

# DECELERATION OF THE COMPETITIVENESS OF INDONESIAN YOUTH IN FACING DEVELOPMENT CHALLENGES TOWARDS A GOLDEN INDONESIA 2045

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**Abstract.** Indonesia's youth population, totaling approximately 64.22 million, represents a vital resource for achieving the national vision of Golden Indonesia 2045. However, youth competitiveness is declining due to persistent challenges such as high rates of NEET (Not in Education, Employment, or Training) at 23.78% and youth unemployment at 12.24%. These issues are compounded by limited access to quality education, vocational training, and digital skills, especially in rural and underserved regions. The study aims to analyze the factors contributing to this deceleration and propose evidence-based policy recommendations to improve youth empowerment through coordinated efforts between central and regional governments and collaboration with the private sector. Utilizing an Evidence-Based Policy approach, data were collected from primary interviews, national statistics, and secondary literature, and analyzed using the Urgency, Seriousness, and Growth (USG) framework and Cost-Benefit Analysis (CBA). The findings highlight the critical need for integrated policies that expand access to education and vocational training, enhance entrepreneurial opportunities, and strengthen institutional synergy across governance levels. Effective implementation of these policies is essential for sustainable youth development, equitable opportunity distribution, and maximizing Indonesia's demographic dividend. This paper provides a strategic implementation framework for policymakers to accelerate youth competitiveness and foster active youth participation in national development.

**Keywords:** **youth competitiveness, NEET, unemployment, vocational training, youth empowerment, policy coordination, Golden Indonesia 2045-**

## INTRODUCTION

Over the past five years (2020–2024), the rate of NEET (Not in Education, Employment, or Training) and youth unemployment in Indonesia has shown an alarming trend, reflecting serious challenges in human resource development and the preparation of the younger generation (Kambur & Akar, 2022; Micah et al., 2022; Mukhutty et al., 2022; Udin, 2020). The high proportion of youth who are not involved in education, employment, or training is a signal of the weak transition system from education to the world of work. Despite the various upskilling programs that have been launched, NEET and youth unemployment rates are still at high levels, which has an impact on low productivity and the potential loss of momentum of the demographic bonus (Bris et al., 2021; Prasetyo et al., 2019; Ukkas, 2017). This condition is in line with the strategic issues raised in the 2025–2029 RPJMN, which emphasizes the importance of developing superior and competitive human resources through improving the quality of vocational education and training, creating productive jobs, and strengthening youth entrepreneurship (Elrehail et al., 2020; Mustafa et al., 2023; Nawangsari & Wardhani, 2022; Wongsansukcharoen & Thaweeapaiboonwong, 2023; Zulkarnain & Setyaningrum, 2023). Therefore, integrated policies between the central and regional governments, collaborative with the private sector, and evidence-based are needed to reduce the NEET rate and youth unemployment in a sustainable manner.

Conceptually, NEET (Not in Employment, Education, or Training) is described as a depiction of a group of youth (usually aged 15–24 or up to 30 years) who do not work, do not go to school, and do not participate in training. This condition shows low economic and educational participation, as well as weak social safety nets and youth policies. Meanwhile, TPT (Open Unemployment Rate) is a depiction of the percentage of the workforce that is looking for a job but has not yet found a job. High TPT indicates job market inefficiency and lack of decent job opportunities.

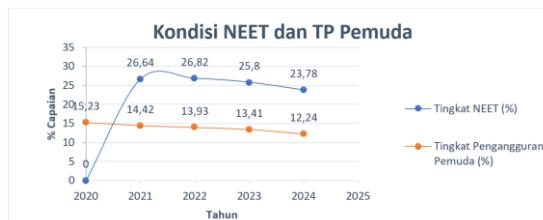


Figure 1 Portrait of NEET and Youth TP

The history of the Indonesian nation shows that youth have always been the main force in every revolution and nation-building, both in terms of physical and non-physical. They have been instrumental in social transformation, educational advancement, technological development, and innovation. Youth are agents of change that help society adapt to the challenges of the times, which are increasingly complex and dynamic. In this era of fast-paced globalization, youth hold strategic positions. They are required to be more creative, innovative, and productive to take advantage of the demographic bonus opportunities in 2030, which can be a major driver for Indonesia's economic growth in the future.

However, behind the great potential possessed by youth, they are also faced with various serious challenges. Education gaps, high unemployment rates, mental health problems, and social inequality and welfare are still major problems in Indonesia. BPS 2024 data shows that more than 23.78% of Indonesian youth are included in the NEET (Not in Education, Employment, or Training) category, while the youth unemployment rate reaches around 12.24%. This reflects the huge gap between the needs of the ever-evolving job market and the skills and readiness of youth to compete in the professional world.

