Indonesian Employment Development

Supported by
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ILO Office for Indonesia
“Indonesia has adopted a fourfold development strategy: development that is pro growth, pro employment, pro poverty reduction and pro environment. Indonesia has also embraced three pillars to support its economy. First, economy for the welfare of the people. Second, a more dynamic but dignified democracy and finally, justice for all. Economic and social justice for all the people of Indonesia ....”

Susilo Bambang Yudhoyono
President of the Republic of Indonesia
Indonesia has recovered from the monetary crisis that struck Asia at the end of the 1990s, and has maintained positive growth for nearly a decade. However, we have to admit that in terms of employment, rapid economic growth does not guarantee creation of more jobs in the formal sector.

Some experts are predicting even faster economic growth—more than six percent per annum—in the coming years. This clearly indicates greater opportunities for Indonesia. The Government believes that strong and healthy economic growth could be focused on creating decent and productive work.

Indonesia has already taken initiatives towards this goal. A programme of labour law reform culminated in 2004 with the enactment of Law No. 2 concerning the Settlement of Industrial Disputes. This is one of three laws that now govern labour issues in Indonesia, the Government having previously enacted Law No. 21 of 2000 concerning Labour Unions and Law No. 13 of 2003 concerning Employment.

In addition, Indonesia was the first country in Asia and the fifth in the world to ratify all the core conventions of the International Labour Organization (ILO). Since becoming a member of ILO in 1950, Indonesia has ratified 18 conventions.

All these legal reforms, however, have yet to answer all Indonesia’s labour issues. The main missions of the Indonesian government, in this case the Ministry of Manpower and Transmigration, in terms of labour issues, are promoting job opportunities and placement, creating harmonious, democratic, fair and dignified industrial relations, and improving the quality of management and administration, monitoring, research and development systems.

This book, published in conjunction with the President of Indonesia’s visit to the 100th International Labour Conference, presents the development of employment in Indonesia and the evolution of the Government’s policies concerning this sector.

Jakarta, June 2011

Minister of Manpower and Transmigration of the Republic of Indonesia

Muhaimin Iskandar
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Editors: Gita F. Lingga and Tauvik Muhamad (ILO Jakarta Office)

Photos: Collection of ILO Jakarta Office
### INFRASTRUCTURE FACTS

- **Road Length**: Total 437,759 km
- **Length of Water lines**: 21,579 km (2008)
- **Length of Railway Lines**: Total 8,529 km
- **Airports**: 683 airports, of which 164 have paved runways
- **Fixed Phone Users**: 30,378 million (2008, number ten in the world)
- **Handphone Users**: 140,578 million (2008, number six in the world)
- **Internet Users**: 30 million (2008, number eleven in the world)

*Source: BPS 2009*

### GEOGRAPHIC FACTS

- **Area**: Total 1,904,569 sq km. The 16th widest country in the world and is located between the Indian and Pacific Oceans.
  - **Land Area**: 1,811,569 sq km
  - **Water Area**: 93,000 sq km
- **Archipelago**: Archipelago of 17,508 islands, 6,000 of which inhabited
- **Coastline**: 54,716 km
- **Climate**: Tropical, hot, humid and more moderate in highlands
- **Administrative Division**: 33 Provinces, 2 Special Regions, 1 Special Capital City District

*Source: BPS 2010*
INDONESIA is characterised by its dynamic labour conditions. In 2004, the country completed a labour law reform program through the enactment of Law No. 2 on the Settlement of Industrial Relations Disputes. This was the last of the three pieces of major labour legislation regulating labour issues in Indonesia, along with Law No. 21 of 2000 on Trade Unions and Law No. 13 of 2003 on Employment.

In addition, Indonesia was the first country in Asia and the fifth in the world to ratify all core ILO Conventions. Since becoming a member of the ILO in 1950, Indonesia has ratified 18 conventions – eight core conventions, eight general conventions, and two other conventions. Be that as it may, Indonesia is still not free from labour problems.

Indonesia was one of the few countries that managed to come through the global crisis at the end of the 1990s. In the last few years, Indonesia’s development has been relatively rapid compared to neighbouring countries with more developed economies. Despite the negative impacts of the crisis that spread right across the region, Indonesia managed to maintain positive economic growth in 2009 and 2010 owing to its huge domestic market.
Unfortunately, job creation is not always a direct function of economic growth. Like many other countries in the world, Indonesia is having to deal with rising unemployment. In many ways, the Indonesian labour market has not completely recovered from the Asian financial crisis. The percentage of employment in the informal sector and underemployment is now about the same as it was in 1996, prior to the crisis. Moreover, during the last decade, job opportunities for young people have been almost stagnant.

What has really happened? Indonesia, the world’s largest archipelagic state, consists of five main islands and about 30 smaller clusters of islands. According to the 2010 Population Census, Indonesia’s population is 237,556,363, of which 119.5 million are male and 118 million female. This means that the population has grown by 32.5 million in the 10 years since the last Population Census in 2000—a growth rate of 1.49 percent per year. Despite the fact that over the years the aggregate population of each region has changed, in terms of population distribution and density, the picture has not changed very much, if at all.

The rapid population growth is due not only to the increasing birth rate, but also to increasing life expectancy. A report by the United Nations Development Program (UNDP) in 2010 shows that the life expectancy of Indonesians has increased dramatically, rising from 54 to 71 years in the period between 1980 and 2010. The same report also noted that Indonesian children now enjoy more years of education. In 1980, the average number of years of education of the population was eight, but data from last year indicate that this has now increased to 12 years.
In 2010, Indonesia was fourth among the ten countries with the most impressive increase in their Human Development Index (HDI). Of the 135 countries evaluated on several indicators such as education, health and per capita income, Indonesia’s rank has moved up from 111 to 108.

Although these indicators show that Indonesians now enjoy a better quality of life, this situation has created further challenges. In particular, the higher life expectancy and longer education have given rise to a number challenges for employment. There is an imbalance in which the growth of employment cannot keep up with the growth of the labour force.

One of the many reasons for this condition is the fact that the driving forces of Indonesian economic growth have gradually shifted from the agriculture and manufacturing sectors to the service industry. Between 2005 and 2009, the agricultural and manufacturing sectors grew by 5.6 percent per year, which was lower than the average growth rate
of all other sectors. The service sector had the highest growth rate. As a result, the employment rate in the agricultural sector fell by 5.6 percent, from 45.3 percent in 2000 to 39.7 percent in 2009. In the manufacturing sector, unemployment fell 0.8 percent during this period; not very significant compared with the decline in the agriculture sector.

The shift towards the service sector has two important implications for the Indonesian labour market. The first is the fact that this sector requires higher skills on the part of the workers. The second is the growing demand for women workers in this sector, which has closed the gender gap in the labour market. On average, the demand for women workers in the trade, hotel and restaurant sectors grew by 4.7 percent per year between 2004 and 2009. Over the same period, the annual increase in the number of women employed in the transportation and communication sectors was 24.7 percent. Women’s employment has also increased significantly in the financial, real estate and service sectors. These data indicate that the expansion in the service sector in the past few years has been conducive to the growth of employment in Indonesia.
## Regional GDP 2010 (per cent)

<table>
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<tr>
<th>Region</th>
<th>2008</th>
<th>2009</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; quarter</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sumatra</td>
<td>23.3</td>
<td>23.5</td>
<td>23.5</td>
<td>23.7</td>
</tr>
<tr>
<td>2. Java</td>
<td>57.7</td>
<td>58.1</td>
<td>57.8</td>
<td>57.5</td>
</tr>
<tr>
<td>3. Bali and Nusa Tenggara</td>
<td>2.5</td>
<td>2.7</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>4. Kalimantan</td>
<td>10.5</td>
<td>9.2</td>
<td>9.5</td>
<td>9.6</td>
</tr>
<tr>
<td>5. Sulawesi</td>
<td>4.2</td>
<td>4.5</td>
<td>4.4</td>
<td>4.6</td>
</tr>
<tr>
<td>6. Maluku &amp; Papua</td>
<td>1.8</td>
<td>2</td>
<td>2</td>
<td>1.9</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
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*Source: BPS 2010*
EFFORTS to create employment to reduce unemployment and absorb the ever-increasing labour force have always been an integral component of all development policies and programmes. One of the ultimate goals of socio-economic development policies and programmes is to create a high level of employment by putting an emphasis on economic activities that absorb a lot of labour and thus enable people who are willing to work to find jobs reasonably quickly.

At the International Labour Conference in June 2009, government, employers’ and workers’ delegates from ILO member states adopted the Global Jobs Pact (GJP) as a tested portfolio of policies emphasizing employment and social protection as the centre of all efforts to respond to the recent global crisis. The GJP is an instrument that addresses the social and employment impact of the global crisis and promotes recovery by providing a basis for policy making that promotes employment, social protection, adoption of labour standards and social dialogue.
Labour issues in Indonesia can be studied against the backdrop of political power. There are at least three distinct periods in which labour conditions can be studied. Nevertheless, despite changes in political power, labour issues in Indonesia have always revolved around the issue of formal and informal labour markets. Nearly 70 percent of the productive population works in the informal sector, and agriculture has always accounted for the largest share of employment (about 40 percent).

**Post-Independence Era**

The key milestone of this era was the ratification of a number of important ILO Conventions by the Government of Indonesia, and the laws enacted following ratification. Observing the laws and regulations enacted during this era, one could conclude that they generally provided some measure of social security and protection for workers.

The significant contribution made by workers during the struggle to achieve independence (1945-1949) ensured a good position for the labour movement once independence had been won. This is clearly reflected in the labour policies and laws made during this era. It is not surprising, therefore, that some of the labour laws passed in this era are considered very progressive in the sense that they afforded real protection for the workers.

