PRESS RELEASE

Forum Kajian Pembangunan (FKP) Seminar
"Developing Digital Skills in Indonesia"

Jakarta, 12 October 2022 — Indonesia's National Medium-Term Development Plan (RPJMN) 2020–2024 emphasizes the role of digital transformation in boosting economic productivity and improving public services. The Indonesian government has issued a series of regulations to achieve digital transformation, one of which is Presidential Regulation No. 95 of 2018 on Electronic-Based Governance System. However, there is no policy framework that can act specifically as a guideline for developing digital skills in Indonesia. This framework is particularly important, as it can be a determining factor for Indonesia's success in implementing and benefitting from the digital transformation.

At the same time, there is still a digital gap between groups in the society. For example, according to the data from the National Socioeconomic Survey (Susenas) and the National Labor Force Survey (Sakernas), in 2021, around 36% of people aged 5 and above did not have access to the internet and 64% of workers/businesspeople or entrepreneurs aged 15 and above still had not used the internet in their work. Therefore, before formulating the framework for developing digital skills in Indonesia, we need to know the existing conditions and challenges.

Access to quality internet is still the privilege of high-income people

People's access to the internet determines how big, or how small, their chances are for developing their digital skills and for being able to be integrated into the ecosystem of the digital economy. Unfortunately, access to the internet is reliant on people's income level. SMERU's study[1] shows that each year, access to quality internet connection is mostly the privilege of those with high income. "In 2020, for example, 77% of the people who belonged to the top income quintile had access to the internet, while only 33% of the people in the bottom income quintile could access the internet," said Jonathan Farez Satyadharma, a junior researcher at The SMERU Research Institute.

In 2018, Indonesia ranked 71st out of 79 countries in PISA rank. The position shows that only 30% of the students in Indonesia had a minimum reading proficiency of Level 2, whereas the average percentage in OECD countries was already 77%. Seen from the aspect of basic reading assessment, this shows that Indonesian students still have problem understanding the difference between facts and opinions.

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[1] https://smeru.or.id/en/publication/diagnostic-report-digital-skills-landscape-indonesia.

How should we meet the challenges to achieve digital literacy and digital skills?

"Without sufficient digital skills, the good prospects for the digital economy in Indonesia in relation to achieving Indonesia Vision 2045 may become nothing but a pipe dream. Our study recommends strategies that the government may be interested in exploring further to improve digital skills in Indonesia. The idea is to achieve digital inclusiveness and digital literacy in the population and to have workforce which have digital competence," Farez added.

Digital skill toolkit can help formulate policies to develop the digital economy

Adinova Fauri, a researcher at CSIS, talked about the importance of digital skills and how to measure them using a digital skill toolkit. Digital literacy and skills are high on the agenda of this year's G20 forum, where Indonesia is holding the presidency. "We have made the current framework richer with necessary pillars and elements, including the analysis of types of occupations that are not yet included in the literacy and framework developed by UNESCO," he said. The toolkit has four pillars, namely infrastructure, literacy, empowerment, and employment. Also, the pillars offer flexibility in their implementation.

Challenges of developing digital skills in Indonesia need to be addressed

The challenges include the use of accurate big data as reference to avoid incompatibility between digital competence and the need for an ecosystem of the digital economy, community-based skills development, gap in digital skills, and regular training. Hedi M. Idris (Head of Center for the Profession and Certification Development of the Ministry of Communication and Information) offered his brief overview of the presentations by the speakers based on practices of the policymakers.

Digital competence is a key factor in unlocking the full potentials of the digital economy

Professional digital skills are an important aspect in the digital economy, as with an abundant supply of capable digital talents, the business sector can optimize the productivity and efficiency of their businesses; the government sector can improve their public services; and the public can have access to various government services and participate in the digital economy ecosystem.

Uma Hapsari (founder of Amazara) said that the minimum digital skills a businessperson needs to have to be successful in the digital economy era are understanding the target market and having knowledge of the digital platforms that the potential clients use every day. "Amazara's target market is mostly on Instagram. So, we capitalize on the features available on Instagram, for example, storytelling. We also learn how to communicate with our target market so that the message we want to get across reaches the intended target," Uma explained. Uma also said that with such a stiff competition on the marketplace, it is important that businesses focus on the values their product has to offer and things that make their product different from others'.

The "Developing Digital Skills in Indonesia" seminar is part of the 2022 Forum Kajian Pembangunan (FKP) seminar series. For the month of October, The SMERU Research Institute once again acts as host. There are

four seminars scheduled, with four topics about digital transformation. In the seminars, SMERU delivers results of its studies and hosts discussions on policy agenda for accelerating digital skills improvement in Indonesia.

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Speakers' presentation slides can be downloaded from: https://smeru.or.id/en/event/developing-digital-skills-indonesia.

About Forum Kajian Pembangunan (FKP)

FKP is a forum where researchers, academicians, experts, civil society, international community, and policymakers meet and discuss study results on the latest development policy issues in Indonesia. FKP is held by a consortium of various organizations in collaboration with the Indonesia Project of the Australian National University (ANU). These organizations joining the FKP consortium would take turns hosting a series of FKP seminars each month. For further information about FKP, please refer to www.fkpindonesia.org.

About The SMERU Research Institute

The SMERU Research Institute is an independent institution for research and public policy studies. Since its establishment in 2001, SMERU has been a leader in poverty and inequality research in Indonesia. For further information about SMERU, please go to https://smeru.or.id/.