REFORMASI AND ITS EFFECTS ON FOREST MANAGEMENT POLICIES IN INDONESIA

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Introduction

Indonesia is endowed with an extensive tropical forest resource covering 143 million ha. It is the prevailing land cover on the large islands of Sumatra, Kalimantan, Sulawesi and Irian Jaya as well as the smaller, but less populated, islands. For centuries, however, commercial forest management concentrated on the island of Java, Indonesia's fifth biggest and most densely populated island (900 persons/km$^2$). The vast forests of the outer islands had remained virtually untouched by the forestry sector due to lack of technical expertise and infrastructure. To utilize the forest resources of the outer islands for national economic development, the government created incentive systems for local and foreign forest harvesting operators. The Forestry Act of 1967, more commonly known as Undang-Undang (Law) No.5/1967, was particularly aimed at stimulating investment in forestry. Within five years of the promulgation of the act, annual log production from the outer islands increased sharply.

The only reference law available in Indonesia for formulating Undang-Undang No. 5/1967 was the existing forestry law of 1927 for Java-Madura. This law was drafted by the Dutch colonial government to secure raw material from teak plantations for the shipyards in the Netherlands. At that time, social issues were of little concern and received no mention in the law. The 1927 forestry act focused on timber production only, as did the Undang-Undang No.5/1967.

Ten years before passing Undang-Undang No.5/1967, the Indonesian government had actually drafted a regulation for decentralization (PP No.4/1957$^2$). According to the 1957 regulation, local governments could permit logging by local people in forest areas not exceeding 10,000 ha (with permission from the Governor, who is the Head of Province) or 5,000 ha (with permission from the Bupati, Head of Regency). Above 10,000 ha permits were issued by the central government. The new Undang-Undang (No.5/1967 replaced this earlier regulation as it was viewed as inefficient. PP No.4/1957 was replaced by PP No. 21/1970, which vested all control over forest concessions with the central government. As a result, local people's access to forest resources was severely restricted and conflicts between local communities, concessionaires and government officials increased steadily. Until the end of 1997, conflicts were usually resolved favor of the government and concessionaires, leaving local people at a disadvantage. However, this has changed drastically since May 1998 when Suharto stepped down as the Indonesian President.

The Problems

After only two decades of timber extraction in Indonesia, the vast natural forest is severely degraded. Due to supportive government policies, the number of wood-based industries increased rapidly; as has the demand for logs as raw material, which has tremendous implications for the forestry sector. The unsuccessful regeneration system, TPI (Indonesian Selective Cutting), was replaced by a modified system, TPTI (Indonesian Selective Cutting and Planting). However, forest regeneration in logged-over areas did not improve. Instead relogging became a more common practice.

As the forest conditions continued to decline, conflicts between the local people and the concessionaires as well as government officials increased in intensity, which exacerbated the forest fires of 1982/83 and 1997/98. All of these developments have added pressure on the forest resources of the outer islands with the following associated problems:

- Due to poorly planned logging operations, natural forest resources have been degraded;
- Large-scale fires have seriously damaged the rich flora and fauna of Indonesia's forests;
- Degraded forests provide less non-timber forest products required by local people and industries;
- The degrading Indonesian tropical rain forests are affecting the stability of the global climate;
- TPI as well as TPTI regeneration systems have failed;
- Growing imbalance between authorized supply and demand of timber (more than 30 million cubic meters per year); and
- As decentralization has not been supported by appropriate policy instruments, it has remained official
rhethoric without any positive changes and impacts on the ground.

**Forest Distribution and Population**

Forest distribution on Indonesia's main islands is uneven (Table 1). More than 47 percent of Sumatra is covered by forests, although coverage ranges from 30.6 in southern Lampung to 68.6 percent in West Sumatra. The forest cover of East Kalimantan is 75.6 percent. Less than 24 percent of Java is covered by forests. Nationwide, 30 million ha of forests have been classified as conversion forest, to be used for agriculture, estate crops and settlements. While the forest area is still extensive, it requires a comprehensive strategy for its management and conservation.

