

**INDONESIA-4 MAY 2006, CONFERENCE ROOM #4 AM
INDUSTRY AND POVERTY**

**STATEMENT BY
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ON SESSION ON INDUSTRY AND POVERTY
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Cleaner production has been developed in Indonesia and today Indonesia has its own Center for Cleaner Production, mostly supported by the German GTZ. Small scale sectors like leather, textiles have been among industries participating in cleaner production programmes. However some constraints remain to some industries as psychological barriers that view environment measures as an additional cost to the production. This has been somewhat resolved through awareness and improvement of education among the participating industries. Also the use of other more attractive terms such as "Eco-efficiency" could attract the small scale industries in adopting the principles of cleaner production.

I would like to draw your attention in funding for the poor coming from Multinational Corporation in Indonesia. Through the 'Corporate Social Responsibility' (CSR) program, a number of multinational companies have channeled a part of their revenue to local society through various form of Community Development program, aiming at empowering the community. However, low level of education of the local people and, in some cases, too dominant intervention by the local authority, brought the source of fund into wrong direction, including through the provision of 'fish' rather than the 'bait'.

Finally, with regards to the issue of remanufactured products, although contain good quality, the remanufactured products imported to Indonesia may pose problems in terms of the product life cycle assessment. When the utility of these products is gone, then the product become waste. This means that the burden of the treatment of the waste, particularly when it contains hazardous substances as in the case of electronic wastes, remain the responsibility of the recipient country like Indonesia. This is even

worse, when the poor people who 'treat' the hazardous wastes, are low educated and are not aware about the danger of treating such wastes without any skill required.