



Governance Brief

An Analysis of Forestry Sector Conflict in Indonesia 1997 - 2003

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Abstract

We provide a profile of forest-related conflict in Indonesia from 1997 to June 2003, based on a survey of national and provincial newspaper articles and six case studies in Sumatra, Kalimantan and Java. The survey shows that conflict increased most rapidly in 2000 during the transition to decentralization and has generally stayed at higher levels than during the New Order period. Reports of conflicts were highest in East Kalimantan, followed by Sumatra and Central Java. The main causes of conflict were differences in perceptions about boundaries, rights to use of forest, compensation payments and distribution of benefits from forests. Although media reports focus on the escalation of conflict after the reform period, the case studies demonstrated complex histories of latent conflict and conflict resolution through compensation payments that proved unsuccessful in reducing long-run conflict. The study recommends that (i) conflict management be considered an element of forest management, (ii) forest conflicts be monitored to learn more about their incidence, causes and ways of managing them and (iii) alternative methods for managing conflict be explored.

Introduction

During the New Order in Indonesia, authorities sought to avoid or suppress forest-related conflict (Suporahardjo, 2000). Although reforms since 1998 have made it possible to acknowledge and talk about conflict more openly, there has been little systematic information about the incidence or causes of forest-related conflict in Indonesia, or how these have changed with reforms. Such information could help inform conflict management, especially to anticipate where conflict is likely to occur and escalate.

To better understand forest-related conflict in Indonesia and how it has been affected with reforms, this report aims to provide a preliminary profile of forest conflict: its frequency, geographic distribution, associated parties and causes. We look at the trends in these features from 1997 to 2003 to see how conflict changed between the New Order and the reform period. Where information was available, we also examined local efforts to manage conflict.

The work builds on previous studies, especially *Potret Keadaan Hutan Indonesia*¹ (Forest Watch Indonesia and Global Forest Watch, 2001) which includes a map showing the distribution of conflict based on a limited number of cases. These studies show that although conflicts occurred under vastly different institutional arrangements—including timber concessions (*Hak Pengusaha Hutan*, HPH), industrial plantations (*Hutan Tanaman Industri*, HTI), other plantations such as oil palm, and

¹ Portrait of the Condition of Indonesian Forests.



conservation areas such as national parks—the causes were remarkably similar. Most conflicts arose because of a perceived injustice by local people where community access to forest resources or benefits was restricted. Conflicts frequently centered on boundaries disputes, compensation payments or other perceived infringements on local communities' rights. Conflict among villages was as important as with more powerful stakeholders. In the New Order, more powerful parties commonly used intimidation, money politics and coercion to settling disputes in their favor.

The report is the outcome of a collaborative effort between the Center for International Forestry Research (CIFOR) and Forest Watch Indonesia (FWI), funded by the Ford Foundation. The research was based on a review of reports about forest-related conflict in newspaper articles from six national media (Kompas, Tempo, Business Indonesia, Media Indonesia, The Association of Indonesian Forest Concession Holders (Asosiasi Pengusaha Hutan Indonesia (APHI) and Antara) and one local newspaper (East Kalimantan Post). We selected this method as a relatively quick approach to survey overt conflict, recognizing that the findings are only an approximation due to biases inherent in reporting, as well as the controls on the media that existed in the New Order. We also conducted field studies in six locations throughout Indonesia to develop a more in-depth understanding of conflicts, the different stakeholders views about the conflicts and their historical development.²

² Newspaper article studies began in January 1997 and continued until June 2003. The six field studies covered HPH, HTI and conservation areas in Kalimantan, Sumatra and Java.

Research Objectives

The study had two objectives:

1. Produce a preliminary profile of forest-related conflict across Indonesia.
2. Compare changes in this profile before and after the reform period.

Concepts and Methods

Although conflict occurred among many parties and on many types of forest land, we confined this study to HPH, HTI and conservation areas, as three major types of forest use of national concern and under national management.

