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PRESS RELEASE

International Youth Day:

Indonesia Youth Employment Action Plan to Tackle Youth Unemployment in Indonesia

JAKARTA (Joint Press Release): In association with the commemoration of International Youth Day, the *Indonesia Youth Employment Network (IYEN)* jointly lead by the Coordinating Ministry for Economic Affairs and the Ministry of Manpower and Transmigration, will launch a *Youth Employment Action Plan* on Thursday, 12 August 2004. The Action Plan will be launched by the Vice President, H.E. Hamzah Haz, at the Vice Presidential Palace, Jakarta.

The YEN is part of the global youth employment programme initiated by the UN, ILO and the World Bank in 2000. Indonesia was one of the first nations to volunteer to be a “lead” country to “prepare reviews and action plans” on youth employment.

After the official launch of the Action Plan, an interactive dialogue between young people and members of the *IYEN* will be held at the Coordinating Ministry for Economic Affairs at Graha Sawala Room, Ministry of Finance, Jakarta. The dialogue will be opened by the Coordinating Ministry for Economic Affairs, H.E. Dorodjatun Kuntjoro-Jakti, and Country Director of the ILO in Indonesia, Alan Boulton. This will provide an opportunity for representatives of Indonesian youth to raise issues and ask questions.

Some of the key policy recommendations highlighted in the Action Plan include making education affordable for the poor, developing a national skills qualification framework, strengthening the network of vocational education and training centers of excellence and incorporating youth employment goals into economic macro policy. The recommendations also include developing new opportunities in emerging sectors, mobilizing business for action, making it easier for young people to start and run businesses, mobilizing private sector support for young entrepreneurs, and developing linkage support programmes between large and small enterprises.

Country Director of the ILO in Indonesia, Alan Boulton, stated that the ILO is supporting efforts to address challenge of youth employment in the country. “We need to find new opportunities for decent and productive work for the young people of Indonesia. Enlarging the chances of young people to find and keep decent work is absolutely critical. Through the

implementation of the Action Plan, young people will have more opportunities to realize their potential,” he said.

Youth unemployment has skyrocketed worldwide over the past decade to some 88 million, according to a new study by the International Labour Organization (ILO), reaching an all time high with young people aged 15 to 24 years now representing nearly half the world’s jobless.

“*Global Employment Trends for Youth 2004*,”¹ a new analysis prepared by the ILO’s Employment Strategy Department, found that while youth represent 25 per cent of the working age population between the ages of 15 and 64, they made up as much as 47 per cent of the total 186 million people out of work worldwide in 2003.

Youth unemployment rates in 2003 were highest in the Middle East and North Africa (25.6 per cent), followed by sub-Saharan Africa (21 per cent), the Transition economies of Eastern Europe (18.6 per cent), Latin America and the Caribbean (16.6 per cent), South-East Asia (16.4 per cent), South Asia (13.9 per cent), the Industrialized economies (13.4 per cent), and East Asia (7 per cent). The industrialized economies region was the only region where youth unemployment saw a distinct decrease (from 15.4 per cent in 1993 to 13.4 per cent in 2003).

In Indonesia, the full potential of the majority of Indonesian youth (aged 15-24 years) is not being realized because they have no access to productive jobs. In 2003, the share of underutilized (unemployed and underemployed) youth in the labour force and the share of untapped (neither in education nor in the labour force) youth in the total youth population was 52.7 per cent and 19.5 per cent, respectively. In the post-crisis period, the youth employment situation has deteriorated.

By 2003, the unemployment rate of young men in Indonesia had risen to 25.5 per cent and those of young women to 31.5 per cent. Overall, the youth unemployment rate was almost four times higher than the adult rate. Around 62% of Indonesians under the age of 30 are surviving on less than 1 US dollar per day, and they and their families are therefore deemed to be working and living in poverty.

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¹ *Global Employment Trends for Youth, 2004*, International Labour Office, Geneva, 2004, ISBN 92-2-115997-3. Available at <http://www.ilo.org/trends>