



ILO Contribution to the PRSPs Process in Indonesia

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Overview: Poverty in Indonesia

- In 2000 (excluding Aceh and Mollucas) 18.96% of Indonesia (37.3 million) were living under poverty line.
- 9.1 million in urban
- 25.1 million in rural
- Agriculture (63.0%), Industry(27.7%) and services (6.4%)



Overview: Poverty in Indonesia

- Worldbank estimates in 2002, 53% of Indonesia (110 million) were living below poverty line of USD2 per day



PRSPs Process in Indonesia

- National Poverty Alleviation Committee on PRSPs was established in 2001
- Under Coordinating Ministry of People's Welfare
- The committee has identified the poverty as result of:
 - (1) lack of opportunity
 - (2) low of capability
 - (3) low level of security and
 - (4) low of capacity or empowerment



Task Forces on the PRSPs

- 4 task forces consisting:
 - Opportunity creation
 - Empowering
 - Capacity building, and
 - Social protection
- Lack of “the world of work” representatives
 - 4 MoMT officials, 1 workers’ and no employers representative



Development of PRSPs

- Interim PRSPs was launched in January 2003
- Full PRSPs will be completed by June 2004

National Development Planning Agency Projection Economic Growth and Open Unemployment

Year	Labour Force (Million)	New Labour Force (Million)	Economic Growth (percent)	Under Employment (million)	New Employment (Million)	Open Unemployment	
						(million)	(Percent)
1996	88,19	3,96	7,82	83,90	3,79	4,29	4,86
1999	94,85	2,11	0,79	88,82	1,14	6,03	6,36
2000	95,65	0,94	4,92	89,84	1,00	5,81	6,07
2001	98,81	3,16	3,44	90,81	0,97	8,00	8,10
2002	100,78	1,97	3,66	91,65	0,84	9,13	9,06
2003	102,88	2,10	3,99	92,75	1,10	10,13	9,85
2004	104,98	2,10	4,49	94,15	1,40	10,83	10,32
2005	107,08	2,10	5,03	95,89	1,75	11,19	10,45

Keterangan:

Untuk tahun 1996, 1999, 2000, 2001 dan 2002 menggunakan angka Sakerna-BPS. Untuk tahun 2000 tanpa propinsi Maluku. Untuk tahun 2001 dan 2002 menggunakan definisi pengangguran terbuka yang disempurnakan dan termasuk propinsi Maluku. Untuk tahun 2003 - 2005 menggunakan angka proyeksi BAPPENAS.

What are the components of decent work which are most readily embraced by PRSPs "secretariats"?





The Decent Work component on the PRSPs

- Rights at work
 - Eliminating the worst form of child labour
- Employment
 - Addressing high levels of unemployment and underemployment especially for young people
 - Creating job to absorb new entrants to the labour market



Decent Work components on the PRSPs

- Social Protection
 - Support national social security reforms, including extension of coverage to informal economy, migrant workers and HIV/AIDS
- Social dialogue
 - Support the development of workers representative on policy issue of PRSPs



ILO contribution

- The importance of employment policy to poverty reduction in the World of Work were discussed by the the National Development Planning Agency and Ministry of Manpower and Transmigration and the ILO in November 2002.
- ILO submitted initial comment on the draft I-PRSP
- National Poverty Alleviation Committee requested the ILO input
- ILO input aligned with the 4 Task Forces: Easy for “selling” our output



ILO team

- Consisting of ILO Jakarta, HQ (Integration and others), Regional office, SRO Manila
- Building onto internal expertise
- NPM and National Expert recruited to follow day-to-day operation



ILO Technical Assistance Programme

- Three consultative meetings were held in March, Aug and Sep 2003
- Building the awareness of the ILO constituents about PRSPs Process
- Development of Technical Briefing Notes
- Preparation of comprehensive report, "Poverty reduction through decent Work in Indonesia"



Creation of TBNs on key issues

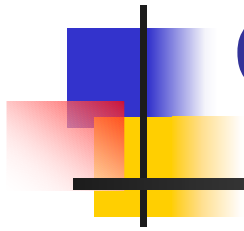
- Short issues paper (5 to 10 pages)
- They become building blocks of the final ILO paper
- TBN topics are key issues found in the country's draft national plan of action
- Prepared by ILO staff projects but some are prepared by consultants



