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#### **ANNUAL REPORT 2019**

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# **ABOUT SMERU**

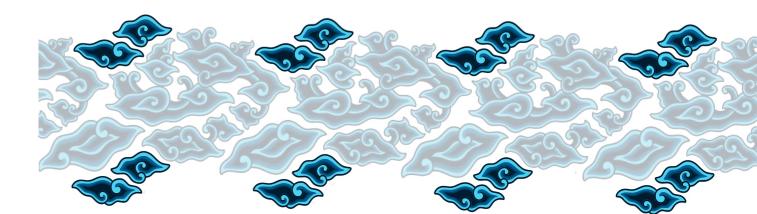
The SMERU Research Institute is an independent institution for public policy studies and has been a leader in poverty and inequality research in Indonesia. Our work focuses on areas of socioeconomic research that are of fundamental importance to contemporary development issues in Indonesia. We specialize 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



THE BOARD'S WELCOME MESSAGE 4

# THE SMERU FOUNDATION

## **TRUSTEES**

**Dr. Sudarno Sumarto** (Chairperson) The SMERU Research Institute & TNP2K. Jakarta

**Dr. Syarif Hidayat** (Vice Chairperson) Indonesian Institute of Sciences (LIPI), Jakarta

**Dr. Syaikhu Usman** (Member) The SMERU Research Institute, Jakarta

**Gregory Churchill, J.D** (Member) Legal consultant & lecturer (retired)

**Dr. Chris Manning** (Member) The Australian National University, Canberra, Australia

**Dr. Ruth Stella Petrunella Thei** (Member) Faculty of Agriculture, University of Mataram, NTB

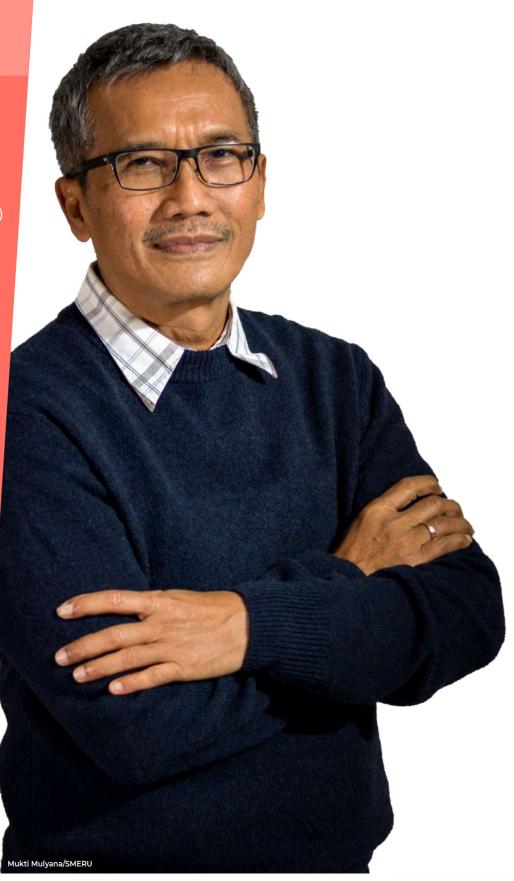
# **SUPERVISORS**

**Dr. Asep Suryahadi** (Chair of Supervisors)
The SMERU Research Institute,
Jakarta

**Dr. Ilyas Saad** Swadaya College of Economics (STIE Swadaya), Jakarta

**Bambang Sulaksono, M.M.** The SMERU Research Institute (retired), Jakarta





The Government of Indonesia has launched Indonesia's Vision 2045, which has four pillars: Human Development and Mastery of Science and Technology, Sustainable Economic Development, Equitable Development, and Strengthening National Resilience and Governance. As a research institute, we see the opportunity for SMERU to contribute to the support of the four pillars. This stems from the awareness that in carrying out their duties, public policymakers in the future will increasingly depend on empirical evidence derived from research results. For this reason, it is necessary to improve the quality of research in the fields of education and economy, and expand the dissemination of the results to reach policymakers both at the national and regional levels. SMERU consistently works in evidence-based pro-poor critical thinking academic discourse and policymaking.

The year 2019 was a year of change for SMERU. In August 2019, Widjajanti Isdijoso was elected to continue SMERU's leadership, replacing Dr. Asep Suryahadi. At the same time, I was honored to be appointed as Chairperson of The SMERU Foundation's Trustees, replacing Dr. Syaikhu Usman. The smooth transition of SMERU's leadership is a good sign for the sustainability of this research institute. With the new leadership, hopefully SMERU can continue to increase the trust of and expand its reach to all its stakeholders.

This year SMERU mourned the passing of a highly respected figure, Dr. Joan Hardjono, who had been active for almost twenty years as a member of SMERU's Trustees. The role of the late Joan, who always emphasized the importance of research quality and integrity, has contributed greatly to SMERU's achievements throughout the years. Her contribution is very significant in directing SMERU to become a producer of quality knowledge that it is today. Goodbye, Joan, and thank you.

The overall positive track record of SMERU is everyone's success. In particular, we thank Dr. Asep Suryahadi for his loyalty, competence, and dedication during the ten years of his leadership in SMERU. We express our deepest gratitude to the Department of Foreign Affairs and Trade (DFAT), the Ford Foundation, the International Labor Organization (ILO), and the World Bank for all the support that enables SMERU to continue research. We would also like to thank the Australian Government, the British Government, and the Bill & Melinda Gates Foundation for funding the Research on Improving Systems of Education (RISE) programme in Indonesia. We convey our respect to the central and regional—including village—governments for having helped to create a conducive environment for our research and the use of its results. SMERU believes that the process of formulating evidence-based policies is the right way to improve the welfare of the Indonesian community.

CHAIRPERSON

Sudarno Sumarto

THE MANAGEMENT'S WELCOME MESSAGE 

ANNUAL REPORT 2019

## **MANAGERS**

Widjajanti Isdijoso, M.Ec.St. (Manager) The SMERU Research Institute, Jakarta

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Nuning Akhmadi, M.Sc. (Secretary)
The SMERU Research Institute, Jakarta

**Hesti Marsono, M.Sc.** (Treasurer)
The SMERU Research Institute, Jakarta

## **ADVISORS**

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**Dr. Chris Manning**The Australian National University,
Canberra, Australia

**Prof. James J. Fox**The Australian National University,
Canberra, Australia

**Dr. Joan Hardjono**Independent researcher, Bandung

Emeritus Prof. Gavin Jones The Australian National University, Canberra, Australia

**Prof. Gustav F. Papanek**Boston Institute for Developing
Economies, Boston, USA

**Prof. Lant H. Pritchett**Blavatnik School of Government,
University of Oxford, UK

**Prof. Mohamad Ikhsan** Universitas Indonesia, Jakarta

**Dr. Solita Sarwono**Freelance consultant, Wassenaar, the Netherlands





n August 2019, I was entrusted to receive the leadership baton from Dr. Asep Suryahadi to be the director of The SMERU Research Institute. This is by no means an easy task considering the various accomplishments made by SMERU during his term. Still, my optimism remains as Dr. Suryahadi is still with SMERU as one of its senior research fellows, and the entire SMERU staff is still fully committed to undertaking the institute's vision and missions.

Throughout 2019, SMERU continued to demonstrate its commitment to contribute to policymaking and improvement of stakeholders' understanding of the importance of a more inclusive as well as research-based policymaking. In response to the trust given to SMERU by various ministries/government institutions and development partners, SMERU has delivered several policy recommendations on issues such as rural development, more inclusive economic development, livelihood development for Family of Hope (PKH) beneficiaries, stunting reduction and prevention, and increase of access to quality education.

With the support of the Ford Foundation and Knowledge Sector Initiative (KSI)-DFAT, SMERU has assisted the Ministry of National Development Planning/National Development Planning Agency (Bappenas) in creating the Inclusive Economic Development Index, which provides data down to the *kabupaten* (district)/*kota* (city) level. The index can be used as a basis for policymaking and a tool for monitoring the quality of economic growth.

In the education sector, through the RISE Programme in Indonesia (supported by the RISE Programme), SMERU has delivered policy recommendations on teacher recruitment, training, and capacity building. By collaborating with the private sector and civil society organizations, SMERU has conducted studies to support policies that aim to eliminate child labor in the agricultural sector. With the support of the MAMPU-DFAT Program, SMERU also conducted studies on women's access to public services. In addition, to keep encouraging the formulation of pro-poor policies, SMERU has organized training sessions on poverty reduction policy analysis for ministry staff as well as academics.

At the end of July, SMERU held the Regional Development Forum (FPD) in cooperation with the West Java Provincial Government, and a national seminar in cooperation with the SDGs Center of Universitas Padjadjaran. Earning the trust to be West Java Provincial Government's partner in reducing poverty has been an honor for us. At the end of the year, all the hard work of SMERU staff and management gained recognition from the government in which SMERU was awarded for its contribution in the success of the PKH program implementation.