On 19 September 1945, an organization known as Barisan Buruh Indonesia (BBI, Indonesian Labour Front) was founded, with a mission to secure Indonesia’s independence. As this mission was regarded as a common cause, all unions were considered as its members. However, at the congress held in Solo on 17 November 1945, BBI broke down into two factions, one wanting to form a political party, while the other wanted to focus on working for socio-economic development.

The latter faction organised a congress in Madiun on 21 May 1946, in which they founded the Gabungan Serikat Buruh Indonesia (GASBI, Confederation of Indonesian Labour Unions) with a mission to improve the standard of living of its members. Later, on 29 November 1946, GASBI merged with the Gabungan Serikat Buruh Vertikal (GASBEV, Vertical Confederation of Labour Unions), and the new organization named itself the Sentral Organisasi Buruh Seluruh Indonesia (SOBSI, All-Indonesia Centre of Labour Organizations).
In the 1950s, some 150 trade unions were founded at the national level, and hundreds more at the local level, and seven federations were established. Although they adopted various constitutions and ideologies, their programmes and activities focused on the political issues of the period and thus their main mandate, to protect and promote the general interests of workers, was set aside. During the period known as the liberal era, the number of political parties skyrocketed, with many of them founding their own trade unions as their onderbouw or substructure, to draw in as many constituents or members as possible to get votes and win the 1955 General Election. This practice was made possible by the enactment of the Decree of the Minister of Labour No. 90 of 1955 regarding the Registration of Trade Unions. This decree was very liberal in nature, stipulating very few requirements for organising a trade union—unions merely needed to have a constitution, a board and list of members, and there was no minimum threshold on the number of members, areas, or organisational instruments.

In general, the demands of workers in the 1950s can be subsumed into the following issues:

1. Better wages and benefits;
2. Improved working conditions;
3. Better social security;
4. Benefits and payment in kind;
5. Revocable termination or rotation of employment;
6. Implementation of government regulations;
7. Recognition of trade unions;
8. Payment during strikes;
9. Revocation of discriminatory legislation; and
10. Observance of employment contracts.

1954 saw the enactment of Law No. 21 on Labour Contracts between Trade Unions and Employers. This law recognised the representation of trade unions in drawing up labour contracts. In 1957, Law No. 22 on the Settlement of Labour Disputes was passed, and came into force on 1 June 1958 with the issuance of Government Regulation No. 33 of 1958. The majority of labour disputes in this period were normative disputes related to wages.
The key labour laws and regulations passed during the Sukarno government (1945–1966) were:

1. Law No. 1 of 1051 on Bringing the Work Law No. 12 of 1948 of the Republic of Indonesia into operation for the whole territory of Indonesia;
2. Law No. 3 of 1951 on Bringing the Labour Inspection Law of No. 23 of 1948 of the Republic of Indonesia into operation for the whole territory of Indonesia;
3. the official deliberation of the Law No. 23 of 1948 concerning Labour Inspection from the Republic of Indonesia for All Indonesia;
4. Law No. 33 of 1947 on Accidents at Work;
5. Law No. 21 of 1954 on Labour Contracts between Trade Unions and Employers;
6. Law No. 22 of 1957 on the Settlement of Industrial Relations Disputes;
7. Law No. 18 of 1956 on the Ratification of International Labour Organisation (ILO) Convention No. 98 concerning the Application of the Principles of the Right to Organise and to Bargain Collectively; and
8. Law No 12 of 1964 on Termination of Employment in Private Undertakings.

Towards the end of the 1950s, in the face of various political crises, Indonesia began to implement a political system known as guided democracy. This was initiated with the issuance of a Presidential Decree on 5 July 1959. The national political situation during this period had a tremendous effect on the activities of trade unions, which were more inclined to work on political issues than represent workers’ interests. In 1960, the government proposed the formation of the Organisasi Persatuan Pekerja Indonesia (OPPI, United Organization of Indonesian Workers) as an umbrella organization to accommodate all existing trade unions. Despite being welcomed by many quarters, this initiative eventually failed in the face of a negative response from SOBSI.

At the beginning of the 1960s, the changes in Indonesia’s political scene greatly affected the labour situation. Although President Sukarno was still in office, the spirit of the labour laws began to change. During this era, legislation was made to curb workers’ political and economic activities:
• A prohibition against strikes (Regulation of the Supreme Military Administrator No. 4 of 1960 concerning the Prevention of Strikes and Lockouts in Vital Private and State Enterprises and Institutions);

• The establishment of the Companies Council to prevent workers from taking over companies previously owned by the Dutch;

• Instruction of the Deputy of the Supreme Military Administrator No. I/D/02/Peperti/1960, which contained a list of 23 vital enterprises referred to in Regulation of the Supreme Military Administrator No. 4 of 1960;

• Law No. 7 PRP/1963 concerning the Prohibition on Lockouts in Vital Private and State Enterprises and Institutions.

**Pre-Reform Era**

This era began in the mid-1960s, when the political situation was unstable and marked by changes in power called the New Order Government. In 1966 and 1967, Indonesia was in a serious crisis, not least in terms of creating job opportunities. It was during this period that the Government launched Stage 1 of the first Long-Term Development Plan. Through the first Rencana Pembangunan Lima Tahun (Repelita, Five-Year Development Plan) various short-term programmes focusing on job creation were implemented in line with Decision No. 28 of 1966 of the MPRS (People’s General Assembly), aimed at the following issues:
1. Creating job opportunities (reducing unemployment and accommodating new entrants to the workforce);

2. Developing an adequate labour force that was equipped with the competencies required for the development of economic activities and the creation of employment opportunities; and

3. Improving and promoting industrial relations and social security.

In setting priorities and strategies for development programmes, Indonesia has always taken employment and job opportunities into consideration. For example, the development of priority sectors such as agriculture and infrastructure (roads and irrigation) has been proven to relieve the pressure of unemployment. In addition, the promotion of other sectors, such as industry and tourism, has contributed significantly to the creation of job opportunities.

Labour intensive projects are economic activities intended to absorb as many unemployed or semi-employed workers as possible with a relatively small investment of financial capital. Through these projects, unemployed workers are employed to improve economic infrastructure, such as rice terraces, village roads, tertiary irrigation canals and reforestation. Initially, workers taking part in these projects had been given allowances in kind (in the form of food). However, from 1972/73, in addition to allowances in kind, they were also given cash wages. These projects also received direct aid in the form of working

TRIPARTITE LABOUR COOPERATION INSTITUTION

Disputes between employers and workers are common in industrial relations. In order to bridge different interests, it was considered necessary to establish a tripartite labour cooperation institution, known as LKS (Lembaga Kerjasama) Tripartit. LKS Tripartit is a forum for communication, consultation and discussion on labour issues and problems among its members: government representatives, in this case, the Ministry of Manpower and Transmigration; employers’ organizations; and trade unions.

THE MINISTRY OF MANPOWER AND TRANSMIGRATION

Immediately following independence, this government function was under the Ministry of Social Welfare, and was not established as a ministry until 3 July 1947. At the beginning of the New Order era, in 1966, the ministry was called the Department of Manpower. During the term of the second Development Cabinet, from 1974 to 1979, it was expanded to become the Department of Manpower, Transmigration and Cooperatives. Five years later, Cooperatives was separated from this department, thus between 1979 and 1984, it became the Department of Manpower and Transmigration. During the term of the fourth Development Cabinet (1984-1989), it was split into two separate departments, namely the Department of Manpower and the Department of Transmigration, but the two were later merged again on 22 February 2001.

ASSOCIATION OF INDONESIAN EMPLOYERS (ASOSIASI PENGUSAHA INDONESIA/ APINDO)

Due to the increasing incidence of labour issues after independence, Indonesian employers began to recognize the need to organize themselves within a communication forum in which they could discuss the interests of the employers, workers and the government. As this initiative came from a number of Dutch employers, the association was originally called the Centraal Stichting Sociaal Economische Zaken van Werkgevers’ Overleg (CSWO), and later became the Consultative Board of Social Affairs of Indonesian Employers (Badan Permusyawaratan Urusan Sosial Pengusaha Seluruh Indonesia) on 31 January 1952, which was agreed as the founding date of the Association of Indonesian Employers.
On 7 July 1970 this foundation changed names again, becoming the Consultative Board of Social and Economic Affairs of Indonesian Employers (Badan Permusyawaratan Urusan Sosial Ekonomi Pengusaha Seluruh Indonesia, PUSPI). On 24 November 1977, the name was shortened to Permusyawaratan Sosial Ekonomi Pengusaha Seluruh Indonesia, but was still abbreviated as PUSPI. On 16 January 1982, the term “Permusyawaratan” (Consultative) was changed to “Perhimpunan” (Association). Finally, during the 2nd National Congress held in Surabaya on 31 January 1985, the organisation adopted its present name, “Asosiasi Pengusaha Indonesia” (Indonesian Employers’ Association, Apindo).

**CONFEDERATION OF LABOUR UNIONS**

The Federation of All-Indonesia Labour Unions (FBSI) was established on 20 February 1973. In 1985, with the enactment of Law No. 8 of 1985 concerning Single Basis, FBSI transformed itself from a Federation into a unified agency called the SPSI (All-Indonesia Labour Union). This unitary form was opposed by the ILO, as the Indonesian government was considered to be curtailing workers’ freedom of association.

