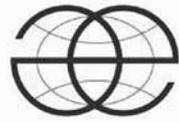




# FIELD ASSESSMENT- APPRENTICESHIP IN INDONESIA



**Report on visits to companies  
in Balikpapan and Greater Jakarta**



ACT/EMP  
The Bureau for Employers' Activities



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## Terms and abbreviations

APINDO	<i>Asosiasi Pengusaha Indonesia</i> (The Employers Association of Indonesia)
BLKI	<i>Balai kerja Latihan Industri</i> (national industrial training centre)
BNSP	<i>Badan Nasional Sertifikasi Profesi</i> (Indonesian Professional Certification Authority)
CBT	<i>Pelatihan Berbasis Kompetensi</i> (competency-based training)
Dinas	Regional office of a ministry (as used in this paper)
DISNAKER	<i>Dinas Tenaga Kerja</i> (regional office of the Ministry of Manpower)
DKI	<i>Daerah Khusus Ibu Kota</i> (special capital region of Jakarta)
FKJP	<i>Forum Komunikasi Jejaring Pemagangan</i> (Apprenticeship Communication Forum)
HIPKI	<i>Himpunan Penyelenggara Pelatihan dan Kursus Indonesia</i> (Association of Indonesian Training and Course Providers)
HIPMI	<i>Himpunan Pengusaha Muda Indonesia</i> (Indonesia Young Entrepreneurs Association)
ILO	International Labour Organisation
KKNI	<i>Kerangka Kualifikasi Nasional Indonesia</i> (Indonesian Qualifications Framework)
LKP	<i>Lembaga Kursus &amp; Pelatihan</i> (private courses and training institutions)
LSK	<i>Lembaga Sertifikasi Kompetensi</i> (Competency Certification Authority, Ministry of Education and Culture)
LSP	<i>Lembaga Sertifikasi Profesi</i> (Professional certification organisation)
LPK	<i>Lembaga Pelatihan kerja</i> (private training institutions, Ministry of Manpower)
MoM	Kementerian Ketenagakerjaan RI ( <i>Ministry of Manpower</i> )
SKKNI	<i>Standar Kompetensi Kerja Nasional Indonesia</i> (Indonesian National Competency Standards)
SMA	<i>Sekolah Menengah Kejuruan</i> (Senior secondary vocational school)
SMK	<i>Sekolah Menengah Kejuruan</i> (Senior secondary vocational school)
SMP	<i>Sekolah Menengah Pertama</i> (Junior secondary school)
TNP2K	<i>Tim Nasional Percepatan Penanggulangan Kemiskinan</i> (Indonesian National Team for the Acceleration of Poverty Reduction)
TVET	Technical Education and Vocational Training

# Preface

Basically apprenticeship is a training organized by a company to a potential worker in work site to obtain specific skill. For company, the purpose of apprenticeship is to have a worker who has qualified skill as needed by the company. While for the apprentices, the purpose is to obtain the skill needed to get job in line with the skill obtained during the apprenticeship. Therefore, the apprenticeship is a relation between the skill seeker and skill provider within the employment environment. Apprenticeship is not a training given by the company to a student as a condition to obtain specific skill as the requirement in school curriculum.

This book is a survey report concerning the apprenticeship practices conducted by the companies in *Jabodetabek (Jakarta-Bogor-Depok-Tangerang-Bekasi)* area and Balikpapan. The survey was conducted by a consultant selected by APINDO and ILO through in-depth interview with a number of companies based on qualitative approach, and not emphasizing to the number of the companies being surveyed but more focus on the variety of business type and the size of the company to capture various apprenticeship practices. This report reflected various aspects in apprenticeship such as recruitment of apprentices, program and duration of apprenticeship, organization of apprenticeship, certification, recruitment of the worker from the result of apprenticeship, etc.

The result of the survey showed that there common and different implementation of the apprenticeship among the companies. The common practices related to the purpose of apprenticeship to get worker with the qualified skill needed by the company. Another common practice related to administrative aspect whereas there is written agreement between the company and apprentice, as well as allowance for the apprentice. Meanwhile, the difference related to the duration of apprenticeship, where in labour intensive company is shorter than the capital intensive company. It is also interesting to know that there are some companies that give opportunity to worker with disability to participate in the apprenticeship program.

Through this survey, it is known that many companies do not aware about APINDO's role in apprenticeship. Therefore, APINDO's initiative through the development of apprenticeship network in business community called INAN (Indonesia National Apprenticeship Network), is expected to grow awareness on the importance of apprenticeship for the business. Further, INAN is expected to facilitate experience sharing on best practices of apprenticeship and could give contribution for the development of apprenticeship national policy framework in the future.

In this opportunity, APINDO conveyed its appreciation and thankful for the support of ACT/EMP ILO in conducting the survey and the publication of the report.

Jakarta, 28 May 2015

**FX. Sri Martono**

Deputy Chairman of Education Sector  
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ILO-ACTEMP

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Finally, we would like to acknowledge the ACT/EMP-Norway Partnership Programme for supporting this collaboration effort.

# Introduction

Youth employment is of highest priority for employers and workers. High quality apprenticeships are of critical importance in this regard. Apprenticeship systems that combine workplace-based as well as off-the-job training have proven to be successful in promoting learning and skill formation as well as facilitating employment by building bridges between the worlds of education and the world of work. Apprenticeship systems also facilitate the emergence and growth of new industries, based on technological and organizational innovations. Thus, they provide a source of skilled labour for an economy as a whole.

While seeing a steady decline, in Indonesia, the youth unemployment rate is amongst the highest in the region, 17 per cent (as of Sep 2014<sup>1</sup>). In this connection, the Government of Indonesia has made putting young people to work a matter of priority in the Indonesia National Medium-Term Development Plan 2010-2014 (RPGM 2010-2014). While there is no single solution to the problem, apprenticeship is a promising avenue to help reduce the gap between the supply and demand for young workers, especially those between the ages of 15 and 24.

Apprenticeships are a particularly effective way to address employers' skills needs, as they are available for people of all ages and include those within the existing workforce. From the employers' perspective, the apprenticeship system provides firms with young employees who have mastered the skill set necessary for a given role within the firm. For apprentices, the serving and apprenticeship in a company with a good program provides training and experience free of charge and at a quality level that is unmatched by any existing public or private training institution. Workers' organizations have pointed out that not all companies provide quality apprenticeship schemes and that workers may be subject to long working hours, unsafe working conditions, low or no allowance or wages and little or no social protection in case of illness or accident.

In support of APINDO's interest to build greater awareness on apprenticeship systems to increase, and improve the social status of Indonesian youths, the Global ACT/EMP-Norway Agreement (GLO/14/58/NOR) will support a joint ILO / APINDO project. The overarching objective will be to equip APINDO with the necessary tools and infrastructure to increase awareness on apprenticeships amongst Indonesian employers and enhance enterprise-level practices on apprenticeship systems.

In 2014, a preliminary field study in four provinces (including DKI Jakarta) was finalized. The study assesses the present stage of apprenticeship through meetings and discussions with main stakeholders (Government bodies, Representatives of APINDO, trade unions, the Apprenticeship Forum and representatives of selected private companies.)

APINDO will put together a steering group who will provide guidance required in the entirety of the process, such as participating in related validation/consultation workshops, reviewing documents and providing related comments, and engaging with stakeholders as and when required. In order to better define the roles and responsibilities of the steering group, a subsequent planning meeting will be held. The meeting may take the form of a simplified strategic planning session where the role of the steering group is identified and related action plan and activities are discussed and documented. As part of its contribution to strengthening the apprenticeship system APINDO also plans to set up the Indonesian Apprenticeship Network (INAN) Indonesian in cooperation with the Global Apprenticeship Network (GAN).

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1 OECD Employment Outlook 2014 <http://www.oecd.org/indonesia/EMO-IDN-EN.pdf>

# Purpose of Survey

The objective of the assignment is to conduct a field assessment to better understand the role APINDO members and non-members in greater Jakarta (APINDO DPN) as well as one other province (APINDO DPP) may play in the development of apprenticeship programs. The assessment will capture current practices, including recruitment, training, certification, and partnership with local government and training providers, as well as compliance with Indonesia's apprenticeship legislation covering issues like protection, working hours, compensation. It will also look into the role APINDO should play regarding apprenticeships.