We defined conflict as an event involving differences of views between groups of people that has come into the public arena. Conflicts include demonstrations, legal action, destruction of property, other forms of protest, and letters of complaint to government. Conflicts are social constructions that can be viewed and interpreted from various angles (Walker and Daniels, 1997). Our use of newspaper articles gave us an objective means of determining whether a conflict has come into the public arena. The articles, however, only provide a limited number of views. As the case studies demonstrate (see complete report in Indonesian), understanding more groups views provided a richer, more complete picture of the conflict.

We treated a series of conflicts as a single event where the actors and issues involved were similar in a given location within a reasonable amount of time. Thus, multiple reports in the media about the same actors and issues in a location within a

few months of each other were counted as one event. Events that occurred a year or more apart were counted as multiple conflicts.

Based on the survey of articles, we identified five causes of conflict:

- Shifting cultivation or other forest clearing by communities based on differences in perception about authority and rights to forest land and management.
- Timber theft conducted by communities or companies that did not have legal ownership
- Differences in perceptions about boundaries related to management and land ownership.
- Environmental damage and destruction of natural resources, especially on which others depend for their livelihood.
- Change in forest function, in conflict with official forest status, e.g. protection forest being used as production forest.

We also conducted the newspaper survey nationally and at the provincial level for East Kalimantan. We chose East Kalimantan for the importance of forest in the province, the high levels of conflict found there and the ease of access to a comprehensive data source. For the national newspaper survey we used articles from January 1997 to July 2003 and for the provincial articles (Kaltim Post) we used material from January 1997 to June 2003. We chose these time periods to adequately capture conflict before and after the reform period (see Figure 1). It should be noted that the last years of the New Order were characterized by economic crisis, drought, forest fires and failed rice harvests, which may have exacerbated conflicts. When we speak of reforms, we refer to the increased openness and transparency associated with President Soehartos fall in 1998, decentralization policies (Government regulations 22 and 25, 1999) and the subsequent increasing roles of districts in forest matters, and the new basic forestry law No. 41, 1999. As these reforms took place over a period of several years, we denote a transition period between 1998 and 2000.

Case studies were conducted from May to August 2003, with about 10 days allocated per site. In addition to secondary literature and data, we collected data using semi-structured interviews with 7 to 21 key respondents in each site representing different interest groups. We asked about the history of the conflict, stakeholders involved, escalation of conflict and the steps taken to manage the conflict. Some stakeholders declined to participate in interviews.

The cases we selected were (see Figure 2):

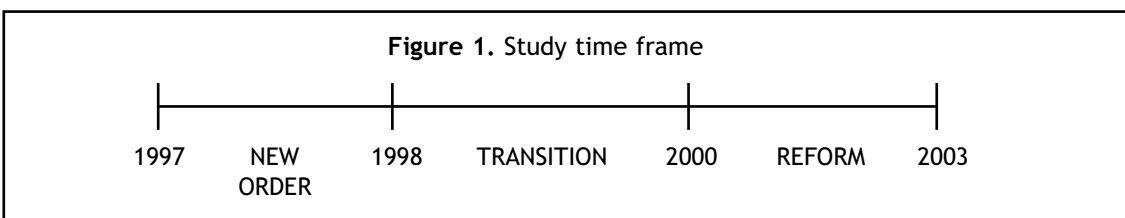
1. HPH Kodeco, South Kalimantan
2. HPH Keang Nam, North Sumatra
3. Perhutani Blora, Central Java
4. HTI PT Riau Andalan Pulp and Paper, Riau
5. Kawasan Lindung Meratus, South Kalimantan
6. Taman Nasional Kutai, East Kalimantan

To complete the study, we invited specialists in forest conflict from different sectors Universities, APHI, research institutions and activist organizations in Indonesia to review the report of our findings and participate in a multistakeholder workshop in November 2003 in Bogor. The participants provided valuable input to the report and produced a set of recommendations that are included in the conclusion to the Indonesian and English reports.

