

PRESS RELEASE

Forum Kajian Pembangunan (FKP) Webinar

“Competing in the Labor Market: The New Labor Force and Vocational High School Graduates amid the COVID-19 Pandemic”

Jakarta, 14 October 2021 — The weakening of Indonesia’s economic performance during the COVID-19 pandemic has resulted in a decline in the ability of the business sector to absorb the labor force. The pandemic poses a risk of extending the waiting time of the labor force, including college graduates, to find a job.

The pandemic extends the duration for the new labor force to find a job

The study conducted by The SMERU Research Institute (SMERU) finds that prior to the pandemic, half of the young graduates in this study managed to find a job within four months, while during the pandemic, it took them seven months to do so.

This study also finds that age has a significant effect on job attainment during the pandemic. “Older fresh graduates hold better positions in the labor market and have a greater chance of finding a job faster during the pandemic,” said Lia Amelia (SMERU researcher).

The government needs to design follow-up plans for training programs

Employment policies targeting fresh graduates are needed to recover the employment condition during the pandemic. “The government needs to improve the implementation of the Pre-employment Card program which provides specific training, facilitation, and counseling for fresh graduates who have no or minimum work experience,” Lia Amelia added. The government also needs to evaluate the effectiveness of the training and facilitation programs by collecting data on training alumni who manage to find a job. This data needs to be collected on a regular basis to discover which areas have room for improvement to increase the effectiveness of the provided programs.

Meanwhile, labor forces graduated from vocational high schools have their own challenges when entering the labor market. The Labor Market Information (IPK), mandated through the Unemployment Benefit scheme (JKP) in the Job Creation Law, is an important policy discourse to support the new labor force to be absorbed into the labor Indonesian market.

Labor market information has not been optimally used by both employers and job seekers

The latest study conducted by SMERU finds that the limited number of job vacancies is caused by the fact that many employers have not been included in IPK. Major companies have not utilized Karirhub-Sisnaker since they have had a recruitment system to find operators. “They are still comfortable with the existing systems, i.e., job training centers [LPK] or private employment agencies [LPTKS],” said Palmira P. Bachtiar (SMERU senior researcher). Thus, LPTKS and LPK need to be encouraged to join Karirhub-Sisnaker.

On the other hand, job seekers graduated from vocational high schools complain about the digital gap and numerous digital literacy obstacles. “A remote survey via telephone was conducted to 1,016 workers,

dismissed workers, and job seekers graduated from vocational high schools in Kabupaten [District of] Karawang, Kabupaten Bekasi, and Kota [City of] Bandung and it finds that most of them cannot distinguish real job vacancies from the fake ones. Some of them still applied for these fake job vacancies,” Palmira P. Bachtiar added.

Social media serve as a transition tool towards the digitalization of the labor market information

In the attempt to make Karirhub-Sisnaker an inclusive IPK, making use of social media is crucial. This platform is preferred by job seekers and job intermediary service providers in the regions. The use of social media can be optimized to integrate job seekers into the IPK system. “During the transition [period] from the manual to digital system, fake job vacancies might appear. We recommend that job intermediary service providers verify any suspicious job vacancy,” Palmira added.

At the national level, Karirhub-Sisnaker should serve as an aggregator of the platforms made by regional governments and the private sector. At the regional level, the time has come to digitalize Sistem Antarkerja. The last and most crucial actors are job intermediaries in labor agencies at the *kabupaten/kota* level. They are the ones who apply IPK and provide counseling for dismissed workers in the JKP scheme. Therefore, improvements to their capacity and incentives need to be considered.

For further information, please contact:

<p>Ratri Indah Septiana Head of Communications Section The SMERU Research Institute rseptiana@smeru.or.id 08161361514</p>

Speakers’ presentation slides can be downloaded on <https://smeru.or.id/en/content/competing-labor-market-new-labor-force-and-vocational-school-graduates-amid-covid-19>.

About The SMERU Research Institute

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