

BUSINESS ACTION
for
SUSTAINABLE DEVELOPMENT
International Chamber of Commerce, Paris, France

Position Paper
on
Strategic Community Development
by
Human Capacity Building Index

October 9th & 10th, 2001

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seconded as

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LIST of CONTENT

1. Introduction
2. Regional Centers of Growth
 - 2.1 In The Past
 - 2.2 Todate
3. Human Resources Development Model
 - 3.1 In The Past
 - 3.2 Todate
4. Proposed Social Impact Analysis (SIA)
5. Conclussion & Suggestion
6. Enclosures

1. INTRODUCTION

Community Development can be conducted based on the characteristics of any specific Center of Growth described by aspects of science & technology, economy, social, cultural. This was proven by the history of either Hinduism, Buddhism and Islam that spread over Indonesia centuries ago. Ancient monuments namely Dieng Temples, Borobudur Temple, Prambanan Temple, Demak Mosque, Agung Sang Cipta Rasa Mosque at Cirebon, Banten mosque, etc, are the historical milestones.

Capacity Building can be conducted based on the characteristics of human resources that represent productive age of people who live in the Centers of Growth.

Strategic Community Development itself is aimed and purposed to increase the capacity of human resources who have that sense of environment as such by a set of active initiatives promoted within its Center of Growth, in this case, organized by the Large Scaled Industry, in order to achieve a harmonized relationship between that industry and its offsite community. However, the degree of harmonized relationship itself is closely related with the management magnitude of the industry to master the level of community prosperity among the people live in the offsite of industrial onsite.

Strategic Community Development can be targeted also by building the capacity of the industrial offsite community productivity in order to produce selective prime commodities that further demanded by other Centers of Growth and its hinterland. Surplus of one Center of Growth can be traded to the others on sustainable manner, etc. And this flow of trade, anyhow, requires a networking regulations to govern. The initiative made by those industries can be formatted as a national community based organization that conforms with Sustainable Development Partnership (SDP)¹. This forum will contribute significant impacts in regard with economic added value either to the regional income budget and to the national generated trade and economy.

Therefore, by empowering then reinforcing the manageable trade network among Centers of Growth, based on Strategic Community Development, there will be a valuable national scaled economic growth that generated as such to overcome the significant decrease of export caused by uncertainty of global economy today².

¹ Regional Forum on Business Opportunity and Sustainable Development Partnership, Jakarta, 3-5 September, 2001

² Prof DR Emil Salim, SE, Domestic Economy To Reform, Kompas newspaper, 24 September 2001

2. REGIONAL CENTERS OF GROWTH

2.1 In The Past³ :

From the legal point of view, the first recognition of the Indian archipelago in the far eastern of Indian as the continuation of Southeast Asian Peninsula that later to be named as Indonesia, by a higher civil society, was milestone in the 1st century through the activities of international ocean-going trade between Benggala, South Indian and their partners-in-progress in Southeast Asia. This recognition is expressed by *Kitab Jataka* of Indian that mentions *Suwannabhumi* (golden country) where requires dangerous travel to reach and *Kitab Ramayana* that mentions *Yavadvipa* (golden and silver island) and *Suwarnadvipa* (golden island).

The Continental recognized it in the book of *Periplus of the Erythraean Sea* (sailing guideline in the ocean of Erythrasa that now named as ocean of Indonesia, between Egypt ↔ Barygaza, Indian ↔ Chryse or Golden Peninsula that now named as Malay Peninsula) that written in the 1st century by Strabo and Plinius (captains, Yunani-Egypt). Then the book of *Geographike Hyphegesis*, a mapping guideline, that made by Claudius Ptolomaeus, citizen of Iskandarsyah, Yunani, in the 2nd century that expresses *Argyre Chora* (silver country), *Chryse Chora* (golden country), *Chryse Chersonesos* (golden peninsula) and *Iabadiou* (java island, diou = dvipa).

