



Understanding Children's Work
An Inter-Agency Research Cooperation Project

Understanding children's work and youth employment outcomes in **Indonesia**

National seminar presentation
Jakarta, June 2012

Presentation overview

- (1) Understanding children's work
- (2) Understanding youth labour
market outcomes
- (3) Responding to child labour and
youth employment concerns



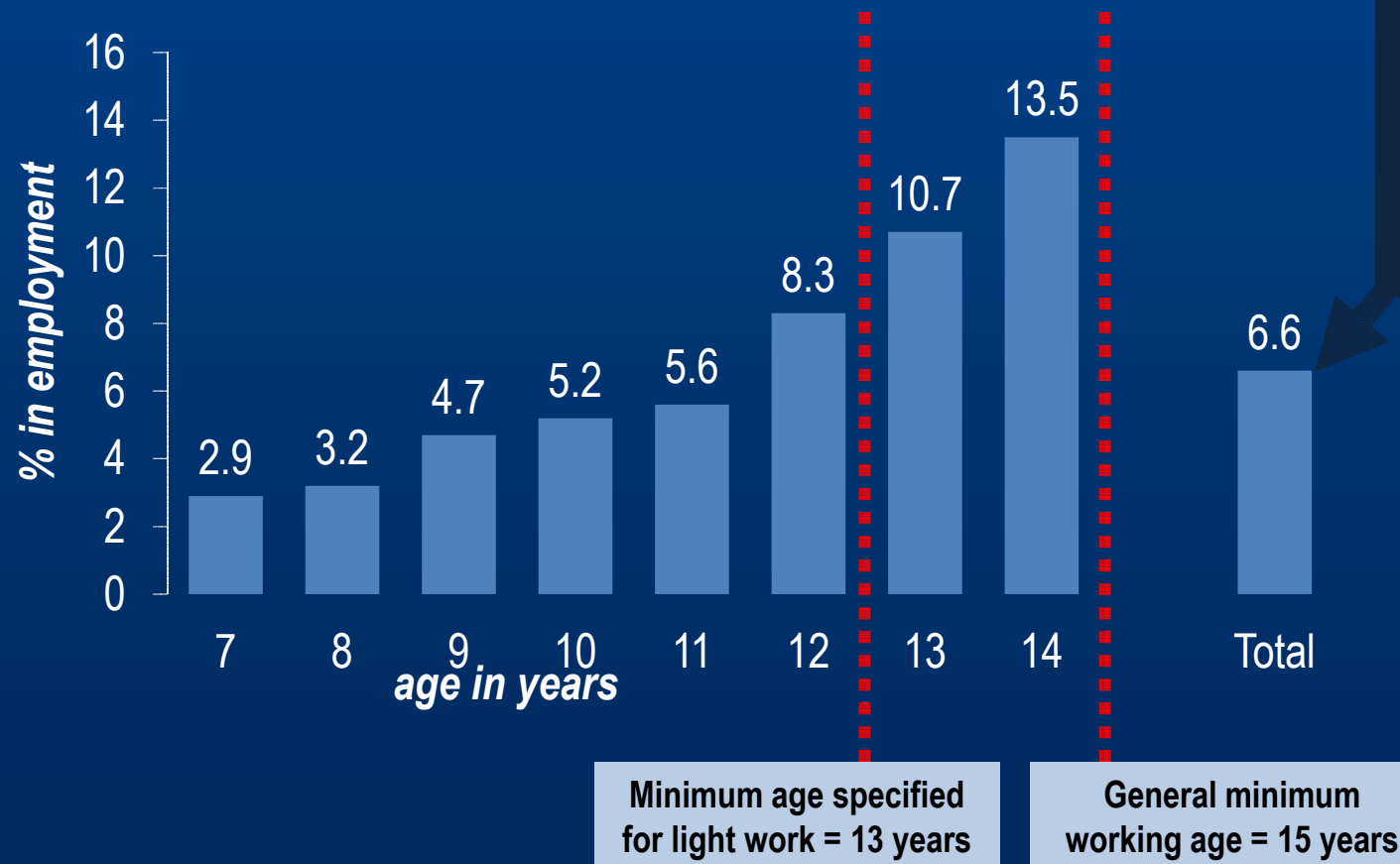
Part 1.

Understanding
children's work:
statistical profile

Extent of children's involvement in work

Children's involvement in employment remains an **important policy concern** in Indonesia

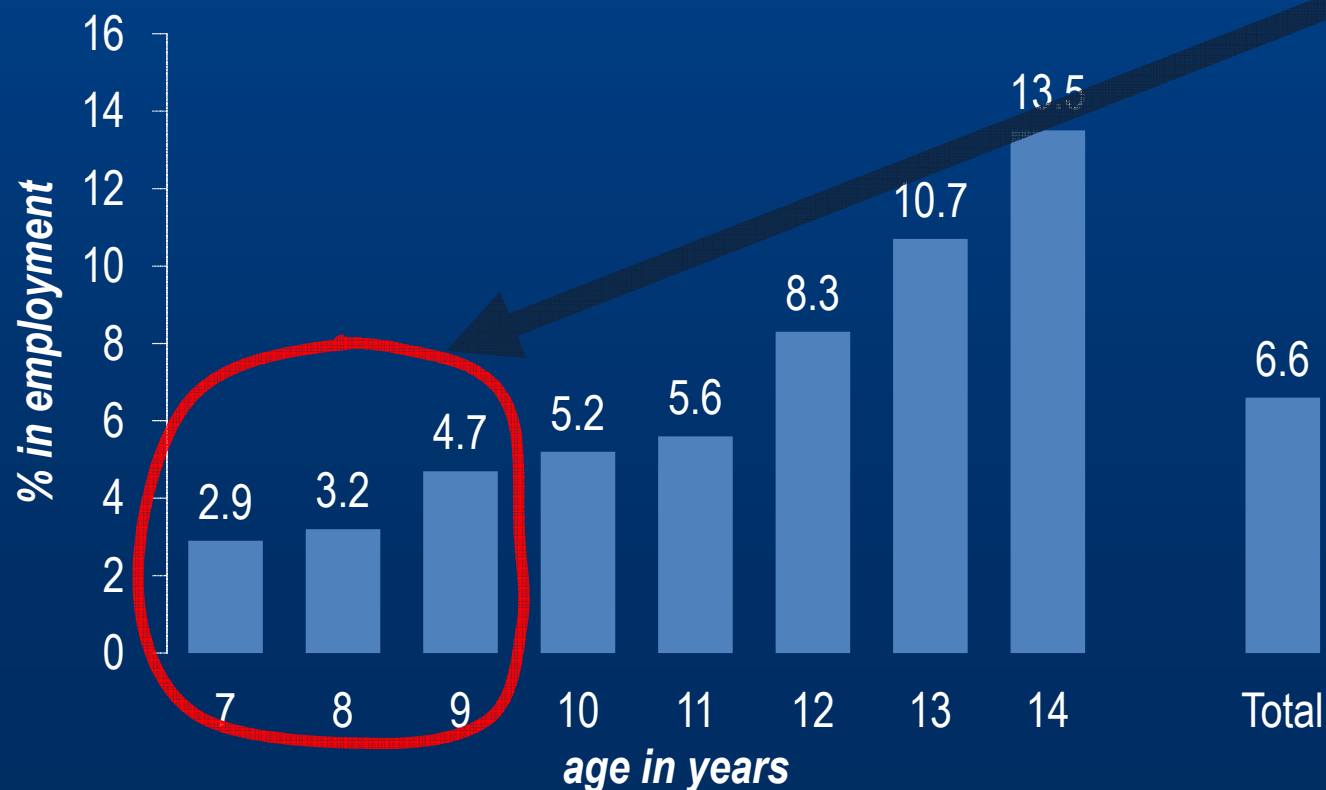
Figure. % children in employment, 7-14 years age group, 2009



Almost 7% of 7-14 year-olds, 2.3 million children in absolute terms, were in employment in 2009

Numbers of even **very young working children** are far from negligible

Figure. % children in employment, 7-14 years age group, 2009

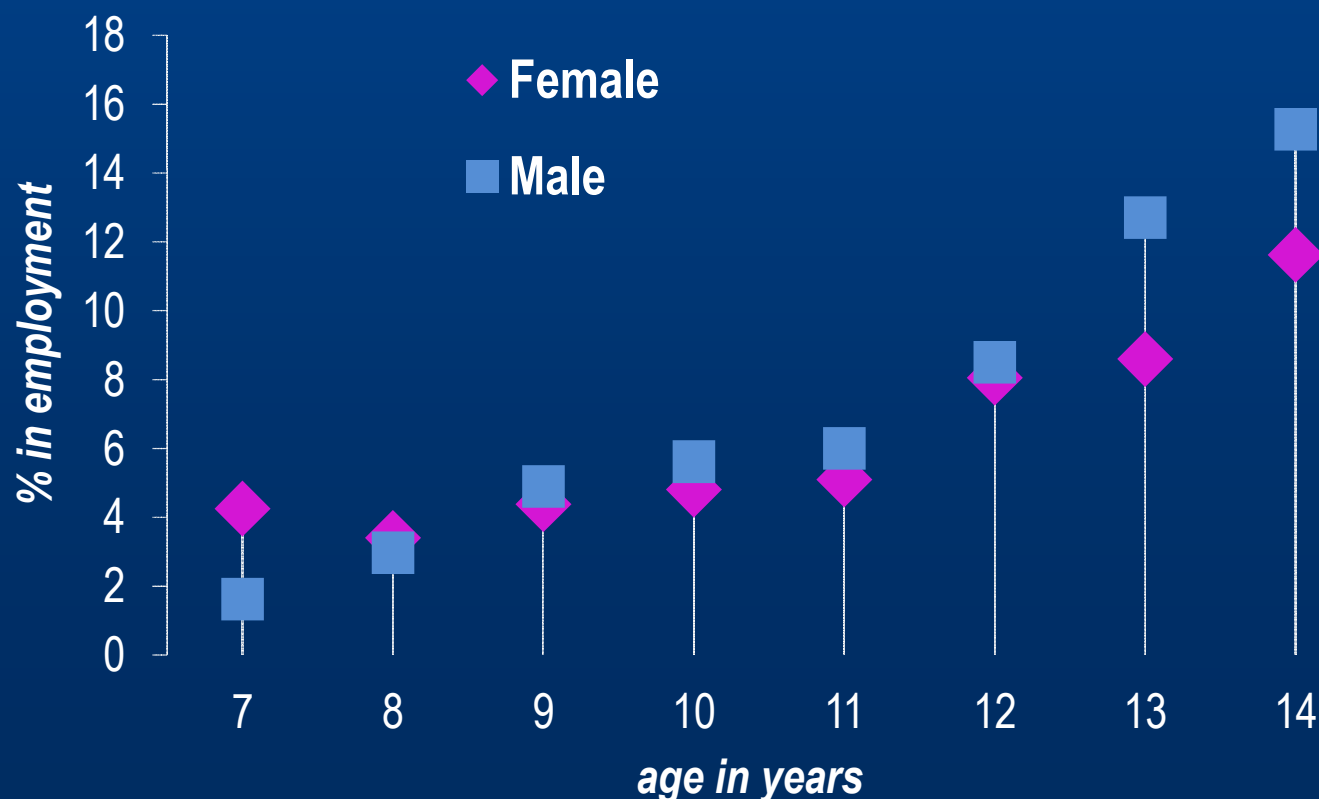


Almost 600,000 children aged less than 10 years were already in employment in 2009

Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Children's involvement in **employment** is higher for males than females, particularly at the upper end of the 7-14 years age spectrum

Figure. % children in employment, 7-14 years age group, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

But child involvement in **household chores** is much higher for girls than boys, particularly at the upper end of the 7-14 years age spectrum

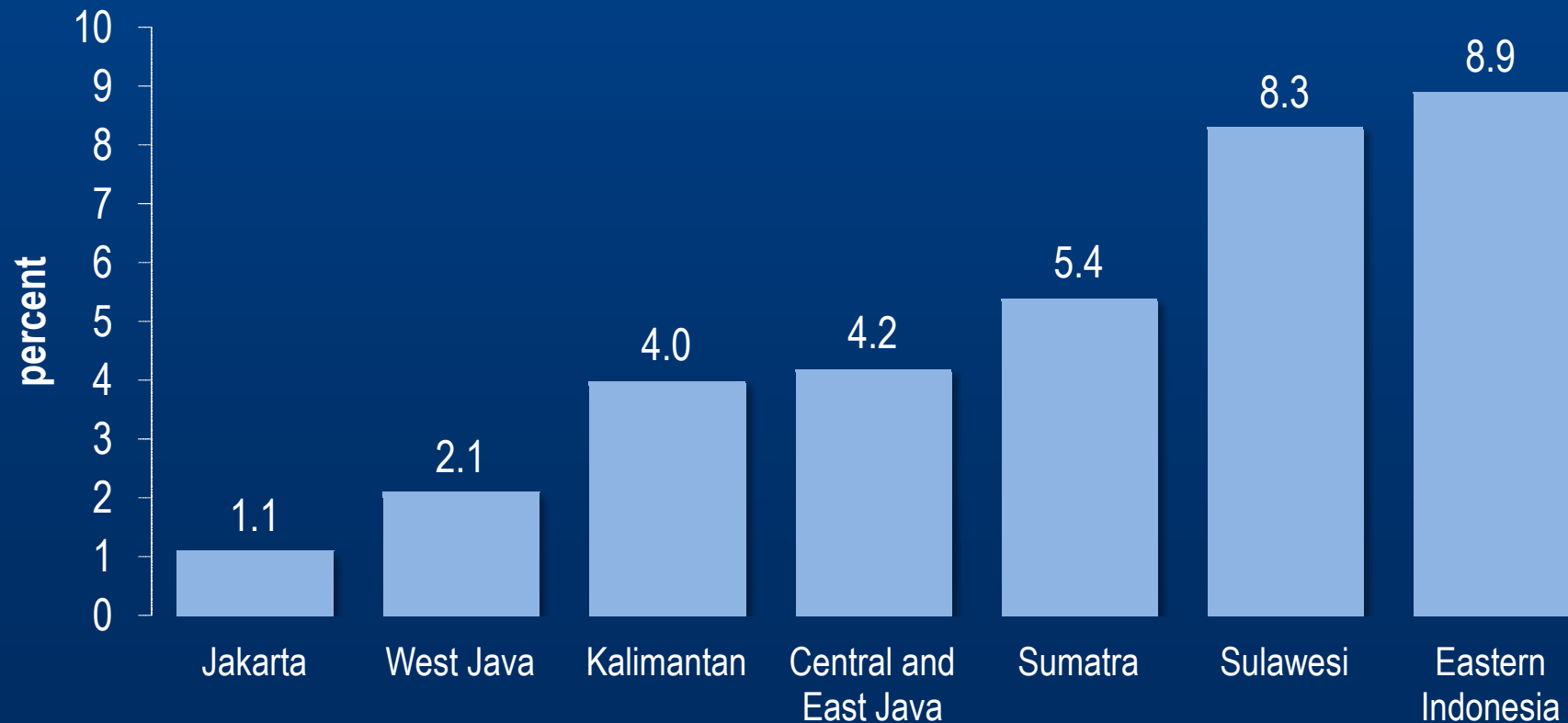
Figure. % children in employment, 7-14 years age group, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Geographic differences in involvement in children's involvement in employment are large

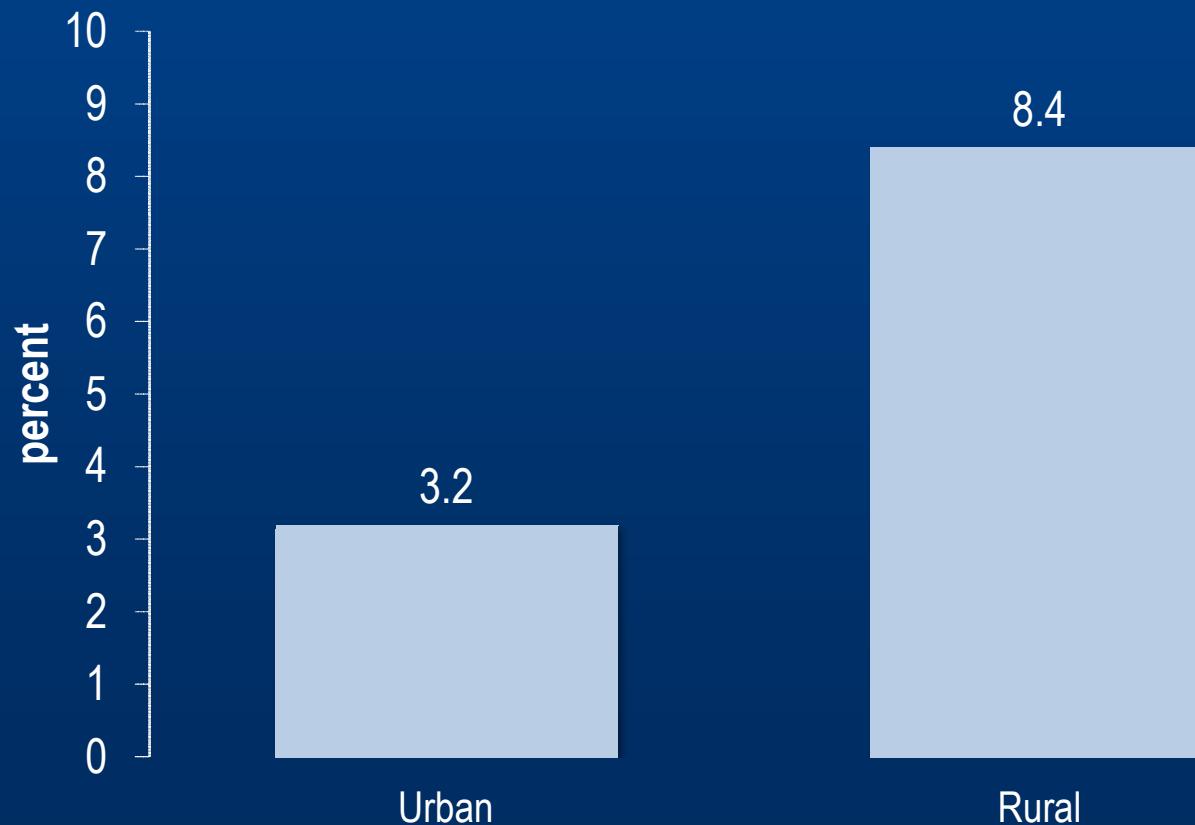
Figure. % children in employment, 7-14 years age group, by region



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Children's employment is mainly although not exclusively a **rural phenomenon**

Figure. % children in employment, 7-14 years age group, by residence



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Trends in children's employment

Children's **involvement in** employment appears to be trending downwards

Figure. **Changes children's involvement in employment, 10-14 years age group, 2007-2010**

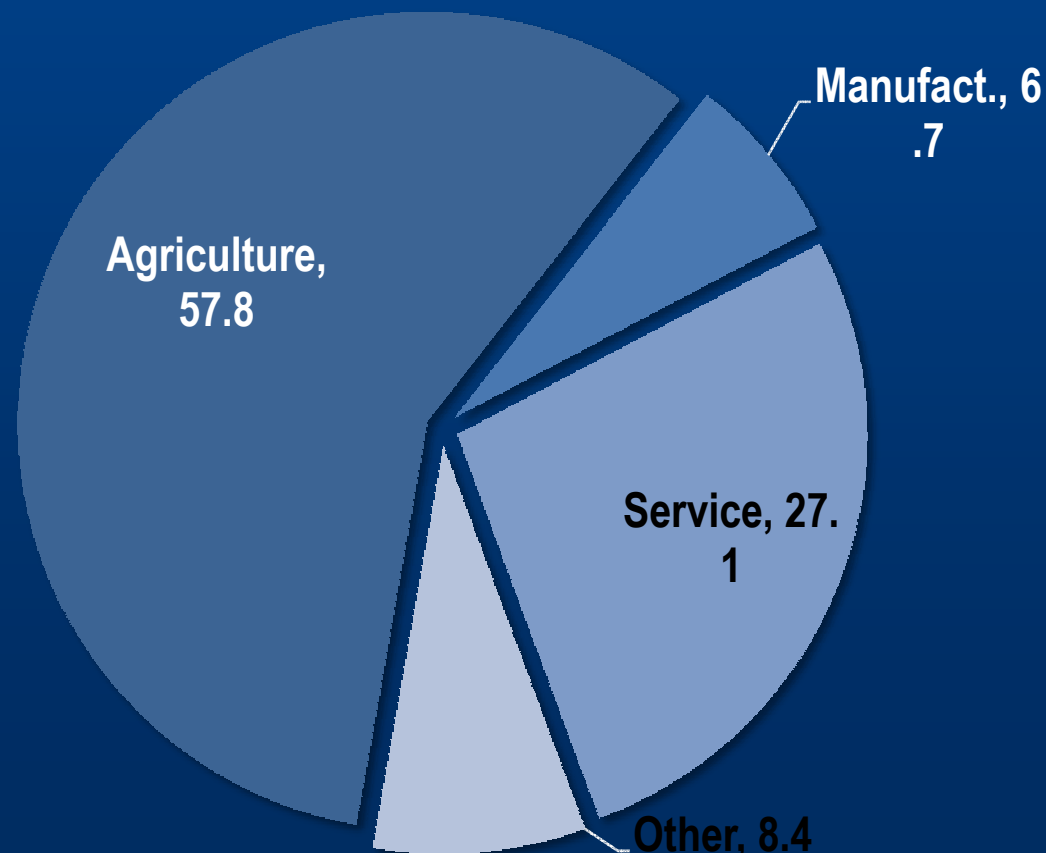


Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey, 2010 (August), 2009 (August), 2008(August) and 2007(August).

