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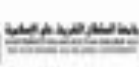
# ICONLEE 2016

 Bandar Lampung, November 12 - 13, 2016

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## Preface

Praise and gratitude always we pray to the Lord of Universe, GOD Almighty (ALLAH SWT), who always gives a mercy and blessing for mankind. Thus, we can attend the international conference in healthy and halcyon conditions without any obstacles.

First of all, on behalf of Rector of Muhammadiyah University of Metro warmly welcomes for the presence of keynote speakers and the participants of international conference in various colleges, either domestic or overseas. Especially for a chairman of Indonesian's People Consultative Assembly or MPR-RI, Mr. Zulkifli Hasan; and a chairman of Higher Education Assembly of the Central Board of Muhammadiyah, Prof. Lincoln Arsyad.

Secondly, we do apologize if in providing services to the keynote speakers and the participants of the international conference are below of your expectations, all of those are caused by our capability limitation.

Thirdly, through this international conference, intended as a reflection of our commitment consistently improve the quality of education and accommodate more opportunities in academic collaboration.

Therefore, I believe that this international conference will be able to present an interesting discussion on the topics, by prominent speakers from Malaysia, Indonesia, Brunei and Thailand, which contribute to the development of knowledge and hopefully will encourage more research on this region.

In this beautiful occasion, I would like to congratulate to the organizers of international conference who have organized this event, hence, the event can be held most efficiently. Perhaps, it will support Muhammadiyah University of Metro to actualize its mission to become one of *international standard universities* in the near future.

Finally, once again I would like to say, welcome to all the distinguished guests and participants of the international conference.

Muhammadiyah University of Metro will give the best to help you recognize this Lampung land. Please enjoy our hospitality and have a pleasant experience in the international conference. Thank you.

Metro, November 7<sup>th</sup>, 2016

**Prof. Dr. H. Karwono, M.Pd.**

*Rector of Muhammadiyah University of Metro*



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# Law and Human Rights in ASEAN Countries: Challenges and Prospects

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## Abstract

Traditionally, the rule of law has not been viewed as a unifying concept amongst ASEAN countries. ASEAN was established principally as a political organisation. It did not set out to be an organisation focused on human rights. Its formative instrument- the 'Bangkok Declaration' 1967- did not mention the term 'human rights', and the term itself was viewed with many hesitation by various governments in the region. They viewed the idea incompatible with their principles for social unity and stability, effective economic development and sovereignty. However, the position has changed with the establishment of the ASEAN Inter-governmental Commission on Human Rights (AICHR). The paper aims to examine the relationship between law and human rights in ASEAN countries addressing the challenges and prospects in promoting and protecting human rights. This paper adopts a legal library research methodology focusing mainly on primary and secondary legal sources. The paper argues that unlike the European Union (EU), ASEAN is a strictly inter-governmental organisation. This means that the enforcement of citizen's rights and rule of law are entirely a prerogative of the member states. The paper also argues that the ASEAN Charter framed human rights as goals of the organisation but did not specify the concrete means by which those goals would be achieved or the sanctions that would follow non-compliance. The paper concludes that to secure human rights in ASEAN, consensus on human rights issues among member states is urgently needed.

*Keywords:* ASEAN, EU, Human Rights, Rule of Law

## 1. INTRODUCTION

The Association of South-East Asian Nations (ASEAN) was formed as a regional inter-governmental organisation in 1967 through the Bangkok Declaration. The ASEAN was established principally as a political organisation. Its formative instrument- the Bangkok Declaration 1967- did not mention the term 'human rights', and the term itself was viewed with hesitation by various governments in the region [1, 2]. Regardless of what has been said here, the idea for an ASEAN human rights body was not particularly new. It emerged in 1993, after the UN World Conference on Human Rights adopted the Vienna Declaration and Programme of Action and called on member states to establish regional human rights where they did not already exist [3]. ASEAN Foreign Ministers convened soon afterward and agreed that "ASEAN should also consider the establishment of an appropriate regional mechanism on human rights [4]". Hence, it is important to note that a regional human rights body took 16 years to come to fruition in Southeast Asia. On the other hand, looking at law per se in ASEAN, it is vital to note that the degree of application of the rule of law in individual ASEAN countries varies according to their specific contexts and capacities. These variations do not reflect 'competing conceptions' as much they are different notes on the same normative register for the rule of law in ASEAN [5]. Bearing all this in mind, developing an institution dedicated to human rights was challenging in an institution with a long-standing commitment to strong state sovereignty and a weak record of human rights enforcement.

The paper aims to examine the relationship between law and human rights in ASEAN countries focussing on the challenges and prospects in promoting and protecting human rights in the region. The paper is divided into four parts excluding the introduction. The first part addresses the relationship between law and human rights in ASEAN. This part of the discussion is important in order to understand the role that law can play in terms of promoting and protecting human rights. The second part deals with the challenges faced by ASEAN in the context of promoting and protecting human rights in the region. The third part addresses the future prospects in promoting and protecting human rights in ASEAN. Under this part, the discussion will revolve on the issue of future prospects despite the availability of the challenges faced by ASEAN in its quest to promote and protect human rights in the region. The fourth part shall focus on the conclusion. This part will embrace some recommendations bearing in mind that from the very beginning ASEAN developed a set of diplomatic norms and practices designed to discourage political interference.

## 2. RELATIONSHIP BETWEEN LAW AND HUMAN RIGHTS IN ASEAN

Unlike the European Union (EU), ASEAN is a strictly inter-governmental organisation. This means that the enforcement of citizen's rights and rule of law are entirely a prerogative of the member states. Given the great diversity of political systems in the region, rights granted to citizens and the enforcement of citizens' rights vary markedly. Limited space allows only for exemplary evidence as far as the rule of law in individual member

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countries is concerned. Traditionally, the rule of law has not been viewed as a unifying concept amongst ASEAN countries, but as a “protean” one. As mentioned earlier, while the degree of the application of the rule of law in individual ASEAN countries varies according to their specific contexts and capacities, recent global and regional developments have helped to crystallise a growing but firm consensus about the basic elements of the rule of law [6]. These developments include broad global acceptance for a UN definition of the rule of law linking the concept to human rights and democracy; the incorporation of the rule of law (and this linkage) in the ASEAN Charter; and the entrenchment of the rule of law and human rights as part and parcel of ASEAN’s move toward becoming a rule-based and integrated community with shared values [7].

Regardless of the approach taken by the ASEAN countries in terms of the relationship between law and human rights, there is no doubt that there appears to be a growing consensus on the constitutive elements or central principles of the rule of law as a principle of good governance; and acceptance that the rule of law is compatible with strengthening democracy and promoting and protecting fundamental human rights. Thus, the advent of the ASEAN Charter opened the door to integrating human rights into ASEAN framework. For example, in the national context, certain ASEAN countries have made human rights a part of their national agendas by setting up human rights commissions. At the international level, individual ASEAN member states have displayed a greater openness to acceding to human rights conventions and have participated vigorously in human rights debates within United Nations fora [8]. This may be seen as an unequivocal acceptance that human rights are a matter of legitimate international concern; how this concern should be expressed, however, is still open to question. At the sub-regional level, ASEAN states have departed from previous practice by discussing the issue of human rights in formal meetings, albeit stressing that human rights are contingent upon distinct economic and cultural conditions of the region [9]. Though all these may sound to be good news in promoting and protecting human rights in the region, it is sad to note that Article 1(7) of the ASEAN Charter identifies human rights as an explicit goal of the Association but again places that objective in dynamic tension with the rights of sovereign member states. The espoused goal is: “to strengthen democracy, enhance good governance and the rule of law, and to promote and protect human rights and fundamental freedoms, with due regard to the rights and responsibilities of the Member States of ASEAN”. The provision treats human rights as norms to be reconciled with sometimes balanced against norms of sovereignty and non-interference [10].