The survey will also identify gaps and suggest ways to improve company-level apprenticeship practices. The field assessment will serve as the foundation to develop a best practice guide/toolkit/case study on apprenticeships to serve as an information package to be disseminated to employers – both large and small – in Indonesia.

Specifically the survey hopes to capture current apprenticeship practices, including:

- Recruitment
- Training
- Certification
- Partnership with local government and training providers
- Compliance with Indonesia's apprenticeship legislation, covering issues like protection, working hours and compensation
- The role APINDO should play regarding apprenticeships

# Executive Summary

Apprenticeship in Indonesia takes place in most industrial sectors and in all sizes of enterprises<sup>2</sup>. While there is a steady increase in the number of apprenticeships that are adhering to the MoM regulations, the vast majority of apprenticeships are informal agreements between apprentices and employers. Terms of informal apprenticeships vary from employer to employer with no discernible common standards. MoM-registered apprenticeships agreements largely follow the basic terms stipulated in ministerial decree 22, 2009.

This report is meant to contribute to efforts by all stakeholders in apprenticeship to map out and clarify the present situation of apprenticeship in Indonesia. The main goal of these efforts is to contribute to the development of an apprenticeship system that is mainstreamed and is equitable and which, quantitatively and qualitatively, serves as a significant training vehicle for young people and as a supply of skilled workers to the labour market.

The findings from interviewing representatives of 13 companies in Balikpapan and Greater Jakarta regions revealed that under the right circumstances apprenticeship programs are capable of providing high quality training that benefits equally companies and apprentices. Overall, companies operate apprenticeship programs without exploiting their apprentices and with the understanding and support of trade unions.

The primary reason for companies to initiate apprenticeship programs is to train skilled workers for their own requirements and - with exception of companies in the hotel sector - apprentices are offered employment immediately after completion of their training. The companies that require high-level skills operate apprentice programs of up to four years duration. All have internal training departments and are therefore independent of external training institutions<sup>3</sup> for the development of training programs and providing off-the-job training. Companies consider the apprenticeship program a significant investment and take a number of measures to ensure that they experience minimum dropout from the program and to ensure that graduates of their programs shall remain with the company as employees.

Companies operating apprenticeships do so virtually without external support or interference. The main government regulation on apprenticeship (Ministerial Regulation 22 2009) is sufficiently general for companies to design apprenticeship programs to suit their own requirements in terms of training content, duration of the apprenticeship period, minimum allowances and social protection. District Ministry of Manpower offices (Disnaker) are tasked with promoting, supporting and controlling apprenticeship relationships. However, due to various factors, such as overall lack of resources and lack of personnel with proper training and experience, Disnaker offices are unable to effectively discharge their function relating to apprenticeship issues. Companies also cannot expect support from their own organizations or from the joint MoM / APINDO Apprenticeship Forum (FKJP) as this is only active in a few provinces but not in the Greater Jakarta area.

A number of good practices were observed during the company visits. In particular, the fact that virtually all companies exceed minimum ministry requirements with regard to allowances and benefits was encouraging. Compared with other forms of skills training in Indonesia, it was obvious that the training programs designed by the participating companies are of high to excellent standard and scope. In addition, the training offered is sufficiently broad in character to enable graduating apprentices to seek employment in companies other than where the apprenticeships are served.

There is little doubt that in medium and large size companies, which have own well-structured training departments, very good apprentice programs are operating and can be further developed. However, to gain a more complete picture of the general situation of apprenticeships it is necessary to continue the research and to undertake in-depth study of small and micro companies, which accounts for approximately 94% of formal employment and which also operate apprenticeship programs, although these may be of a character that is more informal. Due to internal support of in-house training departments being absent in micro and small companies, these companies would have to rely on external training institutions to provide the off-the-job training, which almost certainly would lead to training of lesser quality than was witnessed during this rapid survey.

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2 ILO internal working paper "Paving the way for an improved apprenticeship framework in Indonesia - input to the discussion on apprenticeship in Indonesia." December 2011

3 Balai Latihan Kerja and private training providers

# Methodology of research

## Methodology

This report is based on field interviews with employers in Greater Jakarta (DKI) and in Balikpapan, East Kalimantan province. Interviews were arranged to capture current practices, including recruitment, training, certification, and partnership with local government and training providers, as well as compliance with Indonesia's apprenticeship legislation covering issues such as social protection, working hours, and compensation. The interviews also looked into the role APINDO may play regarding apprenticeships.

With the aid of a questionnaire, the following companies were interviewed:

Greater Jakarta:

- *Unitex* – textile manufacturer
- Sarandi Karya Nugraha – manufacturer of hospital equipment
- – large retailer
- Garuda Food – manufacturer of snack food
- Bank Danamon - bank

Balikpapan

- PT Davidi International – engineering company and fabricator of mining and oil 7 gas equipment
- Blue Sky Hotel - hotel
- PT Hexindo Adiperkasa - distributor and service agent of heavy equipment
- Eka Dharma - distributor and service agent of heavy equipment
- Trakindo - distributor and service agent of heavy equipment
- Pacific Hotel - hotel
- Borneo Alam Semesta - mining contractor
- Thiess Contractors – mining contractor

## Limitations

This report is a result of a rapid survey of 13 companies in two provinces. It is therefore limited in scope. The report does not purport to express other than the impression derived by the author from desk research and from discussions with officials of these companies. Particular limitations were:

- Small sampling size
- Many different understandings and interpretations of the apprenticeship concept
- Difficult to identify companies with apprenticeship programs
- No small/micro companies were identified
- All companies had internal training divisions
- The exercise included only one dimension of apprenticeship – employers; other stakeholders were not included in the discussion

# General

The apprenticeship system, as being implemented at the time of writing, is relatively new. The present ministerial regulations<sup>4</sup> on domestic partly replaced the initial apprenticeship regulation issued in 2005<sup>5</sup>.

Ministerial regulation 22/2009<sup>6</sup> sets out very basic rules for domestic apprenticeship, (excerpts in Annex III). The main reason for keeping the regulations basic is to encourage the private sector to support a system that is not burdened by cumbersome rules and regulations. The apprenticeship regulations are meant to encourage companies of all sizes to employ apprentices. The basic stipulations are relatively easy to meet for medium and large companies while micro and small companies may require assistance to meet some of the clauses, such as designing formal training plans.

The regulations do not stipulate that apprenticeship programs must be aligned to the national training system or include the national competency standards into the training program. Neither do the regulations stipulate that the competencies attained through an apprenticeship program constitute an occupation as stipulated in the Indonesian Qualification framework (KKNI).

The Ministry of Education (MoM) also operate programs that are termed apprenticeship. These programs are not considered in this report as they are school managed work place learning programs rather than employer based relationships. Likewise, university research programs are not considered.

