The fall of the Suharto regime in 1998, was supposed to open new opportunities for civil society in the reformation of Indonesia. The uncertain direction in which decentralization will unfold has created a situation where communities and companies are negotiating agreements based on their own perceptions of what decentralization means. This case study presents a snapshot of how this vacuum of law is being played out in one area of East Kalimantan. While this time of transition provides communities with new perceived powers, if decentralization processes, laws and regulations are not clarified, it could also lead to negative social and environmental consequences.

In 1999 the Government of Indonesia (GOI) passed a provocative set of decentralization laws. The spirit of these two laws is in many ways diametrically opposed to the tradition of centralist control legitimated through previous legislation (Sembiring et al. 1999, Down to Earth 2000). Decentralization in Indonesia is a political reaction that attempts to guarantee that regions that possess natural resources will receive profit from the aforementioned resources. It is assumed that regional autonomy will result in sustainable and democratic natural resource management, and that it will benefit local economies (NRM 2000).

Although Indonesia's decentralization laws were passed in May 1999, they will not be fully implemented until June 2001. During this transition period, GOI is preparing for the implementation of regional autonomy by synchronizing previous legislation with the decentralization laws and drafting implementing regulations. Even though all of the regulations have not been drafted, "de facto decentralization" is taking place. What I mean by "de facto decentralization" is that because implementation processes have been slow, there seems to be great uncertainty among stakeholders as to how regional autonomy will operate. In response, they are strategically maneuvering and positioning themselves, taking actions based on their own understandings of what decentralization means.

This paper describes the uncertainty and disparity in perceptions regarding regional autonomy as it applies to natural resources. This discussion is followed by a case study in East Kalimantan to illustrate that although there exists ambiguity regarding regional autonomy, stakeholders are acting strategically and that the actions of stakeholders, including local communities themselves, seem to be negatively impacting local communities.

Uncertainty and disparity in perceptions regarding decentralization

The level of uncertainty and disparity in perceptions regarding decentralization and its implications were captured in a study carried out from December 1999 - February 2000 by the Institutional Task Force for Forestry Sector Decentralization under the auspices of the Ministry of Forestry and Estate Crops (MFEC 2000). The study revealed that although regional stakeholders remain enthusiastic about forestry sector decentralization, there is no consensus on what it means, how it should be implemented, and how roles and responsibilities are divided. The results of this study also show that central government and regional government officials have significantly different opinions regarding authority over, and responsibility for, forests, such as: forest area determination, forest use determination, forest management area establishment, permitting production forests and protected areas, permitting the breeding and use of flora and fauna, the export of flora and fauna, and levies and tariffs (MFEC 2000). To justify their respective perceptions, government officials often draw upon existing legislation to bolster their arguments.

Although the level of uncertainty in the policy environment is high, stakeholders in certain areas are taking actions based on their respective understandings of the new legal environment. In other words, imaginings of decentralization are motivating certain actions by certain stakeholders even though the existing legal framework may not necessarily support their actions. This is what is meant by "de facto decentralization."

De Facto decentralization at the village level
The following discussion is based on two weeks of field research in July 2000 in East Kalimantan in four villages that are collectively referred to as Lokasi Eylbisidi\(^5\) and individual villages include Long Eyi, Long Bi, Long Si, and Long Di. The objective of the research was to understand the socio-political dynamics regarding the relationships among stakeholders. This fieldwork was supplemented by three months of research conducted in the aforementioned villages in 1999, when the decentralization legislation had just been passed. This case study is at best a "signpost" or "snapshot" of one possible way that regional autonomy is unfolding at the moment; it is not meant to be seen as a trend or trajectory.

This area of East Kalimantan is home to several Dayak ethnic groups that practice shifting cultivation and possess a broad portfolio of livelihood strategies, such as harvesting forest products, cultivating gardens, and hunting. Rich in natural resources, much of the area is also slated as timber concessions and mined for coal. Historically, as in many parts of Kalimantan and Indonesia, local communities have been disenfranchised vis-a-vis the state and private sector and lack any legally recognized rights to the land, although they have sustainably managed and claimed a substantial portion of the natural resources for centuries (Poffenberger and McGean 1992). Indeed, local people in this area have a deep-seated resentment toward the timber and mining companies, which provide scant benefit to them. Ironically, because of their political powerlessness, local people are in important ways dependent on the rare munificence and frequent apathy of the companies, e.g., providing villagers informal, sporadic transport to their swidden fields.

