

FINAL REPORT

Australia-Indonesia Partnership Revitalising Indonesia's Knowledge Sector for Development

The SMERU Research Institute: History and Lessons Learned

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EXECUTIVE SUMMARY

In the developed world, there has been a profusion of “think tanks” in recent decades, non-profit research outfits which marshal evidence and theory for most sensible positions on a wide array of public issues. Abundant funds from private donors and public contracts, a well-educated and engaged populace, and dedicated, public-minded legislative and executive bureaucracies easily nourish such organizations.

Developing nations such as Indonesia, in contrast, pose an adverse environment for organizations that might conduct high-quality, influential research on public policy. As the Australia-Indonesia Partnership’s “Revitalising Indonesia’s Knowledge Sector for Development Policy” initiative recognizes, such research is perhaps *most* needed in nations with low levels of human development. There is an urgent need to identify the practices that enable indigenous think tanks, such as the SMERU Research Institute, to conduct useful social policy research and deliver it to policymakers.

To this end, this document traces the history of SMERU, beginning in the last quarter of 1998 when a small group of researchers used AusAID funding with administrative support from the World Bank to form the organisation to analyse possible responses to the Indonesian 1997/98 financial and political crisis. In contrast to some wild claims circulating in public debates, SMERU examined the impact of the crisis on Indonesian poverty incidence using careful research, building its early reputation as an objective analytical resource. Shortly thereafter, SMERU expanded its mission in 2001 to become the preeminent independent organization in Indonesia providing analysis and guidance on socioeconomic issues, incorporating as a non-profit foundation with the standard divisions of administration, research, finance, and so forth.

In doing so, SMERU faced several major constraints that are likely to be instructive for other organisations in the sector. First, it struggled to obtain adequate resources for its activities. Only by aggressively pursuing funding beyond AusAID and the World Bank (specifically DFID and the Ford Foundation) and expanding into a mixture of core funding, project funding, and competitive research grants was SMERU able to support its growth. Second, SMERU faced the risk of producing poor quality research. By installing sophisticated quality control procedures, this challenge was overcome. Third, SMERU faced a challenge to its sustainability when its co-founding Director, Sudarno Sumarto, departed to serve as a visiting fellow at Stanford University in 2009. Strong incentives and standards for employee performance built a sufficiently broad human capital base to prevent this transition from significantly disrupting the organization. Fourth, SMERU has overcome the risk of relative isolation by aggressively pursuing linkages with other institutions within Indonesia and around the world. Lastly, SMERU has struggled to maintain its independence despite its close integration with the policy world.

The history of SMERU leads to six substantive recommendations which may prove useful to AusAID and other stakeholders in improving Indonesia's knowledge sector and fostering similar institutions. First, a knowledge organization must develop and adhere to a measurable mission statement emphasizing social impact through policy change. Second, personnel policies—recruitment, compensation, and training—must receive special care. Human capital is the chief determinant of the organisation's productivity. Third, performance standards must be high; SMERU's quality control process is essential to its success. Fourth, staff must emphasize networking with other stakeholders, such as NGOs, academic institutions, donors, and governmental officials at multiple levels. Fifth, research topics and dissemination activities must be closely geared to the “demand side” —what policymakers and donors actually need. Lastly, research organisations must prioritize core funding: SMERU is credible because of its reputation as an independent academic institution rather than a narrow contract outfit.

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BACKGROUND

As noted in the Terms of Reference, Indonesia's recent rapid economic growth and consequent reduced reliance on foreign aid heightens the need for policymakers to make transparent, well-informed budgetary decisions. Underdeveloped domestic resources have led to a costly and entrenched dependence on foreign technical assistance to produce the policy options presented to government decision-makers. Unfortunately, only limited demand, economic incentives, and support architecture currently exists for the private sector or civil society to provide these services.

The Australia Indonesia Partnership's 'Revitalising Indonesia's Knowledge Sector for Development Policy' initiative seeks to remedy these ills. By promoting Indonesian capacity-building in public policy research, the program aims to lead the Indonesian government and other local stakeholders to examine existing constraints and identify solutions to foster a healthy indigenous knowledge sector.

This initiative requires an understanding of how a few prominent research organizations, such as the SMERU Research Institute, have survived and flourish, despite the endemic difficulties in the sector. Restrictive regulations, inadequate economic incentives, and other impediments hamper many Indonesian research institutions. But whereas most such organizations struggle to secure regular funding, retain staff, and maintain an independent research agenda, SMERU deserves attention for its success in overcoming these challenges to deliver influential research of the highest quality to policymakers.

As indicated in the Terms of Reference, the remainder of this report unfolds in two stages. First, it evaluates the SMERU Research Institute. After detailing its history and organizational structure, the report identifies key challenges it has faced and elucidates the steps taken by its management to overcome them. Second, it offers a series of lessons learned from these experiences—in staffing, funding, networking, and strategy—with an eye toward maximizing an organization's influence on public policy.

EVALUATION AND HISTORICAL REVIEW OF SMERU

The SMERU Research Institute is a nonprofit Indonesian research organization that carries out socioeconomic research in the fields of poverty alleviation, decentralization, and issues of vulnerability which are important and relevant for the welfare of the Indonesian people. This section of the report contains an overview of the organization, tracing its inception and growth from 1998 to the present and detailing its current organizational structure. Then, it delves into greater detail regarding four major constraints that SMERU has faced in its evolution.

History of SMERU

The SMERU Research Institute grew out of concerns expressed at the July 1998 Consultative Group for Indonesia (CGI) meeting that there was little independent, reliable, real-time monitoring of the social impact of the economic crisis unfolding in Indonesia. Responding to this concern, a multi-donor initiative led to the creation of *SMERU*—an acronym that originally stood for “Social Monitoring and Early Response Unit,” but now stands alone. The initiative chartered SMERU with a two-year funding package obtained from several donor agencies, including AusAID, ASEM, and USAID, complemented by logistical and administrative support from the World Bank. SMERU’s goal was to generate reliable information for the public, policymakers, donors and practitioners on those issues most pertinent to Indonesia to help improve their response to the crisis.

Established during the most serious economic crisis in Indonesia’s history, SMERU’s initial focus was to measure the immediate social impact of the 14% economic contraction in 1998. It began this effort in an intellectual vacuum. Few relevant actors—government agencies such as the statistical agency BPS, international development agencies, and the academic community—possessed the requisite analytical capabilities to understand and explain these consequences. Numerous alarmist analyses asserted that poverty incidence had more than doubled, with some analysts going further.¹ If correct, such a prognosis had far-reaching implications for government policy and the IMF reform package.

The SMERU approach was to “let the data speak.” Although its work emphasized the gravity of the socio-economic impacts and the vulnerability of those near the poverty line, SMERU also cautioned against unwarranted despair, calculating that at its peak, poverty incidence increased by around 50% before subsequently subsiding. SMERU also introduced an analytical framework which assisted policy makers in calibrating poverty impacts, and understanding the likely impacts of a range of policy options.

¹The International Labour Organization, for example, claimed that poverty incidence had risen from less than 15% to 48% by the end of 1998, and might increase to as much as 66% during 1999.

After the economic recovery in late 1999, SMERU's research focus broadened from the crisis's immediate impact to a range of "post-crisis" social issues. With SMERU's two-year initial funding package concluding in December 2000, SMERU's core group of staff sought to mould the organization into an independent institution for policy studies. Starting January 2001, the new independent foundation was known as the *SMERU Research Institute*. This new organization's research program recognized that many of the chronic issues facing Indonesia were rooted deep in the Suharto regime. SMERU continued its work in the domain of poverty measurement by constructing the first comprehensive poverty map of Indonesia. This project began with a pilot phase in 2001 and culminated with the release of a countrywide poverty map in 2005, with financial support from the Ford Foundation.² In early 2005, over 400 interactive CDs containing the poverty map were distributed to a wide range of stakeholders.³ At the highest levels of Indonesia's government, SMERU poverty mapping has been used by a number of agencies including the State Ministry of Women Empowerment, BKKBN, BPS, and the Ministry of Agriculture. SMERU has also built participatory poverty assessment tools that have been successfully pilot-tested in several villages in Java. Plans are underway to encourage local governments to adopt them for poverty monitoring and for evaluating the effectiveness of poverty alleviation programmes in targeting the poor.

While it continued to monitor poverty trends, SMERU also began to study the regulatory environment of local government, the structure of social welfare programs, and governance issues relating to decentralization. SMERU's work on the minimum wage is a particularly instructive case study. Introduced in the 1980s, Indonesia's minimum wage regulations began well below market rates, but were sharply increased from 1999 to 2001 under political pressure. Economic theory predicts that a wage floor above the market-clearing price will lead to unemployment, as employers select more cost-effective export sites in other countries or switch to more capital-intensive techniques domestically. SMERU empirical research verified these predictions, suggesting that the increases harmed vulnerable workers, including female and inexperience workers. SMERU was nearly alone in that time period's noisy, ill-informed debate about labour policy, eschewing rhetoric in favour of impartial research. SMERU submitted a memorandum to the Office of the Coordinating Minister of Economy and Finance and a report reviewing the amendment of Law. No 13/2003 on Employment and Labor, leading to a moderation in minimum wage increases after 2001.

SMERU has also assessed the impact of Indonesia's rapid decentralization that began in 1999 and presented its findings to policymakers. In particular, SMERU's research has contributed to revisions to the national Law No. 22 on regional autonomy. Although the task

²See SMERU's 2008 newsletter.

³A SMERU evaluation survey contacted 126 CD recipients, of which 69 stated that they had used the CD. The organizations/individuals that used the CD were nongovernment organizations (26%), government agencies at the central level (23%), donor organizations or joint international projects (19%), universities or research institutes (16%), regional governments (7%), companies or business associations (6%), and other organizations or individuals (3%).

of implementing programs intended to benefit the welfare of all Indonesians fell largely to district governments, the capacity of many of these governments to deliver essential services in health, education and social welfare remained weak. At the local level, the Institute's research staffs conduct Participatory Poverty Assessments (PPA) and Regulatory Impact Assessments (RIA), assist in implementing a Community Based Monitoring System (CBMS), and consult on poverty reduction policy more broadly by working closely with both community members and district leaders. For example, SMERU recently completed a study on social protection for poor households in Jakarta in collaboration with the Social Welfare Bureau of the Jakarta Provincial Government. Where these efforts have been carried out with the active support of local governments, they have resulted in more effective consultations with communities and enabled district administrations to implement programs that are targeted more accurately, more cost-effective, and more closely related to poverty reduction. Over time, such capacity building measures will assist local governments in choosing of policies and contribute to improved service delivery, leading to improved community welfare and poverty reduction.