Nature of children's work

The **agriculture sector** accounts for the largest share of children's employment in Indonesia

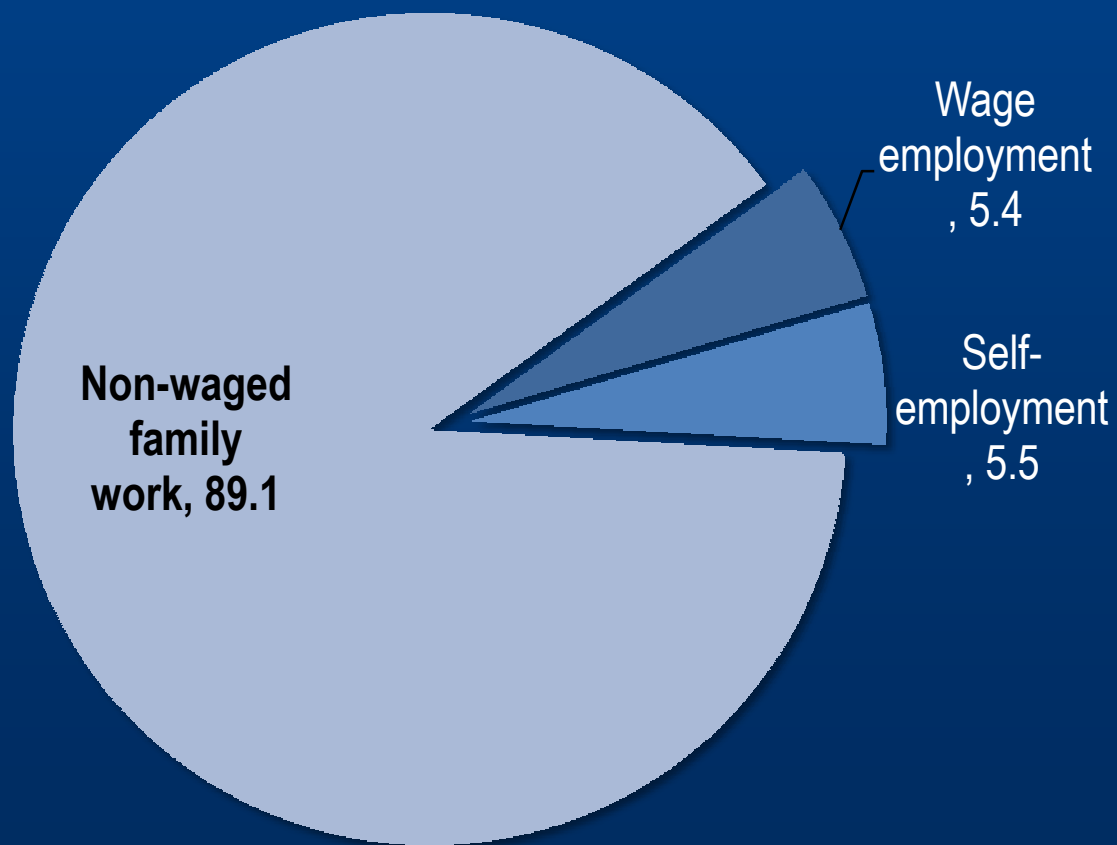
Figure. Children's sector of employment, 7-14 years age group, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Almost all children in employment **work for their families** as unpaid labour

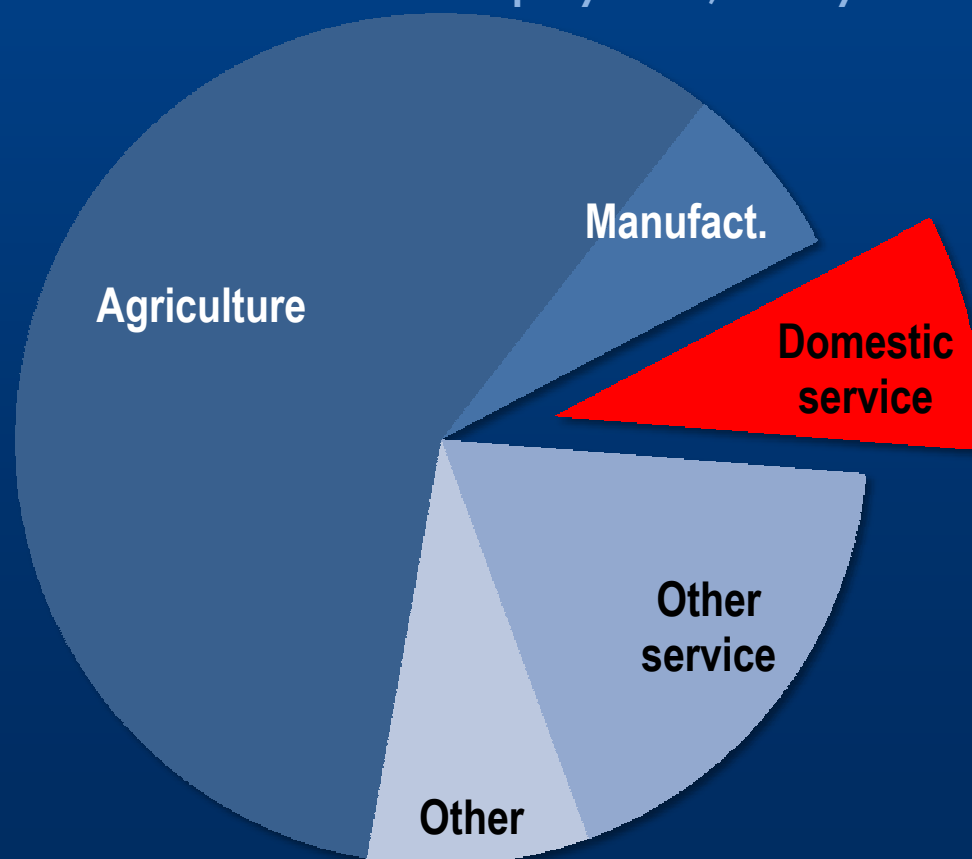
Figure. Children's status in employment, 7-14 years age group, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

About 216,000 children in absolute terms are in domestic service, where they are especially vulnerable to abuse

Figure. Children's sector of employment, 7-14 years age group, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Hazardous conditions are alarmingly common in the workplaces where children are found

Figure. No. children exposed to specific hazardous conditions, 2009



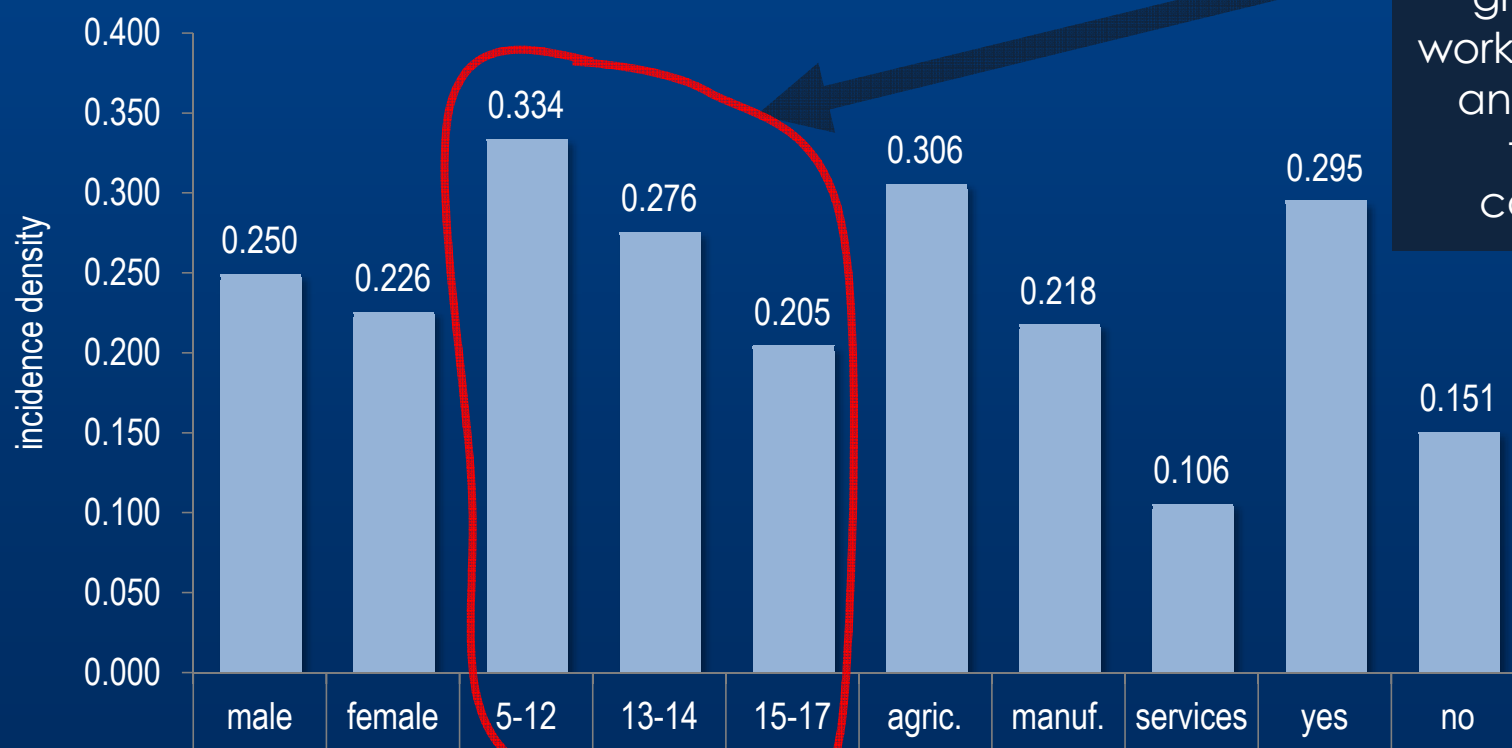
Over 985,000 children in absolute terms, or almost half of all children in employment, are exposed to hazardous conditions

Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Health consequences of children's work

Working children face about a 25% chance of suffering **ill-health related to work** over the course of a 12-month period

Figure. Incidence of work-related disease and injury, 2009

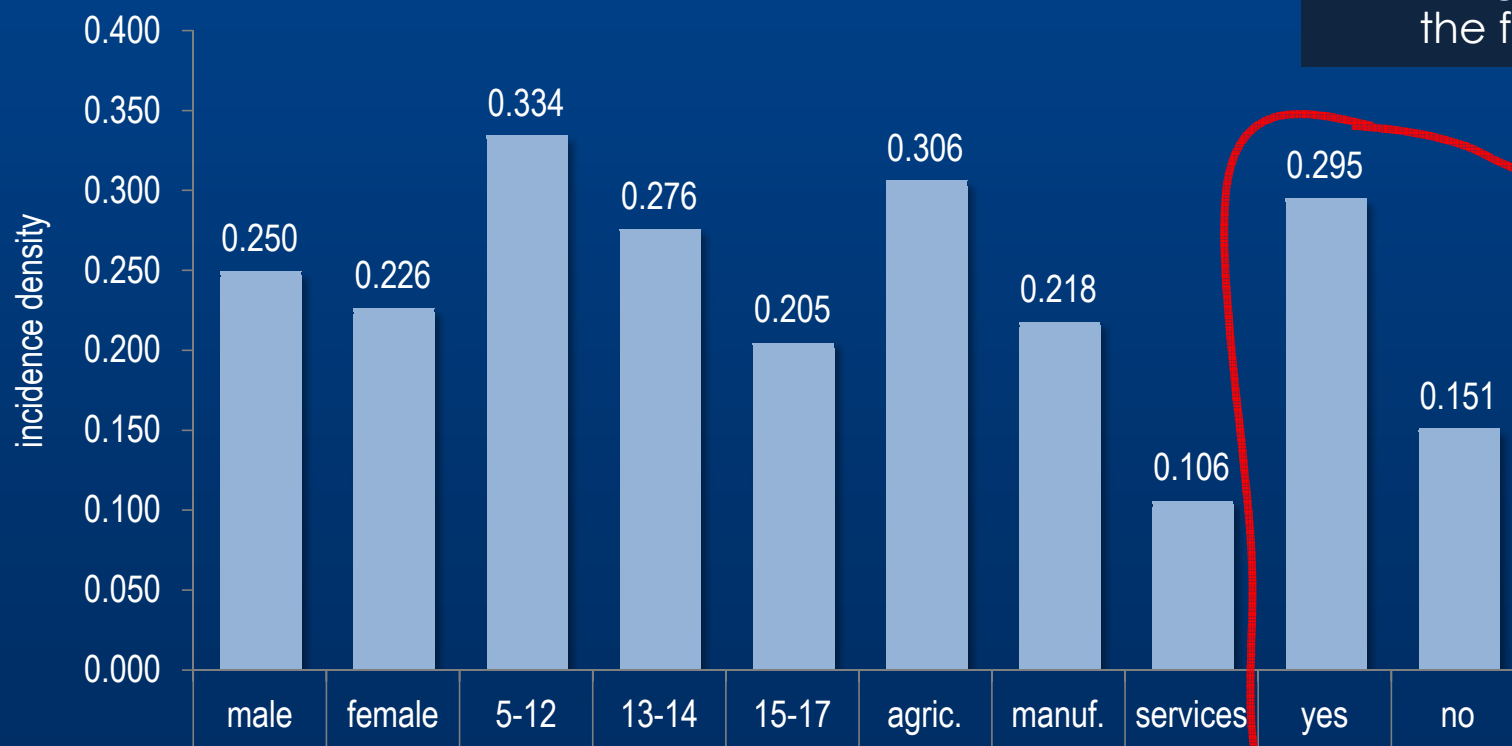


Younger children are at much greater risk of work-related illness and injury than their older counterparts

Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Children working within the family
are at greater risk of work-related illness and injury than children working outside the family

Figure. Incidence of work-related disease and injury, 2009

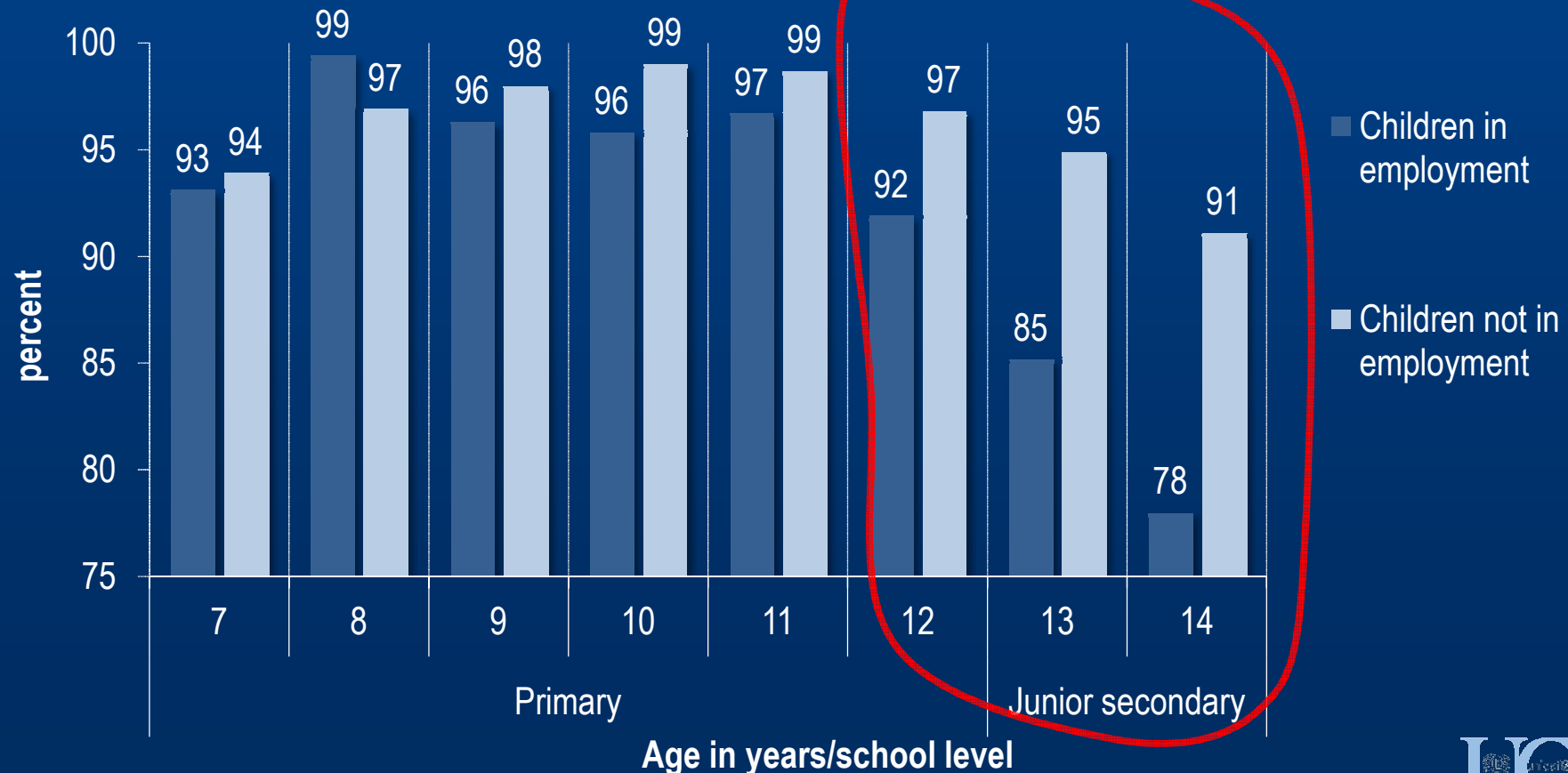


Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Educational consequences of children's work

The **school attendance** of working children is lower, particular after 11 years of age

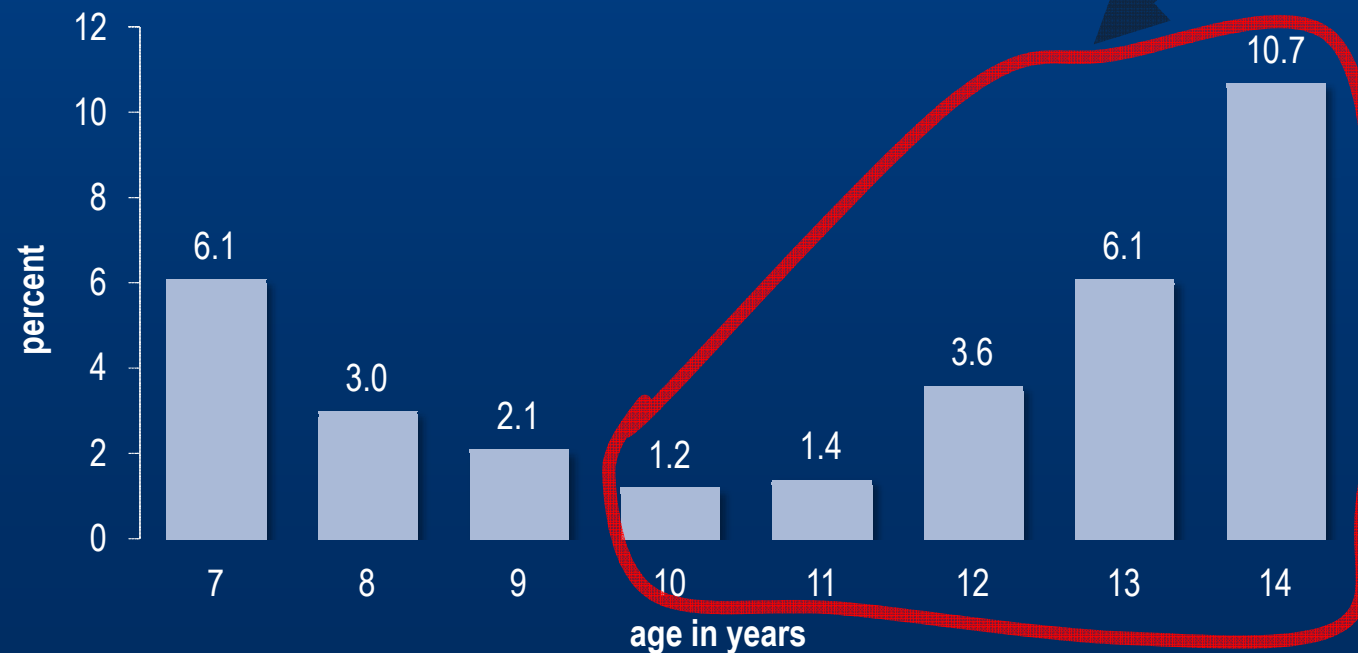
Figure. Children's age-specific school attendance rate by work status, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

There are large numbers of **out of school children** in Indonesia, in part due to the demands of work

