



## RESEARCH ARTICLE

### YOUTH HUMAN RESOURCE DEVELOPMENT IN INDONESIA AND IMPLICATIONS FOR VIETNAM

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#### ABSTRACT

In the current context, where the Fourth Industrial Revolution is exerting significant influence worldwide, the development of human resources in general—and young human resources in particular—has become a high priority for many countries. However, the implementation of youth human resource development varies depending on the economic, cultural, and social conditions specific to each nation. This paper will examine the objectives and strategies for youth human resource development in Indonesia, thereby offering policy suggestions for Vietnam.

##### Keywords:

Indonesia, Human Resources, Policy, Development.

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## INTRODUCTION

At present, there are many interpretations regarding the concept of human resources (HR). According to the United Nations, "Human resources comprise all knowledge, skills, experiences, capacities, and creativity of individuals that contribute to the development of both the individual and the nation." The World Bank defines human resources as "the total human capital, including physical strength, intellectual ability, and professional skills, possessed by each member of society." The International Labour Organization (ILO) states that a country's human resources consist of all individuals of working age who are capable of participating in the labor force. Broadly defined, human resources refer to the labor force supplying human capital for social production and national development. Narrowly defined, they refer to the labor potential of a society—comprising the working-age population capable of engaging in labor and production—i.e., the entire pool of individuals actively participating in the labor process, mobilizing their physical and intellectual abilities for work. Furthermore, in *Public Administration and Public Affairs*, Nicolas Henry argues that: "Human resources are the human capital of organizations (of various sizes, types, and functions) with the capacity and potential to contribute to the development of the organization, as well as the economic and social advancement of the nation, region, and world." Similarly, George T. Milkovich and John W. Boudreau, in *Human Resources Management*, define human resources as

"the collection of internal and external elements of each individual that ensures creativity and other critical components for the success and collective objectives of the organization."

In the Indonesian context, human resources include the working-age population that is capable of participating in the labor market—specifically individuals aged 15 and older. From a business perspective, human resources are understood as "individuals within the working age (15–64 years old) who are capable of operating a business over a certain period to produce goods and services for themselves and others."

Throughout the process of international integration, Indonesia—like many other nations—has consistently placed humans at the center of development. President Joko Widodo affirmed that the development of human resources is the "golden key" to Indonesia's future.

**Strategic Objectives for Youth Human Resource Development in Indonesia:** The development of young human resources is a critical factor in promoting economic growth and social advancement. In the context of globalization and increasingly fierce economic competition, investing in younger generations not only ensures sustainable development but also lays the foundation for building a prosperous and equitable society. Indonesia—a vast country with a large and youthful population—has implemented various policies and programs aimed at enhancing the quality of its young workforce.

One of Indonesia's key strategies is to strengthen its education and vocational training systems. The country has made substantial investments in expanding and improving the quality of schools and vocational training centers, with the goal of equipping young people with the skills and knowledge needed for 21st-century jobs. Additionally, soft skills training programs—such as communication, leadership, and teamwork—are also emphasized, preparing Indonesian youth to adapt and thrive in diverse and rapidly changing work environments. Furthermore, Indonesia has launched entrepreneurship and innovation support programs to foster entrepreneurial spirit and creativity among young people. Initiatives such as providing startup capital, offering technical support, and creating a favorable environment for startups have enabled many young Indonesians to test and develop their business ideas. These efforts not only generate new employment opportunities but also stimulate innovation and economic development.

In addition, the Indonesian government has introduced several policies to improve youth access to the labor market, including promoting internship programs and partnerships between businesses and training institutions. These efforts aim to ensure that young people have opportunities to gain practical experience and develop work-related skills while still in school.

**Youth Human Resource Development Strategy in Indonesia:** In line with the aforementioned objectives, Indonesia has implemented a range of strategic measures to develop its youth human resources, focusing primarily on education, vocational training, and entrepreneurship support.