In 1992, a number of labour activists established the Indonesian Prosperous Labour Union (SBSI), which was not recognized by the Government. In 1994, the SPSI restructured its organization, changing from a unitary form to a federation, the Federation of All-Indonesia Labour Unions (F.SPSI). Before the ILO conference in June 1998, the Government issued Decree of the Minister of Manpower and Transmigration No. 5 of 1998, which allowed the establishment of labour unions outside the SPSI. This had a major impact. SBSI was recognized by the Government, and in the same year, during Congress XVIII of the Indonesian Teachers’ Association (PGRI) in Lembang, PGRI was also declared a labour organization for teachers.

Prior to the enactment of Law No. 21 of 2000 concerning Labour Unions, F.SPSI became the KSPSI (Confederation of All-Indonesia Labour Unions). KSPSI then split into two. On 1 February 2003, PGRI, together with 13 independent non-political labour unions, established the Congress of Indonesian Labour Unions (KSPI), which was eventually renamed the Confederation of Indonesian Labour Unions. In the same year, SBSI changed its name to the Confederation of Indonesian Prosperous Labour Unions (KSBSI). The most recent official data show that by June 2007, there were four registered confederations, namely KSPSI Pasar Minggu, KSPSI Kalibata, KSBSI and KSPI; 86 federations; and many thousands of factory-level labour unions.

Legislation enacted during this era included:

1. Law No. 14 of 1969 concerning the Basic Provisions of Labour;

2. Law No. 1 of 1970 concerning Occupational Safety. This law set out the requirements for preventing accidents at work, and applied to all workers, employers and workplaces;

3. Law No. 2 of 1971 concerning Occupational Accidents, which also regulated compensation; and


The Dewan Penelitian Pengupahan Nasional (National Council for the Assessment of Remuneration) was established in 1971. The mandate of this Council was to give the Government advice and recommendations (both long and short-term) on its remuneration policy. Local Remuneration Assessment Councils were established in regional administrations.

During the second Five-Year Development Plan (1974–1979), the government began to change the way labour systems were managed. The following were among the key developments during this period:

- The industrialisation policies adopted by the New Order government took national stability into consideration
and were aimed at maintaining peaceful industrial relations. This was reinforced at the beginning of the third Five-Year Development Plan (1979-1983) with the introduction of an instrument called HPP (Hubungan Perburuhan Pancasila, Pancasila Industrial Relations).

- Trade unions were merged into the SPSI (see below) as the only recognized union. Despite Law No. 18 of 1956 regarding the Ratification of ILO Convention No. 98 of 1949 concerning the Application of the Principles of the Right to Organise and to Bargain Collectively, and the Regulations of the Minister of Manpower and Cooperatives No. 8/EDRN/1974 and No. 1/MEN/1975 concerning, respectively, the Establishment of Trade Unions in Private Enterprises and the Registration of Trade Unions, during this period freedom of association did not really exist.

- The military played a very dominant role in many respects, such as in the settlement of labour disputes.

In the early 1970s, Indonesia simplified the political party system through a ‘fusion’ programme, in which the large number of parties were merged into just a handful of parties. A similar simplification process also took place among unions. On 20 February 1973, leaders of the existing unions agreed on the Deklarasi Persatuan Pekerja Seluruh Indonesia (Declaration of United Indonesian Workers), the main points of which were as follows:

- All unions must be independent of influence and intervention from any political party;
- All trade unions must focus on economic and social activities for the interests and welfare of the workers and their families;
- All trade unions must be reorganized by economic sectors or sub-sectors;
- Only one trade union is allowed in one particular company; and
- All existing trade unions must become members of the Federasi Buruh Seluruh Indonesia (FBSI, All-Indonesia Federation of Workers).
Reform Era

This era began with demands for political reforms to respond to the economic, social and political crisis that had resulted from very complex causes, including soaring debt; uncontrollable non-performing loans in the banking system; the concentration of executive power; corruption, collusion and nepotism; a high-cost economy; and the conglomeration of business. The call for reform was also triggered by the need for deregulation, privatisation, a market economy liberalization, and a growing awareness of human rights and democracy.

The pinnacle of the popular protest was on 21 May 1998, when President Soeharto stood down from power, marking the end of the New Order era. Vice President BJ Habibie, who replaced him as President, immediately formed the Development Reform Cabinet and started drafting the reform agenda. The 1999 Special Session of the MPR (People’s Consultative Assembly) agreed on 12 Ketetapan (Orders) on reforms on various issues, including development priorities; the eradication of corruption, collusion and nepotism; a schedule for general elections; human rights; the balance of power between central and local governments; and economic democracy.

The statistical data from this era show an interesting phenomenon. The employment rate in 2000 was 68 percent—meaning that 68 out of 100 people of working age (15-64) were employed, while in 1990 the employment rate was only 55 percent. If these two figures are compared, the employment rate in Indonesia rose sharply between 1990 and 2000. This sudden increase was largely due to the fact in 1990 the minimum age for admission to employment was 10 years, while in 2000 it was 15 years. Another factor that might have contributed to this phenomenon is the increasing number of female workers entering the labour market.

The political reform taking place in this era triggered similar reform among trade unions in Indonesia. Workers felt that they had regained their rights and freedom to organise and the number of unions suddenly multiplied. Towards the end of 2004, there were
80 federations and more than 100 national non-federation unions registered at the Ministry of Manpower and Transmigration. However, after further verification of their membership at the end of 2005, only 35 federations and 31 national non-federation unions fulfilled the necessary requirements.

Some of the milestones in Indonesian labour history during this period were as follows:


- Presidential Decree No. 83 of 1998 on the Ratification of ILO Convention No. 87 of 1948 concerning Freedom of Association and the Protection of the Right to Organise;
- Law No. 20 of 1999 on the Ratification of ILO Convention No. 138 concerning the Minimum Age for Admission to Employment, which protects the rights of the child; and
- The National Plan of Action to Promote Human Rights (HAM) was implemented between 1998 and 2003 through Law No. 39 of 1999 concerning Human Rights and Government Regulation in Lieu of Law No. 1 of 1999 concerning the Human Rights Court.

(b). Abdurrahman Wahid Administration (1999-2001)

- This administration was considered to have taken steps to promote democracy, which was reflected in Law No. 21 of 2000 concerning Trade Unions.

(c). Megawati Soekarnoputri Administration (2001-2004)

- One of the most fundamental pieces of labour legislation made during this period was Law No. 13 of 2003 on Labour, which replaced 15 earlier labour regulations, and thus became the reference for other related regulations; and
- Other important pieces of legislation were Law No. 2 of 2004 concerning the Settlement of Industrial Relations Disputes, which was enacted on 14 January, and Law No. 39 of 2004 concerning the Protection and Placement of Migrant Workers Abroad.
- Law No. 40 of 2004 concerning the National Social Security System.

- Law No. 2 of 2004 concerning the Settlement of Industrial Disputes, which came into effect in 14 January 2006;
- Law 1 No. of 2008 on the Ratification of ILO Convention No. 185 of 1958 concerning revision of the Seafarers Identity Documents Convention;
- Law No. 29 of 2009 on the Revision of Law No. 14 of 1997 concerning Transmigration;
- Government Regulation No. 23 of 2004 concerning the National Agency for Professional Certification;
- Presidential Decree No. 107 of 2004, concerning the Remuneration Council;
- Presidential Decree No. 50 of 2005 concerning the Agency for National Productivity;
- Government Regulation No. 8 of 2005 on Work System and Organizational Structure of Tripartite Cooperation Institutes;
- Government Regulation No. 46 of 2008 on the Revision of the Government Regulation No. 8 of 2005 on Work System and Organizational Structure of Tripartite Cooperation Institutes;
- Presidential Decree No. 31 of 2006 concerning the National System of Work Training; and
- Presidential Decree No. 15 of 2007 concerning the Means to Obtain Labour Information and the Development and Implementation of Labour Planning.

At the core of all the legislation adopted during the first term of President Susilo Bambang Yudhoyono’s administration was the intention to provide a sound foundation for institutions, systems, and labour to deal with a more flexible labour market, particularly in the era of free trade.
INDONESIA’s economic growth rate in 2010, measured by the increase in Gross Domestic Product (GDP), was 6.1 percent. There was growth in all economic sectors, with the transportation and communication sector experiencing the highest growth rate at 13.5 percent and the agricultural sector experiencing the lowest, at 2.9 percent. If the oil and gas sector is excluded from the calculation, GDP growth in 2010 was even higher, at 6.6 percent.

In terms of spatial distribution, provinces in Java and Sumatra still dominate the economy. Java, which contributed 57.8 percent of the country’s GDP, is where the secondary and tertiary sectors are concentrated. Areas outside Java still depend on the primary economic sector.

Along with the population growth, the labour force (the population aged between 15 and above) has continued to increase. In 1971, Indonesia had 79.5 million people of working age. This figure grew to 88.3 million in 1980 and 155.5 million in 2005. By 2009, 168.9 million people were ready to enter the labour market. These figures show that the labour force has grown more rapidly than the population because of women’s participation.
Labour conditions in Indonesia over the last year have shown some improvement, as indicated by the increasing employment and falling unemployment. In 2010, the labour force numbered 116 million people, an increase of 2.26 million from the previous year, while the number of employed people was 107.41 million, an increase of 2.92 million from 2009.

As the rapid growth of the labour force has not matched the creation of job opportunities, open unemployment has increased and under employment has remained high. The unemployment rate in 1980 was 1.7 percent, rising to 6.08 percent in 2000 and 10.3 percent in 2005. The rate of open unemployment in Indonesia in 2010 was 7.41 percent; lower than the 2009 figure of 8.14 percent.