From the foregoing discussion above, it is undeniable fact that although the legal systems in the region seem to be different and to a certain extent maybe a hindrance in promoting and protecting human rights, the ASEAN Charter marked a significant step in the establishment of a formal ASEAN human rights system, which may help to form a solid foundation for the development of those legal instruments and independent mechanisms required to strengthen human rights protection in the region.

### **3. CHALLENGES FACED BY ASEAN IN PROMOTING AND PROTECTING HUMAN RIGHTS**

As stated earlier that ASEAN was established principally as a political organisation, there is no doubt that it did not set out to be an organisation focused on human rights. However, the advent of the ASEAN Charter in 2007 has raised hopes in the region for the promotion and protection of human rights. Regardless of the ASEAN Charter, the following are some of the challenges faced by ASEAN countries in promoting and protecting human rights in the region:

#### **3.1 Non-Interference and Sovereignty in Southeast Asia**

The non-interference principle seems to remain a permanent fixture of ASEAN as it made its way into the ASEAN Charter, and constrains the ASEAN Inter-governmental Commission on Human Rights (AICHR’s) mandate. Although used interchangeably, non-interference seems to suggest a wider application than non-intervention as described in the United Nations Charter’s Article 2(4). The Article stipulates that all UN member states shall refrain from the threat or use of force against the territorial integrity or political independence of any state. Hence, it would suffice to note that non-interference is a core component of sovereignty. Sovereignty is an institutionalised legal or juridical status, not a viable or sociological condition [11]. In the context of this paper, it is important to note that criticisms of traditional understandings of sovereignty commonly point to globalization as having eroded or fragmented state sovereignty practically and judicially [12]. In this paper, the author will use the term non-interference since this is the preferred term of ASEAN.

Having said all that, it is important to make reference to Article 2 of the ASEAN Charter. The Article provides that the Commission will promote and protect human rights in a manner consistent with the norm of non-interference, with deference to the primary responsibility of states and “avoidance of double standards and politicisation”. Instead ASEAN will pursue a “constructive and non-confrontational approach,” stress “cooperation,” and take an evolutionary approach [13]. Based on the principle of non-interference, we are bound to face some pertinent questions. How shall for example the AICHR “contribute to the realisation of the purposes of ASEAN as set out in the ASEAN Charter in order to promote stability and harmony in the region, friendship and cooperation among ASEAN [14]” when the purposes, on the one hand, is “to promote and protect human rights and fundamental freedoms of peoples of ASEAN [15]”, and on the other, “to respect the principles



of ASEAN as embodied in Article 2 of the ASEAN Charter, in particular: (a) respect for the independence, sovereignty, equality, territorial integrity and national identity of all ASEAN Member States”?

In addition to the above, it is important to note that the principle of non-interference is hardly something unique to ASEAN, but finds prominent places in other organisational structures as well, most notably other regional human rights regimes organisations such as the Organisation of American States by virtue of Article 3(e) and the African Union as a result of Article 4(g). Despite the principle of non-interference remains strong in other regional human rights regimes, they have been able to consolidate it, at least to some extent, with the abilities of human rights organs to scrutinise and render binding decisions [16]. So in principle at least there does not have to be a complete contradiction between accepting, by the political will of a state, the decisions of an international body and the principle of non-interference. However, when it comes to ASEAN, it is obvious that the principle is interpreted and applied quite rigidly, especially when it comes to human rights. This is one of the major reasons why pushing human rights under ASEAN has been a very difficult process [17].

Still on the principle of non-interference as one of the challenges faced by ASEAN countries in promoting and protecting human rights in the region, Eberhard Ronald pointed out that the ASEAN Human Rights Declaration would have run counter to the ASEAN Charter had it adopted the universality principle in accordance to the Vienna Declaration [18]. Furthermore, Lee Jones argued that the non-interference principle in ASEAN is not as static as it seems. ASEAN’s history of interference and intervention, and its current process of integration, point to a more dynamic and flexible approach to non-interference and sovereignty than what is commonly perceived [19]. Jones argued that ASEAN has undergone a diverse range of sovereignty regimes, and that when ASEAN states intervene militarily it was primarily to protect domestic order [20].

In discussing the principle of non-interference, reference must be made to Article 1(7) of the ASEAN Charter as well. This Article is also seen as a hindrance in promoting and protecting human rights in the region. The Article treats human rights as norms to be reconciled with and sometimes balanced against norms of sovereignty and non-interference. Thus, the ASEAN Charter appears to be inadequate to bring about any real changes in terms of promoting and protecting human rights in the region.

### **3.2 The Consensus Requirement**

The principle of consensus-based decision making is hardly controversial in the operation of ASEAN. The officials who comprise the commission are government appointees (normally from foreign ministries) and accountable to their host governments [21]. They are called “Representatives” rather than “commissioners,” which puts emphasis on their loyalty to home capitals [22]. With this kind of atmosphere in place, it makes it difficult to reach a conclusive decision bearing in mind that the problem lies in the fact that within ASEAN, no lower standard exists- no two-thirds majority or simple majority is prescribed in cases where consensus cannot be reached [23]. In short, the Southeast Asian ‘culture’ of dealing with one another- the ASEAN WAY- will make it very difficult to move forward in sensitive issues such as human rights. The ASEAN Charter procedurally provides that decision-making in ASEAN shall be based on consultation and consensus without any real dispute settling mechanism. Perhaps, it is important here to make reference to Article 20 of the ASEAN Charter [24], which provides that the Commissions decisions shall be based consultation and consensus. The problem with this provision is that, such an arrangement means that each state would be able to reject any criticism of its own human rights record by veto. Clearly, this could either lead to hampered progress or to adoption of weak positions based on the lowest common denominator [25].

### **3.3 The ASEAN Values Debate**

This debate has been used in ASEAN as a blanket means not to codify core human rights norms (or the first-generation civil and political rights) in its constitutive instruments, the Treat of Amity and Cooperation (TAC) and the Bangkok Declaration. Its declarations, treaties, and protocols across its forty-year history have likewise denied express codification of these norms. Instead, ASEAN has focused much of its effort towards codification and enforcement of “second-generation” human rights norms on economic and social rights throughout the region [26]. This lack of codification of “first-generation” rights fuelled the “Asian values” debate in the 1990s, led by some Southeast Asian heads of state who decried “Western imperialism” through “Western imposition of rights” deemed antithetical to “Asian values” [27]. Because of this approach, accession of ASEAN countries to international human rights treaties is still unsatisfactory. Several ASEAN states, including Brunei Darussalam, Malaysia, Singapore and Thailand, have entered substantial reservations on certain provisions of the international human rights treaties. Singapore, for instance, has made all its international obligations subject to the city state’s law and constitution, while Malaysia and Brunei Darussalam have subjected obligations to Islamic and domestic law [28]. Spokesmen from some ASEAN states, particularly Singapore and Malaysia, buoyed atop a wave of impressive economic development and growth rates, have challenged the Universalist pretensions of human rights law. Under the relativistic banner of “Asian values,” they champion an alternative model of domestic governance and development [29]. It could be argued that the “right to culture” has been invoked as a competing right that qualifies, if not exempts, observance of core human rights norms on civil and

political rights as far as some ASEAN countries are concerned. This has indeed hampered the promotion and protection of human rights in the region.

### **3.4 Lack of Enforcement Mechanism**

The AICHR does not possess any compliance or enforcement mechanism, which means that there is no mechanism for submitting complaints and receiving binding judgments and remedies. For example, ASEAN declarations putatively strengthening citizens' rights suffer from a key problem member states sought to remedy with the Charter. They are of a non-binding nature and without any legal mechanisms to enforce them. The call of ASEAN reformists to establish an ASEAN Court of Justice has not made it into the Charter. Neither have proposals to impose sanctions on member countries failing to comply with the obligations the Charter entails. As mentioned earlier, the AICHR does not install mechanisms for human rights victims to complain. Neither does the ASEAN Commission for Women and Children (ACWC). It is indeed sad to note that the Charter framed human rights as goals of the Association, but did not specify the concrete means by which those goals would be achieved or the sanctions that would follow non-compliance [30].

