

# Indonesia's Youth Employment Landscape: Navigating Trends, Transitions, Policy Gaps

Presented in the 9th JILPT Tokyo Comparative Labor Policy Seminar 2026

Presented By:

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# Introduction



(Source: Central Bureau of Statistic, 2025)

**13.1%**

Indonesia's youth unemployment in 2024

**23.8 %**

Not in Employment, Education, Training rate in 2024

**54%**

Working youth are engaged in non-permanent or informal jobs

(Source: Central Bureau of Statistic, 2025)

Table 1. Province with the highest NEET, 2024

Province	NEET Youth (%)
Maluku	34
Aceh	31,71
North Sulawesi	31,1
North Maluku	30,46
Papua	30,32

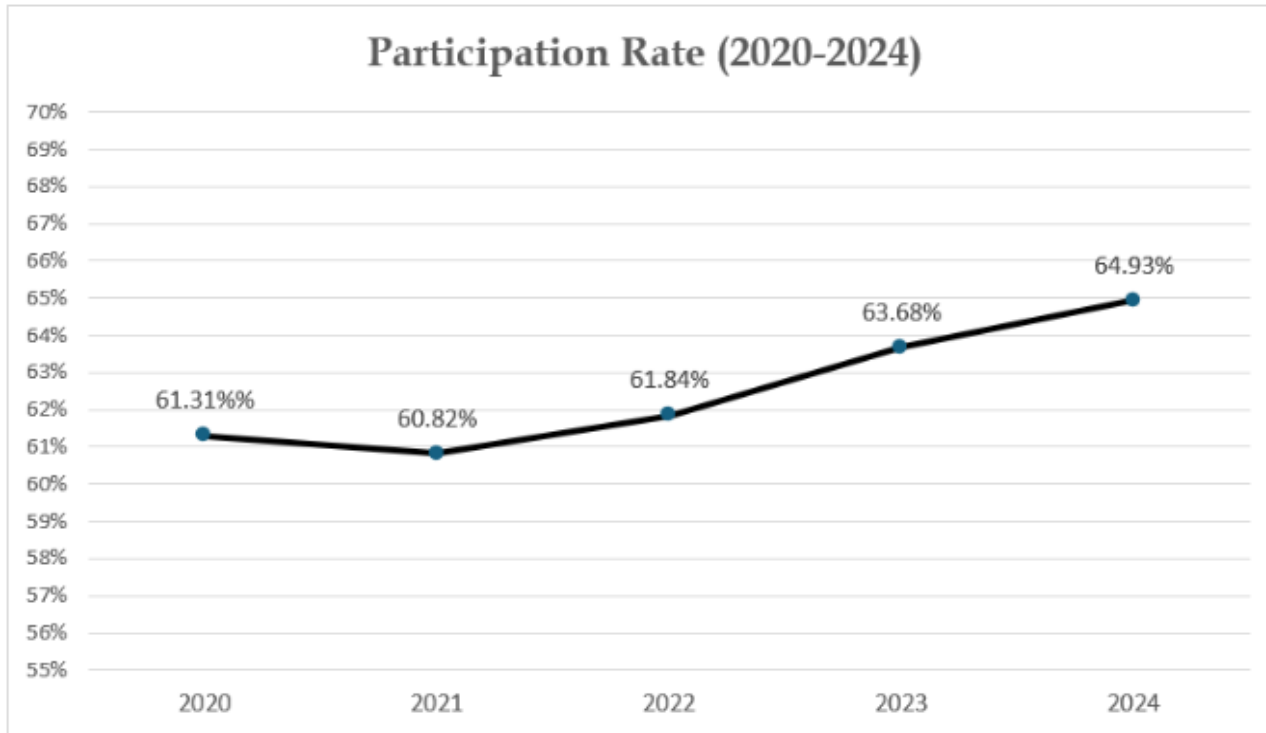
Table 2. Province with the Lowest NEET, 2024

