

Monday, 26 April 2004  
FOR RELEASE WEDNESDAY, 28 APRIL 2004

## PRESS RELEASE

### Indonesia to Finalize National Poverty Reduction Strategy

JAKARTA (ILO News): Poverty reduction remains a major challenge in Indonesia. Therefore, as a follow-up to the ILO submission to the Indonesian PRSP in February, the ILO, in collaboration with the National Poverty Alleviation Committee, will hold a coordination meeting on National Poverty Reduction Strategy on Wednesday, 28 April 2004, at Ambhara Hotel, Jakarta. The meeting will be opened by the Coordinating Minister for Economic Affairs Dorodjatun Kuntjoro-Jakti.

The National Poverty Reduction Strategy is scheduled to be finalized in May 2004. In line with that, the primary objective of this meeting is to socialize the final draft of National Poverty Reduction Strategy to stakeholders. To ensure the participatory process as required in the development of the national strategy, the coordination meeting will also provide an opportunity for participants, including workers' and employers' organizations, to share inputs associated to employment and poverty reduction for finalization.

One important aspect of the PRSP is manpower and employment issues. More and better jobs, along side with the protection of workers' rights, should be the essence of the poverty alleviation strategy to help women and men to work out of poverty.

"The ILO believes that the PRSP process provides a very important opportunity for the development and implementation of pro-poor policies, which address the needs of many Indonesian women and men who still live in poverty," said Alan Boulton, ILO Country Director. He continued that the ILO also believes that providing people with opportunities to earn a decent living is one of the best ways to reduce poverty.

On this occasion, the Indonesian Trade Union Network for PRSP and Indonesian Employers' Association (APINDO) will submit their recommendations to the Taskforces, which are developing the National Poverty Reduction Strategy. The Network proposes that the government should reallocate the state budget for labour-based investment programmes, the development of rural infrastructure and workers' empowerment. The Network also suggests extending the coverage of social security to workers in the informal economy.

Meanwhile, APINDO emphasis the creation of macro-economic stability, the improvement of the financial system and investment climate, the strengthening of the social safety net, encouraging sectoral transformation from informal to formal economy and the promotion of social corporate responsibility.

As one of the 80 countries that are now developing a PRSP, the Government of Indonesia produced an Interim Poverty Reduction Strategy Paper in January 2003. It is now in the process of completing the final PRSP, which is scheduled for May 2004. A National Poverty Committee led by the Coordinating Minister for People's Welfare has been set up. The committee consists of four taskforces working on the main themes for the PRSP, namely 'Creating Opportunity', 'Community Empowerment', 'Capacity Building' and 'Social Protection'. Each taskforce has representatives from Government, civil society and academia.

The ILO has held a series of workshops for trade unions, the Ministry of Manpower and Transmigration, and the employers' organization (APINDO) on the Indonesian *Poverty Reduction Strategy Paper (PRSP)*. The workshops and social dialogue were intended to ensure the voice of the world of work was heard when defining and implementing the Indonesian poverty reduction strategy.

Those participating at the seminar will include Revrisond Baswir (Economist from University of Gajah Mada), Dr. Bambang Purwoko (Social Protection Observer from University of Indonesia), Aviliani (University of Paramadina) and Dr. Payaman Simanjuntak (Senior Researcher on Industrial Relations) and some 100 participants from government, employers' and workers' organizations, NGOs, observers, academia, as well as national and international institutions.