

# ILO Jakarta Newsletter

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## The Signing of the Indonesian Jobs Pact: Indonesia the First Country to Adopt the ILO's Global Jobs Pact

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“ The Indonesian Jobs Pact is the implementation of the ILO's Global Jobs Pact at the country level... The Government, including myself, governors, head of districts and mayors, should play an active role in ensuring the effectiveness of the National Tripartite Council in dealing and addressing employment related issues. ”

**Susilo B. Yudhoyono**  
President of The Republic of Indonesia

**T**he President of Republic of Indonesia, Susilo Bambang Yudhoyono, witnessed the signing of the Indonesian Jobs Pact (IJP) on 13 April, at the Presidential Palace, Jakarta, Indonesia. The Pact was signed by the Ministry of Manpower and Transmigration, Muhaimin Iskandar, as the Chair of National Tripartite Council (LKS-Tripartit Nasional), Myra M. Hanartani, Deputy of the National Tripartite Council from the Government, Sofjan Wanandi, Deputy from the employers' organization, and Thamrin Mosii, Deputy from the workers' organizations.

The IJP is designed to bring the benefits of economic growth to every citizen through the creation of decent and productive employment, making the Indonesian economy regionally more competitive, while supporting the national policy goals. The Pact also represents the priorities of Indonesia's Government, workers and employers and expresses their tripartite commitment to act together in order to make economic growth more job-rich, enhance the competitiveness of the economy, improve industrial relations and protect vulnerable workers.

Indonesia was among the first pilot countries to set in motion a national process of dialogue and adaptation of the Global Jobs Pact after its adoption by the International Labour Conference in 2009. The ILO's Global Jobs Pact proposes a balanced and realistic set of policy measures that countries can adopt to strengthen their ongoing efforts to address the crisis while pursuing economic, social, and environmental sustainability.

"The Indonesian Jobs Pact is the implementation of the ILO's Global Jobs Pact at the country level. I have met with the ILO's Director General [Juan Somavia] and we discussed about the financial crisis and its social and economic impact worldwide. He appraised policies and efforts taken by Indonesia to address social and economic impact of the crisis," the President Yudhoyono was quoted by the *Bisnis.com* in his opening remarks.

The President emphasized the important role played by the National Tripartite Council in handling and tackling problems related to employment. "The government, including myself, governors, head of districts and mayors, should play an active role in ensuring the effectiveness of the National Tripartite Council in dealing and addressing employment related issues."



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(Above): President Susilo Bambang Yudhoyono (right) hit the gong to mark the opening of the IJP signing ceremony. (Below): The ILO's Regional Director for Asia and Pacific, Sachiko Yamamoto congratulated President Yudhoyono, witnessed by the Manpower Minister.

Meanwhile, the Indonesian Minister of Manpower and Transmigration, Muhaimin Iskandar, stated that the IJP is the tripartite declaration aimed to create more job opportunities and improve social protection as the main elements of the employment and social policies in addressing the financial crisis. "Through the Indonesian Jobs Pact, all relevant stakeholders dealing with employment issues will have common visions and missions, focusing on the four priority areas of the Pact: employment creation, strengthening industrial relations, enhancing the quality and coverage of social protection, and improving labour productivity."

Recognizing its relevance to their own national issues, the Indonesia's tripartite representatives - the Government, workers and employers - formally decided to adapt the GJP to help address the social and employment impact of the crisis on the Indonesian workers and enterprises. The IJP was developed through a series of reviews and consultations among the tripartite partners. A tripartite Steering Committee with support from the Office of the Vice-President was also established, to provide strategic oversight for the process the formulation of the IJP.

The IJP serves as a foundation for tripartite action between 2011 and 2014, highlighting priorities based on the National Medium Term Development Plan and the priorities of the social partners. It also focuses on the tripartite actors'

attention and efforts on the inclusiveness of economic growth, the environment and the development of human capital. The agreement's implementation model particularly encourages local level initiatives.

Similarly, Peter van Rooij, ILO Country Director in Indonesia, noted that the IJP marked the onset of a new epoch of fruitful and deepening collaboration between the Indonesian tripartite constituents and the ILO. "The IJP will pave the way for Indonesia's next Decent Work Country Programme covering the country's development to 2015," he said. 🌟

## Global Jobs Pact

The Indonesian Jobs Pact (IJP) is the national adaptation of the ILO's Global Jobs Pact (GJP). The GJP has received strong international backing, including from the G20 heads of state, the UN General Assembly, the UNDP Board, ASEAN, and numerous other international and regional bodies. Indonesia is a member of the G20. It also consists of an integrated policy portfolio in four areas:

- Accelerating employment creation, jobs recovery and sustaining enterprises
- Building social protection systems and protecting people
- Strengthening respect for international labour standards
- Social dialogue: bargaining collectively, identifying priorities, stimulating action

Policies in the four areas interact with each other, leading to shaping a fair and sustainable globalization.

The Pact calls on the government, workers and employers of each state to come together to develop a comprehensive plan of action that serves the broad goals of creating jobs and protecting people with the longer term objective of improving the fundamental principles of the global societal framework.

By adopting the Pact, the constituents of the ILO have committed themselves to creating a different and better world in which globalization and economic progress are inextricably intertwined with sustainability, social justice and human rights. 🌟



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Peter van Rooij, Country Director of the ILO in Indonesia, together with the President Susilo Bambang Yudhoyono.

February last year our Indonesian Constituents – the Government, trade union confederations and APINDO representing employers – commenced a process of adapting the Global Jobs Pact to the context of Indonesia. This Pact is a set of balanced and realistic policy measures to ease the impact of the crisis and accelerate recovery in employment. Based on the Government's Midterm Development Plan 2010 – 2014 and with the support of the social partners, the *Indonesia Jobs Pact* truly marks a national and international milestone.

In Indonesia this means joint priorities on what is needed to advance the agenda of *decent work* in Indonesia:

- Employment creation
- Industrial relations
- Social protection and
- Labour productivity.

We are now supporting our Constituents on how to do this, the actual implementation, including with assistance from the ILO and other international organisations.

Internationally, Indonesia is setting an example to other countries how the Government, trade unions and employers' organisations can work together, agree on priorities and work jointly to realise *decent work*. The process itself has been valuable, putting social dialogue and national ownership into practice. The ILO is pleased to have supported the process and looks forward to support the implementation of the *Indonesia Jobs Pact* through the formulation of our next Decent Work Country Programme for Indonesia. 🌟

## What They Say about the IJP



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**Dr. Bambang Widianto**  
Deputy for Social Welfare of the Office of the Vice President

"The Government of Indonesia fully supports a national Jobs Pact because we can utilize various experiences of other countries in coping with challenges in our labour market. It is also hoped that the economic growth will benefit the Indonesian people through the creation of decent and productive employment."

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**Djimanto**  
Chair of the Indonesian Employers' Association (Apindo)

"The IJP highlights the importance of social dialogue in ensuring the economic growth. We share social and public concerns, so let us all engage in social dialogue for the sake of togetherness".



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**Rekson Silaban**  
Indonesian Prosperity Trade Union Confederation (KSBSI)

"We fully support the IJP as a vehicle to improve working conditions. We, therefore, hope that employers would involve labour unions and discuss what needs to be done in order to face the difficulties together."

"The ILO congratulates the Indonesian tripartite constituents on the strong commitment they have shown to developing the Indonesian Jobs Pact. It is an excellent example of successful social dialogue based on mutual trust and genuine commitment. It is a solid step towards a better future for the people in Indonesia"

**Sachiko Yamamoto,**  
ILO Regional Director for Asia and the Pacific

# Boosting the Productivity of SMEs in Indonesia

**M**edical equipment and hospital furniture manufacturer PT Tesena Inovindo has been able to improve its performance over the past five months after adopting the ILO's Sustaining Competitive and Responsible Enterprises (SCORE). The progress was achieved through the rehabilitation of its working area by forming a team to revamp the production unit to minimize and control the interline balance.

PT Tesena produces medical equipment, hospital furniture and weighing scales and employs around 100 permanent workers in Ciracas, East Java. The company has also secured ISO 9001 and ISO 13485 as well as the Indonesian National Standard (SNI) certificates for its products.

"Besides strengthening the domestic market presence, we have begun exporting our products to Syria, United Arab Emirates, Yemen, Malaysia, Sri Lanka, Bangladesh, Algeria and Nigeria," said Riadhie, Tesena Project Manager in a presentation during the SCORE impact assessment workshop jointly held by the ILO's SCORE programme and the Ministry of Manpower and Transmigration on 11 January.

The workshop was conducted to mark the culmination of a series of enterprise trainings on Workplace Cooperation conducted in five pilot small medium enterprises (SMEs). It was aimed to assess the progress of the implementation of the workplace cooperation in the pilot enterprises and to provide the opportunity to participating enterprises to share good practices, lessons learned and constraints for future effective development of workplace cooperation.

Targeted to SMEs with 50 – 200 workers from various sectors, the five pilot enterprises included PT Tjokro Bersaudara, PT Trijaya Teknik, PT Lestari Dini Tunggul, PT Inprintama Asri and PT Tesena Inovindo.

Other participating companies that have also shown progress is PT Lestari Dini Tunggul, a medical and industrial manufacturer that supply medical and industrial apparel to all hospitals nationwide. The company employs 125 workers at 44 branches in large cities and provincial capitals.

After adopting the cleanliness culture and forming two teams working in the production, accounting, marketing and human resources, the company has significantly improved its productivity and working performance. "Cleanliness is not yet a culture in the country and teamwork is still rarely implemented in home industries and small companies," said Laras, the CEO of PT Lestari, adding that the company was expected to increase its turnover to Rp 15 billion this year, from Rp 3 billion in 2010.

*"Pilot enterprises had witnessed increased productivity, better working conditions and improved communication between management and workers. The enterprises also managed to reduce the number of reworked and rejected products"*

**Januar Rustandie**  
Project Manager of SCORE Indonesia



Improved working condition of PT Tesena Inovindo

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These pilot enterprises were part of the 11 small medium enterprises (SMEs) taking part in the ILO's SCORE Project funded by the Swiss State Secretariat for Economic Affairs (SECO). Launched in July 2010, the ILO's SCORE programme is designed to help SMEs in Indonesia to boost quality and productivity, improve working conditions, reduce environmental footprints and strengthen collaboration and communication between employers and workers.

They have participated in the series of workplace cooperation trainings that jointly conducted by the SCORE programme and the Directorate of Productivity and Employment, Ministry of Manpower and Transmigration, from October to December 2010.