At the national level, SMERU's papers have analysed the impact of teacher absenteeism on student performance, the management of health and education services, and especially the administration of social safety net initiatives. SMERU has contributed to Indonesia's Medium Term Development Plan (RPJM) and has advised the Ministry of Trade, the Coordinating Ministry of the Economy, and the National Development Planning Board on mitigating the impact of the 2008/9 global financial crisis. SMERU has analysed the Rice for the Poor (RASKIN), the School Operational Assistance (BOS), and the Unconditional and Conditional Cash Transfer (BLT and PKH) programs. SMERU researchers helped produce Indonesia's Poverty Reduction Strategy Paper (PRSP), and the National Development and Planning Board (BAPPENAS) involved SMERU in finalizing the Presidential Regulation on Poverty Indicators. SMERU provided analysis commissioned by Indonesia's President on the underlying factors behind the increase in poverty rate in 2005-2006. SMERU has been approached by BAPPENAS with an order for 500 copies of its *Poverty Toolkit* for distribution to all districts in Indonesia. SMERU also reviewed the 2006 poverty rate calculation for Statistics Indonesia, and provided inputs on the data collection for the National Social Economic Survey (SUSENAS). SMERU has disseminated some these results publicly, but has also discussed the findings and recommendations directly with policymakers.

Discussions with stakeholders in the Ministry of Home Affairs, the Ministry of Education and the Ministry of Health indicate specific contributions of SMERU staff in both written reports and seminar presentations have been particularly influential in highlighting areas of concern and suggesting alternate policies. SMERU contributed to the formulation of Presidential Regulation No.112/2007 on Spatial Planning and Development of Traditional Markets, Shopping Centers, and Modern Markets. SMERU was asked to provide written commentary on the Presidential Speech on Regional Development in 2008, covering the regulation of ministries hampering the implementation of decentralization and regional autonomy. In the education sector, SMERU's analysis of the operations of the School Operational Assistance Program (BOS), an education

supplement scheme, led to revisions in the program's manual. SMERU also sent several requested materials to the Ministry of National Education (MONE) and members of the Parliament, including policy briefs on teachers' absenteeism. Importantly, because SMERU is an indigenous institution with wholly national staff, suggestions about program improvements have usually not provoked anger or defensiveness.

Perhaps the greatest case study of SMERU's policy influence is the engagement of SMERU staff in the design of Indonesia's unconditional cash transfer scheme. The government of Indonesia implemented the Unconditional Cash Transfer (UCT) program in October 2005. This program aimed to mitigate the impact of a fuel subsidy reduction in the same month. An increase of an average 126% in fuel price had caused more people to fall in poverty. By 2006, the percentage of those who were vulnerable to poverty had risen to 58.6%. In response, the Unconditional Cash Transfer (UCT) program was designed as a means of social protection. The UCT targeted more than 15.5 million poor households selected by BPS (Statistics Indonesia) who were means tested using 14 proxies (such as low calorie consumption). Each household received Rp1.2 million for one year (October 2005 – September 2006) which was disbursed in quarterly tranches.

After SMERU's own initiative to evaluate the implementation of this program in the capital Jakarta, the government's National Development Planning Board (Bappenas) requested SMERU to conduct a larger evaluation of the UCT program with World Bank funding in five *kabupaten* (districts) around the country in November 2005. The methodology consisted of in-depth guided interviews, focus group discussions (FGDs) as well as UCT baseline quantitative data. SMERU sought to examine the functionality and implementation of the UCT program along several dimensions:

- *Implementing institutions:* to examine the involvement of institutions and agencies and their level of responsibility in the program, including the structure, function, and authority of each implementing unit, level of interagency coordination, speediness in dispatching instructions, and any implementation problems and their resolution.
- *Information dissemination of the program:* to learn who was aware of the program, their level of understanding of the objectives and goals of the program, and whether adequate, timely, and clear information was provided to implementers, beneficiaries, and the general public.
- *Constraints and technical issues in the targeting mechanism:* to know the criteria for program receipt, data collection processes, verification processes, targeting accuracy; and irregularities in targeting.
- *Delivery and distribution mechanism:* to provide information regarding agencies/local apparatus involved; time frame and distribution process, points of distribution, local initiatives, announcement of distribution schedules and methods, security measures, distribution of beneficiary cards, and irregularities in delivery and distribution.

- *Complaints and problem solving:* to learn about complaint mechanisms in place, types of complaints and if they are properly responded to, conflicts and resolutions due to dissatisfied recipients and non-recipients, and the level of satisfaction of program recipients and implementers at the local level.
- *Funding utilization:* to learn how program recipients used the transferred cash.
- *Early indications of program impact:* to provide policymakers with indicators of program impact and level of satisfaction.

SMERU used the above evidence to develop its recommendations for policy towards program improvement, which were drafted and presented within one week of researchers' return from the field to the National Planning Board and the World Bank. This speed was important for affecting an ongoing program as quickly as possible.

SMERU is aware of four main uses of its findings. First, they were used to improve program implementation for future tranches. SMERU's findings improved the vertical and horizontal coordination among agencies and led to smoother, more transparent targeting via village verification consultation and increased number of distribution points. Second, SMERU's findings communicated the strengths and weaknesses of the 2005 UCT program via presentations, policy briefs, and workshops. Third, they were used as a resource by other research organizations and practitioners to study the 2005 UCT program and the 2008 UCT program. Finally, they informed the public and helped to involve them in the policymaking process. SMERU's reports on the cash transfer program were widely accessible on SMERU's website.

In May 2008, fuel prices increased due to the global oil price hike, and the Government of Indonesia again implemented the UCT. SMERU was invited as one of the key team members to formulate the new cash transfer, and was involved in several formal and informal meetings and conversations with both BAPPENAS and the Coordinating Minister of Economy and Finance on the technical guidelines of the program. Due to SMERU's input to the government on the 2005 program, the 2008 UCT program is a significant improvement. SMERU contributed to the implementation and technical guidelines for coordination between institutions, reporting mechanisms, verification processes, and transferring mechanisms. Based on informal conversations with the program implementers, especially the postal service and BAPPENAS, the uses of these recommendations can be seen in the improved guidelines. In September 2008, after the implementation of the first phase, SMERU conducted another evaluation of the UCT, with similar types of evidence obtained and presented to policymakers. SMERU highlighted its main recommendations in a comprehensive research report which was used as material for discussion with the Coordinating Ministry of Social Welfare, Statistics Indonesia, and the postal service.

SMERU has continued to grow over the course of its first decade, from the handful of researchers at its inception to a staff of nearly fifty in 2010. SMERU's reputation as one of Indonesia's leading research organizations is indicated by the standing the Institute has gained both within Indonesia and in international academic circles for the quality of its research and publications. SMERU's staff have published (in addition to many book chapters and monographs) a large volume of articles in leading internationally refereed journals, where Indonesian researchers are mostly absent.⁴ This is a valuable indicator of SMERU's stature as a research institute, engaged in cutting-edge research on poverty and socio-economic issues. One particular highlight was the award of the 2003 H.W. Arndt Prize for its article "Minimum Wage Policy and Its Impact on Employment in the Urban Formal Sector", published in the Australian National University's *Bulletin of Indonesian Economic Studies*, the leading refereed international journal on the Indonesian economy. Its accomplishments in conducting and disseminating policy-relevant research of the highest quality are remarkable for an Indonesian organization, given the sensationalism and populism that dominate Indonesian public dialogue on socioeconomic issues.

These case studies reveal the development of a key comparative advantage over other Indonesian knowledge organisations: the Indonesian government's extraordinary receptiveness to its conclusions. This receptiveness is the product of three main factors: the credibility of SMERU's research output, its assiduous networking with other institutions, and its selection of appropriate research topics. In quality, the gap between SMERU and its competitors is unequivocal. SMERU easily outstrips other institutions in publications in top refereed journals; no other Indonesian research organisation approaches SMERU's analytical contributions to the formulation of social policy, including universities. Although there are disagreements within the research community, so far there is no single instance of SMERU's research methodology being proven incorrect. SMERU's prolific engagement with NGOs, civil society organisations, and academic institutions, as detailed later in this report, is also paramount. The ensuing relationships lead to partnerships between the government, SMERU, and other organisations, as well as informal "word of mouth" advertising. And by hewing in its research agenda to national development priorities, SMERU maximizes the probability that its research will be relevant to policymaking.

Organizational Structure

As a legal foundation, SMERU has to comply with Indonesia's Law No. 16/2001 on Foundations. Therefore, a Board of Trustees, Managers, and Supervisors, as well as an Advisory Board, oversee the Institute. Under this structure, there are four divisions: Research and Outreach, Finance and Program Administration, Publication and Information, and Office Administration, visible in the organizational chart in Figure 4 (Appendix).

⁴For example, a recent search, via the data base 'Econlit', of articles published in English on the Indonesian economy in all refereed journals over the period 1980-2000 revealed that the ten most published authors were all foreigners.)

SMERU's organisational structure is flexible enough to change over time with organisational needs. When SMERU was first established in 2001, the organization comprised of five divisions: Social Monitoring and Qualitative Analysis, Quantitative Analysis of Poverty and Social Conditions, Decentralization and Local Governance, Administration, and NGO Partnership. In 2003, SMERU underwent significant restructuring. The Administration Division was split into three new divisions: Publication and Information, Finance and Program Administration, and Office Secretariat. The NGO Partnership Division was moved under the umbrella of the Division of Publication and Information. Because important policy issues cut across disciplines, the three research divisions were merged into a single research division. In 2010, NGO Partnership activities were moved to the Research Division, in recognition of the close relationship between the needs of NGOs and the research and dissemination strategies of SMERU researchers.

SMERU is a small, tight organisation. Table 4 reveals SMERU's relatively small size and slow pace of growth in staff levels. Because of its size and relatively flat hierarchy, staff tend to enjoy strong personal relationships, promoting trust and frequent, open channels of communication.

What follows is a closer examination of several of the constraints that SMERU overcame in the above history. Specifically, SMERU has worked hard to secure sufficient funds, improve its quality of research, navigate a leadership transition, build institutional linkages, and communicate its research findings to an appropriate audience.

