

Edtech In Indonesia: Opportunities for Skill Education Courses

The educated populace is recognised to be something that can improve the social and economic level in the area. A study reported that education improves someone's life by helping them to understand their current situation and the world around them. Education in Indonesia has also received more attention in recent four years with government spending has grown at an annualised rate of 6.8% reaching USD 35 billion in 2019. With a total of 52 million students in 12 years education range, the government placed the education development as their first priority on the state budget to prepare the human resource to face the industrial 4.0 and digital economy for the next five years.

The government's focus in education affecting growth of education technology in Indonesia. EdTech (Education Technology) has a major role to help equality of education in this archipelago considering there are many problems these systems are facing such as the lack numbers and quality of the educators, the infrastructure, etc. EdTech leverages software and hardware solutions to facilitate learning experiences for students and teachers. However, The USD 112 million market size industry is considered hasn't reached its maximum effort. Why?

Key players such as Ruangguru, Zenius and Quipper have entered the market for students within Indonesia's standard within 12 years education system. Ruangguru as the market leader has penetrated 28% number of students in Indonesia and Zenius as the first-mover already had more than 11 million users in 2019. The large number of users only represents small part of the education stakeholders rather than the largest part of it; 150 million of people within the productive demographics that represents 55% of population. It is estimated that 73% of productive demographics require retraining to remain relevant in the workforce by 2030.

Beside Formal education courses, Skill Education is required as the main thing to equip and develop the Indonesian workforce. According to Mckinsey, an additional 10 million workers with advanced degrees and new skills will be required in Indonesia by 2030. The rise of the on-demand knowledge work make the skill needed more specified, so the training can be more focused on skill development / education courses where someone can learn the practical skills based on their interests.

In response to this, the Indonesian government is rolling out pre-employment cards for its unemployed citizens in 2020. This nation-wide programme, which is estimated to cost USD 730 million, will give card holders access to vocational training and certification for the future skills needed in the market and support 2 millions of unemployed in Indonesia.

A survey done by Microsoft in 2015 revealed that 91% student in Indonesia are interested to learning how to code but only 51% among them had the opportunity to learn it for school. In parents perspective, they are willing to invest in their children by equipping them with unique skills to give them any advantage they can early in their children's lives by involving them in extracurricular, mindfulness and leadership activities.

It is very clear that skill education courses will be promising market to be entered by EdTech Players. Everyone become a lot more conscious of developing their own skills continuously. EdTech will make the training more effective and efficient by using one stop Learning Management System (LMS) e-learning so the skill learning participants can save their travel time to the training venues.

In the global market, solutions such as Masterclass and Udemy are targeted at adults who are looking to continuously upskill themselves with toolkits and know hows that are pragmatic and implementable in their work lives. Courses on inspiring leadership, mindfulness, and design thinking are examples of highly sought after programs, and are only becoming more relevant amongst Indonesia's workforce.