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**ENVIRONMENTAL ETHICS AND SUSTAINABLE BUSINESS IN
THE MALAYSIAN PERSPECTIVE**

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Abstract

Ethics can be understood generally as norms and principles put in place in order to uphold what is considered valuable. Environmental ethics in the corporate world has emerged as one of the vital issues to maintain sustainable business practices. In our continuous effort to promote better sustainable business practices in our daily life, environmental ethics is equally crucial to ensure we can achieve sustainable business without scarifying our environment. What is the relationship between environmental ethics and sustainable business practices taking into consideration the roles of man? The author applies documentary studies, historical archives, and public records to arrive at the findings on the relationship between environmental ethics and sustainable business in Malaysia. A few cases have been studied, including the Bakun hydro electrical project (HEP) in Sarawak, deforestation issue in Sarawak, and environmental and indigenous rights. Environmental ethics and sustainable development are inextricably linked as both are interrelated areas. Maintaining a high environment ethical standpoint in our daily life can contribute to the sustainability of business practices and benefit all the stakeholders in the long run. It is recommended that sustainability is a prudent long-term strategy.

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1. Introduction

Environmental ethics in the corporate world has emerged as a vital issue in the growing concern to maintain sustainable business practices. In our continuous effort to promote better sustainable business practices in our daily life, environmental ethics is crucial to ensure we can achieve sustainable business without damaging our environment.

Ethics can be understood generally as norms and principles put in place to safeguard whatever is considered valuable. The word ethics is derived from the Greek word 'ethos', which means 'character'. The word environment is derived from the word 'environ', which means 'turn around surrounding'. When we discuss environmental ethics, it concerns the moral obligations of human beings towards the environment. Our Earth is about 4.5 billion years old at the moment and we do not know the lifespan of the Earth in future. We are part and parcel of the environment.

Generally, ethics can be divided into various aspects. One of the branches of ethics is environmental ethics which studies the relationship of human beings and the environment by taking into consideration how ethics plays a role in the relationship between human beings and the environment. Every living creature in this world is part of the environment, including but not limited to human beings, plants and animals. Thus, it is essential that every human being respects and honors environmental ethics when dealing with all the living creatures surrounding us.

There are many definitions of sustainability. The Brundtland Commission (also known as the United Nations' World Commission on Environment and Development (WECD)) has defined the sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." It means we can still continue to enjoy the economic growth so long as we develop better ways of managing the environment without affecting the future generations. Sustainable business is also known as green business, which means any activities or businesses which have minimal negative impact towards our environment, community, economy or society and address current environmental concern while maintaining the firm or company's profit. Sustainable also means growth of development in terms of economic and business coherent with preserving the environment.

2. Problem Statement

Environmental ethics is equally crucial to ensure we can achieve sustainable business without scarifying our environmental. Shall we neglect or sacrifice environmental ethics while achieving the sustainable development? Meanwhile, in the progress of thriving through sustainable development factors, attention to environmental ethics is an essential requirement to ensure development is in line with preserving the environment.

3. Research Questions

What is the relationship between environmental ethics and sustainable business practices taking into account the role of man? What factors should be taken into consideration in achieving sustainable development in line with environmental ethics?

4. Purpose of the Study

This paper intends to study the relationship between environmental ethics and sustainable business practices and the importance of environmental protection and sustainable development for world economies for the benefit of future generations.

5. Research Methods

The writer applies documentary studies, historical archives, public records to arrive at the findings on the relationship of environmental ethics and sustainable business in Malaysia.

6. Findings

According to Islamic teachings, man is regarded as the *khalifah* (vicegerent) on earth. *Khalifah* is considered man representing God on earth. God created man and has given a mandate and mission to man to take care and manage everything on the Earth, including its resources. Man is the manager of the Earth. It is a trust given by God to man to manage the Earth. Environment is part of the Earth and destroying the environment means destroying ourselves including our mother land. Failing to manage the Earth (environment) properly means that man is not fulfilling the trust given to man and it also means that we are destroying the God's creation and violating His instruction to us.

It is submitted that all the creations are the God's servants and by destroying them, even a tree, would mean that destroying a servant of God as Allah SAW has mentioned in Surah al-Hajj verse 18;

“Do you not see that Allah is He, Whom obeys whoever is in the heavens and whoever is in the earth, and the sun and the moon and the stars, and the mountains and the trees, and the animals and many of the people; and many there are against whom chastisement has become necessary; and whomsoever Allah abases, there is none who can make him honourable; surely Allah does what He pleases.”

