

# P R A K A R S A *Policy Brief*

May 2022

## Quota Policy Has Not Been Able to Increase Participation of Persons with Disabilities in the Job Market

### Key Points:

- People with disabilities still have difficulty getting decent jobs in Indonesia. The quota policy has not been optimal in increasing the opportunities for persons with disabilities to enter the labor market. This is due, among other things, to the low ability of employers to employ persons with disabilities and the weakness of the policy evaluation monitoring system.
- Persons with disabilities still experience discriminatory practices in the labor market. Discriminatory practices occur starting from seeking information on job vacancies, applying for jobs, to at work.
- Job training institutions have not fully accommodated the needs of various persons with disabilities. Few people with disabilities have access to capacity building programs, such as job training and pre-employment programs.



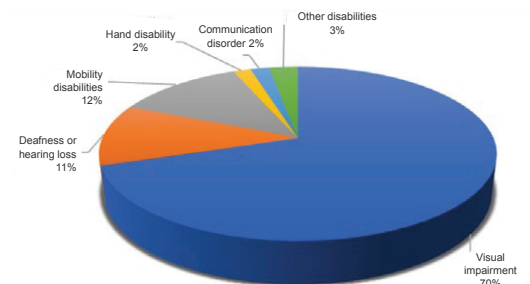
### Disabled labor force in the job market

Decent work is still only a dream for persons with disabilities in Indonesia. As many as 7.9 million people out of 17.74 million people with disabilities are included in the labor force category in Indonesia (BPS, 2020). Based on socio-economic status, 43% of persons with disabilities are in the lowest 40% of the economic group, of which half are persons with severe disabilities. The average school age for persons with disabilities is only 5 years and many persons with disabilities have not finished elementary school (BPS, 2020), thereby reducing their bargaining power in the job market. People with disabilities in the productive age group also face new challenges with changes in the structure of the labor market in the era of the industrial revolution 4.0 which required a reduction in the number of employees in the labor-intensive sector (Benedikt et al, 2019). Judging from the proportion of persons with visual disabilities, the number is the highest compared to other persons with disabilities.

### Access and conditions of women with disabilities in the labor market

The PRAKARSA study (2022) shows that women with disabilities' access to education and training is generally lower than their male counterparts. The proportion of women with disabilities who do not finish primary school and only have primary school education is greater than that of men with disabilities. Meanwhile, for higher levels of education such as junior and senior high schools or the equivalent, the proportion of males with disabilities is higher than females.

Graph 1. Proportion of the workforce by type of disability



Source: processed by SAKERNAS, 2020.

The personal barriers of persons with disabilities greatly affect the employment opportunities they have. The intersectionality between policies, institutional management, and the low support capacity of the community also makes it difficult for persons with disabilities to enter the labor market. The type and severity of the level of disability, as well as the grouping of types of work have increased the risk of discrimination. The grouping of types of work will close opportunities for diversification of job opportunities for persons with disabilities. This is contrary to the principle of an inclusive labor market which is oriented towards the abilities of persons with disabilities.

People with disabilities with limited need for assistive devices have a harder time getting a job than those who need multiple assistive devices. Groups with visual, physical and communication disabilities have better opportunities in the job market than those with mental/psychosocial disabilities. Groups of people with mental/psychosocial disabilities are

stigmatized as not having the ability to work.

Discriminatory practices also still occur among persons with disabilities who work, one of which is in the wages they receive. Based on SAKERNAS data (2020), 70% of workers with disabilities receive wages below IDR 1 million per month, while only 50% of non-disabled workers receive wages of the same nominal amount. Furthermore, workers with visual disabilities have the highest average wage among other types of disabilities, which is IDR 1,076,595. Meanwhile, workers with communication disabilities are the lowest paid earners with an average of IDR 500,000 per month. Covid-19 has also had an impact on decreasing income for persons with disabilities in Indonesia. Based on the August 2020 SAKERNAS, there was a decrease in wages of almost 48% for workers with disabilities of all types of disabilities due to the Covid-19 condition (SAKERNAS, 2020). Incomes that are far below the average minimum wage exacerbate the vulnerability of the disabled group in Indonesia before and during the Covid-19 pandemic.

