



Strategic Plan Sustainable Tourism and Green Jobs for Indonesia



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Strategic Plan Sustainable Tourism and Green Jobs for Indonesia

**Ministry of Tourism and Creative Economy
of the Republic of Indonesia**

**in cooperation with
the International Labour Organization**



FOREWORDS
MINISTER OF TOURISM AND CREATIVE ECONOMY,
REPUBLIC OF INDONESIA

Tourism and creative economy play important role in the development of Indonesia. This can be seen, among others, from its contribution to GDP and employment, both directly and indirectly. Altogether, tourism and creative economy contribute 11.84% to the Indonesian GDP, and 14.66% to the total employment.

In developing these sectors, the Ministry of Tourism and Creative Economy has posted its vision, i.e. "the realization of welfare and quality of life of the people of Indonesia, through moving the tourism and creative economy". Sustainability is obviously key in the achievement of this vision, as quality of life would never be a reality without sustainability.

In line with the above-mentioned background, I strongly support the effort of ILO and Australian AID to develop a Strategic Plan on Sustainable Tourism and Green Jobs for Indonesia. The Strategic Plan, which outlines strategic framework for sustainable tourism planning, and offers a number of key strategies as well as their implementation strategies would be an important reference to achieve sustainability and green jobs in tourism. Using this Strategic Plan, we hope that sustainability and green job can be mainstreamed in every policy related to tourism development in Indonesia.

My sincere thank goes to ILO and Australian Aid for this effort, and I do hope that this good cooperation continue in the future.

Jakarta, 10 September 2012.
Minister of Tourism and Creative Economy
Republic of Indonesia,


MARI ELKA PANGESTU

FOREWORD

As the International Labour Organization we regard tourism as a key sector, where the national development priorities of pro-poor, pro-growth, pro-environment and pro-jobs come together. Moving towards a greener, climate resilient tourism economy therefore is increasingly important to ensure a sustainable development path for the country, not only over the long-term but also in the short-term. Going green and adapting to climate change are not an option anymore. Actions are already being taken by the Government, employers, enterprises, trade unions, and other key stakeholders to move towards more sustainable patterns of tourism development. As a consequence, shifts in the tourism labour markets, new demand for green skills and re-skilling programmes, new and adapted profiles of jobs and skills as well as specific measures to help workers, employers and enterprises adapt to this changing environment are essential parts of this transition. As the tourism sector adjusts to this drive towards more sustainable operation and consumption patterns, policies to fully utilize the potential for new green jobs and the greening of existing jobs in tourism are in great demand.

The Strategic Plan for Sustainable Tourism and Green Jobs in this regard is a breakthrough of innovative policy making, cooperation and coordination addressing these issues as a whole with a view to creating a policy framework for the implementation of sustainable tourism with green jobs for Indonesia aiming at improving the quality of life of the local communities, workers and employers, and a prosperous society overall. The Strategic Plan, hereby, supports existing Government policies, stresses the potential and need to go green, introduces an integrated approach for the promotion of a job rich sustainable tourism industry and by presenting key strategies it identifies the way forward.

I would like to express my sincere gratitude to the ILO Constituents, and especially the Ministry of Tourism and Creative Economy which in collaboration with the ILO took the leadership in the development of this important document. My special thanks also go to the lead author Myra Gunawan and co-author Oliver Ortis as well as all national and international experts, who have participated in the consultation based development process of his work. The engagement of a wide array of national partners in a high-level dialogue on the development of a strong sustainable tourism industry for Indonesia with Green Jobs leading to this document can be regarded as an outstanding example of how cooperation and commitment beyond geographic and administrative limits with a view to a common goal can be achieved. I am optimistic that with a strong commitment from all of us and with the strategic plan to guide us, sustainable tourism in Indonesia is one step closer.



Peter van Rooij
Country Director for Indonesia
International Labour Organization

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The authors would like to use the opportunity to express their gratitude to the institutions and people who, with their wide contributions, have well carried the development of this Strategic Plan. Due to the great number of contributors it will not be possible to mention all, but every single one who has contributed shall be assured of the value they have added to the development of this policy document. However, special attention shall be given to the key partners in the creation process, as this report is the result of the collaborative efforts of the Ministry of Tourism and Creative Economy, the Ministry of Manpower and Transmigration and the International Labour Organization and the over 250 national officials, who within the wide consultation process have .

First and foremost, the Ministry of Tourism and Creative Economy has led and well guided the process. Her excellency, the esteemed Minister Dr. Mari Elka Pangestu SE, Msc personally took the role of directing this Strategic Plan. Special thanks also to Mr. Wardiyatmo, Mr. Firmansyah Rahim, Mr. Henky Hermantoro, and Mrs. Ni Wayan Giri Adnyani.

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EXECUTIVE SUMMARY

The Indonesian Government, through its Long-Term National Development Plan (RPJP), the Long-Term National Tourism Development Plan (RIPPARNAS), and its tourism Mid-Term Strategic Plan (RENSTRA) communicates a clear vision on the importance of sustainable development. These documents emphasize the need to address people's welfare and quality of life, conserve natural and cultural resources, and promote international cooperation to advance the country's development objectives.

While there remains continued strong political support at the national levels of government for sustainable tourism and opportunities of the growing market, the country itself faces a number of challenges. With abundant natural and cultural resources and a significant domestic and international market potential, Indonesia is confronted by issues in terms of utilizing these assets in a socially, economically, and environmentally sustainable manner. Tourism planning and administration remains lacking in integration among many different ministries and government units. Indonesia's sizeable informal economy, as well as its lack of skilled human resources in tourism and hospitality threatens to undermine national development goals and weaken the country's overall competitiveness, whilst short term economic benefit orientation of the sector, despite its quantitative growth, poses direct and indirect threats to environmental welfare and people's quality of life.

On the other hand, sustainable tourism, if well planned and managed can make a direct and positive contribution to Indonesia's achievement of the Millenium Development Goals, inclusive of poverty reduction, rural development, preservation of culture and society, gender equity, and environmental protection. Employment creation remains a centrepiece of this strategy with the promotion of decent green jobs for the development of environmentally-friendly products, services and public works.

This Strategic Plan for Sustainable Tourism and Green Jobs explores how tourism can play a role in enhancing livelihoods and improving quality of life in Indonesia. The Plan was initiated by the International Labour Organization (ILO), together with the Ministry of Tourism and Creative Economy (MoTCE) and the Ministry of Manpower and Transmigration (MoMT) under ILO's Green Jobs in Asia Project in Indonesia, made possible by the Australian Government-ILO Partnership Agreement (2010-2015).

The Strategic Plan for Sustainable Tourism and Green Jobs for Indonesia aims to engage a wide range of national partners in an exchange of views towards building a consensus for fostering a strong and sustainable tourism industry in Indonesia supported by green jobs. Accordingly, the design of the Strategic Plan was informed by a consultation process involving key stakeholder groups across government at all levels, communities, industry, education and training facilities, social partners and civil society. Building upon Indonesia's unique natural and cultural assets, the Plan was prepared with a view towards assisting these partners reach a shared vision on sustainable tourism and its contribution to the country's development, and identifies key strategies for implementation at the national, provincial, local and enterprise levels.

As outlined in this Strategic Plan, the effectiveness of policies must thus be supported by structures that allow coordination between all stakeholders, and the adoption of a balanced mix of instruments, including market-based, regulatory and voluntary approaches.

Complementing the existing policy framework, the Strategic Plan proposes new key policy dimensions as integral to sustainable tourism planning strategies.

In line with the pro-poor directive within the national development agenda, tourism is expected to play an important role in **poverty reduction**, especially in localised destination areas.

The understanding of and commitment for **Green Jobs** supporting an adequate transition for workers and employers towards a low carbon, climate change decelerating, socially and environmentally responsible development in Indonesia is a crucial aspect of sustainable tourism and should be mainstreamed into policy.

The youth is a strategic segment of the domestic market, for sociocultural and sociopolitical reasons, as well as a potential workforce to meet the demand for dynamic labor to cater the growing demands of alternative tourism.

The achievement of **Decent Work** is an important part of sustainable tourism and the pro-poor and pro-employment agenda.

Gender mainstreaming and child labour prevention are two significant goals to be further emphasised within the tourism development agenda in Indonesia.

In order to achieve a consistent path of development, **guiding standards** for sustainable tourism operations and performance must be developed and implemented.

Based on the proposed policy dimensions and planning approaches, the strategic framework for sustainable tourism development lists four key strategies and ten implementation strategies. These were selected based on priority for action as agreed on by key stakeholders at the national and local consultations:

- Key Strategy 1: Change of Mindset of all stakeholders
- Key Strategy 2: Sustainable Tourism Indicator development, adaptation and adoption
- Key Strategy 3: Accustomization of the New Mindset on Green Jobs and Sustainable Tourism
- Key Strategy 4: Introduction of Strategic Management, Control Mechanisms, and Enforcement

Following the strategic framework, ten implementation strategies are proposed to follow up on the new policy dimensions:

Mainstream and Promote Green Jobs through Sustainable Tourism.

By mainstreaming, promoting, and supporting Green Jobs in tourism development within the national tourism policies as well as with the industry, the objective of productive work in conditions of freedom, equity, security and human dignity and lessened negative environmental impacts within the sector for the formal as well as informal sphere shall be reached.

Prioritize Poverty Reduction in Tourism

Poverty reduction by the means of sustainable tourism complements Presidential Directives, the National Long term Development Plan (RPJPN) and strategies for the achievement of the Millennium Development Goals (MDGs). The strategy for poverty reduction in tourism involves (1) monitoring and evaluating the environmental impact of tourism, (2) promoting local ownership and local sourcing, (3) supporting formal local and rural employment (on and off-farm employment related to tourism: ecotourism, agrotourism), (4) strengthening collaboration and communication, (5) addressing current work deficits. Its objective is the poverty reduction for the local community, protection of natural and cultural resources and ways of life.

Enhance Opportunities for Youth Employment in the Tourism Sector and Youth Tourism

The strategy aims at supporting an educated and participating youth, who are aware of sustainability in their activities as travellers as well as having the capacity to join the sector as skilled work force with the ability and attitude to realise sustainable concepts in management and operations and building future tourism systems.

Support the Ministry for Women and Child Protection in Combating Gender and Child Protection Issues

Mainstreaming gender equality and child protection in all spheres of the tourism sector and putting men and women in an equal position by enabling access to gaining better skills and knowledge. The goal is for women to reach better payments, equally to men in the same position with the same skills and better conditions of work. Furthermore the protection of children of working women and a complete elimination of any kind of child labour is targeted.

Implement a System of Voluntary Codes/Standards for Sustainable Tourism

The strategy is threefold and proposes the application of the Code of Ethics, the development and application of standards and the development of a certification program. It targets a consistent path in tourism development with an ease in good interaction between all tourism stakeholders following the standards.

Set Tourism Related Education, Training and Research as priority in the National Education and Research Agenda

Sustainable tourism and tourism as a knowledge based industry require the support of appropriate human resources in the public and private sectors. Appropriate education and training for all stakeholders at all level is critically needed. Research under a clear roadmap is crucial to support various level decisions. The growing trend of education and training providers based on the rising

demand of the growing population should not lead to a mis-match between the output and the human resource need of the sector.

Identify Potential and Committed Local Partners

An emphasis on sustainable tourism development should be made according to an area's potential, preparedness and priorities. This strategy is linked to the poverty eradication objective as well as the National Strategic Areas (KSN in the National Spatial Planning) and The National Tourism Strategic Areas (KSPN) as identified in the National Tourism Plan that both have become legal documents.

Conduct Selective and Creative Marketing

Indonesia targets a wide geographic as well as psychographic market. Effective competitive destination marketing requires substantial budget allocations, which needs to be setup wisely and effectively. For the long term perspective, adequate investment in market research is a must for selecting a cost effective and creative marketing strategy as well as identifying new potential source markets.

Apply a Sustainable Approach in Tourism Planning

The sustainable approach proposes the community and the people as the key subjects of tourism, transforming the success indicators to include qualitative measuring. Such a development aims at the improvement of the quality of life of the host communities interacting with tourism development at the same time as offering satisfaction for tourists. Reviewing regional and local tourism plans regarding their sustainability approaches and making corrective actions is essential, especially for those in strategic locations. E.g. provinces with tourism potential that border other ASEAN countries need to work on aspects with a stronger competitive advantage in the ASEAN context. Indonesia with a strategic and strong position in ASEAN should seek for maximum benefit from the region. Cooperation with Singapore as one of the distinguished tourism capitals in Asia needs to be strengthened.

Establish a Single Coordinative Body for Sustainable Tourism Development

The main issue faced at different levels of governance is the lack of power of the tourism offices for coordination with related and or supported sectors. The legal base has been made available through the Presidential Instruction No 16-2005, the implementation of which needs a strong coordinative body that translates the instruction into more clear and defined programmes. Such a coordinating body is also required at the provincial/local level of administration.

In sum, strong leadership will be absolutely crucial in implementing the Strategic Plan and the National Vision, moving towards sustainable tourism, Green Jobs, and quality development. Hence, the Office of the Vice President is proposed to take the coordinative functions which embraces many ministries and implementation of various laws and regulations related to sustainable tourism. This covers human development, spatial arrangement, business and industries competitiveness development as well as management of natural and cultural resources for the benefit of the country and its people. A Human Resource Development Plan to support expected quality

tourism development must not be limited to the central level but stretch through all levels of the system to the autonomous provincial and local levels as well as the private sector, regardless of their various sizes.

With the public sector to take the lead in the endeavour, a just transition has to be initiated. A change of mindset and approach in crafting the development of each potential region and destination by the government in providing fair and decent work legislative frameworks for the employers.

Finally, green jobs, social protection, right at work, social dialogue and the informal economy in addition to the existing understanding of natural and cultural environment friendly requirements, are among the issues of paramount importance to be promoted. In this regard, Guidelines complementary to and based on the Strategic Plan will have to be prepared as an important next step. Among the important means to achieve the long term development goals, Guidelines for Sustainable Tourism Planning and Guidelines for the Tourism Industries for a Transition to Sustainable Operations would be considered most important. Besides, mapping of tourism training and education practices at all levels will provide an important input on where training and education require redirection.

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LIST OF ACRONYMS AND TERMS IN *BAHASA (ITALIC)*

AMDAL	: Environment Impact Analysis (<i>Analisis Mengenai Dampak Lingkungan</i>)
ASEAN	: Association of South East Asian Nations
ATS	: After Training Support
BAPPENAS	: National Development and Planning Agency (<i>Badan Pembangunan dan Perencanaan Nasional</i>)
BDSP	: Business Development Service Providers
BIMP –	: Brunei Darussalam, Indonesia, Malaysia, and Philippines- East ASEAN Growth
EAGA	Area
BPS	: Central Bureau of Statistic (<i>Badan Pusat Statistik</i>)
BTDC	: Bali Tourism Development Corporation
BUMN	: Government Owned Enterprises (<i>Badan Usaha Milik Negara</i>)
CBS	: Central Bureau of Statistic
CEA	: Community Employment Assessment
CLMS	: Child Labour Monitoring System
CSR	: Corporate Social Responsibility
DI Yogyakarta	: Yogyakarta Special Region (<i>Daerah Istimewa Yogyakarta</i>)
DKI Jakarta	: Jakarta Capital Region (<i>Daerah Khusus Ibukota Jakarta</i>)
DMO	: Destination Management Organization
DWCP	: Decent Work Country Program
EEE	: Employment Environment Economy
EU	: European Union
GATS	: General Agreement on Trade in Services
GCF	: Governor’s Climate Forests
GDI	: Gender Development Index
GDP	: Gross Domestic Product
GEM	: Gender Empowerment Measure
GEMS	: Gender Empowerment Mainstreaming Strategy
GRDP	: Gross Regional Domestic Product

HRD	: Human Resource Development
ISO	: International Organization for Standardization
ITC	: International Trade Centre
IYB	: Improve Your Business
ILO	: International Labour Organization
IMT- GT	: The Indonesia- Malaysia- Thailand Growth Triangle
KAN	: National Accreditation Committee
KLHS	: Strategic Environment Review (<i>Kajian Lingkungan Hidup Strategis</i>)
LULUCF	: Land Use, Land Use Change and Forestry
MCT	: Ministry of Culture and Tourism
MoE	: Ministry of Environment
MoHA	: Ministry of Home Affairs
MoMT	: Ministry of Manpower and transmigration
MoWECP	: Ministry of Women Empowerment and Child Protection
MoTCE	: Ministry of Tourism and Creative Economy
NGO	: Non- Governmental Organization
OSH	: Occupational Safety and Health
Perhutani	: Indonesia National Forestry Enterprise (<i>Perusahaan Hutan Negara Indonesia</i>)
PGA	: Participatory Gender Audit
PHRI	: Hotel and Restaurant Association (<i>Perhimpunan Hotel dan Restoran Indonesia</i>)
PKK	: Empowerment and Family Welfare (<i>Pemberdayaan dan Kesejahteraan Keluarga</i>)
PNPM	: National Program for Community Empowerment (<i>Program Nasional Pemberdayaan Masyarakat</i>)
PPP	: Public Private Partnership
PTP/PNP/	: Perusahaan Terbatas Perkebunan/ Perusahaan Negara Perkebunan/ PT Perkebunan
PTPN	Nusantara – National Enterprises for Estates
REDD+	: Reducing Emissions from Deforestation and Degradation
Renstra	: Strategic Plan (<i>Rencana Strategis</i>)
REPELITA	: Five Years Development Plan (<i>Rencana Pembangunan Lima Tahun</i>)
Rp	: Indonesian Currency (<i>Rupiah</i>)
RPJM	: Medium- Term Development Plan (<i>Rencana Pembangunan Jangka Menengah</i>)
RPJP	: Long- Term Development Plan (<i>Rencana Pembangunan jangka Panjang</i>)

RPPLH	: Environment Protection and Management Plan (<i>Rencana Perlindungan dan Pengelolaan Lingkungan Hidup</i>)
SARS	: Severe Acute Respiratory Syndrome
SIYB	: Start and Improve Your Business
SMEs	: Small and Medium Enterprises
STD	: Sustainable Tourism Development
SWOT	: Strength, Weakness, Opportunity, Threat
SYB	: Start Your Business
TSA	: Tourism Satellite Account (<i>Neraca Satelit Pariwisata Nasional_NESPARNAS</i>)
TTCI	: Travel and Tourism Competitiveness Index
UK	: United Kingdom
UN	: United Nations
UNCTAD	: United Nations Conference on Trade and Development
UNDP	: United Nations Development Programme
UNESCO	: United Nations Educational, Scientific, and Cultural Organization
UNPDF	: United Nations Partnership for Development Framework
UNWTO	: United Nations World Tourism Organization
US	: United States
UU	: Law (<i>Undang- Undang</i>)
WEF	: World Economic Forum
Wisnus	: Indonesian Domestic Tourists (<i>Wisatawan Nusantara</i>)
WTO	: World Trade Organization

INTRODUCTION

1. Indonesia's Move to Sustainable Tourism and Green Jobs

Now more than six decades in existence, the Republic of Indonesia began to strategically plan for tourism development some 40 years ago. While the early development stages were hampered during the 1970's by internal policy barriers, currency appreciation induced by an oil boom and high costs compared to neighbouring destinations, by 1980 Indonesia received 562,000 international visitors. Thirty years later, Indonesia welcomed 7 million international visitors in 2010. By 2014, the Ministry of Tourism and Creative Economy (MoTCE) would like to increase that figure, targeting 8.6 million arrivals. As global tourism demand edges towards one billion arrivals and the Indonesian domestic tourism market continues to develop, the nation's share of the global tourism market and new opportunities to service the rapidly growing middle class and pool of potential domestic tourists are expected to ensure tourism remains a key strategic sector within the national development agenda.

As Indonesia's international and domestic tourism growth continues, there will be even greater stress on what are in some cases already threatened or vulnerable natural and cultural environments. This places urgency on the need to increase the awareness and practices for sustainable tourism approaches by industry and tourists alike.

There is intense global competition for the tourist dollar. Destination 'winners' will be those that harness the power of tourism and supporting creative economic services to contribute to their transitions to a 'green economy' characterized by low carbon, climate change decelerating, environmentally friendly and socially respectful forms of sustainable development.

Already a member of the G20, Indonesia's economy is aiming to become one of the top 10 economies in the world by 2020. Taken in this context Indonesia's tourism sector has enormous potential to grow as a more significant contributor to Indonesia's economic progress. Tourism stands to be a leading 'greening sector' for innovation which will attract public and private capital flows for transitioning the country towards a low-carbon, resource efficient sustainable development path.

More than just a vital foreign exchange earner, tourism, if conducted sustainably, can be harnessed to contribute to equitable development and address the MDGs through jobs and employment creation in urban and rural regions, especially in poorer and remote rural areas. In addition to improving transportation and telecommunications corridors, such an approach also necessitates generating green jobs that protect the environment and open employment and skills trainings for vulnerable persons, including women and youth who might not otherwise be able to access these opportunities.

In this connection, it is appropriate to call attention to the ILO-UNEP definition of green jobs:

“Jobs are green when they help reduce the negative environmental impact and ultimately lead to environmentally, economically and socially sustainable enterprises and economics. Green jobs are decent jobs that reduce the consumption of energy and raw materials, limit green house gas emissions, minimize waste and pollution, and protect and restore ecosystems”ⁱ

A labour-intensive industry, with a substantial growing domestic market, tourism is expected to strongly contribute to Indonesia’s unemployment elimination program. However, in large measure existing capacity building programmes targeting tourism workers remain poorly designed, inefficient and generally ineffective. This leads to tourism products and services neither meeting minimum quality standards nor the expectations of both international and domestic market visitors. Furthermore the ultimate goal of tourism development - to foster large-scale improvements in livelihoods of those operate within the industry - has in many ways has yet to be achieved. In this regard, tourism and education and training in Indonesia must extend beyond simply basic hospitality skills. There is evidence within industry and government that the importance of competency standards for vocational training and quality is being overlooked. Here local governments need to develop place-based strategies within the context of a complex tourism system and realistically plan for the benefit of communities under their jurisdiction.

The multidimensional economic crisis in 1998 showed that the tourism industry stands among the most vulnerable to external shocks. The crisis has demonstrated that while efforts can be made to enhance the resilience of the sector, in order to expand tourism requires public policy attention, efficient allocation of resources as well as strong strategic and institutional frameworks, particularly when forces beyond the control of an individual tourism business or destination can wreak such negative impacts. Within generally accepted international policy statements endorsed by the UNWTO (e.g. Agenda 21 for Travel and Tourism and the Global Code of Ethics for Tourism), successive national government administrations have worked to build greater awareness about the need and benefits of sustainable tourism development. Despite these admirable efforts, the mere fact that the Indonesian Government has committed to such policy guidelines including those relating to decent and productive work, does not automatically guarantee that all the concepts and principles are applied successfully throughout the nation.

National and sub-national governments are still challenged by issues of implementation related to a lack of human resource capacity and readiness to realize various goals and pursuits of sustainable development. Decentralisation processes have required structural and cultural changes within these governments, which are currently being widened to guide a further transition to sustainable practices.

Well planned and effectively managed tourism can generate positive net outcomes under the triple-bottom line of people-planet-profit. However, there can also be downsides if the public policy settings, priorities and management resources are insufficient. Promoting a more socially and environmentally sustainable tourism industry is necessary to meet market demands, contribute to

poverty reduction and inclusive development whilst preserving the natural capital which enables the industry to prosper over the medium and long term. The concept of sustainability for tourism in Indonesia has been mentioned in policy papers and laws, but not necessarily implemented to meet generally accepted minimum international standards as stipulated, as for example in the ASEAN Standards for Tourism and the International Organization for Standardization's (ISO) Tourism Standards. The fact that sustainability issues have been mentioned in the former Tourism Law No. 10, 1990, since updated and reformed into Law No. 10, 2009 on Tourism, shows that there exists high level policy awareness on the concept of sustainability and its multidimensional aspects of environmental friendliness, economical viability and socio-cultural acceptability with community development seen as a core focus.

Additional legal documents such as the Law on Investment, the Law on Manpower, and others, express the government's commitment for community welfare creation and poverty eradication, *inter alia* with emphasis on mainstreaming gender equality in the operations of small and medium enterprises (SMEs). This is mandated by Presidential Instruction (No.9/2000), which requires that government ministries/bodies at every level should ensure gender concerns are mainstreamed in the planning, implementation, monitoring and evaluation of all respective areas and responsibilities as coordinated by the Ministry of Women Empowerment and Child Protection (MWECP). Recently, in 2010, the Ministry of Manpower and Transmigration (MoMT) and the Ministry of Cooperative and Micro, Small and Medium Enterprises signed an MOU with the MWECP on gender equality. The MOU provides the foundation for how tourism, a sector largely comprised of unregulated workers, should seek to ensure the equal distribution of benefits for both women and men who operate within the informal sector.

Indonesia prepared its Agenda 21 in 1992, and in 2001 added the Sectoral Agenda on Forestry, Mining and Tourism, supported by the United Nations Development Programme (UNDP). This Agenda was initiated by the Ministry of Environment, involving tourism stakeholders and also 'signed' by the MoTCE at the time. However, as it currently stands the principles articulated in these documents have yet to find their way into national tourism development programmes.

In 2003 Indonesia received technical aid from the UNWTO to undertake a study of community-based tourism in two locations: Candirejo Village, near the Borobudur temple in Central Java, and the Old Banten Area, surrounding the Grand Mosque of Banten in the western most part of Java. As a member of the UNWTO, Indonesia has also disseminated the Global Code of Ethics for Tourism in both Indonesian and English languages, which have been integrated with the available code of ethics from different industry associations. In 2004 a national workshop was held in Jakarta with the participation of ecotourism operators, where a range of best practices and lesson learned were documented by eco-tourism operators and key stakeholders (see Annexes 2 and 4). In this regard, Indonesia does have a respected ecotourism network which could be harnessed for education, training and awareness raising programs to improve the standards and quality of the 'Indonesian ecotourism experience'. In 2006, the UNWTO in cooperation with the German Government established a Consultation Unit on Biodiversity and Tourism for Tsunami Affected Countries, wherein Indonesia received support for the implementation of the "Tourism Development Supporting

Biodiversity Conservation” programme. The Indonesian Government and the UNWTO agreed to choose Pangandaran, West Java’s tourism icon, which had been affected by a tsunami in July 2006 and had been severely damaged. The programme, delivered during 2007-2009, involved a series of recovery interventions aimed at empowering the area’s Local Working Group to prepare an action plan and conduct activities for enhancing the potential of sustainable tourism. . Ecological conservation and energy efficiency initiatives remain in place, testimony to the success of this approach. However, further efforts are still required to ensure environmental sustainability is maintained through the enforcement of existing legal regulations.

In 2009 the Culture and Tourism Resource Development Board within the former Ministry of Culture and Tourism (now MoTCE), in cooperation with the Centre for Planning and Development of the Bandung Institute of Technology, published Guidelines on Integrated Rural Sustainable Tourism Development. These Guidelines are designed to assist local governments with promoting rural-based tourism in a sustainable manner. However, there remains a need to disseminate the Guidelines, and undertake trainings towards implementing its recommendations. .

Indonesia’s most internationally recognized tourism destination, Bali, has had long experience in promoting sustainable tourism practices, based on the local wisdom of Tri Hita Karana – harmonious relations of Nature, Man and the Creator. This concept has been acknowledged by the UNWTO in 2002 and leading regional industry organizations such as the Pacific Asia Travel Association. Many tourism industry components (hotels, restaurants, resorts) in Bali have been awarded with the Tri Hita Karana Award as an appreciation of their concern for the environment, culture, and community welfare. Tri Hita Karana does provide a useful model to modify and adapt the tourism industry also in other regions of Indonesia. It also provides an exemplary framework for sustainable tourism practices and policy development for local and provincial governments who have issued development permits to learn from.

In response to a Presidential appeal, the former Ministry of Culture and Tourism launched an empowerment program for tourism in 2007 targeting selected villages across the country. In 2009 the programme covered 104 villages in 17 provinces; in 2010, 200 villages in 29 provinces; and in 2011, 569 villages in all 33 provinces were covered. Support granted to SMEs for rural tourism development has also increased significantly in monetary terms from IDR 8.75 billion in 2009, by almost six times amounting to IDR 51.7 billion in 2011. Although by 2014 the Government plans to expand to 2,000 villages, this remains small compared to the total number of villages in the country. Furthermore, participating villages in the programme need to be monitored and evaluated for continuous improvement of technical assistance and delivery of support.

The visible push by the Indonesian Government for environmental sustainability together with economic and social development, employment and poverty reduction as the pillars of sustainable development has also laid the foundation for the support of a transition to a green economy by shifting employment to green jobs. While demand for new skills and programmes will be created, the transition must also be supported by social protection and appropriate financial schemes to assist workers and businesses implement more sustainable operating practices in the tourism sector.

A joint initiative by the United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the International Organization of Employers (IOE) and the International Trade Union Confederation (ITUC) was launched in 2007 to assess, analyze, and promote the creation of decent jobs as a consequence of the needed environmental policies. Consequently, in order to ensure a positive impact and response to climate change, economic transition and green growth on employment, the Green Jobs initiative was introduced as a national project for Indonesia by the ILO in conjunction with the Indonesian Government in 2009 under the umbrella of the Green Jobs in Asia Initiative.

Green Jobs = Decent Work + Environmental Sustainability

Under the Australian Government-ILO Partnership Agreement (2010-2015), the Green Jobs in Asia Project was launched in 2010. Covering five countries (Indonesia, Bangladesh, Sri Lanka, Philippines and Nepal) the objective of the project is to deepen ILO constituents' understanding and commitment for the promotion of gender sensitive green job opportunities and a just transition for workers and employers towards a low-carbon, climate resilient, environmentally friendly development. The project seeks to assist countries with facilitating the necessary labour market transitions for green jobs and the creation of new business models through an inclusive social dialogue.ⁱⁱ

The immediate objectives of the Green Jobs Project are:

- I. **Policy Integration:** To mainstream green jobs in national labour and social policy of participating countries and enhance the social and employment dimension of climate and other environment related policies;
- II. **Capacity building:** To promote the capacity of ILO constituents to engage in dialogue on green jobs through industry and competency standards development and increased access to reliable sources of data and information on green jobs and training, including on the employment impacts of environment-related policies and good practices on green jobs.
- III. **Employment Model:** direct interventions for green jobs promotion through skills trainings, promoting green entrepreneurship and access to finance with the aim of supporting local sustainable economic development in the tourism sector.

The Strategic Framework as the basis for Green Jobs supporting Sustainable Tourism in Indonesia bases all interventions on the threefold pattern of Policy Integration, Capacity Building, and the Employment Model. By applying a top down as well as a bottom up approach this dynamic concept represents the foundation for the promotion of gender sensitive green job opportunities and a just transition for workers and employers towards a low-carbon, climate resilient, environmentally friendly development in Indonesia's tourism sector. Top-down: the policy level guides what is implemented in capacity building such as standards development. At the same time it provides the

framework for the employment creation model. The capacity building level with the standards developed forms the basis for the activities in the employment model on the ground. Bottom-up: The employment model feeds back into the preparation of standards as well as contributes to national/provincial/local policy development. In terms of the third pillar, the ILO Project directly supports the MoTCE in the implementation of its Demonstration Management Organisations (DMO) Programme focused on target sites located in East Java, North Sumatra, Lombok and Central Kalimantan. The project seeks to apply local tourism-based strategies aimed at empowering and enhancing community welfare through environmental conservation and cultural preservation with a focus on two green strategies: the promotion of eco-tourguides and green homestays.ⁱⁱⁱ The DMO programme's provides an opportunity for 'greening' the tourism industry through the development of best practices associated with sustainable tourism .

2. Purpose of the Strategic Plan and its Formulation Process

The main purpose of the Strategic Plan for Sustainable Tourism and Green Jobs for Indonesia is to engage a wide range of national partners in an exchange of views and the building of a consensus for the development of a strong sustainable tourism industry in Indonesia with decent work. The preparation of the Strategic Plan aims to assist the Government, the social partners and the civil society at large to acknowledge the strategic importance of sustainable tourism for the development of the country and identify the way forward through a set of key strategies that could be supported at the national, provincial and local level.

In order to achieve this goal the Strategic Plan:

- (1) Introduces elements for new key dimensions of tourism policy (Green Jobs, Youth Employment, Gender Mainstreaming and Child Protection, Sustainable Tourism Standards, Poverty Reduction);
- (2) Depicts the human development challenge in the tourism administration and industry and the need for more resources for developing a competent administration for policy formulation and decision making as well as trained labour force to sustain the development and growth of this sector (including entrepreneurship, skills, access to finance);
- (3) Highlights important aspects and approaches for planning and development of sustainable tourism (potential impact rural development and environmental and cultural conservation, promoting sustainable enterprises and self employment in line with national standards for sustainable local economic development, and eco-tourism focusing on the linkages between employment, environment and the economy (EEE);
- (4) Shows the potential for action formulated in specific strategies and an agenda supporting the MoTCE's Rencana Strategis (RENSTRA) on a commitment to sustainable tourism approaches with public policy and industry practice, introduction of new performance indicators, tourist education (for going green), developing management and control mechanisms, integrating and enforcing existing laws and regulations and strengthening the

institutional agencies which are key stakeholders for sustainable tourism development, adoption of more quality sustainable tourism approaches by the industry;

- (5) Reiterates the strong relation between sustainable tourism and the national development agenda, as well as various programs for environmental protection and climate change mitigation and adaptation;
- (6) Discloses that there are new opportunities, and challenges, relating to the transition to a green economy, that require special attention (enhancing linkages between tourism and REDD+, low-carbon development, climate change mitigation);
- (7) Draws the link to the DMO program and underlines its importance as vehicle for ‘greening’ the tourism industry and the total quality of the destinations;
- (8) Points out the importance of tourism businesses and public institutions in charge of tourism adopting innovative and appropriate technology and tools to improve the efficiency of resource use (notably land, energy and water), tackle the challenges of climate change, minimize emissions of greenhouse gases (GHG), and the production of waste, while protecting biodiversity;
- (9) Raises the issue of large investments in the green tourism sector (including greening the SMEs and uplifting the informal sectors);
- (10) Sheds light on further elements of a national green skills development strategy for sustainable tourism including public, private partnerships (PPP), competency-based training, relations within the ASEAN context and Indonesia’s opportunity to enhance a standard-based approach for promoting sustainable tourism;
- (11) Provides strategic guidance and ways of implementation for tourism sustainable development in Indonesia to implement the national development directives strategy of the government (pro poor, pro growth, pro environment, pro jobs).

The preparation of the Strategic Plan was initiated by the International Labour Organization (ILO) together with the Ministry of Tourism and Creative Economy and the Ministry of Manpower and Transmigration and placed under the umbrella of the ILO’s Green Jobs in Asia Project specifically for Indonesia. The plan to prepare this Strategic Plan was first presented in February 2011 and in May 2011 a task team consisting of national and international consultants was set up. The preparations for the Strategic Plan development also started in May 2011. Directly from the beginning all ILO constituents, and particularly the MoTCE, MoMT and the Ministry of Environment (MoE), the trade unions, and Apindo were closely involved.

The Strategic Plan is designed based on a consultation process involving the ILO constituents as mentioned above with key stakeholder groups across government at all levels, communities, industry, education and training facilities, social partners and civil society. The lead on this Strategic Plan development is taken by the Ministry of Tourism and Creative Economy.

The main steps and measures in the Strategic Plan formulation can be summarized as follows:

1. Project introduction Phase (February - April 2011)
2. Formation of the Strategic Plan Task Team (May 2011)
3. Extensive literature reasearch (May - July 2011)
4. Preparatory meetings with stakeholders MoTCE, MoMT, MoE, Bappenas, Apindo, Trade Unions (May - December 2011)
5. Local Level Consultation Workshops in West Java, East Java, Central Kalimantan and South Sumatra (February - April 2012)
6. National Level Consultations Workshops (January - July 2012)
7. Finalization and endorsement by MoTCE, MoMT and MoE (July - August 2012)
8. Official Launch (September 2012)

The Strategic Plan provides a policy framework for sustainable tourism development and Green Jobs in the tourism sector in Indonesia. Complementing the Strategic Plan a practical Guideline document for key actors as well as an Action Plan supporting the implementation of the strategies with recommendations on concrete measures are planned. This was strongly requested during the consultations as well suggested during the peer reviews in order to support the Indonesian Government and other stakeholders and key actors in tourism. It is planned that the Guidelines and the Action Plan for its implementation will be prepared in close cooperation with the MoTCE, MoMT and other stakeholders in a further consultation process based on the concept of development of the Strategic Plan. This endeavour is being initiated by the Indonesian government and very strong support is seen from its side. The proposal of the development of Guidelines and the Action Plan for Sustainable Tourims and Green Jobs for Indonesia have been included in the concept note for the a follow up Green Jobs for Sustainable Tourism in Indonesia Project.

