



The Coordinating Ministry for Economic Affairs
Republic of Indonesia



Indonesia TVET Development Policies in Rural Areas

Breakout session 1A

“Suitable framework conditions for improving
access to TVET in rural areas”

Dr. Yulius, MA

Coordinating Ministry for Economic Affairs
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Indonesia's Challenge and Opportunity on Human Capital

9-year Compulsory Education Program

High participation rate for:

Elementary School

99.14%

Junior High School

95.08%



Source: BPS, 2017

Unemployment Rate

5.18% while the
average of **global**
rate is **5.5%**



Source: BPS & ILO, 2018

Workforce

The workforce in
2018 amounted to **133**
million people
69%



Source: BPS, 2018

Young Workforce

Half of
population are
workforce **under 30**



Source: BPS, 2017

But we still have some challenges related to our workforce in Rural Areas

1

55,98% of workforce in
rural areas dominated
by those with and below
primary school level

2

61% of poor people
living in rural area

3

59,15% of people working
for informal sector
lives in rural area

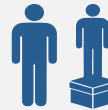
Economic Policy For Equality

The Government of Indonesia launched economic policy package for better equality that consists of three main pillars, namely (1) land; (2) opportunity; and (3) human resources, especially vocational.



A. Land

Better land distribution
for entire population



B. Opportunity

Better business opportunity,
especially for SMEs



C. Human Resources

Enhancing human capital quality,
especially from vocational education



The Government of Indonesia improve its educational quality particularly on vocational education through Technical and Vocational Education and Training (TVET).



The Roadmap of Vocational Policy Development in Indonesia 2017-2025



Improving and revitalizing vocational institutions to link and match with current and future needs of the industry.



Improving the quality of vocational education and training which fully implemented along the business process.

TVET Condition in Rural Areas

Access to TVET in Rural Areas through Vocational High School (SMK) and Training Center (BLK)

Vocational Institution in Rural Areas



BLK

Preparing training for workers who: (i) require skill in the short time (ii) require upskilling and reskilling due to automation and economic crisis.

SMK



Preparing education for workers in operator level (KKNI level 2)

Aspects which need to be improved:

BLK

- ☐ **Distribution.** Not every rural areas has a BLK. 65% of BLK are concentrated in Java and Sumatera.
- ☐ **Quality.** Only 33% of BLK have accreditation.
- ☐ **Practical equipment.** Practical equipment is not suitable with the training developed.
- ☐ **Instructor.** Most of instructors entering retirement age → lack of qualified instructors
- ☐ **BLK competencies.** BLK competencies are less flexible following regional labor needs

SMK

- ☐ **Productive Teacher.** Only 22% number of productive teachers in SMK.
- ☐ **Curricula.** Curricula has not been based on regional potential
- ☐ **Practical equipment.** The quantity and quality of practical equipment does not meet the needs of student learning.
- ☐ **Link and Match.** SMK has not been link and match with industry (apprenticeship, practical equipment, recruitment of graduates, etc)

Beside BLK and SMK, other Programmes focus in Rural Area:

- Mobile Training Unit (MTU)
- Boarding Training for people in Remote Area



Central Components of A Suitable Framework for Improving Access to TVET in Rural Areas

1

REFORMING EDUCATIONAL INSTITUTION

- Increasing productive teachers through ToT program
- Adjusting curricula with industry needs
- Improving accreditation process
- Improving regulation of students enrolment and final examination
- Optimizing the use of e-learning

2

DEVELOPING COMPETENCY STANDARD

- Improving competence certification process in order to be recognized by industry
- Improving Professional Certification Institution (LSP)

3

BUILDING INTERNSHIP ECOSYSTEM

- Improving the number of certified trainee
- Optimizing the involvement of industry in apprenticeship program
- Reforming apprenticeship scheme

4

IMPROVING INFRASTRUCTURE AND PRACTICAL EQUIPMENT

- Simplifying regulation of teaching factory
- Providing infrastructure and practical equipment
- Optimizing the involvement of industry to provide facility for apprenticeship.

5

MOBILIZING FUND

- Providing tax incentive for Industry to develop vocation
- Reallocating government's budget to vocational education
- Arranging Unemployment Benefit and Skill Development Fund scheme

6

ACTIVATING COORDINATION

- Coordinating with Ministry, Institution, Local, and KADIN (in long term will be formed national vocational institution)
- Increasing the number of vocational committee in province level
- Arranging online job platform

Encouraging The Fulfilment Of Workforce In Government's Priority Sector

MANUFACTUR

Increment of added value and employment absorption, particularly in sub sector of Food & Beverage; Textiles; Automotive; Chemistry; and Electronics



TOURISM

Increment of tourism potential in 10 National Strategic Tourism Zone (KPSN) that requires massive human resource



DIGITAL ECONOMY

Increment of demand for digital economic talent, along with the rapid growth of digital economy (e-commerce).



