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Options for ASEAN Diplomacy in Governing Risk of Transboundary Haze

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Summary of arguments

This paper argues that Indonesia may not deal with the transboundary haze pollution of burning forest fire through the ASEAN Agreement on Transboundary Haze Pollution. One of the main reason is that Indonesia will have to deal with the cost associated with the agreement. As the biggest power in the region, Indonesia may felt dictated or intimidated by the agreement. While the other ASEAN member states that ratify the agreement will enjoy the benefit without bear (significant) cost. Some might have signed the agreement because they have nothing to lose by ratifying. Without Indonesia ratifying it, the agreement will be powerless. In this light, a realist position of “all or nothing” principle is relevant.

While the proponent of the agreement may argue that better to have a weak agreement than nothing at all. In this paper, we argue that instead of waiting for Indonesia ratifying the agreement (as it would not), there are clearly options within ASEAN to be used to ceasing haze and fire burning. One of the option is for ASEAN to better communicate with Indonesia to declare degree of crisis or disaster emergency where ASEAN can activate its ASEAN Committee on Disaster Management. Despite the weakness in the idea, it may help solving the haze problem temporarily.

While long term solution should be sought. ASEAN must also create new alternative routes to tackle haze through different mechanism including climate mitigation funds (through fire mitigation) and disaster management mechanism. It is time for the rich ASEAN member states to strengthen and deepen its disaster management diplomacy. In addition, through ASEAN internal mechanism, Singapore and Malaysia should also provide extra allocation on regular basis to support haze mitigation through multiple means of forest governance and disaster governance - such as working through other means of global governance and a set of bilateral deals.

Introduction

The haze of Riau today has offered a perfect example of transboundary risk in ASEAN. As the haze has not only affected Indonesia but also Singapore and Malaysia, the question is what

ASEAN can do? Can Indonesia government solve the haze problem in its own jurisdiction that satisfy not only Singapore and Malaysia but its own citizen whose livelihoods are depended on global supply chain? Or, ASEAN can offer options where a win-win solution can be achieved? While Indonesia rejected to ratify the ASEAN Agreement on Transboundary Haze Pollution in 2002 because it maintains that the agreement creates the loser and Indonesia is the only potential loser.

The June 2013 transboundary haze episode reminds us the lesson from the first largest landscape disaster in modern Indonesia and Southeast Asia. The devastating haze episode in the region in history was the 1997/1998 fire burning in Kalimantan and Sumatra. Some estimates suggest that at least 5 million hectares of forest were burned by fire and 70 million people affected by affected by the haze. For Indonesia alone, the total loss could have reached more than US\$4.5 billion (or as big as the total economic loss for Aceh's Indian Ocean Tsunami). For Singapore, as the haze lasted for more than two months, the 1997/98 haze caused a total loss between US\$ 8 to 11 billion (according to some estimate).

This 2013 haze marks the 10th episodes of transboundary haze episodes since 1970s. For 2013, Singapore has claimed to suffer from economic losses estimated at US 1 billion a week. Some extra government spending on health must be rising. As air pollution index reach 400, Singapore has order not only its citizen to be indoors. While Malaysia has closed down some schools. Malaysian ports in Johor Baru provide no report yet concerning possible disruption and delays. If no rain in Riau, Singapore's economy can be 'jeopardized' in coming weeks. Very visible risks include delays and disruption of supply chain and cargo movement at Singapore ports, shock in the tourism sectors and health spending associated with the haze.

Lack of Understanding of the Cost by Indonesian Policy Makers

Transboundary recurrent hazards such as haze of burning forest fire are often too easily politicized. Politicians blame each other. Indonesian politician were busy with the statements concerning the need or no need to apologize. I am afraid that Indonesian politician in Senayan may not be able see the risk to Indonesian economy. Given the fact that our economy is getting well connected to the global supply chain, we are neither free from economic losses. Singapore is not the only loser as probably we are all losers of different scale.

