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1. Employment and labourmarket outlook

Indonesia has experienced a rapid economic and social transformation that has been affecting the structure of labor force and labor demand. In the last six years, from 2008 to 2013, Indonesia is one of the countries that has reached economic growth more than 5%.

During the period 2008-2013, the economic growth rate of 6.01% in 2008 decreased into 5.78% in 2013. In line with the economic growth pressure the rate of employment growth decreased from 2.62% in 2008 to 1.18% in 2013. Otherwise, the unemployment rate reached 8.39% in 2008 decreased to 6.25% in 2013. In the same period, the youth unemployment rate decreased from 23.3% to 21.6%.

On the other hand, the level of participation in 2008 that was 67.18% decreased to 66.9% in 2013. Female labor force participation rate recently has decreased 50.3% in 2013 from 51.5% in 2008.

In that period, the government has been setting up coherence policies that aim to increase employment creation, boosting labour force participation, as well as labour force quality and productivity.

Table 1: Economic and labour market conditions, 2008 (LHS) and 2013 (RHS)								
	GDP growth (%) 1)		GDP per capita (USD terms)		Employment Growth rate (%) 1)		Employment to population ratio (%) 1)	
	2008	2013	2008	2013	2008	2013	2008	2013
Indonesia	6.01	5.78	3,425	4,272	2.62ª	1.18 ^b	61.54ª	62.72 ^a
G20 Average								
,	Unemployme 2008	nt rate (%) ¹⁾	Incidence of long-term unemployment		Youth unemployment rate (%) 1) 2008 2013		Youth unemployment to population ratio (%) 1) 2008 2013	
Indonesia	8.39 ^a	6.17 ^b	N/A	N/A	23.3ª	21.6ª	11.85°	2013 5.2°
G20 Average								
	Participation rate (%) 1)		Female participation rate (%)		Informal employment rate (%) 1)		Collective labour agreement (sum) ²⁾ 2008 2013	
Indonesia	67.18 ^a	66.9ª	51.1 ^a	50.3ª	67.2	52.6	10.501 ^c	11.689 ^c
G20 Average								
	Minimum wage ²⁾ (national average/IDR)		Gini coefficient		School completion rate (%)		Literacy rate (%) 1)	
	2008	2013	2008	2013	2008	2013	2008	2013
Indonesia	745,709.22 ^c	1,476,406 ^c	0.35	0.41	74.62	82.11	92.19	92.81

Sources:

- 1) National Statistics of Indonesia;
- 2) Ministry Manpower and Transmigration

Notes:

- a) National Labour Force Survey Satkernas
- b) Newest Release
- c) Administrative Record

Table 2: Labour market forecasts for 2015						
Employment growth	Unemployment rate (%)	Participation rate (%)				
	5.7	66.95				

2. Employment challenges for Indonesia

As the fourth most populous country in the world, Indonesia has abundant labour force that can be turned into a potential force in producing goods and services. On one hand, this human potential must be transformed into effective labour force that can contribute to economic development. On the other hand, in order to absorb the increase of labour force and to reduce unemployment, the employment policies must take into account the critical issue, namely employment creation.

The employment challenges that the government has to face at the moment can be addressed through employment policies as follows: development of employment creation, increase the quality productivity of labour force, reduce unemployment, and improvement of industrial relation and protection of workers.

Job Opportunities

The structural change in the economy that has been taking place reflects the change of labour force structure in the labour market. This indicates that the structural transformation accompanies rapid industrialization, where labour force has tended to move gradually from the agriculture sector into the manufacturing and services sectors. The share of employment in agricultural sector declined approximately from 40.30% in 2008 to 37.12% in 2013. On the other hand, the share of employment in the manufacturing sector increased from 13.48% in 2008 to 16.14% in 2013. Moreover, the employment absorption in the service sector increases from 46.22% in 2008 to 54.78% in 2013. Although the number of job opportunity in formal sector increases, the economy still absorbs the large number of workers in the informal sectors. Therefore, one of our main tasks is to enhance the movement of workers from the informal economy to formal economy by reducing the rigidity of labour regulations and enhancing active labour market programs.

Level of education and skill of Indonesian workers

Education is an indicator to reflect the quality of labour force. Since the implementation of 6 years compulsory education, expanded into 9 years, there have been significant improvement of quality labour force. Most of them attained the junior and high school levels in the amount of 90.59% while those completed primary school level remained at 45.62%. In addition, it is 9.41% graduated from diploma and university in 2013.