The legal expression "searching islands and lands in the far east and the unknown places to find gold, spices and other valuable goods" as mentioned in *Bull Inter Caeter* of Julius II dated May 3rd, 1493 then *Tratados de Tordesillas*, an agreement between Portugal and Spain, dated June 7th, 1494, are the important legal documents that recognized as the historical diplomacy platform ever made in dividing this globe, either Indonesian Archipelago and American Continent. In reality, those fleets of either Portugal and Spain met later in Tidore Island, East Indonesia (1521).

There is *Itinerario* (1556) written by *Jan Huygen van Linschoten*, a Dutch sailor, who discovered the secret of Portugal trade route navigation, then after Dutch independence (1581) from Spain, triggered the Dutch traders to reach sources of spices crop plants in the far eastern of Indian continent (Indonesia today), including

³ DR Ir Pandji R. Hadinoto, PE, Productive Legal Policies in Indonesia for 20 centuries, Thesis for Magister at Law, IBLAM School of Law, Jakarta, December 2000

traders from British, France and Danish, while in the same time to cut off trade distribution networks to/from Persian Gulf built by Arabic and Chinese traders so far till 16th century.

Therefore, it is understood that the flow of informations concerning Centers of Growth in Indonesia during the Pre Colonialism period had been established by the existense of prime sources of gold, silver and spices. These commodities triggered either the inter regional trade routes and inter continental one based on freedom and active modes. The compilation of sea-voyage law titled as *Amanna Gappa* (Gowa-Tallo, South Sulawesi, 1626) was then the significant milestone to indicate the first well structured trading society in Indonesia ever seen and it can be called, however, to be the foundation of the Chamber of Commerce in Indonesia today.

But under the spirit of monopoly, the Dutch traders conquered the Centers of Growth since Treaty of Amboina (1600) by Admiral Steven van der Haghen, furthermore Makassar trade port (1669) by VOC Governor Generale, Johan Maetsuycker (1653-1678), etc. Ironically, the policy of forced delivery resulted bankruptcy of VOC (The United East India Company, 1799) but then the policy of forced plantation resulted huge of profits and brought best prosperity to the Dutch country (19th century).

Perspective of unity by legal point of view for this archipelago country (81% is waters) was milestoned since the concept of 7 (seven) Dwipa (= island) surrounded by 7 (seven) oceans as expressed in *Kitab Wahyu Purana* (2nd century) where includes Nusa Indonesian Archipelago (Yawadwipa and Malay Peninsula). Then Yawakoti in *Kitab Aryabhatiya* (476 AD), further Yawa, Bali, Warusaka (Barus) Nadikera (coconut island) in *Kitab Kathasaritsagara* (5th century) and Yawa-bhumi and Suwarnadwipa in Nalanda (9th century). Meanwhile, the term of "archi-pelago-continent" or "insel-welt" or Oceania as called by France, had been named as NUSANTARA consisted of (8) Eight Nusa (= island) or Astadwipa by Mpu Prapanca as written in *Kitab Nagarakretagama*, part-XIII (1365). This term of NUSANTARA then can be read also in the Portugal cartograph map made by *Manuel Elgodinho de Eredia* (1601). The term of INDONESIA firstly stated in *The Ethnology of the Indian Archipelago* by James Richard Logan (Journal of the Archipelago, 1850).

2.2 Todate :

The Republic of Indonesia that formed by 8 (eight) prime islands (Asta Dwipa) is therefore in fairly point of view when building its community development based on the Centers of Growth that existed today, forming by various large scaled natural based industries i.e oil refineries, gas production facilities, petrochemical based fertilizer plants, mining industries (coal, gold, etc), manufacturing industrial estates, etc.

These Centers of Growth, thereafter, should have the key role to be the prime mover for the national economic development in order to redistribute the social prosperity and welfare. This industries are in position to take responsibility as the Agent of Modernization and Development as well to the offsite industrial communities.

