

# Optimising the national strategy for progressive employment absorption to ensure the rights and responsibilities of citizens in Indonesia

Rizda Ardyati \*

Universitas Sebelas Maret, Indonesia  
[rizda\\_ardiyati@staff.uns.ac.id](mailto:rizda_ardiyati@staff.uns.ac.id)

Afridah Ikrimah

Chulalongkorn University, Thailand  
[6684015051@student.chula.ac.th](mailto:6684015051@student.chula.ac.th)

\*Corresponding Author

## Article History

Submitted : 21-09-2024

Accepted : 14-12-2024

Revised : 04-11-2024

Published : 20-01-2025

## Abstract

Indonesia is experiencing a demographic transition phenomenon. This can be seen from the results of the 2010 population census, which showed a positive trend in the productive age population, namely 15-64 years. In that year, the proportion reached 66% of the total population. The potential growth of Indonesia's productive population can be an engine of sustainable economic growth or a source of social conflict between classes in the future, if the government cannot handle this potential, it will become a problem related to fulfilling the rights of citizens to get decent work, because instead of being absorbed into the workforce, it will cause social conflict. The data used for this research is secondary data obtained from library materials such as books, journals, and data from the Central Statistics Agency (BPS). The data used is a combined panel of time series and cross-sections from 2019 to 2023. The Human Development Index (HDI) of Central Java Province is still below the value of the HDI; this results in the HDI not having a significant effect on employment in the City / Regency in Central Java Province. This is because the human resources in the cities/districts of Central Java Province are still of low quality and unable to keep up with other provinces in Indonesia. The strategy that can be used in the framework of labour absorption is to improve resources to be more qualified so that they can get a job according to the business field they are interested in.

**Keywords: Population, Citizen Rights, and Labor.**

## Introduction

Indonesia is experiencing a demographic transition phenomenon. This can be seen from the results of the 2010 population census, which showed a positive trend in the productive age population between 15-64 years. In that year, the proportion reached 66% of the total population. The potential growth of Indonesia's productive population can be an engine of sustainable economic development for the country or a source of social conflict between classes in the future (Ananta & Arifin, 2014; Kudrna et al., 2022).

Therefore, the number of the productive population must be followed by an increase in the quality of the productive age population so that the productive population can get the right job opportunities according to the needs of the world of work or even be able to create jobs,



mainly when globalisation and the implementation of the ASEAN Economic Community cause labour migration to enter Indonesia.

Indonesia is poised to harness its large population, which will lead to a substantial workforce in the coming years. This demographic advantage has the potential to drive significant economic growth, especially as efforts are made to ensure that the workforce is well-educated and skilled (Iyer-Raniga & Dalton, 2021; Ratnawati et al., 2021). With a considerable portion of the population under 25, the country stands at the brink of an exciting opportunity for long-term economic development (Iyer-Raniga & Dalton, 2021). If this youthful demographic is effectively integrated into the workforce, we could soon witness a transformative phase for Indonesia's economy (Ratnawati et al., 2021).

The demographic phenomenon has both positive and negative impacts on the government. On the positive side, it provides a substantial pool of productive human resources. However, it also places the responsibility on the government to ensure adequate job opportunities to absorb this workforce and fulfil citizens' rights to decent work, thereby preventing potential social conflicts.

Labour absorption is one of the fundamental aspects of human life that influences various social and economic dimensions (Swarbrick et al., 2024). Labour absorption reflects the ability of a country or region to provide decent employment opportunities for its population (Farris, 2015). Labour absorption is fundamental to human life and consists of social and economic aspects. Labour absorption is one of the supporting factors for economic development carried out by developing countries, which aims to create equitable economic growth. Kusumowindo defines labour as the sum of all residents in a country who can produce goods and services if there is a demand for labour. The employment issue remains unresolved, as sufficient job opportunities do not match the growing population and increasing number of unemployed workers. In reality, jobs are not always readily available. As the number of people in the productive age group rises, so does the size of the labour force. Consequently, having substantial human resources and relevant skills is essential for workers to secure decent employment, as those unable to compete effectively risk exclusion from the workforce and prolonged unemployment.