In order to meet the demand of labour and globalization, the government takes any measures to enhance the capacity of training institutions, improve the quality of skill development, and revise the module of vocational training in order to meet the recent labour market needs. Some actions that have been done in regard to this issue are reforming the National Vocational Training System, enhancing the capacity of training institutions, improving the quality of skill development, revising the module of vocational training, strengthening cooperation and coordination with the industry sectors as well as private training providers, and expanding cooperation on training development program with other countries.

Reducing the number of unemployment

During 2013, the number of unemployed was 7.41 million yielding an unemployment rate of 6.17 dominated by youth labour force which is 60.35% of unemployment. The youths have a limited access to employment opportunities due to their competencies that do not match the demand of labour market.

This can be considered as a waste of an important national resource, especially since these youth are supposed to have the most up-to-date skills needed in a technologically fast-moving economy. Therefore, the government has to ensure appropriate strategies or policies on promoting and supporting to create decent jobs for young people, increase their quality and ease them to access labour market information.

Increasing workers welfare

We note that increasing workers welfare cannot be carried out by one party, but all parties, including employees, employers, and the government. One of the main goals of human resources development is centered on the need of social development. Social condition of the employers and employees, as a part of social development is an important aspect of manpower and human resources development that should receive high priority. Social condition can be improved by promoting human rights at work, social protection and social dialogue that lead to increase productivity and welfare of labour.

In order to improve labour market activity in conjunction with increasing workers welfare, the government recognizes the need to adjust labour regulations. Revising and issuing laws and regulations primarily focus on improvement of the rights at work, work relations, and social security. The rights to bargain collectively and freely choice of workers organization are highly recognized.

Moreover, the program for increasing the welfare of labour is focused on the capacity building training to enhance the capacity of negotiation skill in order both sides, employers and employees, can negotiate and solve labour dispute through bipartite cooperation. In addition, the government also puts a lot of efforts to provide workers with access for housing and transportation.

CHALLENGE: BOOSTING LABOUR FORCE PARTICIPATION

Resembling to the increase of Indonesian population, the labour force also increased from 111.95 million in 2008 to 118.19 million in 2013. This was due not only to population growth, but also to an increase in female labour force participation rate. Female labour force increased from 42.80 million in 2008 to 44.49 million in 2013, at the same time male labour force increased from 69.14 million to 73.71 million.

During 2013, the labour force participation rate was 66.9%, implying that more than two-thirds of the nation's working-age population was either working or actively looking for work.

Boosting of youth labour force remains an issue to be prioritized, especially in preparing the world of work. Not all of youths have well prepared to enter the world of work due to the quality of education and training. The government has taken the measures in this matter by improving the mechanism of vocational and educational training, increasing the skill and productivity, and up scaling the quality of vulnerable groups as well as youth, involving youth participation and any kinds of program including employment creation programs.

Moreover, female labour participation is also a critical point to be discussed remaining a challenge in Indonesia. For the reason, gender inequality should be addressed within the context of balancing work of family responsibilities. As we acknowledge that the standard competency of female labour force should be adjusted in accordance with the current employment situation. The government improves the participation of female by launching various policies and programs, such as public campaign on providing the facilities for women workers in their workplaces as well as establishing Task Force on Equal Employment Opportunity and Responsive Gender Program.

Furthermore, the disabilities also become a critical point for the government. The government promotes disabled people through various programs that give them equal opportunity and participation in the world of work. Nowadays, the government provides a lot of efforts to fulfill their rights including their right to work and to provide accessibility for disable people in the world of work such as getting job in the formal or informal sectors as well as training opportunities. In addition, as the government has ratified the UN Convention on the Rights of Persons with Disabilities in 2011, currently the government is still revising the Act on Disable People. The government also develops a National Action Plan People with Disabilities Year 2014-2019, targeted for solving issues of people with disabilities based on human rights principle approach.

CHALLENGE: ADDRESSING LONG-TERM UNEMPLOYMENT AND SUPPORTING JOB CREATION IN THE FORMAL SECTOR

The 2008 global financial crisis caused a reduction in the number of workers in the formal economy and increased approximately 2 million workers in the informal sector during the period from August 2008 to February 2009. The quality of works also fell during the period from February 2008 to February 2009. Hence, there was a corresponding increase in the number of workers in vulnerable employment relationships, such as contract workers, unpaid workers, and self-employed workers. This crisis also affects large and medium-sized companies indicating that there has been a reduction in working hours due to a fall in business activity and also increase the number of informality.