The differences of capacity characterized by aspects of regional economy, sosial and cultural that occurred among the Centers of Growth, is indeed the national baseline asset too and could contribute significant factor for establishing inter regional trade regulations as such that complemented each others. This national policy, as it might be called, would generate further complemented national asset on sustainable modes significantly. Therefore, in later date, this serial of sustainable national assets would respectively perform the objectives of Sustainable Development as declared for the World Summit Sustainable Development, Johannesburg, September 2002.

In the meantime, dialogues among key officers of industries facilitated by Compartment of Environment, IndoCham, resulted that the business partnership models are performed already by the state owned industrial companies and the private owned ones in order to manage prosperity and welfare of their offsite industrial communities as such. So far, there is a Finance Ministerial Decree No. 316/KMK.016/1994 dated June 27, 1994 in regard with Environmental Development that implemented by the state owned industrial companies in various type of models. In this regard, the initiatives of Business Partners for Development⁴ should be integrated by Capacity Building⁵ in order to optimize resources and efforts. The role of IndoCham, especially Compartment of Environment, lead by Committee, Community Development would contribute the appropriate atmosphere of national communication among large scale industries as the prime movers of Centers of Growth in Indonesia.

3. HUMAN RESOURCES DEVELOPMENT MODEL

⁴ World Bank, Business Partners for Development, www.bpdweb.org/krg/

⁵ United Nations Industrial Development Organization, Sustainable Industrial Development, Vienna, 1998

3.1 In The Past :

It is interesting to refer to the statement of Mr F.H. van Naerssen : "as far as we can learn from Hindu-Javanese charters and other documents, it seems that Hinduism, in the period from the 7th to the 16th centuries, gradually spread over Indonesia by a process of – as we now might call – **community development**"⁶.

And based on that above mentioned statement, it is fair enough to dig further philosophy of Hindu-Buddha → that Human being is not one creature but seven beings in one body⁷ which requires gradual phase to reach by incremental of age and appropriate education :

1. as Biological creature, human being exists as the other creatures i.e. animals
2. as Sosial creature, human being needs partnership to live under civil society i.e. ethics, ceremonial, ritual, code of conduct, etc.
3. as Cultural creature, human being should live under certain values, norms and laws
4. as Political creature, human being should live by considering charismatics, authority, power and should learn how to manage them
5. as Rational Intellectual creature, human being should have the capability to multiply the capacity to build power and skills to create what he/she wants
6. as Spiritual creature, human being when trained as such has the capability to communicate with other creatures from supranatural
7. as Devine being that only can live if faithful to the God

Degree of education and human being development indicate civilization of the society, and in real world it is symbolized by 7 (seven) terraces of *Borobudur Temple* as reference, that to be sure built as such based on community development under a multi years project management system lead by *Sri Maharaja Rakai Garung Samaratungga*⁸, a significant milestone for Indonesia and world society.

3.2 Todate :

⁶ Phillips Ruopp, A symposium Introductory to Problems and Methods of Village Welfare in Underdeveloped Areas, W van Hoeve Ltd, The Hague, Bandung, Copyright 1953.

⁷ Prof MR DR Slamet Prajudi Atmosudirdjo, Director, Post Graduate Program, IBLAM School of Law, A Short Autobiography, June 2001

⁸ Karang Tengah Stone, 824 AD

It seems that Capacity Building that currently promoted to developing countries, in some extend, can be mapped as such by human being baseline characteristics either on individual basis or in collective basis (working units → organizations, corporations, etc and governmental units → communalities, counties, districts, centers of growth, etc). This map is plotting the characteristics of human being based on the definition of “seven beings in one body” as mentioned before.

As an example, while getting status of capacity profiles as follows (1 to 100)⁹ :

	P1	P2	P3	P4	P5	P6	IDEALITY
7. Devine Being	~ 100		80	30			9
6. Spiritual	~ 100	2	80	31	1	1	80
5. Intellectual	97	3	3	9	30	91	73
4. Political	4	100	92	100	100	1	35
3. Cultural	~ 100	1	2	1	10	7	31
2. Social	~ 100	3	20	3	9	10	60
1. Biological	3	100	40	71	60	100	71

Explanations :

If IDEALITY is the required criteria for leadership of a working unit, therefore in REALITY, there are differences shown by personality no 1, 2, 3 to the IDEALITY. This means that additional trainings and/or educations should be formulated as such in order to increase the capacity of those personalities to reach that criteria.