CHAPTER 2

CURRENT PICTURE OF THE TOURISM SECTOR IN INDONESIA

Chapter Overview

Section I depicts the current state of the Indonesian tourism sector on the basis of quantitative macroeconomic indicators as well as qualitative analysis. The outcome of this section is a clear image of the current condition of the tourism sector, its importance for Indonesia, the impact on economic growth, employment and job creation and social inclusiveness and various other current issues.

2.1 The Importance of Tourism for Indonesia

2.1.1 Tourist Arrivals, Domestic Trips, and Related Indicators

The performance of Indonesia's tourism sector, using the common indicators, has been fluctuating over time. Formerly, tourism performance was mainly indicated by the number of arrivals and domestic trips, and also by the number of hotels and other facilities being built, number of travel agents, increasing accessibility indicated by flight frequency and capacity, rail transport as well as bus and other means of tourist transportation frequencies and capacities.

During the earlier stages of development, Indonesia experienced a double digit growth of international arrivals finding itself at the top of the Asia Pacific region. However, as Indonesia was a late starter and within the ASEAN context, the volume of international tourism attracted to Indonesia faces strong competition from regional neighbours such as Malaysia, Thailand and Singapore. The rapid expansion of the Vietnamese and Cambodian destinations for international tourists in the past decade additionally poses threats to Indonesia's competitiveness as an ASEAN destination over the next decade.

At the same time, the enhanced state of welfare in terms of purchasing power, access to social and health security and infrastructure and a growing desire of the Indonesian middle class for travelling has, to a certain extent, saved the industry during the hardest times. Domestic tourism which is commonly termed as *pariwisata nusantara* has been on the rise. Excluding the domestic travel of foreign residents, the number amounted to over 234 million trips in 2010. Given the scale of the national population, Indonesia finds itself in the favourable position not to be dependant merely on international tourism while the potential of domestic travel in Indonesia exceeds the scale of neighbouring countries. During the last decades it has also shown a steady growth of 20% (2001-2010)^{iv}. When taking these domestic tourists into account, Indonesia is found among the big ten of global tourism destinations,^{vii} therefore the potential to further develop domestic tourism opportunities needs to be given much more attention and policy support.

In terms of natural and cultural resources for tourism, Indonesia has an immense potential to offer, but it is lacking the infrastructure and human resources to adequately manage current human impacts from local residents and visitors on many of its key natural and cultural resources. These weaknesses in turn have influenced the World Economic Forum (WEF) Travel and Tourism Competitiveness Index 2010 which evaluated Indonesia as the weakest in (i) policy and regulations, (ii) sustainable tourism, (iii) safety and security, (iv) health, and (v) information and communication technology.

In terms of infrastructure, the available and improved facilities as a result of previous development efforts in the 1990s, were unable to fulfil their true potential as Indonesia saw a severe drop in tourist arrivals at times of political turmoil, diseases, and terrorism in the late 1990's and the early years of the new century. After the downturn of international tourism in the years following 1998, the sector was further disturbed by terrorism attacks and took about a decade to return to the pre-crisis levels despite, or maybe only because of, many funds and forces invested into the sector by tourism stakeholders.

While formerly tourism performance was only indicated by the criteria mentioned above, now the Tourism Satellite Account (TSA) enables a better insight on the impact of tourism on the Gross Domestic Product (GDP), employment, indirect taxes, wages and salaries. The national as well as provincial TSAs that were measuring the total impact of tourism expenditure during the latest decade also confirm the position of domestic tourism with regards to its contribution to the national GDP as well as employment creation. Many special studies for domestic tourism also indicate that domestic tourists' expenditure would reach the lower ends of the community.

2.1.2 Economic Growth and Economic Contribution of Tourism

This section considers the specific case of Indonesia based on a methodology for estimating the direct economic contribution of Travel and Tourism that is fully consistent with the UN Statistics

Division-approved 2008 *Tourism Satellite Account: Recommended Methodological Framework* (TSA: RMF 2008), the ‘Travel and Tourism Economic Impacts’ (2011) report by the World Travel and Tourism Council, the South East Asia section provides collective information on various indicators for Indonesia.

GDP

Direct Contribution: The direct contribution of Travel and Tourism to GDP is expected to be USD 86.9bn (4.2% of total GDP) in 2011, rising by 6.4% p.a. to USD 161.7bn (4.4%) in 2021 (in constant 2011 prices): 6.4%.

Total Contribution: The total contribution of Travel and Tourism to GDP, including its wider economic impacts, is forecasted to rise by 6.1% p.a. from USD 223.5bn (10.9% of GDP) in 2011 to USD 405.9bn (11.4%) by 2021: 6.1%

Visitor exports and domestic tourists’ expenditure

Travel and Tourism visitor exports are expected to have generated USD 76.1bn (5.6% of total exports) in 2011, growing by 8.2% p.a. (in nominal terms) to USD 148.8bn (5.4%) in 2021 (6.9%).

Investment

In the 1980s the government eased land acquisition, credit applications as well as permit issuance for tourism related investments, which has led to investments in the tourism sector growing significantly. This has enhanced tourism development in certain locations on the one hand, but on the other hand it has also shown a policy failure with an increased rate of land speculations resulting from such policies. The investment was also highly concentrated in the hotel industry and geographically in Java (Jakarta) and Bali and resulted in some unsuccessful large scale tourism resort infrastructure developments such as near Manado, North Sulawesi.

Such a pattern can still to be observed until today. Most foreign investments in the hotel industry go to Bali, Jakarta and other big cities to a lesser extent. It needs to be noted that some provinces outside of Java and Bali, namely South Sumatera, East Kalimantan and Riau, have taken the opportunity of hosting sports events as a trigger for central government support and investments. South Sumatera for instance has developed a sports infrastructure up to international standards for hosting the SEA GAMES in 2011 and the National Games in 2004. East Kalimantan hosted the National Games in 2008 and Riau is going to host the National Games in 2012. These forms of events and sports driven tourism can encourage infrastructure development to attract new tourism investments and markets into what had previously been peripheral destinations within Indonesia.

In monetary terms travel and Tourism investment is estimated to have reached USD 45.4bn or 8.2% of total investment in 2011. It is expected to rise by 7.8% p.a. to reach USD 95.0bn (or 8.4%) of total investment in 2021 (7.8%).

2.1.3 Business Environment

In late 2010 the World Bank ranked Indonesia as 121st among 183 countries evaluated for attractiveness for business. In 2010 Indonesia was still ranked as 115th. Even with improvement in the ‘starting a business’ indicator, Indonesia was evaluated as worst in access to credit. Among the ASEAN countries, Indonesia was ranked behind Singapore (1), Thailand (19), Malaysia (21), Vietnam (78), and Brunei (112).^{vii} Evaluation was based on 9 indicators: starting a business, construction permit, property enlisting, access to credit, investor protection, taxes, cross-border trade, contract execution and business closing. The evaluation is viewed from the international investors’ point of view. It may apply to big, medium sized or smaller business investors from overseas. Viewed from another angle, some might be of the opinion that doing business in Indonesia is too easy for any kind of informal economy which may emerge anywhere and anytime, resulting in a situation of inconvenience and increased risk regarding lower standards, increased risk for public health, safety and security, hygiene, traffic problems etc. for the general public and also led to complaints from the formal economy. Micro- and small businesses also complain about the cost for product certification, which is unaffordable for business with only very limited capital.

2.2 Employment

2.2.1 Tourism Contribution to Employment and Jobs for the Youth

From the global perspective, as an industry that accounts for 30% of the world’s export services, the tourism sector accounted for more than 235 million jobs representing about 8% of all jobs (direct and indirect) or one in every 12.3 jobs in 2010.

In 2010 in Indonesia the sectors of trade, hotel and restaurant together absorbed workforces, second in scale to agriculture. The TSA prepared annually since 2000 by the Indonesian Central Bureau of Statistics (CBS), reports tourism contribution to job creation as significant, but fluctuating. In 2001 its contribution reached 8.57% and in 2004 reached 9.06%. The worst year was 2006, with only 4.65%, improving again to 6.84% in 2008 and 6.87% in 2010. The figures include those directly and indirectly working for tourism. This data reveals that in the period of 2000-2010 contribution of the tourism sector to jobs decreased considerably from 8.11% to 6.87% as shown in Annex 1 Table 1.4.

At the same time there are indications that the employment created has not mainstreamed the workers’ interests, especially at the lowest end. Low remuneration, long working hours-including work during holidays, unstable employment and casual workers, and lack of a decent income are among the issues that have caused concern with decent work policy makers. Tourism is a labour-

intensive industry requiring a wide range of professional skills. It also has the ability to absorb uneducated and untrained manpower, which can be considered positive from a short-term job creation point of view, but will have a negative impact on the industry's sustainability in the longer run and the policy initiative towards decent work. Low-end workers might influence the quality of products and services which need to improve from time to time to strive for sustainability and to be competitive. Therefore the linkage between the tourism education and skills providers from both the public and the private sectors and the tourism industry needs to be effectively facilitated. Identification and development of the specific competency standards should be promoted and implemented.

Not only due to the nature of the work, but also its seasonality and high labour demand during holiday seasons, tourism has traditionally become a sector attracting youth employment. During vacation time - the peak season - it may offer part-time jobs for students and provides youth with work experience and spending productive time. As 38.6% of all domestic trips were contributed by the youth (<24 years), youth also contribute significantly to the industry as customers.

Vulnerable groups such as women, children and migrants can suffer disadvantage and illegal or unethical working conditions. Women and young workers dominate the employment in the tourism sector, but it must be stressed that there are opportunities, challenges and risks connected to this situation at the same time. The sector offers relatively easy access to the working world but because of gender issues, low working experience, low union density, insecure jobs/contracts it also opens the way for bad and precarious working conditions as well as lack of career perspectives and the acceptance of an impingement of their fundamental human rights such as equal pay for equal work, maternity protection, social security and family leave. Moreover such issues can result in high turnover rates and negative impacts on the service quality. These challenges need to be highlighted and solved by all stakeholders in this sector. The ethics of conduct of work of women and young workers should be developed in line with the international and national law in order to safeguard and to ensure the fulfillment of their rights.

2.2.2 Social Equity

Social equity conditions in this regard are seen from the differences between workers in urban and rural areas, male-female and also permanent and casual workers. A CBS Labour Situation Survey (2010) lists trade and tourism as one group and shows the following statistics:

- There is a big percentage of those working in trade and tourism with an income less than IDR 1 million per month. 52.86 % in urban areas and even more significant 76.23% in rural areas earn wages less than IDR 1 million per month. Workers with wages below IDR 600,000 represent 21.59 % in urban areas and 44.33 % in rural areas.
- Female workers with a wage or salary of less than IDR 1 million pr month amount to over 65% compared to over 52 % for male workers.

- There is a significant gap between urban-rural wages and salaries and between temporary and permanent workers.

Regarding the tourism sector's contribution to the national wages and salaries between 2000 and 2008, a significant drop of more than half in terms of its percentage was seen. Of note is that the average wages and salaries per person within the tourism sector, which were about 20% higher than the national average in 2000 have 'declined' to approximately 30% less than the national average in 2010. The fact of more jobs at lower pay levels needs further intensive investigation.

Government endorsed minimum wage standards for both men-women require enforcement, particularly, when labour supply is more than what can be absorbed, the bargaining position of the labour force is weak. The contract system for casual workers and part timers is common in the tourism and hospitality sector resulting from the seasonal nature of the industry.

2.3 Current Issues

2.3.1 Tourism Education and Human Resource Development

The Indonesian Ministry of National Education basically is responsible for all educational institutions, including tourism schools, both vocational and high schools. However, the Ministry of Tourism and Creative Economy manages four tourism education institutions: Bandung Tourism Institute, Bali Tourism Institute, Makassar Tourism Academy and the Medan Tourism Academy.^{viii}

The number of education institutions with tourism programs is considered as indicating a positive trend with more universities, public as well as private, increasing interest in running tourism and hospitality programs. At present, in addition to the four under the MoTCE there are 17 public and private universities with tourism programs, including post graduate programs. Nevertheless monitoring is needed to assess their quality and whether those education institutions and training providers provide equal access, opportunities, and values for women and men enrolled. 75% of the higher education providers on tourism and hospitality are located in Java and Bali, particularly in Jakarta, Bandung, Yogyakarta, Denpasar, and to a lesser extent in Surabaya and Semarang, while secondary education related to hospitality are more widely dispersed within the country^{ix}.

Worldwide, voluntary benchmarking and certification systems for tourism and hospitality education providers have grown in the past decade and are becoming an increasingly important component of quality tourism education standards and international competitiveness. However, no Indonesian based tourism education institutions have yet had their standards benchmarked against similar institutions within the Asia-Pacific, such as the independent international accreditation body that specialises in tourism, hospitality, culinary arts and events education, the International Centre for Excellence in Tourism and Hospitality Education^x nor the UNWTO TedQual Accreditation System^{xi}.

These represent international best practices that can guide and inform internal Indonesian quality systems for tourism and hospitality education and training.

When trade, services and manpower are expected to freely flow in 2015 with the establishment of the ASEAN Community, this will include the tourism sector. Indonesia has been applying a tourism educational curriculum based on ASEAN Common Competency Standards for Tourism Professionals (ACCSTP) which will support mobility of labour posts by 2015. With a targeted increase from 7 million international arrivals in 2010 to 8.6 million by 2014, plus the anticipated growth in the domestic tourism market, there will be increased demand for skilling the local tourism sector workforce. There will also be additional pressures on available resources to reduce ‘human resource leakage’ or ‘brain drain’ to other ASEAN destinations and to increase the skills and capacity of tourism and hospitality educators and institutions.^{xii}

As education institutions produce more graduates in tourism-related fields, mostly in hospitality, they have the opportunity to include sustainable development in their curriculum. This will require professional development training on sustainable tourism curriculum design and implementation for current secondary and post-secondary institution teaching staff as well as future teachers in this sector. It will also require training for public agency and industry officials at the national, provincial and local levels of government and industry. In order to being able to attract and keep qualified employees and to make investments in training pay off comprehensive human resource strategies are essential for a sector facing current high staff turnover rates. Apprenticeships and career oriented on-the-job training programs are underdeveloped and need initiative from the private sector.^{xiii}

2.3.2 Tourism and Rural Development

One of Indonesia’s main development issues is the rapid rate of urbanization, resulting in wider urban-rural disparities. Former development policies have resulted in today’s condition of development being biased towards urban areas. Nowadays, there are many efforts to lessen the wide gaps, but imbalances between Java and outer islands, West and East in addition to the urban-rural gaps remain to be a challenge for policy makers and planners.

Most tourism infrastructure is concentrated in bigger cities and major tourist hubs, especially in the case of classified hotels and restaurants. There are also trends of developing the suburban areas around the metropolitans for tourist and recreation use with hotels, theme parks and shopping precincts. This is caused not merely by population distribution, but also other socio-economic, life style and cultural forces. The urban population has more disposable income and a lifestyle ready to engage more in travelling than the rural population, therefore creating a stronger domestic market. An increase in the urban-rural travel share can balance the existing strong urban-urban travel, which additionally justifies rural destination development.

Rural areas that contribute to food production and other primary sectors, apart from being less developed, are also prone to environmental degradation and social problems. Forest burning and illegal logging are not only happening in the big outer islands but also on Java. Resource competition and land use changes are dramatic: agriculture land, water catchment areas, riversides, coastal areas turned into settlements, industry establishments, including tourism. Infrastructure that was built in the previous period to support agriculture is degrading despite its importance for national food production. Rural tourism is often misleadingly developed by turning the rural into urban landscape, while if properly understood, sustainable tourism in the form of niche products such as ecotourism, farm-based tourism, adventure tourism and other forms of special interest tourism can represent a way of alternative livelihood for these rural communities by creating off farm employment and value added without eliminating its agricultural function. On the other hand a rise in demand of goods and services due to tourism can lead to a significant increase in the local cost of living, raising prices of land, housing, essential goods and services, attracting labour from the local farming/agricultural sector and thus depleting labour needs from other traditional sectors. The cumulative effect results in a relative purchasing power reduction. Careful public policy planning needs to be undertaken to achieve the benefits, and manage the negative impacts of tourism as a rural development strategy.

2.3.3 The Informal Economy

The informal sector has somehow been regarded a safety net for the national labour market. Also in tourism, this shadow economy plays a significant role, in some areas even dominates the industry. Tourism, by its potential for micro-enterprise activity represents a means for poverty reduction by offering flexible business and low paid employment opportunities. The informal sector supplies many and various kinds of goods and services for the tourists, directly or indirectly. Destinations are a hub for traders, informal suppliers, who offer their businesses on occasions, seasonally or on a permanent basis. The advantage of small informal businesses is their flexibility in opening and closing at any place and time. During holiday times (school holiday, Idul Fitri and other holidays) new businesses or temporary businesses appear. Some of them may become permanent entrepreneurs. Informal or formal, all entrepreneurs definitely need empowerment to better understand the ins and outs of the business, including sustainable tourism business development. A comprehensive sustainable tourism development plan can support such capacity building also for the informal sector. Proper capacity building for local communities, women and men, on entrepreneurship in the surroundings of a tourism area should be implemented as a tool to catalyse economic opportunities from tourism activities. The government also has an interest in moving micro and SME entrepreneurs from the informal to the formal economy.

Even though opportunities for businesses and employment can arise, also the downsides of the informal sector demands consideration. Due to the non-registered status of the businesses, the government's loss in tax income, standards and compliance with issues such as workplace safety, labour exploitation, public health, product quality, observance of international copyright agreements

cannot be monitored or controlled. While sustainable tourism development cannot eradicate these informal businesses there is a need to reach out and educate the informal sector in tourism through awareness raising and capacity building with the long-term goal of integration into the formal sector.

In sum, the issue concerning the tourism sector is twofold: 1) it has not been formally counted and is therefore getting less/inadequate support and 2) the underestimation of its potential leads to the notion of being considered as problem rather than potential.

2.3.4 Administration

The challenge of extensive bureaucracy across different levels of government with an interest or responsibility linked to tourism has resulted in problems of organization cooperation and efficiency as well as how to attribute responsibilities in a clear manner and realize the implementation of actions. For a country as big and diverse as Indonesia, the sub-national institutions play an important role for policy implementation to become effective. It is not only geographical coverage that matters, but the regionally and locally specific context requires consideration. The characteristics of the regions are different, not only naturally but socio-economic and culturally, with norms and values to be accommodated.

While the Ministry of Tourism and Creative Economy represents the primary center for tourism policy development within the national government, tourism is also influenced by numerous other functional units of government, other Ministries and agencies. The Ministry of Forestry, Ministry of Manpower and Transmigration, Ministry of Marine and Fishery, Ministry of Youth and Sports, and the Ministry of Environment work on tourism policy and management issues within their area of responsibility. They have established special units to deal with tourism such as the Bali Tourism Development Cooperation (BTDC) under the Ministry for State enterprises and the Directorate for Nature Tourism in the Ministry of Forestry. This not only makes a cohesive whole-of-government tourism direction difficult, but even can lead to a clash of interests among different stakeholders. Gaps, overlaps or even different directions of activities by different institutions are a consequence. Below follows an attempt to map out the existing rules and regulations, grouped as such to get a clear understanding of who is doing what.

- A. Within policies, rules and regulations with concern to **spatial arrangements** tourism is considered a land using activity which has to be integrated into spatial plans in urban as well as rural areas. There are several legal documents related to spatial policies, such as the National Spatial Plan, the provincial and district spatial plans. Legitimized plans are existent in the forms of Law at the national level (Law No. 26, 2007) and provincial/district regulations (*Peraturan Daerah*). Many different Ministries have the authority on certain parts of the “national space”, where tourism may take place. The Ministry of Forestry holds the authority on National Parks, Forest Parks (*Taman Hutan Raya*), Fauna protection Parks and Natural Parks, all under the status of protected areas. The Ministry of Marine and Fishery

holds the authority on seas and oceans, where marine-based tourism is in place, including places of diving spots, fishing or other water sports. These tourism activities may be in conflict with many other activities, such as transportation or commercial fishery. There are still other kinds of 'authorities' through sectoral activities, such as the Authority of the Ministry for Agriculture for the development of agricultural productivity, for food supply as well as for export commodities. Agro-tourism exists in the agricultural space, or takes some of the space allocated for agriculture. The Ministry for Development Acceleration of Less Developed Regions may also have policies on certain provinces, where tourism potential exists, like the case in Nusa Tenggara Timur with their world known Komodo dragon.

- B. **Tourism industry** related policies might be issued by different ministries. The Ministry for Government Enterprises (BUMN), in charge of the government owned transportation industry (national airlines, sea lines, rail transportation), accommodations. The Bali Tourism Development Corporation (BTDC) is also situated under this ministry. Other ministries which are directly or indirectly connected to the development of tourism related industries are: Ministry of Industry, National (and Regional) Investment Coordinating Board and the Ministry of Trade, which may also have an influence on the tourism related trade.
- C. **Tourism education and training:** at least three ministries are involved in human resource development: The Ministry for National Education and Culture, the Ministry of Tourism and Creative Economy with their Tourism Higher Education in Bandung, Bali, Medan, and Makassar. These used to be in-house training centres which further developed and accepted an increasing number of students for different programs, catering the need of the industry as well as the public sector. The Ministry of Manpower and Transmigration holds the authority to supervise and control the training for manpower development, including that in the tourism field.

The Ministry for Women Empowerment and Child Protection as a coordinating ministry on gender equality will play significant role in providing technical support in promoting gender equality in education and training.

- D. **Tourism impact** – tourism may have environmental impacts which are regulated under the Law No. 32 – 2009 on the Protection of the Environment. The Ministry of Environment is in charge of policies concerning environmental sustainability. The derivatives of the law into regulations – e.g. the regulation on environmental impact analyses as a requirement for big projects/constructions/activities - may have a significant impact in terms of coverage or number of people affected.
- E. **Tourism coordination** – Tourism and Creative Economy are expected to become a main **economic driver** which brings tourism under the Coordinating Ministry for Economic Affairs. At the same time they are expected to play a role in improving community welfare with positive and also possibly undesirable social impacts, which is coordinated through the Coordinating Ministry for People's Welfare.

With the decentralization policy, supported by the law on local autonomy, the role of the central government has been shifted into more directing through a policy framework, coordinating and controlling in addition to empowering. Therefore the role of the sub-national administration will become even more essential. The situation has created a condition in which high level coordination and understanding is needed. Gaps and overlaps occur due to the fact that any strong coordinative leadership and commitment is lacking.

Coordination has become an issue when the local governments, despite of being unequipped to lead in tourism development, use their right to manage their own territory. Different perspectives with the provincial government and even the national government may occur and development control is still an issue that needs strong attention.

At the provincial level, the coordination of tourism responsibilities within and between the districts is weak and has deteriorated since the era of regional autonomy commenced. Responsibilities have shifted to the local authorities, however, these are often not ready to fill their role and still expect direction from the central government. In general, it can be pointed out that the main weakness in Indonesia's administration concerning tourism lies in the lack of coordination/synergy within and between levels of government and the resources to efficiently and effectively carry out responsibilities among the partners.

The provincial administration is used to follow the national organization, however a wide variation can be seen. Tourism is an option in sub-national administration and strongly depends on its importance in the regional economics. There are specific Tourism Offices (DINAS Pariwisata) for the Province and District/Municipality which are responsible for tourism administration. Some of these DINAS have managed a significant contribution of tourism to the provincial and local income. But there are also cases where tourism is managed under one portfolio with other sections such as in the DINAS Office for Tourism, Art, Culture, Youth and Sports.

2.3.5 Legal Framework

The Ministry of Tourism and Creative Economy develops Indonesian tourism and creative industries based on universal principles and values which transcend regional and political borders. Many of these principles and values can be found in the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the Universal Declaration of Human Rights. Within the Universal Declaration of Human Rights, Article 23 refers

to employment and Article 24 refers to rest, leisure and holidays.¹ Essential is the ILO Convention No. 172 on Working Conditions (Hotels and Restaurants) which stipulates that all stakeholders should collaborate in order to improve employment regulations and working conditions in the tourism industries, in line with the Employment and Decent Work agenda. Stakeholders should also ensure safety, equality, and human dignity as well as adequate levels of remuneration in tourism employment.

Concerning the realisation within the Indonesian legal system the replacement of Law No 10, 1990 with Law No 9, 2010 on Tourism can be regarded as a significant progress. Considerable development can be noticed in the change of focus from merely the management of tourism industries and businesses, into a more comprehensive law which includes article related to ethics, sustainable development, the need for different level of plans as well as scoping tourism development, covering destination, industry, market and institution development.

In line with the big number of ministries involved in the undertaking of tourism related development, there are also many laws and regulations that ‘frame’ the development of Indonesia’s tourism from many different angles: the planning system, spatial planning and management, manpower/employment, environmental and social aspects as well as disaster mitigation (for an extensive list of laws related to tourism please see Annex 7).

The central policy document for Indonesian tourism is the Tourism Law of the Republic of Indonesia No. 10, Year 2009, dated January 16, 2009. Without explicitly using the specific terms, this piece of legislation embraces internationally accepted concepts of sustainable tourism development and the UNWTO endorsed Global Code of Ethics for Tourism. Of particular relevance to the potential for Green Jobs in the tourism sector and the Tourism Ministry’s Destination Management Organisation process, this Law makes specific reference to:

- Tourism Strategic Zones (which is further detailed in the Ecotourism Regulation Number 36/2010 and Ecotourism Activity Regulation by the Ministry of Forestry Regulation Number P48/Menhut-II/2010);

¹ Article 23:(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. (2) Everyone, without any discrimination, has the right to equal pay for equal work. (3) Everyone who works has the right to just and favourable remuneration ensuring for himself/herself and his/her family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. (4) Everyone has the right to form and to join trade unions for the protection of his/her interests.

Article 24: Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

- Master Plans for Provincial Tourism Development and Regency/Municipality (reflected in the DMO process, and arrangement of the DMO. The District Ecotourism development is regulated by the Ministry of Home Affairs number 33/2010);
- Competency – skills, job professionalism (the competency development and industrial standards are also regulated in the tourism certification institution regulation by the Ministry of Manpower and Transmigration Number 135/2004);
- Certification – to improve ‘tourism product quality, services and management;
- Economic growth, people’s welfare, poverty elimination, joblessness, environmental preservation, cultural enhancement, national image, love/self-esteem/unity for the motherland;
- Training of Human Resources, Standardisation, Certification and Manpower (Chapter 26). Specifically, it addresses that each tourism related employer is responsible to preserve and appreciate local religions, cultures and values; provide accurate and responsible information, non-discriminative service and provide comfortable, friendly, safe and secure service for tourists; develop a partnership with local micro enterprises and cooperatives based on mutual relationships, prioritise local products and job opportunities for local; actively involve in the skill training and education; community empowerment, preserve a clean, green and safe environment, natural and cultural environment, and adopt the business standards and competencies according to regulation. The Ministry of Home Affairs’ regulation no.17/2007 explains in detail the village community training and empowerment program;

Another important legal document to be considered as indicator for a strengthening political will for sustainability in tourism development, is the Presidential Instruction No 16, 2005 which is meant to ‘move’ all the ministries involved, as well as other institutions and governors to support tourism development. The instruction emphasises on improving services and facilitation for domestic as well as international tourism, taking concrete steps to optimize culture and national tourism development for the welfare of the people, open up employment, eradicate poverty and distribute (equalize) development, pro-actively protect, develop and utilize natural as well as cultural resources for cultural and tourism development, and use the theme: “Indonesia Ultimate in Diversity” for international promotion and “Know your country, love your country, let’s go and explore the archipelago” for domestic tourism.^{xiv} Unfortunately, the decree does not mention who is going to coordinate, and so far effectiveness has not been monitored.

At the provincial level, East Java has an integrated program for tourism (Governor Regulation number 52/2010 for the 2011 Action Plan). It states that tourism should be mainstreamed in the pro-poor strategy and pro-environment strategy. As part of the Action Plan for crop revitalisation and food safety program, village tourism should be food secure and self supporting for energy. However, with respect to tourist access, the focus has not been integrated. The transportation, information and tourism policies have not been aligned well, especially at the district level and between districts and other governmental levels. For example, East Java has a District Regulation

number 38/2000 from the Office of Minerals and Energy that outlines the job roles of the energy and electricity section. Although it is said that this section is responsible for alternative energy, it does take account of the importance to link alternative energy with other departments such as tourism and transportation, and how coordination of policy and actions is created.

An example of lack of integrated planning between national and provincial levels comes from North Sumatra. The National Government through RPJM targets 40% of the land in North Sumatra should be maintained as a forest area. In 2005, the Ministry of Forestry launched the Ministry of Forestry regulation number SK 44/Menhut-II/2005 on a decision to change +/- 3.742.120 hectare in North Sumatra as a designated forest area. This regulation covers the community area near Lake Toba, which claims not to have been consulted. This has raised concern on how the community's inherited land is converted to national forest, and how the community activity in their own land becomes legal. The Ministry of Home Affairs regulation number 33/2009 provides a framework for better coordination across districts and between district and province for tourism, however, each district may have different situations and may not put tourism as a priority sector. Therefore, a pilot on selected districts near the location of the MoTCE's DMO program is an appropriate approach to promote better coordination for tourism development.

At the super-regional level, Indonesia has agreed to a number of tourism sector policies through regional institutions such as ASEAN, APEC, the East Asian Growth Area (BIMP-EAGA) and the Indonesian – Malaysian – Thailand Growth Triangle (IMT-GT). Such agreements illustrate a common thread of sustainability within these guiding policy instruments. There are several task forces such as the ASEAN Communication Team for Tourism, ASEAN Task Force on Tourism Investment, ASEAN Task Force on Tourism Manpower working on the preparation of these policies, which in turn are also relevant for the creation of national tourism policies.

It is important to state that most regulations in tourism and ecotourism are relatively new, and the development of standards and guidance are either work-in-progress or have not been developed at all.

2.3.6 Environment

Indonesia's natural environment is a core part of its overall tourism attraction. However, from the environmental point of view, the condition is far from ideal. Over-exploitation of Indonesia's rich and diverse ecosystems is widely recognized in documents including official Indonesian Government reports, the ASEAN State of the Environment Report and a range of intergovernmental and other international agencies' reports. Referring to the evaluation in the Travel and Tourism Competitiveness Index (TTCI), which includes tourism performance within the environmental sustainability and natural resources, the World Economic Forum has ranked Indonesia at only 130 out of 133 evaluated countries (WEF, 2009). Even though it could be argued that the

condition in some regions is better and some are off worse the key point is that environmental sustainability is an issue at all levels of government within Indonesia.

Energy and water consumption as well as waste production, for instance, tend to be double as high for tourists than for the population in general². Tourists consume water and energy more extensively than they consume at home. They also produce more waste which is left at the visited destinations.

Hotels and restaurants at different scales of operation, consume chemicals and non-degradable materials which can have a polluting effect. While around the world major hotel chains and many independently owned accommodation providers meet environmentally friendly operational standards, there still remains much work to do at the global level, and within Indonesia in particular, to improve the environmental performance of the commercial accommodation sector. In general, especially at the lower end of the accommodation providers, environmental impact has not become a main concern. A casual walk down a market street in many tourist areas of Indonesia will show evidence of food stalls and some accommodation houses that are managed without any considerable knowledge, particularly on environment impacts.

Heavily visited destinations, especially, those receiving large volumes of self-driving domestic visitors experience air pollution leading to an unhealthy environment at the cost of the local population. As example Bandung as a popular urban destination with shopping and culinary as its main attractions can be mentioned. People spending a few days or weekends there has resulted in heavy traffic congestion particularly at the toll gate where the line of cars can reach up to 10km. It was reported that during weekends, as many as 200,000 cars enter the city. Heavy traffic and nightlife in cities may create noise pollution, destruction of biodiversity and disturbance of species on inland and coastal areas may occur due to the lack of temporal visitor management, and destruction of underwater spots by illegal coral 'harvesting' which has happened in some popular beach destinations are other issues that need to be taken into consideration.

Tourists may also create an impact which the tourists themselves are not aware of when they are visiting environmentally and culturally sensitive areas and attractions. Therefore visitor awareness campaigns on the potential of their impact can be developed, especially through the use of multi-lingual interpretive signage and conditions placed on purchasing entry to selected cultural or natural sites.

As an induced human activity people engaged in tourism do place stresses on the resources of the natural environment. Short term profit motives can override at the loss of clean, healthy and durable natural systems. The industry is dependent upon the health of Indonesia's marine and terrestrial environments for its existence, therefore tourism should always be a natural partner for biodiversity conservation in Indonesia. There can be a balance between people, the planet and profit through sustainable tourism development for Indonesia.

² According to Gössling (2006) the average water use of a tourist in Indonesia amounts to 300 liters a day compared to locals with an average consumption of 150 liters a day.

Key Messages of Chapter 1

- Despite the growing international arrivals and expenditure, domestic trips and expenditure has contributed much more significantly to the national economy as well as employment creation. The growth and importance of domestic tourism should not be overlooked and underestimated with a view to strategic planning.
- Tourism planning and administration present itself under-resourced, lacking specific public policy skills for tourism planning and management and uncoordinated among many different ministries and government units. At the local level, if planned properly, tourism development may enhance local economic development, reduce poverty and urbanization. The effectiveness of policies will be thus enhanced by the setting up of structures that would allow coordination between all stakeholders, and the adoption of a balanced mix of tools, including economic and legislative instruments.
- Human resources are a strategic issue, that will determine the quality in achieving the national development goals as well as in improving the country's competitiveness in getting a better share in the region for investment and visitations, and also in creating a quality product for the domestic and international tourists.
- Investment needs to be better balanced geographically as well as among different kinds of tourism related industries (not only in accommodation sectors) to better structure the tourism industry.
- Sustainable development is stipulated in the legal framework, however, practical implementation is missing, including in the tourism sector. The (local) government needs to take the lead in promoting and training for sustainable tourism within the administration and the tourism industry.
- Protection of the natural as well as cultural environment in practice is lacking, many directly or indirectly tourism related environmental issues endanger the sustainability of tourism resources and become a threat to destinations and the well being of the host communities.
- Despite its significant contribution and role in poverty reduction and job creation for the least trained, the informal economy represent an unsolved issue in the tourism sector regarding decent work, social security and safety issues and long term sustainability.

CHAPTER 3

SUSTAINABLE TOURISM DEVELOPMENT FOR INDONESIA

Chapter Overview

This section presents the foundations of sustainable tourism. It demonstrates the linkages between sustainable tourism in Indonesia and its potential for positive effects on various areas. Such relations can be seen in poverty reduction, rural development, the Millenium Development Goals, the creation of new business opportunities and “green” jobs and as an important contribution to Indonesia’s commitment to the reduction of climate change enhancing emissions. Furthermore a SWOT Analysis shows the need and the specific areas of opprtunities for sustainability enhancement in tourism in Indonesia with a view to economy, environment, social well-being especially including the identification of the potential and main challenges for a strong push for green tourism in Indonesia.

3.1 The Sustainable Tourism Concept

3.1.1 Foundations of Sustainable Tourism

Sustainable tourism is defined by the UNWTO as:

"Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"^{xv}

Why is sustainable tourism so important for Indonesia, a country with thousands of various sized islands, rich in natural as well as cultural resources, stretched along the equator? Until today, only a small portion of the population has been able to enjoy the potential benefits of tourism due to multidimensional constraints of economic, political as well as cultural nature. Most tourists visit popular destinations and only a few have explored the country off the beaten tracks and thus spreading more the economic contribution that comes from visitor expenditure more widely. Some host communities have encouraged various forms of tourism development and benefited in economic terms through employment, new education opportunities and quality of living enhancements. Many have not had such an opportunity to be involved in the tourism sector for a range of political,

geographic, social, cultural or business reasons. Some whose communities are hosts to tourism development have not enjoyed the right to benefit from the enclave style tourism development in their localities.