AGRIBUSINESS

Increment of employment absorption in agribusiness sector, particularly in commodities of palm oil, rubber, sugar cane, coffee, coconut, cocoa and horticulture.



HEALTHCARE

Increment of demand for human resources in health services that in line with the rising incomes of society and the existence of health insurance schemes.



MIGRANT WORKERS

Increment of competence for Indonesian migrant workers, to improve the quality and competitiveness of workers at the global level.

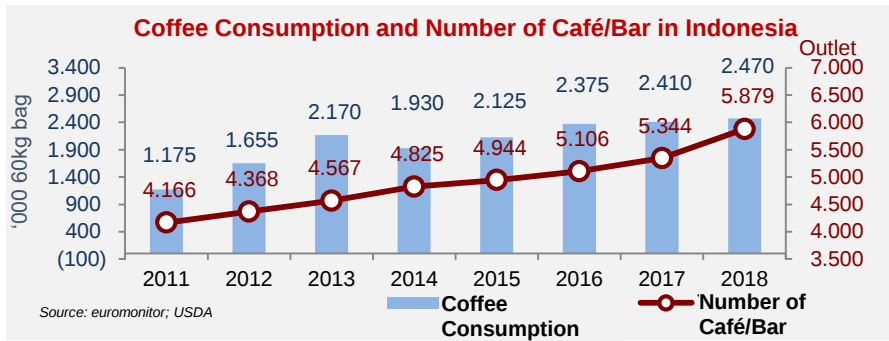


In developing this agribusiness sector, several key principles are needed:

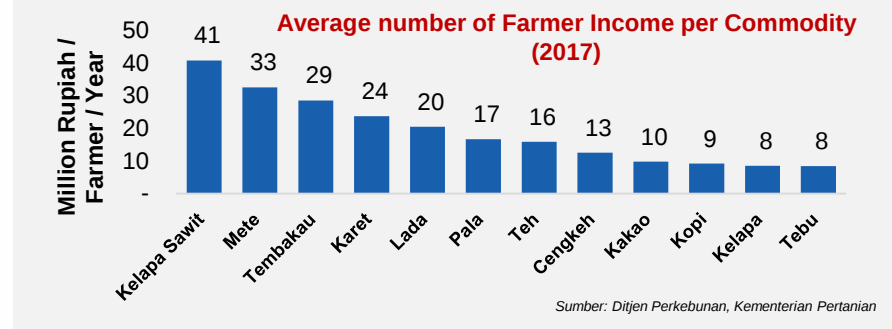
1. looking into what commodities as comparative advantage in each region
2. creating Human Resources in the agribusiness sector to get better income
3. identifying the value chain prevailing to each commodity



Skills Development Reform in Rural Area: Improve the Curricula for SMK based on Regional Potential (1/2)



Coffee booming trend in Indonesia mostly occurs in upstream level by indicating the number of consumption and café/bars rapidly increasing.



The average income of coffee farmers is relatively lower than other plantation commodity farmers.



Potential of Coffee Comodity in Indonesia

- Indonesia is the 4th largest coffee producing country, but the productivity of Indonesian coffee is only 500 Kg / hectare.
- Coffee commodities have countless potential to develop, with a total area of 1,2 million hectares, Indonesia is the second country with the largest coffee land.
- Coffee commodities need encouraging because they have high value-added, if it is managed properly



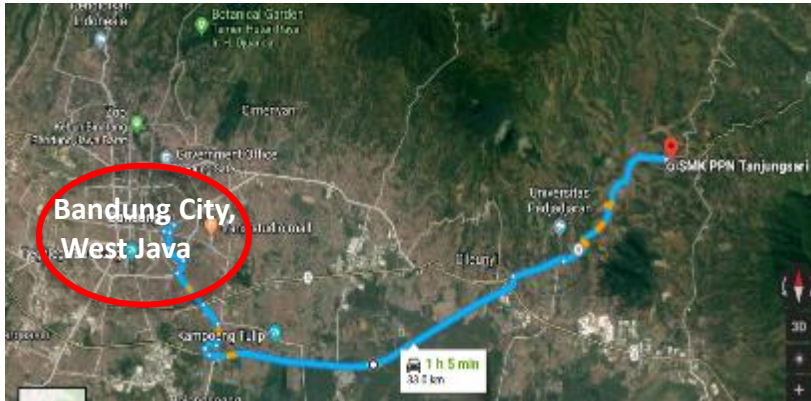
Coffee Curricula

- In Roadmap of Vocational Policy Development, agribusiness is one of leading sector to improve the quality of workforce in rural area.
- Indonesia is one of the largest coffee producing countries, but it does not have special education for coffee.
- The development of the coffee curricula aims to develop coffee commodities and industries in Indonesia, including the preparation of new Human Capital support starting from upstream to downstream.



