

Kaasch, Alexandra; Sumarto, Mulyadi; Wilmsen, Brooke

**Working Paper**

## Indonesian social policy development in a context of global social governance

UNRISD Working Paper, No. 2018-6

**Provided in Cooperation with:**

United Nations Research Institute for Social Development (UNRISD), Geneva

*Suggested Citation:* Kaasch, Alexandra; Sumarto, Mulyadi; Wilmsen, Brooke (2018) : Indonesian social policy development in a context of global social governance, UNRISD Working Paper, No. 2018-6, United Nations Research Institute for Social Development (UNRISD), Geneva

This Version is available at:

<http://hdl.handle.net/10419/186116>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



# UNRISD

United Nations Research Institute for Social Development

Working Paper 2018-6

## **Indonesian Social Policy Development in a Context of Global Social Governance**

Alexandra Kaasch, Mulyadi Sumarto and Brooke Wilmsen

prepared for the UNRISD project  
New Directions in Social Policy:  
Alternatives from and for the Global South

May 2018



# UNRISD

United Nations Research Institute for Social Development

The United Nations Research Institute for Social Development (UNRISD) is an autonomous research institute within the UN system that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues. Through our work we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

UNRISD, Palais des Nations  
1211 Geneva 10, Switzerland

Tel: +41 (0)22 9173020

Fax: +41 (0)22 9170650

[info@unrisd.org](mailto:info@unrisd.org)

[www.unrisd.org](http://www.unrisd.org)

Copyright © United Nations Research Institute for Social Development

This is not a formal UNRISD publication. The responsibility for opinions expressed in signed studies rests solely with their author(s), and availability on the UNRISD website ([www.unrisd.org](http://www.unrisd.org)) does not constitute an endorsement by UNRISD of the opinions expressed in them. No publication or distribution of these papers is permitted without the prior authorization of the author(s), except for personal use.

# **Introduction to Working Papers for New Directions in Social Policy: Alternatives from and for the Global South**

This paper is part of a series of outputs from the research project New Directions in Social Policy: Alternatives from and for the Global South.

The project examines the emergence, nature and effectiveness of recent developments in social policy in emerging economies and developing countries. The purpose is to understand whether these are fundamentally new approaches to social policy or welfare systems which could offer alternative solutions to the critical development challenges facing low- and middle-income countries in the twenty-first century. This research aims to shed light on the policy options and choices of emerging/developing countries; how economic, social, political and institutional arrangements can be designed to achieve better social outcomes given the challenges of the contemporary development context; how the values and norms of human rights, equity, sustainability and social justice can be operationalized through “new” social policies; and how experiences, knowledge and learning about innovative approaches can be shared among countries in the South. For further information on the project visit [www.unrisd.org/ndsp](http://www.unrisd.org/ndsp).

This project is funded by the Swedish International Development Cooperation Agency (Sida).

## ***Working Papers for New Directions in Social Policy: Alternatives from and for the Global South***

*Global Approaches to Social Policy: A Survey of Analytical Methods*  
Nicola Yeates, February 2018

*Political and Institutional Drivers of Social Security Policy in South Africa*  
Marianne S. Ulriksen and Sophie Plagerson, December 2017

*Moving towards Redistributive and Transformative Social Security?  
Gendered Social and Economic Outcomes in South Africa*  
Sophie Plagerson, Tessa Hochfeld and Lauren Stuart, December 2017

*The Controversial Brazilian Welfare Regime*  
Lena Lavinás, Denise Gentil and Barbara Cobo, November 2017

*The Rise of Homegrown Ideas and Grassroots Voices: New Directions in Social Policy in Rwanda*  
Chika Ezeanya-Esiobu, May 2017

*The Development of Indonesian Social Policy in the Context of Overseas Development Aid*  
Brook Wilmsen, Alexandra Kaasch and Mulyadi Sumarto, March 2017

*Universalizing Elementary Education in India: Achievements and Challenges*  
John Harriss, February 2017

# Contents

- Introduction ..... 1
- Global Social Policy and Governance: Ideas about National Social Policies ..... 2
- Methodology and Research Design..... 3
- Global Social Policy Actors in Indonesia ..... 4
  - World Health Organization (WHO) ..... 4
  - International Labour Organization (ILO)..... 4
  - World Bank ..... 5
  - Other international organizations ..... 5
  - Collaborative activities..... 6
- Global Actors’ Ideas about Indonesia’s Social Policy ..... 8
  - Protection of excluded groups of the population ..... 9
  - Quality of services and generosity of benefits ..... 10
  - Appropriateness of the existing system of social protection..... 11
  - Increasing inequality ..... 12
    - Taxation for expanding the risk pooling in meeting social risks ..... 13
- The Changing Role of International Agencies in Indonesia ..... 13
- Conclusions ..... 14
- References ..... 18

## Acronyms

ASEAN	Association of Southeast Asian Nations
Bappenas	Ministry of Planning and Development
BPJS	Badan Penyelenggara Jaminan Sosial
ECOSOC	UN Economic and Social Council
FAO	UN Food and Agricultural Organization
GoI	Government of Indonesia
GIZ	Gesellschaft für Internationale Zusammenarbeit
JICA	Japanese International Cooperation Agency
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
MDG	Millennium Development Goals
MoH	Ministry of Health
MSS	Minimal service standard
PKH	Program keluarga harapan
PRSF	Poverty Reduction Support Facility
SDG	Sustainable Development Goals
SEARO	South-East Asia Regional Office
SJSN	Sistem Jaminan Sosial Nasional
SSN	Social safety net
UHC	Universal Health Coverage
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute for Social Development

## Abstract

This paper reports the ideational and expertise roles and positions of global social policy actors. A particular emphasis is on the role of international organizations in supporting social policy development in Indonesia. These agencies include the World Bank, ILO, WHO, UNDP, UNICEF and FAO. It engages with the following key questions: which external policy actors have engaged in social policy issues in Indonesia? What were their perspectives, ideas, preferences or requests? And, how has their role changed as the country has developed? Analytically, it employs a global social policy and governance perspective, and focus on social policy prescriptions of global policy actors. This paper discusses several international organizations represented in Indonesia, their collaborative activities and their “ideas” of Indonesian social policy development.

## Acknowledgements

Many thanks to Derya Arslan, Cleovi Mosuela and Katharina Petzold for their research assistance. Many thanks to Ilcheong Yi for very helpful comments.

## Introduction

Global policy ideas and discourses have proved to be important for the development and reform of national social policies, and have emerged and grown in various fields of social policy (Kaasch et al. 2015). Particularly following global or regional economic crises, the value of—and problems with—social policy have been the subject of debate at different levels of governance (Starke et al. 2013).

Due to a number of different shocks and developments, we can observe how global ideas have increasingly shifted to include a social dimension. Examples include the global economic and financial crisis from 2007-8 onwards that provoked significant changes in global ideas about pension systems (Orenstein 2005, Orenstein 2011) and gave shape to the International Labour Organization's (ILO) social protection floor initiative (Deacon 2013). In 2014-15, the Ebola crisis drew attention, once again, to the importance of health systems, which connects to global policy concepts such as universal health coverage (UHC) (Kaasch 2016). As global social governance, these different forms of global social policy are driven by various actors of different kinds that use a range of mechanisms to develop ideas and to diffuse their messages (Kaasch and Martens 2015). We therefore need to understand the roles, positions and inter-relationships of the global actors involved in providing social policy prescriptions.

This paper presents the roles and positions of global social policy actors in Indonesia. More concretely, we analyse ideas of international organizations about the development of social policy in the emerging economy of Indonesia. Many studies link the development of social security primarily to economic development. For example, Suryahadi et al. assume that Indonesian social security development “is very much related to and driven by the development of the Indonesian economy in general” (Suryahadi et al. 2017).

In this paper we focus instead on the agency and ideas of several global social policy actors represented in the country. Our research engaged directly with these external actors to understand the ideas that drive their input into national social policy processes. This paper provides a broad picture of actors and their influence in Indonesian social policy development.<sup>1</sup>

Social policies in Indonesia have been undergoing rapid development in recent years. Since 2002, the right and access to social security have been increasingly formalized and expanded. After the Asian Financial Crisis (1997), Indonesia moved from an incoherent, exclusionary set of social security institutions (mainly focused on formal sector workers, in particular civil servants) to a National Social Security System (Sistem Jaminan Sosial Nasional (SJSN) (Law No. 40/2004). It extends across and unites the system of social security schemes and aims to cover the whole population in the near future (Sumarto 2013, Suryahadi et al. 2017).

