



ILO Jakarta

Special Edition Job Opportunities for Youth

Netherlands/ILO Cooperation Programme

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Introducing JOY

I HAVE the pleasure in introducing JOY – Job Opportunities for Youth. This programme falls under the Netherlands-ILO Cooperation Program (NICP) and is being implemented in Central, South and South East Asia as well as in parts of Africa and Latin America. In Indonesia, the programme will address the challenges of youth employment, particularly in relation to how the ILO can support government and work with the private sector, unions and other development partners to create decent jobs for young men and women. This will be achieved through a series of activities at the national level and at the decentralized level in East Java. The programme will also support two local economic development pilots, one in Poncokusmo and the other in Tutar. In each district LED forums will facilitate local economic development, supporting a participative and bottom up approach to development. The first phase of JOY will run until April 2010.

Alan Boulton, Director ILO Jakarta

The Revitalization of the Indonesian Youth Employment Network (IYEN)

ECONOMIC growth rates have been good for Indonesia, with levels reaching 5% over the past couple of years and prospects for even higher levels over the next two to three years. Despite this optimism open unemployment rose from 8.1% in 2001 to 10.4% in 2006. What is more significant is that youth unemployment is three times higher than for the general population, with levels as high as 30%. Understandably, the government is aware of this problem and keen to identify solutions that can enable young people to gain productive and decent work. It is against this background that the decision has been taken by the government, stakeholders and IYEN members to revitalize the Indonesian Youth Employment Network (IYEN).

The JOY team is working with government departments and other development partners to support the revitalization of the Indonesian Youth Employment Network (IYEN). This process started with an evaluation of the IYENs previous action plan. The findings were presented at workshop on the 3rd of July 2008, and one of the recommendations was



the need to improve coordination amongst line ministries and to mainstream strategies for youth employment into their upcoming strategic plans. Komara Djaja highlighted the need to ensure that any strategies or targets for youth employment are clear, achievable and incorporated into the Medium Term Development Plans for government departments. This would help support progress towards the creation of quality jobs.

Objective of JOY:

"Working with government & stakeholders to promote employment opportunities for young women and men."

Special points of interest:

- ♦ A common sense employment strategy needs to think out of the box and include local and national stakeholders -see Page 3

JOY and the ILO



**Interview with
Mr. Peter van Rooij ,
Deputy Director of the ILO**

THE JOY programme represents a strategic set of activities that are at the heart of the ILO's work in Indonesia, reflected in the ILO Indonesia Decent Work Country Programme (DCWP) 2006-2010.

The DWCP 2006-2010 prioritize on three main programmes, namely i) stopping exploitation at work, ii) employment creation for poverty reduction and livelihood recovery, especially for youth, and iii) social dialogue for economic growth and principles and rights at work.

These are important issues and are manifest in the activities of JOY where the programme is working with the Ministry of Manpower and Transmigration and

“JOY is a very innovative piece of work that can have a significant impact on poverty and productivity in Indonesia”

the National Development Planning Agency, (Bappenas), to improve employment opportunities for young people, particularly with regard to identifying the barriers to employment and how they can be removed. JOY is a very innovative piece of work that has the potential to have significant impact on poverty and productivity in Indonesia.

Institutional Building and Capacity Development for Employment Planning

THE effectiveness or success of any employment strategy will depend on the capacity of planners to analyse data in order to understand how the labour market works. With the progress of decentralization and the handing down of power it is even more important that planners at the provincial and district levels have the skills and knowledge to develop, monitor and implement their own employment policies. In order to develop their capacity and support institutional building in this area, the JOY team are working with Bappenas and the Ministry of Manpower to identify how we can respond to these needs. Initially, this will involve a feasibility study to identify their specific learning needs. Over the short-term this can be met through various technical consultations and study tours, but over the longer term there is a need to develop a more sustainable strategy. Therefore, the JOY team will undertake a feasibility study to develop a masters programme in labour market planning. This will look at the institutional arrangement for delivering this programme.



