

IMPACT SHEET • SWITCH-ASIA PROJECT
CLEAN BATIK INITIATIVE

PROMOTING RESOURCE EFFICIENCY AND NATURAL DYES FOR A GREENER BATIK INDUSTRY



**INTEGRATING THE BEHAVIOUR OF CONSUMERS,
BATIK PRODUCERS AND LOCAL GOVERNMENTS FOR
A LESS POLLUTING, MORE SUSTAINABLE INDUSTRY
IN INDONESIA AND MALAYSIA**



THE CHALLENGE

Batik small and medium-sized enterprises (SMEs) operate with excessive use of water, wax, chemical dyes and bleaching agents that are harmful to the workers and the environment. Carcinogenic wastes generated from batik production are generally left untreated and often pollute rivers and waterways which is detrimental to the health and livelihoods of thousands of local residents. Low health and safety awareness also leave the workers exposed to hazardous substances on a daily basis. There is no demand-led stimulus for the batik SMEs to switch to a cleaner method of production due to low environmental awareness of the batik consumers.

OBJECTIVE

The *Clean Batik Initiative (CBI)* project aims to improve the environmental indicators of the batik industry in Indonesia and Malaysia and to create environmentally conscious consumers in order to drive the demand of eco-friendly products from batik SMEs that will, in turn, provide incentives for cleaner production. It aims to do so through:

- Increasing practices and use of environmentally-friendly technologies by batik SMEs by promoting sustainable alternatives in production processes that use fewer materials and generate less pollution per unit of goods produced

TARGET GROUPS

The main target groups are 500 batik SMEs in six provinces in Indonesia. Best practices from the project will be carried over to 100 SMEs in Malaysia in two provinces. The parallel target groups include: consumers, media, government agencies, banks, business associations, academics, research institutions and NGOs.

Final project beneficiaries include communities in batik villages who will have a less polluting industry, batik industry which will benefit from enhanced business reputations, and batik consumers who will have a greater choice of eco-friendly batik products.

- Promoting trade in clean batik and switching consumption behaviour of consumers or segmented consumer groups in favour of products that are less environmentally damaging
- Contributing to the development of an enabling policy environment to create a setting that stimulates batik SMEs and batik consumers to change their behaviour

ACTIVITIES / STRATEGY



FOCUS ON CAPACITY BUILDING

The *CBI* project trains selected staff of local business support organisations and individuals – in some cases within the batik community itself – so they can provide technical assistances to targeted batik SMEs in their area. It builds competence in the area of environmental oriented cost management, good housekeeping, chemical management, fit-for-purpose technology, water/energy efficiency and natural dyes. The project also conducts multiplier workshops as a way to build capacity to other related stakeholders, including the governments, for possible intervention at policy level and strengthening the sustainability of the project.



INTRODUCTION OF SUSTAINABLE PRACTICES AND ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Promoting a cleaner production concept, the project establishes new ways of doing things that would lead to a reduction in the use of water, materials and energy during various steps in the production process of batik. To this end, it develops and promotes the use of low-cost technologies that are easy to install, operate and maintain by the SMEs. The project puts a strong emphasis on the use of natural dyes to replace chemical dyes as most SMEs have very little capacity to engage in waste water treatment.



BUILDS MARKET FOR ENVIRONMENTALLY FRIENDLY PRODUCTS

In order to speed up the adoption of sustainable practices in batik production by the SMEs, batik consumers can provide powerful incentives to change. As such, the project conducts awareness campaigns for the public to educate and encourage consumers to support environmentally friendly made batik products. It also tries to market and add value to clean batik products from successfully participating SMEs as a means to stimulate demand and open up new markets for the SMEs.

REPLICATION STRATEGY



SETTING UP CONSULTANT NETWORKS

The project grooms selected local individuals and representatives of business support organizations to become ‘technical consultants’ in the field of cleaner production and natural dyes. They work in the field for a minimum of six months and by the end of the project they will be included in the network of experts of the Indonesian Cleaner Production Centre (ICPC), which is an associate of the CBI project. In the future, ICPC will be able to use these same experts to implement projects in the same or different industries in the region. The project also attempts to link them through policy dialogues with relevant institutions that will carry on similar projects in the future. Additionally, some of these newly established pool experts live within the batik community and hence are likely to share knowledge and give advice to other SMEs that have not yet been included in the project, as they are essentially friends or neighbours.



PROMOTING SHOWCASES

SMEs that succeed in the technical assistance phase and benefit from lower production costs also act as a showcase for other SMEs. Because the project also attempts to market batik products from SMEs that have switched to natural dyes, it creates a strong incentive for other SMEs to go down the same path. Additionally, multiplier workshops for local governments and other stakeholders are conducted in order to build their capacity on the subject with the hope that they can disseminate the knowledge or formulate replication programmes. The project activities are also open to participation by external parties and this has led to better understanding of the challenges and potentials in implementing cleaner production at the SME level. Last but not least, all training materials and tools are made available on the project website and can be downloaded by any interested parties.



