



KEMNAKER

# PREPARING INDONESIA'S WORKFORCE FOR INDUSTRY 4.0

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# DIGITALIZATION OF THE INDUSTRY

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## Threats:

- In general, digitalization era will eliminate about 1 – 1,5 billions jobs for 2015-2025, due to replacement of human position with automation machine (Gerd Leonhard, *Futurist*);
- It is estimated that in the future, 65% of elementary students in the world will work on type of jobs that haven't existed yet today (*U.S. Department of Labor report*).

## Chances:

- Digitalization era is potential to provide net improvement of workforce up to 2.1 millions new jobs in the year 2025

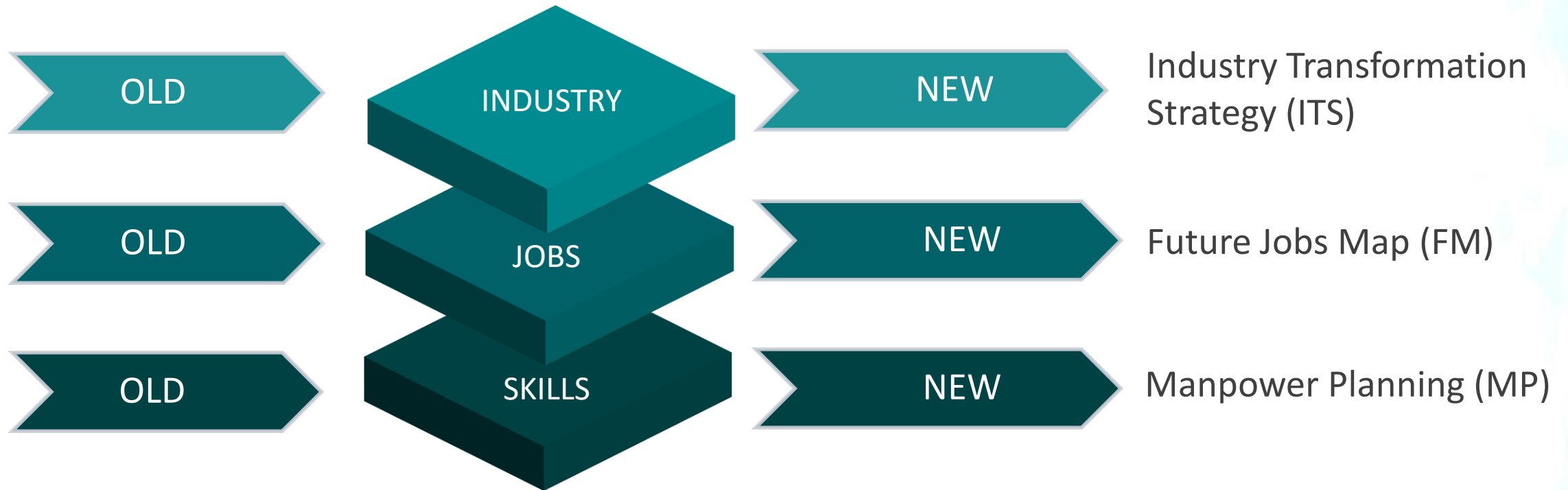
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# Transformation of Indonesia's Labour Market