Securing Sufficient Funds

Conducting quality social research is costly, and these costs are a primary constraint faced by research organizations. As a consequence, financial sustainability has been one of SMERU's continuing priorities since its establishment. *Core funding*—funds granted to an organization's general treasury to fulfil its mission—is importantly distinguished from *project funding*—funds earmarked for a specific programmatic purpose. Donor agencies are often justifiably hesitant to provide core financial resources because of concerns over equity and accountability; funds directed to a particular organization rather than toward particular outputs may smack of favouritism. Whereas a project grant is easily made conditional on the provision of a particular service, such as a research report, the returns to core funding are more nebulous; such funds bear a greater risk being extracted as rent in the form, for example, of extravagant expenses.

For these reasons, SMERU, like its peer organizations, has relied heavily on project funding from international agencies, universities, and other donors who entrusted SMERU to conduct commissioned work. Project funding is problematic, however, in that it is often subject to taxation, and impairs an organization's research independence. At its establishment in 2001, SMERU received core funding only from AusAID; recognizing the problems of project funding, SMERU's leaders sought core funding early on from other quarters, leading to the

provision of grants from the Ford Foundation (2002 – 2007) and DFID (2002–2005). SMERU has also secured several *competitive research grants*, a category with some of the features of both core funding and project funding. While such grants typically can be used only for one area of research, they are not subject to VAT, carry a longer duration, and offer greater flexibility than project funds. However, compared to project funding, competitive research grants are not as widely available, require more difficult and complicated administrative processes, and take a much longer time period between the start of application process and the actual fund disbursement.

Quality of Research

SMERU has struggled to uphold its *research quality*. Knowledge organizations in Indonesia face a heightened risk of producing incorrect or irrelevant research findings with attendant low social returns because of a weak stock of human capital and an underdeveloped culture of independent public inquiry. SMERU's leaders have responded with sophisticated recruitment and training practices, as well as instituting policies to maintain rigorous research independence and thus credibility. Any specific study starts with a careful formation of an implementing team, consisted of staff with suitable qualification with the nature of the study. After completing all preparatory work, the team has to present their research plan to a wider audience of SMERU researchers. Likewise, nearing the completion of the study, the team has to present the findings of the study in an internal seminar. Additionally, the process of preparing research for publication is thorough; editors scrutinize reports both substantively and grammatically.

Leadership Transition

SMERU has struggled with a *leadership transition*. In 2009, there was a threat that the departure of the incumbent Director would harm the reputation and research capacity of the institute. With the successful ascension of Deputy Director to fill in the position, these worries have been assuaged. Nonetheless, a challenge that SMERU and other knowledge organizations will need to continue to work is to ensure that their success rests on a broadly effective workforce rather than the personal qualities of a small cadre of highly productive individuals.

Historically, SMERU's least-consequential research output has been concentrated where its human capital is weakest. Discussions with SMERU's management indicate that the departure of any one of the senior staff would be a serious blow as there is a gap in the influence and quality of the research projects of a small group of senior staff and a larger group of more junior staff. In the effort to alleviate this problem, SMERU has worked to strengthen policies and procedures to guarantee that incentives and performance requirements promote continuous productivity improvements among all staffs as well as broadening its publication record. Any research organization must pay a great heed to its human capital structure, so that their quality is a sustainable reflection of the organization's mission and management practices.

Institutional Linkages

SMERU has had to devote institutional resources to forging ties with university research centres and other independent research organizations both nationally and internationally through publication exchanges, invitations to conferences and seminars, institutional and personal networking, and collaborative research. Recent examples of these efforts include collaborative research projects with PATTIRO on Community Based Monitoring System (CBMS) in Kota Pekalongan and with PEKKA on Access and Equity to Legal Justice for Women Headed Households. SMERU also offers Visiting Research Fellowships for interested researchers, who are encouraged to collaborate with SMERU's researchers. These partnerships provide valuable training for SMERU staff. Visitors are expected to substantially contribute to the pursuit of SMERU's research agenda.

Maintaining Independence

A reputation for strict independence is extremely valuable to a research organisation in attracting staff, securing donations from reputable sources, and maintaining policy influence over changing governmental administrations: if findings can be successfully portrayed in public discourse as biased, they will be discredited, compromising an organisation's credibility, regardless of whether the findings are actually biased. SMERU's leaders have devoted considerable resources toward structuring its operating procedures to avoid this

How SMERU Addresses Leadership Transition

- *Staff are encouraged to lead a particular research topic, and to serve as the public face for that topic.* After taking primary responsibility for a particular research area, a senior staff member will usually develop a more public profile and be recognized by stakeholders through paper presentations, seminars, conferences, and publications. Junior researchers are also always encouraged to join in presentations, engage with stakeholders, and co-author publications, building their skills while helping them to become the public face of the organization.
- *SMERU continues to strengthen its human capital policies to sustain incentives for efficient and effective research performance and dissemination.* For every research study, the entire research team, including both senior and junior researchers, actively engages in direct dialogues with key decision makers through various formal and informal opportunities. The entire team is also involved in authoring research reports and other publications. Moreover, junior researchers are enjoined to participate in seminars and training sessions to build competence in particular research areas and methods. These procedures minimize the gap in the influence and quality of the research projects of a small group of senior staff and a larger group of more junior staff. They also allow the more junior researchers to develop intensive connections and networks with stakeholders and partners early on.

fate. Donors and partners are carefully scrutinized, direct lobbying of government officials is discouraged, and researchers are hesitant to enter public debates. For the most part, employees restrict themselves to producing and explicating research findings. SMERU is especially careful in its relations with journalists; researchers do not release negative findings to media outlets until the relevant government agencies are briefed to avoid creating damaging perceptions that SMERU aims to undermine the government of Indonesia or that SMERU seeks to promote its media profile at the expense of the government.

It is possible to engage constructively with policymakers without compromising independence; a balance can be struck. As described in the remainder of this report, SMERU staff members often produce issue research, such as policy briefs, and conduct policy education for government officials, but they neither lobby in the sense of an advocacy group nor invest their energies toward developing the specific skillset required to do so. Although this stance might reduce an organisation's influence in the very short term, the trade-off of long-lasting lost credibility is enormous.

LESSONS LEARNED

The lessons from SMERU experience lead us to six conclusions about how Indonesian knowledge organizations can best maximize their social impact and maintain their sustainability. First, organizations must articulate and adhere to a clear mission; second, they must carefully cultivate their human capital; third, they must maintain the highest standards; fourth, they must develop, and capitalize upon, social networks; fifth, they must attend to the demands of policymakers and other important stakeholders; and sixth, they must secure sources of core funding.

Lesson 1: The Primacy of Organizational Mission

Central to SMERU's success has been its clear mission: to lead policymakers toward better policies for the poor and vulnerable. Leaders will reap large returns from an early investment of time in a properly crafted mission statement that joins an organization's unique capabilities with valuable social ends that are both measurable and achievable, grounding these ends concretely. As a consequence, objectives are easily understood by all stakeholders. SMERU's mission statement has changed slightly with time, but its essential mandate to use impartial, objective, and independent research to work toward an Indonesian society free of absolute poverty and high inequality has remained the same. Below is an excerpt of the current SMERU Vision and Mission:

VISION

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

1. Carrying out research on poverty related issues for the purposes of improving public policies and their implementation;
2. Conducting effective outreach to national and regional governments, civil society, academics, and the international community;
3. Supporting inclusive public policy discourse on poverty and inequality reduction strategies; and
4. Strengthening the role of civil society in the formulation and implementation of public policies.

Based on the above vision and mission, SMERU Research Institute will pursue to:

- Provide information and analysis to contribute to widening public policy dialogue on the solutions to socio-economic, poverty and vulnerability to poverty issues directly relating to the welfare of the Indonesia people; and

- Strengthen the role of the community in the formulation and implementation of public policies.

VALUES & PRINCIPLES

SMERU upholds its values as being independent, objective, and inclusive. In its conduct SMERU will observe and refer to its 11 principles, namely democratic, transparent, accountable, highly qualified, ethical, equal opportunity, gender sensitive, committed, proactive, responsive, and pioneering.

The mission statement must guide the organization, and should be written to join the organization's unique capabilities with measurable social ends. The text of SMERU's mission statement grounds its aspirations in concrete principles and goals. As a consequence, SMERU's four objectives are carefully defined, and its work program is tightly structured around these objectives, displaying both consistency of focus and sufficient flexibility to adapt to new policy and analytical challenges. The ultimate social impact of SMERU can be measured by examining the role of SMERU's work in the introduction of superior policies.

Proper attention to mission includes not just writing and revising the mission statement, but also specifying the stakeholders whose interests match SMERU's mission. A "stakeholder" is anyone who directly or indirectly uses SMERU's research, or who benefits, is involved with, or influences the outcome of this research. Stakeholders identified in SMERU's strategic plan include:

1. The Indonesian people, particularly the poor, who will be better served by their government; their living conditions are expected to improve as indicated by the decrease in the number of poor people.
2. Institutions other than SMERU's target groups, both at the national and regional levels, which will produce pro-poor policies. Included in this category are institutions that obtain advice or input from SMERU for their own work.
3. National government authorities such as the National Planning Agency (Bappenas), Ministry of Trade, the Bureau of Statistics, etc.
4. Several regional governments.
5. NGOs at the national and regional level. It was decided that SMERU would identify some more strategic NGOs that are willing to cooperate with SMERU. These NGOs will benefit from enhanced staff capacity and enhanced knowledge and experience that can be utilised to strengthen their advocacy and regular programs.
6. Universities.
7. Other scholars: Several types of scholars will benefit, including university-based scholars, NGO-based scholars, volunteers, interns, and so on.
8. AusAID: SMERU will contribute to the bilateral policy dialogues between AusAID/Australian government and the Indonesian government, to support AusAID's work on poverty reduction in Indonesia.
9. Other donor agencies and third parties that request SMERU's services.

See Table 3 for a chart detailing these stakeholders.

Lesson 2: Human Capital

The chief impact lever of a knowledge organization is its human capital stock. Crucial to SMERU's success has been the employment of high quality professionals as leaders and employees with following characteristics: integrity, intelligence, and committed. This is important to the development of any institution, but more so in Indonesia than in developed countries with their greater stock of human capital and well-defined institutional "rules of the game." In the beginning of its operation, SMERU was fortunate to have been led by director and senior staff with clear vision, research background, knowledgeable, persistency, credibility, high skills, and other leadership qualities, complementing each other to carefully steer the organization toward its mission. Moreover, the fact that SMERU's publications and presentations are of the highest analytical quality is crucial; anything less is unlikely to be material to the policy problems at hand, unlikely to supply correct recommendations, and unlikely to be taken seriously by policy makers and practitioners.

