

# INDONESIA VISION 2050

## Background

Members of the Indonesia Business Council for Sustainable Development (IBCSD) and the Indonesia Chambers of Commerce and Industry (KADIN Indonesia) are organizing the Indonesia Vision 2050 project to develop a business view of a sustainable and sustaining civilization by 2050; which aims to tackle the harder challenges of laying out actions that must be taken, starting now, to make that vision a reality. The members are launching the project amidst dramatic evidence “business as usual” is no longer an option in the face of a climate changing more rapidly than predicted, declining key ecosystem services, food and energy insecurity for many, and a financial crisis sparked mainly by short-term thinking and poor governance.

## Business Objectives

Can robust ecosystems and the services they provide to human civilization co-exist with 21st century global capitalism? Can the same capitalism help bring millions out of poverty while providing jobs for the growing young population of the developing nation such as Indonesia, and ample resources for the aging population in many of the industrial sector? Such questions would have seemed melodramatic a decade ago. Yet that was before the Millennium Ecosystem Assessment (MEA) found that two-thirds of ecosystem services are being degraded or used unsustainably. Two of more significant such services are predictable climate and fresh water; services that appear to be most dramatically affected.

The MEA reports argue that such damage and increase in poverty could accelerate during the first part of this century, but offer the hope “reversing the degradation of

ecosystems while meeting increasing demands for their services can be partially met under some scenarios that the MEA has considered, but these involve significant changes in policies, institutions, and practices that are not currently under way.” What would such changes mean for business? More importantly, what vision of the business role in society would allow companies to lead in those changes in policies, institutions and practices required.

## The Business Need and Opportunity

Indonesia is the largest economy in Southeast Asia and world’s fourth most populous country with over 240 million inhabitant, which live across the archipelago region consisting of 17,500 islands. The country is a bridge for the two continents of Asia and Australia, allowing this strategic position to influence the country’s economy with abundant potential of natural resources. Having said that, Indonesia represents a great opportunity to both domestic demand as well as to the global market demand. In addition, the consumption pattern is expected to grow due to natural increase population, locally and globally, and the significant increase of purchasing power in Indonesia because of the increase of middle class income population. The remaining natural resources contained in the stagnant area will soon lead us to the scarcity challenges for the raw material supply of the industry, amid the growing needs aligned with the rising population.

Following the global trends for sustaining the world in the long-run, Indonesia significantly and essentially has a motive to do the same action. The existing global consumption is estimated to require 2 to 3 planets to feed the people in the next 20 years. Furthermore, from the ecosystem perspective especially its unique biodiversity, Indonesia's tropical forest is an integral part of the world's climate and water systems that provide life support to the earth.

The key words for such actions are a holistic approach between consciousness of present planetary boundaries, visions of the future existence and innovation to overcome the possible challenges. Thus, sustainability will require new leadership skills and mindset in all development components, and solving sustainability challenges will require public and private sector collaboration. Many of Indonesia based companies have made tremendous progress in becoming more eco-efficient in terms of energy, water and resource use. Progress in eco-efficiency may have to give way to radical changes in business systems. This is the reason why innovation in policy making is urgently needed as much as the technology innovation itself.

## Product Description

The report will feature a set of agreed "must-haves" as well as the business potential that lies between challenges that may come. Process and formulation of the report will be conducted in two primary project phases with following outcome documents;

Phase One. The first phase will consist of 3 major documents consist of reports on (1) Business as Usual or megatrend report, (2) Indonesia Vision 2050, and the (3) Pathways to 2050 with detail

Phase Two. The following phase will consist of 2 major documents which are (4) the Action 2020 and the (5) Changing Pace. These two major goal will consist of more dynamic process such as collaboration, consultation,



analysis and advocacy to various stakeholders of Indonesia Vision 2050.

## Framework

The Indonesia Vision 2050 will be a result of a collaborative effort of IBCSD member companies and larger Indonesian private sector under the umbrella of Indonesia Chambers of Commerce and Industry (KADIN Indonesia). The report will also be a business response to the challenges Indonesia may face, and as a contribution that is intended to help shape the sustainability agenda, to catalyze actions and to provide relevant stakeholders with a platform to bring change. Above all, the document is expected to show that sustainability is becoming a key strategic driver for business. Thus, the Indonesia Vision 2050 will be a framework for :

- Identifying Megatrends - "business-as-usual"
- Identifying the gap between today and 2050
- Developing a Vision, pathway and areas of action
- Clarifying the business perspective
- Quantifying market potential and enabling factors
- Agreeing on action points and next steps
- Intense Advocacy to support business action

## Deliverables

### Indonesia Trend or Business as Usual (BAU) Megatrend

This part will present major business trends in terms of General Economy, Social, Infrastructure, Energy, Natural Resources and

land, as well as Environment. The report will connect the findings with predictable impact on the environment and community and depicting what Indonesia will look like in 2050 if we do not correctly address the sustainability challenges. The document will also present the science based approach that will pinpoint Indonesia in position without a choice but changing its business as usual. Business as usual is predicted to contribute to the increasing negative impact to the environment and bring future constraint. The conclusion of the BAU outlook to 2050 will be used to develop a vision for Indonesia in the year of 2050 to answer the question. What would Indonesia look like if business and people within the business cycle address the sustainability challenges?