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In addition, globalization has a double impact on Indonesian youth. Although many opportunities are open, negative influences from outside also lurk, such as disinformation, radicalization, and consumptive culture that are not in line with local values. The demand to follow global trends without careful consideration leads to increased social anxiety, stress, and a decline in mental health among youth (Duan et al., 2021; Hunter et al., 2022; Parlak Sert & Başkale, 2023). This phenomenon is further exacerbated by the rampant uncontrolled use of social media, which often adds to the psychological burden for the younger generation. The Indonesian people also point to the fact that access to quality education and vocational training is still uneven, especially in remote and rural areas. This creates an imbalance in the opportunity to develop one's potential. Many youth are trapped in situations without skills relevant to market needs, which exacerbates unemployment and NEET rates.

Indonesia's youth, numbering approximately 64.22 million and accounting for a significant portion of the population, face considerable challenges in terms of competitiveness amid rapid socio-economic changes. Despite various government initiatives, the rates of youth unemployment and NEET (Not in Education, Employment, or Training) remain alarmingly high, at 12.24% and 23.78% respectively, indicating a weak transition from education to employment. This gap is compounded by inadequate access to quality education, vocational training, and digital skills, limiting youth's ability to meet evolving labor market demands and economic participation.

The urgency to address youth unemployment and NEET is critical for Indonesia's socio-economic development, especially given the strategic goal of achieving a "Golden Indonesia 2045." High unemployment rates among youth threaten to waste the demographic dividend and hinder national progress. Furthermore, uneven educational access, particularly in rural areas, exacerbates inequality, limiting youth empowerment and social mobility. Without immediate and targeted policy interventions, the youth demographic risks being marginalized, which could lead to increased social instability and economic inefficiencies.

Secondly, the changing nature of the global economy, characterized by technological disruption and new skill requirements, means Indonesian youth must rapidly acquire relevant competencies. Failure to do so not only limits individual life prospects but also weakens the nation's capacity to compete globally. This situation demands integrated, evidence-based strategies involving government, private sector, and communities to create inclusive opportunities for education, training, and entrepreneurship.

Prior studies highlight the importance of enhancing vocational education and entrepreneurial training to bridge the skill gap among youth. Research by the Ministry of Youth and Sports emphasizes that programs such as the Wiramuda initiative, which promotes reskilling and upskilling, have positively impacted youth capabilities but require scaling and localization. Studies grounded in Capability Theory (Sen and Nussbaum) argue that true empowerment comes from expanding youths' freedoms to access education, work, and social networks, beyond mere economic metrics. Social capital theory further underlines the role of networks, trust, and community participation in improving youth employment outcomes, as detailed by Bourdieu, Coleman, and Putnam.

Other empirical investigations reveal persistent structural problems: disjointed policies, lack of coordination between central and local governments, and limited private sector engagement hamper effective youth workforce integration. Regional disparities in training quality and economic opportunities result in varying youth outcomes across provinces, highlighting the need for tailored, context-sensitive interventions.

While existing research underscores the multifaceted nature of youth employment

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challenges, there is a lack of comprehensive, integrative policy analyses that combine Capability Theory with Social Capital perspectives within the Indonesian context. Moreover, many interventions focus narrowly on education or employment without adequately addressing systemic coordination gaps or regional disparities. This study fills this gap by offering an evidence-based, multi-theoretical approach that links policy design, implementation frameworks, and institutional roles across governance levels to enhance youth competitiveness sustainably.

This research uniquely integrates the Capability and Social Capital theories to frame youth empowerment holistically, incorporating both individual capacity-building and social network strengthening. It advances understanding by mapping policy alternatives through the USG (Urgency, Seriousness, Growth) analytical framework and applying a SMART-driven logic model for practical implementation. Additionally, it provides a detailed, phased action plan for central and regional government collaboration, emphasizing measurable impact and sustainability, which has not been previously documented in Indonesian youth policy literature.

The primary objective is to analyze the deceleration factors of Indonesian youth competitiveness and develop strategic, evidence-based policy recommendations that expand access to quality education, vocational training, and entrepreneurial opportunities. The study aims to facilitate effective collaboration between central and regional governments and the private sector to create an inclusive youth empowerment ecosystem aligned with national development goals.

This study offers valuable insights for policymakers, educators, and development practitioners by providing a comprehensive framework for tackling youth unemployment and NEET issues in Indonesia. Its evidence-based recommendations can guide the design of coordinated interventions that enhance youth skills, foster entrepreneurship, and build social capital. Ultimately, this contributes to reducing socio-economic disparities, maximizing the demographic dividend, and supporting Indonesia's path toward sustainable, inclusive growth in line with the Golden Indonesia 2045 vision.

