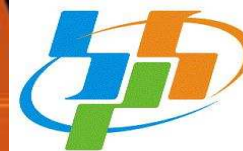





National Development  
Planning Agency



STATISTICS  
INDONESIA



# **DECENT WORK INDICATORS: AVAILABILITY AND GAPS CASE OF INDONESIA**

Thailand, 28 – 30 June 2010

# **DECENT WORK (DW)**

**PRODUCTIVE WORK IN CONDITIONS  
OF FREEDOM, EQUITY, SECURITY  
AND HUMAN DIGNITY**

# CONTENTS

- A. INDONESIA IN CONTEXT**
- B. INDONESIA DWCP PRIORITIES AND OUTCOMES**
- C. ELEMENTS OF DW AGENDA**
- D. DEVELOPMENT POLICY GUIDANCE'S AND STRATEGY**

# A. INDONESIA IN CONTEXT

- ❑ The Indonesia has implemented a “pro-growth, pro-poor, pro-employment” economic program to reduce unemployment and poverty significantly.
- ❑ An annual average GDP growth of 5,5% between 2004 and 2009, Indonesia’s open unemployment rate has declined from 9,86% to 7,87% during the same period and half the populations of 220 million continue to live under the US\$ 2 per day poverty line (2006).
- ❑ The Government continue to improve the investment climate in Indonesia for both domestic and foreign investors, so as to generate employment.
- ❑ More than 30 % of the employed are in the informal economy.
- ❑ Many Indonesians seek better opportunities abroad – there are about four million documented migrants workers from Indonesia.
- ❑ The skills base and productivity of the labour force is insufficient and there is continued exploitation at work.
- ❑ The focus in Indonesia is not solely on unemployment, but also on the conditions of work of those who are employed and on effective labour administration.

# C. INDONESIA DWCP PRIORITIES AND OUTCOMES

## A. Stopping Exploitation at Work

1. Effective progress on the implementation of the Indonesia National Plan of Action on the Worst Forms of Child Labour.
2. Improved labour migration management for better protection of Indonesian migrant workers, especially migrant domestic workers.

## B. Employment Creation for Poverty Reduction and Livelihoods Recovery, especially for Youth

1. Employment targets in the Indonesian Government's Medium-Term Development Plan (RPJM) are underpinned by a set of policies and programs that emphasize pro-poor employment growth.
2. Effective implementation of employment-intensive and other livelihood programs for crisis-affected areas, especially Aceh, North Sumatera, and Eastern Indonesia.
3. Education and training systems and policies better equip young people for employment and entrepreneurship.

## C. Social Dialogue for Economic Growth and Principles and Rights at Work

1. Application of labour laws and practices fully in line with fundamental principles and rights at work, including through strengthened labour administration.
2. Employers and unions through bipartite cooperation achieve results on labour market flexibility and job security.

## **B. ELEMENTS OF DW AGENDA**

- 1. EMPLOYMENT OPPORTUNITIES**
- 2. ADEQUATE EARNINGS AND PRODUCTIVE WORK**
- 3. DECENT HOURS**
- 4. COMBINING WORK, FAMILY AND PERSONAL LIFE**
- 5. WORK TO BE ABOLISHED**
- 6. STABILITY AND SECURITY OF WORK**

# ELEMENTS OF DW AGENDA

7. EQUAL OPPORTUNITY AND TREATMENT IN EMPLOYMENT
8. SAFE WORK EMPLOYMENT
9. SOCIAL SECURITY
10. SOCIAL DIALOGUE, WORKERS AND EMPLOYERS' REPRESENTATIVES
11. ECONOMIC AND SOCIAL CONTEXT FOR DECENT WORK

# I. EMPLOYMENT OPPORTUNITIES

## MAIN INDICATORS:

1. **Employment to Population Ratio, 15-64 years**

**Source: National Labour Force Survey (NLFS)**

2. **Unemployment Rate**

**Source: National Labour Force Survey (NLFS)**

3. **Youth not in education and not in employment**

**Source: National Labour Force Survey (NLFS)**

4. **Informal Employment**

**Source: National Labour Force Survey (NLFS)**



# EMPLOYMENT OPPORTUNITIES

## OTHER INDICATORS:

1. Labour Force Participation Rate, 15-64 years
2. Youth Unemployment Rate, 15-24 years
3. Unemployment by Level of Education
4. Employment by status in employment
5. Proportion of own account and contributing family workers in total employment
6. Share of Wage Employment in non Agricultural Employment

