Strategy Adviser – Consumer Welfare

ARF: Disciple Group C, Job Level 3
Counterparts: Advocacy and civil society groups with a focus on public policy; think tanks and research organisations; bilateral and multilateral international development partners; National Agency for Consumer Protection; Coordinating Ministry of Economic Affairs (CMEA) and other GOI agencies.

Work Location: Jakarta, Indonesia
Reports to: Lead Adviser, Markets Engagement Area (MEA)
Duration of inputs: 25 continuous working days, starting in April 2020
Budget Source: AP 1.1.1 Increasing Entrepreneurialism, Innovation and Productivity

Summary of Expertise Required

Prospera is seeking an experienced Strategy Adviser to undertake a scoping study on establishing an Indonesian Consumer Welfare Alliance (ICWA) (working title). The adviser will provide recommendations and a strategy to guide the establishment and development of the ICWA. The adviser should have experience in advising advocacy groups on consumer welfare issues in other countries and/or has conducted policy/advocacy work around consumer welfare and/or competition policy issues. S/he should also have a good understanding on how to conduct public policy campaigns using non-traditional, social media channels. High in total number but with low representation in public policy circles, Indonesian consumers are relatively under-represented in public policy discussions in Indonesia. This role presents a unique and challenging opportunity to increase the role of consumers in the policy making process in Indonesia.

Background

Government policies create winners and losers. To mitigate these risks, the Government of Indonesia (GOI) often consults with a wide variety of stakeholders. Despite these efforts, consumers are often under-represented in this consultation process with the result that policy outcomes do not fully reflect the interest of Indonesian consumers and often reduce (or at least miss the opportunity to maximise) overall national welfare.

A good example of this is in the airline industry, where, in 2019, the GOI increased floor (minimum) prices with the stated aim of increasing airline safety. However, there was no link between the minimum price set and any additional obligation upon airlines to invest in improving flight safety. As such, the policy could be seen to benefit airlines at the expense of consumers and the tourism and hospitality industries.

There are at least two reasons behind the lack of consumer participation in the policy making process in Indonesia. First, in general, there is minimal understanding and awareness among the public about
consumer welfare and the importance of consumers’ voices in the policy making process. Existing consumer interest groups such as the Indonesia Consumer Protection Foundation (YLKI) tend to focus narrowly on consumer “protection” rather than “consumer welfare”\(^1\). While Indonesia has a large consumer base, the interests of general consumers are poorly understood and represented to policymakers. There are no specific advocacy groups that focus on improving awareness and policy outcomes around consumer welfare.

Second, consumer advocacy suffers from a “collective action” problem in the sense that the cost of action is too high relative to the benefits. Although the potential benefits from improved policies targeting increased consumer welfare are large for all Indonesian consumers collectively, the benefit to any one individual consumer is relatively small. Relatedly, there is also potential for “coordination failure” – essentially reflecting the difficulty of any advocacy group in reconciling and representing extensive, disparate, consumer interests scattered throughout Indonesia.

Prospera aims to trigger a more effective policy discussion around consumer welfare by seed funding a discussion forum. A Scoping Study will be undertaken to examine ways to establish and operationalise a consumer advocacy group that focuses on advocating broader consumer welfare interests instead of consumer protection per se. The working title for the group is the “Indonesian Consumer Welfare Alliance (ICWA)”.

The main objective of this forum is to put the voice of consumers back into the policy making process and provide an avenue where Indonesian consumers can more effectively raise concerns about consumer welfare and competition policy. Prospera will support the institutional development of the forum and help lay down its philosophical foundation. The ICWA would be modelled in part on the Indonesian Services Dialogue, or ISD, with similar governance and operating arrangements in place\(^2\). A small Secretariat will receive initial seed funding from Prospera.

However, while in part drawing on the ISD model, the ICWA will first and foremost be a digital forum. A crucial difference with ISD is that it will not be a membership driven organization. Rather, to overcome the collective action problem, it will crowd source funds via online donations from consumers. With crowd funding, the cost becomes almost insignificant (for example, groups will no longer need to physically meet – rather they can exchange views through a social media platform). Further, if crowd funding contributions are very low (for example 5000 rupiah), ICWA may reach some of the poorest consumers in Indonesia and give them a voice. In this sense, the ICWA would also be a very inclusive development tool. Through this process the Indonesian Consumer Welfare Alliance

\(^1\) Indeed, YLKI’s advocacy on consumer protection often manifests itself as advocacy on industry protection. YLKI often advocates for import substitution and trade protection, a position directly contrary to maximising consumer welfare.

\(^2\) In particular, it is envisaged the ICWA will design and implement a series of campaigns. It is anticipated that a crowd funding mechanism will support the alliance’s campaigns, promote a sense of ownership among consumers and ensure medium to long term financial sustainability. Campaigns will first and foremost be conducted online and via social media. They will, where appropriate, draw on Indonesian influencers to generate quick momentum. There will be a heavy reliance on online polling around consumer welfare issues and dissemination through twitter and other online platforms. On occasion, online campaigns will be complemented by conventional, bricks and mortar workshops and discussions but these will, as a rule of thumb, be live streamed to the consumers that fund them.
will elevate the voice of consumers in Indonesia and drive policy outcomes more aligned to the national interest.

