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“Informal Workers and Collective Action for Social Protection: Understanding the Scope for Participation in Social Dialogue for Workers in the Informal Employment in Southeast Asia”

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EXECUTIVE SUMMARY

“Informal Workers and Collective Action for Social Protection: Understanding the Scope for Participation in Social Dialogue for Workers in the Informal Employment in Southeast Asia”

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In several ASEAN Declarations, extending social protection to women working in the informal economy has been recognized as a critical priority. Achieving this goal hinges on effective social dialogue, which empowers workers to express their needs and actively participate in shaping the social protection systems that affect their lives. Unfortunately, many women in the informal sector often find themselves excluded from these important conversations.

This study aims to explore the institutional landscape of social dialogue in Indonesia, focusing on the opportunities and challenges faced by organizations that represent workers in the informal economy, particularly women. We seek to understand how these groups can engage in meaningful discussions influencing their access to essential social protections. To gather insights, we conducted qualitative research through focus group discussions and in-depth interviews with a diverse range of stakeholders, including mass-based organizations advocating for women in the informal sector, labour unions, employer association representatives, the International Labour Organization (ILO) in Indonesia, and government officials from social security institutions and the Ministry of Labour (known locally as the Ministry of Manpower). Our data collection process spanned from December 4, 2023, to February 25, 2024.

This study focuses on two organizations: HomeNet Indonesia, an affiliate of HomeNet International with approximately 6,000 members, most of whom are women, and Sarbumusi (Serikat Buruh Muslimin Indonesia), a labour union confederation linked to Nahdlatul Ulama (NU), one of the largest Muslim mass organizations in the country. Sarbumusi primarily represents sectors of the informal economy that are predominantly male, such as platform work, fisheries, and agriculture, where women hold only 10-15% of leadership positions. Our findings suggest that social dialogue in Indonesia is relatively limited. Workers in the informal economy and their organizations typically lack formal recognition within industrial relations frameworks, so they often do not have written contracts or long-term employment agreements. The communication between these workers and the government can be compared to a conversation across a deep canyon. While workers can be seen and heard if the government looks for them, the understanding gained from above may not accurately reflect the realities they face on the ground.

Our research reveals that the current framework for informal economy workers in Indonesia does not align with the social dialogue principles outlined in ILO Convention 154 of 1981 (on collective bargaining) and Convention 144 of 1976 (on promoting tripartite consultation). While Indonesia has ratified ILO Convention 144, which emphasizes the importance of tripartite consultation, Law No. 21/2000 on trade and labour unions supports the principle of freedom of association. This law allows

workers, including those in the informal economy, to form an organized group and voice their concerns to the government. However, in practice, labour laws do not adequately recognize the unique industrial relations faced by informal workers. As a result, only formal labour unions receive an acknowledgement within established tripartite structures, leaving many informal worker organizations without a platform to engage meaningfully with decision-makers.

We also conclude that the workers in the informal economy face significant challenges when it comes to expressing their concerns and negotiating with the government for access to social security programs. For these workers, the desire to organize sustainably is a pressing issue. Women, in particular, encounter even more significant obstacles in their efforts to organize and engage in social dialogue. They often lack essential knowledge about social protection and collective bargaining, as well as the confidence, time, resources, and support needed to build their skills and experience. While labour unions and informal worker groups are beginning to collaborate, they are still in the early stages of building trust and establishing effective partnerships.

To address these challenges, we recommend fostering alternative spaces for social dialogue, particularly at the local level. Organizations should take advantage of the mandates of local authorities to build connections between government and communities, primarily to facilitate links with the national government. It is also essential to prioritize education and capacity building for workers' organizations in the informal economy. Providing training will empower these workers to engage more effectively in dialogue and advocacy on critical issues such as labour markets, economic inclusion, and social protection. Additionally, think tanks and labour unions can play a vital role in enhancing data collection and analysis related to the informal economy. Finally, we urge attention to policy changes with government backing, ensuring they are effectively implemented to benefit those who need it most.