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Pioneering the Road to Prosperity for the Future Workforce: Building Social Development Fund (SDF) Roadmap in Indonesia

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Abstract

The paper discusses possible solutions through the Social Development Fund (SDF) scheme to reduce and prevent educated unemployment problems. This paper uses critical discourse involving literature studies such as books, journals, reports, and online media. The findings of the research show that (1) there still a lot of educated workforces unemployed. This happens because of the mismatch between the capabilities and the goals of the industry. Technological advances invented new jobs. Therefore, it requires someone to adapt quickly, let alone the fact that (2) cooperation between ministries and the private sectors is not quite optimal. Other factors are, (3) SDF practices implementation by other countries, (4) resource availability in Indonesia to implement SDF. From this study concluded that SDF is a realistic alternative offer to be implemented in Indonesia, as an ecosystem that is able to ensure that existing sectors work optimally to establish the common goal of reducing the possibility of educated unemployment.

Keywords: labor market; social development fund; state; unemployment

INTRODUCTION

Employment in Indonesia is a complex problem. One of the problems is about the educated workforces. Indonesia is overshadowed by the number of productive workers, which will quantitatively decline in 2030 (Wiharja et al., 2021). Data reveals large disparities between the share of the educated labor force, and the share with the vocational graduates and the tertiary graduate levels. The Resilience Initiative reported that the open unemployment rate (TPA) in Indonesia is dominated by high school graduates, followed by university graduates. At the senior secondary level, low skills affected by incompetent workforces, inadequate curricula, and limited infrastructure. This happens due to the lack of industry collaboration and/or the quality of workforces which are irrelevant to industry needs (White & Series, 2022). According to the Asian Development Bank (ADB), since the era of the transition to democracy, investment in education field has progressed. But then the problem arose, the access to education was not equally distributed to all regions, hence why the high quality of education could not be achieved. Both the vocational graduates and the tertiary graduate levels are the results of this phenomena, which show the low quality workforces, let alone compete in the South-East Asia market. In 2015, there were more than 30 million vocational graduates and more than 1 million tertiary graduates each year. However, their capabilities are below the qualifications desired by the demands of the labor market (Allen, 2016).

The Ministry of Manpower has taken several steps. In the Strategic Plan of the Ministry of Manpower for 2020-2024 (RSKK, 2020-2025), the Ministry of Manpower focused on directing policies to improve the skills needed. The Ministry of Manpower is aware that the revolutionary era 4.0 has made the competition even tougher. Capability is necessary so that prospective workers can be accepted by the industry. The ministry realizes that this task cannot be carried out by just one actor. They have to collaborate with various parties (Amelia, 2021).

If you look at the SSRKK, there is no

description of how this collaboration will be realized. The problem of low capability should be taken seriously by the ministry of education. However, the form of cooperation formulated by the ministry of education, for example, in improving the quality of education through the curriculum, is not quite clear, it is complimentary.

The problem of screening labor from the educated class has an impact on two sides. First, there is an irony that the number of highly educated workers would not be chosen by the industry - as the researcher will discuss more later in this paper. Second, there will be distrust of educational institutions. Sociologically, education is an important factor to enter the world of work. When education fails to give a chance for people to find jobs, it is more likely people would question the role of educational institutions to help them increase their life values.

This paper is intended to fill the void. Multi-sector cooperation is required in the digital era which demands high adaptation. The digital era has given birth to a variety of new jobs that require skills. The researcher submits a proposal to the Social Development Bank (SDF) as an alternative solution to this problem. There are strong connections between the government through the Ministry of Manpower, the Ministry of Education, and the private sector. Employment problems for the educated group arose because the relationship between the three sectors is not yet optimal. The SDF emphasizes the point of multi-sectoral collaboration. These three sectors have their respective important roles. For them to work optimally, a relationship between them needs to be established firmly. So that the problem of educated workforces would not be the responsibility of one sector only.

The SDF is not only emphasizing the budget provision. This is a general framework that accommodates the outline of the three sectors. SDF provides SDF Focus on efforts to accommodate funds for quality improvement, educational curricula that are in line with industry needs, and industrial employment absorption. SDF then functions as a form of the ecosystem to maintain a balance between the educated workforces in each period and the level of industrial demand.

The paper needs to examine several important aspects in the context of this paper; [1] job market conditions that demand competition among job seekers, as most of the industry require skills as qualifications, [2] correlation between job seekers, [3] implementation of SDF in various countries as empirical experience, and their best practices, [4] resources to realize SDF in Indonesia.

