

Looking into the future of our generation

Comments on Understanding of children's work and youth employment outcomes in Indonesia

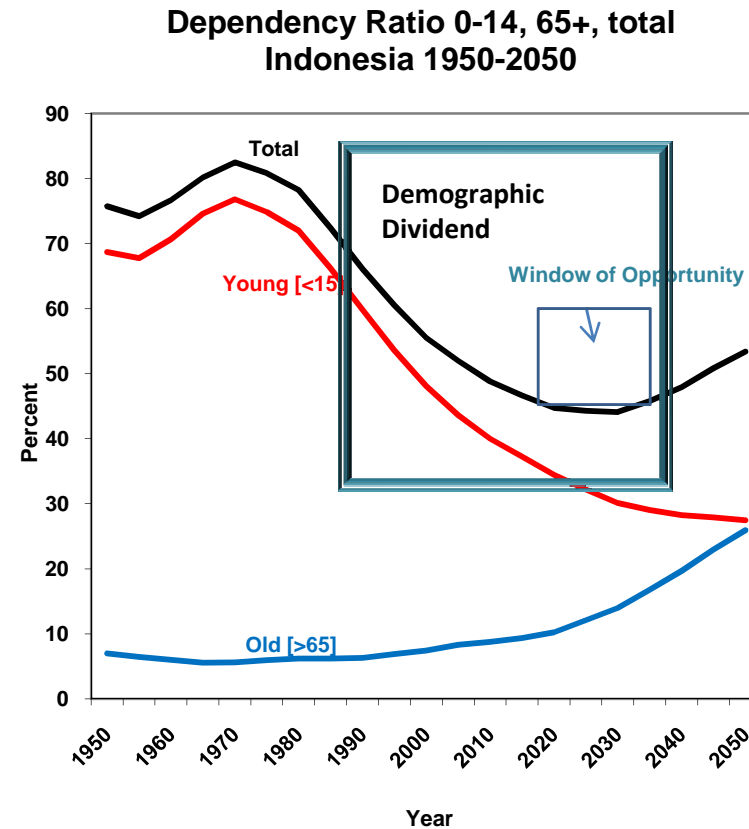
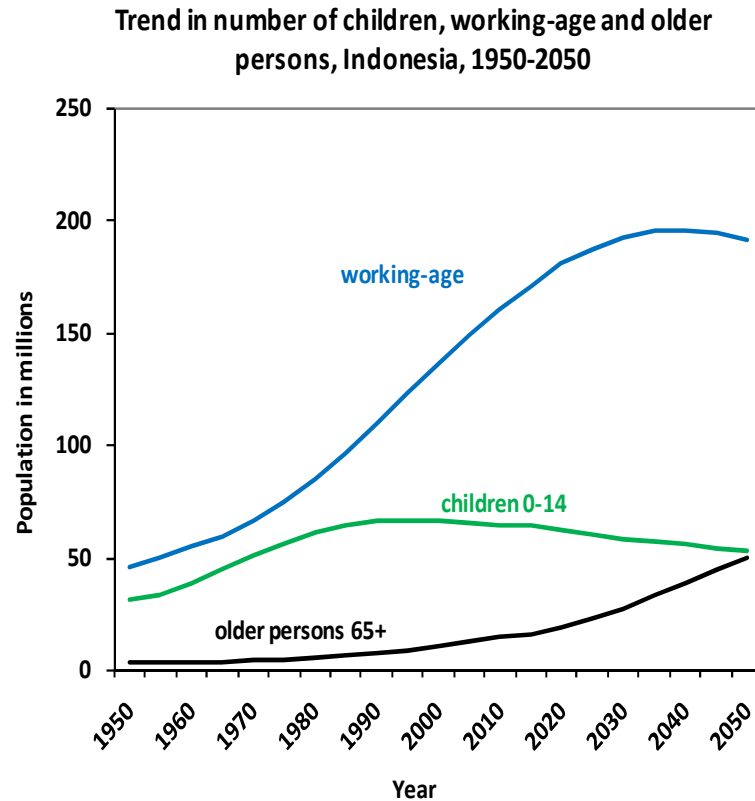
WB, UNICEF, ILO

Sri Moertiningsih Adioetomo
Jakarta: Bappenas, 20 June 2012

Timely concern

- Indonesia is facing explosion of young population
- Demographic transition leads to changes in age structure
- The declining dependency ratio creates ‘bonus demography’ or demographic dividend
- This will lead to the ‘window of opportunity’ where dependency ratio is the lowest, 44 children per 100 workers
- How can we utilize this golden moment to pursue economic growth?
- Human capital development is the answer!

Explosion of the working age 1950-2050 and the *Windows of Opportunity* 2020-2030

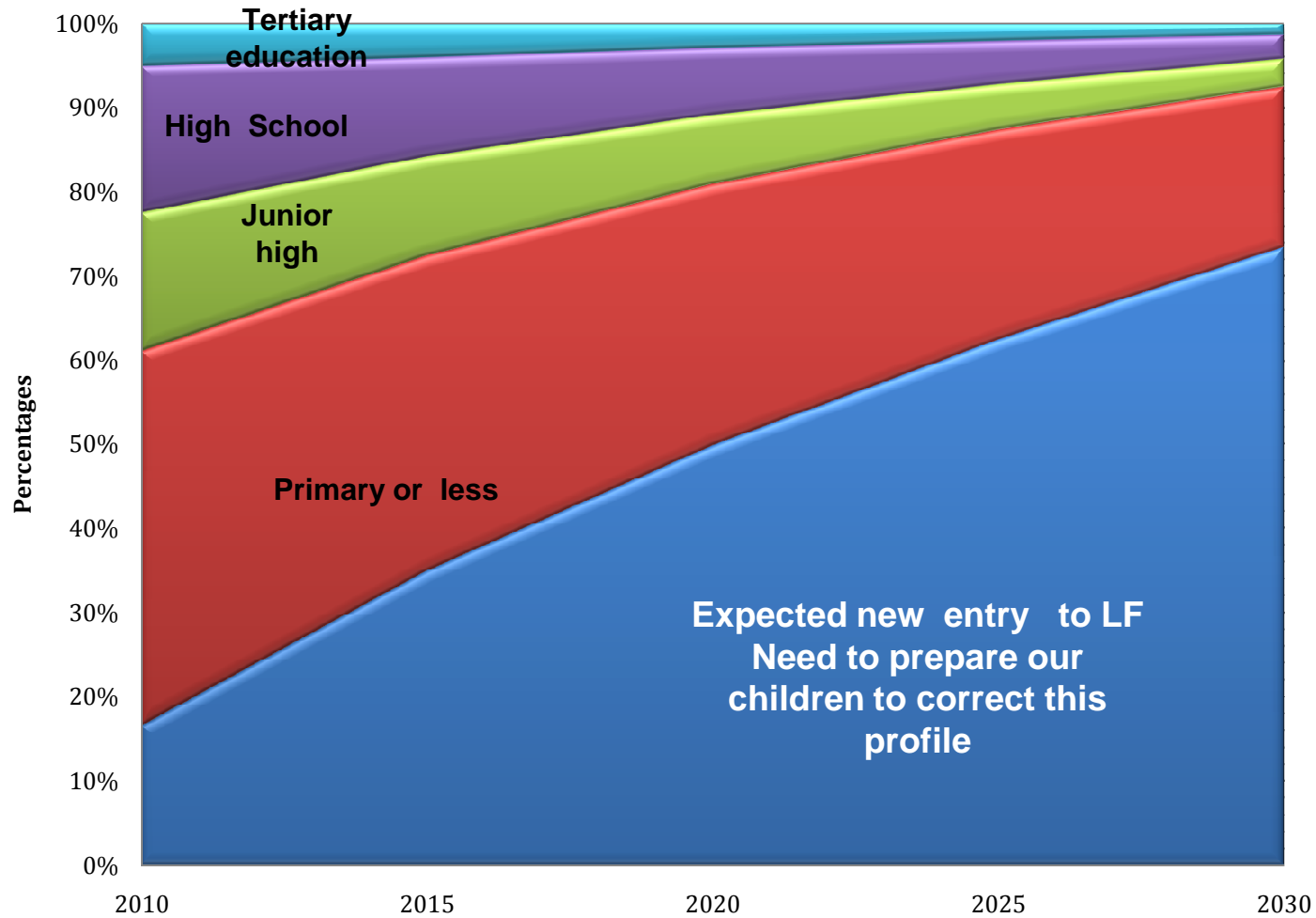


- Rejuvenation of the working age (Widjojo, 1970)
- Bonus Demography and the Window of Opportunity. 2020-2030
- Leads to economic growth: employment opportunity, investment, labor participation of women and investment of children's education with quality, skill and competence

Today's jobless or inadequately employed youth are often yesterday's child labourers

page 1 Introduction
Summary Report

Labour Force Projection by Education and the expected New Entry to LF



Calculated by SM Adioetomo. Base projection: Sakernas 2010.