### Employment policy for persons with disabilities

The Indonesian government has issued several policies to encourage the expansion of employment opportunities for persons with disabilities, but their implementation has not been optimal. There are three policies targeting the issue of employment with disabilities in Indonesia, namely: the minimum quota policy, the policy for increasing work skills, and the establishment of a consulting service unit for employers. The minimum employee quota policy has been regulated in Law no. 8 of 2016 article 53, which states that at least 2% of public institutions (government institutions, BUMN/BUMD) and private institutions of at least 1% must employ persons with disabilities from all employees employed.

Even so, this minimum quota policy has not shown significant results in encouraging the absorption of workers with disabilities into the job market. Results of SAKERNAS data analysis (2020) shows that only 21% of the workforce with disabilities work in the formal sector and another 79% fall into the category of informal workers – working without social protection at work. In more detail, less than one percent (4,453 of 536,094 people) of the disabled workforce work in 551 private companies (Ministry of Manpower, 2021). BUMN/BUMD companies are also still minimal in recruiting employees with disabilities, only 72 out of 107 BUMN companies have employed persons with disabilities (Mola, 2021). In fact, BUMN/BUMD companies are expected to have employed persons with disabilities in all companies.

The Indonesian government also issued policies to increase worker capacity. This policy is manifested in job training programs and pre-employment cards. Only 10% of the workforce with disabilities attend job training organized by the government or the private sector. The workforce with communication disabilities is the least group (only 3%) having received job training (SAKERNAS, 2020). On the other hand, the pre-employment card program has been regulated in Presidential Decree No. 36 of 2020 concerning developing work competencies through the pre-employment card program and 86% of the workforce with

disabilities are aware of the program. However, only about 6% have enrolled in the pre-employment card program (SAKERNAS, 2020). One reason why so few persons with disabilities register for the pre-employment card program is because this program does not state in writing that persons with disabilities can participate.

UU no. 8 of 2016 also mandates the existence of a consulting service unit for employers. As a follow-up, the government passed PP No. 60 of 2020 concerning the Disability Service Unit (ULD). This institution acts as a provider of information on job vacancies, promotes workers with disabilities, provides counseling, provides guidance, and conducts career analysis for workers with disabilities. Even though they already have a legal umbrella, until now no data has been found regarding the regions that have formed ULDs. Only a few regions are initiating the formation of ULD, one of which is DKI Jakarta province.

At the regional level, there are still disparities in efforts to fulfill the rights of persons with disabilities through policies. Most local governments do not yet have policies to guarantee the fulfillment of the rights of persons with disabilities. Until 2021, only 18 provinces or around 65 districts/cities have issued policies related to fulfilling the rights of persons with disabilities. Seeing these conditions, the issue of the rights of persons with disabilities has not become mainstream and is still normative at the regional level.

### Barriers to persons with disabilities in the labor market

Persons with disabilities experience multi-layered barriers in accessing the labor market in Indonesia, starting from the macro level to the micro level. At the macro level, obstacles stem from affirmative policies that have not been maximized, institutional governance, and issues handled sectorally. At the meso level, there is still stigma and discrimination against persons with disabilities in the workplace. Meanwhile, at the micro level, the confidence of persons with disabilities to access the job market is still low. In more detail, these obstacles will be presented in the following description:

#### 1. Disability issues are still handled sectorally

The handling of disability issues is still very sectoral in Indonesia and has not been handled across ministries/agencies. Persons with disabilities are included as persons with social welfare problems (PMKS). Handling PMKS in Indonesia is still limited to charitable programs such as cash assistance which is limited to the bottom 40% of the economic group. More than that, persons with disabilities need various kinds of interventions (such as education, health, and employment) for all persons with disabilities, not just the bottom 40% of the economic group. Incomplete understanding will perpetuate sectoral and charitable interventions for persons with disabilities.

