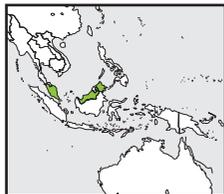


## Development at the cost of sustainability



In an effort to achieve developed country status by 2020, the current Government is implementing a development model that is highly unsustainable. For example, an entire rainforest is being flooded and at least 15 communities relocated in order to construct a huge dam for hydro-electrical power, an irresponsible move that will result in the loss of endemic species, increasing social discontent and environmental threats. Meanwhile, the people's right to participate in the management of natural resources is almost totally silenced. Only by empowering the people and ensuring access to information will the Government be able to address sustainable development.

Friends of the Earth Malaysia  
Sahabat Alam Malaysia

In 1991, then Prime Minister Mahatir bin Mohamed introduced the concept of *Wawasan 2020*, or "Vision 2020." This was based on the idea that Malaysia could become a developed country by the year 2020, and established nine strategic challenges it had to overcome, including ensuring an economically just society, a competitive and dynamic economy, and also the inclusion of ethnic minorities and the establishment of a feeling of national unity.<sup>1</sup>

This plan was later recalibrated. In 2009, incumbent Prime Minister Najib Tun Razak declared that strategies had to be redefined, mainly because in order to achieve *Wawasan 2020's* economic goals, an economic growth rate of nearly 8%<sup>2</sup> is needed, while the average from 2000 to 2010 was a meagre 1.20% and in 2009 hit a record low of -7.6%, followed by a peak of 5.9% later that year and an estimated 3.2% for 2011.<sup>3</sup> The other reason, according to the Prime Minister, was because "being richer alone does not define a developed nation. There are important social and quality-of-life measurements that must be factored in when considering our objectives and successes."<sup>4</sup>

This idea is shared by former International Trade and Industry Minister and incumbent Member of Parliament Rafidah Aziz, who also felt optimistic regarding the achievement of the developed country status for 2020. "We have targeted ourselves into having a developed society in our own mould which means our society in 2020 would be multiracial, cohesive, tolerant, with respect for each other and with no polarisation," she said.<sup>5</sup>

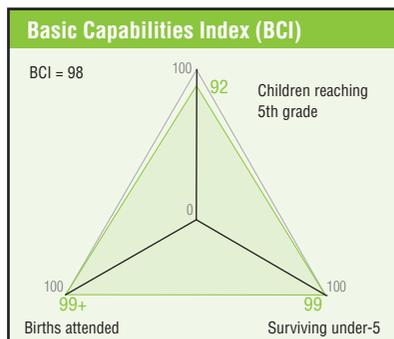
1 M. Mohamad, *The way forward* (Kuala Lumpur: Prime Minister's Office, 2008); See also: <[www.wawasan2020.com/vision/index.html](http://www.wawasan2020.com/vision/index.html)>.

2 R. Pakiam and S. Adam, "Malaysia Must Expand Faster to Be Developed Nation, Najib Says," Bloomberg News, (28 August 2009), <[www.bloomberg.com/apps/news?pid=newsarchive&sid=aAvHYIgg46lg&FORM=Z2NR8](http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aAvHYIgg46lg&FORM=Z2NR8)>.

3 TradingEconomics.com, *Malaysia GDP Growth Rate, 2011*, <[www.tradingeconomics.com/malaysia/gdp-growth](http://www.tradingeconomics.com/malaysia/gdp-growth)>.

4 R. Pakiam and S. Adam, op cit.

5 The Malaysian insider, *Rafidah says Malaysia can be developed nation by 2020*, (18 May 2020), <[www.themalaysianinsider.com/malaysia/article/rafidah-says-malaysia-can-be-developed-nation-by-2020/](http://www.themalaysianinsider.com/malaysia/article/rafidah-says-malaysia-can-be-developed-nation-by-2020/)>.



Despite these good intentions and also the fact that in the 1970s Malaysia was a pioneer in establishing a framework for environmental governance,<sup>6</sup> very little is being done today to adopt a truly sustainable development model, especially regarding the assessment of environmental issues. Thus, for example, the country's fulfilment of the Rio '92 accords has been generally disappointing. Since that year, it has undergone further industrialization, urbanization and infrastructure development that have resulted in loss of biodiversity and of vital ecosystems, particularly the mangrove and lowland forests. Moreover, despite provisions in various laws, people in the affected areas are hardly consulted and the Government remains secretive when it comes to development projects.

