



Report of the Workshop on

Employment Diagnostic Analysis in Maluku

Ambon, 11-13 April 2011

A. BACKGROUND

Following a request for cooperation in the field of provincial level employment analysis and employment planning from the BAPPENAS (National Planning Board of Indonesia) and an agreement with the Provincial Government (Bappeda) in Maluku, a workshop on employment diagnostic analysis focusing on Maluku was jointly organized by the ILO and Bappeda Provinsi Maluku (the Provincial Planning Bureau) on April 11-13, in Ambon 2011.

The main objective of the workshop was to reach a shared understanding of the nature of the main constraints and challenges to productive employment generation in Maluku as a basis for effective policy development. The two and half day workshop was a highly interactive exercise where participants assumed the lead role in the analysis and identification of the main constraints, challenges and opportunities for increasing the creation of productive employment in Maluku through a joint structured analysis based on a methodology developed for this purpose by the ILO.¹ The conclusions from this joint analysis formed the basis for a discussion on priorities for policy making and other public interventions, with a view to promote productive employment creation in an inclusive and sustainable manner at both the provincial and the district level.

The main results of the workshop were:

1. A common understanding of the key constraints on and challenges to achieving inclusive, job-rich growth that would help prioritize the problems impeding employment growth to make the policy response more focused and effective.
2. A broad consensus on the policies and interventions needed to enhance the generation of productive employment in Maluku, specifically to promote productive employment development in the three sectors of Maluku, namely agriculture, fishery and tourism, identified as strategic sectors in the provincial development strategy.
3. Hands-on training in employment diagnostic analysis.

B. EXECUTIVE SUMMARY

The two and half day workshop saw active participations from government officials (including representatives of the provincial and districts level Bappeda (Ambon, Central Maluku and West Seram), Trade Unions, APINDO (Employers' Association), Bank of Indonesia, and a representative of Ambon LED forum from the ILO-UNIDO project as an observer. Presentations of the main findings of the initial employment diagnostic analysis were combined with group discussions in three working groups.²

¹ *Conceptual and Methodological Guide to Employment Diagnostic Analysis / Panduan Konseptual dan Metodologi untuk Analisa Diagnostik*, (Geneva & Jakarta: ILO, 2010) Draft.

² For details see the agenda in Annex 1.

The workshop was opened by the Head of Bappeda Provinsi Maluku, Mr. M.Z. Sangadji, and by Mr. Kazutoshi Chatani of the ILO Country Office, Jakarta. This was followed by a presentation by the Senior Employment and Development Specialist, Dr. Per Ronnas, (ILO HQ Geneva), where he introduced the conceptual basis of the methodology for employment diagnostic analysis to the participants. The structured and step-by-step analysis helps identify firstly, what happened, and secondly, why it happened. Whereas the first question can be answered through a careful analysis of available statistics, the second question requires a more qualitative analysis based on the unique knowledge possessed by the local resource persons – the invited participants of the workshop. Employment is a complex issue, and the methodology attempts to structure the factors that potentially affect it; it also helps analyse the economic growth through an employment perspective.

Maluku's Development Plan was presented by the head of Economy and Natural Resources Department of Bappeda Mr. Anton. A. Lailossa, who addressed the challenge of reducing the poverty rate in Maluku – the third highest poverty rate in the country. The strategy focuses on the development of three key sectors (agriculture, fishery and tourism) in an inclusive manner in order to contribute to the welfare of the people and achieve the poverty and unemployment reduction targets by 2013. Mr. Lailossa stated that the ILO was specifically asked to focus on these sectors as potential drivers of economic growth that would generate employment and help reduce poverty (see **Annex 5**).

Once the participants were familiarized with the methodology and the provincial development strategy, Mr. Chatani presented conclusions from a recent analysis of the main constraints to inclusive growth in Indonesia undertaken by ILO, ADB and IDB to set the frame of reference for the following province-focused analysis. The study highlighted three key obstacles to Indonesian productive employment creation: Inadequate and poor quality of infrastructure; weakness in governance and institutions and unequal access to and poor quality of education (see **Annex 6**).

The main findings of the initial situation analysis in Maluku, elaborating on the dynamics of economy and the labour market, were presented by Ms. Leyla Shamchiyeva (ILO HQ Geneva) (see **Annex 7**), who also focused on the human and natural resources (land and sea) in Maluku in the next session, looking at them from a perspective of their use as productive resources (see **Annex 8**). The session concluded that both human and natural resources are abundant in the province, but remain grossly underutilised. The session encouraged a discussion that would help establish the reasons behind the underutilisation of the resources in Maluku. The subsequent group discussions session found that although the education attainment rates in Maluku are very high, the quality and relevance of education is not satisfactory. A variety of factors affect the employability of population - lack of skills training, obsolete education facilities and uneven distribution of training centres at district level, and insufficient investment in education and infrastructure. The land and sea are underutilised due to poorly developed infrastructure and an inadequately skilled labour force.

The morning session of second day looked into the rate and quality of growth and its employment implications. The quantitative findings were presented by Dr. Per Ronnas (see **Annex 9**). Basing on their experience and knowledge and the information attained from this session, the participants were grouped into three groups and asked to discuss three questions:

- a. What are the main challenges for increasing income from agriculture and fishery sectors?
- b. What are the main challenges for creating productive employment and decent income from the processing and tourism sectors?

- c. How can we better utilize the educated labour force in Maluku in order to support economic development?

All three groups were invited to share the conclusions of their discussions with the others, after which the issues raised were linked to the diagnostic tree in a participatory mapping exercise with the assistance of the facilitators (see Picture 3).

This sessions on the resource base and on the rate and quality of economic growth identified three problem areas that constrain productive employment generation in Maluku: Qualitative aspects of the human resources, low social returns on investments (primarily due to poor infrastructure) and poorly developed and functioning markets / poor market access. Other problem areas identified during the discussions were: shortcomings in the educational and vocational training system; unclear property rights on land; insufficient access to credit; shortcomings in the business environment and a problem of corruption. The groups also concluded that the environmental aspects of development required particular attention in order to ensure a sustainable development of fishing and agriculture and as a precondition for a successful development of the tourism sector.

The afternoon session of day two aimed at identifying the sources and causes of inequality in the access to productive employment (see **Annex 10**), participants were divided into three groups, and asked to concentrate on two main issues of inequality in Maluku each. In general, they agreed that the most severe forms of inequality are between:

- Men and women, and;
- the centre of the province (Ambon) and the periphery

In order to ensure development with equity all policies and interventions need to be designed in a manner that ensures that development benefits everybody and not just some, effectively reducing inequality. To this end, the working groups focused on identification of the types of inequality, providing example of the issue raised, exploring the possible reason, and proposing the solution and a performance indicator to measure the progress towards this solution. The participants agreed that clustering is an appropriate development model for Maluku, which addresses the key areas of development in each sector and cluster of islands. The results of this exercise is presented in **Annex 10 a**.

The final session of the workshop was dedicated to a mind-mapping exercise to explore the linkages of three main sectors in Maluku (agriculture, fishery and tourism), the opportunities for equal productive employment and how policies can be improved to support the sectoral development as well the strengthening of inter-sectoral linkages. The results can be seen in **Annex 11**.

In summary, the workshop concluded that:

1. Maluku already has a clear sectoral development policy (focusing on the development of agriculture, fishery and tourism) and approach (grouping in clusters).
2. The three main constraints to the productive employment development in Maluku are the poor development of human resources and infrastructure, and a limited access to markets.
3. As Maluku's population is scattered across a large number of islands, a cluster-based development may be necessary for a more efficient implementation.

4. The overall level of education in Maluku is quite high: well above the average for Indonesia as a whole. However, there is a mismatch between education and skills training and the demand in the labour market. The current education system does not correspond with the development objectives of the province.
5. In order to promote tourism two issues must be addressed first – infrastructure development and human resources training. At the moment there is no vocational school in tourism and hospitality, neither is there an informal course in tourism. As a result, the people who work in tourism sector either have no proper training or are invited from outside of Maluku, leaving out the local labour force. There is a potential to increase productive employment in this sector once the infrastructure that can support tourism is developed.
6. The contribution of the manufacturing sector is still limited and the linkages across sectors have not been developed well. A development of manufacturing and processing industry with linkages to the priority sectors would significantly enhance the economic and employment impact of development.
7. There is a need to boost both foreign and domestic investment, which at the moment are much lower than needed. This will among other things require creating an enabling business environment including security.
8. Clear and measurable indicators must be introduced to track the progress towards targets. The development indicators need to capture both quantitative and qualitative.
9. Infrastructure, specifically seaports and airports, are needed to support the productive employment creation in Maluku. The low frequency and high cost of transports are detrimental to development, labour mobility and productivity.
10. The alignment of development plan across clusters and sectors is required, as well as the integration of the operational activities to achieve maximum impact. The government may need to do go beyond interventions that merely aim at enabling a market-driven development to the formulation and implementation of a development strategy and policies that actively promote and shape development. This will require further capacity building within Bappeda and other technical units at the provincial and district level.

The above findings were extracted from participants' discussion mainly during session 7. A more detailed account of the presentations, analysis and conclusions is provided below.

C. THE EMPLOYMENT DIAGNOSTICS ANALYSIS: Conclusions and Highlights from the Discussions

Two presentations were provided a frame of reference for the training workshop in employment diagnostic analysis. Firstly, a presentation of the findings of a study conducted by the International Labour Organisation, Asian Development Bank and Islamic Development Bank by ILO CO Jakarta; and secondly, the presentation of the Mid-term Regional Development Plan (RPJM) by Bappeda (See **Annex 6**).