To overcome the various challenges that have direct implication with unemployment, the government adopted a responsive policy which has already delivered positive results. The government addressed the crisis by launching a stimulus package which was designed to stimulate economy activity through infrastructure improvements and tax incentives for business activities as well as soft loans and subsidy programs for rural economic activities that still need to be developed.

With respect to the people who experience long term unemployment, the government provides with training programs to change their profession and job counseling for unemployment in public employment service in all regions.

3. Current policy settings and new commitments

The Indonesian Constitution of 1945 outlines the State's mandate provides for the welfare and justice of its citizens in accordance with the ideals of independences. In order to achieve the development of objectives of the current five year period, the Medium Term National Development Plan 2010-2014 has been used as the main guideline for the development of economic and social goals including employment.

The policy direction of national development that include employment plan which focus on manpower development and expansion refers to the outline of Medium Term National Development Plan 2015-2019. This medium plan consists of various labour and employment program, such as follows:

- Improving the manpower competency, quality and productivity to create a competitive labour force and new entrepreneurs;
- Managing a conducive work climate to build a harmonious industrial relationship;
- Increasing intensity and quality of labour norm inspection and law enforcement;
- Improving the function of labour market institution and the facility of manpower domestic and overseas placement as well as creating job opportunities through productive resources empowerment;

This Medium Plan has been broken down into employment activities as follows:

1. Employment creation

- Creating conducive social economic conditions for employment creation
- Identifing the potential of centers for economic growth
- Promoting conducive business climate
- Supporting entrepreneurship and SMEs
- Eliminating discrimination in the workplace
- Enhancing labour intensive program in the public sector and applied appropriate technology
- Empowering vulnerable groups

Labour productivity

- Developing human resources
- Revitalizing vocational training and education
- Improving productivity in the workplace
- Providing fair compensation and incentive based on performance

Industrial relations

- Conducting capacity building to develop constructive social dialogue
- Reforming labour laws and regulations
- Empowering industrial relation institution
- Settling industrial relation dispute
- Increasing management system of occupational safety and health

4. Social protection

- Promoting national social security system
- Providing social security administrators, which are the Labour Social Security Administrator (BPJS of Employment) and the Health Social Security Administrator (BPJS of Health).

BROAD ECONOMIC SETTINGS*

Macroeconomic policy

- On the comprehensive growth strategies, Indonesia believes that employment policy area is critical for G20 countries, as Framework Working Group and IOs have identified such the area into one of four main elements and high-impact policy area.
- 2. A wide range of employment policy can be considered to one country choose proper policy commitment as long it is consistent with the Growth strategies.

Future growth strategy should be reflected in the linkages of poverty alleviation and unemployment rate reduction. In terms of employment programs, building a strong economic capacity and competitiveness are some long term challenges that will be the main factors. To support this program, several plans will be implemented, such as:

- Infrastructure development of roads, harbours/airports, telecommunication, railways, etc. in the rural and outskirts areas to help local resources create jobs and improve local economic activities.
- 2. Develop open market should be developed by providing facilities, incentive policies and conducive environment for private sector running its business. Indonesia supports SMEs financing as they are an important factor in fostering high economic growth and employment, especially labour absorption.
- Promote entrepreneurship to empower labour force to create job. This endavour is conducted through entrepreneurships program for university graduates who have entrepreneurial passion and productivity orientation. Training and support, in both technical and managerial skills, will be given to help new entrepreneur to run their small/medium business by utilizing available natural and human resources. In this program, the government (MoMT) will also provide business assistance in the form equipment, depending on the type of business they are going to run. This program, collaborated with universities, banks, and businesses has a purpose to educate and encourage university graduates to become young entrepreneurs.
 - Bank Indonesia (BI) also contributed by launching entrepreneurship program in 2012 as a part of the national Entrepreneurship Movement program to promote entrepreneurship and to increase employment. This program (in 2014) is focused on agribusiness sector and export-oriented commodities. BI will continue to support the program and will enhance the focus to cover women entrepreneurship in 2015 and other sectors for the period after.
- The empowerment and optimalization of public vocational training centres, aimed to improve the quality and productivity of labour force, will be continued in the near future. Additionally, as a part of "smart industrial policies", the government will also encourage the private sector to provide training for those seeking jobs so that it can avoid the so called "labor mismatch". This strategy will be accomplished through tax scheme by treating cost of training spent by companies as deductible for income tax.
- To further strengthen Indonesia's economic resilience, fiscal measures in human capital investment development will be continued. The government will still maintain the constitutional requirement of 20% allocation of our state budget for education. Moreover, to provide incentives for innovation and to encourage technological development, the plan of providing tax incentives for companies who relocate their Research and Development process in Indonesia will be developed.

