The Role of Generation Z in Public Policy: From Fun Work to SDGs

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ABSTRACT: Generation Z, born in the digital era between 1997 and 2012, plays a crucial role in achieving Sustainable Development Goal 8 (SDG 8), which focuses on creating decent work and promoting economic growth. With their digital-savvy, innovative, and highly adaptive characteristics, Gen Z brings a vision of work that is more flexible, collaborative, and meaningful. "Fun Work" symbolizes a shift towards work patterns that emphasize work-life balance and creativity. This paper explores how public policies that support the needs and values of Gen Z, including inclusive and flexible work environments, can contribute to sustainable economic growth. Failing to address their needs risks increasing unemployment, skill mismatches, and reducing competitiveness. On the other hand, adaptive policies that support education, training, and the mental well-being of Gen Z can maximize their contribution to a more inclusive and sustainable global economy.

KEYWORDS: gen-z, decent work, economic growth, adaptive public policy, SDGs.

I. INTRODUCTION

"Generation Z" refers to individuals born between 1997 and 2012, who grew up in an environment deeply shaped by digital technology. Moreover, this generation is highly skilled in technology (Schwieger and Ladwig, 2018; Shaun, 2021), having been born during a time of rapid technological growth, allowing them to easily adapt to new technological advancements (Febiana, et al., 2023). As the next generation, it is essential to develop up-to-date strategies that accommodate the character and energy of Gen Z, a group typically known for their digital intelligence, innovation, creativity, and boldness. This also applies to the formulation of public policy in Indonesia, not only to achieve the Golden Indonesia 2045 vision but also to meet the Sustainable Development Goals (SDGs), which are set to conclude in 2030. Therefore, it is crucial to build capacity and provide support to Generation Z in their role in achieving the SDGs (Yuniar, et al., 2022).

The formulation of adaptive public policies that can accommodate the character and energy of Gen Z must be carefully considered, particularly in achieving Goal 8: Decent Work and Economic Growth, which focuses on key indicators such as (1) the unemployment rate and decent work, and (2) per capita GDP growth. The inclusion of Gen Z's character and energy in public policy development is especially important as their involvement in the national development agenda is expected to grow significantly across various sectors from the mid-2020s through the 2030s. By 2025, Gen Z is predicted to make up nearly 30% of the global workforce (weforum.org, 2022). Consequently, an innovative and inclusive approach is required to design policies that not only respond to the needs of Gen Z but also fully leverage their potential.

Between 2020 and 2030, Indonesia is expected to benefit from a demographic bonus—a condition where the number of people of productive age exceeds the number of those in non-productive age groups (Coordinating Ministry for Human Development and Culture, 2022). This increase in the productive population can reduce the dependency ratio. The dependency ratio compares the non-productive population (ages 0-14 and 65+) to the productive population, highlighting the intergenerational relationship that fosters economic and social development by linking dependent groups with those who can support them economically (Arum, et al., 2023). By 2030, Indonesia's productive age population is expected to rise significantly, potentially outnumbering the non-productive (elderly) population. In fact, the productive age group is projected to reach its historical peak. However, the optimistic scenario suggests that the demographic bonus may end as early as 2039 due to an anticipated increase in the elderly population (Bappenas, 2023).

Throughout this process, ongoing efforts from public policymakers, the private sector, and educational institutions are needed to understand the characteristics and preferences of Gen Z. The goal is not just to create a "cool" or "fun" work environment but to ensure a positive contribution to Indonesia's economic resilience. In this paper, it is important to explore (1) the characteristics of

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Gen Z as a foundation for policy formulation, (2) the policies that need to be implemented now, (3) the consequences of neglecting Gen Z's character and energy, and (4) how Gen Z is participating in current policy-making processes.
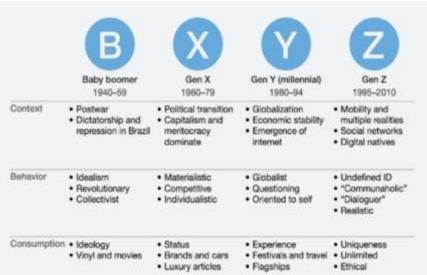
II. RESEARCH METHODS