Mathematically, that Required Leadership can be built for statistic analysis using formulation of Ideal Leadership = function (parameters of Biological, Social, Cultural, Political, Intellectual, Spiritual and Being Devine Creature) for particular working unit or governmental unit, etc. It can be further defined for Entrepreneurship too.

In this regard, an appropriate formulation of Capacity Building plans for Community Development programs would be in a better shape to reduce the bias and deviation that could occur and in-parallel manner it can optimize efforts and resources that organized by the Sustainable Developers in order to achieve regional targets that set up before by contributions and participants of the offsite industrial communities.

4. PROPOSED SOCIAL IMPACT ANALYSIS (SIA)

⁹ Human Capacity Building Index (HCBI), Measuring Method by KHIBAR IndoLawFirm, Jakarta

In reference with the following dialogues and discussions :

1. Mr Nico Wattimena, PT Semen Cibinong stated that the daily Environmental Management is always interfacing with pair of Environmental and Social problems indicate as Community Development, August 14th, 2001.
2. DR Ing Ilhamy Elias, Chairman, Compartment of Environment, IndoCham stated that that pair should be managed separately and not to compensated each other. In this regard, Community Development is not purposed to eliminate i.e. Environmental waste problems.
3. Further discussion concludes that there is a need to formulate degree of industrial awareness to Community Development by establishing certain criteria as such based on Degree of Comprehensivity, 18 Agustus 2001

In this regard, **CoDeRate** is preformulated and still open for further discussion :

1. CoDeGold : impacting added value in vertical prosperity and welfare expressed by participation of local communities and local officers in widely basis and increasing the regional income budget significantly
2. CoDeRich : impacting added value in horizontal prosperity and welfare expressed by the sustainability of people economy in spreadly manner
3. CoDeLine : impacting added value in redistribution of prosperity and welfare that expressed by existance of people economy operated among communities surrounded the industries
4. CoDeNull : impacting no added value in prosperity and welfare expressed by low degree of employment related to industrial activities only
5. CoDeLess : impacting social conflict on intermittent basis
6. CoDeRisk : impacting social conflict on horizontal basis
7. CoDeLost : impacting social conflict either horizontal and vertikal

By using the same approach, **EnvyRate** can also be formulated, that is EnvyGold, EnvyRich, EnvyLine, EnvyNull, EnvyLess, EnvyRisk dan EnvyLost.

These **TRIPLE-7s (HCBI** by KHIBAR, **CoDeRate, EnvyRate**) that integrated as such as baseline for **SIA** could be an unique operations of IndoCham as per Act No. 1/1987 in order to functionalize Degree of Comprehensivity of Community Development for industries who lead the Centers of Growth on optimum shape, for the mutual benefits of all parties concerned and conforming to either Act No. 25/2000 regarding National Development Program, Regional Development Program if any, and IndoCoDe (Indonesian Community Development) program initiated by Committee, Community Development, Compartment of Environment, IndoCham.

And as far as the global society could be in acceptance to utilize the model of **TRIPLE-7s** on universality basis, it would be a significant contribution of Indonesia that credited to the sustainability of global development during this 3rd millenium.

5. CONCLUSSION & SUGGESTION

Indeed, the existence of Finance Ministerial Decree No. 316/KMK.016/1994 dated June 1994 is in-line with the global policy on Sustainable Business Partnership. Therefore, if these two are managed as such in pretty good directions, the ratio of Environmental Benefits to Environmental Risk¹⁰, as expressed also in Indonesian Environmental Act (1997), would be greater and greater on sustainability manner.