## Apprenticeship statistics

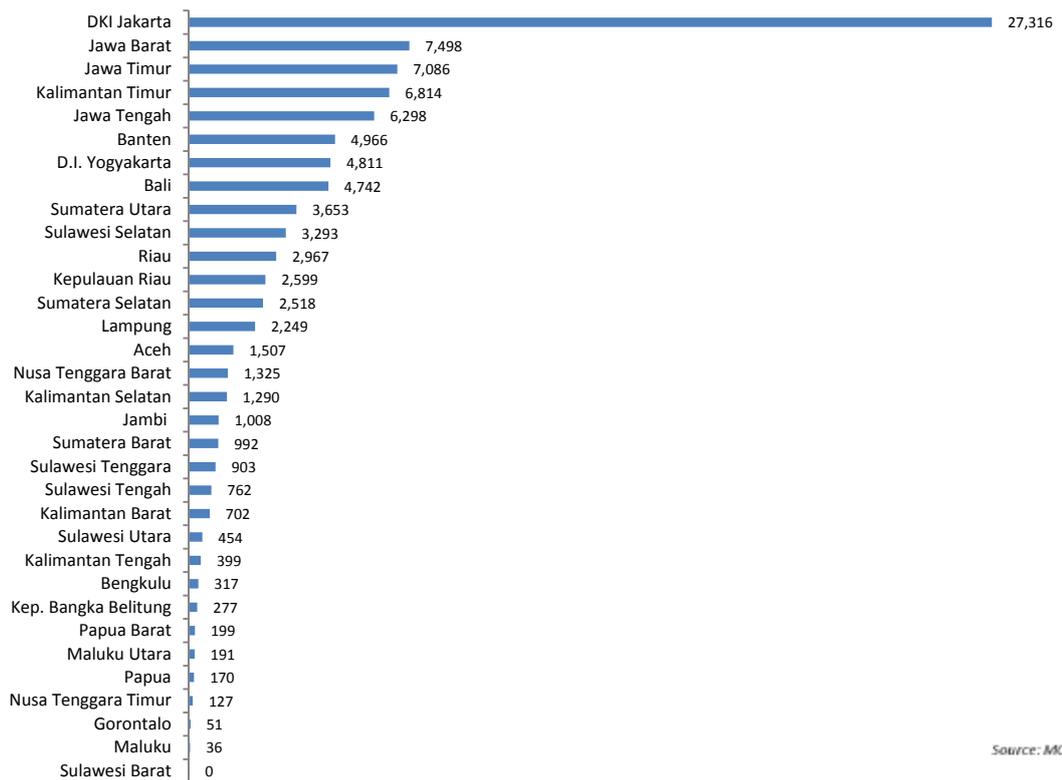
The only statistics available on apprenticeship are the information gathered by the Directorate of Apprenticeship at MoM. These statistics are based on reporting by province and district Disnaker offices. The accuracy of the information contained in the statistics is difficult to ascertain. It may be safe to assume that the information available on apprenticeships subsidized by government funds is reasonably accurate. However, it is doubtful that information on apprenticeship through private sector funding is accurate to any meaningful extent. According to some FKJP chapters, the reason for inaccuracy of private sector funded apprenticeships is lack of incentives for companies to report to Disnaker although registration of apprenticeship agreements is compulsory. One reason for companies being hesitant to report to the Disnaker office is that reporting may be followed by monitoring visits by Disnaker officers, which can lead to unwanted scrutiny. The latest information from MoM on the total number of domestic apprenticeship agreements recorded from 2007 until Nov.2013 is 97,520. Geographical location of these apprenticeship agreements are indicated in the graph below.

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4 Nomor PER.22/MEN/IX/2009 tentang Penyelenggaraan Pemagangan di Dalam Negeri

5 Peraturan Menteri Tenaga Kerja dan Transmigrasi Republik Indonesia Nomor: PER-21/MEN/X/2005 Tentang Penyelenggaraan Program Pemagangan

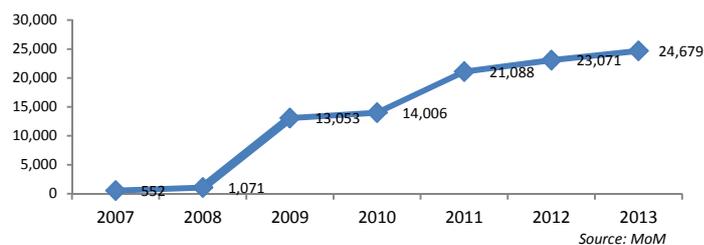
6 Available at [http://www.pemagangan.com/new/0menu\\_admin/adm\\_control/zregulasi/permen%2022%20th%202009%20ttg%20ma-gang%20dn.pdf](http://www.pemagangan.com/new/0menu_admin/adm_control/zregulasi/permen%2022%20th%202009%20ttg%20ma-gang%20dn.pdf)

**Table 1: Number of domestic apprenticeship agreements 2007 - 2013 (Nov)**

Source: MoM

Despite the uncertain records, MoM is encouraged by the increase in apprenticeship agreements year by year. The graph below indicates the trend from 2007 to 2013.

There is no information on the scope and size of unregistered and informal apprenticeship relationships. However, there is reason to believe that unregistered and informal apprenticeships are very common. A 2011 internal ILO paper<sup>7</sup> reported that 12 out of 13 MSMEs interviewed were currently training a total of 22 apprentices.

**Table 2: Year-by-year increase in number apprenticeship agreements**

Source: MoM

## Apprenticeship funding

In its statistics the government recognizes three means of funding apprentices: National Budget funds (APBN), provincial or district funds (APBD) and private sector funds (Mandiri).

In principle apprenticeship should not require public funding except through support to training institutions that should be available to provide institutional training to companies that do not have internal training institutions. However, in order to encourage companies to participate in the apprenticeship program, MoM has funding available to support companies that employ apprentices. According to MoM information, the total funding spent by the national Government in 2012 on subsidizing apprentices is approximately IDR 3.6 Billion (or USD 300,000)

<sup>7</sup> ILO internal working paper "Paving the way for an improved apprenticeship framework in Indonesia - input to the discussion on apprenticeship in Indonesia." December 2011

for the whole of Indonesia. The funding may be from central government or province/district government budgets and is meant to cover the basic needs of an apprentice to the limit of IDR 300,000 per month. However, in practice virtually all apprenticeship subsidies have come from the national budget. Less than 10% of subsidies are paid from province and district budgets. Private sector funded apprenticeship simply means that private companies operate apprenticeship programs fully funded by the companies.

**Table 3: Source of apprenticeship allowances (number of apprentices)**

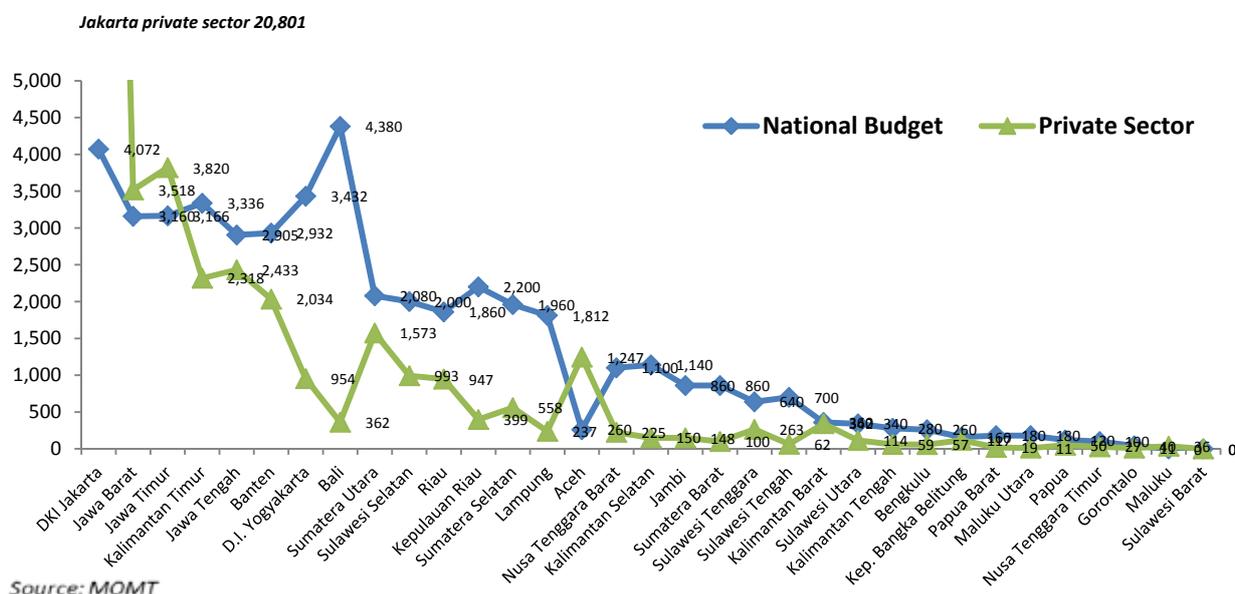
Year	2012	2013*
National budget	11,933	11,970
Provincial / District budgets	160	910
Private sector funding	10,978	11,799

\*Until November 2013  
Source: Kemenaker

A number of explanations are offered for apparent unwillingness of provinces and districts to fund training through apprenticeships. One is the general lack of knowledge and understanding of the apprenticeship programs in regional administrations and lack funding can hardly be the issue as the subsidy is only approximately IDR 300,000 per apprentice. A more likely explanation for the lack of provincial district funding is that province and district governments have yet to realize the importance of promoting and supporting apprenticeships.

The graph below shows the share of public and private funding.