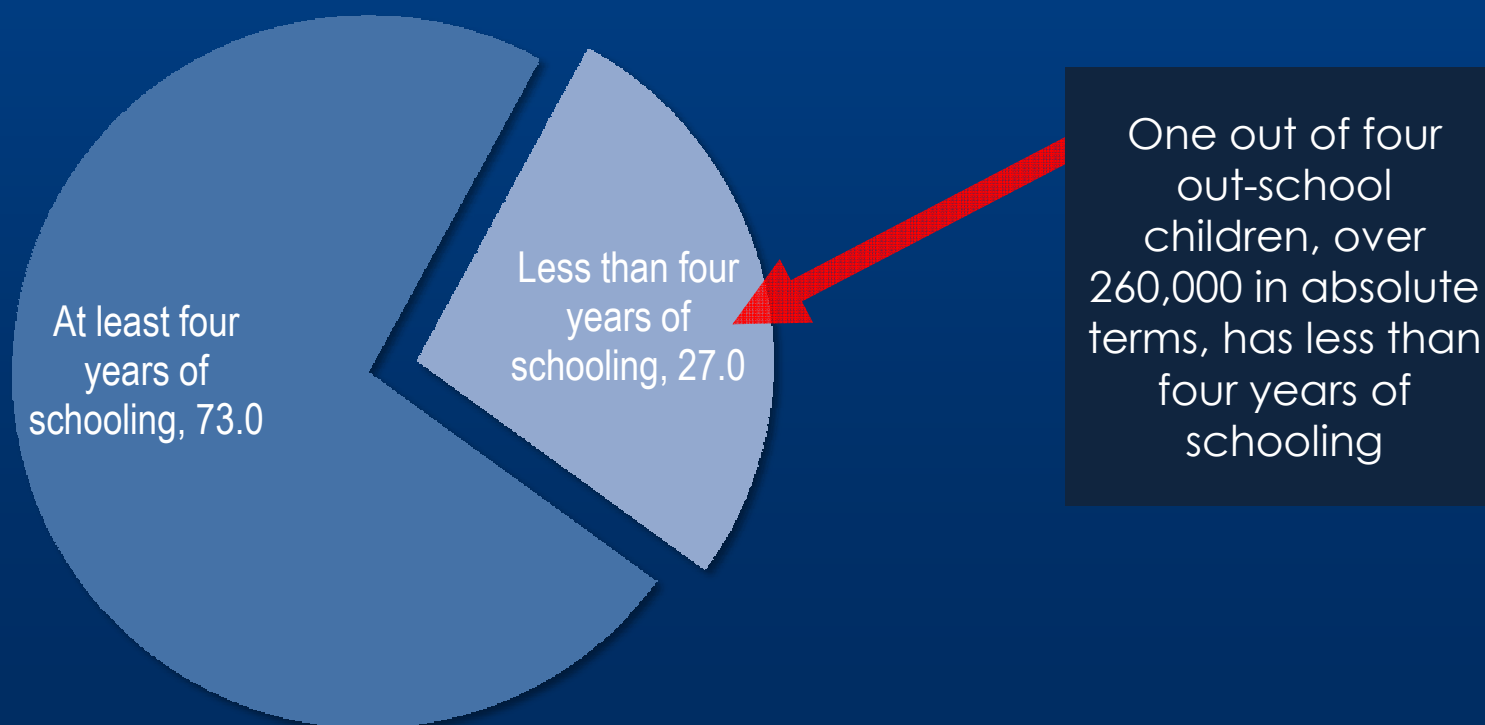
Figure. **Out-of-school children, by age , 2009**



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

A large share of out-of-school children are what UNESCO terms “education poor” , i.e., with less than four years of schooling

Figure. **Out-of-school children, by education attainment, 2009**



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Main messages

Main messages

- Children's employment remains an important policy concern, particularly in some regions (e.g. Eastern Indonesia)
- Non-negligible numbers of very young children are already in employment
- Exposure to hazards in children's workplaces is alarmingly high
- Children's domestic work stands out as a particular concern
- High levels of reported work-related illness and injury
- Children's employment compromises their education
- High numbers of out of school children needing second chance education



Part 2.

Youth labour market
disadvantage

Why address child labour together with youth?

There is a close two-way relationship between child labour and youth employment

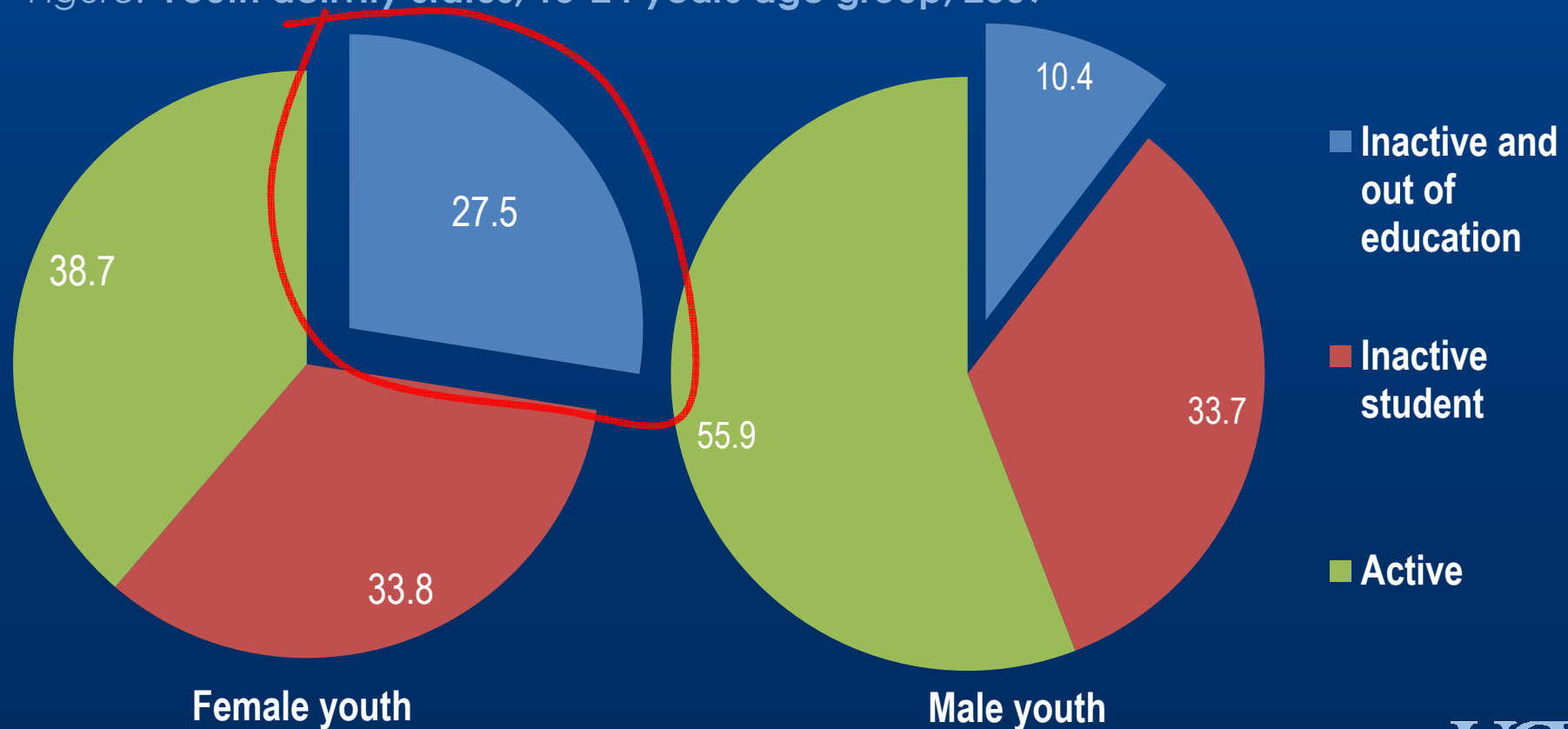


Youth labour market disadvantage as reflected by a lack of jobs

(a) “Untapped” youth

A very large share of Indonesian young people – and especially female young people – is **neither in the labour force nor in education**.

Figure. Youth activity status, 15-24 years age group, 2009

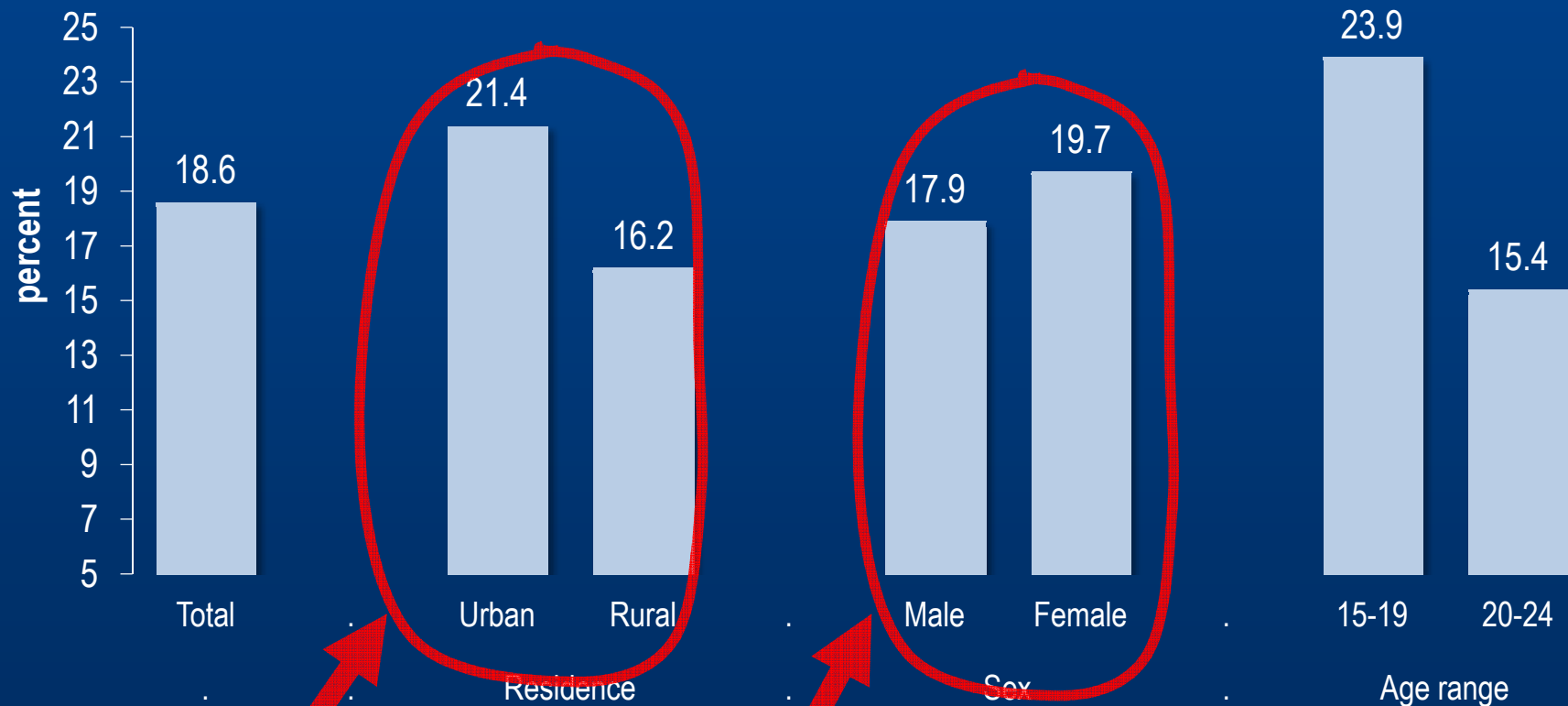


Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

(b) Open unemployment

Rates of **unemployment** are very high across all segments of the youth population.

Figure. Youth unemployment rate (% of active population), 2009

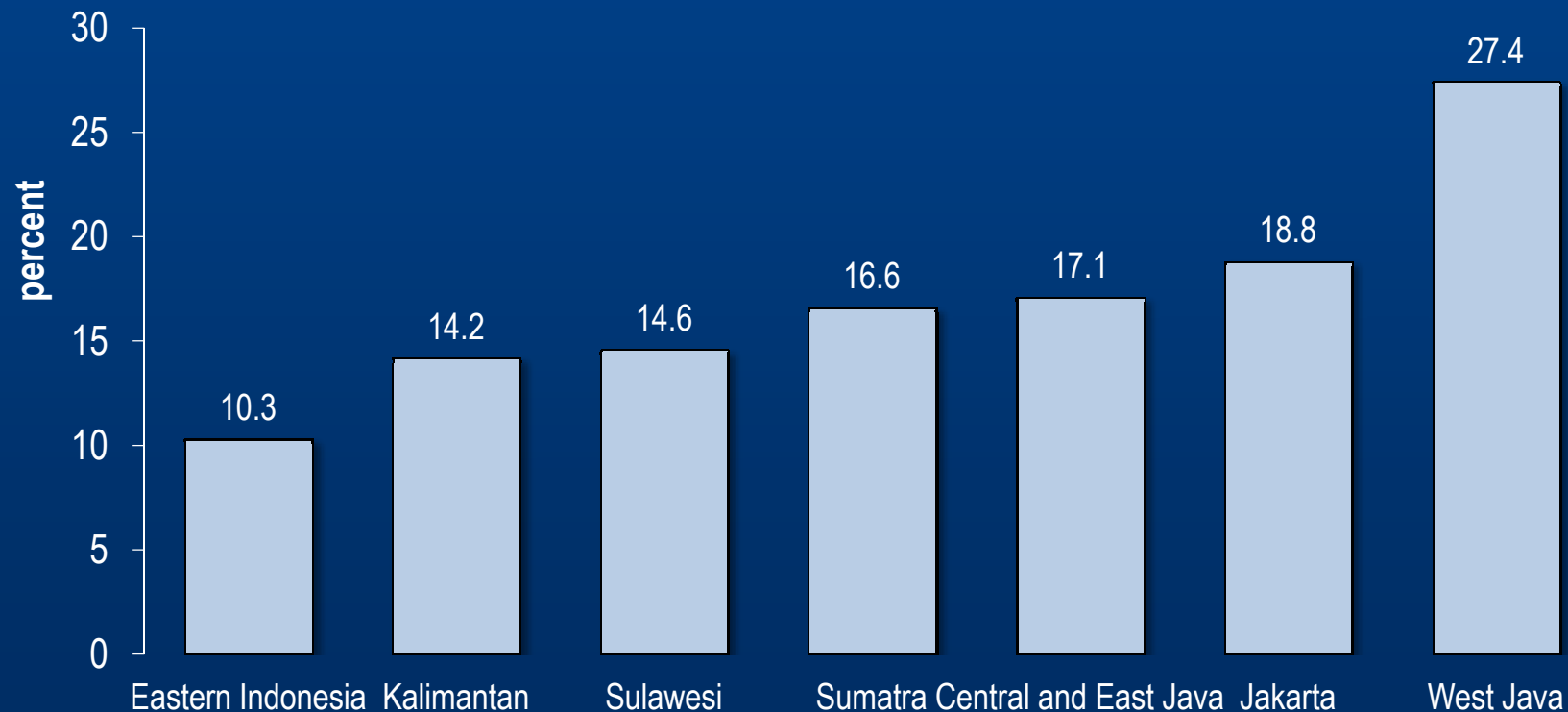


Unemployment is not limited to urban areas

Fewer females are in the labour force, but they have a slightly higher risk of unemployment

Regional differences in youth unemployment rates are very large.

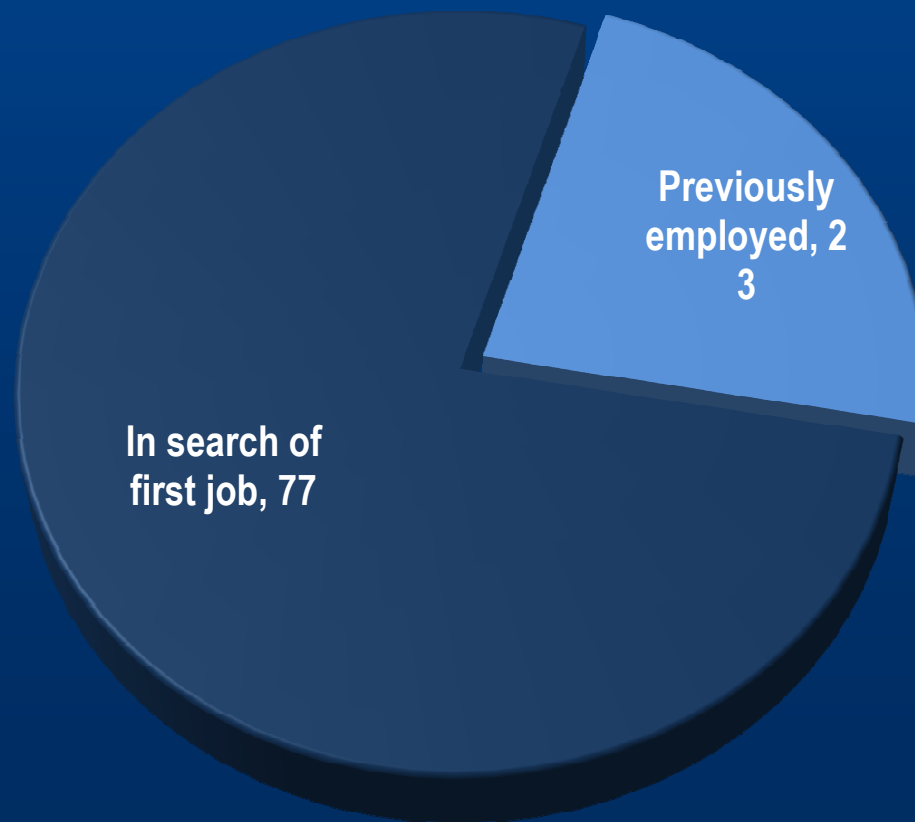
Figure. Youth unemployment rate (% of active population), 2009, by region



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Three of four unemployed youth are in **search of their first job**, highlighting challenge of gaining an initial foothold in the labour market

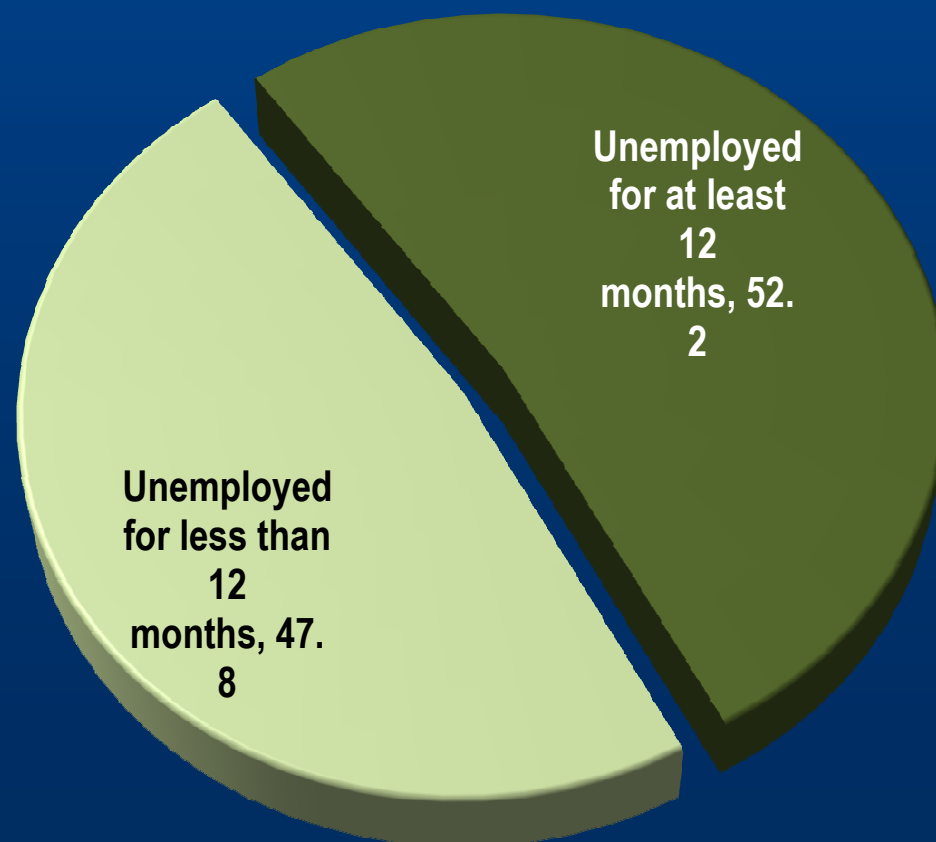
Figure. Unemployed youth by previous employment status, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Much of youth unemployment is **long-term in duration**, exacerbating its likely negative consequences

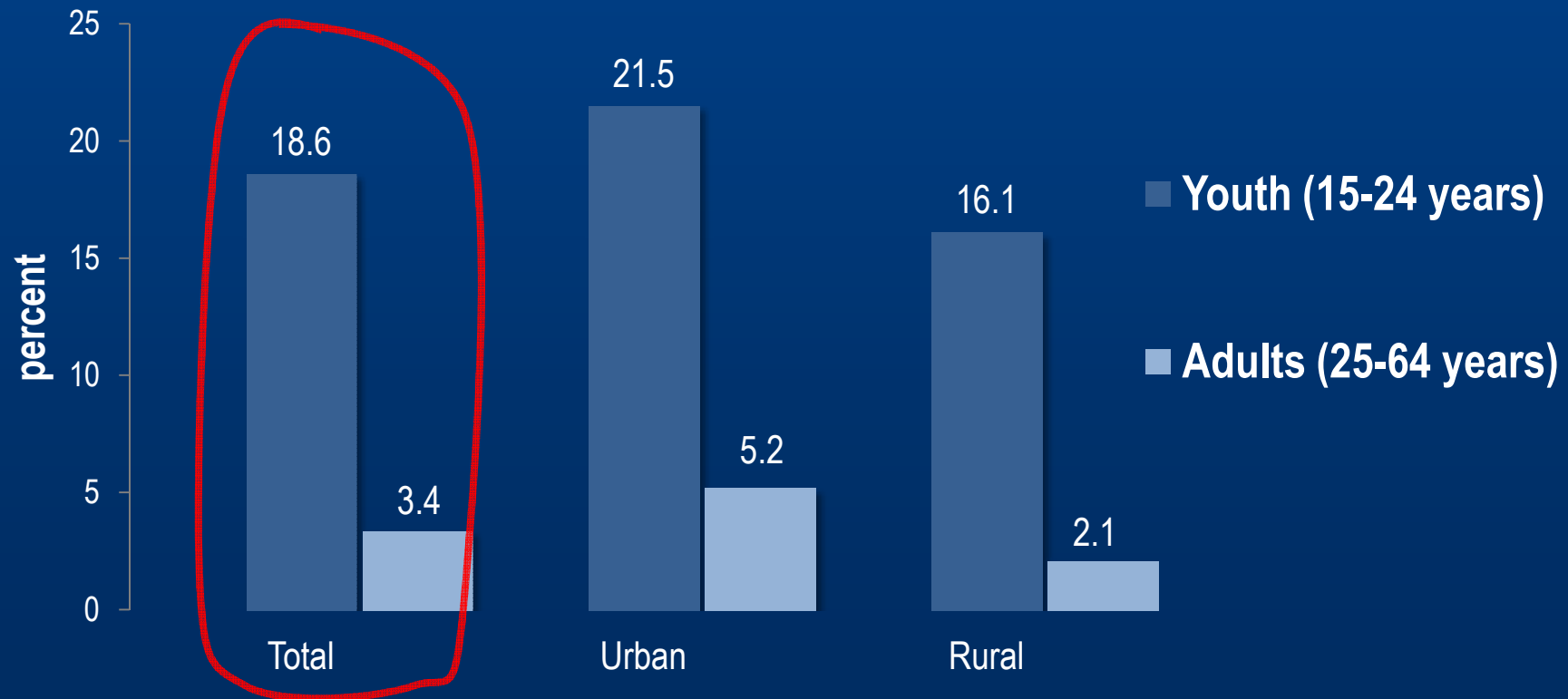
Figure. Unemployed youth by duration, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

The **unemployment rate** of youth is more than *five times* that of their adult counterparts.

