

# ASEAN COMMUNITY: MANAGING NATURAL RESOURCES FOR SUSTAINABLE DEVELOPMENT

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## **ABSTRAK**

*Artikel ini membahas tentang komunitas ASEAN dan bagaimana mereka berkoneksi dengan masalah pengelolaan sumber daya alam, terutama dalam memanfaatkan sumber daya alam agar tercipta ekonomi yang berkelanjutan. Artikel ini tidak hanya menitikberatkan pada permasalahan pembangunan dalam arti luas, tapi lebih spesifik tentang pengelolaan sumber daya alam untuk kesejahteraan komunitas ASEAN. Artikel ini bertujuan untuk memperkenalkan standar baru dalam pengelolaan sumber daya alam, dan menghubungkan semua bidang, baik politik, institusional, pengelolaan sumber daya alam, hak asasi manusia, ekonomi dan juga pemerintahan. Standar ini kemudian dapat diaplikasikan kepada permasalahan sumber daya alam serta strategi penyelesaiannya. Pada saat ini dunia menaruh perhatian khusus kepada Negara ASEAN karena dianggap sebagai kawasan yang sangat menjanjikan bagi perkembangan ekonomi dunia, dan untuk itu ASEAN harus memastikan keberlanjutan lingkungan dan sumber daya alamnya, bukan hanya untuk mencapai ekonomi yang stabil, akan tetapi juga untuk melindungi sumber daya alam. Mengelola sumber daya alam bukan hanya tanggung jawab dari komunitas ASEAN tetapi juga membutuhkan keterlibatan aktif dari pemerintah dan para pembuat kebijakan di ASEAN.*

**Kata Kunci:** Masyarakat ASEAN, Manajemen Sumber Daya Alam, Pembangunan Berkelanjutan

## **ABSTRACT**

This article briefly reviews the ASEAN community and how they associated with the natural resources management issues especially in utilizing the resources to enhance the sustainable economic development. It does not address fundamental questions about development in a broad sense, but be more specific on managing the natural resources for the people's welfare. This article strives to develop a new standard for managing natural resources, which addressed the significant inter-related and inter-connected in all areas such as political, institutional, natural resources management, human rights, economic and governance. The standard therefore considers how problems are defined and how strategy is formulated to deal with the natural resources problems. Furthermore, since the world pays attention to ASEAN as a promising model of economic development, the latter has to ensure the sustainability of environmental and natural resources in the region, because it is not only about achieving the economic milestone, but also to protect natural resources. Overall, managing natural resources is not merely the responsibility of ASEAN community, but it also needs the active involvement of various governments and policy-makers.

**Keywords:** ASEAN Community, Natural Resources Management, Sustainable Development

## **INTRODUCTION**

More than half of the total world population lives in Asia, and this region plays some very crucial roles in the global economy, security and human development. The flexible system in Asian economies contributes significantly to the international economic recovery; some of which alleviates people from poverty. Over the years, this region has been shaped by a

rapid economic growth and some demographic changes. In Asia, especially in Southeast Asia, the regional economic integration would foster development in all aspects but obviously it would degrade the environmental conditions while the scarcity of natural resources would be a major obstacle as well. ASEAN region is endowed with various natural resources, such as forests, water, coastal resources and biodiversity, many

of which need to be protected and conserved for the sake of boosting the economic growth. To protect the environment and natural resources, we have to adjust the human growth rate with the environmental standards in managing the natural resources (Natural Resources Commission, 2015). It should be implemented in order to create a better quality of life towards the ASEAN vision in 2030; resilient, inclusive, competitive and harmonious<sup>1</sup>.

This article conceives the standard of natural resources management with which supporting the flexibility and innovation in the consistent, rigorous, accountable regional planning, investment and decision-making processes among ASEAN countries. Moreover, it pays attention to the actions of ASEAN community because they hold double positions. Firstly, the main actor of economic growth in the region and secondly, the manager of natural resources in Southeast Asia. By these roles, they have to achieve a deep understanding about the nuances of natural resources management for the sake of sustainable development. The aim of this article is exploring the action plans with which connecting the countries, community and industrial groups in Southeast Asia.