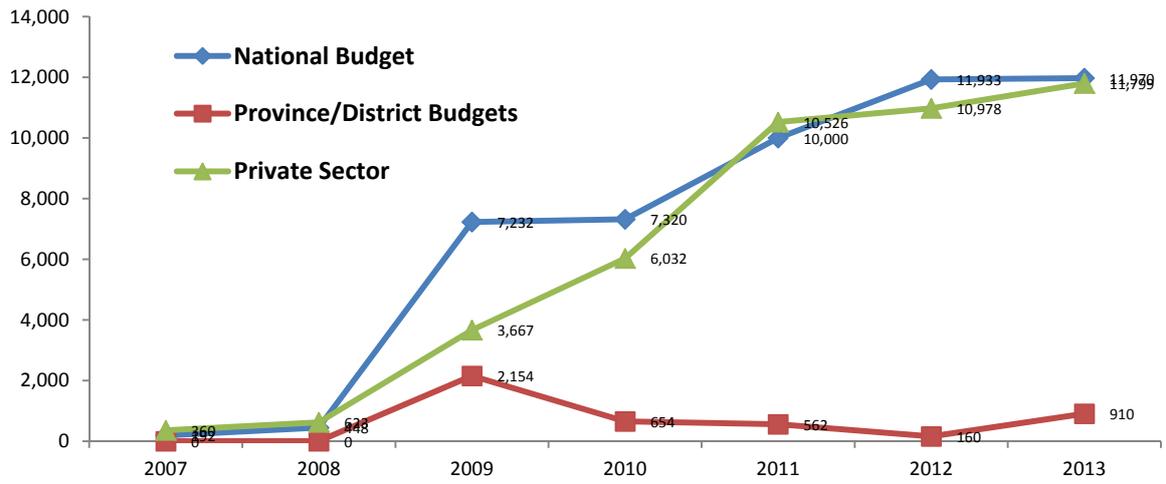
**Table 4: Public and private apprenticeship funding by province**



While the provincial and district funding has remained low and shows no encouraging trend, the national budget and private sector funding developed almost parallel and of equal size over the six year period.

Most apprenticeships are funded in full by companies operating apprenticeship programs. The major cost of apprenticeship programs are allowances, insurance and the setting up and operating training internal company training departments. Companies are aware of the government subsidy scheme, but few avail themselves of the offer of subsidies. The main reasons are that it is relatively small amount per trainees (typically IDR 300,000 – USD 230.00 per month) and it is granted via a fairly cumbersome application process and, lastly, the concern of there being some sort of conditions attached to the government subsidies.

**Table 5: Funding pattern from 2007 till 2013**



Source: MOMT



# Findings from interviews

## Industry sectors

Each industry sector shapes its apprenticeship programs to its needs in terms of training programs, duration of programs and compensation to apprentices. Mechanics, machinists and many other sectors requiring in-depth technical skills entail a longer training period and facilities for classroom as well as practical training. Companies operating longer term apprenticeships (two to four years duration) also offer better overall compensation packages for apprentices. Companies in these sectors see their apprenticeship programs as a significant investment. Hence, a careful selection process is designed and measures are in place to ensure that apprentices complete their programs. Other sectors, such as retail and hotel have a much shorter period of training and have relatively little invested in class rooms training and specialized training equipment. In addition, the training period for these sectors is shorter than sectors requiring mechanical engineering competences. In most cases, companies operating short terms apprenticeships offer a less attractive compensation scheme and do not always employ all graduates of their programs.

## How many apprentices

According to the apprenticeship regulation, apprentices may number up to maximum 30% of the total number of employees in a company. However, none of the companies interviewed are close to that ratio. Instead, the number of apprentices accepted by companies depends on the employment needs of individual companies. Only a few companies see the apprenticeship program as having a social purpose, which would mean that companies would take in more apprentices than required for their own needs. Rather companies consider the apprenticeship program a means to ensure that they have the required skilled workers available. The intake of apprentices therefore depends on companies' future estimated requirements for skilled workers. Therefore, downturns in the economy will also see an immediate decrease in apprentice hiring. In Balikpapan, where activities in the two main industrial sectors, mining and oil & gas are drastically reduced due to commodity pricing issues, this has resulted in a sharp decline in openings for new apprentices.

## Vulnerable groups

No companies experiment with gender mainstreaming. In all companies visited the gender of apprentices followed typical gender determined boundaries. Companies maintain that they are open to male and female applicants in all their apprenticeship programs. However, no active measures were taken towards gender mainstreaming.

Two companies accept apprentices with disabilities, but limited to hearing and speaking impairments. They mentioned that they were considering expanding the program to other forms of disability that would require alteration of company premises to accommodate wheel chairs and use of crutches. Junior secondary schools graduates (SMP - nine years of formal schooling) and dropouts represent a significant percentage of young job seekers. None of the companies interviewed accepted apprentices with less than 12 years of schooling.

## Skills areas represented

A wide variety of skills areas was represented: Banking, heavy equipment, supply and service, hospital equipment manufacturer, hotel and MICE, mining and construction contractors, retail and snack manufacturer. Each industry sector develops apprenticeship programs that are considered suitable for the sector in terms of duration of apprenticeships, level of training and overall compensation (allowances and benefits). As a rule, the more technically demanding a sector is the longer the apprenticeship period and the more companies do to ensure that apprentices complete their apprenticeships and stay with the company. One company was operating apprenticeships of between one and two weeks duration. This was one rare example of apprenticeships where

it was difficult to understand the purpose except to legally be allowed to pay a lower than minimum salary during initial training for a specific job. This particular company justified the practice by taking in more apprentices than required for own needs, indicating that by training a surplus of apprentices they were performing a social service.

## How long had companies been operating apprenticeship programs

Apprenticeship programs became formalized through enactment of MoM Permen 21 of 2005. Some companies had been operating apprenticeship programs as early as 1992. Most companies initiated their programs without contact of encouragement from official apprenticeship promotion programs. While this enactment was followed by some socialization efforts, few companies had embarked on apprenticeship program because of public socialization campaigns. Other companies cooperating in one form or another with foreign companies had adopted their apprentice system from their foreign partners.

## Recruitment

### How are apprentices recruited?

All companies surveyed require the equivalent of senior secondary school diploma (SLTA) of their apprenticeship applicants. This may either be an SMA or SMK diploma. No companies accept junior secondary school graduates (SMP). In order to attract the best graduates some companies cooperate closely with individual SMK schools and, due to lack of capacity of the local school system, several companies in Balikpapan employ apprentices from other provinces.

Most companies recruit apprentices with the express purpose of recruiting apprentices to permanent positions after completed apprenticeship. These companies subject applicants to stringent tests, in some cases with less than 15% of tested applicants being accepted before acceptance into the program. Other companies consider the apprenticeship program and part of its CSR activities and emphasise providing a chance to participate in their apprenticeship programs for as many applicants as possible and preferably youth from the vicinity of company facilities.

*(Several companies remarked on the deteriorating standards of SMK schools. One company had applied the same entrance test for 10 years and found that a smaller percentage of recent SMK graduates could pass the test than was the case 10 years before.)*

### Failure rate

Most companies see the apprenticeship program as a significant investment in HR development and do their utmost to limit failures and dropouts to the minimum through stringent entry testing and in-training measures. The failure rate among apprentices, therefore, is very low. Only the hotel sector report failure rate of app. 15%. However, particular for that sector, the main reason for failing to complete the program is disciplinary issues rather than program issues.

Very few apprentices leave an apprenticeship program unless he/she has very compelling reasons for doing so. Comparing to any other form of basic skills training, apprenticeship programs are by far the best option for youth seeking training while also receiving allowance during the apprenticeship period.

## Apprenticeship agreement<sup>8</sup> issues

### Official formalities

The companies interviewed operate their apprenticeship programs to MoM rules and regulations. They register apprenticeship agreements at regional Disnaker offices and they submit biannual status reports, also to the Disnaker office. They all develop training program and companies compensate apprentices above the minimum recommended standards of the MoM regulation.

### Terms of apprenticeship agreements

The duration of apprenticeship agreements, vary greatly from a few weeks to four years depending on industry sector. (See Annex III for observations on various lengths of apprenticeship agreements.) Compensation varies from app. IDR 500,000 per month to minimum salary level for workers<sup>9</sup>. In addition to allowances, some apprentices receive over-time payment. All apprentices are covered by accident insurance and several companies provided health insurance. Apprentices and in most cases issued work clothes and in some cases provided board and lodging.

## Monitoring and evaluation

### Internal and external monitoring and evaluation

All companies had internal monitoring and evaluation systems in place. Apprentices were assessed on a weekly basis and measures were initiated in cases apprentices were falling behind in the program. Various aspects are assessed and most companies include assessing technical skills as well as work place skills.

