UNEMPLOYMENT IN INDONESIA

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Country Director – Indonesia
IDP Education Pty Ltd

AIEC CONFERENCE
BRISBANE - OCTOBER, 2008
INDONESIA UPDATE

- Q.3, 2008: steady 6.4% economic growth
- Investment in Indonesia up to 9.5%
- Overall positive indicators despite global recession

"The (economic) growth that has been achieved (in Indonesia) has not been accompanied by a commensurate increase in employment."

Source:
The Asian Development Bank, Jakarta
2 April, 2008
UNEMPLOYMENT IN INDONESIA

- In 2008: 9.4 million unemployed out of 108 million workforce*
- For every 1% economic growth, 702,000 workers can be employed*
- Approx. 3 million new job seekers every year in Indonesia (added to existing unemployed)
- Approx 50% of jobless are under 24 years old**

**Labour and Social Trends in Indonesia” – Publication of the International Labour Organization (ILO) Indonesia – August, 2008

Of 9.4 million unemployed in Indonesia:
- 626,000 are university graduates*
- 519,900 are vet diploma holders*
- 5.66 million in 15-24 year age group

UNEMPLOYED GRADUATES IN INDONESIA - 2008

UNEMPLOYMENT ACROSS INDONESIA
DECENT, PRODUCTIVE JOBS

“The (Indonesian) economy will need to shift to a higher growth path to ensure that this more educated and skilled population has access to decent, productive jobs.”

Source:
The International Labour Organization (ILO) Indonesia, August, 2008

PROGRAMS TERMINATED

In 2007:
113 programs at 64 Indonesian universities were closed down

Main reason:
- oversupply of graduates from those programs in the labour market*

Source:
What Parents Need to Know – How to Choose a Good University for your Children, by Dian Sasmita in CampusAsia, June, 2008
ISSUES IN INDONESIAN LABOUR MARKET

- Many Indonesian companies prefer fresh, local graduates
- High level jobs often pay low salaries
- Mismatch between skills and jobs available
- Approx 30% of jobs not filled
- Labour laws can disadvantage private sector

PREDICTIONS FOR INDONESIA

- Indonesia’s labour force to expand by approx 14% between 2006 – 2015
- Workforce to be increasingly more educated and skilled BUT
- Need better educated and trained workforce, at both VET and tertiary levels
- Greater focus on industries promoting job and wealth creation, including:
  - trades, hotels, restaurants
  - transportation and communications
  - public services
  - creative sector:
    - advertising
    - architecture
    - computer services/software
    - craft
    - design
    - fashion
    - film
    - interactive games
    - music
    - performing arts
    - photography
    - printing
    - publishing
    - radio & television
WHAT IS THE YOUNG INDONESIAN EMPLOYEE LOOKING FOR IN THE WORK FORCE?

Very important:
- Job must allow one to “have a life”
- Want a clear career pathway

Important (in ranked order):
1. Firms with good reputation
2. Responsibility and autonomy on the job
3. Challenging work
4. Flexible employment options
5. Training opportunities


AUSTRALIAN ALUMNI IN INDONESIA*

POSITIVE:
• On average, take only 1-6 months to find job of choice
• Overall very positive re Australian study experience
• Feel their Australian qualification can gain them employment at home or abroad
• Are generally optimistic re their future

NEGATIVE
• Many cite lack of practical work experience in their field while in Australia
• Most satisfied with current job but claim salaries too low (in range of A$350 – A$1,000/mth)
• Some actively seek overseas employment options (E.g S’pre; Canada; Malaysia; Saudi Arabia)
• Too specialised for some jobs

Source: IDP Indonesia data
AUSTRALIA ALUMNI IN INDONESIA

GENERAL OBSERVATIONS
• Some take Chinese language training after graduating in Australia
• Few have PR
• Many are selective, won’t take just any job
• Many uni and vet finance, engineering, IT graduates working outside field
• Many see themselves in a job for up to 3 years max
• Have average English language proficiency

WHAT ATTRACTS INDONESIANS TO A STUDY PROGRAM?

"My decision to choose Deakin was because a lot of my friends have successfully gained good jobs after graduating from Deakin."

Deakin University Australia
Succeed with Deakin, it's not an accident.

Prepare for a successful future! Courses offered in areas of professional relevance start in February.

"My dream was to study in Deakin. My friends have successfully gained good jobs at Deakin. The campus has high quality services and facilities, especially the Library and computer labs, and I get to meet lots of people from other countries. It has been fantastic!"

Faradina Wardani, Bachelor of Commerce

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WHAT ARE THE IMPLICATIONS FOR AUSTRALIA?

- Need to produce quality, marketable graduates to continue attracting Indonesians to Australian programs.

- To maintain profile of Australian qualifications, should allow more medium and high skilled alumni to fill job vacancies in areas such as:
  - accountancy
  - beauty industry
  - engineering (chemical; civil; electrical; mechanical; mining)
  - hospitality and tourism
  - nursing and aged care
  - technical

- Under proposed ASEAN-Australia-NZ FTA, Indonesian government seeking liberalization of service sector including architecture, banking, finance, nursing and construction.