Sustainable tourism practices do not only mean consuming natural and cultural resources, but conserving them, not only benefiting a limited few, but aiming at distributing the benefit more widely among stakeholders and communities. Sustainable tourism is a comprehensive concept, meant for any kind of tourism undertakings: in urban as well as rural areas, large and small, private as well as public. It is an important public agenda for all stakeholders at all levels.

SUSTAINABLE DEVELOPMENT OF TOURISM (UNWTO)

Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche segments. Sustainability principles refer to the **environmental, economic and socio-cultural aspects** of tourism development, and a **suitable balance must be established** between these three dimensions in order to guarantee its long term sustainability. Thus sustainable tourism should:

- 1. Make optimal use of environmental resources** that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
- 2. Respect the socio-cultural authenticity of host communities**, conserve their built and living cultural heritage and traditional values, and contribute to intercultural understanding and tolerance.
- 3. Ensure viable, long term operations, providing socio-economic benefits to all stakeholders** that are fairly distributed, including stable employment and income earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the **informed participation of all relevant stakeholders**, as well as **strong political leadership** to ensure wide participation and consensus building. Achieving sustainable tourism is a **continuous process** and it requires constant **monitoring of impacts**, introducing the necessary preventive and/or corrective measures whenever necessary. Sustainable tourism should also maintain a **high level of tourist satisfaction** and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them.^{xvi}

3.1.2 Millenium Development Goals (MDGs)³

Sustainable tourism should have a direct and positive impact on the achievement of Indonesia's MDG targets. While most 'pro-poor' tourism initiatives around the world have had a focus on MDGs 1, 3, 7 and 8 (poverty eradication, gender equity, sustainable development and global partnerships), there are positive interventions that can be undertaken for tourism to be a greater contributor to each of the other MDGs as well.

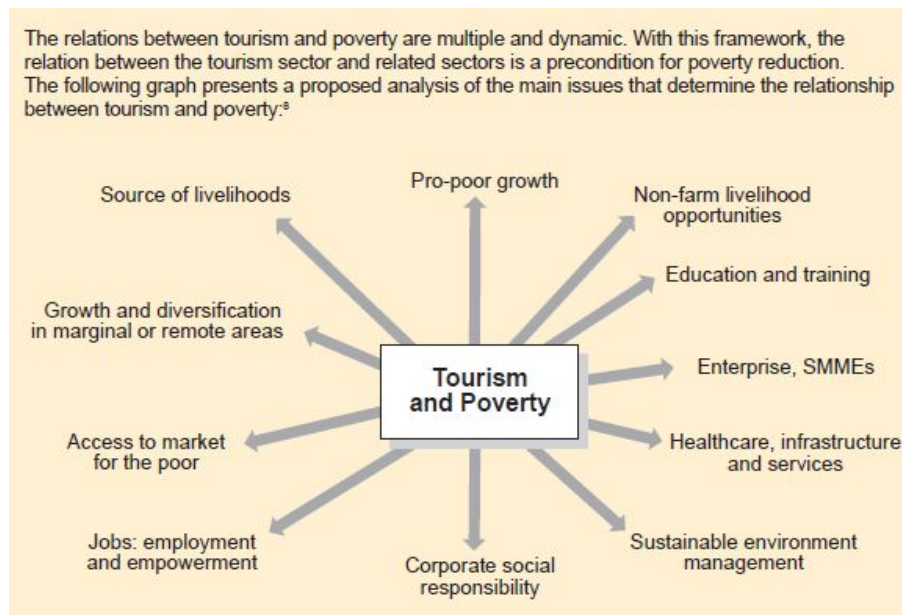
The Global Code of Ethics for Tourism provides a policy framework for the sustainable development of tourism within the context of the MDGs. Indonesia has a history of strong national policy support for this UNWTO Global Code, and has included reference to it under 'Regulation' on Ministry of Tourism and Creative Economy website. The Global Code of Ethics for Tourism includes the rights of the workers and entrepreneurs in the tourism industry (Article 9).^{xvii} The 2008 Cooperation Agreement between UNWTO and ILO can lead to the development of joint activities on HIV/AIDS, child labour, migrant workers and other sectors and workplace related issues. The ILO concept of '**Decent Work**' is a fundamental component of sustainable tourism. The essence of the Global Code of Ethics is in fact mentioned in the Law No. 10-2009 on Tourism.

3.1.3 Poverty Reduction and Rural Development

The relation between sustainable tourism and poverty reduction is multidimensional as illustrated in the diagram below. It is not an automatic result of the presence of tourism in any localities, it is not the kind of charity to the poor local people by the tourism industry nor the tourists. Poverty reduction is not limited to only increased monetary income, but also socio-cultural dignity and living environment.

³ The eight MDG goals are: (1) eradicate extreme poverty and hunger, (2) achieve universal primary education, (3) promote gender quality and empower women, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS, malaria and ther diseases, (7) ensure environment sustainability, (8) develop a global partnership for development

FIGURE 2.1.: TOURISM AND POVERTY



Source: ILO Toolkit on Poverty Reduction through tourism (2011: 11)

Poor people can directly or indirectly benefit from participation in tourism. Direct participation occurs when poor people provide goods and services to tourists. They could interact directly with tourists through work in a village guest house, a hotel or local cafés and restaurants, sell street side crafts or operate various forms of transport. Indirect participation applies to opportunities poor people have to work in micro-businesses that supply the direct tourism providers, such as growing the fruits and vegetables that are served in hotels, guest houses, cafés, restaurants etc., or working in a manufacturing business making clothes or furnishings used by tourists and hotels.

In places where distortion in the distribution of resources and power exist, local people may not get a share in the economic activity generated from tourism. On the contrary they may be economically worse off by the rising costs of living, limited access to affordable housing, movement of family members needed for farming into the tourism sector, and the use of imported goods and services. They may also be disadvantaged by the capital cost borne by the government for infrastructural development and tourism promotion at the expense of both essential services and the alienation of land and water from public use to touristic needs.^{xviii}

Sustainable tourism aims at reducing poverty, by respecting the socio-cultural authenticity, and use of environmental resources responsibly, and not only encourage but facilitate and work on the empowerment of the community to enable them to participate in the production process and get net benefits out of it.

Even though poor people also exist in urban areas, focus will be put on rural areas, with the assumption that if rural people are becoming well off, rural-urban migration will decline and help decrease the rate of urbanization that has created other problems.

Rural sustainable tourism is a key element of poverty reduction throughout Indonesia via the creation of non farm activities and employment. It can also provide better infrastructure for the locals, support the conservation of natural and cultural heritage, prevent land use changes of agricultural land and instead create value added. In addition it also provides an opportunity for the urban youth to better understand what rural life is all about. It is not aimed at changing the rural landscape into an urban style recreation.

A stronger policy and practical commitment to sustainable tourism is expected to improve the quality and competitiveness of Indonesia's current tourism sector and its future tourism development, in order to not only satisfy the tourists but to provide as much benefit as possible for the Indonesian people and especially for the local communities. It is also expected that the sustainable tourism approach may improve tourism performance in contributing to the national development goals, not only in terms of its contribution to GDP but also to play a better role in poverty alleviation, creating employment, conserving the environment and improving the welfare of the local population.

In detail, sources of benefits encompass:

New local business opportunities and economic strengthening

The creation of new business opportunities such as eco-tourism, green accommodation, green transport, green energy, energy and water efficiency and environmentally sound waste management, learning and cultural centers enhances the income for the local economy, making it more self-sufficient, reduces leakages and strengthens the regional value chain.

Decent work creation

The creation of high quality of work places as green jobs will raise the well being and purchasing power of the population which helps poverty reduction and as consumption will feed back into the economy. This stands contrary to usual employment schemes, which often tend to target profit maximisation and minimum wages, where workers will not be able to improve their livelihood or contribute to the local economy with increased consumption. Demand for workforce also opens opportunities for local training and capacity building facilities.

Tourist attraction and market creation

A better and sustainably managed tourism destination can attract more quality tourists and also be able to reach target groups from source markets where industry practices that do not harm people and places, but rather contribute to sustainability are highly demanded in tourism undertakings by the consumers. It not only creates a competitive advantage for the destination, but is in fact demanded by many major partners in key product/market distribution channels.

Controlled investment attraction

The long-term conservation of resources, good development of the community and infrastructure guarantees a good business environment for the present and the future which makes destinations more attractive for investors and at the same time helps to conserve the communities rich heritage.

Network of businesses

A strong multiplying effect can be observed in the tourism sector where tourists tend to spend money on to their primary target related businesses, as tour guides, restaurants, handicraft shops, local transportation and other goods and services within both the formal and informal economies.

Tax income

Legitimate and registered businesses complying with their fiscal and legal obligations represent a source of income for the government, which can in turn use the funds for development. In this regard a bound use for development from parts of the income of taxation from sustainable businesses could be a way of incentive from the government

3.1.4 Society and Culture

The impacts of tourism on the social and cultural spheres of a host community are not to be neglected. They can be positive, and there can be negative effects. Sustainable tourism approaches are designed to encourage the positive impacts of tourism development on local social and cultural values, and recognise and manage any negative impacts. Tourism development may increase the cultural degradation and incite a rise in crime, especially related to drugs and prostitution. Problems can also arise, when local people have to fight for their own resources and are excluded from tourist amenities as well as by any misbehaviour of tourists towards local values. A sustainable approach in tourism development offers a better environment for the people and creates a win-win relationship by putting the local culture as part or even the core of the tourism product. By adding a sustainable approach to tourism, empowerment of the community by education, communication, enhanced tolerance and respect, social exchange, cooperation and peace can be reached. At the same time a stronger pride in the local culture and also a revitalisation of traditions might be achieved. While people are enhanced for tolerance and respect to their guests, tourists education to respect the local culture and all its attributes is not less important.

Sustainable tourism is committed to improving local livelihoods by maximizing the contribution of tourism to the destination's and community's prosperity. It will have an influence on communities' concern on their environment and may enhance their cultural activities which in turn will have a positive impact on both the local people and tourism. Implementation of sustainable tourism is not a simple undertaking; it needs continuous empowerment of the community by education, communication, and positive persuasion in order to enhance tolerance and respect, social exchange, cooperation and peace to be reached. At the same time a stronger pride in the local culture and also a revitalisation of traditions might be encouraged.

3.1.5 Gender Equity

As an important part of decent work as well as the Millenium Development Goals (MDGs), gender equity can be improved by sustainable management in tourism. In general women working in tourism are very common, but women still face many constraints and problems in the industry including low payments, low quality jobs, lack of access to education, violence at work, stress, sexual harrasment, and abuse. On the other hand, many tourism related services have opened opportunities for women. According to the *Global Report on Women in Tourism (2011)*^{xix}, women are almost twice as likely to be employers in tourism as compared to other sectors. Nevertheless, the report states that women are often “concentrated in low-skill, low-paid and precarious jobs,” typically earn “10% to 15% less than their male counterparts,” and tend to perform jobs such as cooking, cleaning and hospitality’.

There are five areas where focus is required to generate benefits for women through tourism - employment, entrepreneurship, education, leadership and community. The role of women at the community level is strategic. Besides their reproduction role and their responsiility for household management, women make a significant contribution to the maintenance and conservation of the local cultural heritage and traditions. Examples such as work in traditional Indonesian kitchens, restaurants and cafés, hotels, work in retail stores, and other services are among the jobs which have successfully been entered into by women. A significant number have achieved professional positions in management roles, including marketing and human resource development as trainers. Fair opportunities linked to fair salaries help to improve their social status as well as their saftey and financial security of the women and their dependent children.

Gender equity must also to be seen from the demand side of tourism. With women traveling alone or with children, they may need special consideration in planning for tourism. A simple example is the need for more public toilets per persons for women than for men. Women travelers also need extra security of being safe when traveling alone, in public transportation, in accommodation and also when they are in public areas.

Women and young workers represent the majority of workers in the tourism sector and sustainable tourism can play a key role in empowering women politically, socially and economically. It can assist public policy makers and the industry develop more gender sensitive policies, strengthen legal protection for women in the tourism workforce and provide training and more opportunity for women to develop their own business. The government and other stakeholders such as CSR programmes in the tourism industry should also overcome the challenges to promote a real sustainable tourism industry in the future. Promoting commitment to all stakeholders in improving women’s working conditions and the decent work component will create a mutual benefit within the tourism industry. Competency based skills training for women and young workers in the tourism supply chain sector could be prepared systematically, enabling more qualified women and young workers to enter the tourism sector.

3.2 A Just Transition of the Sector with Green Jobs

3.2.1 Sustainable Practices

A just transition is needed within the industry towards sustainable practices. The sector must adapt to addressing environmental and social problems where it is a contributor. Systematic investments and appropriate actions are required to support environmental protection, social and cultural sustainability while building a economically strong sector. Employers, workers, communities as well as tourists will have to engage in a change in practices towards more sustainability.

Even though some proponents of the industry promote tourism as a green industry, the industry itself as well as tourists' behaviour may not always be 'green'.

Sustainable tourism is a concept to be promoted, not only to tourism providers, but also to tourists as well as the host community and the local government.

Tourists' behaviour is an important variable in sustainable tourism. They need to be informed and educated in such a way to understand and act responsibly towards the environment, local cultures and communities. They need to be made aware that they must enjoy the natural and cultural resources without contributing to damage, endorsing the principal:

“Take only photos, leave only footprints”

The awareness of the community as well as tourists on environmental and cultural issues is vital to a sustainable tourism future. While tourists need to be educated to be responsible towards the destination they are visiting and to the resources they enjoy during their holidays, so do communities need support to recognise what attracts the tourist to their destination and ensure those attributes they are the custodians of are not diminished.

Efforts to support a just transition to a more sustainable and equitable sustainable development model are required with an emphasis on green jobs, which will help the reduction of waste, use of water and energy and it will also prevent damages of natural and cultural resources. Further attention must be given to approaches for addressing issues related to the social dimensions of climate change and the requirement for increased resilience of the communities.

3.2.2 Green Job Creation

An essential component of the transition to a more sustainable tourism industry is the transition of employment opportunities into green jobs. The effort to improving sustainability of the tourism sector, both from an environmental and social point of view can be achieved through a multi-level approach, ensuring the right government policies, tools and incentives are well in place for the creation of productive work which includes access to skills improvement for workers, information and capacity development for key stakeholders.

Green job creation in tourism communities can be stimulated through green products, services and green public works as sustainable infrastructure projects. Furthermore the green sector for construction of green buildings or the greening of existing buildings well with an emphasis on green procurement offers big green job creation potential within the tourism related economy as well. Basically, the tourism sector has a big potential for green tourism products and services that the local community and youth can develop, produce and market. These products can be suitable for all destinations or be very destination specific, and must be identified accordingly. Once identified, a thorough assessment on the required skills, competency and training modules as well as certification need to be recommended. In addition to skills training, other trainings such as entrepreneurship training (green businesses for youth) would benefit the local community. However, green attitudes need to be first promoted and developed. Green Skills development is a crucial component in achieving sustainable tourism. It will strengthen the capacity of workers and employers in the tourism industry as well as the other relevant stakeholders involved to understand and respond effectively to the global challenges of climate change in tourism destinations. Skills development should focus both on the technical aspects and small business entrepreneurial skills.

Identifying potential financial institutions/programs that could support local green businesses is also essential to render the development of green products and services possible.

Systematic investments into a green tourism industry are needed for sustainable destination development.

Not only the access to finance, but systematic investments into a green tourism industry are required for the transition of existing destinations as well as the development of new sustainable destinations.

With a view to the above said, the ILO has developed an Employment Creation Model, which aims at promoting green jobs and livelihoods in sustainable tourism. It is setting the normative and technical conditions for the large scale creation of jobs and livelihoods in Indonesia linked to specific green products and services to be promoted. Under the current project these products refer to ecotourism and green homestays based on the ASEAN Tourism Standards. In aiming at reaching the

goal of green job creation, the model proposes innovative partnerships working with national and local institutions, skills development, entrepreneurship and financial training to improve working conditions and creation of productive work in particular at the local level. Green Jobs is now integrated within MoTCE's Destination Management Organisation (DMO) programme aiming to improve the quality of 15 destinations in Indonesia and include the involvement of the local community in the process. The employment creation model was successfully tested in Mount Bromo in East Java, Lake Toba in North Sumatra, Mount Rinjani in Lombok and Tanjung Puting in Central Kalimantan as pilot sites. Local level activities encompass a wide range of interventions. In these pilot areas, identified training sessions were organised including training of eco-tour guides, training of green entrepreneurs, financial education and cooperative training, training on green homestay based on the newly developed competency and industrial standards. Furthermore, to support the process of local economic development for the community, the project has delivered post training activities and additional support in areas such as culinary, production of souvenirs, and production of briquette as renewable source of energy (see Annex 9 for details).

Green products and services can be supported and promoted through Green- or Eco-Labels and apt Certification. Indonesia has a list of 25 and growing Eco-Labels available in the country. 22 of these labels are international and three are Indonesian of origin, of which one is issued by the government and two by NGOs. The labels are applicable for several industries and many can be related to tourism products. Two of them directly cover tourism and travel (Earthcheck and Green Globe Certification), food and food production, land development, forest management, the rest covers general products or is not related to tourism.^{xx} The not-for-profit, Sustainable Travel International, is also entering the Indonesian tourism sector with its range of sector eco-labels.

In respect of Indonesia's very own green labels, in 2004 the Ministry of Environment together with the National Standardization Agency initiated an Indonesian Eco-Label Program "Ramah Lingkungan" for Indonesian products. The Eco-Label is registered with the Global Ecolabelling Network. Certification is conducted by 5 accredited institutes, which have received their accreditation from the National Accreditation Committee (KAN). This eco-label is still limited to printing paper products, but is expected to be extended to textile products, detergents, leather products, which is also relevant for tourism souvenir goods as well as working apparel for tourism employees. The second Indonesian eco-label is called M-Brio and covers organic food. It is accredited by the International Federation of Organic Agriculture Movements and highly relevant for the tourism industry. The third Indonesian Eco-Label by the Lembaga Indonesia Ekolabel NGO covers forest resource management and provides 4 types of certification: (1) Natural Forest certification, (2) Plantation Forest Certification, (3) Community Forest Certification, (4) Chain of Custody. This particular label is of great value for the management of forests used for tourism purposes (see Annex 10 for a list of eco-networks, NGOs, and labels in Indonesia).

At the moment, there is no specific Indonesian Green Tourism Label in place yet and confusion within the industry and the marketplace about the authenticity of many 'eco-labels' and the 'greenwash' practices where environmental performance claims by tourism industry businesses cannot be validated is high. In this area there is a strong necessity for action, therefore the Ministry of

Tourism and Creative Economy is in the process of developing industry standards and a certification system for tourism products and services with a view to environmental, cultural and social sustainability.

3.2.3 Defining Economic, Social, and Environmental Criteria for Sustainable Tourism in Indonesia

Referring to Law No. 10, 2009 on Tourism, tourism development performance should not only be evaluated by its contribution to economic growth, but also by its **improvement of people's welfare, poverty and unemployment reduction, natural and environmental resources conservation, cultural development, improvement of the image of the nation, love for the country, natural identity and unity and international friendship.**

The Global Sustainable Tourism Criteria^{xxi} represent part of the response of the tourism community to the global challenges of the MDGs. Poverty alleviation and environmental sustainability, including climate change, are the main cross-cutting issues that are addressed through the criteria.

As advised by the Global Sustainable Tourism Council (GSTC), the criteria are an effort to come to a common understanding of sustainable tourism and are becoming the minimum that any tourism business should aspire to reach. They are organized around four main themes: (i) effective sustainability planning; (ii) maximizing social and economic benefits for the local community; (iii) enhancing cultural heritage; and (iv) reducing negative impacts to the environment. Although the criteria were initially intended for used by the accommodation and tour operation sectors, they have applicability to the entire tourism industry or destination.^{4 xxii}

Uses of the criteria include:

- Serve as basic guidelines for businesses of all sizes to become more sustainable and help businesses choose sustainable tourism programs that fulfil these global criteria;
- Serve as guidance for travel agencies in choosing suppliers and sustainable tourism programs;
- Help consumers identify sound sustainable tourism programs and businesses;
- Serve as a common denominator for information media to recognize sustainable tourism providers;
- Help certification and other voluntary programs ensure that their standards meet a broadly-accepted baseline;
- Offer governmental, non-governmental, and private sector programs a starting point for developing sustainable tourism requirements;

⁴ A GSTC Destination Criteria is now well under development with an 'Early Adopters' program involving the following destinations: Fjord Norway; Teton County, Wyoming USA; Mt. Huangshan in China and St. Kitts & Nevis in the Caribbean.

- Serve as basic guidelines for education and training bodies, such as hotel schools and universities.

Importantly, the criteria indicate **what should be done, not how to do it or whether the goal has been achieved**. This role is fulfilled by performance indicators such as the UNWTO based examples as given in Annex 6 as well as associated educational materials, and access to tools for implementation, all of which are an indispensable complement to the Global Sustainable Tourism Criteria.

The existing UNWTO publication on Indicators for Sustainable Tourism offers a list of useful indicators from which the following most important ones can be used as a guide for sustainable tourism development planning, operations and evaluation.

In relation to sustainable tourism maximizing social and economic benefits to the local community and minimize negative impacts, the GST Criteria prescribe the following minimum universal standards relating to decent jobs in the tourism sector:

B.2. Local residents are employed, including in management positions. Training is offered as necessary.

B.7. The company is equitable in hiring women and local minorities, including in management positions, while restraining child labour.

B.8. The international or national legal protection of employees is respected, and employees are paid a living wage.

Another initiative that is relevant to support the transition to a low carbon and inclusive green economy is the Global Partnership for Sustainable Tourism. The mission of the Global Partnership is to foster partnerships for advancing sustainable tourism principles at destinations through adoption of clear policies, innovative and transformative projects and the sharing of knowledge and experience, with an objective to create effective partnerships for sustainable tourism. It is developing a portfolio of projects, tools and processes to guide the tourism industry, its consumers and the public sector towards sustainable performance, in accordance with the Policy Recommendations of the International Task Force for Sustainable Tourism Development (2009).

In collaboration with the Global Sustainable Tourism Council (GSTC), the Global Partnership has developed a screening and evaluation process for reviewing project proposals on their feasibility and sustainability.

In relation to job creation in sustainable tourism, the Global Partnership prescribes the following criteria:

- The project secures effective market access for the economically poor for the sale of goods and services to tourism businesses and/or tourists;

- The project stimulates job creation in poor areas, and promotes the improvement of working conditions;
- The project supports SMEs for the sustainable production of local goods and services;
- The project adopts best practices for mainstreaming sustainability into tourism investments and financing;
- The project improves access to financial investments and resources for local SMEs;
- The project is economically viable and feasible over the long term with quantifiable benefits to the target destination;

3.2.4 Contribution of Sustainable Tourism to Climate Change Mitigation

Tourism is both a victim of and contributor to global warming. Climate change induced rises in sea levels will cause impacts on coastal regions and small islands. Deforestation affects vulnerable ecosystems and reduces the global carbon sink, also discouraging tourist demand for such destinations. Global warming has the potential to severely harm the tourism economy of Indonesia.

In response to the issue of climate change the Government of Indonesia has prepared a National Action Plan (*Rencana Aksi Nasional, 2007*) published by the Ministry of Environment. The document is a dynamic policy instrument that needs to be updated accordingly with sustainable tourism becoming a crucial component. In a second step it also needs to be included in the Long and Mid-Term Development Plan (RPJP and RPJM). For the future it must also be referred to in practice by related institutions at the national as well as regional level in implementing the present regulations and policies and in designing the future development plans. The Government of Indonesia has committed to foster green economic development to contribute to the global movement on preventing, mitigating and adapting to climate change.

The national action plan states 4 principles for national development management:

- i. **Synchronizing all policy instruments and regulations** in a way that economic development and competitiveness are based on the requirement for **socio-ecological feasibility** (human and natural safety, productivity and sustainability of environmental services);
- ii. The principal instrument in achieving the adherence to the first principle is **synchronizing and integrating the use of space and its related public resources, eliminating the ‘traditional’ sectoral–ego;**

- iii. The achievement of the socio-ecological objectives needs to be done **through adaptation of consumption patterns and sustainable production** of all agents of change;
- iv. Integration must be relaised through **social preparation** and **social engineering** based on **local community and environment context**;

All action plans are not only applicable to tourism development but also in line with the emerging issues of sustainable tourism development.^{xxiii}

The United Nations Framework Convention on Climate Change (UNFCCC) initiated REDD+ Program on the reduction of emission from deforestation and forest degradation is an important addition to Indonesia's climate change mitigation efforts. A task force for the preparation of the REDD+ organization has been established by the President of Indonesia and a draft on the national strategy for REDD+ was made available for public in late 2011 for comments.

The REDD+ global mechanism is an opportunity for Indonesia to enter a low carbon economy transition and to realize the voluntary commitment of the Government of Indonesia to reduce emissions by 26% up to 40% (with international support) from 'business as usual' in 2020. Emissions from Land Use, Land Use Change and Forestry (LULUCF) Indonesia originate from deforestation and forest and moss land degradation. Therefore the REDD+ implementation strategy focuses on the refinement of forest and moss land management. The scope of REDD+ in Indonesia includes:

- i. decreasing the rate of deforestation;
- ii. decreasing forest degradation;
- iii. increasing and improving conservation;
- iv. increasing carbon reserve through sustainable forest and carbon reserve enrichment;

The strategy covers institutions and processes, the legal framework and regulations, implementation of strategic programs, paradigm change and working ethos and involvement of all stakeholders. Implementation of REDD+ is aimed at the improvement of **community welfare** for those whose income depends on the forest and to improve biodiversity conservation within the forest ecosystem. Emission mitigation through REDD+ requires a clear spatial arrangement with clear tenure system and land rights for about 70 million people whose lives depend on the forest.

In this context, sustainable tourism especially eco-tourism is a potential activity that can be considered as an option for **forest-based local economies**. Several local authorities in forestry areas being confronted with the challenges of creating alternative livelihoods to forest logging have expressed a strong interest in promoting tourism, in particular ecotourism ventures if planned and managed appropriately and responsibly. The implementation of gender-sensitive strategic programs is focused on **landscape sustainability**, a natural resource-based economic system, conservation and rehabilitation. The three strategic programs will become a base for the low carbon economic transition and at the same time also confirm the right of the traditional and other local communities to utilize the natural resource. In this context, sustainable tourism in the form of ecotourism experiences

can usefully contribute to the REDD+ implementation program and be promoted, in some areas, as a possible alternative for livelihoods for local groups. All provinces with forest areas will get partial support from REDD+ in technical as well as financial terms for coordination and documentation. At the same time, there is no evidence today that ecotourism is actually being promoted and implemented in the context of the REDD+ National Strategy as an alternative livelihood and for sustainable management of the vulnerable natural resources. However, ecotourism would fit well under the third pillar of the REDD+ Strategy on the creation of alternative growth programs. It would also match the requirements of the REDD+ Strategy fourth pillar on promoting and rewarding environmentally friendly activities. This is a gap that may need to be addressed through enhanced collaboration between the two national programs on REDD+ and DMO (MoTCE) respectively. For example, sustainable tourism can contribute to forest conservation for increasing national and global awareness of the problems faced and economic, environmental and social opportunities available. This includes the promotion of ecotourism, wildlife tourism, community-based tourism, rural tourism and other forms of sustainable tourism products. Financial incentives to encourage sustainable tourism practices can help to reduce greenhouse gas (GHG) emissions. The role of interpreters, audio visual and printed materials on the do's and do-not's, on what to learn from the visits need to be made readily available. Additionally, natural areas with heavy visitation need also be controlled through appropriate forms of a visitor management plan.

3.2.5 Building a Tourism Industry that is Resilient to Man-Made and Natural Disasters

Indonesia is a country with a high risk of natural hazards: earthquakes, tsunamis, floods or volcanic eruptions. In 2004 the tsunami in Aceh left realms of victims and a considerable extent of area destroyed. Earthquakes in 2005 affected the Nias Island in North Sumatera and Yogyakarta was shaken in 2006. The Directorate of Vulcanology and Geological Hazard Mitigation noted that there are 28 regions in the country prone to earthquakes and tsunamis, stretching all over the country including important tourism destinations such as Bali and Nusa Tenggara. The country is surrounded by a global tectonic crack line and with 500 volcanoes, Indonesia has the biggest number in the world with 129 of them active. The intensity of impact of vulcanic eruptions on the disaster victims depends on the nature of the eruption, the surrounding environmental condition and the preparedness of the community to face the situation. Population density is among one of the determining factors. Some of Indonesia's volcanoes are located close to high density areas and tourism destinations, like Galunggung in West Java, Merapi in Central Java/Yogyakarta, Bromo in East Java and others in the outer islands. Other disasters can be attributed to unsustainable management of natural resources, such as deforestation that can lead to landslides, ground washouts, desertification, forest fires, and bad waste management to spills of chemicals and waterway-, ocean- and ground water pollution.

Besides the natural hazard, other kinds of disasters to be considered are technological failure, modernization failure, epidemics and diseases.^{xxiv} Technological failure has the potential to create

hazards for life, damages to buildings, infrastructure, and the environment. Such hazards may even extend to disaster when the receptors are not ready to face the situation and the inadequate capacity to respond. The capacity or lack of the community to respond well is influenced by multidimensional factors: physical, environmental as well as socio-economic, cultural and institutional.^{xxv} Modernization failure may happen when new machinery or equipment causes work accidents or creates other problems. Tourism may experience such cases of technological or modernization failure, such as the case of transportation accidents or failure of technological systems of modern recreational infrastructure. It may also have a not so obvious impact like pollution to the ground water by chemical waste. Epidemics and diseases in the destinations may lead to tourists getting infected or spreading diseases to locals. The local population, the workers, and the tourists may become victims.

Last but not least, social disaster caused by an event or series of events created by people must be considered, such as social conflicts between social groups or among communities as well as terrorism.^{xxvi} Social disasters may happen within a community, creating an unpleasant situation for tourists, or may also happen between tourists and the community or between tourists. Venues of big events or popular destinations may become targets of social and political disasters. Many disasters with different tourism impact have happened in Indonesia as the terrorism in Bali and Jakarta, civil wars in Aceh, Timor l'Este, social unrest in Maluku and Papua, and so forth.

Any kinds of disasters and hazards have direct as well as indirect impacts on tourism. Tsunamis and terrorism have killed local people as well as tourists in the destinations. Such events often lead to travel warnings of other countries and cause tourists to postpone or cancel their visit and choose safer destinations. Safety and security have become tourists' first consideration in choosing a destination.

Sustainable tourism suggests being ready to face the possibilities of many different kinds of crisis caused by different reasons.

This requires the adherence to principles of sustainable development, as early as the planning process starts, during implementation as well as during operational activities. Anticipation needs to be prepared, where possible, causing factors of crisis should be identified and avoided and strategic and tactical plans for response developed.

3.2.6 Managing the Adverse Impacts of Tourism

Despite the economic benefits that encourage provinces, districts and municipalities as well as investors to develop tourism businesses, the impacts of tourism should be handled with care. This includes environmental and socio-cultural impacts, with an emphasis on gender issues, and also the real economic impact, including external costs.

The dynamically growing tourism industry has become an attractive business option for investors which are targeting strategic locations with natural and cultural resources to support their businesses. Information technology supports access to almost all kinds of information needed by travellers, encouraging people to visit, see, wander and enjoy places which has been previously 'undiscovered' to get some kind of meaningful experience. Natural phenomena, underwater resources, small islands, tropical forests, rivers and their streams are highly attractive for tourists.

Tourism impact management may be done through implementing an effective destination management plan which consistently holds up the sustainable tourism principles. Destination management, in this case, may include monitoring of important natural and cultural indicators to see the changes overtime. Land use changes, for instance are usually not the concern of tourism officials in general, who are more concerned about the ups and downs of the number of visitations.

3.2.7 Lessons Learned from Previous Experiences and Best Practices

Best practices from Indonesia and internationally showing the right implementation and the positive outcomes of sustainable tourism practices can serve as guidance for future destination development. It must be clear that destination development cases cannot be replicated from one place to the other, but certain aspects can be used as lessons learned and point in the right direction.

Example 1: Ecotourism in Bogor

This example is taken from a micro/small enterprise, running a homestay in Bogor. The Guest House started the business by first involving the local community to be trained and involved. They also developed a creative product, involving people and their buffaloes in the package which turned out to be attractive for international as well as domestic tourists. They also facilitate the local people to include traditional dances in their packaged products. The guest house frequently hosts students from Jakarta and elsewhere, including from international schools. Leadership, consistency, and working with heart are their key success factors.

Example 2: Tourism planning in Bali

One of the best lessons that the country has learned is the development of the Bali Nusa Dua Resort under the Bali Tourism Development Corporation (BTDC) in the 1970s. It was a long process of planning and implementation that made Nusa Dua one of the best known resort destinations in the world. In institutional terms political decisions at the central government, discussed intensively with provincial government, supported by professional and responsible consultants, lead to a comprehensive and well directed tourism development in Bali in the 1980s. Among the success factors are: (i) appreciation of local culture and wisdom in the planning process and involving local workers during construction and at operational stages; (ii) establishment of an education institution to educate mainly locals to get the opportunity of being employed in the world class resorts; (iii) site selection, prime location without disturbing the existing economic life at that time. The location was once a dry, unfertile land where only coconut could grow, without being able to provide a decent living for the community (not replacing productive activity).

Capacity building on concepts and practices of sustainable tourism for the local government, the national private sector and the communities at stake is absolutely crucial and needs to be a mainstream agenda for development, and sustainable tourism development in particular.

Example 3: Sustainable rehabilitation in Pangandaran

Tourism is very sensitive to natural disasters as experienced by many regions, including Pangandaran in West Java in 2006. The tragedy encouraged the government to prepare a community-based management plan, supported by UNWTO. The improved awareness of the community has brought Pangandaran into good shape when rehabilitation was undertaken in conjunction with the promotion of sustainable tourism. Under certain conditions, unlawful practices often happen to meet short-term goals or achieve individual benefits. Even though in general, things have been directed to sustainable development, there are still improper practices, even by members of the local working group who are supposed to provide good lesson for the others. **Consistent law and regulation enforcement by the local government is crucially needed.**

Many other success stories provide us with some important key words: disseminating the concept before starting any program, promoting awareness and sensitivity to environmental issues, active participation, strengthening all stakeholders, institutionalizing carrying capacity, extending network and promotion, continuous monitoring and others. Details of best practice cases and lessons learned are compiled and presented in Annex 4.

3.3 SWOT Analysis for Sustainable Tourism in Indonesia

The SWOT analysis below provides the basis for an analysis of the strengths, weaknesses, opportunities and threats that are relevant to the future of sustainable tourism in Indonesia.

3.3.1 Strengths

Socio-cultural:

Indonesia's tourism is benefiting from the cultural assets, heritages as well as living cultures with their local wisdom and unique traditions. Enthusiastic spirits to conserve local cultures are strengthening. An increase in pride in culture, revitalization of culture, improved conservation and restoration of cultural heritage sites is proven, among others by the Ministry of Public Works with its Heritage City Planning Program.

Environment:

Local wisdom in some localities has proven to be effective in the protection of natural resources. Awareness of the importance of an environmentally friendly development is increasing. Environmental groups and activists for green development and green attitudes emerge in leading provinces like Bali, Jakarta, West Java and others. At the destinations' local level, the country shows many cases of best practices on ecotourism as among others summarized in Annex 4.

Bio- and cultural diversity:

This area has long been Indonesia's strength as a basis for tourism development. Natural phenomena and features like: volcanoes and their calderas, mountains, lakes, caves, tropical rain forests, savannahs, rivers, beaches, underwater life and cultural events, festivals, craft as well as heritages are Indonesia's tourism resources that are still waiting for responsible and creative packaging.

