

# **POLICY ANALYSIS ON INTEGRATED CHILD CENTER - CORPORATE SOCIAL RESPONSIBILITY: CASE STUDY ON HOSPITALITY BUSINESS SECTOR IN INDONESIA**

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## **Abstract**

*It is inevitable that business both small and large will interact with and have an impact on the lives of children, directly or indirectly. Children are the key stakeholders for business – children as the consumers, children within the business such as the employees' children; intern youth and young workers; and children as the member of communities and environments in which business operates. Do Government and business pays respect to children rights? This study was conducted in 2016 using document review, roundtable discussions and decision consensus meeting participated by experts and practitioner. The contribution of business sector to protect children at the workplace related to hospitality business shows through the prohibition on employing children set out in the Laws on Child Protection and Manpower and local Government regulation on Tourism. Violation of the law occurred due to the lack of monitoring and supervision from competent authority. Children are also market of business either as consumer. There is lack of information and awareness can lead to business jeopardizing children's rights. There is no hotel regulation to prohibit hotel guests bringing children who are not their family. This creates the opportunity for guests to use a hotel as a place to commit children's sexual exploitation. Some hotels have also adjusted their standards on ethics and appearance of apprentices. However, lack of monitoring and supervision as well as lack of law enforcement are still the main challenges in this area. There are at least 2 Laws related to communities and environment: 1) Law on Limited Liability Companies requires; and 2) Law Number 25/2007 on Capital Investment. If business did not comply with these rules, it will be sanctioned. There are still gaps such as policies on children's rights related to the environment, land acquisition and security arrangement; and provision of access and quality of basic services for children, including children with disability.*

**Keywords:** *Corporate Social Responsibility, Child Rights, Business Principle, Hospitality.*

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## **INTRODUCTION**

Childhood is a time of physical and cognitive growth, and outstanding psychosocial development. According to UNICEF there is a third of the global population who are children under the age of 18 years in the world. In 2012 it was recorded that the structure of the Indonesian population aged 0-17 years is 82.1 million thus issues relating to children will become more important in the next five years. Ensuring world that fit for children and no children are neglected to their rights are all parties responsibility, this includes government, civil society and business.

To provide guidance to the business community in support for children's rights, Save the Children, UNICEF and the UN Global Compact Network have formulated the Business Principles and Children Rights which is commonly abbreviated as CRBP. This was launched on March 12, 2012 in London. In Indonesia, CRBP was introduced to businesses and relevant government institutions in Jakarta on February 13, 2013.

Started in 2014, Yayasan Sayangi Tunas Cilik as partner of Save the Children International in Indonesia implemented the project that promoted CRBP for hotel business. The project was funded by the government of Denmark (DANIDA) through Save the Children Denmark. This project was ended in December 2016 and has successful produced toolkit of Integrated Child Centered- Corporate Social

responsibility (ICC-CSR). Some case studies, CRBP mapping among businesses, stakeholder analysis and policy gap analysis were conducted to lead the formulation of policy recommendation on ICC-CSR.

## METHODOLOGY

This policy analysis focuses on documents review of regulation at national and provincial level of West Java and Bandung city that includes laws and regulation by which aligning with children's rights. This also identified global commitment voluntary standard on CSR focus on CRBP. Analysis of both sides has come up with gap on current practice of ICC-CSR and defined desired policies as reinforcing factor on expected ICC-CSR implementation. The analysis concluded the absence of hard law or encouraging regulation.

To consider children's rights into business operation and practices, this study reviewing cases and information that incurred within private sectors in Indonesia with particulars in hospitality industry more specifically hotels in Bandung. The analysis used the lens of CRBP limited scope only on child rights integration policy out of four clusters. The previous exercises conducted by the University of Bina Nusantara, Jakarta and Padjajaran University in early 2015 also be using as basis information, primarily on the practices and evidence based have been collected from hospitality sector.

The analysis has provided key findings on current practices, identify the gaps and drawn recommendation. A further step policy recommendation was formulated based on the result of this report combined with the stocktaking assessment and multi stakeholders' consultation including with children and youth and case studies. The recommendation will be either formulation of regulation, amendment or addendum of existing regulations and provision of guideline to implement regulation and or social raising awareness agenda. For this policy analysis, we used policy gap analysis method that was derived from input process output theory (Figure 1).