To encourage job creations, the government have provided a variety of tax-related incentives such as tax incentives for labor-intensive businesses, and an increase in non-taxable income. These policies will be continued in the future to further spur economic gwoth and create emloyment. In addition, new simplified tax policy for small and medium businesses is targetted to improve SMEs' business operations and management while promoting better access to investment and banking services.

7. **Female Participation**

- a. Indonesia correlates some aspects that still need to be improved in order to support the improvement of living standard and sustainable development programs, as well as program implementation of Millennium Development Goals (MDGs) which will be done in 2015 of 8 indicators, there are four of 2015 MDG targets have been achieved, namely improvement of primary education, gender equality and the empowerment of women, reduction in child mortality, and to build a global partnership for development.
- b. Two Goals to be achieved by budget allocation on other priorities in the field of welfare of the people in 2014, one of which is the completion of the implementation of gender mainstreaming policy (PUG) field of labor. Therefore, government increase the 2014 budget for the sub-function for the empowerment of women riding around Rp192,7 billion or 2.8 percent.
- c. Indonesia has advanced its efforts to boost female labour force in high level political system. The Law No. 2/2011 regarding Political Party states in article 2 (5) that Political Party Management at central level must include at least 30% of female representation. Also article 29 (1a) states that in the recruitment process, political party should consider at least 30% of female representation to become member of parliament candidate.
- d. Indonesia has a ministry with a vision of addressing female participation issues, gender equality and the fulfilment of children's rights, namely: Ministry of Women's Empowerment & Children Protection.

The main purpose of the Ministry of Women Empowerment and Child Protection are: 1) To provide programs and gender-responsive government policies; 2) Ensure improvement and fulfilment of women's rights; 3) Ensure improvement and fulfilment of children's rights; 4) To ensure the realization of the policy on gender responsive data system and in accordance with the interests of the child; 4) Making management accountable.

Action plan in 2014-2015:

- Increase the number of policies / programs / activities in the field of gender responsive to Political, Social and Legal, implemented by ministries, Institutions and Local Government (with the main target to 11 line ministries and 26 provinces).
- Improving the equality of women participation in SMEs, industry, and trade activities with the main area target in 3 provinces;
- Increase fulfilment of women in agriculture, forestry, fisheries, marine, food security and agribusiness, coordinating with 3 line ministries and 3 provincial governments.

Administrative reforms and funding are needed to improve educational outcomes

- a. According to Law no. 20/2003 regarding National Education System, the Government shall allocate 20% of its annual budget to education sector through: providing scholarships to fresh graduates of senior high schools to pursue their higher education; allocating vocational training and to develop school and university curriculums that support entrepreneurship.
- Developing employment competency standards by increasing Number of guideline administration and management development Vocational Training Institution (LPK) and Number of formulated and established Indonesia National Skill Competency Standards
- Competency based training and apprenticeship by increasing Number of licensed Professional Certification Institutions (LSP) (1st/2nd/3rd party); people in the labor workforce that have competency based training;

Number of Competency Test Assessor that have capacity improvement; Number of trainers that have competence improvement

LABOUR MARKETS AND SOCIAL PROTECTION

Indonesia government has national policies and programs in developing employment creation and unemployment reduction. The policies and programs, in general, can be carried out through fiscal and monetary policies. The expansion of job creation is also pursued through sector and regional development programs that are aimed to enhance regions' capabilities in line with the potential and needs of region. Meanwhile, unemployment is furnished with special programs of employment creation including a new model labour-intensive program linked to locality development programs. Moreover, the development of self-employed, small business and cooperatives should be encouraged and strengthened through entrepreneurship program and the provision of various credit schemes.

Training and education policies are designed to upgrade the quality of labour force and should be in line with the needs of development and conditions in the job market, and the advancement of technology as well as a derived demand. In the context of anticipating the trade liberalization on services, the government along with the Indonesian Chamber of Commerce sets up the National Professional Certification Board. This board aims to develop training standardization, accreditation, certification, and licensing.