METHOD

This article will not discuss theoretical debates about the position of the state and the private sector in the era of neoliberalism. In particular, this paper wants to discuss strategic steps to overcome the increasing number of complex labor problems in Indonesia. The researcher proposes the Social Development Fund (SDF) as the ideal alternative for now. The magnitude of the unemployment rate is not the responsibility of individual job seekers. The main argument to focus here is that the technological developments which resulted in the multiform must take into account the formation and relationships between the state, the private sector, and the educational sector. To get there, the researcher performs several stages. First, look at the important role of the state in regulating education to ensure quality graduates fulfilling the needs of the private sector. Second, best practice experience from SDF policies in various countries is an important illustration in dealing with employment. Third, Indonesia's resources to implement the SDF.

FINDINGS AND DISCUSSION

The Role of the State

Sociological studies in educational research can be found in the work of poststructuralist thinkers such as Pierre Bourdieu. Although not directly discussing education-based energy, the social capital ideas can encourage this discourse to see one's career success. Bourdieu's theory sees education as a contested space in which privileges

are transferred from generation to generation. Bourdieu rejected the fatalistic view that educational success is a destiny. This fatalistic view is reproduced continuously, allowing privileges to be transferred from generation to generation, perpetuating social hierarchies (Heffernan, 2022; Swartz, 1997). Education seems to only look at elite groups with their privileges. Habitus Bourdieu invites us to examine why inequality exists in education. Habitus is an important factor affecting the accessibility of education. According to Bourdieu's views, a position (education) is characterized by the total amount of capital. It depends on the composition of capital; economic capital, social capital, cultural capital, symbolic capital (Xiaohong, et. al., 2019; Jewel, 2008). There is unequal access to capital in society (Bourdieu, & Passeron, 1990; Murphy (Ed.), 2013; Albright et al., 2013). While 'the basis of all capital is economic capital' (Grenfell, et. al., 2019) education is very easy for the elite but difficult for the poor. Here, the increment of economic capital remains the determining element of work (Iellatchitch, et. al., 2001).

Someone who studies in an elite university with certain habitus conditions in which the person grew up. The environment allows them to access the high quality of education. When they get the opportunity to learn and grow with the discipline specified, they develop and strengthen their habitus. This will affect his life chances (Wacquant, 2010). In the end, they enter the desired profession (Bourdieu, & Passeron, 1990). As an illustration, a doctor's child grew up in an environment that demands self-development. He gets capital from habitus to develop himself, and choose the best quality of education. His parents' profession as doctors made it easier for him to enter the professional level by taking a specialization. Although it is different from the focus of his parents, it is a form of strengthening the habitus.

Some of the literature shows interesting responses to Bourdieu's theory which differ in some ways from his perspective. Daniel et al., (2015) see that this habitus is not completely linear. Studying social interactions at the micro level has its complexity. In certain groups, as he explains in his re-

Unemployment Refers to the Share of the Labor Force that is Without Work but Available for and Seeking Employment

1	Indonesia unemployment rate for 2021 was 4.41%, a 0.13% increase from 2020
2	Indonesia unemployment rate for 2020 was 4.28%, a 0.66% increase from 2019
3	Indonesia unemployment rate for 2019 was 3.62%, a 0.78% decline from 2018
4	Indonesia unemployment rate for 2018 was 4.40%, a 0.52% increase from 2017

Source: Macrotrends, 2022

search, there is a conflict between the individual and his family's habitus. They live in a habitus that can encourage them to develop a career. But they have their perception as their preferred preference.

The 21st century is an important challenge for the conditions in the world of work. This discursively challenges Bourdieu's approach. Global competition, technological change, and the decline of trade unions have led to a worldwide intensification of work and changes in the organization of work (Green, 2004). The pace of technology that is changing industries is in turn changing the job skills required by employers (Hogg Foundation for Mental Health, 2016). As a result, there is uncertainty in the world of education in promoting career success. This new form of work has not been fully accommodated by the world of education. This will be a risk for graduates to climb the career ladder in the work field.

Bathmaker (2021) develops Bourdieu's theory in the increasingly complex world of work in the 21st century. According to him, the world of work today is characterized by increasingly complex types of work. This condition will be difficult for someone because education is not positively correlated with good career development for the future. The problem highlighted is the uncertainty of college graduates. Bathmaker developed a psycho-social approach to addressing job problems among college students. Work demands self-management as an important value. Self-management is very important in the midst of uncertainty in the world of work. Useful to assist them in the graduate transition into the workforce.

Howell (2021) provides an interesting view of labor shifts concerning state posi-

tions. The state contributes to the formation of the labor market and makes it more complex. He has always been involved in regulating class relations and has been a mediator between capital and labor in the last 30 years in Europe. The state contributes to building, generalizing, and embedding new institutions of labor relations. The result is limited worker protection, labor market flexibility, workforce re-discipline, and naturalization of market behavior. The labor market which is a political construct, he argues, is the result of state action.