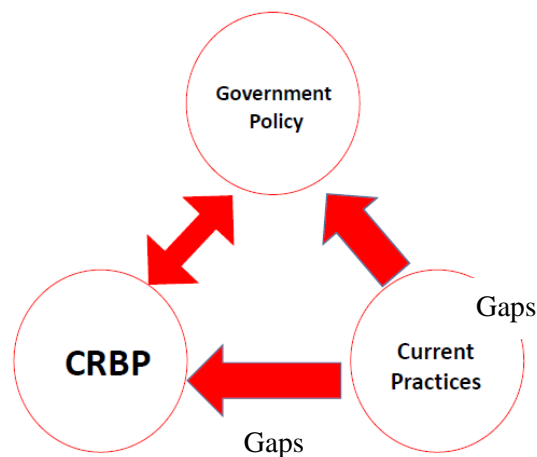


Figure 1. Logical Thinking of the Study

### Children Rights and the Concept of Child Friendly City

Universal rights of children are codified in a number of legally binding treaties and international standards as Convention on the Rights of the Child (CRC), Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which is particularly pertinent to the rights of girls and Convention on the Rights of Persons with Disabilities (CRPD). CRC principle covers:

- 1) **Non-discrimination:** Article 2 affirms State "...shall respect and ensure the rights set forth in the present Convention to each child within their jurisdiction without discrimination of any kind, irrespective of the child's or his or her parent's or legal guardian's race, colour,

sex, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status.”

- 2) **Best interests of the child:** Article 3 states, “in all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration.”
- 3) **Life, survival, and development:** Article 6 states that “every child has the inherent right to life” and the States parties “shall ensure to the maximum extent possible the survival and development of the child.”
- 4) **Participation:** Rather than being affirmed by a specific article of the Convention, children’s right to have their views heard and respected in matters concerning them according to their age and maturity is guaranteed by a wide range of provisions. This include children/youth participation on national development planning process directly or through children consultation.

In Indonesia, CRC had been ratified in 1990 through a Presidential Decree No. 36 of 1990 and this is manifested in Law No 35 of 2014 on Child Protection that is translated into 10 basic rights (to play, to education, protection from all forms of violence, preservation of identity, to food, to health and health services, to leisure, to equality, to participation in development). Indonesia law regulates not only the State as the duty bearer on children’s rights but community collectively responsible to ensure all children’s rights are fulfilled and must respond if there is a child in the community is neglected, experience of violence or being abused. The Ministry of Women Empowerment and Child Protection (MoWECP) as the leading sector of ensuring this Bill, has translated it into Child Friendly City (CFC) program and facilitated the formation of Child Forum in all districts and provinces.

There is a Ministry of Women Empowerment and Child Protection (MoWECP) Regulation No 2/2009 about the guidance of implementing CFC program through the collaboration of government commitment and resources, civil society and private sector through holistic planning and sustainable for the fulfillment of children’s rights. Another Ministerial Regulation No.12/ 2011 is derived to the CFC indicators consists 36 that divided into two component a) Strengthening institutional capacity includes 7 point and; b) Child rights as follows; i) civil rights and freedom in the article 8; ii) family environment and alternative caregivers in article 9; iii) basic health and welfare concern in article 10, iv) education, use of leisure time and cultural activities in article 11, and v) special protection for children in article 12.

Those five clusters are breakdown into 29 criteria, by which three criteria related with private sector i.e. c) the percentage of exclusive breast feeding (ASI ); d) number of lactation room facility and the percentage of children who were released from forms child worst jobs. The component one of CFC regulation, strengthening institutional capacity contains of seven points stated in article 6 whereas point seven clearly mention the involvement of business actors in the fulfillment of child rights. Civil Society organizations and private sectors are not involved in the implementation of CFC program. Out of 548 districts and city in Indonesia, up to 2015, there are 126 districts/cities just recently declared by the MoWECP in July 2017 as CFC.

In Bandung, there is a City Regulation (PERDA) No. 10/2012 that regulates child protection as well as the implementation of CFC, including the formation of taskforce. There is a component of community participation in where corporate/business is part of it. The socialization about CFC was launched in 2013 coordinated by BP3AKB who is by default as leading sector of CFC Task Force using the allocated budget of year 2013. As required in the concept of CFC, district or city has to establish a multi sectors task force. However, in the implementation level, corporate/business and civil society are not being directly involved. There is no specific Province Regulation on CFC except general Child Protection No. 5/2006 and the establishment of Child Forum through Governor Decree No. 463/Kp.791-BP3AKB/2015. In 2017, West Java has declared the initiative toward Child Friendly Province in 2028, abbreviated as PROVILA (*Provinsi Layak Anak*).

As a practical policy, it is a Mayoral Regulation No. 661/2016 on City Action Plan for Child Friendly Development of the City of Bandung 2016 – 2018 focusing institutional indicators, but again

since business sector is not concisely mentioned in the City Regulation, relevance indicators for business is also ignored.

### **Business Impacts to Children**

The impact of child's interaction with corporate can be beneficial or detrimental to the child. In general, the company may have impact on children in workplace, market, and as community and environment. Those known as four cluster of CRBP scope of work. A report entitled "Child Labor in Indonesia 2009" states that the total number of children aged 5-17 years in Indonesia is approximately 58.8 million, which 6.9% of them may be categorized as working children. Of the total number of working children, 1.76 million, or approximately 43.3 percent are working under more difficult conditions. Approximately 20.7% of working children work in hazardous conditions and work more than 40 hours working per week (ILO, 2010).

