

UNITED NATIONS  
REGIONAL EXPERT GROUP MEETING ON DEVELOPMENT CHALLENGES  
FOR YOUNG PEOPLE  
Bangkok, 28 to 30 March 2006

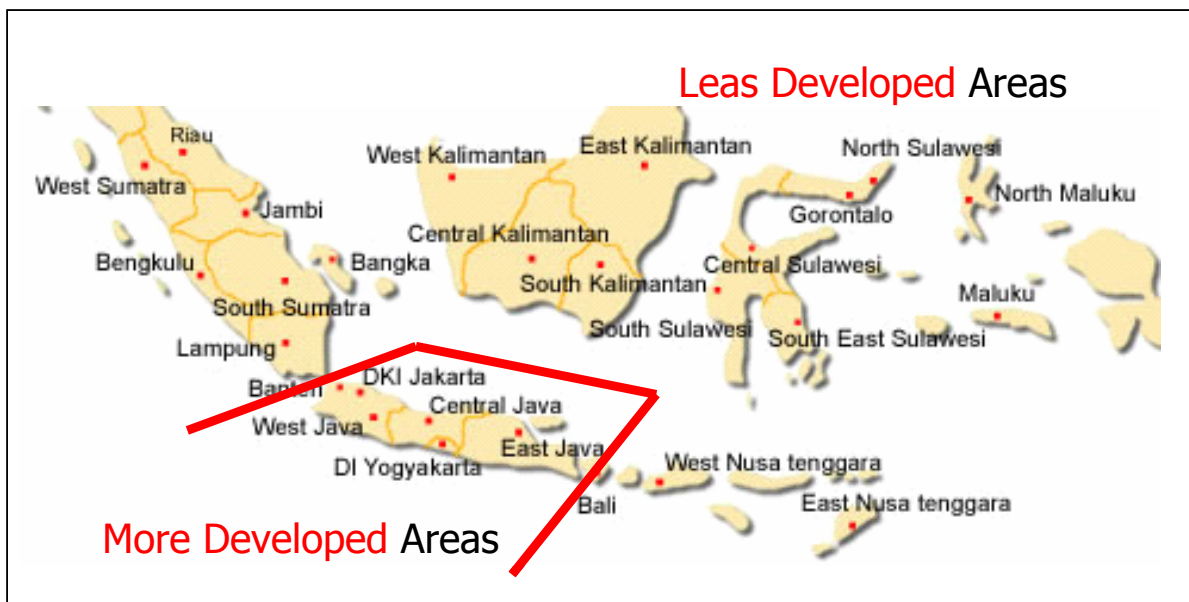
Sub Theme :  
URBANIZATION AND ITS EFFECTS ON YOUTH DEVELOPMENT IN INDONESIA UNLOCKING THE  
POTENTIAL OF YOUTH

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**INDONESIA TODAY : GENERAL OVERVIEW**

**1. Problems and Challenges;**

- 1.1. Slow down in economic growth.
- 1.2. Over exploitation of natural resources.
- 1.3. Disparity of regional development, such as between Java and outside Java, between Western Indonesia and Eastern Indonesia, and between urban and rural areas.



- 1.4. Quality and services of infra structure and the post pavement of the development of new infra structure.
- 1.5. The potentials of separatist movements and horizontal conflicts.

**2. Population;**

- 2.1. Total number of population, urban and rural.

**World Urbanization Prospects:  
The 2003 Revision Population Database**

**Indonesia**

Total population (thousands) 1950-2030

| <b>Year</b> | <b>Total population</b> |
|-------------|-------------------------|
| 1950        | 79 538                  |
| 1955        | 86 446                  |
| 1960        | 95 931                  |
| 1965        | 106 596                 |
| 1970        | 119 998                 |
| 1975        | 134 446                 |
| 1980        | 150 128                 |
| 1985        | 166 238                 |
| 1990        | 182 117                 |
| 1995        | 197 221                 |
| 2000        | 211 559                 |
| 2003        | 219 883                 |
| 2005        | 225 313                 |
| 2010        | 238 374                 |
| 2015        | 250 428                 |
| 2020        | 261 053                 |
| 2025        | 270 113                 |
| 2030        | 277 567                 |

**Indonesia**

Urban population (thousands) 1950-2030

| <b>Year</b> | <b>Urban population</b> |
|-------------|-------------------------|
| 1950        | 9 863                   |
| 1955        | 11 631                  |
| 1960        | 13 993                  |
| 1965        | 16 830                  |
| 1970        | 20 485                  |
| 1975        | 25 971                  |
| 1980        | 33 184                  |
| 1985        | 43 370                  |
| 1990        | 55 699                  |
| 1995        | 70 120                  |
| 2000        | 88 863                  |
| 2003        | 100 301                 |
| 2005        | 107 880                 |
| 2010        | 126 739                 |
| 2015        | 144 622                 |
| 2020        | 160 775                 |
| 2025        | 174 739                 |
| 2030        | 187 846                 |

**Indonesia**

Percentage urban (%) 1950-2030

| Year | Percentage urban |
|------|------------------|
| 1950 | 12.4             |
| 1955 | 13.5             |
| 1960 | 14.6             |
| 1965 | 15.8             |
| 1970 | 17.1             |
| 1975 | 19.3             |
| 1980 | 22.1             |
| 1985 | 26.1             |
| 1990 | 30.6             |
| 1995 | 35.6             |
| 2000 | 42.0             |
| 2003 | 45.6             |
| 2005 | 47.9             |
| 2010 | 53.2             |
| 2015 | 57.8             |
| 2020 | 61.6             |
| 2025 | 64.7             |
| 2030 | 67.7             |

**Indonesia**

Percentage rural (%) 1950-2030

| Year | Percentage rural |
|------|------------------|
| 1950 | 87.6             |
| 1955 | 86.5             |
| 1960 | 85.4             |
| 1965 | 84.2             |
| 1970 | 82.9             |
| 1975 | 80.7             |
| 1980 | 77.9             |
| 1985 | 73.9             |
| 1990 | 69.4             |
| 1995 | 64.4             |
| 2000 | 58.0             |
| 2003 | 54.4             |
| 2005 | 52.1             |
| 2010 | 46.8             |
| 2015 | 42.3             |
| 2020 | 38.4             |
| 2025 | 35.3             |
| 2030 | 32.3             |

**2.2. Population growth.**

Decreased 2,32 percent during 1979 – 1980 to 1,48 percent during 1990 – 2000 and expected to reach 1 percent to 2025.

**2.3. Total Fertility Rate (TFR)**

The disseminating rate was attributed to the Indonesia's success in reducing TFR from 5,6 percent in 1971 to 2,6 percent children in 2003.



**2.4. Contraceptive prevalence.**

The contraceptive prevalence also increased from 57,4 percent in 1997 to 60,3 percent in 2002 – 2003. Annual both are estimated around 4 millions up to the year of 2015.