This year marks the end of the period for the implementation of SMERU's 2015–2019 Strategic Plan. Successes and failures during these five years have become an invaluable experience for SMERU in preparing its 2020–2024 Strategic Plan. The plan is directed toward continued strengthening of our contribution to the achievement of an equitable development in support of the poor and other marginalized citizens.

Finally, I would like to thank the entire staff as well as all of SMERU's partners for their support, which has made these achievements possible. I would also like to thank them for their faith in me. With the blessing of the God Almighty and the full support of SMERU's staff, I will do my best to perform my role as SMERU's director. Together we will make SMERU's vision to reduce poverty and inequality in Indonesia a reality.

Widjajanti Isdijoso
DIRECTOR

# **KEY MOMENTS**

#### **PUBLICATION** •

SMERU's article "Darurat Mutu Pembelaiaran. Mengapa Wali Murid Jarang Protes ke Sekolah dan Pemerintah? [A Learning Quality Emergency, Why Do Student Guardians Rarely Protest to Schools and the Government?]", which highlights several causes of the quality learning emergency in Indonesia, was published in The Conversation.



## PUBLICATION

SMERU's article "Private Outsourcing and Competition: Subsidized Food Distribution in Indonesia" was published in the Journal of Political Economy Vol. 127 No. 1. This article examines the utilization of OSPs (outsourced service providers) in the distribution of subsidized food.



Dissemination of the study "Strategies for Improving Entrepreneurial Growth and Productivity in Indonesia" delivered the study findings and invited input regarding cognitive skills and entrepreneurship in Indonesia.



#### PUBLICATION

SMERU's article "Middle Class the Winners of Economic Growth under Jokowi" was published in East Asia Forum. This article discusses economic development in Indonesia under the Jokowi administration which benefits the middle class more than the poorest groups.



Dr. Asep Suryahadi (SMERU director) was invited as a panelist in the field of economics at the "Presidential Election Dialogue: Evaluating Presidential Candidates' Political and Economic Programs" organized by the Center for Political Studies, LIPI.



#### PUBLICATION

SMERU's article "Mengapa Indonesia Perlu Dorong Petani Alih Profesi? Pentingnya Dana Desa [Why Does Indonesia Need to Encourage Farmers to Change Professions? The Importance of the Village Funds]", which was published in The Conversation, highlights the importance of labor movement from the agricultural sector to the industrial and service sectors.



Dissemination of the study "Learning from In-Service Teacher Professional Development (PKB) in Three Cities" presented results of the RISE Programme in Indonesia's study on the In-Service Teacher Professional Development (PKB) of Functional Training for elementary school teachers in Kabupaten (District of) Kebumen, Kabupaten Gorontalo, and Kota (City of) Yogyakarta.



#### PUBLICATION

SMERU's article "Effects of Decentralized Health-Care Financing on Maternal Care in Indonesia", which highlights the impact of local health-care financing schemes on maternal care during pregnancy, was published in Economic Development and Cultural Change Vol. 67 No. 3.



SMERU and DFAT Australia presented the results of a the EINRIP Program qualitative evaluation study, which bring in a theory of change in the impact of national road improvements on community welfare, to Deputy I to the Presidential Chief of Staff at the Presidential Staff Office (KSP).



#### EVENT

Widjajanti Isdijoso was the speaker at the International Conference "Linking Social Protection to Sustainable Livelihoods: A Way Forward for Indonesia" organized by the Ministry of National Development Planning/Bappenas, DFAT Australia, and MAHKOTA.

The article "Jokowi wants to improve the quality of

highlights the quality of Indonesia's workforce.

Indonesia's labor force", published in The Economist,



**PUBLICATION ●** 

SMERU's seminar "Dissemination of Research **Results: Generating Nutrition Maps of Children** under Five Years Old" presented results of the study "Testing Small Area Estimation (SAE) Method for Generating Nutrition Maps in Indonesia".



#### PUBLICATION

PUBLICATION

SMERU's article "Roles of Income Polarization, Income Inequality, and Ethnic Fractionalization in Social Conflicts: An Empirical Study of Indonesian Provinces, 2002-2012", which was published in Asian Economic Journal Vol. 33 Issue 2, links a high level of income polarization, ethnic fractionalization, and income inequality with a high probability of conflicts in Indonesian provinces.



The RISE Programme in Indonesia held a public lecture on "Designing National **Education Systems for Significant,** Sustained Productivity Gains" with Professor Mark H. Moore from Harvard Kennedy School as the speaker.



In collaboration with the State Administration Agency (LAN), Knowledge Sector Initiative (KSI), and Association of Indonesian Policy Analysts (AIPA), SMERU held the Poverty Reduction Policy Analysis Training session.



SMERU received an award from the Ministry of Social Affairs as one of the stakeholders that contributed to the success of the Family of Hope Program (PKH).



## MANAGEMENT

PUBLICATION

The SMERU Foundation appointed Dr. Asep Survahadi as chairperson of The SMERU Foundation's Supervisors.

SMERU's article "Skor Siswa Indonesia dalam

Penilaian Global PISA Melorot, Kualitas Guru

[Indonesian Students' Scores in PISA Global

Disparities in Learning Quality are the Main

Causes!" was published in The Conversation.

This article highlights some of the causes of

the decline in the rankings of Indonesian

students in the PISA assessment.

Assessments Dropped, Teachers' Quality and

dan Disparitas Mutu Penyebab Utama

#### **EVENT**

SMERU became an organizing partner of The 12th Asia Pacific Future Trends Forum (FTF) 2019 "Roadmap to Universal Health Care: Acceleration through Public-Private Partnership".

#### **EVENT**

SMERU hosted the 2019 Forum Kajian Pembangunan discussing issues of social protection, women, the Family of Hope Program (PKH), education, and inclusive development.

SMERU's study "Effect of Growing up Poor on

Indonesia", which was published by the Asian

Development Bank Institute as Working Paper

No. 1002, highlights the effect of child poverty on

Labor Market Outcomes: Evidence from



#### EVENT

Education talk on "Teachers: Teaching, Educating, and Inspiring" presented the findings the Evaluation of the Pre-Service Teacher Professional Education (PPG Prajabatan) and the Evaluation of the In-Service Teacher Professional Development (PKB).

#### **EVENT**

SMERU held the "Workshop on Capacity Building of Research Methodology of the Regional Budget Constraint Analysis for the Directorate General of Fiscal Balance, Ministry of Finance" supported by KOMPAK and the Directorate of Management Evaluation and Information of Regional Finance, Ministry of Finance.

#### **EVENT** •—

PUBLICATION •

labor outcomes.

SMERU's seminar "Dissemination of Education Survey Findings in Kabupaten Way Kanan" discussed strategies that teachers, school principals, and the Government of Kabupaten Way Kanan can employ to improve the quality of student learning.



SMERU's media talk "The Growth of Quality Digital Economy" discusses the situation, potential, and challenges in creating quality economic growth as well as the direction of government policies and strategies in promoting and safeguarding the growth of quality digital economy.



## MANAGEMENT

SMERU Foundation's Trustees appointed (i) Widjajanti Isdijoso as director of The SMERU Research Institute, (ii) Athia Yumna as deputy director of research and outreach: (iii) Sudarno Sumarto as chairperson of The SMERU Foundation's Trustees; and (iv) Syarif Hidayat as vice chairperson of The SMERU Foundation's Trustees.

SMERU's article "Financing Tertiary Education in Indonesia: Assessing the Feasibility of an Income-Contingent Loan System", which was published in Higher Education Journal Vol. 77 Issue 375, offers an alternative model of higher education financing.

SMERU held the RISE Programme in Indonesia Update Seminar to share the latest update on the implementation of the RISE Programme in Indonesia with stakeholders in the education sector.



## **EVENT**

SMERU held the 2019 National Seminar titled "The Direction of Human Resource Development in Jokowi's Second Term" in collaboration with UNPAD's SDGs Center.

SMERU held the 2019 Regional Development Forum titled "Inclusive Economic Development for Sustainable Poverty Reduction in West Java"



# RESEARCH HIGHLIGHTS

# ADDRESSING A LEARNING CRISIS IN INDONESIA

The Indonesian education system is facing the challenge of addressing a learning crisis. This is due to a number of factors, such as (i) disparities in teacher recruitment, placement, and competency; and (ii) and the gap in students' understanding of basic learning. These situations encourage SMERU to continuously pay great attention to education issues.

SMERU's studies on education under the umbrella of the RISE Program in Indonesia are divided into two domains, namely studies on teacher reform at the national level and studies on education policies implemented by regional governments. The RISE Programme in Indonesia is managed by SMERU in collaboration with the Amsterdam Institute for Global Health and Development (AIGHD) and Mathematica, with funding support from DFID UK, DFAT Australia, and the Bill & Melinda Gates Foundation.