The study concluded that although that Indonesia economy is growing, it is still lagging behind some neighbouring countries such as Vietnam and Cambodia. Moreover, the growth has not been sufficiently inclusive. Poverty remains a problem, and the gap between urban and rural areas is widening. The study identified three critical constraints to growth in Indonesia: inadequate and poor

quality of infrastructure, weaknesses in governance and institutions and unequal access to and poor quality of education.

Development in Maluku has reflected that of Indonesia as a whole. The poverty rate has declined from 32.8 per cent in 2003 to 27.7 in 2010, but the rate is still twice as high as the national poverty rate. The unemployment rate is declining but remains high: It fell from 14.4 per cent in 2006 to 10 per cent in 2010, but it is still higher than national unemployment rate in the same year of 7.4 per cent. Government expects that both poverty and unemployment rates can be reduced down to 12.5 per cent and 5.8 per cent respectively by 2013. This can be achieved through productive employment generation and strong economic growth, which is a challenge as the province is still recovering from the conflict. With this vision in mind, three sectors have been selected as priority sectors for development with high potential for employment creation, namely agriculture, fishery and tourism. To overcome the challenge that Maluku's geographic characteristics pose in the implementation of the development strategy the vast archipelago has been grouped into clusters.

In this regard, the ILO's employment diagnostic training workshop has been geared to place the three priority sectors – agriculture, fishery and tourism – into the focus of discussions and analysis, and explore the ways in which the processing industry could be used as a link between the sectors. The following sections elaborate on the analytical process in greater detail.

The Dynamics of Employment, the Labour Market and the Economy

A review of the dynamics of employment, the labour market and the economy in Maluku served as an introduction to the analytical sessions (see Annex 7). From 2002 onwards, the economic growth in Maluku has been stable. However, it has not been sufficiently inclusive and has not generated sufficient productive employment growth.

Demographically, the population pyramid of the province represents a 'bottom-heavy' structure with a predominantly young population not yet in the working age (younger than 15). This means that in the next 15 years, the size of the working age population will increase very rapidly, which will improve the age-based dependency ratio but also place a pressure on the economy to create jobs.

Maluku is lagging behind the country as a whole on all labour market indicators. At 66.5 percent in 2010 the activity rate in Maluku is lower than the national average of 67.8, and the unemployment rate of 10 percent is higher than the national average of 7.4. Such low levels of activity and high levels of unemployment are atypical for an agrarian economy such as Maluku's.

It must be noted however, that the activity rate among those aged 20-64 is higher.³ It reached 92 per cent among men, but only 61 per cent among women in 2009. The lower participatory rate of women is found across all age groups, and has not changed much since 2002. The activity rates among the younger population (20-24 year olds) are much lower than average, and more so for women. Looking at those who are economically inactive, only one third of them were attending school. What becomes obvious from the statistics after breaking down the data by sex and age is that the overall activity rates are heavily influenced by very low rates among women and the young. The activity rate among men aged 20-65 in Maluku is considered normal for an agrarian economy.

³ Calculations here exclude those likely to be in school (15-19 year olds) as well as those of old age (65 years of age and over) and therefore focus on the 20- 64 year olds.

Furthermore, even when women and youth do enter the labour force, the risk that they will end up unemployed is quite high. The unemployment rates among women aged 25-49 was as high as 13 percent in 2009, whereas the unemployment rate among men of the same age were 7.2 percent. Unemployment is concentrated in urban areas. It can be concluded that unemployment mainly affects women living in urban areas.

The performance of Maluku in the area of education is among the best in the country. Only 2.6 per cent of the population over 15 years of age were illiterate in 2009, which is much lower than the national average of 7.4 percent. The education enrolment ratio was also among the highest in the country. More than half of the labour force in Maluku has completed at least junior high school. Even in rural areas education attainment levels of the population are quite high; 45 percent of the labour force having graduated from at least junior high school. However, unemployment is highest among those with high education.

Agriculture is the dominant sector of economy in Maluku and absorbed 59 percent of the working population in 2009. As much as 75 percent of the rural working population was employed in agriculture the same year. The second largest employer in Maluku was the services sector that provided jobs to 34 percent of workers, majority of whom were women. In urban areas, as much as 86 percent of the workers were occupied in services, mainly public and personal services (41 per cent in 2009).

The biggest contributors to the GDP in Maluku in 2010 were the services sector (60.9 per cent), followed by agriculture (31.3 per cent). Industry contributed only 7.8 per cent with manufacturing accounting only for 4.8 percent of the GDP. The sectoral composition of GDP has changed very little since 2002. The GDP increased by almost 50 per cent or by 5 per cent a year over the period, implying that growth has been within the sectors rather than through structural change among sectors.

Looking at the change in the sector composition of the GDP and employment since 2002, helps us understand the economic and labour market dynamics in Maluku. The share of agriculture in GDP has declined more slowly (by 4.2 percentage points since 2002) than its share in total employment, which dropped by almost 15 percentage points (from 66.3 in 2002 to 51.4 in 2010). This development implies growth in productivity at the expense of employment creation. By contrast, productivity dropped in the services sector as its share in GDP grew at a much slower rate than its share in total employment. While the productivity growth in agriculture is welcome, not least in view of the fact that most of the working poor are found in this sector, the employment growth in public services is not sustainable. Alternative sources of employment growth outside agriculture will need to be identified and developed. Development of processing/manufacturing industry has a great potential to increase the value added of the products produced in the province, and to generate productive employment. The manufacturing sector remains undeveloped and contributes little to the economy and to employment. A greater emphasis on the development of manufacturing will no doubt be needed in the future. Overall, labour productivity in the economy of Maluku has increased, though disproportionately across sectors, as well as between urban and rural areas, and between women and men.

Maluku's poverty rate (27.7 per cent in 2010) is among the highest in Indonesia and twice as high as the national average (13.3 per cent in 2010). Poverty is closely linked to education levels: the higher the education level of the head of a household, the lower the incidence of poverty. However, it is

noteworthy that in Maluku even those with high school education are sometimes poor (one third of the poor households were headed by a person who completed at least junior high school). In addition to that, it seems that in Maluku employment does not always allow an escape from poverty. It is estimated that about a third of the people who work find themselves in poverty, the majority of them in rural areas.

In summary, the above shows that the human resources in Maluku are grossly underutilised, as activity rates among women and the young are low, and unemployment rates among are high. Those with higher education are more at risk to be unemployed. A high incidence of working poor also implies that low productivity remains a severe issue, not least in rural areas and in agriculture. All in all, in Maluku, education does not guarantee employment, and employment does not guarantee prosperity. So both the number of jobs and their productivity must be increased for men and women, and the quality and relevance of education improved.

In order to achieve a visible change, women must be better integrated into the labour force and provided productive employment opportunities. This would automatically increase the income of a household and reduce poverty rates, and improve the actual dependency ratio.

Highlights of discussions:

Following this presentation, the participants were asked to share their opinions in short on the following three questions:

1. What is the most important and unique characteristic, issue or problem of economic development in Maluku?
2. What is the most important and unique characteristic, issue or problem of employment in Maluku?
3. What is the most important and unique characteristic, issue or problem of labour market in Maluku?

The participants concluded that in Maluku, the economic development has not created adequate employment opportunities. Natural resources – especially marine and forestry – are not fully utilised, and there is a vast untapped potential in agriculture. Infrastructure is critical in a place such as Maluku, which is often referred to as “a province of a thousand islands” and it remains underdeveloped and unevenly distributed.

The participants emphasised that the labour force in Maluku is educated but people lack skills to work productively and the need to support specific sectoral development as identified in the provincial development strategy. Both human and natural resources remain underutilised, unemployment rates are high among senior high school graduates, who tend to be selective in taking up a job; educated women often do not participate in the labour force. Human resource development as a whole is disconnected from the demand on the labour market.

In addressing the labour market issues, participants indicated that agriculture offers employment, but it is not an attractive option for young educated people. There is a lack of private sector employers in the labour market. Economic activity is confined to the main urban centre, and there is a risk that economic development will bypass many areas in the province. Poor infrastructure and lack of investments affect the dynamics of the economy and the labour market. The economy does not

generate sufficient productive employment opportunities, and as a result, the supply of labour force is higher than the demand on the labour market.

The information from the presentations and inputs from participants were used for further analysis below.

Deficit of productive employment in Maluku

In order to quantify the magnitude of the challenge of productive employment creation in Maluku a rough estimation of the deficit of productive employment in Maluku, and a forecast of the need for creation of productive employment in the coming five years was made.

It can be estimated that about 162,700 people who work find themselves in poverty. This group of people are referred to as the working poor, the majority (90 per cent) of whom are found in rural areas. A high incidence of working poor is an indication of low productivity and a lack of productive employment. The working poor and the unemployed together make up the deficit of productive employment. This deficit is estimated to have grown somewhat in the past decade, from 193,900 in 2002 to 227,600 in 2010. The apparent increase in the number of working poor is surprising considering that productivity has increased in agriculture in the past years. However, it is possible that many of the working poor currently find themselves just below the poverty line, in which case even a small increase in their productivity (mainly productivity in agriculture) would lift them out of poverty. Increasing the household income through providing employment to women would also lift many of households out of poverty.

An overall deficit of productive employment, calculated as the working poor plus the unemployed, was 227,600 thousand people in 2009, the majority of whom were found in rural areas. In rural areas the problem is mainly large numbers of working poor and low productivity in agriculture that employs a majority of the rural population. In contrast, in urban areas the problem is the wide-spread unemployment. Therefore, policies must focus on further increasing productivity of the workers in agriculture, and creating new productive jobs in both rural and urban areas. The new jobs should not least target the educated and women. A better coordination between vocational education and training and the demand on the labour market is necessary.