**Table 1: Area and percentage of forest cover in Indonesia**

<table>
<thead>
<tr>
<th>Island</th>
<th>Total Area ('000 ha)</th>
<th>Forest Area ('000 ha)</th>
<th>Forest cover (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumatra</td>
<td>48,239</td>
<td>22,696</td>
<td>47.1</td>
</tr>
<tr>
<td>Java</td>
<td>12,750</td>
<td>3,013</td>
<td>23.7</td>
</tr>
<tr>
<td>Nusa Tenggara</td>
<td>8,774</td>
<td>3,356</td>
<td>38.3</td>
</tr>
<tr>
<td>Kalimantan</td>
<td>54,789</td>
<td>36,674</td>
<td>66.9</td>
</tr>
<tr>
<td>Sulawesi</td>
<td>19,180</td>
<td>12,060</td>
<td>62.7</td>
</tr>
<tr>
<td>Moluccas</td>
<td>7,787</td>
<td>5,097</td>
<td>62.8</td>
</tr>
<tr>
<td>Irian Jaya</td>
<td>42,198</td>
<td>28,817</td>
<td>68.3</td>
</tr>
<tr>
<td><strong>Total Indonesia</strong></td>
<td><strong>193,718</strong></td>
<td><strong>111,713</strong></td>
<td><strong>57.6</strong></td>
</tr>
</tbody>
</table>

The uneven distribution of the forest is mirrored by the differences in population density. While Java is extremely densely populated, very sparse populations characterize Irian Jaya and Kalimantan (Table 2). The uneven distribution of forest resources and population are aggravating circumstances in national economic development planning, particularly from the forestry sector's point of view. A decentralized system will be more appropriate if maximization of forest benefits for the welfare of local people is the goal. However, such a system needs proper planning and management. It also requires people skilled at all levels of the administration. Finally, it must be supported by strong local governments and people's organizations at the community level.

**Table 2: Population and population density in Indonesia**

<table>
<thead>
<tr>
<th>Island</th>
<th>Total Area (km²)</th>
<th>Population</th>
<th>Density (Prs/km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumatra</td>
<td>482,393</td>
<td>40,830</td>
<td>85</td>
</tr>
<tr>
<td>Java</td>
<td>127,499</td>
<td>114,734</td>
<td>900</td>
</tr>
<tr>
<td>Nusa Tenggara</td>
<td>87,744</td>
<td>10,959</td>
<td>125</td>
</tr>
<tr>
<td>Kalimantan</td>
<td>547,891</td>
<td>11,470</td>
<td>19</td>
</tr>
<tr>
<td>Sulawesi</td>
<td>191,800</td>
<td>13,732</td>
<td>72</td>
</tr>
<tr>
<td>Moluccas</td>
<td>77,871</td>
<td>2,087</td>
<td>27</td>
</tr>
<tr>
<td>Irian Jaya</td>
<td>421,981</td>
<td>1,943</td>
<td>5</td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td><strong>1,937,179</strong></td>
<td><strong>194,755</strong></td>
<td><strong>101</strong></td>
</tr>
</tbody>
</table>

**Reformasi in Forestry**

Total Reformasi was proclaimed by the people, especially students, when President Suharto was replaced by President Habibie on 21 May 1998. Forestry is one of the most important areas within Reformasi because it is contentious as well as economically very significant. Only 10 days after the new Minister of Forestry and Estate Crops was appointed, the Communication Forum for Community Forestry (FKKM) initiated discussions on how Reformasi should be implemented in Indonesian forestry.
On 22 June 1998, FKKM organized a national seminar in Yogyakarta, which was opened by the new minister. The seminar proposed that the export-earning objectives of forestry should be shifted towards improving local people’s welfare. To meet this goal, the new vision of forest management in Indonesia is to manage the forests sustainable and democratically for the benefit of all people. More details of the vision were laid out in the following nine mission statements that indicate the necessity to:

- develop a mechanism to secure people’s rights to the forests and to empower local institutions to manage forests to improve the economic well-being of the people;
- change the culture of the bureaucracy from authority to public service orientation;
- change forest management from pure timber extraction to forest resource and forest ecosystem management (during the transitional period, a timber management system can be applied in the outer islands by the “most qualified” concessionaires);
- decentralize policy making concerning the allocation and management of the national forest resource;
- make forest management transparent and fair;
- increase people’s participation in formulating forest management policy and introduce the principle of accountability;
- establish a control system for forest management by the people;
- manage forests in environmentally sound and economically profitable ways; and
- improve the productivity of forestlands to supply raw material to wood-based industries and to enhance employment opportunities.

The new minister set up a Reformasi Committee to facilitate the shift in forest management. While the FKKM continues discussions on reforms in the forestry sector, differences in views and approaches are emerging between the Forum and the Reformasi Committee. Although the two institutions agree that the people’s share in benefits and roles in forest management must increase, the different views on how exactly to involve people in forestry are obvious. The FKKM members have experience working directly with local people and are aware that solutions are not straightforward. The major difference between the two institutions concerns policies regarding the concessionaire System. FKKM has proposed new policies and management to gradually replace the old system, or at least to reduce the role of the concessionaires. What is obvious, is that forest management needs to change and follow the principles of proper forest ecosystem management.

The Solution

The immediate tasks for reforming the forestry sector are to:

   - The new organization must decentralize policy formulation and forest management. At the national level, the organization should be headed by an Eschelon I government official responsible for designing a long-term national management plan to be part of the National Economic Development Plan.
   - Indonesia can be divided into five regions, i.e. (1) Sumatra, (2) Kalimantan (3) Java and Nusa Tenggara, (4) Sulawesi, and (5) Moluccas and Irian Jaya. Each region must have its own location-specific management plan, both long- and medium-term. The plans must be derived from the National FRM Plan, but the local characteristics of the people, economic development and forestry must be taken into account in the formulation of the management objectives to maximize the benefits of the forests for the people and regional development. The Regional Planning Board should be headed by an Eschelon II government official.
   - Each region should be divided into sections that manage certain forest areas. Each section should be headed by an Eschelon III government official. It should be the task of this official to draft a medium-term and operational FRM Plan for each district.

2. Perform forest management (at least initially) by one of the following three stakeholders.
   - Qualified concessionaires that apply Timber Management (TM) systems to supply raw material to the wood-based industries.
   - Government forest corporations (central and local) and Provincial Forest Services. And
   - Local institutions.

3. Change or improve the attitudes of all stakeholders involved in forest management in order to maximize financial and economic benefits.

Time Frame
Improving forest management in Indonesia consists of the following three stage with the final stage only starting in 2025\(^3\).

**Preparation stage (1998-1999)**

The objectives of the first stage are to:

- improve *Undang-Undang* No.5/1967 to institutionalize local forest management;
- reorganize the Ministry of Forestry and Estate Crops; and
- disseminate information on forest management changes (internal as well as external) to all stakeholders.

**Stage 2 (2000-2025)**

The second stage is broken down into five, 5-year periods. Its objectives are to:

- design long-term National and Regional FRM Plans and implement them;
- draft medium-term and operational management plans for each district; and
- evaluate the new system and mechanisms on the national and regional levels.

The first five-year period starts in the year 2000. Its specific objectives are to:

- improve the roles of the government forest corporation in setting-up "modified" TM, FRM, and FEM systems;
- introduce the concessionaires to forest management based on the principles of modified TM system; and
- develop local forest management systems (this will require considerable resources as systems will be location-specific depending on biophysical, economic and socio-cultural circumstances).

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**Notes**

1 Reformasi is a general term in the Indonesian political context used to denote the change from the authoritarian Suharto regime to a more democratic system of government.

2 PP is the abbreviation of *Peraturan Pemerintah* (Government Regulation).

3 At this point in time it is not possible to outline the objectives of the final stage.