In order to better understand the global context within which such changes have occurred, this paper asks the following key questions: Which external policy actors have engaged in social policy issues in Indonesia? What were their perspectives, ideas, preferences or requests? And, how has their role changed as the country has developed?

---

<sup>1</sup> This work is complemented by two additional UNRISD Working Papers focused on the case of Indonesia: Wilmsen et al. (2017), which provides a concrete example of external actor influence and Sumarto et al. (Forthcoming), which provides the perspective of the Indonesian government.

## **Global Social Policy and Governance: Ideas about National Social Policies**

International organizations have a particular role in advising and supporting national governments in developing and emerging economies to set up and reform social policies. In order to analyse the case of Indonesia, we employ a global social policy and governance perspective (Deacon et al. 1997, Deacon 2007). Global social policy principally refers to two interrelated characteristics: on the one hand, global social policy as an approach concerns social policy prescriptions of global policy actors for the concepts, aims, settings, institutions and reforms of national social policies. An example can be seen in the ideas behind the social protection floor initiated by the ILO (Deacon 2013). On the other hand, global social policies as practices refer to supranational redistribution, regulation and rights, such as social regulation in international trade agreements. In this paper, we focus on the former and are particularly interested in ideas about national social policy in different fields.

Global social policy and governance literature focuses on the (potential) ideational influence of “external” actors on national social policy reform in various contexts and forms. Global social governance refers to the multiplicity of global actors that engage, in various ways and changing coalitions, with social policy issues (Deacon 2007, Kaasch and Martens 2015). The role of the International Financial Institutions (World Bank, International Monetary Fund and regional development banks), alternative ideas disseminated by the “UN social agencies” (particularly the ILO, the United Nations Educational, Scientific and Cultural Organization and the World Health Organization (WHO)) and a vast number of other kinds of actors (including individual entrepreneurs, or “flexians” performing overlapping roles crossing public and private spheres (Stubbs and Wedel 2015)) have been described and studied for how they shape national social policies (Deacon et al. 1997, Deacon 2007, Yeates 2008, Kaasch and Martens 2015). While considering national policy makers as the key decision makers in the set-up and reform of various social policies, we are interested in the ways external actors have observed, described and commented on Indonesian social policy development, and how that compares with generalized global social policy ideas on different social policy fields.

When looking at the level of global social policy ideas as they emerge in general global social policy discourses, we can distinguish between different social policy fields and the rights and needs of particular populations or groups of people within societies. Major global social policy discourses have been identified and studied around pension policies, with controversies between the World Bank and the ILO and like-minded epistemic communities, which has had a particular impact on Latin American states, as well as the transformation economies of Eastern Europe (Deacon 2000, Orenstein 2008).

The ideas promoted by the International Finance Institutions (IFIs) centred around a three-pillar pension model with a strong private component. The ILO and partners favoured a strongly public system of social protection for old age. Since the global economic and financial crisis, however, the IFIs have shifted towards an approach closer to that of the ILO. Comparable discourses in the field of health systems involve more actors than old-age pensions, for example including the Organisation for Economic Cooperation and Development and the WHO as important global social policy actors, but are also, broadly speaking, less controversial (Kaasch 2013, Kaasch 2015). The need of big risk pools and broad coverage is shared by global health experts. For the field of education, there are also some shared ideas caused by global diffusion (Meyer et al. 1992), as well as contested ones, for example the privatization of services (Verger et al. 2016).



## Methodology and Research Design

For the purpose of this study of Indonesia, we analysed the ideas of the World Bank, United Nations Development Programme (UNDP), WHO, Food and Agricultural Organization (FAO), United Nations Children's Fund (UNICEF), and ILO on Indonesian social policy development, against the backdrop of conceptual understandings of global social policy described above. We include the World Bank because it is the dominant financial power and covers a breadth of policy fields, including several social policy fields. UNDP is much less financially powerful but is also engaged in aspects of social policy. The other organizations have been chosen because they are key institutions in different social policy fields—that is, the WHO for health policies, the FAO for food, and the ILO for labour-related social policies. We added UNICEF as an organization concerned with various social policy issues related to a particular group of the population that is considered to be especially vulnerable even after considerable social policy reforms in Indonesia.

In order to understand and describe the global social policy context within which national social policy development in Indonesia has evolved, we retrieved various documents from the different organizations' websites. These were openly accessible documents, such as project documents by international organizations, and media documents (for example, relevant newspaper articles, governmental and international organizations' websites, and so on). They have been analysed by classifying different social policy fields the documents referred to, comparing the main social policy idea(s) expressed for Indonesia with more generalized global social policy ideas. We also conducted a number of interviews at the organizations' offices in Jakarta to understand how the actors describe themselves, their ideas, and their role in the country.<sup>2</sup>

The interviews not only generated primary data, but also facilitated the identification of additional secondary data relevant to the research. We undertook additional semi-structured interviews with experts working for the different international organizations' offices in Jakarta. All interviews were recorded, transcribed and thematically analysed regarding the particular views interviewees expressed about the development of Indonesian social policies. These semi-structured interview allowed for probing of the informant's perception or opinion when it was needed and to elaborate their answer in detail (Gray 2004). For reasons of confidentiality, the interviewees' names are not disclosed. Furthermore, given a common bias in part of the related literature concerning "good" and "bad" actors in the field, it is important to keep a researcher's stance towards the interviewee of "empathetic neutrality" (Quinn Patton 2002).

Our interview questions comprised questions about the description of the country's social policy situation and recent reform, assessments of these changes, about the interviewee's opinion on the appropriate role of external agencies in such processes, about the interviewee's opinion on her/his own organization's involvement and on collaborative activities with other international organizations. While the basic ideas about social policy, or a particular field of social policy, were mainly derived from document analysis, the interviews allowed us to learn more about changing roles and perspectives by the different international organizations we studied, and the inter-relations between these agencies.

---

<sup>2</sup> Arranging the interviews was facilitated by the support of the Dean of Faculty of Social and Political Sciences, Gadjah Mada University, as the institutional host of this research in Indonesia, who signed formal letters asking for interviews. For other interviews, we addressed the representatives as named at websites via email.

## **Global Social Policy Actors in Indonesia**

Many of the foundational ideas about the state of Indonesia stem from its Dutch colonial history, including labour relations and urban development (Vickers 2013: 2). Institutions in other policy fields have been shaped by more globally diffusing policy ideas, originating in the numerous development agencies, both governmental and non-governmental organizations that have been in the country for decades<sup>3</sup>.

### ***World Health Organization (WHO)***

Indonesia joined the WHO in 1950, at a time when the WHO South-East Asia Regional Office (SEARO) had already started to work from India (having been founded in 1948). The first initiatives and campaigns in the region, including in Indonesia, were concerned with the control of malaria, tuberculosis, leprosy and other infectious diseases (in the 1950s). WHO assistance for maternal and child health was also provided from relatively early on, as well as training programmes for medical staff. In the middle of the 1950s, regional WHO programmes started to focus on providing basic needs (rather than only focusing on communicable diseases). This included sanitation and health education, as well as training programmes for health personnel (WHO SEARO 1999: 26). The 1960s saw malaria eradication programmes in Indonesia and other countries in the region, and the strengthening of epidemiological services. Statistical information was also expanded (WHO SEARO 1999: 32) in Indonesia and health education programmes. As a form of very basic health systems support, in the 1950s and 1960s, the WHO facilitated the establishment of rural health activities in the context of community development planning, concluding on its work: “By the end of the decade, encouraging results had been achieved in expanding the coverage through a network of rural health centres” (WHO SEARO 1999: 47).

Currently, the WHO in Indonesia runs activities in the fields of communicable and non-communicable diseases, promoting health throughout the life course, health systems, preparedness, surveillance and response, and emergencies.<sup>4</sup> Within the field of health systems, the WHO supports UHC by building the capacity of middle management officials in the government, facilitating the monitoring-evaluation and assessment of UHC implementation at different levels, supporting National Health Accounts training and institutionalization, and supporting the development of clinical governance and guidelines for improving the quality of the health system.<sup>5</sup>

In general, the WHO provides technical and financial supports for the Government of Indonesia (GoI) in developing health policy, which covers health care protection (WHO 2008). In describing its own role, the WHO states that it “has traditionally been a close partner in health development in Indonesia and has been involved in various health development programmes. Most of the WHO’s visions or themes have been formally adopted in Indonesia country programmes and priorities. As Indonesia has moved up the development ladder in becoming a middle-income country, the proportion and scope of development partners’ work and involvement in Indonesia has been decreasing over time” (Mahendradhata et al. 2017: 33).