Figure 2. Case Study Locations



Figure 1. Study time frame



Findings

Conflict increased in the post reform period, especially during the transition years

Our findings show a sharp increase in the incidence of forest conflict following the end of the New Order, particularly during the transition period in 2000 (Figure 3). Instances of conflict during that year were almost eleven fold compared to those in 1997 with 153 (43%) of 359 recorded conflicts. If we compare the increase in conflict from 2000-2002 with that of 1997-1999, national media articles about conflict were 2.4 times as frequent. Annual levels of conflict according to media reports declined after 2000. Overall levels are nevertheless higher than in the pre-reform period.

Although these figures indicate a dramatic increase in the post reform period, our case studies suggest that many conflicts had their origins in the pre-reform period in a more latent, suppressed form. With the euphoria of reforms, whereby communities felt empowered to speak out against authorities and make claims to forest benefits and resources, many conflicts surfaced for the first time in the post-reform period. The uncertainty of the transition period, decentralization of authority to districts and proliferation of small-scale logging fueled new claims, counter-claims and conflicts. The intensity of conflicts appeared to increase after reforms, with more incidences of violence as a form of protest. In Randublatung, for example, nearby villagers indulged in large-scale looting of the Perhutani forest area (See Figure 4 and Box 1).

Conflicts are more common in some places than others

More than half of all conflicts recorded occurred in East Kalimantan, Central Java and North Sumatra,

with 30% of all recorded instances of conflict occurring in East Kalimantan. It is very hard to know whether conflicts were more prevalent, or whether journalists were more active in these areas. One tentative observation is that these are regions where there is a high level of demand from competing groups for forest resources and where groups on both sides of a conflict tend to be more organized. The geographic distribution of conflict did not vary significantly before and after reforms. Conflicts seem to be associated disproportionately with a few operators (Table 1), which may partly explain the concentration of conflicts in a few regions. Seventy-three cases or 20% of all cases were associated with three units of Perum Perhutani alone in Java. This may reflect a combination of bias towards increased reporting about Java as well as the higher population densities and intensity of demand for forest resources in Java.

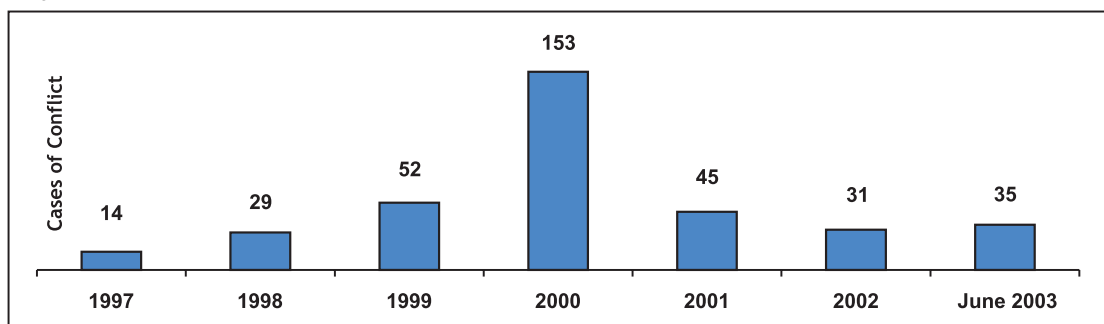
Figure 4. Plundered Perhutani Area in Randublatung



Photo by Yütiana Cahya Wulan

Source: CIFOR-FWI Research Report, 2003

Figure 3. Incidence of conflict from 1997-2003



Source: CIFOR-FWI Research Report, 2003

Box 1: If we get the order, we are ready to break through...