Scope of Services

The Strategy Adviser will undertake a Scoping Study on the establishment and operationalisation of the ICWA. The Adviser will:

- Review the current level of consumer participation in the policy making process in Indonesia, potentially covering:
  - areas of high, medium or low participation and contributory factors
  - presence and effectiveness of existing organisations and development partners
  - presence and effectiveness of existing online fora and social media channels
  - barriers to collective action and previous attempts to overcome them
- Consult with a broad range of stakeholders, including academia, private sector organisations (e.g., KADIN, APIINDO, ISD, associations), GOI, civil society/advocacy groups and YLKI
- Produce a report on the feasibility and scope of the ICWA, with recommendations on its establishment and development. The report will address, at a minimum, the following issues:
  - The effectiveness of existing offline and online models in promoting consumer welfare, highlighting areas that can be replicated for consumer welfare advocacy
  - The extent to which the ICWA can add value to Indonesia’s policy making process, including recommendations on remit, functions and other operations
  - Lessons that can learned from other countries
  - Alternative funding schemes
  - Potential for partnership with other offline and offline advocacy groups
  - Options for governance structure and protocols (including institutional relationships, leadership structure and reporting mechanisms)
  - Skills required to run the ICWA
  - Action plan for Prospera to establish ICWA, including resource requirements, timeline and risk management framework

Outputs/Deliverables

The adviser will be expected to deliver the following outputs:

- **Output 1**: Brief work plan and outline structure of the report. Due: after 3 input days
- **Output 2**: Draft report. Due after 20 input days
- **Output 3**: Presentation of draft report to Prospera. Due: after 20 input days
- **Output 4**: Final report. Due: after 25 input days

In addition to these formal deliverables, the Adviser will be expected to regularly communicate with the Prospera team on progress and seek input where required.

Selection Criteria – Qualifications and Experience

Candidates will possess strong qualifications and experience in undertaking similar work. The candidate will be able to demonstrate:
• Senior level academic qualifications in economics, business, law, public policy and/or a related area, with research and/or advocacy work focusing on consumer welfare and/or competition policy issues.

• Demonstrated experience in setting up or advising advocacy groups on consumer welfare issues in other countries or proven policy/advocacy work on consumer welfare and/or competition policy issues in Indonesia.

• Good understanding on how to conduct public campaigns using non-traditional methods

• Understanding of the role of the policy making process in Indonesia and familiarity with government decision-making mechanisms.

• Experience working with high level private and government officials and engaging with various stakeholders in developing, disseminating and communicating reform proposals and economic analysis.

Relationship Management

The position will report to the Lead Adviser, Markets, Prospera. S/he will work closely with other Prospera staff, the Government of Indonesia, other development programs and the private sector.

Overview of Prospera

PROSPERA is a partnership facility between the Government of Australia (through Department of Foreign Affairs and Trade) and the Government of Indonesia. It aims to foster strong, sustainable and inclusive economic growth and public sector in Indonesia. Commencing from 1 March 2018, PROSPERA is a five-year investment that draws together the former Government Partnership Fund (GPF) and Australia Indonesia Partnership for Economic Governance (AIPEG).

Prospera aims to achieve three “breakthrough” outcomes:
• Expanding markets, creating jobs (Better regulation for private sector growth; More open trade and investment; Safe and efficient transport to move people and goods)
• Safeguarding economic and financial stability (Better framework to deliver macro and financial stability; Increased supervision and regulation of financial sector; Combatting financial crime)
• Improving public finances and government performance (More revenue through better tax administration and policy; More effective public spending with better budget systems; Greater transparency and accountability of government)

The following standard requirements apply for all PROSPERA team members:

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<th>Confidentiality</th>
<th>Conflict of Interest</th>
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<td>Due to the sensitivity of much of the information the position will encounter, there is an obligation, pursuant to the contract of engagement to maintain full confidentiality of information and to not disclose this to third parties.</td>
<td>The team member will use her/his best endeavours to ensure that a situation does not arise which may result in a conflict of interest. Where a conflict of interest or a potential conflict of interest arises in the performance of professional duties, the team member will promptly disclose the situation to their supervisor.</td>
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PROSPERA is supported by the Australian Government and implemented by Cardno
parties without the express written approval of PROSPERA. In some cases, a separate confidentiality agreement may be required authorising the review of sensitive material. The obligations under this Terms of Reference, the team member must immediately notify the Chief of Operations.

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<th>Knowledge and Performance</th>
<th>Diversity and Inclusion</th>
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<td>The team member will support PROSPERA’s Knowledge and Performance team through reporting and communication products for knowledge capture and learning purposes. The team member will also support monitoring and evaluation through the supply of high-quality data, participation in data collection methods and case studies that may arise from the inputs.</td>
<td>PROSPERA recognises the importance of embracing workplace diversity, specifically valuing the unique qualities, attributes, skills, and experience all employees bring to the workplace. PROSPERA is committed to supporting a positive work environment based on respect. These values should be reflected in the function and behaviour of all team members.</td>
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<th>Code of Conduct</th>
<th>Policy Compliance</th>
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<td>The team member is to conduct themselves in a manner consistent with the <em>Public Service Act 1999</em> (Cth), (including the Australian Public Service Values and Employment Principles, and Code of Conduct) and the employer’s professional standards.</td>
<td>The team member will work within Department of Foreign Affairs and Trade policy and PROSPERA guidelines on gender, child protection, poverty, the environment, human rights, and governance.</td>
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