### ***International Labour Organization (ILO)***

In 1950, Indonesia became a member of the ILO. The ILO’s areas of work in Indonesia include supporting the inclusion of young people into training and labour market, improving preventative safety measures against HIV/AIDS in the workplace, “supporting the formulation

---

<sup>3</sup> Indonesia joined several UN organizations in the late 1940s and early 1950s.

<sup>4</sup> See <http://www.searo.who.int/indonesia/areas-of-work/en/> (accessed 14 January 2016).

<sup>5</sup> See <http://www.searo.who.int/indonesia/topics/hs-uhc/en/> (accessed 14 January 2016).

of policies for social security reform and restructuring, and conducting a feasibility study on extending social security to the informal sector”, and programmes against child labour (ILO 2015).

The ILO also urged the GoI to adopt international standards of labour rights such as collective bargaining and bipartite negotiating (Caraway 2004). Since the Asian economic crisis, the GoI has been conducting labour reform and thereby ratified eight of the ILO conventions which it uses to regulate labour relations (Rupidara and McGraw 2010). In more recent years, the ILO headed the United Nations Partnership for Development Sub-Working Group on the Social Protection Floor (established in May 2011). Related activities also occurred in the Assessment Based National Dialogue under a Sub-Working Group of the Social Protection Floor, initially driven by the ILO. The leadership was progressively taken over by the Ministry of Planning and Development (Bappenas) (ILO 2015: 65).

More recently, the ILO has been running the second phase (from 2012 to 2017) of a “Better Work Indonesia” programme which aims to improve working conditions and productivity in targeted employment-intensive sectors.<sup>6</sup> Another project is “Decent Work for Food Security and Sustainable Rural Development” (2014-2016) which promotes the improvement of working conditions, better access to social protection and a conducive environment for job creation.<sup>7</sup> The situation of domestic workers and children is also addressed in ILO projects<sup>8</sup> and widows under a pilot project called “Single Widow Service” (*Pelayanan Satu Atap*). Finally, in 2014, the ILO conducted a study on the proposed modifications to the social security system for employment injury, old age and death benefits (ILO 2015).

## **World Bank**

Indonesia became a member of the World Bank for a short time during the Soekarno Administration in 1954 (Thompson and Manning 1974), later withdrawing in August 1965 (Dick 2002). World Bank membership was incongruent with Soekarno’s socialist economy through guided democracy and particularly the anti-western propaganda movement. Even during its eleven-year membership, Indonesia was recognized as a non-active member because its borrowings were limited. After Soeharto came to office in 1966, Indonesia re-joined the Bank in April 1967 (Thompson and Manning 1974). During the Soeharto period, the Indonesian government and the World Bank had a close relationship. The Bank provided considerable loans and technical assistance, helping the government to achieve high economic growth. The World Bank also became involved in social-economic development in Indonesia via a loan to cope with the Asian Financial Crisis. In the late 1990s, the Indonesian government introduced a social safety net (SSN) for the poor that mostly work in the informal sector. The SSN was a conditionality of the structural adjustment program provided by the Bank. Starting from the SSN programme, the government has been extending social protection to wider groups of the population, particularly the universalization of health care (Sumarto et al. Forthcoming).

## **Other international organizations**

Indonesia has been a member of the FAO since 1948, and has had a country office since 1978. The organization reports “more than 650 interventions have been implemented in support of the food and agriculture sector,” (FAO 2015) which also included food security. The explicit use of social protection terms is, however, a new development in FAO’s ideas. UNICEF is also engaged with issues of health and nutrition in Indonesia, with a particular focus on the needs of children. It is UNICEF’s aim to support the country in realizing basic education for all,

<sup>6</sup> See [http://www.ilo.org/jakarta/whatwedo/projects/WCMS\\_180290/lang--en/index.htm](http://www.ilo.org/jakarta/whatwedo/projects/WCMS_180290/lang--en/index.htm), accessed 14 January 2016.

<sup>7</sup> See [http://www.ilo.org/jakarta/whatwedo/projects/WCMS\\_308006/lang--en/index.htm](http://www.ilo.org/jakarta/whatwedo/projects/WCMS_308006/lang--en/index.htm), accessed 14 January 2016.

<sup>8</sup> See [http://www.ilo.org/jakarta/whatwedo/projects/WCMS\\_210965/lang--en/index.htm](http://www.ilo.org/jakarta/whatwedo/projects/WCMS_210965/lang--en/index.htm), accessed 14 January 2016.

improving the quality of education and teaching standards, child protection, child health (including HIV/AIDS), water and sanitation.<sup>9</sup> Finally, the UNDP's aim is to "support Indonesia's national priorities and the implementation of Government of Indonesia's Medium Term Development Plan 2010-2015 and other national and local development visions, strategies and plans."<sup>10</sup> The UNDP is also the supporting agency for developing plans to achieve the Sustainable Development Goals (SDGs), as it did in working towards the Millennium Development Goals (MDGs).

### ***Collaborative activities***

The mandates and aims of some of the organizations discussed above overlap and as resources are constrained, we also find various collaborations. Among the more institutionalized relationships are the regular meetings of UN country teams. Such networks fulfil the purpose of identifying common issues, avoiding doubled or contradictory initiatives and learning about different perspectives. The usefulness of these initiatives varies and our interviewees valued such meetings differently. While some praised the collaborative and collective spirit, others talked about the problem of arrogance of some agencies that undermines the collaboration through communicating perspectives and discussing initiatives.

An important collaborative initiative was undertaken among the health-related agencies (including WHO, UNICEF and World Bank), which have had exchanges about the development of health social security in Indonesia. In explaining some of the differences between the agencies, the WHO interviewee said: "...World Bank co-shares with us on [the] task force on [...] health coverage because their expertise is in the financial side, we are experts of the supply side and we can work together."<sup>11</sup> According to the UNDP, however, this group was not more than "a very informal working group", focused on the coordination of activities in fields of common concern, and without a comprehensive joint programme. The UNDP interviewee stressed the independence and differences in the roles of the different agencies.<sup>12</sup>

Another example of collaboration is the ILO and FAO's promotion of decent work in rural areas with reference to the ILO's global agreement on decent work and the FAO's concern about the development of rural areas. Other fields of collaboration concern nutrition (World Food Programme (WFP), WHO, FAO) and disability (WHO, ILO, United Nations Population Fund (UNFPA)). In the past, ILO for instance, worked in cooperation with global financial and bilateral agencies, as described by Caraway: "The ILO, backed up by foreign governments and the international financial institutions, became the international arbiter of labour standards [in Indonesia]" (Caraway 2004: 32)..

However, UN organizations also collaborate with other kinds of actors on related topics and activities. For example, UNICEF mentioned a collaboration with Plan International, which it viewed as an "agent of change"<sup>13</sup>. "Other" actors, namely national development organizations and foundations, collaborate and exchange much less than UN organizations. An interviewee from the Japanese International Cooperation Agency (JICA) suggested that there is not much collaboration [with the World Bank], even though JICA staff occasionally attend seminars of the World Bank and UN organizations: "I attended a seminar by the World Bank about social security and employment and I found our work is actually quite similar. But we have coordinated nothing". The German Gesellschaft für Internationale Zusammenarbeit (GIZ), after having been a strong supporter of Indonesian health system development, seems to be looking

<sup>9</sup> See <http://www.unicef.org/indonesia/activities.html>, accessed 14 January 2016.

<sup>10</sup> See <http://www.id.undp.org/content/indonesia/en/home/ourwork/overview.html> (accessed 15 January 2016).

<sup>11</sup> Interview at WHO Indonesia, 6 October 2015

<sup>12</sup> Interview at UNDP Indonesia, 7 October 2015

<sup>13</sup> Interview at UNICEF Indonesia, 9 October 2015

for a “new niche” for meaningful and successful engagement with, and support of, Indonesian development as a provider of “services ... in the field of international cooperation for sustainable development.”<sup>14</sup> In some contrast, Japanese development aid appears to be more of a mix between a development and an investment approach and has already shifted its focus away from health services towards infrastructure projects.