Mostly companies operate their apprenticeship programs without being subject to audits of any kind. External monitoring and evaluation seldom take place, although Disnaker officials visit some companies on rare occasions. However, these visits are not necessarily initiated as a response to company reporting. The companies that do receive visits are not experiencing detailed audits by Disnaker officials. Rather the visits are used as an occasion by Disnaker to get an update on company activities.

## Training programs

### Training program

All companies had detailed training programs in place. The programs include weekly in-class and practical schedules with program goals that are monitored and assessed. The HR department in cooperation with technical departments develops the training programs in-house. In a few cases, the training programs are designed with reference to the national competency standards<sup>10</sup>. (Particularly training programs in the hotel sector are closely aligned with the national competency standards. However, in most other cases the programs are developed fully in-house and based on competencies required by individual companies. Companies do not cooperate with training institutions or receive other form of assistance to develop their programs and the programs are not audited or quality assessed by external sources. Companies are obliged to send all documents related to their apprenticeship programs – including training programs - to Disnaker before accepting apprentices for training. However, regulation 22/2009 does not state that companies must await Disnaker approval of document to start their training programs.

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8 The apprenticeship regulation 22/2009 uses “agreement” (*perjanjian*) rather than the word “contract” (*kontrak*)

9 Min. monthly salary 2015: Balikpapan IDR 2,026,000; Jakarta IDR 2,538,000 (exchange rate: USD 1.00 = IDR 12,800)

10 Standar Kompetensi Kerja Nasional Indonesia - SKKNI

Companies are aware of the importance of core work skills (soft skills) and included these in their training programs. While there are a number of core skills that are common to all industrial sectors, companies stress the core skills that are important to the sector in which they operate. The hotel sector, in particular, puts much emphasis on core skills related to the service sector. For other companies core skills largely are acquired in the work place when apprentices are deployed in the field.

## Trainers

Some companies have staff dedicated to training. Others appoint experienced staff members to train and mentor apprentices. In two of the companies, trainers have formal certification to national standards (LSP certification). The other companies appoint experienced senior staff as instructors. The appointed trainers have extensive experience in their respective fields and in several cases, trainers also monitor apprentices when they are assigned to jobs in the field.

## Assessment and certification

Three companies are offering external assessment and certification. One company cooperate with a Polytechnic institution and sponsor apprentices for D-2<sup>11</sup> training and certification. One hotel offer national standard certification (BNSP/LSP) to its apprentices. A company in the oil & gas and mining sector, operating four-year apprenticeship programs, have all apprentices assessed and certified to Australian certificate III standards<sup>12</sup>. Other companies undertake in-house assessment and certification.

Overall, companies do not see certification as an important issue as their objective with the apprenticeship program is to train skilled workers for own requirements. However, companies do not object to national standard assessment and certification. The barrier to more widespread certification to national standards is the high cost of assessment and certification through LSP organizations.

## Assistance from Disnaker

Due to frequent personnel changes at Disnaker offices and due to the lack of resources at ministry level to train Disnaker personnel, it is doubtful that very many Disnaker offices are able to offer advice on training programs at the level observed in most of the companies. As it were, none of the company request or are offered Disnaker assistance to develop its training programs or subsidized national standard certification. Regarding financial assistance, most companies are reluctant to apply for financial subsidies for their apprenticeship program due to possible conditions attached to such subsidies.

## Post training

### Employment

As a general rule companies operate apprentice programs to ensure that skilled labour is available for own requirements. The annual intake of apprentices is adjusted to future expected manpower requirements. Therefore, most companies employ all graduates of their apprenticeship programs. There are some exceptions to this trend, particularly in the hotel sector, where hotels may accept more apprentices than what is required by future employment estimates.

11 Polytechnics offer four different levels of courses. DI, or Diploma Program I, is awarded to students who have completed between 40 – 50 credits of professional education. Such programs length is typically between 2 to 4 semesters that follow high school. The DII diploma is awarded to students who have completed between 80 – 90 credits of professional education over the course of 4 to 6 semesters. Diploma Program III, also referred to as D III, requires an academic load ranging between 110 and 120 credits over a 6 semester span of study. Diploma Program IV, known also as IV, mandates a study load of 144 to 160 credits over eight semesters. Assessment and certification of polytechnic students are undertaken to MoEC standards.

12 See [http://www.aqf.edu.au/wp-content/uploads/2013/05/5AQF\\_Certificate-III.pdf](http://www.aqf.edu.au/wp-content/uploads/2013/05/5AQF_Certificate-III.pdf) for a short explanation of Australian certificate standard

Apprentices leaving the company in which they are trained are not provided assistance. However, in Balikpapan there is an active informal network within industry sectors as well as regular meetings of HRD staff in certain sectors. Particularly for hotel employees these informal networks appear quite effective in placing apprentices in jobs. All company staff interviewed are very confident about the quality of their training programs and are certain that their graduates shall easily find employment should they leave the company of training.

## **Trade Unions' role**

Trade unions are established in most of the companies visited and in all cases, the company managements and trade union officials discuss the apprenticeship program and trade unions understand and agree to the principles of apprenticeship, including employment and compensation terms. Apart from these initial agreements, the trade unions do not include apprentices in their scope of activities.

## **Apprenticeship Legislation, rules and regulations**

A number of regulations, enumerated in annex II, governs the vocational training system. Of these the most important ones are:

- National Regulation 31/2006 which outlines the principle of the national training system and in which the both competency based training and apprenticeship are mentioned as parts of the foundation for the national system.
- Ministerial Regulation 22/2009, which outlines the basic principles for domestic apprenticeships.

Regulation 31/2006 sets out the national training frameworks as it is implemented today. The regulation sets out the basic principles as follows:

Basic principles of skills training are:

- Oriented to the needs of skills market and human resources development;
- Based on working competency;
- Joint responsibility among business society, government, and general public;
- Parts of life-time professionalism development; and
- Conducted in justified and non-discriminative manners.

The regulation stresses competency based training and the Indonesian Qualification Framework as pillars of the system. The regulation also stresses the right of persons with disability to training. The skills training system shall be financed from central and regional state budgets. The regulation does not mention private sectors participating in financing of the skills training system.

Regulation 22/2009 is structured into General Requirements, Specific Requirements [of the two parties], Apprenticeship Program, Apprenticeship Agreement, Rights and Obligations, Execution, Monitoring & Evaluation, Support & Supervision, Other Provisions, Special Provisions and Closing. The regulation makes it clear that an apprentice is a person who is employed by a company for training. An apprentice is not a regular employee and is not employed on standard employment terms and the company is not obliged to employ an apprentice after completion of his/her apprenticeship period. The company is responsible for designing a relevant training program, if necessary through cooperation and support of public and private training institutions and the regional Disnaker office. Apprentices have no right to a salary, but employers of apprentices are obliged as a minimum to pay allowances to apprentices, equivalent to the cost of transport to and from the place of training. Employers must also provide health and accident insurance and must issue a certificate and completion of apprenticeship. The regional Disnaker offices are mandated to monitor and support the apprenticeship system through visits to companies and through compulsory reporting by companies employing apprentices.

All companies are aware the rules and regulations governing apprenticeship. Companies also consider the regulations sufficiently flexible to accommodate various conditions. The overriding impression from interviews is that the present regulations are simple, flexible, and easy to comply with. One example is the maximum 12-month apprenticeship term, which is stipulated in regulation 22/2009. Several companies are operating apprenticeship programs of up to four-year duration without being subject to Disnaker scrutiny and without Disnaker objections. The companies operating with long apprenticeship period were never questioned by the Disnaker offices, rather the opposite. One company, operating a four-year apprenticeship program, is held up by the ministry as a model for others to follow.

## **Apprenticeship Forum (FKJP)**

MoM Regulation 2/2012 set up the apprenticeship forum. The purpose of setting up the apprenticeship forum was to assist socializing the apprenticeship program and provide feedback and input to the ministry. Whether or not the Forum is active depends entirely on the dedication of the persons appointed as coordinators in the provinces. In Balikpapan the Forum is active in particular facilitates communication between companies and the Disnaker office. On national level and in the greater Jakarta area the Forum is not active.

## **APINDO involvement in apprenticeship programs**

The interviewed companies mainly see APINDO as the organization that negotiates annual minimum wage adjustments. APINDO in some cases also conduct meetings on various subject. In terms of apprenticeship, APINDO so far has been perceived as not playing an active role that is visible to the company included in this survey.

## Good practices observed

A number of good practices were observed. The most important ones are listed below. (It should be noted though that to verify good practices the impact of these practices should be assessed, not only through discussions with company official but also through discussions with the beneficiaries of the apprenticeship programs.)

