Empowering Youth: Entrepreneurship and Employability  
(Study Case: Youths in Karawang, West Java)  
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Abstract:
The future of youth in any emerging countries has received attention from various stakeholders, including government, corporations and non-governmental organizations. The reason is that globalization creates competition and that competitiveness does not take a day to build. The concern also arises from regionalization, for example the upcoming ASEAN Economic Community, whereas all individuals are considered borderless in regards to employment and specifically skills. How can countries, regardless of state-non state organizations empower youth by providing skills development? Accenture and Indonesia Business Links (IBL) -- an NGO specifically focus on CSR -- partnered to develop an empowerment model for youth, by using a pilot in Karawang, West Java. Through a simple survey and focus group discussions with stakeholders, Accenture and IBL produced a model that would be able to facilitate entrepreneurship and employability. Although the finding indicates that employability is still the main concern of youth rather than entrepreneurship, the model can be used as the basis for corporations deciding on which program to focus.

Keywords: employability, empowerment, entrepreneurship, globalization, social partnerships, youth

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1 Introduction

A regional economic integration is the goal of the ASEAN Economic Community (AEC). This is expected to be fueled through a single market and production base. However, the gap between the wealthiest and poorest members continues to pose real challenges especially in the areas of standards harmonization, tariff reductions, and the implementation of free trade agreements, as well in the area of human capital.

Although in the AEC Blueprint (2008) stated that raising the efficiency of these key sectors will enable ASEAN to compete for capital, and retain value-added economic activity and employment in the region, it is not as easy as it is stated. Ideally the sectoral approach allows the region to focus its limited resources on rapid and deep integration in these critical areas while it provides ASEAN members the opportunity to observe and manage the impact of integration and to jointly develop a stronger sense of commitment to economic integration prior to a broader roll-out.

As of today, although the difficulties notwithstanding, ASEAN continues on its path towards full integration -- economic, political-security and socio-cultural -- by recognizing the value of a strong united region in achieving stability and prosperity for its member-states. The effects of the various integration initiatives are already being felt through an increased intra-ASEAN trade. It is fueling individual country initiatives to boost productivity and competitiveness and strengthening capabilities to take advantage of the expanded market.

Jimenez (2014) stated that to do so, countries need to know the region and its resources. A combined population of approximately 600 million, with an aggregate GDP of at least $2.2 trillion and trading at over $2.4 trillion -- this is the combined might of the ASEAN countries. This is what its trading partners are excited about -- and this is the opportunity that businesses can look forward to when they engage in this market. The time to look for prospects is now -- 2015 is just around the corner and companies need to work double time to be prepared for this new wave.

With the ASEAN integration and the promise of a robust economy in the region, it is expected that retention of skilled human resource will pose a major challenge for the countries. People will go where the compensation is better, where their competencies can be put to good use and where their career growth will be accelerated.

What impact will the free movement of people in the region have on productivity and competitiveness of each member-country? Will the more progressive member-state have the distinct advantage of securing their needed human resource and unwittingly create problems for the less-developed economies? What human resource strategy should be adopted to mitigate the negative effects? In allowing for managed mobility or facilitated entry for the movement of natural persons engaged in trade in goods, services, and investments, according to the prevailing regulations of the receiving country, is ASEAN working to ensure that all will work? Has youth been part of the equation? How can countries, regardless of state-non state organizations empower youth by providing skills development?

An example of a successful youth empowerment program is in Botswana called “Youth Empowered to Succeed”. The government’s commitment to youth interprets a popular sense of crisis surrounding youth in terms of national development ideology, and in doing so resonates with rapidly changing social and economic experiences of young people (Durham, 2007). Empowering youth took place in a dialogue with other forms of youth agency known as the Sechaba Youth Enterprises, managed by the Botswana National Youth Council – a local NGO. An examination of the dialogue between youth empowerment programs and other forms of youth power illuminates the encounter between a global discourse of universal human subjectivity and agency and other discourses of social agency. The case that Durham provided is where the enterprise (a vinegar company) provides opportunity for the youth to earn an income that would lead to provide to his/her family. The enterprise also provides a link between the youth and the government, and with a cooperative marketing venture that might offer other opportunities, as in this case being an entrepreneur.
The Botswana example is what Accenture, a global management and technology consulting company – through its Corporate Citizenship program – and Indonesia Business Links (IBL) – an NGO - would like possibly replicate based on stakeholder feedback. According to Valor, the notion of corporate citizenship is a process and ultimately a reality that connect(s) business activity to broader social accountability and service for mutual benefit (in Benn and Bolton, 2011), and is the need for businesses – as stated in the UN’s Global Compact Initiative – to pursue of good corporate citizenship in an increasingly globalized world for acknowledgement.