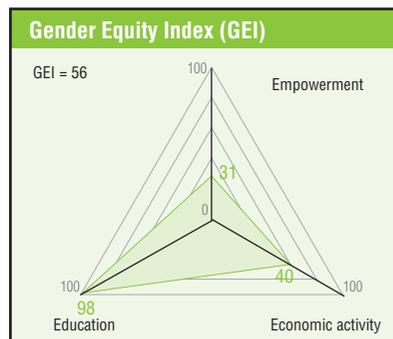
In fact, the development model implemented by the Government, focused on financial and industrial development without regard for the environment, is characterized by unbridled consumption and waste of water and electricity, resulting in environmental degradation and health problems.

### Biodiversity loss and lax laws

Malaysia has uniquely rich and diverse flora and fauna, with approximately 25,000 plant species,<sup>7</sup> 746 birds, 300 mammals, 379 reptiles, 198 amphibians

6 A. A. Hezri and M. Nordin Hasan, *Towards sustainable development? The evolution of environmental policy in Malaysia*, (2006), <[www.apimal.org/blogcms/media/13/File/Sus Development Msia\\_Hezri n Hasan.pdf](http://www.apimal.org/blogcms/media/13/File/Sus Development Msia_Hezri n Hasan.pdf)>.

7 Ibid.



and 368 species of fish.<sup>8</sup> Among this flora and fauna, 2,199 species are endemic.<sup>9</sup>

According to the International Union for Conservation of Nature (IUCN) 2010 Red List, Malaysia ranked third in the world with the highest number (1,180) of threatened species.<sup>10</sup> Of these numbers, animal species account for 488, with 47 of them in the "critically endangered" category. Also, 188 of 692 plant species are critically endangered, and four of the endemic plant species are now extinct.<sup>11</sup>

The latest plant to be declared extinct is the *Shorea kuantanensis*, after the only forest it grew in, the Bukit Goh Forest Reserve in Kuantan, was cleared for palm oil cultivation. The others are two fern species and the flowering shrub *Begonia eromischia*.

Malaysia's rainforests are rich in timber, medicinal plants, resins, fertilizers, and also supply freshwater, protect soils against erosion and nutrient loss, and sustain a great biodiversity. Malaysia, in fact, is recognized as one of the world's 12 megadiverse countries.<sup>12</sup> This means that it has a huge responsibility for safeguarding its biological diversity. Although laws to regulate the exploitation of natural resources and protection of the environment exist, implementation and enforcement remain poor.

Many laws are in need of review, but as economic development without a sustainable perspective

8 Mongabay.com, *Malaysia*, (2006), <[rainforests.mongabay.com/20malaysia.htm](http://rainforests.mongabay.com/20malaysia.htm)>.

9 See: <[life.nthu.edu.tw/~d868210/jpg/hwk2/content.html](http://life.nthu.edu.tw/~d868210/jpg/hwk2/content.html)>.

10 See: <[www.iucnredlist.org/documents/summarystatistics/2010\\_4RL\\_Stats\\_Table\\_5.pdf](http://www.iucnredlist.org/documents/summarystatistics/2010_4RL_Stats_Table_5.pdf)>.

11 Ibid.

12 Hezri and Nordin Hasan, op cit.

has been a high priority, efforts at strengthening the inadequate laws often take a back seat. For example, the proposed amendment of the 1974 Environmental Quality Act has been debated for nearly a decade, and a 1972 wildlife protection law was replaced with the 2010 Wildlife Conservation Act only after nearly 15 years of deliberation. Moreover, new laws fail to address key issues overlooked by the old regulations which have contributed to the country's dubious status as the regional hub for wildlife trafficking.

Another weakness lies in the distinct separation of power between the Federal and State Governments over resources such as land, forest and water. While most biodiversity policies (e.g., the National Biodiversity Policy, the National Forestry Policy and the National Land Policy) were established at the Federal level, the adoption of these policies remained weak at the state level, precisely where effective implementation is most needed.

### Resource extraction and deforestation

Until the 1970s, Malaysia's economy relied heavily on the territory's natural resources. For example, large-scale rubber plantation was a major mainstay of the country's economy since colonial times. Hence, rapid rainforest loss in the 20<sup>th</sup> century can clearly be linked to the extractive models implemented by the successive administrations.<sup>13</sup> Large areas of arable land were cleared for rubber and palm oil production, and a great number of trees were felled in order to keep up with timber demand for domestic and overseas markets: in 1985, for example, the forestry sector contributed up to 15% of the country's export earnings.<sup>14</sup> According to some studies, Malaysia's deforestation rate is growing faster than that of any other tropical country.<sup>15</sup> In fact, its annual deforestation rate jumped nearly 86% between 1990 and 2005, with a total loss of forest coverage of 140,200 hectares per year since 2000.<sup>16</sup>