The research method employed in this study is qualitative-descriptive, aimed at exploring the characteristics, values, and expectations of Generation Z regarding the concept of "Fun Work" within the framework of achieving the Sustainable Development Goals (SDGs), specifically SDG 8 (Decent Work and Economic Growth). The descriptive approach is a method that produces informative data to explain research problems and discussions. This study analyzes the needs of Gen Z and the role of public policies in creating an inclusive and flexible work environment, with the goal of enhancing this generation's contribution to sustainable economic growth.

Data collection was conducted through a comprehensive literature review, including scientific articles, institutional reports, and secondary data from various credible sources related to the characteristics and challenges faced by Generation Z. A systematic literature study was then carried out using a descriptive content analysis approach, based on existing literature searches and evidence analysis relevant to the research (Tsani et al., 2024). This data is further supported by document analysis addressing work patterns, inclusion, and the mental and social well-being aspects prioritized by this generation.

III. RESEARCH RESULTS AND DISCUSSION

In numerous articles discussing Gen Z, it is clear that this generation grew up immersed in the internet, social media, and mobile technology. Supported by these technological advancements, they are more adept at multitasking compared to previous generations (Apaut & Suparman, 2021). This can be attributed to their early exposure to technology, which has indirectly shaped their personalities (Putra, et al., 2022). Additionally, the intensity of their digital interactions is significantly higher than that of earlier generations. Moreover, generational differences are emphasized in the article "True Gen: Generation Z and its Implications for Companies," which explains that Gen Z holds unique values and expectations that directly influence their social interactions and workplace behavior (Francis and Hoefel, 2018).

Figure 1. Today's Young People Differ from Yesterday's

Secondary data sources; Francis and Hoefel, 2018.

In research presented by Shaun (2021), several key factors are identified that influence the character and energy of Gen Z compared to the previous generation, the Millennials. Shaun explains that the rapid growth of technology has been a fundamental catalyst for shifts in values and behaviors among Gen Z, setting them apart from earlier generations. Additionally, Shaun (2021) references Mannheim (1952), who argues that while generational studies are not an exact science, research indicates that people within a generation experience significant events related to war, culture, politics, technology, and the economy, all of which contribute to shaping shared values. These key events, therefore, play a crucial role in influencing the character and energy of each generation. Below are the factors shaping Gen Z compared to Millennials, as outlined in Shaun's work (2021), drawing on various sources and previous research findings.

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Table 1: Factors Shaping Gen Z (compared to Millennials)

Factor	Gen Z	Millennials
Technology	Internet and smartphones are integral to their lives	Internet and smartphones were innovations they adapted to
	95% of teens have smartphone access	73% of teens have smartphone access
	45% of teens are always online	24% of teens are always online
Mental Health	Higher levels of depression and anxiety	Moderate levels of depression and anxiety
	50.4% of males and 34% of females report above-average emotional health	59% of males and 43.7% of females report above-average emotional health
	Increased rates of anxiety, self-harm, and suicide attempts among college students since 2007, doubled	
	Moderate levels of anxiety, self-harm, and suicide attempts among college students	
Individualism and Teamwork	More individualistic and less social	More group-oriented and social
	Concerned about group members' contributions	Enjoy group settings more
	27% of 10th graders meet with friends daily	47% of 10th graders meet with friends daily
	70% of Gen Zers struggle with direct communication	50% of early Millennials struggle with direct communication
Diversity	Most diverse generation	Diverse generation
	48% non-white	38% non-white
	62% believe increased diversity is good for society	61% believe increased diversity is good for society
	81% view tolerance for those with different beliefs as a strong trait	73% view tolerance for others with different beliefs as a strong trait

Secondary data sources; Shaun, 2021.

From Gen Z's perspective, several factors contribute to their uniqueness compared to previous generations. Beyond their adaptability to information technology, one of the most prominent aspects is their relationship with role models. For this generation, role models are often influencers or key opinion leaders (jeo.kompas.com, 2022).