### **3.5 Weak Independent Authority**

This point is closely related to the lack of enforcement mechanisms addressed above. There is no doubt that regional human rights bodies can serve as an independent adjudicators and enforcement agencies when they are given sufficient autonomy and backed by enough political muscle [31]. For example, they can serve as "norm incubators" that provide fertile institutional ground for the development and dissemination of human rights principles. Perhaps it is important to point out that the European Court of Human Rights and Inter-American Commission and Court of Human Rights are the best regional examples of courts that can indeed promote and protect human rights. Both courts can investigate cases brought by private citizens and issues judgments against states. Some have argued that Southeast Asia merits a similar regional court that could offer Southeast Asian citizens fairer hearings than many could get at home [32]. However, as mentioned earlier, the AICHR is far from that model, both in terms of political independence and institutional power.

## **4. PROSPECTS FOR ASEAN IN PROMOTING AND PROTECTING HUMAN RIGHTS**

Regardless of the challenges discussed in this paper, it is pertinent to note that we cannot totally deny the fact that there are some positive prospects for the future in terms of promoting and protecting human rights in the region. Change will not happen overnight; regional institutions cannot soar too far above the plane of relevant political will without getting their wings clipped [33]. Those that have developed real teeth- such as the European Union (EU) earned its influence gradually. If ASEAN is to build influence, it will have to do the same. The following are some of the future prospects for ASEAN in promoting and protecting human rights in the region:

### **4.1 Impact of the Asian Charter in The Region**

With the signing of the ASEAN Charter in 2008, the Charter added democracy, respect for human rights, rule of law and good governance to the sovereignty norms dominating the ASEAN Way, the grouping's established repository of cooperation norms. The subsequent formation of a human rights body and the enactment of an ASEAN Human Rights Declaration (AHRD) created new avenues for strengthening citizen's rights in the region. In other words, the adoption of the Declaration represents a significant milestone in the development of the ASEAN human rights system and underlines both its current significance and future possibilities [34]. Despite the criticisms levelled against the Charter, it is important to note that regional human rights systems are not fixed products, established at particular points in history, but rather are works-in-progress, evolving over time. The European Convention on Human Rights (ECHR), for instance, was adopted in 1950 and came into force in 1953, but it evolved slowly over the next sixty years with the cumulative addition of substantive protocols [35]. It reached an important milestone in 1998, for instance when Protocol 11 abolished the European Commission on Human Rights, eliminating its filtering of cases sent to the European Court of Human Rights and subjecting national parties to the compulsory jurisdiction of the Court by eliminating optional derogations [36]. What began as a political construct, therefore, evolved gradually to become a powerful judicial mechanism. It would suffice to note that the ASEAN human rights system is on a similar road, in many respects, starting out as a political project, but evolving along the path to becoming, potentially, an authoritative law-making and law-enforcing body.

### **4.2 Application of International Human Rights Conventions in the Region**

All ASEAN states have ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Convention on the Rights of the Child (CRC), the provisions of which ASEAN states pledge to uphold in the Terms of Reference of the ASEAN Commission on Women and Children (ACWC). Among other rights, CEDAW guarantees equal rights for women [37], including rights to property

and rights regarding marriage and family planning [38]. CEDAW also prohibits trafficking in women [39] and grants women equal rights to participate in government [40]. The CRC guarantees children the right to life, a broad range of rights relating to legal processes, freedom of association and assembly, freedom to practice religion and culture, and rights to asylum, expression and information, health, education, and privacy. Both conventions guarantee the right to nationality [41]. Although the two conventions have been signed by all the ASEAN states and even making some reservations to certain provisions as mentioned earlier, this should not be used as a ground to deny the impact of these two conventions which can clearly be seen in several ASEAN State's national constitutions. For instance, the right to life can be seen in Article 5(1) of the Malaysian Federal Constitution, Articles 32 and 38 of the Cambodian Constitution, Article 353 of the Myanmar Constitution, and Article 9(1) of the Singapore Constitution etc.

#### **4.3 Parliamentary Role**

One of the longstanding features of the ASEAN is that it is basically an inter-governmental, inter-State organisation. Despite the many references to people's participation in its various instruments, there is still no people's organ in the structure of ASEAN itself [42]. There is no ASEAN Parliament or Assembly. This invites reflection on how to 'popularise' ASEAN in the more people-centred sense both structurally and substantively. The ASEAN Inter-Parliamentary Assembly (AIPA) now has representation from parliamentarians from all ten ASEAN countries, and it may, one day, sow the seeds and open the door to the much needed presence of a regional parliament in the ASEAN structure. On a forward-looking note, the dynamic which could be propelled as the next crucial step for ASEAN is to take the quantum leap to set up formally in the ASEAN structure a regional Parliament or Assembly, and the AIPA could be a platform for this. This would help to respond to the need for checks and balances at the ASEAN level in regard to human rights protection and be a possible voice of the peoples of the region in this regard [43].

#### **4.4 Better Implementation of Existing Domestic Laws**

The future looks bright in terms of narrowing the gap between legislation and implementation in the region. As the Association moves forward, we are likely to witness some positive developments in the area of promoting and protecting human rights. In order to promote and protect human rights in the region, apart from focusing mainly on the ASEAN Charter, the best protection for ordinary people will be better implementation of existing domestic laws, strengthening of legal bodies and improvements in legal education, which, in turn, will facilitate effective implementation of ASEAN mechanisms. In this regard, the region to a certain extent is moving towards that direction with the establishment of Human Rights Commissions at national level or into their domestic laws and they are tasked with promoting and protecting human rights. Interesting, four ASEAN countries (namely, Indonesia, Malaysia, Thailand and the Philippines) now have national human rights commissions which are accepted internationally as independent, and they act as promoters and protectors of human rights in the most direct sense [44]. Furthermore, every ASEAN member state has existing domestic laws if routinely and robustly implemented could be strong tools to promote and protect human rights, even if not couched in specific human rights language. In almost all ASEAN countries, the grounds and procedure for arrest, trial and detention are prescribed by law. Employing right-based language, their criminal procedure codes expressly provide for, at least in theory, the fair and equal enforcement of due process protections.

#### **4.5 Presence of Civil Society Actors and Networks in the Region**

The number of civil society actors, such as NGOs, working on the issue of ASEAN and human rights has grown considerably throughout the years [45]. While some take a low-key approach, others adopt a more assertive role. While some are linked with academic institutions, others are more grassroots-oriented. While some are more local in inputs and networking, others are more from the international field [46]. A key message concerning the role of civil society is that in their plurality, they act as an important check-and-balance for the promotion and protection of human rights in the region and they deserve to be well supported as part of the building of a comprehensive human rights system for the region. Generally, civil society groups are in a position of applying pressure on the government to succumb to the will of the citizens or members of the public. Hence, civil society groups and other citizens or collectives could change the cost-benefit calculation of their national leaders even if reshaping their leaders' normative beliefs proves too formidable a task.

### **5. CONCLUSION**

The discussion in this paper shows that the challenges of promoting and protecting human rights in ASEAN do not end with the adoption of the ASEAN Human Rights Declaration. Ensuring the effective implementation of the Declaration and mainstreaming the values contained therein remains a crucial challenge, particularly for the AICHR and all relevant mechanisms in ASEAN. The commitment to promote and protect human rights in ASEAN is high. ASEAN and its member states have striven to bring their constitution and rights legislation in consonance with international standards and long term improvements of citizens' rights can be identified.

Noteworthy in this respect are the more recent political reforms in Myanmar. Of recent, we have witnessed some positive developments in the area of human rights. In Malaysia, the Internal Security Act 1960 has been abolished as the law allows for detention without trial. In Singapore, a relaxation of security-related limitations of citizens' rights can be observed. It cannot be denied that loopholes and weak enforcement still account for serious gaps between norm and reality even in more democratic countries. However, most constitutions of the region provide for essential citizens' rights. They guarantee a broad range of fundamental freedoms, political and civic rights as well as economic and social rights [47]. Most ASEAN countries grant rights of political participation, press freedom, freedoms of association, assembly, speech and information, freedoms of thought and conscience, the protection of privacy, habeas corpus rights, and protection from arbitrary treatment by state authorities, due process and equality before the law.

