

## NEW ORDER REGIME'S POLICIES ON FORESTRY: RESPONSES AND CHALLENGES

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### *Abstrak*

*Tulisan ini membahas dengan kebijakan pemerintahan Orde Baru di sektor kehutanan. Berbagai kebijakan kehutanan pemerintahan Soeharto sangat berkaitan dengan kebutuhan akan 2 (dua) pertimbangan utama: untuk menggantikan peraturan-peraturan yang berasal dari jaman pemerintahan Kolonial Belanda sehingga sesuai dengan kebutuhan jaman; sekaligus kebutuhan akan devisa negara dalam menunjang pembangunan nasional. Berbagai program yang diperkenalkan oleh pemerintah Soeharto antara lain berkaitan dengan Hak Pengusahaan Hutan (HPH), Hutan Tanaman Industri (HTI) dan Hutan Kemasyarakatan. Selain program di sektor kehutanan tersebut, terdapat juga 3 (tiga) komponen utama/institusi yang dikutsertakan dalam kebijakan sektor kehutanan seperti Koperasi, Kelompok Pengusaha Kecil dan Menengah dan Lembaga-lembaga penelitian.*

*Salah satu tujuan dari program-program di atas adalah meningkatkan kualitas hidup masyarakat yang tinggal di dalam dan sekitar hutan, serta menyediakan lapangan pekerjaan bagi mereka. Bentuk keikutsertaan itu – dalam pandangan pemerintah - merupakan wujud dari strategi pengelolaan hutan berkelanjutan, di mana masyarakat lokal diikutsertakan dalam program-program sektor kehutanan. Kendatipun berbagai Undang-undang dan Peraturan-peraturan telah dibuat sejak era Soeharto (hingga era Reformasi); tetapi kualitas hidup masyarakat di dalam dan sekitar hutan belum banyak berubah. Kendala utama dalam mengimplementasikan program-program di sektor kehutanan adalah perilaku birokrat dan penentu kebijakan yang tetap menganggap masyarakat lokal sebagai pihak perusak lingkungan dan kelompok yang tidak memahami bagaimana menjaga kelestarian hutan, serta penamaan negatif lainnya yang tidak mendorong masyarakat melihat program-program itu sebagai milik mereka.*

*Tulisan ini selanjutnya akan menguraikan mengenai problematika, tantangan dan prospek dari kebijakan pengelolaan hutan berkelanjutan di Indonesia secara umum dan signifikansinya untuk masyarakat di dalam dan sekitar hutan.*

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## **New Order Regime's Policies on Forestry: An Overview**

Foundation for managing forests in Indonesia under the Soeharto Government mostly derived from its historical experience when this country was colonized by the Dutch Administration, and there was an intention to exploit the forest for getting more income (the economic dimension) instantly. Learning from the way the forest in Java was exploited, for instance in the 17<sup>th</sup> Century, where that kind of practice called "timber extraction"-led to forest devastation encouraged the Dutch Administration in the 18<sup>th</sup> Century to forbid cutting hardwood forest such as the *hutan jati* in Java. This sort of policy on forestry represented a double standard. On the one hand, the Dutch Administration wanted to protect the trade in teak (*kayu jati*) from further destruction but on the other, to promote the benefit of the Dutch Trading Body named VOC (*Vereenigde Oost Indische Compagnie*). However, a timber extraction policy was finally issued and implemented (Haryanto-Benedanto dkk. 1998).

During the Dutch ruling period, the forest industry was operated as a government monopoly, subject to a series of regulations that were heavily related to the economic aspect of the industry and market demands. However, it also understood the need to protect and manage the forests as underlined in the *Staatsblad* (Dutch Regulation) No. 125 of 1829. Policy concentration in the hands of the Colonial Administration and much emphasis on the economic aspect undermined two main factors in forest management. These were the human factor and the program that was implemented. Unfortunately the local people who lived in and around the forest were seen as troublemakers rather than responsible forest managers, and denied participation in the forest management program.

Reflecting on the Dutch regulation of forestry, it seems that the Soeharto regime 'copied' directly the essence of various national regulations particularly those on the forestry sector. This is highlighted in Basic Law of Forestry No. 5 of 1967 or *Undang-undang Pokok Kehutanan* (see. SK Menhut No. 523/Kpts-II/1999) that 'replaced' forestry laws drawn from the Colonial Administration period that focused much on outer islands such as Kalimantan, Sumatra and Papua. The main target of the Basic Law of Forestry was to get more revenue from the forestry sector to strengthen national development programs. If we examine this law, we find that the main focus on the economy resulted in the government neglecting to provide adequate protection for the forests. It has taken nearly twenty years for the Indonesian Government to ratify the law known as "Law No. 5 of 1990 of Biodiversity Conservation and Ecosystem" to rectify this neglect.