Province	NEET Youth (%)
Bali	10,01
Highland Papua	11,94
DI Yogyakarta	13,76
West Nusa Tenggara	18,31
East Nusa Tenggara	18,77

Table 3. National Summary of NEET, 2024

Category	NEET (%)
Urban	22,8
Rural	25,23
Male	14,98
Female	33,1
Indonesia Total	23,78

Figure 1. Youth Labor Force Participation Rate 2020-2024



Source: Indonesia Statistic, 2024

- 1 Youth Labor Force Participation Rate (TPAK) declined during the peak pandemic years, from 61.96% in 2019 to 60.82% in 2021
- 2 Before recovering to 64.93% in 2024
- 3 This rebound suggests renewed engagement in the labor market, the recovery has not necessarily translated into stable or quality employment

Table 4. Education–Employment Mismatch

No	Education Expansion	Employment Reality
1	Increase access to vocational	Vocational high school graduates face <b>an unemployment rate of around 8%</b>
2	Increase access to University	university <b>graduates experience unemployment rates near 6%</b>
3	Skills possessed	Growing competition for limited opportunities
4	Structural Factors	<ul style="list-style-type: none"> <li>a. Post pandemic scarring;</li> <li>b. Widening digital divide</li> <li>c. Intergenerational tensions</li> </ul>

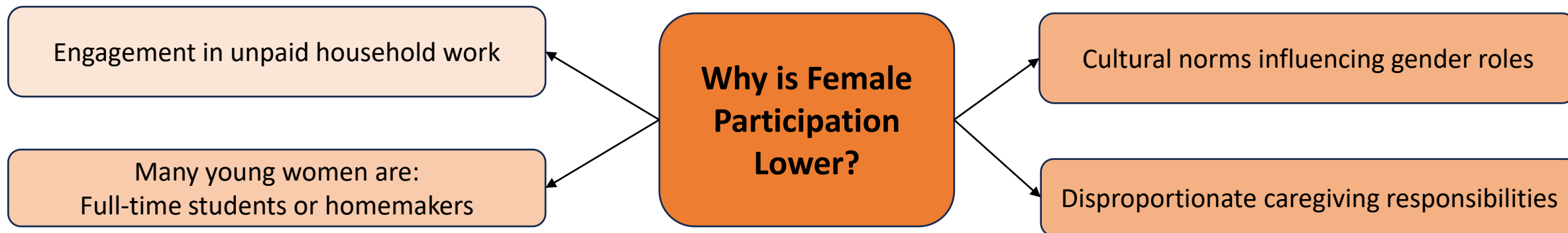
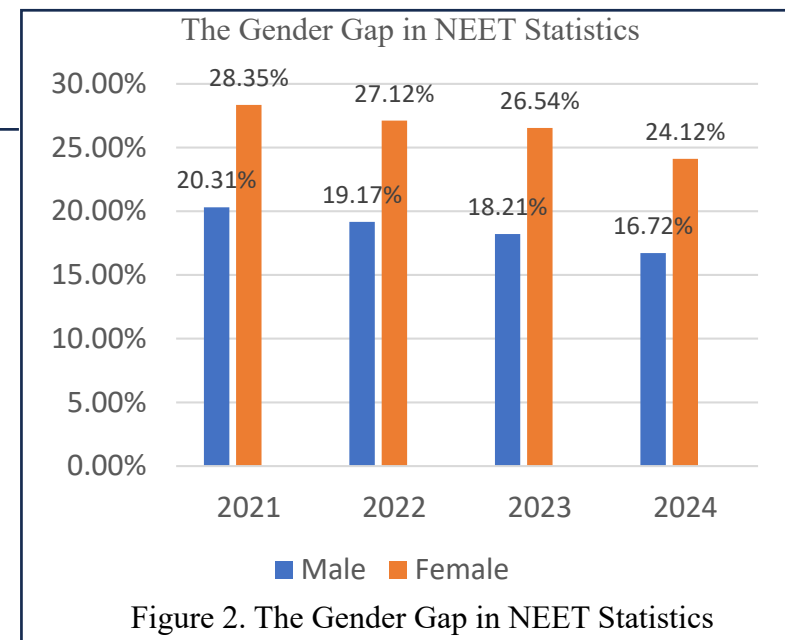
Source: Central Bureau of Statistic, 2025

This mismatch is further compounded by post-pandemic labor market restructuring, accelerated digitalization, and shifting employer expectations, which have collectively raised entry barriers for first-time jobseekers.

