

Local Economic Development

in the Form of Tourism in Jayawijaya, Papua Highlands

Communities, cities and governments around the world, including Indonesia, increasingly turn to Local Economic Development (LED) strategies in response to the challenges of globalization and the drive for decentralization. LED means more than just economic growth. It is promoting participation and local dialogue, connecting people and their resources for better employment and a higher quality of life for both men and women.

The ILO's goal of Decent Work for All is reflected in LED strategies through its focus on growth, poverty reduction and social inclusion. The organisation's social partners increasingly adopt LED in Decent Work Country Programmes, which are developed and agreed upon by governments, workers' and employers' organizations. LED strategies are also deployed in countries affected by the global jobs crisis, increasing the coherence and effectiveness between national policy packages and local realities.

In July 2010, the ILO through its Entrepreneurship Skills Development Project undertook an assessment of tourism development in Jayawijaya, the largest regency in the highlands of Papua before it was divided into five regencies in the year 2008, to explore potential capacity-building and enterprise-development activities for Local Economic Development (LED) in the region. This was done through 1) conducting workshops that raised awareness of entrepreneurship potential and development skills, 2) holding bilateral meetings with local stakeholders in the tourism sector, and 3) consolidating LED in a corresponding forum.



Overview LED in Jayawijaya

The LED workshop found that **tourism** and **agriculture** are sectors that may help to foster economic development in Jayawijaya. However, local economic development players in Jayawijaya are not well connected and have little understanding of development programs in the area as no platform exists for sharing knowledge.

Further challenges to economic development in Jayawijaya include a big gap of human resource capacity between small and big private players, farmers and traders, and between government and private players. Also, the community has limited access to economic development planning activities.

Nevertheless, stakeholders are ready to work together. For example, Trigana Air has a policy to support better access to the market by offering a 50 percent discount on the cost of transportation of fresh vegetables from Wamena to Jayapura.

The LED forum is thus perceived to be a new way to bridge the gap and facilitate better communication among stakeholders, and promote development and sharing of knowledge, skills and means.





Understanding the tourism sector in Jayawijaya

Bilateral meetings were conducted to observe in detail the initiatives, shortcomings, challenges faced, and the stakeholders' perspectives on the development of tourism in Jayawijaya. The LED forum was conducted on July 24, 2010, where stakeholders aired their activities, concerns and opinions as follows.

Policy-makers' perspective

In general, a lack of regular communication was reported among tourism-related governmental departments. Officials stated a lack of financial means, low capacity of the community, and a limited number of skilled government officers as obstacles to tourism development.

Private players' perspective

Private organizations and NGOs who were present at the LED forum are already actively participating in the development of tourism in Jayawijaya by providing research facilities, and business and infrastructure training. As stakeholders they are concerned with the government's and community's limited and outdated understanding of standard tourism service, and suggested pilot activities to demonstrate examples and upgrade their knowledge. It was also suggested that participants in the ILO Training for Trainers program needed a review of training and business coaching to be able to teach others in turn.

Tourism community's perspective

Tour operators and local residents raised several issues at the LED forum. Though tourism is in the common interest of both parties, they lack the means to develop proper tour packages or to negotiate a business deal between them. Limited infrastructure at tourism sites also prevents communities from promoting their unique culture and landscape in packages.



Supporting the development of tourism in Jayawijaya

The above findings show that tourism is underdeveloped in Jayawijaya. Both strategic and operational technical assistances are needed to improve tourism here. Importantly, a common understanding about tourism and standard service is needed at the government, private and community levels.

The LED forum, with representatives of all stakeholders present, facilitated discussion on ILO assistance. Considering that ILO technical assistance is limited (lasting until September, 2010, with a limited budget), the ILO may focus on strengthening the capacity of various stakeholders, while at the same time enabling them to work together, so they can sustainably develop the tourism sector.

Specifically, the ILO may provide assistance for the following activities:

- a. Facilitating the establishment of a tourist information centre (TIC), which will be managed by the tour operators association, and include the government and community in strategic planning.
- b. Providing IYES training for Baliem Cultural Festival exhibitors (before and during the festival in August).
- c. Providing technical assistance to develop the capacity of the tour operators association and local government to effectively and regularly deliver courses on tourism, and to raise awareness by facilitating the Training for Trainers (ToT) and training for community.
- d. Providing technical assistance to improve the capacity of tour operators to develop tour packages that are suitable for different tourist groups, while also fostering village development.
- e. Conducting a study to understand the challenge of tourism-related enterprise development.
- f. Focusing on two pilot villages as examples of technical assistance, including business training and incubators. Considering that tourism and agriculture are sectors that can help promote LED, the ILO may provide assistance to the establishment of tourism-, agriculture-, and culture-related businesses, such as souvenir production and agribusiness. Supporting these types of entrepreneurs may motivate others to follow.
- g. Providing basic office skills training for LED forum and TIC members so that both can be run effectively. ❀