**On Education:** Education is a fundamental element in shaping Indonesia's human resources. Although the country has made significant progress in improving access to education, challenges related to education quality remain. Many children in rural areas still face barriers to accessing quality education. To address this, Indonesia has invested heavily in its educational system—from preschool through higher education—with the aim of enhancing both quality and accessibility for the entire population. The government has implemented a series of education reform programs to improve teaching quality and infrastructure. These reforms include upgrading schools, providing modern educational equipment, and retraining teachers to meet new teaching standards. Additionally, reforms also focus on strengthening the management and oversight of educational institutions to ensure compliance with quality standards.

In addition to improving infrastructure and teaching quality, Indonesia places strong emphasis on encouraging students to participate in STEM (Science, Technology, Engineering, and Mathematics) education. This is part of a long-term strategy to equip students with the necessary skills to meet the demands of the modern labor market. STEM education programs not only emphasize theoretical knowledge but also focus on developing practical skills and creative thinking. Investment in STEM education is considered a crucial step in promoting Indonesia's economic and social development. By equipping students with advanced technical and scientific skills, Indonesia aspires to cultivate a workforce that is competitive on the international labor market. This is especially significant in the context of the Fourth Industrial Revolution, where technology and innovation are transforming the operations of many industries.

Moreover, Indonesia also focuses on creating lifelong learning opportunities for all citizens. The government has implemented distance learning programs and online courses to ensure that everyone—regardless of age or circumstances—can access education. This not only enhances overall education levels but also contributes to poverty reduction and improved quality of life. In summary, investing in the education system and encouraging students to engage in STEM subjects are essential steps in Indonesia's long-term development strategy. These efforts aim not only to improve the quality of education but also to build a highly skilled workforce capable of meeting the demands of the modern labor market. Indonesia's education reform programs have yielded tangible and positive results. One of the most notable outcomes is the increase in enrollment rates across all education levels, especially at the preschool and primary levels. According to the World Bank, Indonesia's primary school enrollment rate has reached nearly 100%, indicating significantly improved access to education for children of school age.

Teaching quality has also improved through teacher training and professional development programs. The Indonesian government has invested in organizing advanced training sessions to help educators adopt modern teaching methods and contemporary pedagogical skills. This not only enhances instructional quality but also fosters students' creativity and critical thinking abilities. Educational infrastructure has also seen substantial improvements. Many schools have been newly constructed or upgraded, providing better learning conditions for students. Schools have been equipped with modern teaching tools, including science labs, computer rooms, and digital libraries—creating an enabling environment for learning and research. In addition, Indonesia has made significant strides in promoting STEM education. STEM subjects have been integrated into the curriculum from elementary through high school. Numerous competitions and events related to STEM have been organized, encouraging students to participate and develop scientific, technological, engineering, and mathematical skills. This push has enabled many Indonesian students to achieve outstanding results in international competitions, thereby elevating the reputation and standing of the national education system globally.

Furthermore, lifelong learning and distance education programs have offered adults opportunities to continue their education and improve their qualifications, regardless of age or background. This is particularly important for enhancing labor force skills and reducing unemployment. Online courses and remote learning initiatives have attracted widespread participation, allowing people to access new knowledge and enhance their job prospects. In conclusion, Indonesia's education reform programs have produced remarkable outcomes—from increasing enrollment rates, improving teaching quality, and upgrading educational infrastructure to promoting STEM education and creating lifelong learning opportunities. These achievements have not only improved education quality but also contributed to the country's sustainable and prosperous development.

**On Vocational Training:** Indonesia has placed special emphasis on vocational training for youth to meet the increasing demands of the labor market in the context of global economic integration. The country's vocational training programs focus not only on technical specialization but also on soft skills such as communication, teamwork, and problem-

solving. This combination helps young Indonesians master essential job-related skills while also developing important personal attributes, thereby improving their adaptability to various occupations and enhancing their competitiveness in the labor market. First and foremost, technical skills are imparted through vocational training programs that play a pivotal role in preparing youth for specific jobs in various industries. These training courses are typically designed in alignment with the actual needs of enterprises, ensuring that graduates can quickly integrate into the workforce. Popular training fields include mechanical engineering, electronics, information technology, tourism, and hospitality services. This alignment helps bridge the gap between theory and practice, boosting trainees' confidence as they enter the labor market. In addition, soft skills are an indispensable component of Indonesia's vocational training programs. Effective communication skills enable young people to convey ideas and information clearly and persuasively, while teamwork skills facilitate collaboration and coordination with colleagues, fostering a productive and harmonious work environment. Problem-solving and critical thinking skills are also emphasized, helping youth to handle complex situations and develop creative solutions. These skills are not only essential in professional settings but also valuable in daily life, contributing to the formation of a flexible and innovative workforce.