## 2. Youth Labor Force Participation & Employment

- Indonesia In 2024:
- 64.2 million youth
  - 65% active in the labor force

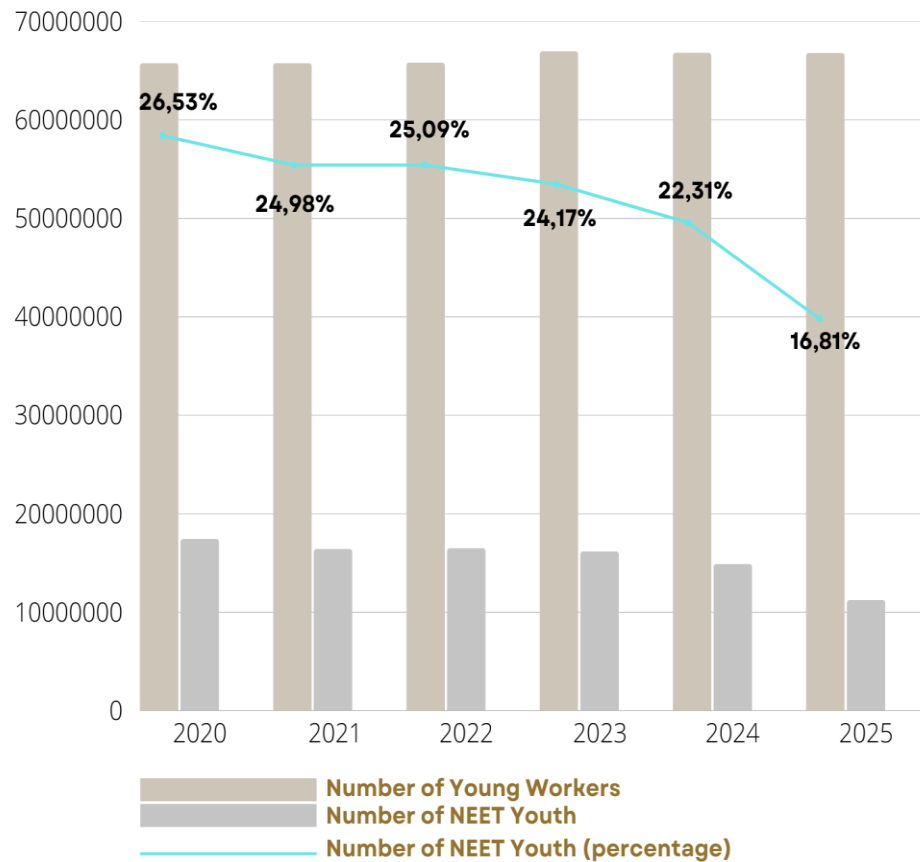
(Source: Central Bureau of Statistic 2024)



