

Indonesia – Leading the Way in Tackling the Youth Employment Challenge

“Policies on Employment and Vocational Training for Young Persons in Asian Countries” Decent Work for Young People

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Introduction

Recently many developing countries are facing a unique combination of massive rural-to-urban population movements, stagnant agricultural productivity, and growing urban and rural unemployment and underemployment. Of these emerging issues employment issue occupies a central place in the study of developing countries economic development. Substantial unemployment, especially in urban areas, now affects 10 percent to 20 percent of the labor force in these less developed countries. The incidence of unemployment is much higher among the young and increasingly more educated in the 15-24 age bracket ¹.

Outlook of the Employment and Unemployment Situation of Young People in Indonesia:

- ❖ Indonesia has more than six million unemployed young women and men between the ages of 15 and 29, representing three-quarters of the total unemployed population.
- ❖ The youth unemployment rate is about 15% in rural and 25 % in urban areas.
- ❖ Among those young people who have jobs, 46 % are underemployed, working less than 35 hours a week.
- ❖ The vast majority of working youth are in the informal economy where they lack adequate income, social protection, security and representation.

Youth in Indonesia, as stated in the State Policy Guidelines are the people of the age group 15-29 years. The age group often used for youth classification internationally is teenage youth (15-19) and young adults (20-24). Table below is a description of the Indonesian population projection

¹ Todaro, Michael P. 1997. *Economic Development in the Third World*. 6th edition. New York: Longman.

2000 – 2005 by the age group. In terms of absolute number, the largest age group of Indonesian people in the next few years would still be the youth, the teenage youth (15-19) and young adults (20-24). The number in each age group would always around 20 millions of people, or around 10 percent of the total population.

Indonesian Population Projection 2000 – 2005
(in Thousands of People)

Age Group	2000	2001	2002	2003	2004	2005
0 – 4	21,591.3	21,797.5	21,928.2	21,980.8	21,951.5	21,834.9
5 - 9	19,226.8	19,355.3	19,636.2	20,073.5	20,673.7	21,448.8
10 - 14	20,764.8	20,183.2	19,625.1	19,308.8	19,203.9	19,162.6
15 - 19	23,135.1	22,641.7	22,145.3	21,644.6	21,155.1	20,674.7
20 - 24	20,592.0	21,169.0	21,710.2	22,193.7	22,620.9	22,978.7
25 - 29	17,469.2	17,945.7	18,483.5	19,069.3	19,709.7	20,419.7
30 - 34	16,060.8	16,307.0	16,564.1	16,812.2	17,058.0	17,303.5
35 - 39	15,157.7	15,387.1	15,580.1	15,718.7	15,826.7	15,876.3
40 - 44	13,711.6	14,115.1	14,452.4	14,700.1	14,854.8	14,922.6
45 - 49	10,986.7	11,526.2	12,049.9	12,537.2	12,986.3	13,403.3
50 - 54	8,214.6	8,612.3	9,056.2	9,528.9	10,039.3	10,609.3
55 - 59	6,719.4	6,923.7	7,140.3	7,352.4	7,562.1	7,785.0
60 - 64	5,748.7	5,898.1	6,026.6	6,114.7	6,160.3	6,188.2
65 - 69	4,483.6	4,685.7	4,855.3	4,972.0	5,035.5	5,059.9
70 - 74	2,838.2	2,975.9	3,131.8	3,300.6	3,455.7	3,660.9
75 +	2,845.8	3,055.3	3,227.7	3,340.2	3,388.5	3,386.3
Total	209,546.3	212,578.8	215,612.9	218,647.7	221,682.0	224,714.7

Note: Excluding East Timor. Source: Central Bureau of Statistics.

There is a rapid increase in the number of youth population in urban areas, as compared to rural areas. The increasing proportion of youth population in urban areas is remarkable. The youth proportion in urban areas in the year 2000 is more than double its proportion in 1971, while in rural areas it is getting smaller in the last 30 years.

Indonesian Youth Population (15-24 years), by Region and Gender, 1971 – 2000

Location - Gender	1971	1976	1980	1985	1990	1995	2000
Urban	21.5	22.2	27.1	31.9	36.6	41.5	47.1
Rural	78.5	77.8	72.9	68.1	63.4	58.5	52.9
Male	47.5	48.5	47.7	47.7	48.8	48.9	49.1
Female	52.5	51.5	52.3	52.3	51.2	51.1	50.9

Source: Indonesia Central Bureau of Statistics: 1971, 1980, 1990 Population Census; 1976, 1985, 1995 Intercensal Population Survey, and 2000 National workforce Survey.

In the year 2000, youth, the population in the age group 15-19 years constitutes 9,3 percent of total Indonesian population, and the 20-24 years age group is 8,5 percent of total population.