Coincidently Accenture Corporate Citizenship’s theme is “Skills to Succeed” – coined in FY 2009 (September 2008 – August 2009), quite similar to Botswana’s program:

“In fiscal 2009, we adopted a global focus for our corporate citizenship activities, Skills to Succeed, and we have begun the process of aligning the majority of our corporate citizenship efforts, including time, skills and financial giving, to support this agenda. This new initiative educates people around the world, building skills that enable them to participate in and contribute to the economy.” (Bill Green, Chairman and CEO)

According to Green, Skills to Succeed is a natural fit for Accenture that emphasis on the importance of education and nurturing talent which allows Accenture to apply its deep experience in talent management and skills development to make a significant and lasting impact on the economic well-being of individuals—from small entrepreneurs in Brazil and migrant groups in Spain to farmers in India and at-risk youth in the United States—and their communities.

Indonesia Business Link (IBL) is an offshoot of a multi-stakeholder discussion held during the Annual World Bank Conference in October 1998 in Washington DC. This meeting led to a consensus on the need to establish a private organization with the aim to help improve the state of corporate governance in Indonesia. The discussion was facilitated by representatives from the World Bank, ADB, UNDP and PW-IBLF as well as non-government agencies and organizations. Subsequent discussions held in Indonesia, initiated by PW-IBLF and where multinational companies, multilateral agencies and local non-government agencies, gave rise to the establishment of IBL. Its youth related programs are Equip Youth, Youth Economic Empowerment, and Young Entrepreneurs Start-up (YES).

Equip Youth addresses the challenges young people face in Indonesia when entering the labor force or starting their own business. The International Youth Foundation (IYF) and the Caterpillar Foundation support this initiative in Indonesia to provide 450 local youth with a package of services that includes technical job and life skills training as well as post-training support.

The Youth Economic Empowerment (YEE) program is a collaborative project with Plan International to empower 1000 disadvantaged youth (15-29 years), mainly female youths, from 2011 to 2014. This project is a replication of an earlier program namely Youth Employment & Entrepreneurship Initiative (YEEI) jointly implemented with the International Youth Foundation (IYF) and supported by USAID. The YEE program intends to increase the youth’s household economic security in rural districts of Grobogan (Central Java) through provision of the life-skills, technical and vocational training and business mentoring.

Young Entrepreneurs Start-up (YES) program addresses youth unemployment problem which is significant challenge for Indonesia community. The program was jointly founded by IBL, Shell, Standard Chartered Bank, McKinsey & Company, and Yayasan Progressio Indonesia in 2003. The aim was to empower youth through awareness campaign, selection of high-potential youth-own business to be supported, and provision of business development support services which include mentoring, business management trainings, and access to finance and market. The program has been replicated and induces the establishments of local entrepreneurs clubs (YES Club).

Despite the many programs conducted by IBL, none are long term or sustainable to maintain due to dependency of donors. In the
light of the ASEAN Economic Community that would require the readiness of the workforce, in which the majority is considered youth, IBL reached out to Accenture to develop a model that would be used by IBL to maintain a sustainable model in facilitating entrepreneurship and employability capacity building.

2 Conceptual Framework

The concepts relevant to develop a business model for IBL, and to be able to replicate a similar program in Botswana, are employability, entrepreneurship, and social partnerships.

2.1 Employability

According to Hillage and Pollard (1998), employability refers to a person’s capability for gaining and maintaining employment. For individuals, employability depends on the knowledge, skills and abilities (KSAs) they possess, the way they present those assets to employers. As such employability is affected by both supply-side and demand-side factors which are often outside of an individual’s control.

Many definitions on employability include from Berntson (2008) who mentioned that employability refers to an individual’s perception of his or her possibilities of getting new, equal, or better employment. As for Fugate et al. (2004), employability is a form of work specific active adaptability that enables workers to identify and realize career opportunities. And Fugate (2006) stated it is a constellation of individual differences that predispose individuals to (pro)-active adaptability specific to work and careers.

Hind and Moss (2011) also stated that students in further and higher education need to develop their employability skills. These skills are frequently specified by employers in the job advertisements they publish to recruit new employees from colleges and universities. At the job recruitment and selection stage, employers pay careful attention to ensure that the young people they recruit are able to: communicate orally and in writing; work as a member of a group; solve problems; manage projects; handle and manipulate data; and gather information.

2.2 Entrepreneurship

Entrepreneurship, according to Stevenson and Jarillo (1990) as quoted by Surya and Cahyani in the 1st ICBC proceeding (2012) is a process by which individuals – either on their own or in a group – pursue opportunities without regard to the resources they currently control. Also, according to Robert D, Hisrich (2005) is the process of creating something new and assuming the risks and rewards, whereas the entrepreneur needs to have a behavior that includes initiative, ability to organize resources, and accepts risks.