Destination Planning:

Most regions have been aware of the need and importance of planning for tourism development. At the national level the National Tourism Master Plan has been legitimized. Leading tourism destinations like Bali and Jakarta have already integrated their tourism development plan into their comprehensive spatial master plans. A number of DMOs has been established by MoTCE to better plan the particular destinations.

Political support:

Indonesia's tourism is supported by an enhanced political will, among others indicated by the issuance of the Presidential Instruction No.16 -2005 and an increased national budget for the Ministry of Tourism and Creative Economy.⁵

⁵ Starting end of October 2011, the Ministry of Culture and Tourism is transformed into Ministry of Tourism and Creative Economy; and the Ministry of National Education into Ministry of Education and Culture. In this Strategic Plan MCT will be used for matters prior to the transformation, and MoTCE when it refers to the period after October 2011

Gender Issue:

It is noted that women have been and respectively are still chairing several of the Tourism and Travel Industry Associations, Hotel Industry Association, Association of Ticketing Businesses as well as are taking high positions in the governmental administration such as the current Minister of Tourism and Creative Economy.

Gendered division of labour is prominent in the tourism industry. For certain positions in the tourism industry women are easier to enter and are more demanded. Female workers are dominant in wholesale and retail trade, restaurant and hotel frontliners and other tourism services.

The Ministry of Women Empowerment and Child Protection has published Planning Guidelines and Gender Responsiveness Budgeting in Managing Natural Resources and the Environment in cooperation with different Ministries (e.g. Public Works). This effort is strengthened by the regulation by Ministry of Finance (PMK 119/2009) on the endorsement of the gender responsive budgeting to all ministries/bodies at all government levels.

3.3.2 Weaknesses

Economy:

Among the indicators that have not been measured so far is the economic leakage. Based on observations, interviews and experiences from other developing countries, leakages from certain operations of tourism business may exceed 50%. The more underdeveloped a country is, the higher the risk of leakages might be. This also applies to economically less developed regions within a country. Ownership of (big) tourism businesses in Bali or other new destinations by MNEs is growing without balance with a view to local ownership. Economic return to less and least developed localities is estimated to be small to very small due to weak forward and backward linkages. Currently, actual tourism contribution to poverty reduction can still be regarded as doubtful and needs to be measured exactly.

From observations in many tourism destinations, the informal economy still employs workers below 15 years of age as casual workers or unpaid family workers. According to input received during a consultancy meeting with the Business Association (Apindo) in 2011, the informal sector in general may reach a share of 70% to 80%. It is of concern that in the informal sector the percentage share of women compared to the formal sector (75%:25%) is higher than the one of men (66%:34%).

Socio-cultural:

Community satisfaction with tourism impacts at the local level is very often neglected. Communities in Bali or Bandung for examples have raised strong complaints. The economic benefit from tourism may not necessarily lead to improved socio-cultural indicators, in reality, rather the contrary is the case, namely frequent erosion of societal values, neglect of local culture, and degradation of cultural sites are the consequences. Bali which has been 'guarded' as Indonesia's leading tourism icon is still facing misuse of tourist visas for illegal practices related to drugs, prostitution and paedophilia resulting in damages for the local population in terms of their security, safety, health, and culture.

Cases of demolishment of heritage with historical value have become frequent news in media. New archeological discoveries are still facing constraints regarding their safety from irresponsible treatment. Tourism is often used to justify development of heritage sites that may change the appearance with inappropriate designs and poor visitor management of the heritage site may endanger the heritage sustainability.

Decent Work:

There is still a large percentage of labourers and employees in trade and tourism working for long hours, meaning more than 59 hours per week. The amount increased continuously from 4.3 million in 2006, to 6.19 million in 2008 and 6.35 million in 2010. According to BPS data on the situation of the workforce (2011) compared to the total of workers aged 15 years and above, the proportion moved from 23.2% (2006) to 29.9% (2008) and 28.6% in 2010. Employment is lacking standards of social security, pension systems and safety and health, job security, safe and secure working conditions, career perspective.

Environment:

While there have been improvements made in the practices of tourism particularly in some mid range to upper range hotels and resorts in major tourism areas and some ecotourism operations, generally, industry engagement in eco-certification of environmental performance is very low.

At the local destination level there are many environmental issues which have a significant influence on the sustainability of the tourism sector. Lake Toba, for example, which was once a popular international destination in North Sumatra has experienced some environmental degradation and conflicting uses (fishery and the construction of a hydro powerplant). The enforcement of the Law on Environment Protection is still weak. Consumer demand is a major challenge in attracting private investment to sustainable tourism projects in Indonesia because of a lack of consolidated information demonstrating this demand. While there are specific studies and data indicating that many individuals are willing to spend more for sustainability when travelling, there is little data to make the case that a considerable percentage of consumers are willing to do so or would base their travel decisions on sustainability criteria. Price, experience and convenience continue to be leading factors for Indonesian tourists.

Destination planning and control:

Among of the weakest aspects of Indonesia's tourism development are public planning coordination, effectiveness, and control. All provinces have had a tourism Master Plan in some form and quality and some of the 383 local governments also have one or are reflecting on its creation. However, whether these plans have been prepared through a process with a sustainable approach, have ever or will become a guide for development is still questionable.

The fact that the job development of tourism officials represents a tour of duty with no career path and that many tourism plans were prepared unprofessionally has left planning for tourism in an often either unrealistic or too simplistic state. Only a limited number of provinces with competent officials have managed to integrate tourism into their regional comprehensive plans.

Another aspect of significant weakness is indicated by many cases of offenses against the regulations: offenses on the building height, businesses without permit, misuse of urban land and uncontrolled functional changes of land uses are amongst the most noted. While most hotels are legally registered, there is a growing number of homestays or other rented accommodations which are not even listed. In the food industry, the informal sector, especially, the great number of street vendors has not been accommodated in any plan.

Capacity of major airport infrastructure:

In terms of adequacy, capacity of the main international gateways is already exceeded (Soekarno-Hatta of Jakarta/Banten, Ngurah Rai of Bali and to a certain extent H. Juanda of Surabaya/East Java), extension plans still require some time to be effective. The presently exceeded capacity has created declined amenities for both travellers as well as the airline industry.

Tourism products:

Sustainable/green product planning and development is lacking in the midst of rapid development of certain elements of products with high concentration in certain destinations, creating interregional and intraregional imbalances. In terms of accommodation, more than 70% of classified hotels and more than 50% of non-classified hotels are located in Java and Bali, leaving other big provinces and the outer islands far behind (the rest is also concentrated on the island of Batam and capital cities). Marketing strategies in Indonesia should promote the idea and need for sustainability. Existing promotion and distribution channels should emphasize sustainability as a primary option for tourism development and to influence consumer choices.

Passenger safety and technical standards of transportation means still need to be fostered. The evidence of accidents, rule of conduct breaking by pilots, schedule delay or cancellation are indicators of the quality of services of public transportation that need to be improved.

Integration/Coordination among tourism stakeholder/policy makers:

Integration of programs among different ministries and institutions in tourism-related undertakings is weak. Every institution is referring to its own ministry's strategic plan as guide for their respective programming. There are few, if any, programs which are dedicated to interministerial joint collaboration. The Ministry of Public Works, as an example has a program to support heritage cities (which are also tourist destinations) in preparing their management plan. Involvement of the other sectors is still limited to individuals, rather than institutional.

Rules and Regulations:

While the policy intention of the legislation governing tourism in Indonesia is appropriate, the administration of the rules and regulations in tourism is weak. This statement is also supported by the fact that in global destination competitiveness, for rules and regulations, WEF ranked Indonesia 123rd out of 133 countries evaluated.⁶

3.3.3 Opportunities

New markets:

The fast growing Asia Pacific markets as the main market for Indonesia represents an opportunity for Indonesia which is strategically located within the region. The Middle East is another potential source market. Furthermore, the varied international market is also an advantage for Indonesia with its diverse resources.

Indonesia may also expect the emerging international markets from other developing countries. The domestic market is growing steadily, besides the mass market, new niche markets for higher quality product are emerging. With improved education and awareness, supported by better information and low cost carriers there is a growing interest in the outer island destinations. However, no initiative has yet targeted sustainable events, conference or business hotels and their supply-chain in Indonesia specifically.

⁶ The evaluation is based on a composite index using variables, such as: prevalence of foreign ownership, impact of regulation to businesses, visa, property rights, bilateral open sky policy, transparency of government policy making process, time and cost to start business

Economy:

The economic prospects of Indonesia, having had the highest growth rates among the ASEAN countries during the last six years and also expected for 2012, give a positive sign for more investments including those in (for moving to) sustainable tourism that offer green jobs. There are opportunities for new businesses to be established directly and indirectly improving the employment creation. The tourism industry, in particular, has a high potential to absorb youth employment. It is estimated that half of the tourism workforce is below 25 years of age⁷. Women are also strongly represented. With regard to the supply chain, one job in the core tourism industry indirectly generates 1.5 additional jobs in the related economy.

Socio-cultural:

The government's commitment for improved welfare is an opportunity to improve SMEs' participation in sustainable tourism undertakings. A change in lifestyle of the Indonesian people, supported by the economic growth and the expanding domestic market means that with improved education and access to information, tourism has become more of a fixed part in families' and individuals' expenditure plans than before. The growing Indonesian middle class, even the lower middle class, has chosen to set tourism as one of their needs. This is very different to the situation of decades ago when tourism was still the luxury of only the privileged few. Nowadays people are more in need of leisure and recreation, in several different forms depending on their financial capability, disposable income and socio-cultural background.

Cultural industries are growing as part of the creative economy and become a relatively new kind of attraction or part of the value chain of sustainable tourism products creating green jobs for the locals.

Institutional framework:

The establishment of institutions like the National Council for Climate Change, the REDD+ and institutions at the provincial level has opened the opportunity for tourism to enter the scheme for green activities, which may contribute to the emission reduction program and conservation of protected areas through for instance ecotourism.

The Indonesian Government has also published a National Action Plan in facing climate change, and also the National Strategy of REDD+. This also contains a source of increasing independent financial support through the Governor's Climate Forests (GCF) Taskforce.⁸

Destination Planning and Control:

The MoTCE has developed a tourism support program for community empowerment called PNPM Mandiri, in place since 2009. More villages in all provinces are envisaged to be supported to develop their initiatives. In addition, the MoTCE also has an ongoing Destination Management Organization (DMO) program, directed towards a better management of 15 selected tourism destinations in the country. The DMO strategy provides opportunities for new 'green tourism jobs' and Government recognition that sustainable tourism can contribute to Indonesia's commitment to reducing greenhouse gas emissions.

⁷ Based on the ILO (2011) Toolkit on Poverty Reduction Through Tourism

⁸ GCF is a sub-national collaboration of states and provinces in US, Brazil, Nigeria, Peru, Mexico and INDONESIA which develops Emission, Deforestation and Forest Degradation Reduction Programs (REDD+) and relate it to the growing market and non-market opportunity. Provinces in Indonesia which are members are Aceh, South Kalimantan, Central Kalimantan, East Kalimantan and Papua. A Palangkaraya meeting among others included education on the REDD+ policy at provincial and national level, new opportunities for financing and legal framework, institutional arrangements of REDD+ at sub-national/provincial level (Kompas, September 26, 2011).

Tourism can also benefit from related programs and activities undertaken by other ministries: Forestry, Manpower and Transmigration, Education and Culture, Marine and Fishery, Cooperatives and Micro, Small and Medium Enterprises, or even the Ministry for Youth and Sport.⁹ The Ministry of Women Empowerment and Children Protection also has a program related to sustainable development through gender equality in tourism and the concern about women and children.

Creative Economy:

The development of creative industries which is now under one roof of MoTCE (formerly under the Ministry of Trade) opens the opportunity for the development of more green tourism products. Especially, active destinations like the Municipality of Bandung in West Java have been quoted as centre for creative industries that have been able to attract domestic and international tourism. The creative economy, in this regard, includes green product initiatives, such as the production of art paper, and other functional goodies from waste to replace plastic goods (bags, waste bins etc.).

Urban Tourism:

Many other fast growing cities like Pekanbaru in Riau, Palembang in South Sumatra, Surabaya in East Java, Makassar in South Sulawesi, and Manado in North Sulawesi represent potential urban tourism destinations. In the future these urban destinations, mostly rich with heritage assets, may also develop into eco-ethno tourism and business tourism destinations through major events, conventions and exhibitions.¹⁰

ASEAN:

The position of the President of Indonesia as current leader for the ASEAN member countries can support the spirit of ASEAN in implementing the commitment for sustainable tourism development, as it was underlined during the 2011 meeting among heads of states.

Indonesia should invest further in quality tourism research and education at the tertiary level and become an ASEAN centre of excellence in the tourism 'knowledge economy', encouraging research and development and internationally benchmarked tertiary level curricula for tourism and hospitality.

3.3.4 Threats

Awareness:

A threat is the mindset of the people and the government that is not aware of the ongoing negative impacts caused by economic leakages of the capital intensive investments, land use change caused by tourism related investments, lack of or inadequate public investment in infrastructure and human resource development that might further decrease tourism contribution to national development.

⁹ The SEA Games in Palembang have accelerated the construction of not only sport but tourism infrastructure which benefits the tourism sector before, during and after the event.

¹⁰ The term eco-ethno tourism is the author's term to indicate a concept similar to ecotourism with more emphasize on cultural heritage, without eliminating the importance of the ecology. Ecotourism used to be interpreted more as responsible nature tourism; to indicate that the concept - of conservation, education, participation and economic benefit- can also be applied in urban areas, the term eco-ethno tourism is introduced.

Economy:

Tourism investments and businesses have been characterized by increased liberalization, in condition of unpreparedness. In many tourist regions, local communities have been marginalized through a shift in land ownership. Lessons learned from other developing countries as the case of Machu Picchu in Peru where tourists are now made to bypass local traders and suppliers after the Peruvian government has given a long term concession in the famous World Heritage to a private company and another concession on the formerly community owned rice and banana field to only potentially foreign investors for 50-60 years as well as statements in the Berne Declaration mentioning:

“further commitments for liberalization under the WTO GATS will pose a THREAT to the increasingly numerous initiative for responsible tourism that benefits the local populations and help to protect their livelihoods” (see details in Annex 3)

Investment in the lacking infrastructure in destinations is inadequate, with a high level of dependency on the central government. As tourism boosts demand for local/rural goods (food, land, construction), local prices will rise, consequently, if the goods and services are also purchased by the poor, the relative value of their small income goes down (see details in Annex 2 and 3).

Employment:

Tourism sometimes receives the preliminary support of the local communities with the hope of creating employment. However, it has also turned out that in many cases tourism is taking away the community's traditional jobs/livelihoods before employment is created. And even if tourism indeed creates employment, local communities, including women, may not qualify for the positions.

Human Resources and tourism education:

Investment in human resource development and research on tourism related subjects is not prioritized, indicated by the difficulties in getting fellowships and research funding (tourism is not on the priority list of research topics).

Fake landownership:

Such cases include Bali where local people, without being aware of the consequences, lend their names to be used for land ownership e.g by foreigners, while they do not have any power over the land. If lucky they are only permitted to cultivate during the 'waiting period'. This tendency of land ownerships on paper- without any awareness of the business -has spread also to other regions. For the poor families though, without any knowledge whatsoever, 'lending/renting' their citizenship/names is an easy way to pull them out of poverty.

Small Business marginalization:

The inflow of foreign investment, including budget accommodations with good standard quality may marginalize the small scale accommodations already in place. There is also an indication of private villas (without commercial permit) hosting tourists, competing unfairly with formal commercial accommodations which are paying taxes. Another experience to learn from is the case of minimarkets that dominate the retail convenience store businesses, not limited to big cities but spreading to even the small towns, putting traditional markets and shops in a difficult situation.

Outside competition:

Competition from neighbouring countries with more advanced states of development as well as strongly emerging destinations represents a big challenge to Indonesia's international market due to current crisis related constraints having been faced by the EU, the US as well as Japan during these

last few years. This is also attracting Indonesian outbound. Indonesian outbound grew by 54% between the period of 2004-2008, faster than international inbound (53%) during the same period.^{xxvii}

Socio-cultural:

While tourism has become part of the lifestyle for the Indonesians, more and more people are travelling and for many reasons the higher middle class and the upper class in Indonesian prefer to travel overseas. The number of outbound tourists grew from 3.5 million to 5.4 million.^{xxviii} It also needs to be underlined that travelling for medical purposes (medical tourism) by Indonesians to Singapore and Malaysia is growing steadily and the total expenditure is estimated to be huge.

Environmental destination planning and control:

While the government is putting a big effort to forest-related environmental protection, environmental degradation still occurs in supposedly protected areas and also happens outside the forest, especially in rural and urban areas caused by uncontrolled development. At the local destinations carrying capacity and visitor management plans are often lacking. Furthermore, land entitlement often disrespects the rights of indigenous people. There are practically no or very few plans that are really concerned with the environmental carrying capacity. At all levels of government, the focus has been on income generation through permit issuance. Even though community empowerment through PNPM Mandiri and DMO¹¹ programs were extended from time to time, the fact that the target population's need for facilitators is difficult to fulfil due to limited human resources may threaten their rightful objectives. Ineffective planning may turn into a threat, unless corrective actions can be realised through better planning and leadership. Development control is another challenge that tourism development faces. Among the most important aspects to be monitored is the carrying capacity of the destination and the compliance to the existing regulations. Monitoring tourist behaviour is another approach that can be undertaken to mitigate the impact on the natural and cultural environment.

¹¹ PNPM Mandiri = National Program for Community Empowerment

DMO = Destination Management Organization program is a supportive program for destination improvement

Key Messages of Chapter 2

- Sustainable tourism can be defined as: *"Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"* (UNWTO)
- Sustainable tourism is directly and positively linked to the Millenium Development Goals, poverty reduction, rural development, preservation of culture and society, gender equity, environmental protection, climate change mitigation and shows a beneficial impact on climate change mitigation.
- A just transition of the economy to sustainable practices with a view to green jobs is needed including the education and awareness of employers, employees, host communities and tourists, with the local government to be put in the fore front.
- Green jobs with decent work can be created through the development and promotion of green products, green services and green public works. Green labels and certification programs support these products and services, but are still underdeveloped on the Indonesian market.
- Alternative indicators taking into account economic, social and environmental criteria for sustainable tourism based on the UNWTO offer a new way of measuring performance.
- Best practices in sustainable tourism can be used not for replication, but for lessons learned and guidance for new destination development projects. Local context and human resource capacity is most important.
- A SWOT analysis for the Indonesian tourism sector shows:
 - Main Strengths: Bio/cultural diversity, political support for sustainable tourism;
 - Main Weaknesses: Lack in decent work, environmental and cultural degradation, destination planning control;
 - Main Oportunities: New markets for green tourism, improved welfare, poverty reduction;
 - Main Threats: possibility of marginalization through loss of land ownership and short term oriented mindsets;

CHAPTER 4

VISION AND POLICY FRAMEWORK FOR SUSTAINABLE TOURISM

Chapter Overview

This section lays down the vision for sustainable tourism development in Indonesia. Moreover, the development of fundamentals for a policy on sustainable tourism in Indonesia is demonstrated and main policy dimension outlined. The most important pillars for such policies are elaborated, key objectives are clarified and means and measures for the successful implementation are discussed in an integrated approach. Elements of sustainable planning are depicted including economic, social and environmental considerations.

4.1 VISION for Indonesia's Sustainable Tourism

The tourism development vision is formulated based on the Long Term National Development Vision: for a **sovereign, advanced, equal and prosperous Indonesia** and the development directive of pro-poor, pro-growth, pro-jobs and pro-environment.

Sustainable tourism can significantly contribute to achieving the national development vision for 2025 and is in line with the development objectives. Sustainable tourism development can empower communities in destinations to become able to use the opportunities of business and employment which enable them to achieve socio-economic benefits from tourism.

Optimal use of the environment, considering the natural, ecological, social, and infrastructural carrying capacity of destinations is creating amenities not only for tourists but also the local community. Sustainable tourism goes beyond natural environmental conservation, entering into the domain of the real welfare and wellbeing creation for the Indonesian communities with the natural and cultural environment being in a dynamic balance for the interest of the communities and the tourists and visitors.

The first stage of the Long Term Development Agenda 2005-2025 is already completed (2005-2009), and presently it is in the second stage (2010-2014) with the vision: realization of welfare for a democratic and equitable Indonesia.

The relatively new Government Regulation No. 50-2011 on National Tourism Development Planning 2010-2025 states the tourism vision that encompasses other ministries as:

“Indonesia as a world class tourism destination, competitive and sustainable, with the capacity to stimulate regional development and people’s welfare.”

The vision of the former Ministry of Culture and Tourism as the then focal ministry for tourism development, and supported by other Ministries and government institutions, is depicted in the Ministry’s Five Year Strategic Plan (RENSTRA(s):

2005-2009: *“A nation with **identity**, in **unity and integrity** in the multicultural frame, **people’s welfare** and friendships among nations;”*

2010-2014: *“A nation with the capacity to strengthen national **identity** and character and the **welfare** of their people;”*

The Ministry of Tourism and Creative Economy, effective since October 2011, has prepared a modified Strategic Plan for 2010-2014 to cope with the present portfolio in which it has formulated its vision as follows:

“...realized welfare and quality of life of the people of Indonesia through moving the tourism and creative industries...”

The achievement of welfare is in line with quality of life indicators: decent income and access to the basic services of education health and also the right for leisure and social well being.

Further in their mission, statements related to sustainable development may be identified as follows:

1. *“Tourism as mover for national development, conservation of natural and cultural resources, national integrity and international relationship” (2005-2009, MCT)*
2. *“Resource development, conservation of values, cultural variety and richness, related to identity, competitive industry, sustainable destination, responsible marketing” (2010-2014,MCT)*
3. *“Developing competitive and sustainable world class tourism, able to stimulate regional development; quality approach in developing tourism and creative economy resources; creation of value added through creative industries, development of art and culture and moving toward responsive, transparent and accountable governance” (2010-2014, MoTCE)*

It is clear that **sustainable tourism** has been included in the agenda of the former MCT as well as the present MoTCE. In addition, the MoTCE has also stressed a **quality approach** in resource development under a responsive governance.

There are additional opportunities for the Ministry to consider in its missions, namely:

- Take leadership in promoting ‘responsible promotion’, supporting the Ministry’s leadership in the development and promotion of the Global Code of Ethics for Tourism as it relates to honesty in destination and product marketing.
- Inject the concept of sustainability into all forms of tourism development (to all stakeholders at all levels).

The term sovereign in the National Long Term Development Plan (RPJPN) has particular significance in the Indonesian history and context. The era of globalization has resulted in more interdependency amongst nation states. Like all sovereign nations, Indonesia aims to be freed from excessive outside intervention in determining the direction of its national development. Although Indonesia must keep up with the dynamics of the rest of the world, **certain core values are held firmly**, namely the national codes, unity, and the spirit that the people have shown in struggling for independence.

In terms of tourism, the international market is seen as a potential that Indonesia has chosen to exploit, with a way most beneficial for Indonesians. Indonesia has a large and dynamic domestic market with an elastic demand for tourism products. The country needs to be aware of the direction of tourism development, especially, with regards to **who is taking the lead in tourism destination and tourism industry development and in coping with the potential markets**. Indonesia needs to be autonomous in the sense of being **able to be the main actor for tourism development in the country, getting the main benefit from owned resources in a responsible way, as hosts and tourists themselves**. For tourism to be developed for the welfare and satisfaction of the people, first, careful consideration of the rights and obligations as well as control of foreign investment must be undertaken.

Real experiences from other parts of the globe can be used as lessons for Indonesia to be cautious about sacrificing what might be seen as the nation’s interests on behalf of short-term tourism profits and tourists’ satisfaction (refer to Annex 2 on national and international case studies and Annex 3 on the Berne Declaration). Indonesia should have an interest to be attentive of ownership of many places with high value natural and cultural resources. In addition, how tourism might affect women and men should be considered carefully. For women, as stated in the preliminary findings on Global Report on Women and Tourism by the UNWOMEN & UNWTO (2010), there are five areas at which attention needs to be focused, namely **employment, entrepreneurship, education, leadership, and community**.

The most difficult question to be answered lies in how to realise equity and welfare in the dream of Indonesia becoming a developed country and the ways/means that tourism can contribute to that goal. Comprehensive indicators (as presented in Chapter 2 and Annex 6) including the welfare and benefits to the local population, natural and cultural resource sustainability, benefit equity among the stakeholders, and the exposure of Indonesian identity can also be considered. The

Indonesian government has the opportunity to assess the most suitable comprehensive indicators to mainstream them into their policies and promote them with tourism stakeholders.

Based on the above consideration and thinking, Indonesia's tourism development vision, as a guiding policy directive for all stakeholders involved in tourism development, not limited to only the focal ministry in charge for tourism development could be expressed as:

Sustainable tourism that offers decent work and opportunities for the well-being of the people and the identity of Indonesia.

The vision of sustainable tourism development for the coming generation is intended not to limit the rights of the present generation, which includes the right to become tourists in their own country, to get business and employment opportunities in tourism-related fields, and to actively participate in making decisions on what kind of tourism to be developed in the destinations surrounding their place of residence. As a concept, **tourism development IN INDONESIA AND FOR INDONESIA** needs to be regarded as one, whereas both aspects should be achieved - not only one or the other.

It is deemed important to avoid tourism development **IN** Indonesia where other countries benefit more or most as business providers as well as tourists. The right of the next generation to the availability of intact sustainable natural and cultural resources for their future use, responsibly 'consumed' by the present generation shall be prioritized.

4.2 New Key Policy Dimensions

4.2.1 Green Jobs with Decent Work in Tourism

The understanding of and commitment for **Green Jobs** supporting an adequate transition for workers and employers towards a low carbon, climate change decelerating, environmentally friendly and socially respectful development in Indonesia should be a crucial part of sustainable tourism policies. **Green jobs therefore need to be integrated in all tourism related policies on employment and business as well as climate change mitigation with a view to their sustainability.** ILO constituents are engaged in a dialogue to discuss green jobs and the Indonesian Government plans for climate change under the Mitigation and Adaptation working groups. Regarding the Climate Change Action Plan, the National Climate Change Council is preparing a taskforce and a national roadmap on green jobs together with MoMT. Green Jobs is also aligned with the United Nations Partnership For Development Framework Indonesia (UNPDF), especially on the

goals on strengthening the capacity for effective climate change adaptation and mitigation, including natural resource management and energy efficiency, and the management of critical natural resource ecosystems and minimizing environmental degradation.^{xxix} **The second pillar of Green Jobs besides environmental sustainability is decent work.**

Decent Work is defined as “productive work in conditions of freedom, equity, security and human dignity”.

Decent work is a reflection of the strategic objectives of the ILO, which has been promoted since 1999. Decent work has become a widely shared goal, beyond the ILO. With the assistance of the ILO, Indonesia has managed to progress towards the decent work objectives through a range of programmes and activities. Achieving decent work is implicitly stipulated in Indonesia's Basic Law 1945. The first country program was developed for the period of 2002-2003 and the second one for 2004-2005. The formulation of the Decent Work Country Program (DWCP) for the period of 2006-2010 was prepared through consultation with ILO's constituents. Green Jobs is also a key part of the DWCP (2011-2015) under the first priority **“employment creation for inclusive, productive and sustainable growth”**. The DWCP is founded and aligned with key policy frameworks of the ILO, the UN System, and the Indonesian Government.

The tourism sector involves many different types of businesses, from accommodation providers, land-based, marine and air tour and transport providers, entertainment, retail and other professional services. Within those sub-sectors there are many examples of good and decent working conditions in Indonesia. The common lack of social security or any kind of protection for casual workers and in the informal sector however, exacerbates the problems.

Decent work aims at mitigating such issues. The concept of **decent work** is an important part of sustainable tourism and the pro-poor development goals. It encompasses four pillars:

- i. **Employment creation:** socio economic mechanism, mainstream Green Jobs in the national labor and social policy, facilitate with socio-economic mechanisms and provision of micro finance schemes as well as considering the possible impact on the environment at every stage of employment;
- ii. **Right at work:** the right of workers to minimum wages/salaries, paid holidays, rest time/working hours, annual leave and other kinds of leave as regulated by the law;
- iii. **Social protection** which includes occupational safety and health, social security, insurance and pension schemes. This social protection relates to the long working hours and work at night shifts (for women), and the fact that a significant number of tourism related workers are casual workers who they may not be insured nor have the right for pension. Social protection for the informal sector also needs to be taken into concern;
- iv. **Social dialogue:** collective bargaining and the tripartite social dialogue mechanism for the tourism supply chain sectors must be strengthen in the policies statements. While cases of

social dialogue may not be as bad as what happens in other sectors, there is an issue regarding the social dialogue between the informal sector and the local governments.

In addition to the four pillars, another issue to be taken into consideration is the fate of those working in SMEs and the informal sector, which is estimated to be more than half in Indonesia.^{xxx} Micro and small enterprises and the informal establishments which dominate the sector need to be aware of the rules and regulations on social rights of workers, Law No 40, 2004 on National Security System (UU Sistem Jaminan Sosial Nasional) and the Law No 13, 2003 on Human Resource/Manpower (UU Ketenagakerjaan). Those who are working in the informal sectors are most susceptible to social insecurity. Those using the public space may have to leave ‘their’ place of work at any time, with no bargaining position, since they are considered as illegal. The home industries and SMEs which are not even registered need to be identified. In some places where they are also associated in informal sector association, a bi-partite dialogue with the local government needs to be facilitated. Sustainable tourism development requires a commitment to fundamental human rights and a decent income for all those whose labour and skills are employed for the industry to exist and succeed.

4.2.2 Poverty Reduction

The distribution of the benefits earned from tourism among different groups of stakeholders throughout Indonesia still remains a question. With the pro-poor directive within the national development agenda, tourism is expected to also play a role in poverty reduction, especially for the community at the destinations. As explained in Chapter 2, the link between tourism and the reduction of poverty is strong and can be beneficial. Potential destinations often are located close to villages/settlements where poor people live and where there is limited opportunity for the development of other sectors, but still some reasonable opportunity to match an attraction or activity to meet the needs of a tourist market must be given more attention or be prioritized. Importantly, tourism is not a panacea for poverty reduction without careful consideration of the business case. Entrepreneurs whether micro or larger need to be able to identify a market opportunity, assess the risks and commit to new business ventures.

If policy makers and communities are concerned about large investors coming and undertaking tourism related activities that may create further poverty resulting from transfer of landownership, and propose introducing models of **community based tourism (CBT)** there is a need to objectively consider if there are sufficient destination attributes to attract the interest of a target market and to get the community ‘tourism-ready’ through a range of business and hospitality capacity building activities. Too often, well intentioned, but unsustainable and poorly executed attempts at community-based tourism ventures lead to unrealized dreams impacting on communities, on cultures, and environments. They can result in more harm than good. CBT seems to justify tourism development by putting (promising to put) the community as a means to achieve the tourism

goals. It is not without any reason or proof that popular and prosperous destinations should consider a tourism based community development from CSR undertakings as well as allocation of public resources obtained from tourism for the well (better) being of the community.

It is important to mention that decent work can directly contribute to poverty reduction and also support other MDGs through new employment opportunities, adequate earnings and productive work, combining work, family and personal life, stability and security at work and social security.^{xxx}

4.2.3 Youth Participation and Employment

The youth as tourists has a strong potential for its contribution to the growth of domestic tourism. In terms of domestic travellers, youth has contributed to a significant proportion of close to 40% of the total travelling population in the country.^{xxxii} Although their expenditure may not be as high as the one of the adult population, they may travel longer distances, visit a wider range of places according to their psychographic characteristics and thus spread visitor expenditure. They are also a potential market for ecotourism and adventure tourism, visiting destinations with more difficult access throughout the country and bringing new ideas for local small business opportunities to those communities.

The government has also put youth as a strategic target for empowerment, to enter the labour market with the required skill, knowledge and attitude, as well as with the competencies needed. A special Ministry of Youth and Sports (MoYS) is assigned to specifically take care of youth related matters, including their need for job and business opportunities. Youth employment in the tourism sector is popular in many countries where students work during holidays, weekends and other spare times to help finance their education or to get pocket money for their travel/holidays. The seasonal character of tourism, which usually needs additional workforce during peak holiday seasons fits to this scheme. This may benefit the youth as well as the tourism industry with supply of seasonal workers and may have a wider impact. By providing jobs to the youth they may also continue their education which is usually left behind by youth from the disadvantaged families. Tourism may not solve the country's youth employment problem but at least it is possible to contribute more than what has been done so far.

Another important aspect in youth participation is the educational factor. Young people tend to engage in many kinds of leisure activities related to nature, sports and socialisation. This active lifestyle can be directed in a positive way by providing opportunities for the youth to engage in ecological or social projects which in turn can contribute to sustainable tourism.¹² Learning at young ages will shape people's behaviour and thinking in adulthood.

¹² As a best practice, a green map project in Jakarta and other places involves local youth volunteers producing green maps that can be used not only as tourist's guides but also educating the youth to understand the environment where they live, built up a green attitude. Green map is an international network based in New York.

4.2.4 Gender Mainstreaming and Child Protection

Gender mainstreaming and child labour prevention are two significant issues in the tourism sector in Indonesia. Research data as presented in detail in Table 1.7 and 1.10 in the Annex 1 suggest that rural and women workers need further attention addressing better payments and better conditions of work and the gain of skills and knowledge which will enable them to reach a better condition of employment.

As laid out above, gender equality in the tourism industry and related government administrations is still far from realised. As an important part of sustainable tourism, it must be promoted and supported. Even though women and young workers represent the majority share of workers in the tourism sector their situation is characterized by significant challenges as explained in Chapter 1. If these conditions are not improved, they will become a liability to the sector in the future. All stakeholders need to prepare and develop the strategic policies to overcome these challenges and foster the real opportunities.

Child protection must be an absolute priority for the sector. It is very visible in many tourist spots that children act as sellers of small craft items and other souvenirs. Policy development on child labour elimination in the tourism supply chain sectors at national, provincial, and district level is also an imperative in achieving the goal of full eradication of child labour in the tourism sector. At the same time child protection from sexual abuse must be shifted into the focus of attention and policy making.

To address child protection tourism industries need to refer to the relevant laws as stated in Chapter 1 and Annex 7 so that the tourism sectors will support the child protection issues such as: to eliminate all forms of discrimination against women, to consider the minimum age for admission to tourism employment, and to eliminate the worst forms of child labour.

4.2.5 A System of Voluntary Codes/Standards for Sustainable Tourism

i. Application of Code of Ethics

Tourism service involves many stakeholders and interaction among tourists themselves, business providers, various units in the public sector, between tourists and the service providers, community in the place visited, media outlets, and education, research and training providers. The

The Government of Yogyakarta, supported by Ministry of Public Work, REKOMPAK and the Java Reconstruction Fund has published a series of Heritage Education Stories for Children, prepared by the youth under the supervision of academics and related experts.

principles in the Global Code of Ethics published by UNWTO has been translated into Indonesian language for further dissemination and in general have been adopted in Indonesia's Tourism Law, but their implementation and understanding by the stakeholders still need further encouragement.

ii. Application of standards

In order to achieve a consistent path of development, guiding standards for sustainable tourism must be developed and implemented. Such standards already exist in other countries and for specific types of tourism operations. Internationally recognized as well as country specific standards already exist outside of Indonesia, and while they often cannot be directly applied to this country, they can be used as a basis for the development of Indonesian standards in the Indonesian local context.

There are already various standards developed in Indonesia and the Ministry is keen to further develop standards, mainly for professional competence. Standards for tourism products, services, and processes are still limited. Such standards may include the entire production process and value chain. For instance in food preparation, it may include the nature (quality) of raw materials, the way it is transported, stored, and cooked. Monitoring is difficult and often lacking. So far the qualifications are more directed to the quality and convenience of facilities. Standards with regards to environmental issues and socio-cultural sensitivity are particularly lacking.

iii. Development of a certification program

There are many thousands of tourism related – eco-labels' around the world. Well over one hundred such eco-labels address sustainable tourism. Similar certification programs have been started and can be further developed locally and nationally in Indonesia, step by step. A system is desired which not only acknowledges the commitment and practices of sustainable tourism through certification, but also helps business units to achieve the goals through help desks or trainings and teaches what is required to be done. One of the known local standards which are internationally recognized is the **Tri Hita Karana** based on the Balinese philosophy. The Tri Hita Karana Foundation awards qualified certification to accommodations and restaurants and later also to other establishments in Bali whose management has voluntarily implemented environmental and culturally friendly operations. Certification of products in Indonesia is developing, like organic and halal food certification, various products from recycled and upcycled materials are also becoming popular. Considering the vast number of elements of tourism products and business units with varying degrees of sustainability, there is a need for a multi-level certification and a step-by-step application of the required standards. Standardization followed by certification will become a directive for consumers in selecting green tourism products, which have gone through a responsible process of production.

