

THE POLITICS OF THE INDONESIAN RAINFOREST

*A Rise of Forest Conflicts in East Kalimantan during
Indonesia's Early Stage of Democratisation*

I Ketut Gunawan



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Glossary

ABRI	: <i>Angkatan Bersenjata Republik Indonesia</i> (Indonesian Armed Forces; the Army, the Marines, the Air Force, and the Police Force).
Adat	: Customs, customary law, traditional rules of the game in the public life.
AMAN	: <i>Aliansi Masyarakat Adat Nusantara</i> (Alliance of Adat Community of the Archipelago).
APHI	: <i>Asosiasi Pengusaha Hutan Indonesia</i> (Indonesian Association of Forest Concession Holders, Association of Indonesian Forest Concessionaires).
APN	: PT Anangga Pundinusa or PT Anangga Pundi Nusa, a joint HTI-Trans company between Inhutani I and BPTG.
AI	: Astra International, a holding company owned by William Soerjadaja, a parent company of PT Sumalindo Lestari Jaya Group.
Babinsa	: <i>Bintara Pembina Desa</i> (Village Guidance Non-Commissioned Military Officer).
BAL	: Basic Agrarian Law (1960).
Bakorstanas	: <i>Badan Koordinasi Bantuan Pemantapan Stabilitas Nasional</i> (Coordinating Board for Assisting in the Consolidation of National Stability)
Banjir Kap	: East Kalimantan terminology for a form of logging that is less reliant on heavy equipment and infrastructure, where the logged timber from certain forest blocks (<i>kapersil/kopersil</i>) are transported by means of river transportation, either as a single trunk or a log raft, during the floods (<i>banjir</i>) of the rainy season. <i>Banjir Kap</i> was “formalised” in government policy in order to provide opportunities to local people for the extraction of timber. <i>Banjir Kap</i> I occurred from the late 1960s until the early 1970s and <i>Banjir Kap</i> II occurred from the late 1990s until the early 2000s.
Barito	: Barito (Pacific Timber Group), a group company of APN and TYSP.
BFL	: Basic Forestry Law (1967, 1999).
BPK	: <i>Badan Perwakilan Kampung</i> (Village Representative Body).

BPTG	: Barito Pacific Timber Group, a group company of APN and TYSP.
Camat	: Sub-District Head.
Danramil	: <i>Komandan Rayon Militer</i> (Sub-District Military Commander).
Dansek	: <i>Komandan Sektor</i> (Sub-District Police Chief).
Dephut	: <i>Departemen Kehutanan</i> (Department of Forestry, Ministry of Forestry).
Desa	: Village
Dipan	: Slaves, slave social group, the lowest class or social stratum in the Dayaknese society in the past.
Ditsospol	: <i>Direktorat Sosial Politik</i> (Directorate of Socio-Political Affairs)
DPR	: <i>Dewan Perwakilan Rakyat</i> (People's Representative Assembly, National Parliament).
DPRD I	: <i>Dewan Perwakilan Rakyat Daerah Tingkat I</i> (Provincial Parliament).
DPRD II	: <i>Dewan Perwakilan Rakyat Daerah Tingkat II</i> (District Parliament).
DR	: <i>Dana Reboisasi</i> (Reforestation Fund).
Dishut	: <i>Dinas Kehutanan</i> (Forestry Service under local government, both at provincial and district levels).
Dwifungsi	: Dual function, a military doctrine placing itself as both a socio-political force and a defence force. This doctrine was excessively used during the New Order era to justify military intervention in non-military affairs, particularly in politics.
Golkar	: <i>Golongan Karya</i> (Functional Group, government's party during the New Order era).
Golkarisation	: A mechanism to Golkar-ise the government bureaucracy (state apparatus), villages (community members), etc.
Hipui	: The highest social stratum (aristocratic group) in the Dayaknese society, adat/customary leader in the past.
HPH	: <i>Hak Pengusahaan Hutan</i> (Forest Concession, Logging Concession, Forest Exploitation Rights).
HPH-Bina Desa	: <i>Hak Pengusahaan Hutan-Bina Desa</i> (village community development program carried out by logging companies).
HPHH	: <i>Hak Pemungutan Hasil Hutan</i> (Forest Product Harvesting Rights; a 100 ha concession rights granted to local community).
HPHTI	: <i>Hak Pengusahaan Hutan Tanaman Industri</i> (Industrial Timber Estate/Plantation Concession).

HTI	: <i>Hutan Tanaman Industri</i> (Industrial Timber Estate/Plantation).
HTI-Trans	: <i>Hutan Tanaman Industri-Transmigrasi</i> (Industrial Timber Estate-Transmigration, an incorporation of HTI and transmigration programs where transmigrants are projected to be the HTI workers).
Hutan adat	: Adat forest, customary forest.
Inhutani	: Name of a state-owned forest company.
IPK	: <i>Ijin Pemanfaatan Kayu</i> (Wood Utilisation Permit; forest exploitation rights prior to the establishment of an industrial timber estates/plantations).
Kabupaten	: District, District government.
Kaditsospol	: <i>Kepala Direktorat Sosial Politik</i> (Head of [Provincial/District Office of] the Directorate General of Socio-Political Affairs)
Kaltim	: <i>Kalimantan Timur</i> (East Kalimantan).
Kampung	: Village. In West Kutai District, the term “ <i>Kampung</i> ” is currently used in the district law to supersede the term “ <i>Desa</i> . ”
Kanwil Kehutanan	: Provincial Forestry Service under the Department of Forestry, Provincial Office of the Department of Forestry. Since the promulgation of the 1999 Basic Forestry Law and the 1999 Local Government Law, <i>Kanwil Kehutanan</i> has been abolished.
Kapolsek	: <i>Kepala Kepolisian Sektor</i> (Sub-District Police Chief).
Kecamatan	: Sub-District, Sub-District government.
Kepala Adat	: Adat Leader, Customary Leader (village level).
Kepala Adat Besar	: Great Adat Leader (sub-district level).
Kepala Desa	: Village Head.
Kesbang Linmas	: <i>Badan Kesejahteraan Bangsa dan Perlindungan Masyarakat</i> (Nation’s Welfare and Community Protection Body; a successor of Ditsospol).
Kodam	: <i>Komando Daerah Militer</i> (Regional Military Command).
Kopkamtib	: <i>Komando Pemulihan Keamanan dan Ketertiban</i> (Operation of Command for the Restoration of Security and Order).
Koramil	: <i>Komando Rayon Militer</i> (Sub-District Military Command).
Korem	: <i>Komando Resort Militer</i> (Resort Military Command).
Korpri	: <i>Korps Pegawai Republik Indonesia</i> (Indonesian Civil Servants Association).
KK	: <i>Kepala Keluarga</i> (Household, Household Head).

KKN	: <i>Korupsi, Kolusi, dan Nepotisme</i> (Corruption, Collusion, and Nepotism).
Kuasa Adat	: Adat Authority, Village Team, village's representatives in dealing with the forest company.
Kubar	: <i>Kutai Barat</i> (West Kutai District).
Ladang	: A shifting cultivation rice field, agricultural area in a dry-farming cultivation system.
Lamin Adat	: Adat Hall
Latent conflict	: Conflict that has not surfaced yet.
LBU	: Long Bagun Ulu (name of a village in West Kutai District, a village case of this study).
LKMD	: <i>Lembaga Ketahanan Masyarakat Desa</i> (Village Community Resilience Council), a village organisation whose tasks are to plan and to implement village development programs.
LMD	: <i>Lembaga Musyawarah Desa</i> (Village Consultative Council).
Mandau	: Dayaknese sword.
Manifest conflict	: Open conflict, frontal conflict, conflict that has been manifest.
Massa mengambang	: Floating mass, mass depoliticisation policy by preventing political parties to have branches below the district level.
Masyarakat adat	: Adat community, customary community.
Matalibaq	: Name of a village in West Kutai District, a village case of this study.
Monoloyalitas	: Mono-loyalty (civil servant's mono-loyalty to the government, including to the government's party [Golkar], during the New Order era).
MPR	: <i>Majelis Permusyawaratan Rakyat</i> (People's Consultative Assembly).
Musdat	: <i>Musyawah Adat</i> (Adat Congress).
Muspida	: <i>Musyawah Pimpinan Daerah</i> (Council of Provincial Leaderships [<i>Muspida</i> I] or District Leaderships [<i>Muspida</i> II]).
Muspika	: <i>Musyawah Pimpinan Kecamatan</i> (Council of Sub-District Leaderships, Sub-District Authorities. Muspika is composed of Sub-District Head [<i>Camat</i>], Sub-District Military Commander [<i>Danramil</i>], and Sub-District Police Chief [<i>Kapolsek</i>]).
New Order	: Soeharto's government or regime, 11 March 1966 - 21 May 1998.
NTFPs	: Non-Timber Forest Products, Non-Wood Forest Products.

NTT	: <i>Nusa Tenggara Timur</i> (East Nusa Tenggara), one of the provinces in Indonesia.
Outer Islands	: Mostly islands outside Java, Madura, and Bali.
Panyin	: Common people, lower class or social stratum in the Dayaknese community.
PDI-P (PDIP)	: <i>Partai Demokrasi Indonesia Perjuangan</i> (Indonesian Democratic Party of Struggle).
Pegawaq	: Middle social stratum in the Dayaknese community, adat apparatus assisting the adat leader.
Pemkab	: <i>Pemerintah Kabupaten</i> (District Government).
Pendekatan keamanan	: Security approach, a mechanism where the security issues/matters are placed in a top priority.
Petinggi	: Village Head. The term “ <i>Petinggi</i> ” is currently revived in West Kutai District to supersede the term “ <i>Kepala Desa</i> .”
PMDH	: <i>Pembangunan Masyarakat Desa Hutan</i> (Forest Community Development Program).
PMA	: <i>Penanaman Modal Asing</i> (foreign investment, law on foreign investment).
PMDN	: <i>Penanaman Modal Dalam Negeri</i> (domestic investment, law on domestic investment).
Pola kemitraan	: Partnership scheme, cooperation project. In LBU, it is designed as a logging cooperation project.
Polsek	: <i>Kepolisian Sektor</i> (Sub-District Police).
Post-New Order	: Post-New Order regime or era, post-21 May 1998.
Rapat adat	: Adat meeting
RKT	: <i>Rencana Karya Tahunan</i> (Annual Working Program).
PPP	: <i>Partai Persatuan Pembangunan</i> (United Development Party).
RT	: <i>Rukun Tetangga</i> (Neighbourhood Association; sub-unit of a village).
Reformasi	: Reform, reformation. <i>Reformasi</i> era refers to the era after Soeharto’s fall (post-21 May 1998).
SKSHH	: <i>Surat Keterangan Sahnya Hasil Hutan</i> (formal document stating the legality of the timber sources).
SLJ	: PT Sumalindo Lestari Jaya, PT Sumalindo Lestari Jaya Group
SLJ Tbk	: PT Sumalindo Lestari Jaya <i>Terbuka</i> (go public), PT Sumalindo Lestari Jaya Group
SLJG	: PT Sumalindo Lestari Jaya Group
SLJ II	: PT Sumalindo Lestari Jaya II, a subsidiary company of SLJG, a neighbouring HPH company of SLJ V.
SLJ V	: PT Sumalindo Lestari Jaya V, a HPH company of SLJG.

Sumpit	: Poisonous blowpipe.
Tanah adat	: Adat land, customary land.
Tanah ulayat	: Customary land, communal land in Minangkabau (Sumatra) recognised by the government.
Tanah negara	: State land
TNI	: <i>Tentara National Indonesia</i> (Indonesian National Military; the Army, the Marines, and the Air Force).
TPTI	: <i>Tebang Pilih Tanam Indonesia</i> (Indonesian Selective Cutting and Planting System).
TYSP	: PT. Tunggal Yudi Sawmill Plywood, a subsidiary company (HPH company) of BPTG.
UUPA	: <i>Undang-Undang Pokok Agraria</i> (Basic Agrarian Law, BAL).

Chapter 1

Introduction

This work centers on the investigation of the rise of the forest conflict phenomenon in East Kalimantan during Indonesia's early stage of democratisation (1998-2001), with the case studies of Matalibaq and Long Bagun Ulu, where the conflicts involved forest companies and indigenous Dayaknese. This introductory chapter presents the background of the study, research questions, theoretical tools used in analysing such phenomenon, the methodology applied in the field research as well as the structure of this study.

Indonesia is the third largest forested and megabiodiversity country in the world with a total forest area of some 92 to 109 million hectares (Barber 1997), third only to Brazil and Democratic Republic of Congo (FWI/GFW 2002, Latin 1999). Although Indonesian territory constitutes only 1.3% of the world's territory, its megabiodiversity contributes to 10% of world's flowering plants, 12% of world's mammals, 17% of world's reptiles and amphibians, and 17% of world's birds (Barber, 1997). The Indonesian rainforest preserves endangered species as well as local culture and has been the home to indigenous peoples for hundreds of years. It supplies food and other sources of livelihood for between 40 and 70 million people that are directly dependent on forests (FAO, www.fao.org; cf. Lynch and Talbott 1995 [in Munggoro and Aliadi 1999], Poffenberger 1997), tens of millions of cubic meters of logs per year, and multi-purpose non-timber forest products (NTFPs). With regard to these functions and potentials, the Indonesian rainforest attracts various stakeholders with various, often conflicting interests.

One of the most important forest stakeholders is the incumbent government. For years after independence (1945), however, the incumbent government did not pay much attention to the abundant forest resources. This negligence was mainly due to the fact that the Indonesian government was focussing on solving the prevalent political problems at that time. During 1945-1949, the newly born government struggled to attain full independence as it had to defend the Republic against neo-colonial power through post-independence revolution struggles as well as to undertake active diplomacy abroad (Jenkins 1983). Successive parliamentary cabinets established during Indonesia's liberal democracy (1950-1959) similarly struggled in laying a new foundation for the Indonesian democracy as well as in suppressing regional rebellions (Amal 1992). During Guided Democracy (1959-1965), President Soekarno posed "politics as a commander"¹ and focused his activities on mobilising people's energies and in balancing the power struggle between the Indonesian Communist Party and the military (Crouch 1988). All of these problems and political activities contributed to the negligence of the

¹ The supremacy of politics above other aspects. It was stated in Indonesian as *Politik Sebagai Panglima*.

abundant forest resources in the country, particularly in the Outer Islands (outside Java, Madura, and Bali).

Massive forest exploitation in Indonesia commenced only after the New Order (Soeharto's) government assumed power in 1966 (until 1998). According to the new paradigm employed in managing the country, "Development, yes -- Politics, no" (Gaffar 1992:41), the New Order government treated forest resources as an important economic source for foreign exchange to finance development programs. The most important step undertaken by the government was the promulgation of the 1967 Basic Forestry Law and the enactment of laws on foreign and domestic investments. The forestry law declared almost all forest areas as state forest; the state therefore claimed its ultimate rights to control the forest resources across the archipelago (Lindayati 2000). This included the state's rights to "sell" forestland to businessmen through the provision of forest concession rights licenses. The foreign and domestic investment laws provided greater chances to international and domestic business communities to exploit the Indonesian natural resources, including forest resources. In the course of forestry development, however, domestic businessmen later dominated the timber business, mainly because this industry did not require advanced technologies such as the mining and oil industries at that time (Barber 1997).

By means of these measures, the Indonesian rainforest has become a substantial source of foreign exchanges and a new source of state revenues. Until the last decade (prior to the collapse of the New Order regime), the contribution of the timber industry constituted about 20% of the overall foreign exchanges (Kartodihardjo, 1999). Compared to other sources of revenues generated from natural resources such as oil, however, the government gained little profit in the exploitation of forest resources. Whereas the government collected about 85% of the total rents in the oil sector, the forestry sector made up only about 8-30% (Barber, 1997). Although a significant proportion of the timber rent was not collected by the government, government officials claimed that the timber industries accelerated the growth of local economies, provided trickle down effects, and developed backward regions. Nonetheless, a study carried out in East Kalimantan found that the impact of the logging industry to the regional and local economy had been low (Walhi, in Barber 1997).

Indonesia's New Order government also struggled for its survival. Hence, the government utilised all potential natural resources available in the country. The forest resources were of particular importance. Soeharto's government used forest concession arrangements as a means of political patronage (to reward clients, to coopt potential opponents) and to fund civilian and military bureaucracies to maintain loyalty. In the early years of the course of forest exploitation in East Kalimantan, many forest concession licenses were handed to military-owned companies or foundations. In the following years, businessmen connected to Soeharto's inner circle played a significant role in the timber industry, including Soeharto's family and cronies. Their roles were important not only politically but also economically. In the late Soeharto era, "virtually all the top players in the

timber industry [were] connected personally and financially with members of the president's family" (Barber 2000). By means of such arrangements, Soeharto was able to advance his political ambitions and his economic agenda. During economic crisis, for instance, when a bank owned by a foundation connected to the Soeharto family lost \$430 million, Soeharto asked the timber tycoons to rescue the bank by compensating the loss. The success of Soeharto in this case portrays the personalistic and patron-client form of the regime. If necessary, "the 'excess rents' accumulated by logging conglomerates were tapped to resolve a significant crisis for the financial stability and credibility of the regime" (Barber 2000).² This is not surprising as during his reign, Soeharto had built a sort of predatory state—a concept referring to the state's interest in collecting revenue, rent-seeking, generating income, tax, either from natural resources or from certain business groups³—to capture rents from various potential sectors, including the forestry sector.

The forest policies also served as a vehicle to spread the ideological, political, and security doctrines of the New Order. The Pancasila state ideology and the *integralistik* state doctrine as well as the military's dual function (*dwifungsi*) and territorial commands were some instances that were promoted or supported by New Order's forest policies. In addition, forestlands in the Outer Islands were treated as "reserved land" for the densely populated islands of Java, Madura, and Bali by promoting a transmigration program (Barber 2000).

In short, during the New Order regime, Indonesian rainforest had been "a key arena for the New Order's program of economic development, political control, and social and ideological transformation" (Barber 1997). The Indonesian rainforest had been used as a vehicle to advance the regime's political and economic agendas.

The most critical practice of the New Order government in exploiting the Indonesian rainforest was the arbitrary provision of forest concession areas to forest companies. About 50% of the Indonesian rainforest has been designated as production forest to be granted to logging companies through forest concession rights arrangements (HPH licenses), particularly to those connected to Soeharto's inner circle. Up to six million hectares of forest concession area could be obtained by one single company, as was the case of the Barito Pacific Timber Group (BPTG). Moreover, the Government Regulations No. 21/1970 and No. 28/1985 issued by the government prohibited indigenous people of accessing their customary lands. In order to implement these regulations and to protect the regime's allies (forest companies) exploiting the forest, the government used force and coercion (Lindayati, 2000) through the bureaucracy and security apparatus.

Having evoked a steep increase of deforestation by supporting logging companies (HPH companies) in forest degradation, the Indonesian government

² For rent-seeking and patron-client nature of Soeharto's regime, see Robison 1986, Brown 1999, Brown 2001.

³ See Moselle and Polak 1997, Lips 2000, Boaz 1999, Robinson 1999, Bergessen *et.al.* 2000, Fatton Jr. 1992.

introduced the industrial timber estate scheme (HPHTI/HTI licenses) in 1984 to rejuvenate degraded forests and to sustain timber supplies (Walhi 1996). Paradoxically, industrial timber estate companies (HTI companies) were granted rights not only to lumber the remaining timber stands in the stubbed forests but also to lumber the virgin forests and to clear the forestlands before the area was planted with fast-growing timber species. Again, HTI licenses were mostly given to Soeharto's cronies or those connected to Soeharto's families and inner circle.

These two schemes (HPH and HTI) spawned reactions from those living in and around the forests whose livelihoods relied heavily on forest resources. Tensions increased, and conflicts over access and control of forest resources between local communities and HPH/HTI companies were inevitable. As the New Order government was equipped with a repressive bureaucracy and security apparatus, however, the conflicts could be easily suppressed. In East Kalimantan, some local people defied the forest companies acquiring customary (*adat*) land. However, in most cases local people were afraid to challenge the forest companies. Instead of confrontation, local people preferred to look for other forestlands that had not been exploited yet.

As time progressed, the increasing expansion of forest companies to the forestlands imposed growing threats to local people and their sources of livelihood. Conflicts arose because the locals, particularly the Dayaknese of East Kalimantan, regarded the forests exploited by the companies as their properties (*adat* land).

The collapse of New Order regime in May 1998 changed the situation and entailed a change in the power constellation. A common syndrome of regime change from authoritarian to democratic state power is that the state becomes paralytic politically and bankrupt economically. Pereira *et.al.* maintained that with this syndrome, new democracies faced double challenges, that is, to resume economic growth and to consolidate democracy. The state's efforts concerning structural adjustment programs and the stabilisation of the economy are frequently hampered by the "vast expectations of economic improvement" drawn upon by the population and the vulnerability of the new government to popular pressures and demands of interest groups and lobbies. Furthermore, daily political life and the competitive electoral cycle scotch any attempt of producing long-term programs (Pereira *et.al.* 1993, see also Gill 2000). In the political sector, the state's capacities—particularly in penetrating society, regulating social relationship, and appropriating or using resources in determined ways (Migdal 1988)—eroded. The state is unable to arrange or establish a new and prompt institutional mechanism where all groups must advance their interests and demands through appropriate channels. In the transition period, democratic institutions are unable to "offer the politically relevant groups incentives to process their demands within the institutional framework" (Pereira *et.al.* 1993:5). This is the case because reforms mostly bring about a decline in material condition and consumption, at least in a transitional period.

Post-New Order Indonesia exhibited exactly these problems: Economically, the new government faced a severe economic crisis for quite a long period of time,

making it unable to improve the material condition of the population. The people found themselves in financial straits due to a skyrocketing price of most basic commodities. The number of poor people increased by nearly 400% in 1998 (from around 20 millions to nearly 80 millions). Politically, the paralysis of state coercive power evoked the euphoria of *reformasi* (reformation)—euphoria of freedom—among Indonesian people. Any state's attempted intervention in the expression of this freedom movement was ignored since this was regarded as maintaining or introducing an authoritarian style in directing people's aspirations. In this new situation, there was no appropriate distributional conflict mechanism (cf. Pereira *et. al*, 1993); "the rules of the political game [were] uncertain" (Gill 2000:45). As a result, widespread riots and lootings took place soon after Soeharto's fall. This incident portrayed the acute political and economic problems faced by the state and the population.

In the ensuing months, the situation was aggravated even further by ethnic, religious, and communal conflicts and violence. These conflicts were not only driven by ethnic or religious hatred, but also triggered by trivial cases. "Horizontal conflict/violence" (between societies) and "vertical conflict/violence" (between state and society, including violence in separatist movements) were popular terminologies used by the Indonesian media and observers to depict the existing conflicts or violence during this period. The number of violent incidents across the country jumped from 75 reported cases during the period of 1990-1998 to 1,015 reported cases during 1998-2001 (Tadjoeddin 2002). The cost of this violence was tremendous: Thousands of people died, tens of thousands of people took "internal" refuge, thousands of private and public properties and facilities were damaged.

Ethnic, religious, and communal conflicts had a "neighborhood" effect to resource conflicts. Resource conflicts were also on the rise in the country (Bachriadi 2001, FWI/GFW 2001). In the East Kalimantan forestry sector, forest conflicts increased both in quantity and intensity. In terms of quantity, the number of forest conflicts in this province increased from 17 during 1992-1998 to 95 within the period of 1998-2001. In terms of intensity, the rise of forest conflicts was mirrored by a transformation of the forest conflict from "silent conflict" to "conflict with collective actions." Local people not only seized companies' heavy equipment, occupied base camps, blocked logging roads, stopped companies' operation, but also burnt companies' properties and facilities (*Suara Pembaharuan Daily*, 27.02.00). In the Kutai District, 12 local leaders imposed customary sanctions to forest companies and fined them USD 2-5 per cubic meter of total timber production, counted back to the initial companies' production (1970s-1990s).⁴ In some villages, local people issued ultimatums to forest companies to leave their concession areas, which never occurred during the New Order era. The

⁴ They were *Kepala Adat* of Long Nyelong, Long Bentuk, Long Pejeng, Long Lees, Rantau Sentosa, Mekar Baru, BPPLH Wilayah Tanah Adat Dayak, Long Tesak, Tanjung Manis, and Gemar Baru. Because the companies rejected the fines imposed by local people, they warned that "if forest companies do not fulfill the demands and fines, they will bear any further consequences" (*Suara Pembaharuan Daily*, 27 February 2000).

most interesting issue in the East Kalimantan forest conflict was that local people mobilised their indigenous potentials to advance their concerns and interests. Many companies were compelled to pour out millions to billions of *Rupiahs* (\$ 1 = Rp 9,000-10,000 at that time) to tame the “angry tigers.” Some still fight to pay off the lump sum provision.