Other Data from project report UCW (Understanding Children Work) entitled "Understanding children's work and youth employment outcomes in Indonesia" describes the involvement of children in employment increases with age, although the number of children who worked at a very young cannot be denied (ILO et.al, 2012a). The report also highlighted the agricultural sector as playing the biggest role in the employment of children in Indonesia, with 57% of the total working children, followed by the services sector (27%), and manufacturing (7 %). Approximately one third of children in the domestic services sector, which is not regulated, escaped public scrutiny. This means children working as domestic servants are very vulnerable to abuse. Similarly, research conducted in Brazil found that children who work will get a negative impact, for example inhibit formal education and endanger health. In addition, working children also suffer from long-term negative effects, as a result reducing the income of the boys when they become adults.

Changes in the structure of the family, especially in the middle and upper classes, are democratic, putting the child as an influential actor in the decision making process. Kumar and Meenakshi said if families are now more democratic on making decision of buying process. The powers are no longer vested in the head of the family. Teenager are dominating the buying process of technology and fashion products, and children are influencing the buying process of most categories of products in the family. Teenagers have become big spenders (Arun Kumar & N. Meenakshi, 2011). This argument is strengthened by another research found children have influenced 40% decision of purchasing in Family from the sample of 123 Pakistani parents (Ishaque and Tufail, 2014). This is why children and adolescents are an attractive segment for the business world. A child becomes a target customer of various types of products.

The hospitality industry offers services to someone who is far away from home by offering food, drink and accommodation, are also closely related to children. CRBP is relevant for application in the hospitality sector as the number of chain and local Hotels in West Java are quite high (1,533)<sup>62</sup> in which 1,500 are the member of the association and 715 are located in Bandung (Save the Children, 2012a). In average the occupation was 40% thus the last update from the Province Government only 380<sup>63</sup> in Bandung City are well operated.

### **Children Involved in Hospitality Industry**

Information we gathered from observations, semi structure interviews and group discussion, children are involved in the hospitality sector in many ways such as: children of trainees/interns/young workers or children working in the supply chain; children consumers and children in the surrounding community (Save the Children, 2016b). Children face various issues and risks such as the risk of child labor, working excessive hours, accidents in the work place, risk of sexual abuse, etc. On the other hand, the sector can provide opportunities for training and decent work for both young people and their parents. Save the Children encourages the hospitality sector to promote corporate social

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<sup>62</sup> <https://jabar.bps.go.id/linkTabelStatis/view/id/45>

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[http://www.jabarprov.go.id/index.php/news/8596/PHRI\\_Desak\\_Pemerintah\\_Kaji\\_Kebutuhan\\_Hotel\\_di\\_Bandung](http://www.jabarprov.go.id/index.php/news/8596/PHRI_Desak_Pemerintah_Kaji_Kebutuhan_Hotel_di_Bandung).

responsibility and put children and young people at the center of their commitment by considering children's rights throughout their business engagement. At national level, children should have education and vocational training before they start working. However, it is commonly recognized that children from an early age are working in the supply chain supporting the operations of the hospitality sector without proper education and training. Relevant regulations have been launched by government, but at implementation level there is not much evidence of corporate policy commitment.

Children's rights issues in the hospitality industry covers many issues such as safety, protection and empowerment. It also relates to children's rights to survival, development, participation and protection. Whoever and wherever children are, rights must be addressed at corporate level and spelled out in business strategy, plans and daily operations.

"If now sowing 'seed' to respect the rights of children, the business of hospitality will reap the results in the future," said one of the member of working group of Hotel Association.

Moreover, among the employer of hospitality and restaurant industry, believe that by implementing CRBP will give impact to the sustainability of business. It may be costly if companies only address children's rights in a sporadic way. On the other hand, addressing children's rights issues has a business value that can promote reputation and branding of companies that can again lead to sustained business development.

"Good business principle will lead to the profit at the end thus no matter how difficult the challenges, we must face it", said one of the Hotel General Manager in Bandung

### ***Corporate Social Responsibility***

Corporate Social Responsibility (CSR) Market Assessment in Indonesia, held by Ipsos MORI in 2012<sup>64,65</sup> states the recommendation to companies in order to build a sustainable business, should pay more attention to children, such as through corporate social responsibility activities that focus on children. 72 % companies in Indonesia are committed to acting on CSR as they believe that CSR is important. Almost half (46%) stated children are the future and there is social need for children and 85% agree that children's issues will become more important in the next 5 years. Fifty one percent of companies have CSR policy/set of principles but only 29% have quantified commitments and 22% report publicly on its CSR. This study that interviewed 150 business actors also found the fact of companies that support children's rights can enhance their reputation and brand value, increasing the recruitment, retention, and motivation of employees, attract investors, increase confidence, and gain a competitive advantage. There are also added advantages that include maintaining business licenses, reducing operating expenses, ensuring active involvement and stakeholders, increasing the legitimacy of business operations, and contributing to a more sustainable and inclusive market.