This problem must be resolved to realise equal welfare distribution so that the population can get a job and develop the country. The role of the government is crucial, as it is the one that can provide good quality jobs to many residents, especially in Central Java.

**Table 1.**

*Population of Central Java Province*

| Year | Total Population |
|------|------------------|
| 2019 | 34.718.204       |
| 2020 | 36.516.035       |
| 2021 | 37.742.501       |
| 2022 | 37.032.410       |
| 2023 | 37.540.962       |

*Source: BPS-Statistics Indonesia Website, 2024.*

Table 1 shows that the population in Central Java Province has been steadily increasing each year. According to data from the Central Java BPS, the population grew from 34,718,204 in 2019 to 37,540,962 in 2023. With this population growth, it is expected that the Central Java provincial government will focus on improving the quality of its population, enabling it to contribute to production and drive economic growth. However, this population increase must also be matched by a rise in job opportunities to prevent unemployment.

Table 2 shows that employment in Central Java Province fluctuates each year. As seen in Table 2, employment decreased in 2020 but increased from 2021 to 2023. This indicates that

labour absorption has not been optimised, as there are still both declines and increases in employment. This should encourage the Central Java Provincial Government to focus on improving the quality of human resources, ensuring they are more skilled, and addressing wage levels, as they can impact labour absorption. Additionally, the government should work to create more job opportunities so that the entire available workforce can be absorbed.

**Table 2.**

*Number of Workers Absorbed in Central Java Province*

| Year | Number of Workers |
|------|-------------------|
| 2019 | 17.602.917        |
| 2020 | 17.536.935        |
| 2021 | 17.835.770        |
| 2022 | 18.390.459        |
| 2023 | 19.988.875        |

Source: BPS-Statistics Indonesia Website, 2024.

The Human Development Index calculated by the United Nations is often criticised because it does not reflect the actual development of a country (Ibar-Alonso et al., 2019). The HDI is a composition index based on three indicators: Health, Education, and human living standards. HDI is one aspect that impacts employment in Central Java Province; if every community has quality human resources, it can quickly get the desired job. Quality human resources can be achieved by investing in education and health through mastery of knowledge and skills. Based on Figure 1 above, the HDI fluctuated in 2013-2022. In 2019-2021, the HDI achievement slowed down due to the COVID-19 pandemic caused by lower per capita spending and income levels. In 2020, the HDI increased by 0.40%, initially starting at 71.87 and in 2021 became 72.16. Based on the above background, this study aims to determine the effect of the HDI on labour absorption and national strategies for accelerating progressive labour absorption.

Research on national strategies for optimising labour absorption significantly contributes to the field of citizenship education by enriching an understanding of the relationship between the rights and responsibilities of citizens in national life. This contribution includes strengthening learning materials highlighting the importance of work as a fundamental right of citizens protected by the constitution and the responsibility to participate in national development. This research can be used to develop a citizenship education curriculum that emphasises the practical aspects of active citizen participation, such as its role in increasing national productivity, overcoming unemployment, and creating social stability.

The novelty of this research lies in integrating the concept of active citizenship with progressive economic development strategies. This research proposes an intervention model that focuses on the collaboration between government, society, and the private sector to fulfil the right to work for all citizens. This approach is relevant for citizenship education and provides a theoretical and practical foundation for addressing socio-economic challenges like unemployment and inequality. Thus, this research offers a new perspective on citizenship education, linking the values of democracy, social justice, and economic sustainability with more active and responsible citizen participation.

## **Method**

This research employs a robust and multifaceted methodology by harnessing an extensive range of secondary data sourced from reputable and authoritative references, including scholarly books, peer-reviewed scientific journals, and official reports published by BPS-Statistics Indonesia. By utilising a combined panel data framework that intricately merges both temporal dimensions spanning from 2019 to 2023 and spatial dimensions covering various regions, this study aims to uncover nuanced insights into the dynamics of change over time as well as the differences observed between different regions.