**Villager's understanding of decentralization: "Our land rights have been returned to us"**

The research in 2000 indicates that the local Dayak ethnic groups now strongly believe that due to decentralization their land rights have been returned to them\(^4\). The often heard phrase was “our land rights have been returned to us,” although upon further questioning, it was evident that local people did not have a firm understanding of this legislation, nor have villagers received any official recognition from the government of their land rights. "Regional autonomy" (otonomi daerah)\(^5\) was also frequently part of villagers’ explanations. The government has not provided villagers with any sort of legal literacy; villagers' understanding of their land rights returning to them was derived from communication among villagers, the efforts of NGOs\(^6\) and an international forestry research institution working in the region since 1998, and/or mass media sources. This understanding - irrespective of the accuracy - has been instrumental in changing the attitudes of the local people regarding companies and government; there is a sense of political power that villagers themselves acknowledge was rarely felt a year ago. Complementing this new found attitude are the actions and inactions of companies and prospective investors currently operating in the area. Villagers repeatedly mentioned that investors were prospecting in the region; indeed the word “investor” has seeped into villagers' everyday vocabulary.

For example, Long Asli contracted the timber company PT Baru to harvest 15,000 ha of primary forest that this village claims as theirs traditionally\(^7\), although legally it has been slated to another timber concessionaire, PT Lama, since the early 1990s. There are strong indications that PT Lama is aware of the agreement, yet has taken no firm measures against Long Asli or PT Baru. In none of the conversations with villagers was the legally recognized timber concessionaire mentioned, although most all stakeholders, including the villagers, are aware that PT Lama holds the timber concession for the region. That this situation even exists indicates the impact of de facto decentralization. Prior to this period, it was infrequent that villagers in this region possessed the confidence to act so brazenly; that a potential investor would feel the need to meet with local communities, let alone sign an agreement with community leaders to share revenues; and that the existing timber concessionaire would allow this event to take place. This is not to say, however, that prior to decentralization these features were non-existent, but it does seem that the present situation represents a greater recognition of the significance of communities.

Likewise, Long Eyi, recently brokered an agreement with an oil palm company to relinquish an area of primary forest that villagers claim as theirs\(^8\), yet has been slated to a timber concessionaire, PT Lebih Lama, since the 1980s. The company negotiated directly with villagers, has the proper permits from the government to operate there, and is presently building skid trails. In speaking with villagers about this oil palm company, the timber concessionaire never entered into conversations, and villagers’ answers to questions regarding this timber concessionaire indicated that the company had not approached villagers about this situations. These examples indicate that villagers now perceive themselves as a significant enough political factor for the companies to consider them relevant to their operations. Both of these examples indicate an increased bargaining power on the part of local communities. It must be noted that this is a perceived sense of political power and may not actually be the case. Indeed, there have been reports from other villages of threats from investors and surveyors who have not requested permission from villagers (Pers Comm Wollenberg).
Increase in inter-village conflicts

However, the new found sense of political power among villagers has lead to a heightened sense of conflict both between and within villages, as well as the possibility of intra-village exploitation. For example, in the case of the oil palm company, the primary forest in question is collectively is actually claimed by all four villages. While these four villages are adjacent to one another and to an outsider seem to constitute one location geographically, each village is dominated by a different Dayak ethnic group and are administratively independent of one another.

In the past, these four villages had mutually decided that the area in question would be a forest reserve and managed collectively, i.e., individual village boundaries within the forest were not delineated. Because Long Eyi has swiddens closest to the forest area in question, the oil palm company negotiated with the Long Eyi community leaders, who in return did not feel the need to inform the other three villages nor acknowledge to the company that the forest was shared by all four.

Once confronted by the community leaders of the other three villages, a public meeting was held to resolve the issue. Long Eyi demanded that the only way to resolve the situation was to divide the forest reserve evenly among the four villages, such that each village could make its own decisions about how to utilize the forest. Long Bi, the village with the largest population (approximately 60% of the entire population of the four villages), vehemently disagreed with this and demanded to maintain the forest as a collective or divide the forest proportionally according to population. Each of the other two villages took opposing sides, and none of the four villages were willing to compromise. All sides of this issue have rational and legitimate arguments to support individual viewpoints.