Source: Ministry of Manpower of Indonesia. 2025

**39 million** working-age women outside the labor force due to household responsibilities

Source: Ministry of Manpower of the Republic of Indonesia. 2025



## Age-Based Disparity



1. Youth (15–24) unemployment significantly higher than older adults



2. Persistent pattern over time (see Figure 1)

## Regional Dimension



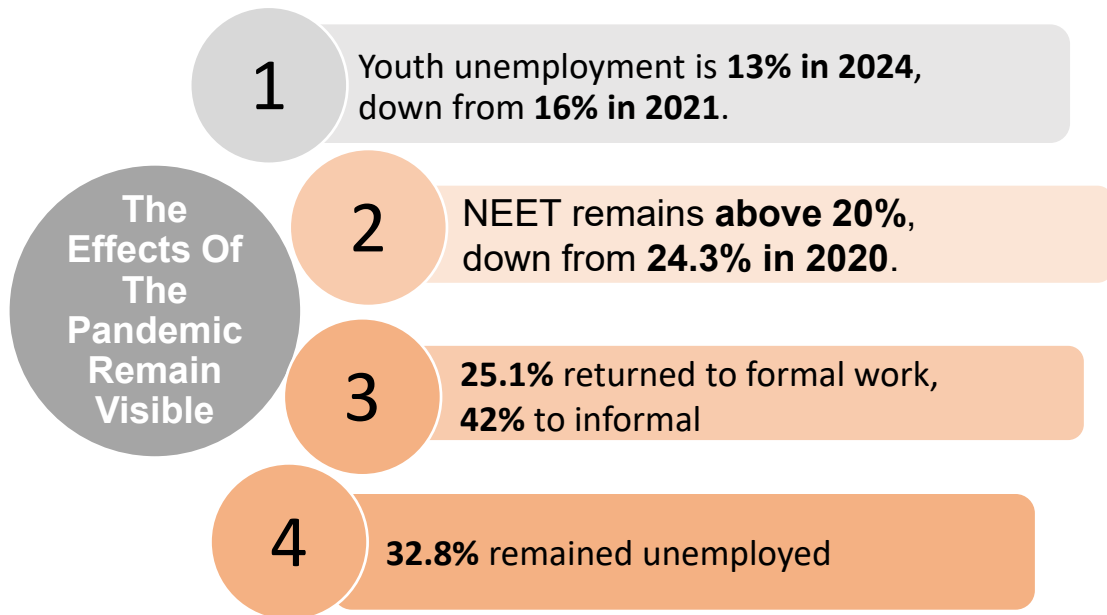
3. Indonesia shows improvement compared to two decades ago



4. Asia-Pacific average youth unemployment: 13.9% (ILO)

Figure 3: Estimated Number & Percentage of NEET Youth (2020-2025)  
Source: Statistics Indonesia (BPS), 2025