The trainings, consisted of a two-day comprehensive workshop, were conducted in October 2010 and were followed by three site visits to each enterprise in November and December 2010. The trainings focused on the first of the five modules of the SCORE programme covering issues on workplace cooperation, quality management, productivity and cleaner production, human resources management and occupational safety and health. ❁

# Realizing Green Jobs in Indonesia for sustainable development

**G**reen Jobs in Asia is a project aims to deepen constituents understanding and commitments for the promotion of gender-sensitive green jobs opportunities and a just transition for workers and employers towards a low-carbon, climate resilient, environmentally friendly development in Indonesia. This project is being implemented in five countries across Asia, including Indonesia.

Under the Green Jobs in Asia Project, there are several activities that will be undertaken such as national study, demonstration project, capacity building activities for ILO constituents and relevant stakeholders and also convening of a national conference. The Green Jobs National Conference was considered to be important step in order to disseminate information and opportunities on Green Jobs to all relevant stakeholders in Indonesia, as well as to launch discussion and awareness raising on the topic.

The Green Jobs National Conference was jointly conducted by the ILO and the Indonesian Ministry of Manpower and Transmigration on 16th -17th December 2010 in Jakarta. The Conference was aimed to share experiences and ideas on how Indonesia can address the two main challenges of modern times, which are to create millions of jobs and decent work to the millions of new comers on the labor market while generating less carbon in the economy and tackling the issue of climate change. This conference also acted as a platform to take concrete steps together with the Indonesian Government and social partners in realizing Green Jobs in

*Climate change is an issue of high priority for Indonesia. Like many other countries in Asia and the Pacific, Indonesia has also voluntarily committed to reducing greenhouse gas emissions or carbon intensity per unit of GDP by 2020. Indonesia is committed to reducing its GHG emission to 26 per cent – and 41 per cent by 2020 from its Business As Usual in 2005 in case of international assistance.*

Indonesia in order to achieve sustainable development and a just transition.

To mark the support from constituents to promote the creation and implementation of green jobs in the country, a commitment plaque was signed. The plaque was also marked the launch of the Project in Indonesia which would be implemented until the year of 2012. The project aims to

directly contribute to national programs and initiatives relating to climate change, environment and recovery from the economic crisis.

"Green jobs is important element of the green economy from the Indonesian perspective. That



© Mala



The launch of the Green Jobs Project in Asia held in December 2010 in Jakarta

is why it is important to mainstream the green economy to all economic sectors involved. We should develop further ways and means to implement green economic programs at individual, private, communities and government levels," said Laksmi Dhewanthi, Assistant Deputy Minister for Environmental Economic, Ministry of Environment, in her presentation during the Conference.

Muce Mochtar, the Project Manager of the Green Jobs in Indonesia, said that the next steps after the national conference would be to implement the demonstration project in a particular economic sector and to organize trainings for constituents. "For Indonesia's case the ILO constituents has agreed to select the tourism sector and collaborate closely with the Ministry of Culture and Tourism of Indonesia. Prior to organizing training on Green Jobs, the ILO will first conduct a training needs assessment exercise in order to identify the specific capacity building needs of each of the ILO constituents," he said. ❁

# Building Modern Labour Administration and Insection Systems in Indonesia

Labour administration and labour inspection have enjoyed an increasingly high profile in recent years, both at national and international levels. Much of the increased interest has come from the governments, as labour administration in a globalized world has become a key factor in the elaboration and implementation of the governments' economic and social policies. The importance of labour inspection in promoting ILO's Decent Work objectives has also been widely recognized, yet many labour inspectorates are poorly resourced and are unable to make a significant impact in the world of work.

Indonesia has ratified the ILO Convention No. 81 on Labour Inspection, however, in regards to implementation challenges still exist. The existing challenges include, among others, lack of coordination between the regional and central government in labour inspection, lack of competent labour inspectors, lack of infrastructure and facility, changing world of work with its new employment patterns such as outsourcing, sub-contracting, including protection to vulnerable workers in informal economy, etc.

The ILO Jakarta in collaboration with the ILO's Labour Administration and Inspection Programme (LAB/ADMIN) is assisting the Labour Inspection Directorate of the Ministry of Manpower and Transmigration (MoMT) to build modern and effective labour administration and inspection systems in Indonesia. To do this, the Manpower Ministry needs to develop new forms of organization, management and intervention of the labour administration and inspection system.

As part of the assistance given, an initial workshop was held in Bogor from 17 – 19 January 2011, aimed to build the skills and capacity of 40 labour inspectors (30 males and 10 females) from 10 provinces in Indonesia. The workshop was opened by I Gusti Made Arka, Director General of Labour Inspection of the MoMT and Giuseppe Casale, Director of the LAB/ADMIN.

During the workshop, the ILO's LAB/ADMIN programme provided comparative information and advice based on ILO-Standards and international practices and presented by two international trainers: René Roberts and Alagandram Shivananthiram. Following the Bogor workshop, a series of activities will be conducted in April and May 2011 to train the labour inspectors throughout Indonesia.



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One of the electronic factories in Indonesia

A high-level tripartite discussion will also be organized later this year to discuss and examine the specific role of workers' organizations, employers' organizations and government in building modern and effective labour inspection system. In addition, the ILO will also support the development of information networking for reporting coordination from regional to the national level.

*Strengthening the labour inspectorate to be modern and effective and ensuring its coordination between national and provincial level are our priorities. This will result in promotion of law compliance and enforcement.*

**I Gusti Made Arka**  
Director General of Labour Inspection of the MoMT

# Strengthening the Capacity of Judges in the Industrial Relations Court

The ILO is working in partnership with the Supreme Court of the Republic of Indonesia to strengthen the capacity of judges in the Industrial Relations Court (IRC) to access, interpret and apply international and domestic labour law to resolve industrial relations disputes in Indonesia. The ILO is working in close collaboration with the Technical Law and Justice Unit of the Supreme Court Judicial Training Centre to develop a competency-based training program for newly appointed judges. These training modules will be incorporated and mainstreamed into the Supreme Court's training programme for IRC judges.

During a recent two-day workshop in February 2011 with the Ministry of Manpower and Transmigration (MoMT), the Supreme Court and IRC, the Supreme Court Training Centre, trade unions and the Indonesian Employers' Association (Apindo), the findings of a Training Needs Assessment for judges of the IRC were discussed and a framework for the development of a training program was established.

During technical discussions, judges recognised the need to shift the focus of training programs from lecture-style information-based learning to a program that is focussed on developing skills through practical, experiential learning approaches. It was also agreed that international and comparative labour law are important sources for judges, particularly, for newly-appointed judges who need to be equipped with the necessary skills to conduct legal research in these areas and to understand when and how to use international law to complement domestic law and jurisprudence.

Judges were particularly concerned about the increasingly complex nature of labour disputes, particularly those involving informal workers and enterprises, contract workers and employers with little ability to fulfil legal obligations- for example to pay the minimum wage to all employees. They also emphasised the need to teach legal ethics to judges and to develop a more sophisticated system for knowledge sharing, ongoing learning and to support greater transparency and public access to information.

The Supreme Court will issue a Supreme Court Decree in the coming month to establish a working group for the development and improvement of IRC human resources, to strengthen the IRC's management and to promote more consistent decision-making. This working group will work in close collaboration with the ILO.

During the first day of discussions, the MoMT presented proposed reforms to Law No. 2 of 2004 on Industrial Relations



Indonesian Supreme Court Building

Dispute Settlement. Tripartite stakeholders and judges discussed proposed reforms of the legislation, particularly strategies to make the Industrial Relations Court more accessible to stakeholders and addressing its lack of human resources.

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## Labour and Social Trends 2010: Economic Growth Alone Is No Guarantee for Job-Rich and Inclusive Growth

Despite the negative impact of the global financial crisis felt across the region, Indonesia maintained positive economic growth both in 2009 and 2010. The Indonesian Economy is forecasted to grow annually at over 6 per cent in the coming years. This accelerating growth alone is not panacea for various labour market challenges, said a new report by the ILO.

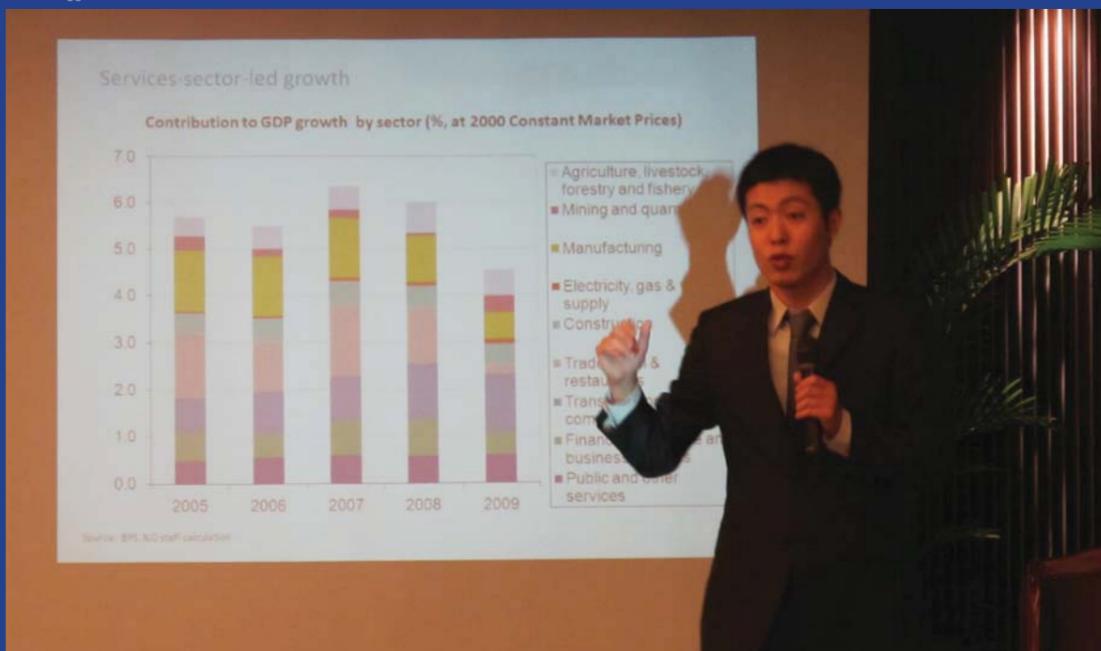
Launched on 14 April in Jakarta, the report, *Labour and Social Trends in Indonesia 2010: Translating economic growth into employment creation*, points out that the Indonesian labour market has untapped potential in generating productive employment. The unemployment rate has been on the decline; however, other labour market indicators reveal another picture of Indonesia's labour market performance. The quality improvement of employment has lagged behind quantity growth of employment.

In spite of unrelenting expansion of the economy and jobs, the share of informal employment, which is often

characterized as low productivity, low income and insecure activities, has hardly changed. Job opportunities for the youth (age 15-24) stagnated since the early 1990s. In many sense, the Indonesian labour market has never fully recovered from the impact of the Asian financial crisis of 1997/98.



