

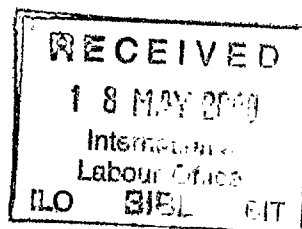
SEAPAT WORKING PAPER

4

**Indonesia: A gender review of
globalization, legislation, policies
and institutional frameworks**

by

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FOREWORD

This is a working paper of the ILO's South-East Asia and the Pacific Multidisciplinary Advisory Team (SEAPAT). SEAPAT's functions include: (i) advisory services to governments, employers' and workers' organizations on policies and technical issues within the ILO mandate; (ii) assistance in the preparation and updating of country objectives and country strategies in the labour field; (iii) assistance to constituents, notably ministries of labour, in the design, implementation, monitoring and evaluation of programmes and projects; and (iv) collection and dissemination of information and facilitating exchange of national experiences through analytical studies, reports, etc.

This SEAPAT Working Paper No. 4 on *Indonesia: A gender review of globalization, legislation, policies and institutional frameworks*, is one of the technical papers presented during the *National Workshop on Promoting Employment with Gender Equality in the Context of Globalization: Economic crisis, gender and employment*, organized in Jakarta in August 1999 by the ILO in close collaboration with Ministry of Manpower in Indonesia.

In the face of recent Asian financial-cum-economic crisis, there has been an increasing concern that women workers may be disproportionately affected by the downturn in Indonesia. However, the nature of the impact and changes that have been occurring in the country required specific and in-depth gender-differentiated impact assessment on employment and economic opportunities in various sectors. The relevant issues also needed to be reviewed in the context of increasing external competition and economic and technological globalization that the country presently finds itself in. This paper therefore was commissioned to specifically analyse the gender dimensions of legislation, policies and institutional frameworks in Indonesia, to consider how the country should respond to the emerging challenges posed by globalization, taking into account the needs of women workers.

Globalization as defined as increasing economic financial and technological integration of the national economies has been affecting many countries in the world, and the recent Asian financial-cum-economic crisis has been seen as a negative consequence of this process. When the countries undergo negative downturns, it has been observed in many instances that women tend to share more negative socio-economic consequences compared to men. This paper, therefore, is to shed light in particular from a gender perspective, on the implications of the current legislative environment, government policies, as well as the relevant institutional frameworks affecting the access to income and employment opportunities, in particular for women workers.

This paper was prepared by a team of researchers from the Centre for Strategic and International Studies in Jakarta under the technical guidance of Ms. Naoko Otobe, Economist and Gender Technical Specialist of SEAPAT, who conceived the basic ideas of the research and was involved in the finalization of the paper for publication at different stages. Thanks also go to Ms. Ma. Alicia N. Fernando who assisted in typing in all the editorial changes in the text.

While this paper was written during mid-1999, in October of that year – at the time of its publication – Indonesia had a new, democratically elected President followed by a significant change in the name of the *State Ministry of Women's Affairs* to the programmatic *State Ministry of the Empowerment of Women*. This augurs well for the kind and range of recommendations put forward in this working paper.

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October 1999

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1. Introduction

1.1 Background

Globalization can be understood as a process of widening and deepening of market integration in goods and services among countries. Participation in the process requires enhancement in international competitiveness, achieved through a series of structural adjustments in the domestic economy, such as liberalization, marketization, deregulation and privatization. For developing economies, globalization has promised rapid economic growth that has long been needed for their development.

Indonesia has been one of the developing economies which finds globalization the most sensible path towards development. This decision to integrate in the global market was driven by necessity and pragmatism, and has had quite favourable results for Indonesia. Real GDP growth has averaged 8 per cent in the first half of the 1990s. The trade balance in 1990 reached US\$ 3.8 billion and was growing at a double-digit level. Meanwhile, the benefit of growth also manifested itself in the improvement of various social indicators, such as a decline in the level of poverty, an increase in the nutritional standards, and better education and health standards (Hill, 1996).

Workers benefited from the sustained economic growth. Employment in the more productive formal sectors increased significantly. Real wages in the early 1990s grew in all sectors. In terms of employment, women also benefited significantly: participation rates increased from 43 to 47 per cent between 1985 and 1995 – and there were significant gains in the number of women involved in wage employment. The gains of women's involvement in wage employment were associated with a substantial increase in the better educated women (Manning, 1998, p. 243).

Meanwhile, globalization has also accelerated the process of industrialization and has shifted the Indonesian economy towards an export-oriented policy. Employment in manufacturing grew more rapidly, and the increasing share of the traditionally women-dominated textiles, footwear and clothing industries was a major factor in the new job creation. This partially explained the increasing importance of women in the Indonesian labour force.

Hence, on the one hand, one can argue that globalization – in terms of a more open market and an accelerated industrialization process – has benefited women by involving them more in the labour force. A more efficient market implies more jobs for women and, therefore, the efficiency of the market must be encouraged. On the other hand, some might contend that the pressure to globalize and be more competitive has displaced some women workers and, in the absence of some kind of governmental social safety net, is too painful for the poor. Furthermore, in cases where workers have a weak bargaining power – as is the case of a surplus labour economy or individual women workers working abroad – they are more prone to exploitations by their employers. Therefore, proper government interventions are needed to protect those vulnerable against negative consequences of globalization.

Indeed, policy and institutional arrangements are the key instruments for the government to intervene in ensuring both efficiency and protection for the vulnerable women workers. Where the market is not efficient – for instance, in cases of gender discrimination – the government should issue policies that would correct such inefficiencies. Meanwhile, in other cases where the market mechanism is not appropriate in the protection of politically and

economically weak workers, the government must intervene to ensure that, in achieving prosperity, human beings are treated as ends, not merely as means.

Given the increasing importance of women in the Indonesian labour force, giving the necessary attention to the needs of women workers is *efficient* since it increases the competitiveness of the Indonesian economy as a whole. It is also *normative* since - in addition to the moral consideration of not treating human beings as means - it has been mandated in the Preamble of the 1945 State Constitution (UUD 1945) that the purpose of the government is to further the public welfare, including that of women. The mandate to promote further the public welfare in general and women in particular is further crystallized in the GBHN (Basic National Policy Guidelines) and *Repelita* (five-year Development Plan). They are both policy guidelines documents, rooted in Indonesia's State Philosophy, *Pancasila*, and the 1945 State Constitution (UUD 1945).¹

The government has recognized that women are crucial agents of and in the development process. They both effect and are affected by the process of development, including that of globalization. In this context, the role of the government is to facilitate and protect their interests through policies and institutional frameworks or arrangements. Policies are implemented by laws, regulations and specific programmes. Institutional arrangements are realized through the National Machinery – an institutional arrangement for policy formation, implementation, monitoring, review and appraisal of achievements that have been established by facilitating a network of linkages among various actors in the government, semi-governmental and non-governmental sectors that work for the well-being of women (Tjokrowinoto, 1987, p. 5).

Globalization poses continuous challenges to the effectiveness of these policies and institutional arrangements. Globalization implies a rapidly changing socio-economic and policy environment. As such, the question is whether the existing policies and institutions are sufficient to accommodate these changes. Before delving further into these matters, the following section discusses issues of globalization and their relevance to the Indonesian economy.

1.1.1 Adjustments to globalization

The process of international integration and accelerated industrialization requires structural changes and adjustments in the economy and institutional settings. The adjustments are needed not only to ensure that the economy is most optimal and efficient to compete internationally, but also to cope with negative impacts and consequences with all efforts to make the economy most optimal and efficient.

Soesastro (Morrison, 1998 and Soesastro, 1998) distinguishes between two kinds of adjustments to globalization. *The first-order adjustments* refer to the process of opening up the society to the forces of globalization. This entails structural adjustments in the economy to increase international competitiveness. In Indonesia, this process began in the mid-1960s. The economic chaos at the beginning of the New Order provided the justification for the first period of liberalization, in which the government undertook various market-oriented reforms.

¹ The State Philosophy Pancasila and the 1945 State Constitution (UUD 1945) are policy foundation which become the bases of policy guidelines of GBHN and Repelita. The formulation of legislation, regulations and policies (programmes) are also based on the policy foundation and policy guidelines. See also Appendix I for a more elaborate treatment.

The most significant step in this first period was the dismantling of the import licensing system and most of the domestic price controls, and the open-door investment policy, allowing 100 per cent foreign ownership.

Domestic political pressure and the oil booms of 1973-1974 and 1979-1980 almost reversed this process. The sudden upsurge of FDI into the country aroused nationalist sentiments - to which the government reacted by tightening the investment regulations. Meanwhile, the oil booms allowed the expansion of the public sector, and created dependency on oil revenues. As a consequence, the competitiveness of other non-oil sectors declined.

This process of going back to a more closed economy was halted by the dramatic drop in oil prices in the mid-1980s. The oil bust marked the beginning of the second period of liberalization, where substantial reforms and deregulation were performed in the goods and financial sectors (Soesastro and Sukardi, 1998). Following these reforms, growth bounced back to above 6 per cent and, for the first time, Indonesia became a significant industrial exporter.

Judging solely by the first-order adjustments, many have hailed Indonesia - prior to the crisis - as among one of East Asia's success stories. In retrospect, however, this view requires further qualifications. At the macro-level, it is true that almost all indicators showed signs of success. However, this does not seem to apply at the micro-level. One could question whether the recent crisis shows a partial failure of Indonesia in its first-order adjustments - to wit, in terms of adjusting the structure of its economy and its institutional capacity in such a way to fully absorb the massive inflow of capital.

The success of these first-order adjustments is inadequate to guarantee the success of the globalization process. Successful first-order adjustments must also be followed by *the second-order adjustments*, i.e. adjustments to cope with the political and social consequences of globalization. This requires the Indonesian government to deal with the side-effects, both perceived and actual, of globalization, including the widening income gaps and access to economic opportunities between different groups in society, between different regions and between different-size enterprises. Failure to perform the second order adjustments will result in growing resentment towards the globalization process. In Indonesia, this was borne out very clearly in the current economic crisis, where government officials and informal leaders alike blamed globalization as the root cause of the income disparities or, worse yet, the economic crisis.

1.1.2 The need for appropriate institutional frameworks and policies

The issue of women in the labour market plays an important role in the first- and second-order adjustments. In the former, the increasing role of the women's workforce can accelerate the process of adjustments. Women account for more than a half of the working age population in Indonesia. Involving them in the process of development will allow a significant gain in the international competitiveness of the Indonesian economy.

At the same time, women, especially the poor with low levels of education, are usually the most affected by the adverse effects of structural adjustments in the economy. The opening up of the market and the move towards industrialization require competitiveness in terms of both wages and skills. Poor women who cannot compete in terms of skills and education compromise their economic gains by accepting lower wages, long working hours and

working conditions below standard. Under the second order of adjustments it is essential to protect them from the negative side effects of globalization.

To realize both kinds of adjustments, coherent, consistent and efficient policies and institutions are needed. First-order adjustments require policies and institutions that will enable an economy to be efficient, using both labour and capital at their optimal and most productive levels. This can be achieved not only by opening new employment opportunities to absorb the labour surplus, but also by upgrading the labour force and enabling it to be more productive. The latter can be achieved by expanding education and training opportunities for all, while paying special attention to the conditions of women workers.² Meanwhile, second-order adjustments require policies and institutions that can ensure that efficiencies are achieved without sacrificing other similarly important considerations such as gender equality, fairness and the welfare of the workers. Finally, both kinds of policies and institutional arrangements have to be coherent with each other.

1.2 Objectives and purposes of the paper

This study will review the overall institutional frameworks as well as the policy and legislative environment having a bearing on employment and economic opportunities for women in the context of globalization. This will include a review of major laws and regulations pertaining to access to productive assets and training, provisions on wages and benefits, as well as key policy instruments that are aimed at promotion of equality at work. The paper will also attempt to review existing employment policies from a gender perspective in order to identify constraints and opportunities for women workers in facing globalization.

In addition, this paper will review the overall institutional framework in the form of the National Machinery, identifying the key players - their functions as well as the inter-linkages among them - that are relevant to the creation of jobs, employment and economic opportunities from the point of view of ensuring gender equality in employment promotion. This paper will also cover the challenges of the future, along with a set of concrete recommendations for policy and legislative reforms as well as suggested measures to implement these recommendations.

² These conditions are discussed in detail in the next chapter. In general, these special conditions include the relatively lower "starting point" for women in terms of education, and some pervasive socio-cultural biases such as the limited (domestic) role of women.

1.3 Organization of the paper

After this introduction, Chapter 2 describes the impacts of globalization on the condition of women in the workforce. This is followed by identifying the challenges accelerated by the process of globalization which need to be responded to appropriately. Then, Chapter 3 reviews national legislation and regulations. This is necessary to understand the broad policy context in Indonesia. It begins with a discussion of the guiding legislative documents of policy-making in Indonesia, starting from the State Philosophy *Pancasila* as an ideology and the 1945 State Constitution, the Basic National Policy Guideline (GBHN) and the five-year Development Plan (*Repelita*). It will then continue with a discussion of the employment-related legislation, with emphasis on gender-specific legislation. Finally it will describe how the interests of women are represented in each of these guiding legislative documents.

Chapter 4 starts with a discussion of the national machinery related to women's employment. This part highlights the national machinery related to gender issues in Indonesia from the central to the regional ones. The focus of analysis is on the function of the State Ministry for the Role of Women (SMRW) which is the focal point embedded within the organizational matrix of the national machinery. It then continues with a review on the relationship of SMRW and other affiliated organizations such as the sectoral departments and NGOs.

In Chapter 5, the discussion of national policies and programmes aimed at enhancing women participation in the labour market will address two kinds of policies, namely, general or macro policies that have an effect on women's employment and gender-specific policies. General policies are not specifically designed to improve women's participation in employment, but have an indirect impact on their participation in the economic activities. These include human capital development and employment creation policies. This discussion will be followed by a review of gender specific provisions and programmes that are specifically focused on women, which mainly focuses on the efficacy of the policies and the problems occurring at their implementation stage.

The final chapter will address the forward-looking strategies that need to be taken in facing the continuing globalization process. This will include an assessment of the future trends in the post-crisis Indonesia and the transformation of the labour market as a result of globalization. In addition, an assessment of several important areas which need special attention, such as the national legislation and regulations, national machinery and policies, will also be carried out and some policy recommendations will be suggested.

2. The Impacts of Globalization on the Conditions of Women in Workforce

The impacts of globalization on the conditions of women workers must first be understood before one can formulate appropriate responses to them. Therefore, one must begin by assessing these impacts on the current conditions of women in the workforce. The following assessments will not only focus on quantitative measures of the labour force, such as wages, women's labour participation and unemployment rates, but also on the qualitative measures, such as the nature of work, working conditions, job security and satisfaction, and access to the labour market and employment. Particular attention is also given to the working conditions of women workers during the crisis. A careful analysis of the extent to which globalization has affected women workers will lead to a better understanding of the scope and type of adjustments required to maintain workers' competitiveness while, at the same time, minimizing its negative consequences.

2.1 Increasing women's labour force participation

As mentioned earlier, the integration of the Indonesian market into the international market had benefited women workers. This, for example, was reflected in the increase of women worker's participation rates as the Indonesian economy grew. The strong Indonesian economic performance until mid-1977 was accompanied by significant gains in employment and labour outcomes. The gains were mostly felt in the services and manufacturing sectors due to the shift from import substitution towards an export-oriented strategy. This transformation in turn increased formal sector employment from 28 per cent of total employment in 1990 to 35.2 per cent in 1996.

Looking at the statistical data in aggregate, globalization seems to have entailed a rather small impact on the female labour participation rate. In fact, the rate has been constant at around 51 per cent between 1986 - 1997. However, when one disaggregates by industry, it is evident that there is a change in the structure of the overall female labour participation. A notable change of Female Labour Participation Rate (FLPR) occurred in manufacturing industry in urban areas. The percentage of women working in the manufacturing industry in urban areas increased from one per cent in 1986 to four per cent in 1998. Women's employment share in this industry in the urban areas also increased from 27 per cent in 1986 to 39 per cent in 1998 (Aswicahyono, Raymond and Feridhanuisetyawan, 1999).

According to the 1998 *Sakernas* (the National Labour Survey), women constitute 35.79 per cent of the total labour force aged 15 and above. The percentage of economically active women to working age population is 51.15 per cent, compared with 83.19 per cent for men. Based on the industrial breakdown by gender, women constitute almost 50 per cent of the employment in two industries: 51 per cent in the wholesale trade, retail trade, restaurant and hotel industry, and 45 per cent in the manufacturing industry. The percentage of women in agriculture, forestry, hunting and fishery industry is quite significant (39 per cent), followed by the community, social and personal services sector (37 per cent) and the financing, insurance, real estate and business service industry (33 per cent) (see Table 2.1 below and Figure 1 in the Appendix). These figures show that women workers make substantial contributions to the economy through their relatively high labour force participation in these industries, i.e., in manufacturing, trade and services.

Table 2.1. Employment shares across industries, by gender, 1998

Industry	Share (%)	
	Women	Men
Agriculture, Forestry, Hunting, and Fishery	39	61
Mining and Quarrying	15	85
Manufacturing Industry	45	55
Electricity, Gas, and Water	11	89
Construction	4	96
Wholesale Trade, Retail Trade, Restaurants, and Hotels	51	49
Transportation, Storage, and Communication	3	97
Financing, Insurance, Real Estate, and Business Services	33	67
Community, Social, and Personal Services	37	63

Source: CBS, Sakernas (1998)

However, in spite of the increasing opportunities for women to work, economic adjustments accelerated by globalization have negative consequences as well, especially on the less advantaged groups. When employers, in their attempt to maximize profit, try to minimize production cost in an environment that does not enforce strict labour standards, workers will become the losers. This will place women workers in a disadvantaged situation, with evidently unfair treatment in entering the job market, recruitment, job allocation, training, wages as well as getting economic opportunities. This is exacerbated by some gender biases rooted in cultural and traditional values, which consequently stimulates inequalities in terms of access to employment and economic opportunities. Unequal opportunities potentially slow down the optimization of human resources of women workers.

2.2 Equality and opportunity issues

Several studies indicate that the increasing participation of women in economic activities was not followed by supportive working conditions (Pangestu and Hendytio, 1997; Singarimbun and Sairin, 1995). Many women face poor working conditions marked by violation of labour codes related to wages, working hours, and overtime.³ For example, women who are a majority in the labour-intensive industries believe that adjustments to globalization are too difficult to bear. Pressures to globalize and be more competitive have caused labour-intensive export manufacturers, many of which are owned by foreign investors, to transfer to neighboring economies with relatively better comparative advantages, since labour-intensive manufacturing industries are footloose. As a result, the job security of women workers in these industries is very low, and those unable to adapt to the changing demands in the labour market suffer the most. Although labour-intensive industries contribute significantly in

³ Bad working conditions are also experienced by men, but the impact will be more severe for women as they also have to perform their domestic function playing multiple roles, and in particular due to their reproductive function

Table 2.2. Factors affecting recruitment in different occupations in Indonesia

	Managers	Technicians	Book-keepers	Secretarial	Supervisor	Skilled	Unskilled
Age	90	83	83	100	100	91	82
Education	90	83	87	89	94	64	4
Sex	80	91	60	79	78	93	93
Marital Status	70	35	50	58	56	38	51
Training	50	48	43	53	17	5	3

* Percentage of firms agreeing that a factor is important

Source: World Bank, (1997). p. 92.

absorbing employment to help growth, they have a bad reputation in providing protection for workers.

Furthermore, although women's participation in many economic activities has been accepted by society, gender-biased treatments remain. A bias in the recruitment process can be seen, for example, in a case study commissioned by the World Bank, ILO and WSP II (CIDA). The study shows that, even though some companies may not have restrictions on hiring married women, they are still against pregnancy. A bias against pregnancy is evident from the huge disparity between the percentage of married and single workers in the total women workforce: 30.4 and 65.2 per cent respectively.

There is also a pervasive bias of employers against hiring women. This is also shown by an earlier World Bank (1997, p. 92) survey, which indicates that the workers' sex is the third most important factor in recruitment decisions for managers and supervisors, and is the most important factor in recruiting either skilled or unskilled manual workers (see Table 2.2).

Women workers are seen as less committed to their jobs than men are since they are less willing to work longer hours than men. Women are regarded as more often absent for reasons beyond themselves, such as the sickness of their husbands, children or other relatives.

Rahardjo (1995) concludes that there are some cultural and structural aspects that limit women workers from developing themselves maximally in economic activities. Furthermore, women's involvement and participation could not exceed the existing norms and values which dictate that the highest priority for women should be given to their domestic roles as wives and mothers.

The traditional values that posit women's role in the family as the housekeeper has perpetuated the assumption that all economic activities done by women are only side jobs to assist the husbands' main jobs. The employment of men is seen as a requirement to sustain the lives of their family, while that of women is perceived merely as extensions of their domestic activities, to be performed in their "spare times". Thus, the incomes generated are also seen as a mere supplement to their husbands'. As a result, the participation of women in

Table 2.3. Occupational breakdown across gender at the manufacturing factory level

Position	Women(%)	Men (%)
Supervisor	1.0	4.1
Head of Working Group	7.2	9.7
Operator	78.7	60.0
Others	13.0	26.2

Source: World Bank; ILO; WSP, 1999.

the workforce is not much appreciated, and this is reflected in their low wages (Brigitte, 1993).