The education profile of Indonesian labour market, 2010-2030

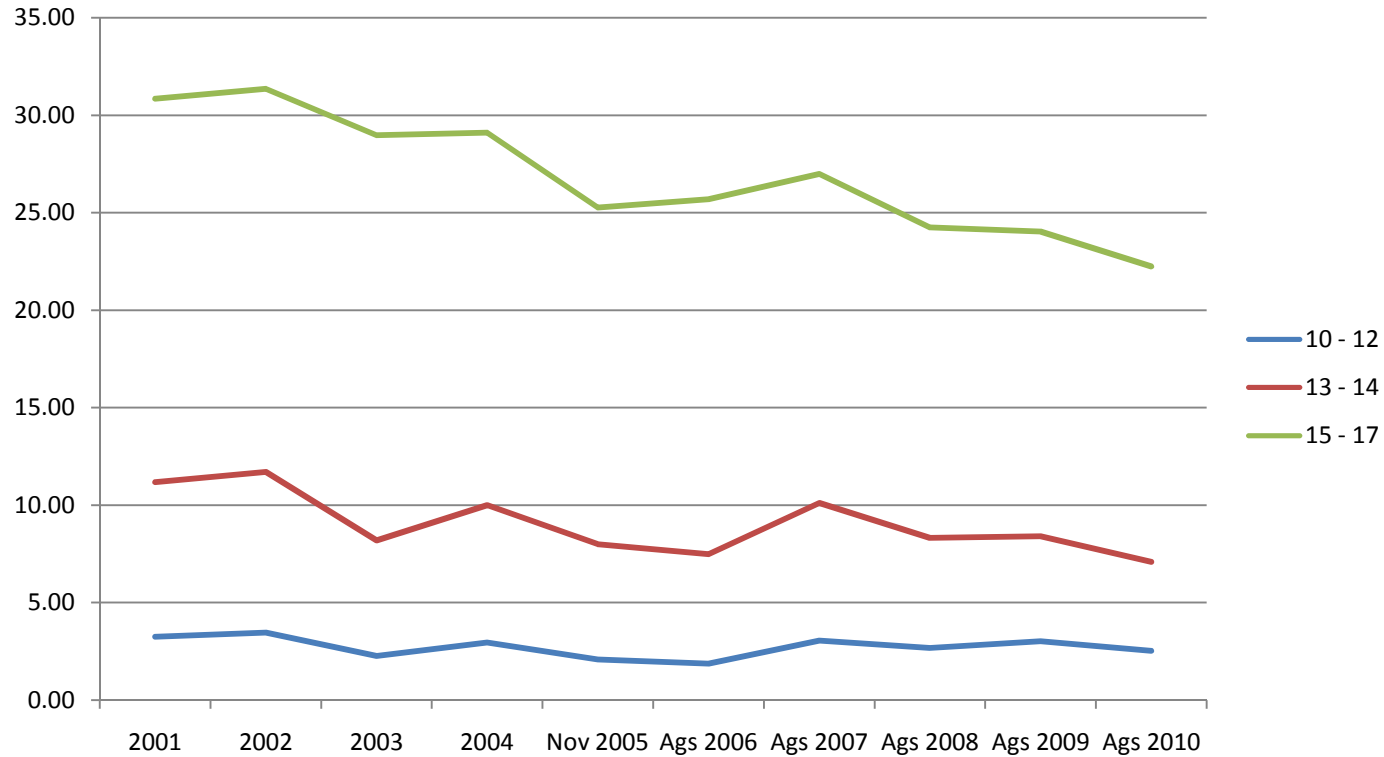
1. Assumption: people who enter the labor market with a particular education attainment, and without intervention to improve their education, will stay with this education until retired or exit
2. Until 2015, 37,5 % of our labour market is filled with people with primary school or less
3. In 2025, this decrease 24, 9 %.
4. The new entry should be able to make correction of the LF profile.

How to improve our LM profile?

- Need to prepare our children to enter labour market with quality education, skill (technical and soft skills) and competence to challenge the competitive labour market in 2020-2030 when the Window of Opportunity is open.
- Who should be prioritized?
 - Children born in 1995, now aged 17 yrs and will be 25-35 years in 2020-2030 should be prepared to enter labour market
 - Children born in 2000, now aged 12 yrs will be 20-30 yrs in should be ready to enter LM
 - Children born in 2005, now age 7 yrs will be 15-25 yrs in 2020-2030 should be prepared to enter labour market
- Note: but need to keep children 15-24 to stay in school.

**Looking at the past trend is always
useful to anticipate future trend**

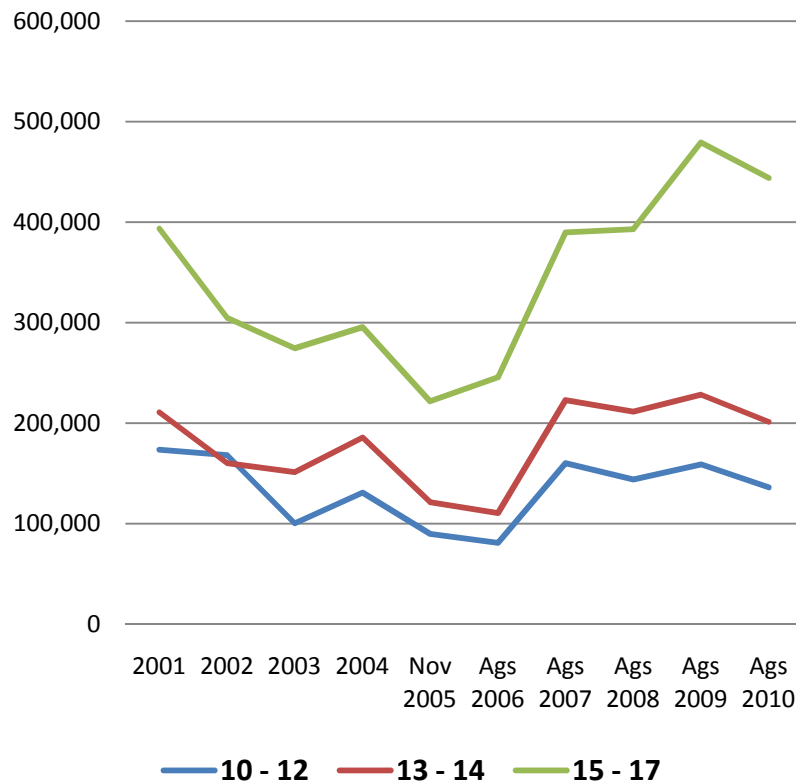
Decreasing Labor Force Participation Rate, children 10-17 years old 2001-2010



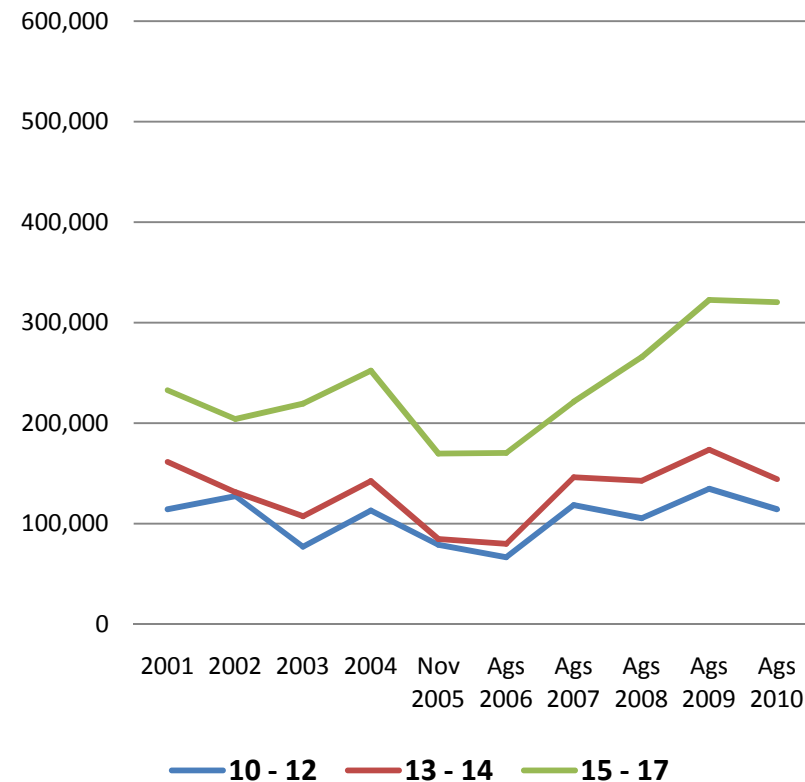
1. Decreasing rates of children in the labor market.
2. Indication of higher enrolment in schooling?
3. But children aged 10-12 in LM is still apparent, should be sent back to school
4. Who is responsible? Parents? (should be empowered), Government? (social protection should be expanded and right targeting).

Increasing number of children still in school, but lower number of girls than boys stay in school. Gender bias in children's education.

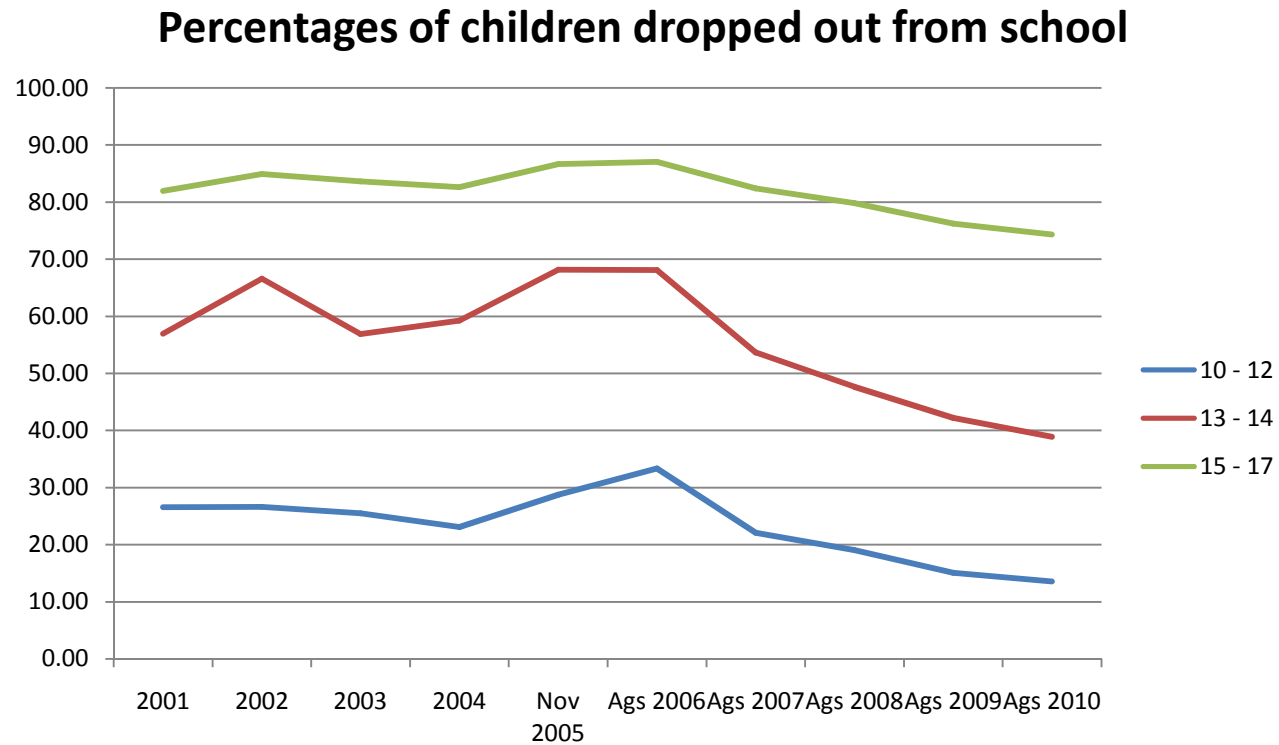
Number of children still in school by age (Male)