SMERU has recorded a number of important research findings of the RISE Programme in Indonesia throughout 2019. First, research on the Preservice Teacher Professional Education (PPG Prajabatan) program found that teachers' mastery of the teaching materials on literacy and numeracy obtained from the PPG Prajabatan-Elementary School Teacher Education (PGSD) program is still low. Another finding is that the PPG program carried out within the college years of students in the education study program is more effective because they can integrate the knowledge they learn from college with the PPG materials. In addition, PPG can be held within less than one year to make it more efficient. Second, the results of the rapid assessment of junior high school (SMP) new student admissions (PPDB) show that the transition from score-based PPDB to zoning-based PPDB

has allowed a larger number of low-performing students to get enrolled in public schools. Prior to the zoning policy, low-performing students usually attended private schools which have fewer resources than most public schools.

Besides conducting studies through the RISE Programme in Indonesia, SMERU also conducted a number studies in other areas of education, namely an evaluation of the Global School Leaders program supported by the Tanoto Foundation, as well as a study on the Implementation of Schools for Children in Coastal Areas in Jakarta and a study on the implementation of the open junior high schools (SMPT) in Jakarta with the support of the DKI Jakarta Education Agency. The evaluation results of the Global School Leaders program show that school principals are not aware of the low quality of teaching of teachers in schools. This is presumably due to the principal's lack of understanding of the concept of effective teaching. As a consequence, school principals do not improve teachers' teaching techniques which results in teachers not teaching effectively and students' performance not improving. The study on the implementation of schools for children in coastal areas and the study on the Implementation of the SMPT show that affirmative actions are still needed to increase access for children of poor families to quality education.

SMERU is committed to conducting studies on education in the coming years by opening wider opportunities for collaboration with donors, regional governments, and the private sector. This is necessary to improve the education system in Indonesia through quality evidence-based research.



# ADDRESSING PROBLEMS OF CHILD LABOR IN AGRICULTURE

report by Statistics Indonesia suggests that, in 2009, about 1.7 million children aged 5–17 years were child laborers and 58% of them worked in the agricultural sector. During 2019, SMERU conducted at least three research projects related to the issue of child labor in tobacco farming. SMERU conducted these projects in collaboration with the ECLT Foundation, International Labor Organization (ILO), and Philip Morris International (PMI).

The first project titled "Baseline Study on Child Labour in Tobacco-Growing Areas in Indonesia" was supported by ECLT. This study is aimed at seeing the situation of the child laborers prior to the implementation of the Strategic Partnership Program for Overcoming Child Labor in Agriculture in Indonesia (KESEMPATAN). The KESEMPATAN program was developed as a follow-up of the "Diagnostic Study of Child Labour in Rural Areas (with Special Emphasis on Tobacco Farming)" conducted in 2016. In addition to measuring the prevalence of child labor in tobacco growing, the 2019 baseline study learned the design and plans of the program. Then, based on the study results, recommendations were made for the improvement of the program's design. This study was designed to be part of a longitudinal study in the 2019–2021 period which is hoped to generate lessons about the efforts of eliminating child labor in tobacco growing.

The second project was supported by ILO. It is aimed at measuring risks and dangers faced by children working in tobacco growing in Indonesia. Although the preliminary findings of this study show that the child laborers face 0.6 time lower of a risk than that faced by the adult farmers/farm laborers, still they are vulnerable to dangerous conditions of exposure to pesticides and tobacco leaves' nicotine as well as dust and heat. This study shows that the community is still permissive of

children working on tobacco growing, even though the government, health workers, and tobacco growing companies have issued a ban on child labor on tobacco growing. The community is still not aware of the dangers faced by child laborers. Therefore, in this study, measurements of heat and dust exposure, as well as pesticide and nicotine content in children working on tobacco growing were carried out.

Besides seeing child labor's involvement, the third project specifically looks at the use of use personal protective equipment (PPE) in tobacco growing. This study on external monitoring and verification of the impacts of PMI's Agricultural Labor Practices (ALP) program in Indonesia found that only some of the tobacco farmers have been aware of the danger involved in pesticide utilization and have used PPE. Despite the fact that quite many farmers realize the importance of using PPE, some choose not to use it because they feel uncomfortable wearing it. Compared with the contracted farmers, those who are not in contract relation with multinational tobacco companies have a much lower level of awareness of the danger of pesticides. The number of contracted tobacco farmers are far fewer than the non-contracted ones. Therefore, more comprehensive efforts to improve the noncontracted farmers' awareness of the danger of pesticides as well as the importance of using PPE are needed.

The findings of these three SMERU studies have been presented to the government and nongovernment stakeholders on various occasions. Recommendations of the first and second studies will be the input for the development of programs for eliminating child labor in tobacco growing. Meanwhile, recommendations of the third study are used as feedback for improving the ALP program in Indonesia.



Children working in tobacco growing plantations are 20 times more likely to be exposed to pesticides than those who do not.

[Location: Jember, Jawa Timur]

Photo credit: Ari Ratna/SMERU

# UNDERSTANDING NUTRITION-RELATED ISSUES AND EFFORTS TO OVERCOME THEM

ndonesia is still facing a number of problems related to nutritional status and food security. Although the Basic Health Survey (Riskesdas) results show that the stunting prevalence in Indonesia decreased from 37.2% in 2013 to 30.8% in 2018, such figure is still far above the prevalence threshold for stunting set by the World Health Organization (WHO), which is 20.0%. In addition, Indonesia still has children under five years old suffering from wasting, and there is also a tendency for the prevalence of overweight children under five to rise.

SMERU has paid serious attention to nutrition and food security issues. In the past two years, SMERU has conducted three studies on nutrition and food security with varying perspectives, scope, and forms of partnerships.

First, in cooperation with World Food Programme (WFP), SMERU conducted the "Update to the Strategic Review of Food and Nutrition Security in Indonesia". This study is an update to a similar document prepared by SMERU and WFP in 2014. This review shows that domestic foodstuff production, especially protein-rich foodstuffs, fruits, and vegetables, still needs to be increased. Indonesians also suffer from triple burden of malnutrition—malnutrition, caloric surplus, and deficiencies of micronutrients, which are sourced from vegetables and fruits, due to excess of carbohydrates and sugar. Specifically to reduce the stunting prevalence, the government has since 2017 made efforts to improve the targeting of their stunting reduction programs, but their efforts are not yet effective because of the lack of coordination between institutions and low level of understanding of factors affecting stunting.

Second, SMERU conducted the study "Analysis of Public Expenditure for Stunting Prevention at the Regional Level: Factors Affecting Variations of

Stunting Prevalences in Six Kabupaten/Kota in Indonesia." The study conducted in cooperation with the World Bank finds that variations in regional public expenditure are not sufficient to explain the varied stunting prevalences in the study locations. Stunting prevention has faced challenges in relation to regional governments' capacities in program planning, budgeting, implementation, monitoring and evaluation, as well as coordination between actors and sectors of the programs.

Last, in cooperation with the World Bank and Tanoto Foundation, SMERU conducted a study which tried using a small area estimation (SAE) method to generate nutrition maps in five *kabupaten* (districts) in Indonesia. The estimation results show that the SAE model is proven to be adequate in estimating stunting prevalences down to the village level. In this study, the researchers also conducted verification using an anthropometric census for children under five years old in three villages of each *kabupaten*. The results show that among the factors influencing the decrease in stunting are increased parental educational attainment, community welfare, and access to clean water and adequate sanitation facilities.

The three studies give an overview of the challenges in improving food security and nutrition at the national, regional, and community levels. Wider dissemination of the study results will take place in 2020 and those results are targeted to serve as feedback for improving relevant policies. SMERU's experience in cooperating with the Tanoto Foundation also demonstrates the interest of and need for the domestic private sector to use research-based evidence to increase the effectiveness of their assistance to regional governments and communities.



Among the factors influencing the decrease in stunting are increased parental educational attainment, community welfare, and access to clean water and adequate sanitation facilities.

[Location: Tasikmalaya, West Java]

Photo credit: Ridho Al Izzati/SMERU

# SUPPORTING THE IMPROVEMENT OF SOCIAL PROTECTION SYSTEM

he issue of social protection remained a concern of The SMERU Research Institute throughout 2019. There are at least three studies in relation to the issue, which were delivered on various occasions, both in academic forums and policy discussion forums.

The first study "Rapid Assessment under Unideal Situation-The Impact of the Indonesian National Health Insurance on Poverty: A Microsimulation" was presented by Goldy Fariz Dharmawan at The Indonesian Health Economics Association (InaHEA) Annual Scientific Meeting on 6 November 2019 in Bali. The study aims to look into the risks faced by the poor if they do not have the National Health Insurance (Jaminan Kesehatan Nasional/JKN). Simulation results of the study show that JKN can lift around 1.18 million people out of poverty. They also show that, without JKN, some of the poor will have to incur out-of-pocket expenses, which can even reach 12.3 million rupiah, when accessing health services.