Despite the presence of the security forces with their orders to shoot on sight, looting and theft of teak wood (*Tectona grandis*) is still carrying on in the Perhutani Unit I region in Central Java. Of the 20 Forest Management Districts (Kesatuan Pemangkuan Hutan (KPH) in Perhutani Unit I Central Java, those categorized as suffering most from looting are KPH Pati, Mantingan, Kebonharjo, Blora, Cepu, and Rembang. Most of these KPH areas are in the Karesidenan Pati region which encompasses Pati, Kudus, Jepara, Rembang and Blora regencies, as well as small parts of Bojonegoro and Ngawi regencies (East Java).

Most of the looters are equipped with chain saws, transport trucks (including heavy trucks), and communications equipment including mobile phones made available to them by persons involved in the teak trade. Outside looting teak forests, their salaries are Rp 20.000 per day at most for which they have to work hard the whole day. Though they are aware their actions illegal, they still continue loot the forest. "Many of us are involved, we're still calm about it," the youths explained. Youth groups with the appearance and style of this one in Dukuhseti, can also be found in forest areas in KPH Pati, Rembang, Mantingan, Cepu and Blora.

The recorded area of Perhutani Unit I Central Java production forests is 604.519,47 hectares. They include teak, pinus, agatis, sonokeling, mahogany, mangrove, and kayu putih species. Teak stands cover 312.216,47 hectares, with most in the Karesidenan Pati region where the quality of the timber is extremely high. Several hundred trees among them are rare but still growing healthily in the Cepu and Randublatung protected KPH forests.

Source: KOMPAS, 12 Juni 2000

Boundaries and restricted access account for more than a third of all conflicts

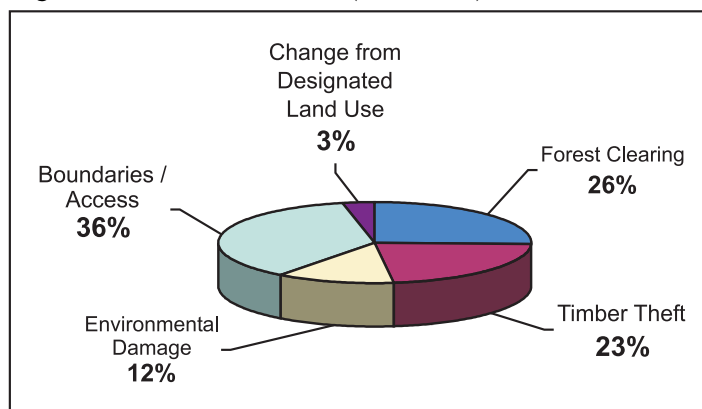
Conflict was commonly triggered by unclear boundaries, inadequate compensation payments, or restrictions on communities' access to forest for gathering forest products or settlements (Figure 5). The most common cause of conflict (36 percent of all cases nationally reported) was differences of perceptions over boundaries and access to forest land and products. The percentage of conflict related to boundaries and access was even higher in East Kalimantan (68%).

The reform period in particular encouraged many *adat* or customary communities to seek to claim rights to their *adat* lands and request the government to revoke licenses of companies for

Table 1. Frequency of conflict by province (1997-2003)

No	Province	Frequency	Percent
1	East Kalimantan	109	30
2	Central Java	47	13
3	North Sumatera	36	10
4	West Java	25	7
5	Riau	19	5
6	Jambi	16	4
7	East Java	14	4
8	South Sumatera	12	3
9	Nangroe Aceh Darussalam	10	3
10	Central Kalimantan	10	3
11	Other province	61	17
Total		359	100

Figure 5. Causes of conflict (1997-2003)



timber extraction (Box 2). Communities often cited their disappointment that HPH or HTI holders in particular gave little attention to the livelihood needs of local people, provided inadequate compensation, or did not keep promises. As shown in Figure 6, sources of conflict varied by land management type. Boundaries and access issues were more important in HPHs and HTIs, while shifting cultivation was the most important source of conflict in protected areas. Timber theft was important in HTIs and conservation areas.