Open unemployment is usually an urban phenomenon, and mainly involves young people, both school graduates and drop-outs. While the unemployment rate in 2005 was 10.26 percent, the percentage of unemployed people aged 15-29 and 20-24 reached 34.88 percent and 25.24 percent, respectively. The unemployment rate in urban areas (13.51 percent) was nearly twice as high as in rural areas (7.98 percent).
Job opportunities for young people (aged 15-24) have shrunk dramatically as a result of the Asian financial crisis at the end of the 1990s, resulting in a sharp increase in the unemployment rate. Young people of working age face a tremendous challenge to find jobs, as shown in the unemployment rate among young workers, which was 22.2 percent in 2009—significantly higher than both the regional average (13.9 percent for Southeast Asia and the Pacific) and the world average (12.8 percent).

In addition, the unemployment rate among young workers varies from one area to another: in Bali–Nusa Tenggara it is 10.8 percent, while in Banten it is 34.1 percent. Job opportunities are particularly scarce for junior and senior high school graduates (see Table XX). The relatively high unemployment rate among university graduates is due to the scarcity of job opportunities in the formal sector, as university graduates usually wish to work in the formal sector. This indicates that there is an imbalance between the supply and demand for occupation in the formal sector.

### Unemployment Rate by Level of Education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>February</td>
<td>August</td>
<td>February</td>
</tr>
<tr>
<td>1. Elementary school or below</td>
<td>4.7</td>
<td>4.57</td>
<td>4.51</td>
</tr>
<tr>
<td>2. Junior high school</td>
<td>10.05</td>
<td>9.39</td>
<td>9.38</td>
</tr>
<tr>
<td>3. Senior high school</td>
<td>13.69</td>
<td>14.31</td>
<td>12.36</td>
</tr>
<tr>
<td>4. Vocational education</td>
<td>14.8</td>
<td>17.26</td>
<td>15.69</td>
</tr>
<tr>
<td>5. Academy/Diploma I/II/III</td>
<td>16.35</td>
<td>11.21</td>
<td>15.38</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8.46</strong></td>
<td><strong>8.39</strong></td>
<td><strong>8.14</strong></td>
</tr>
</tbody>
</table>

Source: BPS Data, 2010 Population Census
Unemployment Rate by Education and Sex

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Labour Force (1000)</th>
<th>Unemployment (1000)</th>
<th>Under Employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below elementary school</td>
<td>66,221.9</td>
<td>5,483.3</td>
<td>8.28</td>
</tr>
<tr>
<td>Elementary school</td>
<td>9,753.4</td>
<td>360.2</td>
<td>3.69</td>
</tr>
<tr>
<td>Junior high school</td>
<td>23,444.0</td>
<td>1,260.7</td>
<td>5.38</td>
</tr>
<tr>
<td>Senior high school</td>
<td>14,494.8</td>
<td>1,398.5</td>
<td>9.65</td>
</tr>
<tr>
<td>Academy</td>
<td>1,275.9</td>
<td>138.7</td>
<td>10.87</td>
</tr>
<tr>
<td>University</td>
<td>2,146.9</td>
<td>184.5</td>
<td>8.59</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below elementary school</td>
<td>39,580.5</td>
<td>5,370.9</td>
<td>13.57</td>
</tr>
<tr>
<td>Elementary school</td>
<td>14,515.8</td>
<td>1,280.3</td>
<td>8.82</td>
</tr>
<tr>
<td>Junior high school</td>
<td>6,744.6</td>
<td>1,282.3</td>
<td>19.01</td>
</tr>
<tr>
<td>Senior high school</td>
<td>6,653.1</td>
<td>1,770.8</td>
<td>26.62</td>
</tr>
<tr>
<td>Academy</td>
<td>1,220.2</td>
<td>184.1</td>
<td>15.09</td>
</tr>
<tr>
<td>University</td>
<td>1,215.1</td>
<td>200.9</td>
<td>16.53</td>
</tr>
<tr>
<td><strong>Men and Women</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below elementary school</td>
<td>18,985.1</td>
<td>1,012.7</td>
<td>5.33</td>
</tr>
<tr>
<td>Elementary school</td>
<td>37,959.8</td>
<td>2,541.0</td>
<td>6.69</td>
</tr>
<tr>
<td>Junior high school</td>
<td>21,239.4</td>
<td>2,680.8</td>
<td>12.62</td>
</tr>
<tr>
<td>Senior high school</td>
<td>21,760.0</td>
<td>3,911.5</td>
<td>17.97</td>
</tr>
<tr>
<td>Academy</td>
<td>2,496.1</td>
<td>322.8</td>
<td>12.93</td>
</tr>
<tr>
<td>University</td>
<td>3,362.0</td>
<td>385.4</td>
<td>11.46</td>
</tr>
</tbody>
</table>


The unemployment rate among women has always been higher than that of men, but this gap has become smaller in the past few years.

The formal and informal economic activities of the working population can be identified by their working status and types of employment. A total of 33.74 million Indonesian workers are engaged in formal economic activities, while the remaining 73.67 million, or nearly 70 percent, work in the informal economy.
Taking into consideration the fact that the majority of workers are employed in the informal sector, the Government has taken two steps to deal with labour problems arising from this situation. Firstly, improving welfare through poverty alleviation programs and reducing unemployment, and secondly, improving labour quality.

The first step was implemented through the Program Nasional Pemberdayaan Masyarakat Mandiri (PNPM, National Independent People’s Empowerment Program), a poverty reduction program. Launched on 30 April 2007, it will continue until 2015. The objective of this program is to increase welfare and employment by empowering poor people to be more independent. The core of this program is creating or strengthening people’s capacities, as groups or individuals, by making full use of the economic and social potential they already possess.

The government is implementing this policy through three groups of programs. The first group includes social security, through the protection of the right to education, health (Jamkesmas, a social security program that covers 76 million people), food, sanitation and clean water. The second group includes a community empowerment program, implemented through the protection of the right to participate, the right to work and the right to do business (for example, through the Bantuan Langsung Masyarakat direct cash transfer program to all sub-districts in Indonesia); the rights to land, natural resources and the environment, and the right to housing. The third group includes programs to strengthen micro and small-scale enterprises, through the protection of the right to work and to earn a livelihood.

By implementing these programs, the government aims to meet two targets at the same time:

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**INDONESIA’S ROLE IN ADDRESSING INTERNATIONAL LABOUR ISSUES**

Efforts to improve labour conditions in Indonesia should involve cooperation through international forums. The labour issues that can be addressed through such forums range from the very basic, such as demographic issues, to more complex problems such as the technical and professional competence of workers. Indonesia has actively participated in addressing labour and human resource issues in all international forums of which it is a member, such as the Non-Aligned Movement, the Asia-Pacific Economic Cooperation (APEC), ASEAN, and G-20.

**NON-ALIGNED MOVEMENT**

The only Non-Aligned Movement summit at which demographic issues were addressed took place when Indonesia was the chair, between 1992 and 1995. The tenth Summit, held in Jakarta, produced a recommendation known as the Jakarta Message, in which the Non-Aligned Movement declared the need to promote South-South cooperation, and urged the building of concrete and practical cooperation on food production, commerce and investment. During its chairmanship of the forum, Indonesia initiated some technical cooperation, such as providing training for medical and family planning officers, and initiating comparative studies and exchanges of agricultural inspectors. The underlying rationale was that most fundamental labour issues have their root in demographic problems.
strengthening workers in the informal sector and providing them with social protection.

Meanwhile, in order to promote the quality of Indonesian human resources, in 2010 the Department of Manpower implemented 10 programmes. Four of these became core programmes:

1. Improving the quality and productivity of human resources,
2. Institutional development,
3. Expansion and development of the workforce, and
4. Regional development through the transmigration programme.

These four programmes are the pillars of national labour policy. The transmigration programme is intended to improve people’s standard of living, close the gap between different geographical areas, harmonise the utilisation of space, and promote development in underdeveloped, border areas and remote areas (islands). Considering the disparity in the quality and competence of workers in different areas in Indonesia, this programme is a very significant attempt to bring about balance.

As the first pillar of employment, the Manpower Competency and Productivity Improvement Program is aimed at improving the quality and productivity of labour. Human resource quality may be improved through three main channels: education, vocational training and career development. Since vocational training is relatively short and adaptable to market needs, it is a necessary component in establishing professional and labour competencies in Indonesia.

**ASIA-EUROPE MEETING (ASEM)**

This forum, which was initiated in 2004, was intended to discuss various issues involving European and Asian countries. The member states are the members of the European Union and ASEAN plus Japan, South Korea and China. The second meeting of ASEM’s Ministers of Labour in Bali, 2008, resulted in the Bali Declaration, which stated that all members are responsible for addressing the social dimension of globalisation. The key issue of this cooperation is developing decent work for all, including the issue of workers’ rights.

**WORKING GROUP ON SOCIAL SECURITY (WGSS)**

Various efforts in improving labour placement services have been made through labour placement policies and programs. For instance, the Indonesian government has entered into a collaboration with the Australian government through the Working Group on Social Security (WGSS). Australia was selected as a partner as it has applied an integrated labour placement system, and an integrated information and analysis on labour markets i.e., starting from provincial to central level. WGSS has expanded its activities. MoMT and the Department of Education, Employment, and Work Relations (DEEWR Australia) have recently signed an agreement on Labour Management.
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Law No. 13 of 2003 and ILO Recommendation No. 195 clearly state that vocational training should have social and economic functions. Vocational Training Centres (VTC), as providers of such training under the supervision of the Ministry of Manpower and Transmigration (MoMT), play a very strategic role in improving human resource quality and competitiveness. The Government, through the MoMT, has implemented a “VTC Revitalization” program to empower all VTCs throughout the country, with the aim of producing better-trained human resources who are able to fulfil the needs of domestic and foreign markets.