This issue is reflected, for instance, in the Marriage Law, which identifies the husband as the head of the household, with the primary obligation to support the needs and education of the children, while the wife is charged with the responsibility of maintaining the household. Meng also shows a negative correlation between the husband's income and the female participation rate (Meng, 1996). This study shows that the economic activities of women are perceived as a mere supplement, which can immediately cease as soon as the husband provides enough income for the family. Weijland (1992) shows that many women working in home-based industries left their jobs once their husbands received an increase in income. This kind of exit from such economic activities reflects the marginal nature of the jobs. Such marginal work may become economically inefficient, and such work often involves tedious and strenuous work that does not require much expertise. Therefore, such marginal work often does not reward the labourious efforts that are put into it, nor is it compatible with the educational attainment of the worker.

Gender-based stereotypes also exist in career promotion considerations. Increasing parity in general education has not always been translated into equity in the work place. Promotion is more difficult for women than men. Gender stereotyping perpetuated by cultures has prohibited women from participating in the domains that, culturally, are not theirs. This, therefore, becomes a possible reason of the existence of occupational segregation by sex, which is evident in the World Bank (1999) case study conducted at manufacturing factories.

As Table 2.3 shows, men's employment shares for the supervisor position and head-of-the-working-group position outnumber those of women. The percentage of men's employment share for the supervisor position is four times that of women. However, the women's share for the operator position outnumbered that of men. This implies that, at the factory level, men are more likely to hold a supervisor position and a head-of-the-working-group position than women, while women are more likely to hold an operator position than men.

At a more general level, the 1998 *Sakernas* shows that there is also a tendency for women and men to enter different occupations in the labour market (see Table 2.4).

Men are three times more likely to hold administrative and managerial positions than women. Although the occupational percentage values are small, 0.20 per cent for women and 0.64 per cent for men, they are significant in relative terms. By contrast, sales positions women are

Table 2.4. Occupational breakdown across gender, 1998

Occupation	Share (%)	
	Women	Men
Professionals, Technicals, and Related Workers	4.70	3.04
Administrative and Managerial Workers	.20	.64
Clericals and Related Workers	3.89	5.20
Sales Workers	24.59	14.49
Services Workers	5.89	4.55
Agricultural, Animal Husbandry, Forestry Workers, Fishermen, and Hunters	45.92	44.00
Production and Related Workers, Transport Equipment, Operators, and Labourers	14.78	27.52
Others	.02	.56

Source: CBS, *Sakernas* (1998)

almost twice as likely to appear than men. Although in production and related workers, transport equipment, operators and labourers position men are almost twice as likely to work than women, it is difficult to make a concise interpretation of the results since this category is very broad, including many different types of occupation.

The division of labour along gender lines has implications for women's wages. The proportion of women is generally highest in the least remunerative activities. In other words, there is both horizontal and vertical segregation between men and women's employment. The sectoral distribution of the labour force indicates sex segregation of the labour market, where women tend to cluster in jobs and sectors with low remuneration, low security, little possibility for advancement and long working hours.

Furthermore, the stereotypical view of overemphasizing the women's nurturing role is a disadvantage to the performance of women workers. The household and reproduction role of women shortens their labour attachment compared with men. This becomes a disincentive for employers in providing training for women workers. Employers prefer to train men because they believe that their continuity in the workforce is more assured and their training can be utilized more effectively.

Equal pay for work of equal value between men and women workers is not yet realized. The ILO *Yearbook of Labour Statistic* shows that the wage levels of women in the manufacturing sector are lower compared with men in the same sector. On average, the wages of women are around 69.8 per cent of those for men (*Sakernas*, 1998).

Sakernas (1998) also shows that the average income per month as well as the average income per working hour between women and men workers are evidently different. In the two industries where women show significant labour force participation, namely manufacturing and trade industries, the average income per month as well as the average income per working hour is always higher for men than for women workers. This phenomenon occurs at each level of workers' educational attainments, except in a few cases. One of the most important exceptions is that women with a university degree receive higher average income

per month than men. Women with a university degree also receive higher average income per working hour, except in the agricultural industry. The most apparent differences between women's and men's average income per month and average income per average working hour can be seen in the manufacturing industry (see Tables 1-3 and Figures 2-7 in the Appendix III). The study by Manning (1998, pp. 259-64) found that only around 30-40 per cent of the women-men wage differentials could be explained by differentials in endowments and characteristics such as education, age, sector and region.

Nevertheless, although it is hard to investigate whether or not wage discrimination exists, the statistics clearly show that the gap in wages does exist in sectors where women constitute around 50 per cent of the whole employment. Therefore, a more important and pending question is whether legislation and policy reforms can be formulated with more gender considerations, given the different circumstances that men and women face in the labour market.

With regard to job security, unfair treatments do occur where women are forced to retire at an earlier age than men or are laid off when pregnant. As training opportunities are not given to men and women workers equally, eventually women could suffer disproportionate displacements from technological innovations.

2.3 During the crisis

Ironically, the globalization process has negative consequences on women workers, especially on less advantaged groups in the society. This is evident from experiences of the recent Asian economic crisis which has exacerbated the unequal treatment of women workers. Given the vulnerable status of women in the work force, the social impact of the current economic crisis is more likely to affect women workers than men workers.

2.3.1 Involuntary participation of women

A generalized statement claims that the crisis is a man's crisis and not a woman's crisis. This is based on the number that shows that the increase in men's unemployment rate is higher than the women's which are 26.7 and 13.6 per cent respectively. Moreover, Sakernas (1998) also shows that the growth of women's employment increased from 1.8 per cent annually before the crisis to 4.2 per cent during 1997-98. The rate of increase in men's labour force, in contrast, decreased from 2.2 per cent before the crisis to 1.7 per cent per annum during the crisis.

While a glance at the data might lead to a conclusion that women are less affected by the crisis, such a conclusion will be hasty. This data - especially on the growth of women's employment - must be interpreted with caution, since it is rather difficult to provide a normative judgment whether this is a positive development for women. It does not mean that there is no serious impact of the crisis on the women's workers. Instead, this growth of women's employment could mean that the declining real income of the household crisis has forced women who used to be out of the labour market before the crisis, to enter the labour market to provide an additional income for the household. It could also mean that women are bearing the economic burden by working longer hours either in the formal or informal sectors as well as at home. At the same time, women must also maintain the welfare and well-being of their households under increasing economic pressure as a result of high rate of inflation and decreasing household income. The marginalization of women, who are expected to

shoulder the burden of both austerity and altruism at home, in the workplace and the community at large, may deepen since the effects of the crisis will still continue to worsen their situation.

2.3.2 Gender bias in job creation and access to credit

The first casualties of the economic crisis were real estate and related property and construction business. Until early February 1998, the hardest hit by these simultaneous crises were those in construction which is male dominated in character. The high visibility of laid-off men has resulted in gender blind public responses. Job creation through labour intensive projects created during the crisis as part of the social safety net programme initiated by the IMF, again favored male labour. Activities are mainly public works such as digging city ditches and irrigation canals. The programme itself is seen to be insensitive towards women. At that time, there was no recognition that thousands of women workers had already been laid off in manufacturing industries.

Women workers in the manufacturing sector, particularly those who are working in the labour intensive industries such as garment, textile, footwear, electronics and food processing, have become victims of the crisis. They are, however, surviving in spite of an extremely difficult condition. Statistical data shows that women are over-represented in manufacturing (45 per cent in manufacturing, compared with 38 per cent in the total workforce, hence they are relatively over-represented among those laid-off (48 per cent are women) (Oey-Gardiner, 1998). They are particularly prone to be laid-off because the products they produce often contain high import materials; and the firms they work for tend to be heavily hit by the credit shortage and high interest rates brought about by the crisis. The study on the impact of the crisis on the unemployed workers reveals that none of the women respondents interviewed is involved in the *Padat Karya* (labour intensive programme) (World Bank, 1999). The most frequent answer is that it is "socially not acceptable or appropriate" for women to work in the type of work promoted by *Padat Karya*. If the *Padat Karya* programme is to continue, then it needs to adequately reflect the specific women's conditions and circumstances. Another example of women's exclusion in the relief programmes during the crisis is micro-credit. Although it is repeatedly mentioned in several studies that access to credit is essential for women to allow them to generate their income, 80 per cent of the women interviewed in the study expressed that they found themselves at a serious disadvantage in gaining access to credit. As a matter of fact, providing micro-credit could be very effective, because it can be used as a working capital, and can eventually create employment. The above study implies that all policies aimed at reducing people's burden during the crisis neglect to fairly include women's interest.

2.3.3 Impacts on women entrepreneurs

The issue of concern regarding women's participation in economic activities is not only related to their function as industrial workers (both home and factory based) but also their roles as entrepreneurs. Lower mobility due to their nurturing role limits their ability to procure materials or inputs and to market their goods and services. In this case, they become dependent on intermediaries who are often men. The difficult access for women to obtain productive inputs is also due to social barriers. Entrepreneurship is often seen as limited to men, resulting in an environment that does not support women's entrepreneurship development.

Women entrepreneurs are also not assisted by training designed for developing their business, often due to its inadequacy. The training, if provided does not necessarily provide a comparative advantage to trainees in the labour market in finding employment, and therefore, has virtually no impact on employment creation.

There is also ample evidence that women entrepreneurs find difficulties in getting working capital. Lack of knowledge and complicated lending procedures have prevented women in obtaining credit from institutional sources. Lack of adequate collateral is another obstacle faced by women in business with regard to obtaining loans. This is due to the fact that most of women's properties are under their husband's ownership. Consequently, it raises the question of equality between men and women in property ownership.

The negative consequences of globalization interwoven with the persistence of gender biases, social perceptions as well as stereotypes have further put working women in a disadvantaged position. This condition does not only show the lack of attention towards improving the welfare status of women, but also demonstrates inequality and injustice against women in terms of employment opportunity and access to employment. At the same time, this condition indicates how the institutional framework should be reformed in order to overcome the existing gender bias.

2.4 Another impact of globalization: increasing labour migration

Another channel through which globalization affects women workers is the increasing labour migration across countries. This is because, in a more integrated world economy, workers are more free to move from one place to another in order to find better jobs. For Indonesia, this means that the number of Indonesian migrant workers will rise to find higher wages abroad. This is a positive development because it allows surplus labour in the domestic market an alternative employment in the international labour market. Those workers could contribute to the foreign exchange earnings that are badly needed by the country.

The increasing number of migrant workers calls for government commitment in providing protection, including information on problems that often occur overseas. It is said that the weak position of Indonesian overseas workers lies in the fact that the Indonesian Government has not ratified the ILO Convention on Migration for Employment (Revised), 1949 (No.97) or the Migrant Workers (Supplementary Provisions Convention), 1975 (No. 143) nor the Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990, which was adopted by the United Nations General Assembly (Luhulima and Ihromi, 1998, pp. 100-101). This indicates that increasing labour movements must be responded to by the strengthening of institutions and agencies dealing with migrant workers as well as establishing relevant regulations and measures.

2.5 Globalization and some challenges

Besides its direct impact on women workers both in positive and negative ways, globalization poses several challenges which also affect workers in a more indirect way. These challenges need to be anticipated and responded to by adjusting and reforming the existing institutional framework based on a thoughtful consideration that the Indonesian economy is already integrated with the international market and is shaped by the dynamics of the emerging economies in the region. In this context, it is important to note that reforming the

institutional framework or shaping domestic policy and regulations to meet the global challenges should conform with valid international standards.

2.5.1 Issues of labour standards

One of the challenges of entering the global market is to balance social issues such as human rights, environmental protections and labour standards. In a global environment with greater integration and information flow in the future, these issues have increasingly become a shared concern. If a country neglects these issues, it will be internationally punished through various economic and political sanctions. In relation to the increasing labour movement across countries, the adoption, implementation and enforcement of labour standards have become an important issue. These labour standards are not new in Indonesia, but extra efforts must be made to ensure the implementation and enforcement of these standards in practice. The strong international pressures for a better implementation of labour standards - when put in the context of trade liberalization - provides another challenge of the globalizing economy.

There are various definitions of labour standards. The ILO's International Labour Standards provide for a wide range of aspects: prohibition of forced labour; abolition of forced labour; rights for freedom of association and collective bargaining; minimum age; equal employment opportunities and treatment; maternity protection; employment policies; human resource development; occupational health and safety, etc. The US Department of Labour includes in its definition the freedom of association, the right of labour to organize and bargain collectively, the prohibition of forced labour, the minimum age for employment and the setting of an acceptable condition of work such as decent standard of living for workers and families, specified annual paid holiday, working hours not exceeding 48 per week, and minimum conditions for the protection of safety and health of the workers. The European Union's social charter is broader than that of the US. It includes the right to vocational training and protection of elderly and disabled persons from lower average wages and lower occupational and health standards. It also includes workers' right to form labour unions.

Pressures to improve labour standards emerge from the argument that products produced with lower labour standards are considered to be social dumping because firms with lower labour standards can produce goods at lower costs and therefore earn an unfair competitive edge. The argument goes further that lower labour standards lead to lower labour costs which in turn will sacrifice workers' welfare. International efforts therefore are taken to enhance core labour standards around the world and to examine the link between these standards and international trade in appropriate fora.

2.5.2. The challenges of human capital development

In the longer run, as markets integrate, one of the inevitable consequences of globalization for Indonesia is the tightening of the market for unskilled labours. This tightening will manifest itself in wage hikes, which will make the labour market for unskilled labours in Indonesia less competitive compared with other later developing economies in the region, such as Viet Nam or China. As a consequence, the demand for skilled labours will increase, and so will the demand of the unskilled labourers to upgrade their skills. The demand to upgrade one's skills implies the need for more advanced education.

As the demand for education increases, supply – provided either by the government or the private sectors – will adjust. In the presence of a budget envelope, the government needs to

Table 2.5. Public expenditure on education in 1995, selected Asian countries

Country	As percentage of GNP	As percentage of total expenditure
Singapore	3.0	23.5
Thailand	3.8	18.9
Korea, Republic of	3.7	17.4
Malaysia	5.3	15.5
India	3.6	11.8
Japan	3.6	9.9
Indonesia	1.4	7.5

Source: UNESCO Statistical Indicators, available in <http://www.unesco.org>.

set priorities. Henceforth, the government should invest in the kind of education that gives the highest return to investment, to wit, general education. As for other kinds of training, the government should provide incentives so that the private sector will be able to capitalize on the education market in such a way that the needs to upgrade the skills for the labour market can be fulfilled.

In order to keep up with its neighbors, the government must increase its spending on education. Indonesia has been left behind in terms of its education spending, compared with other economies in the region. In 1994, Indonesia spent only 7.5 per cent of its GDP, very low compared with its neighbors such as Malaysia (15.5 per cent) and Thailand (18.9 per cent), or even with other Asian countries with a much lower per capita GNP such as India (11.8 per cent). Indonesia has been spending too little on education. Therefore, to remain competitive, a significant increase in Indonesia's spending on public education is timely.

The government can start providing student loans for higher education or professional education. However, student loans require a solid bureaucracy that can keep track of debtors. If the bureaucracy is not solid enough, the student loan will not work since it is faced with the problem of moral hazard - where debtors can simply walk away from responsibilities, encouraging them to borrow unwisely. Therefore, the establishment of the institution that would provide student loans would have to wait until the problem of moral hazard can be prevented.

2.5.3 The evolution of industrial relations and the increasing role of unions

The need for a more formal and more constructive relationship between employers and employees as well as a more organized and independent representation of workers becomes increasingly important in the midst of globalization. There are two prevailing reasons for an enhancement in the relationship and representation of labour.

First, the increasing role of the formal sector within the economy has created a demand for more effective labour representation, which is not well accommodated by the SPSI (All Indonesian Union of Workers). The traditional system dominated by informal rules will eventually shift to a more modern system characterized by more formal and constructed labour representations and negotiations. The new approach of a more formal institutional labour setting, where workers recognize their rights to speak up as well as negotiate and

where employers have a formal labour regulation to comply with will lead to a more productive atmosphere at the workplace.

Second, the weakness and limited capacity of the government to enforce labour codes and standards will require not only enhanced capacities of labour inspectors and general institutions, but also strong and independent labour unions. The political reforms following the end of the Suharto era and stronger international pressure have forced the new government to allow the mushrooming of independent and representative labour unions (ILO, 1999).

The issue that arises evolves around the “flexibility” of the institutional framework and policies to cope with the dynamics of globalization, including a critical assessment of both the policy foundation and guidelines. Before translating into further actions, it is a necessity that the policy foundation and guidelines could fully accommodate women’s recognition and needs. Will there be any need of adaptations or changes (both at national and international settings)? When adaptation or adjustment is needed, it is important to note that women’s welfare should be taken into consideration. Are there new employment opportunities for women? How can new employment opportunities be made more accessible to women. How to equip women workers and enable them to compete internationally as well as to reap the benefits of globalization? With these questions in mind, the next three chapters will discuss the national legislation and regulations, institutional frameworks in the form of the national machinery and national policies, and assess the extent to which they have tried to answer these questions.

3. National Legislation and Regulations

3.1 *Pancasila*, the 1945 State Constitution, and policy guidelines to support women

There have been various efforts to acknowledge women's role and to enhance their status in the policy guiding documents. The 1945 State Constitution, through its law and regulations, guarantees order and prosperity as well as justice in the life of society, including that of women. *Pancasila* – Indonesia's State Philosophy – and the Constitution of 1945 (*UUD 1945*) stipulate equal rights, obligations and status of all citizens before the law.⁴ This principle of equality between men and women in Indonesia, therefore, is deeply ingrained in the State Philosophy and the 1945 State Constitution.

Article 27 verse 1 of the 1945 State Constitution specifically stipulates equal rights and obligations among citizens before the law, without any exception; and every citizen has the right to work and to expect a reasonable standard of living (verse 2). Article 31 of the 1945 State Constitution also states that every citizen has the right to education. These two articles become the basis for any effort to provide equal access between men and women to participate in the planning and policy making processes. They influence the content of the goals, plans and policies which are sensitive to gender issues (Office of the Minister of State for the Role of Women, 1989, p. 45).

Besides *Pancasila* and the 1945 State Constitution, the acknowledgment of the role and status of women has also been included in the Five-Year Development Plan (*Repelita*), as well as in the Broad Guideline of the State Policy (*GBHN*). Both *GBHN* and *Repelita* are rooted in the *Pancasila* and the 1945 State Constitution, and act as policy guidelines to direct development within the five-year period. Gender related issues of the *Repelita* include the role of women in the integral process of defining the objectives and modes of development, and women's equal share of power in guiding developments efforts. Moreover, it is important to note that a specific gender-sensitive plan may only be formulated if there are some guidelines that reflect values and norms of higher constitutional mandate (Office of the Minister of State for the Role of Women, 1993, pp. 8-9).

3.1.1 *The incorporation of women issues in GBHN*

Indonesia has been fortunate that, in 1978, the *GBHN* specifically integrated clauses on the enhancement of the role and status of women in development as well as in national and civic life. Since then, the contents of the *GBHN* mandate on women issues have always been enlarged and strengthened. For example, the formulation of equal status and rights has been more developed in the later *GBHN* of 1988 and 1993. In addition to clauses stated in *GBHN* 1978 and 1983, *GBHN* 1993 further stipulates that "*Women as citizen and human resources in development have the same rights, obligations and opportunities as men in all aspects of civic life and in all development activities*" (see Table 3.1) (Office of the Minister of State for the Role of Women, 1989, p. 10). Based on the principle of equality between men and

⁴ The Constitution of 1945 clearly recognizes human rights along with serial responsibilities. However, it has no specific provision on women. Laws like the Indonesian Marriage Law of 1974 provide equal rights and responsibilities between husband and wife.

women, the Government has also ratified the Convention on the Elimination of all Forms of Discrimination Against Women by Law No.7 of 1984 on July 24, 1984.

3.1.2 The incorporation of women issues in Repelita

Besides these statements in the *GBHN*, constitutional support for women has also been recognized in the *Repelita*, for example, in *Repelita V* (1989/90-1993/94) depicted below (ADB, 1991, pp. 38-39).

Policy Support for Women in Repelita V

- a. In order to raise and enhance the status and role of women in society according to their nature as women, attention will primarily be focused on improving the welfare of poor women in urban as well as rural areas, and to those in the 15-19 years age group.
- b. In order to develop healthy and prosperous families, women should not only be the objects but also the implementers and beneficiaries in various fields of development. For this purpose, the P2WKSS (Enhancing the Role of Women toward Healthy and Prosperous Families) programme has to be strengthened and better coordinated.
- c. With regard to education and skills, the policies are directed towards:
 - (i) the elimination of illiteracy and ignorance of *Bahasa Indonesia* and deficiency in basic education;
 - (ii) the encouragement, especially for poor women, to gain access to post basic education;
 - (iii) promotion of a more conducive social environment for women to gain equal access to formal and informal employment as well as various positions in society;
 - (iv) encouragement of greater participation among women in the development and utilization of science and technology; and
 - (v) enhancement of knowledge and skills of women in raising their children.
- d. Efforts to improve family welfare will increasingly be directed towards active social participation in various development activities. In this regard, the role of NGOs and PKK (Family Welfare Movement) and other women organizations will be further developed in order to enable women to actively participate in all aspects of development.
- e. To enhance the role and responsibility of women in development, greater opportunities will be given to women to become decision-makers, policy makers, planner and beneficiaries of development.