According to Brett Nelson in Forbes, entrepreneurs are those in the purest sense, identify a need—any need—and fill it. It’s a primordial urge, independent of product, service, industry or market. In short, entrepreneurship is a dynamic process in doing planned economic activities and efforts for the prosperity.

2.3 Social Partnerships

According to Seitandi and Crane (2009), social partnerships refer to a wide range of inter-organizational, cross sector mechanisms designed to address issues such as the environmental, health and education (in Benn and Bolton, 2011). Partnerships between NGOs and other not for profits (NPOs) and business organizations and between government and business are increasingly seen as key to responsible management. Such partnerships may also be tripartite and involve business, government and NPOs. The partnerships may involve contractual arrangements between two parties, looser agreements between organizations or collaborative relationships between organizations of all sectors. The termed
partnering may, in fact, involve diffuse or overlapping networks. In Benn and Bolton’s words, business enters into partnerships that have social or environmental objectives partly as a result of external industry and market forces and partly to bolster internal resources and competitive strategies (2011). Numerous benefits associated with more responsible corporate behavior are claimed for partnerships. The relationship between business and government, for example, represent a new form of governance for corporate social responsibility and corporate sustainability. Partnerships formed to promote sustainability or corporate responsibility goals are not a substitute for government regulation but they may be the only realistic first step, in the absence of such regulation. These social partnerships can encourage the development of a set of accountability requirements that will be shared by the company and key stakeholders, while allowing for some flexibility and certain economic efficiencies.

These concepts set the standard in developing the Youth Empowerment Program Framework – to focus on employability and entrepreneurship – to be managed through a partnership between all relevant stakeholders.

3 Research Methods

Through a qualitative study using a simple survey and focus group discussions with stakeholders, Accenture and IBL sought to understand current youth empowerment programs and get insight for developing future programs. A preliminary assessment (formative research) was also held. The details of the methods are as follow:

3.1 Data Gathering

3.1.1 Preliminary assessment

The preliminary assessment, or in the academic terminology considered as formative research, was based on the following activities:

1. Documentation review of previous activities conducted by IBL in regards to youth empowerment
2. Sharing sessions and meeting minutes amongst the Committee on Youth Empowerment at IBL
3. Discussion between the Accenture Corporate Citizenship team on youth and IBL

3.1.2 Survey

A survey was held to obtain information of companies’ previous youth empowerment programs and be able to understand the companies’ needs in joining IBL Youth Program. The survey is considered as a semi structured format with the following questions:

- Are you interested to be involved in a program that focus of empowering youth (aged 18 – 24)?
- If yes, which one do you prefer? (you can select more than one)
- In a youth program that focuses on entrepreneurship, what are the areas that your company can support, which areas are related to your company’s supply chain / products?
- In a youth program that focuses on employability, what jobs or positions in your company that can be fulfilled by youth? And what are the skills required by these jobs?
- What are the key challenges/issues that you face in conducting previous youth program(s)?
- Did you conduct a youth program in coordination with another party(ies)? If yes, who are they?
- Please describe your company’s youth programs that have integration/dependence to other CSR programs?

3.1.3 Focus group Discussion (FGD)

IBL conducted a discussion session/workshop for the Human Resources Development (HRD) group in Karawang entitled “Building Collective action on Youth Empowerment-Need Assessment” to address the issues/problems companies
usually have and to map companies’ need and expectations. A second FGD was held a month later to seek for potential contribution and partnerships.

3.2 Respondents

Respondents of the surveys were predetermined by IBL. Respondents are divided as follow:
1. IBL Team working on youth programs
2. Members of IBL that has program(s) focusing on Youth Empowerment
3. Non IBL Members under the Human Resources Development (HRD) program managed through the International Youth Foundation and its relevant participating companies and stakeholders.

All of the respondents therefore know of IBL, which for Accenture that conducted the research make it less complex and easier to bring in trust.

3.3 Validity of the Research

This research’s validity is based on the trustworthiness of the project. Marshall and Rossman (1999) encapsulated the thinking of Lincoln and Guba (1985) related to qualitative research that trustworthiness depends on the following:
1. Credibility in which the goal is to demonstrate that the inquiry was conducted in such a manner as to ensure that the subject was accurately identified and described. For this research the subject are members of the party enquiring, which is IBL, and involved in the programs conducted, therefore already pre-selected with clear origin.
2. Transferability in which the researcher must argue that the finding will be useful to others in similar situations, with similar research questions or questions in practice. For this research, since this is only covering programs in Karawang, the same research can be applied in other sponsored IBL programs.
3. Dependability in which the researcher attempts to account for changing conditions in the phenomenon choses for study and changes the design created by an increasingly refined understanding of the setting. In this research, input from various parties defines the model that would be applied. Although the conditions do not change, the additional stakeholders provided additional input.
4. Conformability captures the traditional concept of objectivity whether the study could be confirmed by another, which in this research the result of the discussions are noted in the minutes of meeting and circulated.