COLOMBO PROCESS

The Colombo Process is a regional non-binding consultative forum for ministers from Asian countries that send migrant workers. Members of this forum are Afghanistan, Bangladesh, China, India, Indonesia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam. During the 2011 meeting in Dhaka, all state members agreed on the necessity of preparing qualified migrant workers that are ready to work abroad.

It was also agreed that member states should provide maximum protection for migrant workers from the time of their recruitment and for the duration of their service in foreign countries, until their return to their home countries.

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As set forth in the Law, vocational training should be managed on the basis of work competency standards. Similarly, Law No. 20 of 2003 concerning the National Education System states that educational curriculums should refer to work demands and the certification of their graduates. Therefore, through a process of coordination and facilitation by 17 ministries and technical agencies, the Minister of Manpower and Transmigration determined 201 National Work Competency Standards (SKKNI) for nine sectors. These standards were based on industrial needs and were used as references in the development of modules, programs and curriculums by education and training centres.

G-20

Officially called the Group of Twenty (G-20) Finance Ministers and Central Bank Governors, G-20 is a group of 20 major economies: 19 countries plus the European Union. It was proposed and established in 1999. At the most recent summit in Toronto, Canada, the group set a target for a global Gross Domestic Product of US$4 trillion in 2010, which would create 52 million jobs and free 90 million people from poverty. The G-20 member states also discussed efforts to close the gap between surplus and deficit countries. All members agreed to take actions to promote recovery, develop a qualified labour force, enhance financial systems and accelerate economic growth. Indonesia participated actively in the first G20 Ministers of Labour meeting in Washington, DC in 2010, as well as the second meeting in Paris in 2011.

ASIA-PACIFIC ECONOMIC COOPERATION (APEC)

In line with the economic cooperation and free trade agreement under the Asia-Pacific Economic Cooperation (APEC), Indonesia has urged members to place more emphasis on employment growth in the design of macroeconomic policies. Indonesia also proposed an agreement to promote social protection, particularly for vulnerable groups.

During the meeting of APEC Labour Ministers in Beijing, China, 2010, a Joint Ministerial Statement and Action Plan were issued on the theme of building human resources by creating job opportunities for all. APEC state members agreed on the necessity to improve the capacity of human resources to strengthen economic growth and to promote technical and economic cooperation among APEC members. One of the most important action plans was the plan to establish an APEC Skill Development Centre in China, which will set out the quality standards for workers. This will make it easier for member states to open their labour markets on equal terms.

Alongside the development of the competency standardization system, the National Agency for Professional Certification (BNSP) developed a competency certification system. The BNSP, which was established pursuant to Government Regulation No. 23 of 2004, is an independent agency, responsible to the President, that has been assigned to organize competency certification through competency testing.

In developing the national standardization and certification systems, BNSP collaborates with other agencies such as the MoMT, as a developer, regulator and facilitator; the Professional Certification Agency (LSP), as an organizer of competency testing and BNSP’s license holder; and the Professional Education and Training Centre (LDP), as an executing agency for professional education and training.
In conducting competency tests and certification, LSP refers to the provisions set by BNSP. Meeting these “Terms and Conditions” ensures the quality of the certification system for the interests of domestic as well as global markets. Such a quality-based certification system facilitates international mutual recognition, both bilateral and multilateral.

With all these initiatives to improve the quality of human resources in place, UNDP reported that in 2010, Indonesia’s Human Development Index (HDI) had increased significantly. Of the 135 countries in the world that were rated on an assessment of their education, health and per capita income, Indonesia has moved up from 111 to 108.

Nevertheless, this increase has not lifted Indonesia’s position far enough to be categorised as a high-HDI country. In other words, Indonesia still belongs to the ‘mediocre’ category. Among Southeast Asian countries, Indonesia was ranked fourth, below Malaysia in 57th position, Thailand (92nd), and the Philippines (97th).
In terms of quality, the skills of Indonesian workers have also improved, as reflected in the results of the ASEAN Skill Competition (ASC) VIII held in Bangkok, Thailand, in November 2010. In this biennial event, the Indonesian delegates won 8 gold medals, 2 silver medals, 6 bronze medals, and 13 diploma certificates. This was an improvement on the results of the ASC VII in Malaysia in 2008, when Indonesia won 5 gold medals, 5 silver medals, 4 bronze medals, and 17 certificates.

The Indonesian contingent won their gold medals for industrial electronics, bricklaying, cabinet making, joinery, fashion technology, graphic design technology, and automation production technology. This is an indication that the younger generation of Indonesian workers is competitive and prepared for global competition.

**JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)**

JICA established a branch in Indonesia in 1969. It was the first and is the largest JICA branch compared with more than 70 other branches around the globe. Most cooperation performed by Indonesia and Japan through JICA is in the form of grants. In 1998, Indonesia was the largest recipient of Japanese grants as 16,435 Indonesians participated in trainings held in Japan; while 7,000 Japanese experts and 14,867 survey teams were sent to Indonesia. JICA's collaboration with the Indonesian government, through the Minister of Manpower and Transmigration (MoMT), in this case the Directorate General of Labour Placement (Ditjen Binapenta) are:

- Technical projects in the form of training and human resource development;
- Research and studies on labour issues

**LABOUR AND THE ENVIRONMENT**

A problem often associated with the negative impact of rapid population growth and rampant unemployment is the deterioration of the environment. There has been a great deal of discussion on the quality of the environment and conservation, and it has now become an important part of all policy.

The deterioration of the environment, including natural resource depletion, is a serious threat to the economy and sustainable development. This problem is likely to worsen in future, as the impacts of climate change have already begun to emerge in some developed countries. Adaptation and efforts to prevent climate change by reducing carbon (CO2) emissions have extensive implications for social economic development, production and consumption patterns, as well as work, income and efforts to reduce poverty. These implications pose serious risks, and at the same time, tremendous opportunities for workers all over the world.

Since the economic crisis of 2008, the focus of global development has shifted towards sustainable economies, which are characterised by low carbon (CO2) emissions. Research conducted by the United Nations Environment Programme (UNEP) found that sustainable economies could create millions of eco-friendly (green) jobs in various sectors. Investment in the renewable energy sector has increased six-fold from US$10 billion in 1998 to US$66 billion in 2007.
HUMAN RIGHTS

Since its independence, Indonesia has always acknowledged and upheld universal human rights principles. The 1945 Constitution and the fifth precept of Pancasila, social justice for all the people of Indonesia, guarantees the protection of human rights, including in the context of labour. The most fundamental clause is Chapter 27 Article 2 of the 1945 Constitution, which guarantees the rights of Indonesian citizens to a decent livelihood. Some labour issues—such as child labour, gender, and particularly migrant workers—are closely linked to human rights.

So far, Indonesia has played an active role in the protection of human rights through its membership of the UN Human Rights Council from 2006 to 2010, and has taken various other initiatives on human rights issues, albeit in a limited way. The Universal Declaration of Human Rights, adopted in 1948, affirms the significance of two types of freedom, namely freedom from want (civil and political rights) and freedom from need (economic and social rights).

Indonesia has ratified several human rights conventions, such as the Convention on Civil and Political Rights; the Anti-Torture Convention; the Convention on the Elimination of Discrimination Against Women, and the Convention on Economic, Social and Cultural Rights. Recognising economic and social (cultural) rights guarantees that the poorest people can fulfil their basic needs as their right to claim, instead of charity to receive. This paradigm shift should be a prerequisite for further actions.

In 2005, Indonesia passed Law No. 11/2005 regarding the Ratification of the International Covenant on Economic, Social and Cultural Rights. With the enactment of this law, the government is obliged to protect not only civil and political rights, but also to guarantee people’s economic, social and cultural rights, including the right to a decent livelihood, wages, and access to food, education and health care services.

In 2003, renewable energy accounted for 19 percent of total world investment in power plants. UNEP experts estimate that this kind of investment may quadruple to $210 billion by 2016. Data from the US Department of Labor indicate that the growth of green jobs in the USA will continue to increase significantly at least until 2018.

According to UNEP, a green job is ‘work in agricultural, manufacturing, research and development (R&D), administrative, and service activities that contributes substantially to preserving or restoring environmental quality.’ Specifically, but not exclusively, this includes jobs that help protect ecosystems and biodiversity; reduce energy, materials and water consumption through high efficiency energy; de-carbonize the economy; and minimize or altogether avoid the generation of all forms of waste and pollution.

The demand for environment-friendly jobs will increase in the future. This will not only reduce unemployment, but will also have a positive impact on the environment. Indonesia is expected to be able to address two challenges in the future: creating millions of decent jobs for millions of new working age people entering the labour market, as well as tackling the negative impact of climate change.
LABOUR MIGRATION

The migration of labour from Indonesia has taken place for hundreds of years, but it has increased drastically since the 1960s and 1970s. Indonesian workers work abroad for many reasons, including the lack of job opportunities at home, poverty, and the disparity of wages between Indonesia and the destination countries. In spite of this, it was not until 1969 that the Government of Indonesia started to officially manage the placement of Indonesian workers.

According to Ministry of Manpower and Transmigration data, in 2006 as many as 2.7 million Indonesians worked legally abroad as migrant workers. This figure constitutes approximately 2.8 percent of Indonesia’s total labour force. Indonesia is the second biggest sending country in Asia. Most Indonesian migrant workers (TKIs) abroad are women working in the domestic sector (as domestic workers) or in the hospitality sector.