This comprehensive analytical approach not only facilitates an in-depth examination of trends and transformations but also enhances our understanding of the intricate patterns and interrelationships within the phenomenon being investigated. By integrating diverse data points across multiple years and locations, the research provides a fresh perspective that captures the complexities of the subject matter, enabling more informed conclusions and recommendations that reflect the realities on the ground

### Result and Discussion

Based on the research results, the HDI has no significant effect on labour absorption in Central Java Province. This shows that if the HDI increases by 1%, it does not affect labour absorption by 91,354,956 people. This is because the quality of human resources in Central Java is still low. Indicated by the HDI indicator, as one indicator of the success of human life quality development, where the HDI of Central Java Province, based on data from the Central Bureau of Statistics in 2013-2022, reached 72.8%, which is still below the National HDI average. In addition, the research results also show that the labour force has a positive and significant effect on employment. This illustrates that existing employment opportunities can accommodate an increased labour force.

**Table 3.**

*Human Development Index of Central Java Province by City/Regency*

| City/District        | Human Development Index |       |       |
|----------------------|-------------------------|-------|-------|
|                      | 2021                    | 2022  | 2023  |
| Cilacap Regency      | 72.16                   | 72.79 | 73.39 |
| Banyumas Regency     | 70.42                   | 70.99 | 71.83 |
| Purbalingga Regency  | 72.44                   | 73.17 | 73.86 |
| Banjarnegara Regency | 69.15                   | 69.54 | 70.24 |
| Kebumen Regency      | 67.86                   | 68.61 | 69.14 |
| Purworejo Regency    | 70.05                   | 70.79 | 71.37 |
| Wonosobo Regency     | 72.98                   | 73.60 | 74.28 |
| Magelang district    | 68.43                   | 68.89 | 69.37 |
| Boyolali Regency     | 70.12                   | 70.85 | 71.45 |
| Klaten Regency       | 74.40                   | 74.97 | 75.41 |
| Sukoharjo District   | 76.12                   | 76.95 | 77.59 |
| Wonogiri Regency     | 77.13                   | 77.94 | 78.65 |
| Karanganyar Regency  | 70.49                   | 71.04 | 71.97 |
| Sragen Regency       | 75.99                   | 76.58 | 77.31 |
| Grobogan Regency     | 74.08                   | 74.65 | 75.10 |
| Blora Regency        | 70.41                   | 70.97 | 71.49 |
| Rembang Regency      | 69.37                   | 69.95 | 70.63 |
| Pati District        | 70.43                   | 71.00 | 71.89 |
| Kudus District       | 72.28                   | 73.14 | 73.59 |
| Jeppara Regency      | 75.16                   | 75.89 | 76.71 |
| Demak Regency        | 72.36                   | 73.15 | 73.85 |
| Semarang Regency     | 72.57                   | 73.36 | 74.07 |
| Temanggung Regency   | 74.24                   | 74.67 | 75.13 |
| Kendal District      | 69.88                   | 70.77 | 71.33 |
| Batang District      | 72.50                   | 73.19 | 73.86 |
| Pekalongan Regency   | 68.92                   | 69.45 | 70.20 |
| Pemalang Regency     | 70.11                   | 70.81 | 71.40 |
| Tegal Regency        | 66.56                   | 67.19 | 68.03 |
| Brebes Regency       | 68.79                   | 69.53 | 70.23 |
| Magelang City        | 66.32                   | 67.03 | 67.95 |
| Surakarta City       | 79.43                   | 80.39 | 81.17 |

| City/District   | Human Development Index |       |       |
|-----------------|-------------------------|-------|-------|
|                 | 2021                    | 2022  | 2023  |
| Salatiga City   | 82.62                   | 83.08 | 83.54 |
| Semarang City   | 83.60                   | 84.35 | 84.99 |
| Pekalongan City | 83.55                   | 84.08 | 84.43 |
| Tegal City      | 75.40                   | 75.90 | 76.71 |

Source: BPS-Statistics Indonesia Website

The development and achievement of the HDI of Central Java Province is inseparable from the achievement of the HDI in 35 cities/regencies, significantly increasing each component. Table 3 shows the development of the HDI in the cities/districts of Central Java Province in 2021-2023. In 2021, the highest HDI was in Salatiga City, which reached 83.60; this figure then rose to 84.08 in 2022 and continued to increase in 2023 to 84.43. This increase suggests that development policies in Salatiga may have successfully improved access to and quality of essential services and created conditions that support sustainable human development. However, to minimise disparities between regions, it is necessary to evaluate the factors affecting HDI growth rates in other cities/districts in Central Java so that these achievements can be more evenly distributed across the province, especially in areas with more significant development challenges.