#### Indonesia Vision 2050

This part will be an illustration of the best possible outcome for the Indonesian population in their land on over the next four decades. The description will be a nation wide pathway toward sustainability with well living population in Indonesia. The report will tailor a vision for 2050 of the ten (10) elements with a clear measure of success for each of them. This part will also display the role of business as part of their sectoral group or value chain. The Pathways to 2050 and Opportunities

A pathway will be developed to connect this sustainable future with the present. The goal is to see what a real, national attempt at sustainable development – with all the radical policy and lifestyle changes this would entail – would mean for overall business and markets and for the individual participating sectors. The pathways and milestones could have hardly been achieved without systemic way of thinking. Thus, in achieving the vision, the identification of pathways will be set two timeframes: the Turbulent Teens from 2014 to 2020 and the Transformation Time from 2020 to 2050.

The Turbulent Teens is a formative decade that will set future ideas of Indonesia. In this period of time, it will clearly show that swift with radical actions are required for many

levels by multiple partners. For the Turbulent Teens, the project will have to identify “must-haves” in which will be the components that need to happen in the recent attempt to achieve the vision. These “must-haves” are specific to each of element elaborating from innovation, policies, financing and other deep understanding of the urgency. While in the Transformation Time, the traits will be formed into more mature and consistent knowledge, behaviour and solutions. This is the period of a growing consensus that may wrenching change in many part of society – climate, economic power, population – and a time for fundamental change in the market and redefines values, profits and success.

Given the challenges that we may face, we will also gain significant opportunities within this transition – to do more with less by exploring human capital that may deliver innovation, to create new products and services, and to provide value to both our customers and shareholders. The complete presentation of the transition will show that sustainable future will be the key strategic driver that lead Indonesias businesses into global competitiveness.

#### Action 2020

This section will presents a platform of action, which is to taking one step further to deliver tangible outcomes. This is a more suitable step for companies in building the agenda for business action on sustainability to 2020 and beyond. The action will consist of priority areas, which are the most important natural and social capital issue that must be addressed to achieve the sustainable future laid out in Vision 2050. The document aims to leverage the power of business to address society’s environment issue and social priorities by identifying 'societal must-have' and to describe the solutions of the transition period 2014 – 2020. This document will lead individual companies in creating its own future agendas and action plans, as well as to track its progress toward companies’ vision and goals

#### Changing Pace

The message of Changing Pace is that business and governments need to pull vigorously in union. Clashes will occur in some quarters due to different opinions toward governments' roles. One of which is that government should not interfere the markets and should rather trust the innovative capacity of voluntary initiatives. Yet, so far, voluntary initiatives have only been too few and too small. IBCSD believe and is willing to assist in seeking policy framework that can eliminate degradation impact to the nation and humanity, and further create sustainable livelihood. The changing indeed should be accelerated by collaborative process of education and entrepreneurship that empower people to gain access of good quality of life.

## Project Description

**Phase One of Indonesia Vision 2050 Project**  
This document is a basic design for the overall project of Indonesia Vision 2050, which describes the design in implementing the Indonesia Vision 2050 project. However, the project implementation can be divided up to 2 project stages tailored to the availability of funds, expertise and support needed.

### The Vision Timeframes

To achieve this vision we will divide into two main timeframes:

- Turbulent Teens, from 2014 to 2020 (achievable target with reasonable time frame)
- Transformation Time, from 2020 to 2050 (to be revisited after 2020 for each 10 years)

The Turbulent Teens is a period of energy and dynamism for the national vision of sustainability. It is a formative 7 years for the ideas and relationships that will take place in the 30 years to follow. During this period, it becomes clear that swift, radical and coordinated actions are required at many levels, by multiple partners. As part of these Turbulent Teens, we will have to identify several "must-haves", elements that need to

occur to achieve the vision. These 'must-haves' are specific to each element that will present about innovation, policies, financing or a deeper understanding of what is happening.

Transformation Time is the period of living well within the limits of one planet will then become fashionable, more mainstream and part of value systems that will drive both innovation and opportunities.

### Features: Holistic Vision of 10 elements

Given the various potential sector in Indonesia, large size and important businesses, the power of significant productivity of natural resources, following are the possible elements proposed:

- Human Development and Society Development
- Economy
- Marine
- Agriculture
- Forest
- Energy & Power
- Tourism & Cultural Diversity
- Infrastructure
- Transport, ICT and Connectivity
- Resource Efficiency and Waste Management

### Project Approach

The Indonesia Vision 2050 project is designed as a backcasting exercise which represent vital development agenda of Indonesia private sector. The research is to help Indonesia stakeholders, ensuring the readiness of business players toward national and global future challenges. Ultimately, the process of this project will provide a springboard dialogue and debate among Indonesia business players and key economic sector.

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