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Kazutoshi Chatani, the ILO's Technical Officer, presented the key findings of the Labour Social Trends 2010 in Indonesia

“The Indonesian economy has been shifting to the services, but education and skills development have not matched with the fundamental changes in skills demand”

**Kazutoshi Chatani**  
Technical Officer of the ILO Jakarta

“In many respects, Indonesia has weathered the global financial crisis better than most countries and economic prospects for the coming years are also bright. The question is, however, whether and how Indonesia can seize this opportunity and reinforce the link between economic growth, employment creation and poverty reduction,” said Peter van Rooij, Director of the ILO in Indonesia.

The report analyzes underlying causes of deficiencies in productive employment.

According to the report, Indonesia has been losing competitiveness in labour-intensive manufacturing and economic and jobs growth have been led by the services sector that demand relatively high skills. Wage gap between university graduates and workers with secondary or primary education has been widening, reflecting the mismatch in skills demand and supply.

“Indonesia is blessed with plenty of economic potential”, the author remains optimistic, but strongly called for “a set of policies that would enable people to effectively tap into the potential and create productive employment”. The report notes weak labour market institutions (e.g. porous income floor, limited social dialogue and collective bargaining), ineffective skills development coordination and skills recognition, onerous business regulations and under-developed social security, *inter alia*, as areas where policymakers' attention is desired.



**BETTER WORK**  
Indonesia

*In Briefs*

## Updates

Better Work Indonesia is gaining ground with the recruitment of seven national staff in December 2010, which included four Enterprise Advisors, one Knowledge Management Officer and two Finance and Administrative Assistants. Progress has also been made with the recruitment of the Programme Manager for Better Work Indonesia, who started his assignment in February 2011. The newly formed team has been working closely with the legal experts from ILO and Better Work global programme to review the national labour laws and regulations and to commence adaptation of Better Work Compliance Assessment Tools into the Indonesian context.

To enhance the Enterprise Advisors skills to undertake assessments, Tareq Abu Qaoud, the Technical Officer for Training and Capacity Building from Better Work Jordan, undertook a mission to Indonesia. His assignment involved two weeks of training on Better Work assessment techniques and including three days of piloting the assessment at two enterprises, in the Greater Jakarta Area. Consecutively, Better Work Indonesia was also visited by Tuomo Poutiainen, the Programme Manager of Better Factories Cambodia, to provide technical support to the Better Work Indonesia preparation and to meet with the several buyers representatives in order to discuss their support to the programme. He also met with the Labour Inspectorate of the Ministry of Manpower and Transmigration and briefed them on Better Work programme and development.

On 31 January 2011, Better Work Indonesia, jointly with the ILO's Bureau for Workers Activities (ILO-ACTRAV) and the International Textile Garment Leather Workers Federation (ITGLWF), organized a meeting at ILO Jakarta office to meet the trade union federations in the garment sector to provide update on recent development of Better Work Indonesia as well to identify the capacity development needs of the trade unions.

## A Series of Joint Employment Diagnostic Workshops in Three Provinces

ILO and the Provincial Development Planning Agency (Bappeda) in Nusa Tenggara Timur (NTT), East Java and Maluku organized a series of training workshops on employment diagnostic analysis. The first workshop was conducted in Kupang, NTT, from 18 – 20 January, followed by the Surabaya, East Java, workshop from 4 – 5 April. The final workshop was conducted in Ambon, Maluku, from 11 – 13 April.

These series of workshops aimed to build capacity in employment diagnostic analysis among policymakers, social partners and academia on employment as part of the efforts to boost employment growth in the three provinces. They

“The identification of underlying critical constraints to inclusive job-rich growth can help the local government of Kupang, Surabaya and Maluku in formulating employment policies that can effectively address these issues at the provincial level”

**Per Ronnas**  
Senior Employment and Development Specialist ILO Geneva



One of the Workshops on Employment Diagnostic in Surabaya, East Java

were also envisaged as a highly interactive exercise where the participants would take active part in identifying the main constraints to productive employment and the causes of these constraints.

The outcomes of the workshop would subsequently inform discussions on priorities for policy making, with a view to promote productive employment creation in an inclusive and sustainable manner at both the provincial and the district level.

The workshops were conducted based on requests from the Provincial Government of the three provinces. They requested ILO's technical support to identify constraints to an inclusive growth in the provinces. Responding to this request, the ILO agreed to extend its Promoting Inclusive Job-Rich Growth Project based in Geneva to cover these provinces. Funded by Swedish International Cooperation Agency (SIDA), the Project is jointly conducted by the ILO and Bappeda Kupang, Surabaya and Maluku.

## World Day for Safety and Health at Work: Preventing Occupational Accidents through OSH Risk Management

Occupational safety and health (OSH) issues are not only the concerns of workers but also the employers. Globally, according to ILO data, an estimated 337 million workplace accidents and 2.3 million deaths occur every year. In addition, the data of the State-owned Enterprise for Workers' Social Insurance (Jamsostek) revealed that around 0.7 per cent of Indonesian workers have experienced occupational accidents that have caused national financial losses of Rp 50 trillion.

To reduce or prevent occupational accidents and diseases, the need for a new "safety and health culture for the year of 2015" with a strong emphasis on risk management had become the main theme of the OSH national seminar jointly organized by the Ministry of Manpower and Transmigration, the National OSH Council (DK3N) and the ILO from 27 – 28 April in Jakarta. The seminar was organized in conjunction with the commemoration of the World OSH Day on 28 April.

"It is important for employers and workers to create an OSH culture. To achieve an OSH culture takes more than fulfilling documents, applying procedures and doing the monitoring. It should include an OSH continuing awareness raising process in order to change the structure of the organization or enterprise and to change the mindset of the individuals through the management of change," said Muji Handoyo, Ad-Interim Director General of Labour Inspection of the Ministry of Manpower and Transmigration, who read a speech by Muhaimin Iskandar, Minister of Manpower and Transmigration.

The seminar was attended by representatives of enterprises from various sectors such as chemical, oil and gas, steel industry, construction, agriculture, transportation, manufacture, health, telecommunication and nuclear energy. The seminar was aimed to renew the commitments of all occupational sectors to identify, evaluate, monitor and prevent potential OSH risks that, in turn, will not only benefit workers but also employers.

The seminar was also aimed to provide an opportunity for participants to exchange experiences and information related

to risk prevention and to efforts taken to implement effective and efficient risk management. Hence, the seminar was expected to strengthen the implementation of an OSH culture through the implementation of OSH Management Systems (OSHMS) aimed at reducing occupational accidents while improving productivity and competitiveness. To date, from 208,529 enterprises in Indonesia, only 0.6 per cent or 1,310 enterprises have been certified for the OSHMS.

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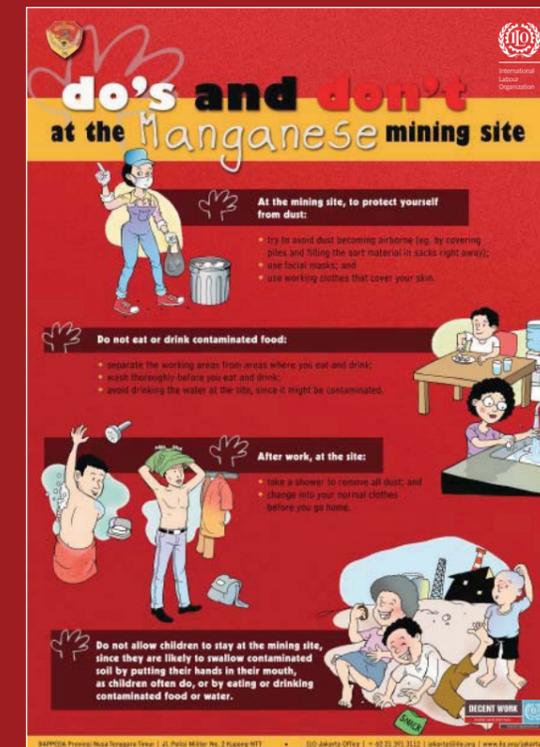
In addition, at the global level, on 28 April the ILO launched a new report entitled "OSH Management System: A tool for Continual Improvement", outlining a step-by-step approach to be taken in applying OSH Management Systems (OSHMS) and, more concretely, how this system can be used at the national and enterprise levels. The report also highlights how to apply OSH Management Systems in particularly high risk sectors. ❁

## Tackling OSH in informal manganese mines in Nusa Tenggara Timur

Nusa Tenggara Timur (NTT) province has a great potential for manganese mining, and many investors have come to the province for starting up mining operations. However, only few mining permits were granted so far by district authorities; most of current mining operations is undertaken by families gathering manganese ore in makeshift mines, and bringing it to companies at collecting points. There is no employment relationship per se between the buyer and the families collecting manganese, and consequently these families are not protected under the occupational safety and health (OSH) component of the Manpower Act.

Nevertheless, as a result of inhalation of manganese, these informal miners are at risk of bronchitis, pneumonia, and weakened lung functions. Manganese may also attack their nervous and reproductive systems. Prolonged exposure to manganese dust may result in permanent damages to the brain and lungs, and the impact on children is even greater than the impact on adults.

The ILO through its Education and Skills Training for Youth Employment (EAST), together with the ILO's International Programme on the Elimination of Child Labour (IPEC) and SECTOR in Geneva, carried out a rapid assessment on the risks these families are exposed to. Based on this assessment, ILO prepared policy recommendations to the NTT parliament, which is currently designing a legal framework for mining in the province.



The recommendations focused on four main points:

1. Assistance to miners in relation to changing working procedures to improve (a) miners safety and health; and (b) environmental protection
2. Assistance in formalizing mining activities, possibly through the creation of cooperatives and improvements in the legal status of the miners.
3. Assistance to miners and miners' communities to find viable alternative livelihoods through existing poverty reduction programmes (including the conditional cash transfer programme and "Anggur Merah" programme).
4. Special focus to keep children in schools and away from the mines as they can be disproportionately affected by hazards related to Manganese mining.

While the long term solution to protect families involved in informal mining resides in the upcoming legal framework (and its future enforcement); there is still an urgent need to provide these families with information about OSH hazards. To this end, the ILO-EAST secured the support of the NTT Government to jointly carry out an awareness raising campaign for the concerned communities. An informative leaflet on the impact of manganese has been designed and will be used by district officials and social partners to socialize the information on the risks linked to manganese mining and how to protect oneself from it. ❁

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## Indonesian Ministry of Manpower Adopts the ILO's SIYB Programme

The Indonesian Ministry of Manpower and Transmigration (MoMT) in late 2010 adopted and institutionalized the ILO's entrepreneurship development programme, Start and Improve Your Business (SIYB), as the approved module for its entrepreneurship training programme. The policy decision to adopt the SIYB marks the first time MoMT has institutionalized SIYB as a standard entrepreneurship training model at the national level.

