

## Employment Creation Model in Indonesia

### Promoting Green Jobs and Livelihoods in Sustainable Tourism: Ecotourism and Green Homestays

#### Background and Justification

Tourism contributed nearly five per cent (4.95%) to Indonesia's GDP in 2011 and the sector is expected to continue growing (est. 5.25% by 2014). The number of jobs needed is also expected to climb by more than one million over the same period (8.1 million to 9.2 million). Indonesia's natural and cultural heritage are key attributes for the sustainable development of its tourism sector and the generation of green tourism jobs, sustainable tourism is therefore integral to the development of an economically vibrant, socially and environmentally responsible sector.

The Ministry of Tourism and Creative Economy (MoTCE) Destination Management Organization (DMO) program aims to revitalize 15 new and existing destinations through local development strategies based on sustainable tourism aimed at empowering and enhancing community welfare through environmental conservation and cultural preservation.



#### National Frameworks

The National Government of Indonesia, through the Ministry of Tourism and Creative Economy, has indicated in its Five Year Strategic Plan (2010-2014) the intention to further develop tourism destination areas with the aim of attracting more domestic and international visitors. The plan is consistent with Indonesia's broader Decent Work Country Program designed to improve livelihoods and opportunities for its people. The ILO's Green Jobs in Asia project is promoting enhanced collaboration between MoTCE and the Ministry of Manpower and Training (MoMT) and the social partners to advocate greener employment amongst local communities, particularly youth. Project interventions are being integrated into Indonesia's Destination Management Organization strategy and structures at the national level. Two pilot sites were chosen with the aim of developing a methodology which could then be replicated at other locations. Following a multi-level, integrated approach, the project is working to ensure that the right government policies and standards to support sustainable tourism are in place, opportunities for technical and entrepreneurial skills improvement for workers are available, and access to finance and capacity building for relevant stakeholders are extended to expand the pilot initiative to other destinations.

#### Sustainable Tourism Employment Creation Model

Sustainable tourism in Indonesia is expanding and in great demand. Therefore, taking advantage of the huge potential for job creation and livelihoods within the tourism industry is an opportunity that needs to be acted upon without delay to help create green jobs and decent work. Implementing the employment model as a tool in sustainable tourism in Indonesia is a first but important step in this direction. It sets the normative and technical conditions for the large scale creation of jobs and livelihoods in Indonesia linked to ecotourism and green homestays. It achieves this by combining innovative partnerships, skills development, entrepreneurship and financial training to improve working conditions and reduce poverty by creating productive work at the local level.

##### National consultations for policy development

The **Strategic Plan on Sustainable Tourism, Green Jobs and Decent Work**, endorsed following a large national and provincial consultation process, aims to serve as a foundation for the preparation of policies on sustainable tourism in the years to come. The strategic plan evaluates options for following an integrated approach to the promotion of a job-rich sustainable tourism industry. It identifies key strategies in such fields as the greening of the national DMO program and planning, poverty reduction, green skills development, entrepreneurship and the development of business opportunities. The plan links these assets to national policies on low-carbon development, as well as green investments and infrastructure development. **Sustainable Tourism Development Guidelines** will be developed to provide the national, provincial and local governments and tourism providers a set of tools on how to promote the key strategies identified in the strategic plan.

##### Support to a normative approach

The project collaborates with relevant national and provincial institutions for the combined development of green tourism industry standards for eco-tourism and green homestays based on ASEAN tourism standards as well as a competency based training program for delivery through the national network of vocational training institutions. The development of competency-based training on green skills is aimed at diversifying the market for sustainable tourism to improve the livelihoods of men and women with a particular focus on youth and local communities at the destination sites.

	Traditional Tourism (accommodation)	Eco-Cultural Tourism
Green Standard Approach	National Green Homestay Standards	National Ecotourism Standards
Green Product Approach	Green Homestays	Eco tour guides

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The employment creation model includes training on entrepreneurship, promotion of association-building to strengthen private enterprises in Ecotourism and Green Homestays as well as financing options to promote green private enterprise growth and entrepreneurship. All of these steps are in accordance with those recommended by the Global Sustainable Tourism Council (GSTC). A critical component involves the linking to national and international tourism networks to ensure viability and longevity.

## Pilot testing prior to up-scaling

The employment model is being piloted in two destination areas, Bromo (Probolinggo and Pasuruan) in East Java and Toba (Simalungun, Samosir and Toba Samosir) in North Sumatra. The project has since expanded to other destination sites including Mount Rinjani in Lombok and Tanjung Puting in Central Kalimantan. In the village of Tosari and Ngadisari in East Java, the project helps with accessing funds for the development of green businesses by working with the provincial SME & Cooperative Office and a local micro finance institution.