Could be derived from National Labour Force Survey (NLFS)

## **II. ADEQUATE EARNINGS AND PRODUCTIVE WORK**

### **MAIN INDICATORS:**

#### **1. Working Poor**

**Source: National Socio Economic Survey**

#### **2. Low Payment Rate**

**Source: National Labour Force Survey (NLFS)**

# ADEQUATE EARNINGS AND PRODUCTIVE WORK

## OTHER INDICATORS:

1. Average hourly earnings in selected occupations (NFLS)
2. Average real wage (quarterly wage survey, establishment survey)
3. Minimum Wage as % of Median Wage (quarterly wage survey, establishment survey)
4. Manufacturing wage index (quarterly wage survey, establishment survey)

# III. DECENT HOURS

## MAIN INDICATORS:

1. Excessive hours (more than 48 hours / week) OTHER INDICATORS:
2. Usual hours worked
3. Annual hours worked per employed person
4. Time related underemployment rate

Source: National Labour Force Survey (NLFS)

## **IV. COMBINING WORK, FAMILY AND PERSONAL LIFE**

**NO AVAILABLE INDICATORS INCLUDED YET**

# V. WORK TO BE ABOLISHED

## MAIN INDICATORS:

1. Child Labour

## OTHER INDICATORS:

1. Hazardous Child Labour

Source: Child Labour Survey

# **VI. STABILITY AND SECURITY OF WORK**

## **MAIN INDICATORS:**

### **1. Precarious Work**

**Source: NLFS**

### **2. Informal Employment**

**Source: NLFS**

## **OTHER INDICATORS:**

### **1. Employment tenure (how long she has been working)**

**Source: NLFS**

# VII. EQUAL OPPORTUNITY AND TREATMENT IN EMPLOYMENT

## MAIN INDICATORS:

1. Occupational segregation by sex
2. Female share of employment

Source: NLFS

## OTHER INDICATORS:

1. Gender wage gap (NLFS)
2. Indicator for fundamental principles and rights at work
3. Measure for discrimination by race/ethnicity/of indigenous people /of (recent) migrants workers/of rural workers where relevant and available at the national level (NA)



# VIII. SAFE WORK ENVIRONMENT

## MAIN INDICATORS:

1. Occupational injury rate, fatal (MoMT, K3 -- it is related to safety and health work )

## OTHER INDICATORS:

1. Occupational injury rate, non fatal (MoMT)
2. Time lost due to occupational injuries (NA)
3. Labour inspection (MoMT)

MoMT= Ministry of Manpower and Transmigration

# IX. SOCIAL SECURITY

## MAIN INDICATORS:

1. Share of population aged 65 above benefiting from a pension (National Socio Economic Survey)
2. Public social security expenditure (NA)

## OTHER INDICATORS:

1. Health care exp. not financed out of pocket by private households (In Indonesia we called it JAMKESMAS (health care security) for poor people, organized by Ministry of Health)
2. Share of pop. Covered by basic health care provision( same case with JAMKESMAS)

# **X. SOCIAL DIALOGUE, WORKERS AND EMPLOYERS REPRESENTATIVES**

## **MAIN INDICATORS:**

- 1. Union density rate (MoMT)**
- 2. Enterprises belonging to employer organization (MoMT)**
- 3. Collective bargaining coverage rate (NA)**

## **OTHER INDICATORS:**

- 1. Strikes and lockouts of days not worked (NA)**

# **XI. ECONOMIC AND SOCIAL CONTEXT FOR DW**

- 1. Children not in school (NLFS)**
- 2. Estimated % of working age population who are HIV positive (NA)**
- 3. Labour productivity (NLFS)**
- 4. Income inequality (NLFS)**
- 5. Inflation rate (CPI)**
- 6. Employment by branch of economic activity (NLFS)**
- 7. Education of adult population (NLFS) >24 age ABOVE**
- 8. Labour share in GDP (NA) (IT SUPPOSED TO BE DERIVED FROM SAM 2006)**