## **MATERIALS AND METHODS**

The methodology in the preparation of this policy paper uses the Evidence-Based Policy approach, which emphasizes the importance of using reliable data sources, clear and concise documents, and impact-focused policy recommendations. This process begins with the identification of problems, where the issues raised are determined based on their relevance to national policies, especially those related to the Ministry of Youth and Sports, as well as the level of urgency in achieving national targets. In this stage, the Urgency, Seriousness, and Growth (USG) approach is used to measure the impact and potential growth of issues in the future. Furthermore, data collection is carried out through primary and secondary sources. Primary sources include interviews with six competent informants, while secondary sources include statistical data from the Central Statistics Agency (BPS), reports from ministries and institutions, academic journals, and policy case studies from other countries as benchmarking material. The next stage is policy analysis, where policy alternatives are evaluated using the Cost-Benefit Analysis (CBA) and Regulatory Impact Assessment (RIA) approaches to measure the effectiveness, efficiency, and impact of each existing policy option. After that, the formulation of recommendations is carried out by considering the principles of Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) so that the resulting recommendations can be implemented realistically and have a real impact. Finally, the policy paper is prepared in a systematic format, which includes an introduction or background to the

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issue, analysis and discussion, alternative policy options, as well as policy recommendations and implementation plans, to ensure that the proposed policy can be implemented effectively and make a positive contribution to the achievement of the expected objectives.

## **RESULTS AND DISCUSSION**

### **Policy/Regulatory Support**

By 2025, although Indonesia has issued various policies to improve the competitiveness of youth, serious challenges related to the Open Unemployment Rate (TPT) and NEET (Not in Employment, Education, or Training) remain a significant problem. The government has taken strategic steps through various regulations, including Law Number 40 of 2009 concerning Youth, Presidential Regulation Number 68 of 2022 concerning the Revitalization of Vocational Education and Training, and Regulation of the Minister of Youth and Sports (Permenpora), to ensure that Indonesian youth have access to better education, vocational training, and entrepreneurial opportunities. One of the key focuses in this policy is the enhancement of youth competitiveness, with particular attention to tackling NEET and youth unemployment.

### **Constitution of the Republic of Indonesia in 1945**

The high NEET (Not in Employment, Education, or Training) and Open Unemployment Rate (TPT) figures show challenges in fulfilling the basic rights of citizens, in accordance with the 1945 Constitution of the Republic of Indonesia. Article 27 paragraph (2) guarantees the right to decent work and livelihood, while Article 28C paragraph (1) and Article 31 paragraph (1) affirm the right to develop oneself through education and training. The large number of youth who are classified as NEET or unemployed shows that there is still limited access to education, training, and fair employment opportunities. The provincial government has an important role to play in addressing this by organizing vocational education and training programs that are in line with the needs of the local job market, as well as increasing productive employment opportunities for youth. This is in line with Article 33 paragraph (1) which emphasizes the importance of an inclusive and family-based economy to involve all levels of society, including youth, in economic activities.

1. Article 27 paragraph (2): "Every citizen has the right to work and a decent livelihood for humanity."
2. Article 28 D paragraph (2): "Everyone has the right to work and to receive fair and decent remuneration and treatment in employment relations."
3. Article 33 paragraph (1): "The economy is organized as a joint venture based on the principle of kinship."

(this supports the concept of cooperative-based entrepreneurship, MSMEs, and people's economy)

### **Law Number 40 of 2009 concerning Youth**

The high rate of layoffs in 2025 will worsen the unemployment situation among the youth, which is reflected in the high rates of NEET (Not in Employment, Education, or Training) and the Open Unemployment Rate (TPT). This shows that many young people have difficulty accessing job opportunities or education that suit market needs. In this context, the weak implementation of Law Number 40 of 2009 concerning Youth is increasingly visible. Article 3 letters d and e emphasize the importance of improving the quality of youth entrepreneurship and their welfare, while Article 11 paragraph (1) and Article 15 mandate the government and local governments to provide facilities and facilities for youth in entrepreneurship and obtain

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relevant training. However, the high layoffs and youth unemployment rate show that youth have not fully gained optimal access to training, education, and entrepreneurial opportunities. Therefore, the provincial government has a strategic role in strengthening the implementation of this policy, by providing vocational training programs, entrepreneurship mentoring, and better access to the job market, to ensure that youth have skills that are in accordance with the needs of the growing market and face economic challenges due to the high rate of layoffs.