Table 3.1 Clauses on Women in the State Policy Guidelines, 1978-1993

GBHN 1978	GBHN 1983 (=GBHN 1978 plus)	GBHN 1988 (=GBHN 1983 plus)	GBHN 1993 (=GBHN 1988 plus)
Equality of rights, obligations and responsibility between men and women in development (equal partners in development).	Enhancement of the role of women in family welfare, through family welfare movement (PKK).	Recognition and protection of women's nature and dignity.	Enhancement of women's skill in science and technology.
Harmony of women's role and responsibility in development and family life (dual role).		Development of socio-cultural environment.	Enhancement of women's mental and spiritual resilience.
Women's participation in all aspect of development (comprehensive-participation).			Enhancement of women's role in decision making.
Women's responsibility in educating youth, adolescence, and under fives.			Promotion of women's capacity to face changes.
Enhancement of women's skill and capacity.			Conscientization women's role as family educator.
			Women's role in solving social-economic, human resource and environmental problems.
			Enhancement of women's skill, productivity, welfare and protection of female labour.
			Development of health, job-safety career, social services for women as female labour and family.

3.2 Legislation and regulations to improve women's employment opportunities

In achieving the broad targets mandated by *Pancasila*, the 1945 State Constitution, GBHN and *Repelita*, the government designed legislation and regulations based on those policy foundations and guidelines. This not only indicates the political will of the government on its efforts to improve the roles of women, but this action is also needed for the formulated policies and programmes to receive full commitment from the actors since such policies and programmes have a strong and broad legal foundation. Given the aims of improving the welfare of women, particularly in terms of economic opportunities, there are, in essence, two kinds of policies that can achieve such aims. The first kind of policies are *general*, usually gender blind. While they are not designed with gender considerations in mind, this kind of policies – such as the case of education policies – are often very effective in narrowing gender disparities between men and women.

In addition to the general kind of policies, the second kind of policies are *gender-specific policies*. These kinds of policies are designed with an understanding of the different challenges faced by different genders. As such, these more functionalist gender-specific policies usually take into account, for instance, women's biological aspects, especially in relations to their reproductive function. Out of these two kinds of policy approaches, legislation and regulations are born. Legislation and regulations are the topic of the following sections.

3.2.1 Legislation and regulations on equality in education

Education is an important dimension of work in the increasingly competitive labour market, especially in the urban area. The economic returns to each additional year spent in primary school system are substantial for both men and women, and for both employed and self-employed. Furthermore, there is a tendency of an increase in labour participation in line with the increase in educational attainment, and such an increase is even more pronounced for women than for men (World Bank, 1992). Widarti (1998) confirmed that educational attainment is a strong determinant of married women's participation rate in the Jakarta labour force. As such, universal education can effectively raise the opportunities of women for both wage and self-employment.

In the light of these potentials to improve the opportunities for women in employment, it is important to assess whether there exists any gender bias in the legislation that would hamper optimal participation of women in economic activities in the long run. It is also important to assess possible avenues through which more women can be empowered to participate in the economic activities.

The legislation and regulations relevant to education are:

1. **The Preamble of the 1945 Constitution**, which implicitly states that the formation of the Government in the Republic of Indonesia is to "... further the public welfare, *elevate the intellectual life of the nation*, and take part in the international order based on independence, peace and social justice [emphasis added]".
2. **Article 31 of the 1945 Constitution** explicitly states that every citizen has the right to receive education, and that the government strives for and carries out a national education system which is regulated by law.

3. **Article 7 of the 1989 Law No. 2 on the National Education System**, which states that the acceptance of a person into an educational unit *should not discriminate by sex*, religion, tribes, race, social class or economic capability, while still appreciating the uniqueness of the said educational unit.
4. **Article 38, Clause 2 of the 1989 Law No. 2 on the National Education System**, which allows the Minister of Education and Culture, *or other minister*, to set the nationally applied curriculum.

To be able to compete on equal terms, women should be able to attain as much education as men. Fortunately, it is clearly stated under the above legislation and regulations on education that the education system should not discriminate against potential students based on gender. In its implementation, there were also no indications that schools apply discriminative policies based on gender, except for some private schools whose uniqueness are acknowledged by the law.

The result of this inclusive legislation on education will be elaborated in detail in Chapter 5. In summary, what can be said about the result is that it has been favorable for women at all levels of education. What is important to note here is that there is no gender bias against women in the legislation, and - as will be further elaborated - there seems to be little cultural bias among parents in terms of sending their girls to school, except in poor communities.

Actually, the opportunity to make changes lies in the ability of other ministers to set the nationally applied curriculum (no. 4 above). This is important since there were criticisms that the curriculum was often gender biased. Diarsi, for instance, argued that the *Pancasila* Moral Education (PMP) conveyed a limited role for women, both in terms of its materials and illustrations (Diarsi, 1991, p. 254). Similarly, a study by Kasnawi and Tahir (1992) on the implementation of the non-formal education programmes in the rural area found that the materials taught were oriented towards teaching activities related to women's domestic role. Hence, the State Ministry for the Role of Women (SMRW) can actually influence the design of the curriculum, to ensure that the curriculum is gender sensitive.

As a matter of fact, the SMRW has already begun a move to influence the curriculum. In SMRW (1998), the Ministry has published a guideline to design a curriculum teaching gender equality in non-formal education.⁵ This should be expanded further to include formal education.

3.2.2 Regulations and provisions for women workers

There are four categories of legislation and regulations in increasing women's participation in the labour market: (1) regulations aimed at promoting equal opportunity to enter the labour market; (2) regulations against discrimination; (3) legislation and regulations to provide safe and healthy working condition; and (4) legislation and regulations to increase the availability of factors of production for women, such as credit, information and technology, in such a way that allow women to create their own businesses.

⁵ Kantor Menteri Negara Urusan Peranan Wanita: *Pedoman Penyusunan Kurikulum dan Sarana Pembelajaran Berdasarkan Pendekatan Jender Pada Jalur Pendidikan Luar Sekolah* (The Guideline to Build a Curriculum and Educational Facilities Based on Gender Approach in the Non-Formal Education Channel), 1998.

3.2.2.1 Legislation and regulations aimed at promoting equality of opportunity

1. **Article 27 Clause 2 of the Indonesian Constitution of 1945** stipulates that every citizen, male or female has equal rights to employment and conditions of life commensurate with human dignity.
2. **Regulation no. 3 of 1989** consists of prohibitions of discrimination on grounds of pregnancy, childbearing and nursing.
3. **Section 13 (4) of Act no.1/1951** states that without prejudice to limitations on hours of work, a women employee who still breastfeeds her child shall be granted a proper opportunity to nurse her child as necessary during work time.
4. **Act no.1 and Government Regulation no.4 of 1951** stipulates that women employees in both public and private sectors must be granted three months maternity leave with full pay.
5. **Act no 52/1951 as implemented by Government Regulation No. 24 of 1976** states that up to three children the preceding point is valid. For the fourth and further children, they are entitled to maternity leave but without any pay.
6. **Section 13 (1) of Act No.1/1951** provides that woman employees shall not be obliged to work on the first and second day of their monthly menstruation period.

The policy product generated to increase the women's access to employment opportunity is reflected in the formulation of equal selection criteria between men and women and the guarantee that women can choose their jobs freely. Government regulations to prevent severance of contract due to marriage, pregnancy or childcare needs are also important instruments in guaranteeing gender equality in the labour market. Furthermore, regulations related to menstruation leave, maternity protection and nursing can also be considered as policies aimed to allow opportunities to reach equality between female and male labours. In addition, the provision of facilities for child care need to be considered in order to promote gender equality because it gives women the opportunity to work the same working hours as men without having to be distracted by child care activities.

The existence of the above policies shows that conditions to distinguish men and women due to women's reproductive functions receive a particular attention. These rules, however, are often interpreted as a discriminatory act against men. This is not true as discrimination refers to a different treatment under same conditions, yet the reproduction function of women is different and biologically pre-determined. Therefore through law, regulations and rules the government supports working women to carry out their dual roles: the reproductive function and the social function including taking part in economic activities; and it encourages them to utilize existing employment opportunities.

The government through its various ministries generally has been committed to follow the basic labour laws and pay attention to several basic issues by focusing on workers' struggles. These issues include minimum wage, labour relations and trade union. However, the government pays less attention to specific issues that are important to women workers. For example, the policies on minimum wages and trade unions have changed several times in response to the change of workers' demand. Government has raised the minimum wages by more than three times during the last decade before the crisis. However, legislation related to

women workers' specific needs such as maternity leave with compensation and menstrual leave are seldom enforced.

Moreover, the fact that there are many cases where companies still do not comply with the regulated legislation implies that government controls and law enforcement still need to be strengthened. For example, there are companies who indirectly fire women workers once they are pregnant. There are also companies who are implicitly against marriages of their women workers by preferring to employ young women as opposed to older women. In some cases, legislation to regulate job security and dismissal are not applied. The mass dismissal in the manufacturing sector, where women are prone to be laid-off during a crisis, can be attributed to this phenomenon. These implicit restrictions and negligence to comply with government regulated rules may become an obstacle to women to equally and actively participate in the labour market.

There are two possible reasons for the government's failure to reinforce its legislation and companies' failures to comply with this legislation. First, legal enforcement is very weak due to a shortage of labour inspectors. Currently, there are only 800 labour inspectors who have the responsibilities to control more than 100,000 companies. Second, promoting equality for women by providing them with protection and catering to their specific needs such as menstrual and maternity leave will effectively increase the cost of hiring them. So, there is a risk that legislation aimed at protecting as well as promoting equality for women will discourage employers to hire women. In the case of lay-offs, social values that recognize men as the head of the household put women workers as the first target to be laid off in retrenchments.

3.2.2.2 Legislation and regulations against discrimination

Besides introducing laws and regulations to tackle job and equality promotion, the government has also enacted legislation and regulations related to protection against discrimination. The government's efforts to eliminate discrimination and provide equal treatment to both men and women workers are manifested by the creation of several regulations aimed at abolishing discrimination practices. The regulations include:

1. **Act No.80/1957 - Ratification of the ILO Convention no.100** providing for equal remuneration for men and women workers for work of equal value.
2. **Article 3 Government Regulation No.8/1981** states that employers shall not discriminate between women and men workers in determining the rates of remuneration for work of equal values.
3. **Act No.7 of 1984 - Ratification of Convention on the Elimination of All Forms of Discrimination Against Women** calls for the elimination of discrimination against women in the field of employment.

Recently, the Indonesian government has ratified the UN convention of Act No.7 of 1984. This is mainly aimed at reducing the gender wage gap, which also seems to be very common in other countries. Indonesia has likewise the ratified ILO Discrimination Convention (Employment and Occupation), 1958 (No. 111).

The adoption of these regulations related to the prevention of discrimination not only reflects the strong commitment of the government to abolish discrimination practices, but also the

responsive manner of the government in anticipating and accommodating the demands of a more globalized and liberalized market where all resources including human resources should be tapped optimally. Since the focus of the legislation is to address employment equity and equality of remuneration of the workforce, it is important to capture both the direct and indirect effects of this legislation to ensure that the introduction of the legislation on equal remuneration narrows the gender wage gap and the enactment of the legislation on employment discrimination reduces the discrimination against women in the workplace.

The law attempts to ensure that job segregation, redundancy, promotion and access to training are made on the basis of merit rather than gender. Another CSIS study that focuses on employment in the modern sector reveals that women's occupational distribution has changed and moved toward a more equal stage (Aswichayono, 1999). However, it appears that it is the change in the level of human capital in the women worker – rather than a change in the legislation – that is responsible for such an improvement in women's occupational distribution. The higher educational level of women workers makes it less likely for them to be discriminated against in terms of employment. In fact, there is an assertion that the impact of legislation on occupational segregation is not important.

In terms of wage gaps, the study finds that although the wage discrepancy between men and women remains, there is a tendency that the gaps are narrowing in some industries. However, the linkages between the introduction of anti-discrimination policies and the narrowing wage gaps is unclear. The study finds that there is a strong evidence of significant increases of educational qualifications of women. This increase in investments in human capital proves to be a more dominant explanation for the observed narrowing of the gender wage gap. Hence, it is difficult to say that the enactment of legislation and regulations is a policy measure that will lead to a significant outcome. In this case, an investment in human capital is more effective in bringing an expected positive change.

Despite the strong government political will to eliminate discrimination practices, inconsistent manners are once again manifested in the introduction of decrees that create counterproductive results. The identified counterproductive decrees are:

1. **Government Decree No.37 of 1967 - Wage system for Employees in State Companies** states that the man's wife and his children are considered dependents. Therefore, married women workers are regarded to be single while husbands are not considered as dependents.
2. **Ministerial Decree No.2/P/M/Mining/1971** states that all married women working in mining state companies and mining foreign enterprises in Indonesia are regarded to be single and all benefits only apply to them and not to their families. Married women will be considered as the main income earners only if certified as widowed or if the husband is unable to work.

As far as the enactment of legislation and regulations are concerned, many of them favor gender equality at work. However, often times there are problems of implementation. The inconsistency in legislation, as the above two examples show, provides another explanation of the reasons why the effect of legislation and regulations on narrowing the wage gap and improving gender equality is trivial. The situation is worsened by the lack of capacity of the key players in implementing the legislation and inadequacy of law enforcement.

3.2.2.3 *Legislation and regulations on improving the working conditions and welfare of women*

The purpose of regulatory instruments in providing protection for women in the workforce is to improve the quality of life and the quality of the working environment. At the national level, the ultimate goal of promoting good working conditions and welfare of women workers is to increase workers' productivity, which is very important for the national labour competitiveness. Legislation and regulations in the protection of women workers also include the protection for them to carry out their role in the family. Forms of existing regulations include the prohibition of women workers to work at night time and to work in the mining sector. The problem arises when these regulations aimed at protecting women end up harming women's access to employment because of the high cost of implementing these regulations. In the end, these regulations become a disincentive for employers to hire women.

Regulations aimed at promoting good working conditions and welfare of women workers are as follows:

1. **Section 3 of Ordinance of 17 December 1925: Concerning limitation of child work and night work for women** prohibits women from doing night work between 10 p.m. and 5 a.m., unless permission is granted on the basis of special business requirements.
2. **Ministry decree 03/MEN/1989** states that the implementation of ordinance no.17 requires any employer who employs women at night to give full protection regarding safety, health and sexuality.
3. **Section 8 of Act No.1 of 1951** prohibits women to perform in mines, pits or other places to mine metal or other minerals.
4. **Section 9 of Act no.1** prohibits women to perform work dangerous to their health or safety. It also prohibits women to perform work that according to its nature, place or condition is dangerous to their morality.
5. **Regulations of the Minister of Labour no.7/1964** on conditions of health, cleanliness and lighting in workplace provided in Article 6 stipulates that separate lavatories must be provided for men and women.

Although the technical measures of institutional strengthening and regulation are absolutely essential, they are by no means sufficient. The negligence of women's labour rights and social protections cannot be solved only by enacting regulations. More important is the strengthening of the institutions that apply and enforce the legislation and regulations. Social control including workers' participation through workers' unions and NGO's is also essential for ensuring constant pressures to improve the working conditions and the levels of social protection.

3.2.2.4 *Women as entrepreneurs*

Inequality of ownership between women and men is another factor in perpetuating inequality in the access to economic opportunities. However, efforts to increase women's participation in the economic activities seldom consider the need for guarantees for women of ownership, usage and control of her own property, including land. This is so because there exist traditional norms and values that perceive men as the legitimate property owners in the households. Therefore, legislation that is constructed to provide women with accesses to entrepreneurship should take careful consideration on this issue.

The fact that men have greater rights towards the ownership of land cannot be separated from Indonesian traditions, habits and laws which are sometimes biased against women ownership. This phenomenon is reflected in the gender inequality in some of the laws and practices. Even though Article 32(2) Act No.1 of 1974 on Marriage guarantees equality between husband and wife in front of the law, stating that the rights and position of the wife are equal to the rights and position of the husband, both in the family and social life women are disadvantaged in terms of land ownership. In the case of a divorce, which is regulated by various laws including the religious law, the traditional law and the Dutch Civil Code or *Burgerlijk Wetboek*, men receive a greater portion of family assets since they are considered the more legitimate property owners. This may become a disincentive for women to earn incomes maximally through economic activities.

The Dutch Civil Code, which is still followed by our tax system, reflects idea of incompetence of women in front of laws. The law has allowed a greater role for husbands. In a marriage, if a wife in her business is bound by a contract, then the husband is automatically bound by the same.

The assumption of the incompetence of a wife in front of the law is also evident in some programmes, such as the People's Sugar Cane Plantation Intensification Programme. After the programme is finished, the land was granted to the participating farmers. However, the land will only be granted under the ownership of a man farmer, given his function as the head of the household. In the case of a woman farmer as the participant of the programme, the land will be granted under the ownership of her husband.

Another example is the taxation law in Indonesia. The law, which resembles the Dutch Civil Code, implicitly states the assumption of the incompetence of women. According to the law, the subject of taxation is the husband. A woman who receives income must use her husband's taxpayer identification number, even when the husband has no income.

Article 1 (a) Act No.10 of 1994 - Income Tax postulates that a tax object is an individual or corporation which according to the tax laws are required to fulfill his/her tax obligations, including tax collections and withholding. Even though the wording does not explicitly distinguish between men and women, in practice an Individual Tax Object can only be either men/husbands or husbands and wives who, before marriage, drew up a marriage contract separating their wealth and incomes. The Individual Tax Object does not include married women in its practice.

As regards the position of married women as entrepreneurs it is known that the taxation law is disadvantageous to women (Kusnadi, 1996). Women are not free to conduct their own business. This kind of system must be reformed to provide an incentive for women to start their own businesses.

Based on the assessment of the above laws and regulations, the disadvantaged position of women as entrepreneur is difficult to be abolished. Indonesian implicit marriage agreements as well as clauses in the legal Marriage Law, such as husband's right to also own his wife's property, are rooted in the traditional norms and values which can only be changed gradually over a long period of time. Improvements can be fostered through some modifications in the implementation of the tax law so that women's entrepreneurship can be encouraged.

4. National Machinery

4.1 The State Ministry for the Role of Women

To support every clause on the enhancement of the role and status of women in development in 1978 a discrete National Machinery was established by the government. This Machinery was chaired by the Junior Minister for the role of women who reported directly to the President. This position of State Junior Ministry was then upgraded in 1983 to become the State Ministry for the Role of Women (currently known as *Menperta*). According to the Presidential Decree number 25/1983, the functions of the State Ministry for the Role of Women are:⁶

- a. preparing and planning the formulation of government policies pertaining to the enhancement of the role of women in all fields of development;
- b. coordinating all activities in order to achieve cooperative, balanced and integrated efforts in overall implementation;
- c. coordinating operational activities of various government agencies, non-governmental institutions and organizations concerning programmes for the enhancement of the role of women in development;
- d. submitting reports, information, and recommendations concerning the enhancement of the role of women in development.

In order to enable the State Ministry for the Role of Women to function effectively and to be part of the National Machinery, institutional arrangements for policy formation, implementation, monitoring, review and appraisal of achievements have been established by facilitating a network of linkages (Tjokrowinoto, 1987, pp. 5-6). These include:

1. Cabinet meetings. As a member of the Cabinet, the State Minister for the Role of Women has the chance to interact with the other members of the Cabinets through consultations at Cabinet meetings.
2. Monthly routine meetings and monthly intersectoral meetings with governmental agencies reporting under the respective coordinating Minister.
3. Close cooperation with the National Development Planning Agency or *Bappenas* and other technical departments in order to formulate the Five-Year Development Plan (*Repelita*).
4. Meetings in the form of communication and consultation fora, inviting private companies, social organizations, especially women organizations and the Family Welfare Movement (PKK).

Moreover, a twice-a-year meeting for the formulation and assessment of the budget and programmes is also being held. If particular questions occur, special meetings with the

⁶ At the national level, based on the Presidential Decree no. 44/1993 on The Status, Functions, Organizational Structure and Order of Work of the State Ministry, the State Ministry for the Role of Women has the functions of undertaking policy formulation on the role of women in development, planning related programmes, coordinating activities of line ministries concerning the enhancement of the role of women, mobilizing the community participation and submitting report to advisers to the President with regard to her/his tasks. See Office of the State Minister for the Role of Women, 1998, 0. 10.

affiliated organizations such as SPSI (All Indonesian Union of Workers) and NGOs may take place. This National Machinery allows any organization to participate which is inclined to participate in the success of the programmes' formulations and implementation for women. At the provincial level, close cooperation with Provincial Governments and Provincial Development Planning Boards is maintained through regular visits as well as through sub-national working groups on particular programmes.⁷

4.2 Sectoral departments

As guided by the Presidential Decision number 25/1983, the functions of the State Ministry for the Role of Women are concentrated on the planning and coordinating and not the implementation of these programmes. The primary responsibility for implementing all development activities for the enhancement of the role of women lies in the hands of the various sectoral departments which have development programmes concerning the role of women.