This is not entirely the fault of the education sector as the private sector tightens the workforce (Wacquant, 2010). Efficiency is a measure that cannot be ignored as a mechanism to maintain the balance of capitalism. Productive work has been largely automated. In the last century, the number of jobs has increasingly depended on the domestic, industrial, and agricultural sectors. Meanwhile, "professional, managerial, administrative, sales, and service workers" grew threefold (Graeber, 2018). Graeber's views have significance in today's world of work, which experiences diversity and is driven by capitalism that is constantly evolving on its own.

In his writing entitled Talent versus Capital in the Twenty-First Century, Schwab, Founder and Executive Chair of the World Economic Forum provides an interesting view of the future state of the labor market. According to him, technology is turning many old jobs into automation while creating new types of jobs. According to a report by the International Labor Organization, the global unemployment rate reached 212 million and created 42 new jobs. This situation is unavoidable, spurring individuals

Educated Unemployment in Indonesia							
No	Years	Period	Diplomas	Graduates	Total		
1	2016	February	249.362	695.304	944.666		
2		August	219.736	567.235	786.971		
3	2017	February	249.705	606.939	856.644		
4		August	242.937	618.758	861.695		
5	2018	February	300.845	789.113	1.089.958		
6		August	220.932	729.601	950.533		
7	2019	February	269.976	839.019	1.108.995		
8		August	217.331	738.182	955.513		
9	2020	February	265,400	815.407	1.080.807		
10		August	305.261	981.203	1.286.464		
11	2021	February	254.457	999.543	1.254,000		
12		August	216.024	848.657	1.064.681		

Table 2. Educated unemployment in Indonesia

Source: Gianie, 2022

to improve cognitive skills, and requires governments, educational institutions, and the private sector to work together to redesign the learning focus to match industry needs. When someone wants to enter the world of work he must have several abilities.

This situation forces job seekers to adapt. Many experts argue that success in building a career in the world of work is not only determined by hard skills but also soft skills (Marwanti, 2006). This does not mean eliminating hard skills. In addition to hard skills, soft skills are important support for the world of work.

The COVID-19 pandemic is a threat to the workforce. This problem is a threat to the world economy that shakes the labor market. The Association of Graduate Careers Advisory Services (AGCAS) report in July 2021 stated that there were symptoms indicating that graduates had experienced job mismatches (jobs in non-graduate level roles), delays in entering the labor market, and prolonged unemployment. Most respondents (83%) felt that the pandemic harmed the job prospects of graduates.

In such a situation, several strategic steps need to be taken so that this issue is not only an individual problem. Many studies mention the important role of the government in the labor market. In Indonesia, Nababan & Imron (2022) was put forward the idea to solve this problem. The idea is interesting because it can read digital economic opportunities during the Covid-19 Pandemic. Digital technology is very important amid the physical restrictions imposed, especially in the world of work. The digital economy can create jobs for people. On the other hand, this is a serious challenge because the objective conditions of the villages are not the same from one village to another. The digital divide is inevitable. Handling the world of work requires a broader approach.

The Brige Group (2017) proposes collective responsibility and collaborative action between states (governments), universities, and the private sector to address the unequal ways in which students transition through university and enter employment. Government should engage in collective action to oversee starting from school and working. The role of effective government is very important in making public investments. The government has great authority to regulate the population level of its citizens with job opportunities. Employment policies that are fully under the authority of the gov-

Government Actions	Industry-Corporate Actions	Other Stakeholders Actions
Allocate adequate funds forjob training through long- term in-	Investing in human resources through training inside and outside	Involve potential trainees
struments	the company- building cooperation with universities and training pro- vider	Engage training pro- viders includinguniver-
Co-fund vocational trainingand		sities
apprenticeship opportunities and	Involving employees through the	
Provide incentives to share the	support of training contributions from their salaries for vocational	
burden with businesses through a variety of instruments	training and professional training	Cooperation between donor agencies and NGO-research institu- tions, for <i>monev</i> (monitoring and evalu- ation) and learning
Establish regulations for provid-		
ing training funds and training		
time for workers		

Table 3. Role Sharing in Training Funding (Right Mix of Financing)

Source: World Economic Forum, 2017

ernment must have projections taking into account the existing workforce (Bauer et al., 2018).

In contrast to Nababan & Imron, this paper seeks to find a way out of how employment problems can be solved through the involvement of the state, the education sector, and the private sector. Labor advocacy is important here. If the development of the private sector that has an impact on labor needs is not addressed, it will result in pressure on the workforce, and social conflicts. As a result, the national economy will be hampered.

