

# **Beyond Standard Aid and Development: Gender Aspect of Foreign Aid to Indonesia**

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## **Abstract**

The Paris Declaration on Aid Effectiveness represents a significant step towards formalizing and focusing international efforts to improve the effectiveness of aid and its contribution to development. It defines five basic principles and is based on the important assumption that improved aid effectiveness will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the Millennium Development Goals (MDGs). These presumptions would be no more prominent than from the perspective of gender equality. In this paper, we offer an examination on the aid-gender and development relationships and a comparative appraisal of recent research contributions. Using an analytical framework for evaluating government policies and donor-recipient interactions on Indonesia, whose women are in great need of empowerment politically and economically in view of the limited time span for fulfilling the MDGs, we expect to reach a tentative conclusion that foreign aid works only partially in terms of gender equality due to such complex factors as ethnicity and religions.

**Keywords:** aid effectiveness, empowerment, gender and development, donor-recipient interactions, MDGs

## **The Situation of Indonesian Women since Independence**

Throughout its history, Indonesia has had women leaders who were famous for their wisdoms and there were tough queens who ruled their kingdoms for extended periods. During the colonial era, the struggle to improve the conditions of women focused on the provision of education for women and uniting women activists to oppose polygamy and restrictions on women's activities in the public domain.

In the spirit of national integration, a more broad-based umbrella organization of 20 women's groups was established at the first National Women's Congress held on December 22-26, 1928. In 1941, the National Women's Congress announced its support for the demand by Indonesian political groups that a parliament be established as a means to improve political representation. Universal education was

supported by both sexes based on the recognition that women would be an important element in liberalizing the country from colonial rule, and that educated women would be more likely to support the freedom struggle.

It is understandable that at this time women's organizations received little, if any, support from the colonial regime. It was not until the period of Japanese colonization (1942-46) that an Indonesian women's organization was first supported by the ruling regime. Fujinkai, established by the Japanese, was the only such organization permitted under the regime. Its purpose was to disseminate colonial propaganda on Japan's concept of a "Greater East Asia Co-prosperity Sphere" (Khofifah, 2002: 68-69).

In 1945, when Indonesians were fervently defending their newly acquired independence, the National Women's Congress continued to develop relationship with women's organizations abroad. When the Republic of Indonesia gained recognition as an integrated country in 1949, the women's movement was considered an important part of the nationalist movement. But women's issues were marginalized. In 1952, for example, the government promulgated Regulation No. 19 permitting polygamy, despite the vigorous campaign women had conducted against this practice for so many years. Issues raised by the women movement were largely disregarded.

Nevertheless, the acceptance in 1957 of ILO Equal Remuneration Convention No. 100 (1951) under Law No. 80/1957, to adopt the principle of "equal wages for women and men for equal work", could be interpreted as government concern for women's work conditions. Furthermore, the government allowed the development of women's organizations as part of political parties. One example was Gerwani, a communist-led mass organization whose goals of countering colonialism, feudalism, imperialism and capitalism were supported by memberships of educated women with high political aspirations. Five members of Gerwani were elected to parliament as Communist Party (PKI) representatives in the 1955 elections, as were five members of Muslimat, the women's wing of the mass Islamic organization, Nahdlatul Ulama (NU) (Khofifah, 2002: 70).

During the New Order era, the central government was so powerful that it was able to intervene in the activities of all other political agents. The largest and most powerful women's organizations were those established and supported by the central government—the Family Welfare Movement (PKK), Dharma Wanita and Dharma Pertiwi (see, *e.g.*, Oey-Gardiner, 2002; Marcoes, 2002). These organizations were designed to allow wives to further their husbands' careers, and were an important vehicle for government propaganda on development.

It is implicit in the government policies that women's issues predominantly

concerned their position as wives and mothers. Government policies on women did not address their societal advancement but rather improvement of their status within the family. Nevertheless, it was in this era that regulation was first implemented requiring government officials to obtain the permission of both their first wife (in accord with the 1974 Marriage Law) and their work supervisor to take a second wife, or face sanctions at work.

In 1978, in response to the United Nation's declaration of the Decade for Women (1975-85), the government established the Ministry for the Role of Women. Its mission was to increase women's capacity to manage their dual role (*peran ganda*) in domestic and public spheres. The word "women" was first used in the 1978 *Broad Guidelines on State Policy* (BGHN)—the term "Gender" was not introduced until 1999. In 1995, the effort to improve women's capacity was strengthened further through Decree No. 17/1995 issued by the Ministry of Home Affairs. This instructed district (*kabupaten*) and provincial governments to establish the "Women in Development Management Teams" (Tim P2W). Tim P2W were set up to coordinate the women's programs of the various government departments and act as an extension of the Ministry for the Role of Women in the region. This was followed in 1996 by Presidential Instruction No. 5/1996, which appointed the vice-governor of each province and secretary of each district to chair the Tim P2W.