As such, we know the importance of trust in Islam. Yet trust towards nature is perhaps the most important one. In fact, the environment also worships God. Allah created every creature for a purpose and according to a measure, as recited in surah al-Qamar verse 49, *“Surely, We have created everything according to a measure.”*

While we are running a business to generate more income and maximising profit, we should not neglect the protection and preservation of the environment as the environment is also subjected to man's use. In return, the environment has provided us fresh air, water, natural resources and so on in order for us to sustain our life. We must be thankful for the gifts given by the environment. Islam also emphasises the value of gratefulness and humility. On the contrary, ungratefulness, wastefulness and arrogance are some of the biggest sins in Islam. Being grateful for the gifts of the earth means to take care of it, that is to use it in a sustainable manner as recited in surah al-Baqarah verses 21-22, *“Who made the earth a resting place for you and the heaven a canopy and (Who) sends down rain from the cloud, then brings forth with it subsistence or you of the fruits; and therefore do not set up rivals to Allah while you know.”*

Islam also cares about cleanliness and hygiene of the environment. *“Beware of the three acts that cause you to be cursed: [1] relieving yourselves in shaded places (that people utilise), in a walkway or in a watering place.”* - Narrated by Mu`adh, hasan, by Al-Albani. Therefore, one of the major sub-branches of

Muslim belief is hygiene and/or cleanliness (*tahara*). Without physical hygiene, Muslim prayers are considered void (*tak sah*). Thus, maintaining a clean environment is also a part of Muslim belief and faith for Muslim (*ibadah*) practices.

For the purpose of this paper, a few cases have been studied, including the Bakun hydro electrical project (HEP) in Sarawak, deforestation issues in Sarawak, and environmental and indigenous rights in order to determine the relationship between environmental ethics and sustainable business practices. God created man and given him the mandate to take care of and manage Earth. Failing to take care of and preserve the environment will result in man not fulfilling the trust given to man. As such, man should abide by environmental ethics in the face of the massive on going uncontrolled development.

6.1. The Bakun Hydro Electrical Project (HEP) in Sarawak

On 8th September, 1993, the Government of Malaysia through the Federal cabinet approved the proposed development of Bakun Hydro Electrical Project (HEP) in Sarawak. This giant project has attracted the attention of whole nation and was immersed in controversy. Some argued that it will bring benefits to the country with the supply of long term power and energy to the nation, including but not limited to Brunei Darulssalam and Indonesia (Kalimantan) and generate more income thereafter. However, some had a different persepective that it would destroy the environment and endanger the livelihood of the people, especially the indigenous.

Initially, the Bakun dam was estimated to have a power generating capacity of 2400 MW and total storage volume of approximately 43,800 mega cu. meter. However, there were several major environmental issues identified from HEP, namely the scarification of biodiversity and natural habitats, uncontrolled dislocation of inhabitants, weakening of water quality, disturbance of river base flow and downstream flood plain water lever alteration, saline intrusion, siltation and sedimentation, floatable vegetative debris all resulting in a negative impact to socio-economic, safety and health of the people. It was predicted that if once this project is completed, the dam will drown 1,600 square kilometers of rainforest in Sarawak and dislocate 235 indigenous communities with approximately 30,000-50,000 people who are currently staying in that region.

Generally, there are three types of major issues that involve the environment, namely the physical environment, the biological environment and the existing human environment.

6.1.1 Physical Environment

Basically the physical environment involves the climate, geology, hydrology and water quality.

6.1.2. Biological Environment

This involves the flora and fauna, wildlife and aquatic resources, found in the longest river in Malaysia, namely the Rejang River.

6.1.3. Existing Human Environment

This involves of the issue of resettlement of the indigenous people known as the *orang asli*.

Although the Bakun HEP project is expected to generate economic growth to the country, we need to consider the public interest in the Bakun HEP. It is submitted that man as an instance policy-makers, we must not destroy or violate the valuable natural world of God's creation.

The Bakun HEP project is runs by Sarawak Hidro, a wholly-owned subsidiary of the Minister of Finance Incorporated. The dam was finally completed and commissioned in 2014. In return, Sarawak Hidro has been doing its best to give back to the local communities, especially those in the resettlement areas. They have also provided job opportunities to Sawarakians and approximately 65 per cent of their staff are Sarawakians. Although there are many controversial issues about this Bakun HEP project, the respective parties have ensured that development of the state is in conjunction with maintaining the people's needs and preserving the environment. Environmental Impact Assessment (EIA) procedures were introduced under the Environment Quality Act 1974 (EQA) to emphasise the importance of preventative controls and planning tools to access the potential effect and impact of a proposed development or policy on the environment prior to the approval of the said proposed development or policy.