# ECONOMIC AND SOCIAL CONTEXT FOR DW

1. **Real GDP per capita in PPP\$ (NA PURCHASING POWER PARITY)**
2. **Female share of employment by industry (NLFS)**
3. **Wage/earnings inequality (NLFS)**
4. **Poverty indicators (National Socio Economic Survey)**

# CHALLENGE.....

**LACK OF DATA TO MEASURE DW INDICATORS. THERE ARE SOME DW INDICATORS WHICH COULDN'T DERIVED AS THERE ARE NOT SUCH APPROPRIATE DATA FOR CERTAIN DW INDICATORS.**

## **TO ADDRESS THIS CHALLENGE.....**

- 1. ALL STAKEHOLDERS SHOULD COMMIT TO SOLVE THIS PROBLEM.**
- 2. ILO AS THE INITIATOR OF THIS PROGRAM SHOULD SUPPORT BPS TO GAIN MORE OPPORTUNITIES TO CARRY CERTAIN SURVEY FOR THIS DW.**
- 3. OTHER GOVERNING BODY, SAY, MoMT AND OTHER RELATED MINISTRY, SHOULD SUPPORT BPS TO COLLECT DW INDICATORS FORM.**
- 4. IT IS STRONGLY RECOMMENDED TO CREATE AN OFFICAL COOPERATION BETWEEN BPS AND THE ILO TO COLLECT ALL DW INDICATORS.**

## Decent Work Indicators: Data

		2007	2008	2009	
<b>I Employment Opportunities</b>					
1	M - Unemployment rate (EMPL-2)	Total	9,11	8,39	7,87
		Male	8,11	7,59	7,51
		Female	10,77	9,69	8,47
<b>II Adequate Earnings and Productive Work</b>					
2	M - Working Poor (EARN-1)		<b>Not yet available</b>		
3	A - Average real wages (EARN-4)*	Total	848 222	944 422	1 031 107
		Male	926 696	1 031 840	1 125 966
		Female	681 404	770 404	845 178
<b>III Decent Hours</b>					
4	M - Excessive Hours (more than 40 hours per week; 'usual' hours) (HOUR-1)	Total	56 646 544	58 177 578	60 303 889
		<i>(% of total employment)</i>	<i>56,69</i>	<i>56,73</i>	<i>57,50</i>
		Male	39 997 270	40 235 401	41 581 688
		<i>(% of total employment)</i>	<i>40,03</i>	<i>39,23</i>	<i>39,65</i>
		Female	16 649 274	17 942 177	18 722 201
		<i>(% of total employment)</i>	<i>16,66</i>	<i>17,50</i>	<i>17,85</i>
5	A - Time related underemployment rate (HOUR-4) <i>(34 hours of working and below = underemployment)</i>	Total	30 370 179	31 089 368	31 569 934
		Male	15 169 551	15 593 354	15 672 949
		Female	15 200 628	15 496 014	15 896 985
<b>V Work to be Abolished</b>					
6	M - Child labour [as defined by draft ICLS resolution] 10 - 17 years (ABOL-1)	Total	3 745 139	3 513 389	3 698 553
		Male	2 362 770	2 150 346	2 251 746
		Female	1 382 369	1 363 043	1 446 807
7	A - Hazardous child labour (ABOL-2)		<b>Not yet available</b>		
<b>VII Equal Opportunity and Treatment in Employment</b>					
8	A - Gender wage gap (n.a) (EQUA-3) *	(Male-Female) wages difference	245 292	261 436	280 788
<b>VII Safe Work Environment</b>					
9	A - Labour inspection (inspectors per 10,000 employed persons) (SAFE-4)		<b>Not yet available</b>		
<b>X Social Dialogue, Workers and Employers' Representation</b>					
10	M - Collective bargaining coverage rate (DIAL-3)		<b>Not yet available</b>		
11	A - Strikes and lockouts/rates of days not worked (DIAL-5)		<b>Not yet available</b>		