The preliminary analysis attempted to quantify the challenge posed by the Millennium Development Goals to half the poverty rate of 1990 by 2015.

The employment challenge for 2010-2015

▶ Increase in labour force	73,408
▶ Reduction of unemployment	- 7,654
▶ Increase in employment	81,062
▶ Reduction of working poor	-79,240
▶ Increase in productive jobs	160,302

About half of the increase in productive employment – 81,000 – will have to be in the form of new jobs, mainly for the large number of young people who are going to enter the labour force.

The other half – 79,000 – is a question of increasing the productivity and incomes of the working poor, the vast majority of whom are working in agriculture at the moment. This can be achieved either by increasing the productivity and incomes in their current jobs or shifting them to jobs with higher productivity and income.

In this exercise, the following assumptions were made:

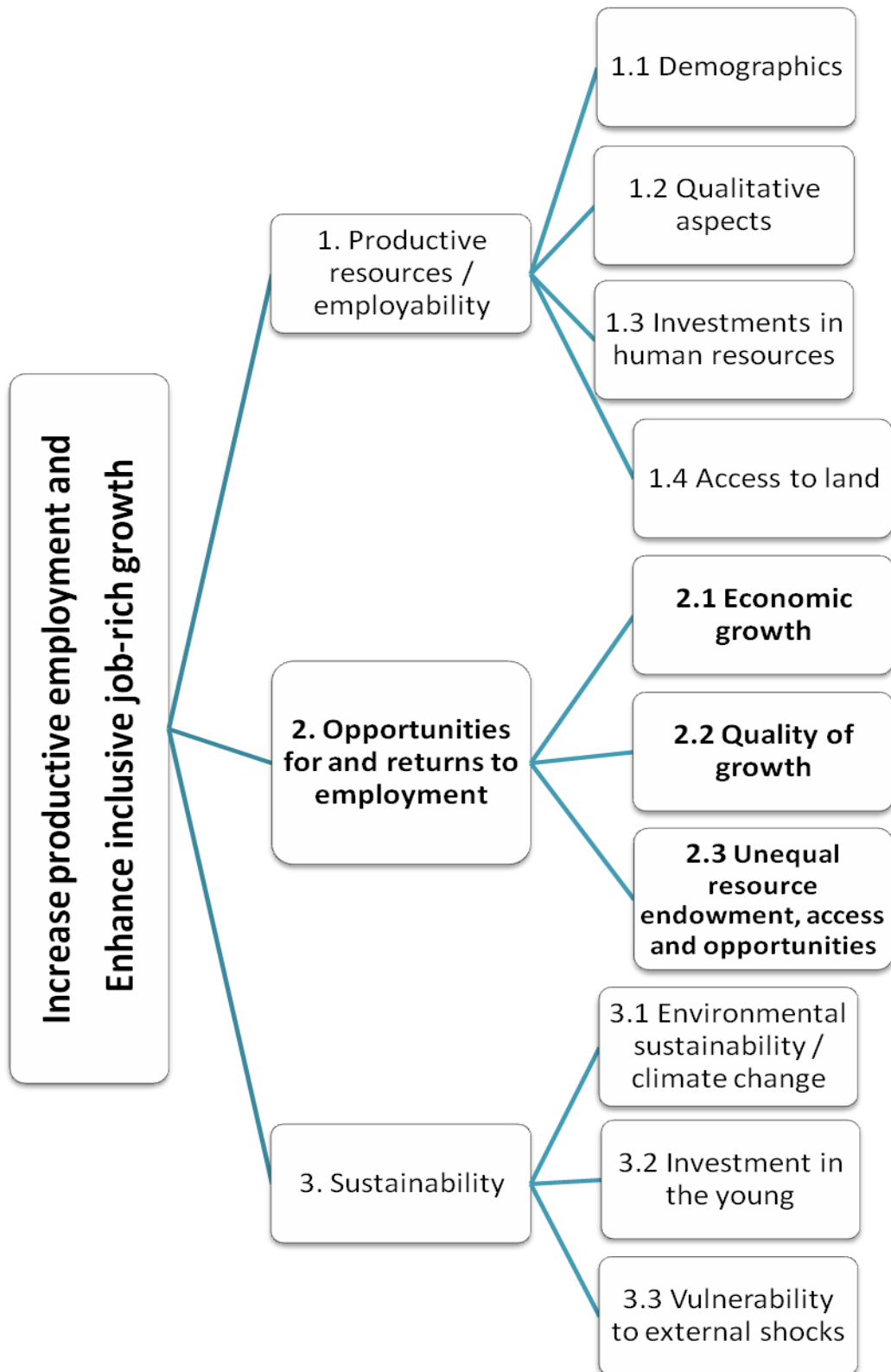
- Firstly, the poverty reduction target was taken as 12.5%, reflecting the MDG target of halving the 1998 poverty rate by 2015.
- Secondly, the growth of the labour force was calculated basing on the age-group-specific activity rates of 2010 and assuming zero net migration out of the province
- Thirdly, an unemployment target of 7.9 per cent, reflecting the average rate of the country was assumed. Finally, the working poor were estimated against the poverty rate target.

As a result, we have very rough estimates of how many productive jobs will need to be created and how many workers will need to boost their productivity in order to meet poverty targets of 2015.

The joint employment diagnostic analysis

The joint employment diagnostic analysis undertaken during the workshop followed a structured, stepwise approach based on the employment diagnostic reference ‘tree’ (See Picture 1-2). The first session focused on the quantitative and qualitative characteristics of the productive resources available, primarily the human resources (levels of education, health etc.) and natural resources (land and sea). This was followed by a session where the focus shifted to the rate and quality of economic growth with a view to explore the constraints and challenges to achieve an economic development capable of generating the large amount of productive employment needed in the coming years. A subsequent session focused on the causes of inequality in access to productive employment opportunities. During the final session the conclusions from the group discussions and key findings of the employment diagnostic analysis were brought together.

Picture 1. Employment Diagnostic Tree: 1-2-level branches



Picture 2. Employment Diagnostic Tree: 2-3-level branches



Productive resources: Human resources and land-and-sea

This session looked at the human and natural resources from the perspective of their use as productive resources. Both quantitative and qualitative aspects of these resources were considered. Quantitatively speaking Maluku's population is young and the age-based dependency ratio is favourable, and will improve in the near future when those currently younger than 15 enter the working age population.

In terms of quality of the human resources development Maluku's is a top performer in Indonesia with high literacy and net enrolment rates, and impressive high school graduation rates (90% in 2007/2008). (see **Annex 8**). On the whole, the labour force in Maluku is well educated by Indonesian standards. However, unemployment in Maluku mainly affects those with high education. More than half of the unemployed in rural areas and as much as 81 per cent of the urban unemployed have completed senior high school. The high education levels of the local population imply that the human resources have a strong potential to be productive. However, the high unemployment rates indicate that this potential remains partly unused.

A significant share of the population in rural areas active in the agriculture and fishery sectors have high levels of education. However, very few have specialised training in agriculture and fishery in rural areas as the university that offers such courses is located in the city of Ambon (University of Patimura). There is a need to build up and expand the vocational education and training programmes to improve employability and productivity of the labour force. At the same time, the government needs to facilitate the development of productive employment opportunities. Infrastructure development and improving access to the markets should go hand in hand with human resource development.

With respect to natural resources, Maluku is surrounded by water (92.4 per cent of the area). Population density is not equally distributed. It ranges from 7 person / sq km (in Maluku Tenggara Barat district) to 755 person / sq km in Ambon city. In addition, the population of outer districts (e.g. Maluku Tenggara Barat, Maluku Tenggara Tengah) has declined since 2000, while Ambon's population has increased. In quantitative terms, there is no shortage of land or sea in the province. Much of Maluku also receives relatively abundant rainfall. Maluku is a province rich in natural resources. Yet, this has not translated into welfare of the population, and poverty remains widespread.

The presentation of quantitative and qualitative facts was concluded with questions for group discussions:

1. Why do the human and natural resources in Maluku remain underutilised?
2. Does the education and training system correspond to the current and future economic demand?

The following factors were identified as restraining the optimal use of human and natural resources: The quality and relevance of education and skills training of the human resources, and access to and investment in land and marine resources. Human resources remain underutilized because even the educated labour force lack practical skills relevant to the market requirements. Labour market information is not properly collected and disseminated and not least farmers have difficulties

accessing information. Besides, the educated labour force tends to seek employment in the public sector that is considered more prestigious.

Secondly, the investment in the institutional infrastructure for education and vocational training is inadequate, especially in the rural areas and at district level. Although the access to formal education is adequate both in urban and rural areas (from primary to higher education), the education is not in tune with the present and future needs of the economy as envisaged in the development strategy for the province. Skills-training in the strategic sectors (agriculture, fishery and tourism) is largely lacking. There is as yet no strategy to close the gap between the education system and labour market. There is a lack of high quality vocational schools in the centres of geographic clusters mentioned earlier, no tourism schools (formal and informal training) which could make the young graduates more competitive and employable on the labour market. The cluster approach is in the process of adoption and needs further implementation at the local levels.

Lastly, the access, productive use of and investments in the natural resources are constrained by unclear ownership and user rights, and lack of land certification and registration and inadequate spatial planning and land-use and regulation.

INCREASING PRODUCTIVE EMPLOYMENT OPPORTUNITIES – A Focus on the Economy

The creation of productive employment opportunities is closely linked to the rate and quality of economic growth. In order to create productive employment opportunities for the large number of young people who enter the labour market each year and to reduce the number of working poor and unemployed, the economy needs to grow at a high rate and the nature of growth must be such that it effectively increases productive employment in an inclusive and sustainable manner.