The rest of the article proceeds as following. Section 2 will discuss some previous research on how ASEAN community manages their environment and resources. Section 3 highlight the standards for the quality natural resources management. Section 4 will explain the methodology which is exercised here. Furthermore, section 5 will discuss some investigations and findings concerning the natural resources management and sustainable development. Last but not least, last section will summarize this article.

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1 ASEAN aspires to become Resilient, Inclusive, Competitive, and Harmonious in 2030, and four major challenges: (1) managing the macroeconomic and financial stability (2) promoting the economic convergence and equitable growth (3) forging a competitive and innovative region (4) nurturing natural resources and sustaining the environment. <http://www.adbi.org/asean.2030/> accessed on March 21, 2015.

## **ASEAN COMMUNITY AND NATURAL RESOURCES MANAGEMENT**

The Association of Southeast Asian Nation (ASEAN) was established in Bangkok, Thailand on August 8, 1967. At that time, Indonesia, Malaysia, Philippines, Singapore and Thailand signed the ASEAN Declaration. Due to the rapid development in Southeast Asia region, Brunei Darussalam, Vietnam, Lao PDR, Myanmar and Cambodia are also attracted to join the ASEAN. Currently, there are ten member states which actively involves in this association. At the 12<sup>th</sup> ASEAN Summit, in January 2007, the ASEAN leaders have agreed to establish the ASEAN Community 2015 which comprises three fundamental pillars; (i) ASEAN Political – Security Community, (ii) ASEAN Economic Community and (iii) ASEAN Socio – Cultural Community<sup>2</sup>.

This region is covered by an approximately 4.5 million square kilometer mainland, be equal to nearly 3 percent of the world's total land mass. The region has a population more than 605 million some of which live in urban areas (45%). It has 60 percent of the peat-land areas of the world (25 million hectares). The region's natural resources of water, forests, oceans, and soil provide sustenance to its inhabitants and economic activities. Most countries in the ASEAN region are served by some river systems such as the Mekong River basin and the Toba Lake. The region has a long coastline no less than 173,000 kilometers and has abundant freshwater resources, particularly Brunei Darussalam, Lao PDR, and Malaysia. These countries enjoy the largest water resources per capita in the region. Indonesia, Malaysia, and the Philippines are rich in biodiversity, and they are homes for approximately 80 percent of global biological diversity, while 65 percent of the world's coral species are located in the 'coral triangle' by which encompassing some parts of Indonesia, Malaysia, and the Philippines. About 45 percent of the ASEAN region is covered by

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2 <http://www.asean.org/asean/about-asean/overview>. Accessed on March 23, 2015.

forests, which provides a suitable natural milieu, for some 40 percent of all animal species on Earth. Among the ASEAN countries, Myanmar, Cambodia, and Lao PDR are agriculture-based countries. Brunei Darussalam and Singapore are two most urbanized countries in the region, and the contribution of the agriculture sector to GDP in these countries is less than 5 percent. The GDP here aims to measure the output of economic activities within the economic territory of a country. In contrast to these two countries, Indonesia, Malaysia, The Philippines, Thailand, and Vietnam have some different stages of transformation. Overall, the ASEAN region has consistently shown a positive economic growth in the last few decades. As an example, prior to the global financial crisis, during 2000–2007, the real GDP of ASEAN countries' economies are increased by 6 percent, and be expected to grow on average by more than 5 percent during 2014– 2018, according to a projection provided by the Organization for Economic Co-operation and Development (OECD). The real GDP of some countries in the region, such as Lao PDR, Cambodia, and Indonesia, are projected to increase beyond the ASEAN average. Indonesia, The Philippines, Thailand, and Vietnam are now part of the middle-income countries, as defined by the World Bank, while Malaysia approaches the upper end of such range.

