

ASSET BASED COMMUNITY DEVELOPMENT AS A METHOD TO STRENGTHEN ASEAN ECONOMIC COMMUNITY

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Abstract

Indonesia as ASEAN member already binds to ASEAN Economic Community as consequences of Indonesia membership. It means, Indonesia have to apply the liberalization in goods trade whether for import goods or for export goods. As a goal and based on the goal set up by ASEAN Economic Community, the single market should be the way to prosperous people economic. The question is how to achieve this goal instead of pushing or destroying local goods from export goods. It needs to straight up the vision, back to previous goal, and take action to strengthen power or advantages from goods and from AEC system. One of the ways to achieve it is with Asset Based Community Development. This paper will analyze Asset Based Community Development as a means to strengthen ASEAN Economic Community. In Part I, this paper will examine the concept of ASEAN Economic Community. Part II will analyze further on what are the steps of Asset Based Community Development required in intensifying ASEAN Economic Community, and Part III is conclusion.

Keywords: *asset based community development; ASEAN economic community*

I. INTRODUCTION

History of ASEAN Economic Community (AEC) started since ASEAN impacted by the effect of liberalization in the world. Former, there are already another regionalism economic cooperation formed such as Europe Union (UE), North American Free Trade Agreement (NAFTA), and Southern Common Market (MERCOSUR), Common Market for Eastern and Southern Africa (COMESA), and Asia Pacific Economic Cooperation (APEC). Apparently this spirit of economic cooperation was followed by states in South East Asia by forming Association of South East Asian Nation (ASEAN) in 8 August 1967. In 1992, the ASEAN members met at Singapore discuss about free trade among the ASEAN members which the spirit is liberalization and resulted achieved and created free trade area to reduce regional tariffs in South East Asia region called AFTA (ASEAN Free Trade Area) in 2007.

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In progress, ASEAN members feels AFTA which focus is tariffs reduction among states in ASEAN not enough to integrate ASEAN economic so it needs deeper approach and method to reach it. Finally in 1997, agreed to form 2020 ASEAN Vision which stated ASEAN will:

- i) create stable, prosperous, and high compete capability ASEAN Economic Region mark with goods flows, free services and investment, more free capital flow, spread economic development and reduce poverty and social-economic gap;
- ii) fasten service trade liberalization; and
- iii) develop professional power and other services movement freely in region. After economic crisis hit South East Asian especially, the ASEAN Members Headmaster in 9th KTT ASEAN at Bali, Indonesia, 2003, deals ASEAN Community in ASEAN Political Security Community, ASEAN Economic Community, and ASEAN Socio-Culture Community which known as Bali Concord II. To form ASEAN Economic Community (AEC) in 2015, ASEAN deals to create economic regional integration implement with *ASEAN Economic Community (AEC) Blueprint*.¹

AEC Blueprint is guidance for ASEAN Members in achieve AEC 2015. *AEC Blueprint* consists of four foundation, which are: (1) ASEAN as a single market and single production basis support by free flow of goods, services, investment educated labour and capital flow; (2) ASEAN as a high economic competitiveness capability region with competition regulation element, consumer protection, intellectual property rights, infrastructure development, taxation, and *e-commerce*; (3) ASEAN as a region with spread economic development with small and middle industry development, and ASEAN idea for CMLV (Cambodia, Myanmar, Laos and Vietnam); and (4) ASEAN as a full integrated region with global economic with coherent approach in outside region relation and raise the involvement in global production network.²

The main focus of this article is on first foundation about ASEAN as a single market and single production basis support by free flow of

¹ Departemen Perdagangan Republik Indonesia, *Menuju ASEAN Economic Community*, p. 5.

² Departemen Perdagangan Republik Indonesia, *Menuju ASEAN Economic Community*, p. 6.

goods. The reason why these focuses is chose because practically in every country we cannot be separated from goods, starting goods as primary needs and or as secondary needs. Chatib Basri, Indonesia Finance Minister, said Indonesia had 50 percent potential market in South East Asia, many states will invest in Indonesia and the percentage of import is bigger than export.³ AEC causes goods, services and investment flow more free among the ASEAN member States. In order to achieve this dream, whole ASEAN member States must do and action goods trade liberalization.