The programme officers are located within the hierarchical structure in each department. Programmes or projects are carried out by field offices of Central Departments in cooperation with the sub-national governmental machinery. Most of the departments in one or other ways are engaged in the implementation of the programmes such as the Department of Health, Department of Manpower, Department of Agriculture, Department of Forestry, Department of Co-operatives, Department of Religious Affairs, Family Planning Body and so forth. Some examples on the operation of this National Machinery follow (ADB, 1991, p. 43):

- The Department of Trade provides extension services to small-scale women traders in 15 provinces;
- The Department of Agriculture provides extension services to women farmer groups and women fish-farmer groups;
- The Department of Manpower provides protection on women workers, legal rights and responsibilities of women through SPSI (All Indonesian Union of Workers) and also to identify productive activities;
- The Department of Education provides education facilities and training, including training in practical skills;
- The Department of Public Works funds improvements of housing conditions of women workers, including water and sanitation and pollution control;
- The Department of Social Affairs funds extension services on women's working environment. It also conducts studies on wife and child abuse.

⁷ Base on the Presidential Instruction No. 5/1995, the President has instructed the State Minister for the Role of Women, Minister of Home Affairs, Governors and Regents to more establish and increase management coordination for the advancement of women at the Provincial and sub-national level. To respond towards the Presidential Instruction, the Minister of Home Affairs has also issued an Instruction No. 17/1996 on the Technical Guidance on how to implement the programme Management for the Advancement of Women at the provincial level. See Office of the State Minister for the Role of Women, 1998, pp.11.

4.3 The working groups

At the more operational stage, this National Machinery is conducted in various working groups (*kelompok kerja-Pokja*) under the coordination of the affiliated Assistant of the State Minister (*Asmeneg*) on behalf of the State Minister for the Role of Women. There used to be four *Asmeneg*: Assistant Minister for Family Welfare, Assistant Minister for Women in the Workforce, Assistant Minister for Women's Education, and Assistant Minister for Social-Cultural Development.

Members of the Working Group are programme officers from related departments and representatives from some NGOs. Members from certain women organization (such as *Dharma Wanita*) and professional organization (such as SPSI) could also be involved in these working groups.⁸ In the case of the State Minister for the Role of Women, there were at least seven Working Groups, i.e., Working Group on Healthy and Prosperous Family (coordinated by Assistant of the State Minister for Family Welfare); Working Group on Consumer's Education and Extension; Working Group on Family and Under-fives Development (both under the coordination of Assistant of the State Minister for Women's Education); Working Group on Female Productivity (coordinated by the Assistant Minister for Female Workers or Women in the workforce); and Working Group on Law and Working Group on Information (both of them are under the coordination of the Assistant Minister of State for Social-Cultural Development).

It is in those Working Groups that the policy guidelines of the State Minister and policy guidelines of the sectoral ministers are reviewed and integrated. The Working Groups initiate and formulate plans, translate them into programmes and projects, adjust budget proposals, outline scale priorities, issue implementation guidance, select programme locations and finally conduct monitoring and evaluation (see Appendix II).

To give a clearer picture on the performance of this National Machinery on certain programme formulation, a case study on the Ratification of the Convention on the Elimination of All Forms of Discrimination against Women is presented below (Tjokrowinoto, 1987, p.5). The process of the ratification of the Convention on the Elimination of All Forms of Discrimination against Women started with inter-ministerial coordination among the Associate Minister for the Role of Women with the Minister of Justice and the Minister of Foreign Affairs. The Minister of Justice dealt with the legal aspect of the ratification, while the Minister of Foreign Affairs dealt with the international relation aspect of the process. After the inter-ministerial meeting which discusses necessary measures taken during the preparatory stage of ratifications followed by the approval from the President towards the initiatives of the Associate Minister for the Role of Women to formulate the draft of the law ratifying the Convention, the Minister Coordinator for People's Welfare then appointed a Working Group to assist the SMRW to study the substance and formulate the Draft. The Working Group consisted of representatives of the 12 departments and non-departmental institutions as well as 3 non-governmental institutions. The departments and non-departmental institutions represented in the Working Group were: Department of Justice, Department of Foreign Affairs, Office of the Associate Minister for the Role of Women, Department of Health, Department of Manpower, Department of Education, Department of Social Welfare, Department of Religious Affairs, Department of Home Affairs, Office of the

⁸ Other possible involves in this Working Groups are representatives of related line ministries, private agencies, experts, community organizations and Family Welfare Movement (PKK).

Supreme Court and the Family Planning Board. The three non-governmental institutions represented were the Indonesian Women's Congress (KOWANI) the Indonesian National Commission on the Status of Women (KNKWI) and the Indonesian Federation of Labour (FBSI). It is in this Working Group that the interaction among sectoral departments and semi-governmental institutions as well as affiliated non-governmental institutions took place. Each party would try to evaluate the Convention from their own perspectives, studying the degree of conformity between the Convention and the existing national laws and regulations.

4.4 Women's voluntary organizations

In discussing Indonesia's National Machinery, it is important to understand various other crucial organizations and institutions supporting the Minister of State for the Role of Women. A few of them are:

- **PKK (Pendidikan Kesejahteraan Keluarga – The Family Welfare Movement)**

The PKK, normatively, is a community-based movement with the primary objective of improving family welfare (Tjokrowinoto, 1993, p. 7 and Thorbecke, pp. 275-276). In reality, PKK is a semi-governmental movement operating under the aegis of the Department of Home Affairs.⁹ The leadership structure of the movement is parallel to the hierarchy of the bureaucracy. In most cases, the wives of the heads of each level of government offices will automatically become the chairladies of PKK working under the influence of their husbands.

Consequently, PKK becomes an effective channel through which government's development programmes reach both urban and rural women. Besides, PKK has ten uniform and centrally-imposed basic programmes, such as food, clothing, education and skills and health, aiming at increasing human resource development both for their own sake as well as in support of the programmes of sectoral departments.

The ten programmes of PKK are rooted in the Indonesian National Development Strategy by using familial relationship as model for societal relationship. The family is a basic and fundamental unit and therefore, the promotion of family welfare is considered as the basis for community and national development.

- **Dharma Wanita**

The second important component in the National Machinery is *Dharma Wanita*.¹⁰ This organization was established in 1974. This organization covers all of the wives of civil servants. *Dharma Wanita* membership is spread over the whole country down to the smallest government administration unit. The purpose of *Dharma Wanita* is to strengthen unity, solidarity and mutual cooperation and to create a dependable organ that can serve as a loyal partner and comrade-in-arms to the Government Civil Servants' Corps. Similar to PKK, *Dharma Wanita's* working plan is aimed at the realization of a just and prosperous society through endeavors towards an equal distribution of wealth and spiritual happiness. The working programmes are meant to support the Government's national programmes and include: (i) courses on the Guidelines to the Comprehension and Practical Application of

⁹ It is established and regulated by various governmental decisions and instructions, such as Decision of the Minister of Home Affairs No. 30/1981 and Instruction of Minister of Home Affairs No. 28/1984.

¹⁰ Another well-known women's organization to support the machinery is *Kowani* or the Indonesian Women Congress - a federation of 64 national women's organizations, ranging from professional groups to religious associations (Department of Information, 1985, pp. 24-25).

Pancasila; (ii) education propagation; (iii) population education and family planning; (iv) nutrition and health education; and (v) socio-cultural activities.

Like the vertical linkages in PKK, *Dharma Wanita* consists of many units at the central level. There are civil departments, called the Central Units. There is a Unit in each provincial capital chaired by the wife of the respective governor, and a Regency or Municipality Unit in each Regency/Municipality, chaired by the local Regent's/Mayor's wife.

- ***P2W-KSS (Peningkatan Peranan Wanita menuju Keluarga Sehat dan Sejahtera - Programme for the Improvement of Women's Role in Fostering a Healthy and Prosperous Family)***

The P2W-KSS has the task of coordinating special women's programmes carried out by sectoral departments at the village level. The target is women from indigent households in poor communities. Its main activities are mainly directed towards social welfare, but they also include income-generating initiatives for very poor women. The programmes are often run together with PKK. The activities of P2W-KSS include: (i) basic activities, to promote literacy, sanitation, and maternal and child health; (ii) follow-up activities (including family planning programmes), to improve skills of local artisans and traders; (iii) support activities, mainly intended for educational purposes, such as instruction on environmental issue or on the government ideology of *Pancasila*; and (iv) special activities, such as those for women in transmigration programmes (Oey-Gardiner, 1993, pp. 125-126).

- ***PSW (Pusat Studi Wanita - Women Study Centre)***

The task and function of PSW is to recognize and overcome various problems faced by women in playing their role in development. PSW also supplies information of the results of scientific assessments and researches concerning women's role in development.

- ***KNKWI (National Commission on the Status of Women)***

This commission was established in 1968 in response to the UN Commission on the Status on Women to set up a national commission in the member States. Its members represent many women's organizations and a number of affiliated government departments considered relevant to their task of conducting surveys and research, analyzing and proposing recommendations pertaining to women. The activities are organized at the request of and in cooperation with government agencies and other women's organizations and universities. As a semi-governmental autonomous body which is working towards advancement of the status and position of Indonesian women, both in the family and within the society, KNKWI has close ties with the Minister of State for the Role of Women (Department of Indonesia, 1989, p. 191).

In sum, the Office of the State Minister for the Role of Women becomes the focal point embedded within an organizational matrix of national machinery – which consists of both networking and information sharing functions for the advancement of the role of women. The matrix of organizations encompasses other components of national machinery as mentioned above.

Even though the important role and contributions of the various organizations and institutions supporting the Minister of State for the Role of Women are unquestionable, however one must argue that - based on the gender ideology that dominates the mainstream of policy making processes - those organizations have limited women's active participation and

capability. They emphasize more the women's domestic role or how a woman can serve her husband or members of the family rather than thinking for her needs per se. The *Dharma Wanita* and the Family Welfare Movement (PKK) are two good examples to describe this situation.

Both *Dharma Wanita* and PKK are officially sponsored organizations and government imposed programmes. They are used as passive organizations to transmit government directives and state ideology to the mass of ordinary women. As a consequence, they monopolize women's mobilization and create total absence of genuine grass-roots women's organization independent and democratically managed by and for women (Eldridge, 1995, p. 154). Due to the strict government directive framework of the ten programmes of PKK, it will create constraints in the formulation of local programmes initiated by women. In other words, there tends to be no flexibility for women to create their own programmes based on their needs and initiatives.

Moreover, these government-based organizations or institutions present an official image of the "ideal" Indonesian woman as active citizen and home-maker, as well as nurturer and supporter to her husband. Both *Dharma Wanita* and PKK reproduce the functional role and position of husbands within the bureaucratic hierarchy in accordance with the Minister of Home Affairs' instruction. This situation in some ways has created women's dependency on their husbands - and in a broader view - dependency on the government.

While various extra tasks are imposed on women in the name of promoting national development, however, such new roles are subordinate to their primary domestic roles. The PKK in particular assume that the ideology of women's role in the family - as wife, mother, housekeeper and prime socializer - is more compatible with the State's interest in social control and domestication than with its stated economic objectives of expanded production and improved living standards. Activities women promote in PKK rarely stray outside the female's roles of mothers and housewives (Eldridge, 1989, p. 154).

In general, there are two government views of women's role in Indonesia (Poster-Coster, 1993, pp. 133-134). First, it emphasizes women as housewives. Women's contribution to society is clearly seen in the context of the domestic domain. The PKK programmes clearly reflect this condition which is primarily concerned with women's productive tasks: breeding, caring, feeding and passing the dominant values of society to the next generation. Second, in some cases and complementary to the former, the view of motherhood (*ibuism*) is well stressed. Women as mothers are supposed and obligated to serve their husbands, their children, community and the State. As a consequence, women have to contribute their labour on a voluntary basis and without any expectation of real prestige or power or reward. This is clearly described in the *Dharma Wanita*. In some cases, women who have full time jobs have to sacrifice considerable time and energy to support this organization to which they belong by virtue of their husbands' jobs in government service.

With this situation, the challenge for the future is rather complex. It mainly highlights the issue whether women's problems can be most effectively addressed by distinct organizations or within more general organizational frameworks. However, what needs to be emphasized is an argument that is in favour of (separate) organizations that will give women more space to identify needs and concerns and develop their own styles and strategies. The separate organizations will give greater opportunity for female leadership to emerge. Correspondingly, as these separate organizations strengthen, they are better able to deal with men's groups on

equal terms, and to gain opportunities to influence the decision-making processes. Can this goal be achieved by *Dharma Wanita* and PKK? Can there be space for more and better autonomy for those organizations (under the government framework)?

4.5 Constraints on coordination

The above description indicates that the commitment of the Indonesian government in terms of official policies, programmes and the institutional arrangement as well as technical capabilities for enhancing equality and protection of women in the workforce are crucial factors. While the legislative framework and the national machinery are relatively favorable to women, there is considerable scope for strengthening the institutional arrangements and technical capabilities in implementing the designated programmes.

The serious problem of coordination that exists between the SMRW and other affiliated departments and institutions in implementing programmes with a gender perspective hinder women from benefiting maximally, if they benefit at all. For example, the Small Business Development Programme, which is designed specifically for women, has generally reached a greater success rate compared with other programmes, whose implementations are placed under the responsibility of various sectoral departments. However, this programme, which is aimed at opening up work opportunities as well as encouraging women to participate in business, is small in term of its scale, with a budget that is less than one billion rupiah per year. It has not found a great deal of popularity, and its results have not been felt very much by many of the targeted women.

On the other hand, other programmes with greater reach, which are organized under the coordination of the State Ministry for the Role of Women but are carried out by sectoral departments, often lose their intentions, i.e. to attend to women's interests. There are three main reasons for the failure of such programmes. First is the fact that economic benefit has often become the main priority. The consideration on how the programme may maximally benefit the targeted group receives little attention.

Second, the lack of gender awareness amongst many programme implementors who are usually men is another major reason underlying the failures of women-specific programmes. Certain efforts must be taken in order to increase gender awareness, specifically at the implementation process, so that these programmes can effectively reach the targeted group.

Third, programmes coordinated by the Ministry for The Role of Women and implemented by the affiliated sectoral departments are given as the responsibility of the sub-section heads who are the fourth echelon in the departmental hierarchy, and not the first two echelons who are the main departmental policy makers. This indicates that such programmes are often marginalized and given little attention within these sectoral ministries. By putting the programmes under the responsibility of higher echelon officers, programmes should be carried out better in accordance with the original purpose. Aside from this, *Menperta*, together with *Bappenas*, has also put forward certain regulations concerning the procedures for carrying out gender related programmes.

5. National Policies and Programmes

As mentioned in Chapter 3, there are two kinds of policy approaches to improve the opportunities for women to participate in economic activities. The first is general policies, aimed at improving the general welfare. The second is gender specific policies. Following the discussions in Chapter 3 on National Legislation and Regulations, this chapter discusses the manifestation of some of these legislation and regulations in major policies and programmes. The discussion follows the structure of Section 3.2, to wit, beginning with the general policies, followed by the gender-specific policies.

5.1 Preparing the human capital

Even though a sizable portion of the working women are still undereducated, a clear trend of improvement in general female education attainment signals a future improvement in the quality of women's employment. Between 1990 and 1998, the portion of women having less than a primary school education decreased 24.3 per cent from 51.5 per cent to 39 per cent. Along with the increasing female participation rate in primary school education, the gender gap is also rapidly decreasing. At the primary level, the gender ratio (f/100m) reached 93 per cent in 1996, compared with the already high 86 per cent in 1976. At the junior and senior secondary level, the change was quite striking, from 65.1 per cent and 56.7 per cent in 1976 (World Bank, 1998), to 90.8 per cent and 83.9 per cent in 1996.¹¹

In addition to formal education, technical and vocational training is also an issue in developing the human capital development for women. Further, prior vocational schools education is shown to be highly correlated with female participation (Manning, 1998, p. 239). The main sources of this kind of training are the secondary technical and vocational schools, and skills and training centers, provided by both the public and private sectors.

In addition to the institutional training, which is normally received before employment, there is also the enterprise-based training. This enterprise-based training is particularly significant given women's disadvantages in having lower participation rates in prior education and institutional training. Even though, as described above, there is a trend of improvement for women's participation in formal education and training, the rate is still much lower compared with that of men. In 1997, 39 per cent of all women in the workforce had less than a primary education, compared with 26.2 per cent of men. In the urban areas, the rate was 20 per cent for women, compared with 12.7 per cent for men.

The following section discusses major policies and programmes that have influenced women's access to education and training. Education and training policies are non gender-specific policies. Consequently, most of the following discussion will pay attention less to whether the policies are gender-biased than to their impacts on women's employment. Nevertheless, the authors also take into considerations that, in its implementation, discrimination occurred, in such cases the authors take note of possible ways where it has or could have occurred. The discussion will be separated into two sections: on education, both formal and non-formal, and on training, both institutional and enterprise-based.

¹¹ Data from *Lampiran Laporan Pidato Kenegaraan President Republik Indonesia*, 15 August 1998.

5.1.1 Education

The first comprehensive law on the national education system was promulgated in 1989. However, even before that, the development of education had been going on. Following a change of regime in 1966, the New Order government immediately worked on improving the educational status of Indonesians. Its first step was to expand primary education through the Presidential Instruction Primary School (SD Inpres) ordinances.

Then, following the achievement of universal primary education in 1984, in 1989 the government announced its plan towards compulsory nine-year basic education. Implementation of the policy began in 1994, and the government planned to achieve its goal of compulsory nine-year basic education by the end of *Repelita* VIII in 2010.

In addition to the expansion of the formal basic education system, the government also saw the need to distribute education more equally. An attempt at this was made through the non-formal education (NFE) programme, which was started in 1978. The idea was to provide an avenue for those who have not received formal education to “catch up” with the rest who have. This NFE programme was continued and given a legal stature following the Law No. 2, 1989 on the National Education System.

5.1.1.1 Universal Primary Education: the SD Inpres Programme

The *SD Inpres* Programme aims to expand primary education throughout Indonesia. The target was to make primary schools and its supporting facilities available in each of more than 60,000 villages in Indonesia. The first Presidential Instruction School Programme began with the Presidential Instruction No. 10, 1973, which was then extended by subsequent presidential instructions.

The result was impressive. If in 1968 only 41.4 per cent of population aged 7 - 12 received primary education, by the end of the third Five-Year Development Plan (1983/1984), the number increased to 97.2 per cent (BAPPENAS, 1990, p. 156). On May 1984 – ten years after the development of physical infrastructures for primary-level education – President Suharto announced universal primary education, and declared primary level education to be compulsory in Indonesia.

In fact, this policy has resulted favorably for girls. If in 1971 only 5.7 million girls aged 7-12 were attending school, by 1985, the number had doubled to 12.1 million. The beginning of the 1970s saw only 58 per cent of primary school aged girls attending school. The number increased to 94 per cent by the 1985 (Oey-Gardiner, 1991a).

Moreover, as already mentioned above, the gender gap at the primary level in terms of participation rate is also narrowing. At the primary level, the gender ratio (f/100m) reached 93 per cent in 1996, compared with the already high 86 per cent in 1976.

5.1.1.2 Universal Basic Education: An attempt towards further equity

The Law No. 2, 1989 on the National Education System introduced a universal nine-year basic education programme for elementary and secondary level education. Implementation began in 1994 and, prior to the crisis, is expected to be completed by the end of *Repelita* VIII. The introduction of the initiative is urgent since Indonesia has been lagging behind in its junior secondary enrollment, compared with its neighbors. It is especially urgent considering,

Table 5.1. Net female enrollment ratios by age and residence, Indonesia, 1971-1985

Age	Urban			Rural			Total		
	1971	1980	1985	1971	1980	1985	1971	1980	1985
7-12	72	91	96	55	81	93	58	83	94
13-15	57	72	83	34	50	65	39	56	70
16-18	34	45	63	11	16	31	15	24	41

Source: Oey-Gardiner (1991a)

for instance, that in 1994 alone 1.2 million primary school students could not continue to the junior secondary level.

The policy to expand universal education to include junior secondary education is a gender-neutral policy. Oey-Gardiner (1991b) ran a regression on factors that might become predictors of enrollment levels, and found school availability to be a strong predictor of enrollment level at the junior secondary level. Moreover, this factor is found to be stronger for girls compared with that of boys. This can be partly explained by the notion that parents tend to allow their sons to travel further than their daughters.

Table 5.2. Junior secondary enrollment in several SE Asian countries

Country	Enrollment rates
Malaysia	83 (NER, 1990)
Philippines	79 (GER, junior and senior, 1993)
Thailand	63 (NER, 1994)
Indonesia	47 (NER, 1995)

Source: World Bank, Edstat, 1997.

