

**CHAPTER IV :**  
**STRATEGIC PLANNING TO OVERCOME IMPACT AND CHALLENGES**  
**IN ASEAN ECONOMIC COMMUNITY**

ASEAN Economic Community (AEC) has been already implemented since January 2016, the purpose of AEC is to integrate all of ASEAN member countries on the economic sector such as labor force, investment, commodities as well as service sector. There are several benefits to country that already set up strategic plan to face ASEAN Economic Community, one of the benefit is the level of competition among countries in ASEAN are increased, and also triggering the economic development to spread evenly among countries in South East Asia.

For Indonesia, it is really important to prepare the strategies to face AEC as good as possible to preventing negative impacts of this economic liberalization in ASEAN. This preparation are also requires not only about protecting regulation on commodities but also on the employment sector.

The employment sector or human resources becomes one of the issues that appearing during the implementation of AEC. Human resources are not only anyone who works on the government but also everybody who become an entrepreneur. AEC is not just lowering trade barriers or increasing the input and

output flows just on goods and service, but it is also increases skilled labor market, such as doctors, engineers, architects, accountants and etc.

From the employment it is considered as an important thing to concern about our Human resources condition because Indonesia will not able to compete with other countries which have better quality than Indonesia. This appears from several indicator that show Indonesian human resources are still low in terms of the quality.

According to United Nations Development Programme (UNDP) on Human Development Index (HDI) 2015 report, Indonesia was 113<sup>th</sup> from 187 countries in the world, declined 3 point from 110<sup>th</sup> in 2014. Far behind from neighbor countries such as Singapore (18<sup>th</sup>), Malaysia (64<sup>th</sup>), and Thailand (103<sup>rd</sup>).<sup>46</sup>

One of the issues that need to be given much attention in the implementation of ASEAN Economic Community is the flow of skilled labors among ASEAN member countries. Skilled labors that are free to interact in AEC 201 are based on the MRA (Mutual recognition agreement) that has been ratified by ASEAN members. MRA is the opportunity recognized by all ASEAN members to recognize, receive, and acknowledge every aspect of the result of valuing b test or certificate of competency. The flow of skilled labor have to be implemented as the consequences of MRA. In fact from human resource aspects, Indonesian employees are still weak on several sectors that have to be repaired. These include several

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<sup>46</sup> CNN Indonesia : Ranking Indeks Pembangunan Manusia Indonesia Turun ke-113  
<https://www.cnnindonesia.com/ekonomi/20170322182446-78-202081/ranking-indeks-pembangunan-manusia-indonesia-turun-ke-113/> accessed on July 31<sup>st</sup> 2017

issues which are the low level of productivity, the uncertainty of labor salary, the low level of foreign language skill, the unsupported skill and capabilities, and so on.

Taking into account portraying Indonesian human resources mentioned earlier, especially on the strategy of Indonesian government to overcome this issue are proper to discuss, how to prepare human resources in order to increase the level of readiness to face AEC.

#### **A. The Strategies to overcome human resources issues**

The government has to reorganize the qualities of human resources in Indonesia in order to increasing the level of competition toward foreign labor in ASEAN market. The Government Indonesia through certain professional organization also gives debriefing for Indonesian labors to acquire foreign Language skill to Indonesian labor. As we know that ASEAN members such as Thailand even Australia are already implement Indonesian language skill on their educational curriculum to be prepared to compete in international level. That factor will become threat for Indonesian domestic labor market from being exploited by foreign labors.

The government also needs to bring out other strategies that combining policies, programs, activities supported by determination through cooperation between government, academic institution, organization in order to increasing the level of competitiveness in AEC.

The ministry of general employment considers the AEC as challenges to expand the access of construction service toward another ASEAN member countries. However, to fully take part in AEC. Construction service sector in Indonesia has to be strengthened to do so, the government should increase productivities, create high quality product, and increases human resources is the right decision to face AEC.