How international agencies collaborate, plan and initiate work is to a considerable extent dependent on how the Indonesian government steers and directs that support so that it is suitable for its own interests and plans. The role and scope of external agencies change related to the interests and strategies of national decision makers. Many of our interviewees expressed the view that the government is now clearly in the driver’s seat and that the development actors have to readjust their roles and contributions if they want to continue to be relevant.

The GoI takes two broad strategies to steer the participation of international agencies in national development policies: establishing and strengthening the institutional links of particular organizations with particular ministries, and encouraging international agencies to engage with specific agency programmes, such as the TNP2K (National Team for the Acceleration of Poverty Reduction).<sup>15</sup> The former strategy aims to link any aid agency and foreign organization in the country to a particular ministry for organizing and controlling the organizations’ activities. This gives the Indonesian policy makers the power to decide whom to contact and what to ask for, and to avoid overlaps and competition. At the same time, it limits the capacity of external actors to get in touch with any government representatives just because they think it most promising for them. There are now clearly defined points of contact. Even if to some extent symbolic, it does signal a changing role of international organizations in the country on-demand towards knowledge providers, rather than holders of general knowledge on which the government is dependent.

The latter strategy is a new mode of international cooperation on knowledge transfer and technical assistance. Looking from the side of the GoI, in the past it actively asked for technical assistances from UNICEF and the World Bank, and requested financial support from the Government of Australia in developing conditional cash transfer program (*program keluarga harapan* (PKH)), which was initiated in 2007. In responding to the GoI’s demand, the Bank and UNICEF have developed training modules on health, education, nutrition and child protection targeted for the PKH beneficiaries (PRSF 2014). The Australian Government plays a broader role than those of UNICEF and the World Bank. The PKH is part of GoI poverty reduction programmes supported by the Australian Government through the Poverty Reduction Support Facility (PRSF).<sup>16</sup> All of the technical activities and policy process of the PKH are under the control of the PRSF that works closely with TNP2K.

According the UNDP interviewee “TNP2K is staffed with the best of the best people that we can have. So I don’t think they can easily skew towards the wrong direction. [...] I think the TNP2K is strong enough to actually know what to take, what not to take and how to bring the ideas and the support into the programme.”<sup>17</sup> This shows that staff from international organizations indeed think they are providing the best solutions (with the best people), and take strategic decisions in promoting their ideas, even if at the same time asserting that the government is in the driver’s seat.

---

<sup>14</sup> See <https://giz.de/en/aboutgiz/profile.html> (accessed 25 January 2016).

<sup>15</sup> For detailed description of TNP2K see, Wilmsen et al. (2017)

<sup>16</sup> For detailed description and discussion of PRSF, see Wilmsen et al. (2017)

<sup>17</sup> Interview at UNDP Indonesia, 7 October 2015.

## Global Actors' Ideas about Indonesia's Social Policy

Indonesia's National Social Security System (Sistem Jaminan Sosial Nasional (SJSN) (Law No. 40/2004)) has been in place for more than 10 years, though important changes did take place until 2011 because of the need to issue various derivative laws and regulations before they could be implemented. This occurred in a period when the GoI acted passively towards developing social security regulation. Only after re-election was a new social security implementing agency (Badan Penyelenggara Jaminan Sosial (BPJS)) established (Law 24/2011) (Suryahadi 2017). This institution is split into the BPJS Kesehatan (Health), in operation since January 2014, and BPJS Ketenagakerjaan (Employment), in operation since July 2015.

Reflecting on the very quick process of social policy expansion, the UNDP interviewee said: "Indonesia is actually a late starter. But once Indonesia agreed to adopt, it runs fast, a little too fast sometimes. One thing that could be looked into is actually the readiness because I feel they should have done more homework ..." <sup>18</sup> Nevertheless, the right to social security, together with the implementation of SJSN and BPJS Health and BPJS Employment, clearly marks the commitment of the GoI to setting up universal health insurance on the one hand, and social protection schemes in the fields of old-age pensions, work injury and death of the breadwinner on the other. This corresponds with shared global ideas about health systems and pensions.

Regarding health policies, Indonesia has set specific targets for achieving universal health coverage by 2019 and has in place a contribution-based social health insurance for formal economy employees (ILO 2015: xvii). Related to the health system and health problems, among the critical issues that remain are maternal mortality and extension of coverage to those in the larger informal sector. According to an ILO report, the latter is still "unclear" (ILO 2015: xvii). While the general aim of Indonesian health care reform is the universalization of access to health care, particularly for vulnerable and underserved groups, various interviewees mentioned the need for targeting. For example, the UNICEF interviewee noted that the identification of poor households was an outstanding issue. Similarly, in its recent report on inequality, the World Bank raised concerns about social spending benefiting the rich while there are so many poor people in the country for whom any spending would have an impact (World Bank 2015). Such comments reflect older, somewhat dated, global social policy discourses, that is, targeting rather than a joint effort towards universal coverage.

Other social needs are covered by social assistance schemes related to education (school assistance projects), income security for families with children (conditional cash transfers, scholarship programmes) and food provision (Raskin, a subsidized rice delivery programme), as well as PNPM and BLK providing social infrastructure and employment opportunities (see also, Kwon and Kim 2015). Here, social policy expansion as pursued by the GoI follows the global social policy ideas held by the actors discussed in this paper. The challenge, however, is in realizing universalization and the expansion of existing programmes.

Overall, while it is certainly too early to come to a meaningful conclusion about the success of these new institutions in setting up a sustainable system of social protection, or making Indonesia a comprehensive "welfare state", there is a considerable level of appreciation and support for social policy development in Indonesia expressed by many external actors. As the UNDP interviewee said, "In general, I think what the Indonesian government has taken it beyond expectation in terms of the ideas and also the speed. [...] The direction is definitely correct but it's a long-term process. So rolling-out social protection for the poor and

---

<sup>18</sup> Interview at UNDP Indonesia, 7 October 2015

disadvantaged is a huge task.”<sup>19</sup> The WHO representative was particularly satisfied with the attempts of the Indonesian government to develop social protection in and through the health sector, and expects positive developments in the years to come.<sup>20</sup> An ILO report describes the Indonesian system as “a staircase approach with non-contributory schemes for the poorest people, contributory schemes (with nominal contributions) for the self-employed and informal economy workers, and statutory social security schemes for formal sector workers and their dependents” (ILO 2015: 64). Furthermore, the aim to achieve UHC by 2019 is highly appreciated (ILO 2015: 64). From a comparative ASEAN perspective, the ILO report emphasizes: “Indonesia stands out by incorporating informal workers in its reforms of the national social security system” (ILO 2015: 29).

Nevertheless, international agencies also expressed a number of concerns, or a considerable degree of uncertainty, regarding the future. These concern the following—to some extent interrelated—issues and we will discuss each of them in turn: 1) protection of excluded groups; 2) quality of services and generosity of benefits; 3) appropriateness of the existing system of social protection; 4) increasing inequalities; and finally, 5) taxation for expanding risk pooling in meeting social risks.

### ***Protection of excluded groups of the population***

Disadvantaged populations in rural areas are of particular concern to many development actors, including UNICEF. However, while there are certainly important issues about underprivileged groups in rural areas, particularly connected to geographical circumstances (remote islands), our UNICEF interviewee suggested a change in perspective: “We saw poverty as a rural problem because in rural areas the poverty rate is higher than in urban areas. But if we increase the poverty line to two dollars, we see that poverty is equally urban and rural. We have shown this to the government and told them poverty is not really rural.”<sup>21</sup> This signals that on the one hand, the view on what needs to be considered as poverty has changed, given the altered development status of the country. On the other hand, it shows the power of an international organization to (re)frame the description of a social problem, and—in exchange with the GoI—to shift agendas and the focus of national policy making.