Some ideas about ASEAN and its natural resources management are available in the ASEAN Socio – Cultural Community (ASCC) Blueprint 2009 - 2015, section D about 'Ensuring Environmental Sustainability' which says

*“ASEAN shall work towards achieving sustainable development as well as promoting clean and green environment by protecting the natural resource base for economic and social development including the sustainable management and conservation of soil, water, mineral, energy, biodiversity, forest, coastal and marine resources as well as the improvement in water and air quality for ASEAN region. ASEAN will actively participate in global efforts towards addressing global environmental challenges, including climate change and the ozone layer protection, as well as developing*

*and adapting environmentally-sound technology for development needs and environmental sustainability.”*

Such statement is the main concern of ASEAN Community, since the environment and natural resources are the keys for economic and social development. Subsequently, this condition also led many ASEAN leaders to have some serious efforts in minimizing some issues concerning natural resources such as; forest depletion, land degradation and water crisis with which implying unbearable damage to biodiversity.

This condition is captured by many scholars; one of them is Huong, (1999, 217-225), who pays attention to the environmental protection and community welfare. He has a high-curiosity about the natural resources management in various Southeast Asia countries, and he argues that ASEAN countries have some tremendous obstacles in managing the resources. Thus, the involvement of people and leaders is very crucial to manage the resources as it is said. Furthermore, Huong said that *“people do not understand the serious consequences of environmental and resources degradation because they are not well informed about environmental problems and their causes”*.

Discussing the environment and natural resources management implies a consideration on the sustainable development. The latter could be perceived as a development that meets the current needs and considering the ability of future generations (World Commission on Environment and Development's, 1987). Most people who pay attention on the issue of sustainable development agreed that we need to set the equilibrium among social, economic and environmental situations.

Many literatures provide abundant discussion about the sustainable development, and how to balance between the industrial growth and the preservation of natural resources. Stakeholders, environmentalists, economists and policymakers sometimes comprehend the idea of sustainable development as a dilemma because so many burdens should be accomplished by the ASEAN Community.

## STANDARDS FOR MANAGING NATURAL RESOURCES TO ENHANCE SUSTAINABLE DEVELOPMENT

Given that most parties strive to show their concern on sustainable development due to the degradation of the available natural resources, the Southeast Asia countries boosted its reforestation by 30 million hectares to many of which would be enjoyed by industry. There is estimation that this region would use roughly 45 percent wood out of the forest plantations by 2020. It's a vivid situation that Southeast Asia region would be an important player in the world level though the natural forest resources continue to be depleted<sup>3</sup>.

Subsequently, there are pros and contras in Southeast Asia about the forest products industry. The rapid population growth vastly implies an increasing demand of timber. Though many hectares of forest are now being conserved, the incomplete regulations may provide a gap to proceed the illegal logging and timber smuggling. It is a tremendous challenger to the ASEAN Community. Therefore, we need to formulate a system or standard that would balance the social, economic and environmental objectives in the decision making related to the sustainable development.

Achieving sustainable development requires much effort, specifically in the structural changes and new working patterns in all areas of economic, social and political life. In the long run, Southeast Asia region should ensure the availability of both their natural resources and man-made and human capitals for the sake of its common prosperity. Despite of this situation, ASEAN as a regional association should encourage the standards for managing the natural resources in order to proceed the sustainable development, (Clayton & Bass, 2002). It has some important governing implications in the local, national and regional levels. Hence, it also requires a cross-sectoral and integrating mechanism of which could bring forth

governments, society and private stakeholders. If it works, such collaboration could make a standard in managing resources. The main purpose of such standard is to give confidence to the public, government, other interested parties and the natural resource managers that the investment in natural resource management is cost-effective. Moreover, it could protect and improve the high value of natural resource assets, and maximizing benefits. The standards contain the good quality processes to deliver the best practice of natural resource management.

