

**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 (Map Indonesia).



- 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.

INDONESIA TODAY : GENERAL OVERVIEW

2. Populations;

World Urbanization Prospects:
The 2003 Revision Population Database

2.1 Total number of population.

Indonesia

Table 1 : Total population (thousands) 1950-2030

Year	Total population
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

INDONESIA TODAY : GENERAL OVERVIEW

Indonesia

Table 2 : Urban population (thousands) 1950-2030

Year	Urban population
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

Table 3 : 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 TODAY : GENERAL OVERVIEW

Indonesia

Table 4 : Rural population (thousands) 1950-2030

Year	Rural population
1950	69 675
1955	74 815
1960	81 939
1965	89 765
1970	99 513
1975	108 475
1980	116 944
1985	122 869
1990	126 419
1995	127 101
2000	122 696
2003	119 582
2005	117 433
2010	111 635
2015	105 806
2020	100 278
2025	95 374
2030	89 721

Indonesia

Table 5 : 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 is estimated around 4 millions up to the year of 2015.

INDONESIA TODAY : GENERAL OVERVIEW

3. Demographic Trends;

Table 6 : 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
MALAYSIA	24.4	2.5	63.8	33.0	3.5
THAILAND	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
TOTAL	2,015.6				

Source UNDP – Human Development Report 2005



4. Educations;

4.1 Total number of population.

Table 7 : 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.

Table 8 : 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 : *SARJANA-OPS*

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

- i. To create safe and peace**
- ii. To create fair and democratic**
- iii. 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**

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 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.

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.

URBANIZATION INDONESIA

Table 9 : 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
Indonesia	42,0	48,3	54,2	59,5	64,2	68,3

URBANIZATION INDONESIA

5. Comparison between Rural and Urban Growth Rate

Indonesia

Table 10 : 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

Table 11 : 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



URBANIZATION INDONESIA

Indonesia
Table 12 :

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
Table 13 :

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

HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

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.

Table 17 : 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
SUMATRA	14,11	8,00	9,98
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

HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

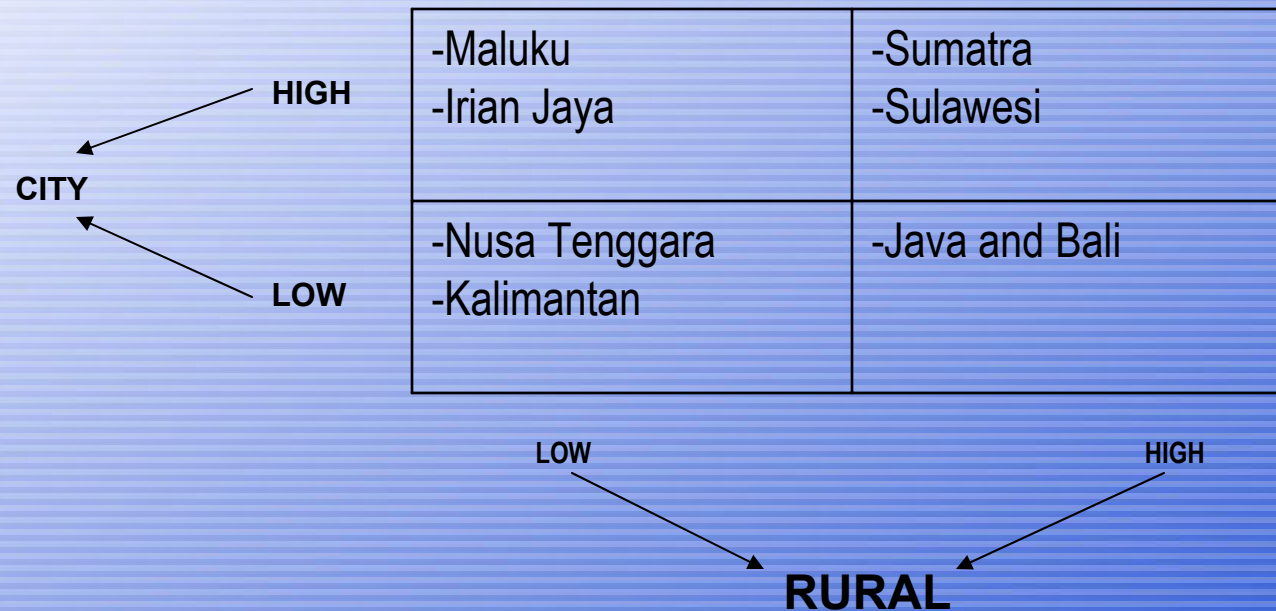
LEVEL OF OPEN EMPLOYMENT ACCORDING TO URBAN AND RURAL AREAS IN 2004

Province	City	Rural District	Total (percent)
JAWA and BALI	12,12	8,05	9,99
Nusa Tenggara Barat	11,00	5,52	7,48
Nusa Tenggara Timur	16,28	2,76	4,48
NUSA TENGGARA	12,41	3,91	5,96
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
NUSA OF SOUTH-EAST	11,71	4,55	6,59
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
SULAWESI	17,46	10,96	12,72
Maluku	18,89	9,26	11,67
Irian Jaya	17,05	4,44	7,53
Papua	20,98	4,82	8,00
MALUKU IRIAN JAYA	19,62	5,76	8,79
INDONESIA	12,73	7,86	9,86

Source : Sakernas 2004, BPS

HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

Agglomeration of Open Unemployment Rural / Urban



HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

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 Opportunity 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 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.

HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

Table 18 : WORK FORCE ACCORDING TO BUSINESS SECTORS 1993 – 2004

Business Sectors	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Farmers, Forestry, Hunter and Fishery	34.727.530 45,17	36.238.118 45,48	36.238.828 44,40	36.239.537 43,37	35.848.631 41,18	39.414.765 44,96	38.378.133 43,21	40.676.713 45,28	39.743.908 43,77	40.633.627 44,34	42.001.437 46,26	40.608.019 43,33
Passenger and Spade	648.396 0,84	725.181 0,91	738.199 0,90	751.217 0,90	896.611 1,03	674.597 0,77	725.739 0,82	0 0,00	0 0,00	631.802 0,69	729.047 0,80	1.034.716 1,10
Process Industry	8.910.160 11,59	10.572.928 13,27	10.565.956 12,95	10.558.983 12,64	11.214.822 12,88	9.933.622 11,33	11.515.955 12,97	11.641.756 12,96	12.086.122 13,31	12.109.997 13,21	10.927.342 12,04	11.070.498 11,80
Electric, Gas and Water	196.987 0,26	182.176 0,23	172.870 0,21	163.563 0,20	233.237 0,27	147.849 0,17	188.321 0,21	0 0,00	0 0,00	178.279 0,19	156.358 0,17	230.869 0,25
Building	3.016.804 3,92	3.530.881 4,43	3.651.639 4,47	3.772.397 4,52	4.200.200 4,83	3.521.682 4,02	3.415.147 3,85	3.497.232 3,89	3.837.554 4,23	4.273.914 4,66	4.106.597 4,52	4.540.102 4,84
Trade Commerce, Retail, House Steak and Hotel	13.542.571 17,62	13.710.719 17,21	14.766.455 18,09	15.822.191 18,94	17.221.184 19,78	16.814.233 19,18	17.529.099 19,74	18.489.005 20,58	17.469.129 19,24	17.795.030 19,42	16.845.995 18,56	19.119.156 20,40
Transportation, Store and Communication	3.229.451 4,20	3.351.665 4,21	3.641.330 4,46	3.930.994 4,70	4.137.653 4,75	4.156.707 4,74	4.206.067 4,74	4.553.855 5,07	4.448.279 4,90	4.672.584 5,10	4.976.928 5,48	5.480.527 5,85
Financial, Insurance, Labour Rent Building, Ground and Business	646.274 0,84	623.220 0,78	654.869 0,80	686.518 0,82	565.724 0,75	617.722 0,70	633.744 0,71	882.600 0,98	1.127.823 1,24	991.745 1,08	1.294.832 1,43	1.125.056 1,20
Service Society	11.961.160 15,56	10.752.342 13,49	11.189.650 13,71	11.626.961 13,92	12.637.533 14,52	12.394.272 14,14	12.224.654 13,76	9.574.009 10,66	11.003.482 12,12	10.360.188 11,30	9.746.381 10,74	10.513.093 11,22
Other	0 0,00	0 0,00	0 0,00	0 0,00	0 0,00	0 0,00	0 0,00	522.560 0,58	1.091.120 1,20	0 0,00	0 0,00	0 0,00
TOTAL	76.879.333 100,00	79.687.230 100,00	81.619.796 100,00	83.552.361 100,00	87.049.756 100,00	87.672.449 100,00	88.816.859 100,00	89.837.730 100,00	90.807.417 100,00	91.647.166 100,00	90.784.917 100,00	93.722.036 100,00
	0	0	0	0	0	0	0	0	0	0	0	0