Furthermore, vocational training programs in Indonesia are regularly updated and innovated to keep pace with technological advancements and market trends. The incorporation of advanced technologies and modern teaching methods improves training quality and equips learners with up-to-date skills and knowledge. This not only enhances individual competencies but also contributes to the sustainable development of the national economy. These vocational training programs also feature strong collaboration with domestic and international enterprises and organizations. Businesses serve not only as partners but also as sponsors, providing resources and technical support for training courses. Their involvement ensures that training content is aligned with real-world labor market demands and offers students opportunities for internships and post-graduation employment. In summary, Indonesia has established a comprehensive and modern vocational training system that equips youth with essential technical and soft skills, enabling them to enter the workforce with confidence and flexibility. These efforts not only enhance the competitiveness of Indonesian youth but also contribute to the sustainable growth of the national economy in the context of globalization.

**The Role of Enterprises in Supporting Vocational Training in Indonesia:** Enterprises play a vital and strategic role in supporting vocational training programs in Indonesia. Their contributions are not only financial but also involve direct participation in various aspects of the training process. First, businesses act as strategic partners in curriculum development. They provide insights into the real needs of the labor market, enabling vocational training institutions to design practical and relevant courses. This collaboration ensures that graduates possess the appropriate skills and knowledge required by specific industries, helping to reduce unemployment and address the shortage of skilled labor. Moreover, businesses often supply resources and technical equipment to vocational training centers. This includes donations of modern technologies, machinery, and essential software that allow trainees to access and become familiar with the latest tools.

Such support enhances the quality of teaching and enables learners to gain hands-on experience with advanced equipment—forming a solid foundation for future employment. Enterprises also participate directly in teaching through internship programs and partnerships. Trainees are offered opportunities to intern at companies and factories where they can apply what they have learned and gain practical experience. Many companies also dispatch their own experts to serve as guest lecturers, sharing industry knowledge and mentoring students. This helps students better understand the workplace and the expectations of their chosen profession.

Finally, enterprises play a crucial role in facilitating job placement after graduation. Many are willing to hire former interns or participate in job-matching programs in collaboration with vocational institutions. This involvement not only reduces the burden of job searching for trainees but also ensures that businesses can access a pool of high-quality, job-ready labor. In short, the engagement of enterprises in Indonesia's vocational training system enhances training quality and builds a robust bridge between education and the labor market—ensuring mutual benefits for both trainees and employers.

**On Entrepreneurship Support:** Indonesia has implemented various entrepreneurship support programs aimed at fostering a spirit of enterprise and encouraging young people to create their own employment. These initiatives include funding, business skills training, advisory support, and facilitating access to investment capital and networks of potential investors. First and foremost, access to capital is critical in supporting startups. The Indonesian government has established several financial support funds specifically for youth-led startups. These funds provide not only initial capital but also long-term financial assistance to help businesses overcome early-stage challenges. The government also collaborates with banks and financial institutions to offer preferential loan programs, making it easier for youth to access the capital needed for their entrepreneurial projects. Specifically, President Joko Widodo (Jokowi) has called on state-owned enterprises (SOEs) and their venture capital branches to play a greater role in supporting startups. At an event hosted by the Ministry of SOEs, Jokowi expressed hope that these enterprises would help connect larger ecosystems and assist startups in overcoming market entry barriers. According to the *e-Conomy SEA 2021* report by Google, Temasek Holdings, and Bain & Co., Indonesia's internet economy reached USD 70 billion in 2021 (up 49% from USD 47 billion in 2020), with projections of doubling to USD 146 billion within four years—solidifying Indonesia's leading role in ASEAN's digital economy. SOE Minister Erick Thohir also announced that several SOEs had already established their own venture funds—such as Mandiri Capital and BRI Ventures—and that Bank Negara Indonesia (BNI) is expected to follow suit. The ministry has also launched the Merah Putih Fund to support startups in scaling up. In addition to funding, business skills training is a key component of Indonesia's entrepreneurship support programs. These training sessions cover areas such as financial management, marketing, product development, and leadership. Their goal is to equip young people with the necessary knowledge and competencies to effectively manage and grow their businesses. Many programs also invite successful entrepreneurs and industry experts to share their experiences and offer hands-on guidance, providing trainees with a more realistic view of the startup journey.