Thus, the rise of the forest conflict in East Kalimantan after the fall of Soeharto’s authoritarian regime was an interesting phenomenon inasmuch it took place “parallelly” with the rise of ethnic, religious, and communal types of conflicts in contemporary Indonesia. This phenomenon stimulated curiosity to investigate in the causes of the conflicts pertaining to the Indonesian rainforest. Hence, this research study attempts to answer the main question arising from this phenomenon: Why were the forest conflicts on the rise after the collapse of the authoritarian regime? The sub-main questions of this research are as follows: a) Did the forest conflicts intensify during the period of democratic transition (early stage of democratisation) or during the period of democratic consolidation? b) Was this phenomenon affected by the change of political environment characterised by an institutional breakdown? c) What were the motives behind the forest conflicts? Did the motives change in the new political setting? d) Which indigenous resources were used by the elites in the movement against the forest companies? Were the indigenous resources decisive for the success of the indigenous people’s movement? What were the strategies used by the elites in mobilising such resources during Indonesia’s early stage of democratisation?

There are two main reasons for addressing these questions. First, the existing research on resource conflicts did not pay much attention on the link between regime change/democratisation and the rise of resource conflicts. The available research mainly focuses on the link between resource condition (scarcity or abundance) and conflict. Although some researchers have addressed the importance of the political aspect in resource conflicts and have discussed the link between democracy and resource conflicts, investigation on the rise of resource conflicts *when* democracy is promoted is relatively neglected. Second, the rise of forest conflicts in East Kalimantan after the collapse of Indonesia’s authoritarian regime is a new phenomenon. A remarkable characteristic of this new phenomenon is that local elites mobilised indigenous resources (ethnic-based resources) to achieve their collective goals. This East Kalimantan phenomenon, that is the indigenous resource mobilisation in the forest conflict, to my knowledge has not been deeply explored yet by researchers.

The rise of forest conflicts in East Kalimantan, including the study cases, constitutes a complex phenomenon. In order to depict this phenomenon more clearly, the conflicts will be examined from different angles. This is not intended to segment the phenomenon at hand, but merely to provide a more satisfying explanation of such phenomenon. This led me to use some major tools or theories offered by related disciplines. The most important ones are the regime change/democratisation theory, the political opportunities explanation in a changing political environment, the elite theory in ethnonationalist mobilisation, resource

mobilisation theory, greed and grievance theories in resource conflicts, and the collective action theory in social movement. Although not all of these theories are originally associated with forest conflicts, they offer basic tools of analysis in explaining the phenomenon.

The regime change/democratisation theory is applied to provide a framework for the analysis. It sheds light on the happenings in Indonesian politics in recent years as well as the change in the political framework that increased the risks of conflict, including forest conflicts. In theory, democratisation can only develop because of the intention of the existing authoritarian regime to liberalise/democratise (Snyder 2000) or the collapse of the authoritarian regime (Huntington 1991). What happened in Indonesia was the latter. The collapse of Soeharto's authoritarian regime in Indonesia had a great impact on Indonesian politics. Due to popular demands and a strong pressure from democratic forces, the ensuing regimes had no choice other than to democratise the political system. As occurred elsewhere, however, during democratic transition or during early stage of democratisation, political institutions were still weak. The institutional breakdown of the authoritarian regime still characterised the political system; viable political institutions to deal with dissidents were not present yet; the "only game in town" (Linz and Stepan 2001) was still absent. *Laissez-faire* politics were present for a relatively long period of time, before a new democratic government could consolidate the democracy. The change of the political environment characterised by the institutional breakdown at the national level which occurred between 1998-2001 in Indonesian politics affected the political environment across the entire archipelago, including in the village level. This in turn provided political opportunities for the repressed masses. Thus, this theory provides an explanation on the relevance of the change of the political framework in association with the rise of many types of conflicts, including forest conflicts.

The elite theory in ethnonationalist mobilisation during the early stage of democratisation offers an explanation on the decisive role of elites in the transitional period by exploiting, generating, or "selling" ethnic-based feelings, sentiments or resources to achieve certain goals (Snyder 2000, van Klinken 2002). Although this explanation focuses on the issue of violent conflict between ethnic groups, it is also relevant for the analysis of non-violent conflicts between local communities and forest companies. This is because forest conflicts in the study cases involved particular ethnic groups whereas the elites used ethnic-based sentiments and resources in the struggle against the forest companies. This theory becomes more convincing in the explanation of the rise of forest conflicts when it is combined with the resource mobilisation theory. The resource mobilisation theory deals with the resources to be deployed and the strategy of using such resources. In East Kalimantan, in the study cases in particular, the indigenous resources used by the elites in the struggle against the forest companies are the *masyarakat adat* (adat community), the *adat* institution, and the *tanah adat* (customary land) institution. These resources are ethnic-based resources of indigenous people of East Kalimantan (Dayaknese) and play a critical role in

dealing with the forest companies. To a large extent, the rise of an indigenous resource mobilisation can be seen as the rise of an ethnolocalist mobilisation.

Greed and grievance theories have become one school of thought in the discourse of resource conflict, particularly in analysing the driving forces of resource conflicts. They provided an explanation on grievance-motivated behaviour (justice-seeking) and greed-motivated behaviour (loot-seeking) in resource conflicts. Thus, these theories have to do with conflict motives of the actors. These theories are mostly used in analysing violent resource conflicts, and the greed theory receiving particularly much attention in recent years. Although this research deals with non-violent forest conflicts, these theories offer a tool of analysis in examining the phenomenon of the rise of the forest conflict. In order to be applicable to forest conflicts, however, a generic terminology is used to replace the “greed” terminology, that is, the economically motivated behaviour or the economic-gain seeking motive. Although certain elites used the conflict situation to obtain private economic gains, local people did not loot their belongings (timbers in customary land). They merely demanded material/cash compensation that they felt they deserved due to the “encroachment” of their adat land by forest companies. In violent resource conflicts, greed theory is mostly applied to analyse the motive of rebel leaders or conflict entrepreneurs. In forest conflicts, the economic motives of the elites are crucial. However, as the local people struggled for compensation, this economic motive is shared by all villagers (along with the grievance motive).

The collective action theory is worthwhile in analysing people’s action against forest companies. In fact, the rise of the forest conflict was caused by extensive mass action against forest companies. This theory is of importance to shed light on how local people come into action, such as during Indonesia’s early stage of democratisation. Risk consideration in staging collective action during the period of institutional breakdown (democratic transition) did take place from the mass side. At this point, the role of the elites is of importance again in handling the problem of collective action (free-riders) by offering selective incentives to the participants of collective action. In this regard, the collective action theory will help explain the issue of free-riding and how the elites dealt with potential free-riders so that well-prepared or well organised collective actions in the field sites could be staged during Indonesia’s early stage of democratisation.

In order to analyse this phenomenon as well as the research questions, this study presents local (village) case studies. Although local case studies may not serve for a generalisation of the phenomenon, case studies offer the possibility to explore the phenomenon more deeply. Eckstein argued that case studies “may certainly score a clean knockout over a theory” (Eckstein, quoted in King, Keohane, and Verba 1994).

As noted, this research examines *non-violent* forest conflicts. There are two reasons for this containment. First, almost all forest conflicts in East Kalimantan were non-violent. Second, violent forest conflicts (e.g. burning companies’ base camps or heavy equipment, etc) mostly ended with criminal charges so that

people's struggles against forest companies were easily undermined, or they terminated without considerable outcomes. In order to gain an enhanced insight into non-violent forms of forest conflict, a comparative study was carried out. In this study, Matalibaq and Long Bagun Ulu were selected as crucial case studies for four reasons. First, the rise of forest conflicts in both villages was affected by the change in national politics, that is the change of regimes from authoritarian rule to democratic rule. Second, the Matalibaq conflict is a monumental forest conflict which considerably contributed to the rise of other forest conflicts in East Kalimantan. Long Bagun Ulu conflict was a demonstration effect of Matalibaq conflict. Third, the forest conflicts in both villages stand for two types of forest conflicts to be analysed in this research study. The forest conflict in Matalibaq was carried out between local people and the HTI company (industrial timber estate company) while the forest conflict in Long Bagun Ulu involved local people and the HPH company (logging company). Fourth, forest companies in both sites were owned by conglomerates connected to the previous authoritarian government. Thus an analysis of the forest conflicts in both villages can clearly expose the implication of regime change at national level on the rise of forest conflict at local (village) level.

The case studies of this research will be presented using qualitative analysis. The qualitative analysis is drawn from qualitative and quantitative data collected from key informants, respondents, conflicting parties (conflict documents and general documents), and related research reports. The methods of data collection used in this study were observation, interviews, questionnaires, and documentary research. The key informants interviewed for this research were selected by the researcher on the basis of their knowledge on the issue (purposive). Most commonly, semi structure interviews were used in the interview process. Informal interview/communication was also carried out to avoid debilitating formality so that key informants did not have to worry to speak up in sensitive issues. In order to select respondents, the population of the study was determined in the first place, particularly to assess the risks of action in the new political environment. A large number of households (household heads) were looked into to get a picture of the study population, and based on this, a number of samples was determined. Structure interviews (questionnaires) were used for the interviews with the respondents.

This research study has four objectives. First, to achieve a better understanding of the phenomenon of the rise of forest conflicts during Indonesia's early stage of democratisation. Second, to identify the key entry point for durable conflict resolution in the period of democratic consolidation. Third, to examine the rise of the ethnolocalist mobilisation phenomenon in East Kalimantan in recent years, particularly during the democratic transition period. Fourth, to contribute to the enrichment of the existing body of knowledge on democratisation and resource conflict.

The organisation of this work is presented in seven chapters. Chapter 1 presents the research background, research problems, and research questions of the

study. This chapter also clarifies the logic behind this work, and presents a) the reasons on why such questions are important to address, b) the major tools which were used to adequately tackle the research questions, and c) the structure of the whole study report.

Chapter 2 discusses the theoretical framework used in this study. It is aimed at providing a theoretical foundation for the explanation of the phenomenon of rising forest conflicts in the study cases. Furthermore, it theorises a) the linkage between regime change/democratisation and conflict, b) why regime change/democratisation increases the risk of conflict, c) the institutional breakdown that generates political opportunities to act, d) the conflict motives and driving forces of forest conflicts, e) resource mobilisation, and f) the logic of collective action. In addition to these points, working definitions of the types of conflict and the period of democratisation are presented as parameters to assess in which period forest conflicts intensified in the field sites.

Chapter 3 examines the regime change and democratisation process in Indonesian politics. It also analyses the institutional breakdown occurred during the early stage of democratisation. The purpose of Chapter 3 is to provide a political framework for the analysis of the aforementioned phenomenon in the study cases. An overview of regime changes from the New Order (Soeharto's) authoritarian regime to democratic regimes (Habibie's, Wahid's, and Megawati's regime) as well as the characteristics of the respective regimes will be discussed. Concerning the analysis of institutional breakdown, Chapter 3 will focus on the collapse of repressive institutions that had been previously used by the New Order regime in impeding conflicts with dissidents of Indonesian society, namely the repressive security institution, the repressive bureaucratic institution, and the mass depoliticisation institution (floating mass institution). These three institutions had great effects on the general population during the New Order era. Chapter 3 will also attempt to show the rise of various conflicts in Indonesia—which can be simply subdivided into violent conflicts and non-violent conflicts—immediately after the collapse of the New Order regime. The purpose of this investigation is to demonstrate that the state's "collapse" or institutional breakdown greatly contributed to the rise of many types of conflicts.

Chapter 4 highlights the diverse forest policies, forest exploitation schemes as well as forest conflicts in Indonesia and East Kalimantan under the particular regimes. The discussion sets out with an analysis of the forest policies deployed by the incumbent government from historical perspectives (from the colonial period to the present time). In this respect, the discussion focuses on the origin and the development of discourses between state vs. community on resource control in Indonesia. Following this, the forest exploitation schemes enacted during the New Order and post-New Order regimes both at national level (Indonesia) and provincial level (East Kalimantan) will be presented. The discussion will emphasise on logging concession (HPH) arrangements and industrial timber estate (HTI) arrangements from the perspective of political economy as both HPH companies and HTI companies are active in the field sites. Having examined these

two issues (forest politics and forest exploitation), the discussion will move to the forest conflicts in Indonesia and East Kalimantan which were affected by regime change. The purpose of this chapter, particularly in view of the East Kalimantan case, is to provide a foundation for the discussion of the forest conflicts in the village cases.

Chapter 5 discusses the forest conflict in one of the study cases, namely the Matalibaq forest conflict. It firstly presents a general overview of the conflicting parties, the Matalibaq Dayaknese and the PT. Anangga Pundinusa (a HTI Company). Next, the discussion examines the formation of the forest conflict as well as when and how the conflict intensified. The main focus of this chapter will be on demonstrating how the political change at national level implicates changes at village/local level which later bring about opportunities for local people to act against the forest companies. The significance of the elites' motives in the conflict that were shared by the masses and the role of the elites in the field of indigenous resource mobilisation to persuade the masses to stage collective action will come under scrutiny as well.

Chapter 6 discusses the forest conflict in the other study case of Long Bagun Ulu. A general overview of the conflicting parties, Long Bagun Ulu Dayaknese and PT. Sumalindo Lestari Jaya V (a HPH company), will be presented in the introductory part. Subsequently, a discussion will follow on how the conflict emerged, and when and how the conflict intensified. Similar to the previous chapter (Chapter 5), Chapter 6 focuses on the question of how the change of political environment at national level implicated the change of Long Bagun Ulu's political environment that later "offered" opportunities to act for local people. The role of the elites' motives that were shared by the masses and their significance for the mobilisation of indigenous resources will also be scrutinised.

In the last chapter of this study, Chapter 7, both study cases (Matalibaq and Long Bagun Ulu forest conflicts) are compared and a conclusion of the findings is presented. Similarities and differences of the phenomenon of the rise forest conflicts in both study cases will be examined, with particular attention paid to the people's action against forest companies (intensifying forest conflicts), conflict motives, and indigenous resource mobilisation. This chapter also attempts to assess the risks and problems of conceivable future forest conflicts as well as to identify the key entry point in conflict resolution and to draw attention on the relationship between such a key entry point and democratic consolidation in Indonesia.

Chapter 2

Theoretical Framework

A. State of the Art

Scholars investigating the resource conflict phenomenon have conducted a substantial amount of research on the relationship between natural resources and conflict. There are two broad themes or streams in the development of research on resource conflicts (de Soysa 2002). The first one focuses on the condition of natural resources, and emphasis is placed on the causality between resource scarcities and conflict (Homer-Dixon 1994, 1997; Barber 1997, Diehl and Gleditsch 2000). The second one highlights the driving forces of resource conflicts, greed vs. grievance, and emphasis is placed on greed-driven conflict (Collier 1998, 2000; Collier and Hoeffler 1999, 2001; Ross 2001, 2002).

As far as the first stream is concerned (resource scarcities), the findings suggest that resources degradation or scarcities cause resource conflict (e.g. Homer-Dixon 1991, 1994; Percival and Homer Dixon 2001; Diehl and Gleditsch 2001). This stream of thought identifies environmental physical change, population growth or pressures (including migration), and unequal resource distribution as the main relevant variables (Homer-Dixon 1994). In contrast, some experts found that conflicts contributed positively to natural resources degradation/scarcities in some cases (Swain 1996; Isaac and Hosh 1997). Although opposing arguments exist, there is a widespread understanding that resource scarcities have a reciprocal relationship with conflict. Conflict on one hand can contribute to resource degradation or scarcities; resource scarcities on the other hand can cause the conflict (Westing, Fox, and Renner 2001).

According to this perspective, known as the Toronto school (Dalby 2003), resource scarcities (renewable as well as non-renewable resources) are not only found in resource-poor countries but also in resource-rich or resource-abundant countries. While resource scarcities are commonly found in resource-poor countries, resource scarcities in resource-abundant countries (relative scarcities) can be crop up with one or more of the following phenomena: First, the shrinking resource use. It is argued that an excessive exploitation of natural resources threatens the interests of stakeholders, particularly those living in and around the forest. Tensions or conflicts are therefore inevitable due to growing degradation or scarcities. The second phenomenon is the one of demand-induced scarcity which describes a situation when the demand for resources exceeds the available supplies (e.g. timber demand vs. timber supply). Thus natural resources are managed unsustainably. Scarcities caused by immoderate demands are regarded responsible for the rise of resource conflicts. The distributive scarcity of natural resources constitutes the third detectable phenomenon. Here, the use of resources or the

access to them is unequally distributed. One party may have more privileges to exploit natural resources than the other. This inequality is also deemed responsible for the rise of forest conflicts (Homer-Dixon, in Barber 1997). Barber has examined these three issues within the forestry sector in the case of Indonesia. His findings suggest that growing scarcities of forest resources considerably contributed to forest conflicts in Indonesia (Barber 1997). Studies on resource scarcities (relative scarcities or not) in India, Pakistan, Mexico, Gaza, Rwanda, South Africa, and China, also identified links between the eruption of conflicts and an increasing scarcity of natural resources.¹

Undoubtedly Homer-Dixon and his group's approach have dominated the discourse of environmental/resource conflicts for some years. In the development of this research stream, Levy challenged the Toronto school. Levy argued that an approach as represented by the Toronto school is "analytically uninteresting" (Levy 2000) because too much emphasis is placed on the independent variable of resource scarcities. He provided the example of Singapore. He argued that Singapore was a resource-poor country or was suffering from natural resource scarcities, but that incidents of conflicts, particularly violent conflicts, were almost nonexistent. Therefore, Levy proposed "shifting the focus to conflict *per se*, rather than [to] environmentally caused conflict" (Levy 2000). In other words, the conflict itself should be the core interest in the research on resource conflicts (Levy 2000). In Levy's views, no one will reject the relationship between resource scarcities and conflict as the investigation on environmentally caused conflicts has done since the 1970s with the same or similar conclusions. According to Levy, the most important thing is to understand what actually happens as the conflict emerges so that one can assess its consequences and provide remedies thereafter (Levy 2000).

The second stream focuses research on the agenda or motives of the conflicting parties, particularly in the case of greed-driven conflicts, which is in line with Levy's argument to a certain extent. The greed-driven conflict explanation emerged to challenge a dominant approach analysing the driving force of resource conflicts, namely the grievance-driven conflict approach. It was previously argued that the conflict was generated by grievance of one or more conflicting parties. In Collier's view, this argument could be misleading and therefore measures to deal with the conflicts by means of government or donor policies would be ineffective. Accordingly, Collier came up with the greed-driven conflict approach. As he carried out a macro level statistical analysis of numerous countries, he found that most conflicts were driven by the greed of the conflicting parties, either the greed of the rebel groups or the incumbent governments. He concluded that in many violent resource conflicts greed outperforms grievance. On

¹ This worldwide research project, chaired/coordinated by Homer-Dixon, was conducted under the theme "Environmental Scarcity and Violent Conflict". For country case studies, see Homer-Dixon and Percival 1997 (India); Gizewski and Homer-Dixon 1996 (Pakistan); Howard and Homer-Dixon 1995 (Mexico); Kelly and Homer-Dixon 1995 (Gaza); Percival and Homer-Dixon 1995 (Rwanda); Percival and Homer-Dixon 1995 (South Africa); and Economy 1997 (China).

the basis of this finding, he suggested to change the existing approaches in field of conflict resolution. Numerous studies were then conducted based on this argument (Berdal and Malone 2000).

A derivative of this approach can be found in the research attempting to link the driving forces of conflict to the condition of natural resources. Ross's research provided an explanation for the linkage between exploitation of natural resources and the greed of conflicting parties (Ross 2001, 2002, 2002a, 2003, 2003a), by arguing that the extraction of resource in resource-rich areas provides looting opportunities for rebel groups (Ross 2001). Renner also examined the characteristics of the exploitation of natural resources and the economic agenda of the conflicting parties. Renner suggested that rich natural resources have become conflict commodities in many violent conflicts. Revenues obtained from conflict commodities have been used either to enrich the rebel leaders, smugglers, and elites in the governments or to compensate the expenses of the conflicts (Renner 2002). De Soysa's work concluded that "rapacity encouraged by an abundance of natural resources tends to fuel civil conflict. Paucity of natural resources, on the other hand, does not seem to be such a strong factor in determining the likelihood of civil strife, despite the recent upsurge of interest in environmental degradation and scarcity as a source of conflict" (de Soysa 2000:127).

Such findings suggest that greed-driven conflicts linked to an abundance of natural resources. This constitutes a challenge to the Toronto school belief that it is resource scarcities which cause conflict. Yet, if one acknowledges the concept of relative scarcities (degradation or growing scarcities in resource-rich countries) the above findings do not necessarily contradict with the Toronto school's approach. Barber's finding on resource predation by elites in resource-rich country that contributed to conflict may serve as evidence (Barber 1997).

However, both research streams do not pay sufficient attention on the phenomenon of the rise of conflict under a certain (political) condition. For instance, both perspectives do not provide a satisfactory explanation for the rise of conflicts in transitional periods when the regimes change from authoritarian state power to a democratic one. However, it is important to incorporate this variable to better understand how conflicts develop in certain political conditions as well as to gain other underlying insights into the efforts to find the crucial entry point for a durable conflict resolution (e.g. through democratic consolidation). Although the body of knowledge on this issue is thin, a number of prerequisites have been addressed to understand this phenomenon. Barber highlighted the importance of the state's capacity in managing resource scarcities which could prevent the conflict (Barber 1997). Similarly, Peluso analysed the state's ideology in regard to the control of natural resources that contribute to resource conflicts (Peluso 1992). Diehl and Gleditsch have emphasised the importance of regime types in the field of resource conflicts. They even suggested including the political aspect in future research agendas on resource conflict as they regard regime types as a powerful element in such conflicts (Diehl and Gleditsch 2001). In addition, by referring to the phenomenon of Western liberal democracy, Midlarsky argued that democracy

is compatible with environmental protection, and therefore, it potentially prevents conflicts. This is ascribed to the fact that in a democratic regime, as Midlarsky maintains, the state recognises individual rights and property rights and involves the population in the decision-making process. Without pluralism, certain groups may be denied their rights in the decision-making process and as a result resource conflicts are inevitable (Midlarsky, 2001). However, democracy *per se* is not sufficient to prevent conflicts. In many new democracies, particularly in developing countries, resource conflicts are ubiquitous.

Researchers who agree that democratic institutions are supportive of environmental protection are concerned with the question of why attempts to avert conflicts fail in many democratic states, particularly in the developing world. In order to answer this question, research mainly focuses on (“static”) democratic condition of particular countries and the existence of resource conflicts (Midlarsky 2001, Walker 1999). However, little attention is devoted to the question of how resource conflicts develop due to the introduction of democracy. This research study attempts to fill this gap by contributing a new dimension to the explanation of the link between the rise of resource conflicts and the development of a new democracy.

In addition, while resource scarcities spawning conflict have been widely investigated (for the Indonesian case, see Barber 1997), and greed and grievance-driven conflicts have been drawn upon for the explanation of violent conflicts (for Aceh and West Papua cases, see Ross 2003b), this research will apply the greed (economic-gain) and grievance-driven conflict theory to non-violent resource conflicts.

B. Regime Change, Democratisation, and Conflict

B.1. Regime Change and Democratisation: Working Definitions

B.1.1. Regime and Regime Change

In the Dictionaries, a regime is defined as “a form of government,” “a government in power,” “a prevailing social system or pattern,”² a “mode or system of rule,” a “character of government,”³ or “the organization that is the governing authority of a political unit.”⁴ Thus, besides referring to the rule, regime terminology is used to refer to the body or organisation. The term regime referring to body or organisation, and even actor, is also found in 16 definitions of political regimes provided by researchers that were collected by Munck (1996). Peter Calvert, for instance said that “[a] regime is the name usually given to a government or sequence of governments in which power remains essentially in the hands of the same *social group*.” Michael Mann suggested that a regime is “an alliance of dominant ideological, economic, and military power *actors*, coordinated

² *The American Heritage Dictionary of the English Language*, Fourth Edition, 2000, published by Houghton Mifflin Company.

³ Webster's Revised Unabridged Dictionary, 1996, 1998 MICRA, Inc.

⁴ Webster's Revised Unabridged Dictionary (1913), <http://dict.die.net/regime/>

by the rulers of the state.” T.J. Pempel maintains that “a regime’s character will be determined by the *societal coalition on which a state rests*, the formal powers of that state, and by the institutionalization and bias of the public policies that result” (emphasis by Munck; quoted in Munck 1996). These definitions reflect a variety and even an overarching concept of “regime.” This raises concerns among political scientists as Munck suggests:

The basic reason why regime analysis constitutes a coherent agenda is that it has, for the most part, formulated a variety of concepts that have retained a common overarching concept: the concept of political regime. That is, whether analysts have focused on the study of democracy or authoritarianism, on problems of transition or consolidation, their work has been conceived with reference to a broader and more encompassing notion of political regime or some other concept, such as form of government, system of government, or system of governance, which has been used interchangeably with political regime. Nonetheless, very rarely do regime analysts stop to define what they mean by political regime and even more rarely do they actually consider how the definition of political regime they implicitly or explicitly adopt can serve as a tool to organize their inquiries (Munck 1996).