In May 1967, the Indonesian Government issued a new Basic Laws of Forestry to meet demands and changes that were taking place within the community, in order to uphold financial resources. Presumably a new dimension in the Basic Forestry Laws was to improve the living standard of the local people who live in and around the forest. The 1945

Indonesian Constitution, Chapter 33 is explicit that the State has power to control and manage all resources for the welfare of its people. Furthermore, it focuses on increasing economic programs with much emphasis on forest management under the tight control and management of the state. Using forests as a main financial source and further extraction from them through *Hak Pengusahaan Hutan / HPH (Forest logging concession)*, *Hutan Tanaman Industri / HTI (Industrial Forest Plantation)* and *Hutan Kemasyarakatan (Social Forestry)* programs has brought another catastrophe to the forest, environment and local people. Lately Basic Forestry Law No. 5 of 1967 has faced resistance and, 32 years after it was implemented, it was replaced by Forestry Law No. 41 of 1999 or *Undang-undang Kehutanan (Tunggul 2000)*

The emergence of the Reformation Movement in Indonesia along with the fall of Soeharto in mid 1998 constituted a good time to review many of Indonesia's laws and regulations, especially those relating to the forestry sector. The three major points that form the basis of Forestry Law No. 41 of 1999 are: the policy of regional autonomy that gives more power and responsibility to provincial and district levels of government; the need for a coordinated system of management of the ecosystem; and the need for responsible and effective regulations to deal with community based forest management. This new law does not mean that the earlier law No. 5 of 1967 has been automatically outdated as no new regulations have, as yet, been issued. The 'new' situation in forestry legislation addresses such issues as the transfer of responsibility from the Department of Forestry that was so powerful in determining all policies on forestry (under Law No. 5 of 1967) to provincial and district authorities (Nanang-Inoue 2000, Tunggul 2000).

The situation is complicated by such factors as the power retained by the Department of Forestry, as the concession holder, to grant permits where the areas to be exploited cover more than one province and the need to obtain permission from heads of provinces in the areas affected. Areas designated for forest management cannot be used without the permission of the provincial governor or, where the location falls within a single district or city, the district head. In addition, cooperatives (*koperasi*), private companies and State-owned enterprises, *Badan Usaha Milik Negara (BUMN)* are becoming involved in forest management. Forestry Law No. 41, Chapter 34 also provides for 'other institutions that have access to be involved in forest management with special missions like: research institutions, educational bodies, adat law communities and social and religious institutions'. So far, there are no regulations that specifically determine how these special bodies are allowed to participate in forest management as defined in the new forestry law (Pamulandri 1999).

## Forest Concession Rights and Cooperatives

Forest concession Rights are defined as 'rights to exploit forests in one or more territories that covers cutting trees, replanting, forest sustainability, management and marketing forest products' (Minister of Forestry Decision No 236/Kpts-II/1995, Haba 1998 (5)). Until 1998, the number of Forest Concession Rights (also named HPH) being exercised in Indonesia was 436 out of the total 600 authorized by the Department of Forestry. Of the 436 operational HPH, between 20 to 50 permits expired in 2000, and the remainder are due to expire in 2007. In anticipation of this vacuum period, the Department of Forestry is preparing to transfer the rights of former HPH concessions to cooperatives and Small and Medium Enterprises (*Pengusaha Kecil dan Menengah*). According to Ministerial Guidelines, the cooperatives that are allowed to take over former HPH operating sites are those that exist and operate close to villages or sites where HPHs have been active. If no such cooperatives exist at these sites, the Department of Forestry and Estate permits cooperatives from outside to take over the operations. In addition, the Department has planned to establish Mini Industrial Forest Plantations (*Hutan Tanaman Industri Mini*) by involving and encouraging local people in this project. The local people would be allocated 5-10 hectares of land from the former HPH sites for every such Plantation (Haba 1997).

The Indonesian Forestry Association (*Masyarakat Perhutanan Indonesia*) had proposed to the former Minister of Forestry and Estate, Dr Muslimin Nasution, under Habibie's presidency that cooperatives be permitted to take over former HPH sites and continuing HPH sites that were in breach of government regulations. The main reason cited for this was to ensure equity for local cooperatives to have access to forest exploitation, a practice that had been the long-term prerogative of large capital interests. To achieve this, it was proposed that HPHs prepare a program to empower local people, particularly those who live in and around the concession sites, and members of the cooperatives. They should be allowed to benefit from forest products by being directly involved in a variety of economic programs such as the clean cutting of forests and transporting wood to the factories. The Department of Forests and Estate plans to accommodate the demands for resources to implement this program by providing working capital to members of the cooperatives. The amount of capital provided to the local people and the cooperatives would be dependent upon the approximate number of trees or *jumlah tegakan* (See. SK Menhut No. 236/Kpts-II/1995) at the operating site. Following an assessment of the site, the Department would issue a 'Timber Use Permit' (*Ijin Pemanfaatan Kayu/IPK*) to cooperatives. The argument behind this policy is that local people (who are members of cooperatives as well) have experience in managing forests and have been dependent on forest products for many years. Allowing them direct access and control is identical with the aim 'to improve peoples' standard of living'.

