



Developing Decent Work Profile: *Indonesia Experience*

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The Profile of Decent Work Indonesia

- Prepared by national consultants in collaboration with MoMT, Statistics Indonesia, University of Indonesia and technical assistance provided by ILO experts
- Monitoring the progress during 1996-2010
- Important inputs for designing and implementing of DW country program,
- Advocacy tool to mainstream DW into national development plan
- Sources of data:
 - Most indicator can be provided by LFS
 - Administrative data cannot provide some LF indicators

The Process of Compilation

- Tripartite consultation workshop on measuring DW
- DW indicators relevant to Indonesia identified in the W/S including the data availability in a regular basis
- Involvement of the stakeholders in the discussion Draft Profile in *Tripartite Validation Workshop of Indonesia DW Country Profile*
- Stakeholders: MoMT, Planning Agency (Bappenas), BPS, MoF, MoI, MoT, employer association (APINDO, ABADI), confederations of trade unions (KSBPI, KSPI, KSPSI)



Summary of Profile: significant progress

- Steady progress in raising per capita income
- Significant achievement in poverty alleviation, but
 - Poverty rates still high in many parts of the country
 - Inequalities remain important
- Employment mainly distributed in agricultural and services sectors, share in manufacturing decreased
- Labor productivity increases at 3.3% per annum over the last decade
- % children not in education reduced significantly
- Progress on gender perspective:
 - Female LFPR increased
 - Female unemployment rate decreased
 - Female informal employment decreased



Summary of Profile: significant progress

- Progress on decent hours not achieved
 - % employed people work > 48 hours a week increased
 - About 75% regular employees and half of casual employees work > 40 hours a week
- Law No 23 2002 on Child protection adopted
 - child labor, aged 10-17, decreased
 - In 2010, > 1.5 million children aged 10-17 engaged in child labor
- Forced labor: efforts to eliminate trafficking in persons especially women and children are included in legal frameworks and in many Government regulations and plan of action as well
- Manpower Act No. 13/2003 contains provisions for termination of employment on valid grounds and for severance payment
- Equal opportunity and treatment in employment
 - Rise in the share of women's participation in politics and management
 - Falling in gender wage gap among regular employee



Summary of Profile: significant progress

- **Safe work environments**
 - Enforcement on occupational safety regulation had been delegated to local government following Law on Decentralization
 - Employment injury benefits are provided by Law on Social Security
 - Jamsostek coverage extend to include self-employment and informal employment
- **Law No 40 on National Social Security System adopted**

Mandates universal coverage of social security with compulsory contributions and different programs (health insurance, work accident insurance, old age pensions, pension insurance and life insurance) but not unemployment insurance
- **Social dialogue, and employers' and workers' representation**
 - collective labor agreement increased
 - Incidences of strikes and lockouts were on the increase, the number of workers involved tended to be on decrease.



DW Indicators relevant for Indonesia: Economic and social context

| DW Indicators | Data Sources |
|---|------------------------|
| Children 5-17 years not in school | BPS: Susenas |
| Estimated % of working age popn with HIV positive | UNAIDS, WHO, Sakernas |
| Labor productivity | IMF, BPS: Sakernas |
| Expenditure-based inequality (P90/P10 ratio) | BPS: Susenas |
| Inflation rate | BPS: monthly CP Survey |
| Employment by branch of economic activity | BPS: Sakernas |
| Adult literacy rate | BPS: Susenas |
| Wage share (% of GDP) | BPS: I-O Table |
| Real GDP per capita PPP | World Bank |
| Female 15+ share of employment by industry | BPS: Sakernas |
| Wage/earning inequality (P90/P10 ratio) | BPS: Susenas |
| Poverty rate | BPS: Susenas |



DW Indicators relevant for Indonesia: Employment opportunities

| DW Indicators | Data Sources |
|---|---------------------|
| Employment-to-population ratio, ages 15+ | BPS: Sakernas |
| Unemployment rate, ages 15+ | BPS: Sakernas |
| Share of youth not in education and not in employment, ages 15+ | BPS: Sakernas |
| Informal employment, ages 15+ | BPS: Sakernas |
| Labor force participation rate, ages 15+ | BPS: Sakernas |
| Youth unemployment rate, ages 15-24 | BPS: Sakernas |
| Distribution of unemployment by education level | BPS: Sakernas |
| Employment by status of employment, ages 15+ | BPS: Sakernas |
| Proportion of own-account and contributing worker in total employment, ages 15+ | BPS: Sakernas |
| Share of wage-employment in non-agriculture, age 15+ | BPS: Sakernas |