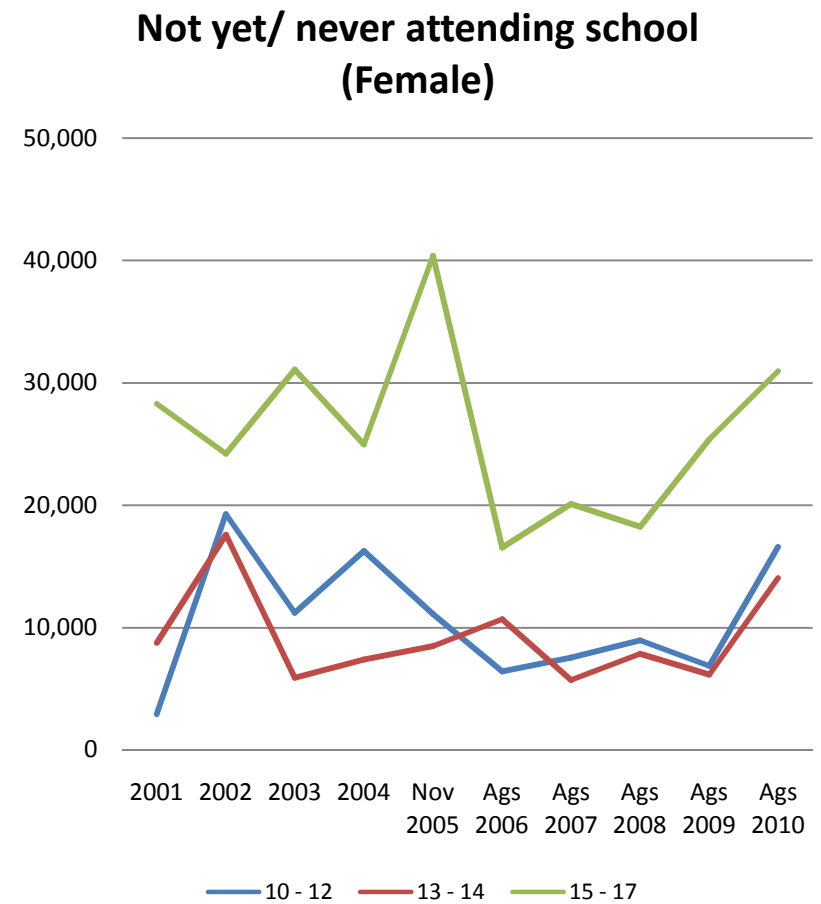
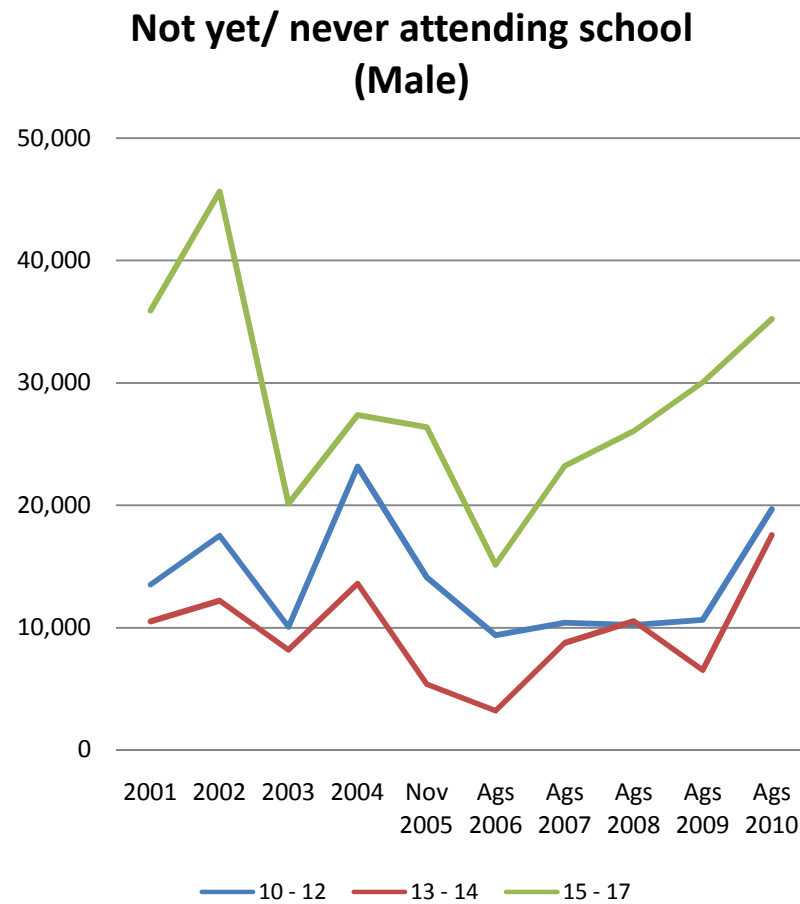
Number of children still in school by age (Female)



Decreasing trend in percentage of children dropped out from school

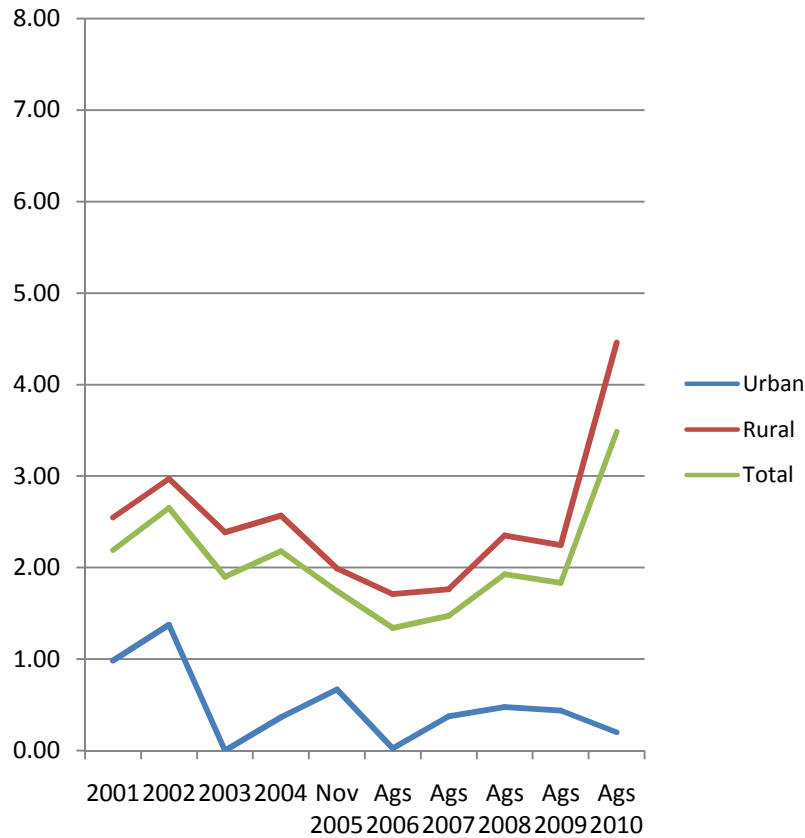


But, thousands of children have no schooling at all.

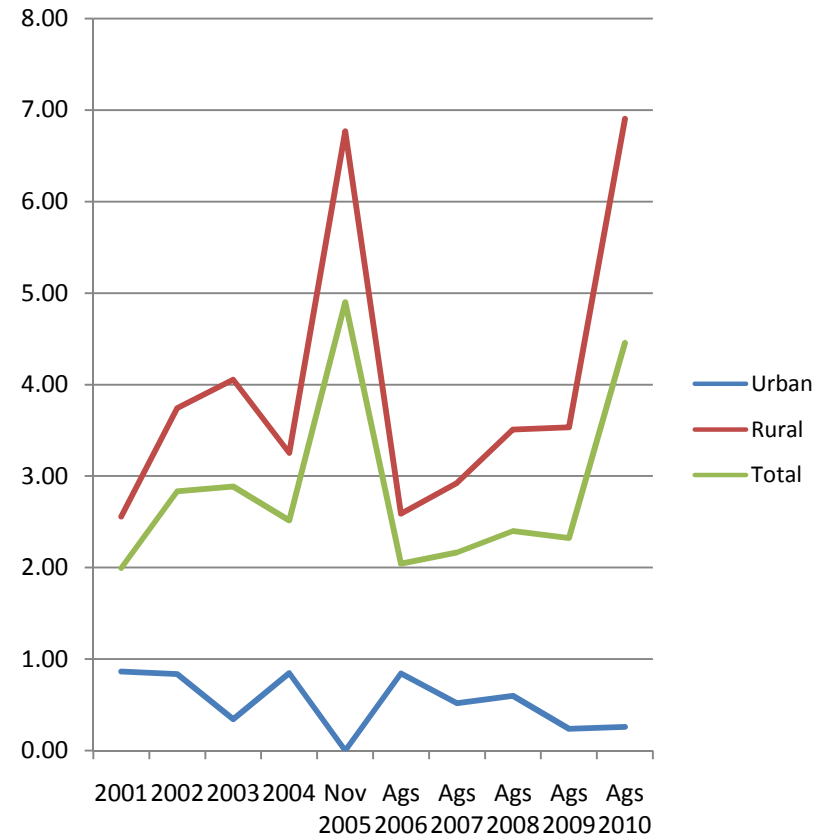


Children with no schooling mostly in rural areas, gender bias prevail. Increasing trend?