II. ASEAN ECONOMIC COMMUNITY (AEC)

Indonesia as ASEAN member, like it or not, already bind to AEC as consequences of Indonesia membership. It means, Indonesia have to applied the liberalization in goods trade whether for import goods or for export goods. Many economic experts said Indonesia has opportunity and challenges in facing AEC. Mostly said with this liberalization, Indonesia will have big opportunity to expand the market and market share, develop technology progress, and other reasons. ASEAN liberalization will guarantee free flow of goods for raw materials and end product in ASEAN region. This condition by itself will encourage manufacturer and other business entities include home industry and small middle industry to produce and distribute good quality product and sell or export into other ASEAN member States and compete with other goods from another manufacturer whether from Indonesia and or from other states. When we talk about free flow of goods it means consumers also have many space to choose the best and suited product for him because there will be many choices started from the most cheaptill the most expensive.

When we read the opportunity it seems AEC is a beautiful condition will make producer and consumer can move freely. But, it doesn't mean there is no challenge for Indonesia. In book "*Menuju ASEAN Economic Community 2015*" (Toward ASEAN Economic Community 2015) issued by Indonesia Trade Minister, Indonesia have obstacle in compete with other ASEAN members. Indonesia export point for 2004-

³ Dewi Suci Rahayu , <http://www.tempo.co/read/news/2014/07/29/092596266/Separuh-Pasar-ASEAN-Ada-di-Indonesia->, accessed 13 October 2014.

2008 period is in 4th after Singapore, Malaysia and Thailand meanwhile the import is in 3rd position after Singapore and Malaysia. It means there are deficit trade balances to several ASEAN members States. Other opinion said Indonesia will have disturbance in local producer or manufacturers which cause developing local producer cannot be protected from import goods competition and Indonesia market will be full of goods from other ASEAN member States and covered Indonesia products as consequences of tariffs removal so states can sell the products with cheap or lower price.⁴

According to Industrial Ministry Public Relation, Krisna Sulistiyani, Indonesia economic condition is not in advantageous position to face AEC. From competition level, logistic, labor productivity, Indonesia position is under other state such as Singapore, Malaysia and Thailand. As a comparison, industry started easiness index is in 7th. Salary level still in low level to attract business investment. Export-import balance still in deficit, whether in ASEAN or outside ASEAN.⁵ Mostly of the theory stated globalization in regional integration will result spread and balance benefit. Comparative advantages have by trade group members is not to evicted certain State market share but to fulfill the demand together. Asia trade liberalization proven can raise trade, especially when become member of *Regional Trading Arrangement* (RTA). Even if, *Free Trade Area* (FTA) is designed well and could give maximum profit for its members. Survey stated 32% industry in China, Japan, South Korea, Malaysia, Philippines, Singapore, and Thailand has use FTA well. But, in other side there is also contra opinion, for example FTA have less impact to manufacturer work rate. The research in Africa result trade liberalization raise people income and end in product demand raise for domestic need. When local industry not ready, it results significant import and economic improvement will not happen, instead it will worsen the balance of trade.⁶

⁴ Mega Widya Yanti, *Tantangan dan Peluang Indonesia dalam ASEAN Economic Community 2015*, <http://regional.kompasiana.com/2014/04/24/tantangan-dan-peluang-indonesia-dalam-asean-economic-community-2015-651060.html>, accessed 13 October 2014.

⁵ Krisna Sulistiyani, <http://bakohumas.kominfo.go.id/news.php?id=1189>, accessed 13 October 2014.

⁶ Benny Gunawan Ardiasnyah, *Siapkah Indonesia Menghadapi Liberalisasi Perdagangan?*, Badan Kebijakan Fiskal Kementerian Keuangan.

