CHAPTER V
CONCLUSIONS & RECOMMENDATIONS

5.1. Conclusions

Based on the analysis and discussion in this study, the following conclusions can be drawn:

1. Simultaneously, all independent variables examined in this study, namely location of residence, gender, marital status, education level, training experience, health condition, and household size, have a significant impact on the likelihood of an individual becoming NEET in Indonesia in 2023.

2. Youth living in rural areas seem to face a higher chance of becoming NEET compared to those in urban regions, with the odds ratio of 1.322. Rural areas are often associated with a lack of educational opportunities, career pathways and infrastructure, which can be a contributing factor to the limited choices available to young people regarding pursuing education or entering the workforce.

3. Gender also appears to play a noticeable role in shaping the likelihood of a young person becoming NEET in Indonesia in 2023. Based on the findings, young women are about 1.406 times more likely to fall into NEET status compared to their male counterparts. This gap may be linked to the way cultural norms and traditional gender expectations still influence access to both education and work. In many cases, young women are expected to prioritize family responsibilities, which can limit their ability to continue schooling or enter the workforce.

4. Marital status also shows a strong association with NEET status among youth. Those who are married are more likely to fall into the NEET category, with an odds ratio of 3.545. Getting married at a young age can shift a person's focus away from education or employment, often due to new responsibilities at home. For women in particular, managing domestic tasks or caring for children may limit their time and energy to pursue work or further studies.

5. Education level plays a role in determining NEET status as well. Individuals who completed junior high school or less were found to have an odds ratio of 0.292 compared to those with at least a senior high school education. Interestingly, this suggests that youth with lower levels of education were actually less likely to become NEET. This unexpected trend might be linked to factors like higher expectations among educated youth, their tendency to wait for better job offers, mismatches between their skills and job requirements, or general challenges in the labor market for educated workers.

6. The training experience factor has a relatively substantial effect on the likelihood of an individual becoming NEET in Indonesia in 2023. The young people who have not received any training are 1.669 times more likely to be NEET compared to those who have received some form of training. Training equips individuals with essential skills, increasing their chances of gaining employment or pursuing further study, thereby reducing the likelihood of becoming NEET.

7. Health condition variables have a significant impact on the likelihood of an individual becoming NEET. Young people with health difficulties are about 6.889 times more likely to be NEET than those without health problems, indicating health-related barriers hinder youth engagement in employment and education. Chronic illness can limit a person's ability to gain employment or continue their education which can lead to becoming NEET.

8. The household size variable significantly affects the odds of being in the NEET situation. Youth from families with more than five members are 1.102 times more likely to be NEET compared to youth from smaller families. Larger family size can lead to financial hardship, which limits youth's efforts to find employment or pursue education, thereby increasing the odds of being NEET.

5.2. Recommendations

In accordance with the results of this research, this research offers policy recommendations to address NEET youth in Indonesia:

1. This study shows that youth in rural areas are more prone to fall into the NEET category because of the lack of accessible educational and work opportunities. Hence, there is a need for the government to take action by improving educational facilities, providing employment and self-employment opportunities, developing agriculture, and infrastructure in the region. Romania's National Rural Development Program (NRDP) is an example of a program that aims to promote economic development in rural areas. Similar policies can be implemented in Indonesia to reduce the NEET gap between urban and rural areas.

2. The results from this study indicate that women in Indonesia are more likely to become NEET. To address this issue, education and training opportunities that are designed for women need to be enhanced. More specifically, policies that provide child care assistance, flexible work schedules, and increased skills training are essential for women. A program like the Canadian Women's Entrepreneurship Strategy, which supports women in building or expanding their businesses, could be an effective way to address the NEET issue among women.

3. Marital status is also a contributing factor to NEET status among young people. For women, the increased responsibilities at the household level frequently restrict their ability to seek education, training, or other forms of productive employment. In addressing this issue, it is important for the government to make certain that education and employment opportunities are provided and made available to all, even the married women. One example is Australia's Child Care Subsidy, which supports married women while allowing them to retain employment.

4. People who have completed high school or advanced level education are more likely to become NEET. This indicates a lack of alignment between what the education system offers and what the economy demands. It underscores the need for policy formulation intended to address the transition from education to employment. Additionally, there remains a continuing need for the expansion of training and skills upgrading facilities to respond to the prevailing labor market. Germany has done well in

identifying skill gaps and providing training aligned with practical, market-oriented education. A similar approach could be implemented in Indonesia to help alleviate the NEET problem.

5. Based on this study, lack of training experience appears to be one of the factors contributing to NEET status among the youth. Indonesia's Pre-Employment Cards Program, which aims to impart specific skills to the youth, is a positive development. However, its implementation needs to be improved and extended to more neglected regions, which should reduce NEET rate and increase workforce participation.

6. The findings underscore the relationships between health issues and NEET status, indicating the need for policies and programs that specifically assist young people with health problems. Targeted health policies can be developed to assist young people with specific physical or mental health issues. An example is the United Kingdom's Access to Work program which supports people with long-term health difficulties to retain employment. Such policies could also be implemented in Indonesia to assist young people in overcoming health-related barriers to educational and occupational opportunities.

7. The results of this research indicate that youth who come from families with five or more members are at a higher risk of being NEET compared to youths from smaller families. To address this issue, policies should focus on aiding educational and employment opportunities designed specifically for youths coming from large or low-income families. An example is Bolsa Família in Brazil, which alleviates income disparity while enhancing the availability of health and educational services. Adopting such a framework in Indonesia could assist many more families and significantly diminish the NEET youth population.

5.3. Research Limitation

As with any study, this research has certain limitations and it is hoped that future studies will build upon this work and remove some of these limitations. The limitations of this study are as follows:

1. This research focuses on examining seven factors that may impact NEET youth in Indonesia, namely the location of residence, gender, marital status, education level, training, health status, and family size. More comprehensive and detailed findings could be achieved by expanding the list of examined factors in future research.

2. This research explores the effects of these seven variables on NEET youth across 34 provinces in Indonesia. For a deeper understanding of regional nuances, future researchers might consider focusing on narrower areas, such as specific provinces.

3. This study utilizes Sakernas data from the year 2023. Nevertheless, future studies may consider incorporating more up-to-date data to better capture the most recent trends and conditions.

4. The technique used in this research is binary logistic regression. Alternative methods, such as multinomial logistic regression or probit regression, could be explored in future work to enhance the analysis.