



Youth Employment in Indonesia

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MINISTRY OF MANPOWER AND TRANSMIGRATION

OUTLINE



I. YOUTH EMPLOYMENT FACTS

II. GAPS & CHALLENGES

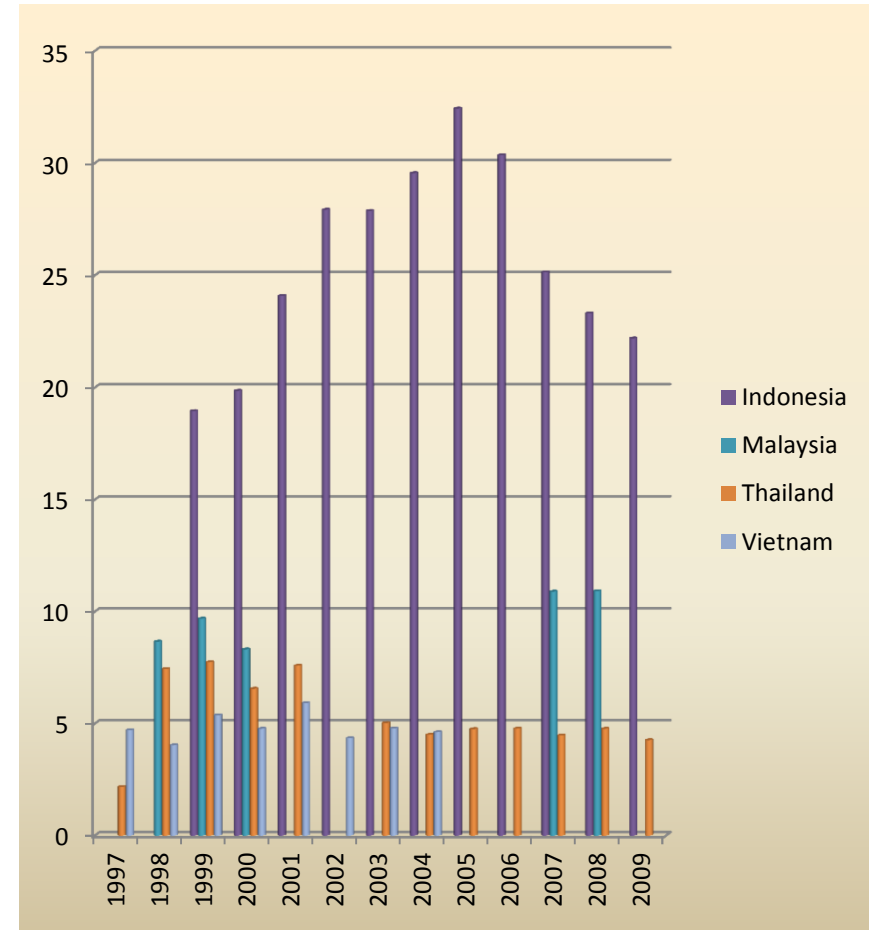
III. POLICIES & STRATEGIES



I. YOUTH UNEMPLOYMENT FACTS



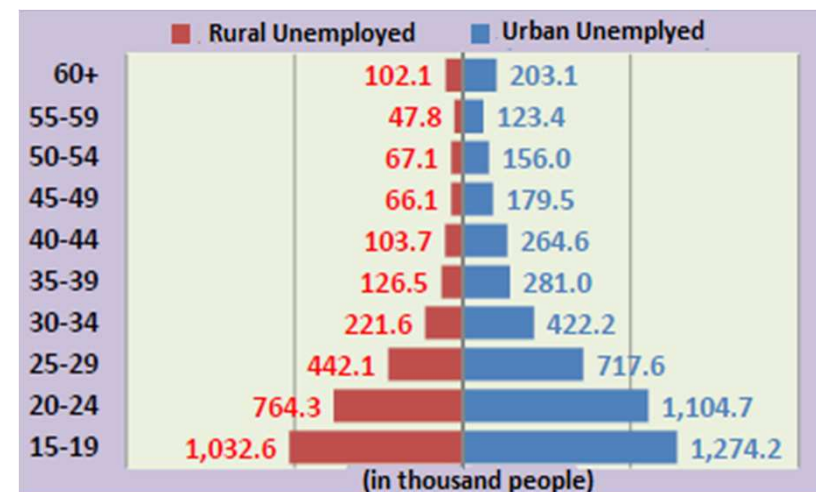
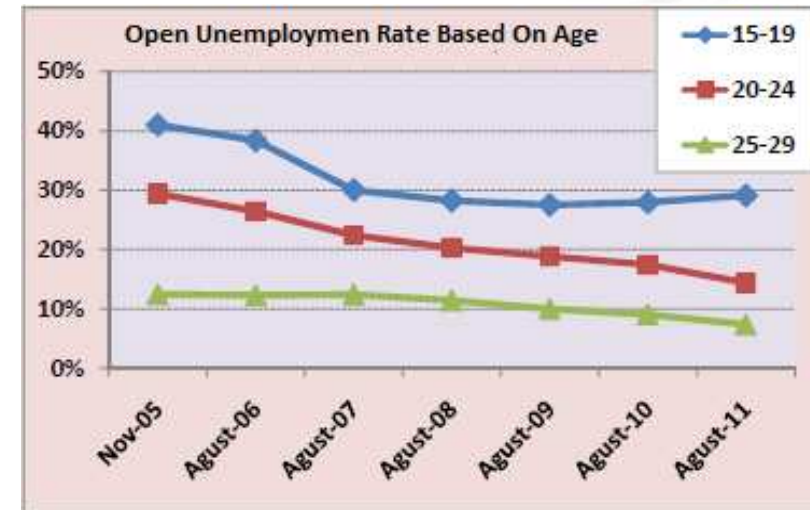
- **In Indonesia, in spite of progress, youth unemployment (15-24 years) remains above the regional average.**