Based on opinion and releases above we can see that there are obstacle for local industry especially for home industry and small middle industry. Goods from local industry, small middle industry can fail in competition with other goods from another ASEAN states but in the other side if the goods have a good quality it is not impossible to compete with other goods form another ASEAN states. Because of that, to face and take advantages from AEC system, a State, government, local government, and the industry itself must have a method. As a goal and based on the goal set up by AEC, the single market should be the way to prosperous people economic. The question is how to achieve this goal instead of pushing or destroying local goods from export goods. It needs to straight up the vision, back to previous goal, and take action to strengthen power or advantages from goods and from AEC system. One of the way to achieve it with Asset Based Community Development (ABCD).

III. ASSET-BASED COMMUNITY DEVELOPMENT (ACBD)

Asset-based community development (ABCD) is an alternative approach to community development that starts with what is present in a community, such as the capacities and assets of local individuals, associations, and institutions, rather than with what is deficient in a community and what a community's needs are. Because the focus and goals of the community development field have changed over the past forty years from bottom-up and internally driven to top-down and externally driven, the need for an alternative approach has become evident (Silverman 2001a, 2003; Stoecker 1997a). John Kretzmann and John McKnight (1993) responded with ABCD. Kretzmann and McKnight discuss the downfall of a needs-based approach to community development. According to the authors, a needs-based approach to community development gives way to environments of service and client neighborhoods where people are dependent on outside sources in order to sustain themselves. They talk about the inability of residents to overcome the deficiency-oriented model because the focus of service providers and institutions is on maintaining that model because it is beneficial to them. The deficiency-oriented model causes residents to begin to view themselves in a deficient manner and leads simply

to survival, not to change or development. Kretzmann and McKnight propose a drastically different approach to community development that involves total investment of local community members in the efforts because relying on help from the outside will not get anything done. Locating and connecting local assets in a community will allow its residents to more effectively build and develop their community argue Kretzmann and McKnight. By identifying and mobilizing local community assets and resources, a community once viewed as needy, problematic, and deficient can be empowered to work together in order to promote change.⁷

As an alternative to the more commonly practiced needs-based approach, ABCD shifts the focus of community development from “problem solving” to “asset building”. ABCD takes a “grassroots” approach to community development, drawing upon the best of what a neighborhood has to offer. As American cities continue to struggle with massive economic shifts that have depleted the employment opportunities of many low-income neighborhoods, the asset based approach provides an example of how to create sustainable neighborhoods across the country.⁸ Different with other method such as SWOT (Strength, Weakness, Opportunity and Threat) which examine each probability and possibility to empowering goods or services, ABCD focuses on the half full of the glass where the strengths, capacities, and assets of the community lie. It means the goal of this method is to develop and maximize assets in a community so it can be an advantage and a power to achieve a goal.

In this method there are four main point to determine the success of ABCD, which are power, empowerment, capacity building, and social capital. From this we can know that ABCD is different with SWOT or other method because it has different point of view. Speer and Hughey explain conceptualize empowerment as a manifestation of social power at the level of the individual, organization, and community. Empowerment is considered a process, defined as: “the mechanism by which people, organizations, and communities gain mastery

⁷ Sarah Keeble, *Asset Based Community Development : A Literature Review*

⁸ Julie Wilke, *Understanding The Asset Based Approach to Community Development*, 2 September 2006

over their lives” (Rappaport, 1984, p. 3) as well as an outcome of the social power of people (Alinsky, 1971). These general definitions suggest empowerment can occur at multiple levels. Although there is a reciprocal relationship between the development of individual and collective empowerment (Speer & Hughey, 1995), it is important to note that community empowerment is not merely the aggregate of empowered individuals, but rather a unique process where individuals work together to achieve group goals and gain community control (Zimmerman, 2000). Speer and Hughey (1995) identify the strength of interpersonal relationships as the foundation of social power and empowerment.⁹