Best Practices of Social Development Fund (SDF)

Recently, investments in improving human resources for the workforce have attracted sociologists. The increase of capabilities of the workforce has an impact on the survival of the industry. Even Singapore, one of the developed countries, is an example of a country that relies heavily on superior human resources. Almost all countries carry out capacity-building programs with different schemes. In general, we recognize this program by terms such as

(1) "Skill Development Fund", (2) "National Training Funds", (3) "Skill Funding Agency", (4) "Workforce Development Fund", and (5) "Human Resource Development Fund". SDF is a program that aims to improve the ability of the workforce. Capacity building is an important requirement for the workforce to be absorbed in the labor market. SDF benefits many parties because it is designed to expand production capacity, increase human resources, and assist in the development of the country's macroeconomic agenda (Rosalind, 1995). Workers can enjoy prosperity in terms of economy, education, and health. Social capital plays an important role in the development process of each country (Doğan, 2013).

There have been 60 countries around the world that have or have implemented SDF (Johanson, 2009). Singapore, for example, succeeded in establishing an incubation program for workers called the Singapore Skills Development System (SDSS) (Kuruvilla, 2000). Brazil with its National Industrial Apprenticeship Service (SENAI) became the initiator of labor training and became a pioneer in the Latin American region (Müller, et. al., 2012). The names of such programs in the European region are

Abilities	Basic Skills	Cross-functional Skills		
Cognitive Abilities • Cognitive Flexibilities • Creativity • Logical Reasoning • Problem Sensitivity • Mathematical Reasoning • Visualization	 Content Skills Active Learning Oral Expression Reading Comprehension Written Expression ICT Literacy 	 Social Skills Coordinating with Others Emotional Intelligence Negotiation Persuasion Service Orientation Training and Teaching Others 	 Resource Management Skills Management of Financial Resources Management of Material Resources People Management Time Management 	
 Physical Abilities Physical Strength Manual Dexterity and Precision 	 Process Skills Active Listening Critical Thinking Monitoring Self and Others 	 System Skills Judgment and Decision-making System Analysis 	 Technical Skills Equipment Maintenance and Repair Equipment Operation and Control Programming Quality Control Technology and User Experiences Design Troubleshooting 	
		Complex Problem Solving Skills • Complex Problem Solving		

Table 4. Management Skills and Technical Skills Matrix

Source: World Economic Forum, 2016

different, but they are organized by the Organization for Economic Co-operation and Development (OECD) under the umbrella of the European Union.

From the various experiences in implementing SDF in many countries, at least 4 types of SDF were found: [1] National-level SDF originating from company contributions which are managed jointly by the government, industry, and workers' representatives; [2], SDF which is self-managed by a separate industry association whose funding comes entirely from industry contributions; [3] Sectoral SDF, namely the contribution of funds from certain industrial sectors for job training and apprenticeships where the funds are managed by the association of the sector. For example, industry contributions in the construction sector (the Construction Indus-Training Board-Construction Skillstrv CITB) and the film industry in the UK (the Skills Investment Fund -SIF): [4] SDF which is entirely from government (state) funds channeled to industries- companies by holding open competitive bidding.

Sources of funding for the SDF can come from (a) government contributions; (b) Company/employer contributions, and (c) other sources including donor agencies. This depends on the context of the country and the social agreement between the government and stakeholders as well as on the extent of the active role of the company. However, according to Ziderman from the contribution model, funding by companies is more promising because it is more stable and sustainable (Ziderman, 2018).

1. Singapore

Through the enactment of the Levy Skills Development Act, SDF Singapore was established in October 1979. In June 1979, the National Wage Council made a recommendation to establish a skills development

fund to be funded through contributions of all businessmen in Singapore. The funds are used to accommodate employee training, retraining laid-off workers, and improving business operations and technology. The government accepted recommendations from the House of Representatives and the Bill on the Imposition of Skills Development passed in Parliament on 21 September 1979. The Skills Development Act began on October 1st, 1979. The Minister of Finance implemented the policy and the number of levies from companies was more operationally fixed in 1984 with legislation, and it continues to this day. Instead of relying on natural resources, the Singapore government realizes that the source of its economic strength is human resources. Therefore, vocational education (Technical Vocational Education and Training-TVET) in Singapore has long been a top priority. Since the 1960s, the Singapore government has been actively organizing vocational training. Vocational training is coordinated directly under the Prime Minister's office to ensure synergy between (a) the Minister of Education, (b) the Minister of Manpower, (c) Industry, and (d) Universities. This synergy provides results on an adequate scale in line with economic and industrial developments. This coordination ensures all roles and tasks are well distributed (Kuruvilla et al., 2002).

The development of vocational training uses the Triple Helix concept of cooperation involving industry, education, and government. The government also plays an active role by providing budget allocations for vocational education and training. It was recorded that in 2007 the government had allocated 40 billion Singapore dollars. Incentives and salaries for TVET operators are competitive, equal to or greater than those of the private sector. Various hard efforts to pursue and modernize TVET continue to be made, among others by learning from Germany and Switzerland. The Singapore government emphasizes that education and job training are not only to meet the demands of the existing labor market but also to meet the need for future skills (Tucker, 2012: Kuruvilla, 2000).