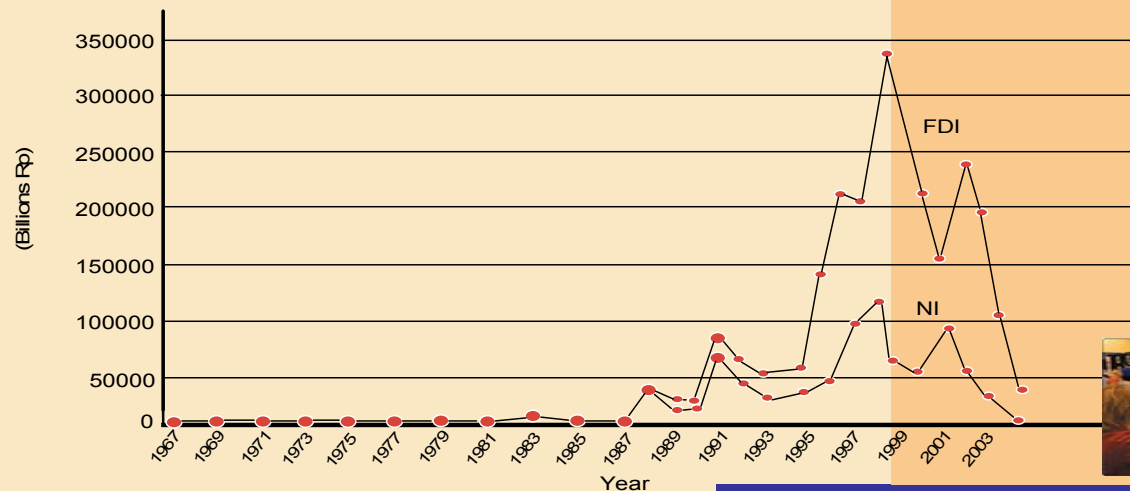
HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

4. Situation of Investment Climate;

Table 19 : Trend Investment Approval 1967/68-2004

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)

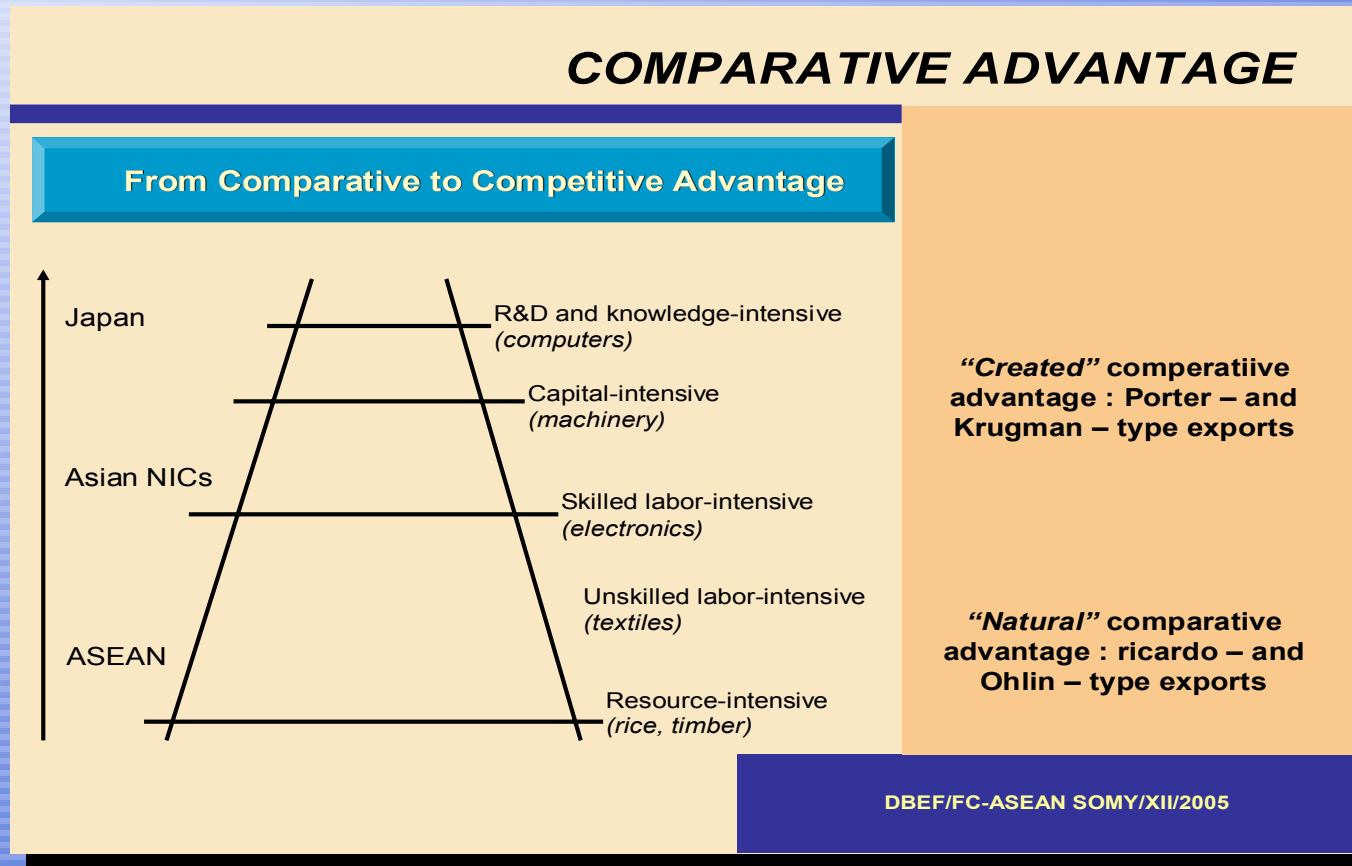
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HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