In order to support labour market activity in 34 provinces and 512 district areas, the government has developed online labour market system. It conducts employment services at regional and national levels to provide labour market information for job seekers, including vulnerable groups.

In addition, policies for the promotion of industrial relations and welfare improvement of worker are directed to strengthen the recognition of the rights and responsibilities of employees and employers as partners. Both parties should create a mutual respect and benefit in the development of company.

In the recent year, the government has introduced a new scheme of national social security system. Under the system, there are two social security administrators, which are Employment Social Security Administrator and Health Social Security Administrator.

The government has already implemented a universal social security system, effective January 1, 2014. Law No. 24 of 2011 on Social Security Administrators mandates that both of the Administrators must be able to provide their full service by 1 July 2015. The systems cover five major policy areas including health insurance, employment injury, oldage, pensions and death benefits. Employers have the obligation to enroll their employees in the social security schemes and to jointly pay the contributions. By 2019, the system is intended to cover the entire population of 250plus million people.

Active Labour Market Programs

The government acknowledges that the active labour market should consider the dynamic of economic, technology and social changing in the society. This changing will affect the world of work. With respect to labour market, the government has anticipated by providing various programs to ensure the jobseekers have better chance of finding employment, such as:

- Enhancing employment placement services in all provinces in Indonesia;
- Promoting capacity building for employment placement services officers;
- Developing employment creation programs;
- Establishing the national action plan of unemployment elimination;
- Developing "KIOSK 3 in 1" program consisted of training, certification, and placement in 33 provinces;
- Conducting training scheme, such as classes and apprenticeship;
- Adopting social protection and social dialogue;

- Strengthening the capacity of tripartite consultation;
- Promoting capacity building for negotiation skills of workers.

Policy Measures Targeting Labour Market Disadvantage

The labour market development is required to promote sustainable employment which drives to ease access employment services for all people. Indonesia has conducted the programs and activities that empower all targeted people including disadvantaged groups.

The government has formulated effective and productive programs and policies to empower disabilities, youth and female labour forces through various programs, such as skill development, training for entrepreneurship, apprenticeship, applied appropriate technology, capacity building, labour intensive program and Independent Professional Youth Employment.

In addition, the government also concerns to combat child labour through various programs. One of the main programs is Family Hope Program that aims to pull out children from their work and bring them back to school. This program also provides training to the parents, who have child labour, in order to increase family income.

In promoting the capacity of youth employment, the government gives reward to youths who can create job opportunities at least for ten people. The government also gives reward to companies who employ the disable people. Furthermore, the government already establishes the Equal Employment Opportunity (EEO) taskforce to protect female workers from discrimination.

Skills Development

In the frame of globalization era, Indonesia government regards that human resources quality is the critical point to be enhanced since the tight competition in the global labour market. Therefore, the government has taken appropriate measures by launching training programs, such as apprenticeships, in class training, competence based training and certification. These training programs are carried out in 7911 vocational training centers which 331 of them owned by the government.

In order to improve the competence of workers, strategic steps that has already taken as follows:

- 1. Reforming the national employment training system;
- 2. Increasing the capacity of training institutions;
- 3. Increasing the cooperation and harmonization of training programs between the Ministry/Agency.
- 4. Developing the partnerships with industrial training institutes.
- Developing the cooperation in training with other countries.

School Education

The government fully concerns on school education. It is implemented by launching the 6 and 9 years compulsory education program. These programs are mandate of Indonesian constitution and are aimed to increase the quality of Indonesian human resources in order to participate actively in the overall national development.

In 1984, the government launched the 6 years compulsory education program as the primary education. Through this program, it is targeted that the Indonesia citizens have a minimum educational equivalent of an elementary school with basic skills.

Furthermore, along with the national development, the government launched the 9 years compulsory education program in 1994. In the program, it is targeted that in 2008, all citizens of Indonesia have a minimum educational equivalent of a junior high school. With the provision, it is expected all Indonesian citizens can further develop themselves as to choose and get the job according to their potential, as well as participate in the life of society, nation, and state.

After the achievement of 9 years compulsory program, the government has a plan to launch 12 year compulsory education program nationally. This program is aimed to provide greater opportunities to all citizens aged 16-18 to have access to quality secondary education includes high school and vocational high school.

In addition, Ministry of Manpower and Transmigration cooperating with Ministry of Education and Culture has designed the module of career guideline for teachers at schools in order to prepare the students prior to the world of work (school transition to the world of work). As a further measure the government launched Education and Skill Training for Youth Employment (EAST) project that is a four-year project aimed to improve employability and capacity for entrepreneurship among youths through improved access to high-quality and relevant educational and training opportunities as well as to contribute to the elimination of child labour.