Figure. Youth and adult unemployment rates (% of employed population)

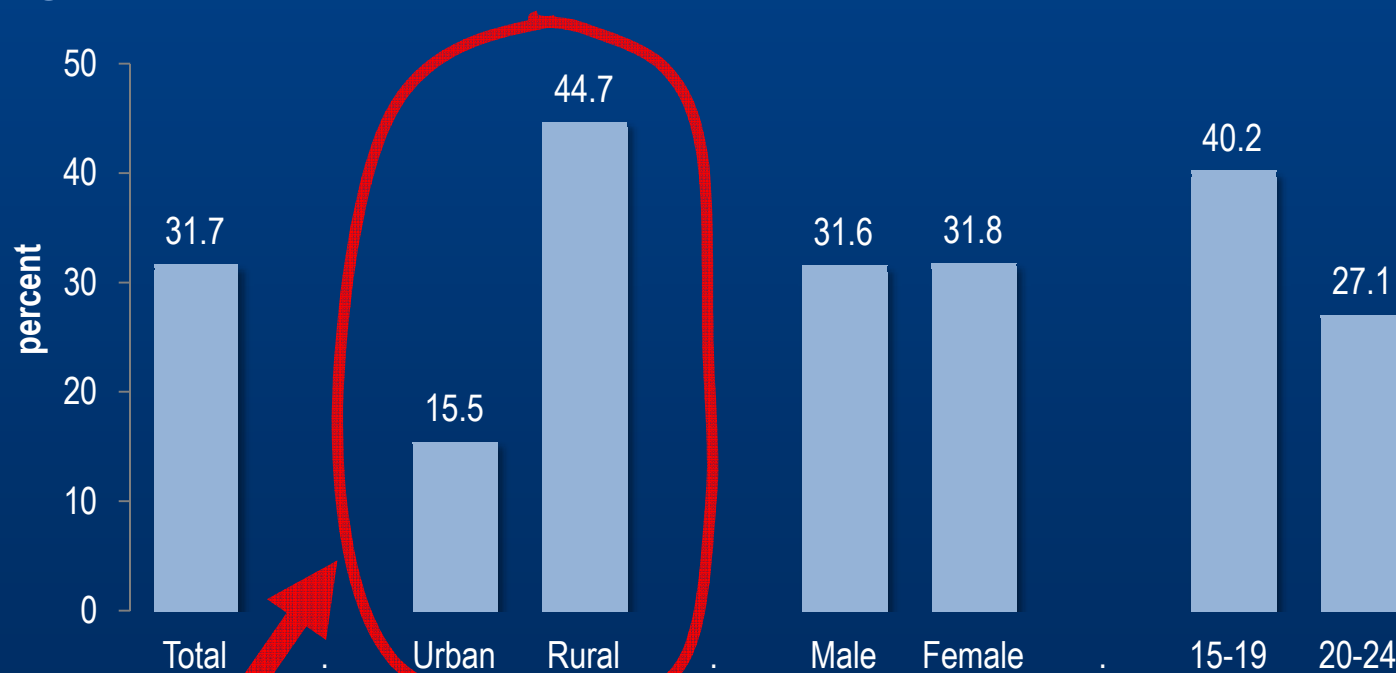


Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

(c) *Underemployment* or “hidden” unemployment

Underemployment, defined as working less than 35 hours per week, is also a serious policy concern for youth.

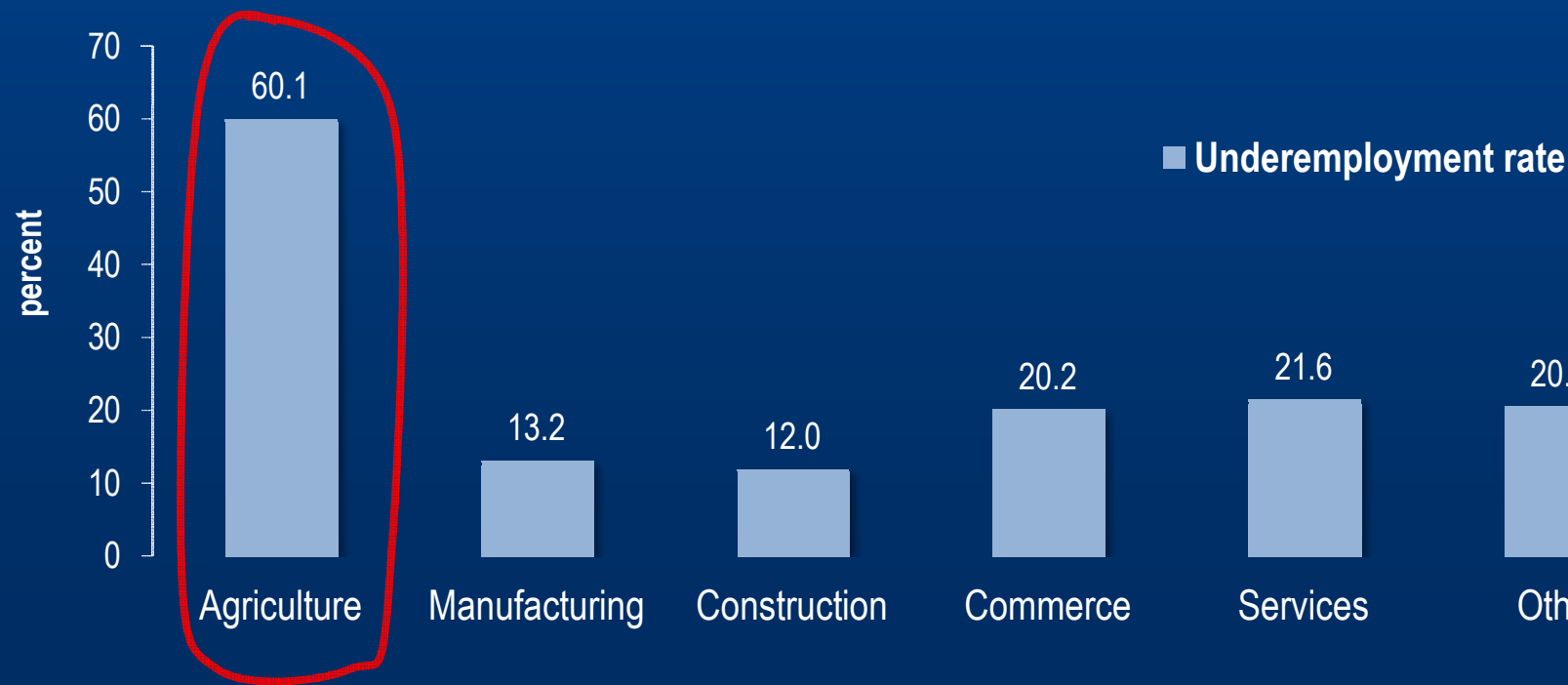
Figure. Youth underemployment rate (% of employed population), 2009



Underemployment is especially pronounced in rural areas

Underemployment is especially pronounced in the agriculture sector, underscoring need to promote rural non-farm enterprises.

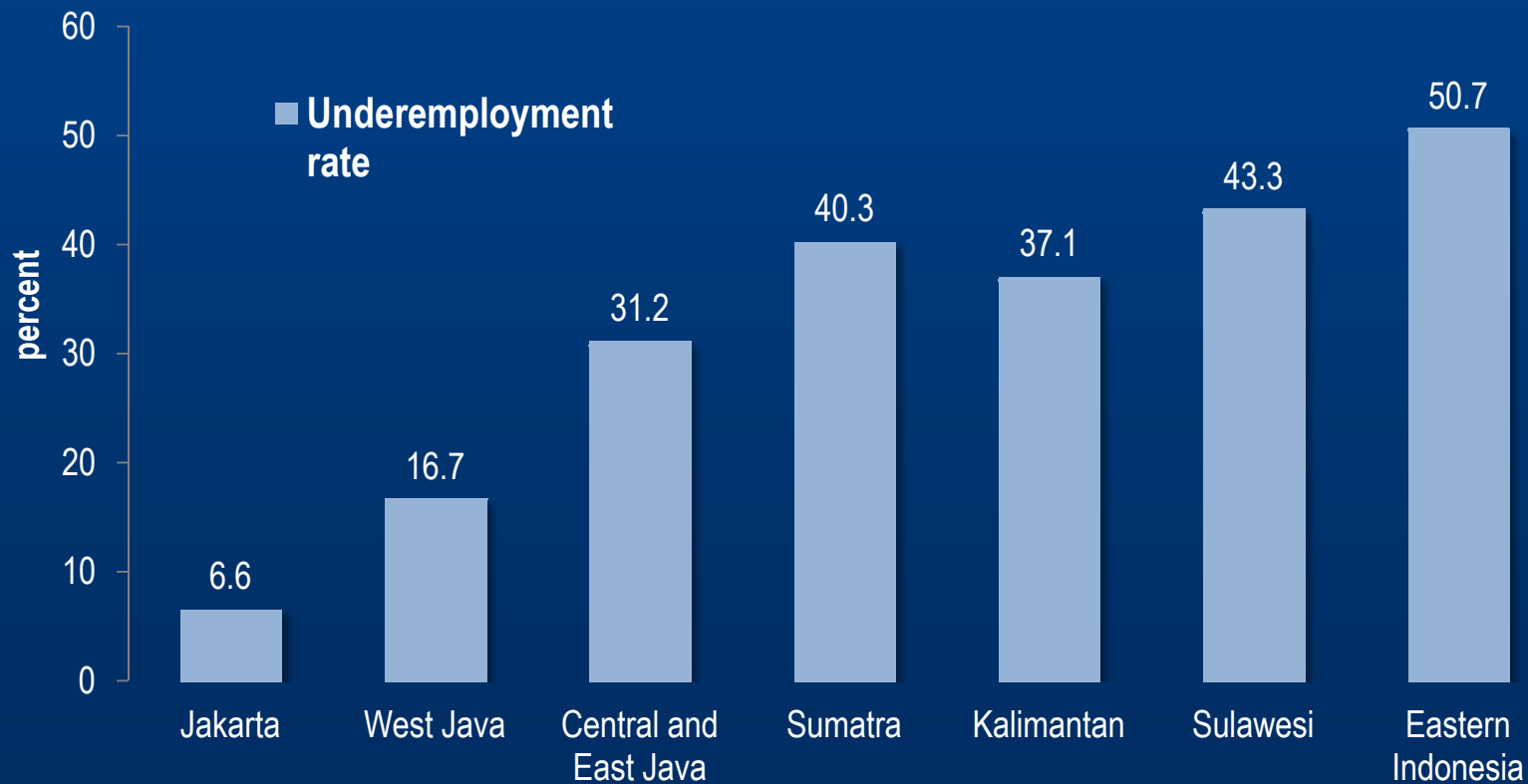
Figure. Youth underemployment rate (% of employed population), by sector, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Underemployment varies greatly across regions

Figure. Youth underemployment rate (% of employed population), by region, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Figure. Youth unemployment rate (% of active population), region

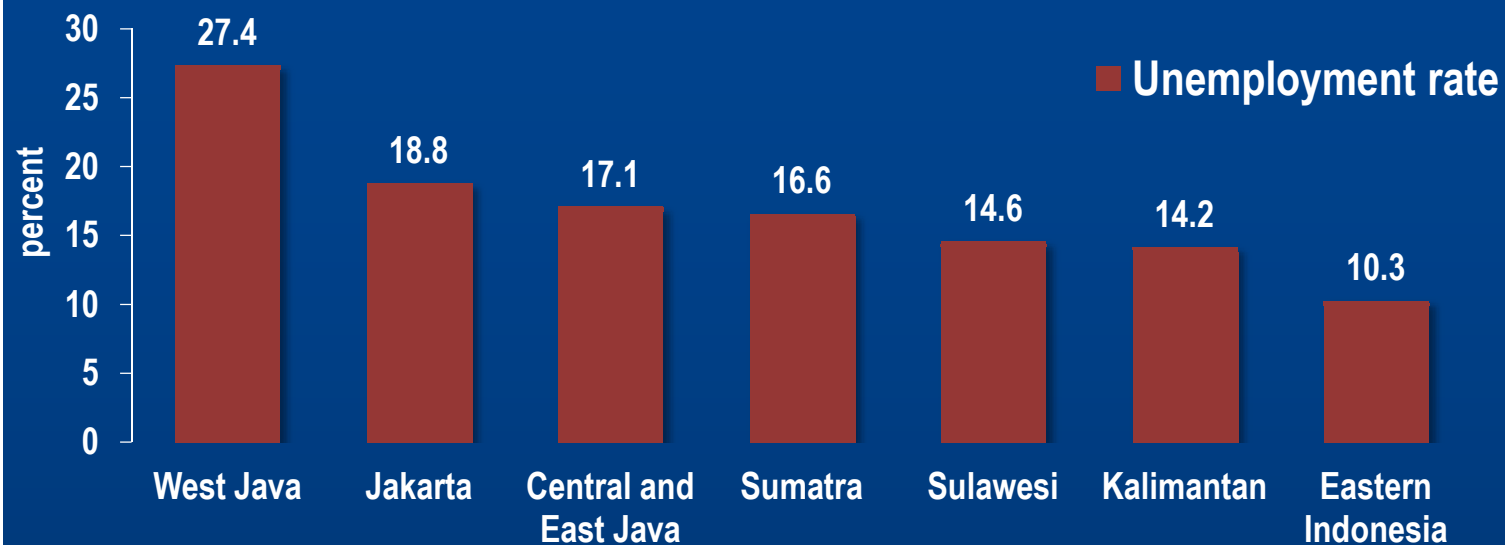
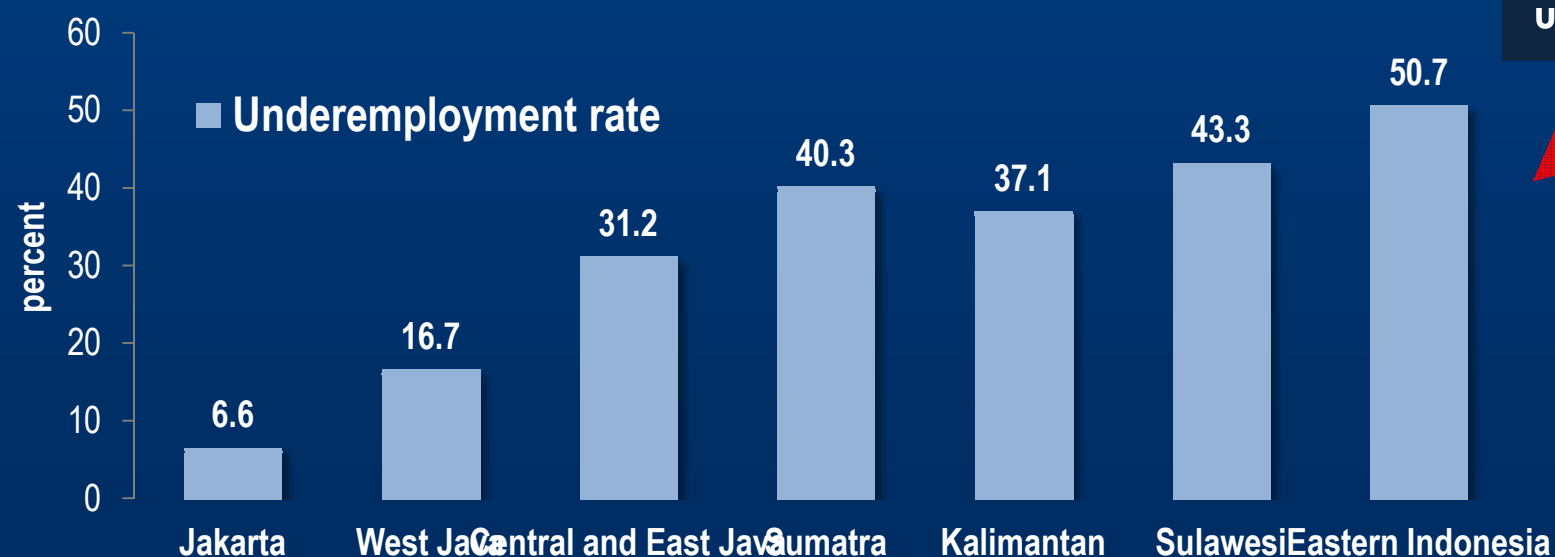


Figure. Youth underemployment rate (% of employed population), 2009

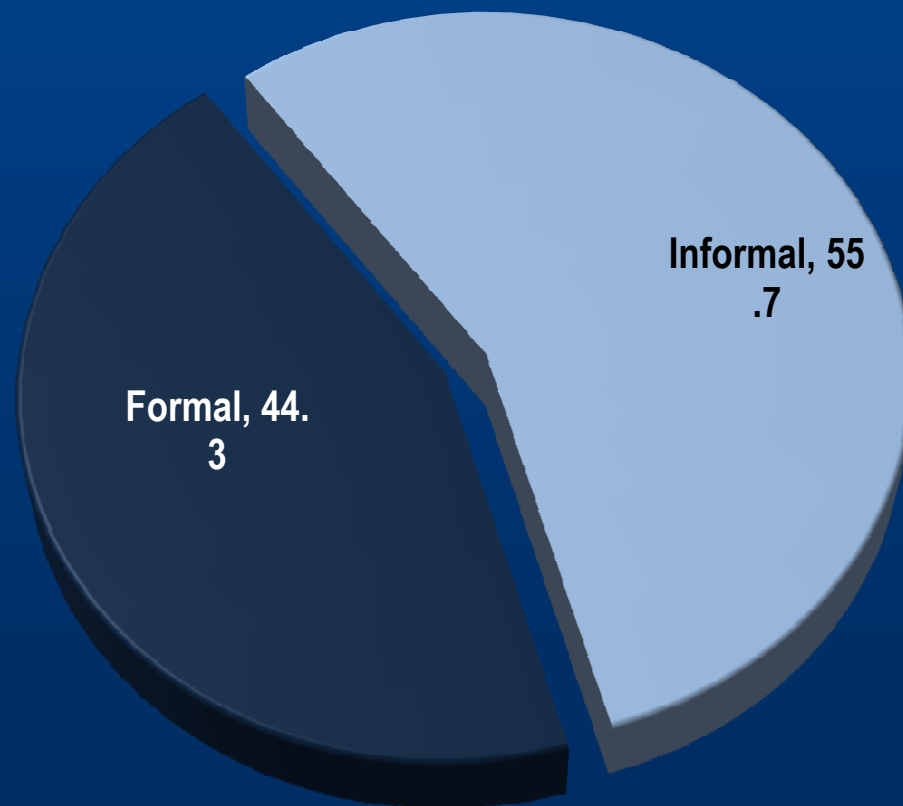


Regions with highest unemployment are those with lowest levels of underemployment

Youth labour market disadvantage as
reflected by poor quality jobs

Youth employment is characterised by a preponderance of unremunerated work concentrated in the **informal sector**.

