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Dr. Asep Suryahadi (SMERU's Director) and Dr. TGH. M. Zainul Majdi (the Governor of West Nusa Tenggara Province) together opened a workshop on "The Achievement of MDGs in West Nusa Tenggara Province and Challenges in Achieving SDGs" in Mataram, Lombok, on 7 March 2017.



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ABOUT US

The SMERU Research Institute is an independent institution for public policy studies and has been a leader in poverty and inequality research in Indonesia. Our work focuses on areas of socioeconomic research that are of fundamental importance to contemporary development issues in Indonesia. We specialize in poverty analysis, policy research, and monitoring and evaluation. These three interconnected elements of knowledge production are directed to support evidence-based policy formulation that works for Indonesia's poorest and most vulnerable people.

VISION

A creation of an Indonesian society free of absolute poverty and high inequality through research aimed at evidence-based poverty and inequality reduction strategies, policies, and actions

MISSION

- Carrying out research on poverty-related issues for the purpose of improving public and private sector policies and their implementation
- Conducting effective outreach to national and regional governments, civil society, academics, the international community, and the private sector
- Supporting inclusive public and private sector policy discourses on poverty and inequality reduction strategies
- Strengthening the role of civil society in the formulation and implementation of public and private sector policies



n 2017, The SMERU Research Institute achieved a big success by winning the tender for Research on Improving Systems of Education (RISE) for research in Indonesia in the next five years. RISE is a global research effort conducted in six countries—Ethiopia, India, Indonesia, Pakistan, Tanzania, and Vietnam—and it represents the biggest research program that SMERU has ever undertaken. SMERU focused its research on several policy issues in elementary education, specifically teacher reform. Education research plays an important role in realizing SMERU's vision towards an Indonesia free from the shackles of absolute poverty and high inequality.

The RISE project gave SMERU space to contribute to a long and continuing process in lifting the quality of elementary education in Indonesia. When current students enter the future workforce, it is estimated that 65% of jobs now will not exist and new jobs, previously unthinkable, would appear. With the relatively low quality of Indonesia's education when measured against several international standards, the competitiveness of the country's future human resource is in a state of emergency. The question is who will improve the current state and how?

We face difficult challenges ahead. On the one hand, Indonesia's low scores by international education standards have not spark the bureaucratic enthusiasm to innovate. On the other hand, according to Blane Lewis' study in 2010, the majority of Indonesia's population were satisfied with the education service provided. The reason was that perhaps popular expectation on the education service quality could be classified as low or that it was a reflection of the cultural bias summarized in the phrase *ewuh pakewuh* (an attitude of deference to maintain good relations regardless of the social condition) when answering research questions on the quality

of education services they received. In other words, the people lack critical perspective when assessing the reality of low education quality in the country.

In this light, the research process and findings from RISE should be able to reach both policymaking bureaucrats and the public as education service consumers. SMERU had a long history in communicating research results to government bureaucrats (in the executive branch), but its public communication campaign experience is still limited. To overcome its shortcomings, SMERU should consider collaborating with the People's Representative Council or the Regional Representative Council as a strategy to move forward. RISE's research process and findings could echo the discussion on education through political mechanism in both the People's Representative Council and the Regional Representative Council. Without their support to agitate institutions and the executives' work in improving the education quality, RISE could end up sharing the fate of other educationrelated research projects and assistance in Indonesia which ended without producing any significant improvements.

Some hope behind SMERU's research could only be achieved with the hard work of the staff and strong organizational support by SMERU's management. Financial assistance from international institutions and collaboration with public policymaking officials have eased the implementation of SMERU's activities in 2017. Funding from the Department of Foreign Affairs and Trade (DFAT), Australia, through the Knowledge Sector Initiative (KSI) program has reserved a special place in SMERU's organizational history and the overall progress of social research in Indonesia. To be able to work optimally, SMERU as a hub of knowledge still needs similar funding to be able to develop plans and implement research activities crucial to the well-being of Indonesia's population. SMERU holds dear the principle of reducing poverty through insightful research and collaboration between relevant stakeholders. On this note, I, on behalf of SMERU's Board of Trustees, would like to extend our gratitude and thanks.

Dr. Syaikhu Usman

Chair. Board of Trustees



THE MANAGEMENT'S WELCOME

ven though the quantity and quality of Indonesia's research continue to increase, many research findings have not been used to formulate public policy. We view that it is important to use evidence and recommendations from a research study to enrich stakeholders' perspective in policymaking that would impact the welfare of many people's lives. Therefore, throughout 2017 SMERU has been intensively involved in the policymaking process, especially those related to efforts in reducing poverty and inequality. Several of SMERU research studies have contributed to policymaking. The studies included research on the implementation of Village Law, the development of sustainable livelihood, urban-village inequality, village poverty, gender equality, and disability.

SMERU has been actively advocating for the use of research-based evidence as an important factor in policymaking by holding discussions with various ministries and institutions. Furthermore, SMERU also initiated a series of policy discussion to facilitate a dialogue between policymakers, researchers, academics, and civil society, as well as other relevant stakeholders. The Research Sharing Meeting held in February 2017 in Mataram and the Forum of Development Studies held in October 2017 in Jakarta were two of SMERU's biggest activities as a dialogue facilitator. The co-operation with the West Nusa Tenggara Provincial Government in hosting the Research Sharing Meeting in Mataram realized SMERU's efforts to support evidence-based policymaking in the region, especially towards achieving the Sustainable Development Goals.

In the coming years, SMERU will intensify communication and dialogue with regional stakeholders and the private sector. SMERU will explore

possibilities for research collaboration to study regional poverty and steps that could be taken to solve the problem. SMERU will explore possibilities to collaborate with the private sector in order to encourage them to move towards achieving inclusive development.

Moreover, SMERU will also continue to increase its contribution to the national policymaking process. Starting next year, the government will begin preparing for the 2020–2024 National Medium-Term Development Plan. This is an important moment for SMERU to maintain its contribution in the policymaking process. Therefore, SMERU will continue to conduct relevant research to improve the well-being of the poor and vulnerable, as well as actively advocate its research findings and facilitate policy dialogues.