The crucial research problem of which igniting this article is how the establishment of natural resources management could give advantages to the society, and how the standard of natural resources management could affect the sustainable development. Thereby, addressing these following questions would be necessary: (i) What are the benefits of natural resource management for ASEAN Community? (ii) Do the standards for managing natural resources support the sustainable development in Southeast Asia?

Aiming to answer these two questions this article uses primary data from interviews with some prominent figures in the ASEAN Community, mostly in Indonesia and Malaysia. These two countries are selected on the basis that their sectors are governed by a challenging phase in the sustainable development. Moreover, these countries provide some interesting facts to who is attracted to the application of SMNR (Standards for Managing Natural Resources). Interviews were conducted since it is particularly indispensable for assessing various individuals' perceptions directly.

Indonesia and Malaysia are selected due to a large number of land conversions from the community forestry into the palm plantation. Indeed, such conversion excessively reaches the annihilation of natural forests which supposed to be million hectares of the environmentally unfriendly palm plantation. In other words, such business activity does not contribute any positive impact to the sustainable development.

<sup>3</sup> [http://education.nationalgeographic.com/education/encyclopedia/asia-resources/?ar\\_a=1](http://education.nationalgeographic.com/education/encyclopedia/asia-resources/?ar_a=1). Accessed on March 30, 2015

Consequently, Indonesia and Malaysia are categorized as the most-degraded countries annually (UNEP Report, 2007).

Hence, the literature and document reviews also done in this research as the secondary data. Unfortunately, there are only few documents discussing natural resources management standards and the sustainable development issues. Thus, it is obviously crucial to be analyzed.

## **FINDINGS AND DISCUSSION**

This article starts by explaining the benefits of natural resources management for ASEAN Community which would lead to a demand that they need a standard in managing their resources. Here, my analysis firstly evaluates the framework of standard of natural resources management (SNRM) in Indonesia and Malaysia, and mainly focuses on the management of forest resources. ASEAN faces enormous challenges here. There is a need to tackle some environmental problems such as air and noise pollutions, sewage disposals and management, traffic congestion, land degradation and deforestation, the depletion of natural resources and biodiversity, damages to marine and coastal ecosystems, depletion of the ozone layer, and excessive emissions of greenhouse gases. Managing environmental resources are not easy. Markets normally do a good job of dealing with scarcity. As things start to be scarce, their prices increase in such a way following the supply and demand law, people consume commodities less than before and producers invest more money and raw materials in producing them. In contrast to such cycle, it does not work if the case is environmental goods as the goods turn out to be scarce. Many people are the subject of misguided government policies many of which trigger the environmental destruction by, for example, subsidizing energy consumption, over-fishing and deforestation (Pomeroy, 2007).

Finally, the findings and discussion will be summarized by outlining some sustainable development implications, and some suggestions to further research in natural resources management in Southeast Asia.

## **The Benefits of Natural Resources Management for ASEAN Community**

Natural resources management (NRM) encompasses not only the land-use planning, water and soil management, maintaining air quality, biodiversity conservation, and ecology. Contemporary environment economists also incorporate issues such as ensuring the future sustainability of industries including agriculture, mining, tourism, fisheries, and forestry. Natural resource availability, in general, is one function of the demand and supply of resources. The demand side effect shows an ever-growing trend as a result of the countries' continual efforts to achieve a higher economic growth and improve the living standards, whereas the supply side is more or less unpredictable. The result could be a scarcity of natural resources, which contains a point of no return in terms of environmental degradation in the course of time. This would not only generate a depleted ecosystem, but it could also result in an excessive exploration of new resource stocks that would damage the environment's sustainability. The growing concern over the complex dimensions of natural resource dynamics has induced a paradigm shift to global policies focusing more on a sustainable environment in recent times. Hence, efficient and effective natural resources management has become crucial in ensuring a sustained development and a better future for the region (Persoon, 2003).