Children are another group considered to be particularly vulnerable, as they face multiple challenges in various aspects of their lives (child marriage, health care, education, nutrition and so on). UNICEF has long worked on such issues in Indonesia, but approaching it from a social security perspective is a rather recent development: “Actually, in relation with social security and children, this is something like the new area that we want to pursue in the next country programme because we see that the progress for children in the poverty reduction scheme that the government have made is very limited.”<sup>22</sup> The draft new country programme as presented at Economic and Social Council (ECOSOC) explains what this new focus on social security means. It states that UNICEF’s work in Indonesia in the upcoming years will focus on social rights, namely the rights of the child, and transforming gender roles. More concretely, that will involve the “Child Survival and Development Programme” on issues of health, nutrition and water and sanitation. Furthermore, early childhood education and adolescent development will also be a focus. In terms of social policy more explicitly, the plan mentions a “Social Policy Programme” geared towards strengthening the social protection system to reduce child poverty (including by promoting more broad-based child grants instead of relying on conditional cash transfers) (UNICEF Executive Board 2015). What is reflected in this development is the success

---

<sup>19</sup> Interview with UNDP Indonesia, 7 October 2015

<sup>20</sup> Interview with WHO Indonesia, 6 October 2015

<sup>21</sup> Interview at UNICEF Indonesia, 9 October 2015

<sup>22</sup> Interview at UNICEF Indonesia, 9 October 2015

of the ILO (on a global scale) to frame part of the development discourse as the expansion of social protection (see for example, Deacon 2013). An emerging economy like Indonesia that has already taken steps towards developing systems of social protection and has embarked on (global) strategies to universalize social protection in the field of health care (see also, Sumarto Forthcoming) is certainly a particularly interesting partner for international organizations pushing these agendas.

However, young people more generally are also an issue of concern for international agencies, particularly education and skills training—the ILO report warns “if [young people] remain unable to secure decent work, the demographic dividend of Indonesia’s relatively young population could turn into a demographic liability” (ILO 2015: 64). Although the focus of UNICEF and the ILO are different, they are not in conflict with each other. The long-term view of a person’s life course is more embedded in the ILO’s social security perspective, whereas UNICEF is more youth focused.

Recently, other specific groups, such as persons with disabilities and the LGBTI community, have been identified as requiring specific protection. This follows similar discussions at the global level and in other countries that Indonesia now considers to be potential examples from which to learn. This hints at a shift towards broader global conceptions of “targeting within universalism” (Skocpol 1992). Nevertheless, the increased consideration of LGBTI rights at a more abstract, political level is accompanied by an increasingly hostile public climate that LGBTI people are faced with, as has been reported by global media<sup>23</sup>. The Human Rights Watch has reported rights violations of LGBTI people and political struggles around it.<sup>24</sup> An expression of the contrasting views within the Indonesian political context is the silence or, occasional, pro-LGBTI stance of President Joko Widodo. For example, the GoI accepted two recommendations at the UN Human Rights Council to improve the situation for LGBTI people in Indonesia;<sup>25</sup> but rejected more concrete recommendations and continued to persecute the LGBTI community in other contexts in Indonesia. Here we observe a dominant—considered to be “Western”—discourse clashing with a significant part of Indonesian society and authorities. The dedication of the current government to develop and “modernize” in multiple fields at the same time simultaneously struggles to overcome national cultures and traditions.

### ***Quality of services and generosity of benefits***

In Indonesia’s evolving system of social protection and assistance, the expansion process has reached a stage where it not only raises questions of access, but increasingly questions of quality. According to the UNICEF interviewee: “Previously, the concern was only access to an improved water source, improved sanitation, but about the questions of quality is something the government hasn’t really touched.”<sup>26</sup> Furthermore, there is some concern expressed about the appropriateness of the benefit levels in the case of old-age pensions: “The median wage male worker in Indonesia is only expected to receive a pension income of about 14 percent of his lifetime average earnings” (ILO 2015: 41). As in some of the above examples, this implies that the international agencies are pushing the GoI to take further steps to broaden their conceptions and scope of social problems. It serves both the development of “new” directions in social policy making and the continued, legitimized role of international organizations in the country.

<sup>23</sup> See, for example, The Guardian, 6 September 2017 <https://www.theguardian.com/world/2017/sep/06/lgbt-crackdown-feared-in-indonesia-after-12-women-evicted-from-home>; CNN, 1 June 2017 <http://edition.cnn.com/2017/05/31/asia/indonesia-lgbt-rights/index.html>

<sup>24</sup> For example, at <https://www.hrw.org/news/2017/09/14/indonesias-attorney-general-rejects-lgbt-discrimination>,

<sup>25</sup> See Human Rights Watch, <https://www.hrw.org/news/2017/09/21/indonesias-tepid-lgbt-support-un>

<sup>26</sup> Interview at UNICEF Indonesia, 9 October 2015.



Another issue is that of conditionalities for certain benefits. The conditional cash transfer programme (Program Keluarga Harapan) (PKH) is a relatively new government programme that requires families to send their children to school, health services, etc., if they are to receive the payment. In an interview with UNICEF, the interviewee mentioned there are also conditionalities on child benefits in other countries. The interviewee raised concerns about such conditionalities noting that in his/her personal opinion: “Imposing conditionalities on the families is really against their human rights.”<sup>27</sup> While this is not a widely contested issue, here we see common differences in the positions of international actors, and it is likely these might have an impact on the course taken by the Indonesian government, depending on whom it works most closely with in specific periods of time.

### ***Appropriateness of the existing system of social protection***

The inclusion of vulnerable groups, the quality of services and the level of benefits, are all concerns about the appropriateness of the existing and emerging system. An ILO report discusses some of the systems’ schemes in a regional comparative perspective (ASEAN context), and raises some issues. Regarding the pension system, the report explains: “Mandatory provident fund schemes (found in Indonesia) tend to exhibit on average lower replacement rates compared to social insurance pension schemes [...] and do not allow for redistribution across gender, generation, enterprises, economic sectors, social and income classes, and geographical regions” (ILO 2015: xix). Regarding work accident insurance, the same report laments the low injury work coverage because the government does not enforce compliance (ILO 2015: 29-30). Nevertheless, the ILO has been involved in strengthening the government capacity for enforcement, such as labour inspection. In 2011, the GoI and Indonesian social partners “urged the ILO to develop institutional and multilateral collaboration as part of the labour administration and inspection systems” (Ministry of Manpower and Transmigration and ILO 2011: 4). The ILO’s support included training of labour inspectors and the organization of tripartite meetings. In this case, we can see how the GoI is using an international organization to deliver a specific service. This is not so much about a general idea or model to be developed, but rather about more directed, capacity-building advice to administrative units.

In contrast, there are issues that international organizations, such as the ILO in this case, are hinting at, but that are not adequately covered by Indonesia. For example, sickness leave is not part of the general social insurance system, although there is a regulation that employers have to respect. The level of the sickness benefit is stated in the Act of Manpower (2003) and varies depending on the length of absence from work: 100 percent in the first months and gradually reducing to 25 percent after a year until termination of employment (ILO 2015: 31).

A more general issue continues to be the usefulness and sustainability of the decentralized system in Indonesia that began in the early 2000s. Decentralization in social policies forms part of a broader global trend that was supported by the World Bank. The justification for decentralization, among other things was to bring the government “closer to the people” to enable broader participation in political, economic and social activities that was more attuned to local conditions and needs (Bunnell 2013). Other parts of the donor community have also been involved in decentralization, as well as training activities to implement new administrative units and levels, and have supported so-called deconcentration funds (Schmitt 2008). Many document and interviewees mentioned the challenge of institutional capacity, given the geography of the country, connected to—in the eyes of some (ILO 2015: 64)—decentralization reform. On decentralization in social policies, though, the opinions are quite different. The ILO

---

<sup>27</sup> Interview at UNICEF Indonesia, 9 October 2015.

report (ILO 2015: 64) states that the “lack of institutional capacity remains a major impediment, in particular with the decentralization reform that has led to increased responsibilities of sub-national authorities in providing social services.” On more general accounts, the report claims: “Against the background of limited fiscal space, there is growing demand for more efficiency and effectiveness in the design and delivery of social protection policies and programmes. In the context of administrative decentralization [...], the need for better coordination, governance and administrative capacity at all levels of government has rarely been stronger” (ILO 2015: 64).

Given the wide agendas in different fields of social policy and the multiplicity of donor and advisory agencies in the country, it is unlikely that a coherent path will emerge. While globally common knowledge in the field of health systems suggests that a single risk pool for the financing of universal health systems is the best approach (Kaasch 2015), getting there seems to be almost impossible. Moreover, protection of people against poverty and unemployment might require decentralized approaches. Depending on the specific issue or group of people an external actor is concerned with, the advice will be different. This can mark an ideological difference or signal that the context and social needs are different. Developing a general structure of multi-level governance and policy making is, however, the task of the GoI, and the scope of involving global actors in that level of state building seems to be reduced compared to previous times.