Up to the present, it is still unclear conceptually what the Indonesian Government (in this context the Department of Forestry and other related institutions) means by the statement 'to improve the standard of living of the local people/traditional community who live in the interior or forest areas'. So far, ideas behind 'welfare or improvement of life of the local people' are linked with the negative paradigm of policy makers toward traditional communities that live on the periphery (center versus periphery). The way of life and living habits of the villagers that are different from more urban society, are identified as backward, unproductive or powerless. Therefore they need intervention programs from central and provincial governments. The programs that policy makers define and conceptualize for this intervention very often do not fit the needs of local people, or address their problems. Moreover, the people fail to understand these strange concepts. For instance, people living close to HPH, HTI and Social Forestry sites are mostly illiterate and do not have the capacity to understand or follow the programs that have been designed outside the terms of reference of their local community and life experiences.

The main issue to be resolved is the recognition of peoples' existence and rights as expected by their fellow citizens and neighbors. For instance, the conflict between PT Freeport and the Timika community in Irian Jaya shows that the essence of conflict does not lie in how much money is allocated to the Timikans, but the need for policy makers to acknowledge peoples' land rights and understand their values. This demand is closely related with perspectives of identity, entity and legality coming from local people themselves. Especially during the regional autonomy era when there was great pressure from the region (*daerah*) to manage and control land, forest and other natural resources in their territory, the policy to allow cooperatives to exploit former HPH sites, also created tension between local communities and those cooperatives, that were not made up from people who lived around the concession sites, but mostly from other areas.

Although introducing cooperatives, or State-owned Enterprises to manage the forest, the government does not have a suitable strategy to manage former HPH sites. Examining of conditions so far where HPH, HTI and Social Forestry are operating in traditional community areas indicates that cooperatives are not the best solution for the further protection of the environment or for the local people themselves. Two arguments concerning the role of cooperatives can be highlighted as follows. *First*, conflict stills exist concerning the role of cooperatives. The first issue is over land rights and access to harvesting of forest products. Government insistence on cooperatives that do not have their roots in the local area is a potential cause of conflict and does not resolve existing disputes. *Second*, cooperatives as a 'new' concept to help the local people and environment is not a new concept at all. They have operated under HTI and Social Forestry, and even through *HPH Bina Desa Programs*. Data shows that none of the programs have altered peoples' lives considerably,

but have simply benefited people from outside, and government and concession holders.

The negative impact of government policy to implement empowerment programs for local / traditional community should be reviewed, particularly where policy makers or program facilitators do not want to cooperate with local people. Altering negative impressions and practices so far is an important factor before encouraging local participation in any government programs. Cooperatives and Small and Medium Enterprises are government agents that so far have been viewed not as agents of change but as community enemies (Haba 1998 (5)). *Third*, in terms of the roles of Cooperatives and Small and Medium Enterprises' in interior forest areas, the question might be raised as to who are going to become Committee Members; local people do not understand even simple management. Should they be going to merely watch in this new policy maneuvering or institutional engineering by the government? Is there any community development program of cooperatives to implement thoroughly for local empowerment? These sorts of questions should be reconsidered if a new program is going to be introduced for local communities such as for the people who reside in Bengkulu, South Kalimantan and East Kalimantan.

### **Social Forestry and Local Participation**

In Indonesia, Social Forestry (*Hutan Kemasyarakatan*) can be discerned as a breakthrough from the Department of Forestry to help people who live in the forest or around it. Based on the Ministry of Forestry Decision No. 622/Kpts-II/1995 on "Direction for the Establishment of Social Forestry"; there are two major issues here on Social Forestry to be underlined. *First*, the forest is principally viewed as a natural resource to be exploited responsibly for the welfare and benefit of the people; simultaneously the environment is to be protected from further destruction. *Second*, the participation of the local people who reside in and around the forest is highly recommended to bring this program (Social Forestry) into reality. The objectives of Social Forestry coincide almost exactly with the aims of *HPH Bina Desa* (Village Program of Logging Concession Owners) or "*Program Pembinaan Masyarakat Desa Hutan / Hutan Tanaman Industri*" (Village Program of Forest Community of / for Industrial Forest Plantation). The contents of this Program are: to improve the standard of living of the people who live in and around the forests, to increase the quality of forest products and to protect and sustain the forest and the environment. Concerning the sustainability of forest management, this issue should get more attention because the locations in which Social Forestry has been developed are in protected forest areas (*Kawasan Hutan Lindung*) or in productive forest areas (*Kawasan Hutan Produksi*).

