

INDONESIA

A TRADE UNION FOCUS ON THE SDGs

#HLPF2019



ARE TRADE UNIONS AT THE TABLE?

The government of Indonesia has incorporated the Sustainable Development Goals (SDGs) into the current Long-Term Development Plan for 2005-2025 and the National Medium-Term Development Plan for 2015-2019. The SDGs are also being mainstreamed into the upcoming Long-Term Development Plan for 2025-2045.

The Ministry of National Development Planning (BAPPENAS) is in charge of the implementation of the SDGs. A National SDG Coordination Team was established in 2017 to formulate a road map for implementing the SDGs over 2017-2030. The team ensures coordination at both horizontal (between ministries, agencies and non-state actors) and vertical levels (between the national and local governmental levels). The ministry informs civil society about the SDG implementation process online and through consultations. KSBSI is invited to participate in all consultations, although it is the only trade union involved. While they have provided input towards the selection of SDG priorities by the government, few suggestions were taken on board, with the government prioritising the issues already included in its Long-Term Development Plan.

Social partners are involved by the government in the implementation of the SDGs through the National SDG Coordination Team and its task force focused on economy-related issues, which deal with SDGs 7, 8, 9, 10, and 17. Trade unions report that the budgetary allocation towards the implementation of the SDGs by the government is not sufficient. With Indonesia's graduation to middle-income country status and the subsequent decrease in Official Development Assistance (ODA) received, greater efforts are needed through domestic resource mobilisation to address the resulting financial gap.

KSBSI attentively looks at the efforts made by the Indonesian government to fill the financial gap through blended finance initiatives, such as the SDG Indonesia One, or through cooperation with Malaysia around the "green sukuk" initiative – an innovative financing mechanism aimed to protect the environment and tackle climate change. For example, in early 2019, Indonesia traded USD1.25 billion in five-year green sukuk that will invest in renewable energy and green infrastructure. KSBSI monitors the development impact of such initiatives.

TRANSPARENCY



Complete access to information

CONSULTATION



There is information sessions but no interaction

SOCIAL DIALOGUE



There are individual contributions from social partners to the national government



IS THE (DECENT) WORK BEING DONE?

While some indicators are improving, challenges towards reaching the SDGs remain to be addressed in Indonesia.

Improvement remains to be made on **target 1.1 (eradicate extreme poverty for all people)**, as 6.8 per cent of the population was living on under USD1.9 per day in Indonesia in 2016, although this is an improvement from the 2015 number of 7.5 per cent. Still, in 2015, 27.2 per cent of the population was living below the lower middle-income poverty line of USD3.2 per day.

With regard to **target 1.3 (implement nationally appropriate social protection systems and measures)**, 6 per cent of the population is receiving a pension (8.2 per cent of men and 4 per cent of women), and social protection systems for health and education cover 72.9 per cent and 33.2 per cent of the population, a proportion which has been increasing. Overall, government spending on education, health and social protection amounted to 26 per cent of the 2018 budget.

Progress on **target 5.4 (recognise and value unpaid care and domestic work)** has been slow and trends have even reversed, as the numbers of women in the Indonesian informal economy have increased from 61.4 per cent in 2017 to 61.8 per cent in 2018, while the same numbers for men have slightly dropped. With regard to **target 5.5 (ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life)**, only 27.5 per cent of all managerial posts were held by women, and the proportion of women in professional jobs has declined from 47.59 per cent in 2016 to 46.31 per cent in 2017. There has been significant improvement in women and girls' access to education, as in 2017, 44.5 per cent of the female population had obtained at least some secondary education, up significantly from 19.6 per cent in 2015. This improvement is due to the introduction of a mandatory nine-year period of schooling.

While there has been overall progress on meeting the targets set by **SDG 8 (promote**

sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), it has been slow, and challenges remain to be addressed. **Target 8.3 (support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of MSMEs)** shows some improvement in the eradication of informal work for men (53.7 per cent of men worked in the informal economy in 2018, down from 54.3 per cent in 2017), but not for women. Vulnerable employment has also decreased from 58.3 per cent in 2016 to 47.5 per cent in 2017. There was progress in achieving **target 8.5 (full and productive employment and decent work for all)** as unemployment decreased, from 6.8 per cent in 2012 to 4.1 per cent in 2017 for women and from 5.8 per cent in 2012 to 4.6 per cent in 2017 for men. The percentage of underemployment has also decreased from 7.5 per cent in 2017 to 6.8 per cent in 2018 for men and 7.7 per cent in 2017 to 6.4 per cent in 2018 for women. NEET indicators for **target 8.6 (reduce the proportion of youth not in employment, education or training)** dropped from 10 per cent in 2017 to 9 per cent in 2018 for youth between 15-24. Indicators for **target 8.7 (eradicate forced labour and the worst forms of child labour)** show that in 2017, 23.4 per cent of children between 10-17 from urban areas engaged in labour, compared to 76.6 per cent of those in rural areas.

Progress remains to be made for Indonesia to reach **target 10.4 (adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality)**, as in 2013, the share of the 10 per cent highest income earners accounted for 31.9 per cent of the overall GDP and owned 77 per cent of the total assets. However, the Gini coefficient for the country has reduced somewhat from 2017 to 2018, suggesting a reduction in income inequalities.

According to the ITUC Rights Index, there were 28 violations in labour rights in law and practice in Indonesia in 2016, hampering the achievement of **target 16.10 (ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements)**.

WHERE TO NEXT?

TRADE UNION RECIPE TO LEAVE NO ONE BEHIND

The KSBSI calls on the Indonesian government to ensure coherent action to implement the SDGs by:

- Maintaining coordination efforts made by the National SDG Coordination Team, especially ensuring complementarity of efforts between the central and local governments.
- Improving partnership between the government and civil society actors, including trade unions, to ensure buy-in and shared responsibility.
- Enhancing the financial allocations to the implementation of the SDGs by strengthening the involvement of the parliament and ensuring its support to increasing the budget for this purpose.
- Ensuring that the SDGs are seen as integral to the existing national development plan and fully integrated into national goals.
- Ensuring – by introducing more initiatives and facilities in addition to the existing ones – that there are no financial gaps in financing the implementation of the SDGs.



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