CBI is considered to be the first and most comprehensive development assistance project for the batik industry in Indonesia and Malaysia. Not only does it teach environmentally friendlier methods of production to batik SMEs, it also aims to enhance the marketing of clean batik products from SMEs participating in the project and to influence government policies related to cleaner production and consumption of batik. As such, the SMEs and many national and local stakeholders have greatly lent their support for the project.

Martin Krummeck,
CBI Programme Coordinator



RESULTS



My SME has a high production volume so I use plenty of firewood for the wax-removal process. CBI came in to introduce this blower system that was supposed to improve the efficiency of the burning process. At first I was sceptical but having seen the results myself, I am truly amazed that such a simple solution works wonders. I have effectively reduced the use of firewood by half for every process.

*H. Khusaeni,
Batik SME from Pasirsari Village,
Pekalongan*



SAVING RESOURCES AND GREATER PRODUCTIVITY

The promotion of cleaner production in the 'sustainable production' component of the project, has brought meaningful impacts and benefits to the participating batik SMEs. This relatively new concept finds itself easily embraced by the SMEs as it directly impacts their bottom line. Efficiency gains in the use of water, materials and energy, achieved with the aid of fit-for-purpose technologies, have been recorded in all SMEs participating in the programme, lowering their production costs and hence increasing their profits. Additionally, as part of cleaner production implementation, various hotspots, where possible losses (in terms of resources, accidents and pollution) are likely to occur in the SME workplace, have also been identified and addressed which result in a safer and more comfortable working place, leading to greater productivity.



REDUCING POLLUTANTS THROUGH INCREASED USE OF ENVIRONMENTALLY FRIENDLY DYES






The prevalent use of chemical dyes by the batik industry is the single biggest source of pollution to the environment by the industry. It has been noted by the project that the majority of batik SMEs have very little capacity in terms of time, money, and knowledge on how to treat wastes resulting from the use of chemical substances. Meanwhile, only a small percentage of government or donor-built waste treatment facilities are in operation due to poor design or construction, lack of operational funds, or social issues, etc. While the cleaner production concept advocated by the project focuses more on preventive mechanisms, the project feels the need to address the issue of waste water which has caused severe environmental damage in some areas where the project is active. With these issues in mind, the project strongly advocates the use of natural dyes for SMEs participating in the programme which would greatly reduce pollution by the batik SMEs. To create even greater incentives, the 'sustainable consumption' component of the project will only market batik products that have been dyed using natural colours. This has proven to lure other SMEs to switch all or parts of their production to the use of environmentally friendly dyes.