The New Order government's support for women was reflected in its ratification of several international conventions and agreements on women, including the UN Convention on Political Rights of Women (under Law No. 68/1968) and the Convention on the Elimination of All Forms of Discrimination against Women (Law No. 7/1984). It endorsed the resolution of the International Conference on Social Development in Copenhagen in 1994, International Conference on Population and Development in Cairo in 1994 and Fourth World Conference on Women in Beijing in 1995.

However, women remained firmly subordinate to men. Even though organizing the domestic domain was held to be the task of women, they were not fully empowered to act even in household decision-making. Men were the beneficiaries of most government development programs. While in the latter part of the New Order women were given access to some of these programs, the budgets allocated to them were very small compared with the overall budgets for programs accessed mainly by men.

On the other hand, development did bring progress to women. Government programs to reduce poverty led to a fall in the number of poor, and the maternal mortality ratio (MMR) dropped from 549 per 100,000 mothers in 1986 to 308 in 1998. Life expectancy for women rose from 63 years in 1990 to 67 years in 1998, compared

with an increase from 60 to 63 years for men. Women participation in education began to catch up with that of men, particularly during the first nine years of schooling, which were compulsory for both girls and boys (Khofifah, 2002: 72). Women's life expectancy even increased to 69 compared to men's 66 in 2004 (World Bank, no date).

The democratic values introduced under Soeharto's successor, B.J. Habibie, were continued by Abdurrahman Wahid in 1999-2000. The opening of the transition period gave Indonesians the opportunity to reposition themselves. Freedom of speech encouraged people to express their opinions and aspirations, especially in urban areas. Consequently, the number of non-government organizations (NGOs) representing women's interests and demands has greatly increased.

A new approach based on gender analysis was introduced in the 1999 GBHN. The goal was set to "improve the quality and the role and self-reliance of women's organisations by mainstreaming the value of integration and the historical value of women's struggle in continuing to empower women and society" (Khofifah, 2002: 72-73). However, the machinery to achieve these aims has not yet been developed, and to date the implementation of laws to protect women has been gender-biased. Penalties for rape, for example, tend to be minimal, and there is no law on witness protection in rape cases.

The change of name in 1999 from the Ministry for the Role of Women to the Ministry of Women's Empowerment heralded a renewed determination to achieve more equitable treatment for women in the family, society and nation. Among the challenges facing the ministry are patriarchal social values embedded in such legislation as Marriage Law, Law on Citizenship and Law on Population, particularly in the context of the national family planning program (see, *e.g.*, Hull and Adioetomo, 2002). About 19 laws are acknowledged as gender-biased (Khofifah, 2002: 73).

Over the last decade, gender parity in higher education has improved remarkably. Around 15% of both young men and young women are getting a higher education. However, gender bias in subjects chosen is evident in choice of vocational subjects. Most girls prefer tourism to technical and economic related trades. Furthermore, MMR is still very high which reveals continuing gender inequality in provision for and access to health services. At 230, Indonesia's MMR is higher than the Southeast Asia average of 166 (UNESCAP, 2007). The main factors contributing to the high MMR are poorly trained health staff and midwives, lack of or limited local transport, late referral and lack of emergency obstetric care. Access to reproductive health services is difficult, especially for unmarried women. Unsafe abortions contribute to 11% of maternal deaths. Restrictive rules concerning abortion, social norms and cultural values prevent women's access to reproductive care services

(DFID, 2007).

Estimates suggest that Indonesia loses about \$2.4 billion a year due to inequalities in labour market participation of men and women (UNESCAP, 2007: Table 3.1). Female labour-force participation is 51% compared to 85% for men. Women receive roughly 20% less wages than men for similar work. They are employed largely in the informal economy and trapped into low paid jobs. Lack of high level skills and capability reflects in the low-paid and low-skilled occupation traps that women are caught in.

In 2006, female migrants accounted for 80% of the total number of Indonesian migrant contract workers overseas. Most of them are employed in Saudi Arabia and Malaysia. Despite being part of the formal economy in Indonesia, they are doubly vulnerable. They are employed in the host country as domestic helpers and care givers. The entire cycle of recruitment reveals various exploitative practices that leave women economically and psychologically vulnerable. Social constraints imposed in host countries also impact on their ability to remit money efficiently to their homes (DFID, 2007)

Women continue to be under-represented in elected leadership and executive positions. Women hold only 12% of the seats in the national parliament and 8% at the district level. The policy of “soft quotas” in political party lists has helped. However, not one of the 24 parties running the 2004 elections met the quotas. Women do hold “non-traditional” ministerial positions such as Trade and Finance within the cabinet. But they are over-represented in the “soft” parliamentary commissions such as health and education.