Figure. Employment formality (% of employed persons)



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Informality appears to be a “trap” rather than a “stepping stone”

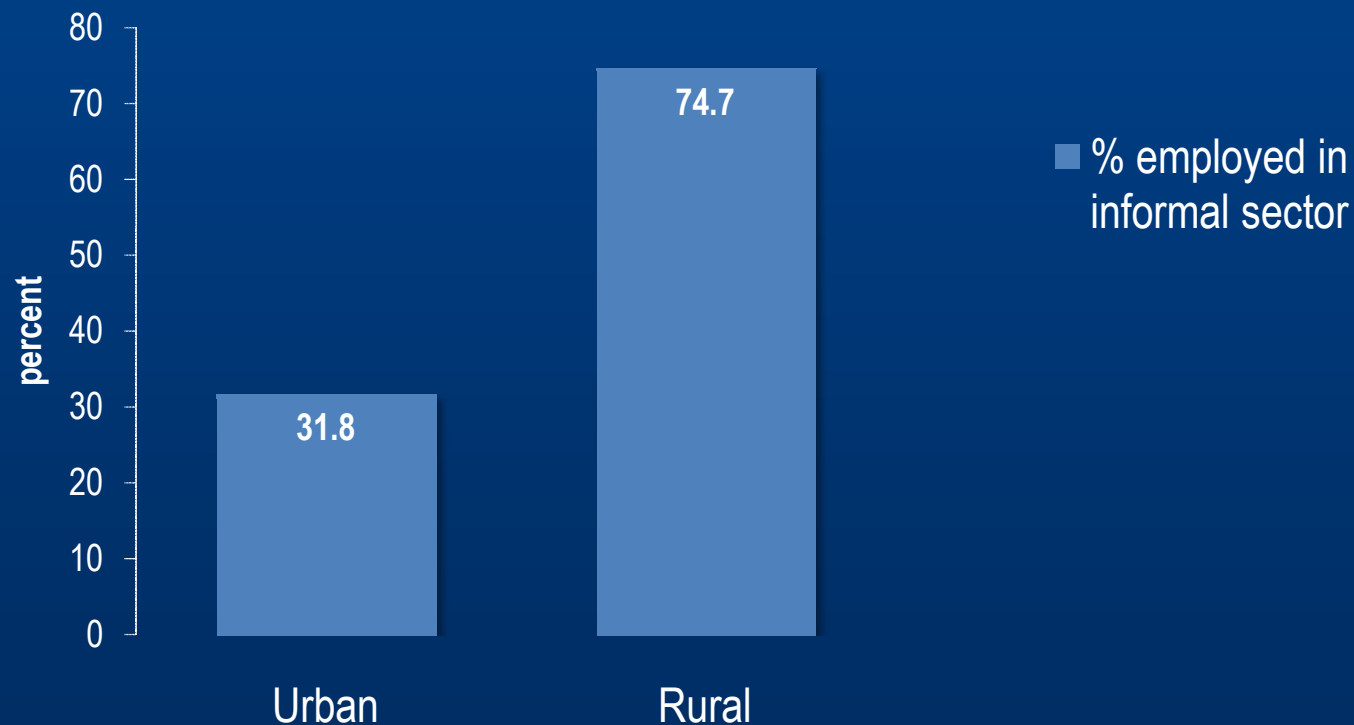
Figure. Youth and adults in informal employment (% of employed), by residence



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Employment informality varies greatly by residence...

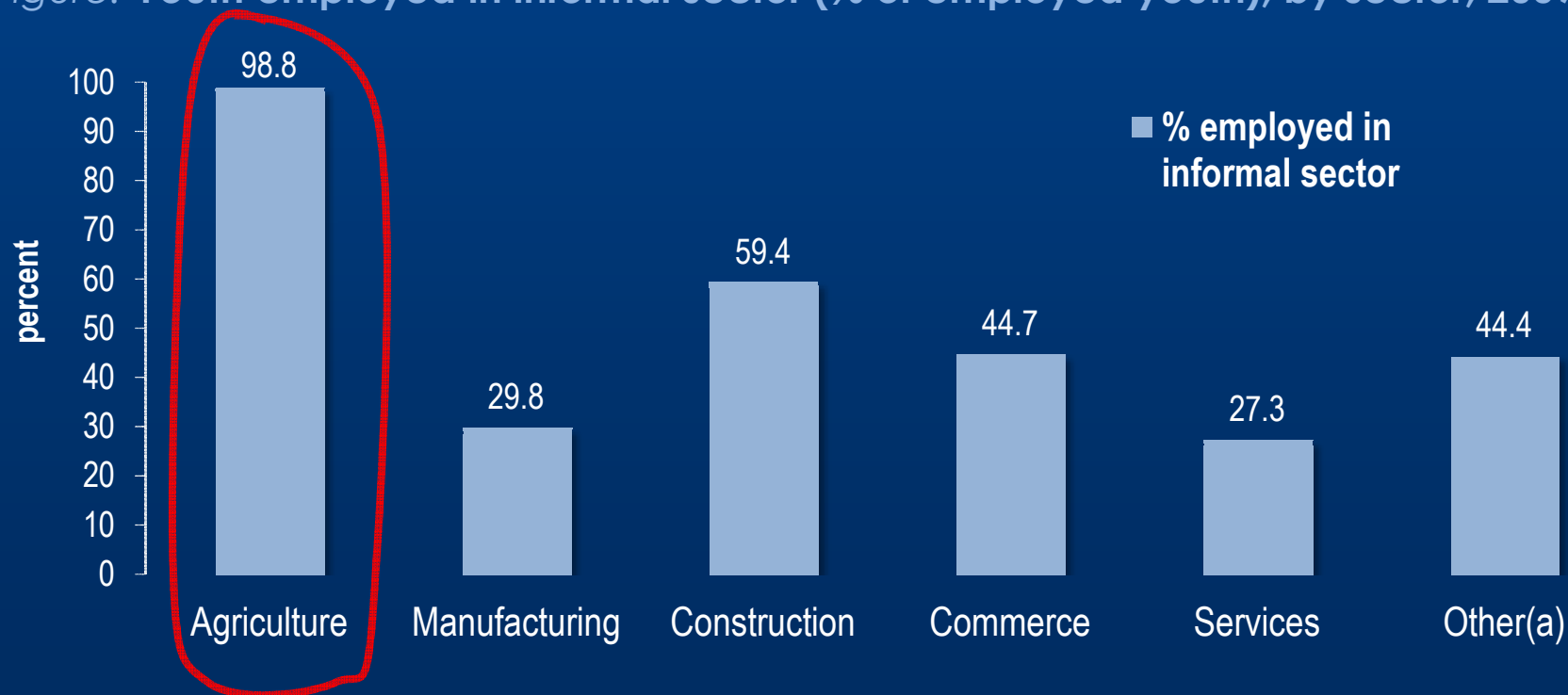
Figure. Youth employed in informal sector (% of employed youth), by residence



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

... and is especially pronounced in the **agriculture sector**, underscoring need to promote rural non-farm enterprises.

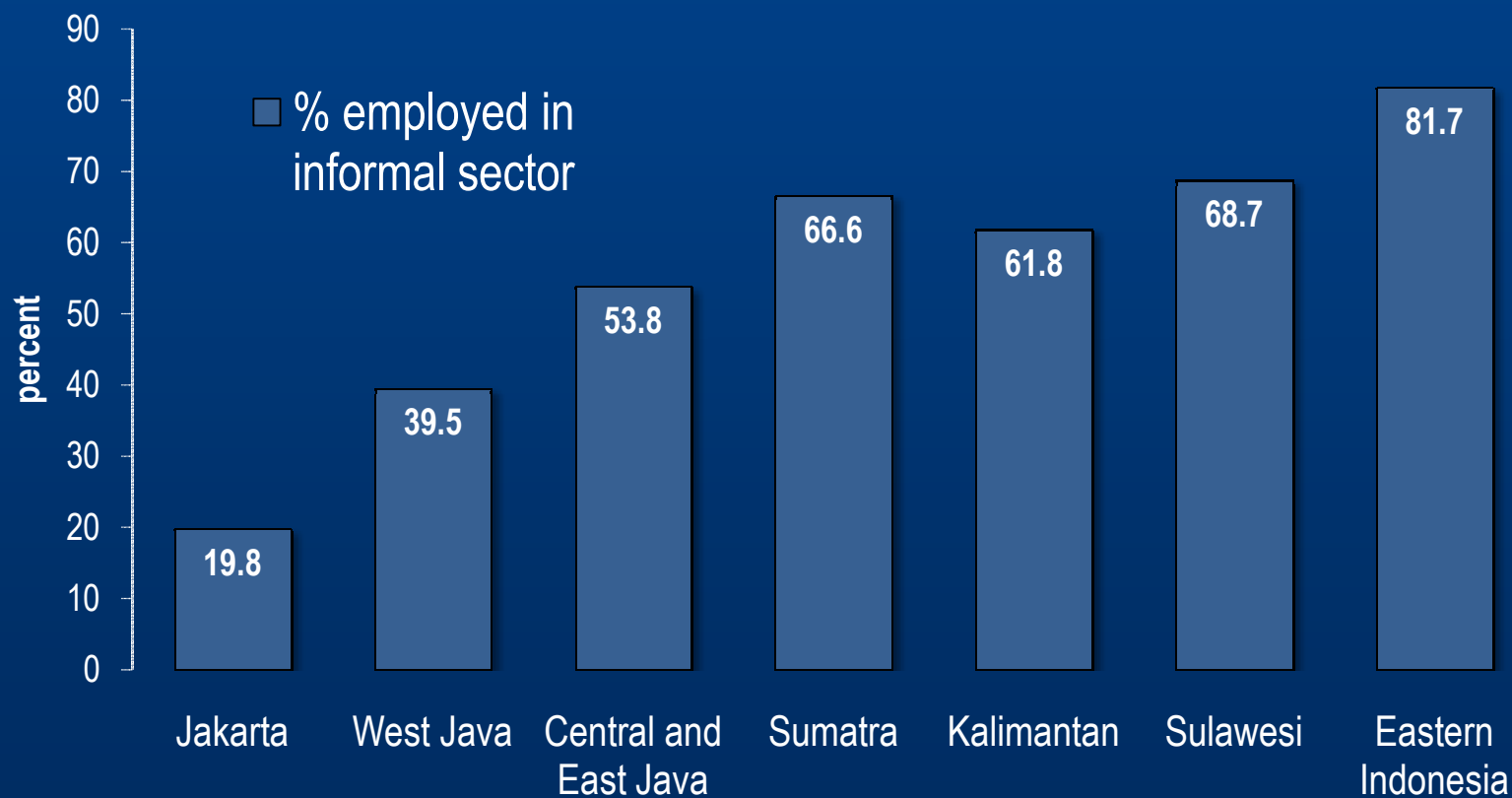
Figure. Youth employed in informal sector (% of employed youth), by sector, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

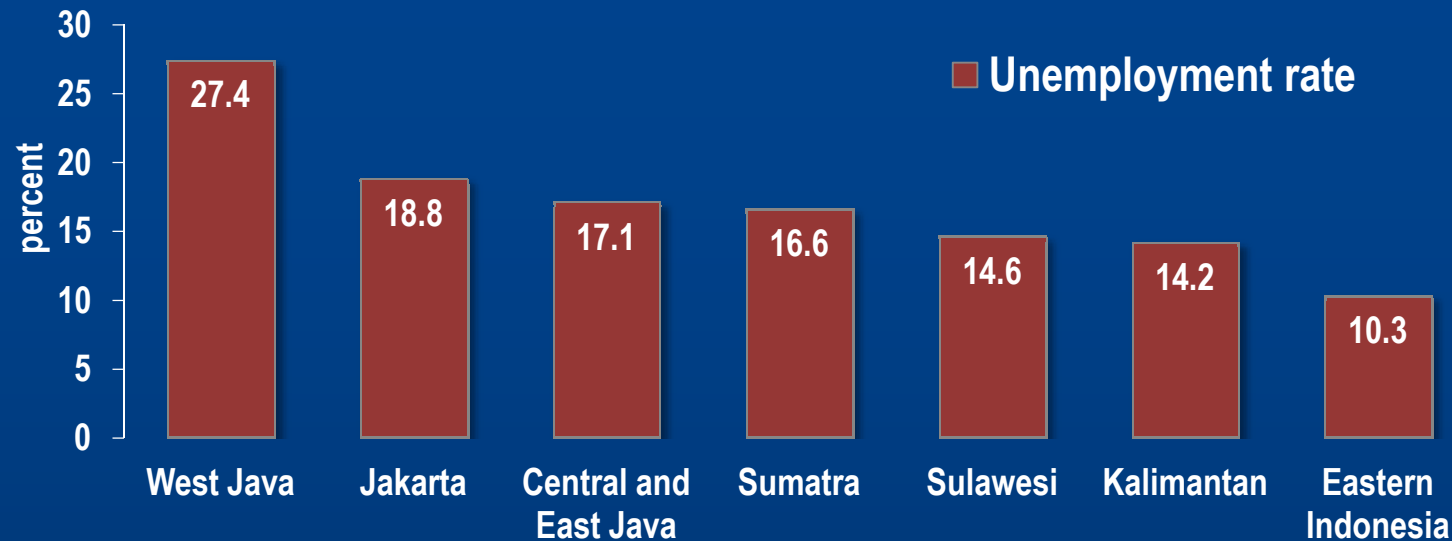
Differences in informality are also large by region.

Figure. Youth employed in informal sector (% of employed youth), by region



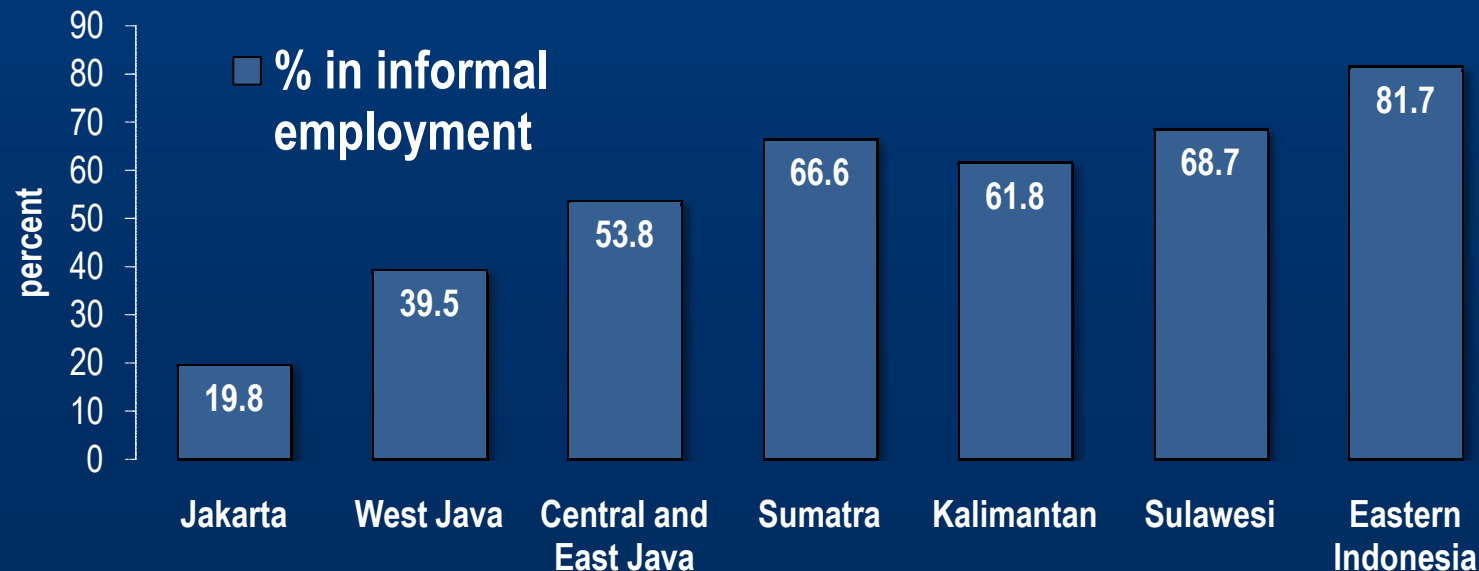
Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Figure. Youth unemployment rate (% of active population)



Regions with highest unemployment are those with lowest levels of informality

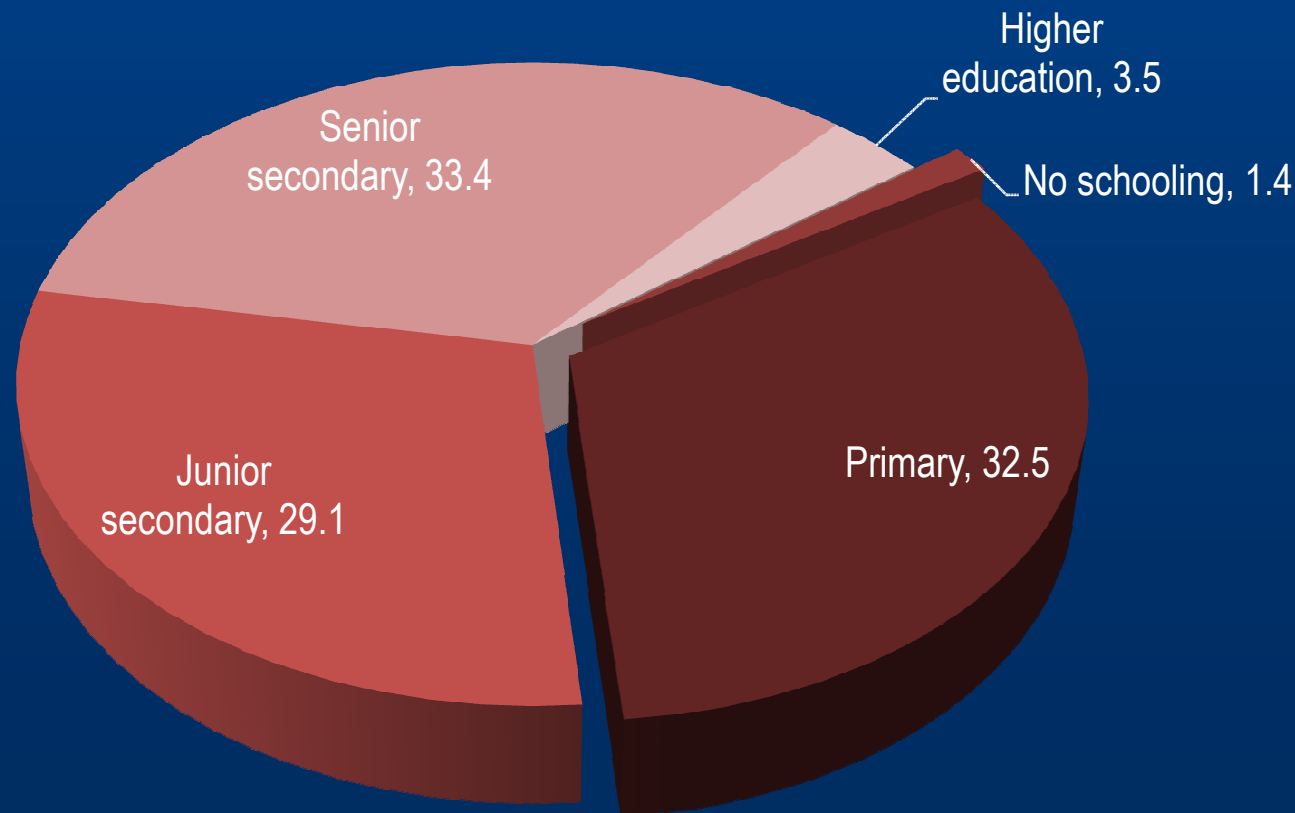
Figure. Youth employed in formal sector (% of employed youth)



Human capital levels and youth employment outcomes

Human capital levels are low for many Indonesian young people, highlighting the need for second chance learning opportunities