Human capital policy begins with recruitment and selection. SMERU's positions are open to everyone qualified; vacancies are advertised on SMERU website and sometime in daily newspapers. Employees are selected based on the basis of competency using personal interviews with senior management and written tests on substantive issues. Anyone having a family relationship with existing staff is not eligible to apply. Candidates with collegial relationships with existing staff members do not receive a preferential treatment. SMERU is an equal opportunity organisation; no regard is given to sex, race, religion, age, or other forms of diversity.

Acquiring employees of high quality also requires adequate compensation levels. SMERU's employees receive generous family health insurance and Jamsostek provident fund, work accident insurance, life insurance, an optional private pension fund, and a salary which is highly competitive in comparison with similar domestic organizations. A large enough salary also reduces the probability that an employee will moonlight, reducing his marginal benefit from side income and increasing the cost of job loss in the case that he is discovered. Perhaps even more important, however, is inspiring leadership and a positive work environment. If the highest ranks of an organisations are staffed by individuals of the highest moral and professional calibre, the organisation's employees are more easily united by a compelling mission, reducing the chance that a staff member would even consider moonlighting and helping staff resist the temptation to depart for greater pay in other sectors.

The amount paid to staff is gross salary, meaning that income tax is the individual employee's responsibility. In accordance with the law, however, SMERU is obliged to deduct the income tax and transfer it to the tax office. The levels of salary are determined by the following factors:

- Entry status (junior, senior, etc);
- Type and nature of assignment;
- Level of responsibility;
- Educational background (Bachelor, Master, PhDs);
- Related work experience

Staff Retention Practices

As a knowledge organisation, SMERU depends for its success upon the recruitment and retention of an outstanding staff. Practices that promote these goals include:

- Employee compensation levels are highly competitive, and are updated annually based on a performance appraisal.
- Compliance with Indonesian workforce regulations by providing Jamsostek (pension plan, work accident insurance and death insurance) and health insurance.
- Staff members receive a voice in decision-making processes, especially senior staff.
- SMERU promotes learning by its staff. Senior staffs often mentor junior staff members, SMERU encourages higher education, and regularly provides strong references to employees to pursue education, both in Indonesia and overseas.
- SMERU effectively evaluates employees annually on a one-to-one basis, providing an opportunity for staff to express their thoughts on various matters, not just their own performance, and encouraging open communication between staffs and the director at all times.
- The working environment is very friendly, and a strict anti-discrimination policy is enforced in hiring and promotion.

Table 4 reveals the moderate expansion of SMERU's workforce over time. In the ten years of SMERU's existence, research staff have grown from 14 to 28 and administrative staff from 17 to 26. Organizations must take care, as SMERU has, to balance their needs for an expansion of output with their needs for financial sustainability. There is a potential trade off between *quantity* of output and *quality* of output. Each individual is costly not only because SMERU pays for the highest quality talent, but also because the organization has devoted great resources to developing its staff, whose skills receive continuous attention via in-house and external training in key areas. Importantly, SMERU enjoys a high rate of staff retention; this is because junior staff members are invested in decision making and receive extensive mentorship and training from senior staff. Most staff who resigned did so in order to pursue their further studies.

SMERU Board of Trustees is a well functioning body, made up of highly recognized scholars from varied background. Being acknowledged individuals in their respective fields and known for their integrity, the members of the Board add value to SMERU as an independent research institution.

Lastly, SMERU's staff review policy creates strong incentives for employees to work hard without risking unfair discharge. Staff caught clearly moonlighting are warned or terminated. Each staff member is subject to an annual "360 degree" performance evaluation from his supervisor, his peers, and the Director. Staff's terms of reference and job description are regularly reviewed. Nonperforming staff are informed of their status and offered the chance to write a paper for independent review. If their performance remains below SMERU standards, they are discharged. However, during the ten years of SMERU existence, this procedure has been very rarely invoked.

The importance of human capital for a research organization's impact cannot be overstated. External evaluators have noted that SMERU's success depends not just upon its personnel policies but also by its employment of a few truly exceptional professionals and visionary leaders. Whether adequate substitutes for these figures can be easily found is an important issue in the prospects for both SMERU and any similar organizations that might arise in the Indonesian context.

Lesson 3: High Standards

A successful research organization should institutionalize a culture of performance. Staff should be held to the highest possible expectations. Especially in the early years, senior staff may need to take valuable time away from their own research to build organizational culture. In research, SMERU succeeded because it insisted upon adherence to the highest standards of the international scientific community, avoiding advocacy except that implicit in its research findings. Its work has been subjected to rigorous scrutiny, in academic, policy, and general circles, scrutiny that includes—but is not limited to—the practice of peer review. Political influence in the selection and execution of research projects has never been tolerated; the formal structure of SMERU's foundation and governing processes protect the independence of its research staff. An important lesson is that the appearance of inappropriate influence, however spurious, is just as dangerous as the actual presence. For example, SMERU was occasionally perceived as biased during its early years due to its close ties with the World Bank. While there is no reason to believe that the independence of SMERU has been compromised, this perception can nonetheless impair its credibility. With SMERU's persistent showing of independence and objectivity, this perception has largely faded away.

SMERU's practices are codified in its continually updated Standard Operating Procedures (SOP), a set of written documents detailing the steps to all business processes in ten categories: administration, accounting, procurement, research, travel, publication, information technology, library services, human resources, and third party collaboration. These procedures create an office culture of accountability and control in the staff, prevent disruptive variations in practices, act as a reference guide for auditors, and inform staff of transparent procedures that apply to every employee equally. On an occasional basis, the SOP are revised to improve practices.

SMERU's publication procedures are particularly important. SMERU uses carefully tested quality control mechanisms to ensure quality, including the data gathering, writing, editing, translating, and publishing processes. Figures 1, 2, and 3 describe these processes in flowcharts. All interview questionnaires must be carefully vetted before being released to the field. All reports must undergo several phases of scrutiny before publication. Before a report is sent to the Publication Division for final editing, SMERU holds an internal seminar where the authors present the findings to be commented and critically reviewed, first by colleagues and later by other stakeholders. Inputs are used to further revise or improve the report.

In its administrative practices, SMERU maximizes accountability and minimizes the squandering of funds. The Director is appointed by and reports to the Institute's Board of Trustees. The Board meets twice per year to provide broad oversight of SMERU's program and operations. This body is composed of a number of senior figures drawn from the academic and private sectors. When a researcher attends a presentation or participates in any internal or external activities, the researcher writes a report to inform other staff about the activity and improve their awareness of techniques for engaging with policymakers. Monthly staff meetings allow staff and management to share information on their recent activities. Every reporting period, SMERU holds its biannual Project Consultative Committee (PCC) meeting where a report is presented discussing internal issues, and SMERU's impact and achievements within the last six months. Relevant stakeholders, donors, project partners, and SMERU's Board of Trustees are invited to give feedback on SMERU's activities. Before the PCC meeting, monitoring tasks are distributed to all levels of the organization and each division submits a progress report. Major donors and the Board of Trustees also receive biannual activity and financial reports and annual audit reports.

Operational and financial procedures are highly transparent, by Indonesian and even international standards. SMERU is audited on an annual basis by an independent registered auditor appointed in consultation with its donors. This annual audit process includes all financial and management areas of the Institute's operations. For each of the past nine years (2001-2009), the appointed auditor has issued unqualified positive reports. Any suggestions for improved efficiency raised by the auditors during the auditing process are immediately discussed by the management team and are addressed appropriately to ensure transparency, accountability, and effectiveness. The accountability inherent in SMERU's organizational structure has assisted the Institute in attracting additional financial support from a variety of sources through contracts for specific research projects, reflecting widespread confidence in the quality of SMERU's work and also its managerial capacity.

Lesson 4: Networking

SMERU, and similar organizations, are particularly impactful when they take advantage of close relationships between staff and other researchers, key government agencies, and donors, maximizing productivity and ensuring the financial sustainability of the organization as well as an effective and varied ongoing dialogue that informs decisions on research

priorities and the timely exchange of results. Because the returns of any individual relationship are distant and uncertain, staff must devote considerable time to cultivating a wide range of connections, even if the benefits appear hazy.

SMERU has collaborated with a wide range of academic institutions. Collaboration with international organizations includes: the World Bank, Institute of Development Studies, IDRC-PEP (International Development Research Center-Poverty and Economic Policy Network), Swisscontact, ANTARA-AusAID, OXFAM, etc; with the government departments/institutions, among others: Ministry of Agriculture, Ministry of Women Empowerment, Ministry of Education, Bappenas (National Development Planning Agency), Statistics Indonesia (BPS), etc; with local governments (Pekalongan, Cianjur, Bima, Tapanuli Tengah, etc), and research institutes such as LP3ES (The Institute of Research, Education, and Information of Social and Economic Affairs), LPEM-UI (Institute for Economic and Social Research of the University of Indonesia), universities like Australian National University, The Royal Netherlands Institute of Southeast Asian and Caribbean Studies (KITLV) and La Salle University Philippines. The University of Manchester has signed a contract with SMERU in collaboration with the UK Department for International Development to work on a study for the Chronic Poverty Research Center.

SMERU has worked extensively with European partners in the social sector. SMERU, in cooperation with the European Union, organized a seminar called “Health Equity and Financing for the Poor” (HEFPA), attended by donors, NGOs, academics, and government officials, after which SMERU received a research grant. A collaborative proposal for a Specific International Cooperation Action (SICA) involving SMERU on “Health Equity and Financial Protection in Asia” will also be funded by the European Union. The goal is to find evidence for effective and equitable policymaking in International Cooperation Partner Countries via collaboration among scientists from six Asian countries, five European research institutions, and one international organization (World Bank Development Research Group).

Through the participation of SMERU in the PEP (Poverty and Economic Policy) Research Network, a research grant enabled SMERU to conduct a research project, *Pilot Project on Community Based Monitoring System in Indonesia*, with the Community Based Monitoring System (CBMS) Network Coordinating Team of the *Angelo King Institute for Economic and Business Studies (AKI)* and the De La Salle University. This project aims to promote the importance of conducting periodic local monitoring activity to local stakeholders, in line with the need to understand the regional dimension of poverty. The Project demonstrates the reliability of survey results and provide evidence on how CBMS is better than the existing monitoring system in promoting welfare of the people through better targeting and design of more relevant programs for the people of Indonesia. IDRC and the CBMS International Network will continue to fund the second phase of CBMS in Indonesia. The study is titled “Promoting the Implementation of the Community-Based Monitoring System (CBMS)”. This is in collaboration with the Kota Pekalongan Government, which agreed to adopt the CBMS method in gathering family data through a census.