Corporate responsibility towards children is still limited to the prevention or elimination of child labor. Children in Indonesia are involved in child labor, and also engaged in the worst forms of child labor, including in domestic service. Data from the 2013 Indonesian Child Profile, published by the Ministry of Women's Empowerment and Child Protection, indicate that there are 3.6 million working children between ages 10 to 17 years old. The Government of Indonesia also reported in 2014, among working children age 10-14 years old, 61.6% is in agriculture, 26.5% in services and 12 % in industry sectors. Related regulations to child labor are provided in table 1 below.

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<sup>64</sup> [https://www.unicef.org/csr/css/Ipsos\\_Mori\\_survey\\_summary\\_-\\_CSR\\_INDONESIA.pdf](https://www.unicef.org/csr/css/Ipsos_Mori_survey_summary_-_CSR_INDONESIA.pdf)

<sup>65</sup> <https://www.ipsos.com/ipsos-mori/en-uk/corporate-social-responsibility-research-unicef>



**Table 1: Law and Regulation on Child Labor**

Standard	Meets International Standards: Yes/No	Age	Legislation
Minimum Age for Work	Yes	15	Article 69 of the Manpower Act; Law on the Ratification of ILO C. 138 (52, 53)
Minimum Age for Hazardous Work	Yes	18	Articles 74 of the Manpower Act; Article 2 of Ministerial Decree No. 235 (15, 53)
Identification of Hazardous Occupations or Activities Prohibited for Children	Yes		Annex F of Ministerial Decree No. 235; Chapter 1 of the Appendix to Presidential Decree No. 59/2002 (15, 54)
Prohibition of Forced Labor	Yes		Article 74 of the Manpower Act; Articles 1–6 and 17 of the Law on the Eradication of the Criminal Act of Trafficking in Persons; Article 83 of the Law on Child Protection (53, 55, 56)
Prohibition of Child Trafficking	Yes		Article 83 of the Law on Child Protection; Articles 1–6 and 17 of the Law on the Eradication of the Criminal Act of Trafficking in Persons (55, 56)
Prohibition of Commercial Sexual Exploitation of Children	Yes		Article 74 of the Manpower Act; Articles 81 and 82 of the Law on Child Protection; Article 297 of the Penal Code; Section 3 of the Law on the Ratification of the Rights of the Child Optional Protocol on the Sale of Children, Child Prostitution, and Child Pornography; Articles 4–12 and 37 of Law on Anti-Pornography (29, 53, 56-60)
Prohibition of Using Children in Illicit Activities	Yes		Article 74 of the Manpower Act; Articles 67, 78, and 89 of the Law on Child Protection (53, 56)
Minimum Age for Military Recruitment			
State Compulsory	Yes	18	Article 28 of Law No. 34/2004 on the Indonesian National Armed Forces (61)
State Voluntary	Yes	18	Article 28 of Law No. 34/2004 on the Indonesian National Armed Forces (61)
Non-state Compulsory	Yes	18	Article 3(d) of Law No. 9/2012 on Ratifying the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict (62)
Compulsory Education Age	Yes	15	Article 48 of the Law on Child Protection; Articles 6 and 34 of the Act on the National Education System (56, 63)
Free Public Education	Yes		Article 34 of the Act on the National Education System (63)

Source: <https://www.dol.gov/sites/default/files/images/ilab/child-labor/Indonesia2016.pdf>; accessed on 30/09/2017

Actually, the impact on the business world is not limited to child labor, but also includes business activities as a whole, such as through the products and services, marketing methods, relations with local authorities and central government, as well as investment in the local community. There are still a lot of production of food, clothing, toys and even home furniture and supplies that do not meet the standards of eligible children (safe for kids). There are a lot of advertisements in various media such as TV, bill boards; online media (social media) are not respect to children. Many industries, businesses and workplace do not provide lactation room facilities, even though some of them comply with the regulation (PMK No15/2013). Critical cases are still happening that cause children and adolescents died in the mining pond due to negligence of the mining company, for instance. Other cases, such as children were died because of the smog of forest fire or exploitation of child labor in the palm oil plantation. It became government concern since years ago. Some regulations are produced but the challenge is the implementation and law enforcement.