The government are already prepares several steps to increase human resources in national construction service through several domestic policies in order to empower human resources in national construction service sector. These are several strategies:

1. The regulation of ministry of general labor number 8 year 2011 about dividing sub-classification on construction service in order to maintain specialization through the regulation of sub-classification council.
2. Circular letter from the ministry of general labor number: 03/SE/M/2013 about increasing remuneration skilled labor on construction service.
3. The regulation from the ministry of general labor number 14 year 2013 about the recreating of the ministry of general labor number 07/Prt/M/2011 about standardization and guide line on construction service sector.

Heidrachman and Suad Husnan<sup>47</sup> state that the development will encourage employment to work harder. This happens because the employment already knows

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<sup>47</sup> Heidracman Ranupandojo dan Suad Husnan : Manajemen Personalialia page 34

about job description and also their responsibilities and it will be able to achieve higher moral value. In other words the purpose of developing employees are to increasing the ability to work or increases the effectiveness to achieve requirement point of their job.

According to Handoko<sup>48</sup> the developing of employee is done to close gap between skill and ability, which in turn it will increase efficiency and effectiveness to achieve competencies appointed. Human resources developing program must have strategic plan on every level, designing career path, rotation, and developing capabilities to face dynamical of business environments. It is focuses on the human interest and the strength, through strength based training, a training focuses on individual strength. Education and training are done to achieving hard competence to increasing hard skill and the knowledge also soft competence to increasing human resources behavior.

## **B. Ikatan Arsitek Indonesia (IAI) in order to response toward ASEAN Economic Community**

In terms of professional regulatory in construction service, the government has been accrediting many organization in Indonesia to increases human resources competence, IAI (Ikatan Arsitek Indonesia) is the only one legal institution of professional architects that is independent and affiliates with international architect

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<sup>48</sup> Handoko T. Hani : Manajemen Personalia dan Sumber Daya Manusia page 54

organization. As a legal organization IAI have authorization to assessing IAI members whether they are suitable to do architect practice or not. It also has been accredited by the government of Indonesia train or cultivating and developing Indonesian architects. To do IAI are work together with LPJK-N (*Lembaga Pengembangan Jasa Konstruksi Nasional*) appointed by Indonesian government.

IAI also pushes the members to increase their capabilities through several programs such as educational, prize contest, and seminar to their members in order to increase and to maintain high quality of human resources.

#### 1. Educational

Fresh graduates of architectural design completing formal education degree are guided by IAI to complete the requirements in order to get Architects skilled certificate (*Sertifikat keahlian Arsitek*) as the requirement to be professional architects recognized by Indonesian government and international architects council.

After gaining status of professional architects, the license holders are always encouraged by IAI to developing their capabilities consistently in order to increase the knowledge and to deepening the professionalism.

To achieve those aforesaid goals, IAI create “*badan pengembangan keprofesian berkelanjutan*” (PKB)<sup>49</sup> to facilitating professional licensed architects, and guiding about topic materials it values from educational

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<sup>49</sup> Op.Cit Ikatan Arsitek Indonesia <http://www.iai.or.id/pendidikan>

activities existed. IAI determines cumulative scoring system that used as the parameter of subjective scoring of all activity method that has been done by PKB participant.

## 2. Prize contest

Prize contest of architects is an internal competition, a contest to get the best architects. The definition of “the best” is relative, depending on the measuring rod used. There is prize contest to determine the best architects and also the prize contest to determine the best design of architects.

The purpose of prize contest is to increase the interest of the member of IAI to increase their capabilities, think creatively, seek the opportunities in all of matters in order to maintain high quality of Architects human resources in IAI organization.

## 3. Seminar

Seminar is a form of academic education held by IAI. Aiming at discussing about architectural world specifically. Seminar is an event to share knowledge, experience and information to members by speakers who are competent in architectural field. The speakers are usually chosen because of experiences and they are also required to share their many tips and tricks to achieving success on architectural.

This activity will be attended by many members of IAI regardless their length of membership. They are source of inspiration and motivation spreading the spirit to all of member. With that implication all of member's willingness to success also increases.