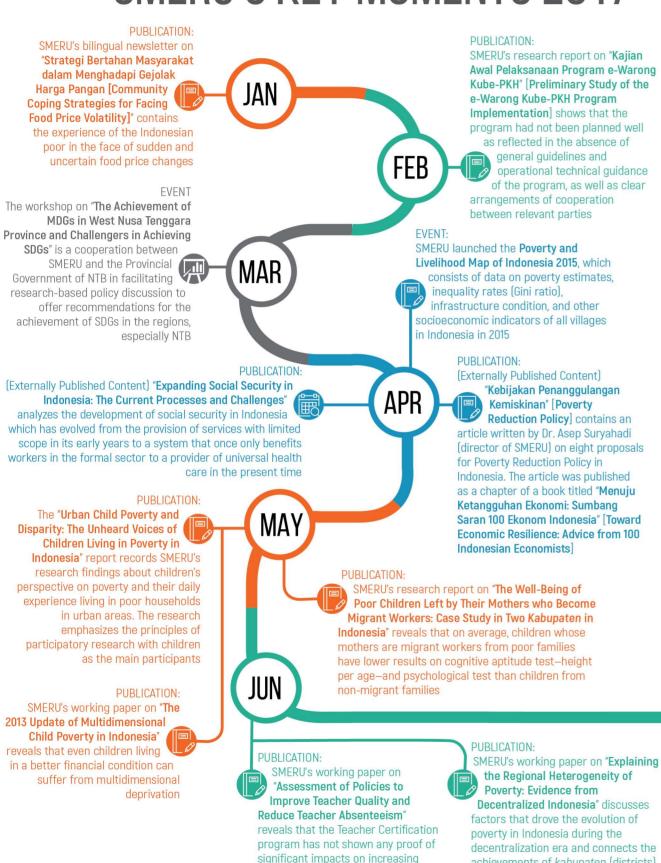
To be able to improve research and policy discussion, SMERU will continue to develop the organization and increase the number of its staff. This development is also supported by initiatives to maintain SMERU's quality of work and improve its financial independence. To achieve these aims, SMERU conducted a midline evaluation for its 2015–2019 Strategic Plan in October 2017 and formulated several strategic steps needed to be taken in the next two years.

Many of SMERU's experiences up to 2017 and the plans to develop the organization reflected SMERU's efforts to increase its capacity to produce high quality research. This resulted in an increased trust amongst policymakers, stakeholders, and donors to continue collaborating with SMERU. For that, I thank all of the staff for their hard work and dedication, the advisors and trustees for their direction and guidance, and all of SMERU's partners for their support and collaboration.

Dr. Asep Suryahadi

Director

SMERU'S KEY MOMENTS 2017



students' learning performance and

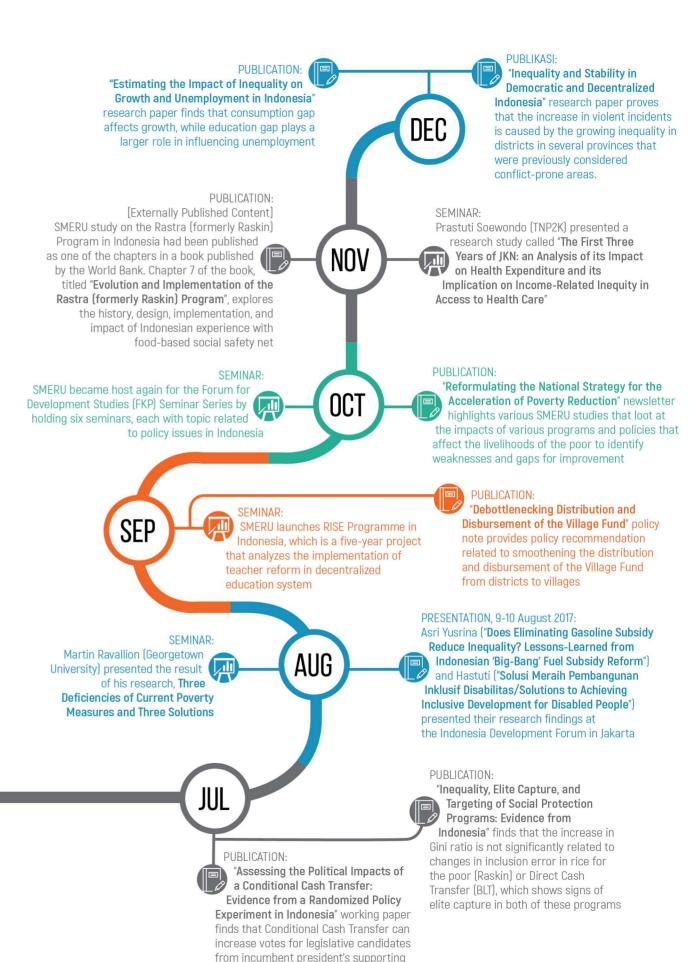
reducing teacher absenteeism

achievements of kabupaten (districts)