Based on the Decision of Ministry of Forestry No. 622/Kpts-II/1995 the development of Social Forestry was not permitted in areas of

Forest Logging Concessions (HPH), Industrial Forest Plantations (HTI), national parks, forest parks or nature preserves. The sorts of plantations provided for social forestry are: agro forestry, agrosilviculture and sylcopastre. Social forestry is designed not simply for improve forest products quality; but it is hoped to develop replanting schemes (*reboisasi*) in Stated-owned forests (*hutan negara*) and reforestation (*penghijauan*) in agricultural sites of the local people who live in and around the forest. To meet this demand, the Department of Forestry together with *Dinas Kehutanan Propinsi* (previously named *Kantor Wilayah Kehutanan Propinsi*) has mobilized local people to participate in this Program. Three parties used to be involved in this program. They were respectively: individuals, groups and cooperatives through an official agreement between the three parties with *Kantor Wilayah Kehutanan Propinsi*. Each participant would be provided with rights to exploit 4 hectares of land, and a group of four to be allocated 20 hectares of land (Haba 2000).

An interesting feature of this Program is that, from the very beginning, members of this Program were invited to participate actively in program designing, implementing and paying the forest products fee (*iuran hasil hutan*). Such a strategy, it was hoped, would generate awareness among members of community so they could have a sense of responsibility. Unfortunately, the Decision of Ministry of Forestry No 622/Kpts-II/1995 was replaced by another Ministerial Decision No. 372/Kpts-II/1996 which provided for the establishment of *Badan Usaha Milik Negara / BUMN* (Stated owned-Company) within the Department of Forestry to handle this Program. PT Inhutani I-V and Perum Perhutani were appointed as facilitators of the Program. Up to 1996, in Indonesia there were 16 sites established to develop the Social Forestry Program.

Overall, participants of Social Forestry program members were local people who were able to prove their residency by residential identity cards (*kartu penduduk*). This program was designed mainly for people whose life depended heavily on collecting forest products; and their participation was to be judged from their own willingness to participate. Participants and non-participants were allowed to collect only non-forest products such as: *durian, jackfruit, cocoa*, rubber and coffee; that could be collected from multipurpose trees. Consequently to meet these demands, some programs were implemented like; cultivation of seedlings, planting, maintenance, protection, harvesting, and selling the products. One of the aims of the program was to involve the local people in forest sustainability. The Department of Forestry introduced 3 stages of participation to make the program fruitful. *First*, the participants or the local people had to decide for themselves about their participation in any program offered by government to them. It was hoped the decision would stem voluntarily from members to determine what programs and what kind of they would develop. *Second*, the government encouraged local people to view the Social Forestry program as theirs; as proved from the very beginning of the program where people themselves would plan, implement and derive benefit from these activities. *Third*, the local people through the program

were encouraged to acknowledge that the success of program was in their hands, and government only provided guidance, land, seeds and field staff to assist them. Acknowledging local people's knowledge and capacity was the best way for the government to support their development rather than undermining them.

Despite these guidelines, empirical data demonstrate that there are two major obstacles in allowing local people to participate in the Social Forestry program namely: location and participation. There are two different perceptions of location, as local people (who actually reside there at the project site) claim that the land being exploited belongs to them, and if the government would now like to allocate them a piece of land, the question might be posed; whose land is going to be offered to whom? The view of the local people is that their land is being seized by the Department of Forestry with the cooperation of the provincial government and its apparatus, and the land, programs and activities subsequently provided are simply a token aimed at appeasement of the people (a sort of compensation?). Local people are struggling with "physical space" and more importantly they see government not as an agent of change but as a "traitor". The second issue hampering the program is the status of the participants in the Program – in the Bengkulu context for example, the majority of participants in the Social Forestry program are not people from the local community but people from other villages and sites who come and work in the project being implemented (Haba 2000).

Yet, there is a different perception of the program argued by some local people as if it is not for them but as too "luxurious" and designed for urban people. As the pilot project for various multipurpose trees are being planted in Bengkulu, the outcome or yield of these efforts is still uncertain. One major problem in this program is, some trees being introduced are unknown to the participants. The lack of a feasibility study leads to the perception that the program runs only as a 'lighthouse project' for urban people. Consequently, the main aim of social forestry is unfortunately still under pressure from many parties for a review.

### **Industrial Forest Planting and Local Empowerment**

The Indonesian Government in its decision through Ministry of Forestry No. 69/Pkts-II/1994 required that all Industrial Forest Plantations (*Hutan Tanaman Industri*) carry out special training for traditional people who live in and around the forest where Industrial Forest Plantations operate. It is a main mission for the Industrial Forest Plantations "to improve the standard of living of the traditional community". This Program is named "Establishment Program for Forest Village Communities" or *Program Pembinaan Masyarakat Desa Hutan*. The program steps to improve village communities' standard of living include: providing infrastructures such as roads, schools, 'restructure for environmental conditions', and more importantly, to empower local people's economy

through assisting them particularly in the permanent agricultural sector. This later end was designed to cope with the shifting cultivation practices that in the eyes of the government were really destroying the forest and causing land degradation.