4 Findings

The findings based on the research methods are combined, which are the result of the survey and the discussion that were held by the various stakeholders.

Graph 2 below shows the tabulation on the problems related to youth and the proposed solution. The problems were tabulated based on the FGD. As for the proposed solutions, the tabulation is based on the combined data during the survey and the FGD.

The main problems identified related youth employment and entrepreneurship is more inner-related (the individual) rather than external related (climate, support group, etc.) as mentioned by Hillage and Pollard (1998) and Hind and Moss (2011) who focus more on knowledge, skills and abilities (KSAs) of the work function/role.

The main problems identified can be divided as follows:

1. Work Attitude
   Comments from the survey and the FGD to support the need to of individual skills:
   - “The interest of the youth working is more on their income rather than developing themselves”
   - “Mentality of young employers that tend to focus on how to increase
Skills required are not the ones related to the work itself, but more on the life skills in being ready for the job. At the moment IBL’s life skills are only implemented through its HRD Forum in which the members are companies. Skills required now are to focus on the strengths of an individual as opposed to the older methods which tend to focus on the “potential” weaknesses that have yet to be shown.

Based on the FGD, teachers and the education office suggested that life skills should be introduced in schools rather at the work place. Therefore training at schools is an important action to have people be prepared and ready to work at schools, not when they
are hired for the first time. The FGD suggested that training for students can be done together when a Conference of CSR will occur. Due to lack of resources, teachers would need to be trained as well.

At the end, employability depends on the individuals who develop life skills in a positive, rather than preventive, manner in which they feel a greater sense of competence, usefulness, power, and belonging.

2. Lack of Understanding
Respondents mentioned that there is a lack of understanding on industry requirement and the industry (of the company) itself. Comments came mostly from the part of the stakeholders (government and education institutions) as follow:

- “Teachers do not know the industry situation; therefore do not have an idea on showing how students need to upgrade themselves when entering the work place. We’ve only worked as educators”
- “I suggest to conduct a mentoring from the company to the school teachers so that the schools have a targeted program in guiding students”
- “Perhaps we can do a visit to the companies to see how things work.”

The suggestions to overcome the solutions are definitely, company visit and a possibility to do job shadowing or being an intern, and at the same time conduct training/sharing sessions on the different industries and work environment.

3. Entrepreneurial spirit
Issues related to entrepreneurship were highlighted by all survey respondents and FGD participants. The concerns are as follow:

- “The need to provide entrepreneur training for a certain period, and prepare access to directly do business.”
- “Companies need to provide opportunity to do business. For example we need uniforms. We train some of the youth to be able to make the uniforms. But we cannot provide the order all the time. They need to look for that too.”
- “There is limitation on verification of skills, especially for entrepreneurs. Unless they have experience it is difficult to get a job.”
- “There are more needs to develop entrepreneurs than employees because there is limitation to the people we can absorb.”

The solutions expected relate to entrepreneur awareness and preparedness, which includes how to manage a business not just the production side. One important factor to an entrepreneur’s success is access to market and finance.

4. Partnerships and Collaboration
Survey respondents and FGD participants understand the need to collaborate to be able to empower the youth. Graph 3 provides the available opportunity to implement the partnership, which includes but not limited to the following:

- “We can group the various activities that can be managed together as a collective initiative.”
- “We should identify the partners that have the commitment, including local government, companies, the vocational training centers and vocational schools.”
- Collaboration of EY program and its members with the programs of the MGNP ((Musyawarah Guru Mata Pelajaran – The Convention of Subject Matter Teachers) to develop the quality of educators in entrepreneurship is necessary
Graph 2: Issues Identification and Proposed Solutions for Youth Empowerment

Source: Accenture Analysis

Graph 3: Contribution Available for Social Partnership

Source: Accenture Analysis
5 Conclusions
The conclusion of the findings is basically developing a model that would tailor youth empowerment in two aspects: employability and entrepreneurship. During one of the discussions, the two aspects were branded as “Muda Terampil Bekerja” (Youth Skilled at Work) and “Muda Terampil Usaha” (Youth Skilled at Business). The model adopts current and past IBL programs (shown in red fonts in Graph 4) and taken into account the input from the survey and focus group discussions, which looks like the following:

6 Recommendations
Prior to fully implementing the model, IBL should conduct a trial or pilot by selecting a company that is willing to conduct two aspects of the programs in partnership with the parties willing and committed to do so.

The partnership pilot should not take more than six months, or less off, to be able to evaluate accordingly.

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8 References
8.1 Printed materials

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Graph 4: Model for Youth Empowerment on Employability and Entrepreneurship

* Programs already implemented by IBL
Source: Accenture analysis, April 7, 2014


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8.2 On line materials


