

## **Overeducation and Mismatch in Indonesia Labor Market**

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### ***Abstract***

*This paper address the phenomenon of overeducated unemployment in Indonesia. Educated workforce in Indonesia is facing a higher chance of being unemployed compared to less educated. The educated workforces tend to find job that can match their education background while the undereducated workforce tend to accept any job they can possibly get without tough consideration. The university graduates for instance will be quite selective in choosing their jobs because they have certain criteria, especially wage and position. They who cannot find a job that they desire after graduated from universities, tend to wait longer and become unemployed or getting another higher education. The research is conducted by descriptive quantitative and analyze overeducated unemployment form the unemployment based on the highest education data and the number of population based on the highest education data. The results is the unemployment rate of university graduate unemployment is rising each year according to 2011-2015 data. The number of tertiary education graduates is projected increasing because of government program of 12 years mandatory education which will force youth to take more than secondary education to be able to compete in the labour market. The mismatch between educational background and main occupation is getting higher by 2011-2015. This phenomenon can be dangerous since Indonesia will face demographic dividend in 2020-2035. The workforce which supposed to be productive and increase the national income will turn back to be national burden since they are not productive. Job diversification that labour oriented and skill oriented are needed to absorb more the university graduates. Policies regarding between high education institutions and companies should be more integrated so the education that given to people can be suitable to what company is needed so the unemployment rate and mismatch between educational background and job position can be avoided.*

*Keywords: mismatch, overeducation, unemployment, workforce*