1. Article 3 letters d and e

The objectives of youth development are: d. to improve the quality and quantity of youth entrepreneurship. e. Improving the welfare of youth

2. Article 11 paragraph (1): "The government and local governments provide facilities for youth in entrepreneurship."

3. Article 15: "Governments and local governments are obliged to facilitate training, mentoring, and capital in the context of youth entrepreneurship development."

**Law Number 13 of 2003 concerning Manpower, as amended by Law Number 11 of 2020 concerning Job Creation**

By 2025, the challenge of the high Open Unemployment Rate (TPT) and the increasing number of youth in the NEET (Not in Employment, Education, or Training) category will still be structural problems that require multi-sector and multilevel government interventions. In the context of the implementation of Law Number 13 of 2003 concerning Manpower, as amended by Law Number 11 of 2020 concerning Job Creation, the employment policy has substantially contained normative provisions regarding the right to employment and job training, such as in Article 4, Article 11, and Article 13, which provide a mandate to the government to ensure access to work and the provision of training for job seekers. In addition, Article 67 explicitly provides space for the government to encourage entrepreneurial development as a strategy for job creation. Within the framework of decentralization, the provincial government has strategic authority in terms of planning, implementing, and supervising labor policies as well as vocational education and training in its territory, as stipulated in the laws and regulations on local government. These authorities include the management of the Job Training Center (BLK), youth entrepreneurship facilitation, and collaboration with the business and industrial world in the development of a vocational system that is adaptive to the needs of the local and regional job market. However, weak synergy between the central and regional governments, budget limitations, and the suboptimal integration of employment and education data, have caused interventions at the provincial level to not be able to significantly reduce TPT and NEET rates. Therefore, it is necessary to strengthen the institutional capacity of the provincial government, improve the governance of job training based on market needs, and affirmative policies that empower youth in the employment and entrepreneurship ecosystem more comprehensively.

1. Article 4: "Every worker has an equal opportunity without discrimination to obtain employment."

2. Article 5: "Every worker has the right to receive equal treatment without discrimination from employers."

3. Article 11: "Every worker has the right to receive job training to improve and develop work competence."

4. Article 13: "The government is responsible for job training for job seekers and labor."

5. Article 14 paragraph (1): "Job training is held to improve and develop work competencies in order to increase productivity and competitiveness."

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6. Article 67: "In an effort to expand employment opportunities, the Government may encourage the development of entrepreneurship, labor-intensive, and informal sectors."

### **Presidential Regulation Number 68 of 2022 concerning the Revitalization of Vocational Education and Training**

Youth unemployment in Indonesia is still a significant problem, influenced by the mismatch between the skills possessed and the needs of the job market. In this case, Presidential Regulation Number 68 of 2022 concerning the Revitalization of Vocational Education and Training is an important solution to improve the skills and competitiveness of youth. The provincial government has the authority to implement this policy by collaborating with the business and industry (DUDI) to design vocational training programs that are relevant to the needs of the local market, as well as improving quality vocational education and training infrastructure. In addition, provincial governments can provide mentoring and career counseling, support youth for entrepreneurship by providing access to capital and entrepreneurial training, and prioritize digital skills training in accordance with the development of technology-based industries. Through integrated policies and collaboration between the provincial government and various stakeholders, it is hoped that youth unemployment can be reduced, create more job opportunities, and produce youth who are ready to contribute to the local and national economy.

1. Article 2 letters b and c: Revitalization is carried out to: b. improve the quality and competitiveness of human resources. c. Reduce unemployment and increase productivity
2. Article 3 paragraph (2): "The revitalization of vocational education and training as intended in paragraph (1) is carried out through increased cooperation between the business world and the industrial world with vocational education and training units."
3. Article 4: "Governments and Local Governments shall make adjustments to policies, programs, and budgets that support the revitalization of vocational education and training."

### **Theory/Concept in the Formulation of Alternative Policies**

1. Capability Theory is an approach developed by Amartya Sen and Martha Nussbaum

Capability Theory is an approach developed by Amartya Sen and Martha Nussbaum to measure human well-being and development. In contrast to traditional approaches that measure well-being based solely on income or consumption, this theory places more emphasis on the ability of individuals to choose and achieve the life they perceive as valuable. In this case, well-being is measured based on the freedom to access various functions that are important in life, such as education, employment, health, and social relationships.