“SIYB has proved to be an effective and easy way to understand business development by prospective entrepreneurs and those who want to expand their micro business. We have combined the module with our own expertise in livelihoods skills development training, such as marine and agricultural processing, to have stronger impact at the community level”

**Herry Subiyakto**  
Head of BBPPK

The MoMT is piloting the SIYB module through individual Training Centres, such as its Center for Employment Development and Expansion (BBPPK) of the Directorate General of Workers' Placement, as well as national training centers of the Directorate General of Training and Productivity of the Ministry of Manpower – the Productivity Improvement Center (BBPP) and the Center for Transmigration Training and Development (BBPLK)

The outcome is a result of the cooperation between the MoMT and the ILO through its Project Combating Forced Labour and Trafficking of Indonesian Migrant Workers. Funded by the Government of Norway, the project aims to strengthen the protection of migrant workers against trafficking and forced labour practices and empower them financially in order to provide financial alternatives to hazardous overseas labour conditions and migration practices. The Project aims to sustainably build capacity in national and local Government partners, as well as non-governmental stakeholders to achieve these purposes.

Supporting the Government's plan to roll out high quality entrepreneurship training to economically deprived local communities with high out-migration rates, the Project supported Training of Trainers (ToT) sessions for all the training personnel of the Government training centres participating in the pilot roll-out of this programme, such as the BBPPK, the BBPP and the BBPLK which have integrated SIYB training into their institutional programmes and budgets. Since the ToT training, the BBPPK has conducted two TOT sessions for 40

candidate trainers of government officials from five sending districts in West Java.

The Centre will in cooperation with the ILO take the SIYB training further into labour-sending communities through local pilot projects to economically empower migrant workers and their families and boost their entrepreneurship skills. The activities will be implemented jointly at community level in sending districts by the Centre, local governments and local migrant workers' organizations, initially rolled out in Jember and Banyuwangi. Meanwhile, BBPP and BBPLK had conducted the SIYB training for all their training personnel from 21 February to 3 March.

Yunani Roaidah, Productivity Director of the Directorate General Training and Productivity, stated that the training of trainers played an important role in strengthening the capacity of the government, especially the training personnel from the Centers. “They, in turn, can more effectively promote and implement entrepreneurship programmes, in particular at the community level among migrant workers communities,” she said.

Not many expected, at first, that Endang Sri Wahyuni, 43 years old, from PPSW Pasoendan, a NGO dealing with women's empowerment, would be nominated as one of the best trainers of the ILO's Start and Improve Your Business (SIYB). Although remaining friendly and humble, Yayuk, as she is usually called, is now talkative, expressive and communicative. Different from the silent Yayuk, who did not even say a word during the first training she attended in 2007.

“At first, we underestimated the performance of Yayuk since she just remained silent during the training. And, her total silence raised questions, not only from me but also from other master trainers, about her competence as a trainer,” recalled Irham Saifuddin, the ILO staff member dealing with migrant worker related issues who was also the training facilitator.

Looking at the long standing experience she had with issues related to women's empowerment, Irham said that the master trainers and himself as the facilitator sat down together with Yayuk. “We talked openly and discussed what had made her feel unconfident in the training. She was not familiar with the entrepreneurship related issue. She also felt she could not compete with other participants who mostly came from big, national organizations.”

To assist Yayuk to improve her self-confidence, the facilitators provided her with opportunities to observe other training sessions and conducted one-on-one sessions on the practical exercises. “We also provided her with technical advice before her first session facilitating the training of entrepreneurs,” Irham added.



SIYB training workshops conducted by the Ministry of Manpower and Transmigration.

The Country Director of ILO in Indonesia, Peter van Rooij, noted that the ILO has a strong commitment to improve the capacity of the Indonesian government to address national employment deficits. “By adopting and integrating the internationally tested and established SIYB entrepreneurship modules as the training standard for the national entrepreneurship programme and into the programmes of the training Centers of the MoMT, an important step forward has been taken by the Indonesian Government towards realizing its policy goals of boosting business development and employment in Indonesia,” he said.



In areas not covered by Government Training centre activities, the ILO has supported capacity-building and community-based activities on labour protection and economic empowerment by local Governments and migrant workers' organizations and women's NGOs. For their own budgets, these organizations implement community-based entrepreneurship training of migrant workers and their families, combined with livelihoods skills development, financial education and development of micro-credit facilities. A number of organizations have become so professional and capable in their provision of training and services that they are



in the process of establishing a Business Development Service Provider (BDSP).

In Indonesia where 70 per cent of the population are working in agriculture and in the informal economy, entrepreneurship development and livelihoods skills, in combination with micro-credit facilities constitute a viable response to high unemployment levels and stagnant economic development in rural areas. The adoption and integration of ILO's SIYB entrepreneurship training module in MoMT Training Centres constitutes significant progress in the Government's efforts to address these challenges effectively.

## From Zero to Hero – a story of Yayuk

After the discussion, Yayuk began to change. She even performed impressively when she was appointed to facilitate the classes. Even, later, she was nominated as the best trainer due to her interactive, engaging ways in delivering the training materials. She continued to grow and demonstrate significant progress.

To date, she has independently conducted five training of entrepreneurs (ToE) without any financial support from the ILO. She has been successful in marketing the SIYB programme and she has even received sponsors from the district government of Sukabumi, provincial government of West Java and international donor agencies like the Ford Foundation. She also participated in a Training of Master Trainers programme, hosted by ILO Jakarta, in 2010. She is now waiting to obtain the master trainer certification and is appointed as a co-trainer of the SIYB training.

She continues to grow by starting her own business. In 2009, she transformed the business idea that she developed during her training days into a reality: “Pondok Mie Batok”, a noodle business located in Sukabumi, West Java. “The noodles were invented, based on my concerns to preserve our environment and to maintain our health. So I created noodles that are environmentally friendly, no chemicals or preservatives,” she said, adding that her innovation has been recognized and recorded by the Indonesian Intellectual and Property Rights (HKI).



Endang Sri Wahyuni together with the ILO's Irham Saifuddin in one of the training sessions

The SIYB training was delivered by the ILO through its Combating Forced Labour and Trafficking of Indonesian Migrant Workers Project. Funded by the Government of Norway, the Project aims to strengthen the protection of migrant workers against trafficking and forced labour practices and empower them financially in order to provide financial alternatives to hazardous overseas labour conditions and migration practices. The Project aims to sustainably build capacity in national and local Government partners, as well as non-governmental stakeholders to achieve these purposes.

imagined myself as an entrepreneur, let alone a business consultant,” she added.

Yayuk is also currently elected as the new Director of PPSW Pasoendan. Her first programme as the Director is to establish a specific division that will serve as a Business Development Service Provider (BDSP). “By establishing a BDSP, we can improve our services to marginalized communities. We also have an opportunity to sell entrepreneurship services commercially to business entities that are already well-established. This definitely can serve as the organization's income generation,” said Yayuk.

## ILO new study on Remittances The Case of Indonesia

A new study conducted by the ILO entitled “Leveraging Migrant Workers' Remittances for the Purposes of Poverty Alleviation and Development: The Case of Indonesia” presents a re-assessment of the root-causes of these difficulties and puts forward a new set of recommendations on how to overcome them in a socially inclusive and sustainable way.

The study reveals that most Indonesian migrants opt to expatriate as a result of prior indebtedness, and the need to finance their own recruitment and mobilization further deepens this condition. Sources of formal and affordable credit remain largely unavailable to migrants, as these generally lack sufficient collateral, thus forcing them to obtain loans from informal moneylenders or rely on existing high-cost sources (mainly, recruitment agencies).

The study, thus, found that promoting migrants' financial inclusion via cooperatives and guarantee-fund schemes, improving financial literacy, and disseminating information on costs of available remittance transfer mechanisms hold the promise of strengthening the link between remittances and development.

The study warns that the importance of placement costs cannot be overestimated: they tend to define the rationale behind the choice of destination for a majority Indonesian migrant workers. Malaysia and Saudi Arabia, the two major destination countries for Indonesian migrant workers, are also those offering lowest placement costs. Unfortunately, they are also those where migrant workers experience most problems and abuses.

Although when pre-departure debts are paid off and some portion of the salary is saved, problems relating to remittance transfer mechanisms arise. The study argues that poor education background and limited degree of financial literacy combine to limit the range of remittance-transfer channels perceived by the migrant worker as being available.

The limited geographical reach and high costs of existing remittance outlets further contributes to ‘leakages’ in remittance transfers. Moreover, the study indicates that remittances are overwhelmingly used for basic consumption and routine family expenditures and that very little is left for productive, longer-term investments.



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- To address these issues, the study recommends the deregulating the remittance market and instituting more effective mechanisms (such as online tools) for the dissemination of price information are viewed as the most effective way of reducing transfer costs. It also emphasized the importance of strengthening the capabilities of cooperatives in meeting these pre-departure financial requirements, as well as the setting up of guarantee fund schemes.

An important dimension of migration is that of the transfer of skills and ideas from higher- to lower-skilled countries. Channelling these new skills and entrepreneurial ideas into productive outcomes is an important and sustainable way to reduce poverty and promote development in sending-communities. Furthermore, promoting financial literacy and strengthening the capabilities of credit and saving cooperatives operating at the local level are shown to be instruments that can help overcoming these problems.

Workers' remittances directly flow into deprived socio-economically areas, from which migrants generally originate, and are of a more "private" nature, they can be seen as a useful complementary to official aid. Furthermore, the recent global financial crisis (2008-9) has underscored the importance of migrant workers' remittances for labour-exporting countries like Indonesia. As a result, remittances displayed a greater resilience in the face of economic downturn compared to foreign direct investments, during times of global economic downturn. ❁

## In Memoriam

**F**ranky Sahilatua, a prominent singer, was one of the good will ambassadors of Indonesian migrant workers, together with Rieke Dyah Pitaloka and Nini Carlina, a prominent actress and singer respectively. He was appointed to represent Indonesian migrant workers in 2006 because of his great involvement and participation in defending and protecting rights and interests of workers, particularly migrant workers. It was also based on aspirations from migrant workers who feel represented by his music.



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He was active in promoting rights of migrant workers, raising awareness of communities at large, particularly candidates of migrant workers, regarding issues related to safe migration processes. He also represented migrant workers to voice their aspirations regarding the protection of migrant workers from the recruitment to the return stage.

On the 20th of April, he was called to rest, cutting short his enthusiastic support to the Indonesian migrant workers. The ILO, as a joint implementing partner in the protection of migrant workers, conveys its most sincere sympathy to his family and friends, and the wider community of migrant workers who have lost a charismatic and dedicated ambassador.