The second study "The Effectiveness of Cash Transfer in Reducing Poverty and Inequality: Evidence from Two Programs in Indonesia" was conducted by Niken Kusumawardahani, Ridho Al Izzati, and Asep Suryahadi. The study seeks to examine the impact of conditional cash transfers on poverty. Results of the study show that social protection programs, such as PKH, contribute to reducing poverty but do not significantly reduce inequality. These results were presented at one of the 2019 Forum Kajian Pembangunan (FKP) seminar series organized by The SMERU Research Institute in Jakarta.

The third study focuses on the livelihoods of beneficiary households of the Family of Hope Program (PKH). The study is a collaboration between The SMERU Research Institute, Menuju Masyarakat Indonesia yang Kokoh Sejahtera (MAHKOTA), and the Ministry of Social Affairs, which was officially launched on 13 February 2020 in Jakarta. Results of the study show that although PKH has provided additional income for poor households, the government still needs to design a comprehensive and integrated system to develop livelihood strategies for poor households and reduce their dependence on PKH assistance. The report of this study includes intervention options that can be utilized by the government. In November 2019, The SMERU Research Institute received an award from the Ministry of Social Affairs as one of the stakeholders who had contributed to the success of PKH. The award was presented by the Minister for Social Affairs, Juliari P. Batubara, himself at the 2019 PKH awards ceremony.

These studies show that quality research is a prerequisite to understanding the benefits of social protection programs and their impact especially on the poor and vulnerable. In addition, the government still needs to develop a comprehensive social protection system which is integrated with a sustainable livelihood program to economically empower the poor and vulnerable and reduce their dependence on social assistance.



The government still needs to develop a comprehensive social protection system which is integrated with a sustainable livelihood program to economically empower the poor and vulnerable and reduce their dependence on social assistance.

[Location: Cianjur, West Java]

Photo credit: SMERU

# INCLUSIVE PERSPECTIVE FOR SUSTAINABLE POVERTY REDUCTION

Indonesia's economic growth has remained at 5%-6% for the past ten years. The poverty rate also kept decreasing from 14.2% in 2009 to 9.41% in 2019. Although the economic growth has managed to lower the poverty rate, it has not affected the inequality rate, which has stagnated at 0.38-0.41.

The stagnant, high rate of inequality indicates that not all groups in the community have been enjoying the same economic growth. The middle and upper classes enjoy faster growth than their lower counterpart. The unwanted result from high inequality is the risk of a slowdown in economic growth, which in turn will weaken a region's ability to reduce poverty.

Such situation is illustrated by a study conducted by SMERU in Kabupaten Pangkajene dan Kepulauan (Pangkep). It is a diagnostic study conducted with the support of Knowledge Sector Initiative (KSI) under the memorandum of understanding (MoU) between SMERU and Kabupaten Pangkep Institute of Research and Development (Balitbangda). This study offers a perspective that the high economic growth in Kabupaten Pangkep is not necessarily followed by a low poverty rate. Areas where economic activities still rely on extractive natural resources are prone to such condition especially because the economic activities are more capital-intensive rather than labor-intensive.

The involvement of various groups of the community is necessary to accelerate poverty reduction. In other words, the government needs to push for the creation of economic development policies that are more inclusive by increasing access and opportunities for all sections of society, especially the poor and those who have been marginalized all along, to be involved and to reap the fruits of development. Therefore, the gaps between groups and regions can soon be reduced.

In addition, SMERU also continues to provide support for the use of the Inclusive Economic Development Index which has been developed together with the National Development Planning Agency (Bappenas) since 2017. In 2019, a series of studies and discussions were conducted on the use of the Index to increase development inclusiveness with seven provincial governments: Aceh, East Kalimantan, South Sulawesi, East Nusa Tenggara, Bali, Banten, and West Java. In the occasions, discussions on the pillars and indicators of the Index at the provincial level as well as at the kabupaten/kota level in each province were carried out. The formulation of the Index down to the kabupaten/kota level is a follow-up cooperation with Bappenas with the support of the Directorate General of Regional Development of the Ministry of Home Affairs and Ford Foundation. With the Index reaching the kabupaten/kota level, local governments, academics, and the community have one additional reference tool to identify various development indicators that need to be improved so that economic development in an area becomes more inclusive.

Based on the results of the Inclusive Economic Development Index and poverty study, a policy discussion was held in the form of a Regional Development Forum entitled "Inclusive Economic Development for Sustainable Poverty Reduction" in West Java. The forum, which was held in July 2019, was attended by most representatives of kabupaten/kota governments in West Java and became a forum for knowledge exchange, not only between local governments, but also among academics and representatives of community organizations. At the national level, the results of the IPEI study in various regions were also used as material for the preparation of the Road Map toward Inclusive Economic Growth in Indonesia, which is the 2020-2024 National Medium-term Development Plan (RPJMN) Background Study and was compiled together with Bappenas with the support of Knowledge Sector Initiative.

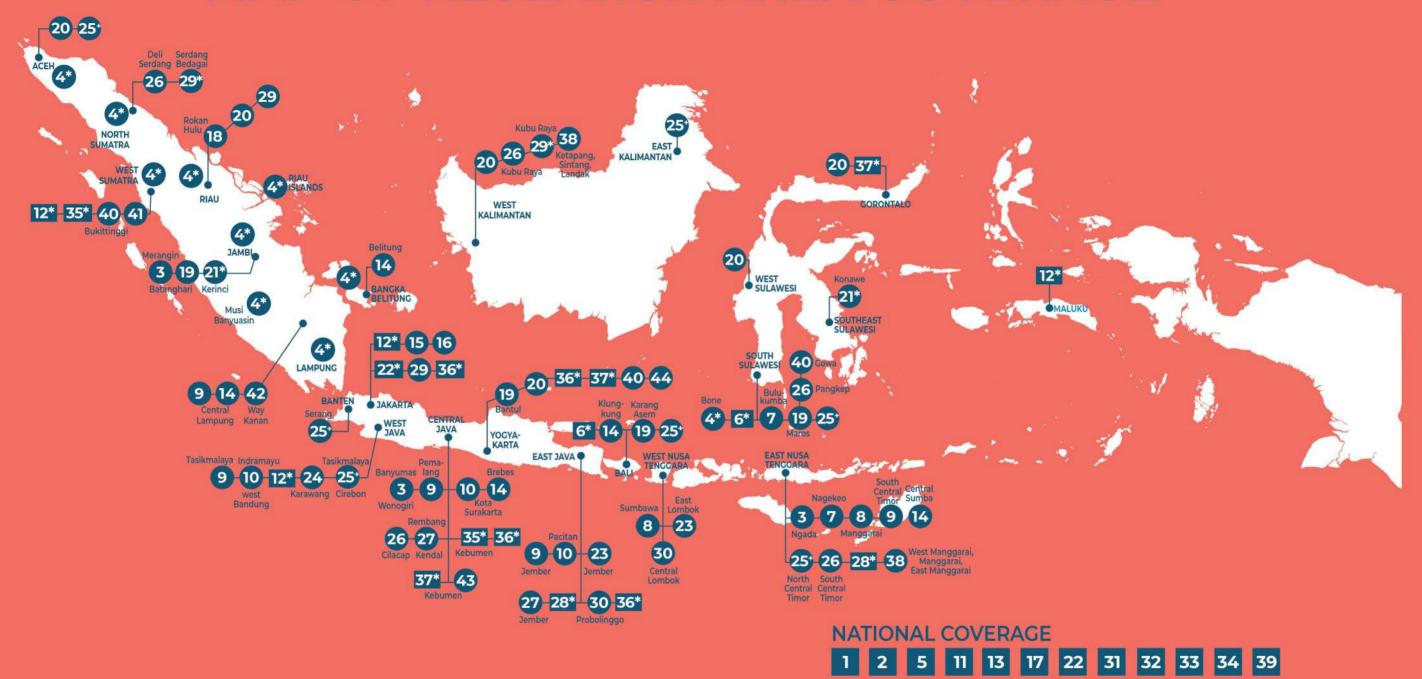


The government needs to push for the creation of economic development policies that are more inclusive by increasing access and opportunities for all sections of society, especially the poor and those who have been marginalized, to be involved and to reap the fruits of development.