In the study of democracy or democratisation, the terminology of “regime” or “political regime” is usually used to refer to the rules (formal or informal), not referring to the body, organisation, or actor. Laurence Whitehead stated that “[t]he term ‘political regime’ denotes a defined set of institutions and ‘rules of the game’ that regulate access to, and the uses of, positions of public authority in a given society” whereas Stephanie Lawson insisted that “[t]he concept of regime is concerned with the form of rule... [R]egimes embody the norms and principles of the political organization of the state, which are set out in the rules and procedures within which governments operate.” Scott Mainwaring suggested that “Regime...is a broader concept than government and refers to the rules (formal or not) that govern the interaction of the major actors in the political system. The notion of regime involves institutionalization, i.e., the idea that such rules are widely understood and accepted, and that actors pattern their behavior accordingly.” Last but not least, Guillermo O’Donnell maintained that “[t]he regime is the set of effectively prevailing patterns (not necessarily legally formalized) that establish the modalities of recruitment and access to government roles and the criteria for representation and the permissible resources that form the basis for expectations of access to such roles” (quoted in Munck 1996).

This research uses a definition of regime commonly used in the study of democratisation as a form of rule imposed by those in power that govern the society. Thus, Soeharto’s regime in this work means Soeharto’s rule, Habibie’s regime means Habibie’s rule, authoritarian regime means authoritarian rule, and democratic regime means democratic rule. Similarly, Soeharto’s authoritarian

regime means Soeharto's authoritarian rule, Wahid's democratic regime means Wahid's democratic rule, and so forth.

Regime change therefore refers to the change from one form of rule to another form of rule. Regime change may occur due to the change from one authoritarian regime (rule) to another authoritarian regime (rule). However, it may also occur due to a change from an authoritarian regime to a democratic regime. Similarly, a regime change also counts in a change from a democratic regime to another democratic regime. In this work, what I mean by "regime change" is the change from authoritarian regime (Soeharto's regime) to democratic regime (Habibie's, Wahid's, Megawati's regime). Thus the term "forest conflicts during regime change" refers to forest conflicts in the field sites that occurred when Soeharto's regime collapsed and was replaced by the ensuing democratic Habibie and Wahid regimes.

B.1.2. Early Stage of Democratisation, Democratic Transition, and Democratisation and Regime Change

Since the publication of Huntington's *The Third Wave of Democratisation* (1991), there has been a growing number of studies examining the democratisation phenomenon across the globe. However, there is no single and ultimate definition provided by researchers or even a provision of precise criteria for democratisation (Huntington 1991; Qadir, Clapham, and Gills 1993; Shin 1992, Koppel 1993, Snyder 2002)⁵ and of the "borderline" between liberalisation and democratisation (Linz and Stepan 1996; Qadir, Clapham, and Gills 1993; Shin 1992; Koppel 1993), democratic transition and democratic consolidation (Linz and Stepan 1996, Diamond 1999, Haynes 2001, O'Donnell 1997, Bertrand 2002),⁶ democratising states and mature democracies (Snyder 2000),⁷ and so forth.

⁵ Qadir, Clapham, and Gills state that "political liberalization implies a process of political change controlled from top down as a means of preserving most of status quo. It is a game elites to play to manage the granting of very carefully selected concessions. It is a cosmetic exercise and does not install the fundamentals of democratization. However, political liberalization may sometimes lead to a deeper process of democratization, if the impetus for change escape from elite control to encompass broader social forces and its purpose is transformed from preservation of interests to genuine reform" (Qadir, Clapham, and Gills 1993). In this definition, one will find difficulties in drawing the "borderline" between liberalisation and democratisation.

⁶ Linz and Stepan maintains that "[a] democratic transition is complete when sufficient agreement has been reached about political procedures to produce an elected government, when a government comes to power that is the direct result of a free and popular vote, when this government *de facto* has the authority to generate new policies, and when the executive, legislature and judicial power generated by the new democracy does not have to share power with other bodies *de jure*" (Linz and Stepan 1996:3). For a "negotiable" version, see quotations in Bertrand's analysis.

⁷ Jack Snyder argues that "[t]he term democratization distinguishes between mature democracies and democratizing states... The category of democratizing states is a very broad one. It includes states like the Czech Republic in the early 1990s, which made a transition from autocracy to virtually complete democracy. However, it also includes the former Yugoslavia just before its

Among definitions given by researchers, democratisation has been used both in a broad sense of the term (Huntington 1991, Snyder 2000, Bertrand 2002) and in a specific sense of the term (Linz and Stepan 1996, 1997, 2001; Qadir, Clapham, and Gills 1993; Shin 1992, Koppel 1993). The former refers democratisation to a whole process beginning from the collapse of the authoritarian regime to the establishment of a consolidated democracy (from liberalisation to democratisation, from democratic transition to democratic consolidation, from democratising state to mature democracy). In this definition, phrases such as “initial phase of democratisation,” “initial stage of democratisation,” “early stage of democratisation” (Snyder 2000), or “transitional phase of democratisation” (Mansfield and Snyder, quoted in Huntington 1997) are introduced, although the longevity of the initial/early stage or transitional phase of democratisation is not taken into consideration. The latter refers democratisation to “a wider and more specifically political concept” compared to liberalisation (Linz and Stepan 1995). The definition of liberalisation and democratisation are introduced to understand the processes of democratic transition and democratic consolidation. However, as mentioned above, the “demarcation” between democratic transition and democratic consolidation as well as between liberalisation and democratisation is still vague or debatable. Moreover, the *precise* relationship between liberalisation-democratisation and democratic transition-democratic consolidation remains unclear. Is liberalisation typically found during democratic transition? Is it impossible that democratisation can be found during democratic transition? (cf. Bertrand 2002).

This study uses the term “democratisation” in its broad sense, embracing both the collapse of Soeharto’s authoritarian regime as well as the current Megawati’s regime. Thus, it includes terms as “liberalisation” and “democratisation” as well as the terms “democratic transition” and “democratic consolidation.” In assessing the phenomenon of the rise of forest conflict, emphasis is placed on the period of democratic transition (May 1998-July 2001) and democratic consolidation (July 2001-present), hence focusing on the period in which the forest conflict was on the rise, whether during democratic transition or democratic consolidation. The terms “initial stage/phase of democratisation” and “transitional period of democratisation” are used to refer to the democratic transition period, while the period of democratic consolidation is labeled as “consolidated stage/phase of democratisation.”

In order to attain a comprehensive picture of Indonesia’s democratisation, Bertrand used the term “democratisation to include both the periods of transition

breakup in 1991, when elections were contested for the first time in which circumstances of somewhat freer speech, yet electoral fairness and the rule of law were hardly well established...At what moment does a successfully democratizing state become a mature democracy?... Some scholars use the “two turnover rule” to define democratic consolidation: that is, a democracy is consolidated when power has changed hands twice as a result of free and fair election. Others say that democracy is consolidated when it is ‘the only game in town,’... Finally, others measure the degree to which the country has achieved the institutional and legal characteristics of a mature democracy...” (Snyder 2000:25-27).

and consolidation” (Bertrand 2002). Concerning the “demarcation” between democratic transition and democratic consolidation in the Indonesian case, he introduced the following working definition of democratic transition:

The period of democratisation began in May 1998. After three days of rioting in Jakarta and other major cities of Indonesia, President Suharto resigned and his Vice-President, B.J. Habibie, was sworn in as President...Legislative elections were held in June 1997 and presidential elections in October of the same year...After October 1999, one can argue that Indonesia continued a democratic transition or entered a period of democratic consolidation. If one takes the minimal definition of transition, it ended with the election of new parliament and Abdurrachman Wahid as president, especially since opposition political parties made gains.⁸ By other accounts, such as Linz and Stepan’s definition, the transition was not over. The military continued to play an important role in the polity and even maintained appointed seats in the country’s highest governing body, the People’s Consultative Assembly (Bertrand 2002).

And in respect to democratic consolidation, Bertrand suggests:

In July 2001, after months of political wrangling between the national legislature and President Wahid, the latter was impeached because of an alleged corruption scandal by a process that followed dubious legal procedures. Megawati Sukarnoputri, who had been Wahid’s Vice President, was sworn in as President. Despite the questionable process of Megawati’s accession to power, it can be argued that Indonesia entered a period of democratic consolidation at that time. The military remained important but did not challenge Megawati’s presidency despite a period of high uncertainty. Although Megawati appeared to become closer to the armed forces after a few months in power, her presidency allowed for much deepening of the democratic process, including significant constitutional amendments and reforms that continued to limit the military’s ability to intervene with civilian process (Bertrand 2002).

Thus, even if taking Bertrand’s assessment into account, the period of democratic transition can still be “discussed.” However, a working definition is required for analytical purposes, which is used in this research study to assess in which period the forest conflict was on the rise. Based on the above explanation, this research uses a working definition as summarised in the following table.

⁸ Although Megawati’s party won the 1999 election, Wahid was elected/appointed President by People’s Consultative Assembly (MPR). Free-election was held on 7 June 1999 and the President was appointed in October 1999; thus, there was a four-month long gap. This is one reason (besides Bertrand’s explanation) why the “demarcation” between liberalisation and democratisation is vague in the Indonesian case.

Table 2.1. Regime Change and Democratisation in Indonesia

No	Regime Types	Period	Longevity	Phase/Stage	Process
1.	Soeharto's Regime (Authoritarian Rule)	11 March 1966 – 21 May 1998	32 years	Authoritarian	Authoritarian
2.	Habibie's Regime (Democratic Rule)	21 May 1998 – 20 October 1999	17 months	Early stage of democratisation	Democratic Transition
3.	Wahid's Regime (Democratic Rule)	20 October 1999 – 23 July 2001	21 months	Early stage of democratisation	Democratic Transition
4.	Megawati's Regime (Democratic Rule)	23 July 2001 – Present	24 months*	Consolidated stage of democratisation	Democratic Consolidation

* Until July 2003. Megawati was appointed President on 23 July 2001. The forthcoming direct presidential election is divided into two rounds which will be held on 5 July 2004 and on 20 September 2004.

Thus, the period of early democratisation in Indonesia refers to of the rule of the democratic transition period, namely the Habibie and Wahid regimes (May 1998-July 2001). Therefore, what I mean by forest conflict during early stage of democratisation is the forest conflict in the field sites which occurred during the *period* of Indonesia's early stage of democratisation or democratic transition, that is, between May 1998 and July 2001. Hence, it does not necessarily relate to the democratisation process in the village, although the change of the political environment in the villages is crucial for explanation of the phenomenon of intensifying forest conflicts in the field sites. Nonetheless, it mainly refers to the *period* of the state's "collapse" in Indonesia.

Democratisation could occur due to the willingness⁹ of the existing authoritarian regime to democratise (democratisation by design) (Snyder 2000) or due to the sudden collapse of the authoritarian regime (democratisation by "accident") (Huntington 1991). In the Indonesian case, democratisation occurred due to sudden collapse of Soeharto's authoritarian regime. In order to gain popular supports, Soeharto's successor, Habibie, was compelled to liberalise/democratise the political system. Habibie's steps in liberalising/democratising politics were later deepened by his successors, Wahid and Megawati. Thus, the regime change preceded democratisation in Indonesia.

Interestingly, both incidents (regime change and democratisation) evoked the same phenomenon, that is, a breakdown of the authoritarian rule of Soeharto. This is also called a breakdown of authoritarian political institutions or, put simply, an institutional breakdown.¹⁰ For the purpose of analysing the association of these events with the forest conflicts, the terms "regime change" and "democratisation"

⁹ The willingness may be caused by pressures from the elites' inner-cycle or from the society.

¹⁰ For the terminology of "institutional breakdown" in the political economy of the forestry sector, cf. Ross 2001.

will be used interchangeably to refer to the breakdown of the authoritarian political institutions (i.e. the institutional breakdown) in Indonesia.

B.2. Why Regime Change/Democratisation Increases the Risk of Conflict

Theoretically, regime change or democratisation and conflict have a causal relationship. On the one hand, regime change or democratisation can increase or intensify the conflict (Huntington 1997, Snyder 2000), and on the other hand, conflict can stimulate or contribute to democratisation or regime change (cf. Buzzi 2002). In this relationship, a cyclical process may occur. This study focuses on the phenomenon of regime change/democratisation that spawns conflict.

In order to analyse the phenomenon of intensifying forest conflicts in East Kalimantan affected by regime change/democratisation, I will take up some theories mainly applied to analyse democratic transition and political opportunities, the rise of ethnic conflict or ethnonationalist mobilisation during democratic transition, the role of the elites in resource mobilisation, greed and grievance in resource conflicts as well as collective action. Theories of regime change/democratic transition and political opportunities are important to provide a framework for the analysis whereas theories concerning ethnonationalist mobilisation and resource mobilisation are useful to assess the role of elites in critical situations such as the democratic transition period. Greed and grievance theories are helpful in providing explanations for the conflict motives and driving forces of the conflicts, and collective action theory is important to understand how the masses come into the action. Although some of these theories are not directly related to forest conflicts, they provide adequate tools of analysis for the exploration and explanation of the phenomenon highlighted in this research study.

B.2.1. Regime Change/Democratisation and Political Opportunities

In a country in political transition, the regime change and the democratisation process “typically creates a syndrome of weak central authority, unstable domestic coalitions, and high-energy mass politics” (Mansfield and Snyder, in Zimmermann 2000). This brings the (repressed and hence hostile) mass and the (new or old) elites onto the political stage. In this situation some types of conflicts or violence are likely to explode unprecedentedly. In the Indonesian conflict discourse the types of increasing conflicts after Soeharto’s fall have been labelled as “horizontal conflict/violence” and “vertical conflict/violence” (van Klinken 2002, Surata and Adrianto 2001). The former refers to conflicts between villages, communities, ethnic groups, or religious groups. The latter refers to confrontation with or violence against the state apparatus, public facilities, infrastructure, and symbols, and vice versa also implicates violence conducted by the state (including violence in secessionist movements). The conflicts and violence directed towards the forest companies seem to be situated in a “grey area”

between these two categories, as on the one hand confrontation against forest companies can be interpreted as confrontation against allies of the state (forest companies), state's "properties" (state forests), or state's interests (the state's economic interest in timber industry), and on the other hand, the conflicts can be regarded merely as a dispute between local communities and business communities about forest product utilisation and production.

The underlying characteristic of the sudden collapse of an authoritarian regime—as mentioned earlier—is the breakdown or collapse of state institutions (Snyder 2000:158) so that the rules of the games in the polity are uncertain (Pereira *et. al*, 1993, Snyder 2000, Linz and Stepan 1996). Huntington suggested that regime change or democratisation “involves the removal of state constraints on individual behavior, a loosening of social inhibition, and uncertainty and confusion about standards of morality.” Huntington added that “by weakening state authority, as it must, democratisation also brings into question authority in general and can promote an amoral, laissez-faire, or ‘anything goes’ atmosphere” (Huntington 1997:7). This situation is a good catalyst for the rise of social movements or conflicts. In Snyder's words, the timing and the condition of political institutions are of importance in this issue (Snyder 2000), since they “offer” political opportunities for interested parties to achieve certain goals (Linz and Stepan 1996, Snyder 2000), to advance either personal or groups' interests.

In the studies of social movement, scholars have emphasised the critical role of political opportunities in the movement (McAdam, McCarthy, and Zald 1996; Meyer 1996; Gamson and Meyer 1996; Tarrow 1996; Oberschall 1996; Zdravomyslova 1996; Phongpaichit 1999). However, the concepts of political opportunities developed by researchers are very broad. McAdam said “even restricting ourselves to narrowly political factors, movement analysts have demonstrated a wide latitude in interpreting the concept [of political opportunities]” (McAdam 1996:26). Likewise, Tarrow stated that “political opportunity may be discerned along so many directions and in so many ways that it is less a variable than a cluster of variables—some more readily observable than others” (Tarrow, quoted in McAdam 1996:26). In view of this problem, McAdam suggested that “the dimensions of political opportunity vary depending on the question one is seeking to answer” (Mc Adam 1996:26).

In the following, I will use the political opportunities concept commonly used by the political process approach¹¹ which is widely used to examine political opportunities affected by regime change or liberalisation/democratisation (Porta 1996, Zdravomyslova 1996, Phongpaichit 1999). Generally, political opportunities to act and to succeed in achieving political goals are greater in regime change/democratisation situation than in an authoritarian rule situation. The collapse of state structures, institutional breakdown, or a loosening repression in

¹¹ The political process approach places emphasis on “political opportunities and protest cycles and their influence on the genesis, dynamics, and success of collective action” (Zdravomyslova 1996:122). This approach is the source of studies on political opportunities (McAdam, McCarthy, and Zald 1996, Zdravomyslova 1996; Phongpaichit 1999).

democratic transition entails more opportunities to the elites and the masses to act and to intervene. It is argued that opportunities to act are low whenever a repressive government is ruling so that the movement will most probably fail. If the authoritarian regime collapses, political opportunities to act may arise so that the movement is more likely to be successful in achieving collective goals. As Phongpaichit explicates:

A variant of the theories which focuses on the political rather than the civil society realm, is the *political process approach*. This approach sees social movements as a form of mass politics. The social movement is theorised in relation to the state. The chances of the movement achieving success is discussed in terms of the ‘opportunities’ that are available. If the government is strong and committed to repression, social movements are likely to fail. But if the government is weak, political opportunities may arise which allow the movement to be successful (Phongpaichit 1999).

In response to the availability of political opportunities, the masses and the elites of social movements will calculate the costs or risks in advancing such opportunities. It is argued that the costs or risks in advancing the existing opportunities (opportunity costs or opportunity risks) during an early stage of democratisation (democratic regime) considerably decreased compared to that of before democratisation (authoritarian regime). In this study, I argue that due to the repressive nature of New Order’s anti-conflict machines the risks to advance the existing opportunities by conducting collective action and imposing ultimatums to forest companies were higher during the New Order (Soeharto’s) regime than in the post-New Order period, both individually (such as interrogation, detention, accusation as inciters, etc) and communally (being accused as a rebellious village, difficulties in acquiring village development funds and projects, etc). Having examined crucial political institutions that were broken-down during Indonesia’s early stage of democratisation and how institutional breakdown affects village’s political environment at national level, this work will scrutinise how local people view the risks of action in advancing such opportunities.

B.2.2. The Role of the Elites in Indigenous Resource Mobilisation

The dictionaries define an “elite” as “the socially superior part of society,”¹² “a group or class of persons enjoying superior intellectual or social or economic status,”¹³ or “a group of persons who by virtue of position or education exercise much power or influence.”¹⁴ Similar definitions are provided by political scientists. Kerstiens (1966:6), for instance, defined an elite as “a certain class of people with superior qualification.” In the same line, Rothwell (in Kerstiens 1966) defined

¹² Merriam-Webster Dictionary

¹³ <http://www.hyperdictionary.com/dictionary/elite>

¹⁴ Merriam-Webster Dictionary

elites as “the holders of high positions in a given society.”¹⁵ While many more definitions could be consulted, it is important to understand the notion of the term “elite.” First, an elite is composed of a group of persons or refers to “a collectivity of some kind, within society.” The number of persons within an elitist group may be large or small, depending on the size of the society or community. In a small community, it is possible that an elite comprises only a few persons. Second, “it is generally accepted that such a collectivity stands out in society, has a certain qualifications or skills which give it a certain superiority.”¹⁶ Third, “the notion of superiority is always linked with that of ‘elite’”¹⁷ (Kerstiens 1966:6). Furthermore, the term “deference” is closely associated with “superiority” as it refers to “a situation whereby respect is paid to someone or some group, because of superior qualities—skills, knowledge, virtues, possessions—which are generally recognized and sought after as a benefit” (Kerstiens 1966:7).

These attributions provide the elites with legitimacy to rule or to exert influence. However, the sources of legitimacy vary considerably. Based on measures such as sources of legitimacy, control over resources, position in the society, qualification, or possessions, scholars discerned different types of elites, such as “political elite” (Kerstiens 1966, cf. Emmerson 1976), “economic elite” (Gutwein 1992), “political and economic elite” (Niklasson 2001), “bureaucratic elite” (Martin *et.al.* 1997, Armstrong 1959, cf. Emmerson 1976), “adat elite” (ADB 2002), “aristocratic elite,” “governing elite,” “intellectual elite,” “native ‘bourgeoisie’ western-educated elite” (Kerstiens 1966), etc.

On the basis of this notion of elite, elites and sub-groups of elites are always found in any society or community, including small communities. Moreover, in a small community where sub-groups of elites exist, it is more likely that only a very few persons play a dominating role in the respective sub-group of the elite. The field work attempts to map the elite configuration in the aforementioned villages.

The role of the elites in the conflict has been studied at great length. In this area of concern, the scientific literature is roughly divided into two schools of thought, that is, those who view elites as “a natural part of any social system and essential to its proper functioning” (functionalists) and those who view elites as “essentially parasitic” (van Klinken 2002). In hierarchical societies such as in the Southeast Asian countries, elites constitute an integral part of the polity. Therefore, studies of the elites’ roles in both the state and society have been widely explored. In the past, however, the functionalist approach dominated the discourse, including the Indonesian literature. Rather than using the term “conflict”, studies on Indonesia emphasised the role of the elites in the struggle for “national integration” (van Klinken 2002).

¹⁵ Emmerson (1976:24) defined elite “as the members of the higher central bureaucracy and the national parliament.”

¹⁶ In this regard, another scholar refers to the degree of exclusiveness and corporateness (see Nadel in Kerstiens 1966:6).

¹⁷ Kolabinska for instance said that “The outstanding of idea in the term elite is superiority” (in Kerstiens 1966:6).

However, by now a different approach to examining the roles of elites has attracted much attention. This can be derived from the increasing popularity of the “conflict entrepreneurs” terminology used by researchers (e.g. Eide 1997, Morgan 1997). Eide defined this terminology as follows:

The individuals who take the necessary and deliberate steps to ignite a violent conflict will here be labelled *conflict entrepreneurs*. They are actors who use a specific situation or condition for the purpose of establishing a conflict in order to gain something through the exploitation of new power relationships. The gain can be personal (economic wealth, political power) or it can be seen by the conflict entrepreneur to benefit a collective with which he identifies. Instigating a conflict can even be seen as a prerequisite for preserving and protecting that collective against (perceived or real) external threats. Whether the ‘real’ reason is personal or collective gains will hardly influence the way the cause is presented. Any conflict entrepreneur worthy of the label will mobilize ‘his’ or ‘her’ group for conflict by convincing the potential group members that the mobilization is for a collective good or in order to avoid the disastrous effect of the other group’s mobilizing first (Eide 1997).

The revival of studies on elites and their roles in conflict situations gained momentum through Jack Snyder’s elites-persuasion theory in (ethno) nationalist mobilisation. It sheds light on the role of elites in the conflict during the early phase of democratisation (Snyder 2000). He argues that “before democratization begins, nationalism is usually weak or absent among the broad masses of the population. Popular nationalism typically arises during the earliest stages of democratisation, when elites use nationalist appeals to compete for popular support” (Snyder 2000). Snyder’s study cases demonstrated the significance of elites in appealing and exploiting nationalism (particularly ethnonationalism) to provoke violent conflicts conducive to the elites’ private interests.

In the Indonesian case, Snyder’s thesis has proven to be valuable. Snyder’s explanation was underpinned by mass media coverage: the significance of the elites in Central Kalimantan and Mollucas (Maluku) was commonly mentioned by Indonesian media and political observers. It was also supported by empirical findings of van Klinken’s study. He demonstrated in his study case of Central Kalimantan that the role of elites in ethnic mobilisation was critical. However, whereas Snyder placed emphasis on the power struggle at national level, van Klinken analysed the power struggle at provincial level:

The image of parasitic elites who deflect democratisation by stimulating ethnic conflict provides a leitmotif for our inquiry into Indonesia’s new ethnic elites. However, it is important to add one more dimension to our inquiry, namely that these are local elites and not national ones. They are not competing for the ultimate prize of national leadership, but for local leadership - at the level of the province. They are ‘subaltern’ elites, who need

to maintain relations upwards, in the capital, as well as downwards, among their chosen constituencies (van Klinken 2002).

Another study carried out by Jacques Bertrand examined the rise of ethnonationalist mobilisation in West Papua, Aceh, and former Indonesian province of East Timor. Although Bertrand was critical of some problems neglected by Snyder's explanation, he held a similar position with Snyder in that "ethnonationalist groups [...] seek to exploit a democratic opening" (Bertrand 2002) to achieve certain goals. Bertrand also agreed that during the transition period "the outcome of regime change is highly uncertain. Elites may see opportunities to use ethnicity as a means of mobilising support" (Bertrand 2002).