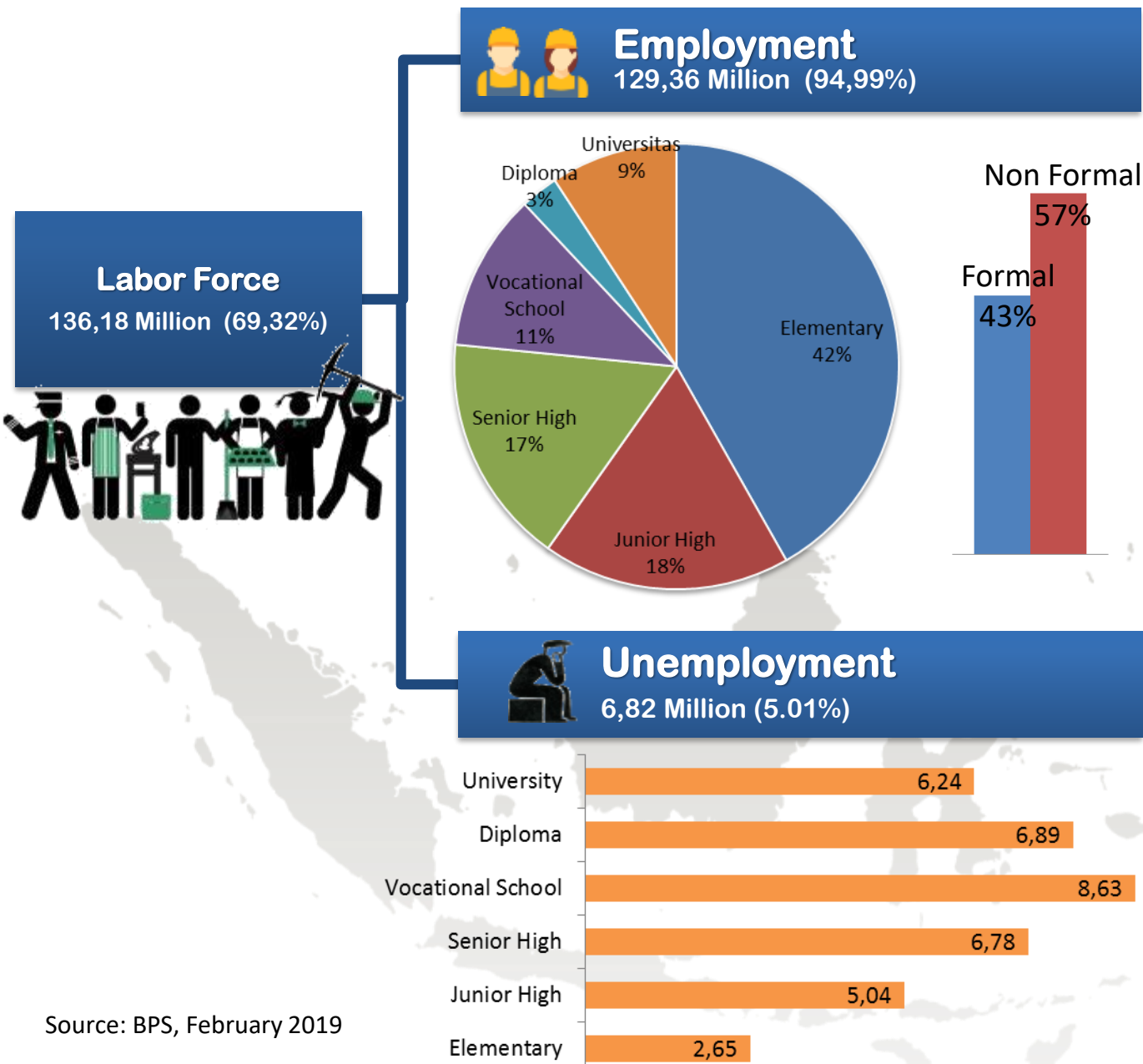
## SCHEME



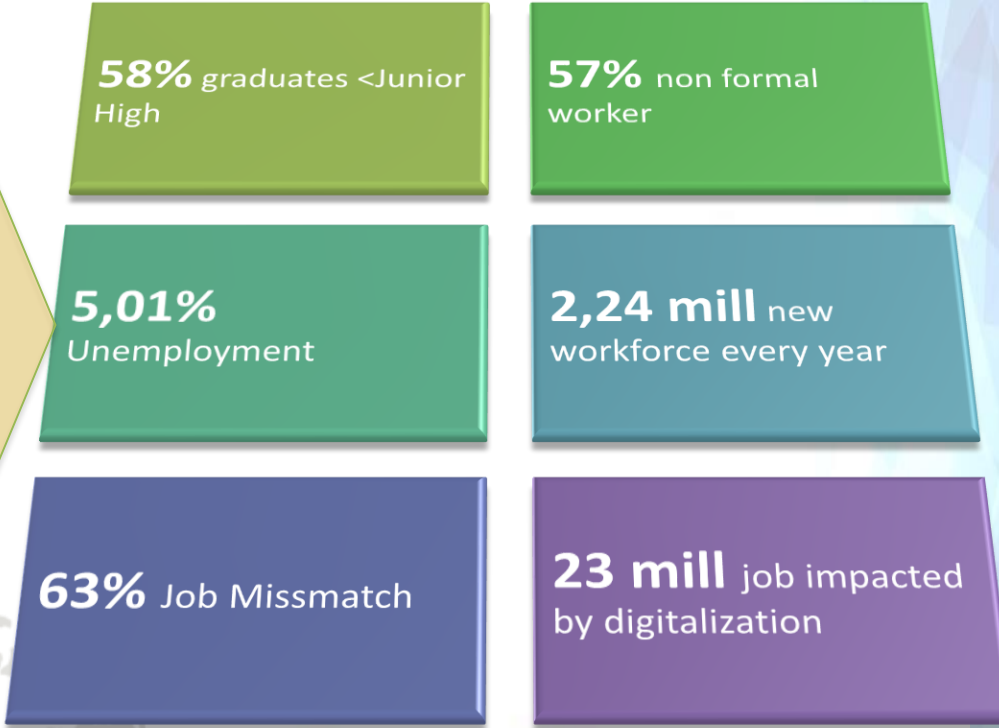
# CHANCES OF DIGITALIZATION



# INDONESIA LABOR MARKET SITUATION AND CHALLENGE IN 2019



## CHALLENGE



Source: BPS, February 2019

## Government focus

### Human Resources Development through VET

“We shall continuously restructure our worker’s qualification level, therefore they all should be trained to be skilled worker and well accepted in our industry”

**(Cabinet Assembly, 3 February 2018)**

“Related ministry : Ministry of Manpower, Ministry of Education and Ministry of Higher Education must start Human Resource Development Program in 2018 and 2019”

**(Cabinet Assembly, 12 February 2018)**

“Once again I want to emphasize that human resource development should be priority for every ministries... .. especially vocational school, vocational training, polytechnic ...”

**(Cabinet Assembly, 7 August 2018)**

HR development will be our top priority, building hardworking, dynamic HR, building skilled HR, mastering science and technology, inviting global talents to work with us

**(20 October 2019)**

2016

2017

2018

2019

2020

Acceleration of Infrastructure Development

Human Resource Development



# Triple Skilling in Vocational Training



**UP-SKILLING**

**Target : Worker**

**Objective :** Skill upgrading, skill updating, multi-skilling, career improvement

**Outcome:** worker productivity and meningcompetitiveness improvemet

**Data :**

- Workforce: 129 mill
  - Part-timer: 38,7 mill (40,08%)
- 78 mill (57,29%) low educated workforce <SMP



**SKILLING**

**Targer : Jobseeker, fresh graduate**

**Objective :** skill adjustment / matching

**Outcome:** decreasing unemployment rate

**Data :**

- Unemployment rate: 6,82 mill (5.01%)
- Natural TPT: 3-4%
- 2,24 mill newcomers / year
- 2,45mill youth unemployment aged 20-24 y/o



**RE-SKILLING**

**Target : Laid off worker**

**Objective :** to provide new skill to enable worker to find new job or to be entrepreneur

**Outcome:** to prevent unemployment

**Data :**

- Involuntary Laid-off Workers : 348 thousand people/year

# COMPETENCY BASED TRAINING

- Professional Association
  - Industry Association
  - Academics
- Certification Agency
  - Government

Competency  
Standard  
(SKKNI/KKNI)