Boys 10-17 yrs with no schooling

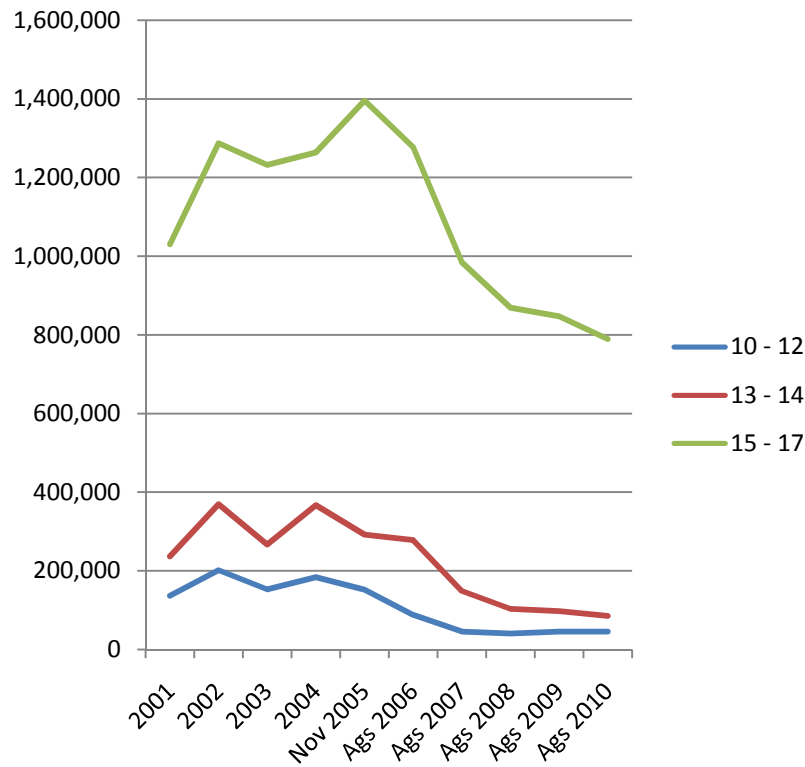


Girls 10-17 yrs with no schooling

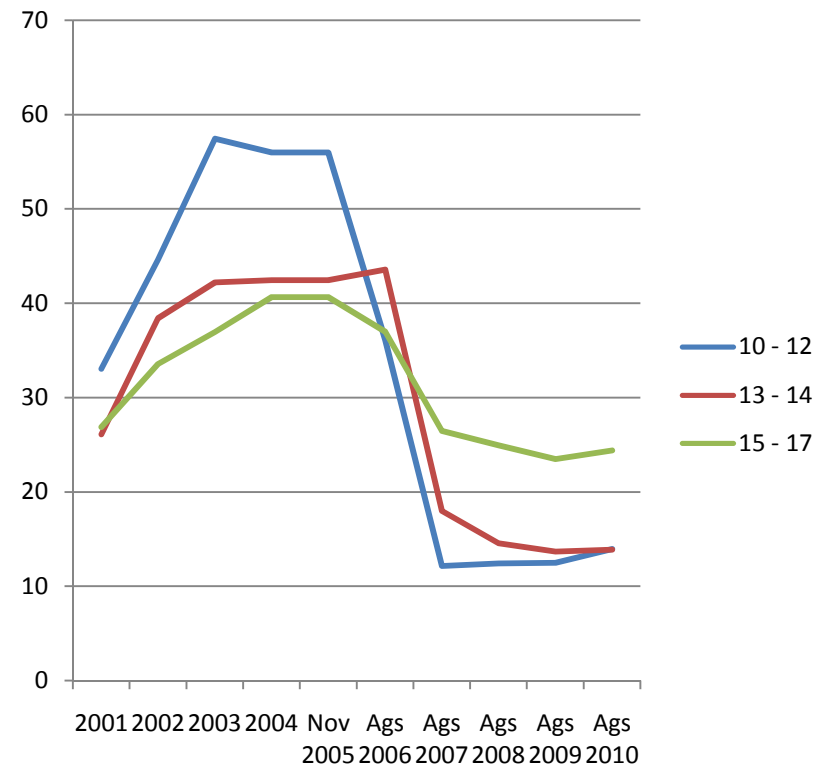


Unemployment of children is decreasing. Did they find work? But work for children age 10-12 should be abolished