As such, in pursuing development, we do not have to sacrifice the environment and humans. In fact, we must maintain a good moral attitude to safeguard our environment for the benefit of future generations. Despite the Bakun HEP's much vaunted economic benefits, it has sacrificed the environment including flora and fauna and indigenous people living around the area.

6.2. Deforestation issue in Sarawak

Malaysia used to be one of the largest timber exporting countries in the world. According to the statistics by Malaysian National Forestry Department, approximately 800,000 hectares protected as parks; including about one million hectares as reserves; wildlife reserves comprise 600,000 hectares; 100,000 as "protection forests" plus a few others, altogether amounting to about 1,700,000 hectares. Sarawak is the largest exporter of natural gas and petroleum in Malaysia while timber and timber products have become the third largest export revenue for Sarawak. Malaysia is also known as the largest producer and exporter of tropical plywood. Sarawak's timber industry has played a significant role in driving the country's economy towards Vision 2020 and even the TN50. Timber industry plays a significant role in economy growth for Malaysia, especially in export activity.

Malaysia has undergone rapid economic expansion of late and with it, concurrent deforestation and over exploitation of forests in Sarawak on a larger scale than in the late 1990s. Since the 1990s, there have been increasing reports of forested areas being turned into oil palm plantations in Sarawak and as a result, only 11 per cent of Sarawak's rainforest remain as a result of 50 years of deforestation.¹ Indigenous peoples, who have lived with the forest for at least 40,000 years, have been recklessly pushed aside, robbed of their communal forests, and moved into resettlement camps for the dam projects. Due to uncontrolled logging activities, the fastest rate of deforestation in Asia is Sarawak in which Sarawak has lost more than 90% of its "primary" forests. Sarawak has only 0.5% of the world's tropical forest but accounted for 25% of tropical-log exports in 2010.² As timber stocks have become exhausted, the loggers have moved into the

¹ Database information Retrieved from
https://forestry.sarawak.gov.my/modules/web/eform.php?id=DR&menu_id=0&sub_id=377.

² *Ibid.*

palm-oil business, clearing peat-swamp forests to make way for plantations. The negative impact of deforestation including abuses against indigenous groups, including harassment and illegal evictions although it has been the indigenous people's home for more than 40,000 years.

The main purpose of deforestation is to supply timber to satisfy the market demand. The timber industry has contributed a large portion to national income. Initially, Sarawak was almost entirely covered with forest. Due to rapid development, according to Forest Department Sarawak³, almost 60% of the land in Sarawak had been licensed for timber extraction and huge areas have since been logged. In fact, the Sarawak government intends to grow the timber industry by between 10% and 40% by 2020, the ex-second Resource Planning and Environment and Industrial Development Minister Datuk Amar Awang Tengah Ali Hasan said,

“There is a need to design an action plan, with the five-year Malaysian plans in mind, to improve value-added products by 10% to 40% in export income. The annual target is RM8bil to RM10bil,” (Ji, 2019).

6.3. Sustainable Approaches to Environmental and Indigenous Rights? The Malaysian Dimensions

Sustainability in business should take care of the rights of people who live within the affected society, namely indigenous peoples who have made the forest in Sarawak their home for more than 40,000 years, and who, in the case mentioned above, have been ruthlessly relocated, robbed of their communal forests, and moved into resettlement camps for the dam projects and deforestation. The negative impact of deforestation includes abuses against indigenous groups, comprising harassment and illegal evictions. Article 8(j) of the Convention on Biological Diversity reads as

“Subject to National Legislation, to respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilisation of such knowledge, innovation and practices.”⁴

Although this Article places the indigenous under the state sovereignty, it is arguable that this Article may be defeated through the implication that existing national legislation takes precedence.

Some common law countries including Australia, Canada and New Zealand have recognised the customary laws of indigenous people in their countries to occupy and manage their own resources. In Australia, the landmark case would be *Mabo v Queensland*,⁵ whereby the Australian High Court recognised the existence of native title to the use and enjoyment of ancestral lands in accordance with their unique laws and customs. Justice Brennan stated,

³ *Ibid.*

⁴ *Convention on Biological Diversity* art 8(j) at page 6.