Based on the Ministerial decision mentioned above, some programs should be established in conjunction with the local community, and these should be conducted with the consent of the local people. Programs introduced should be in line with: problems, needs and challenges that confront the local people. Ideally, these programs should not be forced on the community from outside (from government, acting as facilitator and adopting a top down approach); but local people should have their say and the programs be suited to their needs. One important aspect underlined in this program was any idea that was to be introduced should consider local values and the cultural setting which formulated people's activities. To meet these objectives, and before any programs are discussed with local people a comprehensive study, called "*Studi diagnostik*" or diagnostic study (see. SK. Menhut No. 523/Kpts-II/1999) should be carried out among the people to get overall information about the life conditions of the local people, their problems and needs. This policy relied on the Directorate General of Forest Concessions Decision No. 210/Kpts/TV-BPH/1995. One aim of the Industrial Forest Plantations among others was "to produce a high quality of raw materials for wood industry, paper and pulp" (Haba 1998 (3)).

Up to 1995, the Department of Forestry had established 15 projects totaling 2.431.737 hectares of land located in: Aceh (340.000 hectares), Jambi (135.000 hectares), West Kalimantan (196.937 hectares), South Kalimantan (125.000 hectares), East Kalimantan (812.200 hectares), Riau (383.150 hectares), South Sumatra (300.000 hectares) and North Sumatra (269.000 hectares). These projects under the Industrial Forest Plantations program were specifically for supplying timber for pulp. Despite a master plan designed by Department of Forestry to plant those areas with industrial plantations for pulp, unfortunately by 1995 only 44.58 percent of the total area had been planted. The Department Forestry argued that the major constraints that hampered the Program were the lack of financial support, difficulty in acquiring appropriate land for this end, and conflict between government and local people over land that prevented the effective implementation of the government plan.

Village Community Forest (*Masyarakat Desa Hutan*) is defined here as the traditional people or adat law communities who live in and around the forest; who still depend for their livelihood on forest products, and who have held firmly to their customs and living at that site over a long time. Within the constraints of this classification, the HTI Program has to suit its program to the conditions of the local people, to gradually increase their income, provide jobs and stimulate sustainable village economies that are compatible with environmental factors (see. Weiss 2000, Hira 2001). The first priority of this program should be to improve the welfare of the

people. The Industrial Forest Plantation Program, furthermore, was expected to prepare local people to be self-sustaining, and enable them to build self-awareness in looking after the forest and the environment and reducing shifting cultivation practices. The Department of Forestry seemed to have a very high expectation on local people that was not at all realistic. It was assumed that the HTI Program would help and teach people to be environmentally wise and responsible but this did not occur even though the government provided local people with churches, mosques, schools, markets and other infrastructures. Besides providing various programs and assistance, one difficult task to be carried out was providing guidance and knowledge for the local people on biodiversity, conservation and permanent agricultural practices (Haba 1998 (4)).

The Industrial Forest Plantation Program has to be viewed as a long-term, sustainable program with an economic dimension, to create benefits for both government and local communities. The outcome of the Industrial Forest Plantation Program can be judged from its consistency to conduct its own programs. Like Social Forestry program, one effort in this Program is to create welfare for local community by introducing a program named “*Penanaman berbagai jenis pohon kehidupan*” (Planting multipurpose trees species). The success of the plan must be examined through assessing the experiences of local people such as those in South Kalimantan. Questions might be raised as to whether the Program has brought any advantage to the local people and to what extent does its aims fit their social reality? If we make a comparison between HPH Bina Desa and HPH HTI (see. SK Menhut No. 523/Kpts-II/1999) and their programs, it seems that there is no substantial difference between them in their aims and purposes. The Industrial Forest Plantation program is among the worst government plan ever devised. It destroys forests and environments through using a “land clearing system” to prepare land for this project. Consequently, all vegetation on the land is destroyed, particularly people’s fruit trees such as: jackfruit, coconut, and rattan, etc (Haba 1998 (2)). Also destroyed are various species that are really difficult to replace (medicinal trees, flora and fauna). HPH operates differently and even though it causes considerable destruction of the forest, its selection cutting procedures (*sistim tebang pilih*) is less damaging environmentally compared with the HTI system (see. SK Menhut No. 345/Kpts-II/1995).

Conflict also took place concerning land rights in executing the Program (HTI). As most of the HTI’s projects were established on traditional land or traditional territory claimed by the local community, an overall observation of local values and cultural dimension of the targeted community was deemed necessary. The reason behind this was HTI was obliged to implement this strange program, thus HTI hired consultants to ‘research’ these matters. In fact, the research was mainly conducted in Jakarta or provincial cities, secondary data (archival investigation by non-social experts). The paramount mission of the HTI was financial profits, not to deal with social and cultural issues. Clearly, this mission delegated to HTI was a misplaced duty. Field findings in South Kalimantan at

operating sites of HTI indicated that none of the local values or cultural dimensions have been adopted in the Program. One policy in the HTI program was not a top down approach but (ideally) a bottom up approach or a combination of the two. In fact, the local community was forced to accept and comply with various programs designed without their knowledge or consent. It seems that the Government and, to a certain extent, the Department of Forestry in carrying out this Program, did not want to acknowledge the local community's rights and ideas. As a result hidden resistance actually occurred among both program facilitators and local people. But, during the New Order period when Soeharto and his aides were so powerful, suppressive and centralistic, consequently there was less challenge from the local communities towards programs introduced from outside.