Number of children who are unemployment

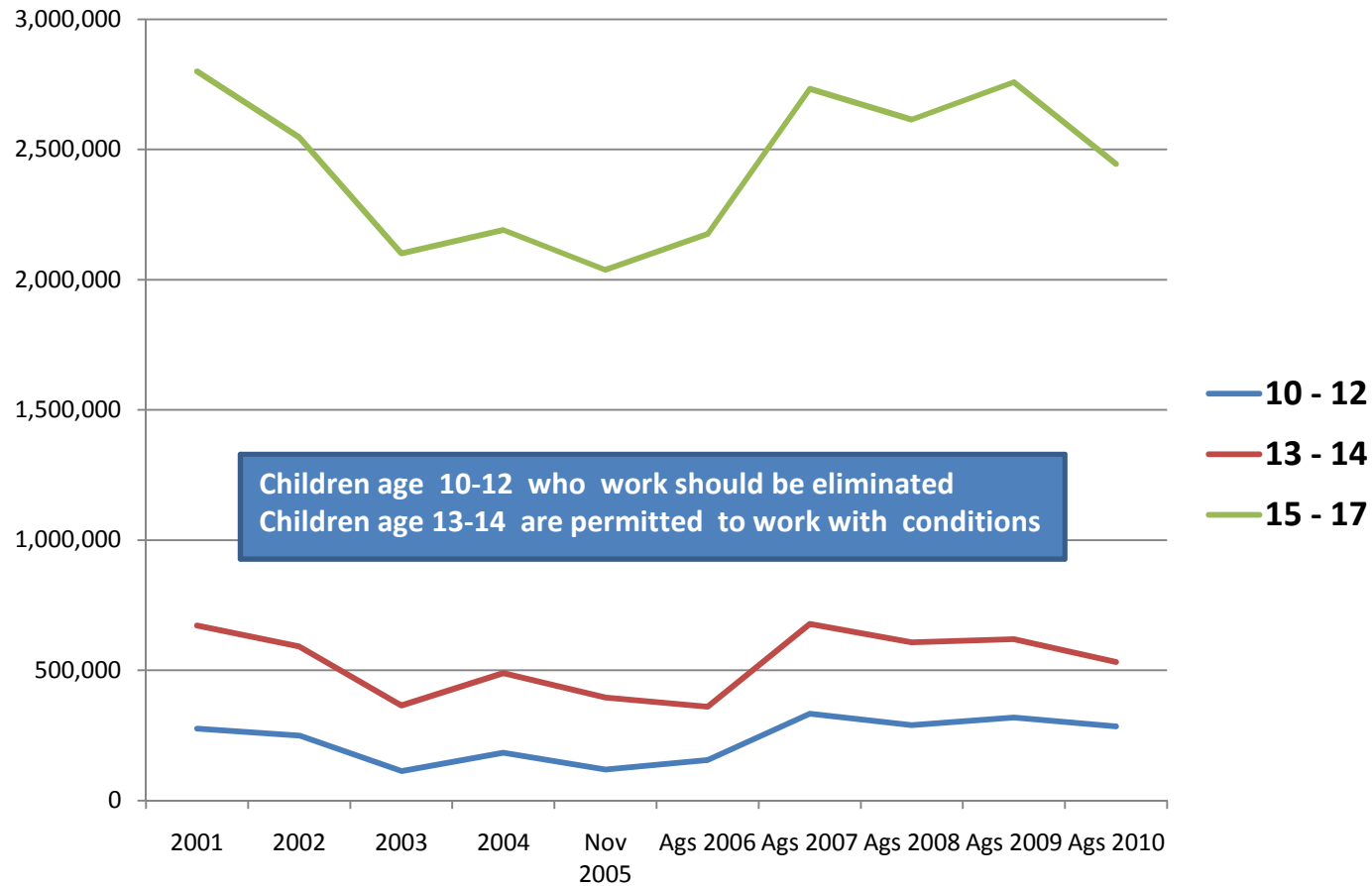


Unemployment Rate of Children

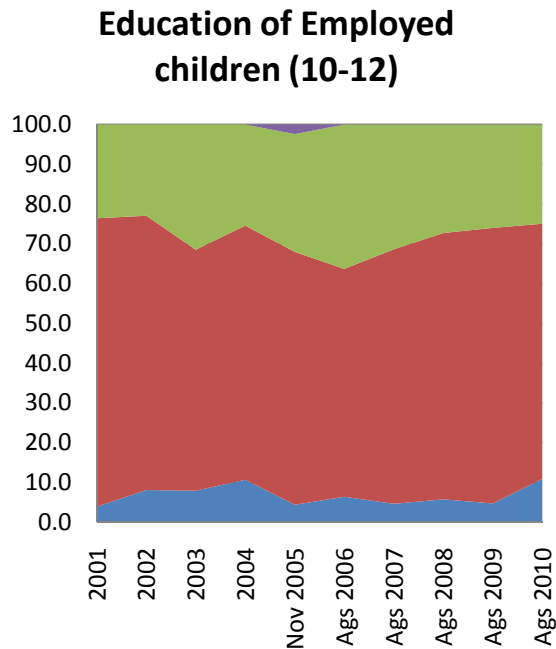


The trend is stable: number of children who were employed

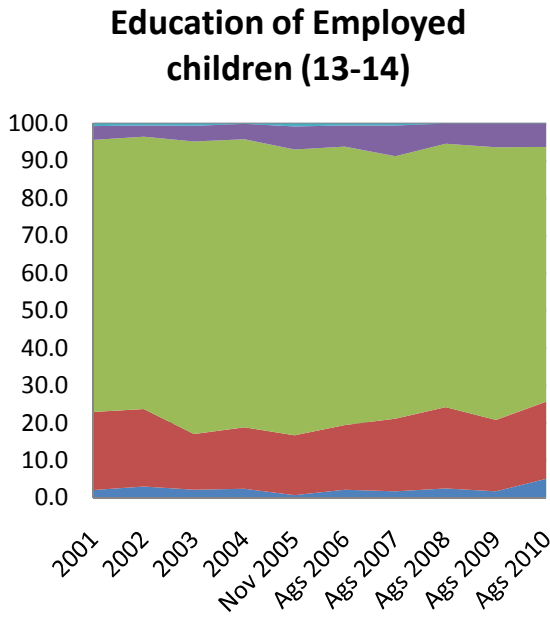
Trend in Number of children who are employed



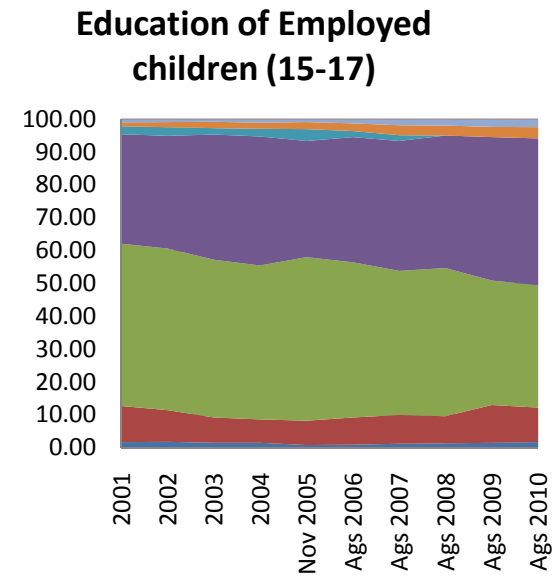
Trend in Education of Child Labour, Employed children 10-12 yrs most likely comes from the poorest family. Empowerment of parents, CCT program should be expanded



- No Schooling
- Did not/has not completed Elementary
- Completed elementary
- General Junior High School



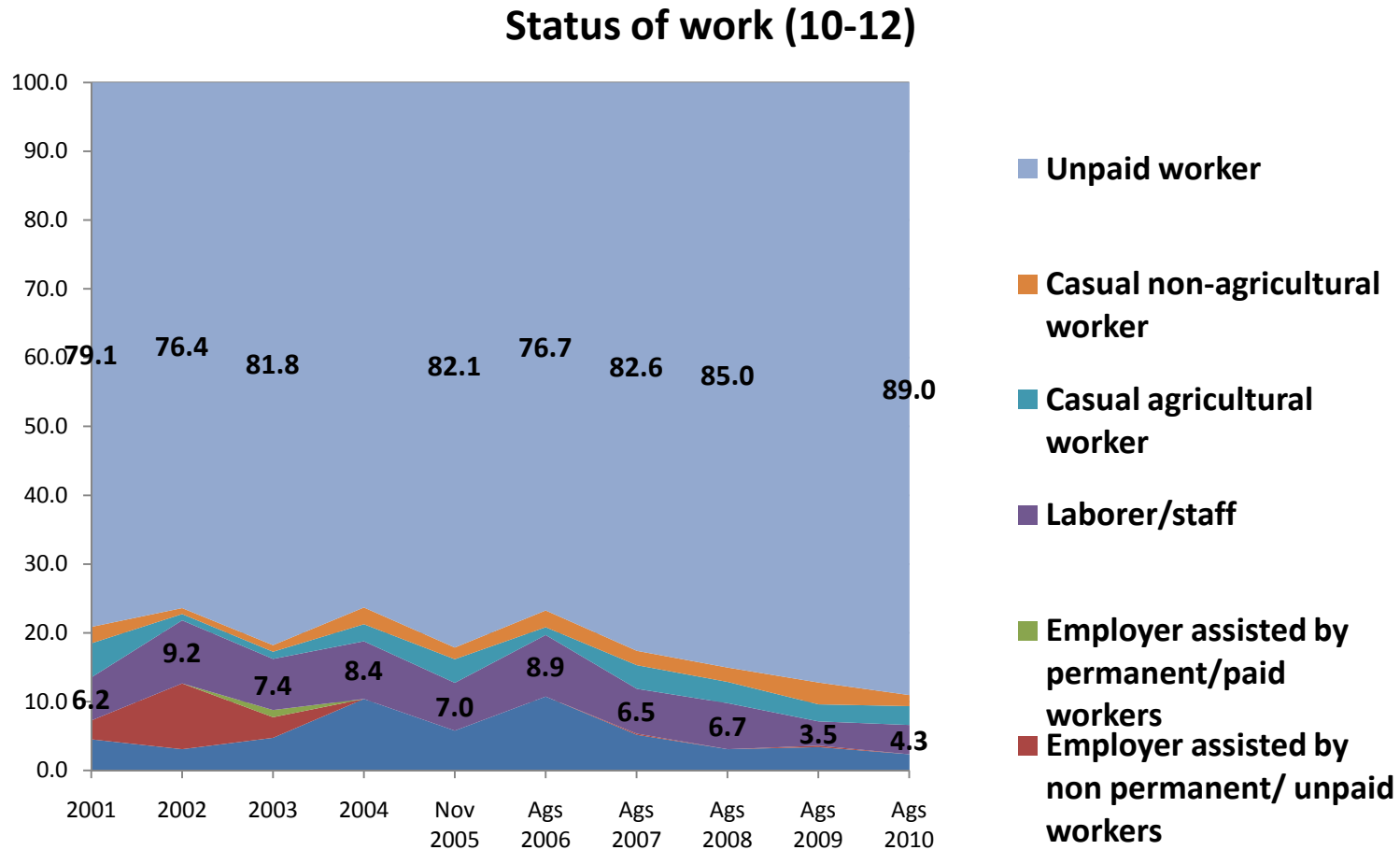
- No Schooling
- Did not/has not completed Elementary
- Completed elementary
- General Junior High School



- No Schooling
- Did not/has not completed Elementary
- Completed elementary
- General Junior High School
- Vocational Junior High School
- General Senior High School