<b>Recruitment</b>	Thorough screening and testing ensured good success rate
<b>Contractual issues</b>	All companies adhered to or exceeded MoM standards
<b>Monitoring and Evaluation – Internal</b>	Systematic and thorough internal assessment processes with measures to mentor and correct potential issues arising
<b>Monitoring and Evaluation - External</b>	None
<b>Training</b>	The training programs offered rate from good to outstanding.  The training programs observed were all of a better standard than what is currently offered in public and private training institutions
<b>Post training</b>	High employment rate by companies after completed apprenticeships  Informal assistance to apprentices seeking employment in elsewhere
<b>Trade Unions’ role</b>	Good understanding of the apprenticeship program and its objectives
<b>Legislation, rules and regulations</b>	Simple, flexible and serving the purpose
<b>FKJP</b>	Good cooperation in terms of facilitation and communications in areas where FKJP is active
<b>APINDO Involvement in apprenticeship</b>	None – (APINDO is not known to be involved in apprenticeship programs)

## FGD Discussion following the field study

On 12 Feb. 2015 an FGD was arranged at the APINDO Jakarta offices. Participants were stakeholder in apprenticeship as well as representatives of companies who participated in the field study. The purpose of the FGD was to present and discuss findings to arrive at a number of conclusions and ideas for next steps for APINDO and its partners in apprenticeship. (*List of participants in annex V*).

### Opening remarks

**Agung Pambudhi**, Executive Director of APINDO, opened the FGD session by highlighting that APINDO's involvement in the apprenticeship project was driven by the need and intention to contribute to the efforts of tackling youth unemployment in Indonesia. Based on APINDO's roadmap on economy, at least 3 million jobs are needed yearly to overcome the issue of unemployment in Indonesia. Accordingly to him, employment creation is complicated due to structural and technical aspects of institutions in Indonesia related to education and training. There is an apparent mismatch between educational institutions and industry to fulfill the needs for skilled workers. Apprenticeship becomes vital in filling the gap despite the fact that in Indonesian context, the word *pemagangan* (apprenticeship) does not have a specific definition and could apply to apprenticeship, internship or traineeship based on the international standards.

**Miaw Tiang Tang**, Employers' Specialist of ILO Bangkok, noted that ILO has been collaborating with APINDO starting last year with the kick-off meeting in October. A series of activities have been planned in promoting apprenticeship and the FGD is part of the overall project activities. She also noted that the FGD is an opportunity for the ILO's senior consultant to share his findings from a field assessment on the best practices of apprenticeship in companies in Balikpapan and Jakarta. She encouraged the companies to participate actively in the meeting and to give feedback and inputs on the finding.

### Presentation

**Gorm Skjaerlund**, a senior consultant on the project who visited 13 companies in 2 provinces that have apprenticeship programs in their working area, explained the assessment only provides the current situation of apprenticeship practices in those companies. The purpose of the assessment is to provide APINDO with necessary tools and infrastructure to increase awareness on apprenticeship program among employers and to enhance enterprise-level practices on apprenticeship systems. (*Presentation available from the ILO program team.*)

Agung Pambudhi summarized several points from the presentation:

- Tight selection in the recruitment process to avoid dropout. On the contract period, it is difficult to differentiate between apprenticeship, permanent employment, and probation period.
- Monitoring and evaluation are done but no feedback from Disnaker or the Ministry of Manpower. The Ministry has a national standard of Standar Kompetensi Kerja Nasional Indonesia / SKKNI (The Indonesian Competency Standards) but companies prefer to use their own set of standards.

## Summary of discussion

The following is a summary of the discussion that took place after the presentation.

- Companies need clear and non-contradicting government regulations on apprenticeship program as guidance.
- A mutual and active coordination between the Ministry of Manpower through provincial and district-level Department of Manpower, companies with apprenticeship programs through apprenticeship forum and APINDO is necessary to promote and share information on good practices of apprenticeship programs.
- Collaboration between the Ministry of Manpower and the Ministry of Education is crucial in tackling skill mismatch.
- The Ministry of Manpower and The Indonesian Professional Certification Authority (Badan Nasional Sertifikasi Profesi) should improve The Indonesian Work Competence Standard (SKKNI).
- The Ministry of Manpower should enhance training institutions with up-to-date facilities, technologies, and trainings so that the institutions are able to collaborate with various companies in preparing skilled workers.

APINDO should play an active role in promoting the apprenticeship program to companies and workers.

## Proposed follow up Actions

To establish an apprenticeship network that will synergize with the current apprenticeship forum by recruiting companies with apprenticeship program to become champions for other companies. The launching of the Indonesian Apprenticeship Network is planned to be in April or May with the following 3 main focuses:

1. Socialization of apprenticeship program in Indonesia – apart from the national apprenticeship forum / FKJP, APINDO is also one of the board members of The Global Apprenticeship Network.
2. APINDO is keen to promote apprenticeship program by sharing global best practices;
3. Awareness raising and advocating the benefits of apprenticeship with all stakeholders;
4. Scaling up – expanding and promoting apprenticeship to different areas in Indonesia;
5. Create guideline on the best practices of apprenticeship program in Indonesia.

# Conclusions and recommendations

## Conclusions

The small sampling size did not provide a conclusive picture of the apprenticeship program in Indonesia. In particular the survey did not include small and micro companies which also must be included as possible trainers of apprentices in order for the program to have a nationally meaningful employment impact.

The impressions gathered from discussions with companies in Balikpapan and in greater Jakarta revealed that companies are largely on their own and are developing and executing apprenticeships that provide excellent training to participants. These programs are developed in house and with little or no input from external sources. Good practices were observed in almost all companies and it was in particular encouraging to verify that companies operate excellent training programs and also provide compensation and social benefits that exceed minimum requirements.

Companies are in favour of the apprenticeship rules as they are written. The rules provide sufficient room for companies to develop their programs in accordance with company requirements. The visits to companies did not reveal any instances of even mild exploitation of apprentices that may occur due to the very basic rules governing apprenticeships.

Reporting requirements are easy and monitoring by local Disnaker offices is lax or non-existent. This could possibly lead to misuse and exploitation by companies. However, the companies visited saw the apprenticeship program as a valuable – and costly – program to develop future skilled employees for their companies. Most companies exceeded formal requirements in terms of compensation and insurance because companies wanted to ensure that apprentices stay with the company upon completion of apprenticeships.

In discussions with companies about their programs and - when meeting companies that do not have apprentices - the almost complete absence of effective efforts to promote and support the apprenticeship program stand out. With its limited resources, MoM does its best. But due to very limited resources is unable to meet even basic expectations for an effective apprenticeship socialization and support program. Disnaker offices as well as employers and workers organizations spend little efforts to support and socialize the apprenticeship program and consequently companies do not know where to turn for advice and guidance. Also the forum that was set up to assist promoting the apprenticeship program is only active in a few provinces.

Being able to verify the efforts companies put into their training programs through their in-house training departments provide evidence that the apprenticeship system probably is in good hands in most medium and large companies. However, the survey's lack of information on small companies does increase the urgency to understand how small companies with no internal training departments shall be able to operate apprenticeship programs that provide training to acceptable levels. It is in particular important to understand if companies that do not have in-house training departments cooperate closely with public and private training institutions to provide relevant off-the-job training.

## Recommendations

### Promotion and socialization

This limited survey showed that the apprentice concept is not widely understood and it is not clear to companies wishing to initiate apprenticeship programs where they should go for information and assistance. While it would be desirable to see Disnaker offices taking up the task of assisting companies through socialization and start-up assistance, APINDO should also initiate parallel efforts to assist its members. A number of actions could immediately be initiated, such as reinvigorating the Apprenticeship Forum which on national level is coordinated by an APINDO official. Regarding the Apprenticeship Forum APINDO could also activate its provincial network of APINDO offices by providing basic information to these offices and appeal to APINDO provincial offices to support the local Apprenticeship Forum chapters. The cooperation that once took place between the Directorate of Apprenticeship at MoM and APINDO to socialize the apprenticeship concept could also be restarted to add to the limited resources at ministry level.

## **Involvement of training providers**

This survey showed that medium and large size companies do not require outside assistance to provide of-the-job training to apprentices. That is not the case with micro and small companies. In order for apprenticeships in micro and small companies to provide required skills training providers, public and private, need to be engaged in the process.