[Location: Jakarta]

Photo credit: Mukti Mulyana/SMERU

# MAP OF RESEARCH AREA COVERAGE



National & case study in provinces

12\* 22\* 28\* 35\* 36\* 37\*

21\* 29\* All kabupaten/kota in provinces & case

- Baseline SDGs on Adolescent and Youth
- Background Study on Youth for RPJMN 2020-2024
- Village Governance & Community Empowerment (Sentinel Villages)
- Performance Evaluation of Regional Development: Cost Effectiveness at Provincial
- **Development of Competency** Standard—Strategic Coordination Team for Strengthening Development Extension Workers
- Developing Roadmap Towards Inclusive Economic Growth in Indonesia (Background Study of RPJMN 2020-2024)
- Qualitative Monitoring & Impact Evaluation of EINRIP: Post Improvement Qualitative Social Research 2018
- Baseline Survey on Water Program for Women
- Testing SAE Methods for Generating Nutrition Maps in Indonesia
- Identifying Livelihood Intervention for Family Hope Program (PKH)
- Cognitive Skills, Entrepreneurship & Economic Growth in Indonesia
- Revision of Indonesia Democracy Index
- Capacity Survey of NGOs and Research Institutes
- Case Study: Understanding Contributing Factors to Variations in Stunting Prevalence in Selected **Local Government**
- Study on Schooling for Children in Coastal Area in
- Study on the Implementation of Open Junior High School in Jakarta
- Study on Developing Culture Development Index
- Testing SAE Methods for Generating Nutrition Maps in Indonesia: Rokan Hulu District
- Testing the Competency Standard of Development Extension Workers—TKSP3
- Review of the 2019 Reports of Regional Development
- Analysis of the Impact of Prukades on the Acceleration of Inclusive Village Economic Growth
- Towards a More Inclusive Digital Economy: A Policy Review
- Assessing Risks and Hazards Associated with Tobacco Growing and Production in Indonesia

- Preliminary Data Research for Pilot Programs of Inisiatif Kepemimpinan Pendidikan untuk Raih Prestasi (INSPIRASI)
- Continuously Promoting Inclusive Economic Development Index
- Poor Women's Access to Public Services-Endline study
- External Verification and Monitoring of PMIs Agricultural Labor Practices (ALP) Program Impact in Indonesia
- 2019 Update to the Strategic Review of Food Security and Nutrition in Indonesia
- Promoting the Adoption of Inclusive Development Policies in the Resource Rich Provinces
- Baseline Study on Child Labor in Areas Where Tobacco is Grown in Indonesia
- Progress and Stagnation in the Livelihood of Informal Workers in Emerging Economy: Long-Term Evidence from Indonesia
- Youth Development Index, Policy Brief and National Action Plan on Youth
- **Education Thematic Sector Review**
- Heterogeneous Impact of Internet Availability on Female Labor Market Outcomes in an Emerging Economy: Evidence from Indonesia
- Teacher Recruitment and Deployment
- Pre-service Teacher Training
- 37\* In-service Teacher Professional Development
- KIAT Guru/Identifying and Rewarding Teacher Performance
- Analysis of the Impacts of National Examination
- Learning Laboratory: Supporting or Inhibiting Factors of District Education Policy Innovations in Yogyakarta and Bukittinggi
- Learning Laboratory: Impact of District Education Policies in Bukittinggi City (Honorary Teacher Recruitment Policy Mechanism)
- Learning Laboratory: Impact of District Education Policies in Way Kanan District (Improving the Performance of Head Teachers through School "Report Card" Mechanism and Performance-Based Incentive)
- Learning Lab: Impact of District Education Policies in Kebumen District (Activating the Role of Parents and the Community in Learning)
- Learning Lab: Impact of District Education Policies in Yogyakarta (The Impact of Zoning-Based New student Registration Programme (PPDB) to Learning)



Forum Kajian Pembangunan (FKP)

Jaringan LSM untuk Penanggulangan Pekerja Anak (JARAK)

Jaringan Peduli Anak (JPAI)

Kawal Pendidikan

Lembaga Pengkajian Kemasyarakatan dan Pembangunan (LPKP) Jawa

Yayasan Tunas Alam Indonesia (Santai)

Eliminating Child Labour in Foundation Goiek

Tobacco Growing (ECLT)

Inke Maris & Associates Novartis Indonesia

PT Permodalan Nasional Madani

PT Sampoerna

DON

IONAL

**ERNATI** 

ō

Amsterdam Institute for Global Health and Development Australian National University (ANU)

**NETWORKING** 

Cakra Wikara Indonesia

EARCH

RES

C

Center for Sustainable Development Goals (SDGs Center). Universitas Padiadiaran Konsorsium Riset SDGs Nusa

Tenggara (SDGs Research Consortia of Nusa Tenggara)

Mathematica Policy Research

Oxford Clinical Research Unit (EOCRU)- Lembaga Eijkman

**PUSAD Paramadina** 

Center on Child Protection and Wellbeing (PUSKAPA), Universitas Indonesia

Sampoerna University

Sekolah Tinggi Ilmu Sosial dan Ilmu Politik Pahlawan 12 Bangka Belitung (Pahlawan 12 College of Social and Political Sciences)

Australia-Indonesia Partnership for Economic Development (PROSPERA) - DFAT

Australian Volunteers International (AVI)

World Bank

Ford Foundation

Inisiatif Kepemimpinan Pendidikan untuk Raih Prestasi (INSPIRASI)

Knowledge Sector Initiative (KSI)-DFAT

Kolaborasi Masyarakat dan Pelayanan untuk Kesejahteraan (KOMPAK) -DFAT

Towards a Strong and Prosperous Indonesian Society (MAHKOTA)-DFAT

International Labour Organization (ILO)

Oxford Policy Management (OPML) Partnership for Economic

Policy (PEP) Plan International Indonesia

Program MAMPU - DFAT

Tanoto Foundation

The Innovation for Indonesia's School Children (INOVASI) -DFAT

United Nations Population Fund (UNFPA)

United Nations University World Institute for **Development Economics** Research (UNU-WIDER)

World Food Programme (WFP)

# REGIONAL IENTS NATIONAL AND GOVERNM

Statistics Indonesia (BPS) BPJS-Health

**BPJS-Employment** 

Jakarta Provincial Child Empowerment and Protection and Population Control Agency

Jakarta Provincial Education Agency

Directorate General of Regional Development, Ministry of Home

Directorate General of Fiscal Balance, Ministry of Finance

Ministry of Villages, Development of Disadvantaged Regions, and Transmigration

Ministry of Health

Ministry of Youth and Sports

Ministry of Education and Culture Ministry of National Development Planning/National Development Planning Agency

Ministry of Research, Technology, and Higher Education

Ministry of Social Affairs Regional Government of Kabupaten Kebumen

Regional Government of Kabupaten Pangkajene dan Kepulauan

Regional Government of Kabupaten Way Kanan

Regional Government of Kota Bukittinggi Regional Government of Kota

Yogyakarta Provincial Government of Aceh Provincial Government of Bali Provincial Government of Banten

Provincial Government of West

Provincial Government of East Kalimantan

Provincial Government of West Nusa Tenggara

Provincial Government of East Nusa Tenggara

Provincial Government of South Community Food Security

Empowerment Section of the Food Security Council Working Group Policy Analysis Training Center,

State Administration Institute National Team for Poverty

Reduction Acceleration (TNP2K)

MAIN ACTIVITIES 24

# **NONRESEARCH HIGHLIGHTS**

Press Talk: Quality Digital Economic Growth

SMERU hosted a media briefing titled "Quality Digital Economic Growth" on 15 August 2019. This event presented speakers from the Ministry of National Development Planning/National Development Planning Agency (Bappenas), Gojek, and Lembaga Demografi of the Faculty of Economics and Business, Universitas Indonesia, and invited journalists from various media outlets. The event was aimed at spreading the discourse on quality digital economic growth in the digital revolution era.



Training on Poverty Reduction Policy Analysis SMERU collaborated with State Administration Institute of the Republic of Indonesia (LAN RI), Knowledge Sector Initiative (KSI), and Association of Indonesian Policy Analysts (AIPA) to host Training on Poverty Reduction Policy Analysis in Jakarta from 3 to 5 December 2019. This event's participants were those from state civil apparatus (ASN) and non-ASN. The training session offered basic understanding on the contexts, concepts, and basic techniques for evidence-based analysis of poverty reduction policies.



# Forum Pembangunan Daerah

SMERU collaborated with the West Java Provincial Government to organize the 2019 Regional Development Forum themed "Inclusive Economic Development for Sustainable Poverty Reduction in West Java" on 30 July 2019. This event was supported by DFAT-Australia, Knowledge Sector Initiative, Ford Foundation, Ministry of Home Affairs, PT Kereta Api Indonesia, and PT Telkom Indonesia.



The 12<sup>th</sup> Asia Pacific Future Trends Forum (FTF) On 21 November 2019, SMERU acted as a partner organizer of the 12th Asia Pacific Future Trends Forum (FTF), an annual forum which gathers main stakeholders of healthcare sector in the Asia Pacific region to discuss various issues of common concern in the healthcare system. The theme of the 2019 FTF was "Roadmap to Universal Health Care: Acceleration through Public-Private Partnership".