Apprenticeships, Vocational Training and Higher Education

In the efforts of improving Indonesian workers, particularly targeted the youths, the government has set up various training programs according to industry demands through vocational training centers. These efforts also provide apprenticeship programs that are based on trilateral agreements among a company, Ministry of Manpower and Transmigration, and the apprentice.

In the area of quality apprenticeship, the government tries to involve the business/private sectors to provide more opportunities, particularly for youths/fresh graduates, to join the program. In addition, Indonesia also has cooperation with another country to conduct overseas apprenticeship program.

The following are some key policy commitments which have been made to advance the objective in these areas:

- Promoting apprenticeship programs in the national level by establishing cooperation with several state as well as private enterprises and in the international levels by founding cooperation with other countries;
- Reforming the National Vocational Training System
- Building the Vocational Training Centers' capacity
- Strengthening cooperation and coordination among related ministries/institutions, including with the business/private sectors
- Enhancing bilateral cooperation with other countries to improve the vocational training programs

4. Monitoring of commitments

Indonesia government fully supports all G20 employment agenda. Most of commitments agreed in Los Cabos Jobs and Growth Plan and St Petersburg Action Plan have been implemented in Indonesia, particularly on the following items:

- Intensifying national efforts on tackling youth unemployment through Indonesian Youth Employment Network;
- Developing job counseling program and EAST project which provides modules to students on how to prepare them to enter the world of work programs;
- Supporting youth entrepreneurship through training on entrepreneur and finance literacy (soft loans access);
- Anticipating future skills needs through career counseling program and adjusting training module with the labour market needs;
- Developing online labour market information and employment services in 512 regions throughout the country;
- Developing 370 National Work Competence Standards;
- Conducting capacity building for 1124 employment placement services officers;
- Cooperating with overseas companies in conducting apprenticeship program;
- Funding of apprenticeships programs for 8310 trainees;
- Conducting 88 job fairs in 2009-2014 both at national level (6 job fairs) and regional level (82 job fairs).

In order to ensure various employment programs running well, the government involves the related stakeholders. The government also determines the strategic plan in the mid-term and long-term national agenda.

Related to our commitments in supporting job creation in formal sectors, the government commits to create harmonious industrial relations in order to increase the productivity of the workers as well as companies through the following matters:

- Maintaining conducive business climate by adjusting and revising laws and regulations, conducting dialogue forums for foreign investors and training for expatriates;
- Supporting freedom of association by acknowledging the establishment of 7 union confederations, 93 national federations, 11.852 unions at company level;
- Strengthening tripartite consultation by establishing 1 national tripartite committee, 33 committee at the provincial level and 305 at the region/municipal level;
- Combating discrimination at the workplace: establishing Task Force and Equal Employment Opportunity, providing guidance on preventing discrimination and sexual harassment, guidance on equality in wages and employment;
- Promoting human rights at work by awareness rising on industrial relation for the new entrant of labour market:
- Strengthening social dialogue by facilitating 128 capacity building programs for 3.840 members of union from 2011 to 2013, and 2.400 members of union in 2014.

In accordance with the efforts of increasing employment creation and reducing unemployment rate, the government has also taken some following measures:

- The Government of Indonesia has launched Pro-Poor, Pro-Growth, Pro-Job, and Pro-Environment Programs as the Medium Term Development Plan, such as The National Community Development Program which is proposed to accelerate and expand economic development in Indonesia
- The government puts a lot of efforts in supporting the SMEs to be bigger industries that will create a greater job opportunity through:
 - 1. Increasing the management and productivity trainings;
 - 2. Promoting labour force productivity who works at SMEs;
 - 3. Improving proper condition of work for SMEs;
 - 4. Providing entrepreneurial mentoring by the entrepreneurs.
- The government holds a program called Productive Village where the society has willingness and ability to exploit all the potential economic resources creatively and innovatively to create an added value and increase the productivity of the village. This program is aimed to obtain and develop the economic potential of villagers through a coordinated, integrated, and unified manner.
- The government has also launched Indonesian Job Pact (IJP) 2011-2014 which is sign by tripartite components and witnessed by the President in April 2011. The IJP is aimed to follow up the international commitment adopted the International Labour Conference in June 2009 of the Global Job Pact (GJP).