The very problem is no one in Indonesia calculates the total cost associated with the haze. Exporters must have the answers. If there is substantial delays and disruption of agricultural fresh foods from North Sumatra and Riau and also from the rest of the country that will be exported to Singapore and the rest of the world are likely to be rotten. This causes substantial losses for all the farmers in the hinterland of Sumatra (including Kalimantan and Java) as their

exports may be depended on the ports of Singapore. Indonesian exports include hundreds types of goods and commodities too.

Therefore, Indonesia must have also experienced losses as a result of supply chain delays and disruptions because its exports to the rest of the world often depend on Singapore port. For almost a century, substantial number of rubber and other agricultural products' exports from Indonesia 'must' transhipped through Singapore ports.

The fire burning in the second half of June 2013 may not be seen as natural. Following Green Peace's claim on the possibility that native firms from Singapore, Malaysia and Indonesia may be involved in triggering the hazards, there is an institutional gesture where the governments (at least Singapore) started seeks the possibility to conduct legal check on their local corporate operating in the fire burning hotspots. There is also a shift in arguments concerning the culprit of the haze as compared to 1997/1998 where the blame is put on the small holders and indigenous practice of slash burning.

During 1997/1998, some claims (including firmed scientific work) suggest that the events were natural events but unnatural disasters as some land clearing for the 'golden crops', such as palm oil expansion often practice uncontrolled burning which escalates and become catastrophic. Debates will propagate by far to question Indonesia's effectiveness forest governance practice in Sumatra (Riau) easily creates negative accounts for carbon leaks. For 1997 burning fire only, in a Letter to Nature Magazine in 2002, Susan E. Page and her colleagues (of University of Leicester) estimated between 0.81 and 2.57 Gt of carbon were released to the atmosphere.

The response from Indonesian officials to blame Singaporean's firms operating in Riau cannot be justified because as a sovereign state, the government can create mega disincentives for the irresponsible firms in Indonesia jurisdiction. Situation can be made differently if Indonesia imposes stricter enforcement of forest clearing practices regardless the origin of the firms.

ASIAN Governance and Disaster Diplomacy

Top Indonesian officials need to demonstrate a good disaster diplomacy by being more proactive to solve the problems and showing empathy not only to the neighbors but also to probably hundred thousands of Indonesian whose livelihoods have been increasingly depend on global supply chain.

Indonesia president, as the UN's first global champion of disaster risk reduction can also show that he can deal with any disaster crisis not only risks associated with tsunamis and earthquakes. In fact, Indonesia can show the leadership for materializing a model for transboundary haze early warning systems in ASEAN.

The problem is, ASEAN framework in dealing with haze is based on the existing ASEAN Agreement on Transboundary Haze Pollution. The agreement is toothless as far as Indonesia reject to sign. However, internal ASEAN mechanism can be used as the haze is also testing the often praised achievement of the ASEAN family members as the countries have been very active in the ASEAN Committee on Disaster Management. On annual basis, ASEAN Ministerial Meeting on Disaster Management is carried out. ASEAN must show that they not only can cooperate in a real crisis and emergency like the haze but also timely response to the crisis. Therefore, rather than pushing Indonesia to sign the haze agreement, ASEAN can temporarily extend the existing Disaster Management agreement to include the haze risk management.

Past catastrophic experience must provide a legitimate reason for ASEAN's early action in haze prevention. Singapore, Indonesia and Malaysia now can show that by spending and sharing a few tens of millions dollars a year in reducing risk of haze (including investment in institutional building for haze management), it can save billions of dollars of avoided losses. ASEAN must turn its eyes to its member states' pockets to solve the problem of haze.

While long term solution should be sought. Genuine ASEAN governance must be demonstrated in times of crisis. What ASEAN can do is to wait for Indonesia to draft a new agreement on transboundary haze management that provides balanced view of the problem. ASEAN must also create new alternative routes to tackle haze through different mechanism including climate mitigation funds (through fire mitigation) and disaster management mechanism. It is time for the rich ASEAN member states to strengthen and deepen its disaster management diplomacy. In addition, through ASEAN internal mechanism, Singapore and Malaysia should also provide extra allocation on regular basis to support haze mitigation through multiple means of forest governance and disaster governance - such as working through other means such as bilateral deal and global governance.

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