A brief overview of the economic development in Maluku (**see Annex 9**) over the past decade shows that Maluku economy has grown at about 5 per cent per year on average, which must be considered as inadequate in view of the need for economic reconstruction after the conflict and to rapidly reduce the high rate of poverty. Growth has been the result of an increase in both employment and productivity. About 70 per cent of the growth has been due to employment growth, while the remaining 30 per cent has resulted from productivity growth, which may be considered to be a healthy combination. Yet, the share of the population living in poverty has fallen very slowly from a high level. It would appear that growth has not been sufficiently inclusive.

As noted earlier, some 81,000 new productive jobs will need to be created between 2010 and 2015 and productive employment will need to increase by some 160,000 (that is by over 40 per cent) to achieve the dual objectives of reducing the incidence of poverty to no more than 12.5 per cent *and* to provide productive employment opportunities for the large number of young entrants into the labour force in the coming years.

The ambition must therefore be to increase the rate of growth and to achieve a growth that is both sustainable, job-rich, and inclusive of the vulnerable groups of the population such as the youth, women and the poor.

Most of the growth of both GDP and of employment has taken place in the services sectors, which accounted for over two thirds of the growth of GDP and 84 per cent of the growth in employment

between 2002 and 2010. As much as 41 percent of employment growth took place in social, mainly public, services, and 35 percent in the trade, hotel and restaurant subsectors of the services sector. As the growth of value added in these sectors was much lower than the growth of employment, the employment growth took place at the expense of productivity, which is not sustainable in the long run. In particular, it seems very unlikely that the very rapid growth in social and public services can continue in the future.

Almost a quarter of the economic growth between 2002 and 2010 came from agriculture, yet employment in agriculture increased by less than 5 per cent. The productivity growth in agriculture is welcome and needs to continue in order to reduce the number of working poor. However, the scope for increasing employment in agriculture proper, that is excluding fishing and aquaculture, would appear to be rather limited. Manufacturing continues to play an insignificant role in the economy reflected by its small contribution to growth in GDP (0.9%) and employment (1.3%). Further development of agriculture and the envisaged rapid development of aquaculture, in particular seaweed cultivation, would greatly benefit from a development of agro-processing and other manufacturing based on local resources at the same time as it would create a basis for and fuel such a development. A strong, combined development of the three strategic sectors – agriculture, aquaculture and tourism – and of manufacturing linked to these sectors to create strong value added chains, will be necessary to achieve the twin goals of continued increases in productivity to reduce the number of working poor and a rapid generation of productive employment opportunities outside agriculture, in a situation where the public sector can no longer be relied upon as a main source of employment growth. The continued high rates of poverty in rural areas, despite significant increases in agricultural productivity also suggest a need for an in-depth examination of the apparent failure of agricultural growth to translate into rapid reduction of the number of working poor. Thus, putting the economy on a path of sustainable and rapid growth needed to ensure productive employment for all and an elimination of poverty will require:

- Intensification and increased market-orientation of agriculture and a forceful development of fishing and aquaculture (not least seaweed).
- Diversification of the economy, through development of linkages and value added chains from agriculture and the other strategic sectors – aquaculture (seaweed) and tourism – and the development of a modern manufacturing sector based on local resources.
- Creation of conditions for further development of agriculture and fishing and processing to maximise the value added and trigger productive employment growth.
- Increasing the value added of exports from Maluku through identification of export niches and a shift from export of raw material to export of processed goods with a high value added,, thus achieving economic growth both through growth of exports and domestic demand.
- Strengthening the technological base of the economy, thus increasing productivity of labour and creating a stronger demand for the skilled and educated labour force.
- Achieving growth with equity → growth must be inclusive and pro-poor.

The subsequent analysis focussed on an identification of the main constraints and challenges for achieving these objectives. The rate and quality of economic growth is influenced by a wide range of factors. The employment diagnostic reference tree was used to guide and structure the analysis. This structure provided a basis for a sequential structured analysis of a broad range of factors that are

known from economic theory and empirical studies elsewhere to exert an influence on the rate and the structure and quality of economic growth. Some of these factors, such as the terms of global economic integration and macro-economic policies, are clearly beyond the control of the provincial authorities in Maluku, while others can be influenced by provincial and local authorities.

The subsequent group discussions and analysis served the purpose of identifying:

- The factors presenting crucial constraints and challenges to the achievement of rapid, job-rich and sustainable economic growth in Maluku.
- Factors of lesser importance in the context of Maluku, and
- Factors over which the provincial authorities have no control.

Using the employment diagnostic tree as an analytical structure, the workshop participants were asked to address the following questions in the group discussions:

- (i) What are the main problems and challenges to improving income from agriculture and fishery sectors? What solutions can you propose?
- (ii) What are the main problems and challenges to improving employment and income from manufacturing and tourism sectors? What solutions can you propose?
- (iii) What are the main problems and challenges to improving the utilisation of educated and skilled labour force in Maluku to support the economic development?
- (iv) How can the value added of manufacturing sector be increased?

The group analysis and discussions during this session identified two core constraints / challenges and three 'second rank' factors: The most crucial constraints / challenges that need to be addressed were found to be:

- Low social returns to investments; primarily due to poor infrastructure and overall low level of economic development.
- Poorly functioning and developed markets / poor access to markets.

In addition, three other priority factors were identified:

- Poor access to finance
- Shortcomings in the business environment, and linked to this
- Corruption.

Bringing together the results of the discussions in the previous session on human and other productive resources and the results of the discussion on the session on 'Employment opportunities – The rate and quality of economic growth' resulted in the identification of the following priority factors. The core factors are in **bold**.

Human and other productive resources:

1. **Aspect 1.2. Qualitative aspects of human resources development**
2. Aspect 1.3 Investment in human resources
3. Aspect 1.4 Access to land

Productive employment opportunities: The rate and quality of economic growth:

4. Aspect 2.1.2 Access to finance
5. **Aspect 2.1.3 Social returns to investment (especially infrastructure)**

6. Aspect 2.1.6 Access to market

7. Aspect 2.2.2 Business environment

8. Aspect 2.2.4 Rent extraction

Sustainability aspect:

9. Aspect 3.1. Environmental sustainability

The development of human and other productive resources had been addressed in the previous sessions, where the participants concluded that the poor quality and relevance of education, low level of skills and the mismatch between the demand and supply of skills – all result in the underutilisation of the human resources. It was suggested that vocational schools with specialised skills training in the targeted sectors need to be promoted. At the moment, trainings rely on the government budget (through BLK). In the future, training in specialised areas such as breeding/seedling, farming, collecting, post-harvesting /processing technique, will be required. Such training must be accessible for students from all parts of the province, and involve active participation of both public and private training centres. The participants also suggested setting up apprenticeship programmes to foster the learning process.

Poor infrastructure was identified as one of the most critical constraints to economic and productive employment growth. Infrastructure plays a vital role in providing access to markets, in production and realisation of high quality agricultural and marine products: seaports to connect one island to another working on a regular schedule, storage facilities and fridges at the seaports to store marine products before shipment, the road and regular public transportation to transport products from the point of production to the marketplace. It is also crucial to achieve a regionally balanced development. At present poor infrastructure reduces the level of investments in the economy as well as the benefits to the economy as a whole of the investments that do take place.

Market access and access to market information pose additional severe constraints that limit growth. Farmers, fishermen, small processing enterprises and local traders often have difficulty accessing markets to sell their products because they do not have information on the demand. Fresh products are sold to few local traders, which creates high dependency of farmers on these traders. Furthermore, these local traders in their turn have a limited business network to expand the demand, which creates a long chain of distribution and limits the income of the producers. Farmers also have little access to manufacturing, which creates difficulties for the manufacturers to maintain a steady supply and price of the output at the same time as the farmers are deprived of secure and dependable outlets for the production. The system of cooperatives is insufficiently developed. At a different level, it was concluded that enterprises in Maluku lack adequate access to markets outside of the province, which limits the development of exports.

The participants came up with a large number of proposals for actions to address the identified problems, some of which are listed below. Some of the main proposals to this end included:

- Local marketplaces in the centre of clusters need to be developed. These local markets should be integrated into a larger marketplace, e.g. a provincial market, where both fresh and processed products are marketed. These should be linked to the tourism sector.
- Investment in infrastructure to help the mobility of commodities and products.

- Providing a packing house in each cluster to support the packaging of the processed products, complemented by training and other measures and ensure food hygiene and product certification trainings.
- Improving the capacity of planners in spatial planning and resources management.
- Developing a cluster cooperative, for managing a better input, processing and marketing of products (commodity and processed) and networking with rural cooperative.
- Improving the capacity of rural cooperative and farmers extension officers, to support the inputs of farming and micro business, e.g. seedling of agriculture products and equipment for fish catching; as well as marketing the processed products so that the distribution chain can be shortened.
- Introducing ‘tumpang sari’ – a way to improve the economic output of land by land use intensification - planting vegetables under the commodity trees (e.g. some vegetable can grow under nutmeg and clove tree).
- Improving information dissemination on agriculture, fishery and processed products and coordination between the demand and supply in rural and urban areas and between islands.
- Conduct a regular promotion of local strategic sectors (agriculture, fishery and tourism) in both in Indonesia and abroad.
- Preparation of the community for tourist visits through awareness raising trainings, developing tour package and language trainings.
- Entrepreneurship training in the agriculture, fishery and tourism sector for youth and women in rural areas with the business incubator facilitation. The trainings should cover product diversification along the value chain (e.g. coconut can be processed into coconut oil, briquette, palm sugar, etc).
- Establishing a business development service centre in each cluster to ease the process of establishing business.