4. Situation of Investment Climate; *(continues)*

Table 20 : Comparative Advantage



HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

4. Situation of Investment Climate; *(continues)*

Table 21 : Index of Perception of Corruption Year 2004 in Indonesia

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		

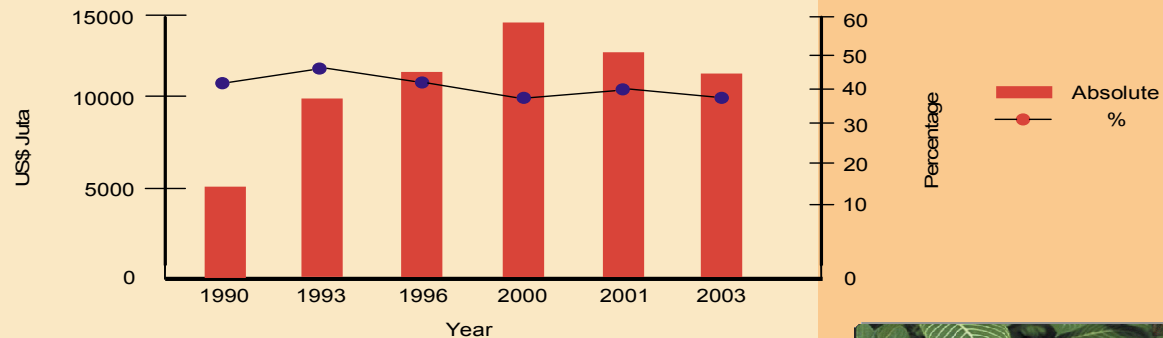
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HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

4. Situation of Investment Climate; *(continues)*

Table 22 : Contribution Product

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 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.

HOW ARE YOUNG PEOPLE IN INDONESIA INFLUENCED BY URBANIZATION

Table 23 : Progress of Work Opportunities Based on Formal and Informal According to Business Sectors 1998 – 2004