In Asia, SMERU engaged in a collaborative effort with AIGRP-ANU and the Overseas Development Institute (ODI) for a workshop in Jakarta where researchers exchanged strategies for engaging with the media. The Philippine Institute for Development Studies (PIDS) invited SMERU for a research collaboration with the International Development Research Centre (IDRC) to conduct a research project titled “Managing International Labour Migration in ASEAN”, along with other Asian countries such as Cambodia, Thailand, Singapore, Malaysia, and the Philippines. SMERU participated in a conference on “Universalizing Socio-Economic Security in South Asia” which was followed by a workshop on “Overcoming Barriers to the Extension of Social Protection” after an invitation from the Institute for Human Development (New Delhi) and the Institute of Social Studies, The Hague. Through this network, SMERU received a grant to carry out the SPA (Social Protection in Asia) initiative. IDS commissioned SMERU to do a study called “Assessing the Roles of Women in the New Indonesian Conditional Cash Transfer Program”, which is part of its Social Protection in Asia (SPA) initiative

SMERU also facilitated cooperation between the USAID Democratic Reform Support Program (DRSP), its two CSO networks, and ODI’s Research and Policy in Development (ODI-RAPID), coordinating the development of a training package for its partners in bridging the research and policy divide through evidence-based policy advocacy.

SMERU is a member of the global EBPDN (Evidence-Based Policy in Development Network), a worldwide community of practice for think tanks and CSOs working toward evidence-based, pro-poor development policies. It is an umbrella for various CSOs and NGOs in South America, Africa, South Asia, and South East Asia. In South East Asia Evidence-Based Policy in Development Network (SEA-EBPDN), SMERU is one of the stewards among the other country members, i.e.: Vietnam, Laos, and Cambodia. This global network is supported by ODI-UK. The main objective of the network is to generate knowledge that can be effectively communicated to influence change. It also aims to build capacity for bridging research and policy for researchers and advocacy organizations as well as a vehicle to exchange experience and best practices at the regional and sub-regional levels.

SMERU believes that direct engagement with domestic nongovernmental development organisations is an important channel for policy change, especially in situations where a groundswell of consistent communication is important or where issues affect comparatively distant regions. SMERU worked to facilitate the CSOs Forum (research institutes, think tanks, activists, and universities) and FPPM Network (advocacy NGOs) which participated in the previous three trainings on bridging research and policy conducted by a joint program of ODI, DRSP, and SMERU. SMERU also works to lead the Indonesia brp (Indonesia bridging research and policy), a subgroup within the EBPDN platform, which has its own mailing list in Indonesian for its members to share regional or local-specific lessons-learned and body of knowledge on the use of evidence to influence policy. As is observed in policy decision making process, the responsibility of good evidence-based policy making lies with both

sides, where researchers and advocacy NGOs must be adept at communicating their messages and able to work together to provide quality evidence-based information which is accurate, credible and applicable, while the policy makers need to value and know how to use such information. Currently, SMERU and other members of Indonesia brp are conducting a study aimed at understanding the body of knowledge of their members and their strategies for policy advocacy. Such understanding will be important to formulate capacity building measures to improve the members' effectiveness in evidence-based advocacy. SMERU has also engaged directly with several NGOs outside this network, such as PATTIRO and PEKKA.

Since 2001, SMERU has built on its partnerships with universities around the world by hosting visiting interns and fellows from many reputable universities, such as Harvard University, Yale University, Brown University, Australian National University, the Free University of Amsterdam, and the University of Indonesia, whose interests overlap with those of SMERU's staff. Visitors receive office space, guidance, and a small stipend. The program is not only useful for the interns, but also widens the horizon of SMERU's researchers. Interns are expected to collaborate with SMERU researchers when possible, and each intern participates in SMERU's internal seminars, presenting his work and discussing the work of SMERU researchers. In one case, SMERU received a research grant arising from the program. The International Initiative for Impact Evaluation (3ie) commissioned SMERU to evaluate Indonesia's unconditional cash transfer program along with a previous intern, currently an economics Ph.D student at the University of California, San Diego, who worked at SMERU on a Luce Scholarship. Arrangements are typically made directly between a visitor and SMERU, as universities sometimes impose an institutional fee for a formal relationship. Beyond its researchers' public seminars and lectures, SMERU remains eager to work on research projects with local universities to the extent that time allows, but does so only occasionally, perhaps because many staff at local universities are not actively pursuing scholarly research, or are uninterested in working with SMERU.

SMERU's NGO Partnership Division provides an initial point of contact for NGOs across Indonesia so that NGOs and civil society groups can easily draw upon relevant SMERU research output. SMERU also maintains a database containing information about NGOs throughout Indonesia which has expanded from about 200 entries in 2001 to over 2,600. It has also facilitated linkages among civil society groups through the hosting of workshops, seminars, and discussions, and has strengthened networks among NGOs, especially those in regional areas. In 2004, for example, SMERU organized a training session on research methodologies for NGOs. In collaboration with other NGOs, SMERU also organized a workshop on poverty reduction advocacy at the local level in Kupang in the province of Nusa Tenggara Timur.

SMERU has also networked extensively with government officials. SMERU researchers often develop personal relationships with legislators. To support the task of the Food Security Council, for example, the Ministry of Agriculture found it necessary to establish a special working group for community food security (Kelompok Kerja Khusus Pemberdayaan

Ketahanan Pangan Masyarakat/Pokjasus, or PKPM). Its members consist of 13 NGOs, farmers' groups, and farmers' unions, including SMERU and several others.⁵ Pokjasus was established in 2008 based on the Ministry of Agriculture Decree No.1787/2008.⁶ PKPM Pokjasus' task is to advise the government through the Food Security Council all those related to stabilization efforts in formulating food security policy; to assist in the dissemination and policy consultation with the community; to document and disseminate the practical experience of the community in realizing food security; to encourage the development of community initiatives for food security and food self-sufficiency; and to assist the Food Security Council in monitoring and evaluating projects. Pokjasus is also tasked to give inputs to KUKP 2010 to 2014 and to the Changes in the Food Act No.7/1996. SMERU's strategies for engaging with the government are discussed at greater length in Lesson 5.

SMERU has made a major effort to engage actively with many donor agencies operating in Indonesia. Representatives of many of these agencies are regularly invited to SMERU's seminars. SMERU staff members regularly attend meetings organized by donors, both in Jakarta and in other countries. Senior staff members receive a constant stream of visitors from donor agencies, seeking advice or requesting briefings on those issues that are central to SMERU's research program. In addition, SMERU has strengthened its institutional linkages through collaborative research with a number of national and international donor organizations. SMERU has also attempted to develop an effective working relationship with a number of private sector bodies that might be interested in learning about the Institute's work, especially when this is relevant to their own interests. A serious attempt has also been made to attract additional financial support from the private sector but so far it appears that there is very little interest in supporting serious applied social and economic research within the corporate and private sector in Indonesia.

Aggressive, ongoing networking across all of these sectors—academic, NGO, government, and donor—has been crucial to SMERU's success. An excerpt from SMERU's 2010-2014 strategic plan may be informative:

OUTPUT No. 4

Strengthened Collaboration with Other Relevant Organizations

OUTPUT 4 MAIN ACTIVITIES

Developing and maintaining international, national, and regional networks

- a. Networking with national and regional governments
- b. Networking with academic institutions
- c. Networking with NGOs

⁵These are Yayasan Bina Desa, Konsorsium Pembaruan Agraria (KPA), Serikat Petani Indonesia, Lembaga Pengembangan Pertanian Nahdatul Ulama (LP2NU), Indonesia Human Rights Committee for Social Justice (IHCS), Koalisi Rakyat untuk Kedaulatan Pangan (KRKP), Petani Mandiri; Pemuda Muhammadiyah, Petani Center, Pemuda Tani HKTl, Masyarakat Agribisnis dan Agro Industri Indonesia (MAI), Masyarakat Mandiri, and Lembaga Pemberdayaan Petani Indonesia.

⁶Conversations with Hariyanti Sadjali, SMERU NGO Partnership officer.

- d. Networking with libraries
- e. Networking with donors
- f. Developing SMERU's network based on individual contacts

Lesson 5: Focus on the Demand Side

Although it is inherently difficult to measure the effect of the necessarily advisory role of think tanks, SMERU's experience strongly suggests that policy change is more likely to occur if the interests of stakeholders match the activities of research organizations. A public policy think tank is not a university; from the start, resources must be devoted to outreach as well as research, and the needs of policymakers must influence the allocation of the research budget. Two of SMERU's management practices are essential to ensuring that policymakers are receptive to research findings, and instructive for the incubation of other knowledge organizations. First, SMERU tailors its research program to the needs of its stakeholders—especially national policymakers, but also NGOs and the leaders of local communities. Second, SMERU's senior staff places tremendous emphasis on the dissemination of results of this research through both written documents and in person meetings with policymakers and other stakeholders.

SMERU works to ensure that its work program is consistent with its stakeholders' needs and requirements. Research projects are not pursued unless their findings would have at least some practical applications. Although the independence and creativity of an organization's own researchers must be nurtured, the process of selecting research topics must include all stakeholders, especially donors and policymakers. About one half of SMERU's research agenda is driven by the interests of SMERU's own researchers; the other half is driven by external requests. A compromise must often be struck between researcher and funder interests. Involving policymakers and major stakeholders in formulating the research agenda increases the likelihood of influence of the research on policy, thus reducing the resources that must be devoted to dissemination efforts. The framing of research is also important; SMERU takes advantages of both qualitative and quantitative approaches, depending on the situation, to strengthen SMERU's arguments during discussions. Tables 2 and 3 offer an overview of SMERU's major stakeholders and target groups.

To hone its research focus, SMERU maintains Medium Term Research Plan (MTRP), which is annually updated through discussions involving all of its researchers and staff and consultations with stakeholders. SMERU's research agenda for period 2008 – 2013 is divided into five themes:

1. Poverty and Vulnerability Diagnostic and Policies
2. Good Governance, Decentralization, and Public Services Delivery
3. Social Protection Policies and Social Welfare Developments
4. Labor and Migration Diagnostic and Policies
5. Pro-poor Growth Policies

The first three are SMERU's longstanding core areas of expertise. Under *Poverty and Vulnerability Diagnostic and Policies*, SMERU aims to conduct research on multiple dimensions of poverty, including program monitoring and evaluation, food, microfinance, small businesses, the impact of infrastructure on poverty, corporate social responsibility, non-income poverty dimensions, asset securitization and asset based poverty reduction, among others.