in reducing poverty with various

characteristics in those regions

socioeconomic and political

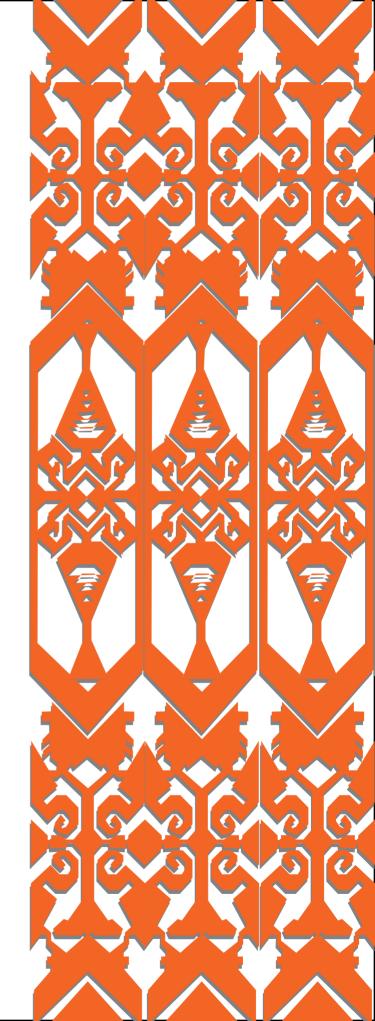


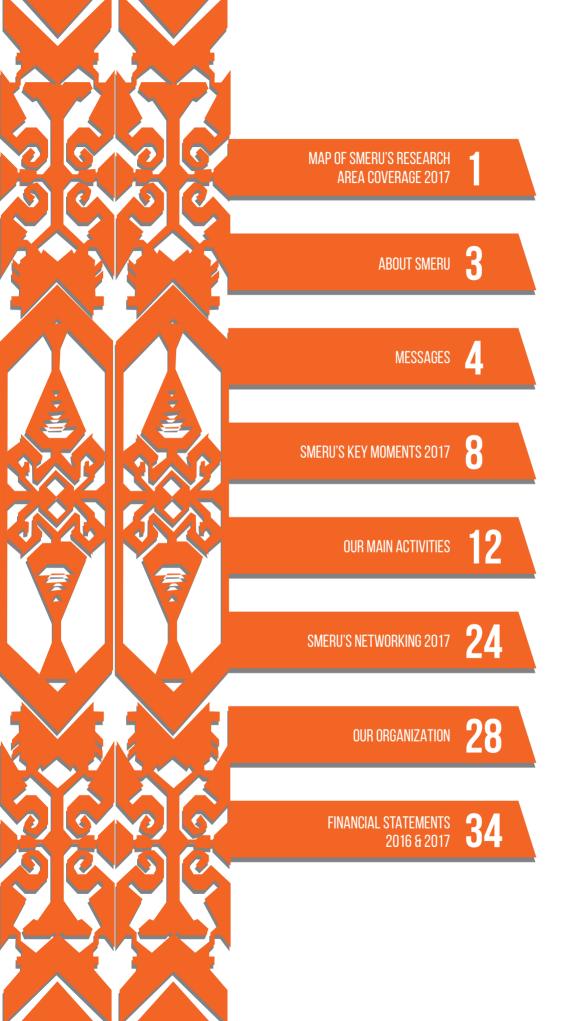
political parties

SUBAHNALE MOTIF

SUBAHNALE comes from the word Subhanallah. From the expression of admiration for the Greatness of Allah, a motif called subahnale was born. The subahnale motif is a geometric arrangement of hexagons like a honeycomb with flower fillings. This motif is one of the ancient motifs of West Nusa Tenggara weaving. The complexity and beauty of the motif is recognized worldwide and the best fabrics with this motif are used for special ceremonies or worship.

Source: http://nationalgeographic.grid.id





EVALUATING HOW TEACHER REFORMS IN DECENTRALIZED INDONESIA CAN PROMOTE LEARNING GAINS

ndonesia has achieved a gender balanced and near universal primary and junior secondary school enrollment. However, despite the country's significant investments in education for more than a decade, there has been no significant improvement in the quality of education. In the PISA, an international assessment implemented by OECD, Indonesia scores near the bottom, with more than 75% of students failing to achieve even basic proficiency in mathematics. A different international test, TIMSS, shows that mathematics aptitude among Indonesian 8th graders has declined between 2007 and 2011, the period in which the country significantly increased education investments.

Among many contributing factors, teaching quality is a major concern. A recent test of nearly 3 million teachers across the country in content knowledge and pedagogy revealed that most teachers did not pass. In addition, despite receiving a significant increase in earnings due to the Teacher Certification program, a significant proportion of teachers across the country remain absent from the classrooms. Therefore, the immediate challenge facing the education system is how to use resources at the national and *kabupaten* (district)/*kota* (city) levels most effectively to improve teaching quality and, in turn, student learning.

In light of this, starting in 2017, SMERU leads the five-year Research on Improving Systems of Education (RISE) Indonesia program, partnering with AIGHD and Mathematica Policy Research. The RISE program is a six-country global study funded by DFID and DFAT.

The RISE Indonesia program has two broad research areas:

- 1. How do policies related to teacher distribution, recruitment, and training (both preservice training and in-service continuous training), as well as teacher rewards schemes improve student learning? How does the decentralization of power to *kabupaten/kota* influence the success of these policies?
- 2. What reforms are being implemented by innovative kabupaten/kota focusing on improving learning and how is their performance? Have these kabupaten/kota made progress in improving student learning over the life of the study? Do innovations spread across kabupaten/kota and to national policy?

Together with its partners, SMERU will conduct a series of studies on national reforms and <code>kabupaten/kota</code> innovations in a unified framework. RISE will analyze which types of policies are associated with improvements in teacher quality and—where possible—improved student learning, for both girls and boys living in the city as well as in remote villages. We will also learn how <code>kabupaten/kota</code> with different resources and accessibility conditions formulate their policies and come up with innovations, in order to provide insights into how effective <code>kabupaten/kota</code> policies are adopted at scale. ■



www.rise.smeru.or.id

RISE PROGRAMME IN INDONESIA WILL EXAMINE:

1. TEACHER REFORM



Teacher Recruitment & Deployment



Pre-Service Teacher Training



In-Service Teacher Professional Development



Identifying & Rewarding Performance (KIAT Guru)



Impact Analysis of the National Examination



Teachers' Union

2. EDUCATION POLICY INNOVATIONS



Innovations Introduced by Districts



Impact of District Education Policy Innovations



The Spread of District Education Policy Innovations

INVESTIGATING THE BENEFITS OF VILLAGE SPENDING

efore the implementation of Law No. 6/2014 on Villages, policies at the national government level did not give much room for villages to maximize their potential. The new law brought fresh hope for village development because it placed villages as a self-sufficient actor. On this note, The SMERU Research Institute has been conducting a three-year longitudinal study on the implementation of Law No. 6/2014 with the World Bank's assistance under the Local Solutions to Poverty program. As part of the longitudinal research, this study aimed to investigate whether expenses incurred in the 2015–2016 Village Budget, including its cash flow, brought real benefits to local residents, as well as assess other factors which affected the distribution of budgetary utilization in ten villages over five *kabupaten* (Banyumas, Wonogiri, Merangin, Batanghari, and Ngada).