ACHIEVING ECONOMIC DEVELOPMENT WITH EQUITY

Throughout the workshop, inequality in various forms was raised in the discussions as an important aspect of the development challenge. Indeed, all the factors identified as critical challenges for development of human and other productive resources and for creating productive employment opportunities for growth were found to have important inequality dimension.

A brief presentation served as an introduction to the session on achieving growth with equality (**see Annex 10**). In this presentation four main sources of inequality with regard to access to productive employment were discussed:

- Unequal access to productive resources (education, skills, knowledge as well as access to land and natural resources, resulting in unequal employability).
- Unequal opportunities

- Insecurity and vulnerability, which reduces the possibility of poor people to take calculated risks, which often may be needed in order to increase their productivity and incomes
- Availability of time to work due to excessive time spent on household and reproductive work and an unequal distribution of this work between men and women.

In the subsequent discussion two main forms of inequality were identified and discussed:

- Inequality between urban and rural areas and between the centre (Ambon) and the periphery (most of the rest of the province).
- Inequality between men and women

Economic dynamics differ greatly between urban and rural areas, and between Ambon and most of the rest of the province. While only 20 per cent of Maluku's population currently reside in Ambon, the provincial capital accounts for 42 per cent of the economic production in the Maluku. The per capita income in Ambon is more than twice as high as the Maluku average, while the per capita of some districts, such as Maluku Tengah, Seram Bagian Timor and Pulau Buru is only about 60 per cent of the provincial average. Wage employment is concentrated in few centres, mainly cities and towns. Non-wage employment is closely associated with informality and poverty.

Access to productive employment also varies considerably between men and women. Women's activity rates are lagging behind that of men. Yet once women do enter the labour force, they struggle to find a job and are more exposed to unemployment, and when they do find work, they are more like than men to be self-employed and end up in the informal economy.

In order to understand the issues of inequality in access to productive employment in Maluku more deeply, the participants were asked to identify (i) the main forms of inequality, (ii) the manifestation it takes, (iii) its causes, (iv) possible solutions, and (v) possible indicators to measure progress. A matrix summarising the results of these discussion can be seen below.

MATRIX OF RESULTS on EQUALITY

What are the main problems to equal access to productive employment between:

Aspects of inequality	Example ⁴	Causes	Solution	Performance indicator
Men vs women	Men have more opportunities to get wage employment than women	Pronounced gender roles that assign women's place in the kitchen, washing room and bedroom; whereas men are seen as the breadwinners.	Provide training to women to be able to work from home (e.g. home industry)	Number of working women. Number of private enterprises owned by women.
	Women's involvement in the higher education is lower than men. Women's participation in the three sector of employment (agriculture, fishery and tourism) is lower than men	Families often prefer to send boys to school as they are the future breadwinners.	Provide gender equality seminars at the village levels. Provide sector-specific skills trainings for women to so that they can have opportunity to contribute in the three priority sectors.	Number of women with higher education. Number of women joining the labour force.
City vs district	Ambon's development is faster than the development at the districts level.	Ambon has better infrastructure to support development than districts (e.g. transport, education, health service, trade, etc)	The policy should support districts level development, which should be reflected in the budget allocation. Provincial government should allocate adequate budget for infrastructure development in the districts. District government should	Infrastructure is equally distributed in districts and cities. Number of joint project between provincial and district for infrastructure development

⁴ Some of the statements in are based on perceptions of the participants but are not necessarily supported by the statistics.

Aspects of inequality	Example ⁴	Causes	Solution	Performance indicator
			have better coordination with the provincial government to have a joint-project on infrastructure development.	
Urban vs rural	Natural resources are located in rural areas, but human resources are concentrated in the urban areas.	Employment opportunities are available mainly in the city.	Promote rural job creation. Improve the access from city to rural areas so that people can reside in villages but work in cities.	Number of village enterprises. The migration of people from rural areas to cities.
Central areas and periphery	The price in the central city is higher than periphery.	The number of high income population is larger in the city centre than periphery. Producer at periphery does not know about price. The cost of production in the periphery is higher than the city centre.	Create value added processing activities at periphery (e.g. producing fish meat balls, fish flakes, and variety of products from fish).	Number of skilled labour in the periphery.
Access to education between poor and non poor	The poor have difficulties to access high education (the non-compulsory education) than non-poor	High cost of higher education.	Scholarships for the poor.	Number of students from poor households enrolled in the secondary education and above. Secondary and higher education attainment rates.

Synthesis of conclusions and mainstreaming of key dimensions of constraints

During the final day of the workshop, the main findings and conclusions from the analyses were brought together, synthesised and structured based on the ‘employment diagnostic tree’ (see Picture 1-2). Subsequently, the three priority sectors served as a starting point for a mind mapping exercise that helped the participants to explore the linkages and potential value added chains. The purpose of this exercise was to illustrate the need to develop value added chains and linkages between economic sectors to maximize the impact of growth in these sectors. The three core challenges identified and the main aspects of inequality were applied in this exercise to each of the priority sectors with the view to identify the challenges to be considered and addressed in the pursuit to develop these sectors.

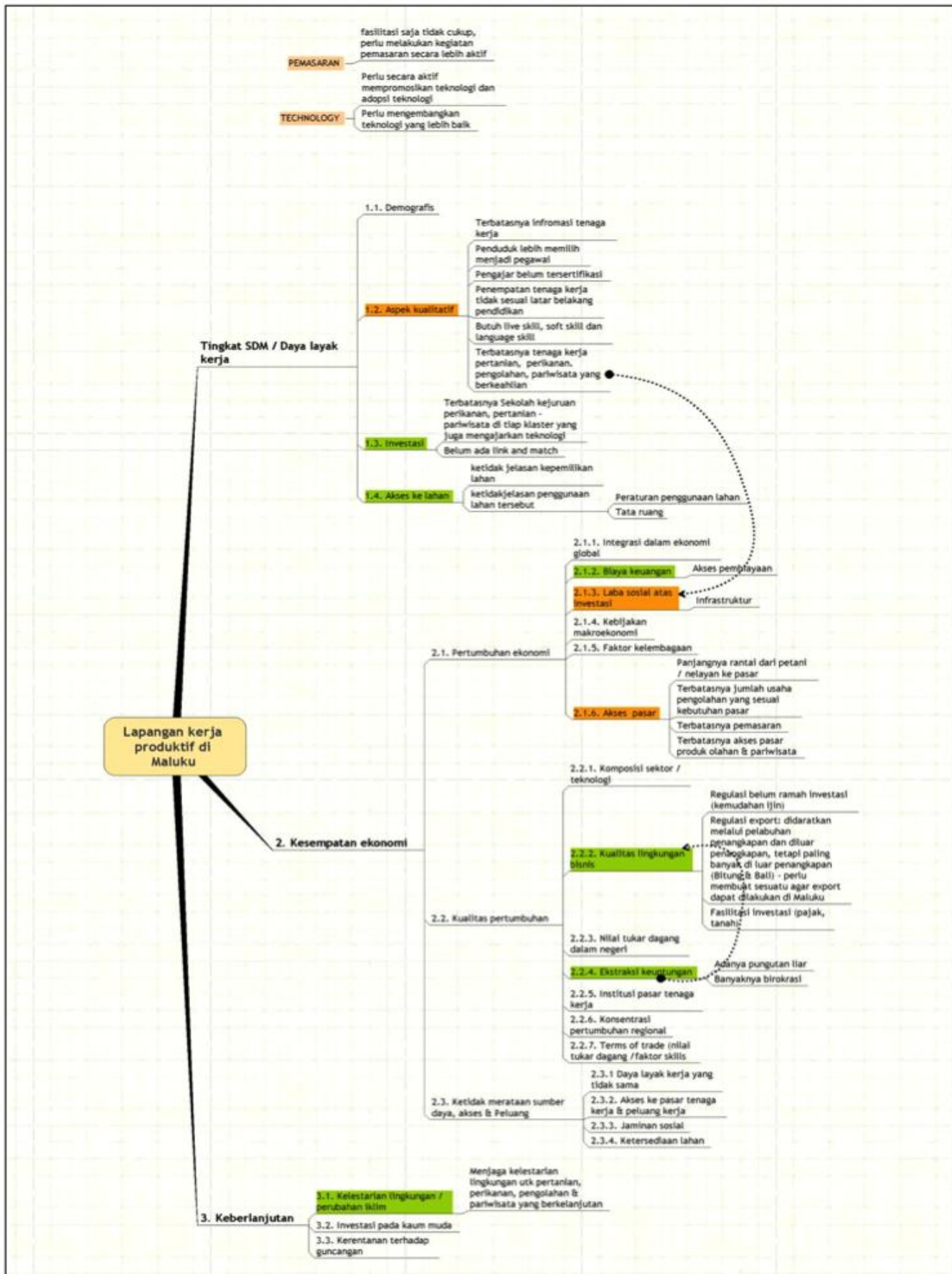
The mind map exercise also aimed to identify opportunities to reduce inequalities and policies that will not just enable development, but actively **promote** efforts to exploit opportunities. This map could also be beneficial for value chain analysis for products in the three strategic sectors.

Group 1 (**Agriculture, Annex 11.1**) attempted to identify agriculture products: Nutmeg, coconut and cloves and their derivative products were central in the participants’ vision for agriculture development. Most of these products were culinary but may also be further processed into souvenirs to support tourism industry, used ingredients for pharmaceuticals and used as inputs for other industries (cosmetics, furniture and accessories, etc). The group specifically proposed the establishment, management and promotion of three types of markets: export, local and inter-island. All are interconnected and need a targeted approach to develop. For example, local market may be boosted by establishing a local business forum, facilitated presumably by the local bank.