The Singapore SDF is currently administered through the Singapore Skills Development System (SSDS) (Kuruvilla et al., 2002). Its structure and institutions change from time to time. The institution considered the most important role in the implementation of SDDS in Singapore is the Ministry of Trade and Industry (MITI), which is responsible for broad economic development policies (Green et al., 1999). There are various semi-autonomous institutions that support the ministry, including the Economic Development Board (EDB)1, the Council for Professional and Technical Education (CPTE)2, and the third key actor is the Ministry of Education which has jurisdiction. Directly on schools, polytechnics, universities, and Institutes of Technical Education. Despite having their own focus, these institutions complement each other.

Technically, SDF funds are taken from levies on entrepreneurs. SDF Singapore applies an industry fee of 1% total salary or \$2 per month. The types of companies affected by contributions are those with workers' wages of less than \$2000 per month or below. Companies that are obliged to pay contributions include foreign companies and domestic companies. The workers in question are all types of workers: permanent, contractual, part-time, or full-time. It is recorded that in 2007 it raised 108 million dollars and in 2008 it collected 121 million dollars (Kuruvilla et al., 2002).

The fund is administered by the Ministry of Finance on the advice of a tripartite advisory board, the Skills Development Council. Some of the initiatives launched under the SDF include Basic Education for Skills Training; BEST, Modular Skills MOST, Worker Improvement Training: through Secondary Education; WISE, Core Skills for Effectiveness and Change; CO-SEC, and Critical Enabling Skills Training; CREST. Currently, the fund is managed by Workforce Development the Agency (WDA) which provides financial incentives to companies that send employees for training (Tucker, 2012).

In the initial explanation by Singapore's finance minister, the levy was a form of economic tax to punish entrepreneurs who did little to escape their over-reliance on cheap labor or to improve their work processes. The statement was made in the con-

text of Singapore's economic restructuring which involved a shift from labor-intensive, low-skill, and low-wage industries to one that is technology-intensive, high-skill, and high-paying. Accountability for the implementation of the SDF in Singapore is maintained through a systematic and comprehensive monitoring and evaluation mechanism, which includes checking various processes at the output, outcome, and impact levels. At each level, SDF organizers must be held accountable for their performance and the results at both the macro and micro levels.

2. Brazil

Brazil was the first country in the Latin American region to initiate corporate contributions for job training funds. This program started in 1942 with the establishment of an institution called the National Industrial Apprenticeship Service (SENAI). Sources of funds are drawn from all industries including the fishing, transportation, and telecommunication industries at 1 percent of salary. The SENAI contribution fund is managed by the industry association (The National Confederation of Industry). SENAI's head office has the role of providing guidelines, while branch offices and local offices are the providers and organizers of job training. Senai has 500 Job Training Centers, 200 Mobile Training Centers, and dozens of Human Resources Development Centers. Programs run and provided by SENAI include (a) pre-employment job training; (b) on-the-job apprenticeship and (c) further education including industrial and workplace training. Every year SENAI trains more than 2.5 million people, managing 726 work units. Since its establishment in 1942 SENAI has trained more than 30 million citizens. One of the latest innovations from SENAI is the establishment of a remote job training program to serve the training needs 1000 companies of (Johanson, 2009).

The role of SENAI in industrialization and the economy, in general, has been recognized by many parties, including the fact that other countries in the Latin American region follow the SENAI model in conducting job training in their respective countries. Because SENAI is managed by industry associations, the quality and quantity as well as the relevance/newness of job training and apprenticeships in Brazil always keep up with the development of the labor market and industry demand. However, the Brazilian government continues to pay high attention to vocational training to pursue the competitiveness and productivity of other countries (Johanson, 2009; Müller, et. al., 2012).

3. Sectoral SDF

European countries such as the UK, Belgium, the Netherlands, France, and the UK have long-run funding programs called Sectoral Training Funds (STFs). Its main feature is that its governance is run by a Bipartite system: employer representatives and workers representatives. In the UK, sectoral corporate contributions have been in place since the 1960s, mainly in three sectors: construction, construction engineering, and the film industry. The UK construction sector is run by the Construction Industry Training Board (CITB). This agency has the authority to collect training fees. CITB management is generally the owner of the company. Plus workers' representatives. CITB is appointed by the government but is accountable to parliament. CITB is responsible for deciding policies and allocation of funds as well as the number of contributions. Until 2010, half of the existing 80 thousand companies were declared eligible to pay contributions. These funds are then managed and used for training and apprenticeships (The European Centre for the Development of Vocational Training (CEDEFOP), 2008).