Human development must be a continuous and sustainable effort to improve the quality of life and individual abilities (Deb, 2015). Collaboration between government and active community participation can optimise available economic resources (Yin et al., 2023). Human development to improve quality and capability should be a continuous and sustainable effort that must be carried out by local and central governments, with the support of the entire population and other economic resources. The Central Java Provincial Government has shown great attention to human development in regional development planning. This is also stated in the formulation of the Regional Medium-Term Development Plan (RPJMD) mission: "Strengthening the economic capacity of the people and creating jobs to reduce unemployment and poverty". To achieve this mission, a strong commitment and consistent implementation are essential. This ensures that plans are executed effectively, fostering human development to support the broader development vision, enhance the quality of human resources, and reduce unemployment among the productive age group.

Every individual of productive age in Indonesia holds the right to work, recognised as an inseparable human right. This right ensures that all individuals can participate in, contribute to, and benefit from economic, social, cultural, and political development, facilitating the full realisation of human rights and fundamental freedoms, as affirmed in the 1986 UN Declaration on the Right to Development. As all human rights are equal and interdependent, no single right should be advanced at the expense of another, ensuring the integrity of the human rights framework (Nations, 1986). To further these initiatives, human development programs must be aligned with the demands of the labour market.

The estimation of the determinants of labour absorption is conducted on eight business fields and the economy in total. The business fields include: (1) industry, (2) agriculture, (3) business, (4) building, (5) trade, (6) transportation and communication, (7) finance and rental, and (8) services. Labour absorption by the business field and as a whole is influenced by economic variables. Business field contribution has a positive influence, which means that an increase in business field output will encourage an increase in labour absorption in the relevant business field. Meanwhile, the minimum wage has a negative influence on labour absorption, so an increase in minimum wage will result in a decrease in labour absorption. For this reason, the policy of determining the minimum wage must be carried out with full consideration so as not to cause distortions in the labour market, which result in a decrease in employment and an increase in unemployment, which will lead to social conflicts because they cannot maintain a decent life.



The study titled "Impacts of Minimum Wages on Employment and Unemployment in Indonesia" reveals that an increase in the minimum wage generally harms employment in the formal sector while benefiting the informal sector. Interestingly, the study suggests that raising the minimum wage is expected to reduce unemployment, primarily because workers exit the labour market, which decreases labour force participation (Siregar, 2020). This indicates that while the formal sector may face reduced employment due to higher labour costs, the informal sector might experience growth due to workers seeking alternative opportunities. In addition, the study on "Unemployment and Poverty Determinants in Central Java" demonstrates that economic factors, including accessibility, play a pivotal role in reducing poverty by influencing employment opportunities. Furthermore, the regression analysis results also indicate that the number of graduates, diseases, and the number of industries notably impact the unemployment rate, which in turn affects the poverty rate (Wardhany, 2018). These findings highlight the complex relationship between economic factors, labour market dynamics, and poverty reduction in Central Java.

In the era of globalisation and rapid technological change, aligning educational curricula with local industry demands is becoming increasingly important (Rahmawati et al., 2024). Adjusting the education curriculum and improving the quality of education is essential (Mamtani et al., 2014). The workforce's competitiveness faces the challenges of globalisation and the changing dynamics of the job market (Buheji et al., 2022). When discussing labour absorption from the demand side, it is also essential to consider the supply side. This involves adjusting curricula and improving the quality of education to align with the needs of local industries, especially in key sectors such as industry and agriculture.