\*) by Status in Employment = Own Account Worker + Employee + Casual Employee



## Decent Work Indicators: Availability

Elements of the Decent Work	Indicator Identifier	(Main=M, A= Additional)	by Sex	Source
Employment Opportunities	EMPL-2	M- Unemployment rate	S	Badan Pusat Statistik Sakernas
Adequate Earnings and Productive Work	EARN-1	M- Working poor	S	Badan Pusat Statistik Susenas
	EARN-4	A- Average real wages	S	Badan Pusat Statistik Sakernas
Decent Hours *)	HOUR-1	M- Excessive hours (more than 40 hours per week; 'usual' hours)	S	Badan Pusat Statistik Sakernas
	HOUR-4	A- Time-related underemployment rate	S	Badan Pusat Statistik Sakernas
Work to be Abolished	ABOL-1	M- Child labour [as defined by draft ICLS resolution]	S	Badan Pusat Statistik Sakernas
	ABOL-2	A- Hazardous child labour	S	Badan Pusat Statistik SPA 2009
Equal Opportunity and Treatment in Employment	EQUA-3	A- Gender wage gap (n.a)		Badan Pusat Statistik Sakernas
Safe Work Environment	SAFE-4	A- Labour inspection (inspectors per 10,000 employed persons)		Ministry of Manpower and Transmigration
Social Dialogue, Workers and Employers' Representation	DIAL-3	M- Collective bargaining coverage rate	S	Ministry of Manpower and Transmigration
	DIAL-5	A- Strikes and lockouts/rates of days not worked		Ministry of Manpower and Transmigration

\*) Indonesia's excessive hours

### List of Statistical Indicators for monitoring and assessing progress on decent work

Elements of the Decent Work	Indicator Identifier	(Main=M, A= Additional)	by Sex
Employment Opportunities	EMPL-1	M- Employment-to-population ratio, 15-64 years	S
	EMPL-2	M- Unemployment rate	S
	EMPL-3	M- Youth not in education and not in employment	S
	EMPL-4	M- Informal employment	S
	EMPL-5	A- Labour force participation rate, 15-64 years	
	EMPL-6	A- Youth unemployment rate, 15-64 years	S
	EMPL-7	A- Unemployment by level of education	S
	EMPL-8	A- Employment by status in employment	S
	EMPL-9	A- Proportion of own-account and contributed family workers in total employment	S
	EMPL-10	A- Share of wage employment in non-agricultural employment	S
Adequate Earnings and Productive Work	EARN-1	M- Working poor	S
	EARN-2	M- Low pay rate (below 2/3 of median hourly earnings)	S
	EARN-3	A- Average hourly earnings in selected occupations	S
	EARN-4	A- Average real wages	S
	EARN-5	A- Minimum wage as % of media wage	
	EARN-6	A- Manufacturing wage index	
	EARN-7	A- Employees with recent job training (past year / past 4 weeks)	S
Decent Hours	HOUR-1	M- Excessive hours (more than 48 hours per week; 'usual' hours)	S
	HOUR-2	A- Usual hours worked	S
	HOUR-3	A- Annual hours worked per employed person	S
	HOUR-4	A- Time-related underemployment rate	S
Combining Work, Family and Personal Life	No available indicators included yet		
Work to be Abolished	ABOL-1	M- Child labour [as defined by draft ICLS resolution]	S
	ABOL-2	A- Hazardous child labour	S
Stability and Security of Work	STAB-1	M- Precarious work (informal employment)	
	EMPL-4	M- Informal employment	S
	STAB-2	A- Employment tenure	S
Equal Opportunity and Treatment in Employment	EQUA-1	M- Occupational segregation by sex	
	EQUA-2	M- Female share of employment in ISCO-88 groups 11 and 12 (19a)	
	EQUA-3	A- Gender wage gap (n.a)	
	EQUA-4	A- Indicator for fundamental principles and rights at work (elimination of discrimination in respect of employment and occupation) to be developed by the Office	
	EQUA-5	A- Measure of discrimination by race/ethnicity/of indigenous people/of (recent) migrant workers/of rural workers where relevant and available at the national level	
Safe Work Environment	SAFE-1	M- Occupational injury rate, fatal	
	SAFE-2	A- Occupational injury rate, non-fatal	
	SAFE-3	A- Time lost due to occupational injuries	
	SAFE-4	A- Labour inspection (inspectors per 10,000 employed persons)	
Social Security	SECU-1	M- Share of population aged 65 and above benefiting from a person	S
	SECU-2	M- Public social security expenditure	
	SECU-3	A- Health-care exp. Not financed out of pocket by private households	
	SECU-4	A- Share of population covered by (basic) health care provision	S