In Belgium, the two institutions that run STF funds are the construction sector (FVB) and Cevora, which serves a wide range of sectors. FVB focuses more on bluecollar workers who employ a large number of workers (159 thousand) from 30 thousand construction companies. Meanwhile, Cevora is in charge of training 300 thousand office workers from 50 thousand companies. For FVB, the company's mandatory fee is 0.55 percent of wages (wage bill). Of this amount, 0.15% is used to train the unemployed to enter the labor market and 0.40% is used for vocational training for workers who are already working. For Cevora, they charge a mandatory fee of 0.20 percent of wages (The European Centre for the Development of Vocational Training (CEDEFOP), 2008).

STF funds in the Netherlands are called Onderwijs en Ontwikkeling or Funds (O&O). O&O funds are divided into two, namely Scholingsfondsen (training funds) and Opleidingsfondsen (educational funds). The first is sourced from company contributions and is used to fund job training, while the second comes from government funds including subsidies from the European Commission, and is used primarily to encourage and promote education and job training. The O&O Fund is not based on law but is a mutual agreement between employers and workers to determine the number of company contributions that need to be paid for onthe-job training. There are differences in the number of contributions in each sector although the average is around 0.67%. Most of the STF funds were formed in the 1980s-90s (The European Centre for the Development of Vocational Training (CEDEFOP), 2008).

In France, the institution for managing corporate contributions is known as OCPA (Organismes collecteurs paritaires agrés; approved joint collecting organization). OCPA was formed based on the 1971 Law. There are 3 types of focus of OCPA: the industrial sector (42 institutions), the SME sector; and the focus on regions in France. The company's mandatory contribution for this job training is determined by law. For companies with more than 20 employees, the rate is 1.6%; for companies with 10-19 employees, the rate is 1.05% and for companies with less than 10 employees, the rate is 0.55%. Companies are given the freedom to choose two options: (a) carry out their training and show their expenditures to the government; (b) or submit contributions to the chosen OPTA institution, either partially or wholly (The European Centre for the Development of Vocational Training (CEDEFOP), 2008).

4. Government Fund SDGs

Texas has a Skill Development Fund (SDF) program. The source of funds comes from the regular state budget of Texas which is managed by the Texas Workforce Commission (TWA). Since 1996, SDF Texas has helped 3,400 companies, trained 266 thou-

sand, updated 179 thousand skills, and created 86 thousand jobs. SDF Texas aims to provide opportunities for industry, universities, and training institutions to conduct various pieces of training to address the shortage of skilled labor. Annually, \$48 million is provided for this program. Companies that are entitled to apply for funds are (1) training universities/colleges/ institutions or academies; (2) local manpower offices; (3) companies. One example is an electrical contractor company that provides training for more than 300 of its employees in the installation and maintenance of electrical networks (twc.texas.gov, 9/10/2018).

This program is prepared as part of an effort to attract investment and business to the state of Texas. This indicates that the government cares about the company's problems; provides funds that are used to find and obtain trained workers. This program is primarily intended to help companies and businesses ease their operations in the state of Texas. One of the companies that received the funds was Texas Hydraulics in Temple, Texas. The company partnered with TWC and Temple College to manage a \$399.254 fund which was then used to train 400 workers in the positions: of welding technician, machinist, and engineer. After completion of training, workers receive certificates from institutions recognized by industry and the government (Hogg Foundation for Mental Health, 2016).

Unemployment Rate in Indonesia

BPS recorded a decrease in the number of unemployed from 2018 (5.34 percent) to 2019 (5.28 percent). However, in 2020 there was a fairly high increase of 7.07 percent. In August 2021 the number of unemployed returned to (6.49). So the number of unemployed in August 2021 will be 9.1 million people (Alimin, 2021). The Covid-19 pandemic which has an impact on the sluggish industry has an impact on layoffs. Until 2020, 212,394 formal employees were dismissed (Ramadani et al., 2022).

Table 1 describes unemployment in general. From 2017 to 2020, the number of unemployed tends to increase even though in 2018 it has decreased. In particular, based on different data sources, unemployment

among the educated, especially university graduates (diploma & bachelor's degree) reached 15.7 percent. More than 1 million college graduates are unemployed; 265,400 diploma graduates and 815,407 undergraduate graduates. In August 2020, the educated unemployment rate increased to 1,286,464. Unemployment for diploma graduates increased to 305,261 people, while unemployment for undergraduate graduates also increased to 981,203 people (Gianie 2022).

Details of the number of unemployed educated can be seen in Table 2. From 2016 to 2017, the Vocational and Tertiary unemployment rate is still below 1 million. However, from 2018 to 2019 it has reached 1 million, although it is still experiencing a decline. The Covid-19 pandemic is an important factor causing the educated poverty rate to remain relatively stable at 1 million.