Improving job quality and integrating human resource development with infrastructure development is crucial for achieving inclusive economic growth (Esquivias et al., 2021). A literature review and interviews with university leaders show that higher education institutions in Indonesia face various challenges and opportunities in preparing students for the job market dynamics. Effective leadership is essential to address these challenges, drive innovation, and strengthen collaboration among multiple stakeholders (Akbari et al., 2024). The government of Central Java should align academic programs with industry needs to ensure universities produce skilled graduates ready to meet labour market demands. This can be achieved through curriculum updates, practical skill-based training, and closer collaboration between education and industry. The Human Development Index will play a crucial role in labour absorption, both by sector and overall, in the regional economy of Central Java Province, if the quality of human resources improves. This is because an increase in human resource quality will lead to a higher rate of labour absorption.

Discussions regarding labour absorption cannot be separated from the importance of balance between the demand and supply sides. According to Rafzan et al. (2024), policies that encourage improving the quality of work and developing strategic sectors, such as industry and agriculture, which have great potential to absorb labour, are needed. In this case, from the supply side, adjustments to the curriculum and improvements in the quality of education need to be made to suit the needs of local industries, especially in main sectors such as industry and agriculture. These adjustments include relevant curriculum updates, practical skills-based training, and integration of human resource development with infrastructure development. This effort aims to create inclusive economic growth by providing opportunities for all levels of society. Previous studies show that higher education institutions in Indonesia face challenges in preparing students for job market dynamics, such as a lack of collaboration with industry and the need for effective leadership capable of driving innovation and strategic partnerships.

In the context of Central Java, the Human Development Index (HDI) is a key factor in increasing labour absorption in various regional economic sectors. As reflected through HDI, improving the quality of human resources will directly impact increasing labour absorption capacity, both sectorally and overall. By directing academic programs to be more aligned with

industry needs through a collaborative approach between government, education and the private sector, universities can produce work-ready graduates relevant to market demand. This is expected to reduce the gap between workforce skills and industrial needs, strengthening regional competitiveness and reducing unemployment.

## Conclusion

Central Java Province's HDI is lower than the national average. This low HDI affects job opportunities in Central Java because the skills of the workforce in its cities and districts are not competitive with those in other provinces of Indonesia. Many workers of productive age remain unemployed, which can lead to social conflict and increase poverty since they struggle to earn a decent living. To improve employment in the region, we need to enhance the skills of the workforce so they can secure jobs in their areas of interest. The Central Java Provincial Government should also play a key role in facilitating job creation through its development plans. Additionally, there should be better collaboration between the government, businesses, and educational institutions to raise the quality of human resources in Central Java. One approach is to provide practical training programs that align with the job market's needs, especially in local sectors such as agribusiness, tourism, and creative industries. Offering affordable vocational education in remote areas is also essential. The Central Java Provincial Government can work more closely with the private sector to create job opportunities through internships and job training programs. Supporting small and medium-sized enterprises (UMKM) can also help absorb more workers. The government should regularly review labour and human resource development policies to ensure these efforts are effective. This way, they can adapt their strategies to meet changing labour market needs. It's important for government policies to reduce regional disparities so job creation and human resource development are more balanced across districts and cities.

## References

- Akbari, T. T., Muljadi, B., Maulana, D., & Pratomo, R. R. (2024). The role of higher education leadership in developing human capital and future of jobs in Asean: a study on Indonesia's universities. *Journal of Higher Education Policy and Leadership Studies*, 5(2), 36–51. <https://doi.org/10.61186/johepal.5.2.36>
- Ananta, A., & Arifin, E. N. (2014). Emerging patterns of Indonesia's international migration. *Malaysian Journal of Economic Studies*, 51(1), 29–41. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-84903770058&partnerID=40&md5=9eb1a48de63d8223fd338e67d18b1dd8>
- Buheji, M., Alderazi, A., Ahmed, D., Bragazzi, N. L., Jahrami, H., Hamadeh, R. R., & BaHammam, A. S. (2022). The association between the initial outcomes of COVID-19 and the human development index: An ecological study. *Human Systems Management*, 41(2), 303–313. <https://doi.org/10.3233/HSM-210005>
- Deb, S. (2015). The human development index and its methodological refinements. *Social Change*, 45(1), 131–136. <https://doi.org/10.1177/0049085714561937>
- Esquivias, M. A., Sethi, N., & Iswanti, H. (2021). Dynamics of income inequality, investment, and unemployment in Indonesia. *Journal of Population and Social Studies*, 29, 660–678. <https://doi.org/10.25133/IPSSv292021.040>
- Farris, S. R. (2015). Migrants' regular army of labour: gender dimensions of the impact of the global economic crisis on migrant labor in western Europe. *The Sociological Review*, 63(1), 121–143. <https://doi.org/10.1111/1467-954X.12185>
- Ibar-Alonso, R., Cosculluela-Martínez, C., & Hewings, G. (2019). Time indicator of the human development index. *Time & Society*, 28(1), 273–296. <https://doi.org/10.1177/0961463X17716553>