A CONFERENCE ON Labour Market Information, Employment Services and Planning

THE JOY team supported a conference on labour market information, employment services and planning in Semarang. This event was sponsored jointly by the Ministry of Manpower and Transmigration and the government's planning agency, Bappenas. The purpose of the meeting was to identify how development partners could work together to improve information about the labour market and to identify job opportunities for young people, both domestically and overseas. The conference discussed a number of policy issues and attempted to identify ways forward. This included what are the most appropriate indicators to measure trends in the labour market and what are the most cost effective methods for collecting this information. Dr Marcus Powell, JOY programme coordinator, delivered a presentation about how to establish a job opportunity index, including the purpose of such an index.



Coordination meeting on labour market development and information at the Horison Hotel in Semarang, on 7th August, 2008
From left to right, Dr. Marcus Powell (Chief Technical Advisor, ILO), Dr. Atifah Thaha, M.Sc. (Head of Bureau for Women Empowerment, Micro and Small Enterprise and Employment / Deputy of People's Welfare, Vice President Office), H. Sukawi Sukarip (Mayor of Semarang), and Rahma Iriyanti (Director of Manpower and Job Opportunities Development, Bappenas).

The conference discussed the possibility of setting-up a Job Opportunity Index in Indonesia and how it could be piloted in a specific provinces. Other issues discussed at the conference included the importance of disseminating information about the labour market and for people to understand what type of skills are in demand and where jobs can be found.

Developing a Strategy for Youth Employment in East Java

PROGRESS has been made towards the development of a youth employment strategy for East Java. A tripartite workshop was held in Surabaya to bring together different stakeholders from East Java to discuss ways forward for the implementation of a youth employment strategy, taking into account gender mainstreaming



Presentation to overcome youth unemployment in East Java at the Shangrila Hotel in Surabaya, on July 17. From left to right, Drs. Maksum, Msi. (Executive Director, Jawa Pos), Teuku Rahmatsyah (National Economist, ILO), Ir. Budi Setiawan, MMT (Head of Economic Bureau, Bappeprov East Java), Janti Gunawan (Local Programme Coordinator, ILO), Philip A. Hurst (ILO Consultant), Matthieu Cognac (LED Specialist, ILO), Dr. Marcus Powell (Chief Technical Advisor, ILO), Rolly Damayanti (National Programme Coordinator, ILO), Cholily (Head of East Java Migrant Workers Union).

Method used to develop the Youth Employment Strategy in East Java

- Determine economic demand
- Identify employment barriers
- Evaluate existing policy frameworks
- Determine roles played by stakeholders and other actors
- Support a coordinated vision
- Facilitate a strategy and implementation plan
- Develop a monitoring framework

Employment Strategy and LED: Green Jobs the missing link?

JOY's two pillars are facilitating the development of an employment strategy and promoting local economic development LED— as alternative development approach, that is bottom-up and participatory in nature. Ensuring synergy between the two areas is being achieved through a number of complementary initiatives that are targeting the growth of green jobs. Under this approach the JOY team have helped establish two LED committees whose prime mandate is to support local employment. In order to facilitate this process the JOY team are working with a selection of provincial and district governments in East Java to identify how existing policy frameworks can be improved to help support employment growth in the areas of tourism and agriculture, particularly for green jobs.

"Klaus Toepfer, UNEP's Executive Director, said: "The notion that there are tough choices between jobs and the environment is out dated.....Indeed, environmental management and tackling environmental issues can be a source of new and cleaner industries and jobs."

Green jobs are a growing priority for the ILO and the existing evidence from a number of countries point to the importance of green jobs as a potential source of employment for young people. To date there has been minimal focus on green jobs in Indonesia. Thus prior to the development of any strategy it is necessary to understand the nature of demand, including where jobs are being created now and in the next five years. Therefore, the JOY team will be undertaking a study on the green job sectors by looking at how different factors are driving demand and the implications for employment creation, particularly for youth.