In addition to the above, at the international level, individual ASEAN member states have displayed a greater openness to acceding to human rights conventions and have participated vigorously in human rights debates within the United Nations. However, there is no doubt altogether that the process of the enhancement and protection of human rights has started slowly with the formation of the AICHR. The future looks bright, but concerted effort is needed from the regional body. Hence, to secure human rights in ASEAN, some initiatives have to be taken such as: a process of community building; awareness enhancement through various channels of communication, consensus on human rights issue among member states; adopting compliance and enforcement mechanisms; establishing ASEAN Parliament or Assembly; introduction of a review process for monitoring member states to see their performance in the promotion and protection of human rights; support from the international community in the development of civil society; focusing attention on establishing the groundwork for an institutionalised human rights culture at the grassroots level, line by line, precept by precept and government action must be called to account first through the internal check of an active civil society, and then through the external check of the international community.

As a concluding remark, it is inevitable to point out that the expectations facing ASEAN are thus high, especially as a consequence of the Charter and the birth of the various bodies mentioned in this paper. The challenge now is to progress beyond the legitimisation of human rights through those entry points to the actualisation of human rights in terms of genuine protection and implementation of human rights in the region.

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# Challenges and Solutions of Higher Education Institutions in Asia in the Face of the ASEAN Economic Community (AEC)

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## Abstract

This paper identifies challenges and solutions of higher education in the ASEAN economic community. The discussion is divided into human index development followed by the development of higher education in ASEAN. The article then discusses the challenges faced by ASEAN countries concerning ASEAN economic community. The final part of the discussion focuses on several solutions for a higher education institution. The most important aspect is to develop a real framework of cooperation among ASEAN countries. This comprises four important aspects, namely the establishment of an ASEAN Research and Development (R&D) Centre; improvement of the quality of publication and university ranking; reformation of educators and researchers; and standardisation of academic programmes among ASEAN higher education institutions.

*Keywords:* Solutions of Higher Education Institutions, ASEAN Economic Community, Human Index Development

## 1. INTRODUCTION

The Association of Southeast Asian Nations (ASEAN) was established on August 8, 1967, in Bangkok. It consists of five original member countries, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. The membership has expanded and currently includes five additional member countries, namely Brunei, Myanmar, Cambodia, Laos, and Vietnam. The total population in the ASEAN region is more than 600 million people with a cumulative gross domestic product (GDP) of US\$1.8 trillion and total trade valued at \$2 trillion [1]. The main emphasis of ASEAN has been regional cooperation for the benefit of all member countries. To obtain this regional cooperation, in January 2007, the ASEAN leaders affirmed their strong commitment to accelerate the establishment of an ASEAN Economic Community (AEC) by 2015. The main objective of AEC is to transform ASEAN into a region with free movement of goods, services, investment, skilled labour and the free flow of capital [2]. In addition, it is hoped that the close cooperation through the AEC will decrease economic and development gaps between ASEAN countries. Disparities exist in term of national income levels and access to technology, urban and rural inequalities, and gender gaps in some countries and regions within countries. Poverty in rural areas, where the majority of ASEAN members live, has been difficult to address and has a significant impact on the educational and economic opportunities available to the populations in these areas.

Even though ASEAN countries are diverse in size, the level of development, language and religion, they share the goal to be united as one. Regardless of their differences, these ten countries share a similar emphasis on human resource development. Human resource development is the important key in developing ASEAN to enter the knowledge-based economy and global environment. Education, as a fundamental human right, is considered critical and strategic for developing their human resources to increase integration and competitiveness [3]. Governments play a role by providing high-quality education and learning to all people. However, opening access to quality education and learning the opportunity to all people is not always easy as there are a number of challenges. Therefore, the main objective of this paper to identify challenges and solutions for higher education in the ASEAN economic community.

## 2. HUMAN DEVELOPMENT INDEX

Human development is a development of expanding an individual's options. It places importance on three essentials; for individuals to lead a lengthy and good life, to obtain knowledge, and to have rights to use resources required for a respectable living standard. The Human Development Index (HDI) has become a standard for measuring human development. Its element indices assess life expectancy, literacy and education, as well as GDP per capita. The HDI is a statistical tool used to measure a country's overall achievement in its social and economic dimensions. The social and economic dimensions of a country are based on the health of people, their level of education and their standard of living. The 2015 Human Development Report (HDR) keeps the same cut-off points for the four categories of human development achievements that were introduced in the 2014 HDR: 1) very high human development (0.8 and above); 2) high human development (0.700–0.799); 3) medium human development (0.550–0.699) and 4) low human development (below 0.550). Table 1 shows

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the education index for ASEAN countries from 1990-2014. Column one revealed the HDI rank by country. Singapore is the highest ranking for HDI followed by Brunei. On average, both Singapore and Brunei are categorised under very high human development. Meanwhile, Malaysia and Thailand are categorised under high human development. Indonesia, Philippines and Vietnam are categorised under medium human development. Laos and Cambodia are under low human development. Overall, the indices showed an increasing pattern throughout the period.

Table 1 Education Index: ASEAN Countries

HDI Rank	Country	1990	1995	2000	2005	2010	2011	2012	2013	2014
31	Brunei Darussalam	0.78	0.80	0.82	0.84	0.84	0.85	0.85	0.85	0.856
143	Cambodia	0.36	0.38	0.42	0.49	0.54	0.54	0.55	0.55	0.555
110	Indonesia	0.53	0.56	0.60	0.64	0.67	0.67	0.68	0.68	0.684
141	Laos People's Democratic Republic	0.39	0.42	0.46	0.50	0.54	0.55	0.56	0.57	0.575
62	Malaysia	0.64	0.68	0.72	0.73	0.77	0.77	0.77	0.78	0.779
148	Myanmar	0.35	0.39	0.43	0.48	0.52	0.52	0.53	0.53	0.536
115	Philippines	0.58	0.59	0.62	0.64	0.65	0.65	0.66	0.66	0.668
11	Singapore	0.71	0.77	0.82	0.84	0.89	0.90	0.91	0.91	0.912
93	Thailand	0.57	0.61	0.65	0.68	0.72	0.72	0.72	0.72	0.726
116	Viet Nam	0.47	0.53	0.58	0.62	0.65	0.66	0.66	0.66	0.666

(Source: UNDP, International Human Development Indicators, 2015).

Download the data: <http://hdrstats.undp.org/en/indicators/default>.

### 3. DEVELOPMENT OF HIGHER EDUCATION IN ASEAN

Education plays a vital role in creating a knowledge-based society and contributing to the enhancement of ASEAN competitiveness [4]. The main objectives of education in the ASEAN community are to advance and prioritise education and focus on creating knowledge-based society; achieving access to primary education; promoting early child care development and enhancing awareness of ASEAN to youth through education [5]. The government of each member country has taken key steps in the development of their higher educational policies. Table 2 shows the policies and objectives of higher education for each country in ASEAN. Most of the ASEAN countries like Brunei, Cambodia, Indonesia, Laos, Myanmar, Vietnam and Philippines focus on improving the quality of higher education. Singapore plans to mould its human capital with cross-cultural skills, critical and inventive thinking and communication skill. Meanwhile, Malaysia and Thailand focus on becoming regional hubs for higher education in ASEAN. ASEAN countries face several challenges in achieving these objectives.

