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**Organisasi Perburuhan Internasional - Jakarta**

***International Labour Organization – Jakarta***

**Tuesday, 28 September 2010**

**FOR IMMEDIATE RELEASE**

## **PRESS RELEASE**

### **ILO SOCIAL DIALOGUE ON INFORMAL ECONOMY AND DECENT WORK**

JAKARTA (ILO News): Despite the decline in unemployment and poverty in Indonesia, the number of workers in the informal economy increased by about 2 million between August 2008 and February 2009 as a consequence of the recent global financial and economic crisis. Statistics also indicate that 68 per cent of Indonesians are currently working in the informal economy (2009), many with low pay, hazardous work, no secure employment contracts, social protection or workers' representation.

A recent ILO study<sup>1</sup> indicates that recent Government social and economic measures have not been specifically targeted towards informal economy workers. The study also suggests the need to redefine the informal economy based on a set of data<sup>2</sup> that can help capture the different aspects of the multi-faceted nature of the informal economy in Indonesia. The study also indicates the urgent need for

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<sup>1</sup> Misra, Satish C, 2010, Constraint on policy making towards the informal economy in Indonesia: Lessons of the current decade, ILO Jakarta

<sup>2</sup> Nazara, Suahasil, 2010, The informal economy in Indonesia: Size, composition and evolution, ILO Jakarta

extending social protection coverage to informal economy workers and their families through flexible and targeted schemes.

Such social protection designs have to focus on priority social protection needs of informal economy workers: access to health care and accidents. They should also coordinate with other programmes of *Social Assistance and Social Protection* as well as *Community empowerment* of the Government's current poverty alleviation programme (Presidential Regulation 13/2009).

In order to formulate policies that effectively address poverty reduction through a progressive formalization of the informal economy, it is essential to understand, what informal economy is. Is it a permanent or a transitory phenomenon? What are the driving factors of the informal economy in Indonesia? Who are informal economy workers? How to define informality? What kind of specific issues do they face? What role can social protection play to increase formalisation and reduce decent work deficits?

For this purpose, the ILO is organising a two-days' social dialogue on "Informal Economy and Decent Work" in collaboration with the Republic of Indonesia Ministry of Planning, the Ministry of Manpower & Transmigration as well as PT. Jamsostek.

The dialogue is intended to examine multi facets of the informal economy from the perspective of Decent Work and to share ideas on concrete measures to reduce decent work deficits among informal economy workers in Indonesia through e.g. adapted social protection schemes and comprehensive strategies including skills development, working conditions, enterprise creation and workers' protection.

"This social dialogue is intended to facilitate *dissemination of information and to exchange knowledge*. Based on a *shared diagnostic* on current decent work deficits for informal economy workers in Indonesia, we need clear *recommendations* translating Indonesia's mid-term development plan into a concrete plan of action, both at the national and local level", said Peter van Rooij, Director of the ILO Country office for Indonesia.

One hundred participants from Government, employers' and workers' representatives and relevant stakeholders of NGOs, university and research institution representatives and practitioners as well as mass media are expected to attend this social dialogue that will be taken place at *Le Meridien Hotel, Jalan Jend. Sudirman, Jakarta on Tuesday 28 and Wednesday 29 September 2010 from 8.00 am to 4.30pm*.

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