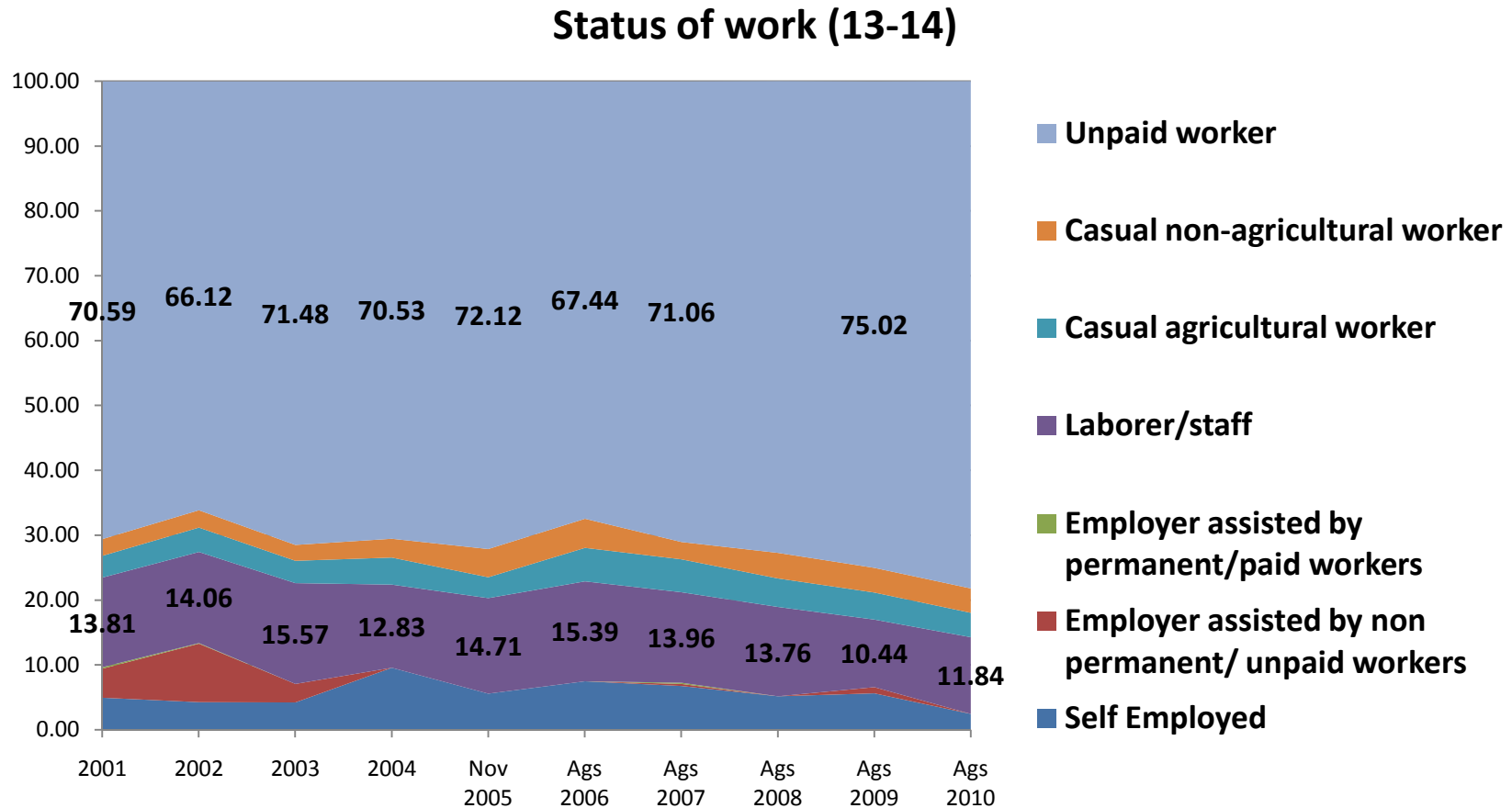
Status of work 10-12 yrs

mostly unpaid family workers, the trend is stable



Status of work 13-14yrs

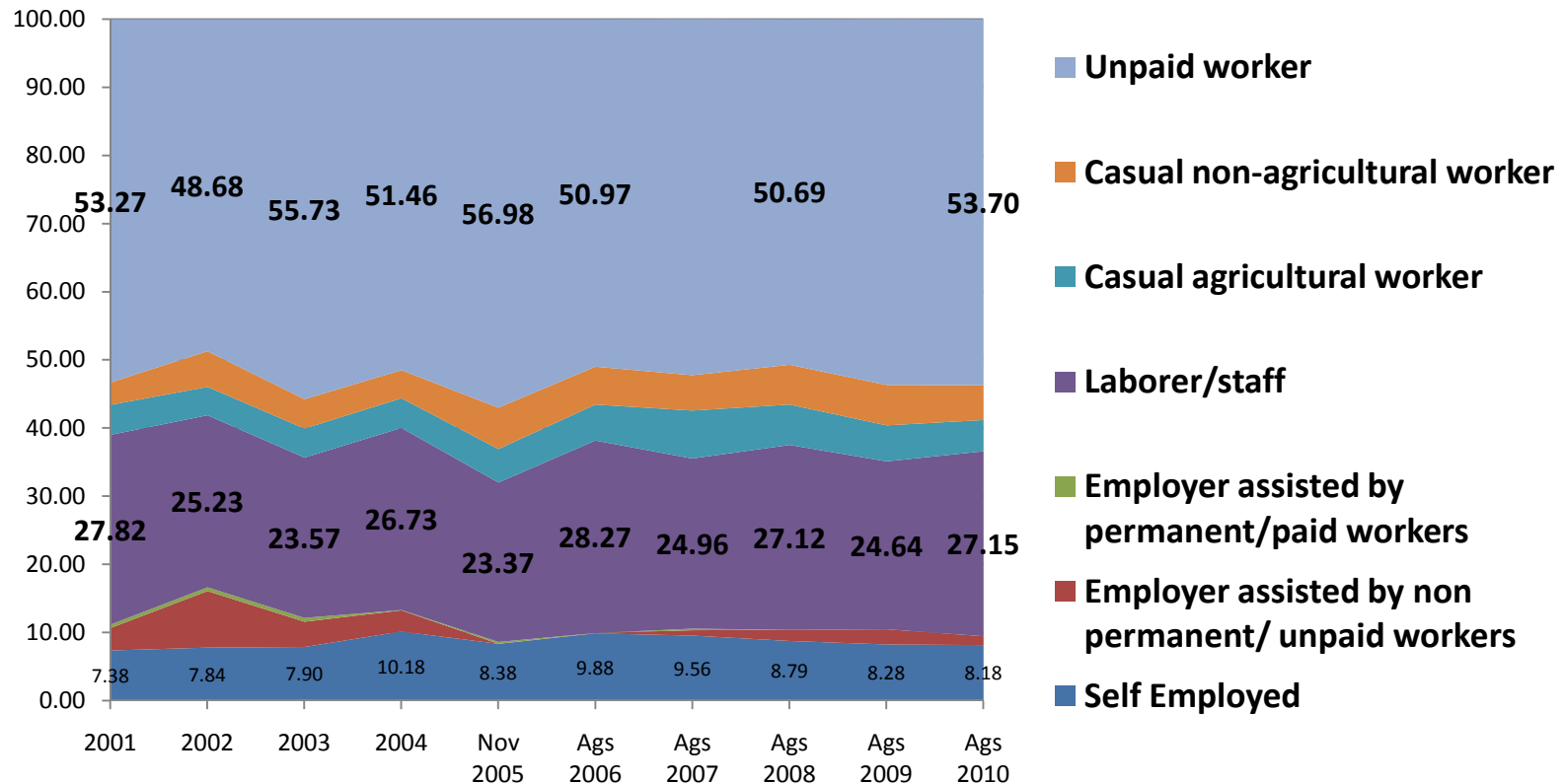
Less % of unpaid workers, the trend is stable



Status of work 13-14yrs

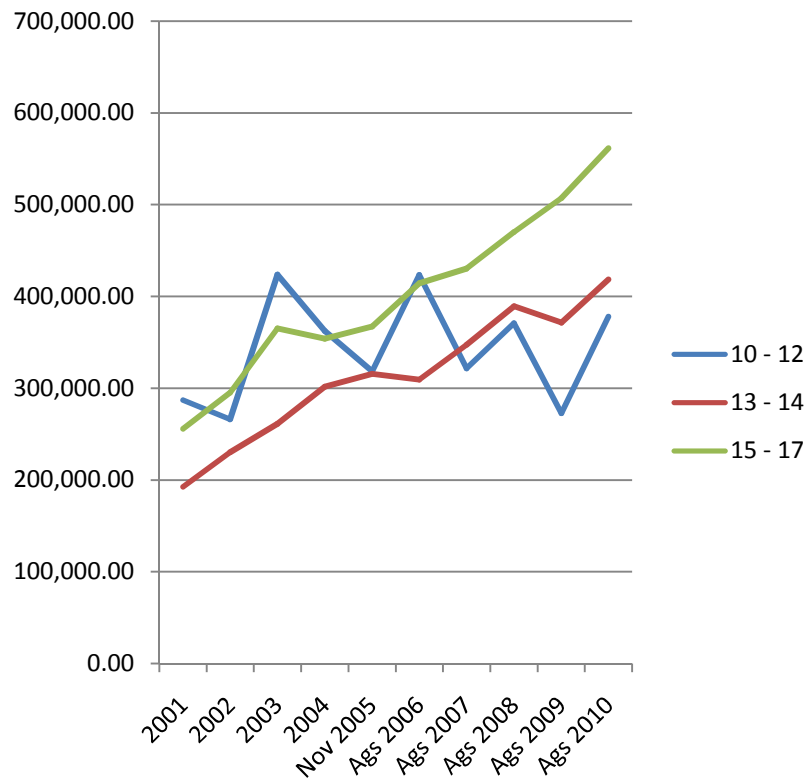
Less % of unpaid workers, more in formal works, the trend is stable

Working Status (15-17)

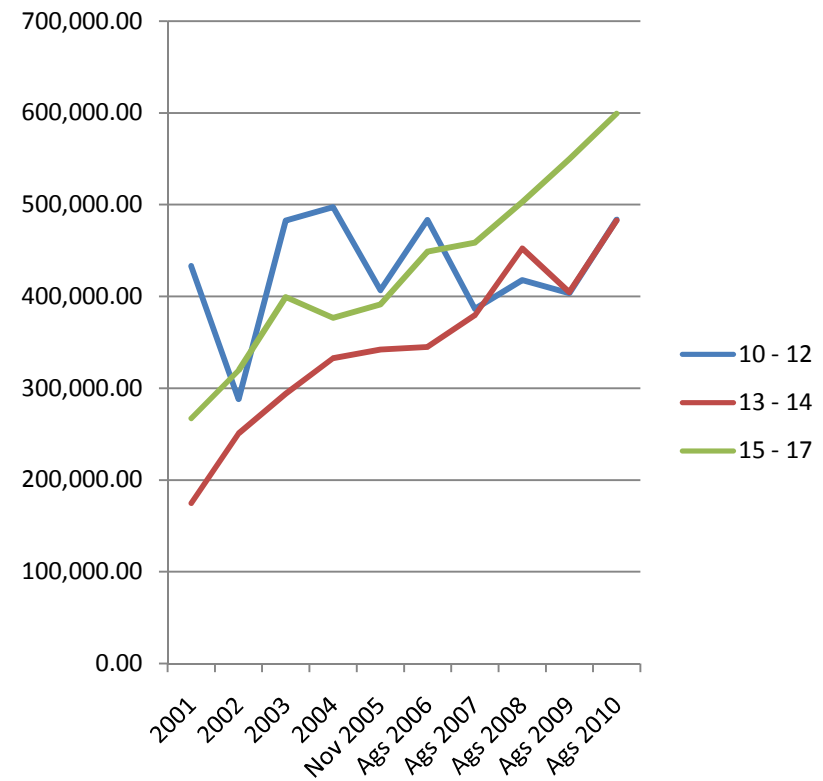


Nominal wages is increasing. Work in formal sector and children aged 15-17 yrs are better paid. Need to increase education at least High school at the minimum.