...YOUTH UNEMPLOYMENT FACTS



- Rates of open unemployment of youths decreased, except in the 15-19 year age group since 2009 until 2011
- Unemployment rates based on education decreased in all levels, except for elementary graduation
- Although rates of open unemployment decreased, but more than 5,16 million is still unemployed (14,35% unemployment rate)
- In urban settings, the number of unemployment is higher in all ages



...YOUTH UNEMPLOYMENT FACTS



- **Large proportion of young people in the population and limited job opportunities**
- **Young people form 71,3% of unemployed people**
- **Youth male labor force is slightly higher than youth female labor force**
- **Limited access to employment opportunities due to lack of skills, training, and experience**
- **Most youths work as employees, unpaid family workers and self employed workers**
- **Most youths have occupation as industrial and agriculture workers**



...YOUTH UNEMPLOYMENT FACTS



- **Most of the youths (60%) attained junior and senior high school levels. In addition, only 9,14 percent graduated from diploma and university;**
- **The industrial employment structure of youth shows that most of them work in agriculture, trade and manufacturing sector;**
- **The proportion of youths working in informal sector is higher than those that work in formal sector;**





II. GAPS & CHALLENGES

- **A large share of Indonesian young people remain unemployed;**
- **Some youths are inactive despite having high levels of human capital;**
- **The largest share of employed youth in Indonesia remains in work outside the formal sector;**
- **Limited job opportunities;**
- **Mindset and culture which prevent becoming an entrepreneur;**
- **Lack of data statistic;**
- **Goods and services movement in globalization era.**



III. POLICIES & STRATEGIES



- **Top priorities have been set up for national action plans consisting of employability, entrepreneurship, employment creation, and equal opportunities.**
- **These programs are principally aimed to:**
 - **Employ and utilize youth optimally and humanly;**
 - **Accomplish an even distribution of youth employment creation;**
 - **Provide labor protection for youth,**
 - **Increase the welfare of youth labor.**



... POLICIES & STRATEGIES



● The policies can be broken down as follows:

1. Preparing young people for working :

- overcoming the problem of youth labor surplus, unemployment, and underemployment through macro, regional, sector, and special policies;
- expanding employment creation: labor-intensive or self-employed programs, small and medium enterprises, and cooperatives.

2. Development of labor quality and productivity policy :

- developing work competency of youth in order to increase capability and productivity.

3. Labor protection policy :

- creating a peaceful and harmonious industrial relation between employers and youth employees and better working conditions, welfares, and social security systems for the youth employee.



... POLICIES & STRATEGIES



- **YEN (Indonesian Youth Employment Network) 2004-2007** → under the coordination of the **Coordinating Minister for Economic and The National Development Plan Board (BAPPENAS)** and involving related ministries, private sector representatives, civil society and youth organizations to develop an employment action plan. **Four pillars of YEN policy recommendation to reduce youth unemployment:**
 - 1. Preparing young people to work ;**
 - 2. Creating quality jobs for young people;**
 - 3. Developing entrepreneurship among young people;**
 - 4. Applying equal opportunity (gender equality) in doing business.**





III. STRATEGIES

YOUTH EMPLOYMENT JOB OPPORTUNITY CREATION STRATEGIES

YOUTH POLICY : Reducing the uneducated labor force

TRAINING	APPRENTICESHIP	EMPOWERMENT AND ENTREPRENEURSHIP
INCREASING SKILL TO OBTAIN A JOB	IMPROVING APPRENTICESHIP QUALITY BASED ON THE NEED OF COMPANY	<ul style="list-style-type: none">•PROVIDE ACCESS TO VULNERABLE GROUPS TO INCREASE QUALITY OF LIFE• IMPROVING OPPORTUNITIES FOR YOUTHS TO BE ENTREPRENEURS
INCREASING ACCESS TO JOB VACANCY INFORMATION SERVICES		



