



PUBLIC EMPLOYMENT SERVICES IN INDONESIA

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REPUBLIC OF INDONESIA**

**THE FIRST MEETING OF PUBLIC EMPLOYMENT AGENCIES OF
THE OIC MEMBER COUNTRIES
ANKARA, APRIL 28 – 29 2014**

OUTLINES

- **INDONESIA OUTLOOK**
- **ISSUES AND CHALLENGES**
- **POLICIES AND REGULATIONS**
- **STRATEGIES & BEST PRACTICES**
- **CONCLUSION**

34 Provinces

Indonesia's Natural Resources

- Island : 17.508
- Area : 9.8 Million km²
 - Land : 1.9 Million km²
 - Sea : 7.9 Million km²
 - Coastal Line : 95.181 km

519 Municipals/Districts



238 million populations
fourth most populous country

LABOR MARKET CONDITIONS IN INDONESIA 2013

**Working
People Age
(>15)
176,62
Million**

Labour Force		
118.19 million (66.90%)		
≤Primary ScI	53.91	45.62 %
Junior High	22.13	18.73 %
Senior High	19.43	16.44 %
Vocational	11.58	9.8 %
Dipl./Acader	3.11	2.63 %
University	1.77	6.78 %

Instead of The Labor Force		
58.43 Million (31.1%)		
Attending School	14.45	24.09%
Household	35.23	60.26%
Others	8.78	15.02%

Working People		
112,80 Million (69,66%)		
Agriculture	38.06	34.36 %
Industry	14.88	13.34 %
Construction	6,27	5,66 %
Trade	23.73	21,42 %
Transportation	5,04	4,55 %
Finance	2,91	2,63 %
Services	18.21	16,44 %
Etc*	1,42	1,28 %

* Mining, Electricity, Gas, Water

Unemployment		
7,38 Million (6,25%)		
≤Primary Sch	1.89	1.60 %
Junior High	1.68	1.42 %
Senior High	1.89	1.60 %
Vocational	1.29	1.09 %
Diplo./Academy	0.18	0.37 %
University	0.44	0,37 %

Less than 35 hours /week		
36.81 Million (33,22%)		
Underemployment	10.89	29.60 %
Part timer	25.91	70.40 %



ISSUES AND CHALLENGES

Labor Market Issues in Indonesia

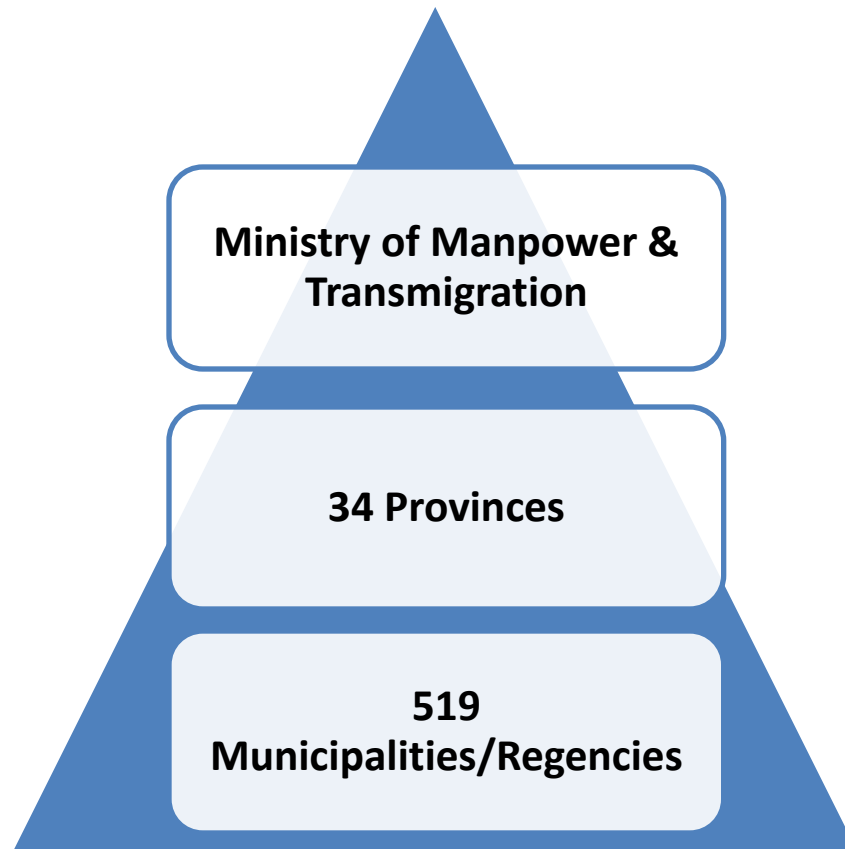
- Quality of labor force;
- Relatively high unemployment rate
- The rapid advancement of technology;
- Globalization, democratization and regional autonomy.