# 3. COVID-19 Pandemic Effect on Youth Employment



Source: Ministry of Manpower of the Republic of Indonesia. 2025

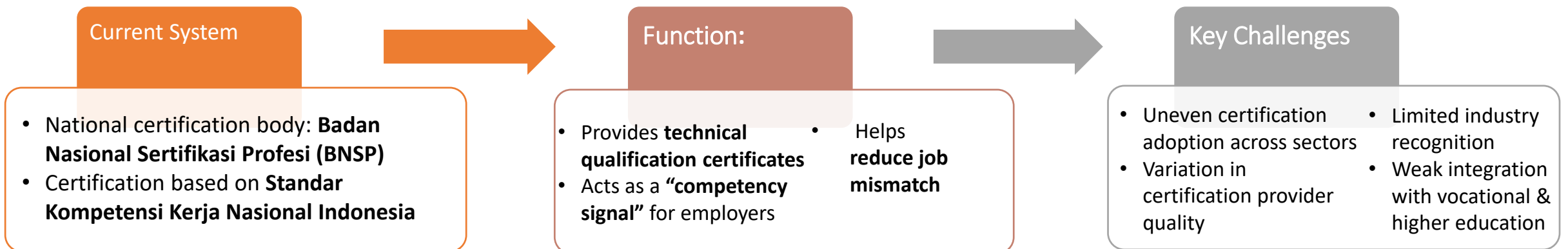
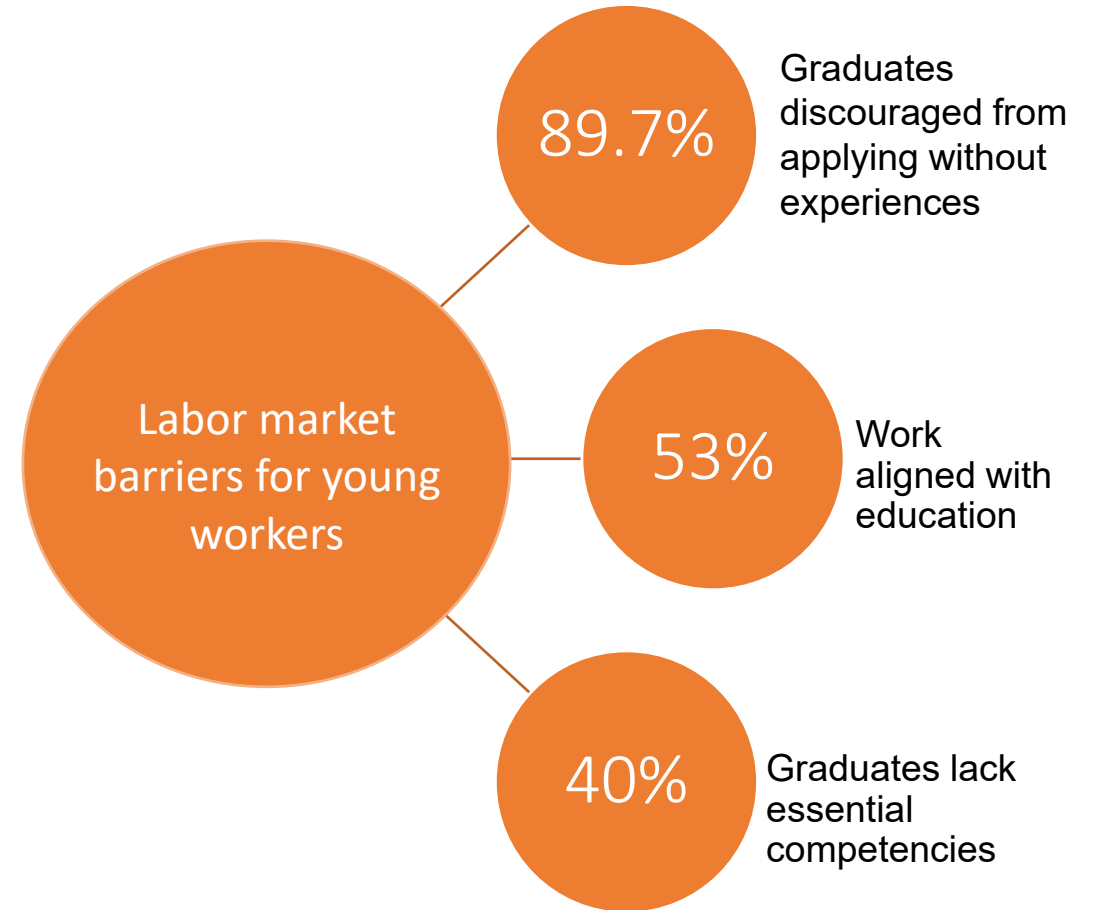
No	Digital Area	Digital Gap
1	<b>Internet Connectivity</b>	a. <b>21%</b> access in low-income areas
		b. <b>93%</b> in high-income areas (Java)
		c. Remote regions (e.g., Papua) face weak or no connectivity
2	<b>Device Access</b>	a. <b>&lt;15%</b> rural children own computers
		b. <b>25%</b> urban children own computers
		c. High smartphone ownership ≠ productive digital capability
3	<b>Internet Usage &amp; Infrastructure</b>	Indonesia – Inclusive Internet Index 2020: Rank 63 overall a. Availability: 55 b. Affordability: 61 c. Relevance: 62 d. Readiness: 40
4	<b>Digital Skills &amp; Gender Gap</b>	a. <b>78%</b> of non-users cite lack of skills
		b. Women face greater disadvantages in access & skill development
5	<b>Education Disruption</b>	a. <b>68 million</b> students shifted to digital learning
		b. Barriers: devices, internet, electricity, infrastructure