Business Sectors	1998	1999	2000	2001	2002	2003	2004
Agriculture	39.414.765	38.378.133	40.676.713	39.743.908	40.633.627	42.001.437	40.608.019
- 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	38.068.056	36.088.220
Mining	674.597	725.739	522.560*)	1.091.120*)	631.802	729.047	1.034.716
- 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
Industry	9.933.622	11.515.955	11.641.756	12.086.122	12.109.997	10.927.342	11.070.498
- 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
Electricity	147.849	188.321	-	-	178.279	156.358	230.869
- Formal	128.995	176.750	3.497.232	3.837.554	161.101	133.506	203.433
- Informal	18.854	11.571	2.984.420	2.196.710	17.178	22.850	27.436
Public Works	3.521.682	3.415.147	512.812	1.640.844	4.273.914	4.106.597	4.540.102
- Formal	2.829.228	2.876.338	18.489.005	17.469.129	1.962.207	1.988.744	2.019.743
- Informal	692.454	538.809	3.699.418	3.710.602	2.311.707	2.117.853	2.520.359
Trade	16.814.233	17.529.099	14.789.587	13.758.527	17.795.030	16.845.995	19.119.156
- Formal	2.862.075	3.151.731	4.553.855	4.448.279	3.902.501	3.583.839	4.378.261
- Informal	13.952.158	14.377.368	1.734.232	1.725.424	13.892.529	13.262.156	14.740.895
Transportation	4.153.707	4.206.067	2.819.623	2.722.855	4.672.584	4.976.928	5.480.527
- Formal	1.692.692	1.635.354	882.600	1.127.823	1.598.606	1.560.203	1.835.240
- Informal	2.461.015	2.570.713	773.377	1.030.574	3.073.978	3.416.725	3.645.287
Finance	617.722	633.744	109.223	97.249	991.745	1.294.832	1.125.056
- Formal	589.418	589.183	9.574.009	11.003.482	931.529	1.216.934	1.019.042
- Informal	28.304	44.561	8.085.057	8.376.183	60.216	77.898	106.014
Services	12.394.272	12.224.654	1.488.952	2.627.299	10.360.188	9.746.381	10.513.093
- Formal	10.019.402	9.693.385			7.976.008	7.451.348	8.036.001
- Informal	2.374.870	2.531.269			2.384.180	2.295.033	2.477.092
Total	87.672.449	88.816.859	89.837.730	90.807.417	91.647.166	90.784.917	93.722.036
- 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 : SAKERJOLS – 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.

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 interne diaries who facilitate the flow of labours to destination within and 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 migration 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-sectors 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.

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 92,7 percent ad 19,5 percent respectively. Indonesian youth comprises almost 18 percent of the country population.

Table 24 : Untapped and Underutilized Youth (%)

	1990	1998	2003
Share of Untapped Youth*)	19,5	13,3	20,6
Share of Underutilized Youth**)	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.

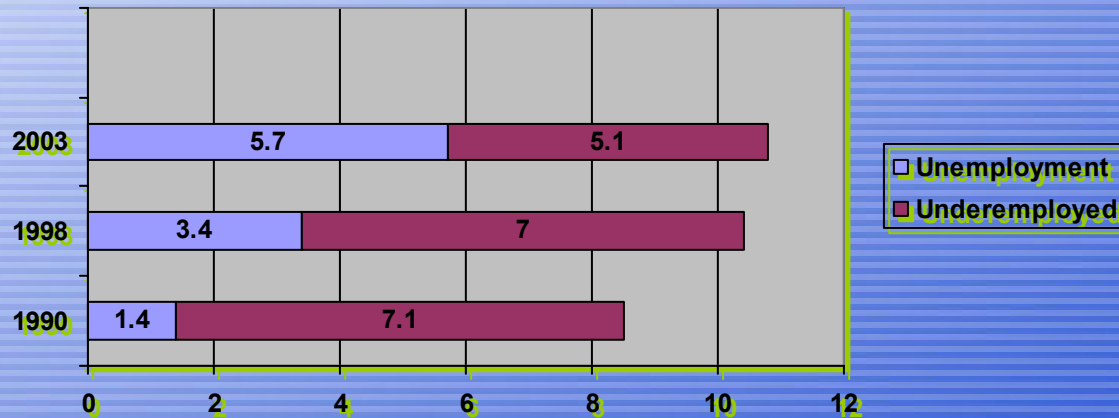
***) % share of those youth in the labour force who are employed or underemployed.

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.

Table 25 : Figure Unemployed and Underemployed Youth



3. Education

3.1 Status and Trends

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).

- Net Enrolment Ratio (NER) primary school risen 88,7 percent in 1992 to 93 percent in 2004
 - Gross Enrolment Ratio (GER) primary school in 2002 has reached 112 percent.
- Indicators;
- Children aged below 7 yrs (underage) and 12 yrs (over age) are still at elementary schools.
 - Primary school student age less than 7 yrs share 10,3 percent and over 12 yrs, 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

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.