The Theory of Capability by Amartya Sen and Martha Nussbaum focuses on the ability of individuals to choose and achieve the lives they value most, not just on economic outcomes or achievements. This theory supports the idea that true well-being is the result of the freedom to access opportunities and develop one's potential. Here is how to connect Capability Theory with NEET and Youth Unemployment:

- a. NEET (Not in Education, Employment, or Training) and Capability

NEET refers to youth who are not involved in education, training, or employment. In Capability Theory, the NEET phenomenon reflects the limited freedom of youth to access various functions that are important in their lives. Without education or training, such youth do not have the opportunity to develop skills that can improve their employment opportunities. This shows limitations in their capabilities, which prevent them from choosing

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their path in life according to their personal values and aspirations. Relationship with Capability Theory:

- 1) Limited Capabilities: Youth who fall under the NEET category tend not to have the freedom to pursue important functions in their lives, such as acquiring education or skills training. This reduces their life choices and narrows the freedom to thrive.
- 2) Reliance on Limited Options: Without involvement in education or training, youth have few or even no work-related options they can do. This limits their potential to access a better and more meaningful life.

**b. Youth Unemployment and Capabilities**

Youth unemployment is one of the major problems closely related to capabilities, as unemployed youth do not have the freedom to work in their chosen occupation and cannot develop their skills further. In Capability Theory, well-being is measured based on an individual's freedom to choose the various functions they consider important. When youth are unemployed, they may not have the opportunity to participate in activities that enrich their lives, such as jobs that give them satisfaction or the development of skills that match their personal aspirations. Relationship with Capability Theory:

- 1) Freedom to Work: Unemployment reduces youth freedom to work and choose jobs that meet their expectations and needs. They may be stuck in jobs that don't match their potential or desires, which reduces their quality of life.
- 2) Stress and Uncertainty: When youth are unemployed, they can also feel economic uncertainty and mental stress, which hinders their ability to plan and pursue better life goals. This shows limitations in their social and psychological capabilities.

**c. Limited Access to Education and Employment**

By 2025, the youth unemployment rate of 15–24 years old in Indonesia will reach 16.16%, far above the national figure of 4.76%, while the proportion of youth in the NEET category in several provinces, such as South Sumatra (23.36%) and Jambi (20.71%), presents serious challenges in terms of access to education and employment. This condition illustrates the socio-economic inequality that hinders youth in achieving their full capabilities. In this context, the authority of the provincial government is very important, especially in the development of secondary education, job training, and local job creation. With targeted policies and collaboration with the private sector, provincial governments can encourage youth social inclusion and reduce unemployment and NEET rates in their regions. Impact on Youth Capabilities:

- 1) Limited Options in Life: Without education or employment, youth do not have many options in determining the course of life. They are unable to develop their capabilities to pursue their personal aspirations and desired careers.
- 2) Loss of Potential: Limited access to training or decent work will lead to an inability to access resources that are essential for a good life. Youth who are not working or out of school are missing out on the opportunity to develop the skills they need to actively participate in social and economic life.

**d. Solutions Based on Capability Theory**

In 2025, the challenges of Indonesian youth will become more real, especially in terms of education, work, and unemployment. BPS data for February 2025 shows that the number of unemployed in Indonesia has reached 7.28 million people, and what makes it sad is that the majority are from the young age group (15-24 years) with an open unemployment rate (TPT) of 16.16%—more than three times the national TPT at 4.76%. Not only that, the NEET (Not in

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Education, Employment, or Training) data is also high, where around 20.31% of Indonesian youth do not go to school, do not work, and do not participate in any training. This shows limited access that makes it difficult for them to improve their capabilities.

In 2024, the Ministry of Youth and Sports (Kemenpora) of the Republic of Indonesia continues to strengthen its role in the development of youth entrepreneurship through various strategic programs. The institutional mandate of the Ministry of Youth and Sports in formulating and implementing youth policies is realized through initiatives that aim to increase the economic capacity and independence of the younger generation.

One of the flagship programs is the 2024 National Level Outstanding Young Entrepreneurs (WMP) Appreciation Award, which aims to foster entrepreneurial spirit and motivation among youth. This program invites young entrepreneurs from various regions and educational institutions to participate in competitions that assess achievements and innovations in building independent and competitive businesses. In addition, the Ministry of Youth and Sports developed the Wiramuda program, a sustainable initiative that focuses on improving youth skills through reskilling, upskilling, and newskilling. This program is designed to equip young Indonesian talents with relevant competencies in dealing with the dynamics of the business and technology world.

The Ministry of Youth and Sports also collaborates with various parties, such as PT Pegadaian, to expand youth access to entrepreneurship training, mentoring, and funding sources. This collaboration aims to create an ecosystem that supports the growth of young entrepreneurs in Indonesia. In an effort to strengthen the role of academics, the Ministry of Youth and Sports held a Training of Facilitator (ToF) for Entrepreneurship Lecturers, which is a continuation of the program to grow interest in entrepreneurship among students. This program was attended by thousands of students from various campuses, with the hope of producing more young entrepreneurs from the university environment.