4.3 Planning Sustainable Tourism

4.3.1 Human Resource Development Planning

The success of tourism as a knowledge based industry is very much dependent on the human resources behind the steering wheel.

Human resources for tourism development include those formulating the policies to direct development and investment, the planners who plan for the future in realizing the expected future condition, and of course the implementers and operators, those risking their capital, managers and supervisors, middle managers, those working behind the scene as well as frontliners who need to meet with the tourists face to face.

Currently, the education and training systems that are in place are under different Ministries: the Ministry of Education and Culture, Ministry of Manpower and Transmigration and Ministry of Tourism and Creative Economy, each have ‘their’ own tourism education or training program. The Manpower Development Plan for Tourism that once existed in the 1980s has not been revisited until today. Educational programs, vocational schools, as well as training and higher education programs have grown with no ‘master’ reference; they are just flourishing in big cities with less control on the curriculum as well as program delivery. Human resource development is not only about meeting the future needs, but also improving the present force, it is not only about providing knowledge and skill but more importantly shaping attitude in facing the challenge of the future and cope with the international standards on one hand and the local cultural context on the other hand. A comprehensive insight needs to be considered to include research across a range of tourism related policy, planning, and development topics and the development of educational technology.

The mission of MoTCE for sustainable tourism should be supported by well planned human resource development, to fulfil the future needs as well as to improve the present supply of human resources in the tourism and hospitality sector. Education and training must reach beyond a narrow interpretation of tourism and hospitality and include macro comprehensive, interdisciplinary planning, management, policy development and special studies on related fields.

In sum, to get a clear view and direction of the human resource development, comprehensive HRD strategies are needed, which include not only better vocational training, involve the social partners, and address issues associated with the international mobility of workers, but include also executive programs for local government capacity building, higher education for policy analyses, planning, management, and all other related fields which will meet a good combination of policy making-planning- and its implementation, as well as operational undertakings.

4.3.2 A Sustainable and Comprehensive Approach in Tourism Planning, Development and Operation

Sustainable tourism in the context of this Strategic Plan represents an approach that is applicable to **all kinds of tourism, in all destinations** in consideration of the overall intent of the MDGs, the National Long Term Development Plan (RPJPN), and the tourism legislation and key policy directions of the Government of the Republic of Indonesia.

Sustainability requires economic benefit in balance with the conservation of natural and cultural resources and issues related to community welfare. Economic benefits should not only be seen quantitatively from gross income related to tourists expenditure, but also benefits to the economy for the central government, the local government, directly or indirectly through foreign exchange earnings, retribution, people's income as business providers, and workers in many different businesses under decent work conditions. People's welfare is also linked to other indicators such as the opportunity for infrastructure and facilities utilization which will otherwise not be available and also maintaining the prestige as host.

The sustainable approach has to put the community and the people as the key subjects of development aiming for the **satisfaction of the host communities** interacting with tourism development before offering satisfaction for tourists. The development of the less developed regions, poverty alleviation, and improvement of community welfare are to be prioritized. Planning for sustainable tourism needs to take the pro-poor, pro-growth, pro-jobs, and pro environment spirit of the government into account.

Tourism may not grow without the support of prepared communities and other sectors. It is therefore necessary to ensure that **all sectors are heading in the same direction, with the same mindset**. Intersectoral linkages are an important condition for tourism to grow. Tourism as a system must be developed in a holistic way, not only from the industry point of view, but from the destination with the community in it and the institutions which include the human resources, the organization, and the rules, as well as the market.

Tourism industry development requires integratedness between tourism policies as set up by the Ministry of Tourism and Creative Economy and other regulations issued by other ministries: Ministry of Industry, Ministry of Trade, as well as Ministry of Manpower and Transmigration, and not disregarding those related to environment and cultural heritage protection. Integratedness is also needed among different types of industries (accommodation, travel and transportation, food and beverage and others), including particular creative industries in order to achieve a good combination for a tourism product as a whole. The industry should be in line with the nature of the attraction as the core of the destination, and not only consider the published regulations, but also the local norms and values, as well as appreciate local wisdom.

Integration is also needed between central-provincial, and local governments to synergize scarce resources and policy development areas. A strategic institutional issue is the **leadership** at all levels. Tourism officials at various levels should understand what a **tourism system** is all about and how their professional efforts can contribute to the achievement of the nation's goals. A minimum standard competency is crucial, not necessarily something related to degree, but most important is to have a vision, skills, and knowledge about the condition and situation under the jurisdiction of one's authority. Having knowledge about other regions is also an advantage to learn about and be aware of competitive destinations. Another issue is manifested in the tourism organization in provincial and local governments and its relation to the central government for coordination. Problems in coordination may be less significant if everybody in the administration understands the holistic tourism picture, to know where to go, what to coordinate, with who to cooperate, and which Ministry to address.¹³

At the operational level, prime destinations are crucially in need of having a management plan such as the DMO process being undertaken by MoTCE, which covers the scope of community, visitors, businesses, and environmental management.

4.3.3 Sustainable Tourism and Economic Development Planning

At the national level, the economic development strategy under the corridor approach has put tourism in the Java – Bali – Nusa Tenggara corridor in the focus, meaning existing development achievements in Java and Bali are to be intensified and extended further to the East. This approach is meant to accelerate economic development in which tourism is considered as potential contributor. Indonesia can learn lessons from the experiences in the 1980s and 1990s, when tourism was developed under a 'boosterism' approach. Based on the high growth rate of international tourism (arrivals) and faced with the need for hard currencies, (international) tourism was mainstreamed and all possible supports were issued to boost tourism in terms of arrivals. Among the mechanisms to support tourism policies land acquisition for tourism was eased, access to financial resources (credits) with special rates of interest, permits and all administrative requirement were loosened to encourage further investment in the tourism related sectors. Without appropriate preparedness and consistent control, tourism was developing rapidly, and in some cases in a way which some observers saw as uncontrolled. Investment in tourism, especially in the hotel industry was booming, mostly concentrated on the Riau Islands (Batam and Bintan), Jakarta, and Bali and to a lesser extent in other big cities and popular destinations. But to spread the benefits and opportunities of a balanced and diverse tourism sector, the industry needs more than merely international standard hotels. Tourism resorts were planned in many regions with at least 10 listed and developed as such with the hope that

¹³ At the provincial and more over at the district or municipalities level, the organizational units for tourism in the administration vary widely between one region and another. Changes at the national level may not be followed at the local level.

another ‘Nusa Dua’ would emerge in other places. None of the aspirations came true. The outcome is a concentration of tourism more intense in Java and Bali which in some cases exceeds carrying capacities by far. Destinations like Borobudur are burdened with mass tourists looking for a recreational park. Potential regions in other parts of the country were and still are developing at a far lower ‘speed’. Driven by public policies, the economic target has encouraged all stakeholders to achieve the targets at all environmental and social cost. Despite the success in achieving the economic goals, the impact on local environments, cultures and societies left many questioning the sustainability of the development approach. Only after the national crisis at the end of the 20th century, environmental and socio-cultural impacts became of more importance and development interest in regions outside the Java-Bali corridors also started growing.

The point is that tourism may become an economic driver, but growth needs to be sustainably managed. Indonesia has a wide range of attributes in many locations so that the country does not necessarily have to rely only on certain tourism development corridors. It is important to note that it is not the speed that matters, but the quality of development is more important. A new development paradigm to support the green economy movement as intended in Rio +20 must be formulated.

4.3.4 A Regional (ASEAN) Approach to Implement the Global Initiative on Sustainable Tourism

Indonesia, with more than half of the islands in the region, and one third of the ASEAN population, finds itself in a strong position to bring the issue of sustainable tourism development onto the ASEAN table. Malaysia, Thailand and Singapore have experienced substantial inbound tourism growth in the modern era, but there are countries like Cambodia, Vietnam, Laos, and Myanmar which are also keen to accelerate their tourism industry. Certain parts of Indonesia face the same challenge. There are already institutional arrangements for the management of bordering regions with Indonesia’s neighbouring countries like The BIMF-EAGA (Brunei, Indonesia, Malaysia, Philippines – East Asia Growth Area), and the IMT- GT (Indonesia, Malaysia, Thailand Growth Triangle).

For a long period, Indonesia has been the leading country for Manpower Development for ASEAN. The idea of having an international program among selected universities on tourism education in the ASEAN countries, where students may register in any country and move to another member country to get international experience as well as to nurture the ASEAN culture has ever been put forward. In doing so, it is hoped that tourism related human resource mobility within the ASEAN countries may not become a problem for the support of the ASEAN spirit. Additionally, business players should collaborate in developing ASEAN sustainable tourism packages, integrating and synergizing different elements from different countries for better competitiveness in the wider market. ASEAN cooperation on tourism is strong and several common initiatives such as the STOM-NTOs Cruise Working Group, ASEAN Joint Marketing Programme ASEAN as a Single Destination, ASEAN

Communication Team for Tourism, ASEAN Task Force on Tourism Investment, ASEAN Task Force on Tourism Manpower are well in place.

Six key issues, which lately have been discussed in ASEAN Senior Official Meetings are: (1) Marketing ASEAN Tourism, (2) ASEAN Standards, (3) ASEAN Cruise, (4) ASEAN Communication, (5) ASEAN Human Resource Development, (6) ASEAN Tourism Investment.

Key Messages of Chapter 3

- People's welfare, identity, quality of life, value added, conservation of art and cultural resources, and international cooperation are key elements of Indonesia's Sustainable Tourism Vision.
- New Key Policy Dimension are being introduced
 - In line with the pro-poor directive within the national development agenda, tourism is expected to play an important role in **poverty reduction**, especially in destination areas.
 - The understanding of and commitment for **Green Jobs** supporting an adequate transition for workers and employers towards a low carbon, climate change decelerating, environmentally friendly, and socially respectful development in Indonesia is a crucial part of the sustainable tourism strategy and should be mainstreamed into policy.
 - The achievement of **Decent Work** is an important part of sustainable tourism and the pro-poor and pro-employment agenda..
 - **Youth** as potential travellers, educated and skilled present and future human resource and activists for sustainable tourism development shall be fostered.
 - **Gender mainstreaming and child labour prevention** are two significant goals to be emphasised within the tourism development agenda in Indonesia.
 - In order to achieve a consistent path of development, **guiding standards** for sustainable tourism must be developed and implemented.
- A **comprehensive Human Resource Development Planning** is the basis for a successful knowledge based industry and foundation for sustainable development.
- A **sustainable approach to tourism** development in line with MDGs, the National Long Term Development Plan (RPJPN), and the tourism legislation and key policy directions of the Government requires economic benefit in balance with the conservation of natural and cultural resources and issues related to community welfare.

CHAPTER 5

STRATEGIC FRAMEWORK

Chapter Overview

This section sketches the strategic framework enabling the implementation of sustainable tourism policies proposed in the previous section. The main policy and planning dimensions as covered in chapter 3 are discussed on a strategic level. Furthermore administrative basics as the institutional and financial structures, planning approaches for development, support systems, and also economic principles such as competition, market analysis, resources, constraints etc. are examined. Also the link for the integration into the national and local development strategies is drawn. As an outcome of this section concrete strategies for an implementation of each subsection tailored to the Indonesian context including the roles of stakeholders are developed for each part. These strategies represent a guidance upon which national/provincial/local governments can base their policies for sustainable tourism development.

5.1 Strategic Framework for Indonesia's Sustainable Tourism

The complexity of Indonesia due to its size and diversity of the people and the geographic realities of the region puts tourism in a special position. Tourism is more than just the non-oil and gas foreign exchange earner, it is a national economic driver generated by domestic and international demand. Many policy and legal documents consistently mention the role of tourism covering the unity and unification of the nation (*kesatuan dan persatuan*). In this regard, the socio-cultural dimension is becoming more relevant for Indonesia's tourism sustainable development.

The tourism industry has been growing and developed in a way to respond to steadily growing demand at the international, national and local level. The increasing push of market driven demand has allowed capital intensive tourism to be developed in most visited destinations. Even though this has shown benefit for the government and some individuals, it also cause threats to the destination sustainability and may represent a burden to the majority of the host community through

increased costs of living.¹⁴ It is therefore necessary to change the thinking - **from tourism as a resource based industry which may create a further burden to the resources concerned into tourism as a knowledge-based industry with greater value added** - which will have the influence on how tourism resources are being consumed. Appropriate knowledge about tourism resources is expected to increase the responsibility of all stakeholders, without lessening the enjoyment and the experience while visiting a destination, but making the visit more meaningful.

The regional autonomy policy that was started in 1999 when Indonesia was looking for better governance is still in the process of maturing. In line with the regional autonomy the bottom-up approach in regional and local development is becoming more important to balance the top-down approach. The size of the country and its diversity require not only perspective as a responsible member of the global community, but also regional and local knowledge. **Think globally and act locally**, as well as **think locally and act globally** are both to be applied. Even though regional autonomy has been in place for over a decade, regional and local capacity in directing tourism development is still in question. The old culture of doing things and waiting for a top down direction is still taking place in some regions. The multidimensionality of tourism requires officials to know the 'outside world' in the view of other competitive tourism destinations in their own country as well as in other countries - while understanding the local situation, potential, and challenges. Unfortunately, even the top rank officials may not have travelled widely within the country¹⁵, even if they might have travelled abroad. Even if they do travel they may not travel for the appropriate experience and learning needs. The lack of capacity of the locals and the lack of local knowledge and understanding of the central government may create perception gaps and misunderstanding. The diversity as well as the uniqueness of each region require an initiative of the local governments to identify their potential to appeal to potential tourists, as well as understand their specific problems, issues, and opportunities which distinguish their localities from others. Practices in replicating successful destinations with the hope that it will also happen in their localities must be done carefully and contextually. Lessons have been learned from the past experiences and it is still the case today where Bali is becoming a model, which other provinces are eager and encouraged to replicate. It may not work that simply.

Unfortunately, the autonomy movement, in one way or another, has broken the existing system of national data development. The central government faces difficulties in receiving data from regions. Even databases on tourism attractions still need to be updated and systematized. More resources to become tourist attractions are identified from time to time. For example, the Raja Ampat diving spot in Papua had not been on the list until the late 1990s. It is very likely that many local resources are not known at the provincial and national level because of the lack of capacity for identification or communication. Most of the time identification is initiated by experts from various disciplines as for instance the geo-resource potential for geoparks.

¹⁴ An informal interview with workers in the Nusa Dua Area mentioning talking about unaffordable room rents which force them to commute from their village to the workplace.

¹⁵ It is most likely that no one in this country has ever travelled to 383 districts and municipalities in the 33 provinces.

Tourism is frequently marketed as a **labour-intensive and green industry**, terms that are often used in looking for political support. The fact that the tourism industry may not be as such a universally ideal undertaking still needs to be kept in mind. The jobs created and the processes of production must be reviewed whether decent work is provided for the people and whether the processes are really friendly to the environment and the communities in the destinations. In terms of whether tourism practices are green or not, activities need to be controlled and monitored.

5.1.1 Key Strategy 1: Change of Mindset

The change in people's mindset and awareness is the core strategy which plays an important role in strengthening and laying down the direction of the Indonesian sustainable tourism development.

The key strategy 1 encompasses promoting a change of mindset of tourism stakeholders on many aspects of sustainable tourism development. The frame of thought includes the following set:

- i. Tourism is not the goal, it is the **means to achieve the goals of people's welfare and quality of life**;
- ii. In the administrative system, MoTCE is the focal ministry for tourism development policies, but the multidimensional aspect of its development demands a **multi-ministerial concern, as well as multi-level governance**;
- iii. Tourism development is a long term process. Policies and plans need to be directed towards **long term goals and objectives**; with short term planning being part of it. Long term orientation needs to be based on a clear vision, it is neither just a problem solving agenda nor targeted to short term development and market demand;
- iv. Tourism is a multidimensional phenomenon, as it is suggested in the concept of sustainable tourism development, the importance of the socio-cultural aspect is not less important. The role of tourism in nation building, uniting the people from different regions; travelling and seeing other parts of the country is deemed necessary for mutual understanding in the unification of the people; this means that **domestic tourism is not less important than international tourism**;
- v. The paradigm of developing tourism industries not as a resource based, but instead a **knowledge based industry**. Tourism industries are not only being labour intensive and

can lead to quick yields, unless major investments in infrastructure take some years to enable a return on investment, but also mainstream business opportunities for the micro, small and medium enterprises, while also proving tourism as a green industry and balancing the industry's composition and long term benefit.

- vi. The autonomy is **not only transferring the authority** for decision making in tourism development to local governments, it also requires **responsibility in the development to be in line with the national policy**. On the central government side, even though some tasks have been transferred, there remains **the need for control**, whether the transferred tasks are being executed properly.

The essence of this strategy is to make all stakeholders aware that thinking out of the box is of paramount importance. It is not enough that each party is conducting 'business as usual' 'staying conveniently in the comfort zone' with a steady growth of international as well as domestic tourists.

Sustainable tourism which has been known is used as a means to direct new development and redirect the deviating former development, underlining new dimensions that have been getting inadequate attention before.

Strategic Follow Ups:

- Raise awareness at all levels on the frame of thought of sustainable tourism through different kinds of media and use of respected or popular individuals as spokespersons.
- Prepare a national guide for sustainable tourism and build consensus on it.
- Make use of any established inter-ministerial forum or establish one and a communication system with the administrations and communities at the local level.
- Empower the local and provincial governments on the implementation of sustainable principles including the satisfaction of the local people.
- Promote, enforce, and monitor sustainable practices consistently and work on worker's attitude at any possible opportunity.
- Develop an employers association for the tourism supply chain industries and a workers/employees association, linked to the Chamber of Commerce or APINDO.

5.1.2 Key Strategy 2: Sustainable Tourism Indicator Adaptation and Adoption

As a consequence of the changing mindset, performance indicators commonly used before are not enough. A new set of performance indicators must be developed, referring to the available sources and put into the Indonesian context. Performance indicators for tourism development need to be identified for each level - national, provincial, and local. An indicator which is important and suitable at the national level may not be applicable at the local level and the other way around. Even

if the measurement is not simple and easy, impacts to the socio-cultural life and environment must be included. In terms of economic indicators, the level of leakage represents an important indicator for further tourism investment policies. “Indicators for Sustainable Tourism” prepared by the UNWTO as summarized in Chapter 2 and attached in Annex 7 can be referred to as well as the Green Growth Indicators from OECD. The Global Sustainable Tourism Criteria as minimum universal guidelines can also be used as a basis for developing an indicator model. Additionally, it is important to include indicators that relate to the new policy dimensions: **poverty reduction, decent work and green jobs, youth employment, gender mainstreaming, and child protection.**

Appropriate success factors to indicate what makes performance successful should also be agreed on. Tourism performance is a result of many stakeholders. Integrity among all stakeholders in moving towards the achievement of the tourism vision, optimal synergy between public and private sectors, between big and small industries along the value chain, consistent rules and regulations are all part of the monitoring and measuring to balance the interests of all stakeholders. Therefore the new set of indicators should be communicated and agreed among stakeholders.

Strategic Follow Ups:

- Build a national technical committee to discuss the indicator system.
- Identify and select performance indicators, including socio-cultural success indicators, environmental-related indicators (natural as well as built environment), in addition to the economic indicators.
- Develop special indicators for Decent Work and Green Jobs within sustainable tourism, engage international agencies such as UNEP and OECD, which are working on similar programs.
- Specific indicators should also be added to the evaluation of local destinations’ success.¹⁶
- Research the existing situation and evaluate rules and regulations consistency and implementation of tourism related programs in different ministries as well as between public and private sectors, and the role of the informal sector.

5.1.3 Key Strategy 3: Accustomization of the New Mindset on Green Jobs and Sustainable Tourism

Changing the mindset is not a simple process. It is not enough that only one party of the stakeholders is changing without convergence of the others. Accustomization is needed for all parties, the government, the industry, the people as host as well as the tourists themselves. The government has to change the mindset while formulating its policies and laying down the plan for implementation. The government must take the lead and industry associations have to be accustomed

¹⁶ The case of tourists visiting the Borobudur Temple in Central Java, but staying in Yogyakarta, which is another administrative unit.

first. The government and the associations must establish criteria of sustainable tourism in policy making, planning as well as in decision making.

The government therefore has to create an effective communication and coordination system and an integrated inter-sectoral management for sustainable tourism. The Ministry of Tourism and Creative Economy, Ministry of Forestry, Ministry for the Protection and Management of the Environment, Ministry of Trade, Ministry of Education and Culture, Ministry of Women Empowerment and Child Protection, and other ministries as well need to support the government's goals in tourism with the same new mindset. The central and the local governments are leading in the roles of directing and managing sustainable tourism development, using agreed multi-dimensional indicators. The government at all levels should enforce rules and regulations effectively and equally (non-discriminative). The local governments must be more sensitive to community needs, which cannot be aggregated at the national level, as a return to the request for hospitality for the tourists.

The tourism industry has to synchronize the economic objective with natural resource conservation and the environment, the socio-cultural values in the formulation of their vision, mission, policy, plan and in the decision making processes. The tourism industry therefore needs to accustom themselves or through their associations to sustainable practices. Informal sectors require more attention and assistance.¹⁷

Workers have to be informed through upgrading or attitude training to be aware of all their rights and responsibilities in the sustainable work environment. Other groups of communities who may be directly or indirectly involved in the tourism undertakings also should be encouraged to maintain SAPTA PESONA¹⁸ which has been in place since the 1980s – not only for the tourists' sake, but also for their own convenience and dignity.

As far as the tourists are concerned, basically, a national campaign for environmental and community friendly behaviour is needed to influence tourists' activities, choice of products, use of water and electricity and others. Such a campaign may also influence tourists' choice of destinations as well. Some guidelines for travellers which outline messages for tourists at accommodations, restaurants and other sites about culture, dress code, food and drinks as well as shopping are already in place.¹⁹ Tourists' demand for green products will help the industry to move towards green product and services.

Another important dimension of tourist education is encouraging and fostering domestic travel, not only for the Indonesians but also to encourage international tourists to spread their experiences and economic benefits around the country. Tourists must be introduced to the tourism

¹⁷ A case in Surakarta/Solo for example proved that this is manageable and the local government under a community concerned leadership has been successfully communicating with the informal economy. It takes a long process but it is doable.

¹⁸ SAPTA PESONA is the country's slogan, introduced in the 80-ies in promoting awareness of the public, consists of 8 (sapta) principles to become attractive for tourism: beauty, cleanliness, orderly, safety and security, hospitality, availability of memorables (souvenirs).

¹⁹ Adapted from Traveler's Code, Friends of Conservation, UK, in SECTORAL AGENDA 21 TOURISM, Agenda for Developing Sustainable Quality of Life.

ethics. The importance of domestic tourism as mentioned earlier lies in generating economic impact which is distributed wider and reaches the bottom-line of the informal sectors. It also improves the knowledge about the country and the nation and plays a role in uniting the nation. Domestic tourism can have manifold benefits: (1) economic benefit from tourist spending, (2) environmentally in terms of increasing local citizens' awareness in conserving natural and cultural heritage of Indonesia (3) decreasing impact of seasonality and imbalance tourism development and encouraging growth of less developed regions, (4) improved understanding among different cultures.

Strategic Follow Ups:

- Build on existing campaigns and introduce guidelines and/or standards for sustainable tourist behaviour. To support such campaigns for consumer behavior, the government and the tourism industry should also give incentives and marketplace advantages for the industry to support sustainable tourism practices. Develop and disseminate a sustainable tourism traveller's code to the widest possible extent.
- Make the case that implementing sustainable development practices will not increase (or may in fact decrease) capital and operational expenses, thereby reducing project costs and increasing profitability. Show that consumers value sustainability enough for it to factor into their decision making process. Without demand, developers and providers are less likely to make the choice to adopt sustainable tourism strategies.
- More experiential tourism products which have an informing benefit such as ecotourism, geo-tourism, rural tourism, heritage tourism must be developed and access made available.
- Introduce an Indonesian domestic tourist campaign promoting visiting other parts of the country, instead of travelling overseas, buying local products at destinations rather than imported goods and services. Promote domestic tourism to all provinces, especially the least visited. Youth is to become the main target.
- Include issues of sustainability in academic curricula of all tourism education and training programs.

“There is no such knowledge of the nation as comes of travelling it, of seeing eye to eye its vast extent, its various and teeming wealth, and above all its purpose-filled people”

(Stephen Merrit, 1892).

5.1.4 Key Strategy 4: Introduction and Enforcement of Management Mechanisms

A management strategy is needed to achieve the goals and objectives of all strategies stipulated in this Strategic Plan and beyond. A changing mindset and a set of indicators for sustainable tourism need to be followed up by real effective actions. Management is done through strategic planning and regular monitoring, which will indicate whether corrective action is needed.

Monitoring requires measurement of indicators. The available data is usually very limited, making monitoring and evaluation difficult. In addition to the socio-economic data, data on socio-cultural aspects and environmental indicators have to be collected regularly and systematically.

Another mechanism that may play a role as part of the management strategy is the incentive-disincentive scheme. Within this system incentives are given to those who have shown significant enhancements in their operation as well as those who have set up standards for the sustainable practices. On the other hand disincentives can be imposed on those who do not comply with the stipulated standards. The management strategy is aimed at enforcing the sustainable indicators to be effective.

Strategic Follow Ups:

- Develop a database for a decisions and a policy support system through measurement of sustainable indicators.
- Encourage the industries to provide data related to their operations for monitoring and control purposes. Reliable information will be needed for proper policy formulation. Policies which are based on wrong unreliable information may inflict financial loss to the industry or may damage the destinations.
- Institutionalize strategic management mechanisms for sustainable tourism development. The local community may play a role in the mechanism (social control).
- Implement an incentive and dis-incentive system.
- Introduce visitor management and control, limiting duration of visit and number of persons in specific times, providing audio-visual briefings before entering sensitive sites.

5.2 Implementation Strategies for Sustainable Tourism Development

With the changing mindset, a new set of indicators, change of stakeholders behavior, strategic management and control mechanisms, and equipped with tailor made guidelines, another set of strategies are needed for its implementation.

Implementation Strategy 1: Mainstream and Promote Green Jobs through Sustainable Tourism

Mainstreaming and promoting green jobs through sustainable tourism cannot be done in isolation from the other related programs. Cooperation with the Ministry of Environment who after the Rio +20 conference will have a national meeting to share responsibilities among the ministries to realize “The Future We Want” agenda. The Ministry of Environment also proposes a concept of “Blue Economy” which is applicable for Indonesia’s marine tourism. The Ministry of Manpower and Transmigration, is a close partner in human resource development for sustainable tourism, while the

Ministry of Home Affairs is considered as most appropriate partner for the implementation at the local level.

By mainstreaming, promoting, and supporting Green Jobs in tourism development within the national tourism policies as well as with the industry, the objective of productive work in conditions of freedom, equity, security and human dignity and lessened negative environmental impacts within the sector for the formal as well as informal sphere shall be reached.

Strategic Follow Ups:

- Mainstream Green Jobs in the national labor, social and tourism policy and promote the four pillars of decent work i.e. employment creation, right at work, social protection and social dialogue in tourism industries.
- Mainstream and promote Green Jobs through Sustainable Tourism in cooperation with the Ministry of Environment, Ministry of Manpower and Transmigration, Ministry of Home Affairs and industry associations.
- Educate and inform the existing tourism industry about the needs and benefits to improve their business through quality ‘decent green tourism jobs’ and opportunities for vulnerable groups.
- Promote the capacity of tourism stakeholders to engage in dialogue on Green Jobs through increased access to reliable sources of data and information on Green Jobs and training, including the environmental impact of environment-related policies and good practices on Green Jobs, and conduct demonstration programs which respond to different needs of women and men in the tourism sector.
- Further encourage the local government to get information on the informal sector. The informal sector using public space needs to be accommodated in proper places of work at affordable cost, especially in prime destinations.
- Develop guidelines in cooperation with MoTCE, MoE, and MoMT, while implementation of the guidelines needs to go through the Ministry of Home Affairs to cope with the administrative system.

Implementation Strategy 2: Prioritize Poverty Reduction in Tourism

Poverty reduction by the means of sustainable tourism complements Presidential Directives, the National Long term Development Plan (RPJPN) and strategies for the achievement of the MDGS. The strategy for poverty reduction in tourism involves (1) monitoring and evaluating the environmental impact of tourism, (2) promoting local ownership and local sourcing, (3) supporting formal local and rural employment (on and off-farm employment related to tourism: ecotourism, agrotourism), (4) strengthening collaboration and communication, (5) addressing current work deficits. Its objective is the poverty reduction for the local community, protection of natural and cultural resources and ways of life.^{xxxiii}

Strategic Follow Ups:

- Leverage the current work of the Ministry within the Ministry's PNPM program areas in order to identify disadvantaged regions that have tourism potential and support their development by promoting tourism as an option for community non-farm activities and provide the community with empowering counterparts or facilitators.
- Promote local ownership by facilitating access to finance through credit and loan facilities for the poor, aiming for fair economic returns on the resources the communities are managing with a special attention to providing access for youth and women.
- Support formal local/rural employment through the development of job outreach programmes that help educate and inform the local/rural population about job prospects in the tourism industry and related sectors, as well as about the consequences and risks of informality.
- Strengthen collaboration and communication between the tourism industry and local/rural communities to link the communities with distribution networks in the tourism industry, assist the communities in continuously building their capacity to provide a tourism/hospitality service and facilitate the provision of food, goods, services or infrastructure by communities to help them better understand the needs of the industry.
- Work with development organizations and the industry partners on pro-poor job creation in order to increase:
 - (a) **Economic benefits:** 1. Boost local/rural employment and wages, 2. Boost local/rural enterprise opportunities (both individual and group basis), 3. Create collective income sources – fees and revenue shares);
 - (b) **Enhance non financial livelihood impacts:** 1. Gender responsive capacity building and training, 2. Mitigate environmental impacts, 3. Address competing use of natural resources, 4. Improve social and culture impacts, and 5. Increase local/rural access to infrastructure and services to improve livelihood condition; and
 - (c) **Enhance participation and partnership**²⁰: 1. Build pro-poor partnership with private sector and 2. Increase participation of the poor in decision making.

Implementation Strategy 3: Enhance Opportunities for Youth Employment in the Tourism Sector and Youth Tourism

The Ministry For Youth and Sport is an ideal partner in fostering youth tourism as well as youth employment in the tourism sector, since it also has a special division for youth empowerment.

Support the potential of youth as travellers and as human resource for the tourism sector as well as active participants in promoting and supporting sustainable practices. The strategy aims at an educated and participating youth, who are aware of sustainability in their activities as travellers as

²⁰ Bali DWE (Desa Wisata Ekologis) is a guideline for a joint management of potential villages in Bali to boost local/rural employment development of microbusinesses, preserve cultural values and resources, environmental friendly operation and aiming at local standard and certification to improve people's livelihood.

well as having the capacity to join the sector as skilled work force with the ability and attitude to realise sustainable concepts in management and operations and building future tourism systems.

Strategic Follow Ups:

- Facilitate youth employment after conducting a labour market survey on youth employment in the tourism supply chain industries (e.g. Promote holiday labour market desk to bridge the tourism industry with the students/youth interested to work).
- Direct policies to educational institutions to conduct appropriate training needed as regular programs, including the continuing education programs which re-open the opportunities for the drop outs that is synergized with a policy on apprenticeship for tourism trainees and job placement.
- Develop policies on integrated and comprehensive entrepreneurship training (using the ILO – SIYB/Start and Improve Your Business modules) for young potential entrepreneurs and entrepreneurs in the supply chain industries, business coaching, supported by policies on the local business regulations and access to finance for young entrepreneurs. Offer special incentives to young people to become sustainable tourism entrepreneurs.
- Facilitate youth travel by provision of standard youth hostels in each province, student rates for interregional public transportation, and user friendly information on educational destinations including inter-provincial youth exchanges.

Implementation Strategy 4: Support the Ministry for Women and Child Protection in Combating Gender and Child Protection Issues

Mainstream gender equality and child protection in all spheres of the tourism sector and put men and women in an equal position by enabling access to gaining better skills and knowledge. The goal is for women to reach better payments, equally to men in the same position with the same skills and better conditions of work. Furthermore the protection of children of working women and a complete elimination of any kind of child labour is targeted.

Strategic Follow Ups:

- Elaborate the linkage between the MDGs, in particular MDG 1b and 3a²¹, including the achievement of MDGs currently prioritized by the government of Indonesia, which could provide an additional framework on how the policy for sustainable tourism in Indonesia can be developed.
- Promote and conduct a gender analysis in the tourism industry in Indonesia, in particular on how men and women actively engage as human resources and as partners in work and in the family. In brief, on issues such as access, opportunities, and values. Further elaborate the link with RPJMN 2010-2014.

²¹ MDG 1b addresses the creation of productive and decent work, especially for women and youth and 3a addresses eliminating gender inequality in education.

- Elaborate the preliminary findings of Women and Tourism (UNWOMEN, UNWTO) 2011 to be used as a reference on how to develop sustainable policies for Indonesia for sustainable tourism with regards to gender and use the fact that 8 core ILO convention have been ratified by the government of Indonesia as a reference to strengthen the objective of sustainable tourism in particular in relation to decent work.
- Enforce the law on gender mainstreaming in the tourism industry and its supply chains by e.g. developing gender equality tools, using GEMS (Gender Equality Mainstreaming Strategy) and a participatory gender audit (PGA) based on ILO PGA tools for tourism industries and child labour elimination tools and a Child Labour Monitoring System (CLMS) to be used for tourism industries. Conduct awareness trainings for all tourism industries regarding the elimination of child and forced labour, child sex tourism, and trafficking of children.
- Develop capacity building and skills training schemes for female workers in tourism, while also encouraging their children to continue schooling. Support maternity rights at work in the industry as well as children health programs.

Implementation Strategy 5: Implement a System of Voluntary Codes/Standards for Sustainable Tourism

The strategy is threefold and proposes the application of the Code of Ethics, the development and application of standards and the development of a certification program. It targets a consistent path in tourism development with an ease in good interaction between all tourism stakeholders following the standards.

Strategic Follow Ups:

- Development of comprehensive and institutionalized (legalized) sustainability standards/guidelines for products, services, and processes for tourism in Indonesia. Such standards should represent a form of guidance for sustainable tourism development and can also be used as the basis for certification and labeling, hereby, an emphasis on special standards for environmental and socio-cultural issues is important. Conduct monitoring and continuous evaluation to guarantee compliance in the long run.
- “Translation” of these standards in industry and consumer education materials that are easily readable and disseminated together with the Code of Ethics to local governments and tourism business providers. Practical education materials need to be made available and easily readable by all stakeholders.
- Development of a certification system for tourism businesses based on the tourism standards and codes of ethics and conduct monitoring and continuous evaluation to guarantee compliance in the long run.
- Foster a central, government backed and resourced, institution providing such certification, which offers support for tourism providers in achieving the certification goals. Too many

different certifying institutions lead to confusion and lower the value of each. Another option here is to set standards for certification companies to reach and have a central government function to manage compliance from the eco-label providers – it does not necessarily have to be the government that provides the certification, rather it can certify the independent certification/ecolabels operating within Indonesia

- Create a label for sustainable tourism certification in order to ease consumer's identification of relevant products and services and promote this label using popular media and by direct information to the tourists by tourism centers, tourism providers, tour guides etc.

Implementation Strategy 6: Set Tourism Related Education, Training and Research as priority in the National Education and Research Agenda

Sustainable tourism and tourism as a knowledge based industry require the support of appropriate human resources in the public and private sectors. Appropriate education and training for all stakeholders at all level is critically needed. Research under a clear roadmap is crucial to support various level decisions. The growing trend of education and training providers based on the rising demand of the growing population should not lead to a mis-match between the output and the human resource need of the sector.