Also, it seems that, in the absence of resource scarcity, there is no cultural bias against educating women. The World Bank (1998) argues that, in general, parents do not appear to discriminate in spending by gender for their children's education at any level of education. In fact, parents reported spending 25 per cent more on girls at the tertiary level than on boys.¹² The better participation of women in junior secondary education can also be found from the

¹² World Bank, 1998, p. 7. The data used was based on *Survei Sosial-Ekonomi Nasional (SUSENAS)* 1995 in West Java. They also found a similar pattern in South Sulawesi and Maluku.

Table 5.3. Age specific enrollment rates by gender and per capita expenditure quintile, 1994 (per cent)

	Poorest	2	3	4	Wealthiest	Total
13 – 15 years old						
Boys	56	58	67	76	94	69
Girls	42	56	68	79	80	65
Total	49	57	68	76	86	92

Source: Indonesia Family Life Survey, cited in World Bank (1998)

narrowing gender gap. If in 1987 the gender ratio (f/100m) in junior secondary enrollment was 81 per cent, it improved to 95 per cent by 1996.

This, however, does not apply to the poorest quintile. Among the poorest quintile, the enrollment rates for boys between 13 – 15 years of age was 56 per cent, compared with a mere 42 per cent for girls.

5.1.1.3 *Non-formal education opportunities*

Since the Second Five-Year Development Plan (1974/1975 – 1978/1979), the non-formal education sector received greater attention from the Government. This was indicated by its efforts to institutionalize the non-formal education programmes by strengthening the Directorate General of Non-Formal Education under the Minister of Education and Culture (MOEC). The Government started its first Non-formal Education Project (NFE) in 1978. It then received a legal stature – following the Law on the National Education System – in the form of a Government Regulation (*Peraturan Pemerintah/PP*) No. 73/ 1991 on out-of-school education, rooted in Article 6 of the Law on the National Education System No. 2, 1989.¹³

In general, the programme tried to support attempts at providing compulsory basic education and provided those unable to receive formal education an avenue to educate themselves. To achieve that, the government offered three basic packages – also known as “*Kejar*” (an acronym meaning “study groups”).

The first two – Package A and Package B – are aimed at providing basic education up to the junior secondary level. Package A is a basic education programme that is on a par with the six years primary level education. It also supports the primary level compulsory education by increasing the participation of those 7-12 years of age. Package B is a more advanced education programme, aiming at providing junior secondary level education and is designed to support attempts for universal basic education (up to junior secondary level). Finally, the income-generating programme is designed to help develop basic entrepreneurial skills.

¹³ Article 6 of the Law on the National Education System states that every citizen has a right to be involved in education to acquire knowledge, abilities and skills through basic education at the very least. Basic education, as defined in Article 13, includes both six years of primary and three years of junior secondary level education.

At the primary level, women seem to have utilized the opportunity provided by the out-of-school programmes more than boys. In 1992/93 out of about 673,562 participants of Package A programme, 54.9 per cent were women, compared with 45.1 per cent of men; 54.7 per cent of the women who joined the programme were previously illiterate, while the rest were primary school dropouts. Meanwhile, men were much more dominant in the Package B programme, comprising 60.3 per cent compared with 39.7 per cent of women in 1992/1993 (Departemen Pendidikan dan Kebudayaan, 1992/93, Table 11).

The highest percentage of women's involvement was in the income-generating programme. In 1992/93, 67.8 per cent of those joining this programme were women.

However, despite the high women's participation, the effectiveness of these "kejar" programmes in increasing the welfare of women is still in question. Research in the Lampung province showed that, while Package A programme reduced illiteracy among women and housewives in the rural areas, it seemed to have very little influence in increasing their income (Baharuddin and Jasmi, 1991). Similarly, the *Insan Harapan Sejahtera* (1993) study in preparation for the Third NFE project in Indonesia with the World Bank also found – based on survey and case studies in Sumatra, Java, Bali and Sulawesi – that earnings are not so much related to the amount of training, but instead to years of formal education and age (both positively related) (Sejahtera, 1993).

5.1.1.4 Education and women employment: Keeping on the right track

In general, the education policy has been successful in narrowing the gender gap in education at all levels. This achievement cannot be separated from the fact that there seems to be little cultural bias against educating women in Indonesia if educational facilities are available and accessible in terms of both proximity and cost (Oey-Gardiner, 1991b, pp. 57-59). The example at the primary level has shown that a policy of universal education would be an effective "equalizer" between male and female. As depicted in Table 5.4, the gender gap has narrowed even among the poorest quintile.

Henceforth, the government should keep expanding compulsory education to include junior secondary level. This is so because not only will the provision of universal basic education improve female participation in the labour force, it will also have positive externalities that span through all aspects of life – particularly for women and children. In Indonesia, studies found that the mother's junior secondary level education increases the use of prenatal care and children's nutritional status significantly.¹⁴

Furthermore, the decision to finance junior secondary education is a sound investment. The return to investment from expanding junior secondary education is six times larger than if the money is spent on providing public training with a 5 per cent rate of return (World Bank, 1997, p. 35). Also, earnings among women in micro-enterprises are found to be related more to the level of formal education than to the amount of non-formal education training –

¹⁴ Serrato and Melnick (1995) found maternal education to be a strong determinant of the use of prenatal care: more than 90 per cent of women with junior secondary education used prenatal care, compared with only 75 per cent of women with some primary education. Meanwhile, Frankenberg, Surastini and Thomas (1996) showed that for Indonesian women with between zero and five years of education, an additional year of education has no impact on children's nutritional status. However, for women between six and twelve years of education, an additional year of education improves nutritional status significantly (see World Bank, 1998, p. 47).

Table 5.4. Age specific enrollment rates by gender and per capita expenditure quintile, 1994 (per cent)

	Poorest	2	3	4	Wealthiest	Total
7 – 12 years old						
Boys	85	93	95	97	98	93
Girls	83	93	94	96	96	92
Total	84	93	94	97	97	92

Source: Indonesia Family Life Survey, cited in World Bank (1998)

signaling that efforts to improve the earnings of women entrepreneurs must begin by reducing inequalities in terms of access to formal education (Sejahtera, 1993).

The discrimination in education spending for girls aged 13 - 15 years among the poorest quintile signals the need for a pro-poor policy. However, this pro-poor policy need not be oriented to women per se. As exemplified by the prior experience of universal primary education, the availability of schools – in terms of cost and proximity – is an ample incentive for Indonesian parents to send their girls to school.

5.1.2 Training

In addition to formal education, training interventions can provide another means for human resource development. However, given its relatively expensive cost, training should be targeted and utilized carefully, placing it in an overall human resource development framework. The annual flow from the formal education system consists of about 4.5 million, 2.8 million of which are those who either drop out of primary schooling, finish primary schooling but do not proceed to junior secondary level, or those who enter but do not finish junior secondary schooling. These 2.8 million who have not completed nine-year basic education will be significant in influencing the level of productivity of the economy in the years to come (World Bank, 1997, p. 29).

A well designed, well-targeted training can improve the skills and productivity of the dropouts from the formal education system. Training, especially in-service training, is particularly important for women wage employees given their prior disadvantages in formal educational and vocational institutional programmes.

The following discussion will look into two types of training: institutional training – both provided by the public and the private sector – and enterprise based training. The former refers to training given prior to one's entry to a job, while the latter refers to training given on the job. The section on institutional training will also discuss publicly funded training programmes that is not necessarily part of the public vocational centers/institutions.

5.1.2.1 Public and private training programmes and institutions

According to the Presidential Decree No. 34/ 1972, three agencies are responsible for coordinating training: (a) the Minister of Education and Culture is in charge of and responsible for the management of general education and vocational training; (b) the Minister of Manpower for vocational training to the non-government sector; (c) the Chairman of the National Agency for State administration for the training and education of government officials. This section focuses mainly on the training institutions under the main provider, the Ministry of Manpower (MOM).

Unlike in education, training in Indonesia is conducted predominantly by the private sector. The expansion of training centers by the private sectors was much faster than that of government institutions. More than 20,000 centers are registered with the Ministry of Education and Culture (MOEC) and the Ministry of Manpower (MOM), serving about 4.5 million students annually. This annual enrollment is ninety times larger than MOM's 50,000 trainees in its vocational training centers (BLKs/KLKs).¹⁵

There are criticisms that these public vocational centers are not gender-sensitive. For instance, in a World Bank (1991) survey of all MOM's training centers, only one had a policy of enrolling 15 per cent women. ILO (1993) also argued that these vocational training systems still perpetuate traditional attitudes towards women and, hence, limited the training opportunities for women in new industrial technologies.

Meanwhile, private training centers are expanding rapidly. They are mainly catering for the demand in services, such as languages, home economics and computer skills. Private training centers are market driven and can reflect the needs for training more accurately. Despite criticisms that some of these centers offer low quality training, the mere fact that these centers remain shows that there is a need for skills training with this kind of quality and price. If participants want a higher quality training, they can pay more for a more comprehensive kind of training.

Although it is true that it is harder to impose special quotas for women in private institutions, it seems, that the market driven approach is more efficient in fulfilling the needs of women. An analysis of the *SUSENAS* 1992 survey revealed that women who wanted to be trained in these private institutions had greater access than men (respectively 32 per cent and 25 per cent who wanted to be trained are in training) (ILO, 1993).

However, there are some areas not served by the market. Here, the public sector can play its part, for instance, in training entrepreneurial skills or industrial skills in small enterprises in the rural areas. As a matter of fact, these types of programmes have been conducted by the government. Nevertheless, these programmes are often criticized as being unable to reach the right target groups, and they are biased against women.

Machfud et al. (1994) described this problem of targeting. From their studies of women entrepreneurs in West Java, they found that the majority have never benefited from interventions. This has been so because most of the entrepreneurs run very small size

¹⁵In general, the BLKs and KLKs have low efficiency. Their operations depend too much on the public budget, and the quality rises and falls according to the budget allocated during that fiscal year. Furthermore, it is not so clear that the public vocational training centers' graduates have an edge compared with non-graduates (see World Bank, 1997, p. 29 and ILO, *ibid.* p. 49).

enterprises that are not recorded officially. There is also a bias against women in the choice of participants, even in a field where women play a major role, such as food processing.

In one case, women were not invited because the village head (who was given the authority to invite training participants) thought that women were too busy to attend the training. In a different case, women did not join the training programme because it was held late in the evening. Moreover, there is also a common perception that managers of businesses are heads of the family, namely the husbands.

Women who enter training programmes with equal levels of educational and experience background can do as well as men. However, fewer women – due to socio-cultural reasons or otherwise – enter training. Hence, special efforts must be made to attract them. This includes holding the training at convenient times and locations (for instance, on Sundays and in the afternoons instead of late in the evening, with as little travel time as possible), and setting special quotas for women in government-initiated training, especially in industries where women are more dominant.

5.1.2.2 Enterprise-based training

Several surveys on firm's behavior in terms of recruitment conducted in various years revealed that prior training ranked the least among factors considered important in recruitment. Age and prior formal education ranked highest, followed by the worker's sex (see Table 2.2). Most firms rely mainly on in-service training and internal labour markets for upgrading workers (World Bank, 1997, p. 92). Hence, this emphasized the importance of enterprise-based training, especially for women workers who have been disadvantaged in terms of lower formal education upon entry into the labour market. Enterprise-based training opportunities can improve the welfare of women workers by allowing career advancement.

However, women seem to be disadvantaged. A World Bank survey (1991) of 142 enterprises in eight branches of export-oriented industries in four geographical areas and covering a total workforce of some 56,000 (of which slightly more than half were women) found that women had less access than men to training both at the entry level and in terms of additional training and retraining (ILO, 1993, p. 61). While most workers picked up their skills through experience from on-the-job informal learning, over half of the sample reported that they had not received any structured training since they started work.

Moreover, an ILO survey also found that only about two-thirds of the new female production workers received entry level training, compared with more than 90 per cent for their male counterparts. The survey also found that both production and non-production women workers had clearly less opportunities for retraining than male workers. Where female workers received retraining, it was usually of the lateral kind (i.e., training for movement between essentially similar skills, instead of an upward mobility) (ILO, 1993).

ILO offered three reasons for these discriminations against female workers. First, women are being hired mainly for jobs where skills training is not accorded importance by the employees. Second, employers do not appear concerned with enhancing the human resource potentials of women workers, nor do they appreciate the potential effectiveness of training. And third, companies tend to give preference, especially for retraining, to workers they do not expect to leave the company - their view is that women, especially married women, are more likely to leave than men (ILO, 1993).

The education of women might also account for these discriminatory practices. The demand for training increases with education, and educated workers are more likely to be offered training by employers (World Bank, 1997, p. ix). The relatively lower prior education of women workers, in addition to the explanations offered above, work to discriminate against women in terms of enterprise-based training.

5.2 Creating employment opportunities: rural development

Government's commitment to enhance people's welfare, (including women's status) through rural development policies has been stipulated in the Basic Guidelines of State Policy (GBHN) which established the basis for the Five-Year Development Plan (*Repelita*). The rationale to focus on rural areas are based on several reasons. *First*, the majority of the population still live in rural areas; *second*, people living in poverty are concentrated in this area; *third*, unemployment is usually severe in rural areas; and *fourth*, related to the globalization tendency, rural areas are considered to be the "labour supplier" for the urban industrialized areas. Because the globalization process tends to shift rural worker to the urban areas, the underlying problem that marked rural areas will also have an effect on urban/industrial development.

More specifically, government's commitment to concentrate on women's welfare in the rural areas was based on facts that rural women tend to be the "poorest of the poor", being unemployed, underemployed and uneducated and often trapped in conditions that leave them worse-off than their compatriots.¹⁶ This fact remains true because the individual status of rural women depends on a variety of factors, such as culture, changing modes of agriculture production, the availability and access to public services such as education, health and credit, migration, access to income, and so forth (Charlton, 1984, p. 126). Hence, in order to change or increase the role and status of rural women, policy interventions, especially those which emphasize employment creation and income generating activities, are a necessity.

Beginning with *Repelita* II (1973/74-1978/79), the government – with the help of some international organizations – has increased its attention to the need for a more equitable distribution of the benefits and opportunities of development, especially among women in the rural areas. This trend has been accentuated since *Repelita* III (1978/79-1983/84) (UNDP, 1980, pp. 125-126), and it includes a number of rural policies and programmes with the following objectives:

- a) an equitable distribution of access to means of fulfilling basic human needs, especially food, clothing and shelter;
- b) an equitable distribution of access to educational and health services;
- c) an equitable distribution of income;
- d) an equitable distribution of employment opportunities;
- e) an equitable distribution of access to business opportunities;
- f) an equitable distribution of access to participation in development, particularly for the young generation and women;

¹⁶ Some report identify that the poorest households tends to be headed by women (World Bank, 1990b:32,53). Other sources stated that the living conditions of female-headed households are generally inferior in terms of housing for instance to those headed by males (UNICEF/ESCAP, 1988).

- g) an equitable distribution of development efforts throughout the various regions of the country; and
- h) an equitable distribution of opportunities to obtain justice.

It is crucial that women have access to income and employment opportunities (point c and d). In other words, the increase in women's welfare depends on their involvement in productive activities. Although work status and income are certainly not the sole measures of women's position in the society, they are the basic means through which women can achieve a degree of personal security and social standing, as well as an increasing contribution to the welfare of their households and communities.

The policies are then translated into various rural development programmes that will create more employment and generate incomes for women. These programmes include: (a) the *Bimbingan Massal (Bimas)* or Mass Guidance programme, also well known as the Green Revolution; (b) Presidential Instruction (Inpres); (c) Rural credit programmes; and (d) Nucleus Small-holder Programmes (NES).

5.2.1 *Bimbingan massal/ mass guidance (Green Revolution)*

The *Bimas* programme was implemented based on the assumption that the success of increasing agricultural production was determined by a combination of bio-chemical technology with the close interaction between the extension workers and the farmers. The *Bimas* programme provided farmers with a package of services encompassing High Yield Varieties (HYV) seeds, chemical fertilizer and pesticides at subsidized prices, agriculture credit and extension workers. The multiple goal of *Bimas* can be specified as (i) the diminution or elimination of imports of rice accompanied by an improvement of total food supplies and qualitative nutrition; (ii) an increase in agriculture surpluses to be transferred for investment in secondary or tertiary activities; (iii) a growth and diversification of employment ensuring the provision of livelihood for the entire population; (iv) a substantial rise in farmers income and improvement in their living standards, including women, largely by the development of a full market-economy, where adequate suppliers of basic necessities were obtainable in greater numbers (Gibbons, 1980).

Even though, in some way, the *Bimas* programme succeeded in increasing agricultural production and achieved both mass men and women participation, the programme has also created severe labour displacing spillover which especially affects women. Traditional Javanese rice harvesting is a highly labour-intensive operation, typically performed by women who are paid by a share of the harvest (*bawon*). It is considered the stronghold of mutual-cooperation (*gotong-royong*). Ironically, by the adoption of the Green Revolution, which needs a new and more complex calculation of risk and benefits, farmers had to adopt a new harvesting system. The traditional harvest system (*bawon*) was apparently becoming significantly more expensive for the farmers as a result of increasing numbers of harvesters.

Under the new system called *tebasan*, the farmer sells his crop on the spot to a buyer (*penebas*), usually from another village, who undertakes to handle the harvest. The *tebasan* has the advantage of lowering harvesting costs by as much as one-half. Apart from replacing the women harvesters by men, the *penebas* uses much less labour, about one-half as much as the old system. Moreover, instead of using village women, the *penebas* brings in a small team of male workers, who work with a steel sickle instead of small knife (*ani-ani*). With the

sickle, the rice can be cut much faster than with the *ani-ani*. According to Collier, the shift of *ani-ani* to sickles has caused the displacement of women (Collier, 1981). The *ani-ani* required 200 or more person-days to harvest one hectare, whereas the sickles reduce the number to 75 persons-days. In general, the *tebasan* system is contributing both to the polarization of resources between and within different social strata and to the dichotomization of the relationship between men and women.

Another innovation introduced as part of the *Bimas* programme was the mechanization of rice processing. The use of mechanical mills or rice hulling machines displaced a large number of women (primarily landless) who had traditionally hand-pounded the rice. Research by Collier in the late 1970s mentioned that in 1950 about 90 per cent of rice was hand-pounded compared with 5 per cent in 1979. Collier estimates that Javanese women lost 125 million work days per year as a result of this technological development. Some evidence also points to the displacement of female labour with the introduction of rotary weeders and mechanized plowing (Berger and Horenstein, 1987, p. 16).

With the negative spill-over created by the implementation of the *Bimas* programme, such as the fragmentation of land holdings and technological change supported by economic and social change reflected in the male migration process and overall agriculture activities which are not promising, rural women are encouraged, if not forced, to seek other source of employment, usually in non-agricultural employment, to earn cash to help meet basic food, clothing and shelter needs. In some cases, rural women have difficulties in engaging in income generating activities because of their general lack of education and training and their hard and time-consuming responsibility in the domestic domain. Sometimes, cultural reasons are also seen as impeding women's involvement in income generating activities. For some cultures, it is a taboo for women to be engaged in "masculine" activities or be involved in activities which do not concern household tasks. According to Dixon, income generating activities need to be supported to: (i) raise the productivity of rural women's labour; (ii) transform subsistence activities into income-generating ones; and (iii) create new income opportunities for women. The various kinds of income generating activities in rural Indonesia are depicted below (Charlton, p. 128).

5.2.2 Presidential instruction (Inpres)

The *Inpres* programme constituted a means of promoting rural development and of recycling the sudden windfall revenue gains in the shortest time possible, avoiding conventional bureaucratic constraints on expenditure programme. It was basically a resource-sharing mechanism, through which the Central Government transferred a certain proportion of its revenues to sub-national governments by means of a system of flexible direct subsidies in order to stimulate income generating activities, employment creation, and infrastructure rehabilitation or construction benefiting the poor. Both men and women are expected to be involved in this programme. The best known *Inpres* is called *Inpres Desa* (village *Inpres*). Its grant was to be used for building village infrastructure and for projects related to the enhancement of the role of women as determined by the villagers through village deliberation process. The grant was also used for construction of road, school, market, irrigation rehabilitation and health services. In some area of Indonesia such as Bali women constitute an equal proportion with their male counterparts in heavy infrastructure rehabilitation or

construction activities¹⁷. However, there was never a clear study to assess the success of this programme, especially in raising women's role, status and welfare.

5.2.3 Rural credit programmes

Credit plays a special role in rural development as one of the main objectives of economic development is to increase the welfare of the people, including women, by way of increasing income of the people especially in the lowest economic strata. Many studies have indicated that while women have a dominant role in the household and child care decisions, they are also involved in income generating activities. However in general, their access to credit facilities is limited. This is caused by lack of collateral, insufficient literacy of lending procedures and the distance to the formal lending office, which make poor women prefer to make use of informal financial facilities.¹⁸ Women are willing to pay the higher interest rates over the in preference to facing the administrative bureaucracy and less flexible repayment conditions of formal credits. Somehow, men tend to have a comparative advantage in accessing formal credit services. This is related to the traditional and religious perceptions or interpretations of women's role. For example, land titles often used for collateral are usually in a man's name, even with property. Various credit programmes in Indonesia are as follows:¹⁹

- KIK (*Kredit Industri Kecil* - small industry credit)

KIK programme credit is extended to those who have shown their enterprising potential but are trapped in poverty due to lack of access to the money market. Credits are usually used to provide assistance to the small-industry sub-sector.

