



Linking Training and Industries in Indonesia

Companies and Indonesian Polytechnics working together for demand-oriented training



SECO, together with the Association for Swiss International Technical Connection (SITECO), launched in 2015 the setup of a platform of Indonesian Polytechnics and industrial companies (AAPI). AAPI implements skills development concepts with similarities to the dual Vocational Education and Training (dVET) systems in Switzerland and other European countries, with the objective to promote skills development within specific sectors such as mechanical engineering, and with a focus on achieving an industry required qualification level.

Through the platform, the Polytechnics are taking care of the theoretical skills training and the companies hiring apprentices are providing for the advanced practical training. The government of Indonesia as the third partner holds in particular regulatory functions.

Such "tripartite" skills development systems are successful models in countries practicing dual training, notably Switzerland and Germany as two of the leading countries with a well-developed and very successful dVET system. The system effectively counters 1) skills shortages, as well as 2) youth unemployment. Thus, this is a powerful instrument of a sustainable economic development.

INDONESIA'S CHALLENGE

The Indonesian economy has gone through significant development steps during the last three decades which resulted in particular during the last decade in a very dynamic economic growth. The extractive industry has developed significantly through local and international investment and with a considerable input of international know-how transfer. The productive industry has developed from a typical least developed country's production in sectors depending on low wages, like for example the garment industry, into producing in sectors with significantly more value added, such as automotive, food and beverage, machine construction and maintenance.

On the one hand, the strong economic growth resulted in a significantly higher number of jobs offered, better wages and an improved quality of life. On the other hand, the strong economic growth also led to a severe shortage of skilled labour because the skills development system could not keep pace with the growth rate of the economy and the faster technical progress. This second effect should not be underestimated: More than two third of the labour being trained on tertiary level is attending universities and is entering the labour market without any practical experience and with only limited employable skills.



Swiss Confederation

The government of Indonesia is aware that this lack of skilled workers is an important obstacle to a smooth continuation of a solid and sustainable economic growth in the country. As a consequence the government is standing behind innovative solutions, helping to bring the Indonesian educational system to a level where it can provide the skilled workers the economy needs – in qualitative and quantitative terms.

THE AAPI PROJECT AND THE PRIVATE SECTOR



In order to face the above mentioned challenges, selected Indonesian Polytechnics, together with relevant representative industry members, decided in 2015 to build up a dVET platform. Through that platform, the Polytechnics and the industry jointly define and design the educational services the industry urgently needs and successfully contribute towards reducing the lack of skilled workers.

The project has a long term perspective. During its implementation, the project aims to grow by integrating more Polytechnics and companies, offering further educational services and even expand the platform to other sectors like healthcare, tourism, administration or construction. SITECO expects to have 15 Polytechnics, 32 companies and 2 industries/professions to be a part of the platform by the end of 2016.

The number of skills development programs shall increase from 5 at the beginning to about 16 programs. Internship as well as apprenticeship programs shall be developed in the period of 2019 and 2020. The platform shall become self-supporting and be ready to invest and further expand its activities beyond 2020. Thanks to its bottom-up approach, the project shall attract the attention of other interested entities – educational centres and companies – and, in doing so, to be copied by other institutions, thus triggering a multiplication effect over the time.

KEY DATA OF THE PROJECT 2015–2020

- **Target group**
Indonesian Polytechnics and industry members, working together in order to enhance the skills development to a level, required by the Indonesian economy.
- **Budget**
Budget as of today: Total: CHF 510'000, whereof SECO contributes CHF 250'000.
- **Duration**
2015–2020
- **Regions**
Indonesia, primarily Jawa, where more than 50% of the population live, plus on other islands.
- **Partners**
SECO, Sika, SR Technics, EROWA, local industries.
- **Implementing organization**
SITECO