Strategic follow ups:

- Develop a cross sectoral committee (interministerial, business and other relevant associations) to discuss the points below.
- Monitor and evaluate the existing tourism education and training as well as research on tourism and hospitality.
- Set education for tourism as priority in the national education program and develop a single integrated system for tourism and hospitality education, training and research, accommodate all present undertakings and benchmarking.
- Prepare a thoughtful research roadmap and integrate it into the higher education research program.
- Develop green skill competency standards for every tourism sub-sectors and integrate them into the education and training curricula.
- Provide scholarships for lecturers and instructors for further education in tourism related fields and scholarships for youth to study tourism, especially those from prime destinations, also to encourage the study on specific fields needed.
- Destinations must be provided with basic education services, with curricula to include local contents related to tourism. Open opportunities for training for trainers programs in various tourism-related fields. Facilitate links of universities and other educational institutions to local governments in order to cooperate in training and becoming the local government official's counterpart to share knowledge and experience from each other.
- Assess guidelines for benchmarking and certification of tourism and hospitality courses.

- Strengthen the entrepreneurship education within the tourism education programs to foster new businesses.
- Promote an ASEAN-wide sustainable tourism research network and educational system with interregional tourism programs and scholarships.

Implementation Strategy 7: Identify Potential and Committed Provincial and Local Partners

It will be impossible for the country to develop tourism in all administrative units at one time. Indonesia consists of 33 provinces, and 387 districts and municipalities and an emphasis on sustainable tourism development should be made according to an area's potential, preparedness and priorities. This strategy can also be linked to the poverty eradication objective as well as the National Strategic Areas (KSN in the National Spatial Planning) and The National Tourism Strategic Areas (KSPN) as identified in the National Tourism Plan that both have become legal documents. The Government Regulation on the National Tourism Development Plan has indicated 50 national tourism regions (KPN), within which there are 212 zones, with 88 designated as KSPN. The 88 KSPN are in a different state of development, access to market and type of attractions.

Strategic Follow Ups:

- Respond to local governments who have commitment and cooperate in developing new destinations for future markets as well as improve the quality of existing destinations. Both are to be based on sustainable principles and criteria in supporting the goals to reach the vision.
- New destinations need to put the community needs for the locals' well being as the main goal, while in existing destinations, the performance of tourism should be monitored from the perspective of whether it contributes to an increase in community quality of life and welfare.
- Extend the existing DMO programmes of the MTCE for pilot projects for effective central-provincial and local cooperation in sustainable tourism development.
- Priority in developing or supporting the development of KSPN as well as supporting strategic zones at the provincial level needs to be set. Priority might be stem from a national interest, nevertheless support and commitment of the related provincial/local government is crucial. Local initiatives need to be supported as well.

Implementation Strategy 8: Conduct Selective and Creative Marketing

Indonesia's marketing has achieved a steady growth of domestic as well as international tourism. Indonesia targets a wide geographic as well as psychographic market. Effective competitive destination marketing requires substantial budget allocations, which needs to be setup wisely and effectively. For the long term perspective, adequate investment in market research is a

must for selecting a cost effective and creative marketing strategy as well as identifying new potential source markets.

Strategic follow ups:

- Put more attention to the niche upmarket, which is **price and cost insensitive** with a view to quality products. This more educated segment also requires a valuable experience, more than just mass recreation.
- Make use of Indonesia's main international market, which is Asia and the Pacific with a high possibility for repeated visits and at the same time create thematic products as such to enhance repeated visits and longer length of stay.
- Develop new sustainable tourism products for the traditional long haul market, with more emphasise on the product quality and sustainable processes.
- Establish special arrangements and efforts to improve tourism seasonality and increased productivity.

Implementation Strategy 9: Apply a Sustainable Approach in Tourism Planning

The sustainable approach proposes the community and the people as the key subjects of tourism, transforming the success indicators to include qualitative measuring. Such a development aims at the satisfaction of the host communities interacting with tourism development at the same time as offering satisfaction for tourists. Reviewing regional and local tourism plans regarding their sustainability approaches and making corrective actions is essential, especially for those in strategic locations. E.g. bordering provinces to other ASEAN countries with tourism potential should work on aspects with a stronger competitive advantage in the ASEAN context. Indonesia with a strategic and strong position in ASEAN should seek for maximum benefit from the region. Cooperation with Singapore as one of the distinguished tourism capitals in Asia needs to be strengthened.

Strategic Follow Ups:

- Put tourism planning and development under a coordinative unit in the regional and local administration. Initiate task force teams on green tourism at the national, provincial and district levels to develop "green tourism action plans" for their respective areas.
- Revisit regional and local tourism development plans available for transformation into a sustainable ones.
- Develop destinations in an appropriate way following a consistent sustainable tourism development plan and avoid uncontrolled growth boosted by economic reasons.
- Accompany economic liberalization with strict control and monitoring mechanisms and early warning systems for redirection.
- Prioritise based on a destination's potential to contribute to the national development goals in poverty alleviation and employment creation for the Indonesians in general and the locals in

particular. Align tourism development and targets with the conditions of the local destination.

- Encourage local and national investors, empower mini and micro investors. Foster healthy competition combined with constructive partnership.
- Revisit the BIMP-EAGA and IMT-GT scheme and assess further opportunities with regard to sustainable tourism.
- Consolidate internally and integrate effectively as part of the ASEAN destination and promote business cooperation on sustainable tourism within the ASEAN region. Use sustainable tourism as one way to promote and strengthen the ASEAN culture, cooperation and cohesion.

Implementation Strategy 10: Establish a Single Coordinating Body with Adequate Power to Synergize Inter-Sectoral Support Programs for Tourism Development

The main issue faced at different levels of governance is the lack of power of the tourism offices for coordination with related and or supported sectors. The legal base has been made available through the Presidential Instruction No 16-2005, the implementation of which needs a strong coordinative body that translates the instruction into more clear and defined programmes. Such a coordinating body is also needed provincial/local level of administration.

Strategic Follow Ups:

- Use the Instruction in a way to foster effective supports from the public sector and as a base for the transformation into sustainable tourism development and undertakings. New elements that have not been specifically mentioned may be amended.
- The Office of the Vice President is proposed as the coordination center to monitor delivery of all stakeholders concerns.
- Develop an amended instruction with an action oriented workplan, accustomed to new policy dimensions, plans and strategies.
- At the provinces and district and municipalities put planning for sustainable tourism under one unit with the coordinating function.

Key Messages of Chapter 4

The strategic framework for sustainable tourism development:

- Key Strategy 1: Change of Mindset of All Stakeholders
- Key Strategy 2: Sustainable Tourism Indicator development, adaptation and adoption
- Key Strategy 3: Accustomization of the New Mindset on Green Jobs and Sustainable Tourism
- Key Strategy 4: Introduction of Control (strategic management?) Mechanisms and Enforcement

The implementation strategies are closely related to the new policy dimensions:

- Implementation Strategy 1: Mainstream and Promote Green Jobs through Sustainable Tourism
- Implementation Strategy 2 : Prioritize Poverty Reduction in Tourism
- Implementation Strategy 3 : Enhance Opportunities for Youth Employment in the Tourism Sector and Youth Tourism
- Implementation Strategy 4 : Support the Ministry of Women and Child Protection in Combating Against Gender and Child Protection Issues
- Implementation Strategy 5 : Implement a System of Voluntary Codes/Standards for Sustainable Tourism
- Implementation Strategy 6 : Set Tourism Related Education, Training and Research as priority in the National Education and Research Agenda
- Implementation Strategy 7: Identify Potential and Committed Local Partners
- Implementation Strategy 8 : Conduct Selective and Creative Marketing
- Implementation Strategy 9: Apply a Sustainable Approach in Tourism Planning
- Implementation Strategy 10: Establish a Single Coordinative Body for Tourism Development

CHAPTER 6

AGENDA FOR IMPLEMENTATION

Chapter Overview

Sustainable tourism is not a matter that can be achieved in a short time, nor to be achieved partially. All stakeholders need to move together consistently in a **LONG TERM** program moving towards the **SHARED** vision and the goals. For this matter the agenda is grouped into four sections, consistently following the scope of tourism development as indicated in the Law No 9-2010 on Tourism: destination development, industry development, market development and institutional development.

6.1 Agenda 1: Move towards Sustainable Destinations

The community is the core of any destination. Tourism can be positioned as a means to achieve community well being, rather than a goal itself. Each destination has its own character, physically as well socio-culturally. Even though there are common administrative regulations, there is always a traditional system that may influence the way the institutional system is running.

(1) Community Development

Community mapping

As a basis for further actions, a community mapping needs to be undertaken. The goal of this is to understand the socio-economic as well as socio-cultural dynamics at work and knowledge of and insight into the potential of the community as well as their wishes. Community mapping should explore from within the community, to be able to analyse what will be put into the community.

Tourism based community development

It is suggested to center tourism undertakings around community development. Tourism may only benefit those who have the capacity to be involved in the production and delivery processes of tourism products in the destination area. Community development must focus on developing community potential rather than imposing on them what centrally is believed to be right. This means a change of mind from what they should do into what should be done to improve their capacity. The objective is improving the community well-being by making education, health, recreational services and other socio-cultural needs of the community as well as economic opportunity available for the community. Tourism is expected to become a source for community well being through various

kinds of direct or indirect contribution for the community's increased income and an opportunity for a better livelihood.

Community based tourism development

Community-based tourism development is meant to improve support for the community in creating tourism related businesses through training and empowerment and improved access to financial support and production processes. It is targeted that when a new destination is planned to be developed for tourism the community has to be informed and involved, and together with the community points where the community may benefit from the development must be identified. It is aimed at preventing any marginalisation of communities or elimination of existing livelihoods for the sake of tourism development. Community-based tourism development means developing tourism, but focusing on the community.

Foster intergroup level of empowerment

Economic empowerment is not about telling the people what to do and what to become. Rather, it is more important to dig out what the community's aspirations are. Follow economic empowerment based on these aspirations, not only through teaching, but also learning. Most of the empowerment programs are partial and instrumental, and have not been fully effective. Empowerment needs to be structured: at individual level, at group level and at **the inter-group level**^{xxxiv}. The goal is to support the individual capabilities as the foundation and also foster cohesive group competencies and inter-group empowerment. This intergroup empowerment is especially important in tourism, where products consist of many different elements. The strategy aims at giving people access to the total production process of the formal business chain and foster division of labour. Individual, group and intergroup empowerment should be undertaken in an integrated way.

(2) Natural and Cultural Resource Development Program

Sustainable use of natural and cultural resources

Indonesia is very rich in natural as well as cultural resources, distributed across the geographical extent of the country. This makes the access to the resources not always easy. Lack of infrastructure has traditionally been an issue for the effective use of the natural and cultural tourism resources. While some are still isolated or unreachable, others closest to the densely populated regions are becoming overburdened or overused that may threaten the value of the resources. For tourism to be a lasting and successful enterprise, natural and cultural resources need to be in good condition and resource allocated for their maintenance. Nice locations for lookouts, agricultural land and activities, or any other community occupation related to its natural resources, traditional ways of life, are all potential tourist attractions. However, attractions alone are not enough, most important are the human resources which are able to make use of the natural and cultural resources responsibly.

Destination Sustainability Monitoring

A destination with its embedded tourism products shows a cyclical process, starting with the exploration stage, early development, and acceleration and may later come to decline after the carrying capacity has been exceeded or it becomes financially unviable or uncompetitive (see Annex 11). Therefore monitoring is an important agenda to get an early warning, avoiding its degradation or its slide into a non-sustainable economic proposition. Without managing the carrying capacity, excessive visitation will have adverse impacts on both the destination and the tourist experience.

Infrastructure capacity is easier to identify, as may be indicated by traffic congestion, occupancy rates of accommodations, length of queues to get a ticket, road damages, and so on. While visitors may still show some tolerance, certain segments might choose not to frequent this site. The destination carrying capacity also must be looked at from the host's point of view. Excessive visitation may create not only disappointment for visitors, but also for the host community who is disturbed by the rise of living costs, competing water use, excessive waste, noise and aesthetic pollution etc. Destination sustainability requires a cooperation among all stakeholders in order to undertake responsible practices and monitoring of strategic key indicators as a basis for decision making, by the (local) government as well as by each individual party.

(3) Infrastructure Development

Develop infrastructure, where, and when it is needed to enable sustainable tourism development. Infrastructure needs to cover the transportation network, water and energy utilities and facilities for health, education, safety and security. Infrastructure development may also include sea ports, airports, foot paths, cycling tracks, as well as waste bins and other small things which support the amenities of the destination. Location selection for the market is deemed important to be effective to house the small, informal traders on the one hand and to have easy access for the tourists on the other hand. Infrastructure development is a viable instrument for poverty reduction, as its providing access to markets and jobs, including green jobs to the local community which facilitate the improved delivery of supplies and services to the wider economy.^{xxxv}

(4) Destination Management

Destination management covers all aspect of tourism at a certain destination. The DMO program of the MoTCE has been a good start. The scope of the destination mangement should include data base development, specific criteria due to its specificity (geopark, marinepark, cultural heritage sites or traditional villages etc), site planning including rooms for tourist mobility, implementation of standards and managing its carrying capacity, and others related to marketing, as well as networking with other destinations, within the country and abroad (ASEAN).

Plan and conduct diligent management of supply and demand, the objective of which is to balance the need of the community as well as the tourists and their satisfaction. Under the basic

nature of tourism which is seasonal, tourism destinations are facing the problem of fluctuating demand. Tourism is an experience industry and most of its product components have to be consumed at the time it is produced. While reservations can be made, the amount of supply cannot be accumulated for the peak season, therefore visitor management as well as a pricing strategy to flatten the fluctuation is required.

At the national level, it will be best if excessive demand during the peak season for a certain destination can be 'transferred' to another. This will require creative marketing and product development initiatives to move market demand to other times and locations that can match the expectations and experiences the tourists are seeking.

Negative impacts should be identified at the earliest possible time, followed by corrective actions. The use of indicators that have been selected to measure sustainability (as mention in 4.1) will indicate what must be corrected or improved. Negative impacts to be averted include community marginalization, environmental degradation, infrastructure carrying capacity being exceeded, complaints by the host community and also unhealthy competition and decreasing participation of the local providers.

(5) Multiplication of Destinations

New destinations may be developed from time to time, for the traditional market as well as to create new markets. As previously noted, destinations have a lifecycle and existing destinations may grow or accelerate and at a time come to a state of saturation and, potentially, decline. In order to meet the consumers' quest for new products in new places, to provide opportunity for people still in need for jobs and to absorb the younger generation. Least developed provinces may be given more chance to be developed as new destination, given the potential they have and political will and commitments of the local government in working with the provincial and central government.

(6) Foster a Competitive but Synergetic Environment

Clear public policies, rules and regulations are instruments for a tourism system to work effectively. Norms and values are to be appreciated and need to be clarified to be known not only by locals but also by visitors, including those who would like to invest, who might come from different places with different cultures. The socio-economic situation of the existing or potential tourism area influences the 'fertility' of the environment where the destination will grow. A condition where other sectors are in good shape is supportive for tourism to grow. If tourism is expected to be the driver, other sectors also must be developed simultaneously. Tourism does not have to replace existing sectors unless it is meant as an alternative for hazardous or illegal practices such as illegal logging. The issue is how to facilitate in such a way that tourism may create value added to the existing livelihood. Quality improvement of local products or other adjustments might be needed, access to information and opportunities are most important.

6.2 Agenda 2: Foster a Synergetic and Viable Green Tourism Industry

The tourism industry will always play a vital role in the aim for economic benefit. The benefit depends on the right combination of the elements of the tourism industry as an aggregate product. The balance between many different kinds must be fostered and maintained in order to optimize investment in the development of the tourism industry as a holistic system.

(1) Balancing elements of tourism industry

As the hotel industry has been flourishing in certain destinations, an extra effort needs to be put on developing other kinds of businesses, leading to an industry restructuring with new elements considered important. The retail and wholesale travel industry is expected to create products of different kinds rather than staying in the ‘comfort zone’ of just ticketing (most of the travel businesses are concentrating only on ticketing) and expected to play a better role in the packaging of various products and services to ease the business entering the value chain as well as the tourists to enjoy as many elements as possible during a given period of travel.

The tourism industry development plan also needs to lay down not only what, where, how many as it relates to destination development, but also what kinds of business systems, types of ownership as well as bringing into consideration how community participation can be maximised. In terms of accommodation, it is not limited to how many hotels and rooms to build but what kind, where and how (policy on who will be given the priority, partnerships between the private and public sector, etc).

(2) Greening of the tourism industry

In moving towards sustainable tourism that creates green jobs, the existing tourism industry must be encouraged to transform into greener practices. The government and industry associations have to facilitate and support such an effort. Wider green certification needs to be encouraged and supported. The internationally acknowledged Tri Hita Karana and other national or local certification schemes as well as other international certifications have to be further promoted, not limited to bigger scale businesses, but also be made attractive to SMEs.

(3) Green Enterprise Development

Developing entrepreneurship and business opportunities

Industries flourish not only by enlarging existing enterprises, but by investing in new sustainable, creative and innovative businesses. Entrepreneurship can play a role in changing the face of Indonesia's tourism. Developing business opportunities in green tourism are manifold, as for example producing organic vegetables and fruits, up to upcycling²² of materials that otherwise become waste. Also energy, waste, water, green management consultancy is a whole new field which came into existence only recently.

Tourism enterprises need a plan which is expected to direct and guide individual business development in order to maximize the return of investment and optimal use of the capacity of the infrastructure and facilities made available as well as of the labour force employed by the industries.

Access to finance for green business entrepreneurs

This is among the most influencing factors which must be made of prime concern and facilitated especially for the micro and small businesses for local people. While policies embrace the micro scale businesses, the constraints come from within the communities, namely lack of awareness and familiarity with the basic simple portfolios and lack of access to finance:-

(4) Foster Synergies with the Creative Economy

Tourism and the creative economy should not be separated as such. The overlap is getting stronger when the mutual influence is enhanced through innovative tourism product development. Films, crafts, fashion, and other cultural as well as certain technological based creative businesses have become part of the tourism industry.

(5) Value Chain Management

Community empowerment may produce outputs that without being able to enter markets will create other problems. Facilitation is necessary for being able to become a productive element of the tourism economy. For quality improvement the farm to table management must be introduced. The development of the relationship between the communities and the enterprises is crucial. Food growing > harvesting > storage > transportation > storage > processing in hotels, restaurants and households determine the quality of food served on the table. Organic farming has to be introduced and promoted, proper handling at all stages needs to be taken into consideration.²³ This kind of

²² Upcycling is the ultimate of re-use; adds value by transforming or re-inventing an otherwise disposable item into something of higher quality.

²³ Value chain management applies also to craft production, some handicrafts are using chemicals to save labour and to 'ease' the process at the cost of environment- like in textile industries. Going 'back' to natural coloring will add value to the product. Meticulous craftsmanship must be appreciated by adding value in the green process, to make the output not only more valuable but also meaningful.

relationship must be applied to other kinds of tourism products as for instance quality craft and inclusion of the craft villages in the tour packages.

6.3 Agenda 3: Introduce Effective Marketing for Green Destinations

(1) Market Intelligence and Marketing Strategy

Indonesia's diverse market, domestically as well as internationally, has to be more clearly identified and understood, not just limited to the high ends but also including the low ends. An understanding of the target market is crucial in order to develop appropriate marketing and distribution strategies for the newly developed green products and services. With the diverse characteristics of the destinations, each destination may focus on the most appropriate market segments. Diverse resources and culture as well as geographic characteristics have created diverse products and markets requiring different marketing strategies. Control on product development at the lower end needs to be fostered, sustainable principles are crucial for this segment, especially caused by its mass character.

(2) Foster Competition, Partnership, and Collaboration among Destinations

It is necessary to understand that a destination is not a standalone place. Other destinations exist or are developing, which can be considered as competitors and can also be potential partners. Provinces and districts as well as municipalities must be made aware that they are not competing in a damaging way, but rather seek partnership in order to being able to better compete with neighbouring countries for the share of international tourists. Furthermore to create a cluster of options for domestic tourists. Healthy competition among the destinations can help to improve quality and thrive innovation. Partnerships may also extend to the international level, partnering and collaborating with neighbouring countries to attract targets from other world regions.

(3) Effective Communication

Formal communication is required from the side of the government. However, in many cases informal communication might also be effective.²⁴ Communication must be trimmed to the situation, the content and the recipients. A 'champion' (prominent figure) or locally popular person may help to make communication more effective, especially when it comes to innovative green products that

²⁴ Some regions in Indonesia are using the religious channel in campaigning for cleanliness, another region's leader invites and sits together informally with the target groups, discusses problems while having coffee or tea.

are new to the target groups. Traditional characters may also be effective tools for communication: a mascot like ‘Cepot’ in West Java.²⁵

(4) Promote and Appreciate Green Products and Services

It is important to promote green products and services to the community and the existing businesses, through facilitation, training as well as incentives. An appreciation of green practices may be a pride of the business or community. Innovation of green products and services is crucial and needs know-how and a view beyond the local horizon. Products must be attractive to tourists, be physically accessible, and be combined with facilities and services. In designing and managing tourism products, their life cycle consisting of (i) introduction stage, (ii) growth stage, (iii) maturity stage, and (iv) saturation and decline stage must be taken into consideration. Green-labels and according certification shall be developed supporting the green industry and helping the consumers.

6.4 Agenda 4: Build Supportive Institutions (Human Resources, Organizations and Regulations)

Tourism as a system is influenced by internal and external forces. The output of the system will depend on the inputs, the environmental as well as institutional inputs. Supportive institutions for sustainable tourism require strong leadership and human resources. Leaders with character that hold high the values of sustainable principles, which will lead the competent human resources in developing policies, preparing plans, implementing programs and operating tourism businesses. The tourism system will only work well if all the elements of the system are in good order.

(1) Integrating Policies, Rules and Regulations

Related policies, rules and regulations under all ministries in all groups must be integrated and coordinated in the context of sustainable tourism development – this needs more than just “on paper” coordination, but integration of programs and activities and the share of common goals.

²⁵ As a good practice, Yogyakarta can be mentioned, which in the period of 1998-2006 used many forms of communication in disseminating the policies and getting feedback from the people: a coffee morning between the administrators, businessmen, economic observers and others concerned with the development of Yogyakarta; a program on local television called: Malioboro-Malioboro (name of popular place at the heart of Yogyakarta), press meetings, meetings with professionals, communication with the community - facilitated by NGOs; meetings with special groups²⁵ within the communities. In some cases communication is done using local language (Bambang S. Priyohadi, 2011).

(2) Strengthening the Provincial and Local Institutions

The transfer of authority must be in line with the empowerment and capacity building programs in all fields including tourism. Capacity building for tourism officials must be continuous and compulsory. On the other side guidelines have to be made available and understood by the officials in charge as well as other stakeholders. The provincial level must hold coordination among districts and municipalities. The provincial institutions have to take concern from a regional perspective.²⁶ Tourism is expected to play a role in balancing the development and the provincial institutions are supporting all districts involved in their tourism development efforts. This is stated in the provincial Tourism Master Plan as well as several sub-regional plans. Such development was initiated by the regional Planning Office, which must be supported by the Tourism Office action plans.

The institutions at the local level need to be closer to the communities and representatives shall be concerned with the poverty, and mini and micro enterprises as well as informal sectors that need to be handled from the 'bottom line'. Local institutions should manage the monitoring and control, measuring indicators and conduct database development and updating. The institutions should formulate the training and skills development required in facilitating the establishment of cooperatives among micro enterprises and support financial access. Furthermore, they shall give direct support to tourism business operators and the community, be present, reachable, approachable, and connect with the community.

Provincial and district governments must improve their legal framework to support sustainable tourism and green jobs in their respective areas to support gender mainstreaming, women empowerment, youth employment and youth entrepreneurship, and child protection initiatives. The legal cornerstones could be Local Government Regulation (PERDA), Governor and or Bupati Decree, Governor or Bupati Policy, etc.

(3) Law Enforcement and Environmental Integrity

i. Control on environmental permits

Law No 32-2009 is to be enforced, which clearly stipulates that all activities and businesses which are required to have either an Environmental Impact Analyses (AMDAL) or Environmental Monitoring and Management Measures (UPL and UKL) should apply for environmental permit from the government (central, provincial or local, depending on the scale and intensity of impact).

i. Environmental review and planning

Provinces, districts and municipalities with sensitive nature tourism activities need to prepare a Strategic Environmental Review (Kajian Lingkungan Hidup Strategis-KLHS) to decide on carrying capacity of the related destination and prepare an Environmental Protection and Management Plan (Rencana Perlindungan dan Pengelolaan Lingkungan Hidup - RPPLH)

²⁶ In the case of West Java, for instance, there is a wide gap between the northern and middle and the southern part.

ii. Community empowerment through information and participation

Community development is the basis for as well as one important goal of sustainable tourism. An empowered community can strongly support the tourism industry which in turn supports the communities' well-being.

iii. Acknowledgement of traditional communities, their environmental and heritage rights

Traditional communities with their local wisdom should be integrated by sharing their special ways towards environmental and cultural sustainability.²⁷

(4) Investment and Regulatory Economic Instruments

Promotion of the understanding of the Indonesian law that investments not only include those involving a capital intensive venture, but all kinds of non consumptive expenditure to start a business, creating jobs for oneself and/or for others. All this is defined as investment. The first question that must be discussed is whether it is at all necessary to invest for tourism development and whether tourism is even desired.

(5) Create Proper Support Systems

A reliable and appropriate database is required for any decision or policy formulation at all levels. Data collection at the national level depends on data from the provincial level, which relies on data gathering systems at the local level. If local level data is unreliable, any data based on an aggregation of this will be unreliable. Data and relevant information is part of the support system. Strategic support that the community needs is a consultation desk, and/or a 'counterpart' who they are able to consult, ask questions to or get information from, on starting and manage a business, including information on financial sources available and how to access, information on market demand, how to operate sustainable and follow green principles. The community must be accompanied in their role as host, workers, and main stakeholders of tourism.

²⁷ The people from Kampung Naga in West Java, is an example of traditional way for sustainability, they have set their environment carrying capacity, not allowing new families to settle in the traditional neighborhood to keep the population in balance with the available paddyfield, and other food production capacity (fishpond, poultry and mini a few animal husbandry). They also impose a traditional legend to avoid members to spoil their water resources. The Torajan elderly people believed that their limited access is a good means for limiting visitors. A community leader once mentioned that God created such a topography, indicating that it is not for mass visitation, when he was consulted about an airport to ease tourist visiting the localities, six hours drive from the capital city. Bali undoubtedly has many local traditional institutions that manage the sustainability of their environment and cultural relationship as the subak and banjar. The Tri Hita Karana philosophy as mentioned before is a traditional wisdom in looking at the relationship between Men, the Environment and the Creator.

Key Messages of Chapter 5

- Agenda 1: Move Toward Sustainable Destinations
- Agenda 2: Foster a Synergetic and Viable Tourism Industry
- Agenda 3: Introduce Effective Marketing for Green Destinations
- Agenda 4: Build Supportive Institutions (Human Resources, Organizations and Regulations)

CHAPTER 7

CONCLUDING REMARKS AND OUTLOOK

Chapter Overview

This concluding section aims at wrapping up the most important findings of the Strategic Plan and presents them in a structured way according to main topics. Extended analysis underlines the key messages, presents an outlook and clarifies the need for follow-up actions such as the development of practical Guidelines based on this Strategic Plan for the local stakeholders.

Main issues concerning Indonesia's tourism

The key issue of Indonesia's tourism is the lack of human resource capacity in the public and private sector, which has created inconsistencies between public policies and their implementation at different levels of government, lack of physical development as well as business operational control. There is a high concentration of tourism infrastructure in limited destinations and thus also concentration of tourists that has raised issues on carrying capacity on the one hand, and on the other hand there are many regions waiting to engage more in the tourism economy. In terms of sustainable tourism, there have been a few best practices that need to be fostered further. With no permanent institution in charge to foster, enhance, and campaign for and manage its realization, sustainable tourism relies on the initiative of the environmentally thoughtful and culturally sensitive few. Most of tourism stakeholders, including the public sector are short sighted, aiming at quick yields to achieve quantitative goals, which seem to be mere (shallow) political rather than more meaningful and communities' welfare oriented. Constraints will only be overcome under a strong leadership which must be created in the government, private sectors and civil communities. Yet, a long way still has to be passed for the common undertaking by the majority of the tourism industry's elements.

Globalization may put most national enterprises in a difficult situation to compete, especially the micro-, small and medium enterprises. They need to be not only empowered to face the challenge of tourism globalization economy, but also supported by stronger policies.

Popular destinations are and will continue to face problems in terms of infrastructural, environmental or socio-cultural carrying capacities, which may turn to degradation of tourists'

experience, while new destinations – without a clear and firm planning which are consistently implemented – will grow arbitrarily. Mass tourism destinations with less concern for sustainability will degrade and be left behind. The same process will move to other places whereby new destinations are not as easy to be developed as expected.

National Strategic Plan, Vision, and Strong Leadership

Indonesia has placed tourism in a strategic position with a long term perspective essential for its development. In the past and to a certain extent at present, development of the sector has not been intertwined effectively among different stakeholders, even in the public sector alone, where tourism has become the concern and responsibility of many ministries. Market mechanisms and externalities – like natural disaster and hazard, terrorism and diseases – have been influencing not only the growth of the sector but also the way it was growing. **At present a National Tourism Development Plan is officialised as a Government Regulation, which means that it should become a directive for future development.**

Even though the sector is very dynamic, a long term development vision has to be shared and used as a base to direct the development agenda. The implementation of such a plan requires a strong leadership, working consistently and persistently into the planned direction, with monitoring and evaluation being undertaken regularly to cope with the dynamics of the demand as well as unanticipated situations. Without **strong leadership** the sustainable tourism movement will not enter any sphere neither private nor public. **The Strategic Plan may be modified or changed, but certain values: quality of life and identity in the long term vision still need to be kept. Based on this Strategic Plan for Sustainable Tourism and Green Jobs, Guidelines covering roles and task of different ministries and key actors need to be prepared.**

Sustainable Tourism Development

Sustainable tourism development is still to be understood and integrated into all stages of development processes. It should be applied not only for formal and big enterprises, but also the SMEs and the informal sector. **Not only the private sector, but also extremely important the public sector must take the lead in this endeavour.** The communities and the general public must be involved directly or indirectly in tourism policy formulation, decision making, planning and operation, and in delivering the product to the tourists.

Sustainable tourism if planned and managed well is directly and positively contributing to the Millenium Development Goals, poverty reduction, rural development, preservation of culture and society, gender equity, environmental protection, climate change mitigation and shows a beneficial impact on climate change mitigation. A just transition for workers and employers with green jobs towards a low-carbon, climate resilient, environmentally friendly development in Indonesia is

crucial. The transition in the labour market and the need for new business models is addressed through an inclusive social dialogue.

The potential for sustainable tourism in Indonesia is supported by the existing rules and regulations in place in different forms at various levels. Laws, Government Regulations, Presidential Instruction and Decrees, Ministry Decrees, Provincial Regulations, Governors Decrees, down to District and Municipality levels. At the national level, there are several laws that explicitly or implicitly state the guidance to be followed, in line with the sustainable principles. Legal documents which relate to sustainable tourism development are available: Law No 32-2009 on Environment Protection and, Law No 10-2009 on Tourism, Law No 11, 2010 on Cultural Heritage, Law No 13, 2003 on Manpower and its derivatives, but implementation of the rules and regulation still needs to be enhanced.

Indonesia's Agenda 21 was published in 1997 and followed by a sector Agenda for Tourism in 2001. With no legal status the Agenda 21 for Tourism remains as a document, and has not even been referred to in tourism development planning or programming. Fortunately, other documents that generally become a directive such as **The Long Term Development Plan (RPJP) and the Mid Term Development Plan (5 yearly RPJM) have always included sustainable principles. It is also important to note that the mission stated by the newly transformed Ministry of Tourism and Creative Economy explicitly stipulates tourism sustainable development as the goal.**

Tourism is implicitly following the overall direction paved in the RPJP, explicitly it is stated that tourism is directed to be able to stimulate economic activities and to improve the image of Indonesia, **improved local people's welfare, broaden job opportunities.** Tourism development shall make use of the diverse natural attractions and national potential as a maritime country. In **a wise and sustainable way**, and also stimulate economic activities related to the development of the nation's culture. At all stages of the development plan, people's welfare is always explicitly mentioned. **Decreasing the unemployment rate and number of the poor population and improving social security have been put in all stages of the RPJMs.**

Quality Development

Tourism development for Indonesia includes the objectives for growth as well as improved quality, as already underlined by MoTCE in its vision and missions. Growth measured by turnover, number of arrivals, persons, trips, expenditures and other quantitative indicators will not be enough to measure the quality of development. Indicators following the sustainable principles are required as tools for achieving quality development: **growing and improving!**

With a growing GDP and declining HDI, Indonesia is a good example that economic growth does not guarantee that people's welfare is also improving. This is exactly valid for the tourism sector. Quality development demands that all stakeholders have to do **THE RIGHT THINGS RIGHT.** Since all stakeholders are working in a system, then the failure of a member of the system may have wide and severe impacts on the total result. A **system dynamic model** may be able to

indicate how elements in the tourism system are influencing each other either positively or negatively. The Tourism Satellite Account, on the other hand has been internationally and widely used to measure the tourism impact generated from tourists' and government expenditure for tourism development towards: output, value added, employment opportunities, wages and salaries and taxes. A special attention and further investigation need to be initiated when despite its growth in total value, the contribution of wages and salaries of the sector (as compared to the national total) is declining sharper than the decline of employment share.

Tourism development and its success is subject to the general socio-economic condition of the region, not only from the availability of tourism resources within the region, but also the socio-cultural aspects, particularly how the local people look at tourism and their attitude towards the sector determine the 'fertility' of the region for tourism development. Tourism development cannot be generalized but needs to be tailored according to the situation and condition of the region/province. **Context is important.** Different provinces benefit from tourism differently; the same kind of investment may not generate the same kind of tourism. **Indonesian sustainable tourism development with green jobs therefore needs to be tailor made for Indonesia** and further tailored to each specific tourism regions.

Tourism Ethics

With regards to sustainable development, The Global Code of Tourism Ethics states in Article 3 that **tourism is a factor of sustainable development; for Indonesia tourism is** not the goal of development but rather **the means to achieve the development goals**, where

- i) **All stakeholders** in tourism development should safeguard the natural environment;
- ii) All forms of tourism development that are conducive to **saving rare and precious resources, need to be given priorities and encouragement;**
- iii) A more even distribution of holiday travels should be sought to **reduce pressure on the environment and enhance the beneficial impact to industry and local economy as well as tourist's satisfaction;**
- iv) Tourism infrastructure should be designed and tourism activities programmed in such a way as to **protect the natural and cultural heritages;**
- v) **Nature- and ecotourism** are recognized as being particularly conducive to enriching and enhancing the standing of tourism, provided they respect the natural heritage, local populations and keeping with the **carrying capacity of the site;**

Promotion for sustainable tourism should become a permanent program, intensively undertaken at different levels of governance with support for corrective and innovative actions.

The Global Tourism Code of Ethics (UNWTO), translated into Indonesian and put together with the codes of ethics of several associations is available in Indonesia. The scope of the dissemination program should be extended in coverage and continuously undertaken in an integrated way with the focus on sustainable development. Consistent efforts, with monitoring and evaluation, incentive and disincentive schemes as well as other working strategies are required for the subject to be effective. Implementation of which is not limited to the responsibility of the MoTCE.

The code of ethics must not only be understood as a concept and as a matter of courtesy by tourism stakeholders, but implemented consistently even though often this is complicated by pressure from various sides like economic, political, or cultural. The Global Sustainable Tourism Criteria endorsed by the UNWTO, UNEP, UN Foundation and such bodies has yet to be used as a key tool for Indonesian policy makers and tourism industry players. The dissemination process on key sustainable tourism documents needs to be undertaken from time to time in shorter intervals, disseminated more widely down to the operational level, for formal as well as informal businesses.