⁵ [1992] HCA 23; (1992) 175 CLR 1

“Of course in time the laws and customs of any people will change and the rights and interest of the members of the people among themselves will change too. But so long as the people remain as an identifiable community, the members of whom are identified by one another as members of that community living under its laws and customs, the communal native title survives to be enjoyed by the members according to the rights and interests to which they are respectively entitled under the traditionally based laws and customs, as currently acknowledged and observed...”⁶

Let’s look at Malaysia’s position with regard to this. In the case of *Nor Anak Nyawai & Ors v Borneo Pulp Plantation Sdn. Bhd. & Ors*⁷ which involved the logging of Iban forest land in Bintulu, Sarawak, the plaintiffs were residents of two longhouses located in Sekabai, Bintulu, Sarawak. They claimed that the defendant, a timber company had trespassed and damaged their ancestral land. Unfortunately, the plaintiffs did not have possession of the Issue Document of Title of the land. The plaintiffs claimed that under Iban custom, each longhouse community has a territory over which it exercised control, called the *pemakai menoa*. The *pemakai menoa* includes not only the land surrounding the longhouse but also the land devoted to the gardens and farms and the rivers and jungle within a half day’s walk used for hunting, fishing and gathering forest produce. In this case, the High Court recognised the indigenous community’s control over its communal forest and enjoined further logging by the defendant timber company. The Court of Appeal in the case of *Superintendent of Lands & Surveys, Bintulu v Nor Anak Nyawai & Ors*⁸ has in fact reaffirmed the customary rights of the indigenous people over the land but the key issue for the Court of Appeal to decide was whether these defendants had sufficiently “occupied” the land in dispute. If they have occupied the land all the while, they can claim the rights over the land. Otherwise, their claim would fail.

The second case that we can refer to is *Sagong bin Tasi & Ors v Kerajaan Negeri Selangor & Ors*.⁹ This case involved construction of the Kuala Lumpur International Airport in Sepang, Selangor in which the land in dispute was running through a gazetted aboriginal reserve that was taken to form part of the highway leading to the airport. The plaintiffs are the community of Temuan who had been living on the site for a long time and claimed that the disputed land was part of their ancestral lands. However, the defendants refused to recognise the plaintiffs’ proprietary rights on the land and refused to make any compensation to the plaintiffs as a result of loss of land. The plaintiffs were given compensation of loss of cost living, i.e crops and fruit trees. In this case, the High Court found that only a small portion of Temuan traditional land was in dispute. However, the court also argued that aboriginal people’s right have been long recognised as including interest in the land and not merely usufructuary rights. What was interesting in the decision in this case was that the court also recognised that the state and federal governments owned a fiduciary duty towards the plaintiffs by virtue of Article 8(5) (c) of the Malaysian Federal Constitution and Aboriginal People Act 1954. The court found that the government had breached their duty by depriving the plaintiffs of their land and unlawfully evicting them.

⁶ *Ibid* at page [1992] HCA 32.

⁷ [2001] 6 MLJ 241.

⁸ [2006] 1 MLJ 256.

⁹ [2002] 2 MLJ 591.

This decision was appealed in the Court of Appeal,¹⁰ The Court of Appeal under Justice Gopal Sri Ram dismissed the defendants' appeal. The court stated,

“Here you have a case where the first defendant had knowledge or means of knowledge that some of the plaintiffs had settled on the ungazetted area. It was aware that so long as that area remained ungazetted, the plaintiffs' rights in the land were in serious jeopardy. It was aware of the 'protect and promote' policy that it and the fourth defendant had committed themselves to. The welfare of the plaintiffs, on the particular facts of this case, was therefore not only not protected, but ignored and/or acted against by the first defendant and/or the fourth defendant. These defendants put it out of their contemplation that they were ones there to protect these vulnerable First Peoples of this country. Whom else could these plaintiffs turn to? In that state of affairs, by leaving the plaintiffs exposed to serious losses in terms of their rights in the land, the first and/or fourth defendant committed a breach of fiduciary duty.”¹¹

The Court's decision in *Sagong bin Tasi* provides strong support for the doctrine of native title and promoting the welfare aboriginal peoples suggests that the Aboriginal Peoples Act 1954 might become in the future a more significant tool for protecting native lands in the Peninsula.

7. Conclusion

Environmental ethics and sustainable development are inexorably bound together and one cannot achieve the latter without embracing the former. Maintaining a high environment ethical standpoint in our daily life can benefit the sustainability business agenda for everyone. It is suggested that sustainability in a prudent long-term strategy. In order to achieve sustainable development and growth in business, environment ethics must be preserved and truly respected to ensure sustainable development can be achieved.

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¹⁰ [2005] 6 MLJ 289.

¹¹ *Ibid* at page 391.