DW Indicators relevant for Indonesia: Adequate earnings and productive work

| DW Indicators | Data Sources |
|----------------------------------|---------------------------|
| Working poverty rate | BPS: Susenas and Sakernas |
| Low-pay rate | BPS: Sakernas |
| Average earnings by occupation | BPS: Sakernas |
| Average real wages | BPS: Sakernas, CPI |
| Minimum wage as % of median wage | BPS: Sakernas, MoMT |
| Real manufacturing wage index | BPS: Sakernas |
| National Poverty Line | BPS: Susenas |



DW Indicators relevant for Indonesia: Decent hours

| DW Indicators | Data Sources |
|---|---------------|
| Excessive hours (> 48 hours per week) | BPS: Sakernas |
| Excessive hours by status of employment | BPS: Sakernas |
| Excessive hours (> 40 hours per week) | BPS: Sakernas |
| Average weekly hours of work | BPS: Sakernas |
| Time-related underemployment | BPS: Sakernas |
| Hours of work (standardized hour bands) | BPS: Sakernas |

DW Indicators relevant for Indonesia: combining work, family and personal life

| DW Indicators | Data Sources |
|--|---|
| Commuting time by sex and marital status in Jabodetabek and all metropolitan areas | Sahara, I, 2010: <i>Commuting time in metropolitan cities in Indonesia</i> , UI Master Thesis (unpublished) |

DW Indicators relevant for Indonesia: Work that should be abolished

| DW Indicators | Data Sources |
|----------------------------------|---|
| Child labor, aged 10-17 | BPS: Sakernas |
| Child labor, aged 5-17 | BPS and ILO: <i>Working Children in Indonesia</i> 2009 |
| Hazardous child labor, aged 5-17 | |

DW Indicators relevant for Indonesia: Stability and security of work

| DW Indicators | Data Sources |
|---|---------------|
| Precarious (casual) work, ages 15+, % | BPS: Sakernas |
| Number of casual workers, ages 15+ | BPS: Sakernas |
| Informal employment, ages 15+ | BPS: Sakernas |
| Distribution of informal employment by status | BPS: Sakernas |
| Real wages of casual workers | BPS: Sakernas |

DW Indicators relevant for Indonesia: Equal opportunity and treatment in employment

| DW Indicators | Data Sources |
|---|---------------------|
| Occupational segregation by sex, ages 15+ | BPS: Sakernas |
| Female share of employment in ISCO-88 (groups 11 and 22), | BPS: Sakernas |
| Gender wage gap | BPS: Sakernas |

DW Indicators relevant for Indonesia: Safe work environment

| DW Indicators | Data Sources |
|--|------------------------------|
| Total reported cases of occupational injuries | MoMT: administrative records |
| Time loss due to occupational injuries, working days | MoMT: administrative records |
| Labor inspection | MoMT: administrative records |

DW Indicators relevant for Indonesia: Social security

| DW Indicators | Data Sources |
|--|--|
| Share of popn aged 65+ benefiting from old-age pension | ILO Social Security Inquity Database |
| Public social security funds | WHO, Jamsostek, Jamkesmas, Bank Indonesia, IMF |
| Health-care expenditure not financed out of pocket by private households | WHO, Jamsostek, Jamkesmas, Bank Indonesia, IMF |
| Registered workers and employers in Jamsostek | ILO and Jamsostek |
| Numbers of workers and employers covered by health care benefit in Jamsostek | ILO and Jamsostek |



DW Indicators relevant for Indonesia: Social dialogue, employers' and workers' representation

| DW Indicators | Data Sources |
|--|------------------------------|
| Union density | MoMT: administrative records |
| Membership of Indonesian Employers' Association (APINDO) | MoMT: administrative records |
| Collective bargaining | MoMT: administrative records |
| Strikes and lockouts, total incidences | MoMT: administrative records |
| Number of bipartite cooperation council | MoMT: administrative records |