**3. Demographic Trends;**

| Country           | Total Pop. (million) | Annual Pop. Growth Rate | Urban Pop. (% of total) | Pop. < 15 Y.O. (% of total) | Pop. > 65 Y.O. (% of total) |
|-------------------|----------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|
| SINGAPORE         | 4.2                  | 2.2                     | 100.0                   | 20.7                        | 6.5                         |
| BRUNEI DARUSSALAM | 0.4                  | 2.9                     | 76.1                    | 30.3                        | 2.4                         |
| MAI ALSIA         | 24.4                 | 2.5                     | 63.8                    | 33.0                        | 3.5                         |
| THAIL AND         | 63.1                 | 1.5                     | 32.0                    | 24.5                        | 5.4                         |
| PHILIPPINES       | 80.2                 | 2.3                     | 61.0                    | 36.1                        | 3.0                         |
| VIETNAM           | 82.0                 | 1.9                     | 25.8                    | 31.1                        | 4.6                         |
| INDONESIA         | 217.4                | 1.7                     | 45.5                    | 29.0                        | 4.2                         |
| MYANMAR           | 49.5                 | 1.8                     | 29.5                    | 30.8                        | 4.0                         |
| CAMBODIA          | 13.5                 | 2.3                     | 18.6                    | 38.3                        | 2.8                         |
| LAO PDR           | 5.7                  | 2.2                     | 20.7                    | 41.7                        | 2.9                         |
| JAPAN             | 127.7                | 0.5                     | 65.5                    | 14.2                        | 16.0                        |
| KOREA, REP. OF    | 47.5                 | 1.1                     | 80.3                    | 19.5                        | 7.0                         |
| CHINA             | 1.300.0              | 1.2                     | 38.6                    | 22.7                        | 5.9                         |
| <b>TOTAL</b>      | <b>2,015.6</b>       |                         |                         |                             |                             |

Source UNDP – Human Development Report 2005

**4. Education;**

**4.1. Quality of educational system.**

Quality of educational system related to workforce competitiveness in 12 Asian Countries

| Countries            | Score |
|----------------------|-------|
| 1. Republic of Korea | 3.09  |
| 2. Singapore         | 3.19  |
| 3. Japan             | 3.50  |
| 4. Taiwan            | 3.96  |
| 5. India             | 4.24  |
| 6. China             | 4.27  |
| 7. Malaysia          | 4.41  |
| 8. Hong Kong         | 4.72  |
| 9. Philippine        | 5.47  |
| 10. Thailand         | 5.96  |
| 11. Vietnam          | 6.21  |
| 12. Indonesia        | 6.56  |

Source : *PERC*, 2001

**5. Unemployment;**

Open unemployment in Indonesia has increased significantly in Indonesia. Numbers of unemployment in 1997 which are 4,18 million has increased to 10,25 million in 2004.

**Open Unemployment According to Age Group  
1997 – 2004**

| Age Group | 1997      | 1998      | 1999      | 2000      | 2001      | 2002      | 2003      | 2004       |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| 15 – 19   | 1.384.338 | 1.440.398 | 1.766.300 | 1.817.086 | 2.337.639 | 2.837.922 | 2.648.878 | 3.026.523  |
| 20 – 24   | 1.591.400 | 1.927.872 | 2.241.702 | 2.120.246 | 2.561.088 | 2.942.158 | 3.061.558 | 3.250.522  |
| 25 – 29   | 746.895   | 923.802   | 1.108.892 | 1.024.022 | 717.414   | 1.306.194 | 1.318.418 | 1.393.305  |
| 30 – 34   | 236.437   | 331.879   | 436.899   | 407.273   | 260.460   | 595.133   | 610.819   | 654.326    |
| 35 – 39   | 105.533   | 158.524   | 212.540   | 168.658   | 146.784   | 392.483   | 365.484   | 379.319    |
| 40 – 44   | 42.055    | 103.945   | 110.002   | 107.636   | 104.573   | 246.128   | 237.484   | 270.846    |
| 45 – 49   | 28.232    | 74.066    | 75.419    | 98.027    | 106.221   | 200.320   | 208.027   | 203.285    |
| 50 – 54   | 13.275    | 46.363    | 37.454    | 32.655    | 74.743    | 223.939   | 212.842   | 220.416    |
| 55 – 59   | 20.549    | 33.515    | 37.107    | 21.369    | -         | 174.245   | 177.550   | 183.665    |
| 60+       | 15.257    | 4.896     | 4.004     | 16.259    | -         | 213.582   | 690.030   | 669.144    |
| Total     | 4.183.971 | 5.045.260 | 6.030.319 | 5.813.231 | 8.005.031 | 9.132.104 | 9.531.090 | 10.251.351 |

Source : SAKERNAS-BPS

The prevalence of open unemployment are dominated by youth age between 15 – 24 consecutively from 1988 to 2004 as follows;

- 1998 → 66,7 percent
- 1999 → 66,4 percent
- 2000 → 67,7 percent
- 2001 → 61,2 percent
- 2002 → 63,3 percent
- 2003 → 59,9 percent
- 2004 → 60,4 percent

**6. Policy and Direction;**

**6.1. Medium Term Development Plan 2004 – 2009;**

- 6.1.1. To create safe and peace
- 6.1.2. To create fair and democratic
- 6.1.3. To increase people welfare, consisting of;
  - Eradicating poverty and unemployment
  - Increasing foreign investment
  - Revitalize agriculture, forestry and fishery
  - Redacting disparity by rural development
  - Increasing access to quality primary health and education service
  - Establishing social safety net and developing infra structures

## **URBANIZATION INDONESIA**

### **1. Population Projection Method;**

The National Central Beaurau of Statistic for the purpose of Indonesia population project on 2000 – 2025 has stipulated several component method based on the trends of;

- Fertility
- Mortality
- Movement of population inter provinces

### **2. Computing Urbanization;**

Projection of population in the urban areas is implemented through a method of **Urban Rural Growth Difference (URGD)** which are the difference between growth population in the urban areas and population outside the urban areas.

URGD in Indonesia consists of 3 category on provincial based are as follows;

#### **Highest URGD**

For provinces where URGD is exceeding 30 percent and expected to decrease 10 percent in 5 years, those are, Nanggroe Aceh Darussalam, Riau, Bengkulu, Lampung, West Java, Central Java, East Java, Banten, Bali, Nusa Tenggara Barat, Central Kalimantan, North Sulawesi and Gorontalo.

#### **Medium URGD**

For provinces where URGD is exceeding 20 – 30 percent and expected to decrease 7 percent is 5 years those are; West Sumatra, Jambi, South Sumatra, Bangka Belitung, DI. Yogyakarta, Nusa Tenggara Timur, South Kalimantan and East Kalimantan.

#### **Low URGD**

For provinces where URGD is exceeding allow 20 percent and assume there will be an increase of URGD be 5 percent in 5 years, those are North Sumatra, Jakarta, West Kalimantan, Central Sulawesi, South Sulawesi, Maluku, North Maluku and Papua.

### **3. Influence Factors in Urbanization;**

Urbanization in Indonesia is influenced by the following factors;

- Natural growth of the urban population
- Migration for the rural areas to the urban areas
- Re-classification from rural areas into rural urban

**4. Projection 2025;**

The following table shows the level of urbanization by provinces from 2000 to 2025. The level of urbanization in 2000 which is 42 percent shall increased by 68,3 percent in 2025.

