

Kartu Prakerja Program Reaches All Levels of Society

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Main Findings:

- **Kartu Prakerja Program (hereafter, Kartu Prakerja) reaches marginalized groups.** A sizable proportion of Kartu Prakerja beneficiaries are people from marginalized groups, including the elderly (2 percent), people with disabilities (5 percent), people with low level of education (20 percent), people in disadvantaged regions (2 percent), and former migrant workers (2 percent).
- **Kartu Prakerja increases the competency of marginalized groups.** More than 92 percent of people across all marginalized groups experienced improvements in job skills (through skilling, reskilling and upskilling) after participating in Kartu Prakerja training. All marginalized groups also reported an increase in productivity and competitiveness.
- **Kartu Prakerja supports consumption.** Kartu Prakerja beneficiaries use their cash incentives to meet basic food needs, as reported by 94 percent of beneficiaries with disabilities, 95 percent of beneficiaries with low education, 96 percent of elderly beneficiaries, 93 percent of beneficiaries from disadvantaged areas, and 95 percent former migrant workers. In addition, more than 66 percent of all of the marginalized groups reported that they used some or all of the Kartu Prakerja incentives as working capital for their business.

A. Introduction

Kartu Prakerja (KP) beneficiaries come from diverse backgrounds and nearly all regions in Indonesia. In 2020, Kartu Prakerja distributed training assistance to 5,509,055 beneficiaries in 514 regencies/cities in Indonesia. The extensive program coverage was possible due to three innovations: First, the program utilizes cloud technology and implements end-to-end digital solutions. Second, it allows transparent and competitive collaboration between the government and private sector, including digital platforms, training providers, and financial institutions/fintech. Third, as a consumer-oriented program, PKP provides beneficiaries with freedom of choice and embraces a customer-centered mindset.

Being the first government social assistance program that adopted an end-to-end digital implementation, KP has been well-received by the public. Launched in April 2020, PKP registered 44 million applications in 9 months. The program's on-demand application feature and its intensive use of digital technology allows inclusivity of the program, which is a salient prerequisite for the success of the program in the long-term.

Inclusive practice or policy must embrace all levels of society and provide fair and equal treatment. To achieve inclusivity, the government needs to implement policies that allow equal opportunity for the society as a whole, including people who are vulnerable and marginalized. The degree to which groups are marginalized can be determined by looking at access of individuals, groups, or society to resources, such as: health, education, economy, or politics, which affect the groups' participation in society (Schiffer and Schatz, 2008, Alakhunova et al., 2015). Inequity in physical and social development or programs can potentially result in marginalization of groups (Alfitri, 2004), which in turn undermines their opportunity to live a fulfilling life.

This study examines the inclusivity of Kartu Prakerja Program (PKP) towards five marginalized groups, namely, the elderly, people with disabilities, people with low education, people living in disadvantaged regions, and former migrant workers. The main data used in this study were collected from Evaluation Survey I and III conducted by the KP Program Management Office (PMO), which netted a response from 4.7 million and 3.3 million respondents, respectively, across all cities and regencies in Indonesia. This study also uses the KP PMO Administrative Data and The National Labour Force Survey (Sakernas, *Survei Angkatan Kerja Nasional*).

B. Vulnerability of Marginalized Groups

Many studies have demonstrated how marginalized groups are at risk of falling below the poverty line. They include: (i) the elderly, (ii) people with disabilities, (iii) people with low education, (iv) people living in disadvantaged regions, and (v) former migrant workers.

Elderly are vulnerable to fall below the poverty line because they face a gradual decline in their physical abilities and independence. They experience falling income, higher risk of morbidity and mortality, lower access to services, social marginalization, loss of independence in society, and physical vulnerability (Schroder-Butterfill & Marianti, 2006).

Other marginalized groups, such as people with disabilities, have the highest poverty rate, lowest levels of education, lowest average income, and highest personal expenses of all population groups. Financial shocks for people with disabilities can threaten their access to housing, nutrition, medical care, and other resources which can lead to vulnerability and poverty (Batavia et. al, 2001).

Additionally, a high proportion of people with low education is one of the factors causing large economic inequality. Low education can affect an individual's cognitive competence, employer's expectation of their ability to be trained, and lower the possibility of succeeding in the labor market and earning a decent income (Gesthuizen & Scheepers, 2010).

People living in disadvantaged regions are vulnerable as a result of their geographic remoteness and underdevelopment, which lowers their access to opportunities and services. Other sources of vulnerability are natural disasters, population growth that exceeds food production growth, decreased social cohesion, land disputes, conflicts over natural resources, and local economic crises (Schwarz et. Al, 2011).