May he rest in peace. **Selamat jalan Bang Franky.** ❁

# Let Children Dream - Empowering Child Labourers through Life Skill Education

**S**ocially disadvantaged and marginalized children, including child labourers, are often faced with day-to-day challenges to survival due to poverty, lack of access to education, and economic exploitation, amongst other problems. They often have low self-esteem and are disconnected from information, which make them vulnerable to exploitation and risks. As a result, these children have no chance to recognize that they are also like other children, capable of achieving what they want to do in their life.

One of the ways that can improve their situation is through life skill education, in effect building children's capacity through recognition of their own rights and improvement in their decision-making. Life skill education refers to the soft skills which comprise of personal and social skills. It is often provided as a complementary program in bridging education courses, remedial programs, and in vocational courses.

The ILO-IPEC has been provided life skill education trainings for the trainers who are mainly the ILO-IPEC's partner agencies staff. Using participatory training methodologies, the training applies the Trainer's Kit on Empowerment for Children, Youth and Families: Rights, Responsibilities and Representation. In short the 3-R Trainers' Kit or the 3-R Kit.

"The Kit was developed by the ILO and is used as a main resource for life skill education training. It is an interactive training tool which can be used for many different target groups; with children, youth, and families, and is especially needed for those at risk of social, economic, or sexual exploitation including child labourers," added Dede.

The 3-R Kit contains 10 modules, starting from information and activities on self awareness and identity, and continues with human rights, problem solving and social skills, teenage relationships, health, and decision making as a worker, to list a few. Different from other training kits, in the 3-R Kit the trainers can choose appropriate subjects and activities according to the characteristics of the targeted group. Trainers can also modify the content to meet the needs of participants as the kit exercises are designed for three different age groups: children from 10-14 years old, youth from 15-24 years old, and adults aged 25 years and older.

*"For the ILO-IPEC, providing life skill education to child labourers and at-risk children is a "must" activity. It is necessary for the child labourers to be able to identify themselves, build self confidence, understand their own rights and responsibilities, as well as express what they want and do not want to do in order to protect themselves from being economically exploited, especially from the worst forms of child labour"*

**Dede Shinta Sudono**  
the Education Specialist ILO-IPEC Programme

When working with child labourers or children at risk, the ILO-IPEC provides training for trainers on the first main four modules: 1) Self Awareness and Identity, 2) Rights in Life, 3) Equality in Life and Family, and 4) Work and Resources in the Family. These modules enable children to build self confidence, understand and express their rights, learn gender values and roles regarding equality, and most importantly, recognize division of work, responsibilities, and resources in the family, including what is child labour and what they should not do.

In the 3R-Kit, the facilitators play an important role in encouraging participants to share their thoughts and ideas, express what they have learnt from the courses and how to apply them in their real life. Since participatory approach is not a mainstream learning process in formal education, application of the life skill education in schools would require training on participatory learning for school teachers.

Despite some challenges, the results of life skill education show clear differences in children's way of thinking and attitudes.

The life skills education helps the children realize that they are capable of making positive changes in their own life through expressing their wants and needs, and making the right decisions. "All children have the right to dream, and life skill education plays an important role in empowerment of children to reach their dream," concluded Dede. ❁



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## Vocational Training for Ex-Child Labourers: "Wise Youth, Keep Learning"

**I**n only went to elementary school because my family had no money to send me to middle school. After finishing this course, I want to become a designer," said Pemi (16), one of the new students of the Sewing Operator Training (SOP Training) held at the International Garment Training Centre (IGTC), in Bogor, West Java from 1 February – 11 March (the first batch) and from 14 March – 29 April (the second batch). The training was conducted by the ILO through its International Programme on the Elimination of Child Labour (IPEC) in collaboration with the IGTC for six weeks, targeted a total of 88 ex-child labourers and at-risk children.

The training was expected to provide students with basic sewing techniques for export oriented garment industry. The industry is Indonesia's second largest employer with over 1.5 million workers.

The SOP Training was one of the various vocational and life skill trainings conducted by the ILO-IPEC in partnership with its implementing agencies. In addition, the ILO-IPEC has collaborated with the Ministry of Manpower and Transmigration to provide vocational training for ex-child labourers through Government Vocational Training Centre (BLK). The ILO-IPEC assists the Manpower Ministry in adapting curriculum and modules on skills training according to the needs of ex-child labourers and in training BLK's tutors for effective implementation of the trainings.

The vocational trainings supported by the ILO-IPEC are always supplemented with the life skill education using the Trainer's Kit on Empowerment for Children, Youth and Families: Rights, Responsibilities and Representation – in short the 3-R Trainers' Kit or the 3-R Kit (see "Let Children Dream - Empowering Child Labourers through Life Skill Education"). Participants of the training not only need technical skills, but also need comprehensive knowledge on their rights and responsibilities as children to make informed decisions in their lives.

"One of the biggest challenges is to motivate the children and make them believe in the effectiveness of the training. They have been away from the world of learning for a long time and to relearn, they need the time to adapt. This is not easy," said Arum Ratnawati, the National Chief Technical Advisor of the ILO-IPEC in Jakarta. Children can easily get bored or too tired to continue the training if there is no strong commitment of staff or social workers to keep them motivated and engaged in the training.



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Other challenges, added Arum, included limited vocational training programs, facilities, and time, which make it difficult to provide quality training for more ex-child labourers. "It is also not easy to convince the parents and employers to let the children participate in the training, especially when the work opportunity is not guaranteed for all the participants, even when they finish the entire training with good results," she said.

Despite the challenges, Pemi and her training group believed vocational training and life skill education could bring them more opportunities in their lives. They also believed that the education was the key to gain necessary skill for decent work and rebuild their self-confidence to reach for their dreams. Their optimism was reflected on the back of their uniform shirts: "Wise Youth, Keep Learning". ❁

*The importance of vocational training was also pointed out in the ILO Convention 182 concerning the Prohibition and Elimination of the Worst Forms of Child Labour ratified by Indonesia. The vocational training for ex-child labourers and at-risk children is a critical part of the effective integration of these children to the society, by overcoming their disadvantages of lack in education and work skills.*

## A Good Practice: Automotive Training for Street Children

**T**he ILO-IPEC in partnership with its implementing agency, Yayasan Pelita Ilmu (YPI), provided 82 hours training on motorcycle repair and maintenance services for 38 former street children aged 15 to 17 years old in Jakarta. The training consisted of basic and advanced courses, including not only the technical training of automotive but also training on small business management and life skill education.

After the training, nine children continued with the apprenticeship programme for 1.5 months. At the end, six children succeeded in setting up a joint business group called Bengkel YPI Jaya Motor, for motorcycle repair workshop under the supervision of YPI.

The on-site supervisor of the apprenticeship programme said that the children on average had high motivation and capacity to understand instructions, and only one child failed to complete the apprenticeship programme. The success in the establishment of Bengkel YPI Jaya Motor is a result of strong commitment by instructors and tutors, and not to mention, the children themselves.

The lessons learned from this initiative were that children need to develop entrepreneurship through improving creative thinking, patience, and leadership, among other qualities. The supervisors and instructors should also have a good understanding about the characteristics of street children

"It was not easy to maintain children's motivation in overall training. For children in the joint business group, there were times when they felt like giving up due to lack of customers," said Dede Shinta Sudono, Education Specialist of the ILO-IPEC. "Future training should take into consideration these lessons learned to ensure the best use of the high potential of child labourers in developing their skills as professionals." ❁



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# Assessing the Impact of Trade Liberalization Employment

Increasing liberalization of trade and the planned formation of the ASEAN economic community will bring opportunities and challenges to Indonesian businesses.

Though exports and imports of goods and services recorded a two-digit decline in 2009 (exports decreased by 11.4 per cent and imports by 19.5 per cent on the year-to-year basis), international trade is back on a steady expansion path from 2010 in Indonesia.

This trend will, of course, have an impact on employment and working conditions in Indonesia. Many formal jobs will be created in the export sectors, while some jobs may be lost in sectors that are not competitive. Thus, an adequate awareness and understanding of these effects are essential to formulate effective national employment strategy in today's globalizing world.

As part of an effort to assist and address the effect of trades on employment, the ILO, in collaboration with the Ministry of Manpower and Transmigration and the ILO's International Training Centre based in Turin, Italy, organized a national technical training on assessing the effects of trade on employment from 7 – 11 February at Sultan Hotel, Jakarta. The workshop was conducted by the ILO through its Project on the Assessing and Addressing the Effects of Trade on Employment (ETE), funded by the European Union.

*The ETE Project is a three-year project that will be running until the year of 2012. The Project aims to develop global knowledge tools that can support the formulation of coherent trade and labour market policies at the national level. It also aims to strengthen the capacity of policy makers, researchers and the social partners in pilot countries to assess the effects of changes in trade policy on employment as an effort to mitigate any negative effects and expanding employment.*

The workshop trained participants on the application of a Social Accounting Matrix (SAM) and Multiplier Analysis as instruments to simulate potential impact of trades on the Indonesian economy. These instruments could help policy makers to further understand the interdependent linkages between different sectors and the institutional agents at work within the economy. It also allowed the policy makers to understand the involvement of economy and the relations of employment with international trade.

Peter van Rooij, Country Director of ILO in Indonesia, said that trade liberalization is associated with both job creation and job destruction. Therefore, it is important to identify where employment creation opportunities exist, and where vulnerability rises.

"Thus, while developing skills for growing export sectors, it is vital that sound labour and social policies protect those who are adversely affected by trade liberalization. The SAM instrument can help future policy assessments and developments to understand better how different sectors of the economy interact with each other and to mitigate

any negative effects of trade liberation and expanding employment," he stated in his welcoming speech.

Maruli Tambunan, Secretary of the Board of Research, Development and Information of the Ministry of Manpower and Transmigration, and Djunari Inggit Waskito, Director of Multilateral Trade Cooperation of the Ministry of Trade, said that they found the SAM and its Multiplier Analysis training very beneficial for their ministries. They both agreed that that SAM would help the ministries making effective assessments on the employment effects of external trade.

Around 17 participants from the government ministries, such as the Ministry of Manpower and Transmigration, Ministry of Trade, National Development Planning Agency, as well as National Statistics Office, unions and employers representatives attended the training. Participants were really stimulated by the fact that this training is beneficial and useful for their works. As a follow-up, a five-week follow-up training had also been conducted from 25 February – 25 March.



ETE training presented the application of SAM and was attended by the relevant constituents

# ILO Examine the Connection between Investment and Unemployment in Indonesia

Understanding the link and transmission channels between investment and employment in Indonesia is an issue that the ILO's Social Accounting Matrix Advisory Support and Monitoring Assistance Project, also known as the SAMASAMA Project, looks to investigate. In partnership with the National Development Planning Agency (Bappenas), the aim of this research is to gain a better understanding of the implications that different forms of investment have on growth, employment. The findings hope to provide advice on how Indonesia can build a more sustainable and inclusive growth path in the future.

