

# INDONESIA

## STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (IDR)
<b>Legal Minimum Wage</b>	Semarang		<b>1,685,000</b>
	North Jakarta (Jakarta City)		<b>2,700,000</b>
	Tangerang city (garment sector), Banten		<b>3,003,000</b>
	Purwakarta		<b>2,600,000</b>
<b>Industry/ sector Wage Comparator</b>  <b>BPS Average Monthly Wages (Garment)</b>	<ul style="list-style-type: none"> <li>2,230,900 Indonesian Rupiah (IDR) is the monthly nominal average wage of production workers below supervisory level in the garment sector for December 2014.</li> <li>Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 2382860.83</li> </ul>	<u>BPS</u> ( <u>Statistics Agency</u> )	<b>2,382,860.83</b>

## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (IDR)
<b>World Bank 'international poverty line' (2011 PPP\$ 3.10/ day)</b>	<ul style="list-style-type: none"> <li>Poverty is measured by the World Bank at PPP\$3.10/day. PPP \$1.90 (in 2011 \$PPP) per day per person represents the international 'extreme poverty line' for extremely poor countries.</li> <li>The \$3.10 equivalent is <math>(3,939.56 * 3.1) = \text{IDR } 12,212.64</math></li> <li>On a monthly basis, this is <math>(\text{IDR } 12,212.64 * (365/12)) = \text{IDR } 371,467.68</math>.</li> <li>Adjusted for inflation, this amount is <math>[120.93 (\text{CPI } 2015)/113.22 (\text{CPI } 2014) * \text{IDR } 371,467.68] \text{ IDR } 396,770.71/\text{person/month}</math></li> <li>The household equivalent of IDR 396,770.71, assuming two consumption units and one earner is IDR 793,541.42/month.</li> </ul>	<u>WB 2011</u> <u>ICP</u>	<b>793,541.42</b>
	<ul style="list-style-type: none"> <li>The household equivalent of IDR 396,770.71, assuming three consumption units and one earner is IDR 1,190,312.13/month.</li> </ul>		<b>1,190,312.13</b>
<b>National Poverty Line (2 adults, 1 earner)</b>	<ul style="list-style-type: none"> <li>IDR 344,809.00 is the 2015 figure, including food to reach 2,100 calories per day, as well as costs associated non-food goods, including housing, clothing, education, and health care.</li> <li>Value based on two adult equivalent consumption units: IDR 689,618</li> </ul>	<u>BPS</u> ( <u>Statistics Agency</u> )	<b>689,618</b>

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## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (IDR)
<p><b>Living Wage Estimate</b></p> <p><b>Asia Floor Wage (3 adults, 1 earner)</b></p>	<ul style="list-style-type: none"> <li>Asia Floor Wage Alliance (latest revision found from 2015—1021PPP\$)—A standard PPP\$-based estimate for East and Southeast Asian countries applicable to manufacturing industries (based on a 3,000-kcal diet for a three-adult-equivalent household with a single earner)</li> <li>Food basket research was done in Cambodia, India, Indonesia and Sri Lanka to obtain the country Asia Floor Wage figures. For other Asian countries where food basket research was not conducted, the figures were extrapolated.</li> </ul>	<u>AFW 2015</u>	<b>4,684,570</b>
<p><b>Union Demands</b></p> <p><b>Minimum wage demand</b></p>	<ul style="list-style-type: none"> <li>Massive mobilizations were recently organized by three Indonesian trade union centres: KSPI (FSPMI, Farkes, SPN, KEP, ISI), KSPSI (CEMWU) and KSBSI (Lomenik, FPE, Garteks).</li> <li>The unions asked for increasing the minimum wage by 2.6 percent and all wages for 2016 by IDR 500.000 (US\$36), while sectoral wages must be higher than the minimum wage.</li> </ul> <p>LOCAL LEGAL MINIMUM WAGES FOR 2015 ARE:</p> <ul style="list-style-type: none"> <li>Semarang: 1,685,000 IDR/month</li> <li>North Jakarta (Jakarta City): 2,700,000 IDR/month</li> <li>Tangerang city (garment sector), Banten: 3,003,000 IDR/month</li> <li>Purwakarta: 2,600,000 IDR/month</li> </ul> <p>VALUES FOR UNION DEMANDS ACCORDING TO GEOGRAPHICAL LOCATION AND THE APPLICABLE MINIMUM WAGE (THE LOCAL LEGAL MINIMUM WAGE * 1.026):</p> <ul style="list-style-type: none"> <li>Semarang: 1,728,810</li> <li>Jakarta city: 2,770,200</li> <li>Tangerang city (garment sector): 3,081,078</li> <li>Purwakarta: 2,667,600</li> </ul>	<u>10 central trade unions</u>	<p><b>1,728,810</b>  <b>(Union Demand of Increasing minimum wage by 2.6 percent for Semarang; 2,770,200 for Jarkata city; 3,081,078</b>  <b>Tangerang city (garment sector); 2,667,600 for Purwakarta; 2015)</b></p>

# COMPENSATION COMPARISON ACROSS FACTORIES

**INDONESIA** Currency: Indonesian Rupiah (IDR)