Finally, Indonesian migrant workers are vulnerable due to their exposure to exploitation, risk of death abroad, inadequate legal documentation, lack of family and community support, limited language knowledge, and discrimination (Report of the United Nations High Commissioner for Human Rights, 2017). Four factors contribute to vulnerability of migrant workers in the work environment, namely the state context, limited networks, discrimination in

employment relationships, and individual attributes and acculturation (Hakak & Aris, 2013).

C. Kartu Prakerja Program Scheme

Kartu Prakerja beneficiaries receive IDR 1 million, which they can use to spend on purchasing online training available in the PKP ecosystem. Upon completing the first training, KP beneficiaries will receive an incentive worth a total of IDR 2.4 million for four months for job searching costs, which is equivalent to 21 percent of the average National Regional Minimum Wage¹. In addition, KP beneficiaries can receive up to IDR 150,000 after completing the PKP Management Evaluation Survey within 30 days, 90 days, and 180 days after they receive their first incentive or at other predetermined periods.

D. Source of Data

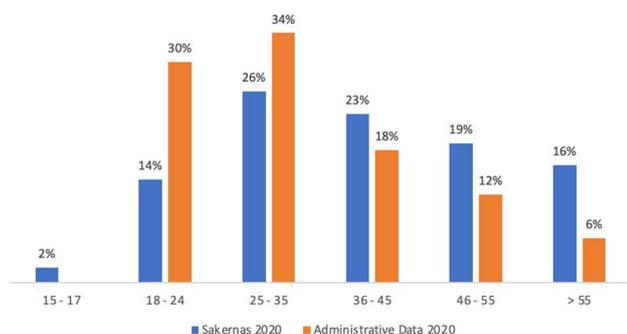
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E. Distribution of Kartu Prakerja Beneficiaries

The distribution of KP beneficiaries is consistent with the distribution of participants in the August 2020 National Labor Force Survey (Sakernas), both in terms of gender and age. First, the majority of KP beneficiaries are male (54 percent), similar to the Sakernas data (58 percent). Second, 63 percent of KP beneficiaries are between the ages of 25 to 55 years old, similar to the Sakernas results (68 percent). Figure 1 illustrates the similarity of distribution between Sakernas and Administrative Data in terms of age group. Figure 1 shows that the largest proportion of the labor forces are between the ages of 25 to 35 years old, similar to KP beneficiaries 2020.

¹ Processed from BPS data (2020), "*Keadaan Angkatan Kerja di Indonesia Februari 2020*" ("The State of Labor Force in Indonesia, February 2020")

Figure 1: Comparison of Age Groups of Sakernas Respondents and PKP Management Administrative Data



Source: Kartu Prakerja Program Management Office Administrative Data (2020) , Sakernas (2020)

F. Findings

F.1. Program Target Accuracy

Kartu Prakerja reaches marginalized groups. According to PKP data, 2 percent of KP beneficiaries live in disadvantaged regions, and 48 percent of them are women. In addition, 20 percent of KP beneficiaries have low education², 2 percent are elderly people³, 5 percent are people with disabilities⁴, and 2 percent are former migrant workers⁵.

The average income of KP beneficiaries is far below the 2020 National Minimum Wage (UMR). The average income of all marginalized groups is lower than the average income of KP beneficiaries, except for former migrant workers (Table 1). This shows that the marginal groups are less prosperous than the average KP beneficiary.

Table 1 also shows that the proportion of unemployment for the marginalized groups is higher than the proportion of unemployed KP beneficiaries overall in February 2020, except for the former migrant workers group. There was an overall decrease in the proportion of unemployed since February to the present⁶ among KP beneficiaries and marginalized

² KP beneficiaries who did not graduate from primary school, graduated from primary school or junior high school

³ KP beneficiaries aged above 60 years old

⁴ The question item on disabilities appeared when the first Kartu Prakerja Management Evaluation Survey was ongoing, so it was only answered by 3.2 million beneficiaries. The 5 percent number is a proportion of those answering "Yes" to the question.

groups, except for former migrant workers. The low-educated group experienced the largest decrease in unemployment from February 2020 to date, at four percent. The decrease in unemployment shows an improvement in the overall employment status for all groups, except for former migrant workers.