**Table : Percentage of Population in Urban Areas by Province 2000 – 2025**

| Province                 | 2000        | 2005        | 2010        | 2015        | 2020        | 2025        |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Nanggroe Aceh Darussalam | 23,6        | 28,8        | 34,3        | 39,7        | 44,9        | 49,9        |
| North Sumatra            | 42,4        | 46,1        | 50,1        | 54,4        | 58,8        | 63,5        |
| West Sumatra             | 29,0        | 34,3        | 39,8        | 45,3        | 50,6        | 55,6        |
| Riau                     | 43,7        | 50,4        | 56,6        | 62,1        | 66,9        | 71,1        |
| Jambi                    | 28,3        | 32,4        | 36,5        | 40,6        | 44,5        | 48,4        |
| South Sumatra            | 34,4        | 38,7        | 42,9        | 47,0        | 50,9        | 54,6        |
| Bengkulu                 | 29,4        | 35,2        | 41,0        | 46,5        | 51,7        | 56,5        |
| Lampung                  | 21,0        | 27,0        | 33,3        | 39,8        | 46,2        | 52,2        |
| Bangka Belitung          | 43,0        | 47,8        | 52,2        | 56,5        | 60,3        | 63,9        |
| DKI-Jakarta              | 100,0       | 100,0       | 100,0       | 100,0       | 100,0       | 100,0       |
| West Java                | 50,3        | 58,8        | 66,2        | 72,4        | 77,4        | 81,4        |
| Central Java             | 40,4        | 48,6        | 56,2        | 63,1        | 68,9        | 73,8        |
| DI Yogyakarta            | 57,6        | 64,3        | 70,2        | 75,2        | 79,3        | 82,8        |
| East Java                | 40,9        | 48,9        | 56,5        | 63,1        | 68,9        | 73,7        |
| Banten                   | 52,2        | 60,2        | 67,2        | 73,0        | 77,7        | 81,5        |
| Bali                     | 49,7        | 57,7        | 64,7        | 70,7        | 75,6        | 79,6        |
| Nusa of West South East  | 34,8        | 41,9        | 48,8        | 55,2        | 61,0        | 66,0        |
| Nusa of East South East  | 15,4        | 18,0        | 20,7        | 23,5        | 26,4        | 29,3        |
| West Kalimantan          | 24,9        | 27,8        | 31,1        | 34,8        | 39,0        | 43,7        |
| Central Kalimantan       | 27,5        | 34,0        | 40,7        | 47,2        | 53,3        | 58,8        |
| South Kalimantan         | 36,2        | 41,5        | 46,7        | 51,6        | 56,3        | 60,6        |
| East Kalimantan          | 57,7        | 62,2        | 66,2        | 69,9        | 73,1        | 75,9        |
| North Sulawesi           | 36,6        | 43,4        | 49,8        | 55,7        | 61,1        | 65,7        |
| Central Sulawesi         | 19,3        | 21,0        | 22,9        | 24,9        | 27,3        | 29,9        |
| South Sulawesi           | 29,4        | 32,2        | 35,3        | 38,8        | 42,6        | 46,7        |
| South-East Sulawesi      | 20,8        | 23,0        | 25,6        | 28,5        | 31,8        | 35,5        |
| Gorontalo                | 25,4        | 31,3        | 37,0        | 42,8        | 48,2        | 53,2        |
| Maluku                   | 25,3        | 26,1        | 26,9        | 27,9        | 28,8        | 29,9        |
| North Maluku             | 28,9        | 29,7        | 30,6        | 31,5        | 32,5        | 33,6        |
| Papua                    | 22,2        | 22,8        | 23,5        | 24,3        | 25,1        | 26,0        |
| <b>Indonesia</b>         | <b>42,0</b> | <b>48,3</b> | <b>54,2</b> | <b>59,5</b> | <b>64,2</b> | <b>68,3</b> |

**5. Comparison between Rural and Urban Growth Rate**

**Indonesia**

Urban annual growth rate (%) 1950-2030

| Year      | Urban annual growth rate |
|-----------|--------------------------|
| 1950-1955 | 3.30                     |
| 1955-1960 | 3.70                     |
| 1960-1965 | 3.69                     |
| 1965-1970 | 3.93                     |
| 1970-1975 | 4.75                     |
| 1975-1980 | 4.90                     |
| 1980-1985 | 5.35                     |
| 1985-1990 | 5.00                     |
| 1990-1995 | 4.61                     |
| 1995-2000 | 4.74                     |
| 2000-2005 | 3.88                     |
| 2005-2010 | 3.22                     |
| 2010-2015 | 2.64                     |
| 2015-2020 | 2.12                     |
| 2020-2025 | 1.67                     |
| 2025-2030 | 1.45                     |

**Indonesia**

Rural annual growth rate (%) 1950-2030

| Year      | Rural annual growth rate |
|-----------|--------------------------|
| 1950-1955 | 1.42                     |
| 1955-1960 | 1.82                     |
| 1960-1965 | 1.82                     |
| 1965-1970 | 2.06                     |
| 1970-1975 | 1.72                     |
| 1975-1980 | 1.50                     |
| 1980-1985 | 0.99                     |
| 1985-1990 | 0.57                     |
| 1990-1995 | 0.11                     |
| 1995-2000 | -0.71                    |
| 2000-2005 | -0.88                    |
| 2005-2010 | -1.01                    |
| 2010-2015 | -1.07                    |
| 2015-2020 | -1.07                    |
| 2020-2025 | -1.00                    |
| 2025-2030 | -1.22                    |

Annual rate of change of percentage urban (%) 1950-2030

| Year      | Annual rate of change of percentage urban |
|-----------|---|
| 1950-1955 | 1.63                                      |
| 1955-1960 | 1.61                                      |
| 1960-1965 | 1.59                                      |
| 1965-1970 | 1.56                                      |
| 1970-1975 | 2.47                                      |
| 1975-1980 | 2.70                                      |
| 1980-1985 | 3.32                                      |
| 1985-1990 | 3.18                                      |
| 1990-1995 | 3.01                                      |
| 1995-2000 | 3.33                                      |
| 2000-2005 | 2.62                                      |
| 2005-2010 | 2.10                                      |
| 2010-2015 | 1.65                                      |
| 2015-2020 | 1.29                                      |
| 2020-2025 | 0.98                                      |
| 2025-2030 | 0.90                                      |

**Indonesia**

Annual rate of change of percentage rural (%) 1950-2030

| Year      | Annual rate of change of percentage rural |
|-----------|---|
| 1950-1955 | -0.24                                     |
| 1955-1960 | -0.26                                     |
| 1960-1965 | -0.28                                     |
| 1965-1970 | -0.31                                     |
| 1970-1975 | -0.55                                     |
| 1975-1980 | -0.70                                     |
| 1980-1985 | -1.05                                     |
| 1985-1990 | -1.25                                     |
| 1990-1995 | -1.49                                     |
| 1995-2000 | -2.11                                     |
| 2000-2005 | -2.14                                     |
| 2005-2010 | -2.14                                     |
| 2010-2015 | -2.06                                     |
| 2015-2020 | -1.90                                     |
| 2020-2025 | -1.69                                     |
| 2025-2030 | -1.77                                     |

**1. Unemployment Urban – Rural;**

The following table shows that the level of unemployment rural in each provinces between urban and rural areas based on National Manpower Survey in 2004 has shown that urban areas has the most concentrated of unemployment which is 12,7 percent and in rural areas 7,8 percent.