Single Coordinative Body

There are rules and regulations which relate to (i) people who are going to lead, plan, execute, control and deliver the services, (ii) spatial arrangement, where tourism is going to take place, (iii) industries and business and (iv) authority in the management of resources - natural and cultural - for tourism, and (v) impact of tourism. There are many ministries dealing directly or indirectly with tourism that need to be synergized.

Being related to many rules and regulations - which are under the responsibility of different ministries and aspects of development - tourism development must become a joint effort. Some Ministries involved are placed under the Coordinating Ministry for Economic Development and some others are under the Coordinating Ministry for People's Welfare. It is best if tourism development can be coordinated under **a single coordinative body**, which gets the authority to all ministerial concerns. **It is proposed that National Tourism Development is coordinated under the Office of the Vice President.** Each Ministry may have its action plan, referring to the National Tourism (Strategic) Plan, and have it executed under the control of the coordinative body.

At the Provincial and Local Government level, tourism plans should be coordinated at the office of the Provincial/Local Planning Board (BAPPEDA) to be integrated into the overall development plans (RTRWP or RTRWK), synergized with the other potential sectors in each respective province/district/municipality.

Internal Consolidation and Synergize with other Ministries

With the new set up of MoTCE it is indeed necessary to first consolidate internally in order to synergize all tourism program within the ministry, including the creative economy which was

formerly under a different ministry. This means consolidation in its human resources available and also its program of activities and entering the area of sustainability with its new policy dimensions. The issue of employment and poverty alleviation as well as gender are still relevant. The creative industries can strengthen the tourism sector in generating new SMEs and opening employment opportunities that may reduce poverty. The **Creative Economy also shows its close relationship with Green Jobs and youth and women employment.**

Considering the high dependency of tourism on many different ministries, MoTCE must be proactive to promote the tourism policies and plans, to get support from the other ministries. On the other hand the MoTCE needs to map out all tourism related undertakings in different ministries and synergize in areas where they relate to the sustainable development program. Other ministries are expected to orient their contribution according to the national agenda and interest, while MoTCE always also has to integrate the transition to sustainable tourism into the wider national sustainable development plan/scheme.

Human Resource Development Plan

The success of tourism as a knowledge based industry is solely dependent on its human resources. Concerning the human development program - public as well as private - there is a crucial need to have a human development plan for the coming 10 - 20 years. An **integrated tourism education and training system** must be established - after evaluation of the present situation - in addition to the present effort for the development of standards of competencies. **The transition** of the employment sector will **demand a new green attitude, expertise and skills**, which have to be identified and responded with appropriate education, training and capacity building programs. Especially, vocational programs take a key position in this respect. The Ministry of Education and Culture, Ministry of Tourism and Creative Economy and the Ministry of Manpower and Transmigration are involved in education and training in the hospitality and tourism fields. While most of the tourism education is in the form of mono-discipline higher education, there is also an opportunity for enrichment by **integrating tourism education in universities to enable across-discipline fertilization.**²⁸ Continuing education on hospitality and tourism may also be considered for youth who has dropped out of school, housewives or the retired who may well fit to work in or to have their own hospitality or tourism related businesses. A good human resource development will be fruitful for local employment. Policies to support fellowships to hospitality and tourism students need to be formulated to create an accelerating numbers of qualified future tourism leaders, planners, managers and educators as well as researchers to become a strong foundation **for Indonesia's tourism development.**

Apindo and the associations of local governments (APKASI & APEKSI) have not put green jobs in their program, but they may bridge the curriculum development for hospitality and tourism

²⁸ There is already a Faculty for Tourism, in private university, and The director of the Bandung Tourism Institute has the vision of that the institute will become a multi faculty institute (Novinedi Makalam, June 2012)

(green) education and training to match with the need of the industry and the public sector at the local level.

Decent Work - Social Protection, Right at Work, Social Dialogue and the Informal Economy

70% of all Indonesians work in the informal economy (APINDO), a shortage of skilled workers and low productivity are common issues faced by the employers and the tourism industry is not an exception. Even though tourism related jobs are relatively 'easy' to enter, the non-skilled labourers are in a weak bargaining position and the informal sector workers are not protected whatsoever.

In terms of green jobs and decent work, workers protection in the sector must be extended to cover the informal sector workers. Right at work and social protection have been included in legal documents. Social protection does not mean that only workers have the right, but the employers also have specific rights. Frequently, social dialogue ends up without solutions that satisfy both parties. It seems that there is still a perception gap between employers and employees (as indicated through their associations), with both having their rightful perception based on certain different cases. Employers complain on productivity, ethos and ethics, while employees complain on lack of social security and protection. It is also expected that the professional associations have a monitoring system for their members' conduct.

Protection has to be in line with 'education', some core values have to be held before a protection is valid. On the other hand, companies should also keep and apply not only the rules and regulations, but also the ethics as employers. Industry association, professional association and workers association need to sit together and agree on how to apply the system. The workers association needs not only to train for certain skills required, but more importantly also to implant working ethos and ethics.

The workers Associations may be involved not only in struggling for the employees minimum wages and salaries, and social protection, but also the minimum standards of competencies required, through empowerment programs. Also advocating CSR for community projects maybe in places where the workers come from. The question lies on who or which institution is going to 'take care' of the informal workers, which represents a big homework for all development stakeholders.

Gender equality and the elimination of child labour are goals of paramount importance. An integrated effort with the Ministry for Women and Child Protection shall be considered.

Regional and local small hotel associations need an encouragement and directives for bringing their members into the issue of green practices and decent work, using role models from own members who have successfully undertaking best practices. Tourism industries of different kinds also need similar kinds of encouragement and directives. Formal enterprises may be encouraged to open opportunities for the youth, who may not able to afford a holiday to become a tourist to work during peak season or their holidays.

Green Jobs through Green Products, Service and Public Works

Decent employment creation is one of the key pillars of a just transition of the economy towards green practices. In this regard, there is a huge potential for Green Jobs with decent work to be created in the tourism industry through the development and promotion of green products, green services that the local community and youth can develop, produce and market. These products may work for various destinations or specifically for one. However, a thorough assessment on the required skills, competency and training modules as well as certification is required in any case to open the potential for employers and employees. Green entrepreneurship training (e.g. green businesses for youth) can additionally benefit the local community. Green Skills development in this regard is essential for achieving sustainable tourism. It will strengthen the capacity of workers and employers in the tourism industry as well as the other relevant stakeholders involved to understand and respond effectively to the global challenges of climate change for tourism destinations. Identifying potential financial institutions/programs that could support local green businesses is a key to the development of innovative green products and services. Skills development should focus both on the technical aspects and small business entrepreneurial skills.

Furthermore, public infrastructure projects and the private construction sector also offer big potentials for green jobs in the tourism economy linked to green constructions/buldings with a stress on a green procurement. In sum, dynamic investment into a green economy has a place on the top of the agenda.

Key Messages of Chapter 6

- For Indonesia, tourism is not the goal of development but rather the means to achieve the development goal: people's welfare in its widest sense.
- Main issues of tourism in Indonesia are the short term economic oriented mindset of stakeholders with limited human resource capacity and a constraining institutional set up. Tourism performance in terms of its quantitative growth is in place, but better qualitative performance must be optimized.
- Strong leadership is needed to work consistently and persistently into the planned direction of sustainable tourism, with monitoring and evaluation being undertaken regularly to cope with the dynamics of the demand as well as unanticipated situations.
- A national tourism development plan emphasising on certain values: quality of life and identity must be laid upon a long term development vision to be shared and used as a base to direct the development agenda. There is a need for concrete Guidelines complementing the Strategic Plan guiding Ministries and key actors involved in tourism development.
- A just transition for workers and employers with green jobs towards a low-carbon, climate resilient, environmentally friendly development in Indonesia is crucial. The transition in the labour market and the need for new business models is addressed through an inclusive social dialogue.
- In sustainable tourism development not only the private sector, but also and extremely important **the public sector must take the lead in this endeavour**. Two of the main targets are improved people's welfare and broadened job opportunities.
- Quality development is to be prioritized. **Growing and Improving** aiming at tailor-made and context based development.
- It is proposed that implementation of the National Tourism Development covering roles and tasks of different ministries are coordinated under the Office of the Vice President as a single coordinative body.
- A comprehensive human resource development plan for the next 10-20 years is required with a view to green perspectives at all level.
- Decent Work, inclusive in Green Jobs must be mainstreamed in tourism policies and promoted in practice. Green Job creation has a big potential through green products, services, public works and construction.
- A change in mindset is needed from previously short term resource-centered and market mechanism growth to long term people- and knowledge- centered and developing market for green products green sustainable indicators must be set, and agreed by all stakeholders. This demands well directed investment in a Green Economy for a sustainable future.

ANNEX 1: Statistical Data for the Tourism Sector

TABEL 1.1: TOURISM CONTRIBUTION TO GDP AS COMPARED TO INDONESIA'S ECONOMIC GROWTH IN PERCENT

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Economic growth*)		3.83	4.38	4.72	5.03	5.69	5.50	6.35	6.01	4.63	6.20
Tourism contribution to GDP**)	9.38	7.72	6.14	5.55	5.01	5.27	4.30	4.29	4.70	4.16	4.06

Source: MoTCE 2012,

TABLE 1.2: SELECTED INDICATORS OF TOURISM CONTRIBUTION IN INDONESIA (2000-2008)

	2000	2002	2004	2006	2008	2010
GDP total (Trillion IDR)	1,368.09	1,610.01	2,273.14	3,339.50	4,951.36	6,422.92
GDP tourism	128.31	98.81	113.78	143.62	232.93	261.06
% to total	9.38	6.14	5.01	4.30	4.70	4.06
Indirect tax total (Trillion Rps)	61.30	71.19	75.23	131.00	194.31	225.10
Indirect tax, tourism	5.08	5.53	5.88	5.40	8.41	9.35
% to total	8.29	7.77	7.81	4.12	4.32	4.16
Employment –total (million)	89.84	91.65	93.72	95.46	102.55	108.21
Employment –tourism	7.36	7.77	8.49	4.41	7.02	7.44
% to total	8.11	8.48	9.06	4.65	6.84	6.87
Wages and salaries -total (Trillion Rps)	406.09	466.97	724.99	1,028.20	1,519.12	1,831.09
W&S – tourism	40.09	29.91	33.75	45.63	75.45	84.80
% to total	9.87	6.41	4.66	4.44	4.57	4.63

Source: MoTCE 2011, ILO 2011, TSA 2011^{xxvii}

TABLE 1.3: SHARE OF SELECTED TOURISM INDICATORS IN SELECTED PROVINCES

	BALI	DKI JAKARTA	WEST JAVA	BANTEN	CENTRAL SULAWESI	RIAU	SOUTH SUMATRA
	2007	2009	2010	2008	2008	2007	2006
[1]	[2]	[3]	(4)	[5]	(6)	[7]	[8]
1.Output (%)	51.56	6.46	3.79	2.56	6.04	2.31	1.25
2.GDP (%)	46.16	5.84	3.91	3.04	4.92	2.14	1.07
3.Indirect Tax (%)	66.44	8.33	3.90	3.23	7.23	4.03	1.50
4.Wages & Salaries (%)	36.12	6.54	3.79	3.15	2.49	3.11	1.17
5.Employment (%)	40.56	9.48	3.97	4.03	2.78	5.22	1.04

Source: MoTCE 2011, ILO 2011, TSA 2011^{xxviii}

TABLE 1.4: CONTRIBUTION OF TOURISM SECTOR 2000- 2010

INDICATORS	2000	2010	Decrease in contribution
1.OUTPUT (%)	9.27	5.06	4.21 - 45.41 %
2.GDP (%)	9.38	4.06	4.68 - 49.89 %
3.INDIRECT TAX (%)	8.29	4.16	3.97 - 47.89 %
4.WAGES & SALARIES (%)	9.87	4.63	4.90 - 49.65 %
5.EMPLOYMENT (%)	8.11	6.87	1.27 - 15.66 %

Source: Calculated from table 1.3

TABLE 1.5: POPULATION 15 YEARS OF AGE AND OVER WHO WORKED IN TRADE AND TOURISM DURING THE PREVIOUS WEEK BY TOTAL WORKING HOURS

NO	TOTAL WORKING HOURS	2006	2008	2010
1	0	189,744	403,570	309,447
2	1-4	10,446	61,862	59,622
3	5-9	117,395	250,842	206,463
4	10-14	274,078	503,736	519,786
5	15-19	344,171	450,312	476,311
6	20-24	712,181	837,289	1,058,074
7	25-34	1,777,276	1,486,891	1,937,717
8	35-44	4,028,601	4,017,477	4,290,855
9	45-54	4,683,334	4,469,279	4,846,424
10	55-59	2,114,651	2,010,119	2,155,997
11	60-74	3,079,006	3,766,089	4,071,670
12	75+	1,224,174	2,426,575	2,280,518
Total		18,555,057	20,684,041	22,212,885

Source: CBS publication, 2006, 2008, 2010 on The Condition of Labour Force.

TABLE 1.6: INCOME CATEGORY DISTRIBUTION OF LABOURER WORKING IN TRADE AND TOURISM BY LOCATION OF WORK (2010)

Income Category (IDR)	Urban	%	Rural	%
< 600,000	777,001	21.59	393,284	44.33
600,000 - 1,000,000	1,125,373	31.27	283,009	31.90
Total <1,000,000	1,902,373	52.86	676,292	76.23
>1,000,000	1696517	47.14	210,881	23.77
All Categories	3,598,891	100.00	887,174	100.00

Source: CBS 2011, ILO 2011^{xxxviii}

TABLE 1.7: INCOME CATEGORY FOR LABOURER WORKING IN TRADE AND TOURISM BY GENDER

Income Category (IDR)	Male	%	Female	%
< 600,000	586,162	21.30	583,014	33.62
600,000 - 1,000,000	861,081	31.29	546,944	31.54
Total <1,000,000	1,447,243	52.59	1,129,958,	65.16
>1,000,000	1,304,693	47.41	604,171	34.84
All category	2,751,936	100.00	1,734,129	100.00

Source: CBS 2011, ILO 2011^{xxxix}

TABLE 1.8: WAGES AND SALARIES OF PERMANENT WORKERS IN TRADE AND TOURISM, BY LOCATION/AREAS

PERIOD OF SURVEY (1)	URBAN AND RURAL (2)	URBAN (3)	RURAL (4)	U-R DIFFERENCE (3)-(4)/(4)
February 2008	948,800	1,007,161	712,414	294,747 – 41.36 %
August 2008	976,640	1,034,037	719,543	314,494 – 43.71 %
February 2009	1,038,270	1,106,257	779,462	326,795- 41.92 %
August 2009	1,103,404	1,168,558	773,047	395,511 - 49.87 %
February 2010	1,110,562	1,188,374	794,908	393,466 – 49.50%

Source: CBS 2011, ILO 2011^{xi}

TABLE 1.9: DIFFERENCES OF WAGES AND SALARIES BETWEEN PERMANENT AND TEMPORARY WORKERS IN TRADE AND TOURISM

	Permanent workers (1) (in 1000 Rps)	Temporary Workers (2) (in 1000 Rps)	(1)-(2) and percent to (2) (in 1000 Rps - %)
February 2008	1,126,8	949,4	177,4 - 18.68%
August 2008	1,158,1	976,9	181,2 - 18.55%
February 2009	1,296,1	1,071,9	224,2 - 20.92%
August 2009	1,322,4	1,103,2	219,2 - 19.87%
February 2010	1,337,8	1,133,3	204,5 - 18.04%

Source: CBS 2011, ILO 2011^{xii}

TABLE 1.10: GENDER DIFFERENCES IN WAGES AND SALARIES OF PERMANENT WORKERS IN TRADE AND TOURISM SECTOR

Period of survey (1)	Male (2) (000rps)	Female (3)(000rps)	M-F difference (2)-(3) /(3) (000rps -%)
February 2008	1,023,703	824,739	198,964 – 22.40 %
August 2008	1,031,438	887,944	143,494 - 16.16 %
February 2009	1,116,045	912,497	203,548 – 22.30 %
August 2009	1,220,893	921,612	299,281 -32.47 %
February 2010	1,195,497	975,776	219,721- 22.51%

Source: CBS, *Labourer Situation in Indonesia, February 2010* – calculated from Table D.4,D.5, copied from *Measuring Employment in the tourism Industries beyond a Tourism satellite Account: A Case study of Indonesia, ILO,2011*

ANNEX 2: National and International Case Studies

The Case of Bali, Indonesia

This case of Bali which is presented is a reflection of Balinese people's opinion, who are concerned with the development of the island and have put their concerns in a book titled *Jendela Pariwisata Indonesia: How Lucky is Bali?* (Literally = Indonesia's Tourism Window: How Lucky is Bali?).

Tourism FOR Bali: As traditional system, Bali is based on a principle of balance, which is resembled in the community organization/institutional system like the *banjar and subak*. Planning and development of tourism needs to be based on this local wisdom (I Gede Ardika, former Minister for Culture and Tourism, Member of Global Tourism Code of Ethics Committee, UNWTO)

Paradoxes and hybrid culture: Globalization and modernism have caused a series of paradoxes for Bali tourism: cultural degradation, declining agriculture, marginalization, and also the emerging hybrid culture (I Wayan Geriya, Expert team member, Bali Heritage Trust, 2005-now, University of Indonesia)

The decline of SUBAK will also decline TOURISM: Tourism in Bali has gradually pushed the agricultural sector aside. The local, traditional system must be saved. Commitments are required to support the system's sustainability which has been critical in organizational as well as economical terms. The new government land ownership system has opened the opportunity to land use changes from farmland into housings, shops, hotels, and restaurants. (I Wayan Windia, Chairperson, Quality AssuranceBoard, University of Udayana)

Tourism and agriculture: Economic development for Bali covers 3 priority sectors: agriculture for food, cultural tourism, and small and craft industries. Agriculture is important for Bali as source of income for the rural population and as provider of raw materials for the agro industry, as well as for export and **nature conservation**. Tourism needs to be developed to subsidise the farmers to maintain the landscape from government tax imposed to hotel and restaurants. Ecotourism, agro-tourism and rural tourism are among the choices. (Agung Suryawan, Chairperson Centre for Research on Culture and Tourism, University of Udayana, Chairperson Bali Greenery Foundation, Consultant and Green Tourism Certification (EC3 Global) for Indonesia)

The need for a Bali development roadmap: (this could implicitly mean that the past development was not based on a roadmap). The economic growth of Bali is un-proportional, there are a very few Balinese businessmen. The central government is expected to mainstream the Balinese entrepreneurs; 99% of Balinese entrepreneurs are micro, small and medium enterprises (UMKM). They need some kind of protection in facing the economic liberalization. A roadmap for Bali development is necessary, whereby there are clear zoning and community mapping – strength in heading to community welfare and valued nature for tourism. A Transparent communication under a strong leadership is needed. (Gde Sumarjaya Linggih, Chairperson Bali Chamber of Commerce 2010-2015, member of People Representative of the Republic of Indonesia)

Balinese do not sell BALI; Bali tourism development has been overbuilt; questioning whether the government will guide Bali to become a mass tourism destination. Bali has developed into a cultural tourism destination with its own niche market. A master plan is needed for Bali development; tourist attractions need to be tidied up in making tourism businesses more competitive. (Ida Bagus Ngurah Wijaya, Chairperson Bali tourism Board and Bali Village, Honorary Consulair of Sweden and Finland in Bali, tourism operator)

Cultural Tourism Inconsistencies: inconsistencies between communities, government and tourism industry players. Cultural tourism does not provide significant economic impact, but is important for long term sustainability. Government policies have not supported the need for ‘fertilizing’ the uniqueness of Bali, originated from Balinese nature and people themselves. Land tax for farm land is as high as those for commercial areas. Gianyar has a blue print which zones the districts into conservation, sport and civic centre, water conservation, tourism and culture and commercial zones. (Tjokorda Oka Artha Ardhana Sukawati, Head of Gianyar District, Chairperson Hotel and Restaurant Association, Bali< Vice chairperson Bali Tourism Board)

Still far behind: A country-to-country comparison of Indonesia’s tourism to other neighbouring countries indicates that Indonesia is far behind Malaysia, Singapore, Thailand and Macau. Despite the attractiveness of cultural tourism, the many islands that belong to the country, about 8000 islands being ‘idle’ might possibly be utilized. There is a need to tidy up, with the government to take the lead in preparing a blue print for the development with clear directives. (Aloysius Purwa, Chairperson, Indonesia Travel Industry Association-ASITA, honorary Consulair for Netherland in Bali-NTB)

Tourism Development in Bali should be able to **balance with agriculture, and strengthen other economic pillars.** A diversified economy will strengthen the regional economy. Bali (and Indonesia) is attractive for its diverse culture, a casino is not necessary in attracting tourists to Bali (Indonesia). (Made Sidharta “peter” Arya, AryaCom Technology, entrepreneur, waste processing design, hotel, malls and restaurant supplier for automatic electricity control panel).

Cultural events in Bali and in Indonesia generally, are not created for the purpose of tourism. In order for tourism to benefit from such events, a professional organizer is needed. (Manager, Inna Hotels, active in Bali Hotel Association and Indonesian Hotel Professionals Association- IAPINDO)

Just fine tuning, Bali tourism as a stepping stone to all other tourism development goals. The potential of Bali has not been rightly managed. A coordinated approach, capacity, competence, opportunities and market mapping are needed. A single smart and trustworthy leadership is needed for optimal development, product diversification and yield management to **optimize tourism income for the Balinese** (Made Suryawan, Corporate Quality Development & Training Manager, PT Grhawita SANTIKA).

There is a need for clear regulation, and have it disseminated through banjar or subak; the communities may move faster (than the government). (Anak Agung Gede Rai, Director- The Walter Spice Foundation, Bali; chairperson, Bali Museum Association)

We may have been satisfied by the fact that Bali tourism products satisfy the consumers, but in fact we are just one of the spectators in the global tourism activities. Quality tourism is lacking. Bali tourism is created from the cultural communities, but the cultural conservation processes in Bali are still limited. **Community based development has not been fully supported by tourism industries (hotels). Cultural performance is to be enjoyed in its place, not in hotels. For a sustainable quality tourism , there is a need to conserve nature and culture, not to be commoditized, but it has to be financed** (all out)(I Gusti Putu Wahyudi Angligan, Honorary Member, Bali Tourism Board, member of Bali Tourism Reviewers; Bali Amateur Rescue Emergency Services)

Communities with limited capital (SMEs) are spear head of tourism. There is still less concern on the pendampingan for these communities. Overseas promotion seems to get more concern, instead of preparing to be host. There are still many illegal operations of money changers, guides, villas. **When the government is only targeting tourist arrivals, and not quality indicators, the Balinese will only get the ‘waste’** (Made Supatra Karang - Advisory Council, Indonesia Money Changer Association - Central and Regional Office (BPP APVA and BPD-APVA)

Avoid stagnation – the problem of Indonesia’s tourism lies in its management, both at the national as well as regional/local level. In facing tourism liberalization, there is a need to approach from all level. Human resource development should be put in the agenda to avoid stagnation. (Chairperson of the Kuta Executive Club, and Alliances of Bali Tourism Community).

Design Bali’s own (rural/village) tourism development model - Tourism industry development is heading to mass tourism, exploiting and commoditizing community’s natural and cultural resources. Ecotourism is perceived as the kind of tourism that will improve community’s income while still conserving the cultural values in protecting the environment and social life, based on mutual agreement. Desa Wisata Ekologi Bali (DWE), consider that **a strategy to balance development for Bali is as important as to maintain its existence to prevent environmental and cultural degradation.** (I Putu Alit Suarsawan, Chair person Bali DWE association, and Anugerah Arta Jaya Cooperatives).

Bali overbuilt – Bali is not Bali anymore, it has been **overbuilt**. Development chaos is caused by the fact that spatial plans and regulations have not been firmly implemented. In the midst of changes, basic values that colour the culture of the Balinese need to be maintained. Agricultural land has transformed; in **Bali socio-cultural activities is related to agriculture** and this has become Bali’s attractiveness. (Anak Agung Gde Rai, Marketing and Operation Manager, Hotel Indonesia International, Natour and BTDC).

The greatest threat for Bali is if “**the Balinese is put aside’ in the ‘glory’ of Indonesia’s tourism.** Cultural change has occurred- from being hospitable, well mannered, and helpful becoming individualistic and careless, caused by **unequal development with unclear or broken regulations.** Government policy to protect the agricultural sector is needed to support Indonesia/Bali’s tourism. (Bagus Sudibya, Hotelier, travel and MICE, ASITA coordinator for Bali and Nusa Tenggara)

(Summarized from Jendela Pariwisata Indonesia: How Lucky is Bali,)

The Case of Borobudur, Indonesia

The Borobudur Temple in Jawa Tengah (Central Java) is a UNESCO listed World Cultural Heritage (no.592). The temple is under the management of Taman Wisata Candi Borobudur-Prambanan (Borobudur-Prambanan Temples Tourism Park), a Government owned enterprise under professional management team.

The temple sees high visitation rates, mainly by domestic tourists, but also by a significant number of international tourists. Domestic tourists are charged Rps. 20,000 for adults during weekdays, Rps 23,000 during weekends and Rps. 30,000 during Idul Fitri peak season. International tourists' charge is US\$15.00. Children and students are charged half prize. So far there is no time limit for duration of visit, as long as it is within the opening hours. The entrance gate is closed 30 minutes before closing time.

The issue that has been lasting for a long time is about the vendors and the small traders who are considered as disturbing the convenience of the tourists. At present they have been placed in the surroundings of the parking lot, at the entrance space and also on the way to the exit gate, forcing all visitors to pass through the traders' path. At the entrance gate, visitors are checked - not to bring prohibited articles. Food/snacks are not allowed, but drinks may still be brought in - to avoid waste in the gated area.

One respondent, the horse carriage driver, mentioned that he get Rps.14,000 for each trip with his carriage; the ticket paid by the consumer is Rps. 30,000. Every 35 days they have a group meeting, the cost of which is shared among the members. He said that in fact outside the area there is a more beneficial market for his carriage, but he commit to serve half day during weekends. Another informant mentioned that the temple's existence was a blessing for the communities.

Another issue that the government has been responding to is about the well being of the people living in the surroundings villages. In early 2000, an NGO was working in the village of Candirejo for a tourism based community development, which has brought the village to a national stage. In 2003 the village received an appreciation from the President. They have established a cooperative for home-stays, souvenir production and also are encouraging traditional dances practices/trainings. Visit to one of the home-stays in October 2011 revealed that this particular home-stay had not hosted any guests for the last 4 months, since the eruption of Merapi, a volcano located not far from the temple. The cooperative charged Rps.100,000 for bed, breakfast and dinner per person. The host received Rps. 35,000 for accommodation and Rps.15,000 for breakfast and snack, including tea/coffee. There are about 25 home-stays in this village. Tourists' visitation to the village has encouraged villagers to maintain orchards with different fruits: mango, papaya, orange among others to improve attractiveness. Another finding is the presence of an artist who has been living in Ubud, Bali for a long time and is looking for a new place. He settled on the riverside of Progo in the village of Wanurejo, not far from Candirejo. The place is named by the guide as SONY's Gallery. There is also a spot for art performance and some units for stay,, all of them are very naturally designed. The owner also helps local people, his neighbors, to build rooms to accommodate guests. The place has become a meeting place for artists and those who are looking for inspiration and composure.

In the year 2011 the government also support some villages with a program called PNPM Mandiri, the National Program on Community Empowerment, through the Ministry of Tourism and Creative Economy. The village administration spent the money for development of home-stays and to buy bicycles to be rented to tourists.

In the area outside of the compound and further away, there more are facilities: accommodations and restaurants as well as souvenir/art galleries catering the tourists from longer distances, domestic and international tourists. When the home-stays are guestless some of the outside accommodation, higher class are still well booked.

The conclusion is that there are different market segments and different levels of providers. The communities and the local traders surrounding the temple are catering to the mass market, tourists mostly not staying overnight, who also tend to bring their own snack and drinks. They may not spend much in terms of travel expenditure beside transportation and tickets - however small it is - their spending is meaningful for the small traders! The other segments are those who may not enjoy the crowds and would like to visit more conveniently, according to the standard they are paying for. A third segment is the hard core, who are really keen to learn something, not limited to admiring, but eager to understand, get more information on the history and meaning of each features they see in the temple. They are willing to stay in people's homestays, spend longer time but may also stay in Yogyakarta or Magelang which is very accessible and close.

When these three customer groups get into a mix, it seems that only the first group may still enjoy and the other groups feel disturbed by the situation. It is important to have a detailed market survey for the three different groups, to search for a better response to the sustainability issues. There is a strong presumption that the mass tourists are looking for a recreational park – even they are very proud of the heritage, they are not keen to get detailed information; the three groups have put different meanings to the heritage that needs to be strongly maintained for its sustainability. A limitation in the form of visitor management may be only one way in reducing the burden.

A recent visit was made on October 30, 2011, guided by a local certified tour guide. Information was also obtained by informal conversation with carriage drivers and officers at the site. Phone conversation was also conducted with the top management of the PT Taman Wisata Candi Borobudur –Prambanan.

The Case of Machu Picchu, Peru

In the case of Peru, while trying to promote tourism and under pressure to repay debts, the Peruvian government privatized the tourist facilities around the famous ruins of Machu Picchu by giving long-term concessions to private companies. In 1996, Peru hotels, a subsidiary of the US-based Orient Express, was granted for the next 30 years the right to the hotel on the “sacred mountain” adjacent to the ruins, as well as to the train from Cuzco to Aguas Calientes beneath the ruins. The same company is running a luxurious hotel in Cuzco. Tourists are now made to bypass local traders and suppliers of tourist services, while the local people entrance fees and travel costs are no longer affordable. It is

not yet clear how tourist flows can be regulated in the future. According to UNESCO, the World Heritage of Machu Picchu is under acute threat (David Ugarte: Machu Picchu World Heritage- Its current Problems regarding Protection, Conservation and Preservation over Time, Hannover 2003, www.dante-tourism.org:EED Tourism Watch Nr 32, 34, 27, www.tourism-watch.de). The government of Peru is now planning to market Playa Hermosa near Tumbes, an almost untouched sandy beach in the northern part of the country and to buy 1000 hectares of land from paddy and banana cultivators in the neighborhood. Concessions shall only be granted only to potential foreign investors, for a period of 50 to 60 years, to develop resorts and luxurious leisure facilities, including golf courses and tennis courts for high class tourism. This will mean appropriation of land and loss of livelihoods for about 10,000 farmers and fishermen. The government also has a similar plan for the fortress of Kuelap (Amazon Province), one of the most important archeological sites in Peru that dates back to the pre-Inca times. Both areas have been declared locations for private tourism business and laws have been amended accordingly without informing, much less consulting the population affected (Sollifonds Informations Bulletin Nr 38/June 2004).

ANNEX 3: Relevant Excerpts from the Berne Declaration

Some statements in the Berne Declaration (2005) written by Marianne Hochuli (Berne Declaration) and Christine Pluss (Working Group on Tourism and Development) need to be put on our Indonesia tourism concern:

“- the uncertainty of the future: deregulation and liberalization have brought an overall dramatic change in tourism industry (pg 5);

- the players, structure and persons responsible is getting more and more difficult to identify the future holds many uncertainties; some tourism destinations in developing countries might be subsidizing tourists from originating countries; (pg 6);

- in economic liberalization, there was no other service sector in which countries made as many commitments as in tourism (pg 7) (most probably without any supporting study, author note);

- un-kept promises by industrialized countries to grant developing countries market access and access to technology; while developing countries used to be competitive due to their favorable climate, access to sea and cultural and biological diversity, access to international information and on-line reservation systems has now become a crucial factor; (pg 8)

*- limiting Local Governments' right to regulate- GATS article VI demands that domestic laws and regulations are administered in a reasonable, objective and impartial manner' that they should not constitute unnecessary barrier to trade in services (article VI.4) in cases of conflict, it should be left to the WTO (World Trade Organization)dispute settlement system to judge whether a measure is to be considered reasonable, objective and impartial, this will significantly impair the possibility of governments to adequately regulate their tourism and investment policies at national, sub-national and local levels. Especially in tourism, which relies on attractive, un-spoilt scenery and the generous hospitality of the local population, it is important that sustainable and fair initiatives can be given specific support. ... **local government must be able to pass laws which favor local ownership and land tenure, or must be able to give concessions to hotels which employ a high percentage of staff from local communities, give preference to local building material, food supplies and handicraft, and take a cautious approach to water and energy supplies..(pg 9);***

- a small number of big tourism corporations have come to dominate the international tourism sector ; it is especially in the field of travel agents (the retailers) and tour operators that industrialized countries request further liberalization from developing countries in the GATT negotiations but also the hotel sector which has also becoming integrated as well²⁹;

-investment incentives to lure foreign investors, to the disadvantage of the local population (pg 10)

*-the Berne Declaration and the Working Group on Tourism and Development share the concerns of many development experts that **further commitments for liberalization under the WTO GATS will pose a THREAT to the increasingly numerous initiative for responsible tourism that benefits the local populations and help protect their livelihoods....(pg 14)**"*

²⁹ Developing countries rightly fear that further opening of markets will lead to oligopolies by a few large enterprises, which will increase the pressure on local companies and reduce their income opportunities; (pg 9);

ANNEX 4: Lessons Learned From Various Ecotourism Best Practises

INSTITUTION/FOUNDATION	STRATEGY	LESSONS LEARNED
<p>BODOGOL Centre for Nature Conservation Education</p> <p>alami@prima.ney.id</p>	<ul style="list-style-type: none"> . ECOTOURISM : low volume, high value, . PARTICIPATORY EDUCATION, interpreter and modules , . INVENTORY of potential and monitoring, . COOPERATIVE establishment, . use of RESERVATION SYSTEM, regular evaluation, . CONSORTIUM : management of the protected area (TN Gede Pangrango), the foundation of Alam Mitra Indonesia and Conservation International, . PARTNERING with NGOs, communities, Education institution/University, Government and tour operator. 	<ul style="list-style-type: none"> * achieving agreed vision and mission between members of the consortium , *Active participation of the community in all stages of the development process, * Intensive Program dissemination, *Internship system in concept understanding by management of the area and the operator, *location advantage to market
<p>HALIMUN Ecotourism Foundation bcn-ni16@indo.net.id</p>	<ul style="list-style-type: none"> . construction of GUEST HOUSE in each zone, owned by the community, . open MEMBERSHIP for community in the vicinity of the site/location, . TRAINING for all level: managers, guide as well as porters , . TASK ALLOCATION : manager for each guest house, promotion staff in Bogor Office 	<ul style="list-style-type: none"> * the importance of having institutionalized carrying capacity, number of visitors is formally regulated/controlled, *continuous monitoring , *facilitator to bridge the relationship between the community and the ‘outsiders’, *creative promotion to increase visitation.
<p>TANGKAHAN Tourism Institute, North Sumatera Namo Sialang village, Batang Serangan sugenkd@yahoo.com</p>	<ul style="list-style-type: none"> . DISSEMINATION of ecotourism concept, . area PLANNING : zoning : research, education recreation zones, . Introduction of PACKAGES: bird watching, butterfly, rafting, mushrooms as well as research packages, . MANAGEMANT of green home-stays. 	<ul style="list-style-type: none"> * Concept needs to be disseminated to communities, prior to implementing any program, *strengthening all stakeholders, *extending network.
<p>WALLACEA FOUNDATION</p> <p>Jl Pulau SaelusII, Gang Kenanga No 17 Bali</p>	<ul style="list-style-type: none"> . MONITORING by the people, working together with the foundation staff stationed in the location, . CONTROLLING the cutting of trees, counting the bird population and identifying forest damages. . Controlling the use of dynamites for fish catching, . Putting the COMMUNITY as main actor for ecotourism. 	<ul style="list-style-type: none"> *Do not promise easily, * disseminate a program , before starting, * High environmental sensitivity and awareness, good intention and socially concern.

ANNEX 5: Definition of Green Tourism

The term ‘green tourism’ is increasingly used in discussions which encompass the triple-bottom line (economy, environments, social) features of ‘sustainable tourism’. The term ‘green tourism’ has been evident in the tourism literature for over 20 years, with adaptations referring to a movement from rural to ‘green’ tourism in Europe and, in Japan, the Ministry of Agriculture (1992) defining green tourism as “staying-type leisure activities to enjoy the nature and culture of the destination and interaction with local residents in rural and mountainous areas rich in natural landscape” (The Ministry of Agriculture 1992, in Hong et al 2003).