Table 1: Proportion of Unemployment and Average Income of Working KP beneficiaries

Group	Unemployment (%)		Average income (Rupiah)
	Feb-20	Present	
KP beneficiaries	47	45	1,415,490
Elderly people	50	47	1,094,227
People with disabilities	49	45	1,115,258
Low education	48	44	1,143,926
Disadvantaged regions	50	48	903,492
Former migrant workers	45	47	1,588,647

Sources: PKP Management Evaluation Survey (2020)

When there is a decline in the national economy, marginalized groups can fall into poverty not only because of their unfavorable circumstances but also as a result of their employment status as workers or entrepreneurs in the informal sector, which is generally more severely affected during an economic crisis. According to an International Labor Organization report (2010), people in the informal economy tend to be out of coverage of social security protection or formal contribution-based social security schemes, such as BPJS Kesehatan (Social Security Administration for Healthcare). The majority of KP beneficiaries work in the informal sector without a written contract (78 percent) and are likely not registered with the BPJS. The majority of people in vulnerable groups work in the informal sector, especially the elderly (90 percent) and those with low education (89 percent), as shown in Table 2.

KP beneficiaries need the opportunity to improve their capacity. Table 2 shows that as many as 84 percent of KP beneficiaries have never attended training. The elderly and low-education groups have

⁵ The question item regarding migrant workers appeared in the Third Kartu Prakerja Management Evaluation Survey and was answered by 3,378,984 respondents. The 2 percent figure was the proportion of those answering "Yes" to the question regarding migrant workers, namely: Have you ever worked abroad or been an Indonesian migrant worker?

⁶ In the First Evaluation Survey, there are two questions regarding welfare status, namely in February 2020 and present.

the largest proportion of people who have never attended training, at 90 and 88 percent, respectively. Studies have shown that one of the causes of this phenomenon is employers' doubts about the capacity of their workers to be trained (Gesthuizen & Scheepers, 2010).

Table 2: Proportion of Informal Workers or Entrepreneurs who never attended training

Groups	Informal (%)	Have never had training (%)
KP beneficiaries	78	84
Elderly	90	90
People with disabilities	71	73
Low education	89	88
Disadvantaged regions	80	84
Former migrant workers	73	77

Source: PKP Management Evaluation Survey (2020)

F.2. The Impact of Kartu Prakerja on Marginalized Groups

Upon training completion, KP beneficiaries reported that their skills had improved. Table 3 shows in detail that more than 94 percent of the marginalized group reported that they had obtained competency training (skilling). More than 92 percent reported that they obtained new competencies for different areas of expertise (reskilling) and increased competencies in the same area of expertise (upskilling)⁷. This result is supported by the Sakernas survey results in August, 2020 which showed similar results where 89 percent of KP beneficiaries reported that PKP training improved/increased their skills.

Table 3: The Impact of training on Kartu Prakerja Beneficiaries (Skilling, Reskilling, Upskilling)

Groups	Skilling (%)	Reskilling (%)	Upskilling (%)
KP Beneficiaries	97	95	94
Elderly People	97	93	92
People with disabilities	94	94	93
Low education	97	94	93
Disadvantaged regions	96	95	94
Former migrant workers	97	94	92

Source: PKP Management Evaluation Survey (2020)

⁷ In the Evaluation Survey, Kartu Prakerja Program Management asked KP Beneficiaries regarding the impact of trainings by answering "Yes" or "No" to the following statements:

- The trainings taught new skills that I did not have before (skilling)

KP beneficiaries and marginalized groups reported that PKP training increased their competency, productivity and competitiveness. The greatest increase in competency was experienced by KP beneficiaries and former migrant workers (98 percent). The greatest increase in productivity was reported by people with disabilities and people in disadvantaged regions (94 percent). In addition, the largest number of marginalized groups who reported that training increased competitiveness were the elderly and people in disadvantaged regions (Table 4).

Table 4: Impact of Training for KP beneficiaries (Competency, Productivity and Competitiveness)

Groups	Increase (%)		
	Competency	Productivity	Competitiveness
KP beneficiaries	98	93	89
Elderly	96	93	90
People with disabilities	97	94	87
Low education	97	93	88
Disadvantaged regions	97	94	90
Former migrant workers	98	90	86

Source: PKP Management Evaluation Survey (2020)

The training certificates help provide a positive signal for the quality and capacity of KP beneficiaries in the job market.. As many as 83 percent of the elderly, 89 percent of people with disabilities, 86 percent with low education, 91 percent who live in disadvantaged regions, and 93 percent of former migrant workers will attach the PKP certificate when applying for work.