SMERU began research in *Good Governance, Decentralization, & Public Services Delivery* in 1999 when it completed a seminal study on the lessons learned from Indonesia's rapid structural reforms and deregulation. SMERU has persisted by researching local business climates and authority divisions and fiscal relationships between the central and regional governments. Other topics under this theme include the organization of local government institutions and personnel, local politics, transparency, accountability and corruption of local governments, Minimum Services Standard (MSS) and Standard Spending Assessment (SSA), and local public-private partnerships.

In *Social Protection Policies & Social Welfare Developments*, SMERU has exhaustively examined several areas of social protection, and today boasts four ongoing projects on social protection. SMERU will continue conducting research on health, education, social insurance, social capital, labor markets, housing, inequality, and social welfare. Urgent areas in this theme include the management of social conflicts and disasters. Disaster management is included under the umbrella of social protection because of the realization of the economic and social impact on the lives of the people whenever a disaster strikes.

The fourth and fifth themes, although less extensively researched historically, are important areas as well. *Labor and Migration Diagnostic & Policies* will focus on labor market diagnostics, migration, urbanization, child labor, industrial relations, and informal workers. Violence and discrimination against Indonesian migrant workers, especially women, have been rampant. SMERU plans to conduct a study on possible remedies, such as improved rules, better governance, or the ratification of multinational agreements. Finally, research topics under the theme of *Pro-poor Growth Policies* will include studies on pro-poor trade policies, pro-poor fiscal policies, pro-poor investment policies, monetary policies, finance policies, energy policies as well as studies on rural and agricultural development, and more current issues on gender relations.

SMERU continues to adjust its research agenda by selecting topics that are both appropriate to the organization's expertise and responsive to governmental priorities. The Indonesian 2010–2014 RPJMN (or the National Medium Term Development Plan) lists these priorities:

1. Bureaucracy and Governance Reform
2. Education
3. Health
4. Poverty Reduction
5. Food Security
6. Infrastructure

7. Investment and Business Climate
8. Energy
9. Environment and Disaster Management
10. Remote, Front, Outer and Post-conflict Areas
11. Culture, Technology Creativity and Innovation

SMERU bases its research agenda on these priorities. The following table indicates where SMERU's research agenda coincides with the National Medium Term Development Plan:

2008–2013 SMERU Research Agenda	2010–2014 RPJMN National Priorities of Indonesia
1. Good Governance, Decentralization and Public Service Delivery	<ul style="list-style-type: none"> • Bureaucracy and Governance Reform • Investment and Business Climate
2. Labor and Migration Diagnostic and Policies	<ul style="list-style-type: none"> • Infrastructure
3. Social Protection Policies and Social Welfare	<ul style="list-style-type: none"> • Education • Health • Food Security
4. Poverty and Vulnerability Diagnostic and Policies	<ul style="list-style-type: none"> • Poverty Reduction
5. Pro-poor Growth Policies	

SMERU will study these issues either independently or in collaboration with other organizations. From January-June 2010, SMERU completed four research projects relating to its MTRP, and is currently conducting 12 ongoing projects on topics related to its MTRP.

SMERU's research plan is subject to annual review and evaluation to accommodate the research needs and priorities of SMERU's stakeholders. SMERU pays close heed to the upcoming issues that may have an impact on social and economic conditions so as to monitor the immediate impact of such situations and adjust its research agenda. For example, SMERU's current research on Monitoring Socioeconomic Impacts of the 2009 Global Financial Crisis in Indonesia was undertaken to ensure the relevance of SMERU's work after recent events in the financial markets.

SMERU's presentation and publication practices also contribute to its influence. For example, in order to capture the widest possible readership, most of SMERU's publications are published in both Bahasa Indonesia and English, and are widely distributed to many stakeholders. In addition to producing and distributing free publications, SMERU also maintains its website (www.smeru.or.id), profiling all the Institute's publications and other output, all of which can be downloaded free of charge. SMERU uses web analytics to rank its most downloaded research. Furthermore, presentations by SMERU staffs in workshops and other forums enable SMERU to publicize its recommendations for improved public policies. SMERU's bi-lingual quarterly newsletter is another significant outreach tool. SMERU has an extensive mailing list, including officials in relevant government departments (both national and regional), international development agencies, and academics (both Indonesian and foreign). SMERU also conducts capacity building initiatives, such as workshops and training programs.

Think tanks must take care to produce an appropriately diverse portfolio of publications. SMERU's output rests on a continuum that stretches from short, topical, digestible policy briefs to original technical papers destined for scholarly journals. Sophisticated, original work builds an academic reputation and advances a field of study, yielding large returns over the long run. The abstruse rigor and long time scale of pure scholarship, however, render it poorly suited to the policy context, whereas shorter memoranda distilling the essential findings of existing research can appear quickly enough to keep pace with events. Following each national election, for instance, SMERU delivers policy briefs to Indonesia's new government offering easily understandable recommendations incorporating the findings of the research community as applied to Indonesia's most pressing socioeconomic problems. By working on projects across this continuum simultaneously, SMERU avoids the costs of either extreme, ensuring that its recommendations are based upon sound research while its policy influence is maintained.

The fruits of these efforts are many specific presentations and meetings with high level policymakers of relevant ministries, perhaps the most effective method for bridging research and policy. Senior government officials, including ministers and members of parliament, have come to regard SMERU as a competent, responsible organization. In particular, SMERU's engagement with government has taken three forms:⁷

- *Requests by government for discussions about SMERU's own independent research findings.* The number of such requests has been steadily increasing. Various government departments and agencies have also invited SMERU to be involved in their official seminars and discussions;
- *Impact on the formulation and direction of government policies* – SMERU's commitment to bridging research and policy has had a significant impact on government policies in a number of areas, and a number of its policy recommendations have been adopted;
- *Training/capacity building regional government officials.*

Table 1 details some of SMERU's most significant instances of engagement with the Indonesian government, broken down by these categories.

SMERU has also carefully considered the advantages and disadvantages of a more public media profile. Such a profile promises improved public awareness and understanding of the issues. In addition, it cultivates a constituency of SMERU supporters, both domestic and foreign, which over the medium term should enable SMERU to tap into funding opportunities. SMERU's staff, meanwhile, generally view extensive media work as a distraction from their research mandate. Fearing entanglement in public discussions of low analytical quality and the complication of relationships with key government agencies, they deliberately wish to eschew the tendency of prominent Indonesian intellectuals to become media personalities lacking in

⁷Based on SMERU's internal reporting by individual staffs engaged with various government agencies.

analytical substance. Although there remains uncertainty about the optimal media strategy for SMERU and other research organizations, other think tanks would do well to carefully consider these same trade-offs, in the context of their own capacities.

Another important set of activities besides research are those that cultivate external support. Without support from national and local champions, members of parliaments, donors, academic institutions, NGOs, and the public, SMERU would not have achieved its current reputation or financial sustainability. The buildup of a credible “brand name,” the recouping of startup costs, the establishment of institutional norms, and the growth of robust relationships with stakeholders are all processes that bear their greatest fruits only over time and thus require a sustained commitment from third party benefactors.

Because of its connection with the Poverty and Economic Policy (PEP) network through its study on CBMS, SMERU was recognized for its quality research and staff competence by being offered the next international project on international migrants allotted for Indonesia. This project is now one of SMERU's ongoing studies. This also applies to other ongoing studies, such as HEFPA. SMERU acquired this study after an invitation from a former foreign intern from the Free University of Amsterdam. The HEFPA study is a four-year joint collaboration project with Erasmus University Rotterdam and Institute of Social Studies in The Netherlands, funded by the European Commission 7th Framework Program and involves 12 research teams from Asia and Europe.

Lesson 6: Funding

As discussed in the earlier review of SMERU's history, core funding is of tremendous importance in the knowledge sector. Donor agencies harbour qualms about core funding due to their results-based approach that requires the delivery of specific outputs and approved target outcomes to justify funding. These paradigms, however, are inappropriate for a research institution; deliverables of this level of specificity are inherently somewhat unpredictable. Although overreliance on open-ended support from a small number of donors could in principle compromise perceptions of independence, excessive dependence on project funding is of even greater risk. Project funds may trigger costly value-added taxes (VAT)—10% in Indonesia, which are rarely paid for by donors—and impair the coherence and creativity of a research program; they are also frequently less reliable.

Private donations are sometimes suggested as well. In SMERU's experience, these contributions, while obviously desirable, are difficult to obtain for several reasons. SMERU's topics—social policy research—are not particularly appealing to local donors. Moreover, corporate social responsibility programs rarely overlap with these issues. Philanthropic contributions are not yet common in general in Indonesia, and are not tax deductible. Research organisations must also carefully vet potential private donors to avoid establishing relationships with businesses with conflicts of interest or negative reputations.

Overall, the focus for research organizations is clear. While project funding is an important revenue stream, *substantial core funding is a prerequisite for sustainability*. SMERU's core grant from AusAID, its only donor still providing core fundings, has been crucial to its survival. A balance between the two is ideal. Long-run financial sustainability needs be addressed from the very start: all stakeholders, including the research staff, must work to put in place mechanisms to ensure it, keeping in mind the possibility that early funding sources will be phased out. At SMERU, a full time External Affairs Officer has been employed since very early on to coordinate the solicitation of funds.

In the long run, the buildup of endowment fund is an ideal model for a core funding stream. Such fund promote an organization's capacity to conduct and disseminate a wide range of research independently while smoothing fundraising needs over time. SMERU, unfortunately, has not been able to develop an endowment fund, although at the end of 2009 it was able to purchase its current office building using its saving fund. So far its financial survival is attributable to a mixture of core funding, competitive research grants, and project funding.

At SMERU, the current combination of core funding versus commissioned research and competitive research grant is about 55% to 45%, respectively. These funds were secured through grants and contracts with various donor agencies, universities, and other institutions reflecting the growing appreciation of SMERU's research quality and administrative management. AusAID has supported SMERU for a study monitoring the impacts of the GFC, as well as through its project partners such as ANTARA, IALDF, and EINRIP. Other research funding was obtained from the EBPDN-ODI, the European Union (EU), Philippine Institute for Development Studies (PIDS)-International Development Research Centre (IDRC), the Democratic Reform Support Program (DRSP)-USAID, ODI, the World Bank, the Institute of Development Studies (IDS), and the International Initiative for Impact Evaluation (3ie), among others. Transparency and accountability in financial management have enabled SMERU to demonstrate its capacity to administer these funds.