Such a view is expressed and supported by some of our interviewees. The UNDP interviewee thought that the country was too big and diverse for one general system in the field of health anyway:

The country is way too big and it has been proven during Suharto that not all health services were at the same standard anyway. So I think now there are better opportunities to make sure that the system will be more decentralized but still able to meet the standard that we want. Because, for example, with the MSS, the minimal service standard, the regulation is there, now the issue is how to bring the capacity of the sub-national government to meet it.<sup>28</sup>

The WHO in a report remarks that “decentralization has affected the capacity of the central Ministry of Health to maintain integration and alignment across the different levels of the health system” (Mahendradhata 2017). Meanwhile, the WHO interviewee expressed:

Decentralization is good for overall development but it may not be good for everything. Some programmes, some activities, we may have to keep centralized. Especially anything that is about the standard, the quality, we may have to keep the centralization. However, I think we cannot really accuse or blame decentralization any further [...] Whether you like it or not, it will continue. So you’ve got to work out how to see it as opportunity. I think many of the health programmes are now enjoying this decentralization.<sup>29</sup>

### ***Increasing inequality***

While the ILO report on the ASEAN region speculated that “income disparities between geographical regions, sectors, skills and genders are expected to increase with ASEAN economic integration” (ILO 2015: 64), a 2015 World Bank report was more definite. According to Rodrigo Chaves (World Bank Country Director for Indonesia), “Despite impressive economic growth and poverty reduction, equity in growth has been more elusive in Indonesia.

<sup>28</sup> Interview at UNDP Indonesia, 7 October 2015

<sup>29</sup> Interview with WHO Indonesia, 6 October 2015

With the affluent racing ahead faster than the majority, in the long term Indonesia risks slower growth and weakened social cohesion if too many Indonesians are left behind.”<sup>30</sup> This report formed part of the World Bank’s ideational support to Indonesian policy makers in analysing the trends and consequences of inequality.<sup>31</sup> Detecting inequality as a major issue reflects global discourses of the past few years, such as those fuelled by the OECD (OECD 2011) or Piketty’s *Capital in the 21<sup>st</sup> Century* (Piketty 2014). The fact that social policy discussions on Indonesia have reached a stage of discussing inequality instead of merely development speaks to the advancements that have been made in the country.

### *Taxation for expanding the risk pooling in meeting social risks*

For some of the difficulties Indonesia is still facing, Vivi Alatas (Lead Economist at the World Bank in Jakarta) suggests:

Indonesia can improve infrastructure in the provinces so that children in remote provinces have an equal start to life—through better health care and education—that would determine their opportunities later in life. When these children enter the labour market, Indonesia can provide skills training to informal workers so that they are not trapped in jobs with low pay and little mobility. And many fiscal policy options are available that would improve revenue and redirect spending to programs that directly benefit the poor.<sup>32</sup>

The ILO report asks for more, though. It is concerned that the importance of risk pooling is neglected in the mandatory provident system in Indonesia, which then contributes to disadvantaging women in old-age protection (ILO 2015: 63-64). Taxation as a basis for funding public social services is, of course, another critical field that needs to be considered in the context of social policy. Here we see an example, where international organizations vary in terms of the extent to which they demand change, rather than the direction. Pushing in the same direction might make change in Indonesian social policies more likely. It might also, however, serve the GoI to pick the position they prefer, and still show they acknowledge and use goals and standards set by international organizations in the expansion of their social policies, even if that position might not imply too much of change.

## **The Changing Role of International Agencies in Indonesia**

A critical issue in the global governance of national social policy for the case of Indonesia is the changing role international agencies are playing as the country has evolved from a developing into an emerging economy. While championing the GoI’s transition to a comprehensive system of social protection, international agencies are looking for new roles in the country. Our interviews revealed that international organizations use different strategies to continue to play a meaningful role in Indonesia and to ensure they have some influence in the formulation of social policy at the national, subnational and local level. For example, our WHO interviewee explained that from his/her point of view:

WHO has played a very significant role in driving national health care, but during this past decade, the government has kept the driver’s seat. This is a term we use—take the driver seat— and we are in the back seat now. So we just give support. We may help them with the assessment, with the health sector review, which is more of a supporting role, but the information will be used for national health planning.<sup>33</sup>

<sup>30</sup> See <http://www.worldbank.org/en/news/press-release/2015/12/08/rising-inequality-risks-long-term-growth-slowdown>

<sup>31</sup> See <http://www.worldbank.org/en/country/indonesia/brief/reducing-inequality-in-indonesia>

<sup>32</sup> See <http://www.worldbank.org/en/news/press-release/2015/12/08/rising-inequality-risks-long-term-growth-slowdown>

<sup>33</sup> Interview with WHO Indonesia, 6 October 2015

This might mean international actors would focus on functions of collecting data, defining indicators, comparing the performance of countries in different policy fields and so on, which think tanks or watchdogs are doing in developed countries. For instance, some interviewees described their attempts to bring in their expertise and knowledge by approaching the government or ministries with particular evidence about specific issues.<sup>34</sup> At the same time, international organizations may also have an interest in using the Indonesian success as a role model. A vision that was expressed in the UNICEF interview was: “Our vision is to make Indonesia become a knowledge leader.”<sup>35</sup>

Attempts by international organizations to define and develop new roles in Indonesia are not isolated to single organizations. The UN organizations have also engaged collectively with the new “partnership” relationship between the GoI and international agencies. As we can read in the Partnership for Development Framework agreement between the GoI and the UN:

Central to this partnership is collaboration through the three main working modalities of **policy advocacy and advice, capacity building and knowledge sharing**. Furthermore, this partnership supports Government in its work on innovation, South-South and Triangular Cooperation, and consolidation of United Nations–Government co-investment and cost sharing opportunities. (Government of the Republic of Indonesia and Indonesia 2015: 6, original emphasis)

It has to be noted that even the name of the framework “Partnership for Development” is a sign of the changed relationship between the GoI and international agencies. Such a partnership is indicative of the increasing emphasis on a more unified UN, where UN agencies are more coordinated and less conflicting in their work.

More joined-up social policy approaches are in the interest of all international organizations in Indonesia. It strengthens their role in the country, even as the GoI’s reliance on external aid and advice has significantly diminished. Under such arrangements, the international organizations function more as think tanks, although strategies for this role are still under development in country offices. Other donor agencies (for example, those connected to donor governments like Australia, Japan or Germany), however, have taken more mixed approaches, as Wilmsen et al. (2017) have demonstrated. Having withdrawn from the health field as it considered it to be too developed, these agencies are currently focusing on infrastructure investment (as in the case of Japan) or overseeing governance arrangements (as in the case of Australia). Exceptions may be health issues in the context of a project focused on specific groups of vulnerable people, for example children or disabled people.

## Conclusions

Social policy development is not an aspect of a country’s development process that is only dependent on economic development. Considering the expansion and universalization of social protection as a result of policy decisions at multiple levels, this research has focused on the ideas and initiatives of various global social policy actors represented in, and engaged with, Indonesian social policies. The “socialization of global politics” (Deacon et al. 1997, Deacon 2007) over the past decades with different social policy discourses have been considered the backdrop against which national social policy discourses take place (Deacon et al. 1997, Deacon 2007, Kaasch 2015, Kaasch et al. 2015).

---

<sup>34</sup> Interview at UNICEF Indonesia, 9 October 2015

<sup>35</sup> Interview at UNICEF Indonesia, 9 October 2015

After periods of “falling behind”, in recent years, countries like Thailand have begun to expand their social policies. Similarly, Indonesia has been moving quickly towards establishing a comprehensive social policy system and a universal welfare system. This is a development that has been applauded by representatives of the international agencies we studied. As has been shown, this process has been followed and supported by a significant number of global agencies, providing ideas and concepts of social protection and combining their specific mandates with aims of improving the social policy system in the country. The international organizations studied in this paper are, of course, not the only external actors that matter in social policy development. Considering national donor governments as another source of external influence in multiple ways, we studied development actors from Australia, Germany and Japan.<sup>36</sup>

The emphasis of the GoI on expanding social protection in the field of health corresponds with a number of recent global discourses and initiatives, such as universal health coverage and the social protection floor initiative (Deacon 2013, Scheil-Adlung 2014). Accordingly, the expansion of the Indonesian health care system is considered to be a very positive development by UN agencies represented in the country. Our interviewee from WHO states: “I think this government is very clear in their policy [...] I think in health we have no controversy over universal health coverage. We need to do it at least to help the country reach its target of 100 percent in 2019. This is the task ahead and in addition, we have to assure that that Ministry of Health has a good governance model to really bring back good services.”<sup>37</sup>

Today’s system of social policy in Indonesia combines the key principles of a welfare state, which are also generally supported by key global social policy actors. That does not mean that the Indonesian reform path necessarily conforms with more general, abstract global social policy ideas as developed, promoted and fought over by specific international organizations (as has been described by Deacon 2007). However, as long as social policies in Indonesia continue to protect more people in a comprehensive manner, there is no strategic reason for openly disagreeing with the GoI, or claiming and pushing other agendas. The emphasis of the international organization has shifted towards an exchange of ideas and collaboration on particular projects or initiatives of joint interest—instead of pushing specific models. The way these organizations collaborate with each other can be explained by referring to Brinkerhoff’s concept of partnership. Under this concept, organizations are observed to uphold dynamic relationships and agree on divisions of work to gain mutual influence, respect and equal participation in policy making processes (Brinkerhoff 2002: 20). As the GoI leads the processes and dominates multi-level governance processes of Indonesian social policy development, finding new ways to engage in social policy is at the forefront of the agendas of international organizations working in Indonesia.