Figure 2. What Makes Gen Z Unique

Secondary data sources; jeo.kompas.com, 2022.

UMN Consulting researcher Elissa Lestari revealed that Gen Z has a more specific concept of role models. They tend to look up to figures who share similar values and life perspectives, ideally aligning exactly with their own. Additionally, Gen Z is highly sensitive to how these figures present themselves in public. If at any point they are perceived as fake or inauthentic, the connection with them weakens. According to UMN Consulting's research, other key characteristics of Gen Z include that their identity is shaped largely by life experiences, and their biggest concern is the fear of becoming a burden to their families.

Policies Needed in Today's Era

Gen Z is the generation poised to play a crucial role in the future economy (Putra et al., 2024). In light of the current circumstances—considering Gen Z, Indonesia's Golden Vision 2045, and the achievement of SDG Goal 8: Decent Work and Economic Growth—

developing a superior and adaptive policy framework is essential for achieving optimal outcomes. As Nugroho (2023) points out, the speed at which a country recovers from a crisis, compared to others, largely depends on the quality of its public policies. A dynamic policy model system can be employed to design and evaluate these superior, adaptive policies. This system allows for simulations of various scenarios and long-term policy impacts, enabling policymakers to make more informed and strategic decisions. By utilizing such a dynamic model, policies can be adjusted in real-time based on evolving economic, social, and environmental conditions, ensuring their continued relevance and effectiveness.

Dynamic systems describe a system that continuously evolves over time. It serves as a model for creating management flight simulators, which are used to study dynamic complexity and analyze patterns of variables and their structures over time (Andhika, 2019). Additionally, dynamic systems can observe past behaviors or predict future scenarios, helping to identify sources of policy resistance and enabling the design of more effective policies. Andhika (2019) further explains the fundamental concepts of dynamic systems, as outlined by Richardson & Pugh (1981), which are illustrated in Figure 3. The dynamic systems approach is applied to address complex issues by focusing on feedback processes, where feedback structures drive changes over time. The basic concepts of the Dynamic Systems Model involve approximately seven stages for problem-solving: problem identification and definition, system conceptualization, model formulation, analysis of model behavior, model evaluation, policy analysis, and model use or implementation. These stages are essential for designing adaptive policies.

Adaptive policies refer to the capacity to adjust to changing conditions, accommodating evolving needs while maintaining relevance. When developing superior public policies to address the character and energy of Gen Z, it is crucial to highlight the core values that define superior policies: intelligence, wisdom, and hope, as conveyed by Nugroho (2023)

1. Intelligent: This entails addressing the core issues of a problem. Intelligence encourages public policy decision-makers to concentrate on the policy matters they aim to manage rather than on their popularity as leaders.

2. Wise: This involves avoiding the creation of new problems that are larger than those being addressed. Wisdom ensures that public policy decision-makers do not shy away from making informed choices, thereby minimizing unnecessary mistakes.

3. Providing Hope: This means instilling in all citizens the belief that they can look forward to a tomorrow that is better than today.

Intelligent policies are those that effectively tackle the core issues faced by Gen Z, such as access to quality education, decent job opportunities, and the ability to adapt to technological changes. For instance, this could involve implementing more inclusive and flexible education policies that take into account the needs of Gen Z, who are more adept at using digital technology. Wise policies for Gen Z should avoid creating larger new problems and instead focus on addressing existing issues. For instance, policies related to technology use should take into account their long-term impacts, such as mental health, data privacy, and the balance between online and offline life.Policies that provide hope are those that present promising future opportunities for Gen Z. This includes initiatives focused on youth empowerment, support for entrepreneurship, and environmental policies aimed at safeguarding the Earth for future generations, as environmental issues rank among the top concerns for Gen Z.