In SMERU's grant proposals, in-house costs have been carefully incorporated into research pricing levels. These include:

- Staff salary (including various benefits and income tax);
- + Research expenses (including purchase of secondary data, field work costs, reporting, and dissemination);
- + Overhead costs charged at 20% of staff salary;
- = *Subtotal* for research price;
- + VAT charged at 10% of total costs
- = *Total* research price⁸

Most project funders, however, are not willing to pay for the VAT, leaving SMERU to bear it.

⁸Sometimes overhead costs & VAT are not shown as separate budget line, but build into staff salary cost.

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Table 1: Details of SMERU's Policy Impact

A. Examples of Policy Discussions Held

2003	<p>Discussions were held with the DPR's Special Committee on Draft Bills for Labor and Industrial Relations Dispute Resolution.</p> <p>The State Ministry for Women's Empowerment worked with SMERU to map the efforts to strengthen micro businesses in the context of improving the women's economy.</p> <p>SMERU's involvement in the formulation of the Poverty Reduction Strategic Paper (PRSP) has enabled it to actively engage with the four PRSP Task Forces from Bappenas (National Planning Board) and TKP3KPK (the Coordinating Team for the Preparation and Formulation of Poverty Reduction Strategies), which consists of government and non-government officials, and the Coordinating Ministry for Social Welfare. SMERU was influential in providing input on the PRSP Zero Draft.</p>
2004	<p>SMERU was able to give input to Bappenas regarding embedding inequality issues in the upcoming Medium Term Development Plan (RPJM).</p> <p>SMERU played a role in the drafting of the Indonesian Social Security Reform Bill (<i>Jamsosnas</i>) when the findings of SMERU's study on social security as well as community-based health insurance scheme (JPKM) were presented</p>
2005	<p>Dr. Sudarno Sumarto was involved and provided inputs to Bappenas to discuss the proposed cash transfer mechanism for poor families.</p> <p>When the SMERU Team presented the findings of the study "Rapid Appraisal of the 2005 PKPS-BBM for Educational Sector School Operational Assistance (BOS)" to Bappenas, the Department of Education adopted some of the recommendations made.</p>
2007	<p>Dr. Sudarno Sumarto was appointed by the State Minister for Development/Head of Bappenas as one of the members of Forum Masyarakat Statistik (FMS) or Statistics Community Forum. The FMS is an independent body that is tasked to provide inputs to BPS, as mandated by Law No. 16/1997 on Statistics.</p> <p>Also, Dr. Sudarno Sumarto was invited by the Ministry of Home Affairs (MOHA) in the finalization of the presidential regulation on poverty indicators.</p>
2008	<p>In January, the main findings of SMERU's study on DAK (Specific Allocation Fund) and their policy implications to relevant stakeholders were presented to relevant government agencies.</p> <p>Also, the main findings of the study of PNPM Generasi and PKH (Conditional Cash Transfer Programs) were presented at Bappenas on 21 January 2008. The research team also provided policy implications for future programs of the same kind at Bappenas.</p> <p>In April, SMERU's study on the economic consequences of Bali and Jakarta Bombings was presented to Menko Polhukan (Coordinating Ministry for Politics, Law and Security) for further feedback on the substance and recommendations.</p>

B. SMERU's Influence on formulation and direction of government policies

2005	<p>The mid-term report on the ADB/Bappenas Technical Assistance (TA) Project adopted two recommendations provided by SMERU: social protection scheme, and Raskin subsidy.</p> <p>SMERU sent several memorandums on teachers' absenteeism, the Ministry of National Education and members of the Parliament.</p> <p>Based on the results of SMERU's work on fuel subsidy removal and the related fiscal consequences, socialization and compensation strategy, a memorandum prepared by the research team and provided to Bappenas as a contribution for future policy direction.</p>
2006	<p>SMERU submitted the review of the draft report of the independent academic team to review the amendment of Law No 13/2003 on Employment and Labor. Some of SMERU's arguments were used to improve the document. SMERU also submitted a memorandum to the Office of the Coordinating Minister of Economy and Finance on the state of labor condition in Indonesia.</p> <p>SMERU was invited several times by the Trade Minister to seek its inputs in mitigating the food price shocks, especially on soybean, that affected the purchasing power of the poor and vulnerable groups. SMERU was also involved in the discussion on the proposed survey on the stock of national rice availability when there was debate over rice importation.</p>
2007	<p>SMERU's research findings of its supermarket study were able to influence the formulation of the new Presidential Regulation No.112/2007 on Spatial Planning and Development of Traditional Markets, Shopping Centers and Modern Markets.</p>
2008	<p>In February, Mr. Sudarno Sumarto was one of those invited by President SBY for a technical meeting to give input on the importance of credible, reliable and quality statistics and its link among economic growth, job creation and poverty.</p> <p>Dr. Sudarno Sumarto was also invited by the Trade Minister Mari Pangestu to discuss the mitigation scheme addressing commodity (especially soybean) prices hikes that affect the purchasing power of the poor and vulnerable group; the jobless growth phenomenon and the decline of employment elasticity.</p> <p>In April, the findings of SMERU's study on the economic consequences of Bali and Jakarta Bombings were presented to Menko Polhukan (Coordinating Ministry for Politics, Law and Security). In principle representatives from Menko Polhukan were pleased with the study and felt that it could be a good input for their office in advocating about the adverse impact of terrorism. They would like the result to be published in mass media and in a book and would like to disseminate the study among relevant government agencies.</p>

C. Training/Capacity Building Efforts

2005	<p>SMERU, in collaboration with the World Bank Institute (WBI), implemented capacity building program for policy makers (at both central and local levels) entitled “Basic Poverty Analysis and Diagnostic for Indonesia”.</p> <p>Two training sessions for the Secretariat Staff of the House of Representatives (DPR-RI): The First Phase: a 45-day Intermediate Level Training on the Pro-poor State Budgeting, including a research activity in the field and report writing. The Second Phase is 25-day training on State Budgeting.</p>
2005 - Ongoing	<p>Training session on research methodologies for 20 NGOs from different regions in Indonesia.</p> <p>Three training sessions on “Evidence-based Policy Advocacy: Bridging Research and Policy”, organized by SMERU and CSOs Forum</p>
2005 - Ongoing	<p>Over the years, SMERU has had the opportunity to conduct research projects equipping local governments with the capacity to reduce poverty in their area, through Participatory Poverty Assessment (PPA). In this initiative, SMERU assisted the local government in formulating local development plan and regional PRSP.</p> <p>The Community-based Monitoring System (CBMS) is another tool provided by SMERU to build capacity of local government in addressing their poverty issues. The immediate focus of CBMS is to take a family census and position them in welfare ranking order. It aims to achieve better targeting of pro-poor programs.</p> <p>Supporting the local government regulatory reform process in Kupang, TTU and Flotim, NTT. (research funded by ANTARA-AusAID)</p>
2008	<p>SMERU has been entrusted to conduct a research funded by ANTARA-AusAID which aims to support the local government regulatory reform process in Kupang, TTU and Flotim, NTT. SMERU will collaborate with The Asia Foundation to undertake this Regulatory Impact Assessment (RIA) project.</p>

Table 2: SMERU Target Group Analysis

TYPE TARGET GROUPS	MAIN CHARACTERISTICS	CONSTRAINTS ENGAGING WITH THEM	STRATEGIC ISSUES FACING SMERU	OPTIONS FOR SMERU	RESOURCES NEEDED
National government	<ul style="list-style-type: none"> Politically driven Reactive but sensitive Too bureaucratic Lack of capacity Lack of coordination (between and within) Lack of delegation Willingness to engage with the third sectors More transparent Open to criticism Lack of gender sensitivity 	<ul style="list-style-type: none"> Unstructured / ad hoc Too individualized than institutionalized Some are less receptive and slow in responding to research findings Patronage behavior Rent/seeking behavior 	<ul style="list-style-type: none"> Policy relevant Broadening and deepening engagement (tailoring to their needs) Systemic approach Mode of address More active research findings dissemination 	<ul style="list-style-type: none"> Move government program Public policy research and dissemination Engaging with current social-economic issues 	<ul style="list-style-type: none"> Additional resources (time allocation and funding) Upgrading staff knowledge to better engage with government
Regional government	<ul style="list-style-type: none"> Lack of vision Politically driven Too bureaucratic High turn-over (occupation) Human resources are lacking Lack of coordination (horizontally & vertically) Lack of delegation Patronage/feudalistic behavior Lack of gender sensitivity 	<ul style="list-style-type: none"> Rigidity on budgeting process Lack of strong leadership champions Lack of capacity in absorbing new ideas. Capacity to translate ideas into practice Myopic/short-sighted policy behavior 	<ul style="list-style-type: none"> Improving capacity Broadening SMERU's stakeholders to influence local government Identifying local champions Engaging with local government associations 	<ul style="list-style-type: none"> Workshop, dissemination of SMERU publications 	<ul style="list-style-type: none"> Additional resources (time allocation and funding) Upgrading staff knowledge to better engage with local government
Non-Government Organizations	<ul style="list-style-type: none"> Heterogeneous (quality, orientation, some of them are political) Lack of resources and dependent Lack of capacity Prone to internal conflict Strong in advocacy but lack in depth More democratic in nature, some of them are transparent Staff turn-over 	<ul style="list-style-type: none"> Misperception of SMERU Different orientations Weak management (documentation, filing) Difficult to engage sustainably 	<ul style="list-style-type: none"> Mapping potential NGOs Consult with them for research planning Engage with them to disseminate and to implement SMERU research findings 	<ul style="list-style-type: none"> Mapping and identifying NGOs for future partners Regularly contact and visit to NGOs Enhancing SMERU's engagement with NGOs Intermediacy effort 	<ul style="list-style-type: none"> Additional resources (time allocation and funding) Upgrading staff knowledge to better engage with NGO
Academics.	<ul style="list-style-type: none"> Academic orientation (theoretical approach) Too heterogeneous 	<ul style="list-style-type: none"> Different approach in research methodology Lack of experiences in grounded research 	<ul style="list-style-type: none"> Sharing knowledge Collaboration in research 	<ul style="list-style-type: none"> Workshop, dissemination of SMERU research & publications Joint research 	<ul style="list-style-type: none"> Additional resources (time allocation and funding) Upgrading staff knowledge to better engage with academic community