The above arguments are helpful to explain the phenomenon of the rise of forest conflicts in East Kalimantan affected by regime change or democratisation in Indonesia. Snyder, Bertrand, and van Klinken assess the important role of elites in the mobilisation of the masses by using certain ethnic-based sentiments to advance opportunities "offered" by an institutional breakdown. Although Snyder's and Bertrand's explanations deal with ethnic conflicts at national level and van Klinken's explanation examines ethnic conflicts at provincial level, their theories can help explain the phenomenon of the rise of forest conflict at village level (study cases) for a number of reasons. First, case studies were conducted in "traditional" societies situated in remote areas where the role of the elites was of particular importance. Second, the collective actions staged by villagers were organised by the elites to a high degree. Third, the elites used ethnicity or primordial issues,¹⁸ particularly ethnic-based indigenous resources, in binding the masses as well as in legitimising the "revolt" against forest companies.

In the struggle against forest companies in East Kalimantan, the use and mobilisation of indigenous resources are of very high significance. In fact, during Indonesia's early stage of democratisation, ethnicity or ethnic-based resources were the most attractive and effective "tools" to be used or mobilised by elites to achieve collective goals in most East Kalimantan forest conflicts.

The phenomenon of mobilisation of certain resources to achieve certain goals has been analysed extensively by researchers of the social movement studies under the "umbrella" of the resource mobilisation theory. Resource mobilisation is regarded as important in social movements as the "political process or [the] political opportunities approach pay less attention to the 'resource' aspects of the movement." This approach (political process or political opportunities) focuses "wholly on the interaction between the movement and the state and on ways in which the political system frames the failure or success of the movements" (Phongpaichit 1999). In this regard, Sergey Mamay explicates:

The 'resource mobilisation' theorists point out that social movements are rational and novel responses to new situations and new opportunities in society. Movements are seen as innovative forms of political participation

¹⁸ For primordial ties, ethnic groups as culture-bearing units, and ethnic identity, see Geertz (1996), Barth (1996), and Hutchinson and Smith (1996).

which create and tap new political resources available in modern democratic societies (Mamay 1991).

The resource mobilisation theory focuses “not on why the movements take place (this was seen as being self-evident), but on how the movement is organised, and why some of them were more successful than others.” It was labelled as “resource mobilisation theory” since “the theory purported to show that the success of a movement depended on the resources available to be used” as well as the strategies to use such resources (Phongpaichit 1999).

Morgan emphasises the role of elites in mobilising resources, particularly in exploiting the grievances of the masses. As he observed, “resource mobilisation theorists argue that embedded social discontent only needs entrepreneurial elites to ‘define, create, and manipulate these grievances’¹⁹ for a social movement to develop.” Taking this observation into consideration, he deduces that “the resource mobilisation perspective places emphasis on mobilisation by manipulation. Ideological bonds are manufactured and manipulated by elites” (Morgan 1997).

The distinctive resources mobilised in the East Kalimantan forest conflicts are the indigenous resources. As noted, there are three main indigenous resources that have been mobilised or used, namely *masyarakat adat*, *adat*, and *tanah adat*. *Masyarakat adat*, referring to the indigenous people of East Kalimantan (Dayaknese) who share the same culture, language, historical experiences, and kinship, distinguishes the Dayaknese from non-indigenous people or new comers. *Adat*, referring indigenous norms, rules, or customary law, distinguishes the rules of the games adhered by adat community from other communities or forest companies. Finally, *tanah adat*, referring to customary land of Dayaknese governed by certain rules of the games, distinguishes their land from the forest concession areas. All of these resources are mobilised by elites to distinguish between “us” and “them” or between “our properties” and “their properties” to achieve collective goals or to advance their own interests.

In the study of local movements, the term “localism” has been used in opposition to “nationalism” besides “globalisation” (Wang 2000). The term “ethno-communal localism” (Nadarajah 2002), which can be abbreviated to “ethnolocalism”, has also been used to refer to localism based on ethnic identity of a particular community or ethnic groups. While localism emphasises local identity in general (Wang 2000), ethnolocalism refers to a sense of being locals based on ethnicity or ethnic identity. By adopting Snyder’s ethnonationalism, the term “ethnolocalism” circumscribes the ethnic-based feelings or sentiments “that a people who see themselves as distinct in their culture, history, institutions, or principles should rule themselves in a [local] system that expresses and protects those distinctive characteristics” (adopted from Snyder 2000:23). The three indigenous resources discussed above (*masyarakat adat*, *adat*, and *tanah adat*) are essential elements of ethnolocalism of the Dayaknese of East Kalimantan.

¹⁹ Zald and McCarty, see Morgan 1997.

The increasing forest conflicts in East Kalimantan in recent years and the success of many local communities in gaining compensation from forest companies could not be separated from the increased use of indigenous resources or the rise of ethnolocalist mobilisation within their movement. This research seeks to investigate the use of indigenous resources and their mobilisation strategies by local elites in the struggle against the forest companies during Indonesia's early stage of democratisation.

B.2.3. Actors' Motives as the Driving Forces of Conflict: Greed and Grievance Theories

In the discourse of resource conflict, conflict motives are regarded as highly important. Collier and Hoeffler identified the conflict motives as the driving forces of violent resource conflicts in many parts of the world (Collier and Hoeffler 1999, 2001). To explain the particular parties' interests or motives in the forest conflicts, this research study uses greed and grievance theories as a foundation.

The discourse on violent conflicts was dominated by grievance theories until the late 1990s. This is because the grievance theory "is not only much more functional externally, it is also more satisfying personally" (Collier 2000:92). As has been widely recognised, the success of certain movements (collective action, rebellion, etc) relies heavily on the support of individuals as well as communities. And by "disseminating" grievances, the movement can recruit supporters cheaper. Hence, "even where the rationale at the top of the organization is essentially greed, the actual discourse may be entirely dominated by grievance" (Collier 2000:92).

The proponents of the grievance approach argue that the conflicts are strongly driven by grievances of one or more parties against the rival parties, either in the form of inconvenience, dissatisfaction, perception of being deprived, or hatred. Gurr's classical work on *Why Men Rebel* (Gurr, 1970) provides a comprehensive analysis on how the grievance factor affects violent conflicts. In Gurr's view, grievance is the impetus or the driving force of violent conflicts or collective violence (Gurr 1970, 1993). This approach is widely applied in political science to examine violent conflicts. Collier suggests that "political science offers an account of conflict in terms of motive: rebellion occurs when grievances are sufficiently acute that people want to engage in violent protest" (Collier 2001). The grievance theory or approach is also called justice-seeking approach/theory as the rebellions or protest movements are treated as justice-seeking efforts from one party against the other (Collier 1999; Collier 2000b; Collier and Hoeffler 2001; de Soysa 2000, 2001).

However, this approach or theory collides with Olson's theory on the phenomenon of free-riders in a situation of collective action: Since justice is a public good (Collier 2000) the movement will face the problem of free-riding. Collier is evocative of the fact that "even though everyone is agreed that rebellion is desirable, it is even more attractive if the costs are borne only by others and the success of rebellion will not be dependent upon the participation of any one

individual” (Collier 1999). Thus, grievance-based motives are insufficient to drive a conflict or even a resource driven war (violent resource conflict). According to Collier, this is the case due to “the non-excludability of the consumption of justice” (Collier 1999).

Another problem faced by the grievance theory is associated with “the process of justice production” (Collier 1999). During rebellion for instance the rebel group needs to be large and has to use sufficient technology to defeat the government’s army. To feed the rebel members and to finance the expenses, they need sufficient financial sources to make the rebellion “sustainable.” At this point, the grievance theory cannot convincingly answer the question of financial sources in numerous rebellion cases. In addition, justice-seeking rebellion also faces a time-consistency problem because the benefits will be enjoyed after a success of the rebellion. According to Collier, to defeat the government’s army, the rebel group “must create a rival, hierarchical military organization.” This time-consistency problem will be faced by the rebel group because “if the benefits of rebellion only accrue after victory, the rebel leader once victorious must be trusted to behave differently from the present government, and in particular to honor promises to supporters” (Collier 1999).

In view of these problems, Collier looked at the important role of economic motives of the rebellion. In order to underline the contrast to the grievance theory, he called this theory “greed theory” or “loot-seeking explanation.” Collier suggested that it is the greed of certain parties that drives a conflict. The greed theory is also regarded as capable of embracing the above problems. As Collier found by the means of the empirical cases, the true cause of violent conflicts is “not the loud discourse of grievance, but the silent force of greed” (Collier, quoted in de Soysa 2000). Hence, “greed considerably outperforms grievance” (Collier and Hoeffler 2001). In the discourse on resource conflict, the existence of greed motives in a conflict is associated with the abundance of natural resources. De Soysa suggests that violent conflicts occur because “resources are seen to act as a ‘honey pot’ that provide incentives for profit-seeking groups to engage in violent action” (de Soysa 2000:115). Likewise, Mwanasali links violent conflicts to “the availability of lootable resources,” i.e. commodity exports. He maintains that “commodity exports present several advantages to the belligerents. Because they are generic products, rather than brand names, their origin can easily be concealed” (Mwanasali: 2000:145). This also serves as an explanation in Renner’s analysis on Resource War, why organised and unorganised lootings are common in many parts of resource-rich countries. In Renner’s view the resources have become conflict commodities due to the lootable nature of such resources. Revenues generated from lootable resources in a conflict situation have been used either to enrich certain elites and parties or to finance conflict costs. As Renner suggests, “governments, rebels, and warlords have made billions of dollars by selling conflict commodities and have used the money to arm themselves and line their own pockets” (see Table 2.2). Due to the greed of conflicting parties in looting such resources, the conflicts bear tremendous social costs. Renner states that “the

cost of these conflicts has been extraordinary—more than 5 million people killed during the 1990's, as many as 20 million driven from their homes, and considerable environmental destruction” (Renner 2002).

Table 2.2. Estimated Revenues from Resource Wars, Selected Cases

No.	Combatant	Resource	Period	Estimated Revenue
1.	Angola rebels (UNITA)	Diamonds	1992-2001	\$4-4.2 billion total
2.	Sierra Leone rebels (RUF)	Diamonds	1990s	\$25-125 million/year
3.	Liberia government	Timber	Late 1990s	\$100-187 million/year
4.	Sudan government	Oil	Since 1999	\$400 million/year
5.	Rwanda government	Coltan (from Congo)	1999-2000	\$250 million total
6.	Afghanistan (Taliban, Northern Alliance)	Opium, Lapis Lazuli, Emeralds	Mid-1990s-2001	\$90-100 million/year
7.	Cambodia/government, Khmer Rouge	Timber	Mid-1990s	\$220-390 million/year
8.	Burma government	Timber	1990s	\$112 million/year
9.	Colombia (FARC rebels)	Cocaine	Late 1990s	\$140 million/year

Source: Michael Renner (2002).

Collier believes that the application of the greed theory in research on resource conflicts does not mean that this kind of research is arguing that the rebel fighters or conflicting parties “necessarily deceive others or themselves in explaining their motivation in terms of grievance.” Rather, it is simply argued that since both greed-motivated and grievance-motivated behaviour will be wrapped in a narrative of grievance, “the observation of that narrative provides no informational content to the researcher as to the true motivation” (Collier 2000:92) for the movement or struggle that creates or fuels a conflict.

This research uses the aforementioned theories and arguments as a basis to analyse the forest conflict phenomenon. Its contribution will be twofold: First, this research study will apply theories of violent resource conflicts, particularly the greed theory, to the non-violent forest conflict phenomenon. It is true that the greed theory is mainly associated with violent resource conflicts or resources wars (Collier 2000, Berdal and Malone 2000, de Soysa 2000, Renner 2002), but there are considerable similarities between “Resource Wars” and “Forest Conflicts.” Firstly, abundant natural resources have become subject of and a catalyst in the disputes. The conflicting parties claim they have the same rights to have access and to control the same resources. Hence, they struggle to gain or maintain control over such resources. Secondly, these natural resources play a decisive role as an exploitable “honey pot.” By referring to Brown’s analysis on the predation phenomenon in rent-seeking activities of Sabah, Serawak, and Indonesia’s timber industries (Brown 2001), it is not exaggerated to say that forest resources can also be classified as “predatable resources.” These structural “looting” and predation activities are carried out particularly by forest companies and related parties (political elites, opportunist groups, the timber association). Thirdly, in the case of the forest communities the forest conflicts have been used to generate cash (cash compensation). Thus, with regard to such striking similarities, theories on violent

resource conflicts are also applicable to non-violent forest conflicts. However, as local communities will not loot their own belongings (timber in *adat* land) and not all economic motivation can be arbitrarily categorised as greed, this research will use generic terms such as “economic motives,” “economic motivation,” “economic gain-seeking,” or “economic interests” instead of greed (cf. Berdal and Malone 2000).

Furthermore, this research study will develop a new approach to applying greed and grievance theories. In most works of Collier and Ross, traditional models are consulted to analyse greed and grievance issues by contesting each other, and thus neglecting the interaction between the two, as David Keen points out:

Rather than a traditional model of conflict as a contest between two sides trying to win, or a model that suggests political agendas have been replaced by economic agenda, I urge the importance of investigating how it is that particular groups can come to fall at least partially outside the physical and economic protection of the state, the exploitation or expropriation of these groups by those having superior access to the state (sometimes in alliance with international capital), the generation of a sense of grievance and of rebellion among these exploited groups, and the hyperexploitation and hyperexpropriation of “rebel suspects” that typically take place under the cover of an outright conflict.

Or, put in another way, we need to investigate how greed generates grievance and rebellion, legitimising further greed (Keen 2000:32).

Drawing on Keen’s study, it is more important to investigate how one party’s grievance developed as a response to the greed of the other party which later legitimises further greed (or economic motivation) of the former party. I will analyse how this mechanism works in non-violent forest conflicts in the field sites and how conflict motives develop in the phenomenon of the rise of forest conflicts.

B.2.4. Collective Action in the Conflict

B.2.4.1. Conflict, Forest Conflict, and Collective Action: Working Definitions

A “conflict” is defined as a situation of incompatibility or contradiction of interests between two or more parties (Wallenstein 1999; Boulding, in Oberschall 1997). Thus conflict involves three main elements, i.e. parties, interests, and incompatibility/contradiction (Wallenstein 1999). With regard to this concept, the term “forest conflict”²⁰ means conflict on access and control over forest resources between *adat* community (Dayak people) and the forest companies. The focus of conflict discussion in this study will lie on the community side as the rise of the forest conflict in the field sites is largely a result of people’s action against the forest companies. This does not mean to disregard the companies in the discussion,

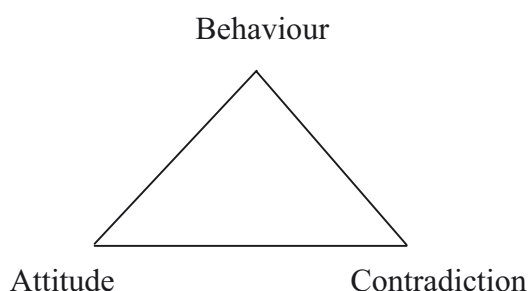
²⁰ For the terminology of “forest conflict,” see Morgan 1997.

since the companies constitute the target of such action.

The rise of forest conflicts can be examined quantitatively and qualitatively. Quantitatively, the rise of forest conflicts means the rise or the increase of the number of forest conflicts. Qualitatively, the rise of forest conflict refers to the rise or the increase of intensity (degree or escalation) of a particular forest conflict. While the former will be used to assess the rise of forest conflict on a broader level (particularly provincial level), the latter will be applied to assess the rise of the forest conflict in the study cases. In this study, the former will act as a framework for the latter, or as a point of departure in the investigation aimed at explaining the phenomenon of the rise of the forest conflict (intensifying forest conflict) in the study cases.

To better understand the degree or intensity of a forest conflict, Johan Galtung's model (1998) provides a useful base of argument. Galtung proposed a triangle ABC model (Attitude, Behaviour, Contradiction, see Chart 2.1) to explain a conflict and suggested that a conflict is a matter of attitude and behaviour of conflicting parties upon incompatible or contradicting interests.

Chart 2.1. ABC Conflict Model



Source: Galtung (1998).

If the incompatibility/contradiction of the parties' interests only reaches the level of "Attitude" (inconvenience, dissatisfaction, hatred, feeling of deprivation), the conflict does not become visible. If the contradiction affects the "Behaviour" (protest, demonstration, sabotage, collective action, etc), though, the conflict can be easily discerned. In order to understand the nature of a conflict in a particular regime type, Galtung's model can be linked to the conflict typologies introduced by Todd and Nader and popularised by RECOFTC (Regional Community Forestry Training Center, Bangkok), i.e. latent conflict, emerging conflict, and manifest conflict:

Latent Conflicts are characterized by underlying tensions that have not fully developed and have not escalated into highly polarized conflict. Often, one or more parties, usually the stronger one, may not even be aware that a conflict or the potential for exists.

Emerging Conflicts are disputes in which the parties are identified, the dispute is acknowledged, and many issues are clear. However, a workable cooperative negotiation or problem-solving process has not developed. Emerging conflicts have a potential for escalation if a resolution procedure is not implemented.

Manifest Conflicts are those in which parties are engaged in an active and ongoing dispute, may have started to negotiate, and may have reached an impasse (Todd and Nader, in RECOFTC 1998).

Accordingly, a latent conflict can be described as a conflict that has not surfaced yet. The incompatibility between parties in a latent conflict situation mostly only affects the “Attitude”. Emerging conflicts in contrast are about to erupt or have at least reached the level of “Behaviour”. The differences between emerging and manifest conflicts lie in their activeness and conflict resolution mechanism agreed by the conflicting parties.

Theoretically, the increased intensity of forest conflict can be observed as a transformation of one form of conflict to another form of conflict, namely from latent conflict to emerging conflict, from emerging conflict to manifest conflict, or from latent conflict to emerging-manifest conflict (manifest conflict is preceded by emerging conflict). This research study will focus on the escalation of tension in the existing conflict due to increasing “hostile” behaviour of one conflicting party against the other.

I will use two parameters in order to assess the escalation or increased intensity of the forest conflicts. The first one is the collective action conducted by the villagers. In general, collective action is defined as any action carried out collectively to achieve a collective goal or good²¹ (Olson 1965, 1971; Marwell and Oliver 1993). This definition allows to include a wide range of activities: “from raising an army to raising a barn; from building a bridge across a gulf separating states to building a faith community that spans the gulf between races; from organizing a business cartel to organizing a small partnership to compete in a crowded market; from food riots of revolutionary France to the progressive dinners of charitable New York;” it could also include the establishment of legislatures, parks, public schools, a sewage system (Marwell and Oliver 1993:1-2); a nuclear disarmament movement (Benford and Snow 2000), worldwide anti-war protest, mass boycott, mass rally, and so on. For specific analytical purposes, however, the term “collective action” in this research is defined as “provocative action carried out collectively by the adat community against the forest companies to achieve a collective goal.” It includes demonstrations against the forest companies, occupation of the forest companies, blockading the infrastructure of the forest companies, seizing heavy equipment of the forest companies and so forth.

The second parameter employed to assess the increased intensity of the forest conflicts is the direct, provocative, and unilateral non-collective action carried out. In this issue, the investigation focuses on the ultimatums issued by local people to the forest companies to leave the particular area.

²¹ Scholars defined a collective good as “any good in which a group of individuals is interested (i.e., from which each thinks he will benefit) and which, if provided to one member of the group, cannot be withheld from any other member” (Marwell and Oliver 1993:4). See also Oberschall 1997.

B.2.4.2. Free-Riders in Collective Action

Within the study of collective action, researchers identified the phenomenon of free-riders (actors) or free-riding (action) as a problem of collective action. The collective action problem was systematically theorised by Mancur Olson in his outstanding work, *The Logic of Collective Action* (1965, 1971). Olson argues that “rational, self interested individuals will not act to achieve their common or group interests.” According to Olson, “even if all of the individuals in a large group are rational and self-interested, and would gain if, as a group, they acted to achieve their common interest or objective, they will still not voluntarily act to achieve that common or group interest” (Olson 1965, 1971:2). The reason behind this is that “when interests are shared, rational actors should prefer to free-ride, that is, let others pay the costs of goods that will benefit every one” (Marwell and Oliver 1993:3).

The illustration provided by Marwell and Oliver (1993) depicts the problem of collective action. The City Park is a collective good, that is, a good that is used collectively by city residents. However, no rational individual will provide a fiscal contribution voluntarily for the construction of the park. Since any individual will be able to use the park, whether it contributes to it or not, the individual will keep his/her money in his/her own pocket and expects others to contribute or to pay the cost of the park’s construction. This is an example for the phenomenon of free-riders, that is, those “who do not contribute to the provision of a good but consume it” or use it (Marwell and Oliver 1993:4). In other words, “the free-rider problem is that an individual member of the group can benefit even if [he/she] does not contribute” (Macy 1990:809). Unfortunately, following Olson’s view, “the logic of collective goods is such that free riding is usually the *only* ‘rational’ economic response for all members of the group” (Marwell and Oliver 1993:4). However, if all individuals would use this calculation or rationality, the park could not be built at all. According to Olson, there is a correlation between the size of a group and the number of free-riders.²²

Collective action does not mean how the people realise their collective goals or needs but, in Olson’s view, it means “a number of individuals who share an interest in a good.” Thus, self-interest is important for collective action as it serves as a driving force. Olson does not claim that individuals without self-interest will not participate in collective action. Rather, “self-interest implies that individuals will not participate in collective action.” Therefore only “irrational” motives can explain the phenomenon of participation without self-interest. This also is in line with researchers’ arguments that—besides self-interest—solidarity, altruism, or some other motives may serve as imperatives (Marwell and Oliver 1993:5, Ansell 2001).

²² Olson did not specifically define the number of members of a small group. He only referred to John James’s research to support his theory. James found that in a variety of public and private organisations (national or local), the average size of groups taking action was 6.5 members, while that of groups taking no action was 14 members. In the US Senate sub-committees, the average size was between 4.7-7.8 members. See Olson (1971:53-54).

Olson argues that the realisation of collective action, particularly the realisation of collective goods, is due to coercion through taxation, or other kinds of forces. In Olson's view, coercion is only one element of a broader concept of selective incentives. He defined selective incentives as follows:

Only a separate and selective incentives will stimulate a rational individual in a latent group²³ act in a group-oriented way...The incentives must be "selective" so that those who do not join the organization working for group's interest, or in other ways contribute to the attainment of group's interest, can be treated differently from those who do. These "selective incentives" can be either negative or positive, in that they can either coerce by punishing those who fail to bear an allocated share of the costs of the group action, or they can be positive inducements offered to those who act in the group interests (Olson 1965, 1971:51).

Selective incentives include social status, social acceptance, psychological incentives, moral incentives, solidarity incentives, and the like. Thus, selective incentives consist of not only material incentives but also immaterial incentives such as solidarity incentives, purposive incentives, self-satisfaction, etc. (Marwell and Oliver 1993, Ansell 2001). Olson even declared social sanction as a selective incentive:

The existence of these social incentives to group-oriented action does not, however, contradict or weaken the analysis of this study. If anything, it strengthens it, *for social status and social acceptance are individual, noncollective goods*. Social sanction and social rewards are "selective incentives"; that is, they are among the kinds of incentives that may be used to mobilize a latent group. It is the nature of social incentives that they can distinguish among individual: the recalcitrant individual can be ostracized, and the cooperative individual can be invited into the center of the charmed circle (Olson 1965, 1971:60-61).

The classification of a social sanction as a selective incentive is important for this research as local people use social sanctions embedded in the adat institution to mobilise local people to act against the forest companies. Thus, the adat institution is of critical importance in regard to the free-riding problem.

Marwell and Oliver stated that "selective incentives are actually Olson's 'simple and sovereign' theory of collective action" (Marwell and Oliver 1993:7). The logic behind the concept of selective incentives stems from two main assumptions. First, "every individual finds that the cost of action exceeds the benefit to him of the collective good." Second, "individual benefits cannot be increased by coordinating actions with others" (Marwell and Oliver 1993:8). According to Marwell and Oliver, "if this is true, collective action without selective incentives is 'irrational'. But this is an input into the model, not a

²³ Olson defined a latent group as a large group. See (Olson 1965, 1971).

derivation from it. If the premise is false, so is the conclusion.” Therefore, Marwell and Oliver argue that “the central question of collective action theory is not whether collection action is rational, but rather *when* it is rational [emphasis added], that is, under what circumstances individuals find that he benefits of participation exceeds their personal cost” (Marwell and Oliver 1993:8-9). Based on this assumption, Marwell and Oliver drew up a “critical mass theory” (Marwell and Oliver 1993) emphasising that “where free-riders are not a burden on those [who] contribute, it is not necessary to organize every member of a large interest group” (paraphrased by Macy 1990:810). Macy explains that “[a] small subset or ‘critical mass’ of highly resourceful and interested members can patronize a much larger group without concern that the benefit to others will diminish their own” (Macy 1990:810).²⁴

During the forest conflicts, local people struggled for public goods (cash and non-cash compensations) while having to calculate the cost or risks of collective action (i.e. detention, interrogation, etc) during the rule of the democratic regime (compared to that of during the authoritarian regime). At this point, I argue, the *when* precondition used in constructing Marwell and Oliver’s theory can be translated into a *time* variable (*when* the regimes change).

