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Indonesia should put digital training on foreign deals table

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President Joko "Jokowi" Widodo is championing the vision that Indonesia will become Asia's third-largest digital giant by 2030. With over 200 million Indonesians connected online and an internet economy expected to reach US$146 billion by 2025, it's hard not to believe that Indonesia will reach this goal.

Yet, to remain competitive in a global economy where digital technology is becoming ever more ubiquitous, the government needs to direct both domestic and international efforts toward improving digital skills development. With major powers wooing Indonesia amid an increasingly competitive strategic environment, now is the right time to bargain for more digital training.

Indonesian officials and cybersecurity professionals are deeply aware that major skills shortages stand in the way of Indonesia having a competitive digital economy. Officials frequently quote World Bank data that the country needs 9 million additional information and communication technology (ICT) workers by 2030 to support the country's digital economy.

Meeting this gargantuan task is not easy.

While the government has placed digital skills development as a key priority in the 2020-2024 National Digital Strategy, multiple obstacles inhibit progress, including insufficient resources and unequal internet connectivity infrastructure that limit internet usage outside Java.

Multiple stakeholders are working to help the government bridge the digital divide. Edutech start-up Ruangguru is working with the Communications and Information Ministry to set up a "digital literacy space program", which offers free videos for building digital skills. Google is working with major start-ups like GoTo and universities to set up digital training centers. The Apple Developer Academy has also set up three campuses in the country.

But among major companies, Huawei arguably stands out as one of the most dominant providers of digital training. In our recently released report with the Carnegie Endowment for International Peace, Localization and China's Tech Success in Indonesia, we found that Huawei has positioned itself as a training provider of choice for many organizations.

Since the mid-2000s, Huawei has created training centers in partnership with Indonesian universities to help build the country's tech workforce. For example, Huawei established an ICT training center in April 2011 at the Bandung Institute of Technology to teach students and researchers about internet protocols.

Huawei is also rapidly expanding its outreach by seeking to partner with smaller universities and education providers as well. And it's not just education providers that are working with Huawei: Government agencies are reaching out, too. Huawei has claimed that 7,000 government officials have been trained through activities organized in conjunction with the National Cyber and Crypto Agency (BSSN).

Digital skills development will undoubtedly need strong multi-stakeholder cooperation. But the government must also integrate the goal of digital skills development more prominently into its foreign policy.

There is evidence that the government is increasingly focused on this task. For example, reducing the digital divide globally is a core objective of the Digital Transformation track during Indonesia's Group of 20 presidency. A recent announcement by the Australian government to provide postgraduate scholarships for select disciplines, including the digital economy, also reflects that digital skills development is emerging as a higher priority in the government's foreign policy agenda.

Beyond university scholarships, the government should push for more resources to help develop vocational digital training. Vocational schools offer an inclusive channel for students and workers to upgrade their digital skills. They are particularly accessible to the millions of Indonesians who either cannot afford a formal university education or are unable to stop working to commit to studying full-time.

According to a report by the SMERU Research Institute, while Indonesia has many vocational schools and training centers that offer digital skills building, many lack funding and instructors. Moreover, many instructors lack the opportunity to improve their own expertise through training, internships and research and development activities.

One way to help vocational schools and training centers is to encourage cooperation with and investment from foreign companies and education providers. Partnering up with Australian, Japanese or South Korean tech companies and education providers, for example, will offer Indonesian vocational schools and training centers opportunities to attain more resources in the form of investment, training opportunities and knowledge sharing.

Outside of supporting its own vocational schools and training centers, Indonesia can also reach out to foreign governments, companies and educational providers about offering scholarships to either instructors or vocational students.

If the government is serious about closing the digital divide, digital skills development should be prioritized in Indonesia's foreign engagement, especially with major powers and advanced economies.

In many ways, now is the right time to step up efforts to champion this cause as the United States and its allies and partners compete with China to win over Indonesia amid an increasingly competitive strategic environment.

Asking for skills and training will not compromise Indonesia's independent position. If anything, this kind of healthy competition will prompt China, the US and other advanced economies to offer more benefits.

Indonesia has already signed cyber policy agreements with multiple countries, including Australia, China and the US. It is essential to ensure that digital skills development is incorporated into these agreements to ensure that supporting Indonesia's vocational schools and training centers is included in any cyber-related agenda.

Moreover, digital skills training could be further integrated into future development and aid programs, especially now that many advanced economies are looking for ways to modernize aid and make it more efficient.

At a time when major power competition has become a more potent component of the Indo-Pacific's strategic and geo-economic landscape, it is necessary for Indonesia to know what it wants and be willing to bargain hard. As the government banks on rapid digital transformation to bolster it into the ranks of the world's largest economies, digital skills training should be higher on the nation's foreign policy agenda.

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