Community Capacity Building. Frequently intertwined with community empowerment is the concept of community capacity, which is simply defined as “the capacity of people in communities to participate in actions based on community interest, both as individuals and through groups, organizations and networks” (Williams, 2004, p. 730). Saegert and Winkel’s (1996) belief that communities hold valuable sources of strength within themselves aligns perfectly with Kretzmann and McKnight’s (1993) idea that healthy communities are simply places where local capacities are recognized, respected and used. Not surprisingly, an active resident base has been identified as a key principle in building healthy communities (Foster- Fishman, Fitzgerald, Brandell, Nowell, Chavis, and Van Egeren, 2006). Furthermore, Chaskin’s (1999) more detailed definition asserts, “community capacity is the interaction of human, organizational, and social capital existing within a given community that can be leveraged to solve collective problems and improve or maintain the well-being of a given community”¹⁰

Social Capital, according to Mattessich and colleagues (1997), quite simply, “refers to the resources such as skills, knowledge, reciprocity, and norms and values that make it easier for people to work together” (p. 62). Therefore, it is a concept inherent in the work of community development, a feature of the definition of community capacity,

⁹ Suzanne Killing Woodside, *Asset Based Community Development: A Case Study*, 2008, p. 11.

¹⁰ *ibid*, p. 14.

and a product of the identification and mobilization of individual, organizational, and community assets. Furthermore, Putnam (2000) identifies the attitude of generalized reciprocity as the hallmark of social capital. Generalized reciprocity is the idea that I would do something for you expecting nothing specific from you in return but confident that I will receive payback from someone else in the future. In this sense, Putnam suggests “a society characterized by generalized reciprocity is more efficient than a distrustful society, for the same reason that money is more efficient than barter” (p. 15). This being said, there is no social capital without relationships.¹¹ Social capital can be defined as “the norms and networks that enable people to act collectively” (Woolcock and Narayan 2000, p. 226). They name trust and reciprocity as important principles of social capital.¹²

From those explanations, we can use it to help the home industry, whether in Indonesia or in other ASEAN member States, to face single market from disadvantage effect into advantage and integrated economic community system. First paradigm we have to hold is grass root which mean we have to start from the parties itself. In this article discuss about home industry facing AEC and how this AEC can be profitable for all home industry, so we must start from home industry itself and see the asset inside.

First step must be done is invent the capacities, assets, individuals, and associations then construct it into four point assets building, empowerment, capacity building and social capital. Talking about AEC and its implementation, there are several capacities, assets, and association such as AEC secretary itself which create policy, government, industrial and trade minister, cooperation and small industry minister for many goods manufactured by small industry, and for each goods there are their own minister, such as agriculture minister for agriculture product, food security services for food security, and other institutions. The people from ASEAN itself such are government, minister and services, until the home industry owner and worker is an asset of local individual. Further, if a goods from home industry is produced by a group of society it also can be called as local individual even it can be

¹¹ *ibid*, p. 15-16.

¹² Sarah Keeble, *loc. cit*

called community and it is a good started for ABCD building. This we can called as asset building.

If we started in ASEAN area which we see as a community, however, to get maximum community we should start from the below level such as home industry. Home industry is chosen because this sector considerable as a sector which could have biggest negative impact from AEC or it could be strong point for fundamental economic building. For example, agricultural countries (Indonesia, Thailand, Vietnam, and Myanmar) which produce rice in big number, Indonesia although known as rice producer but in fact it still import rice from foreign countries. If it does still continue until AEC applied and Indonesia doesn't have strategy, rice market in Indonesia can be flood by rice product abroad. This condition also can be happen in other countries. However, it doesn't meant that rice or other agricultural product and even other goods will be defeated in competition as long the competitiveness and assets in community can be shown and strengthen.

To make it easy in apply the ABCD method based on four main point above, there are some step can be done, which are:

1. Collecting stories about community successes and identifying the capacities of communities that contributed to success.
2. Organizing a core group to carry the process forward.
3. Mapping completely the capacities and assets of individuals, associations, and local institutions.
4. Building relationships among local assets for mutually beneficial problem-solving within the community.
5. Mobilizing the community's assets fully for economic development and information sharing purposes.
6. Convening as broadly representative group as possible for the purposes of building a community vision and plan.
7. Leveraging activities, investments and resources from outside the community to support asset-based, locally defined development.¹³

Those step above can be apply to strengthen the AEC with home in-

¹³ Alison Mathie and Gord Cunningham, *From Clients to Citizens: Asset Based Community Development As a Strategy for Community Driven Development*, Coady International Institute, January 2002, p. 3.

dustry as a starting point. For example, small middle and home industry in mushroom production can be used as a model for apply ABCD and strengthen AEC in agricultural sector. To make it easy in understanding and applying we can use steps already mention above:

1. Collecting stories about community successes and identifying the capacities of communities that contributed to success.