#### 2. Inadequate infrastructure

Persons with disabilities have to pay more for work mobility due to infrastructure support that is not yet inclusive. Means of transportation to the workplace have not been able to accommodate all types of disabilities, for example: buses or public transportation are not friendly and difficult

to access for persons with disabilities. The limited choice of modes of transportation means that people with disabilities have to use more expensive modes of transportation, such as private taxis. Limited access to unfriendly infrastructure encourages persons with disabilities to create job opportunities for themselves and in places that are easy for them to access (Cameron & Suarez, 2017).

Building infrastructure in workplace buildings also does not fully accommodate the needs of persons with disabilities. Law No.28 of 2002 concerning buildings, Law no. 8 of 2016 concerning persons with disabilities and PUPR Ministerial Regulation No. 14 of 2017 concerning requirements for the ease of building yet implemented optimally. Many employers claim to have no authority because they only have the status of building tenants. So that employers do not have the authority to make infrastructure adjustments according to the needs of workers with disabilities.

### **3. Low understanding of the company and the low mechanism of oversight of the quota policy**

Employers have not paid attention to aspects of inclusivity in the workplace. This has an impact on the minimal fulfillment of the needs of workers with disabilities in the workplace. Companies still don't know how to hire, identify needs, and provide support facilities for workers with disabilities. Multi-sector collaboration efforts have been carried out by the central government, CSOs, and the disability community. One of them is by making a guidebook for employing persons with disabilities. However, until now there have been no rules and socialization of the use of guidebooks to all companies. The lack of understanding of the company is also due to one of the reasons that the supervisory system is not optimal. The limited number of supervisory human resources with a large number of supervisory areas results in an unbalanced ratio between the number of supervisors and the company. As of 2016 the ratio of the number of supervisors to companies is 1:11 (ILO & Ministry of Manpower, 2017). The function of labor inspectors has not specifically supervised the implementation of the minimum quota for employees with disabilities in companies.

### **4. Job information is still limited and the recruitment process is not yet inclusive**

Job seekers with disabilities experience limitations in accessing job vacancy information. The vacancy information does not state in writing that jobs are open to persons with disabilities. In addition, recruitment requirements are not yet affirmative, such as the minimum educational qualifications are still high, the selection process is not yet inclusive, and restrictions on the type of disability in certain jobs are also still a hindrance. PRAKARSA's research (2021) found that the requirements for physically and mentally healthy are ambiguous and are considered to perpetuate the perspective of the health model in viewing situations of disability that occur due to personal disabilities. Persons with disabilities are considered to not meet the healthy category and do not meet the requirements for applying for a job. This condition is also exacerbated by the absence of technical guidelines for medical personnel in conducting health assessments for persons with disabilities in Indonesia.

### **5. It is difficult for workers with disabilities to hold on to jobs and get promotions**

It is difficult for persons with disabilities to maintain a job because there is still an opinion that employing persons with disabilities is a high risk and the high costs that must be incurred to support employment. Even though there is a policy for reinstatement of workers with disabilities due to work accidents, employers have not fully implemented this policy. Employers still experience difficulties in positioning workers with disabilities in their previous jobs. In addition, workers with disabilities also have a smaller chance of getting a promotion because they are considered to have no leadership skills. Promotions are also heavily influenced by leadership decisions and not open opportunities.

### **6. Job training is not yet inclusive**

Persons with disabilities have not fully participated in job training before or while on the job. The right to take part in job training for persons with disabilities is regulated in article 46 of Law no. 8 of 2016 to provide opportunities for persons with disabilities to take part in job skills training at government, local government and/or private job training institutions. However, SAKERNAS data (2020) shows that only 10% of the workforce with disabilities have attended job training whether organized by the government or the private sector before entering work. The implementation of job training has not been able to accommodate the needs of persons with disabilities, including the unavailability of supporting facilities and infrastructure for persons with disabilities, and instructors do not yet have the capacity to provide training for persons with disabilities.