It is recommended that APINDO, on national and regional levels, intensify its cooperation with public and private training providers. This may take place on national and regional levels through cooperation with the two training provider associations, (HIPMI and HIPKI). Cooperation may also take place through direct communication between APINDO members and training providers<sup>13</sup>.

## **National training system**

The training programs that were presented during the company visits appeared to be of high quality and lead to immediate employment for almost all graduates of the apprenticeship programs. Nevertheless, there is an urgent need to ensure that training programs are meaningful and aligned with the national skills training system and that competencies acquired are packaged into occupation that match the Indonesian Qualification Framework (KKNI).

It is recommended that the apprenticeship regulations be strengthened to ensure that apprenticeship agreements lead to national qualifications as stipulated in the newly introduced KKNI regulation.

## **APINDO's role**

APINDO could play a significant role in promoting apprenticeship to its members. It is recommended that APINDO:

- Socialize the apprenticeship program and ensure that information on apprenticeship activities in member-companies forms part of membership information in APINDO's membership database.
- Assume the role in initiating tri-partite dialogue on apprenticeship.
- Cooperate with MoM to invigorate or renew the apprenticeship forum or an organization that can undertake tasks similar to what was envisioned for the FKJP.
- Capacitate APINDO provincial offices to enable them to socialize the apprenticeship concept and to be able to provide advice and support to companies planning to start apprenticeship programs.

## **Trade Unions' role**

- At the moment trade unions at best are passive regarding the apprenticeship concept. However, from earlier meetings and interviews with union members, indications are that trade unions are sceptical about the concept and are particularly concerned about possible misuse in terms of cheap labour. It is recommended that trade unions:
- Participate actively in a tri-partite dialogue on the apprenticeship concept.
- Define possible roles for the trade unions in developing and monitoring apprenticeship program on national regional and company levels.

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<sup>13</sup> For recent information on skills supply and private training providers, see: [http://www.tnp2k.go.id/images/uploads/downloads/WP\\_23.pdf](http://www.tnp2k.go.id/images/uploads/downloads/WP_23.pdf)

## **Additional research**

Other research and discussions on apprenticeship are taking place at the time of reporting.

The ILO has a team discussing with the Government about possible cooperation to develop the apprenticeship system. TNP2K is researching issues surrounding informal apprenticeships. The research team is conducting interviews able to provide in depth documentation of apprenticeship in micro and small companies and GIZ has a team of advisors at MoM developing criteria and manuals to mainstream the Indonesian Qualification Frameworks (KKNI). The GIZ team is also developing revised guidelines for accreditation of vocational training institutions.

It is recommended that the APINDO apprenticeship team communicate and cooperate with these efforts.

# Annexes

## Annex I: Details of apprenticeship agreement by province and by year

PROVINCE/YEAR	2007	2008	2009	2010	2011	2012	2013	JUMLAH
DKI Jakarta	74	156	4.154	2.529	10.775	4.375	5.253	27.316
Jawa Barat	79	117	700	874	700	2.202	2.826	7.498
Jawa Timur	72	126	600	980	600	2.540	2.168	7.086
Kalimantan Timur	126	206	1.202	1.571	1.103	1.147	1.459	6.814
Jawa Tengah	44	80	646	988	880	1.800	1.860	6.298
Banten	5	44	600	1.100	600	1.359	1.258	4.966
D.I. Yogyakarta	3	44	1.193	942	800	1.025	804	4.811
Bali	41	67	640	400	1.200	1.366	1.028	4.742
Sumatera Utara	59	100	379	879	700	853	683	3.653
Sulawesi Selatan	0	0	500	1.011	300	573	909	3.293
Riau	14	33	640	722	600	569	389	2.967
Kepulauan Riau	6	9	250	520	500	600	714	2.599
Sumatera Selatan	16	29	260	455	400	705	653	2.518
Lampung	5	37	0	200	700	791	516	2.249
Aceh	1	2	880	278	40	122	184	1.507
Nusa Tenggara Barat	0	0	0	138	200	443	544	1.325
Kalimantan Selatan	5	10	15	95	360	449	356	1.290
Jambi	1	1	0	0	0	474	532	1.008
Sumatera Barat	1	5	60	100	280	243	303	992
Sulawesi Tenggara	0	0	125	92	40	219	427	903
Sulawesi Tengah	0	0	60	80	60	235	327	762
Kalimantan Barat	0	1	49	52	40	247	313	702
Sulawesi Utara	0	0	0	0	0	294	160	454
Kalimantan Tengah	0	0	100	0	90	72	137	399
Bengkulu	0	2	0	0	40	126	149	317
Kep. Bangka Belitung	0	0	0	0	0	52	225	277
Papua Barat	0	2	0	0	40	46	111	199
Maluku Utara	0	0	0	0	40	46	105	191
Papua	0	0	0	0	0	63	107	170
Nusa Tenggara Timur	0	0	0	0	0	13	114	127
Gorontalo	0	0	0	0	0	5	46	51
Maluku	0	0	0	0	0	17	19	36
Sulawesi Barat	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>552</b>	<b>1.071</b>	<b>13.053</b>	<b>14.006</b>	<b>21.088</b>	<b>23.071</b>	<b>24.679</b>	<b>97.520</b>

Sumber: MoM

## Annex II: Laws and regulations pertinent to apprenticeship

- Constitution of Republic of Indonesia No.13 Year 2003 on Employment
- Government Regulation No. 31 Year 2006 on National Job Training System
- Minister of Manpower and Transmigration's Act No. Kep.261/MEN/XI/2004 on Companies that are Obligated to Implement Job Trainings
- Minister of Finance's Act No. 770/KMK.04/1990 on income tax for employees' training costs, apprenticeship, and scholarship
- Minister of Manpower and Transmigration's Regulation No. PER. 17/MEN/VII/2007 on licensing procedures and private training institutions' registration
- Minister of Manpower and Transmigration's Regulation No. PER. 08/MEN/V/2008 on licensing procedures and Overseas Apprenticeship Program's Implementation
- Minister of Manpower and Transmigration's Regulation No. PER.22/MEN/IX/2009 on Domestic Apprenticeship Program's Implementation
- Minister of Manpower and Transmigration's Regulation No. 5 Year 2012 on National Competency Standards
- Minister of Manpower and Transmigration's Regulation No. 6 Year 2012 tentang Penandaan Sistem. Pelatihan Kerja
- Minister of Manpower and Transmigration's Regulation No 7 Year 2012 on utilizing local training centers by private companies
- Minister of Manpower and Transmigration's Regulation No. 8 Year 2012 on Indonesia's National Competency Standards' procedures
- Presidential Decree No. 8 Year 2012 on National Qualification Framework
- Presidential Decree's Addendum No. 8 Year 2012 on National Qualification Framework

## Annex III: Examples of apprenticeship models

Characteristics	Short Term 1 – 12 weeks	Medium Term 13 – 52 weeks	Long Term >12 months
Industry sectors	All	Retail, banking, hotels, welding	Companies servicing and maintaining complicated equipment
Purpose of recruiting apprentices	Social, often part of a company's CSR program; some programs appear to be developed to minimize cost of initial training of operators	Mostly to satisfy company requirements but also to provide employment possibilities to youth	Only to satisfy internal requirements for staff trained to company requirements
Typical jobs	Machine operator; safety officer; warehouse functions	Any hotel related entry level job; customer service person in retail and banking; repair and service of basic mechanical and electrical equipment; basic clerical functions	Service and repair of complicated mechanical, electrical and electronic equipment
Recruitment process	Often open for all who fulfill basic educational and health standards	Careful selection process with internal testing procedures	Stringent selection process; candidates recruited through cooperation with selected SMK schools and subject to extensive internal testing procedures
Minimum formal schooling required	SLTA	SLTA	SLTA
Curriculum	Developed in-house	Developed in-house with some sectors using the national competency standards (SKKNI) as reference	All developed in-house to company requirements; course often developed in cooperation with business partners providing technological know-how
In-class / practical training	25% / 75%	25% / 75%	25% / 75%
Assessment / certification	Internal	Internal	Internal
Allowances	Low, often the minimum allowable and in almost all cases less than minimum wage	Allowance is often close to or matching minimum wage level	Allowance meeting or exceeding minimum wage level; overtime payment and allowances when in assigned to field duty; various incentives provided to ensure that apprentices stay with the company after completion of contract
Benefits	Often minimum allowable; accident insurance	Often exceeding minimum benefits; health insurance; work clothes	Always exceeding minimum benefits; health insurance; work clothes; free accommodation
Employment	Some graduates are offered employment	Best graduates are offered employment; others are offered to other same-sector companies	All graduates are offered employment

## Annex IV: Important details of apprenticeship regulations<sup>14</sup>

Participants in the apprenticeship program must be:

- a. Job seekers;
- b. LPK students, and
- c. Worker with the objective of increasing his/her competence

Requirements:

- a. Minimum age of 18 (eighteen) years;
- b. Have ability, interest and willing to
- c. Sign an apprenticeship agreement.