Industrial Forest Plantation Programs previously had a very challenging prospect if it was conducted in line with government policy. In fact, policy makers in Jakarta and at provincial levels were holding firmly to their control mechanisms that did not allow local people to express their ideas freely or exercise their local knowledge through discussion and then adopt some more appropriate ideas into the established programs. Policy makers from the very beginning have undermined local people as people who know nothing about sustainable forest management, people who destroy the forest and just want to receive projects from the government, etc. The approach that aims to involve and empower people is not simply a matter of bringing a project into the people's surroundings, but how to understand their real life and problems. One main problem was to recognize the existence and rights of the local people. This was the main task of the government before introducing various programs to improve the people's standard of living and their welfare.

Social scientists recognize that discussion about the environment is to allow or open the way the local people to channel their ideas. As people who live at these sites all their lives depend mainly on the forest and forest species, they must have knowledge of their environment, and it is impossible that they do damage to the forest and land excessively, especially when compared with the HPH and HTI. Outsiders can only gain this knowledge and understanding through discussion and consensus. Strategies for sustainable forest and environment programs among local people have been incorporated in their cultural values, in which interrelatedness between ecology and people is inseparable. In other words, cultural awareness of the people, their identity and a lifestyle that is closely linked with the environment should be understood as a vital part of their long historical experience. Such interdependence is categorized as "*a geomorphologic agent*" that brings the consequence that it is impossible for the local to know nothing about the forest and multipurpose tree species and strategies for sustainable living. The local people have been relegated to a position of relative unimportance by the attitude of the policy makers. But, more importantly, while the main issue is still unresolved, that is: the physical space of the people has been reduced dramatically, now the

government is asking them to participate in the Program in the disputed land area.

Programs to improve the standard of living of local people are difficult to implement as the “welfare concept” is a lavish paradigm from outside with criteria that are outside the terms of reference of the local people. For the local people who are involved in HTI’s Program, welfare (*kesejahteraan*) means there is a guarantee of land rights, rights to exploit land in their own traditional ways and recognition of their identity and entity. Arguing about improving life conditions is not a simple concept that can be separated from social aggregation and social solidarity of the people, where they are organized under their own structures and rules that maintain social cohesion. As participants in HTI’s Program in South Kalimantan argued, they were interested in a government program, but a forgotten issue is the still unresolved status of the land in their territory. Land for them has a social function and meaning not simply a symbol of ownership but also a territorial entity. As Paul Bohannan wrote (Bohannan,1963:222) “*Land functions to maintain privacy or cultural exclusiveness and integrity*”. Therefore, the main objectives of the Industrial Forest Plantation program as underlined in Directorate General of HPH No. 210Kpts/IV-BPH/1995 need to be reviewed.

To consider issues, problems and challenges concerning the Indonesian Government policies on forestry, there are 4 major issues to be underlined. *First*, the main objective of the HTI is economic to make a profit. Dealing with the social and cultural aspects of the local people where the projects are being introduced is not considered a primary objective. Therefore it is difficult for a BUMN to be executed. *Second*, a critical review-should be undertaken regularly the diagnostic study that was carried out and how it was done. As pointed out before there is a similarity in the programs of HTI and Social Forestry Program: this feature should be neglected because problems, people needs and territory’s characteristics are different from place to place. *Third*, the effectiveness of the HTI program depends heavily on active participation of local representation in the program. This aspect is essential in order to build a sense of ownership by the local people that the HTI Program is not for outsiders but provided specifically for their advantages. Representation in the organization so that local people can participate from the very beginning to plan and implement programs is necessary; so that they do not feel strange in coping with various technical matters (Haba 1998 (1).

Another problem that must be addressed is where HPH and HTI manage a site for a short period of time only. A facilitator is left in charge who must deal with the fact that there is insufficient work suited to their skill levels for all residents who want it. People from other areas with different backgrounds are brought in while some locals are evicted from their traditional home areas. These factors constitute a major handicap in assessing the development of the Industrial Forest Program. *Fourth*, there is a tendency to empower the traditional community without considering

local values, demands and needs in a way that may adversely affect the Program itself. The superior attitude adopted by policy makers that serves to undermine the local people and attribute to them responsibility for the destruction of the environment is only a power ploy that should be avoided.