- Need to provide Indonesians with skills and attributes to help them become useful global citizens.
WHAT CAN AUSTRALIAN INSTITUTIONS DO?

- Internationalise curricula to ensure relevance to SEA market
- Know Indonesia’s national priorities
- Encourage internships in Australia or Indonesia (e.g. TAFE, UQ, Deakin Uni.)
- Permit post-graduate research in Indonesia or region
- Provide career counselling/CV writing workshops
- Arrange career days, job, internship and vacation fairs on campus
- Provide links to Australian companies with branches in Indonesia
- Consider offering joint degree programs and linkages with local unis/voiced centres

MAINTAIN CONTACT WITH ALUMNI

MISS INDONESIA 2008
BACHELOR OF ARCHITECTURE
UNIVERSITY OF WESTERN AUSTRALIA

www.idp.com
INDONESIAN STUDENTS IN AUSTRALIA

FIELDS BY ENROLMENT- YTD JUNE, 2008

<table>
<thead>
<tr>
<th>Broad Fields of Study</th>
<th>YTD June, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bus. Admin/Management</td>
<td>4,521</td>
</tr>
<tr>
<td>2. Services, hospitality, transport</td>
<td>1,398</td>
</tr>
<tr>
<td>3. ELICOS</td>
<td>1,096</td>
</tr>
<tr>
<td>4. Comp Science/Info Systems</td>
<td>873</td>
</tr>
<tr>
<td>5. Engineering, Surveying</td>
<td>813</td>
</tr>
<tr>
<td>6. Arts, Humanities, Soc. Sciences</td>
<td>719</td>
</tr>
<tr>
<td>7. Multi-field Education</td>
<td>679</td>
</tr>
<tr>
<td>8. Visual &amp; Performing Arts</td>
<td>400</td>
</tr>
<tr>
<td>9. Science</td>
<td>218</td>
</tr>
<tr>
<td>10. Architecture, Building</td>
<td>187</td>
</tr>
<tr>
<td>11. Medical Science, Medicine</td>
<td>181</td>
</tr>
<tr>
<td>12. Economics</td>
<td>174</td>
</tr>
<tr>
<td>13. Education</td>
<td>162</td>
</tr>
<tr>
<td>14. Health, Community Services</td>
<td>111</td>
</tr>
<tr>
<td>15. Physical Sciences</td>
<td>101</td>
</tr>
<tr>
<td>16. Nursing</td>
<td>92</td>
</tr>
</tbody>
</table>

Source: DEEWR INTRANET, YTD June, 2008

INTERNATIONAL ENROLMENTS IN AUSTRALIA: JUNE, 2008

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Country</th>
<th>Total Number of Enrolments</th>
<th>Approx. Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>93,387</td>
<td>23.8</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>65,377</td>
<td>16.7</td>
</tr>
<tr>
<td>3</td>
<td>South Korea</td>
<td>27,341</td>
<td>7.0</td>
</tr>
<tr>
<td>4</td>
<td>Malaysia</td>
<td>18,081</td>
<td>4.6</td>
</tr>
<tr>
<td>5</td>
<td>Thailand</td>
<td>15,633</td>
<td>4.0</td>
</tr>
<tr>
<td>6</td>
<td>Hong Kong</td>
<td>14,999</td>
<td>3.8</td>
</tr>
<tr>
<td>7</td>
<td>Indonesia</td>
<td>11,929</td>
<td>3.0</td>
</tr>
<tr>
<td>8</td>
<td>Nepal</td>
<td>11,883</td>
<td>3.0</td>
</tr>
<tr>
<td>9</td>
<td>Vietnam</td>
<td>10,695</td>
<td>2.7</td>
</tr>
<tr>
<td>10</td>
<td>Japan</td>
<td>10,536</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: AEI Website Pivot Tables, June - 2008
## Indonesian Students in Australia

### Enrolments - YTD June, 2008

<table>
<thead>
<tr>
<th>Sector</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi Educ</td>
<td>9,073</td>
<td>8,297</td>
<td>7,561</td>
<td>6,733</td>
<td>6,252</td>
</tr>
<tr>
<td>VET</td>
<td>3,302</td>
<td>2,849</td>
<td>2,736</td>
<td>3,056</td>
<td>3,723</td>
</tr>
<tr>
<td>ELICOS</td>
<td>940</td>
<td>848</td>
<td>816</td>
<td>881</td>
<td>1,133</td>
</tr>
<tr>
<td>Schools</td>
<td>934</td>
<td>738</td>
<td>543</td>
<td>436</td>
<td>344</td>
</tr>
<tr>
<td>Non-award</td>
<td>667</td>
<td>532</td>
<td>444</td>
<td>462</td>
<td>477</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,916</td>
<td>13,264</td>
<td>12,100</td>
<td>11,568</td>
<td>11,929</td>
</tr>
</tbody>
</table>

Source: AEI Website Pivot Tables 2007

### IDP Indonesia

**Thanks you for your support**