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

Driving Factors

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.

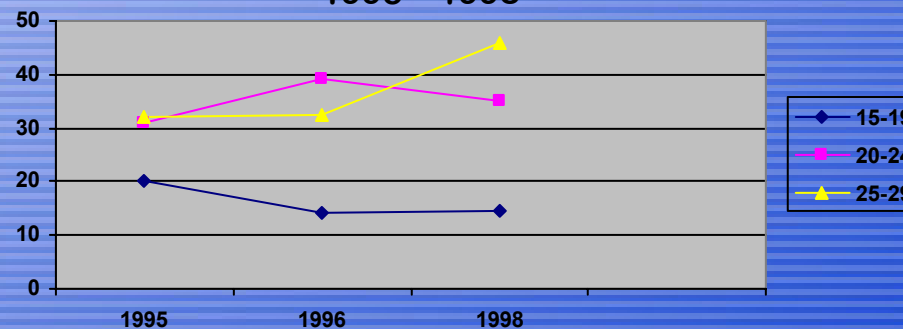
WHAT IMPACT DOES ECONOMIC HAVE ON THE LIVES OF YOUNG PEOPLE IN THE CITIES

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 26). 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.

Table 26 : Percentage of In-Patient Youth for Drugs Abuse Cases by Age Group
1995 – 1998

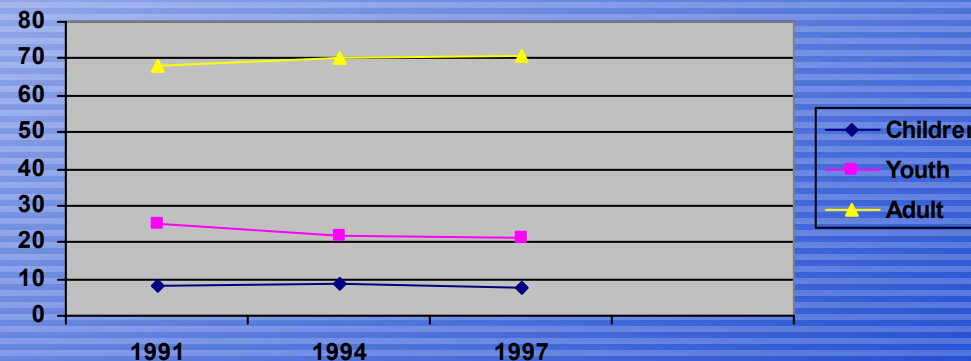


Source : Indonesia Central Agency of Statistic : 1998 Children and Youth Welfare

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

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 Their 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 27 below presents data on yearly imprisonments. During 1991 – 1997, the figure for youth is 20 percent.

Table 27 : Percentage of In-Patient Youth for Drugs Abuse Cases by Age Group
1995 – 1998



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

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

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.

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

The latest data on youth health, drugs, juvenile delinquencies and HIV/AIDS 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;

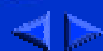
Universities Students 9,9 percent

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.



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

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

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.
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 genoa.**
- 2. 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.**
- 3. Entrepreneurship Education through Know About Your Business (KAYB) and Start Your Business (SYB) covering 5.300 high schools to be implemented in 2006 / 2007 (*ILO and Ministry of National Education*).**
- 4. Specific form of out-of-school education at Slum Areas in Jakarta (*expected collaboration between ten Jakarta Institute for Education and World Bank*).**

CONCLUSION

1. Urbanization social consequences to the Young People;

- Vicious cycle of poverty and exclusion
- Elevate the level of unemployment
- Vulnerable to be exploited due to their lack of education
- “Forced Entrepreneurship” into the informal sector where quality, productivity and security are low
- Poor health
- Crime
- Vandalism
- HIV/AIDS
- Intensification of slum areas
- Juvenile delinquencies

And most important the loss of the creative of young people who otherwise would be making innovative contribution to the workforce and society.

2. Strategic Recommendation;

YOUTH SUMMIT + 10; THE WAY FORWARD

Objective:

To address the critical issues in ten most largest concentration of young people living on less than US\$1 a day.

**THANK YOUR FOR
GENEROUS ATTENTION???**