Skills Development Reform in Rural Area: Improve the Curricula for SMK based on Regional Potential (2/2)

Development of Coffee Curricula for Vocational High School (SMK) Tanjungsari in West Java



SMK Tanjungsari Building



SMK Tanjungsari Farm

- SMK Tanjungsari is located in a rural area of Bandung, so it is suitable for the purpose of curricula development from upstream (plantation) to downstream (coffee industry).
- Started from academic year 2018/2019, for X grade it consists of 2 classes by the number of 66 students taking the coffee department.

Coffee Curricula Competency (30% theory & 70% practice)

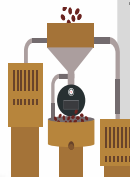
1st Grade

1. Cultivation Of Seedlings

Competence: Being able to produce qualified seeds

2. Coffee Cultivation

Competence: being able to produce productive coffee plants and qualified fruit



2nd Grade

1. Post-Harvest

Competence: Being able to process cherry bean coffee to be a qualified green bean by applying different methods

2. Processing of Coffee Beans (Roasting)

Competence: Being able to process green beans into coffee beans which is worth adding to the different roasting methods



3rd Grade

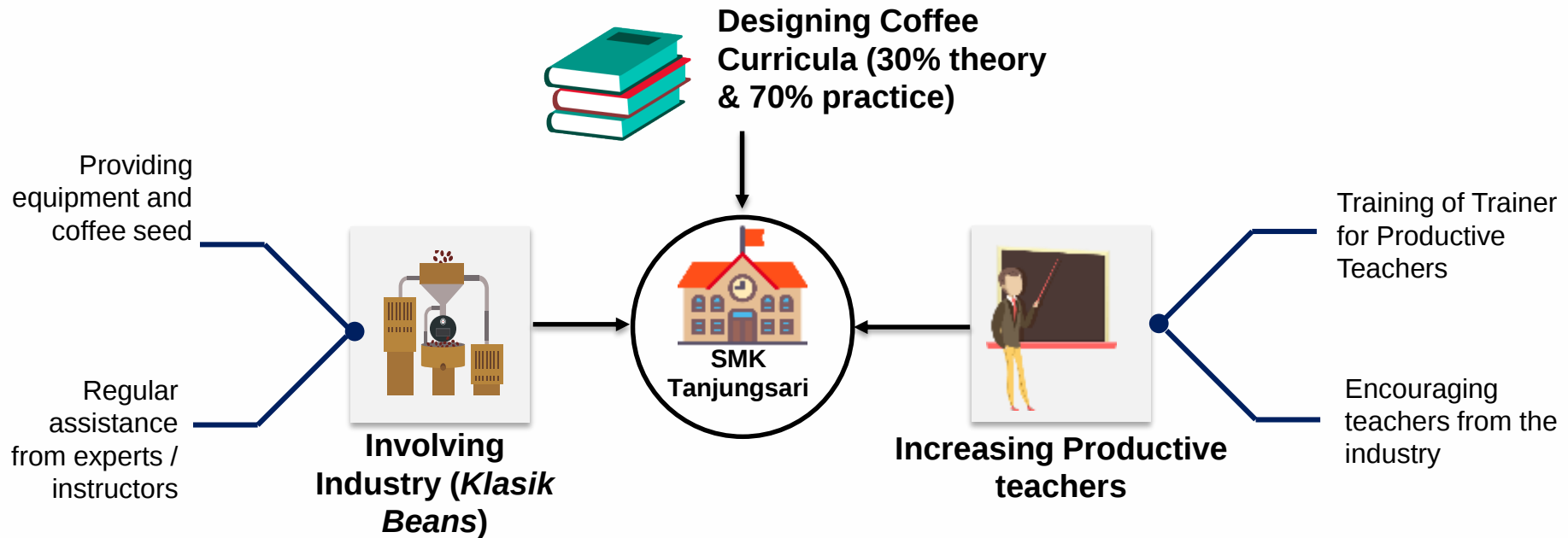
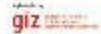
1. The process of Value Added (Barista)

Competence: Being able to roast coffee beans into coffee drinks that have a distinctive taste based on the processed coffee beans

2. Entrepreneurship

Competence: Being able to make basic business and financial plans in running a business

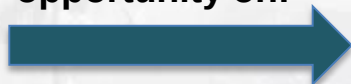
Improving Access to TVET in Rural Areas: Lesson Learned from SMK Tanjungsari



**Skillful Young Workforce
in Rural Areas**



**The wider
opportunity on:**



Financial Incentive Facilitates the Access to TVET in Indonesia



The Government Budget



Increasing the education and vocational training budget



Super Tax Deduction



Provide 200% super tax deduction



Skill Development Fund



Schemes For Developing Sustainable Skills Budget





THANK YOU

TERIMA KASIH