### **Traditional Community and HPH**

The Department of Forestry's budget plan to involve traditional communities in Forest Concession Rights management is an interesting point. The Program that was to be implemented in 14 locations in 11 provinces aimed "to reduce dependency on wood come from natural forest, as development of the Industrial Forest Plantation continues" (Haba 1998 (1)). It was expected that through this plan, there would be equity in forest management for traditional people/communities while simultaneously maintaining their traditional rights. Participants in this program would be obliged to sustain the forest, the environment and plant economic trees (multipurpose trees), in order to produce forest products that would meet domestic demands and export markets in the coming years. To achieve these goals, some conditions should be considered. *First*, the basic law of the program should be substantially laid down. *Second*, regarding the framework of thinking, the question is what does "traditional community" mean in the government's classification? Conventionally, a "traditional community" is defined as a group of people who live in a certain location with a set of social, cultural, norms, languages and values that differ from other groups. This group is also called "*masyarakat hukum adat*" (Adat Law Community) who live with rules, social organization, social structure and their local knowledge. *Third*, dependency of this program is very crucial indeed. This issue should be clarified as - if we examine closely the contents of both Law No. 5 of 1967 on "Main Stipulation of Forestry and Government Regulation (*Peraturan Pemerintah* No 21 of 1970 about HPH and Rights to Use Forest Products (*Hak Pemanfaatan Hasil Hutan*, particularly chapter 16, 1). This is important for the local / traditional community because if these Laws and Government Regulations benefited only Forest Concessions Holders rather than traditional community; while rights of the local people to exploit land and harvest forest products are not allowed.

The success of the program is dependent on a clear understanding of the laws governing its operations. The contents of both Law No. 5 of 1967 on "Main Stipulation of Forestry and Government Regulation (*Peraturan Pemerintah* No 21 of 1970 about HPH and Rights to Use Forest Products (*Hak Pemanfaatan Hasil Hutan*, particularly chapter 16, 1) need to be clarified as they have tended to benefit only Forest Concession Holders rather than traditional communities who were not allowed rights to exploit land or harvest forest products. In other words, security and certainty of law for the traditional community are important issues that need to be addressed and socialized for the people involved before other issues are introduced.

If it is true that traditional communities would like to participate in forest management through government programs such as HPH Bina Desa, HTI, Social Forestry, Cooperatives and Small and Medium Enterprises, the question to be posed is whether those people are participating in these activities and whether their perceptions and local knowledge are also incorporated into the programs? Here, we are confronted with a crucial point, as the government's concept of traditional community is different from that of the people themselves. Very often, government uses the resident identity card (*Kartu Penduduk*) to identify status and residence of people as belonging to "traditional community". Are not most of the people around the projects coming from the villages where various empowerment projects are being implemented? At this conceptual level, who is responsible for determining the status of the people as "traditional or new comers"? What should be used, the government concept, local concept or a combination of the two ideas? One factor to be focused on is that this program seemed to be taken over from Finland and China. In China, this sort of program is called "Production Responsibility System"; in which the main essence of the program is ensuring all participants have responsibility and independence in determining the kind of program they want without experiencing much intervention from policy makers or local facilitators. This issue in all government's programs is important as government would like to encourage local people's participation in empowerment activities; but in fact, local people/ traditional communities are basically treated as 'objects' not subjects in these programs. Lack of independence, the composition-of the board of committee, the right to channel ideas and the level of participation in the decision-making process are general phenomena in various government programs. The Finnish or Chinese model of forest management is appropriate to be adopted particularly in local participation program for the local or traditional community who live around the projects; but we have to bear in mind that social, cultural and local values among the people of Finland, China and Indonesia are quite different.

To cope with the current forestry crisis after the fall of Soeharto in mid 1998, the New Order Government tried to make some revisions in forestry laws. One example clearly shown was the issue of Regulation No. 6 of 1999 on "Forestry Decentralization" (a policy from Central Government to Local Governments); which states among other provisions that the district head possesses the right to issue permission for "HPHH" (*Hak Penggunaan Hasil Hutan / Rights to Use Forest Products*). Furthermore, Regulation No.62 of 98 provides rights for provincial government to determine forest parks and forest boundaries; while the district level deals with rights such as reforestation, land and water conservation, non-wood forest products, protected forest, training, etc. Even though these two regulations have been issued many parties who deal with forest issues argue that the government (through the Department of Forestry) has to do more in reforming forest laws and regulations inherited from the previous government. Today, management of national parks and nature preserves are still under control of the Central Government.

Furthermore, concerning related issues of forest decentralization like recognition of adat law community rights and permission for land / forest conversions that should be shifted to provincial or district levels are still strictly controlled by the Department of Forestry.