The core point of the collective action theory is that “rational actors will calculate the costs and benefits of joining and participating in any collective action” (Morgan 1997). Rational actors will not tend to participate when the costs or risks are high or when the action carried out will not provide personal benefits/incentives.

The purpose of applying the collective action theory in this research study is threefold. First, to underpin the earlier discussion on how local people grasp existing political opportunities. Second, to assess the rise of the forest conflict phenomenon by examining the occurrences of collective action in the field sites. Third, to analyse the use of indigenous resource (adat institution) to handle the collective action problem (free-riding).

²⁴ An example given to support this theory is “the good citizen who phones in to report a power outage.” Another example is “the user who purchases computer software that is then made available to everyone on the system since this does not reduce its utility to those who paid for it” (Macy 1990:810).

Chapter 3

Regime Change/Democratisation, Institutional Breakdown, and the Rise of Conflicts

The regime change from authoritarian state power to democratic state power in Indonesia surprisingly occurred in May 1998, following the fall of Soeharto who remained in power for more than three decades. Since then three Presidents have presided the country and promoted the liberalisation and democratisation of Indonesian politics. The collapse of Soeharto's regime marked the breakdown of authoritarian political institutions. In the wake of the collapse of the authoritarian regime, new political institutions were absent or not viable to deal with the uprising and the demands of the masses. As a result, a *laissez-faire* behaviour persisted during this transitional period. All of these factors contributed significantly to the rise of conflicts.

This chapter will thoroughly examine these three issues—regime change/democratisation, institutional breakdown, and the rise of conflicts—during Indonesia's early stage of democratisation. The first two are aimed at providing the political framework for the discussion of the study cases, while the last one is aimed at demonstrating that the timing of the steep increase of (general) conflicts in Indonesia coincides with that of forest conflicts in East Kalimantan.

A. Regime Change and Democratisation: From New Order to Post-New Order

The downfall of Soeharto on the 21st of May 1998 marked the peak of a protracted economic and political crisis in his ageing regime, putting an end to the so-called New Order era and constituting a starting point of a new era popularly known as the *Reformasi* era (era of reform/reformation). Soeharto himself was a byproduct of a protracted economic and political crisis during Soekarno era. Economic collapse, political cleavage, elite conflicts, and social disintegration during the Soekarno era had brought Soeharto to power. After inheriting these conditions, the newly born government was solely “devoted to maintaining political order, prioritising economic development, and excluding mass participation in politics” (Aspinall, Feith, and van Klinken 1999:i).

In the early time of his reign, observers, economists, and social scientists were doubtful about his skills in managing a nearly bankrupt state, economically and politically. But as a military tactician he cleverly employed foreign-trained neoclassical economists and technocrats—the so-called Berkeley Mafia¹—to reconstruct the economy. A new economic direction was chosen by reducing the

¹ Indonesian technocrats graduated from the University of California, Berkeley.

role of the state in the market, advancing outward-oriented economy (foreign debts, foreign investment, foreign trade, export oriented products), stabilising the currency, and carrying out progressive deregulation programs. The overarching goal was to achieve a high exchange rate and impressive economic growth (Muhaimin 1991, Mas'oed 1989, Robison 1986, Barber 1997).

In the field of domestic politics, he followed Huntington's tenet on the importance of political order in changing societies by which he exerted his influence to establish and maintain political stability. In order to handle civilian dissidents and opponents, he undertook a series of measures such as the corporatisation of socio-political organisations, the use of coercion and repression to muzzle civilian critics, the establishment of Golkar as the government's party, the politicisation of bureaucracy, mass depoliticisation, and the suppression of press freedom (Aspinall, Feith, and van Klinken [eds.] 1999, Pabotingi 1996, Mas'oed 1989, Hikam 1998). Concerning the military, the most powerful potential enemy of his, Soeharto skillfully implemented a strategy popularly known as "carrots and sticks" (Lay 2002)—to reward loyalists and to punish non-loyalists. Furthermore, as Crouch points out, "[l]ike the traditional Javanese sultans who kept rival groups of courtiers in balance, Suharto made sure that no single group of officers gained a position from which they could challenge his rule and that no single, clear-cut candidate for the succession emerged" (Crouch 1988: 237). By implementing such strategies, he had successfully "outmaneuvered potential contenders within the military, consolidated his own position, and built the presidency into the most powerful political institution [body] in the country" in the early 1970s (Aspinall, Feith, and van Klinken 1999:ii). The use of the military to advance his political agenda and the excessive military intervention in bureaucracy and everyday's politics brought about strong criticism from civilians and democratic forces. Although the military's presence in the civilian bureaucracy was reduced gradually, the institutionalisation of the military's dual function doctrine—the military as a defence force as well as a socio-political force—persisted.

Within a short time, the political format of the New Order was consolidated on the basis of Huntington's tenet and Soeharto's style to govern. The central feature of New Order's political format was a dominant role of the military in politics legitimised by its dual function doctrine, the bureaucratisation of the state body, corporatisation of political and social organisations, the use of coercion and repression against opponents, the establishment of Golkar as Soeharto's political machine in the elections, power magnification of the executive, mass depoliticisation, and a tight press control (Aspinall, Feith, and van Klinken [eds.] 1999, Pabotingi 1996, Mas'oed 1989). All of these measures were conducted in order to maintain national security and public order.

As an outcome, Indonesia was successful in achieving a prestigious position as a middle-income country in less than two decades (Pabotingi 1996). Indonesianists observed that "although the most obvious beneficiaries were sometimes those with close links to the regime (more and more the President's

family itself), many others in society also benefited” in the Soeharto era (Aspinall, Feith, and van Klinken 1999:ii). Although the numbers of people living in poverty were still significant, Soeharto’s government had successfully reduced them from 60 million in 1966 to 22,5 million in 1997, before rising to 78.9 million again in May 1998 (BPS 2001). In the political sphere, he had “dominated the New Order in much the same way that the regime dominated society as a whole” (Aspinall, Feith, and van Klinken 1999:ii). Thus, political stability in general was securely controlled. As far as regime stability was concerned, political scientists observed that “[t]here were no longer any serious rivals within the government” (Aspinall, Feith, and van Klinken 1999:ii).

The economic and political structures of the New Order regime however bore potential economic and political dangers. Economically, the capitalist path chosen by the government provoked considerable economic distortions. Corruption, collusion and nepotism were rampant. The patron-client system used in order to manage the economy had promoted narrow-minded client-businessmen who relied heavily on government’s facilities, contracts, subsidies, and protection to run their businesses (Crouch 1974, Robison 1986, Crouch 1988). Although client-businessmen were observed during the previous period of 1950-1965 (Muhaimin 1990, Mas’oed 1989), the client-businessmen during the New Order era exploited the regime’s political patronage to enrich themselves and corrupt officials. In the political sphere, the authoritarian governance of the regime defied any democratic aspirations and movements as well as political changes. Terms such as autocratic regime, neo-patrimonial regime, repressive developmentalist regime, corporatist regime, bureaucratic-authoritarian regime, military bureaucratic regime, and military dictatorial regime were used by political scientists, observers, and human rights groups to depict the nature of New Order’s authoritarianism.²

In response to the corrupt economic and political systems and New Order’s authoritarianism, intellectuals, students, professionals, and the middle class in general had increasingly demanded economic and political changes. A corrupt authoritarian system was regarded as a hindrance to the promotion of sustainable economic growth and the creation of a democratic political system. Therefore, the call for economic and political reforms by democratic forces became sharper every day. After a long period of resistance, the government practiced a *keterbukaan politik* (political openness) in early 1989 (Crouch 1992, Cribb and Brown 1995, Lane 1991, Aspinall 2000), meaning “a relaxation of political censorship and an apparent willingness on the part of government to open dialogue with community groups” (Cribb and Brown 1995:150). However, this policy, which was a direct translation of Soviet Union’s *glasnost*, was no more than a lip service. A series of

² Mackie, for instance, said that “[t]he Suharto regime has been characterised at various times over the past fifteen years as a military dictatorship, a case of bureaucratic authoritarianism in the O’Donnell-Schmitter sense, as a corporatist state, as patrimonialist, as a bureaucratic polity *a la* Fred Riggs’ account of Thailand, as a repressive developmentalist regime, and by others as a relatively pluralistic form of bureaucratic polity” (1988:23). For the term “military dictatorship,” see Pluvier (1979). For the terminology “repressive-developmental regime,” see Feith (1980).

repressive measures was imposed upon democratic forces such as the shutting down of three leading magazines, *Tempo*, *Detik*, and *Editor* on June 21, 1994 (Suryadinata 1997, Aspinall 2000) due to their investigation into the purchase of former East German's warships. Interestingly, the idea to launch the *keterbukaan politik* did not originally come from Soeharto's government, but from the (former) US Ambassador to Indonesia, Paul Wolfowitz, who, before he left his post, suggested Soeharto that it was a right time for Indonesia to exercise political openness (cf. Aspinall 2000).

Since there were no signs of political changes, the opinion crystallised among democratic forces during the 1990s that political change was only possible by a change in leadership. Since New Order was inseparably linked with Soeharto and it was regarded impossible to change the New Order system without replacing Soeharto, the succession issue became the central issue in Indonesian politics, particularly around the time of the general elections in 1992 and 1997 (see Mackie 1988, Suryadinata 1997). However, as long as Soeharto did not intend to resign, a new candidate could never succeed him. This is because his political position was still unchallenged, as political scientists stated many observers of Indonesian politics, even in 1996-1997, "believed that Suharto and his regime remained strong" (Aspinall, Feith, and van Klinken 1999:iv).

However, the ageing regime was hit by an unexpected development. In May 1997, Thailand was struck by an economic crisis which had a tremendous impact on Indonesia. The Indonesian currency (Rupiah) plummeted from 2,400 to the US Dollar in May 1997 to 5,600 to the US Dollar in December 1997. On January 8, the Rupiah plunged to 10,000 and then to 17,000 to the US Dollar on 21 January 1998, before recovering slightly in the following days (Aspinall, Feith, and van Klinken [eds.] 1999). The price increased steeply and many poor people could not afford to buy subsistent foodstuffs. As mentioned before, the number of poor people increased from 22.5 million (prior to the crisis) to 78.9 million in May 1998 (BPS 2001). This development instantly ruined Soeharto's legitimacy to rule, which was based almost solely on economic "success." Although many efforts were made, Soeharto's government was unable to provide a quick remedy and an appropriate solution to the crisis. Soeharto's reappointment for a sixth tenure in March 1998 met widespread opposition, as did the appointment of his daughter and cronies as ministers and the government policy of rising fuel prices, which was aimed at cutting subsidies as suggested by the IMF. Common people, businessmen, the middle class, students, and universities' lecturers demonstrated against these measures and joined in the struggle to topple Soeharto from his office. This widespread opposition had significant effects. On 21 May 1998, Soeharto made a historic speech in which he announced his resignation as President and the appointment of his Vice President, Habibie, as his successor. None had ever predicted that this could happen so abruptly. Even political scientists and observers were surprised by the events of 21 May 1998 (Aspinall, Feith, and van Klinken [eds.] 1999). In regard to his resignation, Törnquist suggested that "[h]e saved his

own skin only by resigning early, as the rats (like the parliament speaker and several cabinet ministers) began to abandon the sinking ship” (Törnquist 2001:64).

The downfall of Soeharto and the appointment of Habibie as President on 21 May 1998 marked the regime change from authoritarian state power to democratic one. This regime change was later followed by a democratisation process. During the post-New Order era, three Presidents—B.J. Habibie, Abdurrahman Wahid and Megawati Soekarnoputri—have struggled to initiate and consolidate the democratisation process in Indonesia.

When Habibie assumed power, he had to resolve the most critical situation of the post-New Order era. He could lead the country into two opposite directions: to the road to democracy or to the road to neo-authoritarianism. This stemmed from the fact that he faced the phenomenon of the state’s collapse: the state had collapsed politically and was bankrupt economically. The economic crisis inherited by Soeharto’s regime could not be immediately contained. The high economic expectations of the population were disappointed by a tremendous increase in poverty and by a skyrocketing price of basic commodities. During Habibie’s tenure cases of famine or high possibilities of famine in certain areas were widely reported. A long lasting drought, harvest failures, and the 1997/1998 forest fires seemed to affect this situation. Many international organisations went hand in hand to provide assistance through social safety net programs.

Concerning the political aspect, the authoritarian political institutions had broken down completely. The population no longer respected any institutions or mechanisms associated with Soeharto. “*Reformasi*” (reformation) was the most powerful and popular terminology used by the population to ignore New Order repressive institutions. They ignored New Order’s arrangements on how reform ideas should be channeled; they humiliated the government’s party (Golkar), embarrassed the military and police forces and ignored the existing laws. These mass politics were accompanied by lootings, riots, civil commotion, communal violence, *laissez-faire* behaviour, and so forth. Both the institutional breakdown and the lawlessness characterising Indonesia after Soeharto’s fall provided a dilemma to those in power. On the one hand, the government had a great chance to gain popularity by letting the people exercise their freedom in their own ways or transforming the country into a democratic one. On the other hand, such a situation could also provoke authoritarian forces to re-seize power.

Due to the impact and pressure of the *reformasi* movement, Habibie was forced to democratise the existing authoritarian political system. Accordingly, “Habibie quickly moved to implement a program of reforms designed to hold free elections for parliament and the presidency and to cast a new image of democratic politics after more than three decades of authoritarianism” (Bertrand 2002). However, these measures were not approved by all people or parties. For example, they met the resistance of the military under General Wiranto.

In order to establish a functioning democracy some of Habibie’s first work steps were the release of political prisoners, the separation of the civil service and the military from Golkar (the abolishment of the Big Golkar Family), the

liberalisation of the press, the guarantee of freedom of speech, the right to assembly and to form political parties, and—the most important thing—the holding of a free election. All of these measures were crucial steps in the effort to establish a democratic regime. In Linz and Stepan's terminology, the Habibie regime played a crucial role in carrying out the so-called political liberalisation (cf. Linz and Stepan 1996, 2001). However, the reform progress remained slow because there were no strong political institutions to carry out the reform measures. Furthermore, it was impossible to establish such kinds of institutions overnight. The phenomenon of a collapsed authoritarian regime followed by weak and fragile democratic institutions was common in a democratising state (cf. Snyder 2000). It was a catalyst for the continuation and the “mushrooming” of *laissez-faire* politics. Democracy accompanied by lawlessness paved the way for the continuation of anarchical behaviour as mentioned above (widespread lootings, riots, civil commotion, communal violence, etc).

In the eyes of the democratic forces, one of Habibie's political weaknesses was his stance in regard to the military. According to the opinion of the democratic forces, he lacked credibility in this issue or was even regarded as unable to control the military. First, he was linked to the past (Soeharto's regime) where the military played a dominant role in Indonesian politics. Economic and political benefits gained by Habibie through his relationship with Soeharto and the military (cf. Aditjondro 1998, 1998b) hampered him to take strategic steps. Second, he lacked legitimacy to rule as he was appointed by Soeharto, not by the MPR. This led him to establish a mutual symbiosis with the military led by General Wiranto to support his government, a strategy strongly rejected by the democratic forces, particularly the students. In this situation or arrangement, Habibie was compelled to look after a “loser” who nonetheless remained a power-hungry “tiger” (the military). The “tiger” could use such instability or political situation as an excuse to regain power. Observing the situation at that time, however, the return to authoritarianism or military rule was less likely to occur. First, the military was under strong criticism over human rights violations in Aceh and East Timor and over the misuse of power throughout the country during the New Order regime. Second, the Indonesian students constituted a strong archrival of the military in case the military attempted to re-seize power. Third, almost no political crisis occurred without the involvement of military officers.³ Confronted with these difficulties, the military had no choice other than to play a strategy of “golden silence.”

In addition, Habibie could not eliminate the “remnants” of the New Order government practices, particularly concerning the state economy. His government failed to establish an accountable, transparent, and sustainable economic system. During his reign, his government and his aides faced numerous charges of corruption and misuse of power. Efforts to curb corruption, collusion, and nepotism (*Korupsi, Kolusi, Nepotisme*; KKN) were regarded as a lip service by most of the population. This condition contributed to the instability of the regime and was conducive to the mushrooming of public unrests.

³ For the involvement of military officers in the Maluku conflicts, see Aditjondro (2000, 2001).

Against the background of this situation, Habibie took two crucial steps in improving his government's image. The first was to carry out a free election in June 1999, the other to hold a referendum in East Timor. As far as the free election was concerned, the Indonesian democratic forces and the international community gave high credit to him due to his commitment and efforts in this ambition. In significance of a free election, it could not be overestimated as it could increase the legitimacy of a transitional regime as well as strengthen the trust of the public in democracy (Huntington 1991, Linz and Stepan 1996, Snyder 2000). In the case of East Timor, however, the opinions were divergent. The international community and most Indonesian NGOs as well as the democratic forces gave him credit for this undertaking. However, in the eyes of Indonesia's true *integralists*, Habibie was accused of selling East Timor in the expectation to receive the Nobel Peace Prize award.

Up to today, Habibie's good reputation is ascribed to his success in carrying out the 1999 general election (legislative election), the most democratic election in Indonesia after the 1955 election. However, the victory of the PDIP (Indonesian Democratic Party of Struggle; Megawati's party) over Golkar lost him the power in the DPR (House of Representatives) and the MPR (People's Consultative Assembly). Due to the disastrous economic performance, widespread social violence, the rise of an ethnonationalist movement, and the "loss" of East Timor, his closing report in October 1999 before the MPR was rejected. Subsequently, he was forced to discontinue his tenure in office.

Although Megawati's party (PDI-P) won the 1999 election, Abdurrachman Wahid was appointed President in October 1999 to succeed Habibie due to the indirect presidential election method and the horse-trading politics of the MPR. Wahid undertook further measures to democratise Indonesian politics and continued Habibie's endeavour for a political democratisation. For example, along with the Department of Social Affairs, he abolished the Department of Information, which was responsible for the censorship of the Indonesian media during the Soeharto's era. Wahid's most important measure was to support and facilitate the amendment of the 1945 Constitution to provide a stronger constitutional basis for future democratic regime. Thus, Habibie's efforts provided a strong basis for Wahid to carry out further political liberalisation and democratisation.

Wahid also proved to be more effective in controlling the military. Besides reshuffling military posts, he abolished Bakorstanas (Coordinating Board for Assisting in the Consolidation of National Stability) and Litsus (a political screening mechanism). Many observers praised Wahid's steps in pushing out the military from politics. This had to do with the procedures in his election as President as well as his personal commitment in enacting civilian rule. Wahid assumed presidential powers through election by the MPR members, so that he had no psychological burden to dismantle the military power.

These measures finally showed positive effects. First, President Wahid demonstrated his control over the military in the issue of martial law. In response to requests made by the military to promulgate the martial law in Aceh and Ambon, Wahid rejected. Second, Wahid defeated the military by what the *New York Times* called “Confuse and Rule” strategy (NYT 15.02.2000, Gunawan 2000). This strategy was used to suspend General Wiranto from his post as Coordinating Minister for Political and Security Affairs. Third, by means of a reshuffle he replaced conservative elements within the military with reformist officers. Fourth, he had appointed a civilian as Minister of Defence and a Navy officer as the Commander of the Armed Forces. This broke a long lasting “taboo” in Soeharto’s politics and was part of strategy to reduce the power of the military, the army in particular. Finally, due to Wahid’s subtle negotiation skills, the military agreed to stop the practices of the appointment of military officers in the Parliament (DPR) in 2004 and in the MPR in 2009 (Gunawan 2000). Regardless of these successes by Wahid, however, a few military hardliners did not refrain from offering resistance. Aditjondro gives an insight into the rise of the Maluku conflicts in which numerous military figures in Jakarta were involved (Aditjondro 2000, 2001).

Due to the prevalent societal conflict, growing political regionalism, continuing economic crisis, and resistance from military hardliners, Wahid had been unable to create a stable democracy. However, since his regime had passed the precarious transitional period of Habibie’s regime and the powers of the military had weakened politically, the possibility of a return to authoritarianism was less likely to occur compared to that of the Habibie regime. The establishment of a stable and more mature democracy depended on his measures to deal with three main issues. Concerning the military, its dual function (as a socio-political force and a defence force) was the main obstacle for the democratisation process. The dual function did not only hamper the creation of normal politics characterised by the civilian control of politics but also hinder the democratisation of the political institutions. Second, the government’s performance in handling political regionalism (particularly the separatist movement in Aceh) as well as ethnic and religious conflicts was of high importance. If the government was capable of handling these problems, the road to a stable democracy could come to the fore. Third, the economic performance of the government was also of crucial importance. A better developed economy would reduce social unrests, improve the condition of the civil society, increase the budget allocation to the military, and provide better payment to government officials and military officers. If progress could be achieved within these problem areas, it would be conducive to the establishment of a more stable democracy during Wahid’s regime.

Although no official statement was released concerning the abolishment of the military’s dual function doctrine, the dual function discourse and its practices had been significantly abandoned during Wahid’s regime. Due to his style of governing the country, his incapability in handling the rise of political regionalism and social violence, and due to the continuing economic crisis, however, he was

“toppled” at the MPR’s extraordinary session in July 2001. His downfall was triggered by the Bulog financial scandal, but it was mainly due to the disappointment of parliamentarians, particularly his former allies, over his performance and style to govern. The fact that the Court could not prove the allegation of his involvement over the misuse of Bulog’s funds was a case in point.

Megawati, a Vice President during Wahid presidential office, was appointed President on 23 July 2001. During her tenure, Megawati initially made no critical move to further democratise Indonesian politics. Due to her previous rejection of a direct presidential election and her strategy of “golden silence” in running the country, she was regarded of having no vision to strengthen the fragile Indonesian democracy. Later, some important strategies were carried out by Megawati, though. The most considerable one was her choice to re-embrace the military. The re-embrace of the military by Megawati’s regime (Bertrand 2000) did not mean the return of military rule. It was to respect the military, and this strategy was effective. Two outcomes can be discerned from this strategy. First, the military has agreed to abort its military intervention in non-military affairs and respect the civilian control of politics. This implies an end to the military’s dual function doctrine. Second, the military has agreed to leave all seats in the DPR and MPR in 2004 (www.tni.mil.id, 2002-2003). The law handling this issue has already been promulgated, shortening the period of the military’s presence in the MPR from 2009 (as promised during Wahid’s regime) to 2004. Although a lot of criticism was directed to Megawati due to her closeness to the military, her government is in fact more stable compared to that of Wahid.

Another important step taken by the Megawati administration is her agreement to pursue a direct presidential election (it will be held in 2004) and a direct election of Governors and District Heads across the islands. These are crucial steps in the democratisation process as they could strengthen the foundations of a democratic state and facilitate efforts for democratic consolidation.⁴ The advancement of a direct presidential election and the absence of the military in the DPR, MPR, and local parliaments soon after the 2004 general election would be crucial in order to strengthen Indonesia on its road to democracy, or in establishing critical foundation for—what Törnquist called—“the birth of the world’s third largest democracy” (Törnquist 2000). How this foundation will transform into a real or mature democracy depends on the commitments of the power centers in Indonesian politics as well as the civil society.

⁴ This is not to reject the possibility of the use of direct popular election by authoritarian elements in the society to seize power and then impose authoritarian rule.

B. Institutional Breakdown during Indonesia's Early Stage of Democratisation

As noted, many terminologies have been used by political scientists and observers to depict the nature of the New Order regime, e.g. neo-patrimonialist regime, authoritarian regime, bureaucratic-authoritarian regime, military-bureaucratic regime, and so on. Frankly speaking, it is difficult if not reductionist to describe the nature of the New Order regime by a single terminology. As Mackie argued, "one difficulty in labeling the regime is, of course, that the socio-political system has changed a lot since 1967-70, although in rather subtle ways, not always very obvious ones" (Mackie 1988:24). In addition, the system established by Soeharto was so complex that during his reign political scientists struggled to predict what would happen in Indonesian politics.⁵

A subtle analysis of the "institutional breakdown" phenomenon requires an analysis of the political institutions employed by the New Order regime to deal with emerging or potential conflicts. An examination of the (neo)patrimonialist system where Soeharto's personal rule formed the center of the system provides an adequate starting point. According to Crouch, in a (traditional) patrimonialist system,

the ruler's power depended on his capacity to win and retain the loyalty of key sections of the political elites. Lacking sufficient coercive capacity to enforce acceptance of his rule, the ruler sought to win voluntary allegiance by satisfying the aspirations—especially the material interests—of his supporters through the distribution of fiefs and benefices in exchange for tribute and loyalty. The government was able to rule in the interests of the elite without taking much account of the interests of the masses because the latter were poor, socially backward, political passive, and kept in check by regime's military forces. Politics thus took the form of a struggle within the elite itself, among rival factions and cliques that were concerned principally with gaining influence with the ruler who determined the distribution of the rewards of office. The ruler was able to maintain his authority by preserving the balance among the competing cliques (Crouch 1979).

