



## Indonesia – Leading the way in tackling the youth employment challenge

Indonesia has more than six million unemployed young women and men between the ages of 15 and 29, representing three-quarters of the total unemployed population. The youth unemployment rate is about 15% in rural and 25 % in urban areas. Among those young people who have jobs, 46 % are underemployed, working less than 35 hours a week. The vast majority of working youth are in the informal economy where they lack adequate income, social protection, security and representation.

### The response

To address this youth employment challenge, the Government of Indonesia volunteered to be a [lead country](#) in the UN Secretary General's Youth Employment Network (YEN) in 2003, with the specific aim of developing a National Action Plan on Youth Employment.

At the recommendation of the ILO Office in Jakarta, the Coordinating Minister of Economic Affairs established an [Indonesian Youth Employment Network \(I-YEN\)](#). The I-YEN involves senior policy-makers from the Ministries of Economic Affairs, Manpower and Transmigration and Education, as well as prominent representatives from the YEN core partner institutions, workers' and employers' organizations, youth and civil society groupings, and the academic community.

Under the direction of the I-YEN steering committee a National Youth Employment Action Plan for Indonesia (I-YEAP) has been drafted. This draft is currently being shared with a core group of these stakeholders.

### Youth participation: Giving a voice to young Indonesians

Feeding directly into this drafting process are the findings of two ILO led activities in 2003: a series of *Youth for Youth* consultations held in November / December and a number of school-to-work transition surveys carried out in the summer.

#### Education and skills

- 28% of self employed youth did had no primary education
- 60% of self employed youth and 40% of job seekers left school because of financial constraints
- 39% of those interviewed received educational and vocational guidance
- less than 40% have participated in work experience programmes

#### Entering the job market

- 67% did not receive careers or job opportunities counselling
- 47% used informal networks to find jobs, 21% replied to advertisements and 4% used public employment services

#### The Characteristics of working youth

- 25% work at home or in home-based industries
- Over 60% are in workplaces with less than 10 employees
- 50% of self-employed enjoy the greater independence this brings

Source: School to Work Transition Survey and Report: MoMT and ILO: 2003

In the youth consultations, covering 3 provinces, more than 400 young Indonesian's were given the opportunity to express their views and to get actively involved in the I-YEN. Some of the most frequent comments included concerns about:

- The high price of education.
- Unequal opportunities in the workplace, especially for young women.
- The education system not providing students with vocational qualifications increasingly sought after by employees.
- The lack of policies conducive to the creation of business start-ups.

The *school-to-work transition surveys* carried out by the Ministry of Manpower and Transmigration (MoMT) with the support of the ILO interviewed 2,180 young people between the ages of 15-24. The key findings (see box below) have fed into the development of a Career Guidance Manual for the use by secondary and technical schools in pilot regions.

### **Tools to help young people seek work**

The I-YEN has also developed a number of practical aids for young people seeking work or looking to start their own businesses:

*A Pocket Guide for Youth Seeking Work* targets young people both in and out of school, unemployed and new entrants to the labour market. The Guide provides young Indonesians with information on how to profile themselves for work and what to do to seek work.

In partnership with the Ministry of National Education, I-YEN has organized the translation and printing of 10,000 copies of the ILO's *Start Your Business* (SYB) package of materials (Handbook, Workbook, Business Plan). These publications are designed for young women and men in senior vocational secondary schools (15 – 18 year olds) to help them stimulate their entrepreneurial consciousness and skills and to consider business development as a viable income generation alternative.

As of February 2004 the SYB materials have been introduced to 14 Lead Trainer from the Government and teachers/trainers from approximately 227 institutions. In August 2004 (at the beginning of the new school year) the SYB programme will be officially delivered as part of the secondary vocational curriculum in the institutions where teachers have been trained in their usage.

The I-YEN has provided funding support for [Youth Entrepreneurship Start-up](#), a youth business programme for aspiring university graduates with good business ideas but no access to capital, based on the model of business mentoring and loans developed by Youth Business International.

Other important activities include the development of a toolkit for municipal officials that will facilitate work with young workers in the informal sector and the publication of an employers' guide and a workers' guide to youth employment in Bahasa.

The World Bank and UNDP are working with the Ministry of Education and youth organisations to focus on the special needs of marginalized youth through the development of life-skills programs for in-school and out-of-school youth, especially those who are poor or otherwise marginalized.

The example of Indonesia clearly shows that the key to success is sound technical assistance, broad-based partnership, and national ownership. The YEN is incorporating these 'lessons learned' as it works with its other lead countries in the development of their own National Action Plans.

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