## List of Statistical Indicators for monitoring and assessing progress on decent work

Social Dialogue, Workers and Employers' Representation	DIAL-1	M- Union density rate	S
	DIAL-2	M- Enterprises belonging to employer organization [rate]	
	DIAL-3	M- Collective bargaining coverage rate	S
	DIAL-4	M- Indicator for fundamental principles and rights at work (Freedom of Association and Collective Bargaining) to be developed by the Office	
	DIAL-5	A- Strikes and lockouts/rates of days not worked	
Economic and Social Context for Decent Work	CONT-1	C- Children not in school (% by age)	S
	CONT-2	C- Estimated % of working-age population who are HIV positive	
	CONT-3	C- Labour productivity (GDP per employed person, level and growth rate)	
	CONT-4	C- Income inequality (percentile ratio P90/P10, income or consumption)	
	CONT-5	C- Inflation rate (CPI)	
	CONT-6	C- Employment by branch of economic activity	
	CONT-7	C- Education of adult population (adult literacy rate, adult secondary-school graduation rate)	S
	CONT-8	C- Labour share in GDP	
	CONT-9	C- Real GDP per capita in PPP\$ (level and growth rate)	
	CONT-10	C- Female share of employment by industry (ISIC tabulation category)	
	CONT-11	C- Wage/earnings inequality (percentile ratio P90/P10)	
	CONT-12	C- Poverty indicators (gap and rate)	

## **C. Development Policy Guidance's and Strategy in the Medium-Term Development Plan (2010-2014)**

### **Development Policy Guidance's**

- 1) To encourage employment creation of decent work;
- 2) To encourage employment creation widely and equity in the development;
- 3) To increase condition and mechanism of industrial relation for employment opportunity;
- 4) To improve employment regulation (law) and to conduct employment regulation basically related to the international law;
- 5) To develop social security and empower of workers;
- 6) To increase manpower competencies and productivities;
- 7) To create employment through government program;
- 8) To improve migration policy and development;
- 9) To develop labor market policy through labor market information.

## Strategy Development

1. To improve working placement (demand side), for example:
  - a. to encourage investment growth, especially labor intensive investment;
  - b. to reduce the bottle necking in the labour market (to easy every body to get a job);
  - c. to realize labor market policy able to changes adapted without shock in the labour market.
2. To accelerate labour market going done (supply side), for example through:
  - a. to give better skills and quality easily;
  - b. to get access for employment information and vacancies.

**Based on the development policy guidance's and Strategy for increasing employment competitiveness, we have priority focus and priority activities, consist of:**

1. Priority focus on increasing quality and developing competencies of labour;
2. Priority focus on improving employment climate and strengthening industrial relation;
3. Priority focus on increasing facilitate and protecting for supported labor mobility.

## **Priority focus on increasing quality and developing competencies of labour:**

- To formulate a standard operating procedure for competencies based training provider;
- To develop guideline and procedure of competencies certificate;
- To formulate management guideline and develop management training provider;
- To perfect regulation for national board of certification;
- To conduct harmonize of standardization and labour competencies including national qualification frame work for education and training;
- To perfect carrying out of skill testing including developing of learning materials and skill testing placement;
- To increase the number and capacity of competencies and accreditation assessor.

## **Priority focus on improving employment climate and strengthening industrial relation:**

- To improve system and mechanism of industrial relation;
- To improve employment regulation;
- To conduct the main employment regulation and law enforcement;
- To increase social security of worker.



## **Priority focus on increasing facilitate and protecting for supported labour mobility:**

- To increase regional government rules in facilitating and protecting of worker;
- To improve regulation and strength placement provider for candidate of migrant worker;
- To increase services of placement provider;
- To increase protection of migrant worker;
- To develop foreign labor market information.

**THANK YOU**