Through these various programs, the Ministry of Youth and Sports is committed to creating a conducive environment for youth to develop entrepreneurial potential, so that they can become independent and innovative economic actors.

The provincial government has an important role in designing and implementing secondary education programs, vocational training, and local economic development. Through this authority, the provincial government can organize training in accordance with the potential of the region, such as agriculture, tourism, or digital skills, which can open up job opportunities in the region. The provincial government can collaborate with the Ministry of Youth and Youth to develop youth business incubators, internship programs, and job matching activities to connect youth with local job opportunities.

By paying attention to the things that have been done by the Ministry of Youth and Sports in previous years, some of the things that can be done to encourage the increase of youth competitiveness, especially reducing the high level of NEET and youth TP, are as follows:

Program	The Role of the Provincial Government	The Role of the Ministry of Youth and Sports
Increased Access to Education & Training	Encourage vocational schools and BLKs to develop curricula that are relevant to the needs of the job market.	Coaching soft skills and entrepreneurial mentality (leadership, communication, etc.).

Program	The Role of the Provincial Government	The Role of the Ministry of Youth and Sports
Entrepreneurship & Innovation	Providing a local business trial space and facilitating business licensing and legality.	Facilitation of entrepreneurship training and access to business capital.
Inclusive Employment Program	Provide labor-intensive programs and local employment opportunities for unemployed youth.	Provides certified internships, digital skills training, and labor-intensive programs.

Figure 6 Role Distribution according to Capability Theory

- 1) Increased Access to Education and Training: Policies that increase access to quality education and skills training will enlarge the capabilities of youth to choose and achieve their goals. This will open up more life options for young people and give them the freedom to pursue a job or career that suits their interests and skills.
- 2) Entrepreneurship and Innovation: Opening up opportunities for youth to develop their own businesses through entrepreneurship training can help them create jobs and empower them economically. It also expands their life options by offering them the freedom to choose the type of job they want.
- 3) Inclusive Employment Programs: Providing inclusive internship programs and job opportunities can help reduce unemployment among youth and give them the opportunity to develop skills needed in the job market.

2. The theory of social capital developed by Pierre Bourdieu, James Coleman, and Robert Putnam

Tackling NEET (Not in Education, Employment, or Training) and youth unemployment is a major challenge faced by many countries, including Indonesia. In this context, the theory of social capital developed by Pierre Bourdieu, James Coleman, and Robert Putnam can provide an understanding of how existing social relationships and networks can contribute to increasing the competitiveness of Indonesian youth, especially those aged 16-30 years.

a. Pierre Bourdieu: Social Capital as a Network of Relations

Bourdieu emphasized the importance of social capital as a network of social relations that provides access to resources and opportunities. Indonesian youth can take advantage of this social capital to access employment, education, and training information through family, friends, or communities. The Ministry of Youth and Sports can strengthen this social capital by designing policies that support the formation of youth communities and associations. By strengthening social networks between youth, they will more easily enter the job market and reduce unemployment. This policy is effective in reducing NEET and increasing the competitiveness of the youth.

b. James Coleman: Social Capital and Trust

Coleman emphasized the importance of beliefs and norms in communities as part of social capital. Youth who engage in strong social networks are more likely to get social support and useful information, such as training or employment opportunities. Provincial governments can strengthen this by designing programs that encourage collaboration and mutual trust among youth. Community-based programs that enhance social support can help youth overcome unemployment and NEET. By building trust, youth are better prepared to enter the world of work and develop skills.

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c. Robert Putnam: Social Capital and Social Participation

Putnam emphasized the importance of social participation in organizations to strengthen social capital. The Ministry of Youth and Sports and the Provincial Government can increase youth participation in social activities, entrepreneurship, and community organizations to strengthen their social capital. Programs that encourage youth involvement in these organizations open up more employment and training opportunities. By strengthening social participation, youth have more access to reduce NEET and unemployment. This supportive policy will build youth competitiveness in the long term.

Through the application of social capital theory, it can be seen that the response to NEET and youth unemployment in Indonesia does not only depend on economic or educational policies, but also on strengthening social networks, trust, and social participation. By strengthening this social capital, Indonesian youth will have easier access to opportunities that can improve their skills and competitiveness in the job market. Governments and communities need to work together to create an environment that supports collaboration and active participation of youth to address these challenges.