"Green lives and green jobs are inseparable," said Ms Sachiko Yamamoto, ILO Regional Director for Asia and the Pacific. "It's clear that adapting to and mitigating environmental changes will require millions of people to adopt new patterns of work. We may need to consider new models of local businesses or community-based non-profit institutions."

Local Flower Producers Receive International Exposure in Tomohon

A DELEGATION of nine flower growers from Pasuruan and Malang, all of whom are members of the ILO LED forums in Tutar and Poncokusumo, participated in the national flower exhibition event in Tomohon, Sulawesi from June 29 to July 7. The event which brings together flower producers, buyers and sellers worldwide, is inspired from the well established Pasadena flower show in the US. "The flower industry in East Java is booming and offers tremendous potential for growth in the next 10 years," said Mashuda, Director of Condido Flower Research Center and Association in Tutar. There are still a few obstacles in the way to this growth however, which includes the use of professional cold storage, high yield seeds and better fertilizers. There are also legal and licensing issues which prevent chrysanthemum flowers – the bulk of flower production in the region– from being exported. The customer base is growing fast, with a growing demand from Bali, Surabaya and Sumatra. Meanwhile the Middle East is becoming the fastest growing flower buyer for Indonesia. The show provided an opportunity to reveal the high quality flowers of Tutar and Poncokusumo to a professional audience and to establish the necessary contacts.

"The flower industry in East Java is booming and offers tremendous potential in the next 10 years"



Mashuda, Director of the Condido Flower Research Center in Tutar, participated to the Tomohon flower show.

Tourism Development in the “Volcano Country” of East Java

ON June 27, 2008, the ILO presented the initial findings of a feasibility study to identify how tourism could develop the *Volcano Country* of East Java. This study, presented by tourism expert Nicolas Pitet, identified tourism packages that could provide tourists with on organized 2-3 day tours and discover the hidden beauties of the region, including the landmark volcanoes of Bromo and Semeru. The study found that the creation of such packages, which would require a high level of collaboration between the public and private sectors, and would result in the creation of jobs for young people, especially in what is commonly known as green jobs. It would also encourage the formation of cooperatives and empower communities of indigenous people to become active participants in this process. Packages would feature agro tourism, under which tourists would visit local apple, flower and other local rural farms and have an opportunity to discover and purchase their products. According to the UNWTO, tourism supports some 7% of the world's workers. In 2007, 1 of every 11 new jobs originated from tourism. Tourism creates economic opportunities, helps eradicate poverty, and provides sustainable jobs – decent work to people in very diverse industries. This proposed package will help generate jobs directly through hotels, restaurants, tour companies, taxis, souvenir sales, and indirectly through the supply of goods and services needed by tourism-related businesses. Money is earned from tourism through informal employment such as street vendors, informal



Presentation of the tourism feasibility study at Bappeda in Malang, on June 27. From left to right, Bappeda Malang, Matthieu Cognac, Bupati Malang, Marcus Powell and Janti Gunawan.

guides, etc. The positive side of informal or unreported employment is that the money is returned to the local economy, and has a great multiplier effect as it is spent over and over again, creating additional wealth in the local community.

The Bupati of Malang who attended the presentation strongly supported the initiative.

LED forums have been established in Tutar and Poncokusumo, and together they have jointed forces to improve tourist potential in the region.

