



Evaluation Summaries

Evaluation: Promoting and Realising Freedom of Association and Collective Bargaining by Building Trust and Capacity in Industrial Relations Systems

Quick Facts

Countries: Indonesia
Final Evaluation: March 2007
Mode of Evaluation: Independent
Technical Area: Social Dialogue
Evaluation Management: ILO/Declaration
Evaluation Team: Colin Fenwick, Wael Issa
Project Start: May 2001
Project End: December 2006
Project Code: INS/00/51/USA
Donor: US Department of Labor (USA)
US\$3,800,000
Keywords: Social Dialogue, Labour Law, Industrial Relations, Collective Bargaining, Freedom of Association

Background & Context

Summary of the project purpose, logic and structure

For ‘The Promoting and Realizing Freedom of Association and Collective Bargaining by Building Trust and Capacity in Industrial Relations project in Indonesia’, a grant in the amount of \$3,800,000 was funded by the U.S. Department of Labor (USDOL) and executed by the International Labor Organization (ILO) through a cooperative agreement designed to help Indonesia realize the principles of the ILOs Declaration on Fundamental Principles and Rights at Work.

The project was designed with two phases. Phase I is the development of a comprehensive picture of the set-up of the tripartite constituents and relevant institutions and their strengths and weaknesses in

dealing with the requirements of the industrial relations scene. Phase II consisted of activities aimed at enhancing and creating the institutional capacities of the tripartite constituents in dealing with their rights and responsibilities under the new legislation, as well as at strengthening and establishing the organs or bodies that should constitute the Indonesian industrial relations system or have supporting roles to play.

The primary objectives of the project were geared towards creating an enabling industrial relations environment and building the capacity of tripartite partners at various levels. Technical advice delivered through the project team and its resources were intended to promote and strengthen the labour judicial system as well as the roles of labour unions and employers’ organizations.

Purpose, scope and clients of the evaluation

The purpose of the Final Evaluation was to:

- Determine whether the project achieved its stated objectives, and to explore the reasons why, or why not.
- Evaluate the long-term impact of the project.
- Identify and analyse the benefits that have accrued to key target groups from the project.
- Determine whether the project delivered the activities contemplated in the project document and in its various work plans.
- Assess the management and administration of the Project including its performance against budget.
- Evaluate the effectiveness of the project’s performance monitoring activities.

- Document best-practices in all areas of project activity and administration that could serve as models for activities in other projects.
- Provide information and feedback to each of the following as they assess policies, strategies, data collection methods, project objectives, institutional arrangements, work plans and resource allocation:
 - Project management;
 - ILO staff in both the field and HQ;
 - Project stakeholders; and
 - USDOL as the funding agency.

Methodology of evaluation

The evaluation team reviewed a range of documents, as well as conducting individual interviews during a field visit to Indonesia on 13-21 November 2006. During this time the Evaluation Team met with a total of approximately 80 people, predominantly in Jakarta, but also in Bandung (West Java province) and Balikpapan (East Kalimantan province).

Main Findings & Conclusions

Key findings

The project was designed in consultation with the intended project beneficiaries to address their many deficits in capacity. It was also designed to take into account a range of other initiatives in its field of activity. The project was nevertheless planned on the basis of two key assumptions: that the Ministry of Manpower would be adequately resourced, and that the relevant legislation underpinning the planned activities would be passed in the anticipated time frame.

Government officials reported that the project had better equipped both government and the social partners to participate in and to develop processes of social dialogue, including their ability to participate in both bipartite and tripartite forums. Senior government officials, including the Secretary General of the Ministry of Manpower and Transmigration, reported that the project's assistance in law reform was of very significant benefit. It played a key role in encouraging the government to establish a tripartite process for labour law reform, which it will continue to use for further reforms.

The Project started slowly, but the speed, frequency and focus of Project activities all

changed following the report of a Mid-term Evaluation and a subsequent Follow-up Assessment. The Chief Technical Adviser (CTA) and the ILO Jakarta Office Director both credited the Mid-Term Evaluation process with being of significant benefit to the project, as well as to the Jakarta Office. Later project extensions were in part a product of tight control and effective use over the budget.

The project made a major impact with a wide array of key publications, in both Bahasa Indonesia and English. The project's data also show that it directly benefited some 15,196 people between its inception in February 2001 and 6 November 2006. In addition, the project assisted many stakeholders in the development and delivery of their own programs of activities. Companies that participated in a pilot program to establish Bipartite Cooperation Forums reported significant benefits including more effective union officials at their workplaces, and improvements to their Collective Labour Agreement (CLA).

A significant number of activities in the last two years of the Project's life were predominantly supported by the social partners themselves, with little or no financial input from the Project. This suggests a high degree of sustainability, as do other examples of Project activities stimulating independent flow-on. Among other things the Project led several academics at Parahyangan University in Bandung to establish the first ever graduate program in industrial relations in Indonesia.

There are challenges ahead. All the tripartite partners continue to experience significant capacity deficits. The new Labour Court appears to be experiencing some difficulties at the outset, including the fact that many Ad-Hoc judges have not been paid for their work.

Key conclusions

The project was well designed to assist its target beneficiary groups to respond to the challenges that would be posed by the new legislative and industrial relations environments, in particular because of the consultative design process. Moreover it was widely acknowledged that the project closely followed the observed and stated needs of its partners, and that the CTA had made continuous and vigorous efforts to connect with

and to complement other projects and work in its field of activity.

In a difficult environment the CTA established and maintained effective and enduring links with government and was thereby able to make significant progress toward the project's objectives. The CTA's willingness to find ways to extract benefit from the Project Advisory Committee (PAC) structure, by relying on its formal operation initially but later operating more fluidly and informally, was plainly very effective. The result of this flexible approach appears to have been to ensure a very high level of buy-in to the project, especially among key players.

Project training appears to have been highly successful. Representatives of all stakeholders were especially enthusiastic about the quality of the resource people used to deliver training, particularly the international experts. Many have gone on to use the knowledge and materials gained from training delivered by the project in their own organizations' programs of activities.

The project plainly made significant and successful efforts to connect its work with that of other projects under the supervision of the Jakarta Office, and with other ILO program work whether based in Jakarta, Manila or ILO Headquarters.

Recommendations & Lessons Learned

Main recommendations and follow-up

Care should be taken in designing projects based on assumptions about law reform processes (among other things). It is easily foreseeable that such processes may not run as planned, and so that it is desirable to plan alternative programs of activities to take account of this possibility. It might be prudent (although perhaps not practicable) to carry out detailed baseline surveys *before* projects commence, and as part of the planning process.

Depending on national and local circumstances, other projects might benefit from having the CTA and/or local ILO officials taking an intermittently informal approach to the operation of a PAC. The CTA's apparent ability to stimulate the social partners to develop and to deliver their own programs of activities with minimal financial support from the project is a useful example both of how to manage a budget effectively and to

empower the social partners in way that contributes significantly to sustainability of results.

The range, quality and frequency of publications from the project might serve as a model of the very best practice for other projects in future. In addition, future projects might give consideration to making publications available electronically, notwithstanding the likelihood that many stakeholders will not at present have access to the internet, or perhaps the financial resources to print multiple copies of long documents. Future projects (and the ILO Office in Jakarta) might consider using electronic means to communicate regularly with stakeholders about their activities, so that all of them can be equally informed about those events.

The ILO Office in Jakarta should be encouraged to maintain relations with the graduate program in industrial relations that has been established in Bandung.