It also appears that although the oil palm company is aware of the conflict among the four villages, it is either unconcerned about this conflict or may be benefiting from the situation. The representative of the company, who now resides in Long Bi, only meets with community leaders of Long Eyi and has not approached the community leaders of other villages. Prior to the decentralization laws, the relations between the various ethnic groups were not entirely positive, but this latest development with the oil palm company has sparked a heightened level of suspicion among the four villages.

**Distance between community and their leaders the lack of accountability**

Suspicion and social jealousy within villages have increased as a consequence of these developments. Many villagers feel that their community leaders are not representing the best interests of the community in negotiations with companies, but rather are acting in self-interest. Indeed, prior to decentralization some villagers felt that the community leaders brokered their own deals with the mining and timber companies operating in the area at the cost of greater community interests. During the July 2000 visit, this sense of village leaders' increasing self-interest was more frequently and strongly expressed by villagers.

Since the mining company moved into the area in 1996 and destroyed the river that was a primary source of drinking water for the four villages, villagers of Lokasi Eyihsidi have demanded that the company build a piped water system sufficient enough to supply all four villages. After numerous promises and less than sincere implementation on the part of the company, in May the villagers renewed their demands for the water system, as well as daily transportation to their rice fields and a network of public lights and requisite generators, both of which had been informally agreed to in the past. These renewed and more vehement demands resulted in a written agreement between the mining company and the community leaders from the four villages signed by the Head of the Regency. The timing, intensity and legitimization of the communities' demands indicate that de facto decentralization, and the subsequent sense of political power that it imparts to local communities, played a significant role in the negotiations.

The written agreement, however, differs in significant ways from what was agreed upon verbally during a public meeting, viz., the timeline for the construction of the water system. During the public forum, the company acquiesced to a one-month time line after the community refused the company's request for a three-month deadline. At the Regent's office, however, the company explained to the Regent and community leaders that one-month was impossible; the community leaders agreed to provide a three-month deadline. The community leaders, however, did not publicly announce this to the villagers, and hence when one month passed, a substantial number of villagers were ready to protest. At this juncture, the community leaders explained to the villagers that the deadline was actually three months. It was this event and similar ones that triggered increased villager suspicion that their leaders and companies were colluding.

Whether community leaders are colluding with companies is uncertain, yet that the high level of suspicion exists indicates that the fabric of the social relations between community leaders and their constituents is fraying (villagers themselves often informed me of this change in social relations). Although there are minor
calls for responsibility, accountability and transparency by community members on the part of community leaders, the mechanisms or social institutions are not as yet in place. Because of this, villagers often informed me social attitudes are becoming more individualistic and self-interested.

**Regional autonomy opportunities for extraction companies**

Furthermore, because of this sense of new found political power and the, at least, nominal acknowledgment of this by investors and existing companies, the lack of the villagers’ legal literacy may have serious negative socioeconomic and environmental consequences in the long-term (and perhaps short-term as well). The deals that have been brokered between the various companies and community leaders indicate the continued egregious exploitation of local people and the surrounding natural resources. For example, in the agreement with the oil palm company, Long Eyi will receive only a fraction of the market price for hardwoods to be harvested. Further, the community leaders of Long Eyi mentioned that the company would provide gardens for villagers in the area to plant coffee, candle-nut and other garden crops.

The literature on the impact of oil palm on the livelihoods of small farmers belies these individuals’ understanding of the benefits they will receive from the oil palm company (Casson 2000). Indeed many villagers, including the community leaders of Long Eyi, are aware of the deleterious consequences of oil palm for small farmers, yet the community leaders of this village seemed unconcerned. Several community leaders are well aware of the possibility that the oil palm company may only harvest timber and leave the region without plantings.

Community leaders in Long Asli, who successfully sought out the timber company, signed an agreement without fully understanding one of the key terms of reference that transfers/delegates the authority over forest to the company (pelimpahan). One village leader who was absent during the signing of the contract knew the meaning of the term and what this term meant for community control over the forest in question. At the time of the field visit, he was attempting to convince other village leaders to renege on the agreement.

As a final example, in reviewing with a villager of Long Bi the signed agreement between the mining company and community leaders of Lokasi Eyibisidi regarding the water system, transport, and electricity, it was clear that his understanding of what was written in the contract and what I understood from the contract were quite different. The contract did not obligate the mining company to fulfill the demands of the communities in the same ways that the villagers thought it did. When I raised this issue with this individual, he admitted that his understanding of written Indonesian was not very good and that he had a difficult time understanding what was written.