Moreover, ASEAN Community would bear many challenges and opportunities after 2015. ASEAN has an ambitious target by 2030, which is called RICH; Resilient, Inclusive, Competitive and Harmonious. This target requires 4 (four) key development challenges as following: enhancing the macroeconomic and financial stability; supporting the equitable growth; promoting some competitiveness and innovations; and protecting the environment as its most challenging obstacle.

In case of protecting the environment and natural resources in Southeast Asia, we have to make sure the proper environmental improvement. Natural resources are mostly industry and the

growing populations. Actually, there are some abundant benefits to the extent we could manage and maintain its stockpile considerably. Here are some of those benefits:

<b>Benefits in Managing Natural Resources in Southeast Asia</b>
• Boosting economic activities, growth and GDP per capita
• Increasing employments
• Maintaining the revenue stream
• Accelerating and narrowing the development gaps
• Increasing the supply of public goods and services in order to alleviate the level of local poverty
• Securing funds for the national and regional development
• Promoting the intergenerational equity
• Supporting an integrated and prosperous ASEAN Economic Community by 2030
• Enabling the ASEAN's political and bureaucratic structures to work hand in hand on various fundamental issues with the member states
• Reducing the resources curse. Promoting a stable and sustainable economic development.

Source: Adopted from *landcarenews.org*

More than a decade ago, the financial crises hit the ASEAN economic development. Those policies were failed to make a concession between the natural resources and capitalist perspective<sup>4</sup>. If ASEAN had willingness to manage the resources wisely, they could have gained lots benefits as mentioned in the above table. In addition, managing natural resources is not only a matter of earning the advantages of it, but also conserving and protecting the resources themselves, so that our next generations would have chances to access and enjoy it.

### **The Standard for Managing Natural Resources and Sustainable Development**

Definitions of sustainable development are not in themselves interesting, although there is an intense on how 'development' could be measured in terms other than per capita gross national product (GNP). Hence, although the debate regarding what is to be sustained has some merits, what does matter is what has to be done to secure it.

<sup>4</sup> Asian Development Bank Institute. *ASEAN 2030; Toward a Borderless Economic Community*. 2014

Furthermore, sustainable development is a set of concepts that attempts to harmonize a number of competing goals. These include providing better conditions of life and more opportunity for people, especially the poor, and ensuring both production and consumption do not go beyond the limits that ecosystems could tolerate in the long run. The idea of sustainable development is an optimistic response to a disturbing and gloomy vision of human future: the notion that we could not have both a better quality of human life and a healthy environment. This pessimistic view holds that there is necessarily a trade-off between; on the other hand, a better environment means keeping the poor in poverty, or we could say, more economic opportunity always leads to the environmental destruction.

A fundamental assumption of sustainable development is there are some policies that could simultaneously achieve both sets of objectives that we do not have to choose, for example, between the adequate nourishment and the pollution control. There is an increasing evidence that this is not just a wishful thinking, but such solutions are with the right combination of understanding and political will within reach. Indeed, one very fundamental insight is that the problems of poverty and the problems of environmental degradation could not be solved separately. Only by overcoming poverty we could have a greater chance for a stable and productive ecosystem. Only through maintaining environmental quality we could create the material conditions for people to be better off. The more research we do to understand the problem, the more obvious that a distinction between the economic hope and the environmental quality is absolutely wrong. Moreover, such issue is intensively discussed by the Rio Earth Summit in 1992. The poor would not pay attention any kind of politics that they should hold their consumption activities, and consequently they would not be able to overcome their poverty. Such reality reflects recognition that

the environmental quality is crucial to improving the well-being of all of us.

In Asia, especially in Southeast Asia, the standard for managing natural resources has not established until today. On the contrary, having a good standard in natural resources management could be the solution to enhance the sustainable development. The standard for managing natural resources management is indispensable in giving confidence to the public, government, and other interested parties and to natural resource managers themselves that investment in natural resource management is cost effective, protecting and improving high value natural resource assets, and maximizing benefits through actions of which integrating outcomes at all scales. The standard does this by establishing quality processes to deliver the best practice natural resource management (Thanh, 2008).