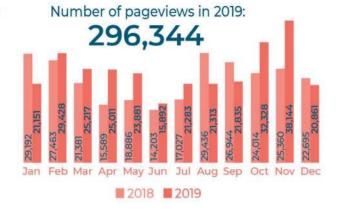


MAIN ACTIVITIES 26 ANNUAL REPORT 2019

# SMERU 🖺 ON THE INTERNET & SOCIAL MEDIA

Most viewed report:

5,809 Effect of Growing Up Poor on Labor Market Outcomes To Labor Market Outcomes: Evidence from Indonesia External Publication, September 2019





Until the end of December 2019 5,103 followers





Most popular among Facebook users in the 25-34 age range



Until the end of December 2019 followers







Until the end of December 2019 798 subscribers

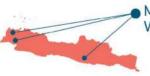
throughout 2019

Total views **22,156** views The most viewed 1.999 video in 2019 views

SMERU's interview with Bambang Widianto (TNP2K) titled "Pengelolaan dan Verifikasi Basis Data Terpadu (BDT)" (Management and Verification of the Unified Database (BDT))



Until the end of December 2019 2,486 followers



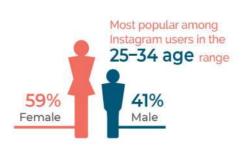
Most of them come from Jakarta, West Java, and Yogyakarta

#### **PROGRAM RISE**



There was an addition of followers in a year





# **DATA & INFORMATION**

**Indonesia Poverty &** Livelihood Map

www.povertymap.smeru.or.id



**Indonesia Nutrition Map** 

www.smeru.or.id/nutmap/



**Inclusive Economic Development Index** 

http://inklusif.bappenas.go.id/



**Regional Database** 



www.smeru.or.id/id/datainformasi/pangkalan-dataregional

Nongovernment **Organization Database** 



www.smeru.or.id/id/ngo/contact

MAIN ACTIVITIES 28 ANNUAL REPORT 2019

# **PUBLICATIONS**

① Uploaded on the website ② Printed



## RESEARCH REPORTS

1. The Well-Being of Poor Children Left by Their Mothers who Become Migrant Workers: Case Study in Two Kabupaten in Indonesia

[Kesejahteraan Anak Keluarga Miskin yang Ditinggal lbu Pekerja Migran: Studi Kasus di Dua Kabupaten di Indonesia1

Mayang Rizky, Yudi Fajar M. Wahyu, Hafiz Arfyanto, Sofni Indah Arifa Lubis, Emmy Hermanus, Joseph Natanael Marshan, Nila Warda, Niken Kusumawardhani, Nina Toyamah

2. Testing Small Area Estimation (SAE) Method for Generating Nutrition Maps in Indonesia: Rokan Hulu District

[Pengujian Metode Small Area Estimation (SAE) untuk Pembuatan Peta Status Gizi di Indonesia: Kabupaten Rokan Hulul

Asep Kurniawan, Elza Elmira, Maudita Dwi Anbarani, Mayang Rizky, Nurmala Selly Saputri, Ridho Al Izzati, Ruhmaniyati

3. Penguijan Metode Small Area Estimation (SAE) untuk Pembuatan Peta Status Gizi di Indonesia: Kabupaten Rokan Hulu

Asep Kurniawan, Elza Elmira, Maudita Dwi Anbarani, Mayang Rizky, Nurmala Selly Saputri, Ridho Al Izzati, Ruhmaniyati

- 4. Laporan Tematik Studi Midline MAMPU Tema 1: Akses Perempuan Miskin terhadap Program Perlindungan Sosial
  - Dyan Widyaningsih, Niken Kusumawardhani
- 5. Laporan Tematik Studi Midline MAMPU Tema 2: Akses Perempuan Miskin Pekerja Rumahan terhadap Perlindungan Sosial Tenaga Kerja Ana Rosidha Tamyis, Nila Warda
- 6. Laporan Tematik Studi Midline MAMPU Tema 3: Akses Perempuan Buruh Migran Luar Negeri terhadap Layanan Perlindungan
- Stella Aleida Hutagalung, Veto Tyas Indrio
- 7. Laporan Tematik Studi Midline MAMPU Tema 4: Meningkatkan Status Kesehatan dan Gizi Perempuan Dvan Widvaningsih, Elza Elmira, Dinar Dwi Prasetvo
- 8. Laporan Tematik Studi Midline MAMPU Tema 5: Pengurangan Kekerasan terhadap Perempuan
- Ana Rosidha Tamvis, Niken Kusumawardhani, Fatin Nuha Astini
- 9. Laporan Sintesis Studi Midline Mampu: Akses Perempuan Miskin terhadap Layanan Publik pada Lima Tema Penghidupan
  - Dinar Dwi Prasetyo, Dyan Widyaningsih, Ana Rosidha Tamyis,
- 10. Studi Tematik Undang-Undang Desa Merancang Strategi dan Skenario Pendampingan di Desa
- Palmira Permata Bachtiar, Asep Kurniawan, Rendy Adrivan Diningrat, Gema Satria Mayang Sedyadi, Ruhmaniyati
- 11. Laporan Studi Kasus Undang-Undang Desa: Menelusuri Manfaat Belanja Desa
- Palmira Permata Bachtiar, Asep Kurniawan, Gema Satria Mayang Sedyadi, Rendy Adriyan Diningrat, Ruhmaniyati , Ulfah Alifia

12. Kajian Penyelenggaraan SMP Terbuka di Provinsi DKI Jakarta

Asep Kurniawan, Elza Elmira, Maudita Dwi Anbarani, Mayang Rizky, Nurmala Selly Saputri, Ridho Al Izzati , Ruhmaniyat

13. Ketertinggalan dalam Kemakmuran: Tantangan Kemiskinan di Kabupaten Pangkajene dan Kepulauan Widjajanti Isdijoso, Mayang Rizky, Veto Tyas Indrio, Ana Rosidha Tamyis

14. Studi Implementasi Undang-Undang No. 6 Tahun 2014 tentang Desa - Laporan Endline Palmira Permata Bachtiar, Asep Kurniawan, Gema Satria

Mayang Sedyadi, Rendy Adriyan Diningrat, Ruhmaniyati

- 15. EINRIP Monitoring & Evaluation Post Improvement Qualitative Social Research: Monitoring Report 2018 Kajian Pemantauan dan Evaluasi Sosial Kualitatif Pascaperbaikan EINRIP: Laporan Pemantauan
  - Dinar Dwi Prasetyo, Dyan Widyaningsih, Rezanti Putri
- 16. Menstrual Hygiene Management (MHM): A Case Study of Primary and Junior High School Students in Indonesia Manaiemen Kesehatan Menstruasi: Studi Kasus Siswa SD dan SMP di Indonesia Hastuti, Rika Kumala Dewi, Rezanti Putri Pramana
- 17. Studi Kasus Manaiemen Kebersihan Menstruasi (MKM) Siswa SD dan SMP di Indonesia Hastuti, Rika Kumala Dewi, Rezanti Putri Pramana
- 18. Gender and Social Inclusion (GESI) Contextual Analysis/Formative Research for the Plan's Water for Women Indonesia [Analisis Kontekstual/Penelitian Formatif Kesetaraan Gender dan Inklusi Sosial (GESI) untuk Program Water for Women (WfW) Plan Internasional di Indonesia] Dinar Dwi Prasetyo, Fatin Nuha Astini, Rizki Fillaili, Herry
- 19. Analisis Kontekstual/Penelitian Formatif Kesetaraan Gender dan Inklusi Sosial (GESI) untuk Program Water for Women (WfW) Plan Internasional di Indonesia Dinar Dwi Prasetyo, Fatin Nuha Astini, Rizki Fillaili, Herry
- 20. Diagnostic Study of Child Labour in Rural Areas (with Special Emphasis on Tobacco Farming) Studi Diagnostik Pekerja Anak di Wilayah Perdesaan (dengan Penekanan Khusus pada Perkebunan Tembakau Rakyat)] Emmy Hermanus, Stella Aleida Hutagalung, Rezanti Putri Pramana, Fatin Nuha Astini, Elza Elmira, Veto Tyas Indrio, Widiaianti Isdiioso
- 21. Studi Diagnostik Pekerja Anak di Wilayah Perdesaan (dengan Penekanan Khusus pada Perkebunan Tembakau Rakyat) Emmy Hermanus, Stella Aleida Hutagalung, Rezanti Putri Pramana, Fatin Nuha Astini, Elza Elmira, Veto Tyas Indrio, Widiaianti Isdiioso

# **7** WORKING **PAPERS**

- 1. Education in Indonesia: A White Elephant? [Pendidikan di Indonesia: Sebuah Kemubaziran] Sandra Kurniawati, Daniel Suryadarma, Luhur Bima,
- 2. Understanding Metropolitan Poverty: The Profile of Poverty in Jabodetabek Area [Memahami Kemiskinan Metropolitan: Profil Kemiskinan di Wilayah Jabodetabek]
- 3. Dinamika Ketimpangan dan Penghidupan di Perdesaan Indonesia, 2006–2016 Nila Warda, Rachma Indah Nurbani, Elza Elmira, Ridho Al Izzati , Mayang Rizky
- 4. Bagaimana Mencegah Peningkatan Ketimpangan dalam Desa? Nila Warda, Elza Elmira, Mayang Rizky, Rachma Indah Nurbani, Ridho Al Izzati
- 5. Gender Equality in Indonesian New Developmental State: The Case of the New Participatory Village Governance [Kesetaraan Gender dalam Situasi Pembangunan Terkini di Indonesia: Kasus Tata Kelola Desa yang Partisipatoris]