At the vocational secondary school level, Ohara et al., (2020) report the number of unemployed. The objective of this research was to explore the proportion of general secondary and vocational secondary school students, to find out the unemployment rate of both school types, and to identify policy alternatives to reduce the unemployment rate of vocational secondary school graduates. To achieve the objective, a quantitative descriptive research method was adopted. The research found that the national average proportion of students from general secondary schools and vocational secondary schools was 62.92%:37.08% in 2016 and 63.39%:36.61% in 2019. The national average unemployment rate of both school graduates was 8.72% and 11.11%% respectively in 2016, and 7.92% and 10.42% respectively in 2019. Thus, the unemployment rate of vocational secondary school graduates was higher than those of general secondary school graduates. In Java Island, however, where the population is about 40% of the Indonesian total population, the percentage of vocational secondary students increases significantly from 44.34%:55.66% in 2016 to 39.91%:60.09% in 2019. For this reason, a new policy is needed to reduce the unemployment rate of vocational secondary school graduates in the form of a moratorium for vocational secondary school expansion, particularly in Java Island. If for some reason, there is a need to build new vocational secondary schools in a certain area, it must be based on demand-driven guided by labor market signals. More comprehensively, a policy shift is required to reduce the unemployment of graduates from secondary vocational schools.

Indonesia SDF as An Alternative

Employment issues should be a priority agenda to be solved. The existence of labor market institutions that are able to overcome inequality by embracing those with low skills, low income, women, and marginalized groups is currently a big problem. In addition to minimum wages, cooperation agreements, and trade unions, job training institutions-more specifically a funding mechanism for job training- can be an option to reduce inequality (U.S. Congress, 1990).

Ride-hailing companies are one of the expected solutions to reduce unemployment. As of 2018, 77% of driver-partners are aged 20-39 years. This study also found that 15% of driver- partners were university/college graduates and 83% of driver-partners had a junior high school education (Bayu et al., 2019). However, the private sector has limitations in recruiting workers.

Indonesia needs to prioritize measures to prepare a skilled workforce. The preparation of this workforce needs to be done immediately if Indonesia wants to narrow the gap/mismatch within the Indonesian labor market (number and quality), as well as to prepare for the widespread industrial revolution 4.0; an era that relies on knowledgeintensive and skill- intensive human resources. In other words, Indonesia needs to immediately restore and put labor policy in a priority position with all its implications. The Indonesian SDF model needs to involve the role of the government, more adequate investment in human resources (vocational training), and the active role of industry and companies, as well as partnerships between industry and education. This partnership model is ideal so that the three parties can improve labor conditions together considering their respective roles and duties which are basically complementary.

One of the main steps that need to be taken is to create a sustainable funding sys-

tem and mechanism to support a variety of vocational and undergraduate training and apprenticeships by various actors including industry, private educational institutions, and local governments. In particular, this policy is intended to encourage collaboration and active participation of industrial companies and private skills training institutions to actively participate in conducting training and apprenticeships.

The preparation of the Indonesian workforce is also an essential step to (1) meet the needs of today's skilled workforce so that sustainable economic growth can be achieved; (2) prepare the need for the future workforce (2030-2045) to improve and maintain Indonesia's economic competitiveness, independence and position as a member country of the G20; (3) realizing the direction of government policies inequitable development or inclusive economic development by increasing the skills of the workforce, and increasing the number of the workforce. In this way, a reduction in inequality in terms of income and opportunities in the labor market will be realized.

Government, Industry-Corporate, and Other Stakeholders have different tasks that reinforce each other (Table 3). The collaboration is very important to reduce unemployment among educated groups. Government, Industry-Corporate, and Other Stakeholders must ensure that from the policy-making stage to the provision of funds to support students.

Technically, the SDF design is based on three main elements: (1) the existence of an independent, autonomous, well-funded, and technically qualified management agency; (2) regulatory mechanisms; (3) accountability mechanisms. Proper institutional design is crucial in gaining the trust of donors and other stakeholders. Program donors will normatively support an agenda that is managed professionally, trustworthy, legitimate, targeted, and effective. Professional institutional design can legitimize managers when they are dealing with donors. Legitimacy here means that the SDF implementer is not controlled or driven by certain operators or interests outside of the SDF's objectives. Decisions for the provision and disbursement of funds are predictable if they are consistent

over time so that stakeholders can anticipate how implementers will work and resolve issues related to skills development funding.

SDF institutions are considered independent if they operate under the law and are distant from personal and political interests, and have organizational autonomy including economic autonomy. SDF institutions carry out their accountability by practicing transparency in their processes and allowing for inspection and measurement of procedures and results. Its implementers work in effective non-political positions. In order to function adequately, SDF institutions need to fulfill their essential institutional elements.

All managers in SDF institutions must adhere to important principles such as (1) full participation of various stakeholders, including companies, educational institutions, and government; (2) sustainability, by utilizing funding from various sources including government and companies; (3) transparency and accountability, which enables stakeholders to participate in monitoring and evaluating its implementation; (4) Demand-driven, industry-driven, and responsive programs in accordance with the development of the labor market and the business world, as well as the dynamics of Indonesian society and the world.