Government Regulation No. 4 of 1970 introduced the Angkatan Kerja Antar Daerah (AKAD, Regional Labour Placement Program) and Antar Kerja Antar Negara (AKAN, International Labour Placement Program), which regulated the participation of the private sector in the recruitment and placement of migrant workers. Despite fluctuations in the number of TKIs between 1996 and 2007, the aggregate number increased from 517,169 to 696,746, or 21 percent, within the three-year period between 2004 and 2007. About 60 percent of TKIs work in the Middle East, in Saudi Arabia, Kuwait, the United Arab Emirates, Jordan and Qatar. The rest work in Southeast Asian countries such as Malaysia and Singapore; in East Asia, particularly Hong Kong, South Korea and Taiwan (China) and in the USA.

The Government has implemented a number of policies and strengthened the legislation to ensure better placement and protection of TKIs, including through the enactment of:

**Law No. 39 of 2004**

This law, on the Placement and Protection of Indonesian Migrant Workers Abroad, was followed by Presidential Regulation No. 81 of 2006 concerning the formation of the National Agency for the Placement and Protection of Indonesian Migrant Workers (Badan Nasional Penempatan dan Perlindungan TKI, or BNP2TKI).

**Law No. 21 of 2007**

At the end of 2001, Indonesia signed a UN legal instrument, the “Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children”, which is one of the Palermo Protocols. Having signed this protocol, Indonesia was obliged to draw up legislation on trafficking in persons. In 2007, Indonesia enacted Law No. 21 of 2007 concerning the Eradication of the Criminal Act of Trafficking in Persons (Pemberantasan Tindak Pidana Perdagangan Orang).
GENDER EQUALITY

The commitment of the Government of Indonesia to the prevention and elimination of discrimination at work is reflected in Law No. 80 of 1957 on the Ratification of ILO Convention No. 100 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, and Law No. 21 of 1999 on the Ratification of ILO Convention No. 111 concerning Discrimination in Respect of Employment and Occupation. The ratification of these conventions obliges the Government to implement their content through national laws, and to ensure law enforcement in respect of any violation of the provisions.

The international labour standards adopted by the ILO and ratified by Indonesia are intended to provide protection for women against discriminatory practices and to protect their reproductive functions. The awareness of the fact that women need special protection from the adverse effects of work due to their sex is the result of adopting approaches to eliminate discriminatory practices between men and women. Among the issues that impact women workers which are now regulated by law are the following:

- Equal remuneration;
- Discrimination in respect of employment and occupation;
- Protection during pregnancy;
- Workers with family responsibilities;
- Regulations concerning work at night, work performed underground, part-time work and health issues.

The four ILO Conventions that address sex-based discrimination and promote equality are: Convention No. 100 of 1951 concerning Equal Remuneration; Convention No. 111 of 1958 concerning Discrimination (Employment and Occupation); Convention No. 156 of 1981 concerning Workers with Responsibilities; and Convention No. 183 of 2000 concerning Maternity Protection. The first two are core conventions.

Law No. 7 of 1984 concerning the Prohibition of All Discriminatory Practices against Women was enacted on 24 July of that year. The issue of eliminating discrimination in respect of employment and remuneration is addressed by Law No. 21 of 1999 on the Ratification of ILO Convention 111 on Discrimination in Respect of Employment and Occupation. Some articles of Law No. 13 of 2003 on Labour also provide for equal rights. For instance, Articles 4, 5, and 6 of this Law stipulate that every worker should have equal opportunities and equal treatment without discrimination from employers.

In addition to these laws, efforts to promote gender equality are also regulated by Government Regulation (PP) No. 8 of 1981 concerning remuneration protection; as stated in Article 2, “employers should give men and women workers equal remuneration for work of equal value.” Gender equality is also regulated by Presidential Instruction No. 9 of 2000 concerning equal rights to take part in political, social, economic and cultural activities, as well as national defence, and equal rights to enjoy the fruits of development.

Measures to eliminate gender-based discrimination in the field of labour and transmigration are also regulated in Presidential Instruction No. 1 of 2010 concerning the Acceleration of Development Priorities, in which Priority 4 covers poverty alleviation through the improvement of protection for women workers and the elimination of child labour. Apart from this, gender mainstreaming is also accommodated in Presidential Instruction No. 3 of 2010 concerning Just Development Programmes, in which poverty alleviation programmes—specifically a conditional cash transfer programme called Program Keluarga Harapan (PKH, Hopeful Family Programme)—are regulated. This Presidential Instruction also promotes gender equality and the empowerment of women through equal remuneration for casual work in non-agricultural sectors and the reduction of the child mortality rate by improving health care services.
Long-term Development

The concept of long-term development was introduced in the New Order era. Following the stabilization of the economy, the first long-term development policy was adopted on 1 April 1969. This programme was divided into five-year development plans known as Rencana Pembangunan Lima Tahun (Repelita). Although the priorities have varied depending on the circumstances, the programmes have always aimed to achieve three development goals, known as the Development Trilogy, namely Economic Stability; Growth; and Equitable Distribution of Development.

Economic development under the first two five-year development plans was highly satisfactory, with an average annual economic growth rate of 7 percent. The first phase of the long-term development programme enabled Indonesia to tackle the fundamental problems of economic development. As Indonesia entered the second phase of the long-term development programme (1994-2019), the country was hit hard by the Asian economic crisis of 1997. The economic growth rate plummeted and Phase II of the long-term development programme was seriously disrupted.
In light of the difficult situation at the end of the 1990s, Indonesia needs to consider all the challenges to achieving its vision for 2025, such as global competition and unpredictability, an increasing population, and the dynamics of the population. These challenges can be subsumed into the following issues:

1. Economic growth;
2. Globalisation;
3. Domestic demographic problems;
4. Concentrated population and economic activities;
5. Independence in technology and human resource productivity; and
6. Domestic political situation.

**Vision and Direction of Economic Development**

Indonesia learned an expensive lesson from the 1997 economic crisis: namely, the need for greater prudence in implementing fiscal and monetary policies. For this reason, it was deemed necessary to adopt a new paradigm for accelerating economic growth, and this was formulated in the *Visi Ekonomi Indonesia 2025* (Indonesia’s Economic Vision for 2025).

This new paradigm proposes that natural resources should become the core of industrial and economic development for national interests, instead of a source of foreign exchange as they have been up to now. All natural resources are to be produced and processed domestically, not only in Java but also in all the other islands of Indonesia, by developing industrial clusters in the areas concerned.

Taking into account the challenges going forward, the social capital and other strategic factors, Indonesia’s vision for 2025 can be summed up as follows: a developed and independent, just and democratic, prosperous and united nation under the Unitary State of the Republic of Indonesia.

This vision can be understood as follows:

- A developed and independent Indonesia will lead to development that is supported by qualified human resources, well-developed infrastructure, modern science and technology, and an independent and active foreign policy, and will ensure equitable distribution and the preservation of the environment.
- A just and democratic Indonesia will lead to development that ensures fair, just, and non-discriminatory law enforcement, serves the interests of general public,
and sustains the consolidation of democratic practices in all aspects of political life and ensures the acceptance of constitutional democracy.

• A prosperous, safe and united Indonesia will lead to development that maintains security and order, accommodates the dynamic aspirations of the people, protects the sovereignty and territorial integrity of the Republic of Indonesia, and protects all citizens from threat.

**Direction of Indonesian Economic Development Toward 2025**

Realising this vision of a developed and independent or self-reliant Indonesia will require adequate and sustainable economic growth, the ability to ensure the equitable distribution of prosperity, and greater competitiveness through the mastery and application of science and technology to develop development resources.

Going towards 2025, economic development will be aimed at the achievement of the following main goals:

• The development of a strong economic structure, with agriculture and mining as the basis of economic activities that focus on producing modern and efficient products, and competitive manufacturing and service industries capable of competing on the global market to drive and strengthen the economy.

• A per capita income of US$6,000, along with equitable distribution and less than 5 percent of the population below the poverty line.

• Self-sufficiency in the production of good quality food, and the availability of mechanisms to guarantee food supply at the household level.

Given Indonesia’s comparative advantages as a country that has not only a large, visionary and creative population, but also a vast territory with abundant natural resources, going towards 2025 competitive industries are to be developed on the basis of three main principles:

• Developing industries that process natural resources efficiently and rationally, taking their sustainability into account;

• Developing industries that strengthen the capability and development of interaction, communication and information networks for domestic interests while remaining relevant to global dynamics; and

• Developing industries that will strengthen integration and interrelated structures between industries in the future.
Taking these principles into consideration, industrial development towards 2025 will focus on four main pillars:

- Industries based on agriculture and fisheries.
- Transportation industry;
- Information technology and telecommunication instruments (telematic) industries, and
- Potential and strategic basic manufacturing industries that will strengthen the country’s competitiveness in the future.

In order to achieve Indonesia’s Economic Vision for 2025, the Government of Indonesia has set out eight main programmes and 18 prioritised economic activities. The eight programmes focus on manufacturing, mining, agriculture, fisheries, tourism, telecommunications, energy, and regional/territorial development.

The priority areas identified in the manufacturing sector are steel, food and beverages, textiles, transport machinery and equipment, the shipping industry and the food industry.

Under mining, the priority areas for development are the nickel, copper and bauxite processing industries, while for agriculture, the main priorities are the development of the palm oil and rubber industries.

**Quality of Human Resources in Achieving the Vision 2025**

Labour market policies should be aimed at promoting the creation of as many job opportunities as possible in the formal sector and improving the welfare of workers in the informal sector. The labour market is expected to have the following characteristics: flexibility, harmonious industrial relations that provide adequate protection, occupational safety, and dispute settlements that satisfy all parties. In addition, workers are expected to be highly productive so that they are competitive and able to produce high added value. These characteristics are to be developed through high quality training and support for strategic training programmes that focus on the effective and efficient improvement of workers as an integral element of human resource investment. Workers are to receive professional certification of their competence in line with the demands of industry and global competition.