- Iyer-Raniga, U., & Dalton, T. (2021). Bridging the gap between industry and academia: The case of Indonesia. In U. Iyer-Raniga (Ed.), *Environmental Science and Engineering* (pp. 1–17). Springer Science and Business Media Deutschland GmbH. [https://doi.org/10.1007/978-3-030-61891-9\\_1](https://doi.org/10.1007/978-3-030-61891-9_1)
- Kudrna, G., Le, T., & Piggott, J. (2022). Macro-demographics and ageing in emerging Asia: the case of Indonesia. *Journal of Population Ageing*, 15(1), 7–38. <https://doi.org/10.1007/s12062-022-09358-6>
- Mamtani, R., Lowenfels, A. B., Cheema, S., & Sheikh, J. (2014). Impact of migrant workers on the human development index. *Perspectives in Public Health*, 134(1), 22–24. <https://doi.org/10.1177/1757913913491350>
- Nations, U. (1986). *Declaration on the right to development*. United Nations Human Rights. <https://www.ohchr.org/en/instruments-mechanisms/instruments/declaration-right-development>
- Rafzan, R., Belladonna, A. P., & Saputra, E. (2024). Improving critical thinking skills in civic education based on project citizen building awareness of environmental issues. *Jurnal Civics: Media Kajian Kewarganegaraan*, 21(2). <https://doi.org/10.21831/jc.v21i2.73198>
- Rahmawati, E. N., Sutrisno, C., & Fianisa, R. (2024). Multicultural education based on local wisdom in the perspective of citizenship education through the nguras enech tradition. *Jurnal Civics: Media Kajian Kewarganegaraan*, 21(2). <https://doi.org/10.21831/jc.v21i2.76678>
- Ratnawati, N., Saputra, J., Ilham, R. N., Siahaan, R., Jayanti, S. E., Sinurat, M., & Nainggolan, P. (2021). The effect of population growth on economic growth: An evidence from Indonesia. *Proceedings of the International Conference on Industrial Engineering and Operations Management*, 141–148. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85114241922&partnerID=40&md5=b8e51ea90525309c747e42c9b9ac8baf>
- Siregar, T. H. (2020). Impacts of minimum wages on employment and unemployment in Indonesia. *Journal of the Asia Pacific Economy*, 25(1), 62–78. <https://doi.org/10.1080/13547860.2019.1625585>
- Swarbrick, D., Martin, R., Høffding, S., Nielsen, N., & Vuoskoski, J. K. (2024). Audience musical absorption: exploring attention and affect in the live concert setting. *Music & Science*, 7. <https://doi.org/10.1177/20592043241263461>
- Wardhany, M. (2018). Unemployment and poverty determinants in central java. *Economics Development Analysis Journal*, 6(3), 352–365. <https://doi.org/10.15294/edaj.v6i3.22284>
- Yin, R., Lepinteur, A., Clark, A. E., & D'Ambrosio, C. (2023). Life satisfaction and the human development index across the world. *Journal of Cross-Cultural Psychology*, 54(2), 269–282. <https://doi.org/10.1177/00220221211044784>

### Authors' contributions

RA research planning, implementation, and analysis. AA reviewed the text and language.

### Competing interests

The authors have declared no competing interests.

### Acknowledgement

We would like to thank Universitas Sebelas Maret for the opportunity to conduct the RG research.