Good directions mean i.e. can be achieved by planning, management and maintainance of various applicable Industrial Offsite Community Development programs that in-line with the framework of current national industrial policy → the Industrial Cluster (grouping of industries that related each others in intensively manner by forming partnership to perform corporate agglomeration, either as the supporting industries and as the interrelated industries) which objectives are increasing efficiency, reducing transportation and transaction cost, creating collective asset and increasing degree of innovation¹¹. In this regard, Community Development Clustering can be made too in the format of local and interlocal or inter Centers of Growth that motorized by large scaled industries in order to build Generated Inter Regional Trade (GIRT) or Economy in Indonesia archipelago. This GIRT, however, requires regulations to establish appropriate Inter Regional Trade Law, and the indication of this situation todate is the discovery of several Regional Regulations¹² that mismatched to National Acts and resulted problems to run the business in the good shape. In this regard, Regulatory Impact Assesment (RIA)¹³ is important to operate under Integrated Working Groups.

Either Debt-for-Sustainable Development Swap operated by Government of Germany and Debt-for-Nature & Development Swap (DNDS)¹⁴, an international financial mechanism to reduce foreign debt by commitment to support social development activities and natural resources conservation through facility of Tropical Forest Conservation Act indicate that IndoCoDe initiative is favor to objectives of Sustainability.

Strategic Community Development (SCD) by appropriate Human Capacity Building Index (HCBI) will also reinforce and empower the triangle relationship among

¹⁰ Prof DR Otto Soemarwoto, Management of Environmental Benefits and Risks, Ecology Institute, University of Pajajaran, Bandung 1981

¹¹ PreSeminar, Convention of Business Society Anticipating AFTA 2003, IndoCham, September 19th, 2001

¹² Indonesian Chamber of Commerce & Industry, Kompas, September 6th, 2001

¹³ Prof Gary Goodpaster, PhD, Promoting Deregulation and Competition Project, Asian Development Bank

¹⁴ Nabel Makarim, Minister of Environmental, Transfer of Bad Debt, Kompas, September 20, 2001

State, Civil Society and Market in the framework of Welfare State and Social Democracy provided that Stakeholder's bottom-up approach is oriented as such by Community Friendly Plan on people economy partnership manner.

The existence of people economy partnership would reflect the existence of policy on Social Capital (SC) investment that consisted of associability, shared trust and shared responsibility¹⁵. SC can be indicated by trust, mutual understanding, shared knowledge and cooperative action¹⁶ too. Cooperative attitude to partnership recognizes 7 (seven) virtues (honesty, loyalty, intelligent accuracy, fair participation, discipline and firm to agreement, co-determination for mutual benefits and transparency) to generate sustainability. Appropriate people economy partnership can also be reflected by local community ownership to perform win and win solution situation. And it is the responsibility of the Community Based Organization (CBO) that initiated by the industry to build up compatibility of business venture. Compatibility itself is built up by having common ground that then reinforces common bond among the community.

However, it is understood that Civil Society is associated by Sustainability, Cooperative Welfarism, and Learning Organization on continuity basis.

Therefore, Committee of Community Development, IndoCham kick off the activity today by establishing national compilation on community development undertaken by industries ("case studies" as called by the International Institute for Sustainable Development), programming capacity building and promoting advocacy and awareness among all industrial networks in Indonesia.

Corporates that participated to date are Rio Tinto Foundation, Friend of Aqua Foundation, Matsushita Gobel Education Foundation, PT HM Sampoerna, PT Riau Andalan Pulp & Paper, six petrochemical based fertilizer plants (PT Pupuk Sriwidjaja, PT Pupuk Kujang, PT Petrokimia Gresik, PT Pupuk Kalimantan Timur, PT Pupuk Iskandar Muda, PT Asean Aceh Fertilizer), six cement factories (PT Semen Padang, PT Semen Gresik, PT Semen Cibinong, PT Semen Baturaja, PT IndoCement, PT Semen Andalas), PT Jasa Marga (highway operator), PT Jababeka (industrial & real estate).

¹⁵ Carrier R. Leana and Van Burren, The Organization in Crisis, Kompas newspaper, September 29th, 2001

¹⁶ Don Cohen Laurens, Harvard Business Press, Kompas newspaper 29th, 2001