Mushroom as an agriculture product have many advantages for people. High nutrient, delicious taste, useful for health, easiness to process, short time of harvest, can develop all the time in a year, relative small land for planting. Mushroom also have high nutrient and high fiber compare to rice and oat. One of the success stories of mushroom export is mushroom export into Vietnam as ASEAN member¹⁴ Blitar, as one of the cities in Indonesia that produce mushroom, starting 2011 export mushroom into Taiwan and the advantage after export raise until 250%.¹⁵ Another story of succession in mushroom is Ir. Eddy W. Santoso with the Teras Desa Intidaya Corporation which growth lingzhi, hiratake, shitake and another kind of mushroom. Ir. Eddy W. Santoso started to growth mushroom ini 1997 when monetary crisis happen in Indonesia when his former business fail. Every day, Eddy, doing research in marker and learn from other success mushroom producer. Not just in here, but Eddy also recruit labor and work together with other farmer to expand his business and now the result, Eddy success in produce mushroom.¹⁶ This successful story can be inspiration for other mushroom producer to develop and raise mushroom quality in order to export it into abroad.

In this case, it means there are capacities that bring into success, such as communal relationship between mushroom producers, motivation from success producer into other producer, and transfer knowledge into other producer. These capacities should be brought into AEC

¹⁴ <http://galeriukm.com/peluang-usaha/peluang-usaha-jamur-tiram>, *Sukses Berkat Usaha Jamur Tiram*, diakses pada tanggal 29 Mei 2013.

¹⁵ http://www.kabarbisnis.com/agribisnis/2819247MantapJamur_tiram_asal_Blitar_ekspor_ke_Taiwan.html, *Mantap! Jamur tiram asal Blitar ekspor ke Taiwan*, diakses pada tanggal 13 Oktober 2014.

¹⁶ <http://kisahsukses.info/kisah-eddy-w-santoso-sukses-dengan-berbisnis-jamur.html>, *Kisah Eddy W. Santoso Sukses dengan Berbisnis Jamur*, diakses pada tanggal 13 Oktober 2014

spirit, so stronger producer whether local or foreign will not “greed” and precisely will help other producer whether it is foreign. Success producer will tell and share how they success even cooperate with another producer in order to fulfill mushroom demand in market.

2. Organizing a core group to carry the process forward.

After the producer inspire and help other mushroom producer, several producers can create a group of cooperation. This group is for strengthen the cooperation; strengthen the communication so each producer can have healthy competition. Besides, this group functions as a place for guidance, information, representation, consultation, facilitation and dispute settlement for producer. Every producer should do the business base on clean, transparent, professional, productive and innovative in order to create balance and harmonic cooperation.

Core group is important in ABCD, because it will have the biggest assignment and challenges to develop, raise, and guide not just itself but also another producer. Usually a group consist of many parties, or in this case, producer, whether small, middle or big industry but the core will be hold by the strongest producer because they are considered as the guidance for another producer and they will guide and lead all producer as a community strength without harm other producer.