Consulting support also plays an important role in encouraging entrepreneurship. Startup support centers have been established across the country to offer free or low-cost advisory services to young entrepreneurs. Consultants not only assist with business planning but also help address legal issues, customer acquisition, and network development. These services help young businesspeople avoid common mistakes and increase their chances of success. The Indonesian government also prioritizes facilitating access to investment and connecting young entrepreneurs with potential investors. Regular startup events and expos offer entrepreneurs the opportunity to pitch their ideas to investors. These events not only provide access to funding but also expand business networks and offer learning opportunities from seasoned professionals. The government also promotes the establishment of business incubators and co-working spaces, providing infrastructure and support services to reduce initial costs and enhance collaboration. Overall, Indonesia has developed a comprehensive and effective entrepreneurship support system—from funding and training to consulting and capital access. These efforts not only inspire entrepreneurial spirit and self-employment among youth but also contribute to the dynamism and sustainability of the national economy.

**Some Implications for Vietnam:** Vietnam and Indonesia are two countries that share similarities in having abundant human resources. Vietnam can learn from Indonesia's strategies for developing young human capital in order to improve workforce quality and meet the demands of the global labor market.

**Investing in Education:** Education is the foundation of sustainable development. Vietnam needs to continue investing heavily in its education system, particularly in the fields of STEM (Science, Technology, Engineering, and Mathematics). Improving teaching quality and educational infrastructure will equip the younger generation with the skills necessary to participate effectively in the global labor market. Schools and higher education institutions must be furnished with modern facilities, technologies, and updated teaching materials. Vietnam should also promote lifelong learning by enabling students and workers to access online courses and short-term training programs. This approach will not only improve professional qualifications but also foster adaptability to changes in labor market demands.

**Enhancing Vocational Training:** Vocational training is a key factor in improving workforce quality. Vietnam should place greater emphasis on vocational training—not only in traditional industries but also in services and information technology. Training programs must be flexible and aligned with real-world labor market needs. Collaboration with businesses to develop vocational curricula that reflect actual job requirements is essential. This will help bridge the gap between theory and practice, enabling learners to apply their knowledge more effectively. Additionally, investments in high-quality vocational training centers equipped with modern technology and experienced instructors are a critical step.

**Encouraging Entrepreneurship:** Entrepreneurship is a major driver of economic growth. Vietnam should scale up its support programs for startups, creating favorable conditions for young people to establish their own businesses. This includes funding, business skills training, and advisory support for startups. The government should foster a conducive business

environment that enables young entrepreneurs to access investment and markets more easily. This can be achieved by simplifying administrative procedures, reducing legal barriers, and establishing appropriate financial support mechanisms. The development of co-working spaces and business incubators will also help foster a creative working environment and promote networking and mentorship among young entrepreneurs.

**Promoting Innovation and Scientific Research:** Beyond vocational training and entrepreneurship, Vietnam should also invest in scientific research and promote creativity among its youth. Supporting scientific projects—particularly those with high applicability—will drive domestic innovation and technological advancement. The government and private sector should collaborate to establish research and development (R&D) funds to support young researchers and tech startups. Facilitating partnerships between universities, research institutes, and enterprises will also promote technology transfer and the practical application of research results. At the same time, academic exchange programs and international cooperation will help raise the quality of the national research and teaching workforce.

## CONCLUSION

Vietnam can draw valuable lessons from Indonesia's youth human resource development strategy. By investing in education, enhancing vocational training, promoting entrepreneurship, and encouraging scientific research, Vietnam can build a highly qualified workforce capable of meeting the demands of the global labor market and driving the nation's sustainable development.

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