Competency  
Based  
Training

Vocational  
Training

Assessment &  
Certification

- Public VTC
- Private VTC
- Company TC
- Apprenticeship
- E-learning

## Principle:

1. Competency Based
2. Demand Driven
3. Longlife learning
4. Inclusive

## Training Funding:

1. Government
2. Company
3. Individual

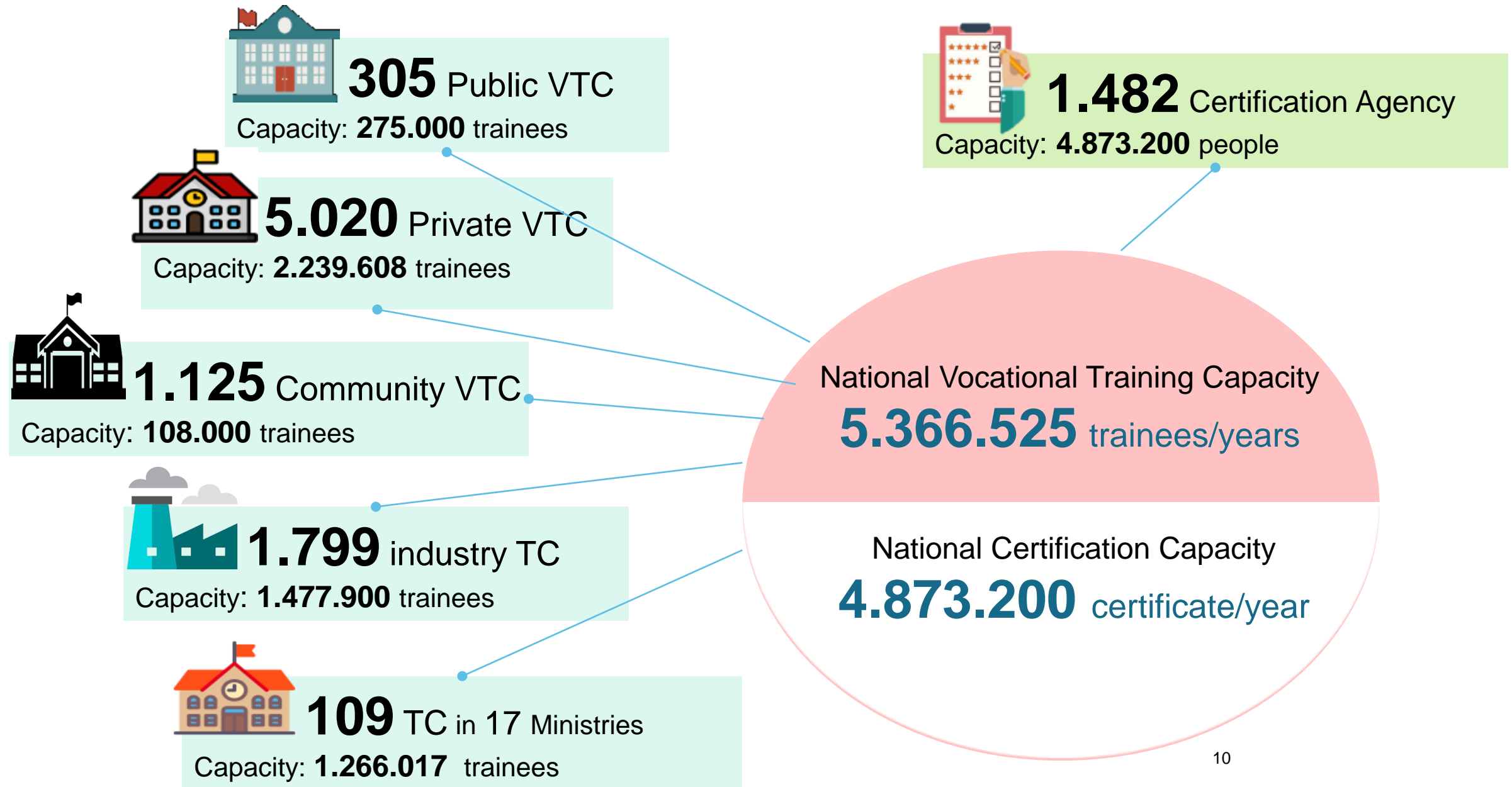
- Indonesia Profesional Certification Authority (BNSP)
- Professional Certification Agency (LSP)



# NATIONAL VOCATIONAL TRAINING SYSTEM (Govt. Regulation No. 31 year 2006)



# MODALITY / CAPACITY OF VOCATIONAL TRAINING IN INDONESIA YEAR 2019



# POLICY INITIATIVES IN TRIPLE SKILLING

- **Endorsement of Super Tax Deduction** (PP Number 45 Year 2019) for company conducting vocational training for workers or jobseekers or apprenticeship
- Up-skilling training subsidi in BLK



- Skilling Training subsidi in BLK
- Development of Community TC
- Apprenticeship
- Pre-employment training card (year 2020 start for 2 million people)

- Re-skilling training for 20.000 laid-off workers funded by National Social Security Insurance
- Pre-employment card (year 2020 start for 2 million people)



# LABOR'S COMPETENCY AND PRODUCTIVITY DEVELOPMENT PROGRAM 2019







THANK



YOU