Table 4. Digital Area and Digital Gap in Indonesia  
 Source: UNICEF Indonesia, 2022

# 4. Intergenerational Divide

No	Categories	Gen Z	Older Generations
1	<b>Work Style</b>	Flexible, Hybrid Preference	Fixed Schedule
2	<b>Communication &amp; Feedback</b>	Fast, Digital communication	Formal communication
3	<b>Work Values</b>	Work-life balance, mental health	Stability, loyalty
4	<b>Technology</b>	Highly digital-native	Adapted to technology

Table 4.  
(Source: SA Journal of Industrial Psychology 2025)



## 5. Youth Employment in Current Regulatory Framework

**Table 5. Labor Regulatory Instruments That Has Impacted Indonesian Youths Historically**

No	Years	Regulatory Instruments Affecting Youth
1	1999	International Labor Organization C138 – Min. Age - Ratifies minimum-age standards for employment
2	2000	ILO C182 – Worst Forms - Obligates prohibition and elimination of the worst forms, including hazardous work
3	2003	Law on Manpower - Incorporates min. age and child protection provision into national labor law
4	2009	Law on Youth Affairs - Defines “youth” (e.g., 16-30); but statistical monitoring commonly uses 15-24
5	2011	Law on the Social Security Organizing Agency - Establishes the framework for worker social security, including youth participants

No	Years	Regulatory Instruments Affecting Youth
6	2016	Law on Implementation of Domestic Internship. - Standardizes internship rights and protections during school-to-work transition
7	2020	Law on the Development of Work Competencies through the Pre-Working Card Program ( <a href="#">kartu pra-kerja</a> ). - Provides training and incentives; scales during the COVID-19 response
8	2021	Law on Employment Agreement for a Specified Period of Time, Outsourcing, Working Time and Rest Time, and Termination of Employment. - Sets limits on consecutive fixed-term contracts (cap ~5 years; verify exact clause). Aiming to help entry-level workers from indefinite temporary arrangement
9	2022	Amendment on Law on the Development of Work Competencies through the Pre-Working Card Program. - Normalizes the program from a pandemic response to an ongoing upskilling program.

Indonesia has multiple youth-related labor regulations, from age and safety standards to skills programs

# Government Program Supporting Youths

Policy area	Key program	Main regulation	Target
Skills development	Kartu Prakerja	Perpres 36/2020	Job seekers & youth
Vocational training	BLK training	Manpower regulations	Youth & workers
Apprenticeships	National Apprenticeship Program	Manpower regulations	Graduates
Entrepreneurship	Tenaga Kerja Mandiri	Permenaker 13/2024	Young entrepreneurs
Employment expansion	Job placement programs	Manpower Law	Unemployed workers
Overseas work	Migrant worker training programs	Cabinet initiatives	Youth workforce

# CONCLUSION

Indonesia's youth Employment landscape reflects a mix of long standing structural issues and newer, rapidly evolving challenges shaped by economic change, technology and demographics.

## Structural Challenges

1. Skill Mismatch
2. Large Informal Sector
3. Youth unemployment & underemployment (youth unemployment is higher than adult unemployment)
4. Regional Inequality (Urban area –Jakarta offer more job; but rural & outer islands face
  - Fewer job opportunities
  - Weaker infrastructure
  - Limited access to public transportation
5. School-to-Work Transition Difficulties (young people often struggle to move from education to stable employment – lack of internship, etc)

## Emerging Challenges

1. Digital transformation;
2. Automation & Job Displacement
3. Impact of Global Shocks (covid 19)
4. Expanding Youth Population--> Ind has large number of population of youth
5. Gender inequality (young women face additional barriers (lower labor force participation, cultural expectations around caregiving))



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# Thank You!

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