Labor Market Issues in Indonesia

- The changes of industrial (sector) structural in economics;
- Informal Sector Expansion;
- Limited Employment Opportunities.

POLICIES AND REGULATIONS

EMPLOYMENT AUTHORITY POLICY



**MASTER PLAN
FOR THE ACCELERATION AND EXPANSION OF
INDONESIA'S POVERTY REDUCTION**

PRO GROWTH

PRO JOB (employment opportunities)

PRO POOR (impact on welfare)

Action Plan on Job Creation and Labor Force Skill Development

1•

Information and employment services

2•

Promoting the skill and competence of labor force

3•

Micro Medium Scale Business Development

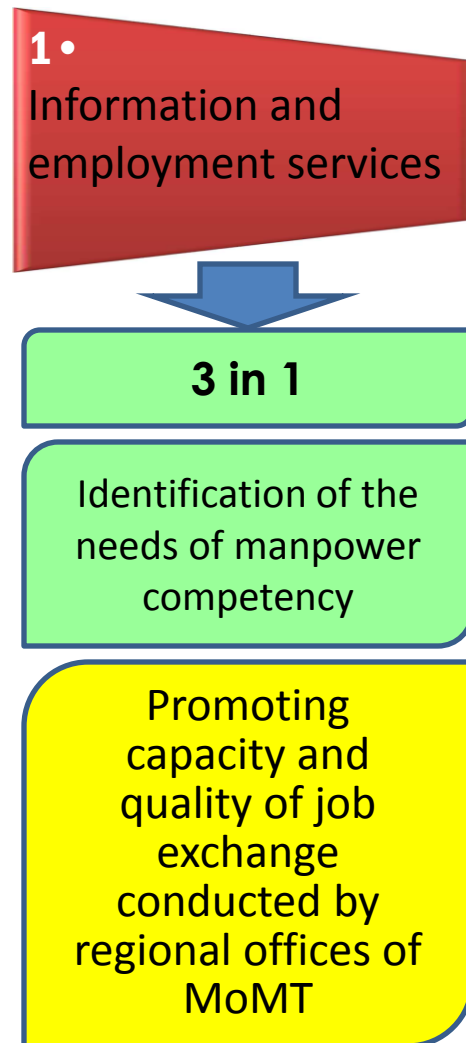
4•

Labor intensive program and infrastructure

5•

Job Creation Program

Action Plan on Job Creation and Labor Force Skill Development



REGULATIONS

- Indonesian Constitution 1945
- The Act of Republic Indonesia Number 13 Year 2003 concerning on Manpower
- Presidential Decree Number 36 Year 2002 concerning on Ratification of ILO Convention 88 regarding Organization of the Employment Service
- Ministerial Decree Number 07 Year 2008 concerning on Employment Placement

STRATEGIES & BEST PRACTICES

STRATEGIES

- Up-dating regulations and standards
- Capacity building which covers: institution, human resources, and labour market information/infrastructure
- Improving accessibility in employment services
- Strengthening networking among stakeholders

BEST PRACTICES

- Establishing 'KIOS 3 IN 1' (integrated information of training, certification, and placement)
- Conducting job fairs and expo at national and regional levels in order to facilitating all job seekers and users.
- IT Based on employment services (public and private)

CONCLUSION

- Public employment services has a vital role to facilitate matching of job seekers and job vacancies.
- In order to address the employment situation of unemployment in Indonesia, particularly on youth, PES should be improved and strengthened through introducing such services as conducting job counseling for job seekers, positive job canvassing, utilizing labor market information or database concerning job seekers and job vacancies, improving the expertise and the motivation of each staff by training, developing well managed job matching system through using information technologies, etc.
- It is expected that this deliberation would be productive in resulting some new approaches and implementative concepts in order to enhance the effectiveness and efficiency of the public employment services



THANK YOU