In 2014, Indonesia made a moderate advancement in efforts to eliminate the worst forms of child labor. The Ministry of Labor completed the third and final phase of the National Action Plan (NAP) for the Elimination of the Worst Forms of Child Labor (2002 — 2022) by adopting the Roadmap for the Acceleration of Making Indonesia Free of Child Labor by 2022. Local governments issued regulations to harmonize local legislation with national legislation to reinforce the legal and regulatory framework regarding the worst forms of child labor. Enforcement of child labor laws remains a challenge due to a lack of labor inspectors and sufficient resources to carry out effective inspections, and the Government lacks comprehensive, publically available data on child labor and trafficking investigations, violations, and convictions.

**Table 2: Key Policy Related to Child Labor**

Policy	Description
National Action Plan (NAP) for the Elimination of the Worst Forms of Child Labor (2002–2022)	Provides a policy framework for the elimination of child labor in three operational phases.(14, 80-82) Specific activities include improving data collection on the worst forms of child labor, increasing awareness-raising and advocacy efforts, and formulating regulations and policies to prohibit the worst forms of child labor.(54)
National Action Plan on Preventing Trafficking in Persons (2015–2019)	Guides the work of the National Task Force to Combat Trafficking in Persons. Includes the following goals: improve health and social rehabilitation services and repatriation and social reintegration services for human trafficking victims; update anti-human trafficking regulations; strengthen the investigation of human trafficking cases and the prosecution of perpetrators; and enhance coordination among task force members and between national and international stakeholders.(45)
Roadmap Toward a Child Labor-Free Indonesia in 2022 (2014–2022)	Supports implementation of the National Action Plan for the Elimination of the Worst Forms of Child Labor. Aims to mainstream the elimination of the worst forms of child labor into relevant national policies; strengthen coordination between stakeholders at the national, provincial, and district levels; and enhance the capacity of stakeholders to eradicate child labor.(28, 83) Led by MOM and integrated into the Mid-Term Development Plan as part of a comprehensive policy to address child labor.(39) Key feature is the establishment of Child-Labor-Free Industrial Zones in its final phase. MOM has engaged in an ILO project funded by the Dutch Government designed to develop skills training for school dropouts aged 15-17 who are either former child laborers or vulnerable to labor exploitation, particularly in the agricultural sector(8)
Association of Southeast Asian Nations (ASEAN) Convention Against Trafficking in Persons, Especially Women and Children (ACTIP)	Establishes a regional anti-trafficking framework among 10 ASEAN member states, including Indonesia, to improve coordination on investigation and prosecution of human trafficking cases and enhance assistance for victims. The Convention awaits ratification by the Ministry of Law and Human Rights.(68, 84, 85)

Source: <https://www.dol.gov/sites/default/files/images/ilab/child-labor/Indonesia2016.pdf>; accessed on 30/09/2017

Related to Corporate, West Java has Regional Regulation (PERDA) No.02/2013 states children is vulnerable group who should be prioritized in rescue, evacuation, security, health care, and psychosocial support. Bandung City has also enacted Regulation No. 17/ 2012 on reduction of plastic bag to save the environment and facilitated CSR Forum that is led by BAPPEDA, but it is not fully function as expected and also lack of information on how far the existing CSR programs are implemented in Bandung. This forum could not provide sufficient data on the CSR program that concern to and deal with children issue. Indeed, The Government is still see CSR as alternative funding resources to support ‘government’ program particularly that has not yet budgeted. There is an initiative for amendment of the CSR Bill, but there is conflict of interest of corporate as well central government who is not confident to regulate the CSR following lack of understanding about CSR and how the best way to move forward.

### ***Children’s Right Business Principles***

Companies are responsible to respect avoiding actions against human’s rights, including children, and handling negative impact related to human rights that involving businesses. Their broad reach into society means that business’ product and practices can be associated with a variety of issues such as working children’s rights, product safety, environmental issues, access to education, health and water, child trafficking, child labor, protection from violence, abuse, commercial sexual exploitation and family friendly employment practices (Save the Children et al, 2012). They gather 10 recommendations that can truly guide companies to make decisions and to improve their management processes in order to respect children’s rights and to contribute to their efficient implementation of the principles. Call with the Children Rights and Business Principles (CRBP), these principles are guided by the Convention on the Rights of the Child (CRC), the UN Global Compact Principles and the UN Protect, Respect and Remedy Framework. Furthermore, the Committee on the Rights of the Child issued in April 2013 a ‘General Comment’ explaining the responsibilities of the private sector to respect the rights of children as defined in the Convention.

Children’s rights are an essential investment in our sustainable future. Safeguarding these rights helps to build the strong, well-educated communities that are vital to creating a stable, inclusive and productive business environment. A business that integrates respect and support for children into its strategy and operations generates benefits for children and society; and it can generate real benefits for business as well. Positive action for children’s rights can build reputations, improve risk management and enhance the social license to operate – including gaining and maintaining the support of the people who live and work where the business is conducted. The CRBP identify a range of actions that all business should take to respect children’s rights – to prevent and address any

adverse impact on children's rights, as well as measures to help support and advance children's rights which all business entities are encouraged to take.