In addition to the basic principles of measurement, what needs to be built is the professionalism of the manager in carrying out his duties and functions. The SDF needs to have a structure of officers, including directors, and independent employees who are committed to achieving its goals and have the ability and willingness to work according to fair procedures. Officials and employees are regulated formally or informally, adhering to predetermined norms of interaction between individuals. Finally, the existence of commissioners is needed to monitor their performance.

The SDF management agency is the task force that carries out the administrative arrangements whereby they act on behalf of the government to provide and distribute the skills development fund (SDF). Typical regulatory tasks include monitoring the network and availability of funds and services, setting standards, managing costs and quality of ser-

vice, monitoring and enforcing commitments from implementers, handling complaints, providing policy advice, monitoring competition, and resolving disputes. The management agency also monitors the financial performance of SDF programs and activities, establishes cooperation, conducts tenders and grants concessions, and has several normative functions related to issues such as security standards and regulatory procedures.

The SDF management agency should not be alone in running the program. This management agency also cooperates with other parties. For example, to ensure the availability of skills development funds, the management agency must coordinate with the Ministry of Manpower, the Ministry of Finance, the National Development Planning Agency, the Ministry of Education and Culture, the Ministry of Research, Technology and Higher Education, education and training providers, as well as parties who are sources of funds. They must also coordinate with the legislature to listen to the aspirations of the citizens in relation to skills development and job opportunities.

For example, the Ministry of Finance may be appointed as the authority to collect and manage funds for vocational training and apprenticeship purposes. As the first step, for example, Indonesia can establish and start the SDF by utilizing various potential sources of funds in a combinative manner that exist in the country. These sources include, among others, tax/APBN funds, company-employee funds, and social security funds (BPJS Ketenagakerjaan). The sources of available funds relevant to the strengthening of human resources also need to be considered, such as (1) education funds in the APBN; (2) social security contributions managed by BPJS Ketenagakerjaan; (3) the perpetual education fund which is managed by the LPDP-Kemenkeu; (4) Corporate Social Responsibility (CSR) funds from various companies; (5) Universal Service Obligation (USO) funds managed by Ministry of Communication and Information (Kominfo); and (6) sustainable Palm Oil fund. From these various sources, the funds collected for the implementation of job training are targeted around 8-10 trillion.

Apart from the technical division of roles and functions, the accountability mechanism should not be overlooked to maintain credibility, smooth processes, and effectiveness in the implementation of the SDF. This accountability can be achieved through the use of fair and transparent procedures, enabling the involvement of all stakeholders to participate in the planning and implementation activities, a systematic evaluation monitoring system, the application of ethics of conduct with strong and clear monitoring tools, and reporting mechanisms and procedures that allow Process control runs according to the rules.

For the director or head of the SDF institution, the institutional design must be highly qualified and independent of various parties. Specific skills are required to deal with diverse and highly specialized issues so staffing should be based on a rigorous recruitment process and include an optimal mix of skills with appropriate training programs aimed at strengthening regulatory capabilities. Broad access to qualified outsourcing, sustainable salary structures, and independent sources of finance are also important to design. Finally, to balance economic autonomy, close oversight by auditors and legislators is required.

As a basic reference for the learning curriculum, there are three important aspects; Abilities, Basic Skills, and Cross-Functional Skills. Capabilities include two important aspects; Cognitive Abilities & Physical Abilities. Basic Skills include Content Skills, Process Skills. Cross Functional Skills have many aspects like Social Skills, Systems Skills, Complex Problem-Solving Skills, Resource Management Skills, and Technical Skills. Table 4 assists the government in improving the curriculum according to the strategic needs of the labor market. We understand that the capabilities above are not entirely new. Many points have become part of the curriculum. Therefore, the government must optimize what is already there and provide input on aspects that are not yet available.

CONCLUSION

Unemployment occurs due to a lack of

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opportunity and a mismatch between the needs of the industry and the capabilities of the workforce. Technological sophistication creates challenges for the workforce to improve soft skills according to industry needs. The Covid-19 pandemic, which is presupposed by changing work models, requires greater demands on the workforce to adapt with the changing industry needs. This applies not only to high school graduates but also to university students. From the available data, the educated group at the time of the Covid-19 pandemic was quite high.

Unemployment is not an individual problem but a government debt. Nor can it be left entirely to the private sector. SDF implementation in Indonesia where the government is the key is very important. Systematic efforts to reduce numbers, especially among educated groups, need to be carried out through the SDF by referring to experiences in various countries that have implemented the SDF.

Through the SDF, the government needs to take advantage of existing resources. Relevant ministries, educational institutions (both private and public), and the private sector need to be linked and provide resources and ideal curricula. The government needs to ensure the growth rate of a productive workforce with job opportunities and the required qualifications.

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