Feasibility Study of a National Programme on Domestic Biogas in Indonesia by SNV Netherlands

INDONESIA has been identified by Government of Netherlands as one of the countries for enhanced cooperation in the field of renewable energy. The production of domestic biogas is proposed by DGEEU (Director General of Energy and Environment) as a means of tackling the country's growing energy crisis. Under the bio gas programme any family in Indonesia with at least two cows can run a simple bio-gas plant. Such a plant will generate enough gas to power a stove and a lamp. In this respect the Netherlands Embassy at Jakarta commissioned SNV to conduct feasibility study to identify ways forward. The study took place towards the end of June and involved visits to West-Sumatra, West-Java, Central Java, Bali and East-Java. The decision to select these regions was based on their cattle densities and the pro-active nature of local stakeholders. For East Java, the ILO facilitated visits to JOY's LED pilots in



Pasuruan, Malang and Batu (neighbouring district of LED program). The proposed bio-gas pilot could provide an added stimulation to the creation of green jobs in these targeted areas. .

Study on Employment Services in East Java

RECENTLY, the JOY team contracted Philip Hurst, an international employment and workforce expert, to assess employment services at the East Java Ministry of Manpower (Disnaker). During his thirty day assignment, Mr. Hurst and the ILO-Surabaya team conducted 10 focus groups with a total of 140 participants, and three workshops with over 60 participants. The focus groups with East Java Disnaker staff and Division Heads



Philip A. Hurst, standing second to the right

produced significant information about the organisation's capability in the area of employment services. The focus groups indicated that Disnaker staff capacity is high and that there is much interest in broadening services to establish a pilot employment service centre (ESC).

ESCs are very useful in addressing needs of young jobseekers and special populations (i.e. low-skilled jobseekers and long-term unemployed). Services include career information, vocational counselling, employment-related workshops, and referral to job vacancies. In a jobseeker focus group, 80% of the participants thought that employment services would help them get a job. The focus group also revealed that lack of know-how in finding jobs is a major barrier for young jobseekers. Participants in the group expressed a high need for job search workshops as well as workshops dealing with employability skills (such as teamwork, positive attitude, and work ethics).

The ILO-Surabaya team also met employers representing two large employer associations. This meeting showed that employers are very interested in a service that would refer vetted applicants for job vacancies. The employers also said they would welcome an opportunity to serve in a stakeholders group to address employment concerns.

Participants in the group expressed a high need for job search workshops as well as workshops dealing with employability skills

In view of focus group findings and other factors, Mr. Hurst concluded that an employment center would be useful in addressing needs of young jobseekers and employers in East Java, and that the East Java Disnaker office has considerable potential with regards to providing expanded employment services. Mr. Hurst's final report makes a number of recommendations and provides implementation planning details. As for next steps, ILO will keep readers informed as to developments regarding youth-oriented employment services.

Full Staff,

THE team of JOY is now complete with Dr Marcus Powell, the new Chief Technical Advisor on board. The JOY team will work in collaboration with the Indonesian Youth Employment Network (IYEN), the Ministry of Manpower, the National Development Planning Agency, the Coordinating Ministry for Economic Affairs and other development partners from the private to develop an employment strategy and to provide support for local economic development. This will be a challenging year ahead and the success of the programme will depend on the expertise, knowledge and experience of the team, all of which are essential for creating Job Opportunities for Youth!

The JOY News letter introduces the team, the constituents and outlines the programme of activities that we will be supporting over the coming year.

Breaking Gender Barriers for Young Women and Men

THE ILO has launched "Youth Employment" as the August theme of the gender campaign, in response to the global youth unemployment, where the 2006 figures had indicated around 85.3 million young women and men were unemployed throughout the world, accounting for 44% of all unemployed persons globally.

While a 2003 figures indicates that Indonesia has 40.5% of young women in the labour force compared to 63% of young men.

Nevertheless, the Government of Indonesia has shown considerable effort to ensure equal opportunities for women and men.

With the support of the JOY programme, employment for youth will be better mainstreamed into national economic and social policies through the adoption and implementation of a national employment strategy that is aligned with the national medium-term development plan.

Full Gear!