- KMKP (*Kredit Modal Kerja Permanen* - Permanent Working Capital Credit)

KMKP is quite similar to KIK. It was initiated to meet the working capital needs of the indigenous economically weak group.²⁰

- KCK (*Kredit Candak Kulak* - Grab and Resale Credit)

KCK is designed for the benefit of the economically weak small enterprises which are not qualified to access other credits.

¹⁷ The active participation of women in heavy work in Bali contradict the ideas that women can only be involve in domestic activities.

¹⁸ The low percentage of women participants in formal credit programme does not directly explain that women borrow less frequently than men. In addition to the official credit programmes there is also a variety of rural financial institutions that offer small loans at commercial interest rates. The proportion of women who borrow from these non-bank institutions are above 50. Yet, when they have to borrow money, most women turn to relatives, friends, and neighbors and also informal sources of credit such as moneylenders, traders, and so forth. See Artien; Sayogyo, 1994, p. 53.

¹⁹ Most of the information below are taken from two main sources: Office of the Minister of State for the Role of Women (1993), and Artien and Sayogyo (1994).

²⁰ According to Hasibuan (in Artien and Sayogyo, (1994, p. 52)) both KIK and KMKP have been criticized because more credit was channeled to the trade rather than the industrial sector and in general has benefited the big entrepreneurs. World Bank also stated that in 1987, 23.4 of borrowers were women but unfortunately they came from the well-off families that lived in the urban areas. With the establishment of the "January 1990 Package" those credits were banned and replace by KUK (*Kredit Usaha Kecil* - Small Business Credit).

- *Bank Perkreditan Rakyat* (People's Credit Bank)

Its main purposes are to (i) extend the credit accessibility to economically weak groups in the remote village areas; (ii) free them from loan sharks; (iii) increase the viability of people's enterprise in the villages; (iv) induce the propensity to save among peasants in the villages (Office of the Minister of State for the Role of Women, 1993, p. 7).

- *Kredit Usaha Rakyat Kecil* (KURK - Small People Enterprise Credit)

The target groups are the lower layer of the rural community such as farm labourers and small peasants.

- *Kredit Umum Pedesaan* (KUPEDDES - General Rural Credit)

The KUPEDDES credit was invested in the non-agricultural sector. According to the World Bank, 22.5 per cent of borrowers are women, 25-32 per cent according to the State Minister for the Role of Women in the early 1990s. In order to apply for loans, two signatures are required, normally, of the applicant and his/her spouse.

- *Badan Kredit Kecamatan* (BKK/ Sub-district Level Credit Board)

The objectives of the credit were to raise incomes and the standard of living, to protect people from moneylenders and to educate them on the benefit of financial savings. In the early 1990s, BKK served more than 35 per cent of Java's 8,500 villages with almost 500 sub-district BKK units and 3,000 village outposts. Women's participation in this credit in the same year was 60 per cent (Office of the Minister of State for the Role of Women, 1993).

- *Programme Kredit Kecil Pedesaan* (Small Rural Credit Programme)

This programme is not directed towards either sex. The types of activities to be supported by the loans show variations of participation among men and women. For non-agricultural activities, women's membership is higher. Research in the Sub-districts of Rajapolah and Singaparna in Tasikmalaya District, West Java, shows that women's participation in this scheme ranges between 30 and 40 per cent. However, there are two groups where the participation is higher, namely 69 per cent in a group wherein the majority of its members are sub-contractors to a local middle-level entrepreneur who acts as chairman of the group, and 76 per cent in a group where the majority of members are market traders (Artien, 1994, p. 54).

- *Programme Peningkatan Pendapatan Petani Kecil or P4K* (Programme for Improvement of Small-Farmer Income)

This programme is conducted by the Department of Agriculture. A study in West Java found out that in its first stage of implementation, there were no women involved because the activities were directed towards heads of households. However, the situation has changed. In fact a target of 30 per cent has been set for the number of women's groups and the possibility of "mixed groups" has been allowed for (Artien, 1994, p. 54).

- *Karya Usaha Mandiri* or KUM (Self-help Efforts)

This kind of scheme is a replica of the Grameen Bank in Bangladesh. Both men and women are involved and are organized in selected groups matching the activities they have chosen. By the end of July 1990, 16 groups with a total membership of 80 had been formed: nine for women and seven for men. By the end of the pilot project, it is expected that a ratio of 2:1

between women's and men's groups could be achieved. In Bangladesh, at present time 90 per cent of borrowers are women (Artien and Sayogyo, 1994, p. 55).

5.2.4 Nucleus small-holder programmes (NES)

This programme is also known as *Perusahaan Inti Rakyat* (PIR - Nucleus Estate and Small-holder Programmes) which received ample encouragement by the government. It usually consists of four activities: PIR-*Bun* (plantations); PIR-*Susu* (dairy product); PIR-*Unggas* (poultry industry); and PIR-*Tambak* (fish-breeding). Another programme that usually accompanies the PIR is TRI (*Tebu Rakyat Inti*-Small-holder Sugar Intensification) (Artien and Sayogyo, 1994, p. 51-52).

The strategy of the PIR is basically similar to the industries sector - using the *bapak-anak* (adoptive father) system. Under the PIR system, the nucleus (which correspond to the *bapak angkat*) provides guidance for the *plasma* (that is, the *anak angkat* or adoptive child) by supplying assistance with the means of production, management, processing and marketing. The relations between the nucleus and the *plasma* are supposed to benefit both parties, based on a contract system.

This programme has involved a huge amount of labour, both male and female. However, the implementation of this programme has faced a number of problems. Some of them are related to the choice of location, alienation of land, social relations between newcomers and local people, logistics in the development of infrastructure, repayment of credit by the *plasma*, determination of prices, and relations between the nucleus and the *plasma* after conversion of land to the small-holders.

For women, this programme has created several disadvantages. The significant issue is related to the ownership of the small-holding when conversion of the status of the land takes place. Even though there is no written regulation that supports this obligation, ownership rights are automatically given to the husband as the head of the family. The name of the wife is normally included in the title deed as the primary heir.

The other disadvantage is that of the labour status of women. Contractual arrangements create situations in which women members of small-holding households give their labour free as "family labour" (White, 1989 and Smyth, 1993, p. 124). When this situation occurs, the immediate consequences are that women have an increased work load but no independent income and, in the longer term, they have no recognition of their labour contribution, nor official claim to the land.

In assessing the aforementioned rural policies, it is important to question whether the policies have been effective - especially towards meeting women's needs. Many studies find that women have not benefited optimally from the application of the rural policies. As a result, the policies have brought detrimental effects on women, bringing increased domestication, social and economic marginalization and exploitation of their labour, notably the Green Revolution, credit and Nucleus Smallholder programmes.

It should be noted that the nature of women's involvement in agriculture, including the financial and social gains they achieved from it, vary according to the class position they occupy in the society. In other words, whether an individual woman belongs to a household which owns or controls land or to a landless family is instantly reflected in the type and intensity of her agricultural work and the benefits she derives from it. Likewise, her class

position will determine her vulnerability to local or global changes (Smyth, 1993, p. 123). Institutional change from *bawon* to *tebasan* or a shift from *ani-ani* to sickles reflect the situation that the technology only benefited few segments of the population – bypassing poor and landless women from the lower class.

Moreover, the trends towards modern technology and commercialized relations in the sector have deprived women from the control they formerly exercised in the agricultural exchanges, when these relied heavily on more personalized forms of interaction. The credit and Nucleus Smallholder programmes were impeded by cultural barriers that position men as head of the household which affects women's access to the credit and limits women's access to ownership rights of small-holding when conversion of land takes place.

What contributed to the situation which disadvantaged women was more or less influenced by the "nature" of the policies when they were formulated and implemented. As stated earlier, general policies tend to be gender blind since they are generated and implemented without prior consideration of their impact on women as workers, members of the communities and households, and also as citizens. No special consideration was given to the specific positions women occupy in the economic and social structure. This issue will be analyze in the last section of this paper.

5.3 Policies and programmes affecting employment creation for women

Although to some extent the existing institutions have improved women's status as it is shown in their greater access to jobs and higher educational level, gender equality in economic activities has not been fully achieved. This is not because of the absence of political will or undeveloped institutional and policy frameworks, but it is more due to lack of awareness and little sensitivity in meeting women's needs. Gender blind policies are not the same as gender-neutral policies which prove insufficiently sensitive in accommodating the specific needs of the women since the objective of the general policies is to give benefits to all regardless of gender. Accordingly, special provisions directed to improve the welfare of the women play an important role. The assessment of the degree of effectiveness of policies which are specifically designed with a gender perspective, how they eliminate unfair and unequal treatment towards women related to employment and economic opportunities, is very essential. It is also important to know the cause of policy failure if more appropriate policies aiming at helping women workers in facing globalization are to be formulated.

Gender-specific policy is defined as a policy whose formulation is guided by gender disaggregate information - for example, policies that are formed by taking into account women's biological aspect, especially in relation to reproduction functions. In the case of employment creation, a policy with a gender perspective will pay attention not only towards the number of jobs created, but will consider the nature of the jobs created, whether it is appropriate and accessible for women.

Policies and policy instruments directed at the creation of employment are focused on broad efforts to absorb women workers so that they increase female labour participation. Employment creation for women is put within the context of the overall macroeconomics policies, meaning that employment creation for women is closely related to the country's policies on structural adjustment, industrialization, agricultural development, regional development and economic integration with the neighboring countries. However, the impacts of the macroeconomics policies for employment creation differ between genders. In order to

improve women's employment opportunities, the government's interventions are needed on both the supply and demand sides. On the supply side, the government improves the human resources potentials to ensure gender equality of access to economic opportunities. While on the demand side, labour market and income earning are expanded and opened to women. A few studies show that women are generally positioned lower than men. Therefore, there are some causes of stratification which still need to be further eliminated. These include the lower levels of education and social norms that place women as household supplementary income earners.

The government also identifies sectors that are developed for absorbing women workers and incorporates necessary measures that make employment opportunities accessible to women. In 1993, the government identified priority sectors for women's employment in the coming years, i.e. agriculture and agro-industries, manufacturing, small scale and micro enterprises, trade and tourism (see ILO, 1993).

Studies on the impact of the crisis on workers reveal that the international contract labour market will continue to be an important source of women's employment. Employment in the factories is the best alternative for unskilled women workers. This relates to the women's limited education that gives them minimal opportunities to work anywhere else, and therefore they see factory work as the only option. Women are also likely to see wage employment in various industries as a desirable alternative to the option otherwise open to them in the informal sector, which can only offer low-status work compared with that of the formal sector. Perhaps, this perception is to some extent false since there are many other alternative available jobs for women. This means that, while the government is handling the economic downturn, labour-intensive industries that created a lot of employment opportunities but are hit severely by the crisis need to be supported. Institutional capacity building will be required for designing and implementing active labour market policies including direct employment creation schemes. Of particular importance in the globalization context is investment in labour-intensive programmes, especially those that are supported by donors.

The next area of emphasis is the strengthening of public employment services, especially the capacity to design and implement jobs targeted at the unemployed and the underemployed, which lead to the development of local productive and sustainable capacity. Similarly, some initiatives are taken to strengthen agencies that are responsible for the promotion of self-employment in the rural and informal sectors. The development of entrepreneurship and promotion of micro-small and medium-sized enterprises are also strengthened. This is evident in the development of micro-enterprise programmes, conducted together by the Ministry for the Role of Women and the Ministry of Manpower.

Problems usually occur when there is a lack of qualified staff to implement various measures. The problems are also due to the limited knowledge about basic labour market adjustment concepts and inability for early intervention and rapid response. This is evident during times of crisis. The crisis has given an important lesson for the improvement and development of government institutions related to employment creation. The absence of a comprehensive information system to provide advance warning and to monitor mass lay-offs explains why the formulation and implementation of countervailing measures often fail. Moreover, there is an indication of a limited capacity to implement active measures related to mass lay-offs. One prevailing example is the facilitation of the re-employment of workers, such as job search assistance and retraining assistance, especially in the rural and informal sectors, that

have proved a failure in absorbing the unemployed from the formal sector. The crisis has also revealed the limitations in the institutional capacity to scale up existing programmes. This is exemplified by the insufficient establishment of public works and promotion of self-employment in the rural areas.

Besides weaknesses in capacity building, efforts in employment creation are hindered by the inadequacy of programme design. An ILO study 1993 revealed that some sectoral programmes were not truly gender sensitive in the field of employment creation. Most efforts aimed at improving women's position have been through women-specific programmes, which tend to be socially rather than economically oriented. For instance, *Programme Peningkatan Produktivitas Tenaga Kerja Melalui Kesejahteraan Terpadu* or Improving Labour Productivity Through Integrated Welfare Programme, coordinated by the State Ministry for the Role of Women, focuses on improving the welfare of women workers and their families rather than on direct provision of technical skills to women workers. The economic programmes for women are often focused on traditional skills, duplicate efforts in several ministries, and tend to be small in scale with problems of sustainability.

The ILO study further states that, although gender concern has become an imperative, with regard to employment creation there seems to be a certain policy that is gender blind. "At least eight different Government agencies - Agriculture, Manpower, Industry, Information, Public Works, Education and Culture, Health, Religion and Social Affairs - provided training and support facilities and services for enhancing employment and income opportunities for women workers. There was no distinction made in their mainstream programmes between men and women participants and that therefore, there is no discrimination against women. The underlying assumption is that because no distinction is made between men and women, there is equality of opportunity and treatment. There appears to be lack of recognition that 'gender blind' programmes (that do not distinguish between men and women) are not necessarily 'gender neutral' programmes (having same impacts on both men and women)" (ILO, 1993). At the end, men reap more benefits than women; and the commitment in providing employment for women that has been spelled out in several national documents as such in the State Broad Guideline (GBHN) was neglected.

Considering the problems and hindrances that the government and other helping bodies face in implementing the policies and programmes, which are specifically designed with careful gender considerations in mind, policy reforms seem to be the solution to ensure the success of such an effort.

Firstly, the employment policy cluster within various government agencies should be synergized to ensure that economic policies do not contain distortions that hinder employment creation or divert it into non-sustainable directions. Despite benefits maximization being put in the first place, gender sensitive perspectives should also be taken into account. The Ministry for the Role of Women should be empowered to have a say before designing any policy related to employment creation. *Secondly*, a major effort of institutional development is required to create stronger capacities to monitor and evaluate the employment implications of overall economic policies. This will involve strengthening the research and policy analysis functions of labour ministries and the establishment of close working links between labour and economic ministries. *Thirdly*, employment creation in the informal sectors needs to be strengthened by taking into account factors such as protection of labour. Various studies for example document the growth of non-regular and casual jobs in which

women tend to dominate. Women tend to work as part-time workers or home-based workers, and in other forms of employment where the relation between the employer and employee is not clear, there are no wage standards, and they are beyond labour regulations, therefore exposed to job insecurities. In other words, employment creation should be extended to cover the improvement of the quality of jobs. Thus, policies to improve and protect working conditions should be in line with efforts to create employment. Therefore, employment creation is not just aimed at raising the employment opportunities but also improving the quality of the job itself.

5.4 Policies on labour relations

Discussing labour unions at the moment might be less relevant since labour surplus condition will jeopardize efforts directed at developing the role of labour unions. However, rapid labour market transformation in the 1990s and formalization of the economy will make labour dispute settlement an important element. The conflict of interest between employers and employees will occur more frequently. In this condition, efforts need to be made to foster a strong and free labour movement and to build up a solid system of industrial relations.

In the early 1990s when the labour market moved from a labour surplus to a more labour scarce economy due to the boom, workers' bargaining power increased, and this created a sudden demand for a more effective labour representation that was not well accommodated by SPSI. Responding to this situation, NGOs and labour activists established independent worker unions to represent them. This effort was supported by domestic and international society, so that government did not ban it. However, new unions were not recognized and their leaders were harassed (Feridhanusetyawan, 1999). In the political reform era, although there was a momentum back to the labour surplus economy, demand for having strong labour unions has been greater. From a political perspective, workers have gained greater bargaining power. Ironically, the decrease in the employment opportunity has reduced unions' power. Strikes as a potent weapon for unions would not be effective, as during the crisis replacement workers can be found easily, even at a lower wage rate. More importantly, considering gender bias already identified in the workplace, institutional frameworks should accommodate the role of women in the decision-making bodies relating to labour administration. In addition, their participation in the process and mechanism need to be underscored. The low level of representation of women and lack of equal participation in the decision-making levels are key reasons why gender equality issues receive marginal attention.

Nevertheless, in considering future policy, when the crisis is over, voluntary agreements between freely elected representatives and employers are a basic requirement for establishing a modern and effective system of industrial relations. This means that legislation which is aimed at easing restrictions on unions and encouraging effective, democratic, plant-level workers' organization by providing "voice" at the work place are needed. This will lead to an increase in workers' productivity, which is needed to preserve economic stability and growth. This also means meeting the demands of globalization.

6. Policy recommendation and future challenges

6.1 Challenges for the future

Some of the important challenges for the future have been discussed in the previous sections on the prospects of globalization in the years to come. While the previous sections provide an international dimension of the challenges towards the policies and institution, the following section will discuss the domestic challenges. Some of the challenges are the same as before, while others are new that come as a result of pressure towards a more democratic Indonesia following the regime change.

6.1.1 *Strengthening the human capital*

One of the “old challenges” is human capital. This challenge becomes more urgent since rapid technology advancement requires a certain level of education to enable workers to utilize the existing – and rapidly changing – technology. This problem is salient in Indonesia because, despite all of the advances that have been achieved by Indonesia in the last twenty years, it has been left behind by its neighboring countries in terms of junior secondary and higher level education. Almost two-thirds of the output of Indonesia’s formal education system has not even finished the basic nine-year education cycle.

The two instruments for human resource development are training and education. However, the return to investment from training is much lower than from the expansion of formal (junior secondary) education. Moreover, among the unskilled, prior training is not so important compared with formal education.

The most urgent of the challenges of formal education is the expansion of the junior secondary level education. Many of the distribution problems of income between men and women workers can be attributed to their education differentials. An analysis of labour force data between 1976 and 1992 indicates that the expansion of junior secondary education has had the largest effect on equalizing labour incomes, while higher levels of education have had significant unequalizing effect (World Bank, 1998, p. 47). In the light of this, in the medium term, the challenge in terms of education will be to achieve the goal of universal secondary education by 2010 or, if possible, even earlier.

The policy of expanding junior secondary level education will benefit women substantially because, in general in Indonesia, there is little cultural bias against educating women in Indonesia if schools are available and accessible. The problem seems to arise when parents are less willing to let their daughters travel longer distances than their sons do. Hence, it will not be surprising if the expansion of junior secondary school will result in a substantial increase of girls’ participation in junior secondary school – an increase that might exceed that of boys.

Meanwhile, there is also a need to improve the quality of primary level education. Many of the improvements needed include improvement of teachers’ quality, the incentive structure for teachers, additional resources for primary schools in poor communities, a good monitoring and evaluation system, the institutional arrangement and school management (World Bank, 1998, p. 26). At the level of post-basic education, there is a need for a more flexible education system that can accommodate the rapidly changing types of jobs and required skills to meet the needs of those jobs.

6.1.2 Scenario on formalization, urbanization and industrialization

Integration with the international market in the context of globalization will lead to some changes in the Indonesian economic situation. Formalization of the labour market, urbanization and industrialization are the scenario for the future. In this context, measures focused on urban areas such as how to tackle urbanization, how to provide increasing demands on urban facilities and infrastructure will be very urgent. This is because the formalization and industrialization process will take place mostly in the urban areas. Thus sources of jobs will come from urban areas. This will pull people including women to come to urban areas seeking jobs.

The implication is that measures for anticipating the effects of the formalization, urbanization and industrialization process are very crucial. For example due to the opportunity for women to work, they will give up their domestic activities in order to work outside home including working abroad. Hence supporting systems that would allow women workers to take part in the labour market such as child care need to be considered seriously. The provision of facilities for child care can be regarded as a policy aimed at promoting employment equality since it gives women the opportunity to work for the same length of working hours as men without being distracted by child care activities.

Furthermore, with the increasing number of women workers working abroad, institutions to provide protection to these women worker need to be set up. This can be done, for example, by establishing offices attached to the Indonesian embassy in every recipient countries, which will be in charge of providing protections, legal aid, or channeling the relevant information to the migrant workers.

6.1.3 Democratization and the role of civil society

One of the promising changes in the future is the prospect of democratization. If the process of democratic transition that is currently occurring will be fully consolidated, civil society – in the forms of trade unions, NGOs – will have a say in the formulation of labour policies and regulations. Signs of these changes have surfaced following the fall of the Suharto regime. For instance, an activist from an NGO working on migrant labour said that for the first time NGOs were invited in the process of formulating labour laws that is to revise the controversial Manpower Act of 1997.

Furthermore, the face of industrial relations will change. Many of the labour disputes will be brought to court rather than ending up in violence. Trade unions will flourish. Meanwhile, employers and firms may have to comply with labour codes that they may have previously ignored, because trade unions and NGOs will have stronger bargaining power. This trend, however, can be seen as a double-edged sword. On the one hand, the welfare of workers will improve following their stronger bargaining power, both at the negotiation tables with employers and in the process of policy formulation. This will also play an important part in increasing labour productivity.