Table 2 Development of Higher Education Policies in ASEAN

Countries	Policies	Objectives
Brunei	The 21st Century National Education System (SPN 21) - 2012	1. Equip students with necessary skills and knowledge that is necessary for them to compete in both local and international job market. 2. Gear nation towards quality education and better economic performance.
Cambodia	Educational Strategic Plan (2006 -2010)	1. Increase opportunities for higher education among prioritised students (poor students, female students, students from remote areas). 2. Improve quality and efficiency of education service and institutional development and capacity building.
Indonesia	Higher Education Long Term Strategy (2003 - 2010)	1. Integrate internal and external quality assurance by developing the HEI database. 2. Implement new paradigm in education management and quality improvement.
Laos	Higher Education and Skills for Growth in Lao PDR -2012	1. Improve the quality of higher education. 2. Improve functional skills among students that are required to be employable in the future. 3. Prioritise underfunded fields such as science and engineering.
Malaysia	National Education Strategic Plan (NHESP - 2020)	1. Make Malaysia a hub of higher education excellence. 2. Develop human capital with first class mentality. 3. Reposition country's higher education to meet current and future challenges.
Myanmar	Long Term	1. Generate a learning society capable of facing the challenges of the



	Education Development Plan (2001 – 2030)	knowledge-based society. 2. Development of human resource, expansion of research, promotion of quality education, and preservation of national identity and values.
Philippines	Long Term Development Plan (2010 – 2020)	1. Broaden the access of disadvantaged groups to higher education. 2. Improve the quality of HEIs, programmes and graduates to match the demands of domestic and global markets. 3. Strengthen research activities in HEIs. 4. Expand alternative learning systems/modality in higher education.
Singapore	21st Century competencies in academic curriculum (2012 – 2014)	1. Prepare students to thrive in a fast-changing and highly connected world. 2. Develop civic literacy, global awareness, cross-cultural skills, critical and inventive thinking and communication skills. 3. Refine teaching approaches and assessment methods. 4. Develop tools for holistic feedback and assessment.
Thailand	Long Term Higher Education Plan – Phase 2 (2008 – 2022)	1. Focus on education ethics. 2. Focus on linking education with employability. 3. Development of Thailand as a regional hub for higher education. 4. Innovation to improve national competitiveness. 5. Liberalisation of trade in education services and the future employment in AEC. 6. Encourage educational institutions to produce graduates who are equipped with professional skills, language skills and inter – cultural skills
Vietnam	Education Development Strategy (2008 – 2020)	1. Develop high-quality human resource to match the socio-economic structure and modernisation of country. 2. Enhance national competitiveness in the regional economic integration. 3. Focus on linking educational training with job placement and demands of employability.

#### 4. CHALLENGES IN HIGHER EDUCATION FOR ASEAN COMMUNITY

The following discussion will focus on challenges by ASEAN countries:

##### 4.1 Brunei Darussalam

The Ministry of Education continues to work hard to develop and prepare the nation's youth for employment in realising its vision 2035. Every citizen and residence are given opportunities to equip themselves with knowledge and skills required by the industry. Various departments within the Ministry of Education have been coordinating and collaborating with relevant stakeholders in addressing the needs and implementation of inclusive education in Brunei. Ensuring support for the different at-risk groups poses a challenge in terms of manpower, resources, information, understanding and acceptance [6].

##### 4.2 Cambodia

Higher education in Cambodia still faces significant challenges in term of access, equality, quality, relevance, funding and management and administration. A drastic increase in enrolment for higher education in Cambodia caused triple challenges to build a mature core system in order to assure the minimum levels of quality [7].

##### 4.3 Indonesia

One of the key challenges faced by the Indonesian higher education institution is the inability to support the number of enrolments due to the small size of the institutions [8]. Besides, [9] Indonesia also faces challenges in term of financing, quality of teaching and research, difficulties of access and equity and limited accreditation. Comparing with neighbouring countries, the relatively low research outputs are correlated with the insufficient budgets allocated for research. The majority of institutions do not have the financial and academic basis to conduct research; thus, they should concentrate their efforts on developing high-quality, relevant teaching. Furthermore, Indonesia only allocated 0.08 % of its GDP for research in 2013. An accreditation system is necessary to access the progress and quality of Indonesian higher education. The biggest challenge is that approximately 20% of institutions or study programmes are unaccredited.

##### 4.4 Laos PDR

In the case of Laos, the major challenges faced in higher education are to produce and provide good quality human resources to meet the needs of the country's socio-economic development. Currently, higher education in

Laos is described as lacking a clear vision, appropriate policy, strategy, and master plan to meet regional and international quality and competitiveness [10].

#### **4.5 Malaysia**

To become a regional hub of educational excellence, Malaysia must first and foremost address the challenges within Malaysian universities. The fall in the position of premier Malaysian universities like Universiti Malaya and Universiti Sains Malaysia in the Times Higher Education (THES) 2005 and later in THES 2007 signifies a crisis within Malaysian universities. If higher education in Malaysia is to reach its aspirations laid out in the National Higher Education Strategic Plan (NHESP), then these rankings must be viewed as an important wake-up call for the country to tackle the fundamental problems within institutions of higher education in Malaysia. It is hoped that with the rating system for Malaysian higher education institutions in place for all local universities, both public and private, it will work towards achieving a Band 6 (outstanding) on the ranking. HE in Malaysia needs to reposition the country's higher education to meet current and future challenges through the internalisation policies. The NHESP has outlined a number of strategies that will be adopted to transform Malaysia's higher education in order to provide a solid foundation for the future.

#### **4.6 Myanmar**

One of the key challenges of higher education in Myanmar is to create strong research activities by expanding activities of research to international collaborations [11].

#### **4.7 Philippines**

As for higher education in the Philippines, local, regional and international stakeholders collaborate toward improving the country's higher education sector by implementing reforms that enable the acquisition of knowledge, development of skills, values and attitudes which will enhance productivity, globalisation and competitiveness of graduates [12] and address the challenges arising from unanticipated environmental, social, and economic change [13].

#### **4.8 Singapore**

To become an educational hub for the ASEAN region, the government of Singapore has broadly promoted the internationalisation of national policy and recruited prestigious foreign universities to establish local campuses. This strategy is important to expand access for the local students to develop their potential.

#### **4.9 Thailand**

To become the regional education hub in South-East Asia, one of the key challenges of the Royal Thai Government is to upgrade the quality of Thai universities while upholding their academic freedom and social responsibility [14]. Ultimately, Thailand aims to attract more foreign students to continue their study in Thailand. In addition, to ensure their students stay competitive in the international market place, the Kingdom of Thailand aim to accelerate the development of university research activities nationwide to enhance national competitiveness.

#### **4.10 Vietnam**

The main concern in Vietnam's higher education is the lack of quality. Most university graduates do not have the adequate capacity to cope with rapid industrial and technological changes [15]. In order to improve the quality of higher education, Vietnam underwent structural adjustments including improvement of higher education programmes and teaching and learning methods, development of lecturing staff and higher education managers, increase in research, etc [16].

### **5. SOLUTIONS HIGHER EDUCATION FOR ASEAN COMMUNITY**

Research education is central to any education system since it will provide significant data for the success of the process of teaching and learning. Today, there are a lot of issues regarding education which need to be explored or studied especially in higher education. Several important aspects of higher education should be reviewed together or reformed collectively by the educational experts and authorities. This issue can be seen from several perspectives such as research, publication, consultation, curriculum design, teaching and learning as well as evaluation and assessment. A significant number of books, journals, reports and documents should also be published.

There is a pressing need to promote a platform in which researchers in ASEAN countries should work together in terms of research. Given its shared community and interest, ASEAN members should work together to enhance the quality of education in their countries. All best education practices should be based on research, and this aspect could be distributed and conducted by universities and other higher education institutions across ASEAN. Cultivating research through various fields of research of education and developing international networking are some of the steps that can be promoted by all scholars, experts and academicians in higher education institutions.

Globalisation has created unprecedented challenges. In terms of higher education, [17] emphasised that most of the Southeast Asia countries lack qualified faculty staff, declining academic community, limited experience of quality assurance processes, lack equitable access for all students, lack infrastructures, geographic spread and diversity of universities, have poor use of English, and limited research expertise. AEC poses similar challenges to the higher educational institutions in ASEAN. The education system in ASEAN countries is diverse; therefore, students involved in the intra-regional movement may face many problems in terms of cultural diversity, language and communication barriers, instructional practices and curriculum incomparability.

