26

Personal comments on :
ITTO CONFERENCE IN YOKOHAMA JAPAN, 1992

Dudung Darusman

November 1992

Note : This personal comments was written, but not presented, while attending the ITTO Conference in Yokohama Japan on November 1992.

It seems to me that in responding the world pressures to the wood producing countries in order to conserve their natural biological diversity, the producing countries tend to depend themselves on the arguments of : (1) increasing cost (more money needed to conserve the biodiversity), and (2) it must be another matter or separate convention, separate guidelines or separate forum, and also (3) it must be directed to the consumer countries. I think that is a kind of short sighted, or too simple minded attitude.

I think the producer countries should state that they are willing to conserve their biodiversity as long as the profit of their raw material exploitation business is big enough to cover costs of conservation, and also as long as the people of their countries are able to pay taxes to cover the costs, which means that their people have earned high enough income.

In this connection, I believe that it is the consumer countries' (which are mostly developed countries) obligations to make such a fair business and trade of whatever commodities traded among the producer and consumer countries. What I mean with fair business is to give a greater chance to the producing countries to develop their industries by transfering their technologies and flowing the investment capitals, so that it will be more and more added value captured by the people in the producing countries. On the other hand, fair trade means that the market structure is maintained in the most possible competitive condition, which needs more and more openness on market information.

Of course we, the producing countries, fully understand that to do that, the consuming countries have to sacrifice their own conventional profit at a certain, but not too much, level.

It is not good, although it is true, to say that why should the producing countries, mostly low income, to be burdened by world's problems ? It will be a nice neighbourhood in this world if the stronger members do the society's problem first. Even more ethical to be so, on the ground that the weaker members are still fighting their internal problems historically caused by the stronger member's past colonialism.

It can also be added, that it is much more appropriate to send a message to the consuming countries (again mostly developed and high incomer countries) that they have to force their business and trading society to do such a fair relationship with their colleagues in the producing countries. It must be mentioned that the fair business and trade does not only cover raw material (such as wood) based commodities, but also all commodities both parties concerned. Without that, again unfairness will come up due to unbalanced terms of trade, which again tend to weaken producing countries position.

Talking about improving the existing market structure and term of trade among producing and consuming countries, it is quite possible for the producing countries to do that, since all of the producing countries own the most of resource (certain resources relevant to the market). The problem is most of the producing countries do not know how to do (or even are not willing to do ?), caused by low knowhow and inappropriate culture to be committed to do so.

What I mean with know how is particularly about "industrial organization" i.e. the market analysis, synthesis and strategy to face current market problems at hand. While the inappropriate culture means the low marginal propensity to save of the government and the people, and also the low responsiveness of the economic actors to the market situations.

Many times I feel in the deep of my heart, that it is something very funny and odd. The producing countries wish to be treated and served equally, event want more since in the past got less, ask more help or grant, but at the same time they pledge less, and the worst thing is they do not change their habit, culture, and institutions which are very important for their survival.

It is very important for the producing countries that they are not to ask any kind of direct interventions (part of the interventions are in the form of help, such as : expertise, joint research, etc.) from the consuming countries, since these kind of short cut problem solving are often uneffective in solving long term and basic national problems. Why is it ? It is like people in slum area are helped to paint their getos, or to repair their toilets.

Furthermore, by doing so it is very often that the consuming countries get more information (some are with very high economic value) than the producing countries themselves. This means that the long term outcome will be contradictory to the objective that is going to reach, since the consuming countries again get more access to the information of the resource, technology and market.

Based on the thought describe above, don't we the producing countries worry that by creating international funds by ITTO to finance international joint research, we are geared to support the consuming countries strategy to secure their prosperity and dominancy in the future.

Of course we should not have negative feeling and thought to the other parties, but at the meantime we should have our own relevant problem solving, for the sake ~~shake~~ of our own benefit as much as we can, without disturbing the others.

The consuming (developed) countries may be in doubt, whether the producing countries would be willing to spend their profit got from a fair business and trade, or to pay taxes from their high income. Here I like to state that is a very common and universal, that the richer society, the more the society need good environmental condition, and the more the society need future security of their prosperity. That is also shown by the people in the country of Indonesia, along with the other producing (developing) countries.

It is not enough, of course, to talk much on the international affairs. It has also to be followed by creating fair business and trade inside the producing countries themselves. The most popular or wellknown problem in Indonesia is about the superiority (based on government priority, which may be inappropriate) of the industrial sector, which dictates the extraction of forest resources, not only in term of quantity, but also in term of price and income distribution.