3. Collaboration on Capability Theory developed by Amartya Sen and Martha Nussbaum Theory and social capital developed by Pierre Bourdieu, James Coleman, and Robert Putnam

Based on social capital theory and capability theory, efforts to improve the competitiveness of Indonesia's young generation must include a holistic approach that develops individual capacity and strengthens social networks. Quality education, skills relevant to the job market, innovation, and inclusive leadership are important factors to prepare youth to face national development challenges. Social capital theory emphasizes the importance of social networks to access opportunities, while capability theory focuses on empowering individuals to reach their maximum potential. To realize the vision of a Golden Indonesia 2045, policies that encourage youth to engage in social communities, improve education, and open up opportunities for the development of innovation and leadership will be vital. Youth who have strong social capabilities and capital will be better prepared to contribute to Indonesia's social and economic transformation, as well as face growing global challenges.

Key Aspects	Capability Theory	Social Capital Theory	Combination of the Two Theories
Main Objectives	Improving the individual's ability to choose a better life.	Increase access to opportunities through social networks.	Improve individual capabilities while expanding access through social networks.
			Ensure that there are regulations that support access to education, training, and job opportunities for youth.
Reduction of NEET and Youth Unemployment	Provide access to education and training that enhances youth capabilities.	Reduce unemployment by strengthening social networks that open access to job opportunities.	Reduce NEET and unemployment by providing education, training, and expanding social networks.
			Issue laws and policies that encourage the reduction of NEET and unemployment, as well as provide legal protection for youth in the workforce.
Youth Empowerment	Empowering youth through education, training, and	Empowering youth through social and	Empowering youth with skills training and strengthening supportive social networks.

Key Aspects	Capability Theory	Social Capital Theory	Combination of the Two Theories
	entrepreneurship.	community relationships.	Drafting regulations that ensure the rights of youth in obtaining fair and equal training and employment.
Authority of the Ministry of Youth and Sports and the Provincial Government	The Ministry of Youth and Sports and the Provincial Government provide training and education relevant to the needs of the job market.	The Ministry of Youth and Sports and the Provincial Government strengthen social networks at the local level and facilitate collaboration between the private sector, communities, and youth.	The Ministry of Youth and Sports and the Provincial Government integrate vocational education with the development of social networks that strengthen the competitiveness of youth.  The Ministry of Youth and Sports and the Provincial Government play a role in making adequate policies to facilitate education and training, as well as protect the rights of youth in the world of work.
Collaboration and Social Engagement	Empowerment programs that build social trust between individuals and communities.	Collaboration between youth, government, and the private sector to create economic opportunities.	Increase social engagement and collaboration between youth, government agencies, and the private sector to unlock employment opportunities and reduce NEET.  Strengthen the legal framework that encourages collaboration between the public and private sectors in creating job opportunities and increasing youth involvement in social development.

Figure 7 Collaboration Theory of Capabilities

### Policy Choice Alternatives

In prioritizing the previously formulated policies, a scoring assessment of 1-5 was carried out by 6 informants (2 youths, 2 young entrepreneurs, 2 employees of the work unit (Youth Technical Assistance) which was carried out considering its effectiveness, efficiency, and long-term impact (Dunn, 1999). The policies that produce the highest scores will be prioritized in determining supporting programs and activities through a logic model approach (Knowlton, Lisa Wyatt., & Cynthia C. Philips (2013)) to design cause-and-effect relationships between policies, programs, and activities, as well as expected outcomes.

ISSUE	URGENCY					SERIOUSNESS					GROWTH				
	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1
High Unemployment Rate	6					6					6				
Limited Access to Education and Training		5	1			1		4	1			5	1		
Limited Economic Empowerment Opportunities		2	3	1		1	2	2			3	3			

Figure 8. USB Method Analysis (Urgency, Seriousness, Growth)

Based on the USB (Urgency, Seriousness, Growth) method, it appears that the high unemployment rate is a very urgent and serious problem to be addressed, but there are good

growth opportunities if handled with the right strategy. The main problem of high youth unemployment is the mismatch between the skills possessed and those needed by the job market. This is largely due to the lack of work experience and limited access to training that suits the needs of the industry. As a result, youth have difficulty adapting to changes in the job market and technology, and are hampered in building skills that can add value to the economy.

As a result, there has been a deceleration in the competitiveness of Indonesian youth, which directly or indirectly threatens the readiness of the younger generation in responding to national development challenges, especially in order to realize the vision of a Golden Indonesia 2045. In this context, the policy role of the central and local governments is very crucial to ensure the formation of an inclusive and sustainable youth empowerment ecosystem. The government needs to develop and implement strategic policies that expand access to vocational education and training, strengthen collaboration with the private sector, and provide concrete space and support for the development of young entrepreneurs. Integrated policies between the central and regional governments will accelerate the creation of productive job opportunities and encourage the active participation of youth in the national development process.