In the public policy formation process, policymakers often respond too slowly to the evolving needs of society. A delayed response may hinder their ability to address emerging changes or challenges effectively. However, slow action differs from outright neglect, which refers to the failure to consider the unique characteristics, needs, and energy of Gen Z. Such neglect would likely result in a decline in Gen Z's engagement and participation in shaping the country's economic agenda. In the long run, neglecting investments in Gen Z—particularly in education, physical and mental health—can lead to public issues such as high unemployment, poor mental well-being, widening skills gaps, and a reduction in innovation and economic competitiveness.

According to the Central Statistics Agency (BPS), nearly 10 million Indonesian Gen Z individuals aged 15-24 are either unemployed or inactive (not in employment, education, or training/NEET). This rising unemployment among Gen Z poses a serious threat to Indonesia's demographic bonus (kompas.com, 2024). In addition to unemployment, Gen Z faces significant mental health challenges. A 2023 survey by Deloitte found that 19% of 14,483 respondents expressed concerns about their mental health (Azzani & Prasetio, 2023). These concerns can stem from issues such as stress, anxiety, depression, or other mental health problems, which may be influenced by pressures from family, work, or personal circumstances.

Despite these challenges, Gen Z also holds immense potential for driving economic growth. A study by McKinsey & Company shows that countries investing in Gen Z's education and training experience higher levels of innovation and faster economic growth. Enhancing skills and education among Gen Z can significantly improve productivity and boost economic competitiveness (McKinsey & Company, n.d.).

Thus, neglecting the needs and characteristics of Gen Z in policymaking is a critical mistake. Investing in their education, training, and mental health will not only mitigate issues such as unemployment and mental health challenges but will also strengthen the country's productivity and economic competitiveness. By giving proper attention to Gen Z, we can tap into their vast potential to build a brighter and more sustainable future.

Gen Z Participation in Policy Formation

It is equally important for Gen Z to first understand themselves—their unique characteristics and the challenges they face—before contributing to the development of more effective policies. This self-awareness is crucial for Gen Z to identify what is relevant and

meaningful to them and their communities. In this context, the government needs support in developing policies that reflect the characteristics and energy of Gen Z.

To ensure that policies remain relevant and impactful, Gen Z can actively contribute by engaging in public discussions, taking part in policy consultations, and voicing their aspirations through digital platforms. Their involvement will make policies more innovative and aligned with the needs and expectations of future generations. Furthermore, Gen Z's participation can drive new solutions in public policies and address global issues that are of primary concern to this generation. Without their input, policies risk becoming disconnected from the future challenges that Gen Z will face.

Understanding how Gen Z perceives its role in society is fundamental to ensuring meaningful participation in policymaking. Conway's Role Theory provides a sociological framework for analyzing how individuals assume and internalize roles, which in turn shape their attitudes and behaviors. This framework helps policymakers understand how Gen Z engages in various professional and social roles, providing insights into their work practices and guiding decisions on education, training, and career adaptation (Strandås et al., 2024).

In addition, Role Identity Theory, as described by Mlotshwa (2015), explains how individuals develop a sense of self through their roles. This theory highlights the social process by which Gen Z constructs their identities based on societal expectations, feedback from their environment, and personal experiences. Since roles are fundamentally relational, the way Gen Z interacts with others in professional and social settings shapes the meaning they assign to their roles and their perception of their contribution to society.

The process of assuming a role is not static; it is shaped by social belief systems, past experiences, individual values, and cultural norms. For Gen Z, this means that their work engagement is deeply influenced by their personal aspirations, technological adaptability, and expectations of work-life balance. Therefore, policies designed for Gen Z should acknowledge these dynamics by incorporating flexibility, inclusivity, and opportunities for personal development. If policies fail to recognize the evolving nature of Gen Z's role identity, they may struggle to effectively engage and retain this generation in the workforce.

Driving Change: What We Can Do

In the process of public policy formulation, particularly in promoting decent work and economic growth (SDG 8), the role of Gen Z is becoming increasingly vital as they grow up in an era of rapid technological advancements and social change. Gen Z has the advantage of accessing vast amounts of information and quickly adapting to digital innovations. This enables them to contribute in several impactful ways:

1. Bringing New Perspectives: With diverse experiences and access to global information, Gen Z perceives employment and economic growth not merely as financial matters but as broader challenges encompassing job quality, work-life balance, digital entrepreneurship, and sustainable economic development. Their ability to leverage technology creates opportunities to integrate innovative approaches that enhance job accessibility and inclusivity in the workforce.

