



COORDINATING  
MINISTER FOR PEOPLE'S WELFARE  
REPUBLIC OF INDONESIA

STATEMENT  
THE COORDINATING MINISTER FOR PEOPLE'S WELFARE  
AT THE MEETING OF CONSULTATIVE GROUP FOR INDONESIA  
Jakarta, 20 January 2005

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Mr. Chairman,  
Excellencies, Distinguished Guest,  
Ladies and Gentlemen:

**F**irst I would like to appreciate all members of the CGI for their consistent and persistent cooperation in working with the Government of Indonesia. Together we have looked for opportunities in solving the problems of poverty and worked for the improvement of economic and social welfare of the Indonesians.

In this special occasion I would like to thank all donors and countries that had given their warm sympathy and generous assistance to the victims of the Tsunami disaster in Aceh and North Sumatera. We are deeply concerned to what had happened. We must stand together to help those who are in need, a help which need to be maintained for some period of time. More and more people have fallen into poverty as more disasters stroke. In mere minutes a large number of people in Alor, Nabire, North Sumatera, and Aceh had lost their

property and now become dependents of the Government. It is thus a responsibility for the Government of Indonesia to give assistance to their misery.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

I am standing here before all of you, my distinguished audiences, as a team member of the Indonesian Government. This government is newly born, through the historical process of direct public election. The modern democratic process which brought this government had given us a strong public legitimacy. Having experienced many different tasks in previous government, the current elected President has taken a wise policy in maintaining sustainable progress of development. The President places a great significance on the continuing of development without destroying existing improvement achieved by the previous government. It is imperative for every minister of this cabinet to have a clear and measurable agenda in the first one-hundred days, due to the fact that the constituents are very demanding in seeing concrete evidence of the promises made during the presidential campaign. We realize that one hundred days is a short period of time, too short for a government to be judged. But I have discovered that some achievements are visible enough in that time period. The cases of illegal migrant workers, trafficking, free health services for the poor,

free educations for the poor, are the key focus of programs that are already in the right track. The program stipulated in Poverty Reduction Strategic Papers (PRSP) had been successfully carried on with participation of various stakeholders in the society. Moreover, the PRSP has been mainstreamed in the National Medium Plan.

Focusing to the tasks in hand, materializing people's welfare and executing poverty reduction is a very challenging effort. The program is right in the center of our National objective, therefore every sector and aspects of human development must be addressed if we want to be really successful in this area. The efforts in coordinating people's welfare development and poverty reduction become a crucial issue. We need consistencies and synchronization of the policies and agendas relating to these two areas. And this should include Strategic Macro Policy and Operational Macro Policy, as well as Strategic Micro Policy and Operational Micro or Project Policy.

In accordance with Indonesia's national vision and missions, especially in the context of materializing people's welfare and poverty reduction, the government of Indonesia has ratified Millennium Declaration. Therefore, Indonesia is committed to the achievement of the Millennium Development Goals namely (1) To eradicate extreme poverty and hunger, (2) to achieve universal primary education, (3) to promote gender equality and empower women, (4) to reduce child

mortality, (5) to improve maternal health, (6) to combat HIV/AIDS, malaria, and other diseases, (7) to ensure environmental sustainability, and (8) to develop a global partnership for development. These goals actually sound familiar to Indonesia, because they have been stated implicitly in the Preamble of Indonesia's Constitution the UUD'45. However the Millennium Declaration has clearer and more measurable targets and indicators. Moreover, seven of eight of these goals are closely related to people's welfare.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

The existing poverty eradication progress report was presented by the Deputy Coordinating Minister for People Welfare as co-chairman of Poverty Working Group of CGI on this -CGI meeting yesterday. In this occasion, I would like to focus my statement on the progress of poverty eradication in conjunction with the Millennium Development Goals (MDG's) efforts.

Based on the first Indonesian Progress Report on MDG's which were released on May 2004, I would like to discuss some progress in the achievement of the objectives.

Overall, the MDG report shows that at the national level, Indonesia has made progress over the years in many MDG criteria. The early 1990's witnessed impressive progress in all goals, but it slowed

down with regard to some of the goals in recent years. Indonesia continues to make remarkable progress in education and literacy, but is lagging behind in reducing child malnutrition and reducing maternal mortality and improving maternal health; in increasing immunization coverage; in combating diseases such as Tuberculosis & Malaria; and in improving access to clean water and slum areas. Progress varies widely by provinces, and several provinces require special attention.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

Looking now at each goal, the Report shows that Indonesia has performed well in reducing extreme poverty, nevertheless millions still live close to the poverty threshold and are therefore very vulnerable. Indonesia has also been successful in reducing moderate malnutrition among children in the early part of the decade, however it had reached stagnation and severe malnutrition has not declined.

Indonesia has made tremendous progress towards better education and higher literacy level, with near-universal coverage of primary education. The Government has set high standards for this goal, even higher than the international standards. It specifies nine years of basic education up to 15 years of age, which includes both primary and junior secondary education. Indonesia is still challenged to

achieve high enrollment rate for junior secondary school and to improve the quality of basic education.