Furthermore, the preparation of the implementation framework of the programs/activities (Ministry of Youth and Sports/Prov/Regency/City) that has been produced is carried out by preparing a timeline of activities, stages, division of authority, and monitoring evaluation mechanisms.

Year	Activity Components	Central Government (Kemnpora)	Provincial Government	Regency/City Government	Evaluation & Monitoring
2025	Formulation of Derivative Policies	Preparing the Ministry of Youth and Youth as a technical guide for the implementation of the Minister of Youth and Sports Regulation No. 1/2023	Drafting a Governor's Regulation/Regional Regulation to support implementation in the provincial area	Identify youth entrepreneurship potential and map training needs in the region	The Ministry of Youth and Sports conducts initial monitoring of regional readiness and the availability of regulations
	Socialization & Dissemination	Carrying out national socialization of the Minister of Youth and Sports Regulation No. 1/2023 to all related parties	Socialization of regulations to related OPDs and youth entrepreneurship actors	Public consultation forum with youth and young entrepreneurs community	Report on the implementation of socialization and regional readiness by the province
2026	Training Program Implementation	Facilitation of national-scale training and transfer of training methods to regions	Determination of Governor's Regulation/Regional Regulation on implementation in provincial areas  Regional potential-based entrepreneurship training	Implementation of entrepreneurship technical training in districts/cities	Evaluation of the implementation of training and measurement of participant outputs (certifications, business plans)
	Growth of Youth Business Incubation	Matching fund support, incubation with other ministries and agencies (e.g. the Ministry of Cooperatives and SMEs)	Assistance in the establishment of an entrepreneurial incubator	Provision of early incubation infrastructure	Incubator performance report, number of youth fostered, and business progress
2027	Partnerships & Access to Financing	Developing a national financing access scheme for youth entrepreneurs (LPDB, CSR, BUMN)	Facilitating access to KUR & banking for youth	Data collection and submission of youth MSMEs to financing partners	Evaluation of the success of youth in accessing financing and business results
	Digitalization of Entrepreneurs	National platform of entrepreneurial youth (profiles, marketplaces, online training)	Digital Marketing & Business Digital Transformation Training	Technical assistance for business digital platforms and content	Digital adoption report: % of youth efforts enter digitalization
2028	Consolidation & Replication of Good Practices	Compilation of both regional and national replication practices	Workshop on sharing good practices between districts/cities	Local good practice documentation	Evaluation of achievements between regions and adjustments of local policies
2029	Strengthening the Ecosystem	A thorough evaluation of the implementation of Permenpora	Adjustment of provincial regulations based on the	Evaluation based on regional strategy	Performance and impact audits; National Final

Year	Activity Components	Central Government (Kemenpora)	Provincial Government	Regency/City Government	Evaluation & Monitoring
& Policy Legacy	No. 1/2023		results of 4-year monitoring	adjustments	Report on Achievements 2025–2029

Figure 9 Implementation Framework

In the five-year implementation, the focus in the first year is on the Preparation of Derivative Policies, namely at the central level immediately establishing the Ministry of Youth and Youth as a technical guide for the implementation of Menpora Regulation No. 1/2023 and at the regional level preparing a draft Governor's Regulation/Regional Regulation to support implementation in the provincial area as well as identifying youth entrepreneurship potential and mapping training needs in the regions.

The second and third years are focused on facilitating national-scale training and transferring training methods to the regions, including conducting entrepreneurship training based on regional potential, the fourth and fifth years increase training and workshops to share good practices between districts/cities, while in the fifth year, in addition to coaching, a thorough evaluation of the five-year program is carried out as the basis for the preparation of the RPJMN/Strategic Plan of the Ministry of Youth and Youth at the central level and the RPJMN/Strategic Plan of OPD at the regional level as well as performance and impact audits outlined in the final national achievement report 2025–2029.

## CONCLUSIONS

The deceleration of Indonesian youth competitiveness in meeting the development challenges toward achieving Golden Indonesia 2045 is influenced by multiple factors, notably the varying commitment levels of regional leaders in implementing strategic policies that support youth development. While the central government has established eight key missions, known as Asta Cita, as the foundation for this national vision, significant challenges remain at the regional level. This underscores the critical need for effective synergy and coordination between central and regional governments, ensuring that policies focusing on equitable distribution of opportunities, facilities, coaching, and empowerment are implemented in a structured and targeted manner across all regions of Indonesia. For future research, it is recommended to investigate the mechanisms and barriers to intergovernmental coordination, as well as to explore the role of community participation and private sector engagement in enhancing policy implementation effectiveness for youth empowerment. Additionally, longitudinal studies could provide insights into the long-term impact of these policies on youth competitiveness and regional development disparities.

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