Currently, economic growth in manufacturing is comparatively high, yet the employment outcomes are not matching. For example, the textiles sector has been growing on average by 7 per cent per year, but employment in this sector has only been declining. This research project will further consider such issues by examining two critical questions. The first question reviews past trends by examining investment and to what extent certain types of investment contributed most to economic growth and employment. The second looks to the future: which policies or combination of policies (including technology choice) would best foster employment creation (for different groups of workers, e.g. the unskilled, skilled, the youth) and (inclusive) growth through measures promoting different forms of investment.



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The main tool for this research will be the Dynamic Social Accounting Matrix (DySAM) Model, an economic model developed with the Indonesian Coordinating Ministry for Economic Affairs and the ILO's Employment Intensive Investment Programme. By the end of this initiative, the ILO and Bappenas will have a better understanding of the employment dimensions of investment and be able to recommend strategies for improving employment outcomes by economic sector, especially for youth.

"Our goal with this project is to increase the effectiveness of policy measures related to investment, public and private, which will lead to more and better jobs for the Indonesian population," said Christoph Ernst, a senior economist at the ILO. Through a better understanding, he added, policy makers will be able to improve both the quality and quantity of employment created, especially for the younger population.

## Publications



**Report, Training Needs Assessment for Industrial Relations Court Judges**  
ISBN 978-92-2-024775-4  
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**Manual: Rencana Keberlangsungan Usaha**  
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**Panduan Konseptual dan Metodologi untuk Analisa Diagnostik**  
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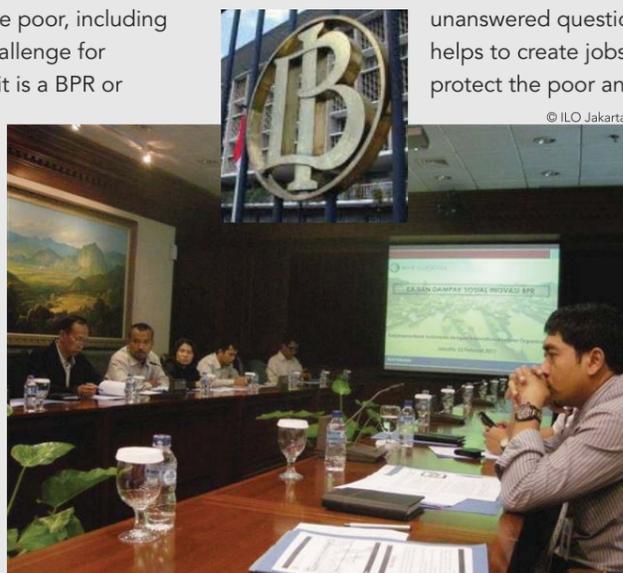


**Dinamika Pekerjaan, Pasar Tenaga Kerja serta Perekonomian di Nusa Tenggara Timur**  
paper  
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## Microfinance Innovation in Indonesia

**M**icrofinance institutions (MFIs) in Indonesia have significant potential to create jobs and reduce poverty by providing access to a range of financial services. The sector is gearing up for exponential growth and expected to reach more people in urban and rural areas with their microfinance products. With more than 20,000 microfinance institutions (more or less 1,810 People Credit Bank/BPR) in the country, the sector will need to improve the performance of their institution's often challenging environment as well as accommodate for the increased outreach to small enterprises and people who are self-employed.

Reaching out to the poorest of the poor, including working poor, remains a major challenge for most MFIs in Indonesia, whether it is a BPR or cooperatives. The working poor generally do not have access to traditional financial institutions and the amount of money they want to borrow is too small to make it worthwhile for a bank to lend. Also, this group tends to have no collateral to back up their loans; if they were unable to pay off their loan, the bank would have nothing to take from them to recover its losses. In addition, there is also a question of whether microfinance can really help the poor escape poverty. Other



Eleven potential BPR discussed the impact assessment study during the initial meeting organized by BI

unanswered questions are on whether microfinance helps to create jobs, manage and reduce risk and protect the poor and lead them out of the informal sector.

To date, the measures of success of an MFI are only based on their financial performance but not their social performance or its contribution to the social development of the community. Considering that the measurement of social impact of an MFI has never been done in Indonesia, Bank Indonesia (BI) has decided to conduct the assessment study with the technical support of the ILO through its Social Finance Programme. The study

in Indonesia would replicate the ILO's Microfinance for Decent Work (MF4DW) action research, which has been conducted in 10 countries.

An initial workshop was organized by BI on 23 February in Jakarta and attended by the representatives of 11 potential partner-rural banks (BPR) to present and discuss the upcoming impact assessment study. Valerie Breda, a microfinance expert at the ILO Regional Office for Asia and the Pacific, presented the MF4DW action research and shared with the participants its achievements, lessons learned and challenges.

In the workshop rural banks expressed a strong interest in participating in the impact assessment study in Indonesia and were invited to reflect on the decent work issues faced by their clients. This impact assessment study will commence on 1 July for two years until the year of 2013. Data collection will be conducted from 1 July to end of 2012, while data analysis will be done up to the first July of 2013.

"The ILO would like to congratulate BI for taking the lead in conducting such innovative microfinance impact assessment. We also highly appraise the commitment shown by BI as the study would also be funded by BI," said Tenny Gunawan, the ILO's Enterprise Development Officer in Indonesia, adding that the coming months would be dedicated to the selection of a partner-rural bank and to the preparation of the baseline survey (sampling, questionnaires). ❁

### What is MF4DW?

How can microfinance institutions (MFIs) help improve working conditions? How can they contribute to job creation? And how can MFIs help reduce child labour? Should MFIs have an interest in addressing these and other decent work deficits? Could this even be done cost effectively and to the benefit of the institution as well as its clients?

These are some of the questions that the ILO is now addressing through an experimental action research programme called the Microfinance for Decent Work (MF4DW) action research. The programme is now being conducted in partnership with 16 microfinance institutions all around the world, which are interested in promoting decent work standards. Participating countries, among others, are Cambodia, India, Viet Nam, Nigeria, Pakistan, Uganda, Jordan, Peru, the Philippines, and Mali. The study is for the duration of two to three years. Within this time frame the impact of innovation done by the MFIs to their clients will be measured. The study with these 16 MFIs should be completed by the end of this year. ❁

## Well-designed Employment and Social Policies are Key to Quick Recovery of Indonesia

**T**he International Institute for Labour Studies (IILS) has launched a new series of **Studies on Growth with Equity**, including a review of Indonesia. The aim of the series is to show that – contrary to the current consensus – economic growth can be achieved alongside equity gains. Moreover, if policies are well-designed these objectives can complement one another. This was indeed the case in Indonesia during the recent financial and economic crisis. The study entitled "Indonesia: Reinforcing Domestic Demand in Times of Crisis" highlights how well-designed employment and social policies helped Indonesia recover quickly from the crisis.

Rather than resorting to competitive devaluations, wage cuts and financial deregulation – as predicated by the conventional wisdom – Indonesia opted for a well-designed boost to domestic demand and prudent financial management. "Indonesia fared well in the context of the current, even in comparison to its neighbouring countries," said Steven Tobin, Senior Economist at the IILS. "Economic growth remained a robust 4 per cent during the height of the crisis, and rebounded quickly. Importantly, the unemployment rate fell throughout the crisis period"

Success in the case of Indonesia is first attributed to strong initial conditions. Unlike other emerging economies, Indonesia's financial sector was less exposed to international financial markets, and the country was – a result of reforms over the past decade – on a sound financial and macroeconomic footing when the crisis struck. In addition, rather than resorting to competitive devaluations, wage cuts and financial deregulation – as predicated by the conventional wisdom – Indonesia opted to respond to the crisis through a well-designed boost to domestic demand.

The strategy to reinforce domestic demand was achieved first, by boosting incomes immediately through personal income tax cuts, especially for lower-income earners. The Government

also provided additional budget support to existing social protection programmes – many of which were developed in response to the Asian crisis, such as the extension of the unconditional cash transfer programme (BLT).

As a complement to these measures, the Government ensured that the business climate remained robust and was in a position to respond to increased demand. As such, the response of Indonesia capitalized on the employment effects of mutually-supportive demand- and supply-side policies. "Together, well-designed employment, social and macroeconomic policies can be mutually reinforcing, as highlighted by the case of Indonesia," said Steven.

According to an economic model (a dynamic social accounting matrix) developed in partnership with the Coordinating Ministry for Economic Affairs and the ILO's Employment Intensive Investment Programme, individual tax cuts and infrastructure investment had a strong impact on growth, with important employment multiplier effects (notably in agricultural-related activities). In fact, between February 2009 and August 2010, the Indonesian economy generated 3.7 million jobs – of which an estimated 1.2 million were a result of stimulus measures. ❁

*The study on Indonesia is one of the first in a series to examine the role of equity-enhancing policies in promoting prosperity and reducing the risk of future crises. Other countries currently be examined include Brazil, Germany, Spain and Tunisia.*



## Domestic Workers Enter the Sphere of Social Media

**T**he ILO through its Project Combating Forced Labour and Trafficking of Indonesian Migrant Workers, funded by the Government of Norway, has recently launched a campaign in social media in an effort to raise awareness and connect with more domestic workers in Indonesia. The Facebook page, entitled "Decent Work for Domestic Workers", is the first of its kind, addressing the issue on behalf of the UN. The Facebook page comes at a crucial time as countries are preparing for the landmark vote for an international labour convention and recommendation outlining labour protections and work conditions for domestic workers around the world.

The international labour convention and recommendation for domestic workers will be debated and is expected adopted at the upcoming International Labour Conference in Geneva in June 2011. In Indonesia, these are important developments, as traditional perceptions about domestic workers seriously challenge decent work standards considered minimum requirements for all workers.

"There are quite a number of misapprehensions about what decent work standards would mean for domestic workers and their employers in Indonesia. Therefore, now more than ever, it is important to inject accurate and reliable information into the discussion, in a way which can easily be accessed by the target audience - domestic workers and their employers," said Lotte Keijser, the Chief Technical Advisor of the ILO's Migrant Workers Project.

As part of a larger social media strategy, setting up a Facebook Page will grant easy access to crucial decent work information to over 500 million users around the world and 14.6 million users in Indonesia. Indonesia is the country with the 4th highest no. of users of Facebook. ❁



# Prevention of Sexual Harassment at the Workplace

**P**revention of harassment in the workplace is both an international and national concern. It is internationally agreed that sexual harassment is a form of gender discrimination and is recognized as a violation of human rights. Sexual harassment at work can happen to any worker at any workplace—offices, factories, plantations and farms, small and large enterprises. Sexual harassment affects employees, employers and the society as a whole. Sexual harassment leads to increased absenteeism, high turnover of staff and loss of valuable employees and to a poor public image of the company.