Indonesia has also achieved gender equality in relation to access to primary and secondary education; however there are still rooms for improvement at tertiary level and in employment opportunities for women.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

Regarding goals and targets of health programs, Indonesia has made good progress over the past decade in reducing child mortality, but is still challenged in reducing maternal mortality. We also struggle to increase the coverage and quality of health services, especially with the context of Indonesia's recent de-centralization. Immunization rate shows some improvement, but it hasn't reached the desired level. And the proportion of childbirth without professional delivery care is still too high.

We still face enormous challenges in tackling diseases. Treatment of Tuberculosis is yielding some good results, however we could only discovered one-third of all Tuberculosis cases. Malaria still poses another challenge, especially in the eastern part of Indonesia, despite continuous effort from the government to control them.

At present HIV prevalence in Indonesia is still low, but the epidemic is now threatening the greater part of the population. The challenge in fighting HIV/AIDS includes eliminating stigma and discrimination and to provide proper information about the disease for the masses, especially young people.

Indonesia's progress toward achieving environmental goals and targets is still slow. The challenges are many, such as: illegal logging, poor law enforcement, and the contamination of ground water in densely populated areas. Indonesia considers the issue of water quality to be very serious. Should we apply stricter standard, only half of the population will have access to clean water. Sanitation has shown rapid improvement from the 1990's, but progress has slowed during the last few years, with only half of the households in rural areas having proper sanitation. Despite successes of the "Kampung Improvement Program" (slum areas improvement), some big cities are still overwhelmed by massive rate of urbanization.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

I hope that with this brief overview, I have provided you with a glimpse of the progress that we have made and the challenges we are still facing. I would now like to turn to discussing opportunities.

The recent democratization and decentralization of Indonesia would mean that civil society and local governments are free to take different policies, despite the commitment among governments to allocate resources and develop capacities to achieve MDG's. Several local governments have allocated their district budgets in support of basic social services and poverty reduction program.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

I would now like to briefly mention the actions of the national government at the policy level in support of the MDG's. The Government has started mainstreaming the MDG's in the National Development Plans and budgeting. The second Human Development Report has been included in the MDG's budget for Indonesia.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

In dealing with poverty reduction, the government has taken major steps in accordance with Basic Right Approach, which gives the Government a central role in providing basic need of the people. In solving the problem of high rate of unemployment, the government feels obliged to create and expand job opportunities which are attainable through income generating activities. With regard to the

In the area of social security, we are continuing to provide assistance to the poor and the near poor. At the same time we also have to prepare a comprehensive social security system covering mainly health service for everybody. For this purpose, the government of Indonesia has established a National Social Security System Bill.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

The Education sector is yet another area that corresponds with MDG's 2015. A program that is tightly connected with this sector is National Program for Indonesian Children 2015 (*Program Nasional bagi Anak 2015*), which is in accordance with all child-related MDG's. The national strategy in ensuring safe pregnancy is parallel with the MDG's goal on maternal health. The National Strategy in dealing with HIV/AIDS also adopts policy, strategy, and indicator which are in the line of MDG's.

To harmonize the national and local poverty reduction strategies with MDG's, the Coordinating Ministry of People's Welfare has started a project of capacity improvement and massive media campaign in 20 counties (kabupaten) in 5 provinces. These areas are subjected to the

fact that most of labor forces (65%) work in the agricultural and informal sectors, the government had decided to prioritize training and entrepreneurship development program. As a result most of the labor force could create their own jobs or earn their living through micro and small-scale enterprises.

Mr. Chairman, Distinguished Guest,  
Ladies and Gentlemen,

Regarding the need to provide people with the access to micro finance, I agree with the statement of the United Nation Secretary General that, "Micro finance is an important and an integral part of our collective effort to achieve the Millennium Development Goals. We are challenged to remove or minimize barriers that exclude people from access to participate in the financial sector. Together we must, and can, build inclusive financial sectors that eventually will help people to improve their lives." Free access to micro finance will help alleviate poverty through income generation, creation of jobs, providing opportunity for children to go to school, enabling families to obtain healthcare, and empowering people to choose the best services that fulfill their needs. For that purpose we are still struggling to involve commercial banks to combat poverty, urge them to provide low interest-loans and to give better access for the poor to these resources.

project because of the massive challenge still in the way to achieve MDG's.

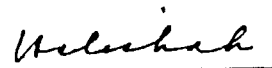
Finally I would like to conclude by stating that the MDG's is not the sole responsibility of the Government. The goals and the effort to attain them should also be shared by the civil society, and we must strive hard to achieve that goal through strong cooperation of all part of the Indonesian society. I believe that this country has made a good start in which civil society has created a greater awareness among the public, as well as local governments and the parliament.

Indonesia will still face great challenge for years to come. But I am convinced that we could overcome any challenges through close cooperation between Indonesia and partner countries. Together we will be able to make the best of the opportunities productively, efficiently, and effectively, for the sake of improving the welfare of the Indonesian people.

Thank you,

Coordinating Minister for People's Welfare

Republic of Indonesia



Dr. Alwi Shihab