This study found three important outcomes. First, village budgets were not optimally utilized in reducing poverty because ideas behind the village-level development planning were limited. Most of the budget was allocated for physical infrastructure spending by constructing roads, bridges, irrigation canals, and retaining walls. This was primarily due to village governments' benchmark of a successful development defined in terms of physical development. Meanwhile, community empowerment activities were not prioritized because village or super-village governments lacked the understanding on what these programs could do and there was a lack of local support, as the number of direct beneficiaries of such activities were limited, thus resulting in the de-prioritization of community empowerment activities.

Second, there was a high external flow for most of the budget allocated for physical infrastructure construction, which covered spending for tools and construction material (amounting to 65%-90% of the total budget allocated for infrastructure), even if the external flow was still within the same locale (either in the neighboring village or the nearest *kecamatan*). Meanwhile, budget used for within village spending amounted to only 10%-30% of the total allocated budget which was used to underwrite workers' salary.

Third, due to yet-to-be effective planning, physical infrastructure was constructed in a sporadic way and spread over many places without any sustainable integration. This sporadicity of physical infrastructure construction was due to an emphasis on instantaneous problem solving on visually apparent infrastructure woes without considering how to optimize a village's potential in the long run. Furthermore, many villages generally prioritized the norm of equal infrastructure development for all *dusun* (hamlets), or even to every RT (neighborhood units). As a result, infrastructure built often did not support the overarching lateral needs between *dusun*.

A few things needed to be considered to optimize village spending: (i) revamping the quality of village development to be more systematic so that village could reach their potential; (ii) strengthening the role of the government at the *kabupaten* level as well as for all government facilitators to push each village to spend more on innovative activities, especially in empowering marginal groups; and (iii) developing villages in order to strengthen inter-village cooperation based on each individual village's potential.

MAIN FINDINGS OF THE STUDY ON THE UTILIZATION OF VILLAGE BUDGET

Infrastructure Development vs. Empowerment







*Musrenbangales - village development planning meeting.

*Posyondur = integrated health service post

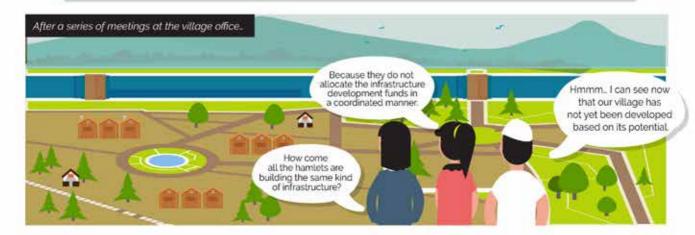
Outflow of Funds to Other Villages







The Infrastructure Development Funds Are Distributed Equally among Hamlets



DIAGNOSTIC STUDY OF CHILD LABOR IN RURAL AREA (WITH SPECIAL EMPHASIS ON TOBACCO FARMING)

mid Government of Indonesia's efforts to eliminate child labor, there is very limited information regarding the condition of child labor in the country, especially in the tobacco sector. Against this background, The SMERU Research Institute—in collaboration with Elimination of Child Labour in Tobacco Growing (ECLT) Foundation—investigates the condition and root causes of child labor in two of the largest tobacco producing districts in Indonesia—Jember and Lombok Timur.

This study found a high prevalence of child labor in tobacco growing and most child laborers are exposed to hazardous works with only a very small proportion using protective equipment. They are mostly still enrolled in school, although the proportion of early school leavers tends to be higher in the older age group. However, child labor in tobacco growing is a seasonal phenomenon and it reaches the peak during the harvest season. The probability of becoming a child laborer is significantly higher among older children, children from farm labor households, and those living in subvillages with a high prevalence of child labor. Meanwhile, neither land ownership nor contract status significantly reduces the probability of children's involvement in tobacco growing.

The study uncovered that the high prevalence of child labor in the study villages is rooted in the local norms and customs which perceive child involvement in tobacco growing as something positive and a necessary part of educating children about farming and about taking responsibility. On the other hand, the existing regulations also lack a detailed description about the types of work in tobacco growing that are considered hazardous. In addition, a combination of the following factors pushed children to become child laborers: (i) the lack of awareness and knowledge of the negative impact of becoming a child laborer and their being exposed to hazardous works; (ii) the lack of facilities which provide children with the opportunity to engage in other activities; and (iii) the economic benefit for the household and the children themselves. Meanwhile, the excess demand for labor during tobacco harvesting season has also attracted many children to work.

This study identified existing resources which can be used to develop and implement a more sustainable effort to eliminate child labor in rural agriculture area, particularly in tobacco growing. Based on all the findings, we recommend measures to improve the national policy for the elimination of child labor in tobacco growing and a pilot programme that can be initiated in East Lombok and Jember.

CHILD LABOR ON TOBACCO FARMS

WHO ARE THEY?



The prevalence of child labor is highest among children aged 15–17 years old.



They live in hamlets with the highest numbers of child laborers.



They are mostly found in landless farmer households.

WHAT DO THEY DO?



Menggelantang : Tie tobacco leaves in bundles

Nyujen : Sew tobacco leaves in bundles using a stick

WHAT ARE THE EFFECTS ON THEM?

Touching and inhaling green tobacco leaves can cause:



Nausea & vomiting



Headaches



Dizziness



Weakening muscles



WHAT SHOULD BE DONE?

- Synchronize the minimum age of child labor between regulations
- Set a clear definition of hazardous works and light works in several laws regulating child labor
- Provide play facilities or organize other activities so that children can make good use of their spare time
- Disseminate the danger of green tobacco sickness
- Replicate the "Smart House Program" and "Post-Study Hours Program" from the tobacco industry

FROM DOMESTIC TO CARE WORKERS: UNDERSTANDING THE DYNAMICS OF INDONESIA'S OVERSEAS LABOR MOBILITY

he current face of Indonesian migrant workers is still dominated by young women working in the domestic sphere with many of them returning home with problems that are not only complex but also sensitive. In light of this, the government is keen on shifting labor migration towards skilled workers that work in better protected industries. One of the important attempts is to send less domestic workers and substitute them with skilled care workers. The study addresses the key research question, "What are the future possibilities for domestic workers to be upgraded to care workers?"