Women are also under-represented in the executive level. They constitute 38% of the private sector employment, but more than a third are in “traditional female professions” such as teaching and nursing. Women occupy only 14% of high-level private sector jobs (DFIF, 2007).

### **Mainstreaming Gender Concerns**

One of Indonesia’s most significant achievements since the 1970s has been the reduction in the proportion of people living in income poverty, namely those who fall below the national poverty line.<sup>1</sup> According to the Central Statistics Agency (*Badan Pusat Statistik*, BPS), the share of people living below the poverty line increased from 18% in 1996 to 23% in 1999, the height of the Asian financial crisis, but by 2004 it had fallen back to 17% (BPS, 2004: 9).

Gender inequalities exacerbate poverty. There are two significant challenges in

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<sup>1</sup> The national poverty line is the rupiah value an individual needs to meet his or her daily minimum requirements for food of 2,100 kilocalories plus nonfood minimum needs, such as housing, clothing, health, education, and transport.

understanding poverty issues facing women (and men) in Indonesia. The first challenge is posed by the country's significant regional disparities in which poverty in one region can be quite a different situation than poverty in another. The second challenge which is a major one is a lack of sex-disaggregated poverty data at the household level. This makes it impossible to identify intra-household resource allocation and poverty by member of household (ADB, 2006: 6). Poverty data at the household level may well mask the true extent of poverty among women.

The Gender Development Index (GDI) is based on the same components as the Human Development index (HDI)<sup>2</sup> but is adjusted to reflect inequalities between male and female achievements. Without inequality, the GDI and HDI would be identical. In 2003, Indonesia's GDI was 87 as compared to its HDI of 110. This is because women's advantages in life expectancy were more than offset by a much lower literacy rate of 83.4% as compared with men's literacy rate of 92.5%. Furthermore, women's combined gross enrolment ratio for primary, secondary and tertiary schools was only 65% as compared to men of 67%, and smaller share of estimated earned income of 2,289 as compared with that of men's of 4,434 measured in US\$ PPP. Globally, Indonesia's GDI ranks 87 out of 140 in a listing of 177 countries (ADB, 2006: 6).

On the other hand, the Gender Empowerment Measure (GEM) complements the GDI's measures of disparity in human development between men and women by providing measure of gender empowerment.<sup>3</sup> Indonesia's GEM value using BPS' calculations of 54.6 for 2002 represents a slight increase over that of 49.5 calculated for 1999 (BPS, BAPPENAS and UNDP, 2004). In 2002, women held 8.8% of the total representation in parliament; occupied 39.2% of total senior official, managerial, and technical staff positions; and formed 37.5% of the labor force. The country's GEM rating is superior to those of a number of other countries in the region including Japan, South Korea, Malaysia, the Philippines and Thailand.

Nevertheless, Indonesia cannot afford to allow gender discrimination, as gender inequality limit the full potential of the country. Gender discrimination and inequalities generate inefficiencies and act as a brake on economic development. Proactive policies to bring down persistent constraints to women's active and equal participation in social and economic development need to be prioritized.

Existing government plans and strategies include many constructive actions to

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<sup>2</sup> The HDI is a composite index measuring average achievement in three basic dimensions of human development. There are a long and healthy life, knowledge and a decent standard of living. Indonesia ranked 110 out of 177 countries in 2003. See UNDP (2005).

<sup>3</sup> The GEM is a composite index measuring gender inequality in three basic dimensions of empowerment, namely economic participation and decision-making, political participation and decision making, and power over economic resources. See UNDP (2005).

address development issues, including the national MTDP (RJPM) 2004-2009. The MTDP aims to develop, implement innovative ways to improve access to education and health care services, and strengthen the social rights of then poor including legal protection and employment. Unfortunately, the Plan is gender blind in that it does not recognize gender inequalities or the need for specific policy measures to address them.

It has become increasingly difficult for women to gain access to employment in the formal sector. On the other hand, while men in the rural informal sector are increasingly self-employed, women tend to work as unpaid workers. These alternatives result in decreased household incomes and low levels of women's economic empowerment (ADB, 2006: 9-16).

Difference in land tenure rights between women and men contribute to structural inequality and to poverty for women and their families. Despite the fact that Indonesian law formal adopts the concept of joint ownership of marital property or property purchased during marriage, few parcels of land are registered in the joint names of husbands and wives (ADB, 2005: 16-18).

Gender gaps in access to education have decreased, but they are still evident in women's literacy rates as compared with that of men's (86% vs. 94%), and women still have fewer mean years of schooling (6.5 vs. 7.6 for men). Around 18% of children drop out before completing primary school, and drop-out rates are higher for girls than boys. At each level of school completion, the ratio of female to male earnings significantly favors men (ADB, 2006: 19-21).