The relationship between the GoI and international agencies is in a process of change. From the side of the international agencies, the interesting issue is that there is no sense of “the job is almost done, and then we will leave”, but rather one of “we hope we will still be there in 10 years’ time.”<sup>38</sup> The reasoning for such a position is complex. On the one hand, it is of course not clear how successful or sustainable recent social policy reforms in Indonesia will be. Also, many groups remain unprotected and inequality is rising, which implies that a substantial part of the population is being left behind. Our interviewee from the UNDP explained how the changing role of international actors poses a challenge to the organization. He/she emphasized

---

<sup>36</sup> See Wilmsen et al. (2017)

<sup>37</sup> Interview with WHO Indonesia, 6 October 2015

<sup>38</sup> As explicitly expressed in one of the interviews with a national/donor development organization.

that the “new role” for the UNDP would have to relate to these new challenges, and that the GoI was very clear in the kind of support it appreciates: “If we come to the government and say, ‘Ok, we still want to do this’, they say, ‘No, thank you’. Seriously, that happened.”<sup>39</sup> This implies that the GoI decides what kind of support it wants to have and with whom their aims can be realized.

Clearly, there is a benefit of external agencies maintaining a presence and an active role in social policy development in middle-income countries. Even if the relationship changes and there is less dependence on the international actors from the national government, the international organizations may benefit from the “success stories” that Indonesian economic and social policy development currently offers. Here, the agencies can claim to have had some beneficial influence (this is particularly evident in the Australian example detailed in Wilmsen et al. 2017). At the same time, it is obvious that the changing relationship and the steering role of the Indonesian government is affecting transnational social policy making. The role of global agencies in Indonesia is developing into one of a source of knowledge production and support to very specific projects, and less one of conditional aid or other forms of pressure in support of certain policies and reforms by external actors. Research shows that global discourses on national social policies have diffused across the world to be replicated in national political debates through which they found their way into national social security laws (Meyer et al. 1992, UNRISD 2016). Global discourses build a global discursive context, to which national discourses, for example in reaction to global economic crises, relate (Starke et al. 2013).

While we must wait to see if and how Indonesian social policy development takes off, yet another issue is what is going to happen in the future, or more concretely, how is Indonesia changing and adjusting even further in the context of, for example, the 2030 Agenda for Sustainable Development and aiming to reach the SDGs? For the MDGs, Indonesia had started rather late in developing a strategy and plan because, in the first years of the MDG process, the country was struggling with the aftermath of the 2004 Tsunami and the Asian Financial Crisis). Nevertheless, the GoI took the MDGs very seriously, locating the MDG secretariat under Bappenas, making it one of only two countries with a Special Envoy managing the MDGs within the government.<sup>40</sup> For instance, the Program Keluarga Harapan (PKH) (2007)—a conditional cash benefit pilot programme—was initiated in the context of the MDG process. It aims to improve socioeconomic, health and child educational outcomes in very poor households (ILO 2015: 24). According to the UNDP interviewee: “Regarding the intention, the actions and the results, I think we are one of the best countries, in our opinion, in terms of how the Indonesian government took the MDGs seriously. If you look at what was good about the MDGs—they pushed Indonesia to show results.”<sup>41</sup> Similarly, Kwon and Kim (2015: 4) argue, “Although cash transfers were used as policy instruments for other purposes ... they became an important catalysts for change in the development of the social protection system in Indonesia .... [C]ash transfer programmes in Indonesia brought about new institutional infrastructure for social protection and a reframing of the issue of poverty and social protection.” Nevertheless, while there has been important progress regarding poverty alleviation, challenges around some health issues remain: Indonesia has underperformed in achieving its targets in the areas of malnutrition, HIV/AIDS and maternal mortality rate.<sup>42</sup> Another challenge was the implementation of ambitious national plans at the local level.<sup>43</sup> Nevertheless, in our interviews,

<sup>39</sup> Interview at UNDP Indonesia, 7 October 2015

<sup>40</sup> In charge of this was Nila Moeloek, who later became the country's health minister. See also “Making the Millennium Development Goals Real”, Anindita Sitepu and Natasha Ardiani, Inside Indonesia <http://www.insideindonesia.org/making-the-millennium-development-goals-real>

<sup>41</sup> Interview at UNDP Indonesia, 7 October 2015

<sup>42</sup> “Making the Millennium Development Goals Real”, see note 40.

<sup>43</sup> “Making the Millennium Development Goals Real”, see note 40.

the MDG process was regarded as supportive to social policy development, but not the reason for the recent changes in Indonesia.<sup>44</sup>

The post-2015 development agenda has started rather timely. Plans for meeting the SDGs are already being developed, and international agencies are involved in these processes. Our UNICEF interviewee said: “We also try to line our national programme with the SDGs. Even before the SDGs were launched by the UN in New York, we were already talking about the SDGs with the government.”<sup>45</sup> While interviewees acknowledged that the government takes the SDGs seriously<sup>46</sup> and that they provides a major opportunity for the country, the SDG agenda is also described as a real challenge.<sup>47</sup> This is a challenge not only because of the breadth of the 2030 Agenda, which involves potentially contradictory implications of the different goals and targets, but also relates to national public administration in the sense of determining who within the government should govern the SDGs. The MDG secretariat used to be situated at Bappenas and therefore operated as a more or less technical secretariat. There are, however, many political issues to be sorted out in developing strategies to achieving the SDGs. Although the former head of the MDG secretariat, Nila Moeloek, has made an attempt to integrate the SDG secretariat under her ministry, the Ministry of Health (MoH) cannot really be the host of a secretariat with a much broader agenda and political aim.<sup>48</sup> The UNDP is trying to support the government in that process. Nevertheless, the MoH is very active in developing plans to achieve the SDGs, and the WHO interviewee reported that his/her office in Indonesia has been asked by the MoH to monitor the indicators for eight SDGs for Indonesia., statin<sup>49</sup> Concerning SDG 16 on governance in particular, Indonesia has been chosen to be a pilot country, and there are related initiatives, undertaken by UNDP in collaboration with Bappenas, to conduct the study on governance.<sup>50</sup> It was also Bappenas that chaired a national steering committee on the institutionalization of SDG implementation. An SDG secretariat, supervised by Bappenas, is overseeing and monitoring the SDG implementation in a social pillar, an economic pillar, an environmental pillar and a governance pillar. SDG 3 on health and well-being will be dealt with by a special secretariat within the MoH (ADB 2016). How the GoI deals with international agencies in developing its own SDG strategy is a reflection of the general change in the relationship between international organizations and other development agencies, and Indonesian policy makers and institutions. The GoI now uses the advice and other forms of support as it fits their interests, rather than seeking the help of external actors. The external actors are generally interested in continuously working with the GoI as they expect good results of both, the collaboration and in terms of achieving aims.

Both the quick, expansionary moves in social policies in Indonesia, as well as the changing relationship between international agencies and national policy makers at different levels, should be further studied in the upcoming years, to reflect carefully to what extent, and in what ways, other countries can learn from this example.