Group 2 (**Fishery, Annex 11.2**) identified fishery products in three sectors: seafood, seaweed and underwater tourism. Seafood fed into to culinary products and souvenirs for tourism industry. Seaweed fed into to food and pharmaceutical products. While underwater tourism was closely associated with tourism, though there has been some debate about including it in this sector. The gender inequality was taken into consideration and it was suggested that both men and women could be trained for specific jobs in this industry, especially when it comes to processing. It was agreed that targeted policies are needed for this, as well as to manage different zones for cultivation and seeds. Other policies identified by the group as mandatory were the provision of PPI’s facilitation, for example cold storage facilities.

Group 3 (**Tourism, Annex 11.3**) structured their mind map as seen from the perspective of a tourist. The group prioritised attractions that would draw tourists to visit the province. Therefore, government and communities require skills to identify potential attractions (culinary, culture, heritage, nature, etc.). An effective and coordinated promotion and marketing needs to be put in place in order to attract tourists and tour packages developed. The group suggested that the upcoming trans-kab/kota tour package initiative shall potentially address the kab/kota inequalities problem. Accessibility was identified as a key issue. This will require infrastructure development, especially reliable transportation (quantity, quality, punctuality and frequency). Besides considering developing amenities (facilities) such as accommodations, restaurants, etc., the group identified education and training as mandatory, not just for professionals (employees) but also in communities to prepare them for receiving visitors. The group suggested that a policy is needed to boost external investment and the preservation and conservation of tourism objects to ensure sustainability. The complete results of the mind map can be seen in **Annex 11**.

Picture 3. Maluku-specific Employment Diagnostic Tree



Concluding Remarks

The Government of Maluku has set very ambitious goals and targets for the development of the province in the coming years. The incidence of poverty is targeted to be reduced from 27.7 per cent in 2010 to 12.5 per cent in 2013, effectively achieving the MDG of halving severe poverty by 2015 two years in advance. The target to reduce unemployment is similarly ambitious. Over the past few years unemployment has fallen from a record level of 18 per cent in 2004 to 9.1 per cent in 2010, and is targeted not to exceed 5.8 per cent by 2013. In order to achieve these ambitious targets, economic growth will need to increase significantly, the quality of growth in terms of its employment content will need to be high and it will need to be genuinely inclusive and pro-poor. The Provincial Development Strategy for 2008-2013 reflects an awareness of these challenges and spells out a plan for addressing them. Growth is targeted to increase from an average of little more than 5 per cent per year in the past years to 8.5 per cent by 2013.

A strategic concentration of development efforts – sectorally and geographically – provides a conceptual cornerstone for the strategy. Sectorally, agriculture, aquaculture (including seaweed) and tourism are identified as priority sectors for economic development. This focus needs to be accompanied by an emphasis on the development of processing and, manufacturing more generally, to promote the development of value added chains, strong multiplier effects within the province and a gradual move up the technological ladder and the development of an increasingly sophisticated economy.

A cluster-based development approach has been chosen as a way to address the need for a certain geographic concentration of production to achieve necessary economies of scale and agglomeration effects and to optimise the developmental impact of scarce resources available for investments in physical and other infrastructure. It may also serve as an effective way to counter-balance an inevitable tendency towards increasing economic concentration to the provincial capital – Ambon.

This strategic development approach has considerable merits. The relatively low level of economic development – Maluku still remains a predominately agrarian economy – and the dispersion of the population and of economic activities on a large number of islands over a vast area, combined with the need to maximise the development impact of scarce resources for investments provide strong arguments for the chosen development approach. Support for this development approach can also be found in economic theory as well as in empirical experiences of development elsewhere.

The recently concluded workshop on employment diagnostic analysis in Ambon (April 11-13) identified three core constraints and challenges to increasing productive employment through enhanced job-rich growth, as well as a number of other ‘second rank’ challenges that will need to be addressed.

Problems with the development and quality of the human resources were identified as a one of three core challenges. The identified problems have more to do with the relevance and quality of education and skills development than with the levels of educational attainment, which is high by Indonesian standards. The importance of this issue should be seen in the light of the formidable challenges of equipping the large

numbers of young entrants into the labour force with the education, skills and knowledge needed not only to be gainfully employed today, but also to play an active role in a rapid structural change and productive transformation that will be a main feature and engine of the economic development of the province in the years to come.

Insufficient social returns to investments was identified as another core constraint. Social returns to investments refer to the ability of the economy as a whole to maximise the development impact of (individual) private investments and of the know-how and technology that are embedded in such investments. For instance, a plentiful pool of well-educated and skilled labour will make it possible to recruit labour locally, also for more qualified positions, rather than resort to the import of labour from elsewhere. The existence of a rich local fauna of enterprises and entrepreneurs will make it possible for the investing enterprise to access inputs locally and to subcontract parts of the production to local firms, at the same time as it provides a basis for technological 'spill-over' and diffusion of technology, marketing information and other know-how in the local economy. Good transportation and communication facilities and other physical infrastructure facilitate a geographic diffusion of the benefits of the investment to surrounding areas. The present low level of social returns to investments, identified by the participants in the analytical workshop as a core development constraint, is in many ways an inevitable consequence of a low level of economic development. The province is facing a chicken and egg problem: the low level of economic development together with adverse geographic factors result in low social returns to economic investments, at the same time as such investments are very much needed to increase the level of economic development.

Poorly functioning and under-developed markets, resulting in poor market access and high transaction costs were identified as a third core constraint by the participants in the workshop. This problem has the same roots as the low social returns to investment in the low level of economic development and the dispersion of the population and the economy on a large number of islands. The problem takes a variety of forms and expressions. Rural – urban economic linkages are insufficiently developed. As a result, farmers lack access to secure and predictable markets and often have no choice of buyers to sell to. They often also lack access to up-to-date and comprehensive market information and easy access to inputs. A long sequence of middlemen results in a large difference between the price that the farmer receives for his produce and the price that the urban consumer ultimately pays for the same product. High costs of inter-island transport in terms of both time and money are an obstacle to an internal integration of the economy of the province. A strong and well-functioning network of small and medium-sized towns is needed to facilitate trade between all parts of the province, to develop strong value added chains and multiplier effects and to make possible a regionally balanced economic development. At a different level, the export potential of Maluku and the potential to use export and trade as an engine of economic development is severely constrained by lack of access to markets in other parts of Indonesia and abroad.

There are strong linkages between the problem of insufficient social returns to investment and to that of poorly functioning and under-developed markets. Both of them have their roots in a low level of economic development, at the same time as they impede an economic development that might gradually solve them. They are also strongly interlinked. Neither of these problems can be assumed to disappear by

themselves. The significance of these two core development constraints underscores the appropriateness of the cluster-based approach to economic development as well as the strategic focus on a few economic sectors. However, while there can be little doubt that this strategic approach has very strong merits, it should also be remembered that it is equally important to 'do the right things right'. The success of the development strategy will depend on:

- The details of the design and implementation of the sector and cluster-based approach to economic development, which is far from trivial, and;
- The ability to develop and integrate a strategy for the development of human resources of the province with the strategy for economic development in a manner that ensures that the two become mutually coherent and reinforcing.
- The ability to make economic development truly inclusive and pro-poor. This will require the creating of conditions that makes it possible for everybody, not least those living in poverty, to participate fully and on an equal footing in the economic development and to benefit fully from the fruits of this development. This, in its turn, calls for putting the objective of achieving productive employment and decent work for all at the heart of the development efforts.

Productive employment and decent work provide the main link between economic development and reduction of poverty. Integrating economic planning with employment planning, aimed at achieving productive employment and decent work for all, offers an effective way of creating a strong link between economic development and poverty reduction. Together with the above-mentioned integration of human resources development planning with economic development planning, with which it is closely related, it provides a strong basis for a comprehensive development planning. To this end, forecasts need to be made of the requirement for productive employment creation, which in their turn should to be cast against the current and expected future capacity of the economy to generate productive employment.

A first attempt to make a rough estimate of the need for productive employment creation over the 2010 to 2015 period was made as an input into the recently held workshop on employment diagnostic analysis in Ambon. A summary of the results of this exercise is provided in the table below.

	2002	2010	2015	Change 2002-2010	Change 2010-2015
Labour force	484,200	651,300	724,700	167,100	73,400
Employed	445,100	586,400	667,500	141,300	81,100
Unemployed	39,100	64,900	57,300	25,800	-7,600
Poverty rate	34.8	27.7	12.5	- 7.1	-15.2
Productively employed	290,300	423,700	584,000	133,400	160,300
Working poor	154,800	162,700	83,400	7,900	-79,300

Deficit of productive employment	193,900	227,600	140,700	33,700	-86,900
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Remarks: All figures based on BPS data. Targets for 2015 based on the MDG target of halving poverty by 2015 and assuming a target to reduce unemployment to the national average by 2010. The deficit of productive employment is calculated as the working poor plus the unemployed, that is those in the labour force who lack productive employment. Productive employment is defined as employment that yields a sufficiently large income to allow the worker and his/her dependents an income above the poverty level.

These first rough estimates highlight the magnitude of the development challenge ahead. They are provided here for the purpose of exemplification and could, and would need to, be further refined and elaborated in greater detail, for instance by districts. They can also be recalculated to reflect the more ambitious targets for reduction of poverty and unemployment in the 2008-2013 development strategy. They would also need to be cast against the past performance of the economy, sector by sector, to generate productive employment and against the likely outcome of the current economic development plans and forecasts in terms of employment and income generation. Analysis of the depth of poverty would also allow estimates of the productivity and income increases needed to reduce the number of working poor. Furthermore, the poverty reducing impact of increasing the activity rate of women – which is currently far below the potential – may be estimated. Thus, it would also be possible to estimate the potential poverty reducing impact of different economic development scenarios through their likely impact on generation of productive employment.