High potentials for career shift come from high demand for care workers at the global level and abundant supply at the macro-level. Moreover, government restrictions can push prospective migrants to do care work instead of domestic work. However, the analysis indicates that at the meso-level, the high cost of training borne by private recruitment agencies impedes migrants' career movement towards care workers. Furthermore, at the micro-level, the workers' low education attainment hampers the upward shift of career towards care workers. Meanwhile, newly launched skills-upgrading programs have yet to support career movement for migrant workers and to focus on health work. Thus, improvement in these two areas is necessary.

Under the newly passed Law No. 18/2017 on Protection of Indonesian Migrant Workers, training costs are now borne by the central and local governments. However, it is also important to underline that enhancing the capacity of training centers is top priority in catering the relevant skills for prospective migrants.

Evidence from this study suggests that addressing the low education attainment problem can raise the possibility for career movement for migrant workers. Better educated migrants have a better chance of climbing the career ladder towards care workers. Therefore, Indonesia should start imposing minimum education restriction on newly hired migrants.

Research agenda on the global care chain should also be given higher priority. Availability of data both at the home and host countries is beneficial to the making of better policies on care provision in the context of shifting demographic patterns. Moreover, understanding the issues of migration, care provision, and social work more comprehensively requires qualitative research to complement the limitation in migration statistics.



FROM DOMESTIC WORKERS TO CARE WORKERS









CHARACTERISTICS OF DOMESTIC WORKERS

- Do all household chores with unspecified working hours
- As employers, households are not bound by labor regulations
- Conflicts arise from living in with the employers

UPGRADING TOWARDS CARE WORKERS

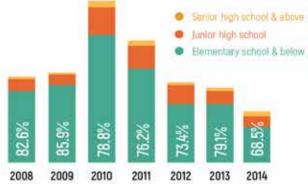
- Higher women's participation in the labor market
- Higher demand for care workers due to demographic change
- Care workers require specific skills to earn higher salaries

EDUCATION RELEVANCE

Low education attainment results in migrants' lack of skills and contributes to a higher domestic abuse rate

NUMBER OF MIGRANTS REPORTING PROBLEMS UPON ARRIVAL





Source: Palmira Permata Bachtiar's calculation on BNP2TKI's 2008–2014 migrants' arrival data (unpublished)

WHAT NEEDS TO BE DONE







BASELINE ASSESSMENT OF THE E-WARONG PROGRAM

n April 2016, President Joko Widodo instructed his ministers on (i) the importance of realizing a national inclusive financial system and (ii) the distribution of noncash social assistance and subsidy using the banking system for easier control and monitoring, and reducing corruption. On this note, the Minister for Social Affairs used the instruction to launch the Joint Business Groups' Electronic Mutual-Cooperation Shop under the Household Conditional Cash Transfer [Elektronik Warung Gotong Royong Kelompok Usaha Bersama Program Keluarga Harapan] (e-Warong Kube PKH) as a way to deliver the noncash social assistance. The aim was to improve the effectiveness of the social assistance and to increase the access for poor families to inclusive financial services.

To assess the implementation of the e-Warong program, in October 2016 The SMERU Research Institute, responding to Bappenas' request and in cooperation with KOMPAK, conducted a baseline study at four <code>kabupaten/kota</code> (Kediri, Batam, Balikpapan, Malang, and Denpasar). The study's aim was (i) to find out stakeholders' perception on the e-Warong program concept, (ii) to assess stakeholders' readiness to implement the program, and (iii) to attain feedback and lessons learned on improving the execution of the program.

The implementation of the e-Warong program was a coordinated effort between the Ministry of Social Affairs and implementation bank partners (BNI and BRI at the time of the study), Bulog, and KMIS. In short, their respective roles were: (i) the Ministry of Social Affairs was responsible for the program's overall implementation, (ii) the banks provided digital transaction facilities and issued the family welfare card to carry out noncash transactions at the e-Warong, (iii) Bulog was the distributor that supplied basic foodstuffs to e-Warong involved, and (iv) KMIS included families who were beneficiaries of the household conditional cash transfer program (Program Keluarga Harapan, PKH) to represent the e-Warong in cooperation with implementation banks and Bulog.

All stakeholders stated that the e-Warong program was good to go. However, the study showed that the preparation work prior its roll-out had not been finished. This was visible with the incomplete accompanying regulations such as the lack of a general guide explaining what the program was about, operational instructions for implementation officers, or defined work responsibilities for all actors involved in the program. As a result, stakeholders' understanding of the e-Warong concept and the quality of the program implementation varied between different study locations. Thus, apart from accompanying regulations, future success of the e-Warong program depended on some pre-requisites related to development and organizational consolidation, the management of its roles as a noncash social assistance distribution focal point bank agent, and livelihood component for the poor, as well as an effective monitoring and evaluation mechanism.

The e-Warong Kube-PKH Program

Banking Partners



Disbursement of Social Assistance



Payment of Electricity Bills



Payment of Water Bills



Purchase of Top-Up Vouchers

Product Marketing





Processed Products



Agricultural Produce



Savings & Loan Cooperative



Purchase of Goods



Savings



Loan

WHAT IS THE PROBLEM?

There are no program implementation and technical guidelines



Preparation for the implementation of the program is too short



Stakeholders do not understand the concept of the program



Training for e-Warong managers is still lacking

SMERU'S PUBLICATIONS 2017



EMPLOYMENT

Bachtiar, Palmira Permata and Dinar Dwi Prasetyo (2017) 'Return Migration and Various Reintegration Programs for Low-Skilled Migrant Workers in Indonesia.' Research report. Jakarta: The SMERU Research Institute.



VILLAGE DEVELOPMENT

Sedyadi, Gema Satria Mayang and Widjajanti Isdijoso (2017) 'Debottlenecking the Distribution and Disbursement of the Village Fund.' Village Law Policy Brief Series No. 3/2017. Jakarta: The SMERU Research Institute.



EDUCATION

Suryahadi, Asep and Prio Sambodho (2017) 'Policy Evaluation to Improve Teacher Quality and Reduce Teacher Absenteeism.' Working paper, Jakarta: The SMERU Research Institute.



SDGs

The SMERU Research Institute (2017) 'From MDGs to SDGs: Lessons Learned and Tangible Steps Forward.' SMERU's Newsletter No. 1/2017. Jakarta: The SMERU Research Institute.