On the other hand, an overly strong trade union might prove to be a problem in a surplus labour economy such as Indonesia. One of the problems relates to the flexibility of the labour market in adjusting to a crisis, as exemplified by the current problems faced by the Republic of Korea. Another issue concerns the majority of the poor who are looking for better jobs and, in the presence of strict labour standards such as minimum wage requirement, would not be able to find employment.

At any rate, a consolidated democracy will result in the rule of law. As a consequence, both the employers and the workers must learn a different “trick-of-the-trade”, to wit, settling problems and disputes through collective bargaining and, if necessary, in a court. The implications are that both workers and employers need to be “legally literate”. This problem will be especially crucial for the majority of the uneducated workers. Hence, the involvement of the government and the NGOs in promoting legal literacy among both employers and workers – especially workers – will be crucial.

In terms of policy-making processes, trade unions and other civil society groups – especially those with a gender perspective – need to become much more proactive in influencing the policy directions. The implication is that they must learn the means to effectively participate in policy discussions. Business interest groups have already had a head start in these kinds of efforts. Other groups need to catch up in terms of lobbying skills and other skills necessary to successfully determine the direction of certain labour policies.

6.2 Specific areas of attention

The national legislation and regulations are important instruments in dealing with the negative impacts or the challenges of globalization in relation to women’s employment. The analysis of national legislation and regulations extends to the basic of Policy Foundation of *Pancasila* and 1945 State Constitution and Policy Guidelines documents of GBHN and *Repelita*. Moreover, a discussion on the National Machinery, which consists of the working mechanism amongst the State Ministry for the Role of Women, the other sectoral departments and other non-governmental organizations, is also crucial.

The analysis extends to several macro policies, such as human capital development policies, rural development policies, general labour policies, and gender-specific policies. The previous sections’ analysis on these policy foundation, guidelines, institutions and policies has identified some areas that need particular attention.

6.2.1 National legislation and regulations

The national legislation through its policy foundation and guidelines clearly guarantees elevating the welfare of women, equal rights, status and responsibilities for women in law. However, this should provide a strong push towards the government’s political will to implement those objectives in more concrete programmes and policies.

What contributes to the situation that puts women in a disadvantageous situation is influenced by the “nature” of the policies when they are formulated and implemented. As stated earlier, general policies tend to be gender blind since they are generated and implemented without prior consideration of their specific impact on women as workers, members of the communities and households or citizens. Special considerations to take into account specific positions women occupy in the economic and social structures are also neglected. The key factor underlying the problem is a result of the negligence of the basic understanding of the national development goal that is to benefit men and women equally. The current crucial issue emphasizes the need that every policy or programme has to also benefit women whether it is a specific targeted policies or not, not only on paper but also in practical terms. This in fact could occur if it is supported by a strong and sound policy mechanism which is gender sensitive, both in its formulation and implementation.

As mentioned earlier, there are at least four significant factors in this policy mechanism: Policy Foundation (*Pancasila* and UUD 1945), Policy Guidelines (GBHN and *Repelita*), Institutional Framework (National Machinery) and the Policy itself.²¹ “Poor policy” outcomes could result from the misconstruction of any of those four. Smyth has identified other pitfalls, especially in relation to policies that are targeted specifically on women (Smyth, 1993, pp. 126-127). According to Smyth, in most cases policies tend to be “functionalist” in their nature. That means that they give priority to the function that women can have in development and the family. The benefits that women themselves should and could derive are secondary, if they are considered at all. The “functionalist” idea manifests itself explicitly in the formulation of the policy guidelines of GBHN and *Repelita*. Some official documents, such as “The Enhancement of the Role of Women towards the year 2000”, support the argument of the above condition when they refer to “the increasing role of women as equal partners with men and their integration in development, both as agents as well as beneficiaries. Thus, the concept of the role of women in development constitutes the family’s, the community’s and the nation’s welfare” (Office of the State Ministry for the Role of Women, 1987, p. 12). From this statement, even though women are acknowledged as an agent and beneficiaries of development, a heavy emphasis is placed on what they can do for somebody else, such as the family and the nation, rather than on the benefits for women per se. Most statements stated in GBHN also reflect the same view and again fail to consider the goals that benefit women. Women are guided to serve for family welfare interests on the one side and for national development on the other side. Put differently, women still tend to be regarded as mere instruments of development rather than possible beneficiaries.

The gender issues that benefit women are closely related to the development paradigm, which imposes gender ideology (Smyth, 1993, pp. 127-129). In this understanding, modernization is linked with economic growth and progress that is used both as a working tool and the end objective of development, mainly to overcome the problem of poverty and backwardness. Since progress could not be spontaneously and endogenously generated, the agent of change must come from the government officials who develop and implement policies. This implies the top-down approach where objectives and priorities are pre-determined. In the gender case, the ideology also implies that women have limited power to identify their needs and get involved in the policy-making process that affects them.²² As such, the dominance of this gender ideology clearly explained why policies directed towards women tend to be altruistic in nature. These policies attempt to ameliorate the symptoms rather than to tackle the roots of the problems and inequalities that afflicts women. This will then discourage activities striving for advocacy and self-determination. Even though policy makers have formulated agendas that would make it possible for Indonesian women to gain better quality of lives, significant progress can only come from the creation of circumstances that allow women to determine spontaneously and autonomously the contents, styles and pace of the policies. Hence, the importance of restructuring the development paradigm or a more gender-specific ideology into a bottom-up and empowered approach which can benefit women.

²¹ Good policy outcome absolutely will also rely on strong law enforcement (which accompany the application of law in general) supported by good and clean government.

²² A good example of this is government’s women-oriented policy of PKK and P2W-KSS. The organizational structure and the monopoly they hold over relevant development initiatives has caused a total absence of other grass roots women’s organization.

Another crucial factor is related to the relations between policy development and gender ideology with regard to the appropriate roles of women in the society. Even if it is still debatable, in some cases there is a clear contradiction between those two. Even though development is identical to modernization - meaning adjusting or sometimes abandoning traditional values and roles - various changes in the surroundings show that most policies still position women within the traditional spheres of home and family, and define women's responsibilities as mothers and wives first, and citizens and workers later (see above Chapter 3 and Geertz, 1985, and Smyth, 1993). A few of them are stated in article 31 of the Marriage Law of 1974 that stipulates that husbands are the heads of the family and the wives are the mother of the family or housewife. The *Repelita* shares the same idea on positioning women. "The role of women in development develops in accordance and in harmony with the development of their responsibility and role to realize and develop a healthy, prosperous and happy family including the education of the younger generation" (Soeropati in Smyth, 1993, p. 128). The socially constructed ideas of women's domestic position have brought significant influences in formulating the four-policy mechanism and thereby bringing detrimental effects on women. The functionalist phenomenon proves how such policy interventions for women are poor in their formulation and implementation. Acknowledging women in the Policy Foundation and Guidelines and bringing various actors together into National Machinery are important. However, it could still have insignificant positive outcomes as long as policy makers fail to identify factors that lead to the misconduct of policy formulation and implementation. In a global situation, where phenomena and problems tend to be more complex, a strategy of policy mechanism that is insensitive to women's needs can be misleading and further jeopardize women's lives. The common features of globalization - urbanization, formalization, and industrialization - need special "policy treatments". These include not only the reform of the existing policy mechanism but also the creation of the necessary networking and institutions that are not only gender sensitive in recognition but, more importantly, effective in its implementation.

6.2.2 National machinery

The effort to mainstream gender issues by attaching the women's employment programmes to the sectoral departments while placing the State Ministry for the Role of Women as the coordinators of those programmes have several weaknesses. First, weak coordination has disabled some programmes to achieve its intended objective. At this point, the Ministry for the Role of Women should be proactive in directing the implementation of the policies so that it gives maximum benefit to women.

Second, it will be difficult to fully meet the original objectives of programmes or policies since the programmes are conducted by sectoral departments, the objectives of the programmes are adjusted to the fulfilment of the department's main objectives and interests without ample authority of the State Ministry for the Role of Women to control the implementation of certain policies or programmes related to women. This can be seen, for instance, in the policies related to the development of human resources. Even though the policies do not deliberately discriminate against women, during implementation many women are not able to join the training because of the gender bias in the types of training being offered. Similar things may happen in other policies such as employment creation programmes.

Third, the State Ministry for the Role of Women remains rather weak with limited access to human and financial resources (ADB, 1991, pp. 44-45). Even though the Minister has very capable and very dedicated senior assistants (*Asmeneg*), they are short of technical assistants. There is no available provision, neither through the civil service nor through the contract appointment, to ameliorate this weakness.

Fourth, the list of activities and projects being implemented within the framework of WID (Women in Development), for example, shows a very active programme of the State Ministry for the Role of Women. Because of personnel constraints of the Ministry, it is clear that the SMRW only emphasizes programme preparations while implementation has to be left to other government agencies or NGOs. Moreover, the Ministry does not have resources to monitor and evaluate the programmes and projects once other agencies or organizations implement them. Consequently, SMRW is highly dependent on other agencies that usually give a lower priority to women specific programmes than their own mainstream programmes. In the event of improper implementations by sectoral departments SMRW does not have any legal authority to obtain any responsibility from the sectoral departments of any failings in the conduct of the programmes.

6.2.3 Policies and programmes

- In some cases, gender-specific policies are not always sufficient in the fulfillment of the expected objectives. The success in achieving equality in terms of wage and type of work between men and women is also determined by an equal amount of human capital investment in the two genders. Hence, general or macro policies, such as compulsory nine-year basic education for boys and girls, are also crucial in narrowing the wage gap and reducing the job segregation. General or macro policies should mutually support the more functionalist policies designed specifically for women.
- In the Indonesian context, inadequate legislation and regulations do not appear to be responsible for the unequal treatment of women in the labour force. The failure of the existing policies in achieving their goals is caused by many factors, such as design failure, unclear responsibility structure of programme implementation processes, the weaknesses of the actors in implementing the policies, and the inconsistencies of the policies – reflected by the enactment of conflicting policies. In this case, some regulations with counterproductive results need to be re-examined.
- Rural development which, in the beginning, absorbed much labour, ends up causing many women to lose their jobs. Similarly, credit programmes in the rural areas do not give maximal benefits to women, because few women are able to participate in these programmes. These programmes become irrelevant in the face of the challenges and consequences of globalization.
- In general, labour unions in Indonesia need to be optimally functional. With more effective labour unions, workers' welfare can be improved. Stronger union, either in the enterprise, occupation or industry, will improve their bargaining power towards employers. Hence, they will help prevent many abuses of labour laws that provides the basis of modern industrial relations. It is expected that a more effective unionization will benefit women workers and protect their rights.

6.3 Policy recommendations

Specific policy recommendations in relation to employment promotion in the globalization context, with a gender perspective, follow:

- **National machinery**

The machinery aimed at mainstreaming gender issues needs to be accompanied by better coordination and structures among relevant organizations. The State Ministry for the Role of Women needs to be more proactive.

If one is to keep the State Ministry for the Role of Women, its functions need to be strengthened. This can be done by granting it the authority to control activities, programmes and policy implementations related to the improvement of the status of women that must be executed by the sectoral departments. In this case, the State Ministry for the Role of Women must proactively provide inputs or pressures so that the policies or programmes that must be implemented by the technical departments have a gender perspective.

Keeping in mind that the first reason underlying the failures of programmes with gender perspectives is the fact that these programmes are not carried out in accordance with the plans previously established by sectoral Departments. It seems clear that certain administrative pressures must be placed on these Departments. The sectoral departments must be fully responsible for the proper implementation of the programmes. In another words, they must be able to take responsibility if the programmes fail or do not proceed as previously planned. One way to exert such pressure is by making use of *Bappenas's* authority. That is, all departments, when submitting their proposals, must meet certain criteria that provide a gender perspective.

Also, the process of liquidating the budget by *Bappenas* must be related to the results of the progress of the programme implementation in each body. If these programmes are not carried out in accordance with the proposals that have previously been submitted, sanctions should be imposed. These could include further revision to the programmes or cutting back the budgets. Without such sanctions, there would not be any pressure for the sectoral Departments to carry out programmes with gender perspectives. In order to build pressures that are effective, the *Menperta* Office has to establish connections with *Bappenas*, and it has to convince the bureaucrats in *Bappenas* of the importance of such programmes as well as the benefits that they present to the whole populations.

Furthermore, gender mainstreaming across various national policies will achieve their intended objectives easily if, in the design and implementation, are included setting of quotas and proper targeting at more vulnerable groups, such as the poor in the rural areas, informal sector and migrant workers. Quotas and proper targeting are necessary to ensure that the programmes become easily accessible for women.

Explanations of the need for programmes with gender perspectives must also be mentioned continuously in order to receive adequate budget allocation. This is because small-scale programmes, with small budget allocation, can only benefit lower-class citizens; they would not set the trend for significant changes.

- **Gender awareness and sensitivity**

Gender awareness and sensitivity needs to be further developed and enhanced, particularly among men policy makers. As a result, the policy output or programmes will have a gender dimension and take into account the different needs of men and women.

- **Human resource development**

Efforts need to focus on improving investments in human capacity development, especially for women. The budget for education must be increased. On the other hand, innovative ways must be developed to find a balance between a strict budget envelope and the need to rapidly upgrade human capital. This can be achieved, among all, through prioritization and privatization.

Given the comparatively low budget spending for education in Indonesia compared with its neighboring countries, it is clear that the government needs to increase its budget spending on education. Nevertheless, this increased budget spending on education and training must also be paired with prudent and innovative policy designs that can prioritize – striking a balance between the short-term and long-term needs.

Given the increasing needs for workers with basic education, the government should place more subsidies – and open opportunities for the private sector – in providing universal basic education. Subsidies to higher education should be delayed. Instead, in the long run, those interested in continuing education should be encouraged to apply to some kind of student-loan. Banks should be given incentives to provide these student loans. This policy, however, must be applied with care given the moral hazard problem – namely, where debtors of the student loans can simply walk away from their responsibilities. As such, the necessary institutions to prevent the moral hazard – such as a strong bureaucracy and capable law enforcement institutions – must first be established and its efficacy must also be ensured.

Meanwhile, the private sectors should also be encouraged to cater to the needs for basic education and higher education. Similarly, the private sector should be encouraged to provide the necessary training. At the same time, the government should not double the efforts of the private sector. The government should stop providing for the training needs that can be fulfilled more efficiently by private training centers. Meanwhile, in terms of gender concerns, there seems to be little need for quotas since private training centers have their own way of efficiently fulfilling the training needs of women (see Section 5.1.2.1). Meanwhile, in terms of enterprise-based training, firms should be given incentives – such as tax relief – to train their own workers.

- **Pro-poor education policy**

Given the low participation rate of women in junior secondary education among the poor, a pro-poor policy must be implemented to ensure that poor children stay in school. The Ministry of Education and Culture must work together with the Ministry of Social Affairs to identify poor communities whose children might need scholarships to junior secondary school.

The pro-poor policy, however, need not be in the form of quotas for girls, but instead in the form of solving two of the main problems for the poor to send their children to school: cost and proximity. As such, scholarships for the poor must include the provision of safe transport

from the pool's residence to the school as well as the provision of full tuition fees (along with all of the additional charges usually imposed by the schools).

In practice, however, it is difficult to identify the poor. Hence, in implementing the programme, the Ministries must work together with heads of the villages, local religious groups and NGOs to be able to accurately target the poor.

- **Role of State Ministry for Role of Women**

It is important to maintain and expand the influence of the State Ministry for the Role of Women (SMRW) on both the formal and non-formal education curriculum.

In the absence of parents' cultural bias against putting their children to school, the problems often arise after the children graduate from school. The curriculum, which often limits the possible career that a woman can pursue, needs to be modified. Proactive involvement of the SMRW in influencing the curriculum – similar to what has been done in the non-formal education sector – needs to be maintained and even expanded to the formal education sector.

- **Developing the capabilities of policy actors**

Analysis of various macro- or gender-specific policies shows that policy failures happen at the implementation stage. This reflects the low capabilities of actors in implementing the policies – though policy design failures contribute to the failure of a policy. As such, upgrading the actors' capabilities in managing and administering a policy is important.

- **New institutions or policy developments needed for protection of women**

Efforts to protect women workers – both domestically and those working abroad – must be continuously improved. This can be done by increasing the penalty for firms which fail to comply and by erecting institutions abroad – under the auspices of the Indonesian Embassy, for instance – to protect women workers working abroad.

- **Women's involvement in labour unions to be encouraged**

Given the increasing importance of labour and workers unions in the future, policy needs to take into considerations the low participation of women in the workers' organizations. Women must be encouraged to get involved in labour unions, for they can participate actively and play a significant role in these organizations – to articulate their needs strongly and ensure that their voice is not neglected.

- **The need for establishing the supportive system**

The government must establish institutions that will allow women, especially poor women, to be actively and freely involved in economic activities without having to worry about their small children. In the future, the government must encourage firms and companies to provide child care facilities and, in circumstances where such a solution is not feasible, provide publicly-funded childcare and encourage the community to create a community-based child care.

Appendix I

Laws and Regulation in Indonesia: From the State Constitution to Firm-level Policies

Indonesia's policy and programme formulation are based on the clauses of the State constitution hierarchy. On the first rank of the hierarchy lies the Indonesian State Philosophy, *Pancasila*, with its five principles: (a) Belief in the One and Only God; (b) Just and Civilized Humanity; (c) The Unity of Indonesia; (d) Democracy Guided by the Inner Wisdom in the Unanimity Arising Out of Deliberations Amongst Representatives; and (e) Social Justice for the Whole of the Indonesian People.

Under the State Philosophy lies the Constitution of the Republic of Indonesia that is usually referred to as the 1945 State Constitution (UUD 1945). The 1945 State Constitution is also well known as "the source of every law source". Every policy that is reflected from/in the law (act) is based on this Constitution. Because of this hierarchy, every violation of the law will bring legal sanction. Preceded by a preamble, the 1945 State Constitution consists of 37 articles, four transitional clauses and two additional provisions. The five principles of the *Pancasila* are again emphasized in this Constitution. Guided by these fundamental principles, the basic aims of the state are to establish an Indonesian government which shall protect all the Indonesian people and their entire motherland, advance the public welfare, develop the intellectual life of the nation, and contribute towards the establishment of a world order based on freedom, peace and social justice.

In order to turn the clauses of the *Pancasila* and 1945 State Constitution into concrete policy and programme action, every five years the People's Consultative Assembly (MPR) stipulates a long-range plan, which is incorporated in the Basic National Policy Guidelines (GBHN). The GBHN also indicate the nature of national development as "the development of an Indonesian human-being in its entirety and the development of the whole people of Indonesia" (Tjokroamidjojo, 1987, pp. 21-26).

Moreover, the draft of the Guidelines comes from the President and Ministries who receive input materials from several different sources, such as universities, social organizations, NGOs and other parties, which are then submitted to the People's Consultative Assembly (MPR). In this case, the President in the government system of Indonesia is also the Mandatory of the People's Consultative Assembly (MPR). He or she must execute his or her duties in compliance with the Guidelines of State Policy as decreed by the Assembly.

The Basic National Policy Guidelines (GBHN), approved by the People's Consultative Assembly (MPR) become the President's guide to realizing them through the middle-range plan called The Five-Year Development Plan (*Repelita*). Both GBHN and *Repelita* are called the policy guidelines. The *Repelita* is then translated and detailed into an operational plan which is to be implemented consecutively year-by year as a rolling plan. The annual operational plan should be realized and enacted into law (act) and regulations. Some laws need joint approval between the Government (President) and Parliament (DPR) which then will be incorporated in the State Budget (APBN), and some laws are solely within the President's power to enact.

In the law making process that also involves the President, the role of the Parliament (DPR) is crucial because, according to the 1945 State Constitution, the DPR is a body of the State. The government submits bills to the DPR for consideration and approval, but members of the

DPR can initiate their own bills. Such bills must be accompanied by an explanatory memorandum, signed by at least 30 members, and submitted to the Speaker of the DPR House. During the discussion of the proposed bill, the initiating members may make alterations or withdraw it. If the DPR passes the bill, it will become law when signed by the President. By the authority of the President, the Minister/State Secretary will publish the Act in the State Gazette of the Republic of Indonesia, at which time it enters into force.

In the Indonesian government system, the DPR forms a part of the People's Consultative Assembly (MPR). Its main duty is to monitor and control the President's actions in implementing the *Repelita*. But the President is not accountable to this Parliament but to the People's Consultative Assembly (MPR). The Parliament has also the power to listen to the "people's" aspiration and act upon policies that disadvantage them.

The law that needs joint approval between the President and the Parliament is called *Undang-Undang* (UU) and *Perpu* (government regulation to substitute the law). While regulations which solely result from the President's decision are called *Kepres* (President's decision), *Inpres* (President's instructions) and *Peraturan Pemerintah* (PP-government regulation). Some other actors in the government system, i.e. Ministers and Governors have also the capacity to produce such regulations. As mentioned above, all laws (acts) and regulations that result from the application of the GBHN and *Repelita*, are based on the policy foundation of *Pancasila* and the 1945 State Constitution. In accordance with the hierarchy of the Philosophy and Constitution, any violation of the law and regulations will bring sanctions.