In response to this problem, the Ministry of Manpower and Transmigration, in collaboration with the ILO, UNFPA, and UN Women, conducted a one-day seminar titled “Preventing Sexual Harassment at the Workplace”, on 23 November 2010 in Jakarta. The Seminar opened by Muhaimin Iskandar, Minister of Manpower and Transmigration, Pingki Saptarini, Special Expert of Minister of Women Empowerment, Sofyan Wanandi, Chairman of Indonesian Employers’ Association (Apindo), Syukur Sarto, Chairman of All Unions Confederation (KSPSI) and Peter van Rooij, Country Director of the ILO in Indonesia.

The seminar was designed to find ways to promote a better workplace environment through the prevention of and management of sexual harassment at the workplace and will introduce the draft Guidelines on Prevention and Management of Sexual Harassment at the Workplace. It is necessary to encourage prevention and common action to avoid discriminative treatment at the workplace which also has adverse impacts on work productivity. Attention to workplace harassment has traditionally been focused on physical violence/harassment.



Muhaimin Iskandar, Minister of Manpower and Transmigration, hit the gong to mark the opening of the National Seminar on Sexual Harassment at the Workplace

The seminar also provided comparative practices at national and international level. Tim de Meyer, the ILO’s Specialist on Labour Standards, provided an overview from the international context. He emphasized the importance of prevention and common action to avoid discriminative treatment at the workplace which also had adverse impacts on work productivity. To date, attention to workplace harassment has traditionally been focused on physical violence/harassment.

Meanwhile, Myra M Hanartani, Director General of Industrial Relations and Social Security, Ministry of Manpower and Transmigration (MoMT), admitted that increasing attention has been paid to the extent and severity of all forms of workplace harassment, including by workers, trade unions, employers, government authorities and experts. “It is therefore for the government to analyse the full range of causes which generate workplace harassment and a variety of interventions that can be applied to promote effective prevention of harassment at the workplace,” she said.

As an immediate follow-up to the seminar, the Manpower Ministry will finalize the draft Guideline on Prevention and Management of Sexual Harassment at the Workplace based on comments provided during the seminar. Once final, the Guideline will be widely socialized to the provinces throughout Indonesia. The workers’ organizations and Apindo have also expressed their commitments to use the guideline as an advocacy tool to prevent sexual harassment within their organizations and among their members. ❁

“Silence or a lack of complaints does not mean sexual harassment does not occur. Many instances of workplace violence occur out of sight of the general public, in one-on-one situations, resulting in emotional rather than physical injury to the victim, and produce extensive costs both for employers and for the victim. Often victims have limited protection from unfair dismissal and have few alternative job options”

**Peter van Rooij**  
Country Director of the ILO in Indonesia

## What is Sexual Harassment at Workplace?



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**T**he variety of behaviour which may be covered under the general rubric of harassment at work is extensive. Where this behaviour borderlines with acceptable behaviour is often vague, and depends on the perception of different contexts and cultures. This makes providing a single definition of workplace harassment a significant challenge.

Harassment at the workplace is quite difficult to handle when no grievance procedure at the enterprise related to harassment has been established and understood by workers and employers and when the victims are hesitant to discuss their case. Therefore, it is necessary to encourage prevention and common action to avoid discriminative treatment at the workplace.

The two principal types of sexual harassment in the workplace are ‘quid pro quo’ harassment and the creation of a hostile working environment. Quid pro quo (meaning ‘this for that’) harassment refers to a demand by a person in authority, such as supervisor, for sexual favours in order to obtain or maintain certain job benefits—a wage increase, promotion, training opportunity, a transfer or a job. It forces workers to choose between giving in to sexual demands or losing employment benefits. This type of sexual harassment is also referred to as ‘sexual blackmail.’

The second type of sexual harassment can poison the work environment and impact on the job performance of workers. In more recent years, however, new evidence has been emerging on the impact and harm caused by non-physical violence, often referred to as psychological violence/harassment, which includes bullying, mobbing, coercion, verbal abuse and sexual harassment. ❁

## Photo News

### International Women’s Day

**I**n conjunction with the commemoration of the International Women’s Day, the ILO participated in a live interactive dialogue conducted by TVRI, a state-owned TV station, and UNIC. The Dialogue presented Linda Amaliasari Gumelar, Minister for Women’s Empowerment and Child Protection, Sjamsiah Achmad, Observer on Women Issues, Ruhut Sitoempul, the Indonesian Parliament, Michele Zaccheo, Director of UNIC-Jakarta, Martha Ismail, Deputy Director of UNFPA, and Albert Bonasahat, ILO. ❁



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## Breaking the Glass Ceiling: The Story of Two Nias Women in the Construction Sector

It never crossed the minds of these two young women of Nias Island, Kiki and Lisna, that they could work as site supervisors in road construction works as construction workers have traditionally been thought of as “male territory”. But thanks to the opportunities given by the ILO’s Nias Rural Access and Capacity Building Project, these two women have been trained and now are working as site supervisors. This initiative has opened the career opportunities in the construction sector for young women on Nias.

Kiki, or Aries Eki Trisanti, an energetic 25 year-old woman from Gunung Sitoli, had the courage to apply to this position even though she had not previously worked in the construction sector. With her background as an administrative staff member in the Polonia Airport and as a teacher in a local Junior High School in Nias, she was at first quite uncertain about pursuing a new career as the site supervisor. However, after beating many other applicants in the selection process and successfully completing the 4.5-month course, her self-confidence has grown stronger.

“I started to feel empowered now that I have been trained as a site supervisor. I also feel that it is a good opportunity for me to do something for my home town - to be part of the effort to increase access to the people of Nias,” said Kiki who is now working for CV Bella, a local contractor.

Similarly, Meslina Gea or Lisna, a 23-year-old woman from Siwalobanua Dua, Nias, still could not believe she could land a job as a site supervisor. As a former computer operator and an administrative staff member in a Junior High School, she has never before thought of pursuing a career in road construction works. “I learnt a lot during the road construction training about construction techniques and management. I, together with other trainees, was closely coached to achieve the required working standards,” Lisna said.

For Kiki, the greatest challenge that she had to face was doing the real work of building a road. “I am responsible for making the concrete mix and stone masonry, while at the



Kiki supervising the rural-road project

same time supervising the pilot rural road project. I was not so sure of myself at first, but my self-confidence has grown and my male work colleagues have appraised my performance. They said that I even do better jobs than them,” Kiki told the story with beaming eyes.

She is now capable of making good cement mixture, cold mix and stone masonry, as well as capable of providing site management for road construction. “I do not care about my skin getting darker while working directly under the sun. I am proud of myself and what I have achieved. There are still many remote, isolated villages and by increasing access, the people of Nias can improve their way of living.”

Meanwhile for Lisna, the most challenging task that she had to was to convince her family that she was capable of doing her job as the site supervisor. Now, she works as a site supervisor for CV Central, a local contractor in Tuhemberua sub-district.

Both Kiki and Lisna wished that they could set an example for other young women on Nias. “I hope that young women on Nias also believe that they are able to do many things and contribute to the society,” said Kiki. Meanwhile Lisna said that by improving access on Nias more opportunities will also be available for the people of Nias, particularly for women.

To date, there are five women out of 16 trainees who successfully passed the ILO site supervisor training and are now working as the site supervisors. ✿



“It was difficult to convince my family that I can not only do real construction works, but also the site management. Now I have proved to them that I can do this and they are very proud”

**Meslina Gea (Lisna)**  
Site Supervisor

## Women in Maluku Transform Waste to Wealth

Nutmeg is one of the main plantation crops of Maluku. However, people only use the nutmeg seed and its mesh, and throw away the outer cover which is called nutmeg fruit. The fruit itself is considered as waste until a women’s group decided to produce nutmeg juice from the nutmeg fruits.

The initiative to produce the nutmeg juice began in the Central Maluku District as a successful innovation of UNIDO under its Maluku Economic Recovery Project. This initiative was then expanded to a women’s group in the Toisapu sub-village under Hutumuri village, Ambon City District, established by the Pelagandong Project, which is a cooperation project of ILO and UNIDO.

Through this Project the women’s group received training on group dynamics and cooperative management, basic entrepreneurship skills and training on production of nutmeg juice. They also received a set of equipment like grater, stove, digital scale, cooking pans, bottles and other packaging materials for starting their business.

Initially the group started producing only about 40 – 50 bottles per months, but keeping up with demand meant the production has recently rose to more than 2,400 bottles per month and the net income of the group has increased to Rp 4,000,000 per month. They have sent their products to Netherlands, Jakarta and other cities in Indonesia through their relatives and through direct orders. These women are now able to generate more income to their families with full support from their husbands and other family members.

“I am glad to get involved in nutmeg juice production because before people threw away the fruits and only a few were used for making dried fruits. Moreover, during harvesting season price of the fruit is also very low. Thus, producing nutmeg juice

*The project is popularly known as Pelagandong project, covering 21 villages of three target districts namely Ambon City, West Seram and Central Maluku. The meaning of pelagandong is cooperation and brotherhood, a traditional value that has sustained for centuries in the region among communities regardless of their religious and ethnic difference.*

during harvest season will bring more profit to the group,” said Nova Malimbo, Secretary of the cooperative.

The membership of the cooperative has also grown, from 15 to 25 members. In the month of December 2010, the group was linked to the Cooperative and Small Medium Enterprise Department to get legal registration in the form of a cooperative. “The registration will open our chances to expand our business. We are now planning to establish a multi-purpose cooperative to start a saving and credit scheme, the sale of daily domestic goods, etc.,” said Nova.

When visiting Maluku in January 2011, Peter van Rooij, Country Director of the ILO in Indonesia, was impressed with the way this cooperative was managing their business and also with the record keeping. “The role of the ILO is facilitating community development. However, how successful the business will be, it solely depends on the community itself,” he said. He also encouraged the cooperative to develop a greater variety of products.

New Zealand Aid was also impressed with the performance of the group when visiting this cooperative in February 2011. They appreciated the efforts of the ILO and UNIDO in developing small enterprises in the rural area and building their capacity to conduct business. ✿



## Involving Local Communities in Road Infrastructure Maintenance in Aceh

The ILO's Aceh Local Resource-based (LRB) Project conducted a hearing with a district parliament (DPRK) in Bireuen District, Nanggroe Aceh Darussalam, in February 2011. The hearing was aimed to reach an

understanding and agreement with key policy makers in the district regarding the preparedness of local parliament to further discuss the required regulatory, legislative and executive requirements as part of their asset management investment strategy to ensure the sustainability and maintenance of the considerable investments that are made in the development of the road infrastructure.