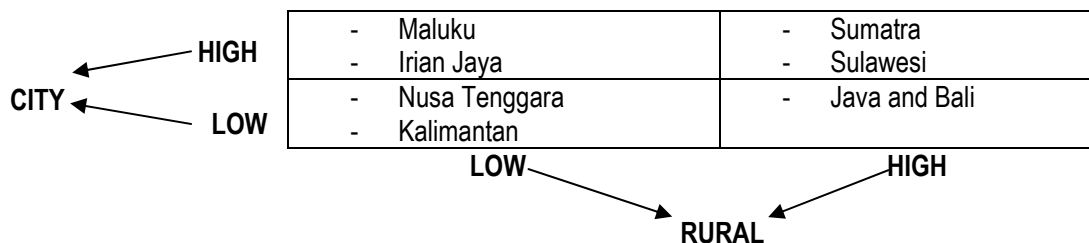
**LEVEL OF OPEN EMPLOYMENT ACCORDING TO URBAN AND RURAL AREAS IN 2004**

| Province                 | City         | Rural District | Total (percent) |
|--------------------------|--------------|----------------|-----------------|
| Nanggroe Aceh Darussalam | 11,88        | 8,51           | 9,35            |
| North Sumatra            | 14,61        | 8,63           | 11,08           |
| West Sumatra             | 14,98        | 11,82          | 12,74           |
| Riau                     | 17,50        | 13,39          | 15,25           |
| Jambi                    | 7,94         | 5,40           | 6,04            |
| South Sumatra            | 14,18        | 5,93           | 8,37            |
| Bengkulu                 | 15,98        | 2,80           | 6,29            |
| Lampung                  | 10,90        | 6,45           | 7,38            |
| Bangka Belitung          | 10,60        | 4,85           | 7,14            |
| <b>SUMATRA</b>           | <b>14,11</b> | <b>8,00</b>    | <b>9,98</b>     |
| DKI-Jakarta              | 14,70        | -              | 14,70           |
| West Java                | 15,55        | 11,84          | 13,69           |
| Central Java             | 9,33         | 6,65           | 7,72            |
| DI Yogyakarta            | 7,97         | 4,24           | 6,26            |
| East Java                | 9,58         | 6,46           | 7,69            |
| Banten                   | 15,60        | 12,75          | 14,31           |
| Bali                     | 6,23         | 3,20           | 4,66            |
| <b>JAWA DAN BALI</b>     | <b>12,12</b> | <b>8,05</b>    | <b>9,99</b>     |
| Nusa of West South East  | 11,00        | 5,52           | 7,48            |
| Nusa of East South East  | 16,28        | 2,76           | 4,48            |
| <b>NUSA TENGGARA</b>     | <b>12,41</b> | <b>3,91</b>    | <b>5,96</b>     |
| West Kalimantan          | 13,14        | 6,34           | 7,90            |
| Central Kalimantan       | 8,59         | 4,55           | 5,59            |
| South Kalimantan         | 9,23         | 4,33           | 6,02            |
| East Kalimantan          | 12,94        | 7,27           | 10,36           |
| <b>KALIMANTAN</b>        | <b>11,71</b> | <b>4,55</b>    | <b>6,59</b>     |
| North Sulawesi           | 13,97        | 9,11           | 10,91           |
| Central Sulawesi         | 9,37         | 5,10           | 5,85            |
| South Sulawesi           | 20,62        | 14,00          | 15,93           |
| South-East Sulawesi      | 16,78        | 7,67           | 9,35            |
| Gorontalo                | 11,40        | 12,63          | 12,29           |
| <b>SULAWESI</b>          | <b>17,46</b> | <b>10,96</b>   | <b>12,72</b>    |
| Maluku                   | 18,89        | 9,26           | 11,67           |
| Irian Jaya               | 17,05        | 4,44           | 7,53            |
| Papua                    | 20,98        | 4,82           | 8,00            |
| <b>MALUKU IRIAN JAYA</b> | <b>19,62</b> | <b>5,76</b>    | <b>8,79</b>     |

|           |       |      |      |
|-----------|-------|------|------|
| INDONESIA | 12,73 | 7,86 | 9,86 |
|-----------|-------|------|------|

Source : Sakernas 2004, BPS

**Agglomeration of Open Unemployment Rural / Urban**



**2. Possible Factors which Influenced the Process of Urbanization;**

- 2.1. Gap between the economic growth of urban and rural areas.
- 2.2. Possible opportunities and work opportunities offered in the urban areas compared to the situation in the rural areas.
- 2.3. Changes in the pattern of interest in area of employment from agricultural to industrial sectors particularly the young people.
- 2.4. The advancement of technology and infra structure of transportation which facilitated the movement of population.
- 2.5. The availability of facilities in the urban areas such as education, health and other social aspects.

**3. Progress of Work Opportunities 1993 – 2004;**

The following table shows the progress of work opportunities in economic sector from 1993 to 2004. the proportion of agriculture sector within the period of 10 years has the largest number to the other sectors. More than 40 percent workers are employed in the agriculture sector. The trend from the period of 1993 to 2004 has not shifted from agriculture to industrial sector or other sector.

The second largest proportion in work employment is trade sector which accounts to 17 – 20 percent. The entrance of the informal sector has contributed to this sector.

The third largest proportion is the industrial sector. The sector is expected as the primary sector to replace the other sector. However, the economic crisis in 1998, declined in investment followed by closing number factories, lay-off workers due to uncompetitive ness policy has significantly. Contribute to the situation of the Industrial Sector.

**WORK FORCE ACCORDING TO BUSINESS SECTORS  
1993 – 2004**

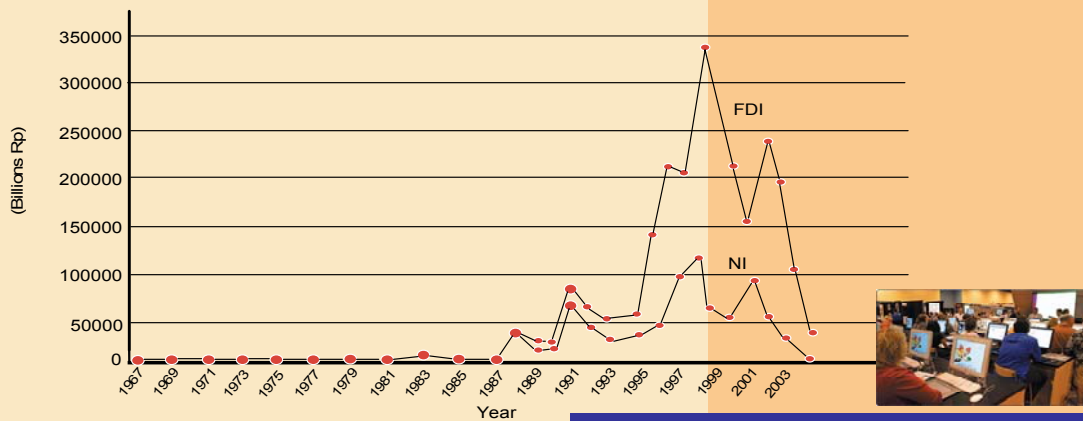
| Business Sectors                        | 1996       | 1997       | 1998       | 1999       | 2000       | 2001       | 2002       | 2003       | 2004       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Agriculture, Forestry, Hunt and Fishery | 36.239.537 | 35.848.631 | 39.414.765 | 38.378.133 | 40.676.713 | 39.743.908 | 40.633.627 | 42.001.437 | 40.608.019 |
|   | 43,37      | 41,18      | 44,96      | 43,21      | 45,28      | 43,77      | 44,34      | 46,26      | 43,33      |
| Mining and Dig                          | 751.217    | 896.611    | 674.597    | 725.739    | 0          | 0          | 631.802    | 729.047    | 1.034.716  |
|   | 0,90       | 1,03       | 0,77       | 0,82       | 0,00       | 0,00       | 0,69       | 0,80       | 1,10       |
| Processing Industry                     | 10.558.956 | 11.214.822 | 9.933.622  | 11.515.955 | 11.641.756 | 12.086.122 | 12.109.997 | 10.927.342 | 11.070.498 |
|   | 12,64      | 12,88      | 11,33      | 12,97      | 12,96      | 13,31      | 13,21      | 12,04      | 11,80      |