List of Annexes

1. Agenda
2. List of Participants
3. Evaluation of workshops with comments
4. Presentation of the Employment Diagnostic Analysis methodology by Per Ronnas, ILO Geneva.
5. Presentation of the Provincial Mid-term Development Strategy of Maluku by Bp. Anton, Head of Economic bureau, Bappeda Maluku (in Bahasa Indonesian).
6. Presentation of the Key Development Constraints in Indonesia (ILO-ADB-IDB study) by Kazutoshi Chatani, ILO Jakarta
7. Presentation of the Dynamics of Economy and Labour Market Dynamics in Maluku by Leyla Shamchiyeva, ILO Geneva.
8. Presentation of Productive Resources by Leyla Shamchiyeva, ILO Geneva
9. Presentation of the Rate and Quality of Growth: Improving productive employment by focusing on the economic aspect by Per Ronnas, ILO Geneva
10. Presentation of Achieving Growth with Equity by Per Ronnas
11. Mainstreaming the initiatives – the mind mapping exercise result

Annex 1. Agenda

WAKTU	SESI
Hari 1, 11 April 2011	
08:30 - 09:00	Pendaftaran
09:00 - 10:00	PEMBUKAAN Pembukaan <i>Bapak Lucky Lumingkewas, Staff ILO Maluku</i> Sambutan Pembukaan <i>Bapak Kazutoshi Chatani, ILO Jakarta</i> Pembukaan Resmi <i>Bapak MZ Sangadji, Bappeda Provinsi Maluku</i> Sesi Foto
09:30 - 09:45	Rehat Kopi
09:45 - 10:25	PERKENALAN Perkenalan tentang lokakarya: tujuan dan hasil yang ingin dicapai. Menyetujui jadwal, metodologi dan aturan permainan lokakarya. Perkenalan antar peserta lokakarya. <i>Bapak Per Ronnas & Fasilitator</i>
10:25 - 11:00	Sesi 1. Konsep Dan Metode Analisa Diagnostik Ketenagakerjaan Presentasi dan tanya jawab tentang konsep dan metode Analisa Diagnostik Ketenagakerjaan <i>Bapak Per Ronnas</i>
11:00 - 11:35	Sesi 2. Pembangunan Di Indonesia Presentasi dan tanya jawab mengenai gambaran lebih besar hambatan pada pembangunan di Indonesia. <i>Bapak Kazutoshi Chatani</i>
11:35 - 12:10	Sesi 3. Strategi Pembangunan Maluku Presentasi dan tanya jawab mengenai strategi pembangunan Provinsi Maluku.
12:10 - 13:10	Rehat Makan Siang
13:10 - 14:20	Sesi 4. Dinamika Ketenagakerjaan, Ekonomi dan Bursa Tenaga Kerja Maluku Presentasi dan tanya jawab mengenai kondisi, dinamika dan karakteristik yang unik dari ketenagakerjaan, ekonomi dan bursa tenaga kerja di Maluku. <i>Ibu Leyla Shamchiyeva</i>
14:20 - 14:35	Rehat kopi
14:35 - 17:10	Sesi 5. Pengembangan Sumber Daya Manusia Maluku

Presentasi dan diskusi kelompok mengenai konsep pengembangan SDM, pendidikan & ketrampilan dan kemampuan mendapat kerja spesifik untuk Maluku, baik dari aspek permasalahan, tantangan dan kesempatannya. <i>Ibu Leyla Shamchiyeva, Bapak Kazutoshi Chatani dan Fasilitator</i>	
Hari 2, 12 April 2011	
09:00 - 09:10	Tinjauan ulang Hari 1 <i>Fasilitator</i>
09:10 - 10:15	Sesi 6. Meningkatkan Kesempatan Kerja - Fokus pada Aspek Ekonomi Presentasi dan diskusi kelompok mengenai konsep pertumbuhan ekonomi yang kondusif spesifik untuk Maluku, baik dari aspek permasalahan, tantangan dan kesempatannya <i>Bapak Per Ronnas dan Fasilitator</i>
10:15 - 10:30	Rehat Kopi
10:30 - 12:20	Sesi 6. Meningkatkan Kesempatan Kerja - Fokus pada Aspek Ekonomi (lanjutan)
12:20 - 13:20	Rehat makan siang
13:20 - 13:50	Sesi 6. Meningkatkan Kesempatan Kerja - Fokus pada Aspek Ekonomi (lanjutan)
13:50 - 14:55	Sesi 7. Mencapai Tujuan Pembangunan dengan Kesenjangan Presentasi dan diskusi kelompok mengenai konsep kesetaraan pada pembangunan sosial-ekonomi spesifik untuk Maluku, baik dari aspek permasalahan, tantangan dan kesempatannya. <i>Bapak Per Ronnas dan Fasilitator</i>
14:55 - 15:10	Rehat kopi
15:10 - 17:30	Sesi 7. Mencapai Tujuan Pembangunan dengan Kesenjangan (lanjutan)
Hari 3, 13 April 2011	
09:00 - 09:10	Tinjauan Ulang hari 2
09:10 - 10:30	Sesi 8: Rangkuman Kesimpulan, Identifikasi Rekomendasi Kebijakan dan Studi Lanjutan Diskusi kelompok untuk menganalisa hasil diskusi (permasalahan, tantangan, kesempatan), mengidentifikasi rekomendasi kebijakan dan studi lebih lanjut yang diperlukan untuk mendukung implementasi Analisis Diagnostik Ketenagakerjaan di Maluku. <i>Fasilitator</i>
10:30 - 10:45	Evaluasi Lokakarya
10:45 - 11:00	Rehat kopi
11:00 - 11:30	Sesi 8: Rangkuman Kesimpulan, Identifikasi Rekomendasi Kebijakan dan Studi Lanjutan (lanjutan)

11:30 - 11:55

PENUTUPAN

Sambutan Penutup

Bapak Per Ronnas dan Fasilitator

Annex 2. List of participants

No	Name	F/M	Institution	Jabatan
1	Dr. Sangadji	M	Bappeda Prov. Maluku	Kepala
2	Anton Lailosa	M	Bappeda Prov. Maluku	Kabag Ekonomi
3	Zeth A.J. Pattinaya, AMD	M	Balai Latihan Kerja Kemaritiman (BLKK)	Staf Perencanaan
4	Jacob Leunufna	M	Bank Indonesia	Analisis Muda Senior
5	Fitria Karepenia	F	Dinas Kelautan & Perikanan	Kasubbag Perencanaan
6	Talakua	M	APINDO Maluku	Ketua bidang organisasi & Pembinaan anggota
7	Matheys E Kailota	M	DPD KSPSI Promal	
8	J Manuputty, S.Sos	M	Dinas Pendidikan, Pemuda & Olah raga Prov Maluku	Kasubbag Perencanaan
9	Fransisca Henny Miraningtyas	F	Bank Indonesia	Analisis Muda
10	Nj. A. de Fretes	F	Biro Peningkatan Kualitas SDM	Staf
11	Ir. Charles G Anidlah, Msi	M	Badan Pusat Statistik Prov. Maluku	Kabid Neraca Wilayah & Analisa
12	John L. Maakewe S, Pt	M	Dinas Tenaga Kerja dan Transmigrasi Prov. Maluku	Kasubbag Perencanaan
13	Robertho de Quesoe, SE	M	Dinas Koperasi Usaha Mikro, Kecil & Menengah	Staf Perencanaan
14	Rabin Limahelu, SPt	M	Bappeda Seram Bagian Barat	Plt Kasubbid Ekonomi
15	Ny. Farida N. Sampessy, SE	F	Bappeda Maluku Tengah	Kasubbid
16	Jani Anis, S Hut	F	Dinas Kehutanan Provinsi Maluku	Kasubbag Perencanaan
17	Ir. Martha B Pattinama	F	Dinas Pertanian Provinsi Maluku	Kasubbag Perencanaan
18	Achmad Tuharea, SP	M	Bakorluh Provinsi Maluku	Kasubbag Perencanaan
19	J. Apono S Sos	F	Bappeda Kota Ambon	Kasubbid Sosial
20	Ny. Erni Rahman, SP. Msi	F	Bappeda Maluku Tengah	Kabid Sosial Budaya
21	Sitri Magrib	M	BPMD Prov Maluku	Kasubbag Perencanaan
22	F Malitaputty	M	LED Kota Ambon	Wakil ketua
23	Ilham Tauda	M	Bappeda Prov. Maluku	Kasubbid Ekonomi
24	Salma Matdoan	F	Biro Ekonomi Setda Prov Maluku	
25	M. Arief Hussein	M	Bappeda Prov. Maluku	Kasubbid Kesra

List of resource persons

No	Name	M/F	Institution
1	Per Ronnas	M	ILO-Geneva
2	Leyla Shamchiyeva	F	ILO-Geneva
3	Kazutoshi Chatani	M	ILO-Jakarta
4	Lucky Ferdinand Lumingkewas	M	ILO-Ambon
5	Litha	F	ILO-Ambon
6	Sintia	F	ILO Ambon
7	Endro Catur Nugroho	M	Facilitator
8	Janti Gunawan	F	Facilitator
9	Ruth Alicia	F	Interpreter
10	Dewi Arilaha	F	Interpreter

Annex 3. Evaluation of workshop & Comments from participants

An evaluation form was distributed to participants to measure the outcome of the workshop. Participants were asked to indicate their opinion for each question by circling between 1 and 5: 1 if they were the least favourable, and 5 if they were the most favourable.