Average monthly wages of working children, formal and informal works

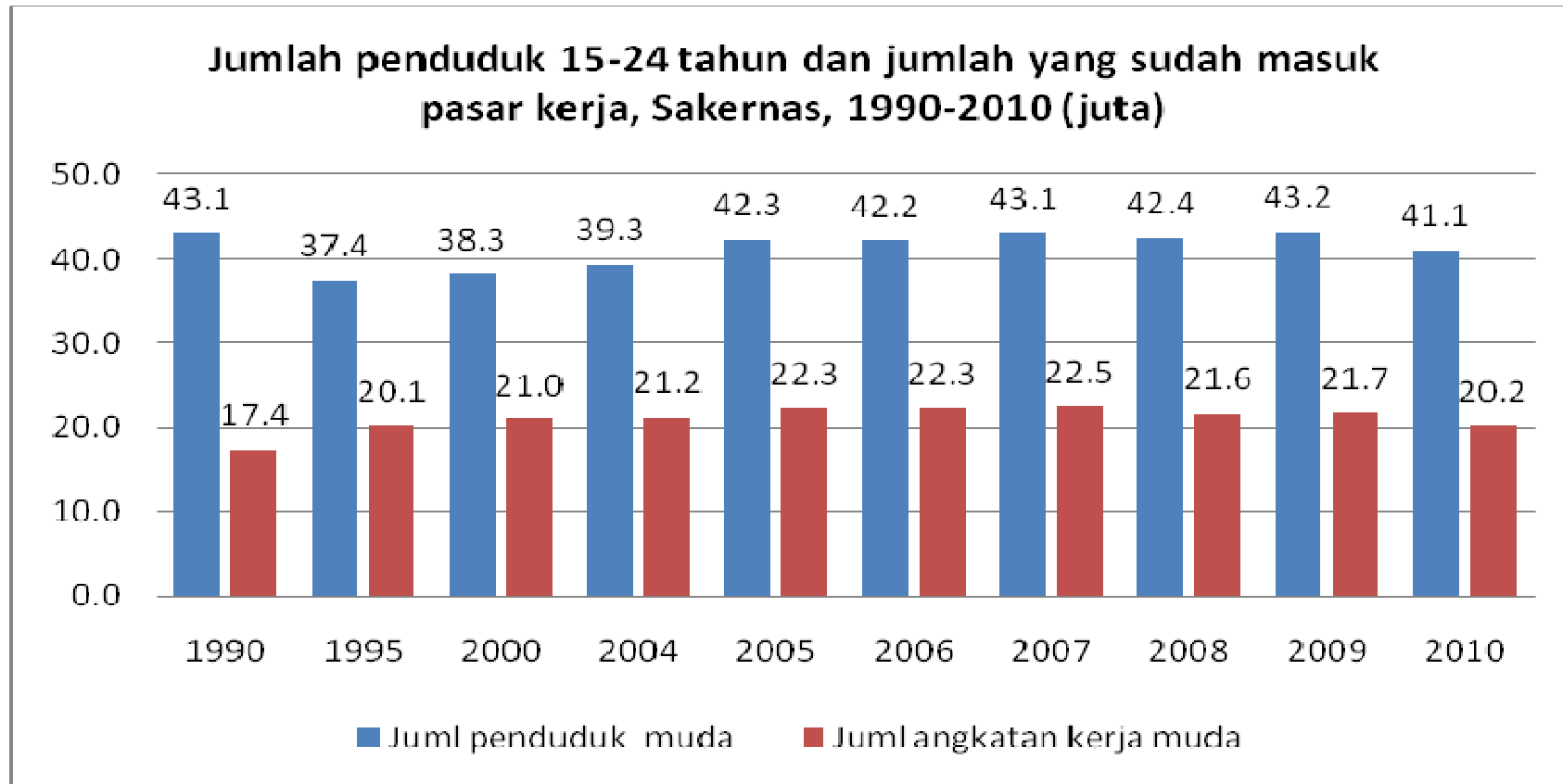


Average monthly wages of working children in formal sector



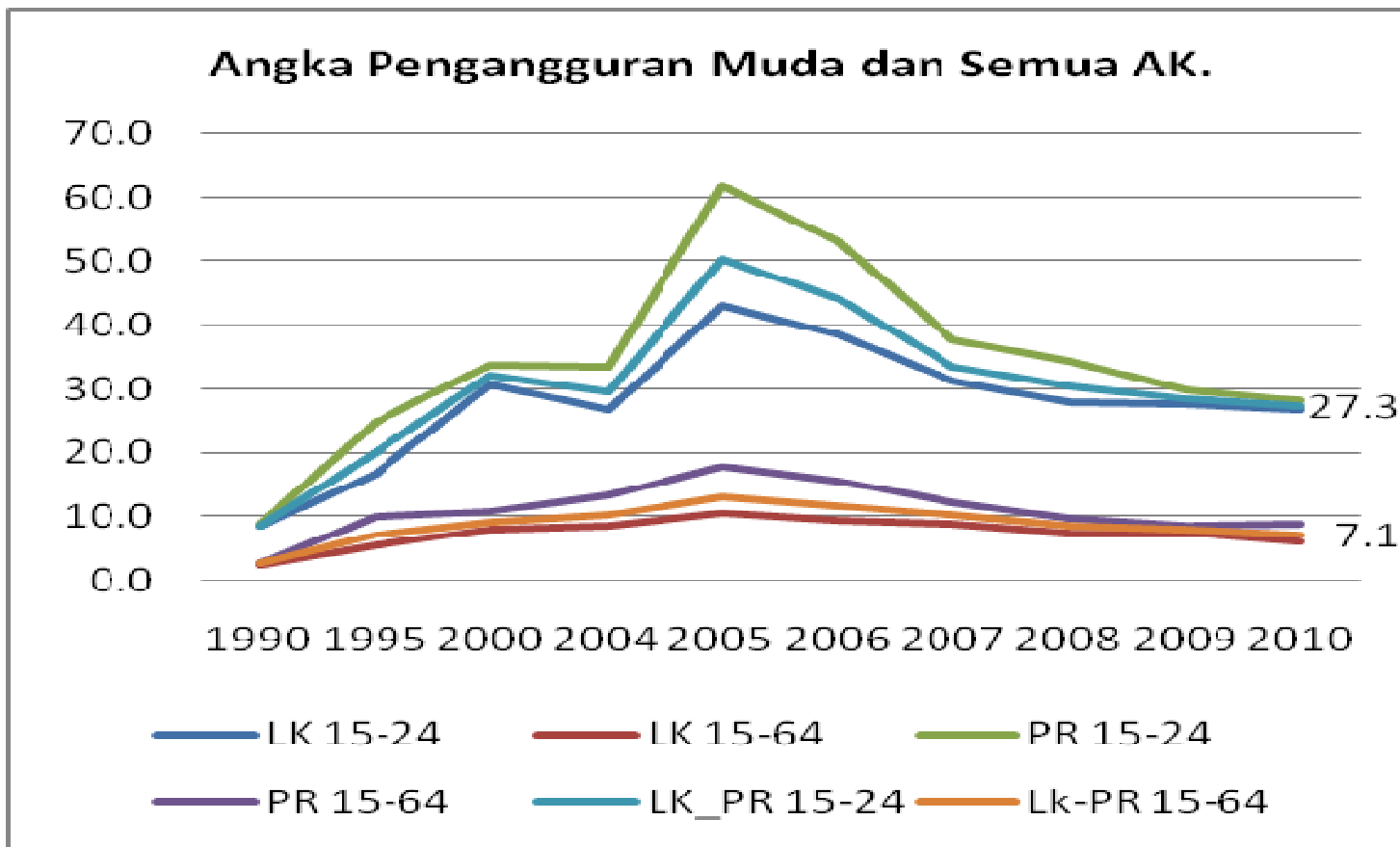
Youth employment 15-24 years

Half of young population is already in the LM. Were the ready?

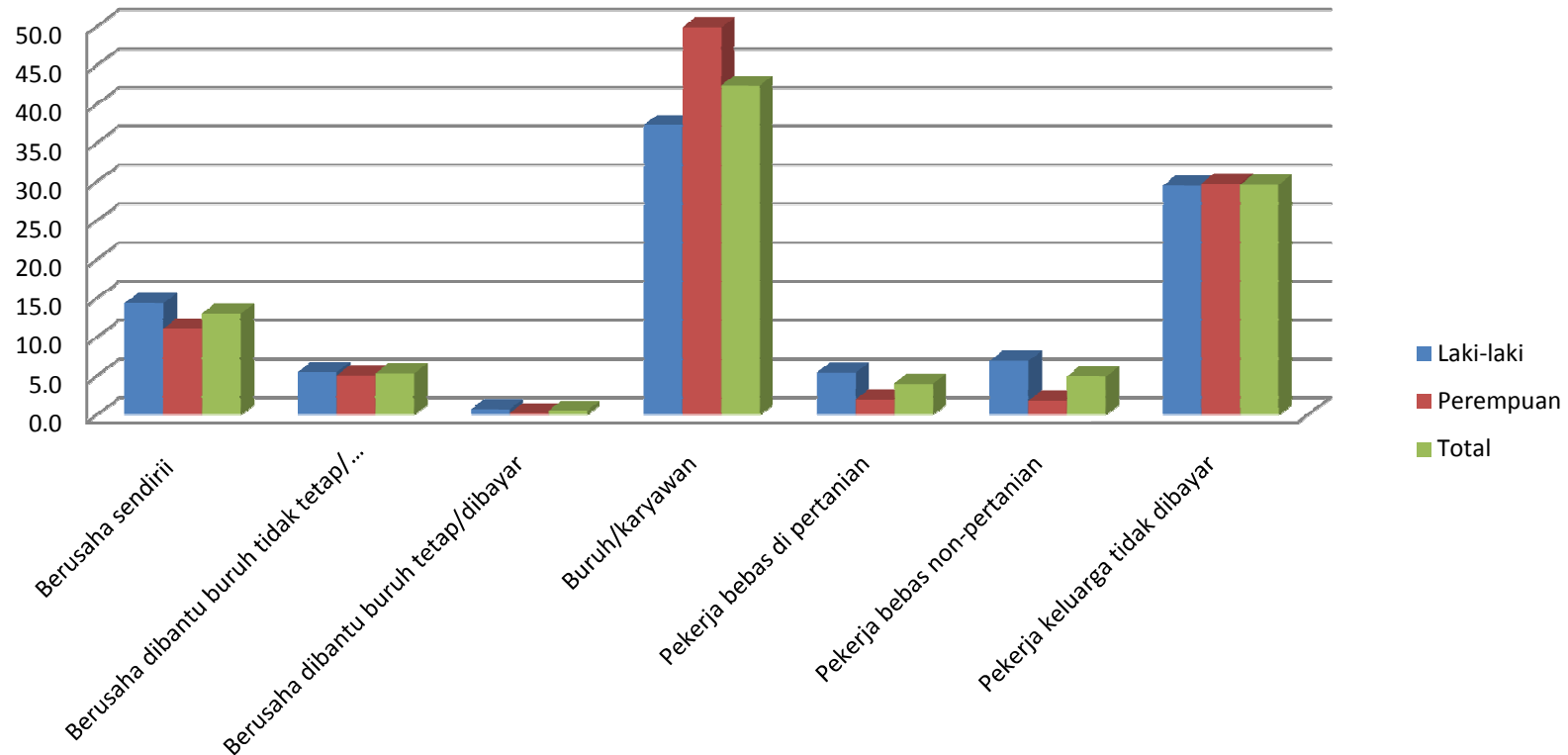


Calculation by SM Adioetomo, From Various Sakernas

Unemployed youth 15-24 yrs is four times fold than total employment. Those who can afford to be unemployed comes from better off families