SOCIAL PROTECTION

Sim, Armand, Radi Negara, and Asep Suryahadi (2017) 'Inequality, Elite Capture, and Targeting of Social Protection Programs: Evidence from Indonesia.' Working paper, Jakarta: The SMERU Research Institute.

Tobias, Julia E., Sudarno Sumarto, and Habib Moody (2017) 'Assessing the Political Impacts of a Conditional Cash Transfer: Evidence from a Randomized Policy Experiment.' Working paper. Jakarta: The SMERU Research Institute.



POVERTY & SOCIAL INEQUALITY

Sumarto, Sudarno, Marc Vothknecht, and Laura Wijaya (2017) 'Explaining the Regional Heterogeneity of Poverty: Evidence from Decentralized Indonesia' Working paper. Jakarta: The SMERU Research Institute.

The SMERU Research Institute (2017) 'Reformulation of the National Strategy for Accelerating Poverty Reduction.' SMERU's Newsletter No. 1/2017, Jakarta: The SMERU Research Institute.

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CHILD POVERTY

Bima, Luhur, Cecilia Marlina, Rachma Indah Nurbani, Emmy Hermanus, Rendy Adriyan Diningrat, and Sofni Indah Arifa Lubis (2017) 'Unheard Voices of Children Living in Poverty in Indonesia.' Research report draft. Jakarta: The SMERU Research Institute.

Bima, Luhur and Cecilia Marlina (2017) 'The 2013 Update of Multidimensional Child Poverty in Indonesia.'
Working paper draft. Jakarta: The SMERU Research Institute.

Rizky, Mayang, Yudi Fajar M. Wahyu, Hafiz Arfyanto, Sofni Indah Arifa Lubis, Emmy Hermanus, Joseph Natanael Marshan, Nila Warda, Niken Kusumawardhani, and Nina Toyamah (2017) 'The Well-Being of Poor Children Left by Their Mothers who Become Migrant Workers: a Case Study in Two Kabupaten in Indonesia.' Research report draft. Jakarta: The SMERU Research Institute.

NGO DATA ON SMERU'S NGO DATABASE

DATA BY LOCATION



DATA BY SECTOR





RESEARCH FUNDING

JOINT Research

- Directorate for Public Health and Nutrition - Ministry of National Development Planning
- + Mathematica Policy Research
- The Amsterdam Institute for Global Health and Development (AIGHD)
- + McGill University

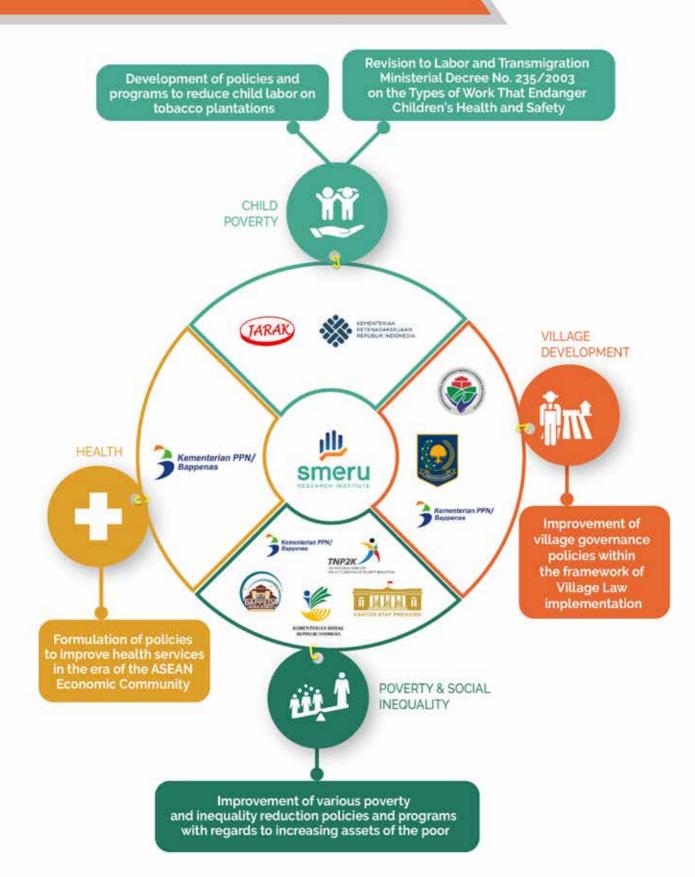
- + TIFA Foundation
- + International Institute for Sustainable Development (IISD)
- + World Bank
- + Asian Development Bank (ADB)
- + Japan International Cooperation Agency [JICA]
- + Knowledge Sector Initiative (KSI)
- + Ministry of National Development Planning/Bappenas
- Kolaborasi Masyarakat dan Pelayanan untuk Kesejahteraan (KOMPAK) – DFAT
- Maju Perempuan Indonesia untuk Penanggulangan Kemiskinan (MAMPU) – DFAT
- + Eastern Indonesia National Roads Improvement Project (EINRIP) - DEAT
- + Ford Foundation
- + Partnership for Economic Policy (PEP)
- + Save the Children
- + Eliminating Child Labour in Tobacco Growing Foundation (ECLT)

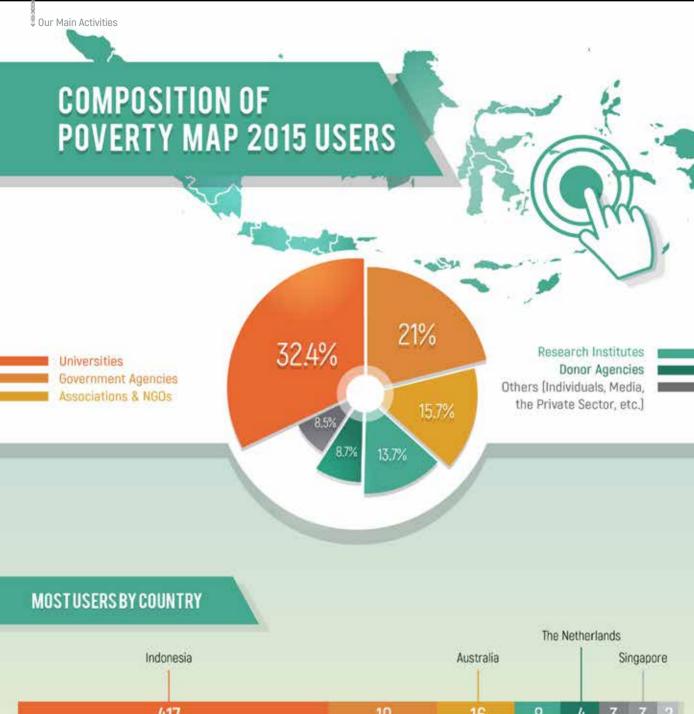
- Alliances
- Private Sector & NGOs
- Universities & Research Institutes
- National & Regional Governments
- International Donors' Programme