Indonesia continues to have one of the highest MMRs in Southeast Asia. One of the main factors is the differential access to health care between the wealthy and the poor. Only 21% of poor women have their birth supervised by midwives. Other causes of maternal mortality are unsafe abortion and early pregnancies. The use of contraceptives among men is very low at 3%, while contraceptive use among women is 61%. Consequently women in low-risk population in both rural and urban areas show surprisingly high levels of sexually transmitted infections. Among identified HIV/AIDS high-risk groups are sex workers and migrant workers, both groups of which being dominated by women (ADB, 2006: 21-25).

The institutional framework for gender mainstreaming at national and regional levels in Indonesia has been established, but the actual implementation of gender-sensitive policies and programs are weak. Strengthening institutions at national and regional levels ensuring that gender is mainstreamed in policies and programs is essential for improving gender equality and promoting women's empowerment (ADB, 2006: 27-36).

Indonesian women have played an increasingly important role in development,

but they are still vastly underrepresented in governance and decision-making processes at all levels. If women are to play an equal part in development, they must be empowered politically and economically, which includes being adequately represented at all levels of decision-making. Equal access to and full participation in power structures and involvement in all development efforts are essential for gender equality and sustainable development (ADB, 2006: 45-55).

Violence against women is unacceptable, and a great deal more can be done in the effort to stamp it out. Data are inherently difficult to come by—there are exact figures as most violence committed is not reported. However, several NGO studies have suggested that violence against women has been increasing significantly. *Mitra Perempuan* reports that it has risen on annual basis, from 3,169 reported cases in 2001 to 5,163 in 2002 and 5,934 in 2003 (*Jakarta Post*, 30 June 2004; cited in ADB, 2006: n. 112). Domestic violence, for example, is still considered a private issue. Trafficking of persons is an act of violence and measures need to be put in place to prevent its spread (ADB, 2006: 57-67).

Finally, poverty, unemployment and lack or limited formal education are some of the forces that drive increasing numbers of Indonesian women to migrate abroad and to enter into informal employment such as domestic work in the host country. Cumbersome immigration and labor procedures force potential migrants including women to spend on third parties to help them find work abroad, leaving them vulnerable to mistreatment. Migrant workers are mistreated not just during the departure phase of their migration, but upon return as well. Even when migration occurs legally, abuse is widespread (ADB, 2006: 69-79).

With less than a decade to meet the Millennium Development Goals (MDGs), a renewed focus on gender issues is essential. The promotion of gender equality and the empowerment of women do not fall solely within MDGs. Because women comprise more than half of the population, gender equality is vital to the achievement of each and every MDG. The Indonesian Government's 2005 progress report on the MDGs recognizes a number of outstanding challenges in the efforts to reduce gender gap and recommends four key policies and programs to address them. They are i) improving women's participation in political processes and improving their public position; ii) improving education and health services to improve women's quality of life; iii) revising legal instruments to protect women against violence, exploitation, and discrimination; and iv) mainstreaming gender at all levels of government, particularly at the district/municipality level (UNDP Indonesia, 2005).

### **From Foreign Aid to MDG**

Experience in Indonesia shows that efforts to mainstream gender should focus on strategic governance processes, especially those that support increased



participation in political decision-making and legislative reforms. There are two main modalities in foreign aid in the new age, which include direct budget support and sector-wide approaches. Part of the challenge has to do with the lack of capacity in ministries to mainstream gender as well as the inability of national machineries for women to influence sectoral policies. In this regard, it is essential to encourage aid-receiving countries to initiate a capacity –building process in which the government and foreign donors provide coordinated multisectoral technical assistance to ministries to implement all sorts of gender equality and other mainstream planning processes.

As efforts to meet the MDGs by 2015 intensify, developed and developing countries have agreed to new partnerships and aid modalities, designed to align aid to nationally determined development priorities, channel diverse aid resources into direct support to national budgets, and ensure greater stability and predictability in aid flows.

The 2005 Paris Declaration on Aid Effectiveness outlines five guiding principles for greater aid effectiveness—ownership, alignment, harmonization, managing for results and mutual accountability. These principles engage development partners in a dynamic relationship (UIFEM, 2007: 2).

The challenge for those with central concern with gender equality is clear—there is a need for demonstrating that specific interventions aimed at promoting gender equality as well as other development interventions that incorporate a concern with gender equality, deliver identifiable results. For example, with respect to Indonesia’s maternal mortality challenges, it should be recognized that it is about ensuring change in attitudes and behaviors. There is a challenge of measuring long-term changes (Beloe, 2007).

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