|                             |            |            |            |            |            |            |            |            |            |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Electric, Gas and Irrigate  | 163.563    | 233.237    | 147.849    | 188.321    | 0          | 0          | 178.279    | 156.358    | 230.869    |
|                             | 0,20       | 0,27       | 0,17       | 0,21       | 0,00       | 0,00       | 0,19       | 0,17       | 0,25       |
| Building                    | 3.772.397  | 4.200.200  | 3.521.682  | 3.415.147  | 3.497.232  | 3.837.554  | 4.273.914  | 4.106.597  | 4.540.102  |
|                             | 4,52       | 4,83       | 4,02       | 3,85       | 3,89       | 4,23       | 4,66       | 4,52       | 4,84       |
| Wholesale, at Retail,       | 15.822.191 | 17.221.184 | 16.814.233 | 17.529.099 | 18.489.005 | 17.469.129 | 17.795.030 | 16.845.995 | 19.119.156 |
| Restaurant and Hotel        | 18,94      | 19,78      | 19,18      | 19,74      | 20,58      | 19,24      | 19,42      | 18,56      | 20,40      |
| Transportation, Warehouse   | 3.930.994  | 4.137.653  | 4.153.707  | 4.206.067  | 4.553.855  | 4.448.279  | 4.672.584  | 4.976.928  | 5.480.527  |
| and Communication           | 4,70       | 4,75       | 4,74       | 4,74       | 5,07       | 4,90       | 5,10       | 5,48       | 5,85       |
| Finance, Insurance, Effort  | 686.518    | 656.724    | 617.722    | 633.744    | 882.600    | 1.127.823  | 991.745    | 1.294.832  | 1.125.056  |
| Building Rental, Ground and | 0,82       | 0,75       | 0,70       | 0,71       | 0,98       | 1,24       | 1,08       | 1,43       | 1,20       |
| Company Service             |            |            |            |            |            |            |            |            |            |
| Social Services             | 11.626.961 | 12.637.533 | 12.394.272 | 12.224.654 | 9.574.009  | 11.003.482 | 10.360.188 | 9.746.381  | 10.513.093 |
|                             | 13,92      | 14,52      | 14,14      | 13,76      | 10,66      | 12,12      | 11,30      | 10,74      | 11,22      |
| Other's                     | 0          | 3.161      | 0          | 0          | 522.560    | 1.091.120  | 0          | 0          | 0          |
|                             | 0,00       | 0,00       | 0,00       | 0,00       | 0,58       | 1,20       | 0,00       | 0,00       | 0,00       |
| TOTAL                       | 83.552.361 | 87.049.756 | 87.672.449 | 88.816.859 | 89.837.730 | 90.807.417 | 91.647.166 | 90.784.917 | 93.722.036 |
|                             | 100,00     | 100,00     | 100,00     | 100,00     | 100,00     | 100,00     | 100,00     | 100,00     | 100,00     |

**4. Situation of Investment Climate;**

**Trend Investment Approval 1967 / 68 - 2004**

- ❖ Since 1997, Indonesia economic was only encourage by consumption driven growth and not by foreign direct investment.
- ❖ The approval of Trend direct investment decline since 1997 and drastically decline in 2001.

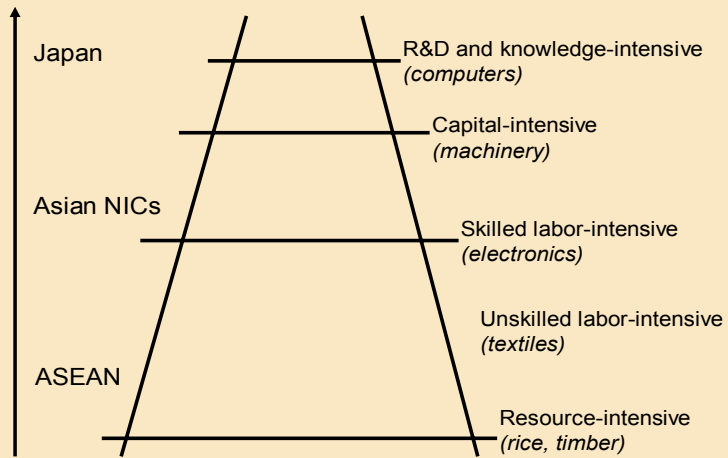


Source BKPM (2003)

DBEF/FC-ASEAN SOMY/XII/2005

## COMPARATIVE ADVANTAGE

### From Comparative to Competitive Advantage



**“Created” comperatiive advantage : Porter – and Krugman – type exports**

**“Natural” comparative advantage : ricardo – and Ohlin – type exports**

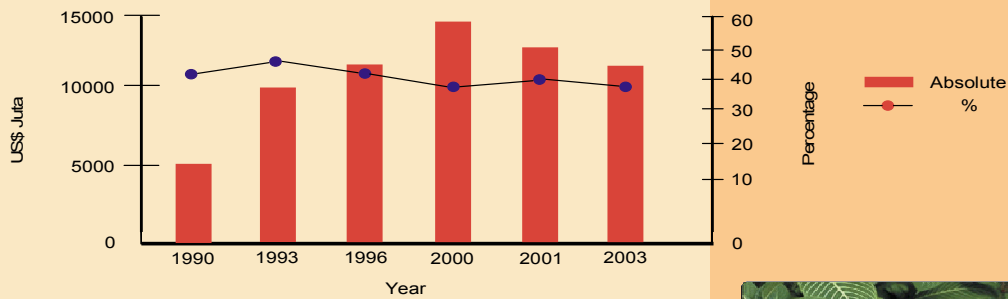
DBEF/FC-ASEAN SOMY/XII/2005

### Index of Perception of Corruption Year 2004 in Indonesia

|             |      |             |      |
|-------------|------|-------------|------|
| Jakarta     | 3,87 | Manado      | 5,12 |
| Surabaya    | 3,93 | Kotabaru    | 5,23 |
| Medan       | 4,09 | Cilegon     | 5,28 |
| Semarang    | 4,17 | Makassar    | 5,31 |
| Batam       | 4,32 | Banjarmasin | 5,39 |
| Pekanbaru   | 4,37 | Wonosobo    | 5,63 |
| Denpasar    | 4,44 |             |      |
| Yogyakarta  | 4,51 |             |      |
| Tangerang   | 4,54 |             |      |
| Balikpapan  | 4,59 |             |      |
| Bekasi      | 4,61 |             |      |
| Palembang   | 4,67 |             |      |
| Solok       | 4,70 |             |      |
| Padang      | 4,83 |             |      |
| Tanah Datar | 4,87 |             |      |

DBEF/FC-ASEAN SOMY/XII/2005

**Contribution Product of *Unskilled Labour Intensive* Against Total Export Manufacture**



Major Contribution Item of Unskilled Labour Intensive Against Total Export Manufacture

|           | 1990 | 1993 | 1996 | 2000 | 2001 | 2003 |
|-----------|------|------|------|------|------|------|
| Textile   | 29,7 | 28,0 | 25,7 | 25,9 | 25,8 | 26,0 |
| Furniture | 6,8  | 7,2  | 8,6  | 11,2 | 11,5 | 13,6 |
| Clothing  | 40,4 | 37,2 | 32,6 | 35,0 | 36,4 | 35,4 |
| Footwear  | 14,0 | 17,6 | 19,9 | 12,4 | 12,1 | 10,3 |



DBEF/FC-ASEAN SOMY/XII/2005

**5. Progress of Work Opportunities Based on Formal and Informal According to the Business Sectors 1998 – 2004;**

The following table shows that there is a tremendous increased of the working opportunities which are strongly influenced by the informal sector from 57,34 millions or 65 percent in 1998 to 65, 29 millions or 70,77 percent of the total work force. It is predicted the increased on the number of people working in the informal sector due to the narrowing of working opportunity in the formal sector.