The vision of a progressive and self-reliant Indonesia should be reflected in the growing quality of its human resources, including the increased participation of women in development. Human resource development should aim at the achievement of
general goals; in other words, the increased quality of human resources should be reflected in a higher Human Development Index and the achievement of balanced population growth as indicated by a Net Reproduction Rate of 1, or equivalent to a Total Fertility Rate of 2.1/woman of reproductive age. Basically, the essence of Human Resource Development is increasing its competitiveness.

Human resource development is to be achieved through the development of education to ensure that workers are capable of competing at global level. It should therefore be free from any discrimination and based on the existing norms of the Indonesian people. For this reason, quality education services of all types, subjects and levels should be made available for everyone, including through the provision of free education for students from poor families. Educational services should match Indonesia’s future social development needs, including the need to promote sustainable economic growth through the mastery of technology, and greater priority for poor households, particularly those living in remote and underdeveloped areas.

In relation to the development of human resources, the Government should promote women’s quality of life and role, and improve protection for children and their welfare. Important elements of this initiative include the reduction of violence against women and children, and strengthening institutional capacity and networking on mainstreaming gender issues at the national and local level.
Indonesia has been a member state of the ILO since 1950; as a newly independent nation, Indonesia was fully aware of the need to participate in the world community as mandated in the Constitution. In 1970 the ILO established an office in Jakarta.

In the period following the Declaration of Independence, particularly in the 1950s, the Government—despite the frequent political changes—was fully aware of the need to create job opportunities to reduce employment and accommodate the growing labour force. All social and economic development programmes and policies during that period were aimed at creating as many job opportunities as possible and establishing labour-intensive economic activities that could absorb large numbers of workers.

Indonesia’s commitment to labour development is reflected in the legislation. Laws and regulations enacted in the early period after independence placed considerable
emphasis on social security and protection for workers. Within the first three years after independence, Indonesia had enacted:

- Law No. 33 of 1947 concerning Accidents at Work;
- Law No. 23 of 1948 concerning Labour Inspection; and
- Law No. 12 of 1948 concerning Work.

Indonesia was the first country in Asia and the fifth in the world to ratify all core ILO Conventions. Since joining the ILO, Indonesia has ratified a total of 18 conventions, consisting of eight core conventions, eight general conventions, and two other conventions. Indonesia was the first country in the Asia-Pacific region to ratify Convention 182 of 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour. This core convention was ratified through the enactment of Law No. 1 of 2000 on the Protection of Children.

**CONVENTIONS RATIFIED BY INDONESIA**

<table>
<thead>
<tr>
<th>Convention Number</th>
<th>Title</th>
<th>Ratification Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>C19</td>
<td>Equality of Treatment for National and Foreign Workers as Regards Workmen’s Compensation for Accidents (1925)</td>
<td>Brought into force for Indonesia by State Gazette No. 53 of 1929</td>
</tr>
<tr>
<td>C27</td>
<td>The Marking of the Weight on Heavy Packages Transported by Vessels (1929)</td>
<td>Brought into force for Indonesia by State Gazette No. 117 of 1933</td>
</tr>
<tr>
<td>C29</td>
<td>Forced or Compulsory Labour (1930)</td>
<td>Brought into force for Indonesia by State Gazette No. 261 of 1933</td>
</tr>
<tr>
<td>C45</td>
<td>The Employment of Women on Underground Work in Mines of All Kinds (1945)</td>
<td>Brought into force for Indonesia by State Gazette No. 219 of 1937</td>
</tr>
<tr>
<td>C69</td>
<td>The Certification of Ships’ Cooks (1946)</td>
<td>Presidential Decree No. 4 of 1992</td>
</tr>
<tr>
<td>C88</td>
<td>Employment Service (1948)</td>
<td>Presidential Decree No. 36 of 2002</td>
</tr>
<tr>
<td>C98</td>
<td>The Application of the Principles of the Right to Organize (1949)</td>
<td>Act No. 18 of 1956</td>
</tr>
<tr>
<td>C100</td>
<td>Equal Remuneration for Men and Women Workers for Work of Equal Value (1951)</td>
<td>Act No. 80 of 1957</td>
</tr>
<tr>
<td>C105</td>
<td>The Abolition of Forced Labour (1957)</td>
<td>Act No. 19 of 1999</td>
</tr>
</tbody>
</table>
ILO’s Programmes in Indonesia

ILO Jakarta provides technical support to assist the Indonesian Government in developing labour policies that are in line with international labour standards and are aimed at creating employment and promoting good industrial relations and social protection. Such technical support has been provided since the 1970s, with the programme to rebuild livelihoods and economies in Aceh following the tsunami in 2004 being the largest.

The main goal of the ILO at present is promoting opportunities for men and women to obtain decent and productive work in free, equal, safe and dignified conditions. The ILO’s support also includes programmes on labour standards for migrant workers, the elimination of child labour, the creation of job opportunities, skills promotion, training centres and labour-based infrastructure, industrial relations, strengthening trade unions, promotion of social protection, gender equality, occupational safety and health (OSH) and programmes concerning HIV and AIDS at work.

Support is also provided for the government, employers and workers through various initiatives, including the empowerment of young workers, addressing issues of child labour and migrant workers, the formal and informal economy, industrial relations, training on collective bargaining that promotes representation and participation, gender-sensitive training, and the promotion of the principles and implementation of all the conventions that have been ratified.

<table>
<thead>
<tr>
<th>Convention/Document</th>
<th>Ratification/Certification</th>
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<tbody>
<tr>
<td>C106 Weekly Rest in Commerce and Offices (1957)</td>
<td>Act No. 3 of 1961</td>
</tr>
<tr>
<td>C111 Discrimination in Respect of Employment and Occupation (1958)</td>
<td>Act No. 21 of 1999</td>
</tr>
<tr>
<td>C120 Hygiene in Commerce and Offices (1969)</td>
<td>Act No. 3 of 1969</td>
</tr>
<tr>
<td>C138 Minimum Age for Admission to Employment (1973)</td>
<td>Act No. 20 of 1999</td>
</tr>
<tr>
<td>C144 Tripartite Consultation to Promote the Implementation of International Labour Standards (1976)</td>
<td>Presidential Decree No. 26 of 1990</td>
</tr>
</tbody>
</table>
The ILO assists Indonesia to move forward with decent work objectives, through programmes and work in three priority areas.

1. **Stopping exploitation at work:**
   - Effective programmes with a National Plan of Action on the Worst Forms of Child Labour.
   - Improved labour migration management and better protection for Indonesian workers, especially domestic workers.

2. **Employment creation for poverty reduction and livelihood recovery, especially for youth:**
   - Employment targets in the Medium-Term Development Plan are underpinned by policies and programmes that emphasize pro-poor employment growth.
   - Effective implementation of employment-intensive and other livelihood programmes for crisis-affected areas, especially Aceh, North Sumatra and parts of Eastern Indonesia.
   - Education and training systems and policies to better equip young people for employment and entrepreneurship.

3. **Social dialogue for economic growth and principles and rights at work:**
   - Application of labour laws and practices that is fully in line with fundamental principles and rights at work, including through strengthened labour administration.
   - Employers and unions, through bipartite cooperation, achieve results on labour market flexibility and job security.

Other important areas for ILO assistance relate to gender equality, the development of HIV/AIDS workplace programmes, and improving social security and occupational safety and health.
The Indonesian Jobs Pact (Pakta Lapangan Kerja Indonesia, PLKI), which adopts the approaches of the Global Jobs Pact (GJP), is an agreement between the Government, employers and workers to prioritise job creation and social protection as the main elements of policies in response to external pressures. The PLKI is also aimed at strengthening Indonesia’s competitiveness in the region, promoting public welfare through employment creation, promoting good industrial relations, improving workers’ productivity, and social protection. The PLKI also supports the 2010-2014 Medium-Term Development Plan in the labour sector.

The four focus areas of the Indonesian Jobs Pact are:

**A. Creating Jobs**

Job creation is to be achieved by creating conducive socio-economic conditions that include the improvement of education quality, social coherence, and a conducive and fair business environment. Job creation in Indonesia is very much affected by economic factors such as the exchange rate, bank interest, fiscal policy, inflation and trade. Indonesia has a great deal of potential that can contribute to economic growth, such as a vast territory, abundant natural resources, an emerging middle class, strong domestic consumption, proximity to export destinations, and a huge labour force.
The Government has made efforts to eliminate constraints on investment in Indonesia. These constraints are usually related to uncertainty with regard to land use and planning, scarcity of infrastructure, the complicated bureaucracy involved in getting business permits, burdening taxes and local contributions, illegal expenses, and so on.

Indonesia is now categorized as a middle income country. For this reason, businesses are expected to invest and seize the business opportunities arising from increasing consumption. The Government and its social partners can play an important role in developing entrepreneurship programmes, and facilitating and supporting the people to start new businesses or expand existing ones.

External shocks resulting from the global financial crisis have significantly reduced demand for goods and services from Indonesia. The Government therefore needs to create employment in the public sector that can absorb large numbers of workers and develop social protection programmes that can protect vulnerable groups from the impact of such crises. Labour-intensive projects should be managed productively to ensure sustainable employment.
B. **Industrial Relations**

Rapid socio-economic development requires the continuous adjustment of various aspects of business to reduce conflict. The Government, employers and workers are committed to a social dialogue based on mutual trust and respect for the rights of all parties, affected through bipartite and tripartite cooperation based on equality, trust, and transparency. The Government, employers and workers are of the opinion that strengthening the capacity of all the parties concerned is a crucial factor in improving the quality of social dialogue at national, local, sector and enterprise levels.

