketing of insurance products. The Research Team encourages the adoption of local wisdom and the implementation of three supporting factors in an attempt to strengthen the recommendations of the new partnership as a membership strategy of BPJSTK. Local wisdom has been outlined in the nine principles of the National Social Security System based on Act No. 24 of 2011 concerning Social Security Agency, namely (1) Cooperation; (2) Non-profit; (3) Openness; (4) Prudence; (5) Accountability; (6) Portability; (7) Membership is compulsory; (8) Trust Fund; and (9) The yield of Social Security Fund are utilized entirely for program development and the most considerable interests of participants. Also, the Research Team also recommends the application of the concept of sharing economy, blockchain technology, and regulatory framework as three factors supporting the success of the partnership with the insurance agents. These supporting factors are further elaborated in the following description. The first supporting factor is the Sharing Economy. Sharing economy is a business model based on the concept of sharing resources. It makes consumers get access to the goods or services they need. BPJSTK can utilize the presence of private insurance companies with insurance agents in the implementation of sharing economy. With the existence of private insurance companies, BPJSTK can eliminate the agency assistance task, since private insurance companies generally have possessed a secure and sustainable agent monitoring system. It means that BPJSTK would be able to apply the concept of sharing economy through resources owned by private companies. However, to ensure the sustainability of the sharing economy between insurance agents and BPJSTK, it is necessary to make sure that the new cooperation scheme benefits both parties. The second supporting factor is Blockchain Technology. Blockchain is a database system to record transactions in a decentralized network. BPJSTK needs to improve its information system with the blockchain concept. With a sound information

system, managing, tracking, and monitoring the database will be easier to do. It can record events, records, and activities in a safe, transparent, and efficient system. It can help BPJSTK to implement Know Your Customer Principles, which means that this principle is applied to recognize the identity of participants, monitor the activities of participant 'premium transaction, including to report the transactions that lead to frauds. The pattern of participant transactions can also be seen through this system. For BPJSTK participants who have been recruited, the process of identification and verification of data are executed digitally. Data collection and verification are not only for the participants but also for their beneficiaries. Blockchain later can also be utilized as a digital contract backed by legal force to be taken as evidence of disciplining PWBD (Mandatory Companies that have not registered their workers yet in BPJSTK), PMI (Companies that are delinquent in remitting their worker premium) and PDS (Companies that have partially registered their workers in BPJSTK). By employing blockchain technology, BPJSTK can mitigate the risks better, even if it establishes the partnership with external parties to recruit participants. The third supporting factor is the regulatory framework. Partnering with insurance agents is a policy that does not conflict with outsourcing regulations. Based on a review of regulations related to outsourcing in the insurance industry, the delegation of the marketing function to insurance agents does not violate the law. By complying with insurance industry regulations, BPJSTK can utilize the agency system in carrying out its marketing functions. The existence of insurance agents has been regulated with adequate legal protection and reliable organization. Regulations concerning insurance agents have been enacted at the level of the constitution. Insurance agents have instruments such as association, code of conduct, and certification that guarantee and supervise the quality of individual agents and their profession (self-regulated organization). The utilization of this system can reduce all risks posed by Perisai to BPJSTK, particularly reputation and compliance risks.

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