3. Mapping completely the capacities and assets of individuals, associations, and local institutions.

Individuals in whole process of producing mushroom consist of many people, starting from the owner, the leader, and the worker. Associations means group of people that move together in same vision and goal. Local institutions mean government or non- government that has duty to control, develop, and maintain each sector as its purposes. Knowing the capacity and capability of each individual is an important thing to do and it becomes essential assets for ABCD, because without any individual it is impossible to perform anything. Each individual has it owns role base on the capability and capacity. A leader can give spirit and direction to other people around him so they can work precisely as what they want. An accountant in corporation can count the balance of payment and income so producer knows the position of finance

and what should they do. Worker can give their energy and mind to produce goods; they can take-care the whole process and guarantee the product quality. In home or small middle industry may be because of the condition they do not have an accountant, but there is a person can count profit and loses, so it must be considered as an asset not as an disadvantages because differential capability with accountant. A driver can work as a delivery man. Products however must be delivered to the consumer so it can earn profit. We can see that no matter how big or small the duty or responsibilities, all of it have important role.

Association is a group consists of members with same purposes. This is the next step from create a core group. In fact, whether in mushroom another producers, there are already association between them. Some association for mushroom are: Asosiasi Petani Jamur Aceda Semarang (APJATA Semarang), Forum Komunikasi Petani Jamur (FKPJ) and many others. It is different with core group where the function as a main motor that will move a small group, association is bigger group and with professional action. After several producer join and group, they will invite other producer to join the association. It will strengthen and smoothen the communication and cooperation among the producer itself and it can help to communicate directly with other producer, consumer, and government.

Local institutions means governmental organization which duty as stated in organization purposes located in an area divided by cities or province but in this case also central institution which usually located in capital city. For example, in mushroom production cycle there are three local institutions take role in it. First is Agriculture Ministry which duty is create efficient, technology and knowledge basis agriculture system, create agriculture ecosystem for sustainable productivity to increase food security, create creative, innovative, and autonomy farmer, increase fresh, healthy and secure food product. Second, Minister of Union and Small Middle Industry also have an important role to success the ABCD. This minister have duty to execute program in union and small middle industry such as make policy for union, small middle industry and empowerment of small middle industry through guidance for selling product and teach how to organize and use union as a group to strengthen producer activity. A union can invent the data of mushroom

producer, organize them, help them in solving certain problem so if they had difficulties, union can help them.

The last is, Food Security Services, in Indonesia actually this services join in the Agriculture Ministry at the beginning but now it become own services although coordinately still under the Agriculture Ministry. This service has duty to learn, develop and coordinate with other services in order to strengthen food security. The function is learning, identify, and prepare for food supply also prevent food vulnerability, food distribution, and food diversity product.¹⁷

4. Building relationships among local assets for mutually beneficial problem-solving within the community.

In fact, a producer or businessman, will always faces obstacle and problem. Sometimes, producer cannot solve the problem itself so it needs help from outside. In this case, mushroom producer, agriculture ministry, union and small middle ministry, and food services must built good connection so when there is a problem faced by producer one or together local institutions can provide help and solve problem. Actually, in bigger scope like ASEAN, the relation not just can be built by local institutions but also can be built with ASEAN secretary which work in this field. AEC has ASEAN Ministerial Meeting on Agriculture and Forestry which focus is ASEAN cooperation in food, agriculture and forestry is to formulate and implement regional cooperation activities to enhance the international competitiveness of ASEAN's food, agriculture and forestry products as well as further strengthen the food security arrangement in the region and joint positions in international form.¹⁸

ASEAN Ministers on Agriculture and Forestry (AMAF) In line with the guidance of the Fourth ASEAN Summit in 1992 to strengthen regional cooperation in the areas of development, production, and promotion of agricultural products. The MU acts as the umbrella of the ASEAN cooperation in food, agriculture and forestry. These organizations must and should be work together along with the producer to create high quality product not just based on national standard but also

¹⁷ <http://bkp.pertanian.go.id/statis-19-tugasdanfungsi.html>, accessed 14 October 2014.

¹⁸ <http://www.asean.org/communities/asean-economic-community/category/asean-ministerial-meeting-on-agriculture-and-forestry-amaf>, accessed 14 October 2014.

based on export quality or base ASEAN quality standard. To create a success community it is impossible when related organization and producer walk alone because each other have its own ability that maybe other organization doesn't have it so they must work together.

