



How Does the Transition from School to Work Affect Later Lifetime Prospects

Policy Brief

This study provides a detailed examination of the transition from school to work in Indonesia, using multiple data sets, including data from a field survey and focus groups. The focus is on variations in the way that the transition from school to work affects the lifetime prospects of men, women, the children of various social classes and children in urban and rural areas.

1. Education and Transition

- Better education does not mean easier/faster transition: contrary to popular belief, attainment of higher education levels among youth is evidently not enough to improve their chances for an easier and more successful transition.
- The largest share of successfully transitioned youth had finished their education at the secondary level only.
- Subject selection by students is often not driven by job market considerations or availability of jobs in that specific sector.

2. Skill Mismatch, and Labor Market Information System

- About 40% stated that his/her job is in a different field to his/her education
- 11% and 12 % of respondents revealed that they experienced under education and over education respectively.
- More than 10% employees respond that they need more than 12 months to find their first job.
- More than 20 % of unemployed have been actively looking for job more than 12 months.
- A substantial number of youth in Indonesia may never complete the transition, at least not until adulthood
- It has been found that entry into the labour markets most frequently took place through social ties of family and friends (more than 52%), regardless of youth characteristics.

KEY MESSAGES

- Young people need help to find paths that enable them to fully develop their potential and use the skills they acquire. Vocational options in the high schools should receive greater consideration and support.
- School – industry (school - employers) type relationships should be strengthened, which would help young people make informed choices of different learning pathways in the school-to-work transition.
- Career guidance and counseling services in schools and universities need to be established and improved.
- Future research should more closely and comprehensively examine the gap between employees' perception of their educational qualification and actual skills.
- Data base on career information, which connects secondary, vocational schools, universities, government institutions, and the private sector, to announce existing job vacancies or job market demands need to be established and developed.
- Eliminate gender stereotypes from school curricula and teaching practices to address social and cultural constraints that limit or prevent women's labour participation.
- Improve and expand career orientation and guidance for female students.
- Youth need to be introduced to business concepts.
- Encouraging entrepreneurship through reducing/eliminating credit constraints, developing business connections (supply chains, trade groups, a client base), or acquiring entrepreneurial and business management training.

3. Gender Gap.

- The survey findings confirm the national statistical finding that the gender gap in education is decreasing. However, this should not be interpreted to mean that the gender gap no longer exists in Indonesia.
- There are important disadvantages for young women in the labour market, despite their higher educational attainment. They work with lower wages than their male counterparts.

4. Entrepreneurship Promotion

- 12 % of the respondents is self-employed, this does not mean that all respondents considered self-employment to be ideal. Instead, many are unable to find wage employment.

Further reading

Sziraczki, Gyorgy & Reerink, Abbenarie. (no date), Report of Survey on the School – to – Work Transition in Indonesia, GENPROM Working Paper No 14, Series on Gender in the Life Cycle, Gender Promotion Programme International Labour Office Geneva

METHODOLOGY

The research was designed around two fully integrated approaches. In the first of these, detailed investigations of three data sets, the Indonesian Family Life Survey (IFLS), The National Socioeconomic Survey (SUSENAS), and the National Labour Force Survey (SAKERNAS), were undertaken. These investigations provided information on the personal, family background, and schooling characteristics that lead to a successful transition from school to productive livelihoods. Being based on multi-purpose data sets, however, this first set of investigations likely be limited by the unavailability of desired information that has been found to be important in related research. For example, recent research on the economics of matching has drawn attention to the value of distinguishing between formal educational qualifications and actual skills possessed (Mavromaras et al., 2009).

Hence, in the second approach, and informed by the findings and limitations of the first approach, a survey on the transition from school to work in Indonesia were conducted. In large part the construction of this survey was based on the various youth longitudinal surveys that the Principal Investigator has worked with, appropriately modified to the specifics of the Indonesian education sector and labour market by the Indonesian partners in the research program.

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