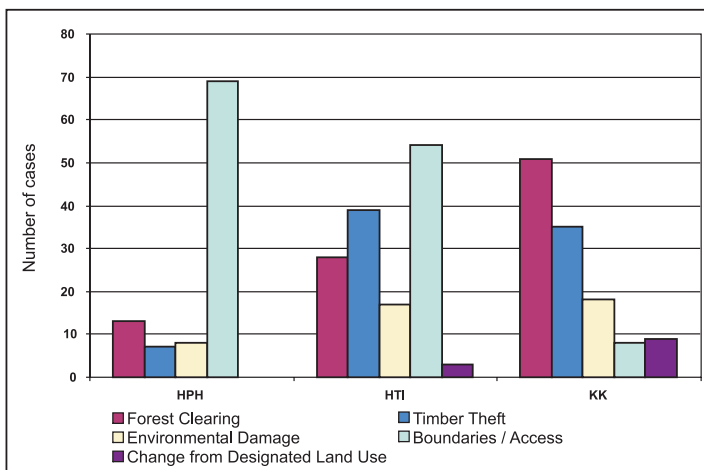
How have conflicts been handled so far?

During the New Order, authorities managed conflict through the military and forest managers used forest community development programs to alleviate tensions with local people. The community development programs, however, were often ill-conceived, did not address conflict directly and made little if any sustainable impact on local livelihoods.

Table 2. Distribution of conflict by most common forest managers (1997-2003)

No	Name HPH/HTI/conservation area	Frequency	Percent	Type
1	Perum Perhutani Unit I	41	11	Plantation Forest
2	Perum Perhutani Unit III	20	6	Plantation Forest
3	PT Inti Indorayon Utama	15	4	Plantation Forest
4	PT Oceannias Timber Products	13	4	Plantation Forest
5	PT Surya Hutani Jaya	12	3	Plantation Forest
6	Perum Perhutani Unit II	12	3	Plantation Forest
7	Taman Nasional Kutai	9	3	Conservation Area
8	Taman Nasional Kerinci Seblat	8	2	Conservation Area
9	PT Tanjung Redep Hutani	7	2	Plantation Forest
10	Taman Nasional Gunung Leuser	7	2	Conservation Area

Figure 6. Causes of conflict by HPH, HTI and conservation area



In the post-reform era, forest managers have dealt with conflict with a range of approaches, from spontaneous deliberation between conflicting parties (often involving biased mediators), to involving the police (where villagers were shot in Randublatung), to compensation payments. All of these are short-term solutions. Although payments provide initial alleviation of tensions, they are not a long-term solution. Moreover, late payments or unkept promises of compensation were a common trigger of violent conflict, often leading to even greater material losses as was the case with HPH PT. Keang Nam in North Sumatra (see Figure 7 and Box 2).

In handling conflict, forest concessionaires and timber estate companies generally tried to limit involvement in the conflict to the two parties involved (the local people and the company). If the dispute was not too large, companies tended to not disclose the conflict to other parties,

including the government. Up to now third party involvement has usually meant higher conflict resolution costs for companies. From the case studies, stakeholders indicated that there are few, if any, third parties that they would all trust in a legal dispute. Conflicts in conservation areas tended to be handled more openly and involved larger numbers of people than conflicts in HPH/HTI areas. These cases tended to more often involve conflicts among officials in different offices or levels of government.

Conclusions and Recommendations

The post-1998 reform period in Indonesia has brought a sharp rise in instances of conflict, amidst a hasty decentralization process and much ambiguity over claims to forest resources. The reform period has brought latent conflict to the surface as well as itself led to new kinds of conflicts. These conflicts are often multifaceted and complex. They have arisen in part as reforms have empowered local communities socially, legally and politically to make claims they would not previously have made for fear of reprisal from the military. In many cases however, communities have had little capacity or authority for managing the conflict among more powerful actors.