**Progress of Work Opportunities Based on Formal and Informal According to Business Sectors 1998 – 2004**

| Business Sectors    | 1998              | 1999              | 2000              | 2001              | 2002              | 2003              | 2004              |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Agriculture</b>  | <b>39.414.765</b> | <b>38.378.133</b> | <b>40.676.713</b> | <b>39.743.908</b> | <b>40.633.627</b> | <b>42.001.437</b> | <b>40.608.019</b> |
| - Formal            | 5.674.348         | 6.406.544         | 6.075.155         | 3.708.445         | 3.281.861         | 3.133.381         | 3.122.129         |
| - Informal          | 33.740.417        | 31.971.589        | 36.601.558        | 36.035.463        | 37.351.766        | 38.868.056        | 36.088.220        |
| <b>Mining</b>       | <b>674.597</b>    | <b>725.739</b>    | <b>522.560*</b>   | <b>1.091.120*</b> | <b>631.802</b>    | <b>729.047</b>    | <b>1.034.716</b>  |
| - Formal            | 382.768           | 385.814           | 287.061           | 568.366           | 276.852           | 338.546           | 505.241           |
| - Informal          | 291.829           | 339.925           | 235.499           | 522.754           | 354.950           | 390.501           | 529.475           |
| <b>Industry</b>     | <b>9.933.622</b>  | <b>11.515.955</b> | <b>11.641.756</b> | <b>12.086.122</b> | <b>12.109.997</b> | <b>10.927.342</b> | <b>11.070.498</b> |
| - Formal            | 6.152.120         | 7.021.252         | 7.891.846         | 8.051.574         | 7.745.354         | 7.130.442         | 7.306.357         |
| - Informal          | 3.781.502         | 4.494.703         | 3.749.910         | 4.034.548         | 4.364.643         | 3.796.900         | 3.764.141         |
| <b>Electricity</b>  | <b>147.849</b>    | <b>188.321</b>    | -                 | -                 | <b>178.279</b>    | <b>156.358</b>    | <b>230.869</b>    |
| - Formal            | 128.995           | 176.750           |                   |                   | 161.101           | 133.506           | 203.433           |
| - Informal          | 18.854            | 11.571            |                   |                   | 17.178            | 22.850            | 27.436            |
| <b>Public Works</b> | <b>3.521.682</b>  | <b>3.415.147</b>  | <b>3.497.232</b>  | <b>3.837.554</b>  | <b>4.273.914</b>  | <b>4.106.597</b>  | <b>4.540.102</b>  |
| - Formal            | 2.829.228         | 2.876.338         | 2.984.420         | 2.196.710         | 1.962.207         | 1.988.744         | 2.019.743         |
| - Informal          | 692.454           | 538.809           | 512.812           | 1.640.844         | 2.311.707         | 2.117.853         | 2.520.359         |
| <b>Trade</b>        | <b>16.814.233</b> | <b>17.529.099</b> | <b>18.489.005</b> | <b>17.469.129</b> | <b>17.795.030</b> | <b>16.845.995</b> | <b>19.119.156</b> |

|                       |                   |                   |                   |                   |                   |                   |                   |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| - Formal              | 2.862.075         | 3.151.731         | 3.699.418         | 3.710.602         | 3.902.501         | 3.583.839         | 4.378.261         |
| - Informal            | 13.952.158        | 14.377.368        | 14.789.587        | 13.758.527        | 13.892.529        | 13.262.156        | 14.740.895        |
| <b>Transportation</b> | <b>4.153.707</b>  | <b>4.206.067</b>  | <b>4.553.855</b>  | <b>4.448.279</b>  | <b>4.672.584</b>  | <b>4.976.928</b>  | <b>5.480.527</b>  |
| - Formal              | 1.692.692         | 1.635.354         | 1.734.232         | 1.725.424         | 1.598.606         | 1.560.203         | 1.835.240         |
| - Informal            | 2.461.015         | 2.570.713         | 2.819.623         | 2.722.855         | 3.073.978         | 3.416.725         | 3.645.287         |
| <b>Finance</b>        | <b>617.722</b>    | <b>633.744</b>    | <b>882.600</b>    | <b>1.127.823</b>  | <b>991.745</b>    | <b>1.294.832</b>  | <b>1.125.056</b>  |
| - Formal              | 589.418           | 589.183           | 773.377           | 1.030.574         | 931.529           | 1.216.934         | 1.019.042         |
| - Informal            | 28.304            | 44.561            | 109.223           | 97.249            | 60.216            | 77.898            | 106.014           |
| <b>Services</b>       | <b>12.394.272</b> | <b>12.224.654</b> | <b>9.574.009</b>  | <b>11.003.482</b> | <b>10.360.188</b> | <b>9.746.381</b>  | <b>10.513.093</b> |
| - Formal              | 10.019.402        | 9.693.385         | 8.085.057         | 8.376.183         | 7.976.008         | 7.451.348         | 8.036.001         |
| - Informal            | 2.374.870         | 2.531.269         | 1.488.952         | 2.627.299         | 2.384.180         | 2.295.033         | 2.477.092         |
| <b>Total</b>          | <b>87.672.449</b> | <b>88.816.859</b> | <b>89.837.730</b> | <b>90.807.417</b> | <b>91.647.166</b> | <b>90.784.917</b> | <b>93.722.036</b> |
| - Formal              | 30.331.046        | 31.936.351        | 31.530.566        | 29.367.878        | 27.836.019        | 26.536.945        | 28.425.447        |
| - Informal            | 57.341.403        | 56.880.508        | 58.307.164        | 61.439.539        | 63.811.147        | 64.247.972        | 65.296.589        |

Source : SAKERNAS – BPS

Again, the agriculture sector share the largest proportion in absorbing the informal working opportunity which account to 33,74 million people or 85,60 percent of the total agriculture work force and in 2004 increase to 36,08 million people or 92,54 percent of the total agriculture work force.

## **WHAT IS THE ROLE OF YOUNG PEOPLE IN RURAL URBAN MIGRATION; OPPORTUNITIES AND CHALLENGES FOR POVERTY REDUCTION**

### **1. Challenges;**

There is a strong linkage between migration and poverty. Migration can be considered an alternative to escape poverty. The recent period, however has not only seen an increase in the scale of movement but also in its diversity with respect to the types of movement the destination and origin of labour migrants and among the movers them selves. Labour mobility in Indonesia has been driven by a number of forces which include;

- Marked spatial mismatches between the location of expanding job opportunity and the locations of potential workers.
- Rapid improvements in levels of education resulting young people in rural areas being unwilling to work in agriculture and moving to seek work in other sector.
- Rapid commercialization of the agricultural sector replacing labour inputs with capital inputs.
- Strong cultural imperatives among some ethnic groups which encourage people to move out of the home area to seek work and experience.
- A strong tradition of responding to local and regional conflict by moving on a temporary basis or permanent basis to work in other, more secure areas.
- An entrenched pattern over much of Indonesian where family seek to enhance their security by deploying some family members to work outside of the home area to thereby create multiple sources of income and reduce the effects on the family and failure of one source of income.
- The proliferation of a “migrant industry” in Indonesia involving, recruiters, travel providers, labour organizer and other intermediaries who facilitate the flow of labours to destination within ad outside the country.
- A tradition of responding to crisis situation by sending out family members to destinations perceived to offer employment possibilities and attract remittances to the home area.

**2. Situation of Young People in Rural – Urban Migration;**

Many school leavers / school drop out migrating to urban areas to enter the labour market unprepared and with expectations that are very different from the realities. Thus many young women and men experience longer spells of unemployment when they look for the first job. Unsuccessful attempts to seeks, work in the formal economy often leads to discourage youth who eventually end up in the informal sector, where quality, productivity and security are low. The majority of young job-seekers rely on informal networks and contact to search for jobs whereas the role of public employment services, education and training institutions and jobs fair play a very small role in assisting young women and men to search for jobs.

**HOW IS THE LIVELIHOOD FOR YOUTH IN THE CITIES**

**1. Untapped and Underutilized Youth;**

Indonesia has the world fourth largest youth population with over 38,4 million young women and men between the ages of 15 to 24 years. The full potential of the majority of Indonesian youth, however, is not being reached because they have no access to productive jobs. In 2003, the share of under utilized (*unemployment and under employed*) youth in the labour force and the share of untapped/neither in education nor in the labour force youth in the total youth population was 52,7 percent ad 19,5 percent respectively. Indonesian youth comprises almost 18 percent of the country population.