Indonesian Youth as Percentage of Total Population, 1980 – 2002

Period	Total Number of 15-19 Population	15-19 years as Percentage of Total Population	Total Number of 20-24 Population	20-24 years as Percentage of Total Population
1971	11,325,493	9.6	8,031,271	6.8
1976	13,530,231	10.7	9,882,024	7.8
1980	15,283,235	10.4	13,000,959	8.9
1985	16,566,970	10.1	14,287,657	8.7
1990	18,926,983	10.6	16,128,362	9.0
1995	20,279,390	10.4	17,150,776	8.8
2000	21,149,517	10.5	19,258,101	9,6
2001	19,993,000	9,4	18,036,000	8,5
2002	20,037,000	9,3	18,393,000	8,5

Source:: Central Bureau of Statistics: 1971, 1980, 1990 Population Census; 1976, 1985, 1995 Intercensal Population Survey, 2000 National Workforce Survey, CBS Labor Force Situation in Indonesia 1999 – 2002.

Education and skills

- ❖ 28% of self employed youth did have no primary education.
- ❖ 60% of self employed youth and 40% of job seekers left school because of financial constraints.
- ❖ 39% of those interviewed received educational and vocational guidance.
- ❖ Less than 40% have participated in work experience programmes.

Entering the job market

- ❖ 67% did not receive careers or job opportunities counseling.
- ❖ 47% used informal networks to find jobs.
- ❖ 21% replied to advertisements and
- ❖ 4% used public employment services.

The Characteristics of working youth

- ❖ 25% work at home or in home-based industries
- ❖ Over 60% are in workplaces with less than 10 employees
- ❖ 50% of self-employed enjoy the greater independence this brings

Source: School to Work Transition Survey and Report: MoMT and ILO 2003

The Response of the situations above;

- ❖ To address this youth employment challenge, the government of Indonesia volunteered to be a *lead country* in the UN secretary general's youth employment network (YEN) in August 2003, with the specific aim of developing a national action plan on youth employment.
- ❖ At the recommendation of the ILO office in Jakarta, the coordinating minister of economic affairs established an Indonesian youth employment network (I-YEN). The I-YEN involves senior policymakers from the ministries of economic affairs, manpower and transmigration and education, as well as prominent representatives from the YEN core partner institutions, workers' and employers' organizations, youth and civil society groupings, and the academic community.
- ❖ Under the direction of the I-YEN steering committee a national youth employment action plan for Indonesia 2004 – 2007 (I-YEAP) has been drafted. This draft is currently being shared with a core group of these stakeholders. (*see annex*)

Youth participation: Giving a voice to young Indonesians

- ❖ Feeding directly into this drafting process are the findings of two ILO Jakarta Office led activities in 2003: a series of *Youth for Youth* consultations held in November / December and a number of school to-work transition surveys carried out in the summer.
- ❖ In the youth consultations, covering 3 provinces, more than 400 young Indonesian's were given the opportunity to express their views and to get actively involved in the IYEN.

Some of the most frequent comments included concerns about:

- ❖ The high price of education.
- ❖ Un-equal opportunities in the workplace, especially for young women.
- ❖ The education system not providing students with vocational qualifications increasingly sought after by employees.

- ❖ The lack of policies conducive to the creation of business start-ups.
- ❖ The *school-to-work transition surveys* carried out by the Ministry of Manpower and Transmigration (MoMT) with the support of the ILO Jakarta Office interviewed 2,180 young people between the ages of 15-24.
- ❖ The key findings (next slide) have fed into the development of a Career Guidance Manual for the use by secondary and technical schools in pilot regions.

Tools to help young people seek work

- ❖ The I-YEN has also developed a number of practical aids for young people seeking work or looking to start their own businesses:
- ❖ *A Pocket Guide for Youth Seeking Work* targets young people both in and out of school, unemployed and new entrants to the labour market. The Guide provides young Indonesians with information on how to profile them for work and what to do to seek work.
- ❖ In partnership with the Ministry of National Education, I-YEN has organized the translation and printing of 10,000 copies of the ILO's *Start Your Business* (SYB) package of materials (Handbook, Workbook, and Business Plan). These publications are designed for young women and men in senior vocational secondary schools (15 – 18 year olds) to help them stimulate their entrepreneurial consciousness and skills and to consider business development as a viable income generation alternative.
- ❖ As of February 2004 the SYB materials have been introduced to 14 Lead Trainer from the Government and teachers/trainers from approximately 227 institutions.
- ❖ In August 2004 (at the beginning of the new school year) the SYB programme officially delivered as part of the secondary vocational curriculum in the institutions where teachers have been trained in their usage.
- ❖ The I-YEN has provided funding support for Youth Entrepreneurship Start-up, a youth business programme for aspiring university graduates with good business ideas but no access to capital, based on the model of business mentoring and loans developed by Youth Business International.
- ❖ Other important activities include the development of a toolkit for municipal officials that will facilitate work with young workers in the informal sector and the publication of an employers' guide and a workers' guide to youth employment in Bahasa.

- ❖ The Ministry of Education and youth organisations are working with the World Bank and UNDP to focus on the special needs of marginalized youth through the development of life-skills programs for in-school and out-of-school youth, especially those who are poor or otherwise marginalized.
- ❖ The example of Indonesia clearly shows that the key to success is :
 - ❖ sound technical assistance,
 - ❖ broad based partnership, and
 - ❖ national ownership.

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Source:

- Indonesia Central Bureau of Statistics
- ILO Jakarta Office
- Indonesia Youth Employment, Tara Bakti Soeprobo, Demographic Institute Faculty of Economics University of Indonesia, January 2002.