Thus, a (traditional) patrimonialist system could survive "as long as the masses remained politically quiescent, and rivalries within the elite were contained so that they did not threaten its basic unity of interests" (Crouch 1979). However, it is difficult to attain this fact as the system would sooner or later be affected by the changes outside the system or by the presence of new opportunities and constraints imposed within the system. Modernisation is an influential factor. As Crouch stated, "modernisation has brought new challenges that threaten the capacity of governments to meet demands and maintain stability. Economic change has

⁵ There were two prominent assessments in this regard. One was written by Ben Anderson, "The Last Days of Soeharto's Indonesia?" (1974), and another by David Jenkins, "After Marcos, Now for Soeharto's Billions" (1986).

produced new social groupings and classes with distinctive political interests, while the political quiescence of the masses has been undermined and modern political organization has enabled leaders to mobilize support on a wide scale” (Crouch 1979). Growing challenges and threats make the stability of the system vulnerable, particularly concerning distribution problems, the balancing of rivalries between elites, and the skepticism of the impatient society. In order to deal with this phenomenon, the authoritarian government had to adjust the existing system. The renewed or more modern patrimonialist system that was later created is called neo-patrimonialism, described as a “modern state exhibiting patrimonial characteristics” (Crouch 1979).

In many neo-patrimonialist regimes, it has been found that the regime capacity to meet demands grows. Its capacity to cope with threats also increases, “in part through the increasing sophistication of the means of coercion” (Crouch 1979). In the case of the New Order regime, Soeharto’s government imposed mass depoliticisation to deal with the masses. Regarding the elites, Soeharto co-opted military and civilian elites, including the emasculation of political parties. The strategies used by the Soeharto administration ranged from blatant oppression to sophisticated means of coercion (e.g. Pancasila Democracy, implanting the military’s dual function doctrine into Indonesia’s “body”, monoloyalty of civil servants, Soeharto’s Annual State Address, slogan of “Development, Yes – Politics, No,” etc.) (Gaffar 1992, 1999; Eriyanto 2000; Heryanto 1993, Gunawan 1996). All of these depoliticisation methods were carried out under Soeharto’s personal guidance and control. Mackie did not exaggerate by claiming that the New Order regime was

a more personalistic form of authoritarian rule, dominated by the quite singular capacity of President Suharto to impose his own distinctive stamp on the political system. The characteristics of his mode of government combine a curious mixture of a traditional sultanistic court and of a technocrat’s rational administration, as well as of an avuncular paternalistic *bapak* and a ruthlessly authoritarian military leader accustomed to being obeyed, of a very modern man and yet a still highly traditional one, of the outwardly Muslim and the inwardly syncretist Javanese (Mackie 1998:24).

According to Crouch, a patrimonialist system can maintain itself if two conditions are met. The first demands that “the elite must be ideologically homogeneous, so that the struggle for power centers on the allocation of private material benefits rather than an alternative political programs,” whereas the second demands that “the mass must continue to be passive and isolated from the political process” (Crouch 1979:579). However, the New Order regime faced problems regarding these “requirements”. In regard to the first “requirement” (the elite), “the New Order government’s dependence on economic growth seems to require an administrative system based on the bureaucratic values of predictability, regularity, order, and rationality—in contrast to patrimonial favoritism and arbitrariness.” And in regard to the second “requirement” (the mass), “there are doubts as to the long

term effectiveness of the Indonesian regime's efforts to depoliticise and isolate the masses." In view of such problems, Crouch predicted that "it [was] therefore likely that the stability of the New Order government [would] be increasingly challenged, forcing it to turn much more to straightforward repression in order to deal not only with opposition from the masses, but also from within the elite" (Crouch 1979:579). Crouch's prediction proved to be right in the following years and even decades.

Facing personal rule and succession problems, Soeharto had eventually begun to institutionalise his personalistic neo-patrimonialist system by creating the "New Order pyramid" which can be described as "a steeply-ascending pyramid in which the heights are thoroughly dominated by a single office, the presidency. The president commands the military which is *primus inter pares* within the bureaucracy, which in turn holds sway over the society" (Liddle 1985)." Liddle describes as follows:

- (1) What is being institutionalized is the "New Order pyramid": a dominant presidency, a politically active armed forces, a decision-making process centered in the bureaucracy, and a pattern of state-society relations that combine cooptation and responsiveness with repression. Unlike the Huntington model, political parties, including the government's own Golkar, are not central institution in this system.
- (2) The key promoter of institutionalization in New Order politics is Soeharto himself. His policies have been remarkably consistent and successful over two decades. By design and by accident these policies have created an identifiable pattern of political expectations, anchored in a powerful structure of interests, affecting present and future presidential, armed forces', and bureaucratic behaviour.
- (3) Nonetheless, the level of institutionalization is low and must be seen in the context of the continuing force of some elements of personal rule.
- (4) Though the New Order appears to have shifted from a system of personal rule to an institutionalised "presidential-military-bureaucratic complex," there is still much room for the idiosyncratic behaviour of an incumbent president to shake the structure" (Liddle: 1985:70-71).

What Soeharto had built was a system to respond to rapid changes in Indonesian society as well as to anticipate future challenges. In this system, Soeharto dealt with three main elements of the New Order polity, that is, the military, the bureaucracy (including Golkar), and the mass. These elements were designed in a certain manner so that they were supportive to the regime and to Soeharto in particular. Thus, the anti-conflict machines of Soeharto's regime lied within these elements. They were, more specifically, a repressive security institution, a repressive bureaucratic institution, and a mass depoliticisation institution.

During his reign, Soeharto effectively used such institutions to deal with the mass and potential conflicts. Immediately after his fall, however, these institutions

had broken-down completely. The following part discusses the breakdown of these institutions during the regime change process and the early stage of democratisation. It is scrutinised from the perspective of institutional analysis, which defines institutions as “the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction”(North 1990:3). This definition clearly distinguishes between institutions (abstract ones) and organisations (concrete ones), which is a shift from the vague common definition of institutions (defined as both abstract and concrete things). The body, actors, or players (such as political parties, universities, companies) are clearly defined as organisations, while institutions refer to the rules of the games that govern the interaction between actors or players. Institutions can be both formal (laws, policies, doctrine, regulation, formal codes of conducts) or informal (convention, norms, informal codes of behaviour, customs) (North 1990).

B.1. Repressive Security Institution

In order to guard the country, maintain stability and political order, secure development programs, and preserve authoritarian rule, the New Order government established the ABRI (Indonesian Armed Forces) whose total forces were accounted for 500,000 by 1995. ABRI was composed of the Army, the Marines, the Air Force, and the Police Force. The inclusion of the Police Force into ABRI was one strategy to control all Indonesian security forces by one single ABRI Commander. In fact, during the New Order era, the ABRI Commander was member the military (Army) as well as Soeharto’s loyalist.

To control the entire Indonesian territory, the military established Territorial Commands paralleling civilian bureaucracy across the archipelago. The structure of the military’s territorial commands stretched from regional, provincial, district, sub-district, to village level. As table 3.1 shows, the jurisdiction of each military command varies depending on the size of the areas and/or geopolitics. Jakarta and East Java, for instance, hold one Regional Military Command respectively (Kodam Jaya and Kodam Brawijaya respectively). In the meantime, all provinces in Kalimantan (East Kalimantan, South Kalimantan, Central Kalimantan and West Kalimantan) also only hold one Regional Military Command (Kodam Tanjung Pura). At village level, one Babinsa (Village Guidance Non-Commissioned Military Officer) may be responsible for one village or a cluster of villages.

Table 3.1 Parallel Structure of Military Commands and Civilian Bureaucracies

Military Command	Civilian Bureaucracy
Kodam (Regional Military Command)	Regional (Cluster of Provinces), Province
Korem (Resort Military Command)	Province, Sub-Province (Cluster of Districts)
Kodim (District Military Command)	District
Koramil (Sub-District Military Command)	Sub-District
Babinsa (Non-Commissioned Military Officer)	Cluster of villages, Village

In order to parallelise the military-civilian structure, the military established the Provincial Muspida (Council of Provincial Leaderships) at provincial level whose members consisted of a military commander, a Governor, a chief of the police force, a chief prosecutor, and a head of court. At district level, the establishment is called District Muspida (Council of District Leaderships). These councils, both at provincial and district level, were always chaired by a military commander. At the Sub-district level, the council has been named Muspika (Council of Sub-District Leadership), consisting of a Sub-District Military Commander (*Danramil*), a Sub-District Police Chief (*Dansek*), and a Sub-District Head (*Camat*) (Gunawan 1996).

In view of this structure (military organisation), political scientists such as Harold Crouch argued that “the position of the military command is no less than a shadow government at every level of government” (*Forum Keadilan*, 23.10.1995, in Gunawan 1996:36).

During the New Order regime, ABRI also created some special and extra organisations such as Opsus (Special Operation) and Kopkamtib (later became Bakorstanas, Coordinating Board for Assisting in the Consolidation of National Stability). These organisations were terrifying military organisations in the eyes of democratic forces since their activities were mostly directed towards controlling and dismantling the opposition and any kind of democratic movement (Gunawan 1996).

In order to support such organisations, ABRI established the *dwifungsi* ABRI (dual function). *Dwifungsi* was a military doctrine proposed by Gen. Nasution in 1958, claiming that the Indonesian Armed Forces exercised a dual role, that is, as a defence force and a socio-political force. As a defence force ABRI was responsible for defence affairs against external threats, as a social force it was responsible for any matters stretching from ideological, political, economic, and socio-cultural issues to spiritual and religious spheres (Notosusanto 1975). By means of this doctrine, New Order government not only created a homogenous ideology among officers and personnel, but also justified its intervention in non-military sectors (Jenkins 1983, 1984; Crouch 1988, Sundhaussen 1982).⁶

⁶ During the New Order era, *dwifungsi*-based military interventions in non-military sectors had been pervasive. It occurred in three main areas. *First*, in bureaucracy. In 1967, around 25,000 military personnel occupied civilian bureaucracy from presidential posts to village heads. The membership figures decreased to 20,000 in the 1980s and further dropped to 14,000 in 1995 (FEER, 28.04.1994, 18.05.1995, in Gunawan 1996). Although its number continued to decrease prior to the collapse of Soeharto regime, the military's presence in the bureaucracy sector was still considerable. *Second*, in the political arena. During the New Order era the military undertook great efforts to control people's political activities. The military carried out surveillance not only of individuals, but also of mass organisations and even political parties. The role of the military territorial commands, the military intelligence agencies, and the special military organisations (Opsus, Kopkamtib/Bakorstanas) were considerable. *Third*, in business. This had been arranged by placing military officers in state-owned enterprises, running military-owned businesses, or running joint ventures with businessmen, including forest businessmen (Anderson 1986; Crouch 1975-76; Samego *et.al*, 1998). Military business interests were high because its budget only covered 30% of its total expenditures (Crouch 1988). To preserve its

The dual function is a formal ideology-based institution aiming at justifying its intervention in non-military sectors in general (Jenkins 1983, 1984). At a practical level, ABRI established an informal institution, the-so-called *pendekatan keamanan* (security approach institution). The core tenet of the *pendekatan keamanan* was to give security considerations top priority in any issues, whether it was directly related to public order and political issues or not. Hence, people's prosperity, justice and human rights were victimised.⁷ For instance, the military was generally present in land disputes between farmers and companies as well as labour disputes between employees and employers in order to provide 'security assistance' for the companies (Bahcriadi 2001; *Forum Keadilan*, 20.10. 2002).

This parallel structure of military organisation as well as the institutions imposed by the New Order government "not only provided the military with a formidable capacity to control the civilian bureaucracy and direct the result of, for instance, general elections, but also provided opportunities to spy on and control people's political activities in any region" (Gunawan 1996:36-37). At the local/village level, the role of the Muspika, particularly the sub-district military command and Babinsa were critical. The Muspika (the sub-district head, the sub-district police chief and the sub-district military commander) was designed to be ready to provide prompt security assistance to those who served governmental or military interests. The Babinsa could act as an intelligence service or to represent the presence of the military in the area. The presence of such a military organisation and mechanism at the local/village level had largely prevented the people from staging mass action during Soeharto's New Order.

During the *reformasi* era (after the fall of Soeharto), the military organisation has changed slightly. Extra-military organisations such as the Bakorstanas and the Litsus have been abolished. The Police Force has been separated from the Army, the Marines, and the Air Force; the Indonesian armed forces of ABRI (the Army, the Marines, the Air Force, and the Police Force) has been renamed to TNI (Indonesian National Military; the Army, the Marines, and the Air Force). The structure of the military commands, including the Babinsa, remains unchanged. During Wahid's administration, some Regional Military Commands (Kodam) were abolished, but during Megawati's regime, some of them were re-established as part of the strategy to "tame" the military. The abolishment of the Kodams by Wahid did not change the parallel structure of military commands with that of civilian bureaucracy.

However, the biggest change occurred to the military institutions. The institutions of the anti-conflict machine—the *dwifungsi* and the *pendekatan keamanan*—of the New Order regime had broken down. First, the rise of civilian

business interests, the military strived to maintain its role in Indonesian politics, particularly in decision-making processes.

⁷ The debate on this issue appeared in the national media in the 1990s. Democratic forces called for a change from the application of the security approach (*pendekatan keamanan*) to deal with people's lives to that of the prosperity approach (*pendekatan kesejahteraan*). It was argued that security approach merely neglected human rights issues, while the prosperity approach would force the state apparatus to appreciate human rights, besides people's prosperity.

supremacy was followed by the “abandonment” of dual function doctrine (*Tempo*, 19-25 May 2003).⁸ Although there has been no statement from the military concerning the revocation of the dual function institution, the military has obeyed civilian rule. In other words, the dual function doctrine was informally abolished.⁹ The informal revocation of dual function doctrine/institution implies that the military no longer has legitimacy or justification to exercise its past practices (military intervention in politics).¹⁰ Second, since Habibie came to power as successor of Soeharto, the military has revoked its *pendekatan keamanan* (security approach). This was a response to people’s demands after the media, NGOs, etc exposed its past human rights violation. The revocation of *pendekatan keamanan* has prevented the military to act arbitrarily against the people or democratic forces.

The breakdown of New Order’s repressive security institution during Indonesia’s early stage of democratisation contributed to the change of political constellation of mass politics. The mass is no longer scared to challenge the security apparatus (military, police) if such an apparatus was allegedly violating their freedom. Therefore, the security apparatus was quite commonly ignored and humiliated during mass rallies or mass action.

B.2. Repressive Bureaucratic Institution

Another important strategy of the New Order government to control the population (as well as to control the elites in the bureaucracy) was through the establishment of a politicised, centralised, and repressive bureaucracy. This kind of bureaucracy made it easier for the New Order to penetrate and control the bureaucracy (Gaffar 1992, 1999; Sosialismanto 2001). This was because, quoting Liddle, “the bureaucracy pervades society. In every city, towns, and village it is the largest employers.” And secondly, “the bureaucracy also dominates government, in the sense that bureaucrats are the most powerful actors in most policy conflicts”

⁸ In commemorating the fifth anniversary of the *reformasi* movement (May 2003), for instance, student rallies still demanded “to revoke socio-political function of the armed forces and police force.” See *Tempo Interaktif*, 19 May 2003.

⁹ The military currently never talks about *dwifungsi*. Instead, the military insists its neutral position in the competitive electoral cycle as well as its adherence to civilian rule. However, numerous military’s foundations that run business still exist. Seemingly, this is one reason why the military is not in a position to release its formal statement to revoke *dwifungsi*. Because of this, in commemorating the fifth anniversary of the *reformasi* movement (May 2003), student rallies still demanded “to revoke socio-political function of the armed forces and police force” (*Tempo Interaktif*, 19 May 2003).

¹⁰ Interestingly, 30 retired military officers (Acehnese) have been appointed as sub-district heads during the implementation of the martial law in Aceh (2003). This was associated with the burning of 18 out of 22 sub-district offices. According to the Aceh Governor, the sub-district governments could not function properly due to threats by rebel fighters of GAM (Free Aceh Movement), so that the appointment of military-background sub-district heads was necessary and inevitable. It was also emphasised that after the condition returned to normal, military officers would be replaced by civilians. See *Kompas* 28 & 30 May 2003

(Liddle 1985).

From an organisational standpoint, the promulgation of the Law 5/1974 on Local Government and the Law 5/1979 on Village Government was the most important step. Although Law 5/1974 recognised local autonomy, local governments did not have significant autonomy due to the control system imposed in Central-Local Government power relationships, financial relationships, and supervision relationships. High dependency of local governments on the central government, particularly regarding financial relationships, made the Central Government's grips to Local Governments strong (Kaho 1982, 1988, Gunawan 1990/1991).¹¹ By Law 5/1979, village bureaucracies across the archipelago were uniformised regardless of their specific condition (*adat* tradition). *Adat* organisation was also integrated into the village bureaucracy, i.e. in the LMD (Village Consultative Council) whose Chairperson was a Village Head (Warren 1990). It was intended to support growth-based economic development. However, it also made easier to control local people through village bureaucracy.

From an institutional perspective, particularly in relation to New Order's anti-conflict machines, the regime imposed two institutions, namely, the *Monoloyalitas* (monoloyalty) of the civil servants and the *Golkarisation* of the bureaucracy. Both were inseparable but distinguishable. Both were aimed at homogenising the ideology of civilian elites in the bureaucracy as well as the civil servants themselves.

As far as the *Monoloyalitas* institution is concerned, all civil servants in the bureaucracy apparatus must be loyal to Soeharto's government. Some loyalty-related obligations were imposed to the civil servants, but a vivid feature was that civil servants had to be loyal to the government's party (Golkar). They were encouraged to be formal members of Golkar and to take part in Golkar activities. As a result, many bureaucrats became incorporated into the party's cadre at many levels. This was particularly to control civil servants in the New Order's bureaucracy apparatus.

Concerning the control of non-civil servants (as well as civil servants), the *Golkarisation* institution was an effective tool. In regard to *Golkarisation*, Liddle points out:

In the New Order's first parliamentary election, in 1971, military-civilian hostility ran deep. Golkar was imposed by the military on the civilian bureaucracy, whose members were required to persuade their subordinates and the general public to vote for it. The party's electoral organization in the regions was typically staffed by army officers and civil servants, with the former in the higher positions. The Department of Defense made it

¹¹ Research conducted by Gadjah Mada University (Faculty of Social and Political Sciences) and the Ministry of Home Affairs in 35 district governments in Central Java covering the period of 1980/1981-1985/1986 found that financial dependencies of the local governments amounted to 47.89% - 89.11% (Kaho 1988). In East Kalimantan, financial dependencies of provincial government and six district governments in 1990/1991 amounted to 37,91 % - 75,01% (Gunawan 1990/1991).

clear to its regional officers that the military was to be watchdog and enforcers of “Golkarization” (Liddle 1985:82).

By the implementation of the *Golkarisation* institution, Golkar was integrated into the bureaucracies, both at top (central government) and low level (villages). For instance, Boileau (1983:23) stated that “Golkar is closely identified with the entire structure of the government.” He observed that although “the structures of government and Golkar are so closely intertwined as to be distinguishable at the local level, [i]nvariably, the local government official and the Golkar officials are the same person, since by law all civil servants are required to be members of Korpri. Korpri, together with ABRI, are the major components of the *Keluarga Besar Golongan Karya* – (The Great Golkar Family)” (Boileau 1983:23). *Golkarisation* was particularly important to the village administration as the Village Head (*Kepala Desa*)¹² and the entire village apparatus were mostly filled by non-civil servants. In order to deal with them, they were appointed as Golkar’s affiliates and encouraged to *golkarise* the village. In order to make it effective, the “carrots and sticks” mechanism was employed. Village Heads would be rewarded if they succeeded in winning a landslide victory for Golkar in the election. Otherwise, they would be punished either by replacement or by other arrangements. This was to buy support from the Village Heads as well as the local people. By means of the Golkar cadres in the village, the government could also control local people. The *Camat* (Sub-District Head) and the Village Head could use the provision of formal letters, good behaviour statement, and ID card arrangements as “points of entry.”

Recapulating, it can be said that with such institutions at hand, the regime could not only control civilian elites and civil servants in the bureaucracy sector (*Golkarisation* and *Monoloyalitas*) but also to control local people (*Golkarisation*).

Following the downfall of the New Order regime, there has been a relatively considerable change in the bureaucracy sector in terms of organisation. Generally, the government structure (organisation) from the top to village level remained unchanged. The name of Provincial and District Government *de facto* are the same. However, there has been a change in the relationship among central, provincial, and district governments due to the promulgation of the 1999 Local Government Law, which grants considerable autonomy to local governments (provincial and district governments) and the district government is no longer subordinated to the provincial government but is directly responsible to the central government. Another change is the increased number of provincial and district governments due to the rise of political regionalism across the archipelago. Accordingly, the number of “dissidents” or potential “dissidents” in the Indonesian bureaucracy increased.

In terms of institutions, the monoloyalty (*monoloyalitas*) and Golkarisation institutions have been formally abandoned. In fact, civil servants are prohibited from becoming party’s members. In case civil servants intend to pursue their career

¹² In urban area, Village Head is called *Lurah* or *Kepala Kelurahan*. In Law 5/1979, *Lurah* should be appointed from civil servant (*pegawai negeri*).

through political parties, they should quit as civil servants. This development led to the collapse of New Order's bureaucratic institutions. As a result, the bureaucracy can no longer control the Village Head and the local people.

B.3. Mass Depoliticisation Institution

In order to depoliticise the masses, the New Order government ran a mass depoliticisation "project." According to Crouch, "a first step toward depoliticization was a result of the massacres that followed the attempted coup of October 1, 1965" (Crouch 1979). It was gauged that between 200 thousand to 2 million Indonesian Communist Party's (PKI) activists and sympathisers were executed, and about 200 thousand were arrested. In the following years, about another 300 thousand were arrested (Crouch 1979). The crucial effect of this action was that "the elimination of the PKI not only removed the most important source of mass mobilisation that had arisen before 1965, but served as terrifying warning to those who might have been inclined to seek mass support for radical causes during the period of the New Order" (Crouch 1979).

After Soeharto assumed power on 11 March 1966, particularly after he was formally appointed President in 1968, Soeharto targeted political parties. He postponed the election from 1969 to 1971, giving him time to design a new party system and to subdue the existing political parties. A new military/government-sponsored party named Golkar (*Golongan Karya*, Functional Group) was introduced. In the 1971 election, only 10 parties were allowed to compete, including Golkar. In this election, Golkar surprisingly won 63% of the votes as a newcomer, which spawned wide protests regarding its victory. Crouch wrote that "although it lacked a party organization at the local level, the Golkar was backed by the government's civilian and military apparatus; many voters were subjected to blatant military pressure during the campaign" (Crouch 1979).

The next step was to promote and implement the so-called floating mass (*massa mengambang*). The floating mass can be viewed from an organisational perspective and an institutional perspective. From an organisational perspective it is associated with the establishment or reorganisation of political parties, while from the institutional perspective, it is associated with the mechanisms employed in order to depoliticise the mass.

Hikam states that the floating mass was one of the most important strategies of the New Order in order to execute its politics of depoliticisation (*politik depolitisasi*) (Hikam 1999).¹³ The floating mass terminology was promoted and widely discussed after the 1971 general election, and formally implemented in the

¹³ Hikam argued that the politics of depoliticisation of the New Order government was carried out through two strategies, that is, a direct depoliticisation through floating mass, and an indirect depoliticisation through corporatism and cooptation of interest groups (including bureaucracy) or political groups. See Hikam (1999).