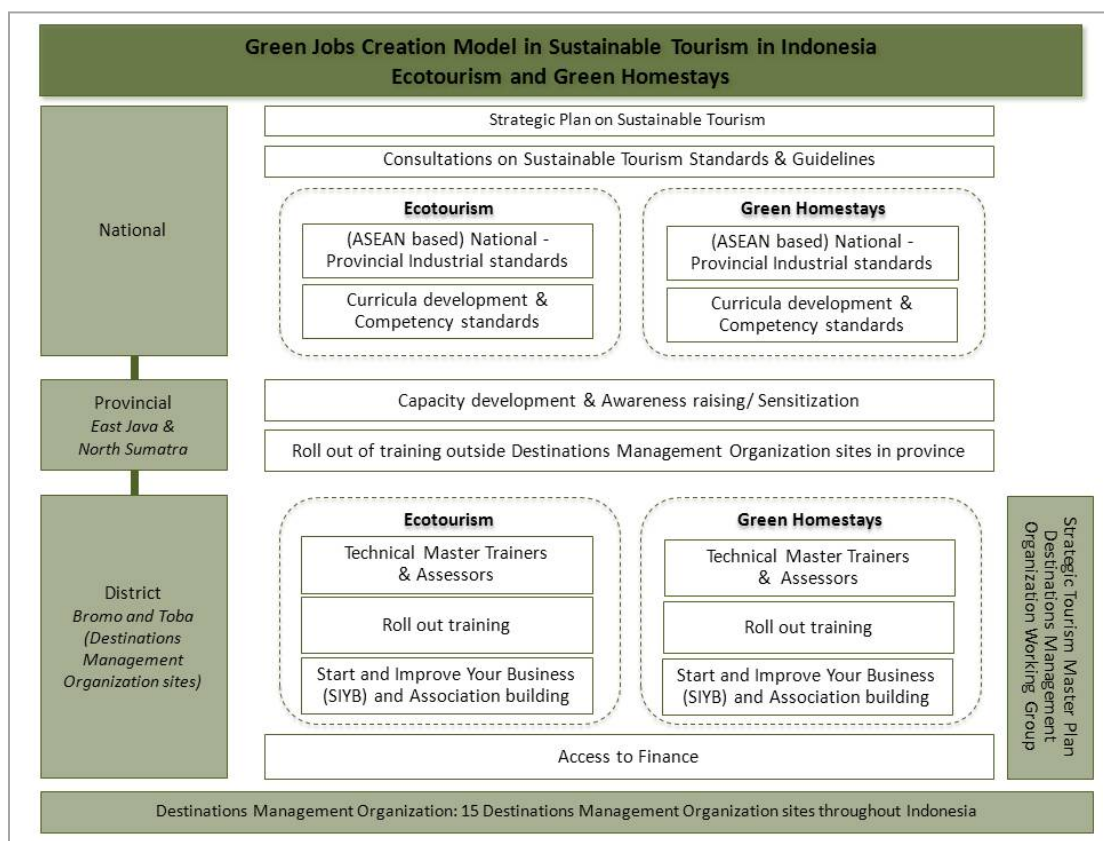
## Partners and Structures

The sector demonstration project partners closely with the MoTCE, MoMT and the social partners in supporting the Destination Management Organization (DMO) program and in developing the

tools for the 'greening' of this very strategic program for the development of tourism in Indonesia. The project also collaborates with the Ministry of Environment, the Provincial Government of East Java and North Sumatra, relevant District Governments of selected DMOs including in Central Kalimantan, the National Climate Change Council (NCCC), the National REDD+ Task Force as well as ecotourism advocacy groups (Indecon).

## Way forward

At the national level, the adoption of the Strategic Plan recommendations will represent an important milestone for the promotion of enhanced investments in sustainable tourism with green jobs and decent work. The work on industry standards and green skills are the precursors of the development of a systematic approach in the sustainable tourism industry, the widespread training of the local labor force to match international and national demand for sustainable tourism products and services and the greening of the national DMO program – while meeting international standards. Several provincial/district authorities have requested assistance on the development and implementation of provincial sustainable tourism plans (2012-2014) and the project's work will lead to the setting up of a national Task Force on Green Jobs as requested by various government agencies including the NCCC and the Ministry of Youth Affairs and Sports.



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