KNOWLEDGE Sharing

- + Institute for Economic and Social Research - Universitas Indonesia
- + Indonesia Institute of Sciences (LIPI)
- + Organisation for Economic Co-operation and Development (OECD)
- + Article 33
- + Center of Knowledge and Advocacy for Children's Protection and Wellbeing (PUSKAPA) - Universitas Indonesia
- + Center for Sustainable Development Goals Studies - Universitas Padjadjaran
- + CCPHI Partnership for Sustainable Community
- Aliansi Penghapusan Kekerasan Terhadap Anak (PKTA)
- + Ministry of National Development Planning/Bappenas
- + Ministry of Education and Culture
- + Ministry of Religious Affairs
- + Ministry of Administrative and Bureaucratic Reform
- Ministry of Research, Technology, and Higher Education
- + Minister of Finance
- + Ministry of Home Affairs
- + Ministry of Labor
- Ministry of Village, Development of Disadvantaged Regions, and Transmigration
- + Ministry of Agriculture
- + House of Representatives
- Regional Government of West Nusa Tenggara
- + The National Team for the Acceleration of Poverty Reduction (TNP2K)
- + Food Security Council (DKP)
- + National Institute of Public Administration
- + PKPU Human Initiative
- National Commission on Violence Against Women
- + Badan Amil Zakat Nasional (BAZNAS)
- + University of Jember
- + Forum Kajian Pembangunan (FKP)
- + The Research Excellence Alliance (ARK)
- + Jaringan Peduli Anak (JPAI)
- + Sahabat SMERU
- Evidence-based Policy in Development Network (EBPDN)
- Indonesia Development Research Network (IDRN)
- + Kawal Pendidikan

SMERU'S POLICY ENGAGEMENT





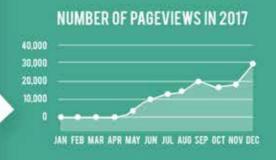




SMERU ON THE INTERNET











MOST VIEWED REPORT:

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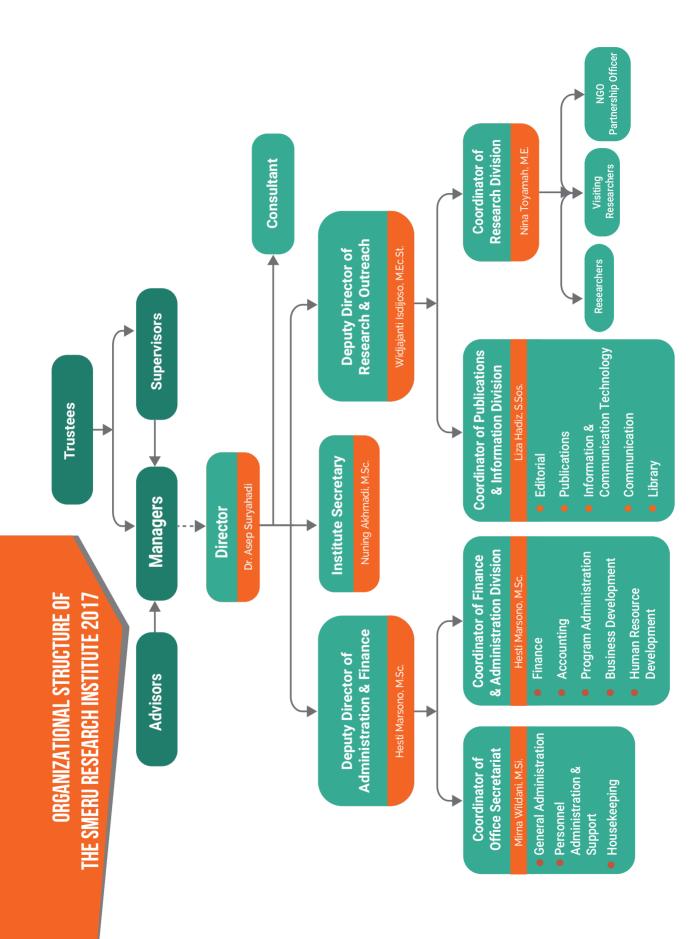


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Laporan No. 18334-A3Y/JMM2.JY2

Badan Pengurus THE SMERU RESEARCH INSTITUTE (SMERU)

Kami telah mengaudit Laporan Keuangan SMERU terlampir, yang terdiri dari Laporan Posisi Keuangan tanggal 31 Desember 2016, serta Laporan Aktivitas dan Perubahan Aset Bersih dan Laporan Arus Kas untuk tahun yang berakhir pada tanggal tersebut dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung Jawab Manajemen atas Laporan Keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar Laporan Keuangan ini sesuai dengan basis Kas yang dimodifikasi yang dijabarkan pada Catatan 2 yang menyatakan bahwa basis Kas yang dimodifikasi adalah basis yang diterima untuk penyusunan Laporan Keuangan dalam keadaan ini. dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan Laporan Keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung Jawab Auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas Laporan Keuangan ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Insitut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah Laporan Keuangan bebas dari kesalahan penyajian material.