---

<sup>44</sup> For example, in the Interview at UNDP Indonesia, 7 October 2015

<sup>45</sup> Interview at UNICEF Indonesia, 9 October 2015

<sup>46</sup> Interview at UNICEF Indonesia, 9 October 2015

<sup>47</sup> Interview at UNDP Indonesia, 7 October 2015

<sup>48</sup> Interview at UNDP Indonesia, 7 October 2015

<sup>49</sup> Interview at WHO Indonesia, 6 October 2015

<sup>50</sup> Interview at UNDP Indonesia, 7 October 2015

## References

Asian Development Bank (ADB). 2016. *Measures to Implement Sustainable Development Goals*. Fiscal and Public Expenditure Management Program (Subprogram 1) (RRP INO 50168).

Brinkerhoff, J. M. 2002. "Government-Nonprofit Partnership: A Defining Framework." *Public Administration and Development*, 22(1):19-30.

Bunnell, T., M. A. Miller, N. A. Phelps and J. Taylor. 2013. "Urban Development in a Decentralized Indonesia: Two Success Stories?" *Pacific Affairs*, 86(4):857-876.

Caraway, T. L. (2004). "Protective Repression, International Pressure, and Institutional Design: Explaining Labour Reform in Indonesia." *Studies in Comparative International Development*, 39(3):28-49.

Deacon, B. 2000. "Eastern European Welfare States: The Impact of the Politics of Globalization." *Journal of European Social Policy*, 10(2):146-161.

———. (2007). *Global Social Policy and Governance*. London: Sage.

———. (2013). *Global Social Policy in the Making: The Foundations of the Social Protection Floor*. Bristol: Policy Press.

Deacon, B., M. Hulse and P. Stubbs. 1997. *Global Social Policy: International Organizations and the Future of Welfare*. London: SAGE.

Dick, H. 2002. "Formation of the Nation-State, 1930-1966." In *The Emergence of National Economy: An Economic History Of Indonesia, 1800-2000*, edited by H. Dick, V. J. H. Houben, J. T. Linblad and K. W. Thee, 153-193. Crows Nest: Allen and Unwin.

Food and Agriculture Organization (FAO). 2015. *Indonesia and FAO: Partnering for Food Security and Sustainable Agricultural Development*. Jakarta: FAO Indonesia.

Government of the Republic of Indonesia 2015. *UNPDF (Government-United Nations Partnership for Development Framework) 2016-2020*. Jakarta: Government of Indonesia.

Gray, D. E. 2004. *Doing Research in the Real World*. London: Sage.

International Labour Organization (ILO). 2015. *The ILO in Indonesia. Asia-Pacific Decent Work Decade 2006-2015*. Jakarta: ILO Country Office for Indonesia.

———. 2015. *The State of Social Protection in ASEAN at the Dawn of Integration*. Bangkok: ILO Regional Office for Asia and the Pacific.

Kaasch, A. 2013. "Contesting Contestation: Global Social Policy Prescriptions on Pensions and Health Systems." *Global Social Policy*, 13(1):45-65.

———. 2015. *Shaping Global Health Policy. Global Social Policy Actors and Ideas about Health Care Systems*. Basingstoke: Palgrave Macmillan.



———. 2016. "The Ebola Crisis and Health Systems Development." *Global Health Governance*, X(1).

Kaasch, A., L. Leisering, T. Böger and T. Liu. 2015. "Disentangling Global Social Policy: Comparative Perspectives in Global Policy Research." Presentation made at the RC19 Annual Meeting *Frontiers of Inequality, Social Policy and Welfare*, Bath, UK, 26-28 August.

Kaasch, A. and K. Martens, Eds. 2015. *Actors and Agency in Global Social Governance*. Oxford: Oxford University Press.

Kwon, H.-j. and W. Kim. 2015. "The Evolution of Cash Transfers in Indonesia: Policy Transfer and National Adaptation." Presentation made at the RC19 Annual Meeting *Frontiers of Inequality, Social Policy and Welfare*, Bath, UK, 26-28 August.

Mahendradhata, Y., L. Trisnantoro, S. Listyadei, P. Soewondo, T. Marthias, P. Harimurti and J. Prawira. 2017. *The Republic of Indonesia Health System Review: Health Systems in Transition*. New Dehli: World Health Organization Regional Office for South-East Asia.

Meyer, J. W., F. O. Ramirez and Y. N. Soysal. 1992. "World Expansion of Mass Education, 1870-1980." *Sociology of Education*, 65(April):128-149.

Ministry of Manpower and Transmigration of Indonesia and ILO. 2011. *Factsheet on Labour Inspection in Indonesia*. Jakarta: ILO Jakarta Office.

Organisation for Economic Cooperation and Development (OECD). 2011. *Divided We Stand: Why Inequality Keeps Rising*. Paris: OECD.

Orenstein, M. 2005. "The New Pension Reform as Global Policy." *Global Social Policy* 5(2):175-202.

———. 2008. *Privatizing Pensions. The Transnational Campaign for Social Security Reform*. Princeton: Princeton University Press.

———. 2011. "Pension Privatization in Crisis: Death or Rebirth of a Global Policy Trend?" *International Social Security Review* 64(3):65-80.

Piketty, T. 2014. *Capital in the Twenty-First Century*. Cambridge, Ma.: Harvard University Press

Quinn Patton, M. 2002. *Qualitative Evaluation and Research Methods*. Newbury Park: Sage.

Rupidara, N. W. and P. McGraw. 2010. "Institutional Change, Continuity and Decoupling in the Indonesian Industrial Relations System." *Journal of Industrial Relations* 52(5):613-630.

Scheil-Adlung, X. 2014. "Universal Health Protection: Progress to Date and the Way Forward." Social Protection Policy Paper No. 10. Geneva: ILO .

Schmitt, L. 2008. "Decentralization and Legal Reform in Indonesia." In *Indonesia: Law and Society*, edited by T. Lindsey, 146-190. Annandale: The Federation Press.

Skocpol, T. 1992. *Protecting Soliders and Mothers: The Political Origins of Social Policy in the United States*. Cambridge, MA: Harvard University Press.

Starke, P., A. Kaasch and F. van Hooren. 2013. *The Welfare State as Crisis Manager: Responses to Major Economic Crisis in Small Open Economies*. Basingstoke: Palgrave Macmillan.

Stubbs, P. and J. Wedel. 2015. "Policy Flexians in the Global Order." In *Actors and Agency in Global Social Governance*, edited by A. Kaasch and K. Martens, 214-232. Oxford: Oxford University Press.

Sumarto, M. 2013. "Welfare Regime, Social Conflict, and Clientilism in Indonesia." PhD Thesis, Australian National University.

Sumarto, M., B. Wilmsen and A. Kaasch). Forthcoming. *New Directions in Social Policy Evidence from the Indonesian Health Insurance Program*. Working Paper. Geneva: UNRISD.

Suryahadi, A., V. Febriany and A. Yumna. 2017. "Expanding Social Security in Indonesia: The Current Processes and Challenges." In *Towards Universal Health Care in Emerging Economies: Opportunities and Challenges*, edited by I. Yi, 373-403. Basingstoke: Palgrave Macmillan.

Thompson, G. and R. C. Manning. 1974. "The World Bank in Indonesia." *Bulletin of Indonesian Economic Studies* 10(2):56-82.

UNICEF Executive Board. 2015. *Draft Country Programme Document: Indonesia*. Presented at the Economic and Social Council (ECOSOC), E/ICEF/2015/P/L.23.

United Nations Research Institute for Social Development (UNRISD). 2016. *Policy Innovations for Transformative Change: Implementing the 2030 Agenda for Sustainable Development*. Geneva: UNRISD.

Verger, A., C. Fontdevila and A. Zancajo. 2016. *The Privatization of Education: A Political Economy of Global Education Reform*. New York: Teachers College Press.

Vickers, A. 2013. *A History of Modern Indonesia*. Cambridge: Cambridge University Press.

World Health Organization (WHO). 2008. *WHO Country Cooperation Strategy 2007-2011*. Jakarta: WHO Country Office for Indonesia.

WHO SEARO. 1999. *50 Years of WHO in South-East Asia. Highlights: 1948-1998*. New Delhi: WHO Regional Office for South-East Asia.

Wilmsen, B., A. Kaasch and M. Sumarto (2017). *Indonesian Social Policy Development in the Contet of Overseas Development Aid*. Working Paper No. 2017\5. Geneva: UNRISD.

World Bank. 2015. *Indonesia's Rising Divide*. Jakarta/Washington DC: World Bank.

Yeates, N. (ed.) 2008. *Understanding Global Social Policy*. Bristol: Policy Press.