Principle 1 outlines three core actions to be taken to achieve this corporate responsibility to respect children's rights – policy commitments, due diligence measures and remediation. The remaining nine principles encourage business to implement these core actions by considering the impact on children of all their activities and their relationships related to the workplace, marketplace, community and the environment. Those 10 principles are:

1. Meet their responsibility to respect children's rights and commit to supporting the human rights of children
2. Contribute to the elimination of child labour, including in all business activities and business relationships
3. Provide decent work for young workers, parents and caregivers
4. Ensure the protection and safety of children in all business activities and facilities
5. Ensure that products and services are safe, and seek to support children's rights through them
6. Use marketing and advertising that respect and support children's rights
7. Respect and support children's rights in relation to the environment and to land acquisition and use
8. Respect and support children's rights in security arrangements
9. Help protect children affected by emergencies
10. Reinforce community and government efforts to protect and fulfil children's rights.

Indonesia and its public policy at the national level has placed children at the center of development activities and has made advanced toward putting children at the center of the country's development agenda. In addition to this, Indonesia is one of the first countries in the world to mandate through Law No 40/2007 that a portion of profits from each company be used for CSR programming. There are seven issues identified as common problem faced at hotel business related to children rights. There are a) Promoting decent work for internship students; b) Protecting children and young worker; c) Promoting responsible product and services; d) Responsible Marketing and Advertisement; e) Engaging community and environment; f) Influencing supply chain in responsible manner; and g) Responsibly in disaster situation.

An analysis on the existing regulation at National and West Java province to be compared to global commitment on CSR voluntary standard to see whether Indonesia, West Java and Bandung city polices are in line with global commitment on CRBP and CSR voluntary standard. Those including identify the gap of existing policies on Child rights and current practice that impact to children rights. The study helps us to overview the policy gaps that exist between its ideal future state and present status. By analyzing the gaps, all related stakeholders can create specific action plans to move forward toward its goals and close the gaps through policy recommendations of Integrating Child Centered-Corporate Social responsibility using the framework of Child Right Business Principles. Figure 2 is the summary of existing regulations related to Children Rights and Business Principles (Save the Children, 2016).



