INDONESIA GREEN ENTREPRENEURSHIP

Janti Gunawan

Indonesia Labour Force situation in person, by age and education (Feb 2012)

YOUTH REPRESENT
32% of the labour force

Growing number of educated labour force in Indonesia

Source: Ministry of Manpower & Transmigration (accessible from http://pusdatinaker.balitfo.depnakertrans.go.id/)
Indonesia Unemployment in person, by age and education (Feb 2012)

Source: Ministry of Manpower & Transmigration (accessible from http://pusdatinaker.balitfo.depnakertrans.go.id/)

71% of unemployment are youth (5.4 million people), 51% of them are educated (senior high school and above)

Indonesia Youth Employment Network Program

Youth employment policy

Skills for employability

Apprenticeship

Entrepreneurship

KNOWLEDGE SHARING
Challenges

- Quantity, small target
- Quality (top down)
- Cost
- Delivery (Location)
- Flexibility
- Sustainability

Example of Indonesia Organization Structural Challenge
Governance Challenges

• Institutional challenge
• Capacity challenges
• Public service challenges
• Budget challenges
• Representativeness challenges
• Monitoring and Evaluation challenges

INDONESIA GOVERNMENT STRATEGY:

Gerakan Kewirausahaan Nasional (GKN) = NATIONAL MOVEMENT FOR ENTREPRENEURSHIP, include 13 ministries (e.g. Ministry of education, ministry of SME and Cooperative, Ministry of Youth and Sport), and non government institution (private and state owned enterprise), starting in 2010
ILO EXPERIENCES in INDONESIA

1. JOY (Job Opportunities for Youth): 2008-2010
   Local Economic Development (Biogas, Cut flower, Ecotourism)
2. EAST (Education and Skills trainings for youth employment): 2006-2010
   Schools & Vocational training center, BDS Development Entrepreneurship modules (KAB, SYB, 4in1)
3. PELAGANDONG (Realising minimum living standards for disadvantaged communities): 2010-2012

INDONESIA CHALLENGES:

- Entrepreneurship business support system has not equally developed
- The entrepreneurship program are not well coordinated (policy, incentives, support, target group, location) because of various commitment of stakeholders
- Need to address unemployment, poverty reduction, inequality, and environmental issue
- Need to pilot: GREEN ENTERPRENEURSHIP
- Specific sector to ease the coordination and scale up / promotion
ENTREPRENEURSHIP PROGRAM:
1. To create new entrepreneurs through training and coaching
2. To create potential clients for banks, and promote Green Banking
3. The intervention is channeled through university incubators
4. The program is piloted in 7 Indonesia Central Bank regional offices, 2 out of them focus on GREEN Entrepreneurship
   - (2012) Provide training on how to start business
   - (2013) New entrepreneurs can implement business plan and do financial record keeping
   - (2014) New entrepreneurs’ business are registered, and can recruit at least 1 employee

INDONESIA GREEN ENTREPRENEURSHIP PROGRAM
Target YOUTH & GREEN ENTREPRENEURS to PROMOTE DECENT WORKS

INDONESIA GREEN ENTREPRENEURSHIP PROGRAM (2013-2015)
1. Pilot is underway (Sept 2012 – June 2013)
2. Focus on START YOUR GREEN BUSINESS
3. In 6 sectors that can potentially reduce CO2 level, address international concerns, create employment and equal opportunity, and facilitate better policy alignment. The sectors are Green transport, Waste Management, Green Energy, Creative Industry, Ecotourism, Food security
4. Develop the capacity of trainers (management & technical) to train and coach
5. Develop the network to support the implementation
6. Promote green policy at national, provincial and local levels
Stages of Indonesia IGEP (pilot)

- **Module development**
  - Adopt Green Business Option (China), and Develop Indonesia Start Your Business Module

- **Preparation**
  - Training of Trainers, Call of interest

- **Piloting**
  - BI program (2 regions and potentially 4 regions will be included)
  - 2 pilot universities (ITS, Undip/IPB)

- **Launching the project**

  - 2013
  - Ministry of Youth and Sport program at 41 university incubators
  - Ministry of Education through young entrepreneurship program,
  - Align to SOE and private CSR program for financing, technical assistance, and networking

- **Institutionalization**
  - e.g. Green business finance law (to response to law no.40/2009 on access to finance for new entrepreneur)

PROMISE IMPACT: Promoting MSME’s access to finance and green productivity

2 Location, 2 Sector: West Java for Textile and Garment, and East Java for Food and Beverage

Target group: Micro and Small, in a clustered industry

- **Supply**
  - Product Development
  - Capacity building

- **Demand (SME)**
  - Green productivity
  - Entrepreneurship
  - Financial Literacy
  - BDS development

**Financial Inclusive**

**Microfinance Policy and Social Performance Measure Development**
FOR MORE INFORMATION

JANTI GUNAWAN, EMAIL: JANTIGUNAWAN2010@GMAIL.COM