Table 3: SMERU Stakeholders Analysis

STAKEHOLDER	EXPECTATIONS	SUPPORT	OBSTACLES	MAIN ISSUE	STRATEGY/RESPONSE
SMERU personnel	<ul style="list-style-type: none"> Maintain focus on poverty and social protection Widen scope of research e.g. Political issues, gender, environment Sustainability Staff capacity building Encouraging all staff to be aware of current research project 	<ul style="list-style-type: none"> Improve quality & professionalism, work on schedule Maximize existing capacity and expertise 	Resources (access to journals, limited number of researchers, overload in projects) → <i>what is the optimal size of SMERU researcher; high cost to subscribe to academic journals; utilize existing informal network</i>	Widen the scope of poverty research, e.g. politics/ political dimensions	<ul style="list-style-type: none"> Maximize use of existing expertise, and increase expertise in order to widen scope of research Initiate specific, focused research Subscribe to academic journals Planned capacity building program Discussion Groups/Presentation TA on Gender mainstreaming for SMERU researchers
Other organizations in the field (National and International)	<ul style="list-style-type: none"> Prominent media exposure, starting from the proposal stage Collaboration & joint research Promotion of research topics 	Transfer of skills, expertise, and support	Differing interests and skills	Research networking	Widen networks
Donors/ Sponsors	<ul style="list-style-type: none"> To provide second opinion on government strategies & policies Perform advocacy role (<i>risks to shift from our core mission</i>) 	Promote SMERU's image as a good research institute	<ul style="list-style-type: none"> They have their own strategic documents & priorities Bidding process 	<ul style="list-style-type: none"> Changing donor priorities To monitor donor priorities 	<ul style="list-style-type: none"> Distribute research reports to donors Increase formal & informal communication Explore best advocacy strategy for SMERU without compromising our mandate (e.g. Partnering with external NGO or exploit participatory action research within the SMERU)
Business Institutions	Awareness of the direction of public policies	Company CSR integrated with SMERU research	Not suited to company's interests	Networking	Expand networks
General Public/ the poor	The voice of the poor is heard	The poor as respondents and informants for research	They hope for tangible aid/assistance	<ul style="list-style-type: none"> Eliminate poverty, moving out of poverty Increased focus on the needs of the poor 	<ul style="list-style-type: none"> Promote research results Expand the scope of research in line with society's needs
Bureaucracy	SMERU research used as an input into the formation of public policy	Openness to SMERU's research	<ul style="list-style-type: none"> Bureaucracy 	SMERU to become pioneer for examination of public issues	SMERU's work in line with public policy
Media	<ul style="list-style-type: none"> SMERU to provide research about government policy and issues of public interest SMERU to provide updated data 	<ul style="list-style-type: none"> Report on SMERU's research 	<ul style="list-style-type: none"> Difficult for media to access SMERU's research Risk of misreporting 	<ul style="list-style-type: none"> To engage the media as a partner for SMERU 	<ul style="list-style-type: none"> Quality press releases Media contact officer always available Hold media gatherings about relevant issues

Table 4: SMERU Staffing Levels by Year, 2001–2010

Staff Positions	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Management											
Director	1										1
Deputy Director				1							1
Researchers											
<i>Senior Researcher</i>											
Hired	4		1		1						6
Resigned							1	1			2
<i>Researchers</i>											
Hired	8	1	2		1	1	3	5	4	1	26
Resigned				1			3		3	2	9
<i>Junior Researchers</i>											
Hired					1	1				3	5
Resigned											0
Support Staff											
<i>Administrative</i>											
Hired	8	2	2	4	4	2	2	2			26
Resigned				1	1	3		1	2	1	9
<i>Utility Staff</i>											
Hired	9				1		1	1			12
Resigned					1	1		1			3

Figure 1: Process for Editing and Translating Reports for Donors

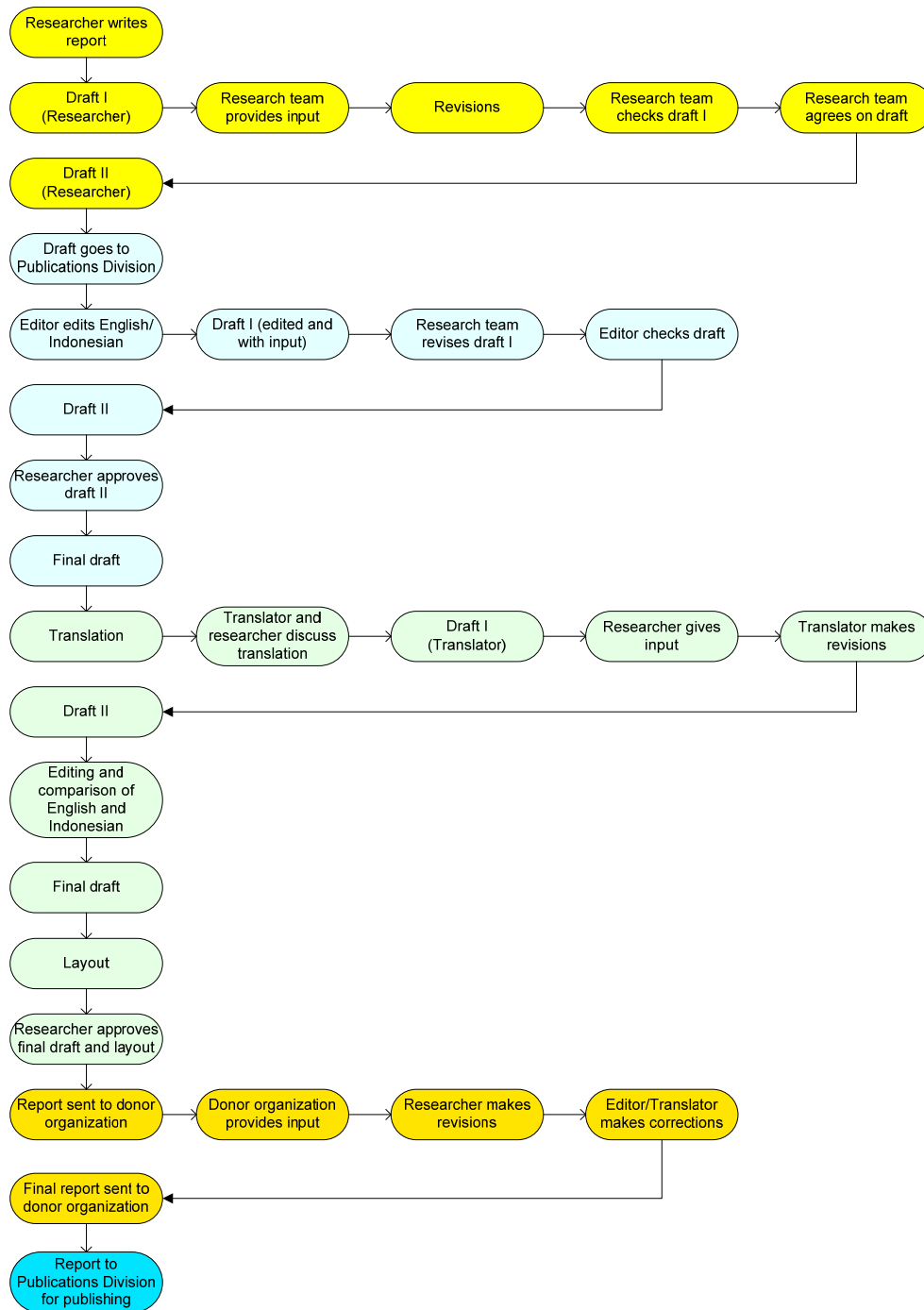


Figure 2: Process for Publication of Reports

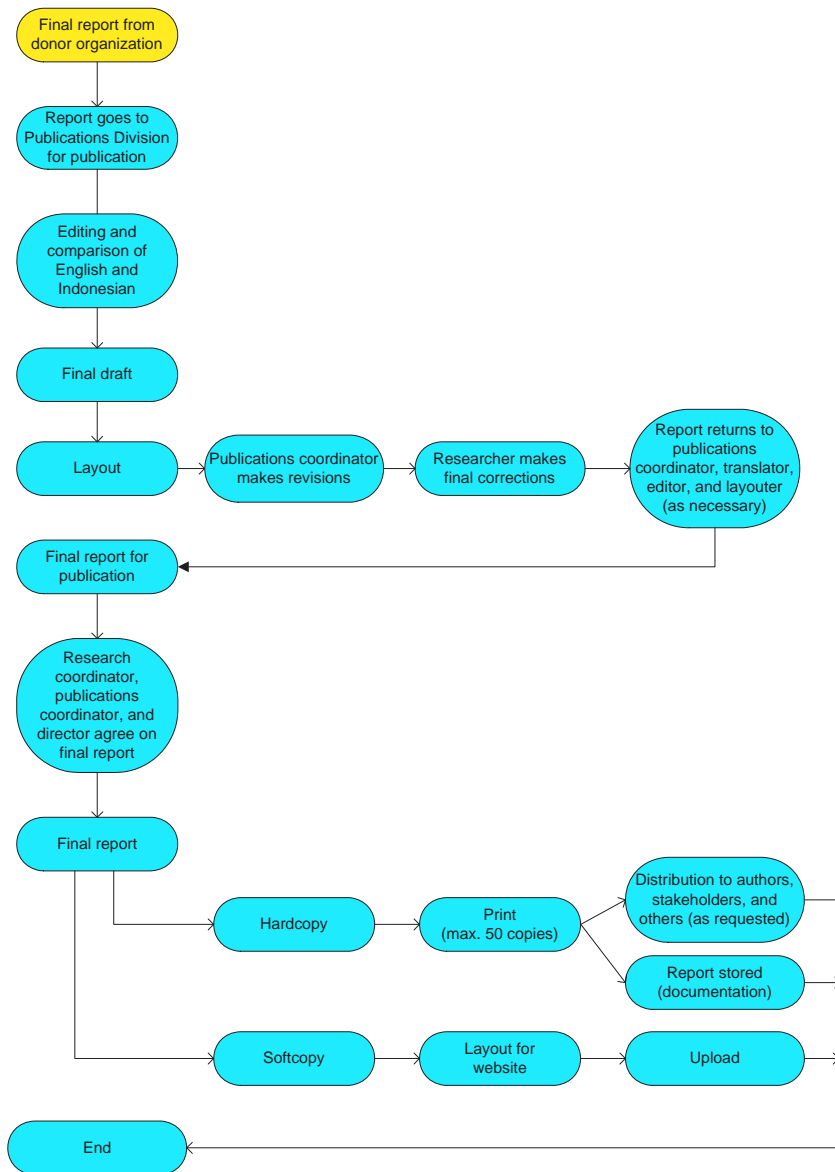


Figure 4: SMERU Organizational Structure Chart