Generally, the concept of ‘green tourism’ can be ‘associated with ‘green consumerism’, which can be defined as ‘individuals looking to protect themselves and their world through the power of their purchasing decisions. In their efforts to protect themselves and their world, they are scrutinising products for environmental safety’ Ottman (1992: 3).

‘Green tourists’ would prefer to purchase travel products they perceive do not harm the environment. It’s another issue as to whether they actually practice that (a) on route to a destination courtesy of a long haul international flights with green-house gas emissions, depletion of finite energy resources, noise pollution at airports that do not have effective noise abatement practices such as late night/early morning curfews on flights over residential areas etc and (b) within the destination when they use fossil fuel powered transportation, dine on imported foods and drinks, have air-conditioning running most times of the day, do not turn off lights, TV, air-conditioning, etc during the periods they are not using their rooms etc.

More contemporary concepts of ‘green tourism’ incorporate the industry’s capacity to contribute to an economic future which is climate change decelerating, low carbon, resource efficient, environmentally friendly and socially respectful.

For the purposes of this Strategic Plan, the ILO definition of ‘green tourism’ draws from the UNEP ‘Towards a green economy’ report (2011) which includes a Chapter in collaboration with UNWTO titled ‘Tourism: Investing in energy and resource efficiency’. It states: ‘**Green tourism** has the potential to create new jobs and reduce poverty. Travel and tourism are human-resource intensive, employing directly and indirectly 8 per cent of the global workforce...The greening of tourism, which involves efficiency improvements in energy, water, and waste systems, is expected to reinforce the employment potential of the sector with increased local hiring and sourcing and significant opportunities in tourism oriented toward local culture and the natural environment’.

ANNEX 6: Alternative Indicators for Sustainable Tourism from UNWTO

Economic indicators:

- i. **Tourism revenue**, revenue from international tourists' expenditure is important as foreign exchange earner, and for the balance of payments, as compared to expenditure by Indonesians outbound. Domestic tourists' expenditure is important, totalling more than the expenditure by total foreign tourists, also from its more extensive distribution point of view. Taxes and retributions are a better indicator than just the total expenditure of the tourists;
- ii. **Contribution to poverty alleviation**, improved income of locals – poverty alleviation has become an objective and also the government's commitment, as it is expressed in many legal documents. However, this still needs to be realized. Also the fact that many tourist attractions are located in or near the poverty areas is important to note. The indicator should assess to (1) pro poor growth, (2) non-farm livelihood opportunities, (3) enterprise development or SMEs on tourism supply chain sectors, (4) Sustainable environment management, (5) link to CSR (Corporate Social responsibilities), (6) employment and empowerment, (7) growth and diversification, (8) access to market, and (9) sources of livelihoods ; Also the direct impact on the poor (earning and improving income; development of local/rural economies and people's livelihoods; and good impact on the natural environment in which the poor live).
- iii. **Value for money** for tourism products; one of the indicators that has improved Indonesia's Travel and Tourism competitiveness Index: WEF rated Indonesia's value for money as very competitive;
- iv. **Economic leakages**, the government of Indonesia's commitments in economic liberalization, have created an enlarged sphere of leakages. Even small tourism industries are not free of leakages, lessening the economic benefit for the country;
- v. **Percentage of income from tourism contributed to conservation** – natural and cultural resources conservation is needed for the sustainability of tourism and source of funding can directly be contributed by tourism;
- vi. **Business investment, community investment and government expenditure** – tourism will never happen without investment by the private and the public sectors; the communities also need to invest in making tourism more sustainable; the investment should provide opportunities on supporting youth employment creation and youth entrepreneurship in tourism supply chain sectors as well as creation of green jobs.
- vii. **Industrial structure**, sustainable tourism will depend upon the balance combination among different kinds of businesses and their distribution.

Socio-cultural sustainable indicators:

- i. **Well being of host community**, the government is committed as indicated in laws, government regulations, presidential instructions and other documents as well as local government regulations;
- ii. **Sustained cultural assets**, there is no tourism without culture, even nature tourism, implicitly covers culture. Cultural assets often become the capitalistic target to be owned and/or managed modernly. Cultural assets always need to be attached to the community, including values, and culture in the form of food, clothing and others- more than just the staged culture;
- iii. **Community participation** – in order to achieve a certain level of welfare, the community needs to be involved, not limited to workers, but also in deciding the direction, planning, as service providers as well as respectable hosts in their own place;
- iv. **Local satisfaction or dissatisfaction** – as indicated from attitudes and reactions. Tourism which provides benefits for the community will be positively accepted, dissatisfaction may lead to conflict or negative attitude towards businesses, government, fellow citizens as well as tourists;
- v. **Effects of tourism on communities**: attitude, social benefits, changes in life styles, housing, and demographics;
- vi. **Access by residents to key assets**: access to important sites, economic barriers, satisfaction with access level;
- vii. **Gender equality**- participation rate of women and men in the formal and informal labour market is behind those of men; even though accommodations, restaurants, and personal services are amongst the subsectors that may be entered more easily by the female labour force, all sectors should be open to women and men and offer equal payment and working conditions; however, particular attention should be paid for gendered type of work in tourism such as in accommodations and restaurants, and personal services. ;
- viii. **Sex tourism**: in regards to child sex and prostitution; monitoring, control, development, help for victims/people involved; proxy indicators should also be developed which consider the prevention and referral mechanism
- ix. **Child labour** needs to be addressed and monitored in tourism destination, due to the fact that they are involved as unpaid labour, especially in the informal sector; In addition, child trafficking should also be monitored.
- x. **Conserving built heritage**: cultural sites, monuments, designation, [reservation, damage, maintenance;
- xi. **Conserving cultural values**: traditional lives: food/cooking, dress code, cultural events, handicraft etc.

Environmental indicators:

- i. **Protection of valuable natural resources**
 - a. Protecting critical ecosystems: fragile sites, endangered species
 - b. Seawater quality: contamination, perception of water quality
 - c. Promoting and Maintaining green tourism industries
- ii. **Managing scarce natural resources**
 - a. Energy management : saving, efficiency, renewable energies

- b. Climate change and tourism : mitigation, adaptation, extreme climatic events, risks, impact on destinations, greenhouse gas emissions, transport and energy use
 - c. Water availability and conservation : water supply, water pricing, recycling, shortages
- iii. **Limiting impact of tourism activity**
 - a. Sewage treatment: waste water, extent of system, effectiveness, reducing contamination
 - b. Solid waste management: garbage, reduction, reuse, recycle, deposit, collection, hazardous substance
 - c. Air pollution: quality, health, pollution from tourism, perception by tourists
 - d. Controlling noise levels: measuring , perceptions
- iv. **Managing visual impacts of tourism facilities and infrastructure: setting, construction, design, landscaping**
- v. **Promotion of Sustainable tourism to ensure customer satisfaction, decent work agenda, and tourism business profitability, through 3 pillars, i.e.:**
 - a. **Social Justice/Socio culture (monuments, cultural heritages, ethnic groups, living culture, indigenous groups).**
 - b. **Economic development (local and national economic development, job creation, and better working condition).**
 - c. **Environmental integrity (good ecology, good environment and good natural resources)**
- vi. **Health and Safety**
 - a. Health: public health, community health, food safety, worker's health and safety which consider specific needs of women and men workers according their occupational settings;
 - b. Copingmechanism with epidemics and international transmission diseases such as TB, Avian Influenza, HIV/AIDS at all levels with involvement of all stakeholders; facilitation, contingency planning, impact on tourism
 - c. Tourist security, risk safety, civil strife, terrorism, natural disasters, management response contingency planning, facilitation.
- vii. **Controlling tourist activities level**
 - a. Controlling use intensity: stress on site and systems, tourist numbers, crowding
 - b. Managing events : sports, fairs, festivities, crowd control

Destination and Planning Control Indicators

- i. **Integrating tourism into local/regional planning:** information for planners, plan evaluation, result of implementation
- ii. **Development control:** control procedures, land use, property management, enforcement
- iii. **Tourism related transport:** mobility patterns, safety, transport systems, efficiency, in-destination transportation, transport to/from destination, air transport: responding to changes in pattern and access
- iv. **Designing products and services**
 - a. Creating trip circuits and routes
 - b. Providing a variety of services

- c. Marketing for sustainable tourism: green marketing, products and experiences emphasizing sustainability, market penetration, tourist response, marketing effectiveness
- d. Destination image
- v. **Sustainability of tourism operations and services**
 - a. Creating trip circuits and routes
 - b. Providing a variety of services
 - c. Marketing for sustainable tourism: green marketing, products and experiences emphasizing sustainability, market penetration, tourist response, marketing effectiveness
 - d. Protection of the image of a destination : branding, vision, strategic marketing

ANNEX 7: Laws and Regulations Related to Tourism Development and Undertakings

Law no 25-2004 on National Development Planning System, which has the objectives to support coordination, integration, and synergies, relationships and consistency, optimizing community participations and the efficient use of resources.

Law No 32 -2004 and 12-2008 on Regional Government which deals with the division of governance between central and provincial and district/municipalities;

Law No. 32-2009 on Environment Protection and Management, with the scope of protection, management, planning, utilization, control , maintenance, supervision and law enforcement.

Law No.13-2003 on Manpower, which concerns the employment issues, including the responsibility of not only government but also the community at large in developing employment opportunities, not limited as employees but in creating opportunities for the people in need in general.

Law No 11-2010 on Cultural Heritage, with the objectives of conservation of the cultural heritage for the welfare of the people, national identity and dignity and also promoting to the international community;

Law No 27-2007 on the Management of Coastal Areas and Small Islands, which covers planning issues as well as utilization of coastal areas and small islands and its requirements in its environmental management.

Law No 23-2002 on Child Protection, with the objectives of ensuring the fulfilment of child rights so that they can survive, grow, develop and participate optimally based on human dignity and human rights principles. The implementation of Child Protection Law based on Pancasila and constitution (UUD-45) and the basic principles of Convention on the Right of the Child such as non discrimination, best interest of the child, right to life, survival and development, and respect for the views of the child.

Law No 7-1984 on Convention on The Elimination of all Forms of Discrimination Against Women.

Law No 20-1999 on Ratification of The ILO Convention No 138 Concerning Minimum Age for Admission to Employment.

Law No 1-2000 on Ratification of The ILO Convention No 182 Concerning The Prohibition and Immediate Action for The Elimination of The Worst Forms of Child Labour.

The Legislation framework in Indonesia (Regulation No.10 Year 2004, Article 7 clause (1)) prescribes the hierarchy of legal authority as:











1. 1945 Constitution (UUD1945);
2. Law/Government Regulation (UU/Perpu);

3. Governmental Regulation (Peraturan Pemerintah);
4. Presidential Regulation (Peraturan President);
5. Regional Regulation (Peraturan Daerah).

The Regional Regulation level can include a further hierarchy of Provincial Regulation; Governor Regulation; County Regulation; Regulation of Head of County and Village Regulation.

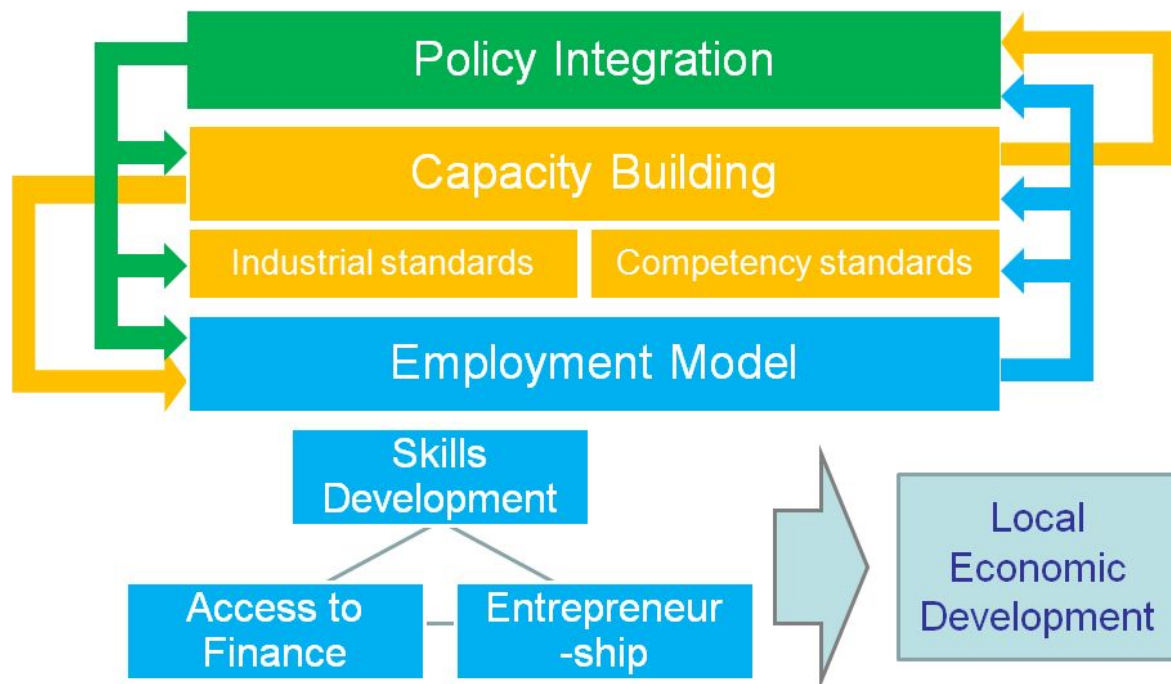
Therefore, there can be many levels of influence and control of public policies that are relevant to tourism development from the most senior of government and legal officials, right through to the local village level.

ANNEX 8: Global Code of Ethics for Tourism

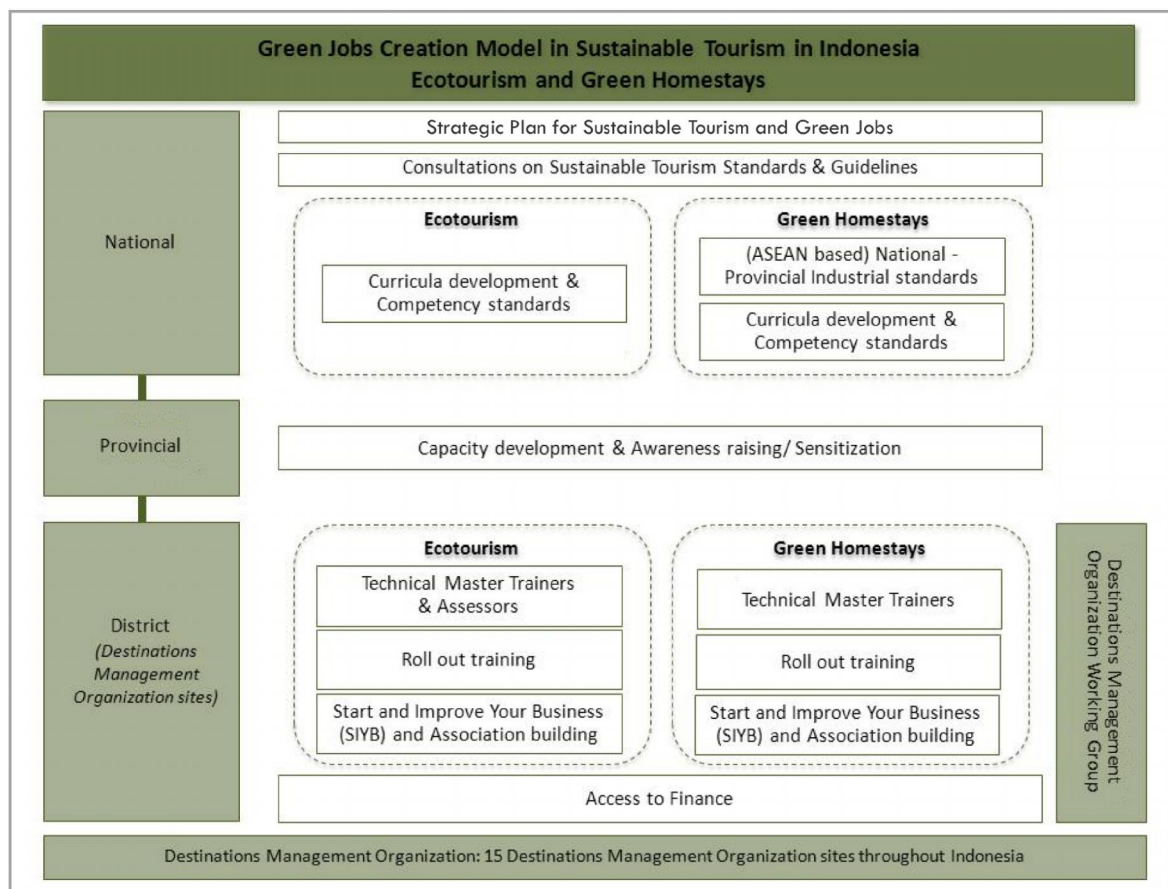
	Tourism's contribution to mutual understanding and respect between peoples and societies
	Tourism as vehicle for individual and collective fulfilment
	Tourism, a factor of sustainable development
	Tourism, a user of the cultural heritage of mankind and a contribution to its enhancement
	Tourism, a beneficial activity for host countries and communities
	Obligations of stakeholders in tourism development
	Right to tourism
	Liberty of tourist movements
	Rights of the workers and entrepreneurs in the tourism industry
	Implementation of the principles of the Global Code of Ethics for Tourism

Source: UNWTO. Resolution Adopted by the General Assembly. 2001

ANNEX 9: Green Jobs Strategic Model



Source: ILO (2012)



Source: ILO (2012)

ANNEX 10: Eco-Network in Indonesia



Peta Hijau or Green Map Indonesia is a national hub organization based in Yogyakarta, Indonesia. We consolidate the Indonesia Green Map movement, introduce Green Maps to more areas, and develop a networking with other Green Mapmakers, regionally and globally. <http://greenmap.or.id/>



Greeneration Indonesia (GI) is a social enterprise that runs business activities without forgetting its commitment to social impact, namely Increase Indonesia's people awareness of environmental issues that are happening in the world, and invite people to behave and lifestyle environmentally friendly as a philosophy of life.

<http://greeneration.org/>



Yayasan Bina Usaha Lingkungan (YBUL) is a non-profit organization situated in Jakarta, experienced and specialized in promoting and implementing programs in renewable energy, Clean Development Mechanism and community based environmentally friendly small- and medium-sized business empowerment through education, capacity building, feasibility studies and policy advocacy as well as access to microfinance and linking small- and medium-sized businesses to technology, market and financial access.

<http://ybul.or.id/>



Wahana Lingkungan Hidup Indonesia (Walhi) is the largest independent, non profit environmental organisation in Indonesia. Our vision is to realise a social, economic and political order that is fair and democratic and can guarantee the people's right to livelihood resources and a healthy environment.

<http://www.walhi.or.id/>



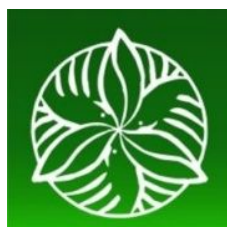
Forest Watch Indonesia (FWI) is an independent forest monitoring network incorporating individuals and organizations committed to fostering a transparent forestry data and information management system which can ensure just and sustainable forest management.

<http://fwi.or.id>



The Indonesian Ecolabelling Institute (LEI-Lembaga Ekolabel Indonesia) is a non-profit constituent based organization that develops forest certification systems that promote our mission of just and sustainable forest resource management in Indonesia.

<http://www.lei.or.id>



Organisation Developing Bioorganic Technology or Yayasan Pengembangan Biosains & Bioteknologi (YPBB) is a not-for-profit, non-government organization dedicated to educating people through both example and formal process, educating them and transferring the necessary skill to empower them to live in harmony and increase bio diversity

<http://ypbbbblog.blogspot.com/>



TUNAS HIJAU (TH) is a non-profit environmental organization, by kids & young people to do actions for a better earth, based in Surabaya, which is consistent in its efforts aimed at simple, real and continuing to help the environment better.

<http://tunashijau.org/>



Indonesia Hijau is an organization that aims to restore function of forest and conservation of the earth as a planet of life
<http://indonesiahijau.or.id/>



www.indonesiaorganic.com (CV Dunia dan Gaya) is an organic-focused website that delivers the same core benefits, as well as links people who wish to live healthily from a well balanced ecosystem and to conserve earth's resources for future generations, particularly those in Indonesia who are so reliant on its natural bounty for their day - to - day livelihood.

<http://www.indonesiaorganic.com/>



Yayasan IDEP (Indonesian Development of Education and Permaculture) is a local Indonesian NGO that develops and delivers training, community programs and media related to sustainable development through Permaculture, and Community-based Disaster Management.

<http://www.idepfoundation.org/>



KEHATI is an independent grant-making institution, working with all partners for conserving biodiversity and has tirelessly supported efforts in biological diversity conservation and sustainable utilization of biodiversity, including community participation, interest groups and businesses with stake biodiversity conservation.

<http://www.kehati.or.id>



Komunitas Konservasi Indonesia (WARSI) is an organizational network established in January 1992, with membership made up of twelve NGOs from four provinces in Sumatra (South Sumatra, West Sumatra, Bengkulu and Jambi), whose focus is biodiversity conservation and community development.

<http://www.warsi.or.id/>



Telapak is association of NGO activists, business practitioners, academics, media affiliates, and leaders of indigenous people, works with indigenous peoples, fishers, and farmers of Indonesia towards sustainability, sovereignty, and integrity.

<http://www.telapak.org>



Ekolabel Indonesia. This ecolabel is found on retail goods in Indonesia. Criteria are based on scientific technical studies of the products' environmental aspects throughout its lifecycle.

<http://www.ecolabelindex.com/ecolabel/ekolabel-indonesia>



Pelangi Indonesia is an independent research institute with national and international reputation that becomes a reference and a pioneer through its studies and advocacy on strategic issues

<http://www.pelangi.or.id>

Indecon is a non-profit organization focusing its activities in developing and promoting ecotourism in Indonesia. Established in 1995, Indecon have facilitated some various ecotourism stakeholders in ecotourism development in Indonesia.

<http://www.indecon.or.id>



Eyes on the Forest (EoF) is a coalition of three local environmental organizations in Riau, Sumatra, Indonesia: WWF Indonesia's Tesso Nilo Programme, Jikalahari ("Forest Rescue Network Riau") and Walhi Riau (Friends of the Earth Indonesia).

<http://www.eyesontheforest.or.id>



Konsorsium Pendukung Sistem Hutan Kerakyatan (KpSHK) is a network organization as the initiative of some non-government organizations, Indigenous community organization, researchers and individuals who concern about the sources of natural wealth issue, primarily the forest in Indonesia.

<http://kpshk.org/>



Lembaga Alam Tropika Indonesia (LATIN) is a non - profit organization that creating welfare & self-reliance community through the natural resources and sustainable fair collaborative approach

<http://www.latin.or.id>



Peduli Konservasi Alam Indonesia (PEKA Indonesia) Foundation is institution that has main programs in Research, Conservation Education and Community Development, we are promoting Ecosystem Health in Indonesia.

<http://www.peka-indonesia.org>



Sources of Indonesia (SoI) or (Sumber daya-sumber daya Indonesia) is a local non - profit organization which involved the local society in each programme implementation.

<http://www.soindonesia.org>



Greenomics Indonesia is a policy development institute that is devoted to introducing innovative empirical and field-based economic, financial and policy approaches for the purpose of supporting a move towards good natural resources governance

<http://www.greenomics.org>



PT. Greenliving Indonesia is a company engaged in the manufacture of environmentally friendly products (green products) that core business is to develop people's forest products that have been sustainably managed and sustainable (sustainable)

<http://greenlivingindonesia.com>



Sumatran Orangutan Society (SOS) is dedicated to the conservation of Sumatran orangutans and their forest home by raising awareness of the threats facing wild orangutans, and through fundraising activities to support grassroots conservation projects in Sumatra.

<http://www.orangutans-sos.org/>



Global Green (Indonesian Ecosystem Restoration) Global Green is a private national company focus on ecosystem restoration. Our goal is to maximize the function of forest as a unified ecosystem by doing forest protection, enrichment planting, reintroduction of indigenous flora and fauna, revegetation & repopulation and habitat management

<http://www.globalgreen.co.id/>



Global Green Indonesia Global Green Indonesia is an independent company, innovative, highly competitive, environmental care and continue to make some effort to save the earth from global warming is supported human resources professional.

<http://www.globalgreenindonesia.co.cc/>



Green Radio is the only radio station in Indonesia that the broadcast programs focuses on environmental issues.
<http://www.greenradio.fm/>



The Bali Organic Association (BOA) was founded on the basis of turning Bali into the Organic Island that developed efforts in which they were able to assist organic farming technologies for added value and improve the quality of farmers lives while caring for Bali's natural environment.
<http://baliorganicassociation.wordpress.com>

PPLH Bali (Bali Environmental Education Center) is a Non Government Organization established in 1997 that concentrates on addressing environmental problems and society empowerment. The group runs environmental awareness and education programmes that aim to conserve our natural environment.
<http://www.pplhbali.or.id/>



Forum Hijau Bandung (FHB) is a public organization that facilitates the stakeholders for environmental preservation of Bandung city.
<http://forumhijaubandung.wordpress.com/>



The Leuseur International Foundation (LIF) is an organization to support the protection and conservation of the Leuser Ecosystem
<http://www.leuserfoundation.org>

For Sustainability Fight



Livelihood and Future

Yayasan SETARA is a non –government organisation established as a response to concern about ecological destruction, the exclusion of local and indigenous communities as well as palm farmers from natural resource management and expansion of large-scale palm plantations threatening not only forests but also the lives of local communities and other living creatures.
<http://setarajambi.org>



Yayasan Pembangunan Berkelanjutan (YPB) or Foundation for Sustainable Development was established in line with the spirit of Rio Summit 1992, which has committed to sustainable development. The founders of YPB considered that Indonesia needs to adapt sustainable development directions to insure that Indonesia will decent life to its people for the existing generation and the generation to come
<http://www.ypb.or.id/>



Centre for International Forestry Research (CIFOR) is a nonprofit, global facility dedicated to advancing human wellbeing, environmental conservation and equity by conducting research to inform policies and practices that affect forests in developing countries. CIFOR is a CGIAR Consortium Research Center. CIFOR's headquarters are in Bogor, Indonesia and it also has offices in Asia, Africa and South America.
<http://www.cifor.org>



Greenpeace is an independent global campaigning organisation that acts to change attitudes and behaviour, to protect and conserve the environment and to promote peace
<http://www.greenpeace.org/seasia/id/>



WWF-Indonesia is an independent member of WWF, the global conservation organization which aims to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature

<http://www.wwf.or.id/>



COREMAP (Coral Reef Rehabilitation and Management Program) is a long-term program initiated by the Government of Indonesia with the objectives to protect, rehabilitate, and achieve sustainable use of the Indonesian coral reefs and their associated ecosystems which, in turn, enhance the welfare of the coastal communities

<http://www.coremap.or.id>



VECO Indonesia is the Indonesian country office of the Belgian NGO, Netherlander (VE). VECO Indonesia aims to support the advocacy of local and national level policies that favour the position of the organised family farmers practising sustainable agriculture (SA)

<http://en.vecoidonesia.org/>



Conservation International Indonesia is an organization that empowers societies to responsibly and sustainably care for nature, our global biodiversity, for the well-being of humanity.

<http://www.conservation.org/global/indonesia/>



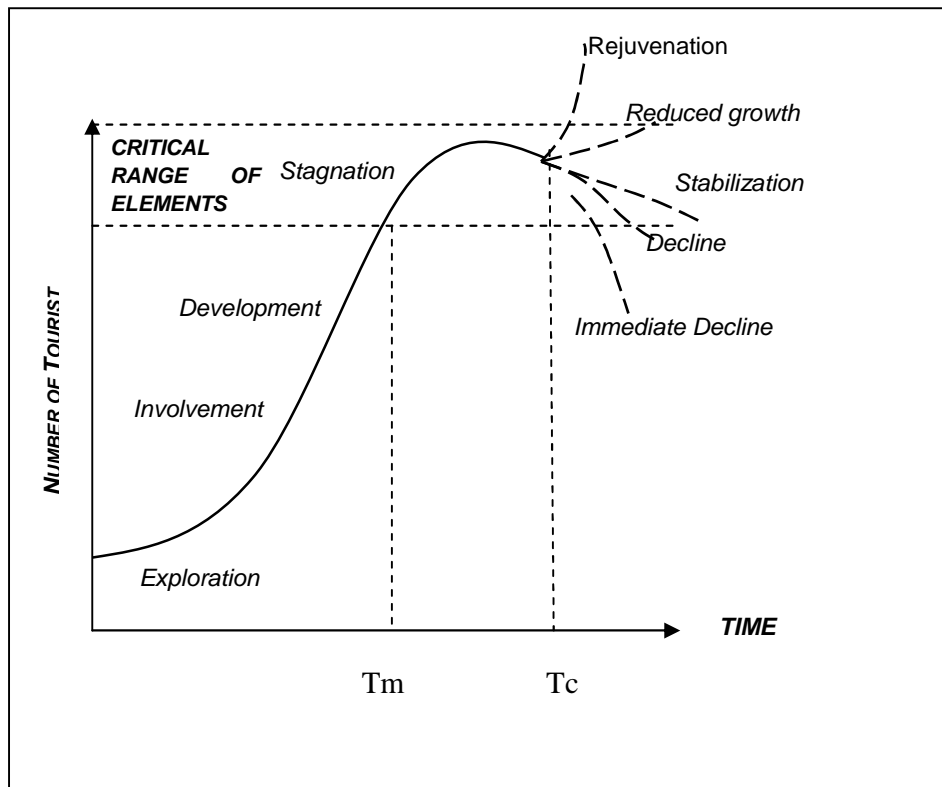
LEAD (Leadership for Environment and Development) Indonesia is a joint program involving 13 worldwide LEAD Offices that aims to promote leadership for sustainable development.

<http://www.lead.or.id>

Lablink is a non-profit, non-government, research and consulting organization that promotes equitable and sustainable development.

<http://www.lablink.or.id/>

ANNEX 11: Typical Life-Cycle of a Tourism Destination



Source: Butler (1980)

END NOTES AND REFERENCES

ⁱ ILO (2011a): Green Jobs in Asia Brochure.

ⁱⁱ ILO (2012): Local Investments for Climate Change Adaptation: Green Jobs Through Green Works.

ⁱⁱⁱ ILO (Mar. 2012): Green Jobs in Asia Project-Project Status Brief.

^{iv} CBS (2011): Traveling Population Survey 2010.

^v Eijgelaar (2010)

^{vi} CBS (2010): Traveling Population Survey 2010.

^{vii} World Bank (2011): Doing Business 2011: Making a Difference for Entrepreneurs

^{viii} UNWTO (2009): The Policy on Development of Tourism Human Resources in Indonesia.
<http://statistics.unwto.org/sites/all/files/pdf/laksaguna.pdf>

^{ix} Hildiktipari (2012): <http://www.hildiktipari.org/>.

^x THE-ICE (2012): <http://www.the-ice.org/>

^{xi} UNWTO (2012): Certification System TedQual.
http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/docpdf/tqcertificacion-en_0.pdf

^{xii} The further development of the human resources to meet anticipated tourism growth in Indonesia and for the workforce to experience competitive work conditions and remuneration include the core components of the ILO definition of ‘decent work’, namely:

... opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity

... aspirations of people in their working lives – for opportunity and income; rights, voice and recognition; for family stability and personal development; for fairness and gender equality

... dimensions of decent work that underpin peace in communities and society

... poverty reduction - for achieving equitable, inclusive and sustainable development.

^{xiii} ILO (2011): Toolkit on Poverty Reduction Through Tourism. Geneva

^{xiv} The instruction is addressed to the coordinating Minister for Politics, Legal and Security, Minister for National Education, Minister of Home Affairs, Minister for Communication and Information, Ministry of Finance, Minister of Legal and Human Rights, Minister for Foreign Affairs, Minister of Marine and Fishery, Minister of Industry, Minister of Trade, Minister of Public Works, Minister of Health, Minister of Energy and Mineral Resources, Minister of Forestry, Minister of Transportation, Minister for State Enterprises, Head of National Land Authority, Head of Investment Coordinating Board, Head of the Police Department, all Governors, Bupati-s and Mayors, and specifically Minister for Culture and Tourism to prepare complete information, improve cooperation with provincial and local governments, as well as international partners to support promotional activities, support development of prime destination and improve awareness of the conservation of cultural and tourism attractions.

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- ^{xv} UNWTO (2012): Definition of Sustainable Tourism.
<http://sdt.unwto.org/en/content/about-us-5> Accessed 5 March 2012)
- ^{xvi} UNWTO (n.a.) Definition of Sustainable Tourism.
Source: <http://sdt.unwto.org/en/content/about-us-5>
- ^{xvii} UNWTO (1999): Global Code of Ethics for Tourism.
- ^{xviii} Holden in Jafari (2000)
- ^{xix} UN-WOMEN (2011): Tourism a Vehicle for Gender Equality and Women's Empowerment.
<http://www.unwomen.org/2011/03/tourism-a-vehicle-for-gender-equality-and-womens-empowerment/>
- ^{xx} Ecolabel Index (2012): All Ecolables in Indonesia.
<http://www.ecolabelindex.com/ecolabels/?st=country,id>
- ^{xxi} Global Sustainable Tourism Council GSTC (2011): GSCT Criteria.
<http://new.gstcouncil.org/resource-center/gstc-criteria>
- ^{xxii} Global Sustainable Tourism Council GSTC (2012)
- ^{xxiii} In 2011, the Ministry of Tourism and Creative Economy commissioned the report, "A Green Growth 2050 Road-Map for Bali Tourism". The report is at completed draft stage and will be shortly submitted to the Minister for consideration and subsequent actions. While 'Bali specific', it may include recommendations relevant and adaptable to other destinations within Indonesia.
- ^{xxiv} Law No 24, 2007 on Disaster Mitigation, par 1
- ^{xxv} Nawangsidi (2008)
- ^{xxvi} Law No 24-2007
- ^{xxvii} MoTCE (2011)
- ^{xxviii} MoTCE (2011)
- ^{xxix} ILO (Apr 2012): Mainstreaming Green jobs into National Policies.
- ^{xxx} Apindo (2011)
- ^{xxxi} ILO (2011): Toolkit on Poverty Reduction Through Tourism. Geneva
- ^{xxxii} BPS (2010)
- ^{xxxiii} ILO (2011): Toolkit on Poverty Reduction Through Tourism. Geneva
- ^{xxxiv} Taufik (2011)
- ^{xxxv} ILO (2011): Poverty Reduction Through Tourism.
- ^{xxxvi} Table 3.1, 3.2, and 3.3. ILO 2011, Measuring Employment in The Tourism Industry, beyond a Tourism Satellite Account, A Case Study of Indonesia, TSA 2011
- ^{xxxvii} TSA of selected provinces, with different years of calculation, as depicted in Table 3.4 of the ILO report on Measuring Employment in the Tourism Industry, beyond the TSA, 2011, TSA West Java, 2011

^{xxxviii} CBS, *Labourer Situation in Indonesia, February 2010* – calculated from Table 21.2 and 21.3; copied from *Measuring Employment in the tourism Industries beyond a Tourism satellite Account: A Case study of Indonesia, ILO, 2011*

^{xxxix} CBS, *Labourer Situation in Indonesia, February 2010* – calculated from Table 21.4 and 21.5, copied from *Measuring Employment in the tourism Industries beyond a Tourism satellite Account: A Case study of Indonesia, ILO, 2011*

^{xl} CBS, *Labourer Situation in Indonesia, February 2010* – calculated from Table D.1, D.2, D.3, copied from *Measuring Employment in the tourism Industries beyond a Tourism satellite Account: A Case study of Indonesia, ILO, 2011*

^{xli} CBS, *Labourer Situation in Indonesia, February 2010* – calculated from Table C.1, copied from *Measuring Employment in the tourism Industries beyond a Tourism satellite Account: A Case study of Indonesia, ILO, 2011*