C. **Workers’ Productivity**

Human capital is the most crucial resource in accelerating growth and competitiveness in the global market. For this reason, it is essential to provide quality basic and higher education for all children and future generations to ensure that they have sufficient skills and competencies when entering the labour market. In addition, access to education services has to be improved through the adoption of social policies such as scholarships, education subsidies, and conditional cash transfers that ensure that children finish elementary and junior high school. Competency-based training programmes should be tuned to labour market demands.

D. **Social Protection**

The implementation of Law No. 40 of 2004 on the National Social Security System (SJSN) should become a priority in providing social security. In the short term, the priority should be strengthening institutional capacity through the establishment of the Badan Pelaksana Jaminan Sosial (BPJS, Implementing Agency for Social Security).
### Key Milestones for Indonesia and the ILO

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1950</td>
<td>Indonesia becomes a member of the ILO</td>
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<tr>
<td>1950</td>
<td>Indonesia ratifies ILO Convention No. 29 on Forced Labour</td>
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<tr>
<td>1957</td>
<td>Indonesia ratifies ILO Convention No. 98 on Right to Organize and Collective Bargaining</td>
</tr>
<tr>
<td>1958</td>
<td>Indonesia ratifies ILO Convention No. 100 on Equal Remuneration</td>
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<tr>
<td>1970</td>
<td>ILO establishes an office in Jakarta</td>
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<tr>
<td>1971</td>
<td>ILO supports the establishment of a vocational training centre in Irian Jaya (now Papua and West Papua)</td>
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<tr>
<td>1975</td>
<td>ILO support for National Training Centre for Cooperatives (1975-1982)</td>
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<tr>
<td>1975</td>
<td>ILO/World Bank/UNDP begin support for improvement of technical capacity and training equipment of vocational training centres throughout Indonesia (1975-1982)</td>
</tr>
<tr>
<td>1976-1981</td>
<td>ILO assists the Ministry of Manpower with the establishment of the Labour Safety and Health Centre, Labour Market Information System, National Labour Productivity Centre, National Vocational Training Curricula and the Social Security Scheme for Workers (now Jamsostek)</td>
</tr>
<tr>
<td>1977</td>
<td>ILO supports an Indonesian Government initiative to develop an international standard hotel and tourism school in Bali (now known as Bali Tourism Institute) (1977-1984)</td>
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<tr>
<td>1985</td>
<td>ILO supports strengthening the National Rehabilitation Centre for disabled people in Solo, Central Java and the regional centre in Ujung Pandang, South Sulawesi (1985-1988)</td>
</tr>
<tr>
<td>1992</td>
<td>The ILO begins its International Programme on the Elimination of Child Labour (IPEC) in Indonesia</td>
</tr>
<tr>
<td>1993 - 1998</td>
<td>Significant support from the ILO Committee on the Application of Standards of the International Labour Conference and Committee on Freedom of Association is provided to the Indonesia Government to strengthen legislation to guarantee freedom of association and workers’ protection against anti-trade union discrimination</td>
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<tr>
<td>Year</td>
<td>Event</td>
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<tr>
<td>1998</td>
<td>Indonesia ratifies ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize</td>
</tr>
<tr>
<td>1999</td>
<td>Indonesia ratifies ILO Conventions on Abolition of Forced Labour (No. 105), Discrimination in Respect of Employment and Occupation (No. 111) and Minimum Age for Admission to Employment (No. 138)</td>
</tr>
<tr>
<td>1999</td>
<td>ILO Workers Education project focusing on training workers’ representatives in collective bargaining, health and safety and union organization in Jakarta, Central &amp; East Java and North Sumatra (1999-2003)</td>
</tr>
<tr>
<td>2000</td>
<td><strong>Indonesia becomes the first Asian country to ratify all eight ILO fundamental Conventions following ratification of Convention No. 182 on Elimination of the Worst Forms of Child Labour</strong></td>
</tr>
<tr>
<td>2000</td>
<td>Trade Union Act No.21 of 2000 enacted to formalize and reaffirm the recognition of the right to organize of workers and employers. Some 90 national trade union federations and more than 12,000 plant-level unions have now been established and registered. APINDO strengthens its role as key employer representative body</td>
</tr>
<tr>
<td>2001</td>
<td>National Action Committee on the Elimination of the Worst Forms of Child Labour established</td>
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<tr>
<td>2001</td>
<td>ILO Declaration Industrial Relations Project commences with the objective to help build a sound and harmonious industrial relations system to promote economic growth and guarantee workers’ rights (2001-2006)</td>
</tr>
<tr>
<td>2003</td>
<td>Manpower Act No.13 of 2003 enacted in February 2003. The Act creates a comprehensive legal framework governing a wide range of employment and industrial relations matters</td>
</tr>
</tbody>
</table>
ILO programmes to assist Indonesia address the challenge of youth employment (2004-2006) and to promote job opportunities for young women and men (2006-2010). ILO also facilitates the establishment of the Indonesia Youth Employment Network Secretariat in the National Planning and Development Agency (Bappenas) (2011)

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
<td>2004</td>
<td>Following the enactment of the Industrial Relations Dispute Settlement Act No. 2 of 2004, <strong>Indonesia completes a labour law reform programme begun pursuant to the reformasi commitment to ratify and implement all ILO fundamental Conventions (with new laws on trade unions, manpower matters and labour dispute settlement)</strong></td>
</tr>
<tr>
<td>2004</td>
<td>ILO commences programme to promote and protect the rights of migrant workers, initially focusing on migrant domestic workers (2004-2006) and then extended to cover other migrant workers, especially where trafficking is involved (2006-2011)</td>
</tr>
<tr>
<td>2005</td>
<td>Guidelines on the Conduct of Police in Handling Law and Order in Industrial Disputes adopted by Indonesian National Police</td>
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<tr>
<td>2005</td>
<td>Equal Employment Opportunity Guidelines released by Manpower Ministry, promoting equality at the workplace</td>
</tr>
<tr>
<td>2005</td>
<td><strong>ILO begins programmes to support recovery of Aceh and Nias following the tsunami and earthquakes</strong>, including with emergency employment centres, vocational training, business and entrepreneurship training, rehabilitation of roads and other infrastructure, and capacity building for government, employers’ and workers’ organizations (2005-2011)</td>
</tr>
<tr>
<td>2006</td>
<td>Indonesia Decent Work Country Programme 2006-2010 adopted</td>
</tr>
<tr>
<td>2006</td>
<td>Indonesia releases Guidelines on the Protection of Child Domestic Workers, encouraging good practices and the establishment of legal and policy frameworks at all levels to protect child domestic workers</td>
</tr>
<tr>
<td>2006</td>
<td>ILO entrepreneurship education tools adopted into national curriculum of vocational secondary schools</td>
</tr>
</tbody>
</table>
| 2007 | ILO project on Education and Skills Training (EAST) commences with support from the Netherlands Government. The project addresses education,
child labour and youth employment challenges and focuses on eastern Indonesia and Aceh (2007-2011)

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
<td>2008</td>
<td>Ratification of ILO Convention No. 185 on Seafarers’ Identity Documents (SID) making a total of 18 Conventions ratified by Indonesia to date</td>
</tr>
<tr>
<td>2008</td>
<td>Since 2008 ILO Jakarta Office analyzes labour and social trends in Indonesia and issues annual report</td>
</tr>
<tr>
<td>2009</td>
<td>ILO assists Government Economic Stimulus Package with advice on maximising employment benefits of infrastructure development programme</td>
</tr>
<tr>
<td>2009</td>
<td>ILO Sustaining Competitive and Responsible Enterprise (SCORE) Programme commences with support from the Swiss State Secretariat for Economic Affairs (SECO), aimed to assist Indonesia’s small and medium enterprises to be more competitive and productive (2009 – 2012)</td>
</tr>
<tr>
<td>2010</td>
<td>ILO commences programme to promote green jobs to provide better understanding for the ILO constituents of the linkages between decent work and environmentally sustainability (2010 – 2012)</td>
</tr>
<tr>
<td>2010</td>
<td>Partnership with the Supreme Court of the Republic of Indonesia began to strengthen the capacity of the Industrial Relations Court to effectively and efficiently resolve labour disputes in line with international labour standards</td>
</tr>
<tr>
<td>2010</td>
<td>ILO Start and Improve Your Business training tools adopted by the Ministry of Manpower and Transmigration</td>
</tr>
<tr>
<td>2011</td>
<td>A study on Measuring Social Impact of Microfinance is started, in partnership with Bank of Indonesia</td>
</tr>
<tr>
<td>2011</td>
<td>Guidelines on Sexual Harassment at the Workplace issued by the Ministry of Manpower and Transmigration promoting gender equality at work</td>
</tr>
<tr>
<td>2011</td>
<td>The Vice President Office requests ILO support for the design of a Youth Employment Strategy, currently being drafted, focusing on school to work transition, and transition from informal to formal decent work</td>
</tr>
<tr>
<td>2011</td>
<td><strong>Indonesia becomes the first country in the world to adapt the ILO’s Global Jobs Pact, adopted at the 98th International Labour Conference in Geneva in 2009, to its national context.</strong> The Indonesian Jobs Pact was signed by the Indonesian Government, workers and employers, witnessed by the President Susilo Bambang Yudhoyono in April 2011.</td>
</tr>
</tbody>
</table>