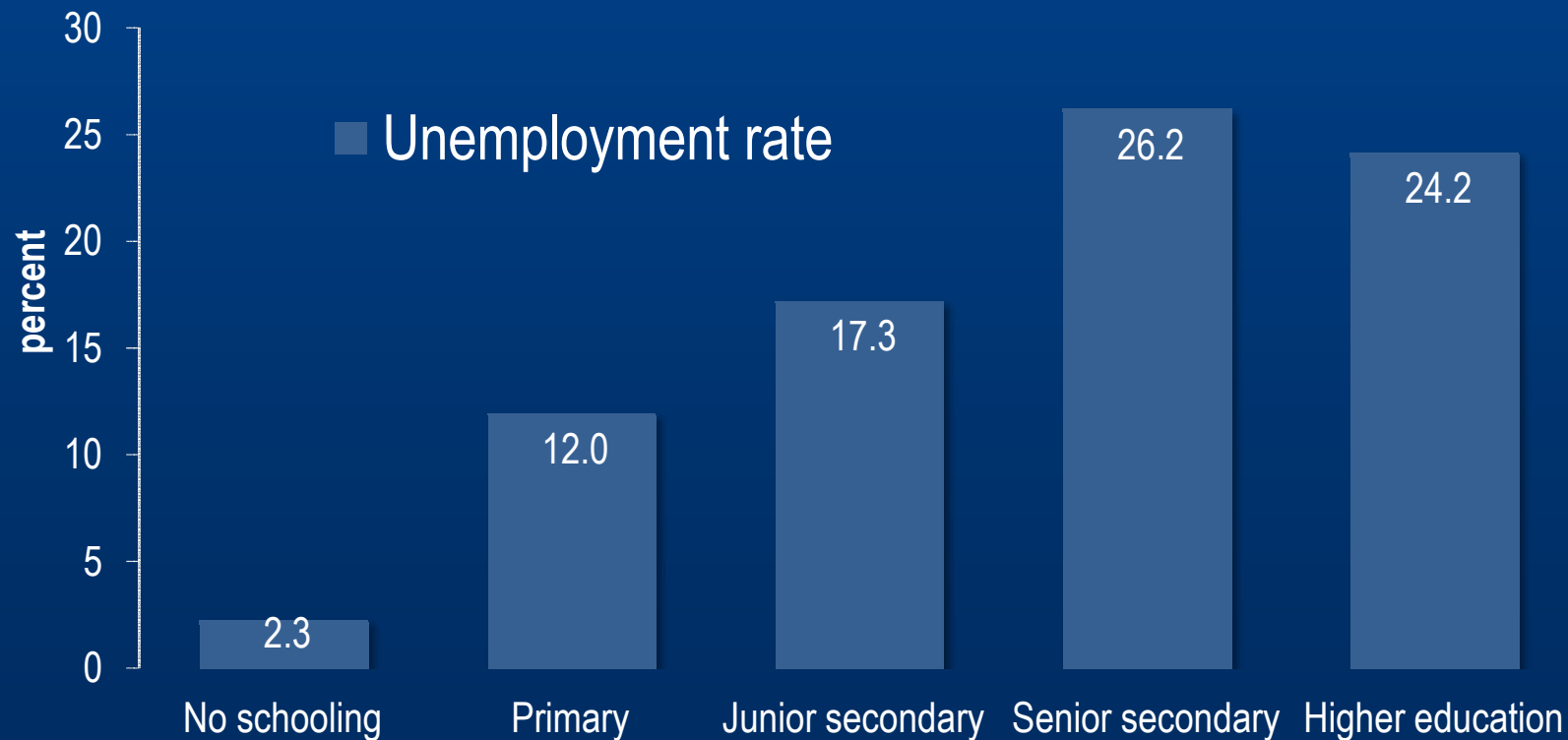
Figure. Educational attainment, non-student population aged 15-24 years



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Better-educated young persons appear to have greater difficulty finding jobs

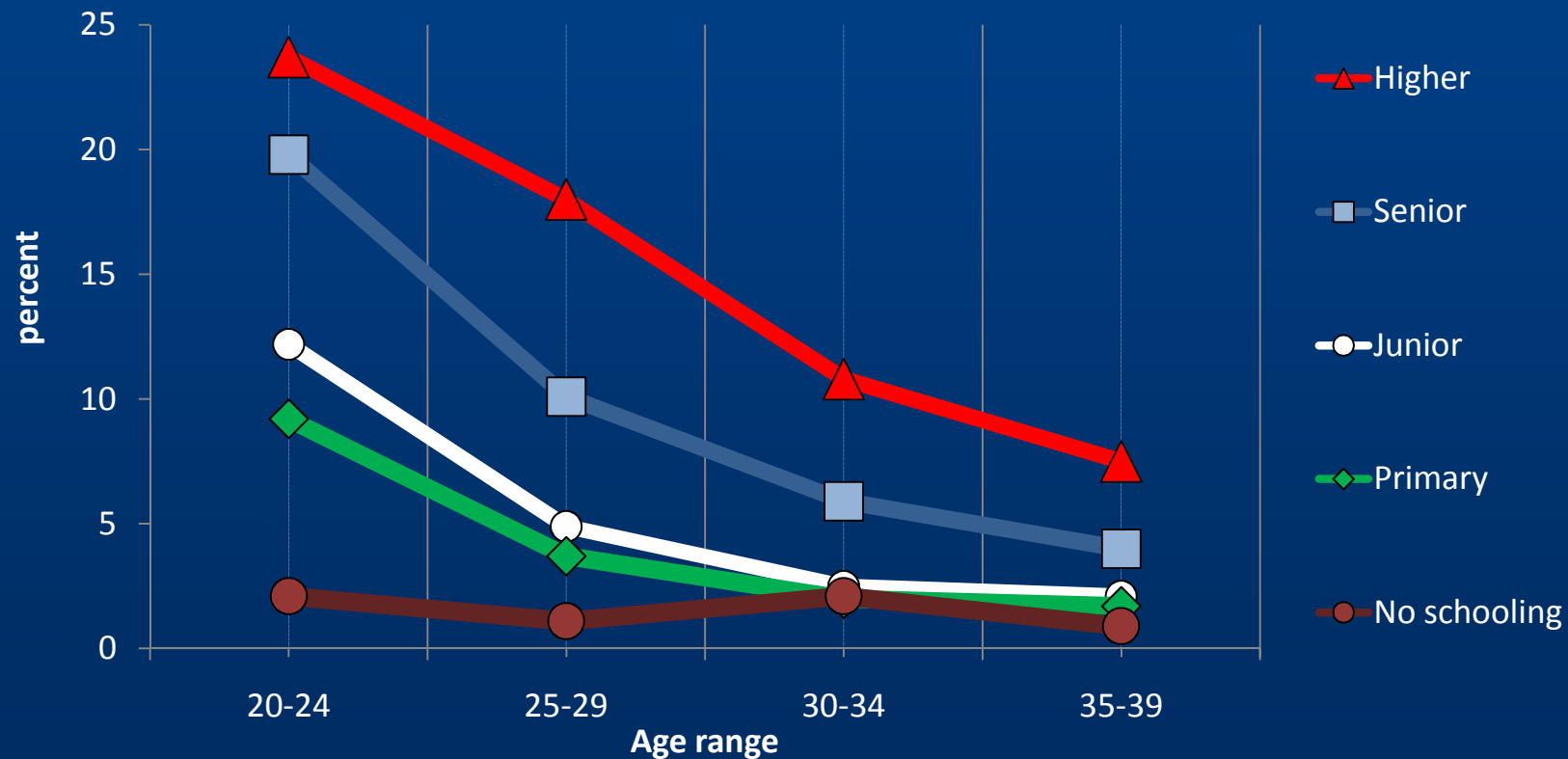
Figure. **Unemployment rate by education level, 2009**



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Better-educated young persons appear to have greater difficulty finding jobs

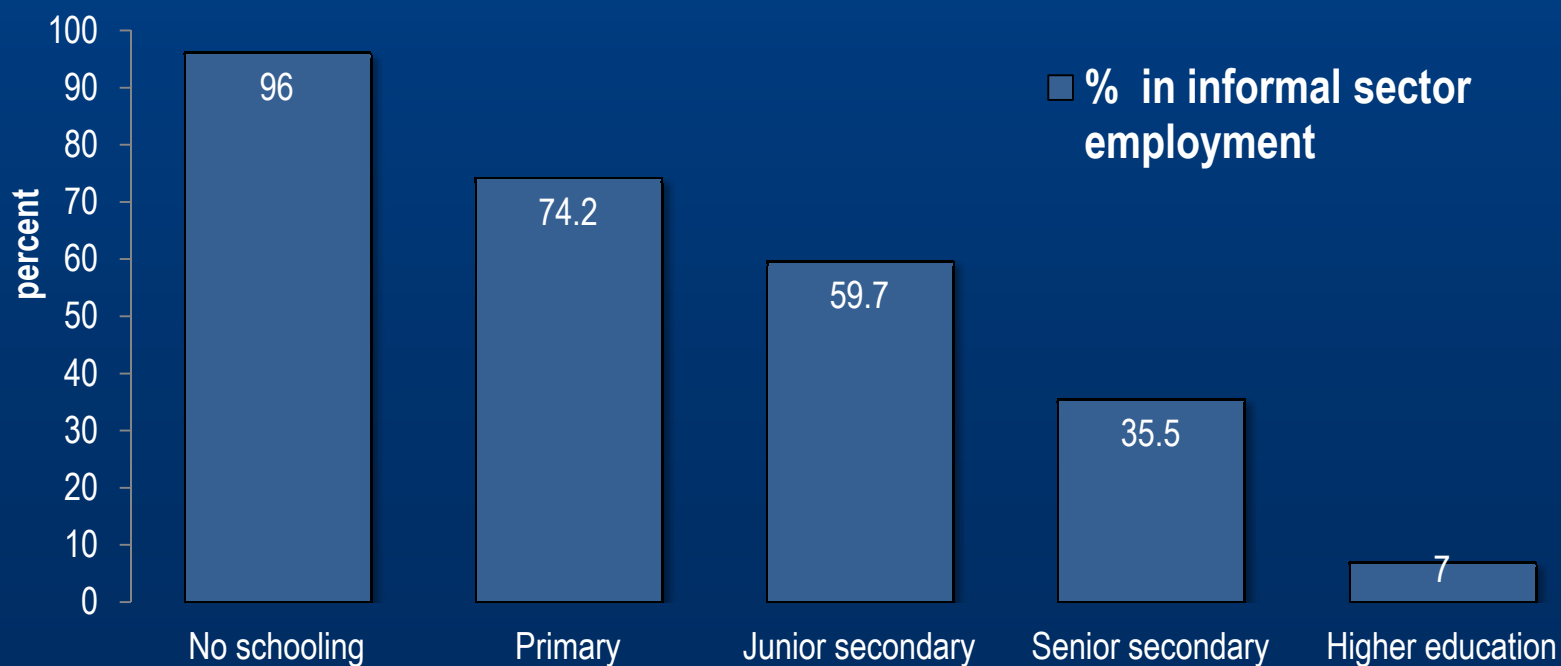
Figure. Unemployment rate by education level and age range, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

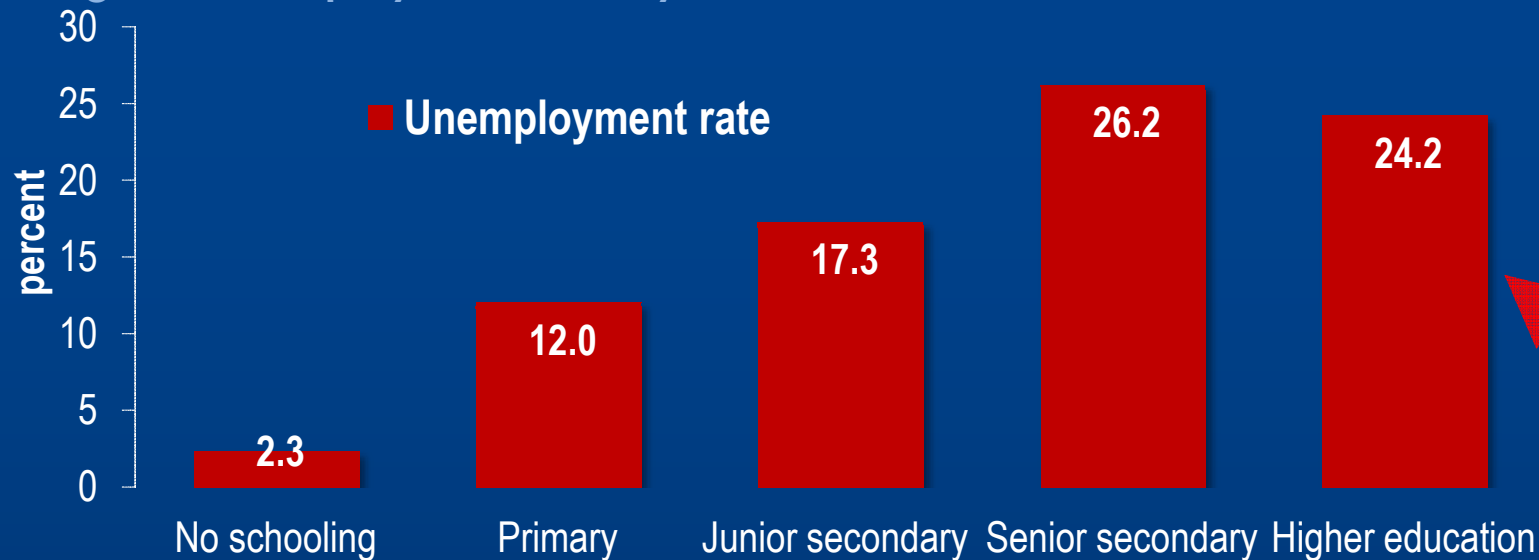
But their employment outcomes are ultimately better

Figure. Youth employed in informal sector (% of employed youth), by education level



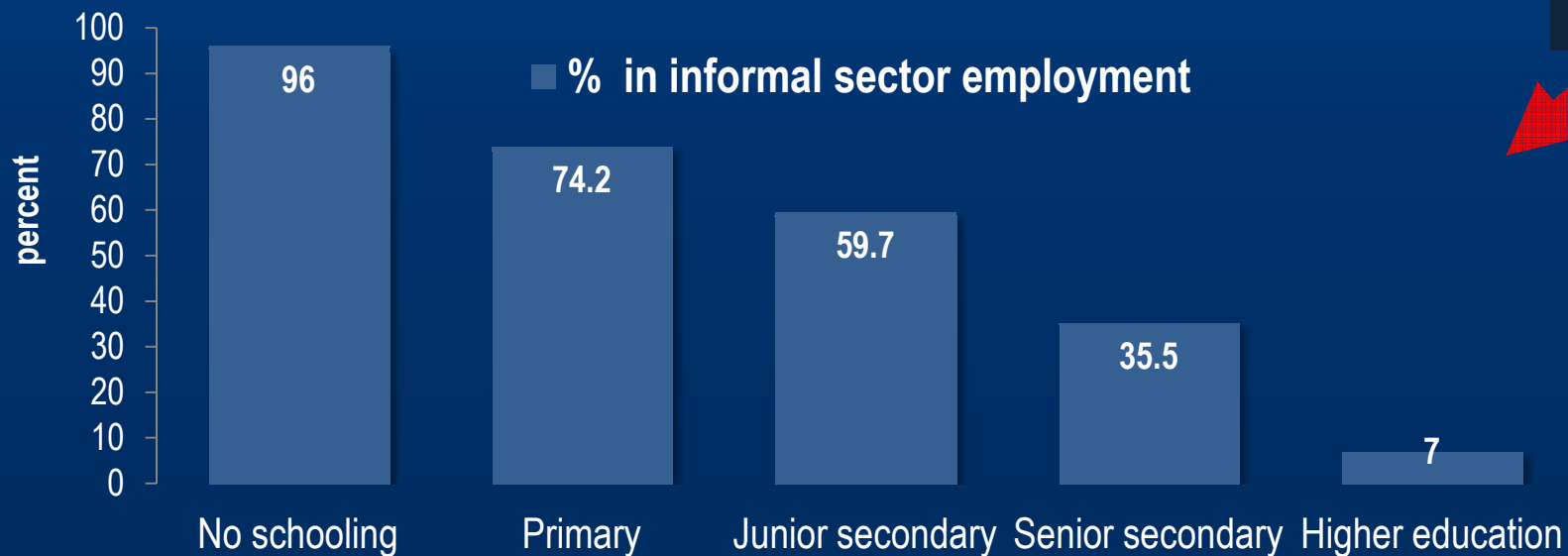
Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Figure. Unemployment rate by education level, 2009



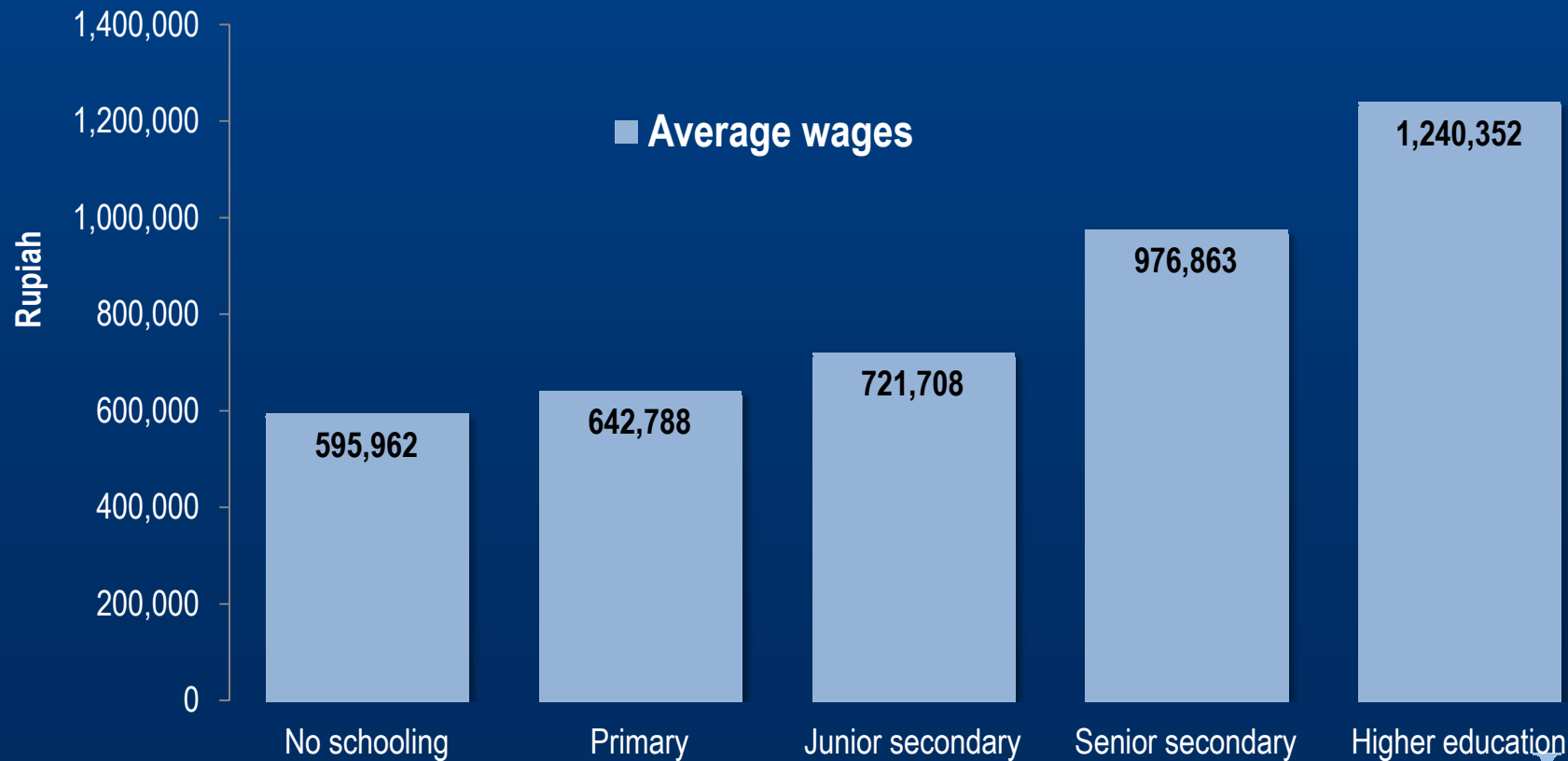
Unemployment is main problem for better-educated, job quality main problem for less educated

Figure. Youth employed in informal sector, by education level



The **wage premium** associated with successive levels of education is very high in Indonesia.