The workshop was received well by participants. 23 respondents rated the workshop an average of 4.4. on a scale of 1 - 5. The average note from all participants can be found below:

The methodology

The methodology is useful for making policy decisions.	4.6
The methodology is helpful to structure an employment analysis.	4.8
I can use this methodology by myself.	4.5
I will utilize this methodology again	4.6

The instruction

The methodology was conveyed well.	4.9
The presenters were knowledgeable.	5.0
The presentations were interesting and practical.	5.0
Group discussion and interaction were useful.	4.9

The material

The material provided was useful.	5.0
The material provided was comprehensive.	4.7

Time frame

The duration of the workshop was	4.3
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adequate.	
The work load was not too hectic	4.5

Enough time was allotted for discussions.	4.2
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Organisation

The workshop was announced well in	4.7
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time.	
Travel and living arrangements were satisfactory.	4.4
Organisation during the workshop was satisfactory.	4.8

Translation (for those who speak Indonesian and English)

No information was lost in simultaneous interpretation.	4.8
No information was lost in text translation.	4.8

Overall

How do you rate the workshop overall?	4.9
The workshop will help me in my work.	4.8
The training in employment analysis was useful.	4.8
After the workshop, I have a better understanding of employment challenges in Maluku.	4.9
After the workshop, there was a joint understanding of the problems and policy measures needed for productive employment in Maluku.	4.8

Annex 4. Presentation on the Employment Diagnostic Analysis Methodology

Annex 5. Presentation of the Provincial Mid-Term Development Strategy

Annex 6. Presentation on the Key Development Constraints in Indonesia

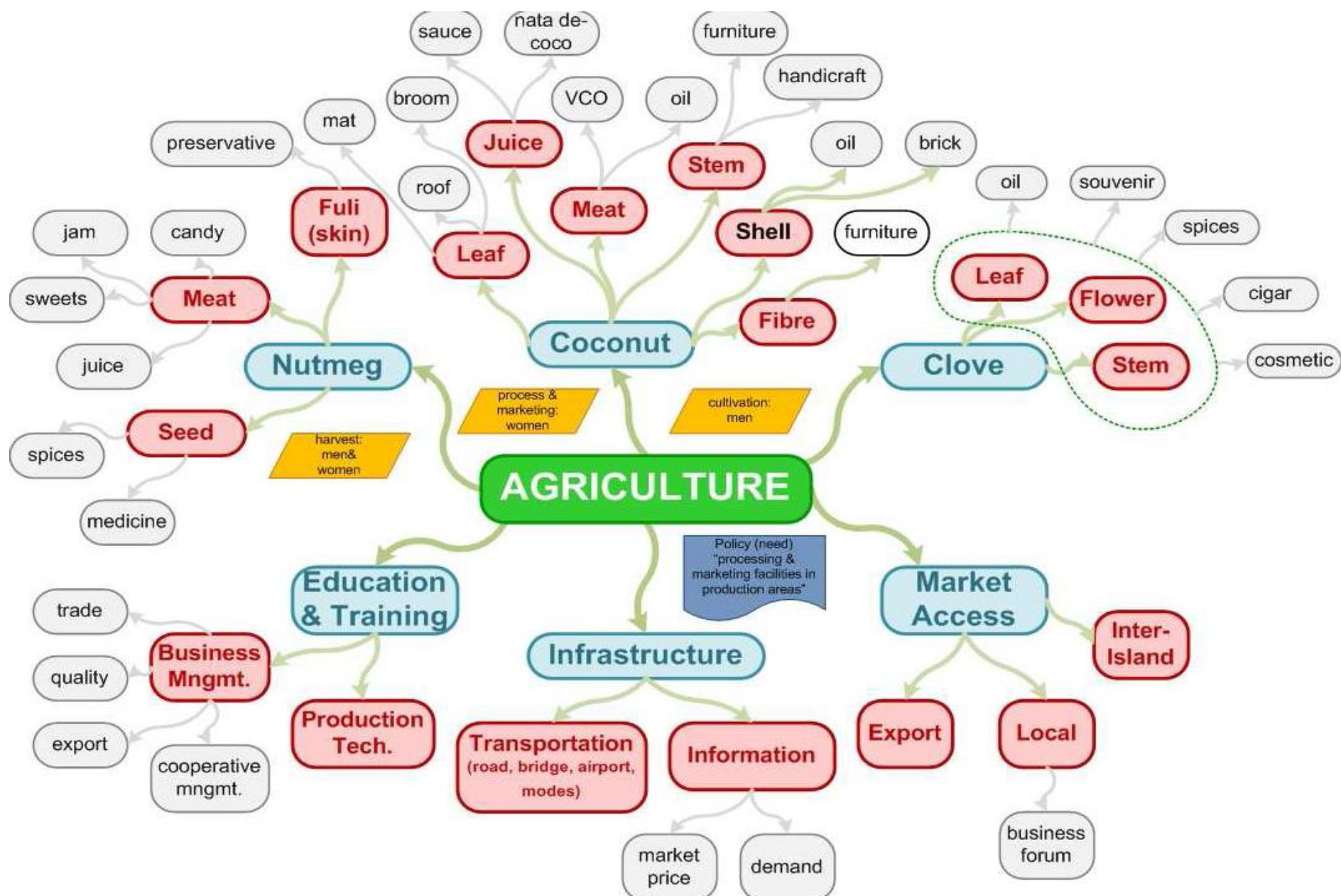
Annex 7. Presentation on Economy and Labour Market Dynamics in Maluku

Annex 8. Presentation on the Productive Resources in Maluku

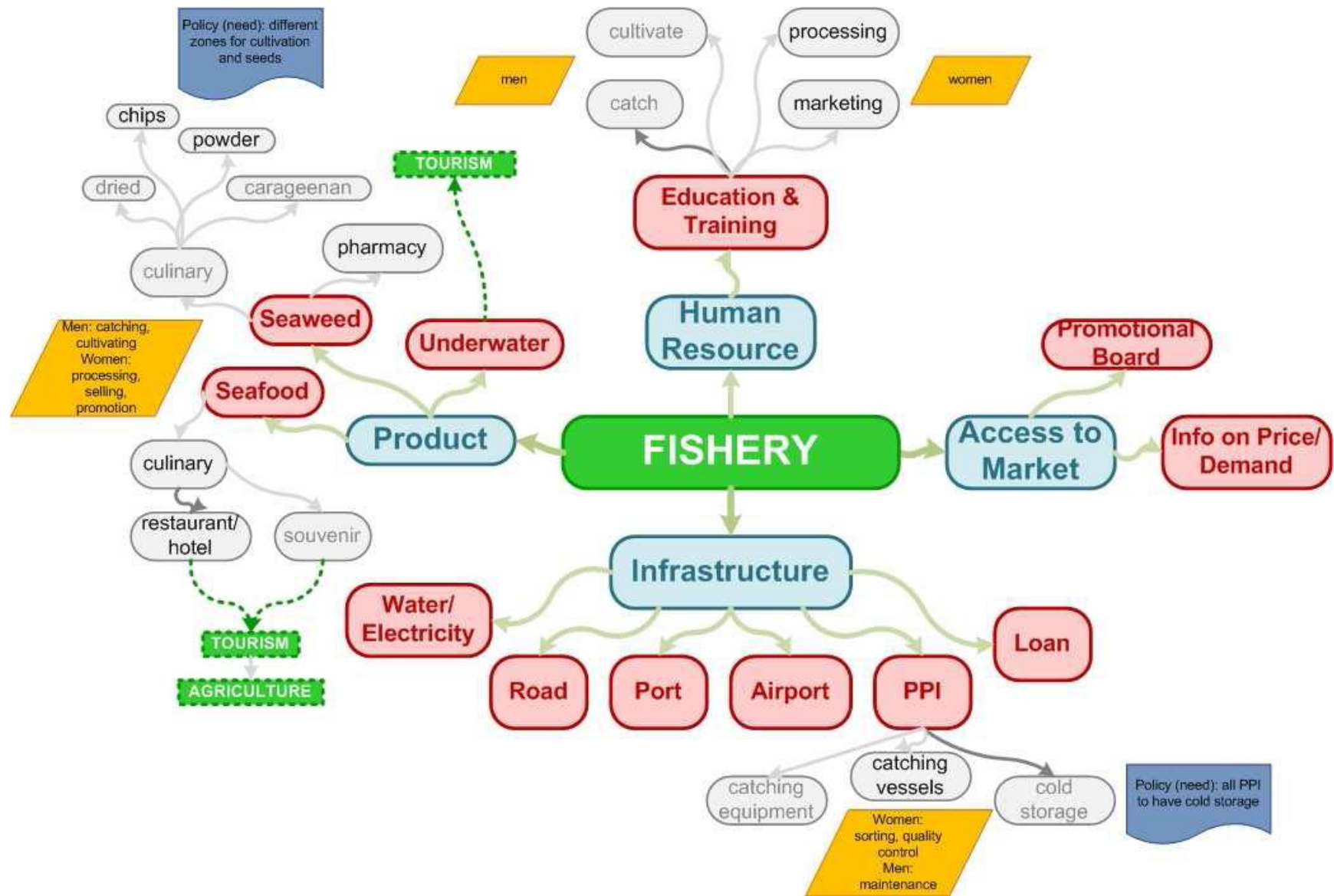
Annex 9. Presentation on the Rate and Quality of Growth in Maluku

Annex 10. Presentation on Achieving Growth with Equity in Maluku

Annex 11.1 Results of the Mind Mapping Exercise: Agriculture



Annex 11.2 Results of the Mind Mapping Exercise: Fishery



Annex 11.3 Results of the Mind Mapping Exercise: Tourism