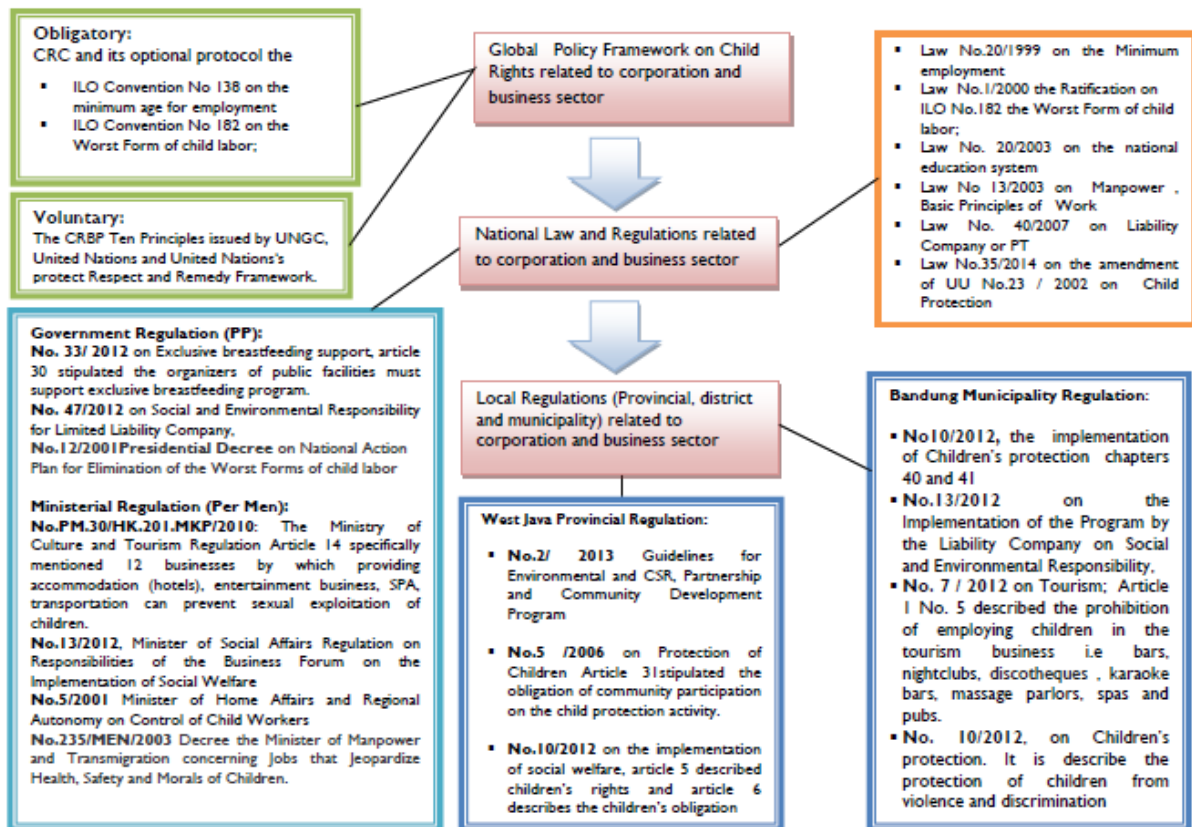


Figure 2. Policies Related to Children’s Rights Business Principles

***Integrated Child Center-Corporate Social Responsibility***

Yayasan Sayangi Tunas Cilik, as a partner of Save the Children International in Indonesia, through its project namely Child Friendly Business (JUARA=Jaringan Usaha Ramah Anak.Ind) has piloted the implementation of CRBP for hospitality business sector in Bandung Municipality. There are 48 hotels have implemented the Integration Child Centered - Corporate Social Responsibility (ICC-CSR). As mentioned above, the CRBP itself was developed and agreed globally, but lack of clarity how to operationalize it a business process. This led us to develop the toolkit in collaboration with the Indonesia Hotel and Restaurant Association. Eight hotels were voluntary participated as pilot hotel before then replicated to other 40 hotels. The project was implemented for three years and has produced a model of ICC-CSR (Figure 3). Shortly, there are three processes to integrated Child Center-CSR using CRBP lens. The process is designed as cycle, thus improvement will be automatic and gradually done as long as all stakeholders of company well function and follow the steps. Three processes area: 1) Policy commitment, 2) due diligence, and 4) remediation. These three processes are the generator of ICC-CSR that was used after company do self-assessment to identify 1) process business and daily business operation, 2) potential negative impact of business process toward children rights. And 3) possible positive impact of business process supporting children’s rights. Based on the experience of JUARA project implementation, there are also key drivers for successful process: 1) well informed company management particularly owner about the philosophy of CRBP and what benefit in short-term and long-term periods, including the consequences; 2) first target is the chairperson of Human Resource and Development Division and or the General Manager; and 3) empower employee to actively participate as well as involve company’s stakeholders.

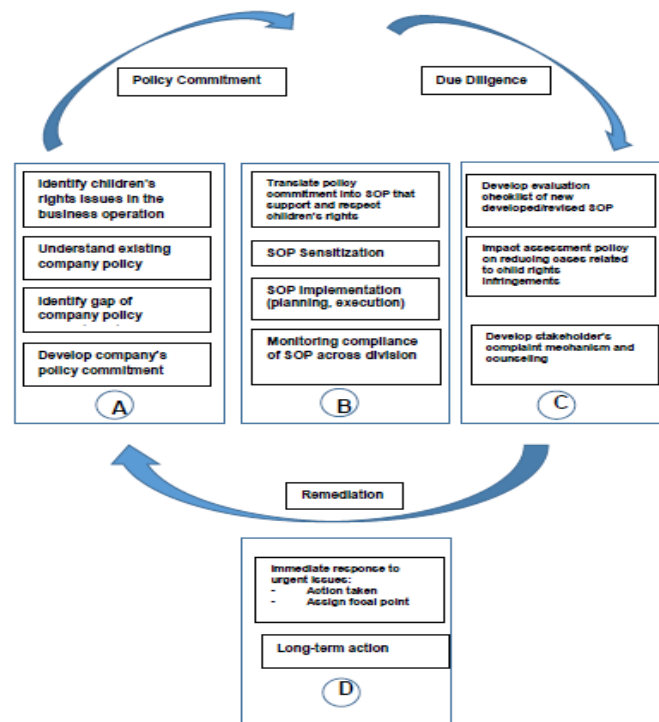


Figure 3. Process of ICC-CSR Implementation

### Policy Recommendation

There are 2,387 star hotel<sup>66</sup> which majority are in Bali (317), West Java (314), Jakarta (232) and Central Java (217) and million more non star hotel among approximately 26,710 million companies in Indonesia based on the Economic Census 2016 (98.33% are small scale enterprises). If those businesses are committed to respect and support the implementation of child rights through integration of child rights into company's policy commitment for children in workplaces, market, community and environment, it will contribute to the world that fit for children in Indonesia. Considering gaps on existing policies in all level and its implementation, we recommend some policy changes as below:

#### National Level Policies

The current regulation of Corporate Social Responsibility (Bill No. 20/2007), Child Protection (Bill no. 35/2014), Manpower (Bill No.13/2003) and Small and Micro Medium Enterprises (Bill No 20 / 2008), National Education System (Bill No. 20/2003) specific for the 'On the Job Training', Tourism (Bill No.10/2009), Consumer Protection (Bill No.8/1999), Information and electronic Technology (Bill N0 11/2008 jo 19/2006) and Broadcasting (Bill No.32/2002) do not complement each other. In order to ensure the integration of child rights protection into corporate social responsibilities, the following are our recommendations:

1. Formulation of Ministerial level Regulation to strengthen Child Protection Law by explicitly regulating more on the obligation of corporate to ensure their business will not give negative impact to the child rights within three clusters (workplace, marketplace and community/environment). This will be
  - a. Beyond the existing ministerial regulation related to minimum age of labor (Ministry of Manpower) and provision of lactation room at workplace (Ministry of Health).
  - b. Revision Ministerial of Manpower Decree No. 235/2003 (attachment) to explore more examples of moral hazardous work.

<sup>66</sup> <https://www.bps.go.id/linkTabelStatistik/view/id/1373>

- c. Revision Ministry of Manpower regulation No. Per-22/Men/IX/2009 about internship program to include
- d. Amendment of Ministerial of Tourism Regulation No. PM.53/HM.001/MPEK/2013 on Hotel Standard
  - i. Article 8 on Absolute and Non- Absolute Criteria by adding children's protection and comfort to indicators of products and services and child sensitive internship programs.
  - ii. Article 16 and 17 on the responsibility of national and sub national levels government to encourage the hotel's compliance to the Hotel Standards that link with enforcement of children protection regulations at national and sub national level.
2. Policy amendment of Bill No. 10/2009 on Tourism, article 21 stated: “Tourists with disability, children and the elderly are entitled to a special facility in accordance with their needs“ need to be revised for more inclusive such as “Tourism facility must be inclusive thus all tourist including disability, children and the elderly will access to those facility and/or service without difficulties”.
3. Revision of CSR Law to include the integration of child center social responsibility. It means shifting paradigm of CSR definition, scope and evolution thus CSR can be used to improve positive impact of business not only for children in community as commonly executed by corporate, but also to facilitate children right in workplace, marketplace and environment.

#### ***Sub-National Level Policies***

Harmonized with the decentralization policy (Bill No. 23/2014), in related to the above policies at national level, both province and city levels policies should be focused on the implementation of:

- a) Child Protection Law
- b) Child Friendly City Program toward Indonesia Child Friendly 2030
- c) National Action Plan for the Elimination of the Worst Forms of Child Labours (2002-2022)

As mentioned above, West Java province and Bandung city have Local Regulations (PERDA) about Child Protection, that including Child Friendly City taskforce and implementation in Bandung City regulation. Unfortunately the role of corporate (business sector) is not concise or even though stated but without clear explanation on what and how. In regard to sustain the implementation of integrated child center corporate social responsibility in the long term there should be a Regional Regulation (Peraturan Daerah, PERDA) of both Province and City/District government contains:

1. Enacts children's rights and children's rights and business principles (CRBP) as contribution of corporate on Child Friendly City realization.
2. Encourage the private sector to integrate children's rights into business operations by developing Code of Conduct of Child Protection Policy as guidance for the business sector to respect and protect children in their operations on the work place, market place and community and environment
3. Reaffirm the prohibition of employing children followed with strengthening supervision mechanisms of the violations of children in work places by providing quantity and quality trained inspectors.
4. Facilitate taskforce (of CFC) that involve also corporate (business sector) to develop joint monitoring systems on how business sector providing decent work for young workers and caregivers.
5. Administer joint planning and coordination of CFC stakeholders, enabling all parties to document and adopt good practices in realizing Child Friendly City.
6. Development data base of the business sector and their contribution to respect and support the implementation of children's rights as well as incentives or rewards for those who have contributed.

7. Alternatively while formulating PERDA is being processed, the revision of existing Mayoral Regulation on City Action Plan for Child Friendly Development of the City of Bandung 2016 – 2018 is recommended to:
- a) Include institutional indicators on CRBP integration
  - b) Enforce more public officers and business persons trained on CRC and CRBP
  - c) Enforce integrated child center corporate social responsibility toolkit and training manual piloted for hospitality sector as reference of technical guideline.

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**Brian Sriprahastuti:** Brian Sriprahastuti was born in Aceh, Indonesia in 1968. She graduated from Medical School University of Padjadjaran in 1995, before got master of public health from Gadjah Mada University in 2009 and Doctorate of Public Health from University Indonesia in 2014. She holds over 20 years of experience working on health programming in Indonesia, particularly issues around maternal, newborn and child health. She has experiences both technical and management roles, both development and emergency

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