



ANTICIPATING THE IMPACT OF EMPLOYMENT IN INDUSTRY REVOLUTION 4.0

The fourth industrial revolution characterized by the acceleration of digital technology, - often called Industry 4.0 - has provided a tremendous economic competition map change. Only an industry can build a production ecosystem based on digital technology, which won the competition.

The emergence of new companies that utilize digital technology, has threatened the existence of the old industry in the same field. The taxi transportation industry that has been built for decades, in a short time was defeated by taxi-

based on applications.

Digital technology and machine automation have eliminated many types of conventional work. Labor-intensive industries such as garments, were the most affected sectors. But digital technology also creates thousands of new jobs that had never exist. For example online transport business, online shopping, animation industry, online games, as well as various other service products.

Data from the Ministry of Communications and Information said that e-commerce transactions in

Indonesia in 2016 reached about US \$ 20 billion or around Rp 261 trillion. It is no exaggeration if President Joko Widodo targets in 2020, Indonesia becomes the center of digital economy in Southeast Asia.

According to Minister of Manpower M. Hanif Dhakiri, the digital economy leaves questions about the new dynamics of employment relations. "The work relationship is virtual, flexible and tends to be a partnership. In terms of regulation, there should be clear rules, because it involves workers and employers," said Minister Hanif at his

office last week.

Related to the online transportation business, for example, there should be regulation concerning working relationships, tariffs, social security for drivers and passengers, enforcement of occupational safety and health (K3) standards, etc. Without clear regulation, the industry has the potential to create social friction.

Today, the Ministry of Manpower is finalizing the draft regulation governing it. Regulations are important to ensure the certainty of workers' rights, employers, consumers and other labor consequences, as well as avoiding potential social turmoil.

Various studies have been conducted by the Ministry of Manpower in collaboration with the Creative Economy Agency and the Coordinating Ministry for Human and Cultural Development.

Gary Rynhart of the ILO Regional Office for Asia and Pacific, has the same opinion with Minister Hanif. The impact of the technological revolution is inevitable. He cited the results of the ILO's research showing that the risk of technological digitization has eliminated 86 percent of garment and footwear sector jobs in Vietnam, Cambodia and Myanmar. "The condition of Indonesia is almost the same," he said some time ago in a seminar in Jakarta that discussed technology and future work.

Similar conditions, he added, also experienced by many, especially developing countries. More than 60 countries are currently planning consultations with relevant stakeholders on future work issues. How technology has eliminated a number of jobs, but also promises new jobs.

According to Minister Hanif, the government is paying serious attention to the employment impact of the digital economy. In addition to preparing regulations, the

government also encourages three other things, encouraging changes in the characteristics of the workforce towards creative entrepreneurship, improving the capacity of workers, as well as encouraging social dialogue between workers, employers and governments.

One of the challenges of employment in the digital economy era, he continued, is to change the characteristics of the workforce toward creative-entrepreneurship, in order to encourage the growth of digital-creative community-based creative units. "Utilization of digital technology requires a creative and unique way of thinking."

But encouraging entrepreneurship is not easy. Because the profile of the national workforce is still dominated, 60 percent, by junior high school graduates and below. There should be a solution so that they can participate in enjoying the digital economic growth cake.

One way to increase their capacity is to provide vocational

training through the use of the Training Center (BLK), ie 3R program: Reorientation, Revitalization and Rebranding-BLK. Especially on the 19 BLKs under the Ministry of Manpower.

Different from the previous BLK utilization, with 3R trainees receiving certified job training with programs that address the needs of the labor market. Thus, the link and match with the needs of industry, including in terms of entrepreneurship, in the era of digital economy, can be done.

BLK development also takes into account the cantonal aspect. Areas with the potential of the tourism industry for example, then the development of its BLK support the needs of the tourism work market. The Ministry of Manpower also has a private partnership to assist with the implementation of vocational training, both on government BLKs and private BLKs. For example Toyota Motor Indonesia which became co-manage for BLK Kupang, East Nusa Tenggara.

In order to open wider access for the community, the requirement for training in BLK is no longer limited by age and diploma. Previously those who can attend the training must be certified high school equivalent and certain time limits, today these terms no longer exist.

Efforts to optimize vocational training through BLK were welcomed by Wahyu Aditya, the founder of Hallo Motion. According to him, creative thinking and mastery skills, is the key to win the competition in the digital era. According to Wahyu, the mastery of communication technology has been proven to create new jobs. For example the rampant business services through online applications, buzzers, influencers, youtuber online games, as well as other creative workers.

To deal with the impact of the digital economy, the government can not be alone. According to Minister Hanif, there should be a social dialogue on employment involving workers, employers and the government. "So far No single country is fully prepared for the impact of employment in the Industrial era 4.0. Social dialogue becomes one of the ways to be done," he said.

He pointed out, machine automation in the factory is a necessity. The impact will reduce labor. Therefore there must be a dialogue between workers and employers. How workers are replaced by machines, can be optimized in other work units. Transfer to another work unit also requires skill improvement.

"Therefore, trade unions and employers should also be jointly responsible for raising the capacity of workers. Awareness of this will arise through dialogue," said Minister Hanif. ●



HANIF DHAKIRI
Minister of Manpower

SOCIAL
dialogue
becomes one
of the ways to
be done