Companies offering apprenticeship must have:

- a. Apprenticeship programs;
- b. Facilities and infrastructure;
- c. Apprenticeship training and supervising personnel, and
- d. Funding.

Apprenticeship programs:

Apprenticeship programs can be prepared by the company and/or in cooperation with a training institution.

Apprenticeship Program as described in paragraph shall at least contain:

- a. The name of the program;
- b. Program objectives;
- c. Level of qualifications and/or competencies to be achieved;
- d. Job description or competency units to be acquired;
- e. Period of apprenticeship;
- f. Curriculum and syllabus, and
- g. Certification.

Apprenticeship program competencies refer to:

- a. SKKNI;
- b. International Standards and / or
- c. Special standards.

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<sup>14</sup> It was not possible to find an English language version of the apprenticeship regulation. The translation is done by the author.

The period of apprenticeship referred to above must be of up to a maximum of 1 (one) year.

Competence and qualifications that more than 1 (one) year to acquire should be acquired through a repeat apprenticeship agreement and should be reported to the office district/city.

Apprenticeship program as referred to above must be acknowledged and approved by the department of the district/city.

Company facilities and infrastructure as referred to above shall meet the requirements for organizing training including facilities for:

- a. Theory;
- b. Simulation and practice;
- c. Work directly under the guidance of experienced workers in accordance with apprenticeship programs, and
- d. Health and Safety (K3).

Supervisors of apprenticeship referred to above are to guide participants in accordance with the needs of the apprenticeship training program.

Operators of apprenticeship programs do so on the basis of a written agreement between the participants and the company.

Apprenticeship agreement referred to above shall at least contain:

- a. The rights and obligations of the participants;
- b. The rights and obligations of the organizers of the program, and
- c. Types and vocational programs.

Agreement between participants and a company as referred to above shall be acknowledged and approved by the department of the district/city.

Ratification referred to above must be completed within a maximum period of 5 (five) working days of signing the apprenticeship agreement.

## **RIGHTS AND OBLIGATIONS**

Apprenticeship participants are entitled to:

- a. Obtaining safety and health facilities during the apprenticeship;
- b. An allowance and / or transport allowance;
- c. Protection in the form of accident insurance and death, and
- d. Obtain a certificate of apprenticeship if assessment.

The company reserves the right to:

- a. Utilizing the work of apprenticeship participants, and
- b. Impose discipline and apprenticeship agreements.

Participants in apprenticeship are obliged to:

- a. Obey the apprenticeship agreement;
- b. See the apprenticeship program through to completion;
- c. Comply with applicable rules in the company's apprenticeship providers, and
- d. Maintain the good name of the company organizing apprenticeship.

Companies are obliged to:

- a. Guide participants in accordance with the apprenticeship training program;
- b. Fulfil the rights of participants in accordance with the apprenticeship agreement;
- c. Provide personal protective equipment in accordance with the requirements of Health and Safety (K3);
- d. Provide protection in the form of accident insurance to the participants;
- e. Provide pocket money and/or money transport participants;
- f. Evaluate participants apprenticeship, and
- g. Provide apprenticeship certificate for participants who pass assessments.

## **MONITORING AND EVALUATION**

Department of districts/cities undertake periodic monitoring and evaluation of the implementation of apprenticeship in the working area.

The results of monitoring and evaluation referred to are reported by the head of the district/city to the provincial head office, with copies to the Director General.

## Annex V: Contacts

### Greater Jakarta

Company	Contacts	Address
PT. Unitex Tbk (www.unitex.co.id)	Mr. Sukoco (Manajer HRD)	Jl. Raya Tajur No. 1, Bogor Timur
PT. Sarandi Karya Nugraha (www.sarandi.co.id)	Mr. Isep Gojali (Director and 2nd speaker at KO meeting)	Ruko Tanjung Mas, Jl. Komplek Tanjung Mas Raya Blok B1 / 31, Tanjung Barat 12530, Jakarta Selatan
PT Trans Retail Indonesia (Carrefour)	Ibu Sumarni	Jl. Lebak Bulus Raya no. 8, Jakarta Selatan ( <i>entrance through staff door</i> )
PT Garudafood Putra Putri Jaya	Bela Herlambang, Dwi Melasari, Patricia Rini	Wisma Garudafood, Jl. Bintaro Raya No. 10 A Tanah Kusir, Jakarta Selatan, Wisma 1 Garudafood Lantai Dasar)
Bank Danamom	Made Yudha Negara, Mass Marketing Business HR Head  Susi Arhendratni, Talent and Learning Management	DBS Bank Tower, Ciputra World 1 22nd Floor

### Balikpapan

Company	Contacts	Address
PT Davidi International	Yasdik	Jl. Sultan Hasanuddin no. 888 Kel Kariangau, Kota Balikpapan
Hotel Blue Sky	Lucya Sari Ratna	Jl. Letjen Suprpto no. 1, Kota Balikpapan
PT Hexindo Adi Perkasa	Sudiryono	Jl. Jend Sudirman No. 20, Kota Balikpapan
PT Eka Dharma Jaya Sakti	Septian	Jl. Jend Sudirman no 22 RT 25, Kel Stalkuda, Kota Balikpapan
PT Trakindo Utama	Ruslan  Arisiani R Wulandari	Jl. Jend Sudirman no 848 Interviewee: Pak Devi Sumarhadi (HR Manager Area North Kalimantan), Pak Nurhidayat (Senior Supervisor Training Center), and Ibu Arisiani Wulandari
Hotel Pasific	Rum Hidayatullah	Jl. Ahmad Yani no 33, Kota Balikpapan

Company	Contacts	Address
PT Borneo Alam Semesta	Khairul Azmi	Jl. Mulawarman no 58 RT 59, Kota Balikpapan
PT Thiess Contractor Indonesia	H. Makmur	Jl. Mulawarman No.1 RT 2 Kel. Manggar Kecamatan Balikpapan Timur, Kota Balikpapan

### Others

Organisasi	Contacts	Address
FKJP	Bambang Jati Kusuma	Balikpapan
APINDO Kaltim	Slamet Brotosiswoyo	Ruko Puri Blok B No. 10 Komp. Balikpapan Baru Balikpapan
Disnaker Kota Balikpapan	Gioto	Disnaker Kota Balikpapan Jl. Jend. Sudirman No. 25 Balikpapan

## Annex VI: Participants in Focus Group Discussion (12/02/15)

### Focus Group Discussion APINDO's Apprenticeship Project

APINDO Secretariat, Jakarta 12 February 2015

No.	Name	Position	Company / Institution
1	Justi Amaria	Kasubdit	Dit Pemagangan
2	M. Iqbal Abbas	Kasubdit	Ministry of State for National Development Planning/ National Development Planning Agency (BAPPENAS)
3	Gorm	Consultant	ILO
4	Miaw Tang	ILO Specialist	ILO
5	Yeni Febriani	Staff	Ministry of State for National Development Planning/ National Development Planning Agency (BAPPENAS)
6	Rahmi Yunita	Consultant	Knowledge Sector Initiative
7	Darwoto	DPN APINDO	DPN APINDO
8	Sukoco	HRD	PT Unitex Tbk, Bogor
9	Agus Dwijanto		APINDO
10	Irham A.S.	Program Officer	ILO
11	Yassir	HR	Davidi International, Balikpapan
12	Bela Herlambang	IR BP BU	Garudafood Putra Putri Jaya, Jakarta
13	Susi Arhendratni	Talent & Learning Management	Bank Danamon
14	Lucia Sari Ratna	Personnel Manager	Blue Sky Hotel, Balikpapan
15	Michiko Miyamoto	Deputy Director	ILO
16	Agung Pambudhi	Executive Director	APINDO
17	Sumarni	Talent AQC	PT Trans Retail Indonesia (Carrefour), Jakarta