### **7. The low confidence of persons with disabilities to apply for jobs**

The immediate environment of persons with disabilities generally does not yet have an open perspective to accept family members with disabilities. Families still regard persons with disabilities as a disgrace and a burden, so they are often covered up. The absence of primary support from families for persons with disabilities has limited access to education, health, and social interaction. As a result, persons with disabilities have low self-confidence to participate in the labor market.

## **Policy Recommendations**

- Establishment of a monitoring and reporting mechanism for the minimum quota of workers with disabilities. The minimum quota policy requires additional rules in process implementation in the form of monitoring and reporting mechanisms for staffing persons with disabilities in government institutions, BUMN/BUMD, and private companies. In addition, quota policies also need to pay attention to gender issues in employment with disabilities, especially in ensuring that budgets are available to increase accessibility and opportunities for persons with disabilities to gain self-capacity, obtain business capital, ensure access to the labor market, and work protection. Furthermore, efforts to disseminate the minimum quota policy for employees with disabilities need to be expanded to persons with disabilities, the disability community, and civil society organizations (CSOs). This socialization aims to encourage multi-



### Managing Director :

**Ah Maftuchan**

The PRAKARSA Executive Director

### Written by:

- Darmawan Prasetya
- Eka Afrina Djamhari
- Aqilatul Layyinah

### Reviewed by:

- Victoria Fangidae
- Herni Ramdhaningrum

### Designed by:

Bambang Nurjaman

### PRAKARSA Policy Brief is

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## PRAKARSA

Welfare Initiative for Better Societies

Jl. Rawa Bambu I Blok A No.8-E  
Pasar Minggu, Jakarta Selatan  
Indonesia 12520

Phone +6221 781 1798

perkumpulan@theprakarsa.org

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stakeholder cooperation in efforts to increase work participation in the disabled workforce.

- Ensuring the availability of basic infrastructure supporting personal mobility that is easily accessible for all types of disabilities. Central and regional governments need to gradually improve public infrastructure and support personal mobility such as disabled-friendly public transportation. This improvement includes places for getting on and off these modes of transportation and vehicles that are easily accessible for persons with disabilities. Providing access to disability-friendly public transportation can encourage better access for persons with disabilities to the job market.
- Provision of inclusive job training for persons with disabilities. Strengthening the work capacity of persons with disabilities can be done through strengthening training services at BLK/BLKK. This effort can be carried out by providing inclusive training facilities, human resources that can train participants with disabilities, and providing training manuals for persons with disabilities. BLK/BLKK also need to ensure the provision of training opportunities for employees who become disabled due to work accidents to attend training again even though they previously attended training at BLK/BLKK. Furthermore, BLK/BLKK need to ensure that there is an apprenticeship training process to support apprenticeships that can provide apprentice salary assistance for persons with disabilities. This assistance is in the form of a package of providing grants, providing tutorials, interpreters, and mentors for apprentices. The provision of this inclusive training

needs to be carried out in all 2,170 BLK/BLKK spread across all provinces in Indonesia. Thus, strengthening capacity through inclusive training is expected to strengthen the bargaining power of persons with disabilities to access the job market.

- Assistance and support to companies in hiring with disabilities. In an effort to support the recruitment process, the government can assist companies or employers to conduct assessments. This assessment can be carried out by a special institution established based on the International Classification of Functioning, Disability and Health (ICF) by WHO. The government can provide consultative services for prospective employers to employ persons with disabilities. Assistance can also be provided to employers to optimize the "Return to Work" program and to make a guidebook that provides information on the stages of hiring employees with disabilities after work accidents. In the mentoring process, the government can also maximize the function of trained personnel accompanying persons with disabilities or so-called case managers from either BP Jamsostek or ULD. The role of the case manager targets two directions, namely persons with disabilities and companies. In addition to assistance support, the government can also provide fiscal support to companies. Fiscal policies such as providing wage subsidies to workers with disabilities, company assistance, and tax reductions. In addition, the government can also provide support for providing work aids, mentoring, making recruitment guidelines or employing all types of disabilities.

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