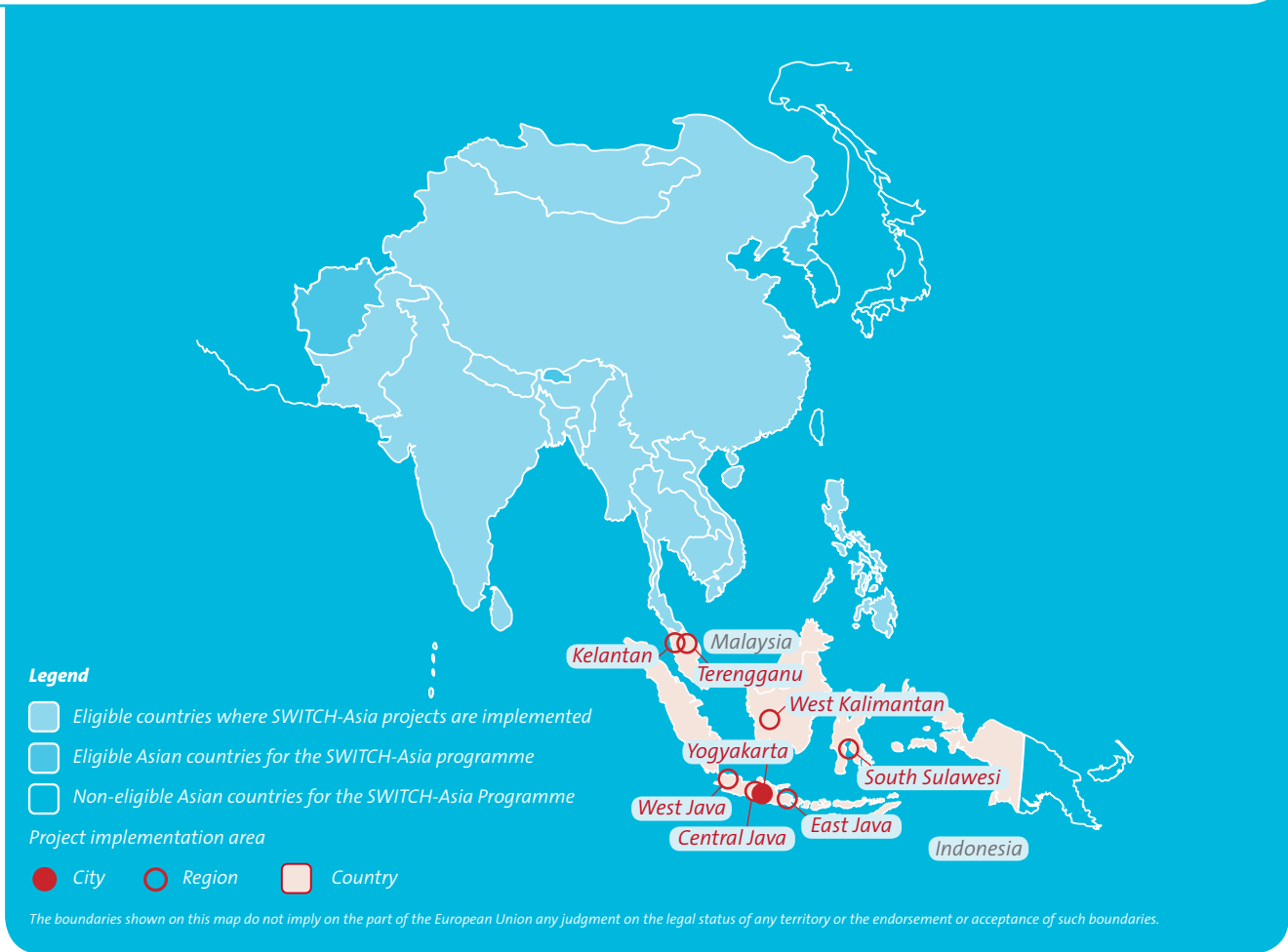


RAISING ENVIRONMENTAL CONSCIOUSNESS

The use of conditioning power by the project whereby each SME receives regular visits and consultations from our technical consultants and experts for a duration of 2-2.5 months have made changes possible in the underlying value system of some SME owners that guides change in their behaviour. Further, enforced by incentives such as trade promotion assistance for SMEs that have switched to natural dyes, the project gradually raises awareness that economic success is connected to good environmental practice.

IMPACT IN NUMBERS

<p>ECONOMIC IMPACT</p> 	<ul style="list-style-type: none"> • 10% reduction in production costs from switching to natural dyes • Increased workers' productivity and SME's competitiveness
<p>ENVIRONMENTAL IMPACT</p> 	<ul style="list-style-type: none"> • 10-50% reduction in water consumption • Depending on the technology adopted, 30% - 90% savings in energy use • Minimised air pollution by reducing smoke through the use of electric stoves and optimisation of woodstoves • 25% less use of chemical dyes
<p>SOCIAL IMPACT</p> 	<ul style="list-style-type: none"> • Improved workers' health and safety • Reduced solid waste (plant waste) in the market as it is channelled for natural dye use by the SMEs • More choice of eco-friendly products for retailers and consumers
<p>ENGAGEMENT OF TARGET GROUP</p> 	<ul style="list-style-type: none"> • 25 technical consultants in 3 provinces in Indonesia and 5 technical consultants in 2 provinces in Malaysia in the field of cleaner production and natural dyes have been groomed by the project • More than 300 SMEs in Indonesia and 85 SMEs in Malaysia currently participate in the project • More than 80 workshops and seminars conducted for over 1,000 SME participants • More than 13 domestic and international-level exhibitions in Indonesia and Malaysia participated to raise public awareness and promote clean batik products from participating SMEs
<p>POLICY LINKAGES</p> 	<ul style="list-style-type: none"> • Increased awareness of cleaner production and natural dyes as a way to support the batik industry • Environmental award from governments for best performing SME in the <i>CBI</i> project



OBJECTIVE
CBI aims to improve the environmental indicators of the batik industry in Indonesia and Malaysia and to create environmentally conscious consumers in order to drive the demand of eco-friendly batik products that will, in turn, provide incentives for SMEs to switch to environmentally friendly methods of production.

DURATION

Timeline: 2008 - 2014
Implementation period: 12/2009 - 12/2011

FUNDING
EU co-funding EUR 2,316,792 (EU contribution 80%)

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PROJECT CONSORTIUM



Malaysian-German Chamber of Commerce (MGCC)



European Business Chamber of Commerce in Indonesia (EKONID)



IHK-Akademie München