Figure. **Average wage (in Rupiah) of employed youth, by level of education attained**

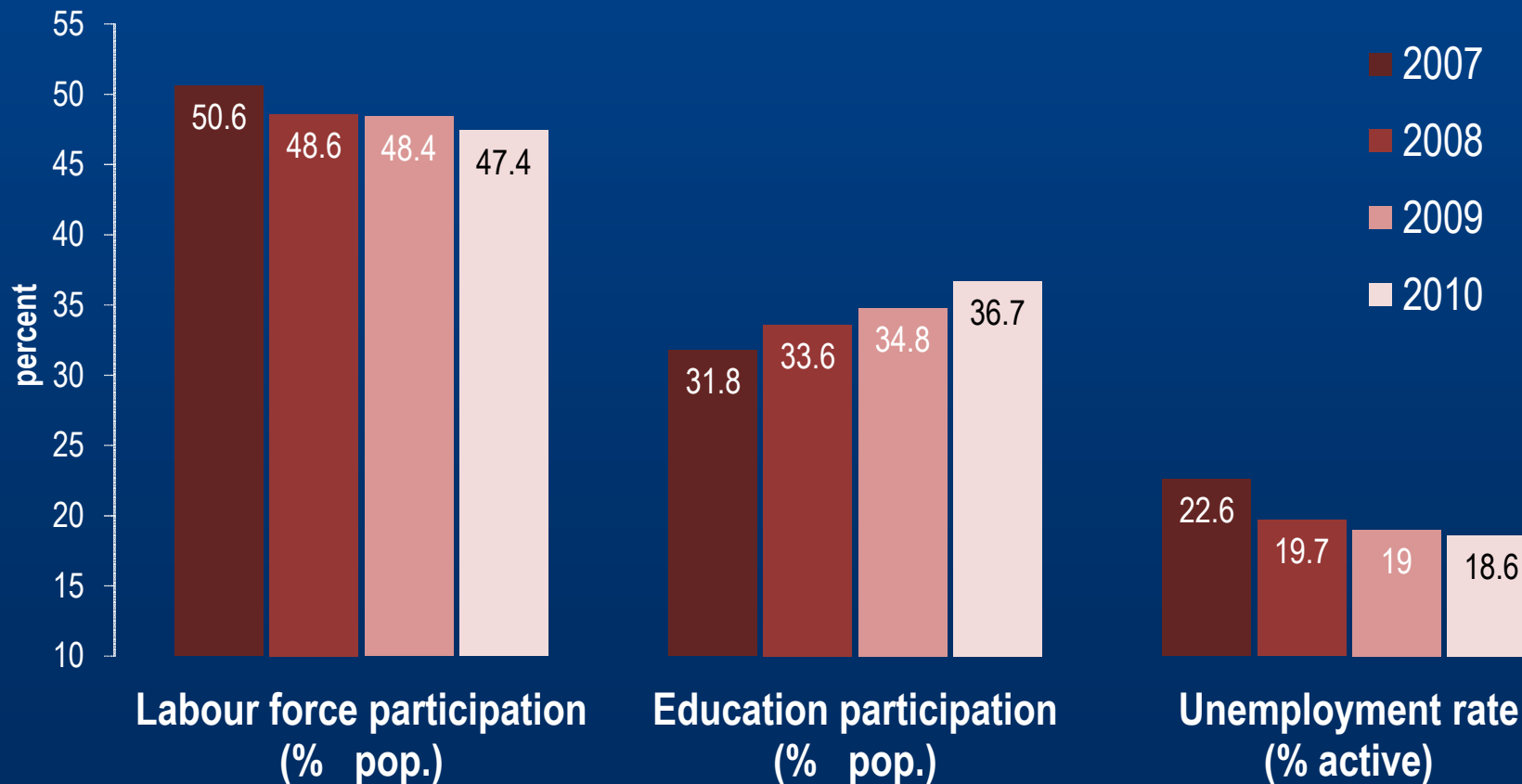


Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Trends in youth employment outcomes

Trends in aggregate labour market indicators for youth suggest an improving situation

Figure. Trends in aggregate labour market indicators, 2007-2010



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Main messages

Main messages

- Large proportion of youth, and especially female youth, **neither in education nor in labour force**
- Generally high levels of **unemployment** especially vis-à-vis adult workers; unemployment duration is often long
- **Underemployment** also very high, i.e., many existing jobs are only part-time in nature
- Youth employment characterised by a preponderance of unremunerated **informal sector work**
- Unemployment relatively more important on Java, job quality relative more important in regions off Java
- Unemployment relatively more important among better educated youth, job quality relative more important among less educated youth



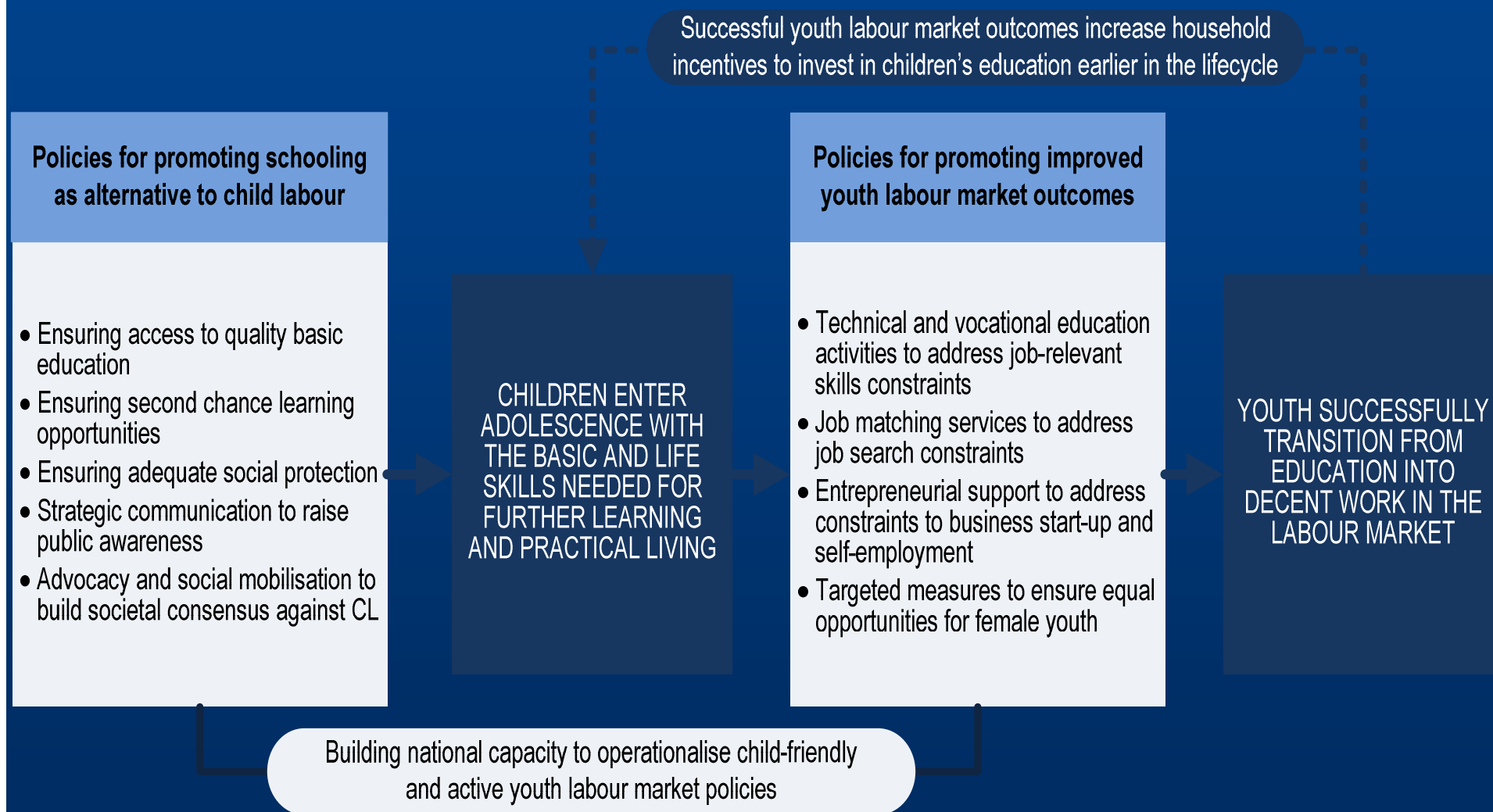
Part 3.

Responding to child
labour and youth
employment concerns

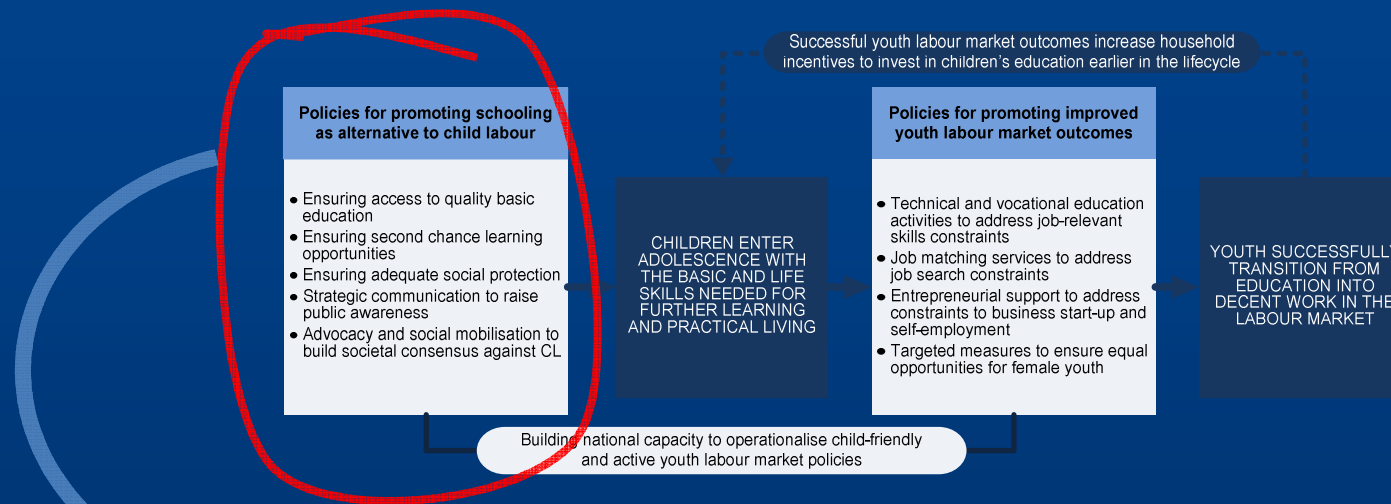
CHILD LABOUR AND YOUTH EMPLOYMENT

Efforts to provide young people with quality employment opportunities cannot be divorced from efforts to combat child labour

Figure. An integrated response to child labour and youth employment problems



Evidence from Indonesia and elsewhere points to four policy “pillars” of particular relevance to combating **child labour**



1. Ensuring access to quality basic education
2. Ensuring second chance learning opportunities
3. Ensuring adequate social protection
4. Strategic communication, advocacy and social mobilisation

Combating child labour requires **investing in education** as its logical alternative

Policy goal/targets

Rationale/relevance

Expanded access to early childhood education (ECE) opportunities.

- A lack of early childhood education opportunities affects children's preparedness for formal schooling.

Reducing inequality in school access

- Important income-based and regional inequalities in access remain at the junior and senior secondary education

Increased school quality and relevance.

- School quality issues can affect the willingness of households to invest in their children's schooling as an alternative to child labour
-

Second chance learning opportunities are needed for the large number of out of school children

Policy goal/targets

Rationale/relevance

Expanding second chance learning opportunities to compensate for educational deprivation earlier in childhood.

- Second chance learning opportunities help compensate for the negative educational consequences of child labour

Social protection instruments are needed to prevent households from having to resort to child labour as a buffer against shocks

Policy goal/targets

Rationale/relevance

Expanded access to formal social protection .

- Experience from elsewhere – particularly Latin America – suggests that cash transfers schemes conditional on school attendance and removal from child labour represent a particularly promising route for protecting vulnerable households and for promoting schooling as an alternative to child labour.
-

Strategic communication, advocacy and social mobilisation are important to building a broad-based societal response to child labour

Policy goal/targets

Rationale/relevance

Increasing awareness of the benefits of schooling, and the costs and risks associated with child labour.

- Household decisions regarding schooling and child labour can be conditioned by inaccurate information, by a lack of information or by detrimental social norms.

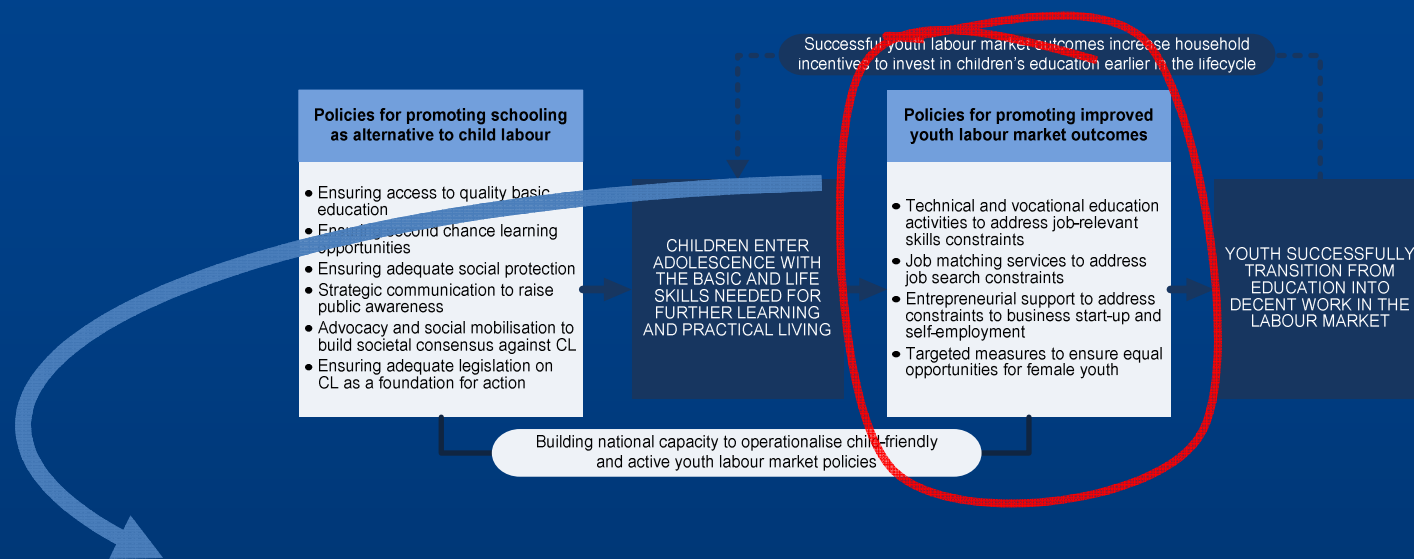
Mobilizing social actors in efforts against child labour

- Social mobilisation is critical to engaging a broad range of social actors in efforts against child labour.

Building political will for action against child labour

- A political commitment at all levels is needed to ensure that child labour reduction occupies a prominent place in the national development agenda and is accorded adequate budgetary resources.
-

Labour market policies for promoting improved youth employment outcomes



1. Technical and vocational education activities to address job-relevant skills constraints
2. Job matching services to address job search constraints
3. Entrepreneurial support to address constraints to business start-up and self-employment
4. Targeted measures to ensure equal opportunities for female youth

Improving **youth skills development** requires, inter alia, extending the effectiveness and reach of technical and vocational education training programmes.

Policy goal/targets

Rationale/relevance

Addressing job-relevant skills constraints

- Deficiencies in terms of trained human capital, particularly for the technical professions, constitute a major constraint to successful transitions to decent work for young people.
-

Job search support is important to addressing barriers to labour market entry associated with lack of job information and search skills

Policy goal/targets

Rationale/relevance

Providing job search support to address the lack of job search skills and resources

- A difficult transition to the labour market in Indonesia is partly the result of the lack of both labour market information and job search skills.
-

Entrepreneurial support offers a means to address constraints to business start-up and self-employment

Policy goal/targets

Rationale/relevance

Promoting youth entrepreneurship and self employment to address labour demand and firm start-up constraints

- Self-employment programmes hold the potential to improve employment outcomes for the large proportion of Indonesian young people currently unemployed, underemployed or in low productivity agricultural work.
-

Special support is needed to help **female youth** overcome the unique challenges they face in entering the labour force

Policy goal/targets

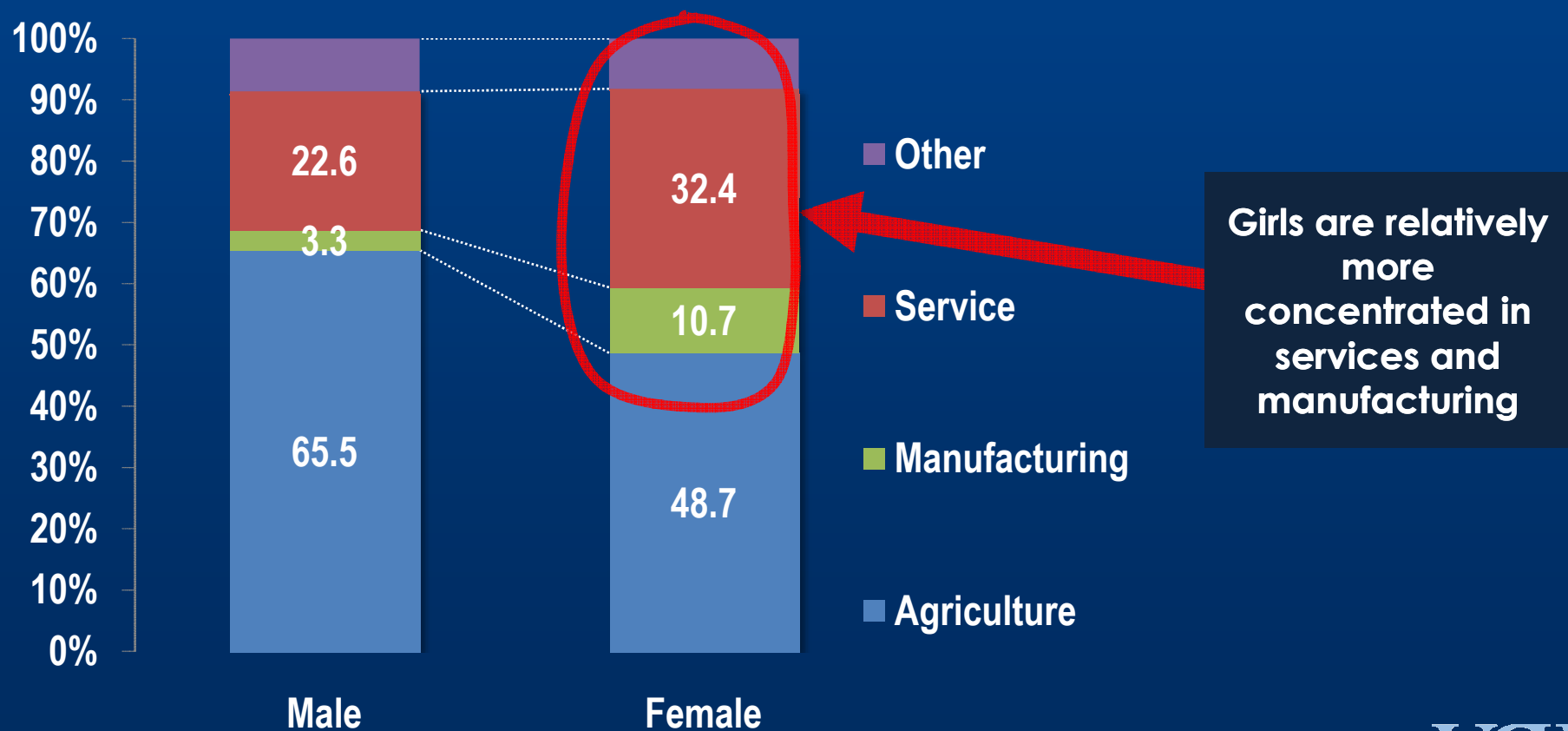
Rationale/relevance

Ensuring equal opportunities for female youth in the labour market

- Perceptions of appropriate gender roles, and of the division of responsibilities between men and women remain deeply rooted in many segments of society and continue to influence women's position and opportunities in the work force.
-

The composition of children's employment differs between girls and boys...

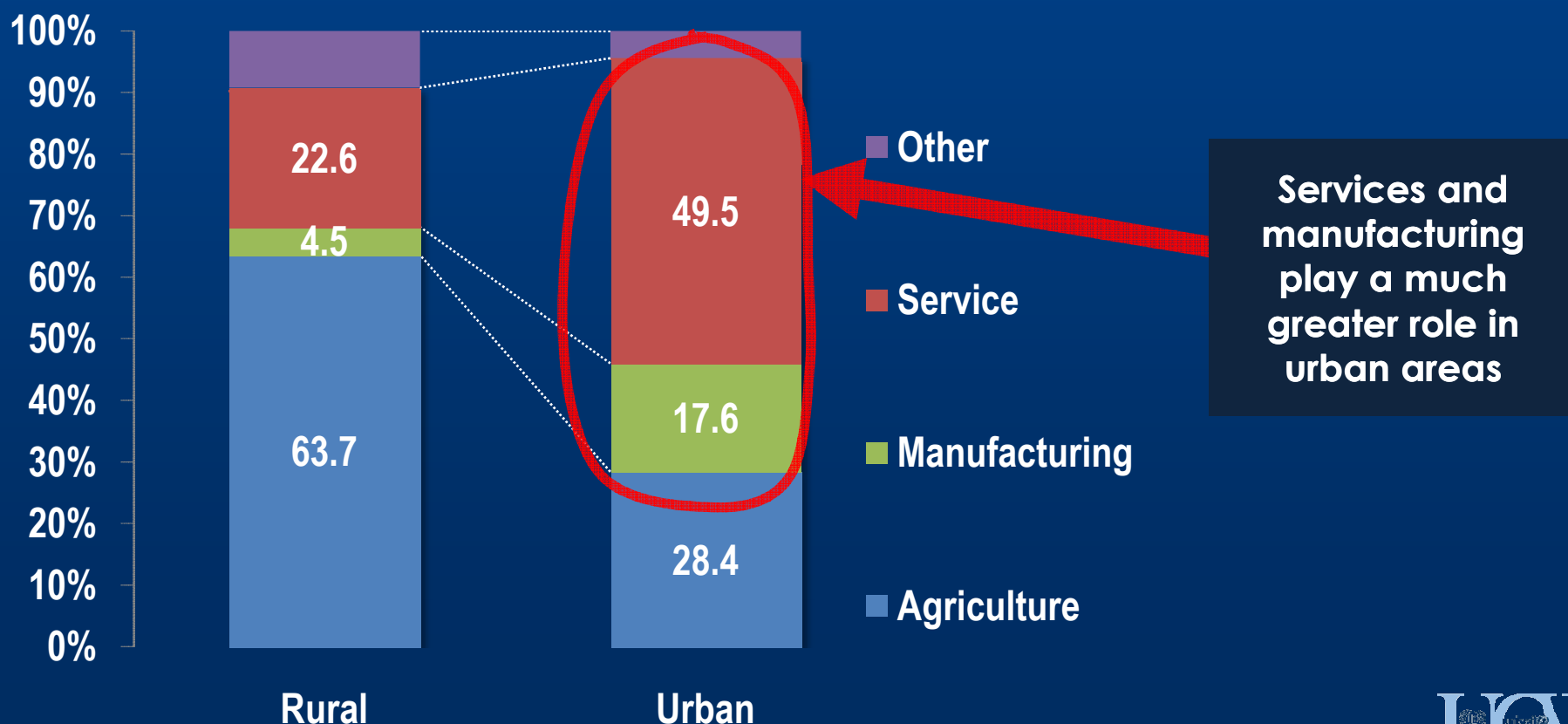
Figure. Children's sector of employment, 7-14 years age group, by sex, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

And between rural and urban residence...