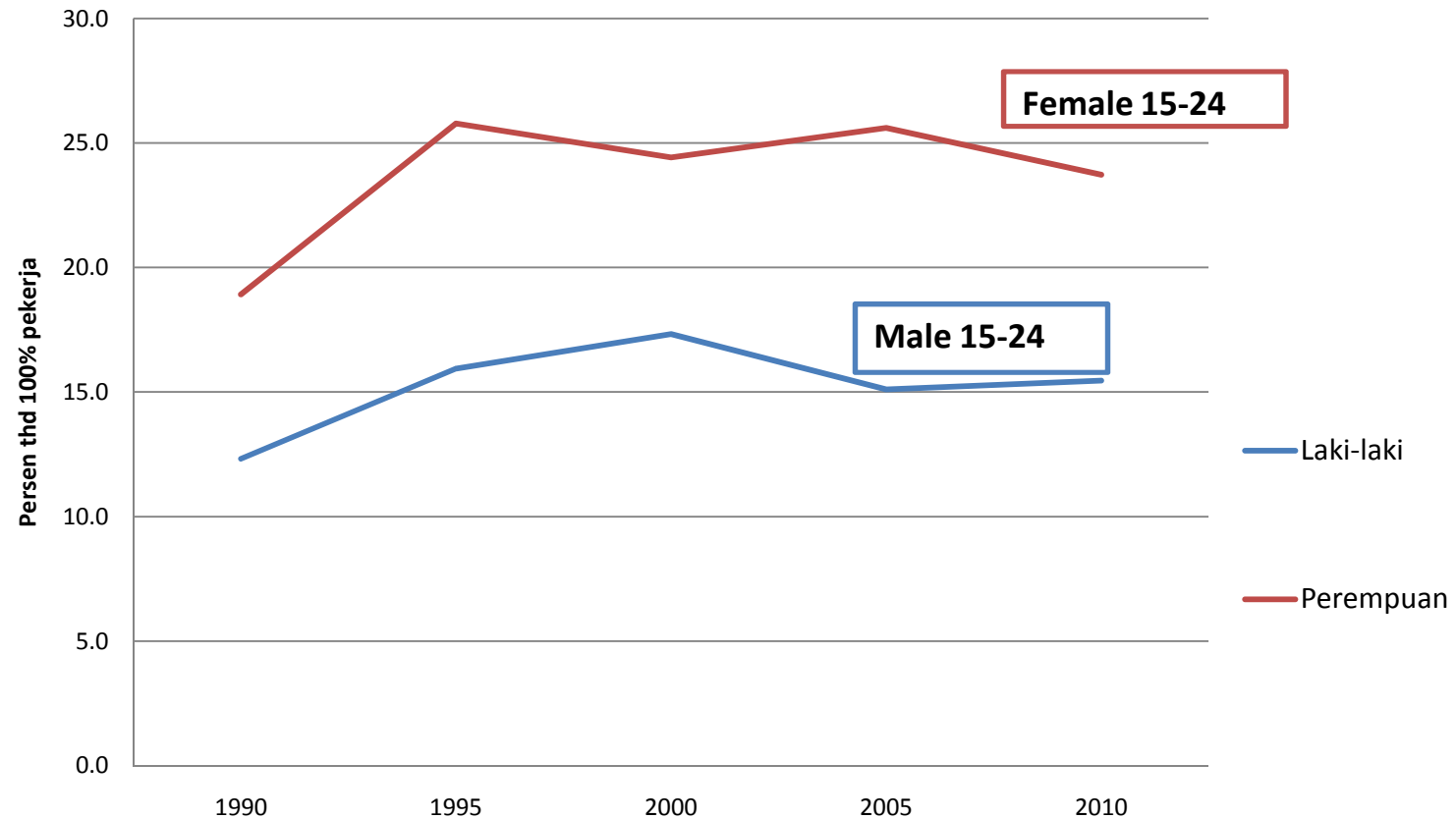


Youth employment (15-24) by status of work, Sakernas 2010 Agustus

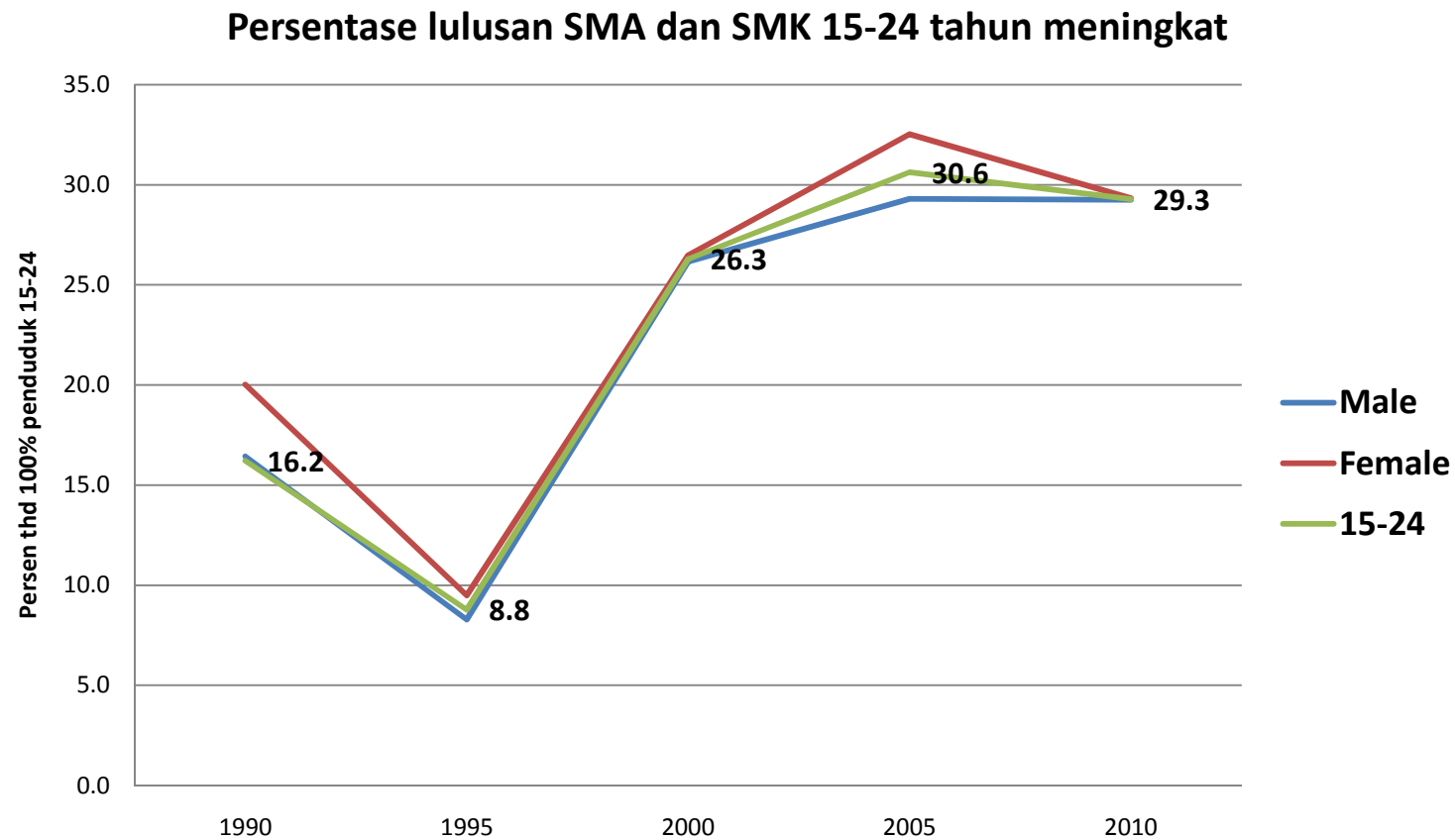


Almost 50 percent of female youth are employed in formal sector, where do they work?
But percentage of unpaid youth is still high (30%)

Percentage of female youth in manufacture is higher than men, but the trend is stable.



Greater opportunity to optimize the utilization of Window od Opportunity, percentage of youth with high school education is increasing



But, again education with quality, skill development (technical and soft skill), and competence should be prioritized.

Policy implication

- Youth who are already in LM should be given skill and competency based training?
- Entrepreneurship? For those aged 20-24 years.
- Children who will enter labour market should be prepared, *from the womb of the mother.*
 - Healthy pregnant mothers
 - Prevent low birth weight, adequate nutrition
 - Early childhood development
 - Education and skill
 - Soft skill is important

Thank you

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