APPENDIX II

Figure 1. The Policy Framework of the State Ministry for the Role of Women

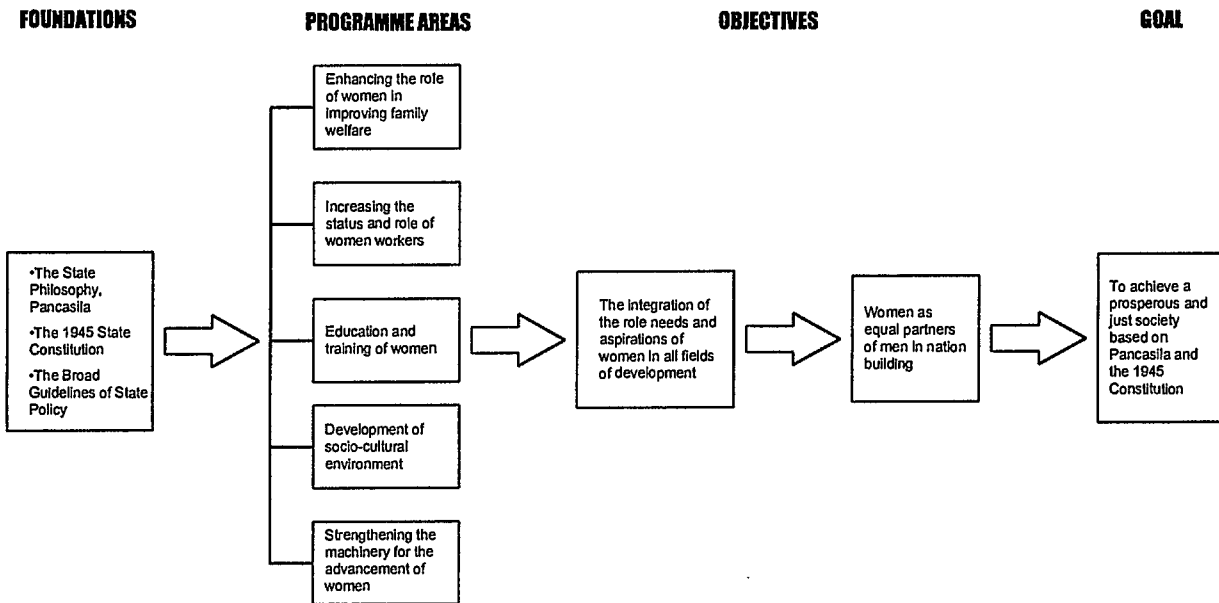
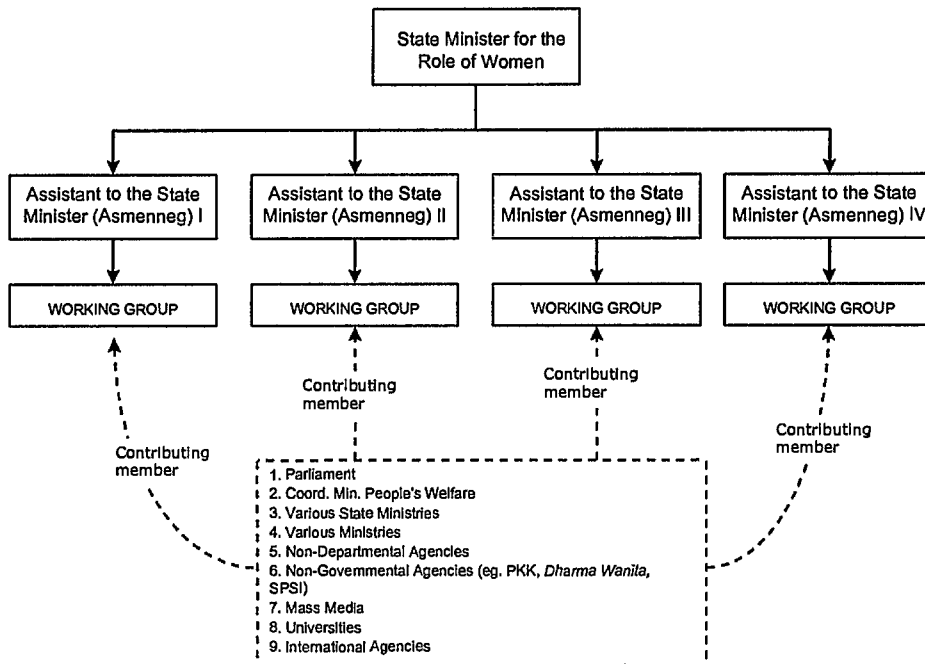


Figure 2. The Coordinating Function of the State Ministry for the Role of Women



APPENDIX III

Figure 1. Gender employment share across industries (1998)

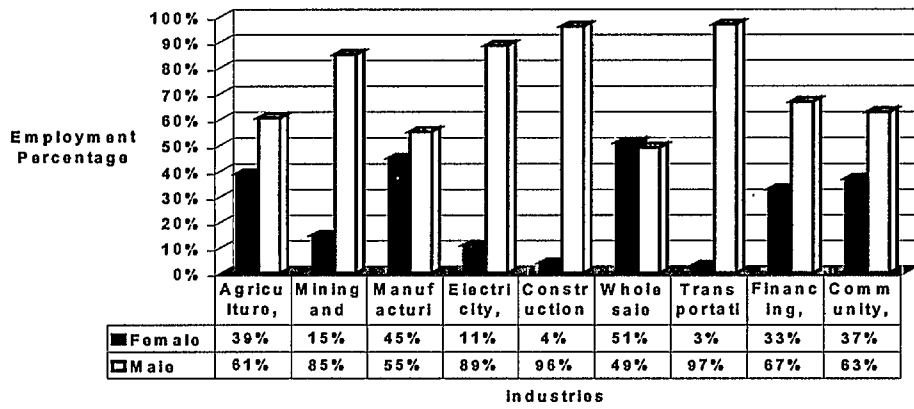


Figure 2. Average income per month across educational attainments (agriculture) (Rupiah)

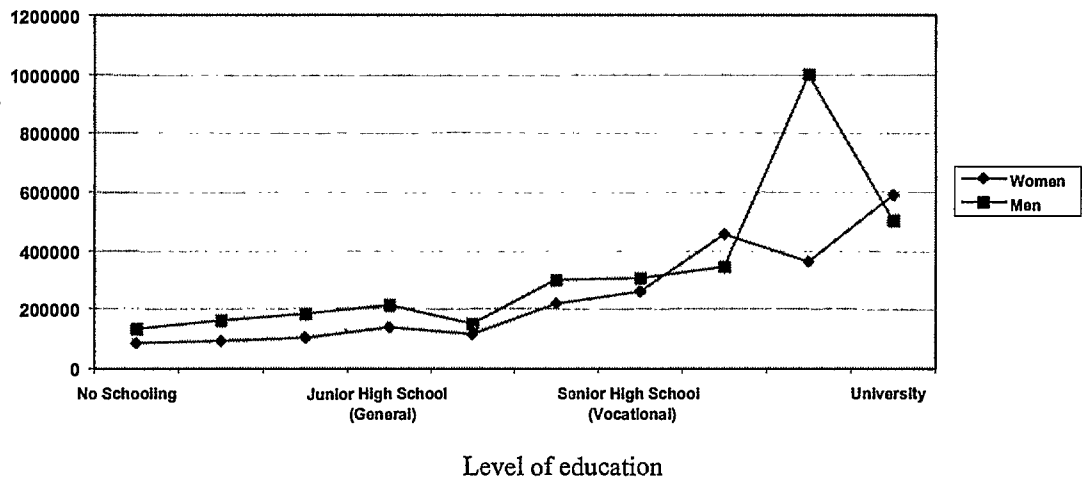


Figure 3. Average income per working hour across educational attainments (agriculture) (in Rupiah)

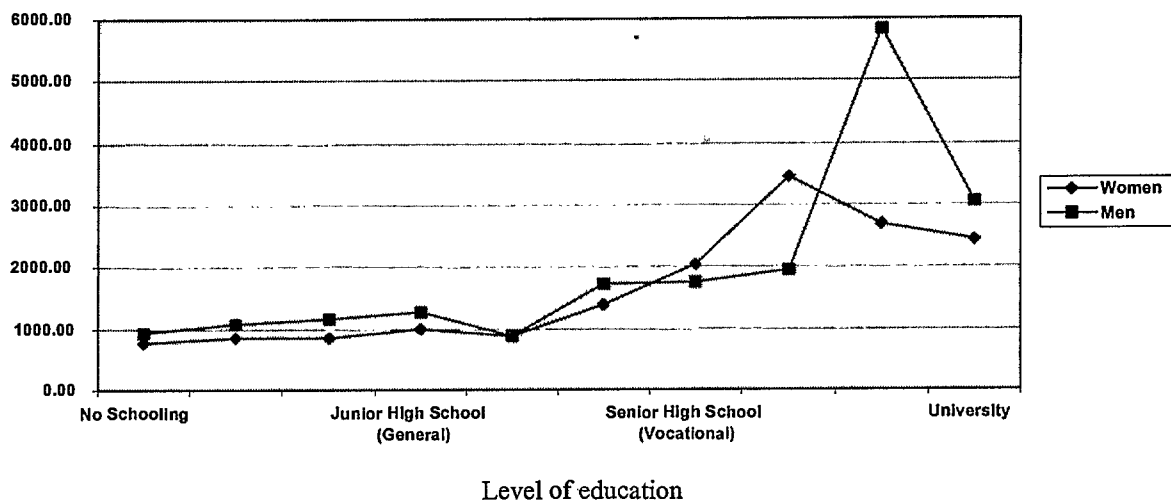


Figure 4. Average income per month across educational attainments (manufacturing) (in Rupiah)

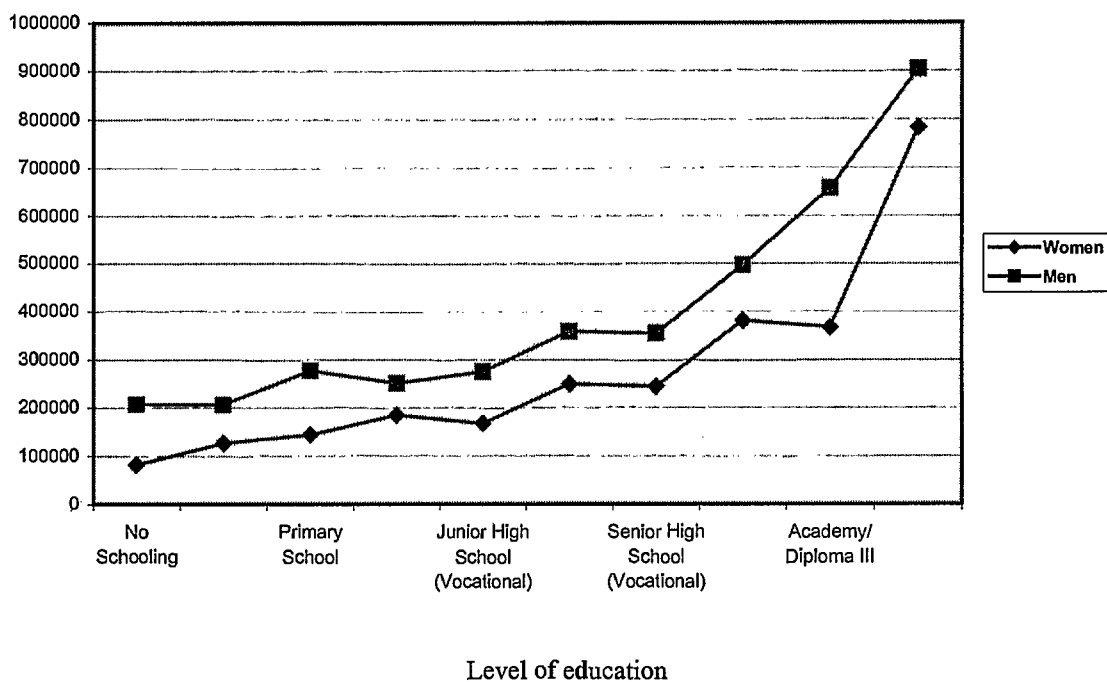


Figure 5. Average income per working hour educational attainment (manufacturing) (in Rupiah)

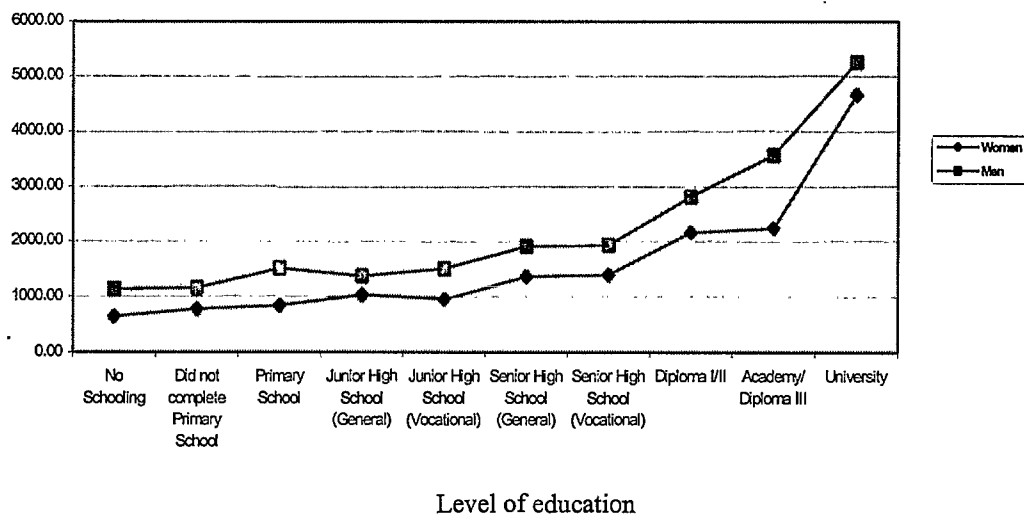
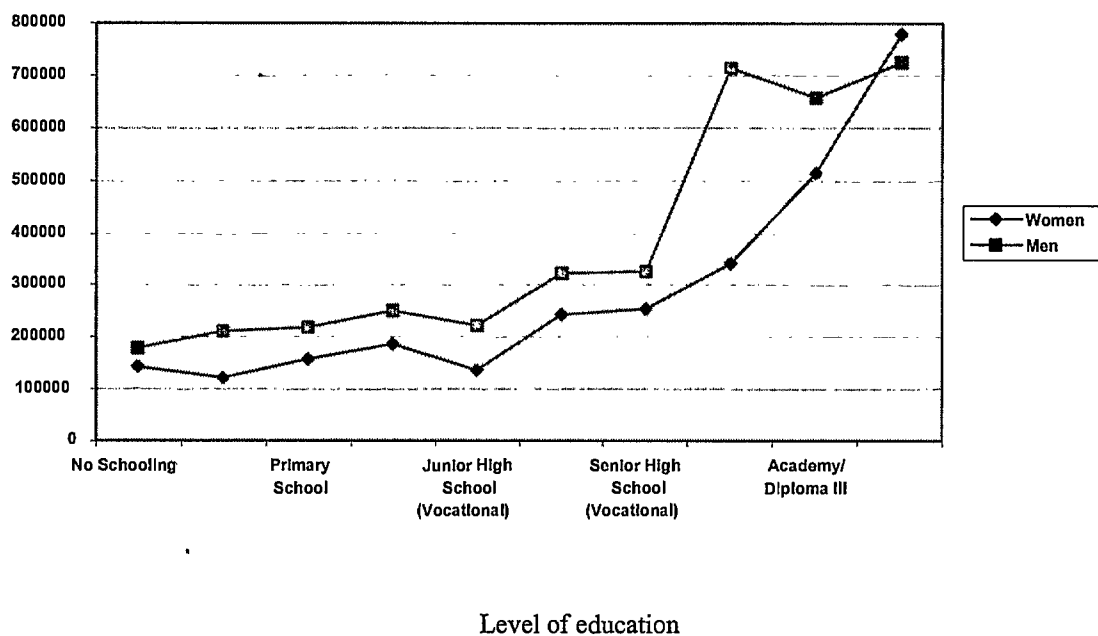


Figure 6. Average income per month across educational attainment (trade) (in Rupiah)



**Figure 7. Average income per working hour across educational attainment (trade)
(in Rupiah)**

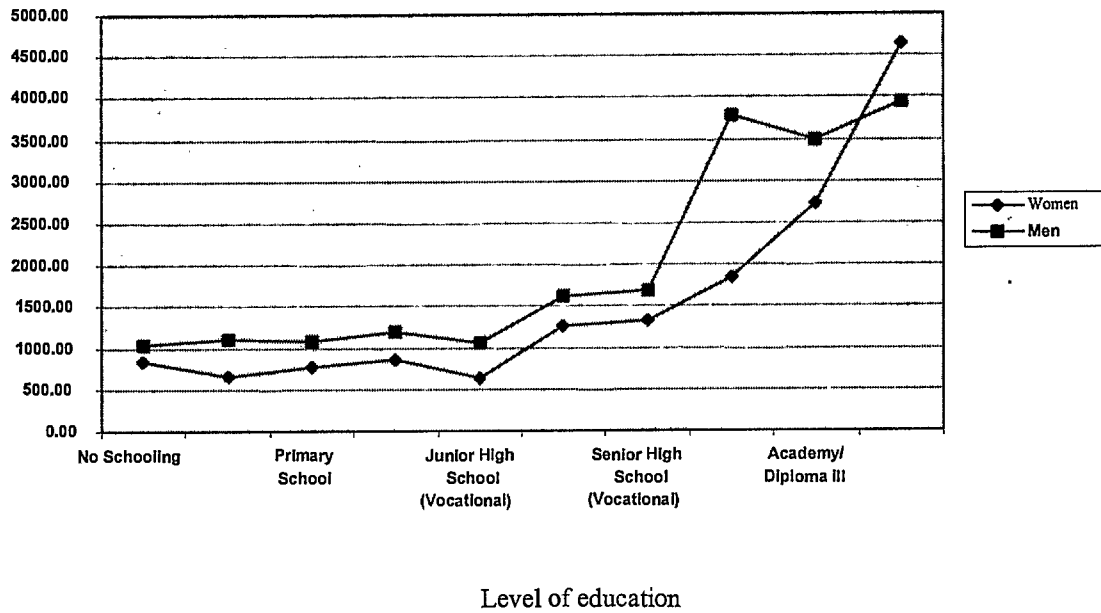


Table A1. Average income per month and average income per working hour by gender and educational attainment

Educational attainments	Average income per month		Average income per working hour	
	Women	Men	Women	Men
No Schooling	84010	132728	777.87	948.06
Did not complete Primary School	94290	159554	841.88	1078.07
Primary School	103610	186826	835.56	1167.66
Junior High School (General)	136050	215152	1000.37	1280.67
Junior High School (Vocational)	117385	148848	889.28	865.40
Senior High School (General)	217506	297140	1394.27	1727.56
Senior High School (Vocational)	260361	303744	2034.07	1765.95
Diploma I/II	455542	343857	3451.08	1953.73
Academy/ Diploma III	364322	1000850	2678.84	5818.90
University	586556	499971	2443.98	3048.60

Source: CBS, Labourers/ Employees Situation in Indonesia, August 1998

Table A2. Average income per month and average income per working hour by gender and educational attainment (manufacturing) (in Rupiah)

Manufacturing				
Educational attainments	Average income per month		Average income per working hour	
	Women	Men	Women	Men
No Schooling	81894	207635	639.80	1128.45
Did not complete Primary School	126580	206977	771.83	1149.87
Primary School	143894	277240	836.59	1506.74
Junior High School (General)	184964	251417	1027.58	1366.40
Junior High School (Vocational)	167541	275642	951.94	1498.05
Senior High School (General)	249706	358903	1357.10	1909.06
Senior High School (Vocational)	244672	354939	1390.18	1929.02
Diploma I/II	381266	496345	2166.28	2820.14
Academy/ Diploma III	367811	658187	2242.75	3577.10
University	783179	903753	4661.78	5254.38

Source: CBS, Labourers/ Employees Situation in Indonesia, August 1998

Table A3. Average income per month and average income per working hour by gender and educational attainment (trade) in Wholesale trade, retail, trade, restaurants and hotels (in Rupiah)

Educational attainments	Average income per month		Average income per working hour	
	Women	Men	Women	Men
No Schooling	143407	179200	833.76	1041.86
Did not complete Primary School	120967	210128	643.44	1094.42
Primary School	156507	220150	767.19	1079.17
Junior High School (General)	184961	250329	856.30	1203.50
Junior High School (Vocational)	135206	220959	637.76	1062.30
Senior High School (General)	242324	324663	1262.10	1623.32
Senior High School (Vocational)	255719	326156	1331.87	1698.73
Diploma I/II	340825	713373	1852.31	3794.54
Academy/ Diploma III	512528	657511	2726.21	3497.40
University	777851	723712	4630.07	3933.22

Source: CBS, Labourers/ Employees Situation in Indonesia, August 1998

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