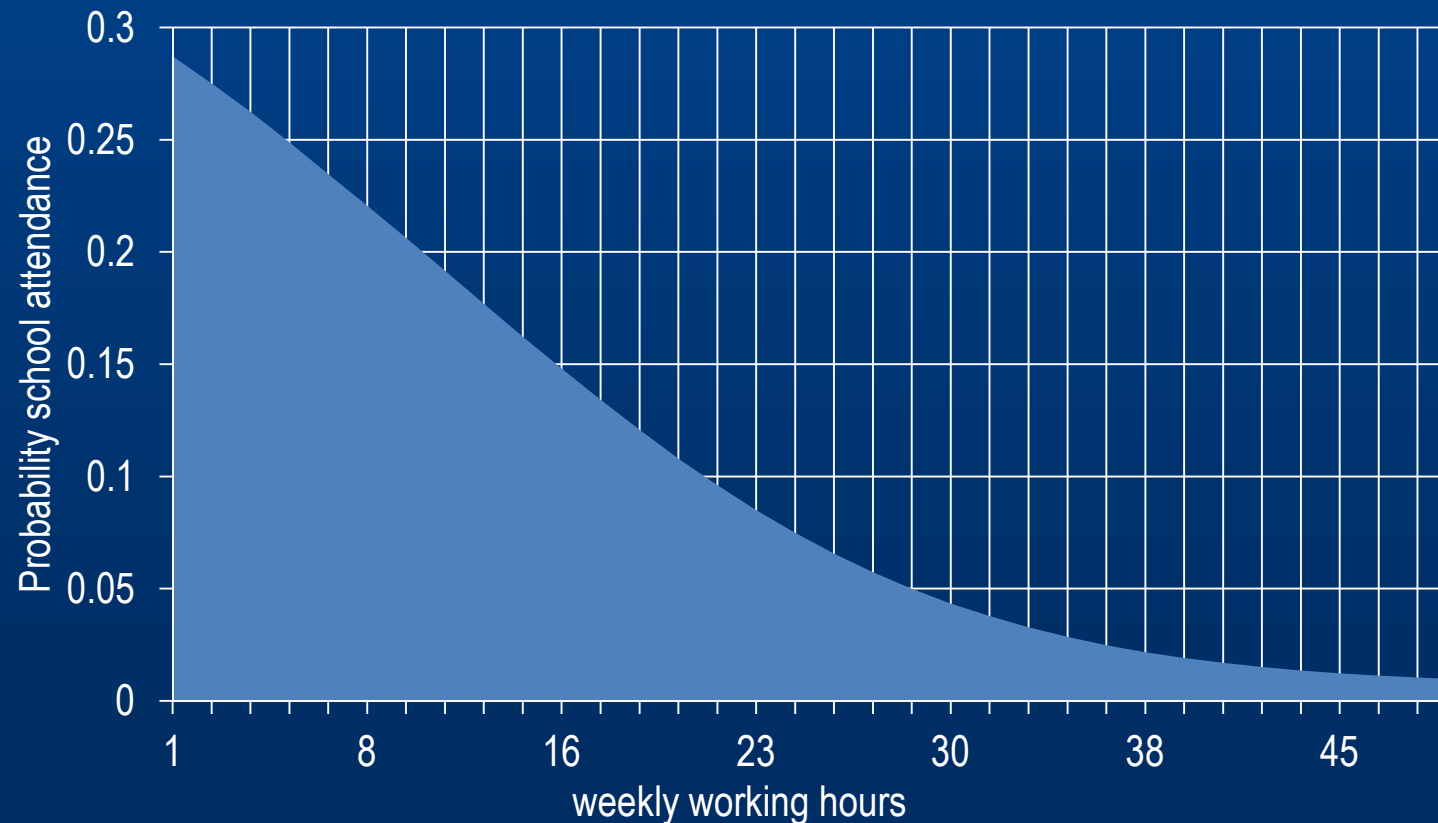
Figure. Children's sector of employment, 7-14 years age group, by residence, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

There is a strong negative correlation between school attendance and the **time intensity** of work

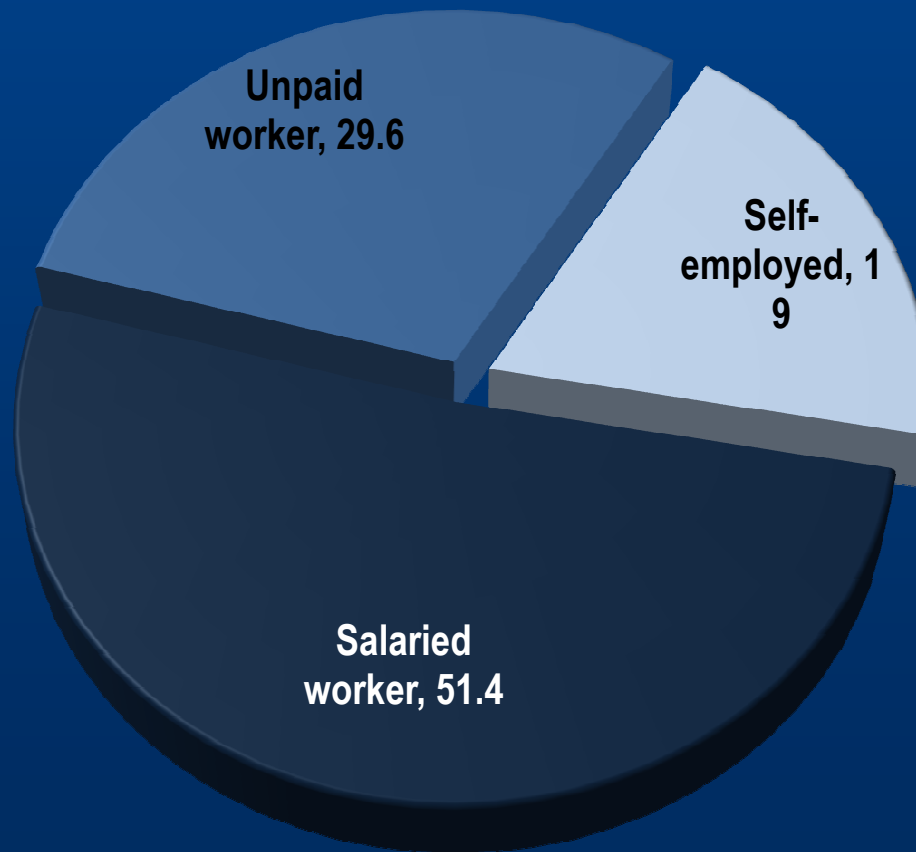
Figure. Probability of school attendance by working hours



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia Child Labour Survey, 2009.

Youth employment is characterised by a preponderance of unremunerated work...

Figure. Status in employment (% of employed persons)

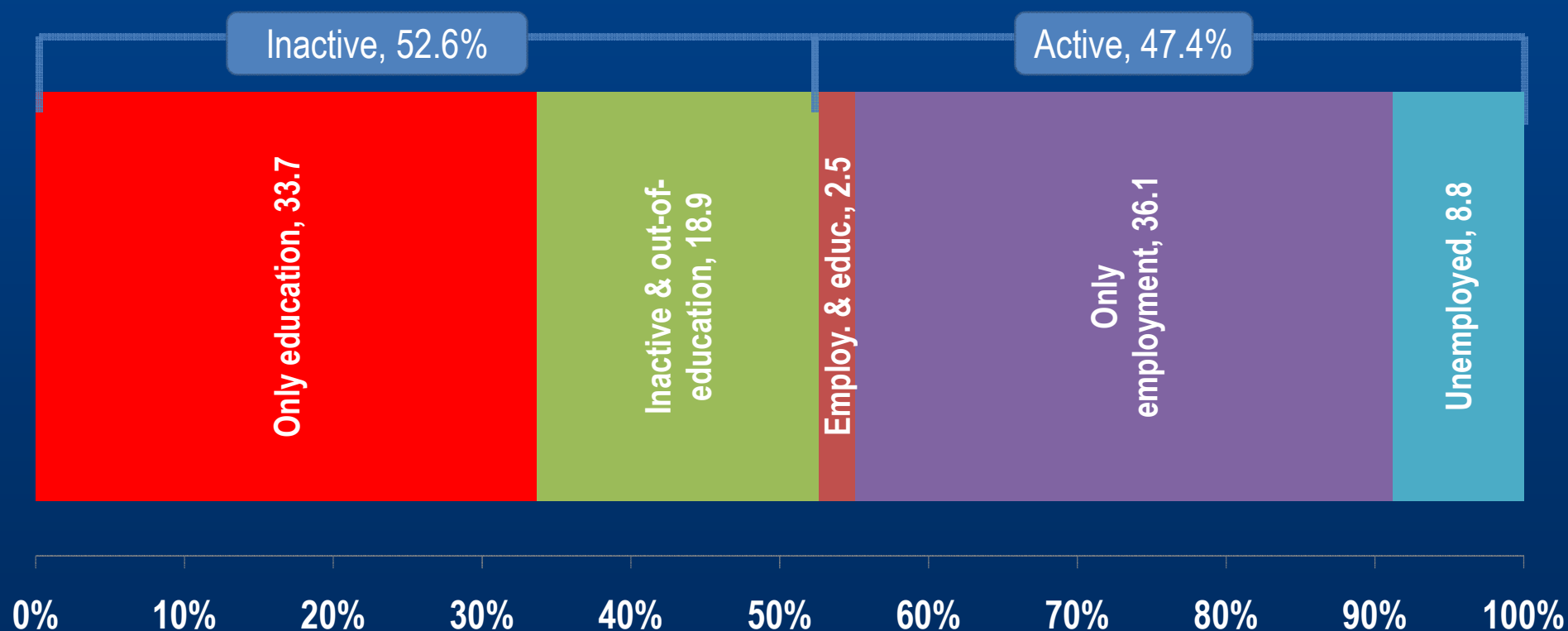


Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Youth labour market status

Young Indonesians aged 15–24 years are divided almost equally between those in the labour force and those outside of it.

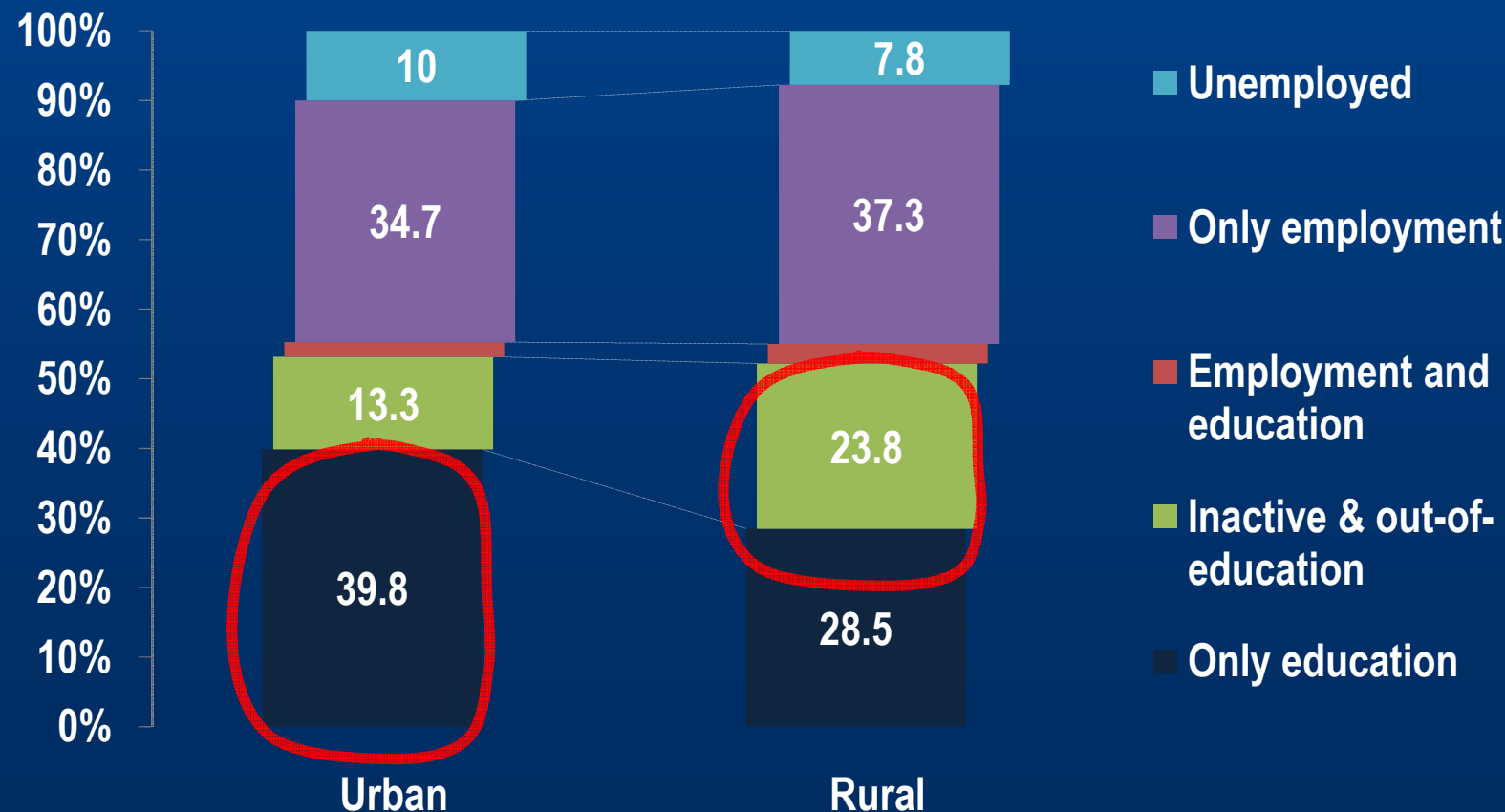
Figure. Youth activity status, 15-24 years age group, 2009



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Urban youth are more likely to be in education and to be unemployed.

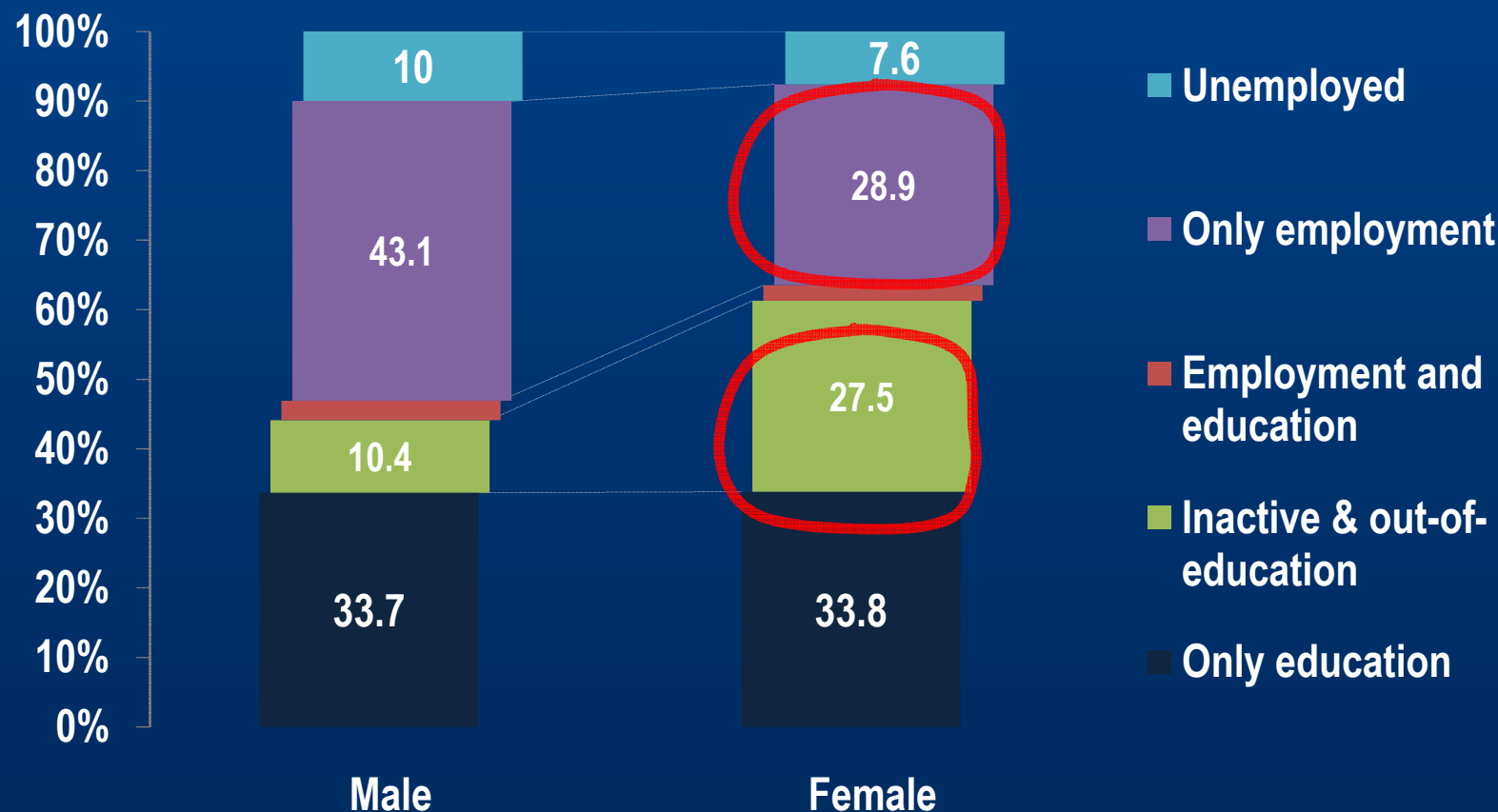
Figure. Youth activity status, by residence



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Female youth are less likely to be employed and more likely to be inactive & out-of-education

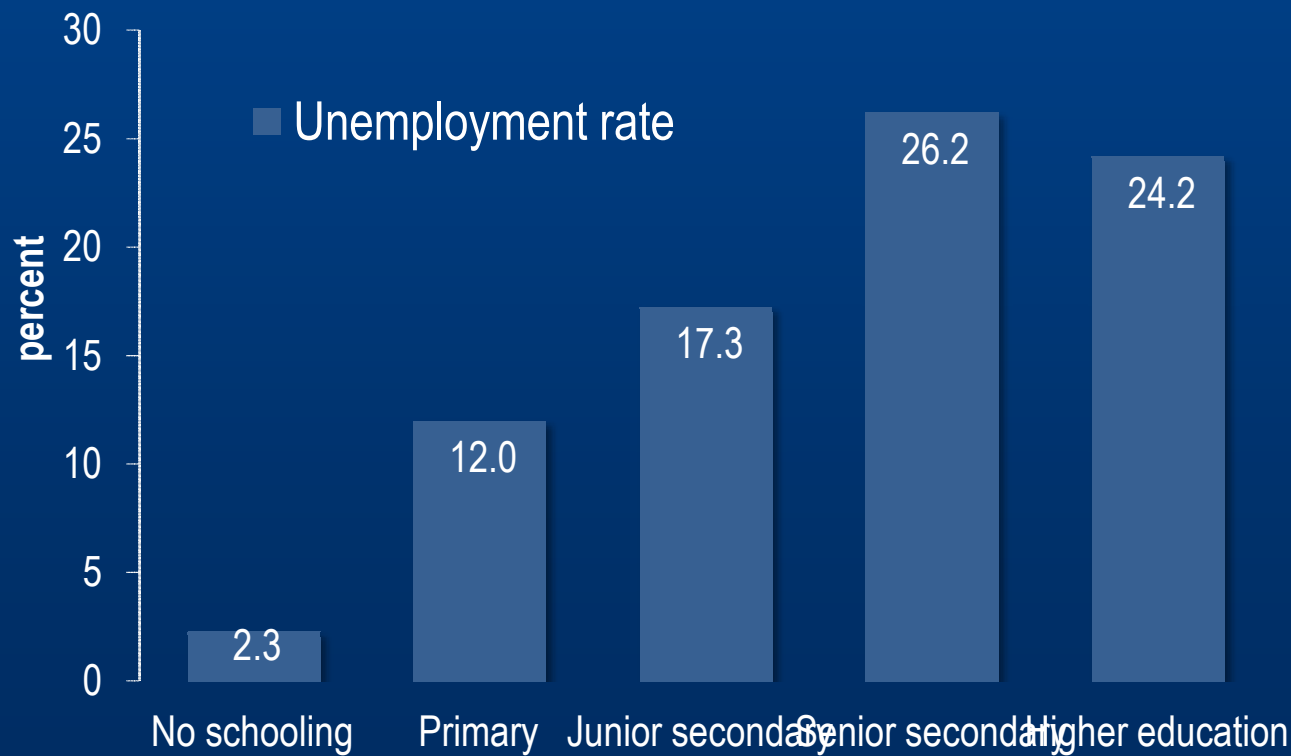
Figure. Youth activity status, by sex



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010

Unemployment is higher among the better educated, pointing to possible skills mismatches

Figure. **Unemployed rate by education level, 2009**



Source : UCW calculations based on Statistics Indonesia (BPS), Indonesia National Labour Force Survey (Sakernas), August 2010