A real framework of cooperation should be established by ASEAN countries, particularly among their higher educational institutions. In facing the ASEAN economic community, it is hoped that this framework will enable all higher educational institutions to work together to achieve these objectives:

- a. To encourage and carry out joint research and studies among ASEAN experts and academicians.
- b. To disseminate findings of research, knowledge, skill and experience.
- c. To publish journals, books and materials among academicians and researchers.
- d. To support the development of the educational system and policy of every ASEAN member especially the less developed countries.
- e. To promote cooperation and create greater networking and smart partnership among researchers in various fields of education.

Several aspects should be taken seriously into consideration by scholars, experts and academicians to develop the ASEAN regional framework of educational networking and collaboration. Firstly, it is very important to establish an ASEAN Research and Development (R&D) Centre to raise funds and coordinate research and publication for scholars, experts and academicians for ASEAN higher education institutions. This R&D centre will mainly organise research and publish material based on niche areas needed by ASEAN countries. Therefore, teachers, educators or lecturers will be involved in active debates, forums, discussions, seminars and workshops which are frequently organised. They could be able to freely give their ideas, opinions and suggestions to improve and strengthen their research, training, modules and courses based on the research conducted. A research-based institution at the ASEAN level should be jointly established by the governments, universities as well as non-governmental organisations. Every ASEAN country should actively play their roles and financially assist the development of this research institution. They should invite other researchers from ASEAN higher education institutions to participate in research. They could receive research funds from governments, private sectors and NGOs to do joint research regarding important aspects of ASEAN such as the economy, politics, society and education. It is imperative that the philosophy of research education is based on the ASEAN context to improve the quality of education. For example, religion and religious values should be considered seriously in the ASEAN educational system and to eliminate negativities that may influence ASEAN youth.

Secondly, improvement of the quality of publication and university ranking. Today, only a few numbers universities in ASEAN were included in the world's highly ranked universities. In the context of Malaysia, from nearly 500 higher education institutions in 2016, there were less than ten universities included in the top best universities such as UM, UPM, UTM, UKM and UTP. Several factors influence the rankings such as the lack of research funds, indexed journals and books, English language barriers as well as the number of academicians and researchers. Publishing in SCOPUS and ISI indexed journals requires a high level of English writing proficiency. There are thousands of higher education institutions in ASEAN producing a large number of academicians and graduates. This indicates that these higher educational institutions have their quality standards despite not having been included in the world top universities. Thus, there is a need to develop an ASEAN ranking system and criteria as well the ASEAN publications index to promote academic writing and ensure quality standards. Many academicians and researcher are trapped by the current trend of writing in ISI and SCOPUS journals or publications. This issue has become more serious since there are irresponsible people who have manipulated the academicians' eagerness to be published in ISI and SCOPUS publications. Unfortunately, the fee rates of some of the journals are exorbitant and fake journals have emerged. These journals have been blacklisted by the authorities. One solution is that all ASEAN higher education institutions should engage more actively in regional journals and book publications. There should be more MOUs and MOAs among these institutions to increase the number of quality journals and books. A series of discourses and seminars should be organised by ASEAN higher educational institutions to form and produce the ASEAN University Index and the ASEAN Index for Publication and Research.

Thirdly, reformation of educators and researchers. To improve abilities to face challenges as well to provide solutions to higher education institutions, all scholars, experts and academicians should actively carry out research regarding in planning and implementing the integration of knowledge. The development of technology and ICT provide new approaches to developing the education system. Cultivating research among academicians should be one of the main agenda in the higher education system. Research lends support to theories and provides data for interpretation. A correct understanding among educators is essential to ensure that they are able to fulfil their duties based on facts and not based on personal perception or assumption.

In educating the 21<sup>st</sup> century generation, academicians should use the latest pedagogy and approaches in the process of teaching and learning. Besides research and publication, every academician should become effective educators in and outside the classroom. In a borderless world, access to information is critical. *E-learning, blended learning, MOOC, mobile learning, modular, workplace*, etc. are some of the current approaches used in many higher educational institutions. Strong networking among higher educational institutions within ASEAN countries will provide wider educational opportunities to their students. Students will be able to share and obtain knowledge from other universities in ASEAN as well as from other countries via the internet and open sources information. As a result, it will enhance the students' knowledge and information. Students' mobility is another effective mechanism to improve students' knowledge, social skills, experience and international networking.

Fourth, standardisation of academic programmes among ASEAN higher education institutions. Thousands of higher educational institutions exist in ASEAN offering various levels and types of programmes. A standard quality assurance should be developed and recognised by every ASEAN country. This standard will give a new way for student exchange, joint awarding programmes, guidelines for transfer credits and degree recognition by all ASEAN countries. This standard will directly improve the quality of academic programmes offered in these higher educational institutions, and it becomes the benchmark academic standard of ASEAN. It will also be very helpful for the stakeholders, educational authorities and industries to evaluate and improve the quality of the programmes offered by these higher educational institutions.

## 6. CONCLUSION

In ASEAN countries, education is a critical and strategic approach to developing human resources. The government plays a role by providing high-quality education and learning to all people. However, providing access to quality education and learning the opportunity to all people is not always easy and every ASEAN country has different levels and quality of education. Each country has its challenges, and there is an urgent need to develop practical solutions. To achieve the goals of the ASEAN economic community, a real framework of cooperation should be established by ASEAN countries. It is hoped that the framework will encourage joint research among ASEAN experts and academicians. This will promote disseminating the research findings, knowledge, skill and experience as well as to publish journals, books and materials among academicians and researchers. This framework will also support the development of the educational system and policy of every country of ASEAN especially the less developed countries and to promote cooperation and create greater networking and smart partnership among researchers in various fields of education.

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ك [عند الله وعند خلقه بعده. وهذه الولاية ولاية الدين وميراث النبوة والعلم والعمل. فرحمه ربه واستجاب دعاءه فقال:

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هذه المنة التي امتن الله بها على عباده أعظم المنن وأكبر النعم بل أصلها وهي الامتنان عليهم بهذا الرسول الكريم الذين أنفذهم الله به من الضلالة والهلكة إذ كانوا في ضلال ومن أهم مهمات الرسول هو توريث ورتبهم إلى أمته من خلال ثلاث طرق:

سواء كانت تلاوته في الصلاة أم في خراجها بث [أولاً:

يعني تصفية أفكارهم ونفوسهم وخلقهم من الشرك والذنس والخبث وسائر مساوئ الأخلاق والحياة التي كانوا متلبسين بها في [ثانياً:

يعني تعليم الناس معاني القرآن وحقيقة السنة التي هي ترجم [ثالثاً:

تلك عملية نبوية لتوريث الكتاب والحكمة وهما ورثة الأنبياء وذلك بالوسائل والطرق والأساسية التالية:

1 - التلاوة على الأمة

2 - والتزكية أو التربية

3 - والتعليم لمعاني القرآن والسنة المشتملة على جميع احتياجات الناس على مستويات الفرد والأسرة والمجتمع والدولة والدنيا كلها.

وبذلك يتمكن الناس من الوصول إلى الطريق المؤدي إلى السعادة في الدنيا والآخرة والخروج من الظلمات إلى النور ومن الضلال إلى الهدى

فبدلوه وغيروه وقلوبه وخالفوه واستبدلوا بالتوحيد شركا واليقين شكاً وابتدعوا أشياء لم يأذن بها [فكما ذكرنا في المقدمة كانوا قديماً متمسكين بدين إبراهيم الخليل أهل الكتاب قد بدلوا كتبهم وحرفوها وأولوها محرفين الكلم عن مواضعه فبعث الله محمد صلوات الله وسلامه عليه بشرع عظيم كامل شامل لجميع الخلق فيه هدايتهم لجميع ما يحتاجون إليه من أمر معاشهم ومعادهم والدعوة لهم إلى رضوان الله وجنته والنهي عن سخط الله وناره.