**Untapped and Underutilized Youth (%)**

|  | 1990 | 1998 | 2003 |
|--|------|------|------|
| <b>Share of Untapped Youth*)</b>       | 19,5 | 13,3 | 20,6 |
| <b>Share of Underutilized Youth**)</b> | 48,6 | 52,8 | 52,7 |

\*) % share of those youth in the total youth population who are neither in education nor in the labour force.

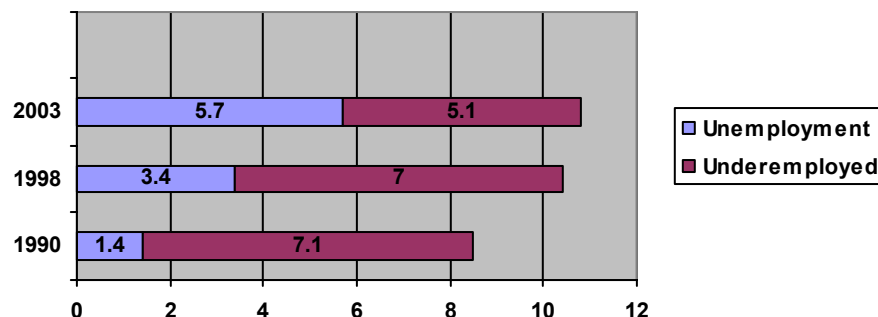
\*\*\*) % share of those youth in the labour force who are employed or underemployed.

In the post-crisis period, the youth employment situation has deteriorated which is shown by the growing share of untapped youth in the total youth population and the growing number of unemployed youth.

**2. Youth Employment Situation;**

The following shows that in 2003 unemployment rate of young men had risen to 25,5 percent and young women to 31,5 percent over all, the youth unemployment rate was almost four times higher that the adult rate.

**Figure Unemployed and Underemployed Youth**



Youth unemployment and under employment trends do not fully capture the youth employment problems in Indonesia because the latter often show up in divergent trends between the formal and the informal sectors and across economic sector. In 2003 close to 60 percent of the youth worked in the formal economy are in low productivity activities were earning are low and unstable and mostly lives and concentrated at slums in the urban areas.

### **3. Education**

#### **3.1. Status and Trends**

Indonesia defines basic education as nine years of primary education (ages 7 to 12 years) and three years of Junior Secondary Education (ages 13 to 15 years) the Susenas (National Socio-Economic Survey) 2004 data shows that access to primary level is high. The Net Enrolment Ratio (NER) for primary schools has risen from 88,7 percent in 1992 to 93 in 2004. the NER's are significantly different from the Gross Enrolment Ratio (GER). According to the Ministry of National Education data of 2002, the GER at primary schools has reached 112 percent, significantly greater than the NER, which only reaches 94 percent. This indicates that there is number of children aged below 7 years (underage) and those whose age more than 12 years (overage) are still at elementary schools. The Ministry of National Education data shows that primary schools students whose age is less than 7 years share 10,3 percent and those whose age are over 12 years are 5 percent.

With regard to the educational participation, there are no significant different between rural and urban areas, between men and women and between economic groups in the community. However, it also reveals that participation at primary levels varies by province.

#### **3.2. Challenges**

The main challenges in Indonesia's educational development among others are as follows;

- a. Educational attainment of Indonesia population is low.
- b. There is still wide discrepancy in terms of educational attainment among groups in the community, such as between the poor and the rich, between men and women, between urban population and rural population and in the regions.

## **WHAT IMPACT DOES ECONOMIC HAVE ON THE LIVES OF YOUNG PEOPLE IN THE CITIES**

### **Driving Factors**

From the outlook of poverty alleviation it is important to recognize that most population mobility occurring in Indonesia is non-permanent in nature and is not detected in standard data collection. Although there is no substantiating data collected in censuses or national surveys it is clear that the tempo of non-permanent movement has greatly increased over the last three decades. The World Bank has estimated that at least 25 percent of rural households in Java have at least one family member working for part of the year in urban areas. This increasing tempo of non-permanent migration has become of even greater significance over the last decade with improvements in transport, advances in education, changes in the roles of women and increased urban and industrial development.

Some reasons for opting for non-permanent migration include the following elements;

- This type of mobility strategy is highly compatible with work participation in the urban informal sector since the flexible time commitments allow time to circulate to the home village. Similarly, the ease of entry to the urban informal sector is a factor;
- Participation in work in both the urban and rural sectors spreads the risk by diversifying families' portfolio of income earning opportunities;

- The cost of living in urban areas is considerably higher than in rural areas so keeping the family in the village and earning in the city while spending in the village allows for greater purchasing power;
- Transport system is cheap, for example in Java, diverse and allows workers to get to their home village quickly;
- Job options in the village, especially during seasonal increases in demand for labour (such as harvesting time) are able to be kept open. Hence risk can be spread over several sources of income;
- In many cases there is a social preference for living and bringing up children in the village where there are perceived to be less negative, non-traditional influences;
- Social networks are crucial in the development of this form of migration. Most temporary Migrant make their initial movement with other experienced migrants or join family or friends established at the destination. The most common areas that migrants choose in seeking temporary work includes;
  - Areas of resource exploitation – mines, forestry and plantation.
  - Large construction projects.
  - Border area development zones.

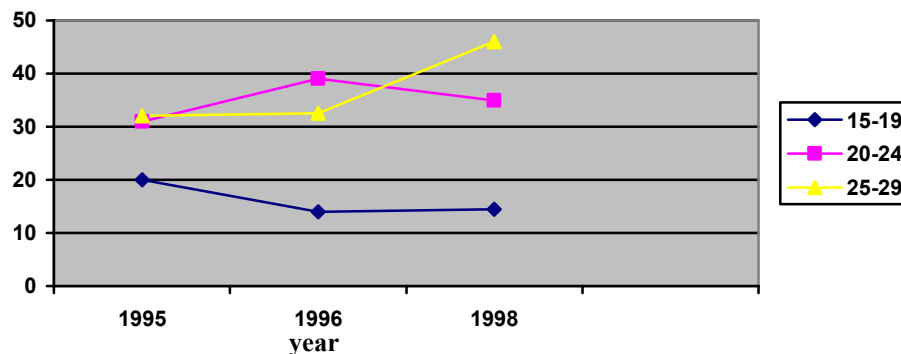
A study made by a university in Jakarta on the correlation between urbanization and unemployment in the eastern part of Jakarta has disclosed that high level of urbanization created a high level of unemployment with 53,44% value of contribution and 45,56% influenced by other factors.

**Social Consequences**

Youth unemployment and underemployment are the result of excessive supply of youth labour and job availability. An increase in the youth unemployment rate could aggravate the situation where there are many existing youngsters who have been unsuccessful in their job search. Those trapped in such a disadvantaged situation may seek another way to exercise their potential and there is no guarantee it would not be manipulated toward unhealthy and socially unacceptable activities.

Youth deviant behavior, drug abuse and general crime rates have increased. In 1998, more than 40 percent of the in-patient young people between 20-24 were experiencing drug problems (Figure 18). The younger secondary school age group has shown a significant degree of drug abuse problems (more than 30 percent) since 1995. Although the figure does not account for outpatients or unregistered addicts, it should be interpreted as a warning to society of the social consequences of youth unemployment.