5. Mobilizing the community's assets fully for economic development and information sharing purposes.

After invent and collecting assets, the next step is enhancing economic activity. Economic activity must be mobilize and push in order to raise people income and welfare. Free flow of goods between producer and consumer in a community results economic advantage. Each producer can buy and sell materials from another producer and also can sell directly to the consumer. Because ASEAN is a big region the producer can share the market each other, although mushroom there are many kind of mushroom which usually each producer only plant one or several kinds of mushroom. If there is any diversity from each producer, actually there is still room for other producer. The example, there are mushroom producer produce shitake, lingzhi, hiratake and then there are producer create food from mushroom, the room for improvement and product diversity still open widely. Local institution starts from local, central, and regional also have role to promote and mobilize the number of production and distribution. So, all related parties should work together.

How to growth mushroom, harvest, dealing with disease until distribution it needs integrate sharing information. All parties involved must be able and wants to share information with other producer and the best way is provide like information center that can give not just global information but also provide specific information such as how mushroom producer in countries growth it, deals with disease and the most important is which area is potential as a market share and what can be sell in that area.

6. Convening as broadly representative group as possible for the purposes of building a community vision and plan.

After mobilizing a community, the next step is promoting widely about a product. Market should know about new products and the uses

so it will attract people to buy the product. In economic principle it is an obligation to promote widely about new product in order to inform buyer or consumer, but in this case not only the product but also inform about the community. Knowing the community will make consumer believe about the product safety and if there is something happen they also can ask for responsibility from the producer through help from the community. ASEAN as one single market and as a production base must be promoted widely not just in ASEAN region but also in another region or countries. ASEAN must explain this vision not just inside but also outside so people or consumer will know when they looking for a product. This action is one way with the concept of single market system, create a one door system for everything needed by producer or consumer as well.

7. Leveraging activities, investments and resources from outside the community to support asset based, locally defined development.

The last action can be done to support the AEC system especially in develop producer capital capability in order to maximize number of production and may be to increase the product standard quality is with encourage activities, investments and resources from outside the community. Outside activities can be understood as a behavior or an act, in this scope related with economic aspect. Investment is an act to plant capital in productive sector in order to get profit. Resources mean kinds of sources such as land, labor, and capital use in economic activities to produce goods and distribute it.

On the field, sometimes producer or local institution and organization feels hard to develop whether the product quality or quantity because lack of money or capital power. Sometimes, obstacle arises because producer cannot get one of the materials for production. This condition can be face by encourage the number of investment so producer can get fresh money to expand the business. Some cases, a producer don't have needed to produce a good, so they have to find resources provider. For example, to make chips from mushroom, producer must have vacuum fryer but there is no one sell this product in a community but outside the community there is a vacuum fryer seller, so the producer and the seller must be reunited and encouraged to do buying and selling.

IV. CONCLUSION

From the step above we can see that through this method although work from the grass root not from the policy first like we seen all this time, it has great power to get the real spirit form AEC. The policies issued by AEC meeting, cannot guarantee the successful of this program because it doesn't have real action to face problem in fact, but it is only issued policy must be done by AEC member directly and indirectly by home and small middle industry like it or not. It doesn't mean AEC system and the rules bad or not good but written and binding rules have rigid and strict weaknesses which did not see what happen in the bottom on in the society. Law or rules position in fact placed between two conditions, first condition to be reached by the law and second is condition in reality or in society and human resources.¹⁹ According to Roscoe Pound law should be as a mechanism to fulfill public needs, individual interest and interest of personality.²⁰ Collecting and empowering power in each industry resulted by ABCD method can be a weapon to face liberalization in AEC and can give suggestion to make down earth policy, rules and law useful for all sector of industry, institutions, and ASEAN member states.

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¹⁹ Satjipto Rahardjo, *Ilmu Hukum*, Bandung, Citra Aditya Bakti, 2000, page 170

²⁰ Agung Yuriandi, *Perbandingan Teori Hukum Menurut Roscoe Pound dan Friedrich Karl Von Savigny Dipandang dari Segi Politik Hukum*, Medan, Pasca Sarjana Universitas Sumatera Utara, 2008, page 10.

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