4 - ختاماً

من خلال هذا البحث العاجل توصلت إلى عدد من الحقائق التالية:

أولاً: إن من رحمة الله وربوبيته لخلقه أن خلق لهم الحياة وأنزل لهم الرزق وأكرمهم بالقرآن كمنهج حياة طيبة الذي هو دين الله الحق وهو الإسلام.

ثانياً: إن إكرام الله لعباده بالدين القويم بإنزال الكتب، وآخر كتبه وأفضل شرائعه هو القرآن الكريم. وإرسال الأنبياء والمرسلين من أولهم آدم ونوح إلى آخرهم وأفضلهم النبي الخاتم محمد بن عبد الله ×.

ثالثاً: للوراثة والتوريث في الدين سنتان من سنن الله يجب أن نعتني بهما في أمر إقامة الدين في حياة البشر.

رابعاً: هم أعمال ورثة الأنبياء هو توريث وراثة النبوة وهي القرآن والسنة لمن بعدهم بالطريقة النبوية الصحيحة، وهي التلاوة والتزكية والنص على الله على نبيتنا محمد وعلى إليه وصحبه أجمعين. وسبحان ربك رب العزة عما يصفون، وسلام على المرسلين، والحمد لله رب العالمين.

<sup>1</sup> القرآن الكريم سورة مريم 12:7 انظر: السعدي في تفسيره

<sup>2</sup> القرآن الكريم سورة الجمعة 6:2





# Home-based Business Development Strategy: The Marketing Mix and SWOT Analysis

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## Abstract

The purpose of this study was to determine the business strategy of a home-based business. Where a business can be done in the neighborhood. This can be seen more and more are utilizing the house as a place to conduct a wide range of businesses both small businesses as well as considerable effort. For example, boutiques, food stalls or laundry kilogram. But a good business or home-based businesses considerable effort still requires special attention. Established business can offer value proposition to customers and to retain customers. Besides this business is expected to compete with competitors. But many home-based businesses that have failed, because they do not pay attention to some things. This study uses a qualitative method by conducting interviews and observations directly to the home-based business environment. Several strategies can be used for home-based businesses such as by using Marketing Mix analysis with 7P and in combination with SWOT analysis. With this research is expected to create a home-based business that can last a long time and compete with other home-based business, and be able to penetrate the market and positive impact to the lives of the people in general.

*Keywords:* Marketing Mix, Value Proposition, Home Business, Competitors

## 1. INTRODUCTION

In Indonesia now popping up a lot of small businesses, be it home-based businesses to scale up small businesses that already have a number of medium-sized employees. Where the field work done by this business is quite diverse, ranging from selling vouchers pulses, food stalls, grocery store, tailor to the course / tutoring. Most home-based businesses have originated from the desire of housewives to help the husband to find additional income. The Housewife's found it difficult to leave the house and children's everyday work outside the home. So the choice is to open a business in the home or around the residence. This business is tailored to the skills and capital they have. So the average established business is a small business.

Some types of businesses pretty much established by housewife are food stalls, salons, pulse counter, grocery store, clothing store etc. With the number of those who opened the business, then there will be diverse types of businesses. And of course this will bring a positive impact for consumers that consumers will be able to pick which products are desirable, and can be adjusted with the price and quality of products. In terms of the entrepreneur is to be more and more of the same effort, so that the number of competitors will be. Surely it would be an effect of the competition. With the tight competition among entrepreneurs, consumers will be benefited. Because entrepreneurs are competing to provide the best for consumers.

Because simply set up a small business, then everyone finally took up the business. There are some advantages and disadvantages in setting up this home-based business. Those advantages are: (1) Increase income, (2) More to be with family for the flexible time, (3) Open up employment opportunities for the surrounding area, (4) Coined own gratification, (5) Fostering creativity, (6) Can do the job with family, (7) Capital loss, because not rent a place of business. Some of the shortcomings of the home-based business is: (1) Requires extra energy to do everything themselves, from production to marketing, (2) Require no small amount of capital, (3) Ready to bear the loss, if any in the business, (4) Being able to split time. Therefore in business even though it is small, there are some things that must be considered, namely: (1) Customer Solutions, (2) Customers costs, (3) Comfort, (4) Communication [1].

Marketing is one of the most important parts in the development of an enterprise. Be it a small company, medium and large enterprises. "Marketing has a purpose, namely; (1). Consumers potentially know in detail the products we produce and the company can provide all their requests for products, (2). Companies can explain in detail all marketing activities. These marketing activities include a variety of activities, ranging from the description of the product, product design, promotional products, advertising products, communication to consumers until delivery into the hands of consumers quickly, (3). Knowing and understanding so that the product is suitable and can be sold [2]. One of the marketing concept that can be used is the marketing mix. Marketing Mix is a set of marketing tools used by the company comprising product, price, promotion, and

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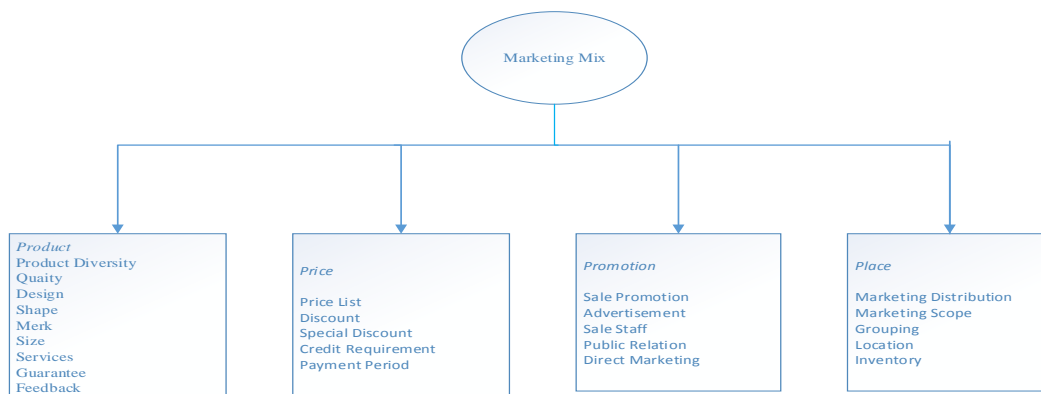
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distribution therein will determine the success rate of marketing and it is intended to get the desired response by the target market [3]. Marketing Mix consists of some of the things that usually applied by the company, namely with 4P:

- ✓ Product, the goods or services offered by the company to the consumer as the target market.
- ✓ Price, the amount of money paid to the company by customers for products or services used by the customer and then the goods or services to be owned or used by the customer in full.
- ✓ Place, the place provided by the company to meet each other between the seller and the buyer. So that the transaction of business done. This time a transaction can be done offline or online. Where the main goal is to provide comfort to consumers for transactions.
- ✓ Promotion, namely the means used by companies to provide information to consumers about products or services to customers. Where this information can include on the benefits and usefulness and model or type of product. In providing this information may be in the form of advertising or promotion.

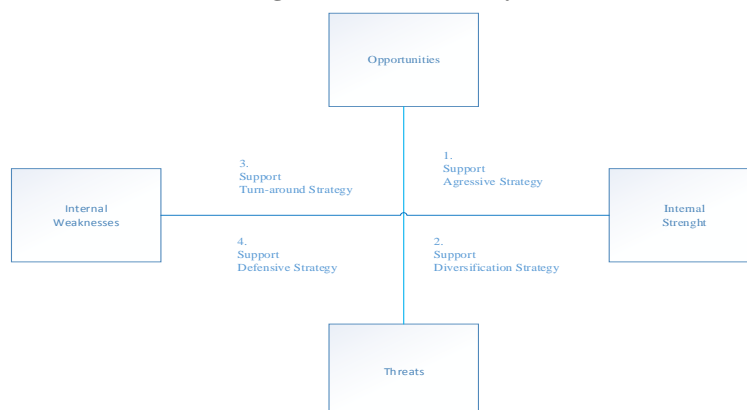
Figure 1. Marketing Mix



Source: www. Kajianpustaka.com

Once known marketing mix, then business owners should be able to analyze the strengths and weaknesses that are owned by the business. So that the SWOT analysis can be used to facilitate strategic planning. Strategic planning is a process of analysis, formulation and evaluation of strategic [4]. SWOT Analysis is able to identify the various factors systematically to formulate the company's strategy [5]. In the SWOT analysis is to be able to analyze the strengths and opportunities that can be done optimally. In addition to minimize the weaknesses and threats to take place in a business. "This SWOT analyzing method using two important factors, namely internal factors in the form of strength and weakness. External factors which consisted of opportunity and threat. This method is one of the keys for employers to identify potential their products, before they determine the most effective marketing strategies for products[5].