**Conclusion**

It needs to be emphasized that the details of this case study are at best a "snapshot" of the consequences of de facto decentralization; it illustrates one possible direction of change of the socio-political and natural environments in the context of an ambiguous, transitional policy environment. Moreover, it is not the intention of this case study to represent local communities as politically powerful exploiters. At best, the present situation in this area of East Kalimantan shows that the repertoire of the "weapons of the weak" has, at least momentarily, broadened (Scott 1985).

The effects of de facto decentralization on local communities are not entirely positive: This case study has shown that the social structure of the villages of Lokasi Eyibisidi has deteriorated during this period of transition. Although de facto decentralization has seemingly provided opportunities to communities, companies have also received opportunities during this transition period. Because of the historical disparity in political power between villagers and companies, there is a strong possibility that regional autonomy will benefit companies and local elite more than other community members. If the legislation on regional autonomy is not fully clarified to local people (e.g. the rights and obligations of individual stakeholders regarding the management of natural resources), there could be further deterioration of trust between the communities and its leaders.

Even if the regional autonomy legislation is sufficiently clarified, there is a likely possibility that local communities will remain relatively powerless. GOI will need to properly socialize the aforementioned legislation to all relevant stakeholders, especially local communities, and create an effective judicial system, i.e., judicial opportunities to appeal or manage conflicts. Although regional autonomy should result in more sustainable and democratic natural resource management, if GOI does not devolve responsibility, and accountability, it is unlikely that the objectives of regional autonomy will be met (Agrawal and Ribot nda).
Acknowledgments

The research that informs this essay was conducted in collaboration with the Center for international Forestry Research (CIFOR) and the fieldwork for the case study was carried out in a region of East Kalimantan that is a long-term CIFOR research site. I would like to thank Lini Wollenberg, Ph.D., at CIFOR for comments on an earlier draft and also for her unfailing encouragement. I would also like to thank the ACM field staff, specifically, Njau Anau, Asung Uluk, Made Sudana, and Godwin Limberg, for sharing their insights on and facilitating my understanding of the socio-political dynamics of this region. I am indebted to the villagers of Lokasi Eylbisidi for their hospitality, unending patience with my questions, and willingness to allow me to participate in their lives. CIFOR not only made my research in this region possible, but also provided me with full logistical support. I received generous financial support for the research in 2000 from the Council on Southeast Asian Studies at Yale University and in 1999 from the Council on Southeast Asian Studies, the Program in Agrarian Studies and the Tropical Resources institute at Yale University.

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Notes
Such as Law No. 22 regarding Regional Governance and Law No. 25 regarding Intergovernmental Fiscal Balance

One key implementing regulation under Law No. 22 was approved in May 2000, i.e., PP No. 25/2000 regarding Governmental Authority and Authority of a Province as an Autonomous Region.

Lokasi Eyibisidi is located within a region that is a long-term research site of Center for International Forestry Research. All names of villages and companies used in this essay are pseudonyms.

This may also be due to villagers’ nascent awareness of other government regulations such as Regulation from the Minister of Agrarian Affairs/Head of the Bureau of Lands No. 5/1999 Guidelines to Resolve Adat (Customary) Communal Rights Conflicts, in which the National Land Agency will accept the registration of Adat lands and treat them as a communal and non-transferable right (Fay and Sirait 1999). Villagers in Lokasi Eyibisidi never specifically mentioned this government regulation and none had their lands registered. Leaders in other villages, however, are aware of the possibility and are attempting to register land as customary.

This Indonesian term is used nationally as a synonym for decentralization (desentralisasi).

A national NGO has worked in the area for the last year, and its work could be considered as inciting local people.

The Dayak ethnic group in this village is well recognized as the original inhabitants of the region, their history spanning many generations.

This is not to imply that the timber concessionaire is unaware of the situation or that the concessionaire has not approached the government or oil palm company.

Prior to the arrival of the oil palm company, the four villages as a collective claimed this region of forest. See following discussion.

Since the time of this field study, CIFOR has organized cross visits for villagers to an area of East Kalimantan that has undergone oil palm development so that villagers in this area can see first hand the effects of oil palm and better understand their rights (Pers Comm Wollenberg)