Report No. 18334-A3Y/JMM2,JY2

Board of Management THE SMERU RESEARCH INSTITUTE (SMERU)

We have audited the accompanying Financial Statements of SMERU, which comprise the Statement of Financial Position as of December 31, 2016, and the Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the modified cash basis of accounting as described in Note 2 determining that the modified cash basis is an acceptable basis for preparation of the Financial Statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Insitute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement



THE SMERU RESEARCH INSTITUTE (SMERU)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam Laporan Keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyaijan material dalam Laporan Keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar Laporan Keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian Laporan Keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, Laporan Keuangan yang disebutkan diatas menyajikan secara wajar, dalam semua hal yang material, Posisi Keuangan SMERU per 31 Desember 2016 dan Laporan Aktivitas dan Perubahan Aset Bersih dan Laporan Arus Kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan akuntansi basis kas yang dimodifikasi seperti yang dijelaskan pada Catatan 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the Financial Position of SMERU as of December 31, 2016 and the Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended, in accordance with the modified cash basis of accounting as described in Note 2.



JOHAN MALONDA MUSTIKA & REKAN

THE SMERU RESEARCH INSTITUTE (SMERU)

Basis Akuntansi dan Pembatasan Distribusi dan Penggunaan

Tanpa memodifikasi opini kami, kami menarik perhatian ke Catatan 2 atas Laporan Keuangan, yang menjelaskan basis akuntansi. Seperti yang dijelaskan pada Catatan 2, SMERU menyiapkan Laporan Keuangannya dengan menggunakan basis kas yang dimodifikasi, yang merupakan suatu basis akuntansi komprehensif selain prinsip akuntansi yang berlaku umum di Indonesia. Sebagai akibatnya, Laporan Keuangan tersebut mungkin tidak sesuai untuk tujuan lain. Laporan kami ditujukan hanya untuk SMERU dan tidak diperkenankan untuk didistribusikan ke/atau digunakan oleh pihak-pihak selain SMERU.

JOHAN MALONDA MUSTIKA & REKAN NIU-KAP/Licence No. 951/KM.1/2010

Drs Johan Yoranouw NRAP/Public Accountant Registration AP, 0732

23 April 2018/April 23, 2018

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the Financial Statements, which describes the basis of accounting. As described in Note 2, SMERU prepares its Financial Statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia. As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for SMERU and should not be distributed to/or used by parties other than SMERU.

THE SMERU FOUNDATION

Statement of Cash Flows as of 31 December 2017 & 31 December 2016

(Expressed in Rupiah)

	2017 (Unaudited)	2016 (Audited)
Cash flows from operating activities		
Changes in net assets	(7.345.114.362)	(1,292,723,508)
Adjustments to reconcile excess of revenues over expenditures to net cash provided by operating activities:		
Depreciation	628,310,182	105,254,510
Unrealized gain/loss from investment Decrease (increase) in:	-	(76,423,232)
Advances	300,500,000	96,973,400
Receivables	60,681,830	(131,060,564)
Prepaid expenses	7.433,091	(17,722,551)
Tax payable	42,605,300	34,980,300
Accrued expenses	(94,282,976)	17,495,625
Other payables	(85,328,244)	25,821,286
Post-employment benefits obligation	156,900,000	392,400,000
Net cash flows provided from		
operating activities	(6,328,295,180)	845,004,735
Cash flows from investing activities		
Sale on investment	18,300,231,494	15,665,090,789
Payment on investment	(22,592,759,769)	(18,223,808,262)
Acquisition of equipment	(1,140,335,677)	-
Net cash flows used in investing activities	(5,432,863,952)	(2,558,717,473)
Decrease in cash	(11,761,159,132)	(3,403,722,208)
Cash and cash equivalents, beginning	21,252,273,533	24,655,995,741
Corrections	1,552,495,196	-
Cash and cash equivalents, ending	11,043,609,597	21,252,273,533

THE SMERU FOUNDATION

Statements of Financial Position as of 31 December 2017 & 31 December 2016

(Expressed in Rupiah)

	2017 (Unaudited)	2016 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	11,043,609,597	21,252,273,533
Short-term investments	22.592,759,769	18,300,231,494
Advances	33,000,000	333,500,000
Other receivables	628.345.394	689,027,222
Prepaid expenses	232,648,139	240,081,230
Total current assets	34,530,362,899	40,815,113,481
Non-current assets		
Fixed assets - net	8,572,077.374	8,060,051,878
Total non-current assets	8,572,077,374	8,060,051,878
Total assets	43,102,440,273	48,875,165,359
LIABILITIES AND NET ASSETS		
Non-current Liabilities		
Taxes payable	139.406.100	96,800,800
Accrued expenses	23,986,800	118,269,776
Other payables	2,162,460	87,490,704
Post-employment benefits obligation	2,667,320,000	2,510,420,000
Total liabilities	2,832,875,360	2,812,981,280
Net assets		
Unrestricted	18,799,310,741	24,311,654,146
Temporarily restricted	21,343,484,497	21,623,760,258
Permanently restricted	126,769,675	126,769,675
Total net assets	40,269,564,913	46,062,184,079
Total liaibilities and net assets	43,102,440,273	48,875,165,359

THE SMERU FOUNDATION

Statements of Activities and Changes in Net Assets as of 31 December 2017 & 31 December 2016

(Expressed in Rupiah)

		2017 (Unaudited)	(pe		2016 (Audited)
I	Temporarily Restricted	Unrestricted	Permanently Restricted	Total	
Receipts Receipts from donors Receipts from others Unrealized gain / loss	2,039,261,335	15,848,029,706 637,505,479		17,887,291,041	21,462,612,027 661,596,030 76,423,232
Total receipts	2,039,261,335	16,485,535,185	•	18,524,796,520	22,200,631,289
Expenditures Program expenses Operating expenses Depreciation expenses Other expenses	2,319,537,096	5,635,127,902 15,945,162,924 628,310,182 1,341,772,779		7,954,664,997 15,945,162,924 628,310,182 1,341,772,779	10,852,983,110 12,003,718,662 119,864,509 516,788,517
Total Expenditures	2,319,537,096	23.550.373.787		25,869,910,883	23.493.354.797
Increase (decrease) in Net Assets	280,275,761	(7,064,838,602)		(7,345,114,362)	(1,292,723,508)
Net Assets at Beginning of Year	21,623,760,258	24,311,654,146	126,769,675	46,062,184,079	47.354.907.588
Corrections	-	1,552,495,197		1,552,495,197	1
Net Assets at End of Year	21,343,484,497	18,799,310,741	126,769,675	40,269,564,913	46,062,184,079



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