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SUPPORTING Entrepreneurship and the Role of JOY

WITH the limited number of formal jobs in the formal economy, both in Indonesia and overseas, starting a business has become one of the only career's options for young people in Indonesia. The JOY programme is keen to support the government in promoting entrepreneurship among young people. Through Start and Improve Your Business

Programme (SIYB), the JOY programme is supporting the public and private Business Development Services (BDS) to provide entrepreneurship and business management development, as well as the building of linkage between the BDS providers with the banking sectors for young people to start and improve their business and social marketing on youth entrepreneurship.

Currently, the ILO supports the development of quality and competent business development services (BDS) in 6 targeted provinces, namely Papua, West Papua, Nusa Tenggara Timur (NTT), Maluku, South Sulawesi and Aceh.

"I opened my Garage Laundry services a week before participating a SYB training. SYB training helped me to get reorganized. The training was very useful in helping me to develop my business plan and marketing strategy. It also gave me a proper system for accounting and book keeping," Mulyadi – 32 years/owner of Garage Laundry Service in Bandung.

The Start & Improve Your Business (SIYB) programme is a management-training programme with a focus on starting and improving small businesses as a strategy for creating more and better employment in developing economies and economies in transition. It has three module component consist of Generate Your Business Idea, Start Your Business and Improve Your Business.



For many young people self employment provides an opportunity to earn a living

Learning Corner –

the Roles and Functions of Labour Market Information

THE learning corner provides an opportunity to tackle important policy issues. During each edition of the JOY newsletter different themes will be tackled. In this edition we will discuss the roles and functions of labour market information (LMI). One of the first decisions that has to be made about LMI prior to the collection of any data is how the end results will be utilized. There is little point collecting information unless it can be used to inform decision making processes or acted upon by stakeholders. Therefore, one of the first decisions that has to be made is to identify the needs of end user of labour market information.

In the case of policy makers they will require information to understand the nature and extent of demand for different types of skills across the country's provinces and districts, as well as the demand for overseas employment opportunities. Each district will have different skill requirements and it is important that governments, as well as stakeholders have a common understanding of existing and possible future skill needs, including those needed for self employment and working in the informal sector. It is equally important that this information is timely and accurate. In many countries national statistical surveys are undertaken, but the findings are only ever produced about two to three years later – which has limited practical use for policy makers.

There is also an important need to differentiate between skill needs and skill gaps. The term skill needs refers to external labour market and is concerned with understanding what skills are in demand due to changes in production activities and the accompanying demand for products and services. Normally, this occurs when the demand outstrips the supply of skills. In the context of Indonesia this refers the type of skills that mainly have a market demand overseas. In contrast, the term skill gap refers to the difference between the skills that a person has, and the skills that they require to be more productive or to perform their job in a more effective manner. Normally, a person will require new skills in response to a new production technique or the development of a new market. For instance, a chef may need to know how to cook Japanese food in response to the increased number of Japanese tourists. Once policy makers have an improved understanding of what skills are in demand they will be able to identify where to target resources for planning.

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Those bodies involved in the development of qualifications also need to have a good understanding of what skills are in demand. They require this information to ensure that their occupational standards match those required in the labour market. For instance, when a new type of technology is introduced into a particular sector, it will be important for occupational standards to reflect such changes. Therefore, it is necessary that such changes are incorporated into occupational standards, or in the development of new ones. This will help ensure the target group can be equipped with the skills that are in demand by employers.

It is equally important that institutions involved in skills training, such as the BLKs have a good understanding of labour market trends in their region. This will help them to identify where to target resources, particularly in terms of which programmes of skills development should be expanded and which ones should be reduced. This logic also applies to the numbers and types of instructors, so that institutional managers understand whether enough instructors are being produced to deliver certain skill programmes.

Stakeholders will also require timely and accurate information about the labour market for different purposes. Employers will be keen to know what skills are available in the labour market and where they can be found. Whereas, unions will require labour market information to understand wage levels and to assist in the bargaining processes.

Finally, individuals or jobs seekers will want to know information about vacancies or potential vacancies, in their local region and overseas. They will want to know what are the most appropriate skills should obtain in order to gain productive employment.

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