Figure 2. SWOT Analysis



Source: Rangkuti (2016)

The strategy is to create value for shresholder and stakeholders through the creation of value for the consumer, in other words, the strategy will determine the direction of the company's business, ranging from the determination of the industry, and offer customized products with significant resources, to the stage of delivering value to consumers at will eventually provide profit (value for shresholders and stakeholders) [6].

## 2. LITERATURE REVIEW

The method used in this study is a qualitative method. Qualitative research is a research procedure that produces descriptive data of people while quantitative research based on the data that exists [7]. Where the data collection technique is to use observation to some home-based businesses and conducted interviews to the owners of the business. While data analysis technique is to utilize the results of interviews and observations. So it can be concluded on information about the environmental conditions of internal and external environment. It can then be used as the formulation of business strategy development.

## 3. DISCUSSION

In this study will be discussed about the home-based business in general. Where the marketing mix analysis and SWOT analysis can be used by all businesses. As the basis of strategic decision making in order to develop the business. In this home-based business there are some types of businesses that commonly established by the community, namely:

- a. Offline businesses
  - 1) Businesses Culinary, such as eateries, businesses cake, fruit juice business.
  - 2) Enterprises laundry kilogram.
  - 3) Enterprises barber.
  - 4) Enterprises clothing store
  - 5) Business of providing groceries
- b. Online businesses.
  - 1) Business online store
  - 2) Enterprises affiliate.
  - 3) Business writing articles.
  - 4) Enterprises website creation services.

Thus the home business has different types in the process. In the development of this business, it is necessary to first set its marketing mix.

### 3.1 Marketing Mix

In the marketing mix these four elements are interconnected and interrelated to a business, namely:

#### a. Product.

Products are goods or services offered to consumers viewed from the needs or desires of the consumer. The product can be divided into two, by its form and by its durability. Based on his form: Goods and Services. Based on durability: products are not durable and durable products. In this home-based business must have wanted the form of goods or services [8]. There are five things that must be considered in product development, namely: (1). Attributes products consisting of product quality, features, and design, (2). Brands, (3). Packaging, (4). Award labels and (5). Product support services [9].

#### b. Price.

Price is a value that can be paid by consumers for goods or services offered by the manufacturer, this is due to the value that is owned by the goods or services. This could include the price of raw material costs, operating expenses and profit. However, in determining the price of the necessary prudence because

#### c. Place.

Place a meeting place between the seller and the buyer in a distribution channel. There are several factors that determine the marketing channels are: (1). Business location, (2). Ease of transportation, (3). Ease of parking provision, (4). Reachable.

#### d. Promotion.

Promotion is one way to convey information to consumers about products or services. There are four key tools needed in this campaign, namely (1). Advertising, (2). Sales, (3). Public relations, (4). Personal selling [3].

**Table 1. Marketing Mix Strategy**

Marketing Mix	Factor	Specifiation
Product	Attributes Product	Quality, features and design
	Brands	
	Packaging	
	Label	
	Product Support Services	
Price	Quality Product	
	Customer Purchasing Power	
	Benefit	
	Wants/Need	
	Prices of Product	
	Position Product	
	Behavior / Lifestyle Customer	
	The Prices of Substitute Product	
Place	Location	
	Ease of Transport	
	Ease of Parking	
	Reachable	
Promotion	Promotion	
	Sale	
	Public Relations	
	Personal Selling	

**3.2 SWOT Analysis**

In addition to the marketing mix, business development strategy can use SWOT analysis, because with this analysis, will be known how much strength and opportunities that are owned and how large the weaknesses and threats that could be improved.

**3.2.1 Internal Factors**

a. Strengths

The strength of the business should be able to attract the attention of customers. There are several factors that must be considered in determining the strength of this, namely (1) Product Type, (2) Quality of Products, (3) Price, (4) location, (5) Human Resources, (6) Comfort, (7) Promotions.

b. Weakness

Weakness which is owned by the business. this weakness if left unchecked will be quite a dangerous threat to the survival of the business. there are several factors which the weakness of the business, namely: (1) Product Type, (2) Quality of Products, (3) Price, (4) Location, (5) Human Resources, (6) Comfort, (7) Promotion. Factors that of the strengths and weaknesses may be, but have a contradictory relationship.

**3.2.2 External Factors.**

a. Opportunity

How business is able to capture the opportunities that exist, so that the business can survive. There are several factors that these opportunities are: (1) Trend, (2) Replacement Products, (3) Variations Product.

b. Threats

Threats owned either internally or externally that will affect the business. There are several factors that could be a threat, namely: (1) Competitors, (2). Prices of raw materials, (3) The Variety of Products, (4) Quality of Products, (5) Trend.

**Table 2. SWOT Analysis**

Analysis	Factor	Specifiation
Strength	Product	Products offered are diverse and unique
	Product Quality	Good product quality
	Price	Prices were adjusted to the neighborhood where the business
	Locations	The location is easily accessible by the customer
	Human Resources	Employees who have the ability to serve and able to communicate well.

	Comfort	Establishments that are comfortable
	Promotion	How to convey information about the product to the public
Weakness	Product	There are no privileges on the product
	Product Quality	Product quality standards
	Price	The price does not correspond to people's purchasing power around
	Locations	The location is hard to reach, there is no parking place
	Human Resources	Employees are not trained properly
	Comfort	Business premises uncomfortable
	Promotion	Not doing promotions
Opportunity	Trend	Following the development of the existing market trends
	Replacement Products	Providing an alternative to the product
	Variations Product	Having a variety of products
Threats	Competitor	Have a lot of competitors that cup
	Prices of Raw Materials	Raw material prices are rising, thus increasing the selling price and the impact of loneliness that transaction.
	Product Quality	The product does not have good quality
	Trend	Do not follow the trend of the market

**4. CONCLUSION**

After analysis using the marketing mix using the product, price, place and promotion. Then analyzing internal environment with a view factor of strength or weakness factors, as well as external assessment with a view of the factors of strength and threat factors. Having obtained a SWOT analysis and then analyzed in the business development strategy. There are several business development strategies, namely:

a. Market Penetration

This market penetration is a strategy that standard, because it uses the existing product there and was introduced in the existing market. Measures of market penetration, as follows:

- 1) Provide competitive price, good promotion and can be received everyone, as well as resources managed properly
- 2) Conducting aggressive promotional pricing strategy along with determining what makes competitors is not interested in that market.
- 3) Increase customer loyalty by increasing sales.

b. Market Development

This strategy is done by using existing products and introduced in new markets

- 1) Finding new locations.
- 2) Making changes to product packaging.
- 3) Creating different distribution channels.
- 4) Creating a different price to attract different customers.

c. Product Development

In this strategy is to develop new products and introduction into the market long. Step-by-step developments of this product are:

- 1) Creating a new product.
- 2) Make changes to the packaging.
- 3) Improving the quality.
- 4) Creating a new price.

d. Diversification

In this strategy, the creation of new products and marketed in the new market as well. The steps in this diversification are:

- 1) Creating a new brand.
- 2) Modifications to existing products.
- 3) Introducing a new product to the user.

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