F.3. Economic Support for Marginalized Groups

Responding to the impact of the COVID-19 pandemic, PKP also serves as a social safety net program. Table 5 shows that the main use of PKP incentives is to buy food (95 percent), electricity and water bills (74 percent), business capital (70 percent), gasoline/diesel (64 percent), airtime/internet packages (61 percent), and transportation (55 percent).

Different patterns of incentive use were found among the elderly, people with disabilities, and individuals with low education. The elderly tended to use their incentives for savings, which can be associated with a decrease in income. Therefore, adjustments are

- The trainings increased my efficiency in completing work (upskilling)
- The trainings taught most recent/updated skills in doing work (reskilling)

needed to maintain the well-being of the elderly. People with disabilities and individuals with low education tend to use their incentives to pay debts. A unique pattern was also found among the elderly and people with disabilities regarding the use of incentives for social/religious contributions. Marginalized groups in disadvantaged areas and migrant workers have the same incentive use patterns as those of KP beneficiaries in general.

Table 5: Incentives use for each Marginalized Group

KP beneficiaries	Elderly	People with disabilities
Staple Food (95%)	Staple Food (96%)	Staple Food (94%)
Electricity and Water (74%)	Electricity and Water (77%)	Electricity and Water (77%)
Working capital (70%)	Working capital (72%)	Working capital (73%)
Gasoline and Diesel (64%)	Gasoline and Diesel (54%)	Gasoline and Diesel (63%)
Internet Plan (61%)	Social/religious donation (54%)	Pay Debt (61%)
Transportation (55%)	Savings (53%)	Social/religious donation (60%)
Low education	Disadvantaged areas	Former migrant workers
Staple food (95%)	Staple food (93%)	Staple food (95%)
Electricity and water (74%)	Working capital (71%)	Electricity and Water (74%)
Working capital (72%)	Electricity and water (71%)	Gasoline and diesel (67%)
Gasoline and diesel (58%)	Transportation (60%)	Working capital (66%)
Pay debt (57%)	Gasoline and diesel (58%)	Internet plan (66%)
Internet plan (55%)	Internet plan (56%)	Transportation (60%)

Source: PKP Management Evaluation Survey (2020). Note: Bold texts indicate incentive utilization by marginal groups that is different from other KP beneficiaries.

The use of incentives for purchasing food is consistent with the finding that marginalized groups experience greater vulnerability in meeting their food needs. Table 6 indicates a proportion of marginalized groups who consume less food than usual due to lack of money compared to other KP beneficiaries. In particular, the proportion of marginalized groups who consume less food than the average due to lack of money is highest among people with disabilities (90 percent).

Table 6: Marginalized groups consume less food due to lack of money compared to other KP beneficiaries

Groups	Consume less (%)
KP beneficiaries	81
Disadvantaged regions	88
Elderly	84
People with disabilities	90
Low education	86
Former migrant workers	84

Source: Kartu Prakerja Program Management Evaluation Survey (2020)

G. Conclusions

Kartu Prakerja Program reaches marginalized groups, which include people in disadvantaged areas, people with low levels of education, the elderly, people with disabilities, and former migrant workers. The program reaches various layers of society through public service innovation and its relevance to needs as shown during the nine months of PKP implementation.

Kartu Prakerja has an important role in increasing the competence of marginalized groups. After taking part in PKP, marginalized groups experience increased competence through skilling, reskilling, and upskilling, as well as an increase in productivity and competitiveness. PKP training is relevant to the needs of KP beneficiaries, as evidenced by beneficiaries' intention to attach their training certificate when applying for work.

As a semi-social assistance program, Kartu Prakerja is a social safety net for marginalized groups. Overall, KP beneficiaries in general and marginalized groups in particular use PKP incentives to purchase food, electricity/water, and as business capital. Marginalized groups tend to use their incentives for purposes that are different from the KP beneficiaries in general, such as for savings, to repay debt, and for social/religious contributions. They also tend to use the incentives to meet their basic needs (food, electricity/water and business capital) due to their higher vulnerability than KP beneficiaries in general. PKP can quickly make adjustments to ensure that the welfare of marginalized groups is safeguarded without digressing from the main objective of the program, namely, to increase job competency.

Innovation in public services may improve inclusiveness. For instance, PKP takes advantage of the advances in the internet and communication technology, as well as the ubiquity of smart devices to reach marginalized groups who would like to participate in the program. PKP also creates a digital ecosystem for training and skills development to prepare Indonesian workers for the future labor market.

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