Although Law No. 22 of 1999 is preparing the way for adat law communities to organize themselves, because of the lack of information given by local village staff, local adat leaders and local people along with village staff are still relying on Law No. 5 of 1979 about "Village Government". This phenomenon is important in handling environment and forest issues, as village representatives in the office are elected directly by the local people but are appointed by the head of the sub-district (*Camat*) as designated in Law No. 5 of 1979. As a result, the sense of ownership and closeness between village staff and their people is being weakened and is being seen as a main obstacle for people in adopting and implementing government regulations, particularly in the forestry sector. Village staff so far are discerned as 'representative agents' of capital owners and provincial government rather than a party who takes sides for the benefit of the locals. This description of actual experiences regarding the lack of both information and socialization of forest and environmental regulations is clearly analyzed in a study of the people in Tanjung Palas, Peso and Sekatak in Kabupaten Bulungan, East Kalimantan.

Forest management and local participation are the major issues over the last ten years in Indonesian forestry policy in accommodating local communities within various government programs. The accusation that the Indonesian government does not manage its forests responsibly, especially in protecting local communities from the invasion of capital owners who exploit the forest excessively; has encouraged the Department of Forestry to outline policies that will enable local people to have a better life while simultaneously participating actively in forest management.

### **Concluding Remarks**

Fifteen years after the Forest Concession Rights (HPH) were issued by the Department of Forestry, we have to acknowledge that local people suffer greatly from forest degradation, loss of rights to harvest forest products and marginalization from their traditional lands in all areas where Logging Forest Concessions are in operation. Local people are blamed as a major cause of the environmental catastrophe affecting the forest as it is believed they have no sense of responsibility in managing their environment. Practices such as that of shifting agriculture are cited as exemplifying this lack of responsibility. Knowing of and witnessing the collusion between policy makers and forest concession owners have pushed local community to have a negative attitude to various government programs. Moreover, all policies introduced on behalf of "people's welfare and to improve their standard of living" actually take place where the forest condition is at its worst. Consequently, programs like HPH Bina Desa,

Industrial Forest Plantation, Social Forestry, Cooperatives and Small and Medium Enterprises are seen as 'only playing a losing game'.

So far, at the participatory forest management level, we recognize two models respectively: local participation (*partisipasi penduduk lokal*) and public participation (*partisipasi masyarakat*). Local participation refers to the participation of a few members of the community in a forest management program. In contrast, public participation deals with a great number of people within a community, and some institutions, that take part in forest management programs. Participatory forest management would be effective if from the very beginning, this program allowed local participants to discuss actively, design, organize and implement programs needed by the people together with the forest concessions owners and the other institutions involved. The contents of programs should meet local people's and stakeholders' demands. Public participation is crucial (Soetrisno 1995), as they are people who know about forest and environmental conditions. Moreover, they are people who directly confront problems and also have knowledge to cope with a crisis and are able to reduce conflict.

When investigating various government programs in Participatory Forest Management or PFM (Haba 2000), the following thoughts should be taken into consideration. *First*, local and public participation are vital. They should not be included as participants simply because the forest and environment are in danger (such as for fire brigades for extinguishing forest fires), but should be seen and treated as people who are responsible for all programs in their entirety as well. *Second*, programs designed for local traditional people must be simple and understood by them; and it is better for the program to be widely socialized among the community. *Third*, Law No 22 of 1999 on "Regional Autonomy" and Law No 25 of 1999 "Financial Distribution" issued and implemented in January 2001, all centralistic models, are concerned with local development programs undergoing substantial change and, to a certain extent, the importance of provincial and district levels of government in determining policies for their own regions, especially at local community level. The future of both Law No. 22 of 1999 and Law No. 25 of 1999 will be reviewed after the end of the Annual Session of the People's Advisory Assembly (*Sidang Tahunan Majelis Permusyawaratan Rakyat / ST MPR*) in August 2002. This suggestion came from President Megawati Soekarnoputri; who argued that the revision of the two Laws was needed to make them compatible with the 1945 Constitution (*Suara Pembaruan*, 8 July 2002:2).

The Indonesian Government faced much pressure from foreign governments and International Organizations on forest management, forest fires and other natural disasters.-This resulted in an approach to the local people to participate in forest management systems. But, lack of response in challenging the government policies was paramount since the dawn of the suppressive regime of the New Order government. This was the underlying cause for the failure of many programs. The government

accused local people of failing to make serious efforts to handle the programs. Refutation of-centralistic approaches to forest management and the physical spatial policy (*Kebijakan Tata Ruang*) that, under Soeharto;s regime, were determined entirely from Jakarta, are now more problematic under the regional Autonomy Policy. The participatory forest management program (*Program Pengelolaan Hutan*) of the New Order regime must be reviewed, thus giving substantial consideration to the rights and ideas of the local people. Using force as practiced consistently by the New Order regime has left behind a bad impression for many programs being planned and implemented by current Central and Provincial governments. To realize all plans and forestry policy renewals, some fundamental attempts – such as law enforcement - should be taken such as to draft a new set of forestry laws for forest management programs, to establish an effective organizational structure in forest management and information management systems, and increase human resource capacity in the forest sector.

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