Its goal is to support the dynamic and innovative regional planning, investment and a decision-making while ensuring consistency, rigor and accountability in the natural resource management. The standard should be used as a

tool to improve the natural resource management, and be designed to get focus on the outcome.

This standard is very adaptive and applicable to ASEAN’s vision all of which planning to develop and implement some natural resources management strategies efficiently, effectively and transparently. Thus, it also addresses the commitment and comparability with other parties, so that all member states could exercise the standard properly.

On that figure, we can see that the standard for resources management pays full attention to the community and the institutional systems. Nowadays, it appears as a system that highlight all major variables and people have to keep in mind that they should manage comprehensively. Subsequently, we may imply that this system is characterized by various human and institutional inputs, processes and outputs.

The standard framework for natural resources management (SNRM) obviously supports the ASEAN Community in managing their resources. If this framework is applied, the resources loss would be decreased because the

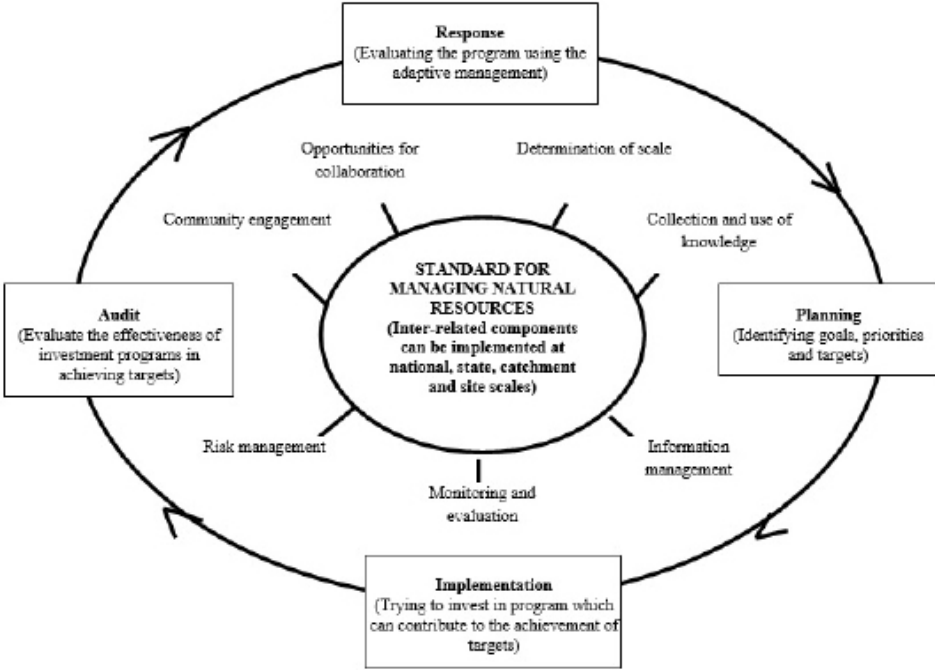


Figure 1. The standard for managing natural resources

management of any resources should balance the interests of various stakeholders.

This study provides an insight to scholars and practitioners interested in ASEAN and natural resources management, illuminating how the sustainable development should be considered. Therefore, some findings from this article could arguably be examined into other natural resources management settings in order to measure its relevance.

## CONCLUSION

The upshot of this article is both developing some understanding concerning how natural resources affect sustainable development, and more specifically, to explore the standard in managing natural resources in ASEAN Community.

Moreover, it contributes to a theoretical understanding of the relationship between the natural resources management and the sustainable development in two distinctive ways. Firstly, this study elucidates the benefits of natural resources management. Secondly, results from this study illustrate the complex frameworks of standard in natural resources management. It shows that an integrative or inter-disciplinary solution could be the extraordinary formula to sustainable development. The findings from this study should be put as a reminder that natural resources generally need to be addressed with a renewed standard. To sum up, we need experienced stakeholders in sustainable development fields to share and to evaluate various ideas and techniques about the natural resources management.

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