1977 election.¹⁴ According to Alfian, this terminology was adopted from the United States. In the American version, the voters are designed to be “floating” before they go to the polls so that the pendulum of the election results can swing to any particular side in the last minute. The floating mass is program oriented and occurs voluntarily (Alfian 1986), meaning that the people can still have links with a political party. In the Indonesian concept, the floating mass concept was introduced to replace the ideology-based party system (*partai aliran*) with a program-oriented party system. However, it was not exercised voluntarily but was highly regulated by the government. In this concept, “the bulk of the population, especially the villagers, should “float” in relation to political parties” (Amal 1992: 129). Party branches were prohibited to exist below District administration and villagers’ political preferences should be expressed every five years in the election. From the New Order government’s political point of view, “between elections they should not be disturbed by politics or agitation.” According to Amal, this was intended to remove “the basis of parties’ political supports at the government level,” which was merely to cut a link between the masses and the political parties. In addition, it was intended to ensure that “the hierarchical command of the New Order government would reach into the village without party interference” (Amal 1992:129).¹⁵

The impact of the floating mass was threefold. First, New Order’s floating mass paved the way for political manipulation, and Golkar was the only party that could take the advantages from such arrangements. This was pertinent to Golkar’s presence in the bureaucracies at all levels where the bureaucracy was merely a political mobilisation machine that could reach the masses at the village level (Hikam 1999). Second, the people had no significant political freedom. They were encouraged and even forced to vote for Golkar. This was particularly important in rural or remote areas. Third, the floating mass mechanism was successful in depoliticising the masses, making them politically passive or apathetic. Their political activities only took place every five years, namely in the general election. With this institution (floating mass) at its disposal, Golkar won every election

¹⁴ The New Order government followed Huntington’s tenet on this matter. Boileau said that “the leaders of the regime subscribe to Huntington’s contention that political participation should be restricted because, based on past experience, unrestricted mass participation is most destabilising, both to development and to national security. Accordingly, they have moved to limit mass participation in government, both in the selection of leaders and in the planning and implementation of development policies. Participation will gradually be expanded so as not to threaten the stability of the regime. The problem with this approach, as Huntington has observed, is that it is very hard to break out of the vicious circle that is created” (Boileau 1983:20).

¹⁵ To make the mechanism working, the New Order government further regulated the organisational structure of the political parties by continuing the emasculation of political parties. While only 10 parties were allowed to compete in the 1971 election, only three parties were allowed to compete in the 1977 election. *PNI*, *Parkindo*, *Partai Murba*, *IPKI*, and *Partai Katolik* were forced to merge as Indonesian Democratic Party (PDI) while *NU*, *Parmusi*, *PSII*, and *Perti* were forced to merge as United Development Party (PPP). Golkar remained as it was (c.f. Liddle 1978).

during the New Order era with voting margins amounting about 70% at the national level (see Table 3.2); therefore Soeharto's government was stable.

Table 3.2. New Order Elections and Distribution of Seats in Parliament

No	Party*	1977		1982		1987		1992		1997	
		Seats	%	Seats	%	Seats	%	Seats	%	Seats	%
1.	Golkar	232	64.44	242	67.22	299	74.75	282	70.50	325	76.47
2.	PPP	99	27.50	94	26.11	61	15.25	62	15.50	89	20.94
3.	PDI	29	08.06	24	06.67	40	10.00	56	14.00	11	02.59
	Total	360	100	360	100	400	100	400	100	425	100

Source: Miriam Budiardjo (2001).

Note: In the 1971 election ten parties competed; Golkar won 62.80% of the votes, Five parties (PNI, Parkindo, Partai Murba, IPKI, Partai Katolik) that later merged to PDI got a total of 10.09%, and four parties (NU, Parmusi, PSII, Perti) that later merged to PPP received 17.11% (Liddle 1978, Hering 1973, Ward 1974).

*Golkar, *Golongan Karya* (Functional Group); PPP, *Partai Persatuan Pembangunan* (United Development Party); PDI, *Partai Demokrasi Indonesia* (Indonesian Democratic Party).

After the fall of Soeharto, Indonesian democratic forces demanded the abandonment of the floating mass system. Hikam maintained that depoliticisation through floating mass had destroyed the Indonesian political foundation and the possibility to a road to democracy (Hikam 1999). Surprised by the people's euphoria concerning the *reformasi* movement, but also with a view to garnering support from the population, President Habibie signed laws abandoning floating mass practices (Law on General Election and Law on Political Parties in particular). In the new laws, ideology-based parties were allowed to exist, and all parties were admitted to have branches, reaching down to the village level.

From an organisational perspective, the abandonment of the floating mass system had a thorough impact on the establishment and on particularly on the activities of the political parties. Soon after the new laws were enacted, 148 parties were established prior to the 1999 election. However, the number of parties that eligibly competed in the election only amounted to 48 (www.kpu.go.id). The general election held on 7 June 1999 brought surprising results. Golkar, which always won in any general election during the New Order era, was defeated by the PDIP (Indonesian Democratic Party of Struggle) chaired by Megawati Soekarnoputri. Golkar votes plunged from 62% - 76% during the New Order elections (1971-1997) to 25 percent in 1999. The PDI(P), which received 2-14 percent of the votes during Soeharto's regime, won a landslide victory, 33 percent of total votes, in the 1999 election (see Table 3.3). Although Golkar has been in second position, the election results mirrored a great impact of the abandonment of the floating mass system on the political organisation, particularly the constellation of political parties. The PDIP gained most seats in Parliament and the new political parties, particularly the Islamic parties,¹⁶ gained significant shares in the distribution of seats.

¹⁶ The term "Islamic parties" here refers to parties which use an Islamic name, basis/ideology, symbols, or whose base of constituents are Islamic organisations (based on Tholkhah's definition, see Tholkhah 2001). If the votes for all Islamic parties were added up they would

Table 3.3. The 1999 General Election Results in Indonesia

No.	Political Party	Total Votes	Total Seats in Parliament (DPR)	Percentage of Total Seats (%)	Party's Ideological Stream
1.	PDIP	35,689,073	153	33.12	Nationalist
2.	Golkar	23,741,749	120	25.97	Nationalist
3.	PPP	11,329,905	58	12.55	Islamic
4.	PKB	13,336,982	51	11.04	Islamic
5.	PAN	7,528,956	34	7.36	Islamic
6.	PBB	2,049,708	13	2.81	Islamic
7.	Partai Keadilan	1,436,565	7	1.52	Islamic
8.	PKP	1,065,686	4	0.87	Nationalist
9.	PNU	679,179	5	1.08	Islamic
10.	PDKB	550,846	5	1.08	Christian
	Total (Nos. 1-10)	97,408,649	450	97.40	
11-48	Total (Nos. 11-48)**	8,378,012	12	2.60	
1-48	Grand Total	105,786,661	462	100	

Notes: The distribution of seats was arranged without using the *stembus accoord*. If applying the *stembus accoord*, the change of seats attainment would slightly favour the PDIP (change to 154), PPP (59), PAN (35), Partai Keadilan (6), PKP (6), PNU (3), PDKB (3). Furthermore, the seats distribution for party No. 11 (PBI) would change from 1 to 3, while that of parties No. 20 (Masyumi) and No. 21 (PKD) from 1 to 0 respectively.

*Parties No. 22-48 received no seats.

Source: Adapted from the General Elections Commission (KPU), 2003. See <http://www.kpu.go.id>

Prior to the election, most political parties carried out their political activities at the village level and attempted to garner support from villagers. However, the establishment of permanent party's branches below the District level was a big problem faced by most Indonesian political parties, including the big parties such as PDIP, Golkar, PPP, and PKB. It seemed that the party's budget was the main impediment. The difference is that during the New Order era party's cadres and sympathisers other than Golkar were scared to reveal their organisational affiliation to political parties, whereas during the *reformasi* era they have been no longer afraid to disclose their affiliation to or memberships of political parties publicly (other than Golkar).

From an institutional perspective, the effects of the abandonment of the floating mass system have been substantial. One example is the acquirement of greater freedom by political parties in carrying out their political activities in the villages. Although many political parties do not have branches in the villages, they enjoyed freedom to attract villagers by many means. Second, a lifting of the floating mass system means a lifting of mass depoliticisation. This opens up a

receive 36 percent of the total votes in the 1999 election (see Table 3.3). This is a considerable increase compared to that of the New Order elections (15-27 percent, see Table 3.2), but still could not reach the figure as was the case of the 1955 election, when Islamic parties received 43.7 percent of the total votes (see Tholkhah 2001, and Feith 1957).

wider space for the expression of the people's political freedom. From the mass' point of view, the acquirement of new freedom means the acquirement of a greater freedom concerning their political preferences in the election as well as a greater freedom to express their aspirations generally, including natural resource control issues, without having to take many risks. *Reformasi* was viewed as freedom to act and freedom to ignore the government's policies, actions, and sanctions perceived as using New Order's approaches or an authoritarian style. In many cases, the *reformasi* movement even became a powerful word used to justify people's unilateral action against the elements of the New Order regime. During the 1999 election campaigns, for instance, Golkar became the target of embarrassments, humiliations, and violence in many places.

C. The Rise of Conflicts during Indonesia's Early Stage of Democratisation

Regime change or democratisation in national politics had a significant impact on society. It implicated state-society relations and society-society relations. During the New Order regime, the society was generally depoliticised and co-opted by the state. The hegemonic power of the state (Sosialismanto 2001; cf. Gaffar 1992) shaped the state-society relations where the power gap between the state and the society was so wide. Migdal's prominent explanation on the "strong state - weak society" phenomenon (Migdal 1988) accurately describes the state-society relations during the New Order regime. With the collapse of this regime in May 1999, state power decreased tremendously, and even became paralytic. In contrast, the society became more powerful vis-à-vis with the state during the *reformasi* era due to the newly acquired "energy". During the transition period the state-society relations were characterised by a "weak state-strong society" phenomenon. Accordingly, the power gap constellation changed; society's power outperformed state power, or at the very least, the power gap was not as wide as before. The increasingly powerful society and the paralysis of the state during the transition period provoked the society to challenge the state (state apparatus, policies, symbol, etc) or its past allies and protected parties (certain companies, Golkar, etc.). The society's challenges against the state increased the tension between the two. Moreover, the high-energy mass politics led to an increased aggressiveness. Numerous community groups were easily mobilised to attack other groups or actors perceived as enemies. They problematised any past unilateral conflict resolution or suppression imposed by other community groups. This condition was a catalyst for the increase of communal tensions. Increasing communal tension was becoming worse as the society ignored or no longer trusted the paralysed state.

In this situation, the rise of conflict was inevitable. There are many types of conflicts which may emerge during in such critical situations, but they can be grouped into two main categories, namely violent conflict and non-violent conflict.

In regard to violent conflict, as previously mentioned, the so-called vertical conflict (state-society conflict) and the horizontal conflict (society-society or

communal conflict) emerged during Indonesia's early stage of democratisation. The rise of vertical conflict did not only occur in Aceh, West Papua, and East Timor (Bertrand 2002), but also in most other provinces. Clashes between the community and the state apparatus as well as the destruction of the state's symbols and the public infrastructure dominated the state-society conflict during this period (Tadjoeddin 2002). In regard to horizontal conflict, religious conflicts, ethnic conflicts, civil commotion, street violence, riots, and the like were widespread. Among these, the violent clashes between Moslems and Christians in Maluku and Poso, the bloody conflicts between the Dayak/Melayu and the Madurese in West Kalimantan, and between the Dayak and the Madurese in Central Kalimantan were the worst conflicts in Indonesian history after the 1965/1966 massacres. In short, almost all big islands, big cities and populated areas suffered from growing frontal conflicts and anarchy due to lawlessness and the absence of conflict resolution mechanisms in a new political setting. The conflicts cost thousands of lives, forced thousands of people to take refuge, and damaged thousands of houses, the public infrastructure, and other private facilities (Sihbudi and Nurhasim 2001, Tim Peneliti LIPI 2001, Ecip and Waru 2001, Surata and Andrianto 2001, Sunarlan. 2002).

Tadjoeddin set up a database on violent incidences or cases of such violent conflicts during the period of 1998-2001 (democratic regimes). He also collected data on the cases occurred between 1990 and 1998 (authoritarian regime). He grouped the violent cases into four categories. First, communal violence, consisting of: 1) ethnic violence, religious violence, and violence caused by migration; 2) the May riot (riot in May 1998, just before the fall of Soeharto); 3) the food riot (due to the severe economic crisis prior to Soeharto's fall); 4) political views violence (violence due to differing political views, mostly among supporters of political parties); 5) competing resource violence; 6) *dukun santet* violence (the killings of those allegedly having capabilities of exercising black magic); 7) civil commotion violence, and 8) other violence. Second, separatist violence, namely violence evoked by the separatist movement in Aceh and West Papua. Third, state-community violence, that is, violence between state apparatus and the community. Fourth, industrial violence, referring to violence in industrial relations, mostly violence directed against the companies (Tadjoeddin 2002). Of these, the Indonesian media and observers categorised communal violence as "horizontal" violence/conflict since the violence prevailed between the communities. "Vertical" violence/conflict was the terminology used to refer to state-community violence as well as to separatist violence. Industrial violence seemed to be in a grey area of these two categories.

As Table 3.4 shows, there was a steep increase of violent conflicts or violent cases due to the regime change in Indonesia. The number increased from 75 reported cases between 1990 and 21 May 1998 (authoritarian regime) to 908 reported cases between 21 May 1998 and 23 July 2001 (early stage of democratisation; Habibie-Wahid regimes), or to 1,015 reported cases between 21

May 1998 and December 2001 (early stage of democratisation to consolidated stage of democratisation; Habibie-Wahid-Megawati regimes).¹⁷

Table 3.4 Number of Reported Violent Conflicts/Cases in Indonesia 1990-2001

No	Violence Issues	1993	1995	1996	1997	1998	1998*	1999	2000	2001	2001*
1.	Ethnic, Religion, Migration	-	2	3	5	1	9	87	90	22	11
2.	May Riot	-	-	-	-	6	-	-	-	-	-
3.	Food Riot	-	-	-	-	22	1	-	-	-	-
4.	Political Views	-	-	1	8	-	10	24	20	10	6
5.	Competing Resources	-	-	-	1	-	3	8	6	-	1
6.	<i>Dukun Santet</i>	-	-	-	-	1	11	2	14	-	-
7.	Civil Commotion	-	-	-	1	-	11	19	31	3	5
8.	Other Communal Violence	-	-	-	-	-	1	1	3	5	-
9.	Separatist	-	-	2	-	-	9	135	206	74	76
10.	State-Community	2	-	1	2	17	15	12	23	9	7
11.	Industrial Relations	1	-	1	1	-	8	14	9	3	1
	Sub-Total	3	2	8	15	47	78	302	402	126	107
	Grand Total	75					908				107

- 1990, 1992, 1994: no reported cases found in Tadjoeuddin's database.

-1998*: since 21 May 1998 (Habibie's appointment as President); 2001*: since 23 July 2001 (Megawati's appointment as President). To avoid double counting, violent incidents in the year 1998 (without asterisk) are counted until 20 May 1998, and those of 2001 (without asterisk) are until 22 July 2001.

- May Riot was the riots in May 1998, prior to the fall of Soeharto (21 May 1998).

-*Dukun Santet*: persons "believed to be able to harm or kill others through evil magic or witchcraft" (Tadjoeuddin 2002).

Source: Compiled and adapted from Tadjoeuddin (2002) with data sources of Indonesian News Agency (*Antara*), *Kompas*, *Tempo*, *Media Indonesia*, *Republika*, 1990-2001. Additional data: Apakabar 1997, ICG (2001), Sudiono (2000).

Thus, the regime change from authoritarian state power to democratic state power led to an increase of violent conflicts in Indonesia. The violence steeply increased during the democratic transition period (21 May 1998-23 July 2001), and then decreased during the process of democratic consolidation (23 July 2001-present). Based on such evidence and general observation of the conflict/violence from 23 July 2001 to the present time (democratic consolidation), the violent conflicts or cases still persisted but considerably decreased, except for the Aceh separatist violence due to the promulgation of the martial law in 2003, a euphemism for the declaration of war against the Free Aceh Movement (GAM) fighters.

In East Kalimantan there was only one reported case prior to the collapse of the Soeharto regime and six reported cases during post-Soeharto's rule (see Table

¹⁷ Due to data availability, reported incidences during the Megawati regime were counted until the end of 2001. During Megawati's regime (23 July 2001 up to present), it is generally known that the number of violent incidents decreased, except for separatist violence, which was due the enactment of the martial law in Aceh in 2003.

3.5). This was a lower incident rate compared to that of West Kalimantan and Central Kalimantan, although the population of East Kalimantan Dayaknese is substantial.¹⁸ In these two provinces (West Kalimantan and Central Kalimantan) the reported cases increased from five to 13 cases and from one to 15 cases respectively (see Table 3.5). It is important to note that one reported case in West Kalimantan and Central Kalimantan could last for some days (daily fighting), depending on the type of violent or the geographical location of the violence (see Tadjoeuddin 2002). Other differences were the number of casualties and parties involved. In terms of casualties, while East Kalimantan violence resulted in no deaths (at least 37 people injured), in West Kalimantan and Central Kalimantan the death toll reached figures between hundreds and thousands (Tadjoeuddin 2002; Inside Indonesia Jun-Jul 2000, ICG 2001). In terms of parties involved, while the East Kalimantan violence was characterised by state-society violence and society-company violence,¹⁹ in West Kalimantan and Central Kalimantan the violence was characterised as communal violence²⁰ involving indigenous people and “newcomers” (Dayaknese/Malay vs. Madurese in West Kalimantan; Dayaknese vs.

¹⁸ Although contemporary Kalimantan (Indonesian Borneo) is a multi-ethnic island, its identity is highly associated with the indigenous community of the Dayaknese (cf. Maunati 1998), particularly in West Kalimantan, Central Kalimantan, and East Kalimantan (South Kalimantan population is dominated by Banjarese). As Indonesia’s official statistics does not count ethnic identity, the exact numbers of Dayak people in the island are not known. However, ethnic composition can be estimated by tracing the history, religious faith, language, etc. McKinnon assessed that a minimum of one third (33%) of the total population of Borneo (Indonesians and Malaysians) is Dayaknese (in Lahajir 2001). In West Kalimantan, it was estimated that the Dayak people made up 41 percent of the population while indigenous Malay made up 34 percent (ICG 2001). A rough calculation based on religious faiths by the Central Kalimantan government in 1979 accounted that 60 percent of the population were Dayaknese while 40 percent were non-Dayaknese (Setwilda Tingkat I Kalimantan Tengah 1991). In East Kalimantan it is generally known that the ethnic composition is relatively equal among the five major ethnic groups—Dayaknese, Malays (Kutai, Pasir, Bulungan, Berau, Tidung, etc), Javanese, Banjarese, and Buginese—where the Dayak people constitute about 20 percent of total population (van Klinken 2002).

¹⁹ One case during the New Order era (just before the fall of Soeharto) was the clash between Mulawarman University students and the security apparatus (state-society conflict). Other cases reported during the post-Soeharto era were: the burning of companies’ offices, facilities, and equipment in [1] Tanjung Isuy, West Kutai; [2] Long Apari, West Kutai; [3] Sesayap, Bulungan (competing resource violence), the clash between [4] the masses and the security apparatus in sub-district police of Malinau, Bulungan (state-society violence), [5] between Mulawarman University students and the security apparatus in Samarinda (state-society violence); and [6] between workers and the security apparatus/Vico Oil Company in Muara Badak, Kutai Kertanegara (industrial relation violence).

²⁰ This does not necessarily mean to neglect the presence of state-society violence such as clashes between the security apparatus (police, military) and demonstrators (see Tadjoeuddin 2002). Rather, the conflict was dominated by ethnic violence during the course of conflict. In addition, state-society violence was implicated by communal violence (e.g. the security apparatus’ attempts to protect Madurese, state buildings, etc).

Madurese in Central Kalimantan).²¹ Overall, albeit such differences, violent incidences were on the rise also in East Kalimantan during the post-Soeharto regime (see Table 3.5).

Table 3.5. Number of Reported Violent Conflicts/Cases in Kalimantan 1990-2001*

No.	Province	1996	1997	1998	1998*	1999	2000	2001	2001*
1.	West Kalimantan	2	3*	-	1	8	1	3	2
2.	Central Kalimantan	-	-	1	-	-	3	12	-
3.	South Kalimantan	-	1**	-	-	-	-	-	-
4.	East Kalimantan	-	-	1	1	2	3	-	-
	Total	5			34				2

²¹ To a certain extent, the rise of the ethnic conflict in Central Kalimantan during Indonesia's democratic transition was a demonstration effect of the West Kalimantan ethnic conflict (cf. ICG 2001). As the proportion of Dayaknese was substantial in East Kalimantan, in March 2001 many "feared these might play a role as destructive as that in Central Kalimantan" (van Klinken 2002). But why did West Kalimantan and Central Kalimantan conflicts not spread to East Kalimantan? A mainstream argument explaining why these conflicts did not spread to East Kalimantan was due to the equal ethnic composition among major ethnic groups in East Kalimantan (Dayaknese, Malays, Javanese, Banjarese, Buginese). I argue this argument is too simplistic. First, the conflict was not between two major ethnic groups. In West Kalimantan and Central Kalimantan, the conflict mainly took place between Dayaknese and Madurese, where Madurese population was very small compared to Dayaknese (West Kalimantan: 2.5%:41%; Central Kalimantan: 6-7%:60%). In East Kalimantan, the population of Dayaknese is about 20%, while Madurese proportion is far less than that of West Kalimantan and Central Kalimantan. Thus, in terms of proportion of the (potential) conflicting parties, the number of people of one conflicting party (or potential conflicting party) (Dayaknese) outperformed the other (Madurese). The rise of conflict depends on many factors, such as historical factors (ancient hatred), local politics, the roles of elites, and so on. Second, during the rise of the Central Kalimantan conflict, East Kalimantan Dayaknese had received a call to "prepare themselves" (red bowl tradition—"a porcelain or clay bowl containing rice, leaves, and water coloured by chicken or other blood...passed from village to village as a call to arms," *Inside Indonesia*, No. 51 July-September 1997), if the situation in Central Kalimantan deteriorated, particularly among Central Kalimantan people (Interview with Adat Leader of Long Bagun Tengah/Batu Kelau [Gunaq Tayaq], March 2002). During my field research, key informant revealed that the number of Madurese staff of Barito Pacific Timber Group (BPTG) had been counted for future "purposes", in case the Central Kalimantan conflict would spread to East Kalimantan (Anon, March 2002). During high tensions in the Central Kalimantan, most, if not all, Madurese resided in Long Bagun sub-district left the area (Interview with Usman, Long Bagun Ulu, March 2002) as Long Bagun was relatively close to Central Kalimantan and many Central Kalimantan people resided or visited this area. According to van Klinken's study, it was due to local politics and the role of the elites that the conflict in Central Kalimantan did not spread to East Kalimantan (van Klinken 2002). Finally, in 1981 there existed ethnic conflict involving Dayaknese and Buginese in Long Iram, East Kalimantan. This conflict cost tens of lives. Some key informants even accounted that more than one hundred people died (*Suara Karya*, 21 March 1981; Matalibaq, Tering, and Long Iram key informants 2001-2002). Although this ethnic conflict did not involve Madurese, but Buginese, it still showed that an argument on the equal proportion of ethnic groups is not convincing. This is the case as the proportion of Buginese and Dayaknese in East Kalimantan is relatively equal.

* Pontianak's medical sources revealed that between 1,500-2,000 people had been killed during the clashes (*Inside Indonesia*, No. 51 July-September 1997).

** Violence during the 1997 election campaign (differing political views) in Banjarmasin. The violence took place for some days and caused 124-133 deaths, 84 injuries, and damaged/burnt numerous buildings (including supermarket).

- 1990-1995: no reported cases found in Tadjoeeddin's database.

-1998: 1 January-20 May 1998; 1998*: 21 May-31 December 1998; 2001: 1 January-22 July 2001; 2001*: 23 July-31 December 2001. See notes in Table 3.4.

Source: Compiled and adapted from Tadjoeeddin (2002). Additional data: *Apakabar* (1996, 1997), ICG (2001), Edi Sudiono (2000).

In regard to non-violent conflicts or incidences, these had become part of “everyday life” in Indonesia during the post-New Order era. Student demonstrations, labor strikes, peasants' protests over harvest prices and land encroachment, women's protests over skyrocketing prices of basic needs and foodstuffs, drivers' demonstrations due to the rise of oil price, and NGO's protests over government policies dominated “political dynamics” during the post New Order era. After more than three decades of suppression of indigenous rights, chieftains and customary communities across the archipelago also staged demonstrations, submitted protests, and sought justice before the state and its allies (i.e. companies). To increase the pressure, they established a nationwide alliance—AMAN (Alliance of Adat Community of the Archipelago)—to unite their struggle.

