

ABSTRACT

The phenomenon of layoffs (PHK) has occurred in Indonesia over the past few years. These layoffs have caused workers to experience a decline in welfare and purchasing power in general. The introduction of Jaminan Kehilangan Pekerjaan (JKP), implemented by the government since 2022, helps laid-off workers maintain their purchasing power while searching for new jobs. However, moral hazard may arise because JKP recipients tend to take longer to find employment.

This study aims to analyze the effect of JKP provision on the duration of job searches in West Java Province. The data source for this research is the raw data from the August 2023 Survei Angkatan Kerja Nasional (Sakernas), collected by the Badan Pusat Statistik (BPS). The data is processed and analyzed using linear regression or the ordinary least square (OLS) method. The dependent variable is the duration of job search, while the independent variable is JKP participation. Additional supporting independent variables include reservation wages, residential status, marital status, gender, age, job training, and education.

The findings of this study indicate that JKP participants do tend to take longer to find jobs compared to non-JKP participants. These results confirm job search theory and demonstrate the presence of moral hazard among JKP recipients, albeit at a relatively low level. Other variables also influence job search duration, such as reservation wages and residential status, which have positive effects, while marital status and education have negative effects.

Keywords: Unemployment Insurance (JKP), Job Search Duration, West Java Province, Sakernas 2023