Nila Warda, Elza Elmira, Mayang Rizky, Rachma Indah Nurbani, Ridho Al Izzati

- 6. Developing an Unemployment Insurance Scheme for Indonesia [Mengembangkan Skema Asuransi bagi Pengangguran di Indonesia] Meuthia Rosfadhila
- 7. The Stock of Highly Skilled Individuals in [Stok Individu Berketerampilan Tinggi di

# **NEWLETTERS**

- Newsletter SMERU No. 2/2019 Indonesian Version
  - Liza Hadiz, Budhi Adrianto, Dhania Putri Sarahtika, Gunardi Handoko, Wiwin Purbaningrum
- Newsletter SMERU No. 1/2019 Indonesian Version
  - Liza Hadiz, Budhi Adrianto, Dhania Putri Sarahtika, Gunardi Handoko, Wiwin Purbaningrum, Wenny Wandasari, Santi Kusumaningrum
- Newsletter SMERU No. 1/2019 **English Version**

Liza Hadiz, Budhi Adrianto, Dhania Putri Sarahtika, Gunardi Handoko, Wiwin Purbaningrum, Wenny Wandasari, Santi Kusumaningrum

# **6** POLICY BRIEFS

- Mengoptimalkan Pendampingan untuk Pemberdayaan Masyarakat Desa
- Asep Kurniawan, Gema Satria Mayang Sedyadi, Rini Kusnadi Ruhmaniyati
- Pinjaman Berbasis Pendapatan untuk Meningkatkan Akses terhadap Pendidikan

Elza Elmira, Daniel Survadarma, Asep Survahadi

- Simplifying the Village Medium-Term Development Plan (RPJM Desa)
- [Menyederhanakan Rencana Pembangunan Janaka Menengah (RPJM) Desal
- Reviving the Village Medium-Term Development Plan (RPJM Desa)
- [Menghidupkan Kembali Rencana Pembangunan Janaka Menengah (RPJM) Desal
- 1 Improving Cognitive Skills for Entrepreneurial Productivity and Growth in Indonesia [Meningkatkan Keterampilan Kognitif Demi Produktivitas dan Pertumbuhan Kewirausahaan di Indonesial

Niken Kusumawardhani, Daniel Suryadarma, Luca Tiberti, Veto Tyas Indrio

- Meningkatkan Keterampilan Kognitif Demi Produktivitas dan Pertumbuhan Kewirausahaan di Indonesia
  - Niken Kusumawardhani, Daniel Suryadarma, Luca Tiberti, Veto Tvas Indrio

## **PROCEEDING**

- 12th Asia Pacific Future Trends Forum 'Roadmap to Universal Health Care: Acceleration through Public-Private Partnership"
  - [Asia Pacific Future Trends Forum Ke-12 "Peta Jalan Menuju Pelayanan Kesehatan Universal: Percepatan Menuju Kemitraan Publik-Swasta]

# **ANNUAL REPORT**

- (1) (a) Annual Report 2018
- JOURNAL ARTICLES ①

MAIN ACTIVITIES 3 ANNUAL REPORT 2019

# **POLICY ENGAGEMENT**



# POVERTY

- Providing recommendations for the Ministry of Social Affairs on efforts to improve the livelihoods of the Household Conditional Cash Transfer program (PKH) beneficiary
- Giving a training session titled "Poverty Reduction Policy Analysis Training" to the state civil apparatus (ASN) and non-ASN participants
- Delivering recommendations to the West Java Provincial Government regarding inclusive economic development for sustainable poverty reduction in West Java.



# **EDUCATION**

- Providing recommendations for the Ministry of Research and Technology and the Directorate General of Higher Education on improving the quality of in-service teacher training program
- Conducting collaborative research for improving the quality of basic education in the Province of DKI Jakarta, Kota Kabupaten Way Kanan, and Kota Bukittinggi
- Helping the Ministry of Education and Culture improve the Cultural Development Index (IPK)



# FOOD & NUTRITION SECURITY

- Developing nutrition maps which provide nutritional status estimations of children under five years old at the village level in six kabupaten (districts)—Rokan Hulu, Jember, Timor Tengah Selatan, Tasikmalaya, Lampung Tengah, and Pemalang—in collaboration with TNP2K, the World Bank, and Tanoto Foundation
- Conducting a strategic review on food security and nutrition in collaboration with the World Food Programme (WFP)



# INEQUALITY

- Sending a memo titled "Perspective on the Current Situation of Inequality in Indonesia' to the National Team for the Acceleration of Poverty Reduction (TNP2K)
- Assisting the National Development Planning Agency (Bappenas) in conducting background study for the development of 2020-2024 National Medium-Term Development Plan (RPJMN) on inclusive development
- Supporting Bappenas in developing and making use of the Inclusive Economic Development Index (IPEI) at the national level and in five provinces-West Java, Bali, East Kalimantan, Aceh, and South Sulawesi



# URBAN **DEVELOPMENT**

- Providing the Ministry of Villages, Development of Disadvantaged Regions. and Transmigration (Kemendesa) and the National Industry and Economic Committee (KEIN) with recommendations on reducing inequality of development in rural areas
- Providing Kemendesa and Bappenas with recommendations on village governance in the context of Village Law implementation
- Providing Kemendesa with recommendations on efforts to develop village economy through the Rural Area Premium Products (Prukades) program



# YOUTH AND GENDER

- Assisting Bappenas in conducting background study for the development of 2020-2024 RPJMN on Youth Development
- Providing Bappenas, the MAMPU Program, and MAMPU partners with recommendations based on the MAMPU study results about women's access to social protection, reproductive health services, protection for home and migrant workers, and protection services for domestic violence victims



# ECONOMIC DEVELOPMENT

- Providing the Ministry of Public Works and Housing, Bappenas, and Executive Office of the President of the Republic of Indonesia with recommendations regarding the theory of change of how the national road improvements have brought about
- Helping Bappenas evaluate the regional Sulawesi, West Kalimantan, Yogyakarta, and Riau provinces



- Hosting a press talk on the inclusivity of Indonesia's digital economy
- Conducting an analysis of inclusive digital economy and organizing a series of discussions about this topic with relevant

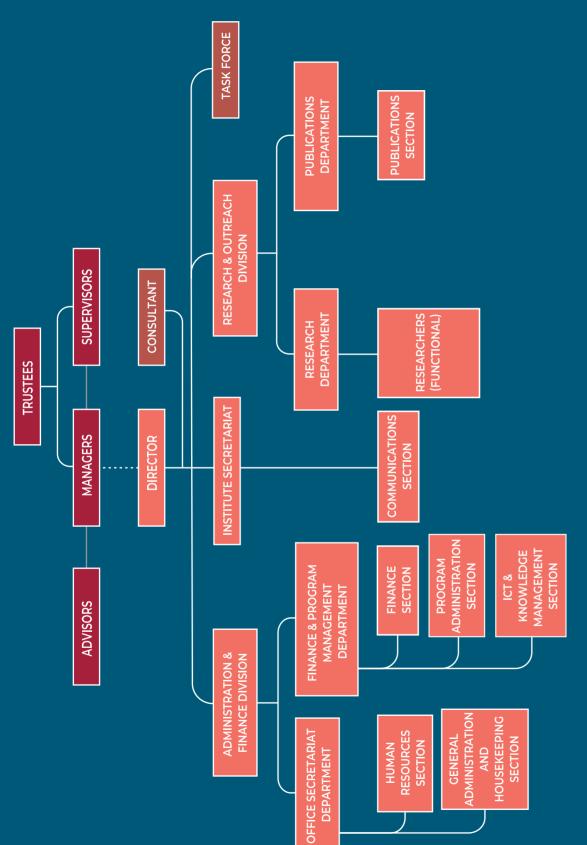


- Helping the Strategic Coordination Team for Strengthening Development Assistance (TKSP3) formulate national competency standards for development facilitators and conduct a validity test of the designed competency units
- Helping Bappenas update the Indonesian Democracy Index (IDI)