**Figure : 18 Percentage of In-Patient Youth for Drugs Abuse Cases by Age Group 1995 – 1998**

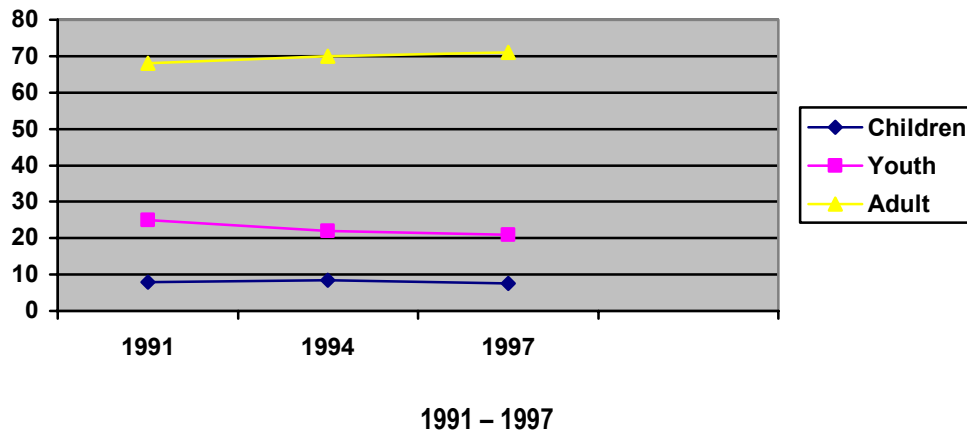


Source : Indonesia Central Agency of Statistic : 1998 Children and Youth Welfare

It seems that there is a correlation between youth employment problems and youth crime rates. The gap between the high income earners and the less fortunate is another contributing factor to an UNSFIR (United Nations Support Facility for Indonesian Recovery) report on regional disparity in Indonesia, the disparity within a

province (Todjoeddin, at.al. 2001). By employing the Regional Decomposition Analysis on Theil and L-Index, it was observed that 80 percent of the total disparity existed within province disparity, which could result in the disparities among various income levels, between the rich and poor, between the migrant and non-migrant, and the other 20 percent belonged to the inter-province disparity. Those in the lower class are motivated to take a shortcut to catch up with the upper class. Youth are generally easily influenced and cannot resist taking action to fulfill their desires. Figure 19 below presents data on yearly imprisonments. During 1991 – 1997, the figure for youth is 20 percent.

**Figure 19 : Percentage of Additional Prisoners by Age Group**



Source : Indonesia Central Agency of Statistics : 1991, 1994, 1997 Social Welfare Indicators

In a big city like Jakarta, youth related crimes are not always petty or drug related. High school students fights, for example, with many casualties, have often made the headlines.

A study by Adiningsih (2001) found that in Jakarta during 1994 – 1997 student fights, involving 10 percent junior high schools, occurred in 137 schools. In 1989, 6 students died, 29 were badly injured, and 136 wounded. Nine year later, 15 students died, 34 were badly injured, and 136 wounded. Furthermore, during 1999 to March 2000, 26 students died, 56 badly injured, and 109 wounded. Street fights involved 1,369 students, shows that out of 1,245 who were involved in street fights and were detained by the police, only 50 were put on trial. According to the law, students who have proven to be involved in street fights could face 2.5 year's imprisonment. Those proven to be guilty of carrying sharp objects such as a knife would face 5 year's imprisonment.

The latest data on youth health, drugs and juvenile delinquencies in 2003 and 2004 are as follows;

- **Health;**

17,7 percent or 0,2 percent of the youth population are facing health sigh. Consisting 17,4 percent in urban areas and 17,9 percent in rural areas.

Painful number of youth has reach 9,9 percent among 100 youth or 10 youth among 100. Painful number in urban areas 9,6 percent and 10,2 percent in the urban areas.

- **Drugs Users;**

3478 cases in year 2000.

8401 cases in year 2004 or increased 238,9 percent.

According to the National Survey in 2003 has disclosed the composition of drug users as follows;

Universities Students 9,9 percent

High School Students 4,8 percent

Intermediate School Students 1,4 percent

- **Juvenile delinquency;**

National Police data has shown that in 2003 there are 192 flight case among students and 92 cases take

place in Jakarta remote area.

- **HIV / AIDS;**

Number of cases 4,159 with the following composition of age groups.

20 – 29 = 43,74 percent

30 – 39 = 29,72 percent

40 – 49 = 11,18 percent

Infection Type;

Hetero Sexual = 50,81 percent

Homo Sexual = 9,2 percent

Injection = 26,47 percent

If not taken seriously, youth problems could be a serious threat to the future of youth in general. There have to be specifically designed policies for youth, not only to alleviate the unemployment and underemployment incidences, but also to improve the social-cultural structure, thus creating a safe and sound environment for them to grow, study and participate in the development of the country.

**IN CITY PLANNING HOW ARE THE INFRA STRUCTURAL NEEDS OF YOUNG PEOPLE MET? DO YOUTH (ORGANIZATIONS) PARTICIPATE IN THE CITY PLANNING?**

In general youth or youth organization has not been effectively involved in the process and decision in city planning. In other word there is a need to encourage the government to established a mechanism which involved the participation of youth in the decision making process.

**RURAL COMMUNITY ECONOMIC EMPOWERMENT**

In view to promote self-employment and encourage youth to choose employment opportunities in the rural areas instead of non-permanent migration to the urban areas numbers of initiatives has been taken by the government, among others;

**1. Rural Community Economic Empowerment “Bina Daya Mandiri of East Java Province”.**

Objective : To encourage the process of local economic growth based on the potential of local community.

Type of Funding : Revolving fund.

Source of Funding : Differential of petrol price subsidy.

Activities Support :

1. Development of SME's
2. Youth Development
3. Avocation and Gender Study
4. Entrepreneurship

Type of supported business activities, among others;

1. Production of cassia Vera chip (home industry) in Probolinggo established in 2003
2. Stone craft in Mojokerto established in 2005
3. Non-bank institution established in 2005
4. Production of Bamboo furniture established in 2005

**2. Government Approaches and Initiatives**

1. For the purpose of increasing the knowledge and skill quality particularly the community in the rural areas, the Ministry of the National Education has established more **600 Community Learning Centre** spread through out the country.

2. The community Learning Center serves as “**community friendly venues**” in elevating the technical skill and practical knowledge of the local people based on the local genius.
3. **Life Skills Program**, in the form of block grant aimed to boost entrepreneurship among the youth has also being promoted for the last 3 years by the Ministry of the National Education.
4. **ILO and the Ministry of National Education** in the school year of 2006 / 2007 shall established entrepreneurship education Know About Youth Business (KAYB) and Start Your Business (SYB) programme covering 5.300 high schools. This strategic project in expected to raise entrepreneurial thinking, attitudes and behaviors extending to the development of job creating business, is needed if Indonesian youth are to reach their potential and contribute to economic growth and social stability.
5. Another initiative taken by the Jakarta Institute for Education Quality Assurance, Ministry of National Education expected to be supported by the World Bank is to established a specific form out-of-School Education at slum areas in Jakarta as a pilot project. It is expected that UNDESA would support the establishment of the project.

## **CONCLUSION**

1. The consequences of urbanization for the lives of young people perpetuate a vicious cycle of poverty and exclusion. Urbanization is linked to personal and social problems such as poor health, crime, vandalism and drug. Not only is this a disheartening but it also contribute to the loss of the creative talents of young people who otherwise would be making innovative contribution to the workforce and society.
2. In view to manage the social impact of the global economic integration as a community of caring societies, are committed to minimize its social cost including the social consequences of urbanization to the young people and the emergence of mega cities home to millions of people, is another direct consequence of economic growth and of the shift from agriculture to industrially based economies.
3. As five of the ten countries with the largest concentration of young people living on less than US\$ 1 a day are found in Asia including the high movement of urbanization which represent more than 50 percent of the world youth there is a strong need to focus those ten countries through a **YOUTH SUMMIT + 10** initiated by the United Nations.
4. The Youth Summit + 10 is expected to address the most critical issues which unlock the potential of youth including the introduction of time line and measurable level of progress.
5. Finally, I kindly invite this important form to support the idea of to convene the; **YOUTH SUMMIT + 10; THE WAY FORWARD.**