1. YOUTH TRAINING STRATEGIES



- **Develop individual, social and professional competency;**
- **Strengthening regulation in training and productivity through policy and regulation adjustment in national and province/regency/municipality levels in the effort to improve manpower quality and productivity;**
- **Strengthening infrastructure training and productivity through institutional performance development;**



...TRAINING



- **Strengthening training and productivity systems and methods through standard, norm, guideline, criteria, and procedure development to improve efficiency and quality of training and productivity**
- **Revitalized vocational training and productivity institution through facility and infrastructure, quality, of instructor, program, and institutional management for promoting function and performance of training productivity institution.**



2. YOUTH APPRENTICESHIP STRATEGIES



- **Domestic Apprenticeship** → increasing cooperation with the business/private sectors in promoting quality of apprenticeship, based on industry need by revising selection mechanisms in company, and getting certification of competence.
- **Overseas apprenticeship** → working with Japan since 1993 to have a recorded 45.826 people posted in a number of Japan companies in industry, automotive, electric textile, manufacture, machine and building sectors.



3. YOUTH EMPOWERMENT AND ENTREPRENEURSHIP STRATEGIES



- **Capacity building for youth including vulnerable groups, through :**
 - 1. Business Management Training (business planning, finance administration, marketing, taxing, life skill, etc.)**
 - 2. Technical skilled training**
 - 3. Mentoring/ assistance**



...EMPOWERMENT AND ENTREPRENEUR



- **Labor intensive program**
- **Appropriate technology program**
- **Empowerment of Independent Labor (TKM)**
- **Independent and Professional Young Labor (TKPMP)**
- **Subsidy Programs**
- **Bachelor Labor Volunteers (TKS)**
- **Exchange of young volunteers across States**



4. ACCESSING INFORMATION SERVICES FOR JOB VACANCIES



- **Procuring equipment for the online job exchange**
- **Integrating domestic and overseas labor market information systems**
- **Developing employment services room**
- **Creating national and provincial job fairs targeting young job seekers including young dissabled people**
- **Cooperating with JICA for Employment Placement Services (EPS) establishment**



5. STRENGTHENING CAREER GUIDANCE AT SCHOOLS



- **The Ministry of Manpower and Transmigration and Ministry of Education and Cultural support career guidance teachers and counselors in secondary schools.**
- **The efforts are made to improve the knowledge of new entrants or students about the principles of labor market and to facilitate the transition from educational system to the work world prior to their employment.**





THANK YOU



MINISTRY OF MANPOWER AND TRANSMIGRATION

HUMAN RESOURCE PROFILE 2012

AUGUST 2012



POPULATION OF INDONESIA
237,64 milion*

LABOR FORCE
118.04 MILION
(67,88%)

WORKING AGE POPULATION
[≥ 15 Yr]
173,90 milion

NON LABOR FORCE 55.86 MILION
(32,12%)

EMPLOYED
110.80 ML (93,86%)

Sector based :	
AGRICULTURE	: 38.88 ml [35.10%]
INDUSTRY	: 15.37 ml [13.87%]
CONSTRUCTION	: 6,79 ml [6.13 %]
TRADE	: 23.15 ml [20.89%]
TRANSPORTATION	: 5.00 ml [4.51%]
FINANCE	: 2.66 ml [2.40%]
SOCIETY SERVICES	: 17.10 ml [15.57 %]
OTHERS	: 1.85 ml [1.67%]
EDUCATION BASED:	
<PRIMARY	: 53.88 ml [48.63%]
ELEMNETARY	: 20.22 ml [18.25%]
SENIOR HIGH SCHOOL	: 17.25 ml [15.57%]
VVOCATIONAL SCHOOL	: 9.50 ml [8.57%]
DIPLOM	: 2.97 ml [2.68%]
UNIVERSITY	: 6.98 ml [6.30%]

OPEN EMPLOYMENT = 7.24 Milion
Level Open unemployment (LOU)= 6.14%
(Target LOU)- RPJM = 5-7 %

< PRIMARY	: 2,04 (28,18%)
ELEMENTARY	: 1,69 (23,34%)
HIGH SCHOOL	: 1,83 (25,28%)
VOC. SCHOOL	: 1,04 (14,36%)
Diplome I/II/III	: 0,20 (2,76%)
University	: 0,44 (6,08%)

EMPLOYED > (34 Hours/week)
76,51 ml
[69,05 %]

EMPLOYED (< 35/week)
hours 34,29 ml
[30.95%]

UNDER EMPLOYED
12.77 ML
[37.24%]

RPJM 25-28 %

PART TIME
21.52 ML
[62.76]



Source : BPS, official Statistik AUGUST 2012,
*)Number of Indonesian population 2010 , by BPS 20 12