Efforts in conflict management have tended to be short-term solutions focused on compensation payments, impromptu negotiations with biased mediation and minor development assistance. These solutions have sometimes generated more conflict when promised payments or goods were not delivered. Use of professional mediation or

Photo by Yuliana Cahya Wulan



Figure 7. Abandoned camp belonging to PT. Keang Nam forest concessionaire in North Sumatra burned down by local people in 2001.

alternative dispute resolution approaches has been rare.

We suggest that much violence could be avoided if companies and government could develop more meaningful ways of acknowledging local people's real livelihood needs and claims to local assets to make sure basic livelihood needs are met fairly. In Kutai National Park, for example, park managers used enclaves as one way to address this need, giving local people clear rights over an area from which they could earn their livelihood, even though moving people to a new area can bring other problems. There is also a need for mediation measures that all parties view as fair. Government needs to enforce legal procedures and agreements. Companies should better inform local people of their plans, negotiate agreements with them about land use and stick to their agreements. Conflict usually became violent where elements of local communities felt frustrated, often because legal procedures failed or were ignored. Violence unfortunately too often makes the victim of an unfair situation the culprit of a different problem that distracts the authorities from the deeper problems at hand.

Based on outcomes of the November 2003 Bogor workshop, we make the following recommendations to improve the management of forest-related conflict and better integrate conflict management into general forest management practices.

Box 2: Media Reports of Conflict between PT. Keang Nam and the People of Tabuyung

People from four villages in Muara Batang Gadis District, Mandailing Natal Regency, North Sumatra, have blockaded PT. Keang Nam forest concession activities in Tabuyung Village, Muara Batang Gadis District. The two week long blockade has prevented thousands of metres of felled timber from being transported out of the region. They have not allowed a boat laden with timber and belonging to Keang Nam to embark. The villagers say their actions are because the company, which has been clear-cutting forests for 27 years, pays no attention to the people in the area even though government rules oblige it to do so. The majority of more than 1000 householders in Muara Batang Gadis are still living below the poverty line.
Source: KOMPAS, May 27, 2000

Hundreds of people from four villages in Muara Batang Gadis District, on Saturday afternoon (15/7) again blockaded PT. Keang Nam forest concession activities. The blockade began that morning after PT. Keang Nam was unable to meet the villagers demands in a meeting attended by Mandailing Natal Regency DPRD and elements of Muspika Muara Batang Gadis.
Source: KOMPAS, July 17, 2000

PT. Keang Nam employees have told Kompas about the arson attack on March 19 2001. At first scores of police Mobile Brigade troops, who had been at the site for a day keeping watch, managed to hold back the crowd. However, their numbers proved too great and finally almost 400 people broke through the forces' cordon and immediately set fire to several company installations.
Source: KOMPAS, March 28, 2001

These recommendations include:

- Investigate past and ongoing conflicts to learn about their causes and the ways in which they were handled, especially to identify constructive means of conflict management.
- Build capacity among government officials, forest managers and NGOs to handle conflicts commonly found in forest areas.
- Create opportunities for forest managers to develop longer-term programs for handling conflict.
- Explore alternative, third-party approaches to conflict management, through for example, professional mediator organizations.
- Promote policy discussion and debate to foster clarity about boundaries and access to forest resources, legal enforcement of agreements, and improved livelihood options for forest-dependent communities.

Conflict management needs to become an integral part of forest management in Indonesia. With more openness about conflict and more opportunities for handling it, we can strive to reduce the negative impacts of escalated conflict and develop more constructive, positive ways of coping with competition and difference among groups with a stake in Indonesia's forest.

This English summary reports only on the major findings of the study at the national level, with selected findings from the analysis of the East Kalimantan and case study data. For more detailed analysis of the national data and provincial-level findings, as well as the complete case study analyses, please see the full report in Indonesian, Wulan, Y.C., Yasmi, Y., Purba, C., and Wollenberg, E. 2003. An Analysis of Forest Conflict in Indonesia 1997-2003. CIFOR-FWI Research Report at www.cifor.cgiar.org.

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