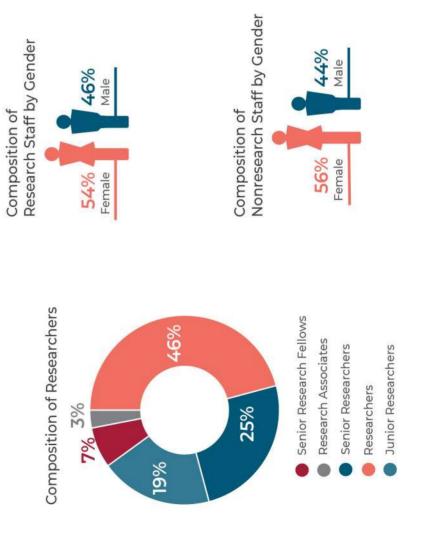


# MEDIUM-, SMALL-, ÁND MICRO-SCALE **ENTERPRISES** (UMKM)

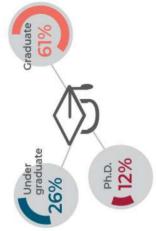
- Providing the Ministry of Cooperatives and Small- and Medium-Sized Enterprises with policy recommendations as inputs about cooperatives and small- and medium-scale enterprises in the drafting of Omnibus Law
- Providing Bappenas, the Ministry of Cooperatives and Small- and Medium-Sized Enterprises, and public in general with recommendations on UMKM's entrepreneurial skill improvement



# STAFF PROFILE

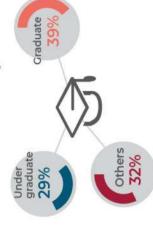






Composition of Nonresearch Staff by Education

ANNUAL REPORT 2019





THE SMERU FOUNDATION
Statements of Activities and Changes in Net Assets as of 31 December 2019 dan 2018

		2019 (Unaudited)	19 dited)		2018 (Unaudited)
	Temporarily Restricted	Unrestricted	Permanently restricted	Total	
Receipts Receipts from donors Receipts from others Unrealized gain/loss	36,745,914,070 1,308,237,219		F 7. F.	36,745,914,070 1,308,237,219	35,227,516,220 347,805,146
Total receipts	38,054,151,289	ε	ř.	38,054,151,289	35,575,321,366
Ecpenditures Program expenses	22.834.233.288	r		. 22.834.233.288	24.807.649.478
Operating expenses		16,585,638,345	ť	16,585,638,345	12,972,692,301
Depreciation expenses	1	202,865,981	ľ	202,865,981	277,698,454
Other expenses	E	68,205,372	r	68,205,372	1,453,338,037
Total expenditures	22,834,233,288	16,856,709,698	r	39,690,942,986	39,511,378,269
Increase (decrease) in					
Net Assets	15,219,918,001	(16,856,709,698)	:31:	(1,636,791,697)	(3,936,056,903)
Net Assets At Beginning Of Year	32,111,156,385	4,255,153,459	126,769,675	36,493,079,520	40,269,564,913
Corrections	•	35,563,136		35,563,136	015,177,510
Net Assets At End Of Year	47,331,074,387 -	- 12,565,993,102	126,769,675	34,891,850,959	36,493,079,520

FINANCIAL STAEMENTS 2018 & 2019 36

# THE SMERU FOUNDATION

Statement of Cash Flows as of 31 December 2019 and 2018

	2019 (Unaudited)	2018 (Unaudited)
Cook flavor from amounting potivities		
Cash flows from operating activities		
Excess of revenues over expenditures	(1,636,791,697)	(3,936,056,903)
Adjustments to reconcile excess of		
revenues over expenditures to net		
cash provided by operating		
activities:		
Depreciation	202,865,981	277,698,454
Unrealized gain/loss from investment		· <del>-</del>
Decrease (increase) in:		
Advance	(100,481,100)	(260,774,333)
Receivables	(42,214,599)	154,460,367
Prepaid expenses	39,197,042	(80,258,413)
Tax payable Accrued expenses	84,598,900 (29,551,250)	48,136,650
Donor payables	3,307,887,024	7,814,875
Other payables	157,732,774	10,575,917
Post-employment benefits obligation	740,200,000	752,230,000
Net cash flows provided from		
operating activities	2,723,443,075	(3,026,173,387)
		,
Cash flows from investing activities		
Sale on investment	17,691,931,161	22,592,759,769
Payment on investment	(16,391,258,987)	(17,691,931,161)
Acquisition of equipment	(21,357,000)	(88,148,000)
Net cash flows used in investing		
activities	1,279,315,175	4,812,680,608
Decrease in cash	4,002,758,250	1,786,507,221
Cash and cash equivalents, beginning	12,989,688,328	11,043,609,597
	35,563,136	159,571,510
Cash and cash equivalents, ending	17,028,009,714	12,989,688,328

# THE SMERU FOUNDATION

Statements of Financial Position as of 31 December 2019 and 2018

	2019 (Unaudited)	2018 (Unaudited)
	(Onaudited)	(Onaudited)
ASSETS		
Current assets		
Cash and cash equivalents	17,028,009,714	12,989,688,328
Short term investments	16,391,258,987	17,691,931,16
Advances	394,255,433	293,774,333
Other receivables	516,099,626	473,885,027
Prepaid expenses	273,709,510	312,906,552
Total current assets	34,603,333,270	31,762,185,40
Non-current assets		
Fixed assets - net	8,201,017,940	8,382,526,920
Total non current assets	8,201,017,940	8,382,526,920
Total assets  LIABILITIES AND NET ASSETS	42,804,351,209	40,144,712,32
	42,804,351,209	40,144,712,32
LIABILITIES AND NET ASSETS Liabilities		
LIABILITIES AND NET ASSETS Liabilities Taxes payable	272,141,650	187,542,750
LIABILITIES AND NET ASSETS Liabilities  Taxes payable Accrued expenses	272,141,650 2,250,425	187,542,750
LIABILITIES AND NET ASSETS Liabilities Taxes payable	272,141,650	187,542,750 31,801,675
LIABILITIES AND NET ASSETS Liabilities  Taxes payable Accrued expenses Donor payables	272,141,650 2,250,425 3,307,887,024	187,542,750 31,801,675 12,738,377
LIABILITIES AND NET ASSETS  Liabilities  Taxes payable  Accrued expenses  Donor payables  Other payables	272,141,650 2,250,425 3,307,887,024 170,471,151	187,542,750 31,801,675 12,738,377 3,419,550,000
LIABILITIES AND NET ASSETS  Liabilities  Taxes payable Accrued expenses Donor payables Other payables  Post-employment benefits obligation	272,141,650 2,250,425 3,307,887,024 170,471,151 4,159,750,000	187,542,750 31,801,675 12,738,377 3,419,550,000
LIABILITIES AND NET ASSETS  Liabilities  Taxes payable Accrued expenses Donor payables Other payables  Post-employment benefits obligation  Net assets	272,141,650 2,250,425 3,307,887,024 170,471,151 4,159,750,000	40,144,712,322 187,542,750 31,801,675 12,738,377 3,419,550,000 3,651,632,802 4,255,153,459
LIABILITIES AND NET ASSETS Liabilities  Taxes payable Accrued expenses Donor payables Other payables Post-employment benefits obligation  Net assets  Aset bersih	272,141,650 2,250,425 3,307,887,024 170,471,151 4,159,750,000 <b>7,912,500,250</b>	187,542,750 31,801,675 12,738,377 3,419,550,000 3,651,632,802
LIABILITIES AND NET ASSETS  Liabilities  Taxes payable Accrued expenses Donor payables Other payables  Post-employment benefits obligation  Net assets  Aset bersih  Unrestricted	272,141,650 2,250,425 3,307,887,024 170,471,151 4,159,750,000 <b>7,912,500,250</b> (12,565,993,102)	187,542,750 31,801,675 12,738,377 3,419,550,000 <b>3,651,632,80</b> 2
LIABILITIES AND NET ASSETS  Liabilities  Taxes payable Accrued expenses Donor payables Other payables  Post-employment benefits obligation  Net assets  Aset bersih  Unrestricted Temporarily restricted	272,141,650 2,250,425 3,307,887,024 170,471,151 4,159,750,000 <b>7,912,500,250</b> (12,565,993,102) 47,331,074,387	187,542,750 31,801,679 12,738,377 3,419,550,000 <b>3,651,632,80</b> 4,255,153,459 32,111,156,389

39 ANNUAL REPORT 2019



Dr. Joan Hardjono

1936-2019



# Dr. Joan Hardjono: in Memoriam

Dr. Joan Hardjono was an intellectual leader who was adept at policy research and had set a standard for high-quality socioeconomic and policy research. Joan passed on to us the passion to continue our research work because only by investing in thorough and accurate research can we assure the sustainable correlation between research, policy recommendation, and implementation strategy to encourage inclusive economic growth across Indonesia. Her work has inspired many Indonesian academics to conduct empirically accurate social research on how to reduce poverty and solve social issues while keeping in mind Indonesia's diversity and capacity.

Joan was not only an outstanding researcher, but also a mentor who always had time to give substantive feedback to SMERU staff's work and professional growth. Her patience, brilliance, and dedication had helped nurture SMERU to become one of the leading Indonesian policy research institutes nationally and internationally.



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