It has been pointed out that while "on paper" Malaysia has one of the best rainforest protection policies in developing Asia, there is a great gap between the law and its full implementation and enforcement, so logging is still threatening the integrity of rainforests. In fact, over the past two decades, sustainable forest management has been non-existent.<sup>17</sup>

While a legal and administrative background was formulated in the early 1970s, the environmental impacts of land-based agricultural development and extractive practices have grown in magnitude, including deforestation, which has intensified significantly.<sup>18</sup>

The consequences of deforestation and misuse of land are many: soil erosion, hydrological changes, pesticide contamination of surface waters and also loss of local flora and fauna. Also, the risk of flooding and mudslides is increasing,<sup>19</sup> and for indigenous peoples, who have always depended on the rainforest for medicine, shelter and food, the destruction of their prime source of livelihood is also resulting on the loss of their traditional ways of life: as the forest disappears, so does their culture.

### Mega projects, mega destruction

In the last two decades Malaysia has witnessed a number of controversial public and private projects their socio-environmental impacts are still being calculated.

The most controversial of them is the 2,400MW Bakun Hydroelectric Project in the state of Sarawak (on the island of Borneo) where an area of about 695 km<sup>2</sup> (equivalent to the size of Singapore) is to be flooded. Touted as the world's second tallest concrete-faced rockfill dam, the project was criticized for neglecting environmental issues and also for its dubious justification of growing energy demand.

In fact, most of this alleged demand is said to lie in Peninsular Malaysia, and not in East Malaysia, where the dam is located. But some critics of the project have pointed out that in Peninsular Malaysia there is an over-supply of electricity, which makes the hydroelectric project unnecessary.<sup>20</sup>

After two failed attempts to build the dam, in 1994 the project was privatized to Ekran Berhad, a logging company with no experience in dam construction, and its completion was aimed for 2003. In the ensuing Asian financial crisis in 1997, the Malaysian Government took over the project and paid "compensation" to Ekran, which had completed only 50% of the engineering work.

The flooding process was initiated on 13 October 2010, and besides the drowning of a vast tropical rainforest, which will mean the loss of a great amount of biodiversity (including many endemic species), 15 indigenous communities had to be resettled downstream. This forced relocation had generated much discontent among the population of the area, along with unresolved compensation claims, loss of livelihood and a host of other social problems. Several communities that rejected the relocation plan had jointly filed a lawsuit against the Government for loss of their native customary land. The case is still pending. Also, there have been recent

reports about unsafe – and even illegal – building practices that seem to be an everyday matter on the construction site due to poor safety measures.

### Dirty industry hub?

There are concerns among civil society groups and some Government officials that the Government's industrialization ambitions (despite the "green" claim) could turn Malaysia into a magnet for polluting industries.

More worrying now is the fact that the country's vast coastline, particularly on the peninsula, is targeted for a petro-chemical hub that will be accompanied by the construction of ports to facilitate the export of end products. Such energy-intensive industries also need the construction of coal-fired power plants such as the one in the Iskandar Development Region in the state of Johor.

Such large scale coastal development is wiping out the country's mangrove forests, which are fish-breeding grounds that had supported inshore fisheries. Local communities' complaints of dwindling catches have largely fallen on deaf ears, with meagre compensation from the project developers and the Government. In some areas, coastal development promoted by the aquaculture industry has also taken away farmland with possible consequences on the nation's food security in years to come.

By and large, resistance to the Government's unsustainable development agenda has been restricted by media blackouts and the use of a variety of laws curtailing press freedom, including the Internal Security Act, Official Secrets Act, Sedition Act and the Police Act.

However, well-organized campaigns led by affected communities have shown that informed citizens could become a significant force in challenging the Government's unsustainable development plans. For example, two successful cases in this regard are the closing down of the Japanese-Malaysian rare earth factory in the state of Perak (late 1990s) and the abandonment of the waste incinerator located just 40 km away from the capital city.

Today, the biggest challenge for sustainable development in Malaysia is empowering the people with knowledge of their rights, ensuring access to information and creating mechanisms for genuine public participation so that national policy making and development project decisions can truly be weighed on the economy, society and the environment, that is, the three pillars of sustainable development. ■

13 Ibid.

14 Ibid.

15 Mongabay.com, op cit.

16 Ibid.

17 Ibid.

18 Hezri and Nordin Hasan, op cit.

19 See: <outskirtoutreach.org>.

20 See: <bakun-dam.co.tv>.