Technical Briefing Notes

- Employment dimensions of macro and sectoral policies
- Decentralization and decent work: Making the connection to the MDGs
- Job creation and SMEs and local economic development
- Youth employment: pathways from school to work
- Rural development; Decent work, agricultural and infrastructure
- Addressing gender issues in poverty reduction
- Skills development for economic growth and sustainable livelihoods
- Promoting the declaration and rights at work
- Eliminating the worst of child labour
- Social protection for all
- Promoting good governance in the labour market by strengthening tripartism and social dialogue
- Migration: opportunities and challenges for poverty reduction
- Monitoring and evaluation

What are the successes/
difficulties in engaging with
constituents on the PRSP
dialogues?





Constituents involvement

- Employers and Trade Union agreed to engage in the PRSPs process and support the ILO contributions to provide TBNs and facilitate the process
- But, Employers plan to discuss further within their national board before they take a decision



Constituents involvement

- Ministry of Manpower and Transmigration needs to consolidate themselves internally and make a coordination with other ministries



Capacity building of workers

- ILO held a national trade union seminar on PRSPs on 11 September 2003
- Participated by 80 trade union leaders from three major national confederations across sectors
- Chairman of National Poverty Alleviation Committee task force, National Development Planning Agency, the Worldbank, NGOs was invited as resource persons
- Covered by various electronic and printed mass media



The objective of seminar (1)

- To build awareness among trade union leaders about PRSPs
 - The PRSPs and Indonesian National development framework
 - The interim PRSPs
 - Current status of the PRSPs process in Indonesia
 - The role of ILO social partner including trade union within PRSPs process



The objective of seminar (2)

- To discuss the proposed topics for forthcoming capacity building workshop
- To set up Trade Union Network on Social and Economic Policy



The result of the seminar

- Union representative agreed to establish National Trade Union Network on PRSP
 - To meet and define the Trade union's concept on the PRSPs
 - To elect workers representatives who will sit on the 4 National PRSPs Task Forces
 - To hold socialization and consolidation of the network to the existing 72 trade union organization
 - To submit the trade union's PRSP document to the ILO



The issues raised on the seminar

- Outsourcing workers,
- Capitalism and neo-liberalism
- New labour law
- The hidden agenda on the PRSPs
- National debt
- Poor condition of workers and farmers
- The opposition to the labour market flexibility and
- Privatization



Topics proposed by Union

- Pro-workers state development policy
- Inequality of development and employment creation
- Poor quality of human resources
- Pro-workers' social protection policy
- Free 9-year basic education
- Low wages of workers



Forthcoming activities

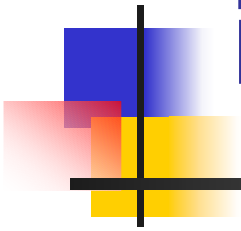
- Tripartite national and provincial workshops on TBNs in WorldBank's pilot site (Jakarta, East Java and East Kalimantan) (Oct 03)
- 1-2 day capacity building workshop on the topics proposed by ACTRAV in Jakarta and Denpasar (Oct 03)
- Employers' Seminar on PRSP (ACTEM) in Jakarta
- 1-2 day MOMT workshop on PRSP (Oct 03)
- These workshops will throw issues to the stakeholders and validate the ILO input (relevant TBNs)



Forthcoming activities (2)

- One week “write shop” in Jakarta to complete the draft report (Dec 3)
- Stakeholders’ consultation/ validation workshop (Jan 04)
- Official submission of the ILO paper in early next year

What type of capacity building
do the social partners need for
influencing PRSPs?





Challenges (1)

- PRSPs more becoming influence since it will replace National Development Program (PROPENAS)
- PRSPs can be use a forum to reach national consensus that accommodating labour and employment issues
- Trade Union as well as other ILO's constituents has to involve institutionally and establish a consensus among them



Constraints (1)

- Lack of knowledge and information about the PRSPs among the workers, employers and MoMT
- The capacity of the task force in manage the public participation on thematic issues, regional and policy review



Constraints (2)

- Time limitation, full PRSPs should be completed June 2004 (8 months)
- Lack of the world of work representatives
- Priority and time allocation and synergy with other taskforce
- Lack of resources