During the hearing, Nurdin Abdul Rahman, Head of Bireuen district, and Said Mustafa, the Assistant II of the Governor's Office, stressed the importance of road maintenance and the need to develop more effective and efficient maintenance mechanisms. They both emphasized the importance of adopting a low cost and local resource-based approach, involving local communities.

In the hearing, the Head of District Development Planning Agency (Bappeda), Razuardi, presented an outline of a proposed, sub-district based maintenance strategy in which the sub-district administration would be responsible for managing and applying a labour-intensive approach. This proposed outline received positive feedbacks from the members of parliaments.

The discussion concluded with an agreement that community-based maintenance modalities not only require support from executive bodies but also from the parliament. The legislative

and executive bodies must work together in the formulation of policies and regulations to ensure the applicability of the proposed mechanisms. As an immediate follow-up, ILO in collaboration with the Bappeda and the District Public Works Office are currently in the process of developing an outline of a road master plan for Bireuen district, including plans to prioritize investments and operational delivery mechanisms.

A similar hearing with local parliament in Pidie district was also conducted in April 2011.

The ILO's LRB Project has been conducted for five years since 2006, aimed to contribute to the restoration of the rural livelihoods in communities of disaster affected populations in Aceh. Previously, it covered Aceh Province and Nias Islands; however, since the year of 2010, it only covers two districts

of Aceh: Bireuen and Pidie. Since the project will come to an end in 2011, it is now planning an effective exit strategy to ensure the sustainability and maintenance of the road infrastructure developed and rehabilitated. ❁



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## Preserving Nias Cultural Heritage

The ILO through its Nias Islands Rural Access and Capacity Building Project (Nias-RACBP) has been working closely with the Museum Pusaka Nias to rehabilitate cultural heritage assets of Nias, including 80 traditional houses and four megalith sites. A pilot project for preservation works on two traditional houses commenced in December 2010. These two houses are located in Lölöwua Village in Nias District and in Balödanö Village in West Nias District.

The traditional house in the village of Balödanö is the only traditional house in the area. The house has existed for six generations and is, therefore, a symbol of pride within the community. However, there are disputes that have driven a wedge between community members and it is hoped that this project will help to bring the villagers together and in doing so improve community cohesion.

When the preparation work started, Otomosi Zebua, the owner of the house, gathered community members to help with the rehabilitation project. "We really thank the ILO for giving the opportunity to gather our community members so that we could work together as a team to rehabilitate this traditional house. People that have not been in contact for many years are now coming to help with the rehabilitation works every day," he said.

The traditional house in Lölöwua Village that is being rehabilitated by the project in a sever state of disrepair, especially at the rear. The foundations of the house are unstable from erosion that has occurred over time. The house is very old and has existed for 4 generations (approximately 90 years old).

Fatimah Lase, the owner of the house, was very thrilled when learning that her family house would be rehabilitated. "This house not only has important historical meaning, but has also served as a place for bring family and community members together. We are very thankful," she said.. ❁

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Smart Workers is a joint interactive talkshow of the ILO in collaboration with Smart FM, designed to raise awareness of basic rights in the workplace. For those who are interested in learning more about employment and labour issues, just tune in to 95,9 FM!

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# Protecting Indonesian Migrant Workers from HIV and AIDS Vulnerabilities

**H**IV and AIDS case findings in Indonesian migrant workers are increasing. A report from Caring for Migrant Workers, an NGO dealing with the health issues of deported migrant workers from Malaysia, revealed that during 2010 they had taken care of more than 50 AIDS cases of deported Indonesian migrant workers. The report shows evidence that HIV and AIDS for Indonesian migrant workers should be seriously handled.

will be used to map and develop best strategies for the protection of migrant workers from HIV vulnerabilities.

Furthermore, a series of coordination training workshops will be conducted in March 2011 aimed to improve awareness and commitment of the government institutions, recruitment agents, employers, NGOs as well as migrant workers themselves. These workshops and trainings will be organized in two selected provinces known as the highest sending provinces in Indonesia: East Java and West Nusa Tenggara.

A training module for training workshops has been developed. Various information kits have also developed to promote safe migration and better health access for prospective migrant workers in the format of posters, brochures and a comic book. The comic book comprehensively covers each migration cycle from the beginning to the end.

"Based on direct inputs from prospective migrant workers, the most effective information tool is in the format of easy-reading materials with pictures. The ILO is now finalizing these materials, which covers basic knowledge and information safe migration and HIV and AIDS vulnerabilities for migrant workers," said Lotte Kejser, the ILO's Chief Technical Adviser of the Migrant Workers Project.



Migration and mobility itself do not inevitably lead to increased susceptibility among migrant workers. The conditions under which they migrate and the gender based violence amongst migrant workers, including discrimination, exploitation and abuses outlined above render them more vulnerable to contracting HIV. Thus, a comprehensive approach to Indonesian migrant workers' protection is needed to improve the access for prevention information and health services for migrant workers.

A series of studies are now being conducted as part of the effort to tackle issues related to HIV, AIDS and migration. The ILO under a joint project with UNDP, funded by the UNAIDS PAF Fund, is conducting a desk study on a comprehensive approach addressing gender based violence, HIV and AIDS vulnerabilities amongst migrant workers, which is aimed at examining and analyzing migrant workers' protection through the existing policies and related research.

The ILO in collaboration with Kembang Foundation and the Indonesian Migrant Workers Union have conducted a study on HIV and AIDS Vulnerability in West Nusa Tenggara and East Java. In addition, the National Aids Commission is conducting similar research in East Nusa Tenggara, West Java and Riau Island. The results of the two studies will be compiled and

# Indonesian version of the Guideline of Labour Inspection in Forestry sector

**A**s the country with the largest forestry industries in the Asia Pacific Region, Indonesia plays an important role within the geopolitical, economic and climate change context. Forest and forest products industry have delivered significant contributions to gross domestic product and employment in 1980-2002. Based on various scenarios, the Indonesian Ministry of Forestry estimated there were one million formal forestry sector workers in Indonesia (2009) with a potential for significant direct employment creation between 675,000 and 837,000 in the next ten years.

The study suggests the sector has to get priority support for both the policy and operational matters in Indonesia, among others, by establishing an institution dedicated to inspection, monitoring and reporting of labour condition in forestry considering the sector as a potentially major and growing force within the national agenda of green economy in Indonesia.

In this context, the ILO Jakarta has prepared the Indonesian translation of the Guideline of Labour Inspection for Forestry Sector stipulating the issues of labour standards, labour standard management, the implementation of ILO core conventions in relation to the eliminating of child labour, non discrimination policy, OSH and forestry workers skills classification that required for the labour inspection in the forestry sector as an essential component of development in Indonesia.

The ILO in collaboration with SmartFM, a leading radio station, also organized a special broadcast event titled "The Role of Labour Inspector in Ensuring the Implementation of Safety and Health in the Forestry Industry" on 21 December 2010 in Jakarta. The event intended to initiate and build the awareness about the Guidelines for Labour Inspection in Forestry as well as to facilitate social dialogue of the key stakeholders in the Sector attended by representative of government, employers and workers, proposed strategic recommendations for the implementation of the guideline in improving labour conditions in the forestry sector.



The ILO/SmartFM joint interactive talkshow

Despite the sector potentially absorb a huge number of employment to address the unemployment issue, the preliminary study on the Labour Conditions in Forestry in Indonesia published by ILO in October 2009 indicated a poor working condition and lacking of awareness of worker safety and health.

## In Briefs

# Assisting enterprises to sustain business in the face of crisis

**I** found this training very interesting and useful, providing me with important information needed by the enterprises. It was also enlightening me on the fact that pandemic influenza is a "hidden hazard" that I do not realize before," said one of the participants from Cilegon, Banten, who attended the training on Business Continuity Planning Programme conducted by the ILO organized from 2 – 3 March in Banten. The training was part of the series of trainings conducted by the ILO through its Business Continuity Programme (BCP) Project, in collaboration with the Indonesian Employers' Organization, in Banten, Tangerang, Central Java and Bali.

To date, the Project has conducted a total of six trainings, covering 161 participants from 106 various enterprises from a variety of sectors (food, garment, hotel, tourism, wood, chemical, auto spare-part, and so forth). The training programmes consist of a two-day comprehensive workshop using a participatory and practice-oriented approach with simple tools and practical methods. The trainings concluded with the formulation of the framework of business continuity plan that could be individually applied at the enterprise level.



After the training, the participants were expected to deliver similar trainings to their supply and distribution chain. In addition, the majority of participants provided positive, good feedbacks, saying that the training had equipped them with a risk management strategy that would help them planning the program sustainability in the face of crisis or disaster.

The BCP project is continuation of the ILO's previous project called Avian Influenza and the Workplace in Indonesia. The Avian Influenza project aimed to promote awareness on preventing the spread of avian influenza in the workplace and preparedness measures on occupational safety and health issues to reduce risks and impact of any outbreaks or pandemic.

**A**long with other government representatives from Cambodia, Viet Nam, Laos and Thailand, representatives of the Indonesian governments attended the **Regional Training Course on Social Protection Floor Rapid Assessment, Costing and Design: Tools and Methodology to the Practical Implementation** from 15 to 19 November 2010 in Bangkok, Thailand. The training aimed at sharing knowledge on good practices as well as other countries policies and programmes on the implementation of the social protection floor (SPF) rapid assessment. ❁



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**A**s governments and other public sector organizations face the challenges of meeting increasing needs with fewer resources, the change from inputs to the intended impact of resources and activities began to draw interest; thus focusing on results. Therefore, in compliance with the ILO Jakarta Staff Development Learning Strategies, eleven ILO Jakarta staff with work related to the ILO programmes, actively participated in the 3-day **RBM-training** in February 2011 in Jakarta, assisted by a facilitator from the MDF-Pacific Indonesia. The staff eagerly discussed the importance of, among others, problem identification, implementation strategies and behaviour change as part of the RBM application. ❁



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**T**he ILO participated in the **East Asia Skills Development for Productivity Conference**, co-hosted by the World Bank, the Ministry of Manpower and Transmigration and the Ministry of National Education in Indonesia with the support of the European Commission and the Government of the Netherlands. The Conference aimed to provide a forum for policy makers from participating governments, industry groups, education and training providers, and international experts to discuss issues about and approaches to skills development. ❁

**C**ountry Director of ILO in Indonesia, Peter van Rooij, participated in the press conference (*left*), together with Director of UNIC-Jakarta, Michele Zaccheo (*middle*) and the American Actress and UN Youth Champion Monique Coleman (*right*). The Conference was conducted in conjunction with the visit of Monique to Indonesia from 21-22 February, as part of a world tour to promote the **International Year of Youth**. She aims to raise awareness on youth issues, encourage young people to use their ability to foster progress in their communities, and urge the international community to take responsibility on youth issues. ❁

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