2. Driving Collective Action Through Digital Platforms: Gen Z is highly active on social media and online platforms, which facilitate public mobilization on labor rights, fair wages, and workplace inclusivity. They can utilize platforms such as X (Twitter), Instagram, and TikTok to raise awareness about fair employment practices, advocate for better working conditions, and promote digital entrepreneurship. Global movements such as The Great Resignation and initiatives advocating for work-life balance illustrate how Gen Z is reshaping the labor market and influencing policies on employment standards.

3. Encouraging Innovation in Public Policy: Gen Z's proficiency in digital technology opens new opportunities for data-driven policymaking in the employment sector. By utilizing big data, artificial intelligence (AI), and other analytical tools, they can contribute to designing policies that enhance workforce productivity, create more inclusive job opportunities, and support digital-based economies. This is particularly relevant as remote work, freelancing, and the gig economy continue to expand.

4. Engaging in the Academic Sphere: Gen Z is also actively involved in academia, particularly at the university level, where they can influence economic policy discussions. Various academic competitions and programs initiated by the Ministry of Education, such as the Student Creativity Program (PKM), PPK Ormawa (Organizational Capacity Strengthening Program), and P2MW (Student Entrepreneurship Development Program), provide platforms for Gen Z to develop innovative business models, startup ideas, and policy recommendations that align with the principles of sustainable economic growth and decent work.

By incorporating insights from these perspectives, policymakers can design work environments and policies that align with Gen Z's expectations. Encouraging active participation from Gen Z in policy discussions will not only ensure that their voices are heard but also help shape more adaptive, future-ready policies that reflect their values and aspirations.

CONCLUSIONS

Generation Z and the generations that follow bring a fresh perspective that influences not only the workforce and society but also the future of a nation's civilization. The public policies being shaped today represent a concrete effort to maintain sustainable development, which must extend beyond the present and the current generation. It is crucial that the strategies and policies adopted now do not hinder or limit the choices and well-being of future generations. Therefore, creating superior policies that align with the

future vision of Gen Z is not merely about "economic indicators" but about fostering a social and economic environment that supports their potential and needs. This approach ultimately promotes sustainability and well-being for all generations.

RECOMMENDATIONS

1. Enhancing Gen Z Participation in Employment and Entrepreneurship Policies: To ensure that economic policies more accurately reflect the actual needs of society, particularly in creating decent and sustainable jobs, the active involvement of Gen Z in shaping employment and entrepreneurship policies is crucial. The government and policymakers should provide platforms for Gen Z to voice their ideas and innovations, whether through discussion forums, participatory planning (musrenbang), or other inclusive decision-making mechanisms.

2. Education and Skills Training to Prepare Gen Z for the Workforce: Enhancing Gen Z's capacity to navigate labor market challenges requires relevant education and training. Training programs that equip Gen Z with industry-relevant skills, insights into digital economic trends, and career planning strategies will enhance their preparedness to contribute to economic growth. Additionally, entrepreneurial skills should be nurtured, enabling Gen Z to generate job opportunities rather than just seeking employment.

3. Leveraging Technology for Economic Development: As a tech-savvy generation, Gen Z holds significant potential to drive innovation in the digital economy. Big data, artificial intelligence (AI), and financial technology (fintech) can help shape evidence-based economic policies that better respond to labor market needs. The government should facilitate broader access to digital infrastructure and technological resources for young generations.

4. Strengthening Collaboration between Government, Businesses, and Gen Z: Inclusive and sustainable economic growth requires strong collaboration between the government, businesses, and Gen Z. Policies that foster partnerships between corporations, startups, and Gen Z communities can create more job opportunities and drive economic innovation. Expanding internship programs, business incubation initiatives, and access to venture capital will enable Gen Z to play an active role in building a more equitable and sustainable economy.

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