In East Kalimantan, a similar phenomenon was observed concerning non-violent conflicts. Student demonstrations, mass-organisation demonstrations, labor and drivers' strikes, and Dayaknese action directed against forest companies (forest conflict) characterised the East Kalimantan conflict after the fall of Soeharto. Among these, the rise of forest conflict involving Dayaknese attracted much attention. First, although East Kalimantan is a multi-ethnic province, the “icon” of East Kalimantan rests on the Dayak people. Their action against their “enemies” was much discussed. Second, the actions of Dayaknese against their “enemies” were non-violent,²² which was totally different from the bloody conflicts in West Kalimantan and Central Kalimantan. In spite of this difference, there were some similarities between the East Kalimantan forest conflict and the West Kalimantan and Central Kalimantan ethnic conflicts. First, it centered on the issue of injustice newcomers allegedly directed against indigenous people.²³ Second, the role of

²² One violent forest conflict occurred in Sekatak/Sesayap (Bulungan) between Dayak Brusu and PT Adindo Hutani Lestari (a HTI company). This conflict first emerged in 1997, and in September 1999 local people staged collective action, blocked logging roads, “took hostages” companies' vehicles, destroyed companies' offices, and entered the forests to stage “guerrilla” resistance/confrontation against the companies. Two other violent conflicts were not categorised as forest conflicts in this research. In one case (involving an oil palm plantation company), Benuaq Dayaknese appropriated heavy equipment and burnt offices' facilities, warehouses, and workers' houses of PT London Sumatra (Lonsum) (Tanjung Isuy, West Kutai, end of 1998). In another case (involving a bird's nests company), Long Apari Dayaknese burnt the company's office of PT. Long Bagun Prima Sakti (Long Apari, West Kutai, Nov. 1999). See Sudiono (2000).

²³ With regard to the Central Kalimantan bloody conflict Richard C. Paddock wrote: “Passed down from generation to generation through the stories of tribal elders, the bloody tradition has

adat—“a system of norms and rules in public life” (Nanang 1998),²⁴ “indigenous law” (Bamba 1998), or customary law—is crucial for the mobilisation of the masses. The rise of the forest conflict in East Kalimantan will be discussed in the next Chapter and the issue of indigenous people and the use of adat for mass mobilisation in the forest conflict will be thoroughly examined in the study cases.

D. Conclusion

This Chapter has examined the regime change and the democratisation in Indonesia, the breakdown of repressive political institutions, and the rise of conflicts during the critical period of regime change or early democratisation. It is obvious that the collapse of Soeharto regime had a great impact on Indonesian politics. The downfall of Soeharto has enabled the population to enjoy political freedoms and has led to redesign of the political structures. The downfall of Soeharto also provided chances to Indonesian political elites (i.e. his successors) to liberalise/democratise the political system.

A phenomenon commonly observed during periods of regime change or early stage of democratisation was also observed in the Indonesian case, that is, the breakdown of political institutions, particularly the repressive political institutions. During the New Order regime, repressive institutions—the repressive security institution, the repressive bureaucracy institution, and the mass depoliticisation institution (floating mass)—had been used as anti-conflict machines to deal with people’s dissents. For a long period of time, these institutions had successfully prevented the emergence of many potential conflicts. After the collapse of the New Order authoritarian regime, these repressive institutions collapsed or were abolished. The collapse of authoritarian anti-conflict mechanisms without the presence of new viable political institutions during the democratic transition period created a kind of institutional vacuum as well as lawlessness.

This situation provided promising opportunities to the so far repressed masses and to the opportunistic elites to advance their concerns and interests without many restrictions or impediments. Nonetheless, after the collapse of Soeharto’s regime and the institutional breakdown the number of conflicts increased steeply. Thus, the rise of conflicts in Indonesia during the early stage of democratisation was affected by institutional breakdown.

In East Kalimantan, a similar phenomenon was observed: conflicts were on the rise during Indonesia’s early stage of democratisation. The rise of conflict

resurfaced as the Dayaks lash out against perceived injustice at the hands of Madurese settlers” (*The Los Angeles Times*, March 3, 2001).

²⁴ A general taxonomy of adat in Dayak communities is: “1) marriage, divorce, 2) child birth and bearing, 3) family life; living in long house, 4) land ownership and land related affairs, property inheritance, 6) death rituals, 7) curing rituals, prevention of calamity and sickness, 8) norms, etiquette, and morals in public domain, 9) penal law, punishment of criminals, 10) conflict resolution” (Nanang 1998). As a general taxonomy, it consists of a sub-adat tradition, including the ancient tradition.

involving indigenous people of East Kalimantan (Dayaknese) during this period was not characterized by violent conflicts or cases in contrast to the conflicts in West Kalimantan and Central Kalimantan. What characterised the East Kalimantan conflict involving indigenous Dayaknese was the non-violent forest conflict.

Chapter 4

Forest Politics, Forest Exploitation, and the Rise of Forest Conflicts

East Kalimantan is an important part of Borneo¹ for the Indonesian government due to its rich natural resources. Its gross domestic product (GDP) is a second only to that of the Riau province and has particularly attracted oil, mining, and forestry industries. Of the total area of 21,144,000 ha, its forestland was accounted 15,951,620 ha or about 75% of the overall East Kalimantan territory in 1983. Since 1967, its rich forestland has attracted more than 100 forest companies to exploit East Kalimantan timber (Dishut Kaltim 2000).

However, massive exploitation of the East Kalimantan rainforest in the last three decades has threatened livelihood sources, cultures, and social life of indigenous Dayaknese. In this process, tensions were unavoidable; but for years they remained relatively silent. After the collapse of the New Order regime, a new phenomenon was observed, that is, the rise of forest conflicts across East Kalimantan involving forest companies and Dayaknese. This phenomenon was in line with what happened at the national level where resource conflicts, including forest conflicts, had been increasing during the period of democratic transition. This Chapter describes the rise of this kind of conflict in East Kalimantan as well as in Indonesia during Indonesia's early stage of democratisation.

Before examining this phenomenon, this chapter firstly sketches the forest politics and the process of forest exploitation in Indonesia and East Kalimantan. It is suggested that both issues (forest politics and forest exploitation) are by and large associated with the emergence of forest conflicts. Discussion on the forest politics centers on the development of ideas and practices concerning state and community control over forest resources in Indonesia from the colonial period to the present time. The uprising of the East Kalimantan indigenous people against the resource control by the state since the last decade is also examined. The discussion on forest exploitation will focus on two forest exploitation schemes, namely, logging concessions (HPH) and industrial timber estate concessions (HTI). Further it will be examined, how these two schemes were arranged by the incumbent governments.

¹ Borneo is the third largest island in the world, after Greenland and New Guinea. Borneo is geographically united but politically separated. The north part of Borneo belongs to Malaysia (26.66% of the island) and Brunei Darussalam (0.77 %) whereas the western part is under the Indonesian rule (72.57%) (cf. Ave and King 1986). "Kalimantan" is Indonesian for "Borneo." Indonesia's Kalimantan consists of four provinces: *Kalimantan Timur* (East Kalimantan), *Kalimantan Selatan* (South Kalimantan), *Kalimantan Tengah* (Central Kalimantan), and *Kalimantan Barat* (West Kalimantan). For Kalimantan and East Kalimantan maps, see Appendix 3 and 6.

The purpose of this chapter is to provide a proper context and underpinning for the study cases examined in the succeeding chapters.

A. Forest Politics: State Vs. Community Resource Control

The arrival of the Dutch East India Company (VOC) in the early seventeenth century in Indonesia (during Mataram Kingdom of Java) paved the way for the commercialisation of forest products on the world market. The VOC used to order Java's teaks and other high quality timber from local people for its own use and limited trade (ship-related maintenance, containers, riddle butt, furniture, etc). Later, the exploitation of teaks in Java was aimed at supporting the Dutch shipbuilding industry. After the bankruptcy of the VOC in the late eighteenth century, the Dutch administration formally controlled the archipelago and established a foundation for Indonesia's modern state. It included the establishment of a government administration, various control mechanisms across the islands, and financial sources of the modern state. Teak-rich Java was the most important financial source supplied by the forestry sector, and this was one reason why the Dutch administration used to provide little attention to forest resources in the Outer Islands² (Lindayati 2000a, 2000b; Peluso 1992; Departemen Kehutanan 1986a).

To secure a long-term timber supply and to strengthen its control over the archipelago, the Dutch administration promulgated the forestry law in 1865 and the agrarian law (*demeinverklaring*) in 1870. The promulgation of these laws marked the application of scientific forestry in the management or exploitation of forest resources in Indonesia. While in previous royal ordinances, treaties, or rules, the Kingdom's control over a certain territory meant "the control of the labor of the land's residents and a portion of the product of their labor" (Peluso 1990:34), the new laws designating the state for territorial control stood for the "control of land, control of species, and control of labor" (Peluso 1990:17). As Peluso stated:

The 1865 forestry laws are credited with being the first forestry laws for Java. Along with *Demeinverklaring* of 1870, which declared all unclaimed and forest lands as the domain of the state, these laws laid the basis for "scientific forestry" as it is practiced today. Although the philosophical principles of state forest management had been nurtured for some hundreds years or more in the Indies, and elsewhere for millennia, there was a difference between the new scientific regulation and the preceding years of declaration and treaties. Land control superseded species and labor control as the key to the state's forest policy. The state did not give up these old forms of control, but as times and the nature of the colonial state changed, so did the modes of forest control (Peluso 1992: 50).

² Previously, the term "Outer Islands" was mainly used to refer to Sumatra, Kalimantan, Sulawesi, and West Papua (Peluso 1992). Later, it has been used to refer to the islands outside Java, Madura and Bali.

With the enactment of these laws—later known as the 1865 Basic Forestry Law (BFL) and the 1870 Basic Agrarian Law (BAL)—all “empty,” “unused,” “unowned,” or “unclaimed” agricultural and forest land, particularly in Java, was incorporated as state land. Thus, while agricultural and forest lands were “historically owned by individuals or groups, colonial ruler strengthened territorial control by unilaterally designating large tracts of ‘unused’ land as forest zones and by proclaiming its exclusive management rights” (Lindayati 2000a, cf. Lindayati 2002). Peluso (1992:44) maintained that by the promulgation of these laws, “the nineteenth century is a turning point in forest management and the forms of state control over teak and non teak forests of Java. It was then that a bureaucratic, colonial Forest Service drew boundaries between forest and agricultural land—on maps in the field—and established police forces to restrict people’s access to trees and other forest products.” Furthermore, the forestry law along with the *domeinverklaring* doctrine were not only intended to control “unused” or unclaimed forestlands in Java, but also to expand state power in means of resource control, particularly over timber, in the Outer Islands.

Barber argued that such policies should be considered as an implication of political economic trends occurred generally during that period. The first one had to do with the intention to extend and secure territorial and political control of the colonial state across the archipelago through the establishment of a modern bureaucracy (e.g. forestry service). The second one was related to the economic policies of the colonial state to boost export of agricultural commodities, and therefore larger tracts of agricultural area were required. And the third one was associated with the needs of new settlement areas in the outer islands to anticipate a steady population increase of Java (Barber, in Lindayati 2000a). Lindayati added another explanation in that due to careless forest exploitation during the VOC era, forest degradation of Java increased. The shortage of timber supplies that directly implicated the Dutch shipbuilding industry forced the colonial power to look for other timber sources outside Java (Lindayati 2000a, cf. Peluso 1992). Thus, both internal and external factors affected forest policies in the nineteenth century (Lindayati 2000a).

However, its implementation throughout the Outer Islands took time. Only since the 1920s the Dutch administration had begun to pay attention to the Outer Islands. Besides controlling the islands directly by the implementation of a uniform forestry law, the need of a steady flow of revenues from export-oriented agricultural or forest products was of great influence. The efforts to implement such a law in the Outer Islands, however, were hampered by an internal dispute “provoked” by, particularly, anthropologists, who respected the customary laws. Therefore, it was “difficult for policy makers who were split between those who advocated state control and those who favoured local customary control” (Lindayati 2000a, cf. Lindayati 2002).

In order to uniformise the practices of resource control across the archipelago, a new forestry bill was proposed in 1924. Due to technical reasons and the failure in incorporating the Outer Islands within a national governing

system, this proposal was declined. In 1927, another draft was made, but it received resistance from the pro-*adat* experts as the proposed law would undermine local culture and local-based forest management. In search for a solution, the government established the Agrarian Commission in 1928, and in 1931, the Commission recommended that traditional land tenure rights (*hak ulayat*) should be respected and recognised in the new forestry law. Trained foresters however disagreed with this solution as state's rights over the entire lands were believed self-evident and the establishment of a uniform land law was regarded urgent. Legal efforts were resumed in 1933, and to avoid contradicting arguments, the government provided the guideline in that the debate of *domeinverklaring* tenet should be avoided and the *hak ulayat* should be respected. The "recognition" of the *hak ulayat* however should not be explicitly stipulated. In the following year (1934), the law was brought to the Peoples Council (*Volksraad*). Another debate over the *domeinverklaring* was reported, and with some amendments the *Volksraad* subsequently passed the bill. At the practical level, however, the incumbent authorities were in objection to the implementation of these amendments as it obliged them to pay compensation or levies to the local communities living in and around the forest concession areas. This indecisive atmosphere continued to exist until the arrival of the Japanese in 1942 (Lindayati 2000a, 2000b; see also Departemen Kehutanan 1986a).

During the Japanese administration, no crucial policy changes were made regarding natural resource control due to the short period of occupation (1942-1945). In fact, the Japanese doctrine insisted that the existing laws could continue to exist and to be exercised as long as they were not contradictory to the Japanese military government's rules and interests (Departemen Kehutanan 1986b). Thus, rivalries between state and customary control over forest resources remained unresolved. In other words, the exercise of indigenous resource control in the field was not prohibited by the incumbent authorities.

During Soekarno's era (1945-1965), the respective governments³ followed the Japanese administration's strategy, that is, to implement the existing laws as long as no new laws were made or did not conflict with state interests. This is explicitly stated in the 1945 Constitution. Even though the Dutch doctrine on *domeinverklaring* was adopted by the Indonesian government, *adat* rights were respected. This reflected the ambiguity, if not plurality, of the regime regarding property rights. This ambiguity can also be detected in the Basic Agrarian Law (BAL) promulgated in 1960. Although the elucidation of this law insisted that the "*Domein* principle used as a basis of [the previous] agrarian laws that came from colonial government is not known (*tidak dikenal*) in the new agrarian law [BAL 1960]" and that the "*Domein* principle is in contradictory with legal awareness of Indonesian people and the principle of modern state" (Elucidation Point II.2. of BAL 1960), numerous Articles in BAL 1960 strengthened the doctrine of state control over land (cf. Ruwastuti 2000). In spite of this fact, the law recognised

³ Numerous parliamentary cabinets were established during Indonesia's Liberal Democracy (1950-1959).

customary rights (*hak ulayat*) as long as they did not conflict with the national laws (Article 3, BAL 1960). In practice, the Central Government rarely interfered with the exercise of customary rights due to its focus on state political affairs and mass mobilisation during the first half of the 1960s.

Recapitulating, it can be said that during the Dutch, Japanese, and Soekarno administrations, the respective authorities provided space to the adat property rights system. Although the existing laws were ambiguous, the respective authorities respected the exercises of adat property rights in practice. This can be ascribed to the governments' foci of attention on political aspects.

During the period of 1900-1967, commercial timber business activities in the Outer Islands had gained ground. However, they failed to sustain. In early 1900s there was a timber boom for a few years due to commercial logging. After no widespread logging activities for some years, the timber boom recommenced in 1930s due to the arrival of Japanese investors. In the following years and decades, however, logging activities declined again. Very few timber companies continued their logging activities until 1967 (Ross 2001, Poffenberger 1997). This was because investors between 1900 and 1967 were "periodically crippled by insecure property rights, fluctuation in world timber prices, and the lower costs and higher returns of logging in the Philippine and Sabah" (Ross 2001:164). Even, in early 1960s, some investors who possessed sufficient capital and a favourable timber market could not expand their business due to such causes. As a result, the total export of timber only reached \$ 4 million in late 1966 (Ross 2001).

The weak position of the central forestry bureaucracy was also influential, and this was in part due to the stance of the particular governments respecting adat rights. During the colonial period, the low capability of the respective authorities to control the whole forest area in the Outer Islands affected the nature of forest control, which was in many hands:

One Dutch observer in the 1920s wrote that the forests of Kalimantan—the archipelago's most valuable dipterocarp forests—were controlled by a "many-headed creature," composed of "the population, chiefs of native jurisdictions, local European and native civil servants, self-governments, heads of the regional administration, etc."; the central forestry was nowhere to be found (Ross 2001:165).

Since 1957, government control over forest areas in the Outer Islands was divided into that of the central and provincial governments. Government Regulation No 64/1957 provided provincial governments the authority to manage natural resources in their jurisdictions as well as the authority to grant forest concessions with the maximum size of 10,000 ha. During this era, provincial forestry bureaucracies were responsible to their respective provincial governments, not to the Department of Forestry in Jakarta. The authority of the central government was only to control timber exports and to manage forest areas under the management of Perhutani, a state-owned company. The enactment of the 1960 Basic Agrarian Law (BAL) affected the Department of Forestry; it further

marginalised the authority of this department due to the recognition of adat rights. As a result, this organisational and legal framework “created a relatively hospitable setting for forest dwellers, and for the small-scale loggers who supplied local market; conversely, they created an inhospitable setting for large scale commercial logging” (Ross 2001).

When Soeharto came to power in 1966, the situation changed. In 1967, Soeharto’s government promulgated the 1967 Basic Forestry Law (BFL), and with this law, all Indonesian forests, approximately 75 percent of Indonesia’s overall territory, were declared as state forests. Lindayati suggested that “through the 1967 BFL, large tracts of forest lands—most of them controlled by customary CPR—were nationalised and turned into state property” (Lindayati 2000a). With this move, Ross said “[o]vernigh, the forestry department’s jurisdiction grew from three million⁴ to 146 million hectares” (Ross 2001:167).

The most crucial arrangement was that the 1967 BFL provided the central government (via the Department of Forestry) the authority to grant forest concession rights (HPH, *Hak Pengusahaan Hutan*) directly to private companies “without going through either the provincial governments or Perhutani, the forestry parastatal.” Although local governments were still granted the authority to issue small scale concessions, “most of their authority was usurped by the central government.” Article 17 of the 1967 BFL stated that “[t]he enjoyment of adat rights, whether individual or communal, to exploit forest resources directly or indirectly...may not be allowed to disturb the attainment of the purpose of this law.” Thus, “the BFL subordinated adat rights to the forestry department’s authority” (Ross 2001:168). By using the 1920 Dutch map whose accuracy was questionable, “the Outer Islands’ forest boundaries were delineated, divided, and then granted to concessionaries” by the New Order government (Lindayati 2000a).

In the discourse of state control vs. customary control over forestland, the New Order government frequently referred to the 1960 Basic Agrarian Law, meaning the government recognised the existence of adat rights over forestlands. In practice, however, the government frequently insisted that the adat community (*kesatuan masyarakat hukum adat*) no longer existed in most parts of Indonesia, particularly in resource-rich areas. In the case adat communities still existed, the New Order government used other laws, regulations (such as the 1967 BFL), or national interest arguments to nullify adat rights over forestlands.

The increasing number and influence of NGOs in the 1970s and particularly in the 1980s marked the turning point regarding the uprising against the state control of forestlands. During this period, state’s stance on the recognition of *hak ulayat* was seriously questioned. The New Order government however maintained its own interpretation over the existing laws. The central government continued to grant forest concession licenses to forest tycoons without involvement of the local governments or without permission of the adat communities. In almost all cases, state control over forest resources was a synonym for the state’s ownership of such

⁴ In another account it was said the Dutch declared approximately 10 million hectares (Lindayati 2000a).

resources. As a result, the number of forest concession licenses issued by the government increased tremendously from 25 in the late 1960s (Lindayati 2000a) to 540-585 in the mid 1990s (Ministry of Forestry 2003, Brown 1999).

NGO activists who were concerned with people-oriented development programs continued to challenge the state's control of resources and demanded the recognition of indigenous rights. In the forestry sector, a nationwide movement emerged in the 1990s with the establishment of the Consortium for Supporting Community-Based Forest Management (*KPSHK*). As Lindayati points out:

With the spreading influence of certain values - such as environmental sustainability, human rights, self-determination, grassroots democracy, cultural identity - national and international NGOs were often the loudest advocates of granting indigenous forest management and common property rights. In the early 1990s, several environmental and human rights related NGOs established a nation-wide network, called the Consortium for Supporting Community-Based Forest Management (*Konsorsium Pendukung Sistem Hutan Kerakyatan, KPSHK*), with the primary objective to promote sustainable local forestry and property rights systems as well as advocating relevant policy change (Lindayati 2000a).

Although NGOs have been relatively successful in “socialising” and advocating the ideas of community forestry, the government was still reluctant to drastically change its policies concerning forestlands and forest concessions. Some concessions were given to local communities during the initial phase of logging activities. In general, however, the New Order government's concision of indigenous property rights continued.

After the downfall of Soeharto, a tougher struggle was observed between those who favoured state control and those who advocated “people control” of forestlands. Due to strong pressure from environmentalists and democratic forces, the Ministry of Forestry initially attempted to accommodate. In its development, however, “those who support ‘strong’ state-controlled forest management remain powerful, and this is evident in their struggle to retain control of the policy process” (Lindayati 2000a). In 1999, the government signed the Forestry Law. Although the government promoted local participation in the new law, this law was criticised by many environmentalists and scholars (see Awang 1999). This is because the law still contains the spirit of the *domeinverklaring* doctrine. Therefore it is “understandable” that the government stuck with its claim on the status of customary land as state land and continued its control over the forestlands across the archipelago.

It is true that there has been another change promoted by the 1999 BFL. There has been a slight shift regarding the control over forest resources from the Department of Forestry to the Regional Forestry Services as district governments were provided the authority to grant forest concessions of 100 ha to local communities for a limited period. This was in part due to the inclusion of partial participation of local people in forest product utilisation. In addition, the central

government provided authority to provincial governments to grant forest concessions below 10,000 ha (Government Regulation No. 6/1999). However, this change is only effective at the administrative level. Both the Department of Forestry and the local Forestry Services are organs of the state, and therefore the control of resources by the state has remained untouched. It is interesting to note that the Department of Forestry recently strove to regain control from the Forestry Services by using legal “holes” of the 1999 BFL. This by all means created conflicts between these state organs.

Conflict between the Department of Forestry and Forestry Services in recent years was also related to the promulgation of the 1999 Local Autonomy Law. This law granted local governments, particularly district governments, autonomy to manage natural resources in their jurisdiction. In this law, the district Forestry Service (*Dinas Kehutanan*) was subordinated to the District Government. Forestry Service under the Department of Forestry (*Kanwil Kehutanan*) has been abolished. This means that provincial and district forestry bureaucracies are no longer controlled by the Department of Forestry. Therefore, the situation in the *reformasi* era is legally relatively similar to that of the pre-New Order era, in that the Department of Forestry could not control local Forestry Services, particularly district Forestry Services.

The conflicts occurred due to the District Head's and the Governor's “ambitions” to provide small size (100 ha) to small-middle size (10,000 ha) concession areas to (local) forest businessmen and local communities. In the case of the provision of small-middle size concession areas, many “ghost” village cooperatives were established to meet the requirements, by which forest businessmen should cooperate with village cooperatives to exploit forestlands. Regarding the provision small size concession areas, many licenses were awarded to businessmen and forest companies although the regulation stipulated that 100 ha forest concessions (HPHH) should be granted to local communities only. Common people, who were disadvantaged by such arrangements, resumed to forest cutting on their own account or in cooperation with petty businessmen. As a result, the practice of *Banjir Kap* (cutting/transporting logs during the flood/rainy season)⁵ recommenced and became a widespread phenomenon. This situation provided an excuse for the Department of Forestry to abolish the authority of local Forestry Services providing forest concession licenses/permits. In fact, the Department of Forestry later issued a regulation to ban Forestry Services in issuing concession licenses altogether. Some local Forestry Services followed this regulation but many refused to comply. This was because the local Forestry Services were no longer subordinated to the Department of Forestry, but to the local Governments (local Governments in turn are subordinated to the Department of Home Affairs). This conflict can be seen from *The Jakarta Post*'s report:

The Ministry of Forestry banned the issuance of logging licenses in 1999 in order to rehabilitate damaged natural forests, as deforestation has affected

⁵ *Banjir Kap* Part I occurred soon after the promulgation of the 1967 BFL until the 1970s.

around 50 million hectares of the country's 120.3 million hectares of forest. Forest-concession holders are seen as the main culprits in the deforestation. However, emboldened by greater powers granted by the autonomy law, several local administrations have rejected the ministry's order and continued to issue logging licenses. For instance, Papua province issued logging licenses to 44 private firms last year over an area totaling 11.8 million hectares. They are expected to produce around 3 million cubic meters of timber this year, twice the annual logging quota of 1.5 million cubic meters set by the ministry for the province. Another defiant regency is Sintang in West Kalimantan which has issued 409 licenses covering a total area of 41,000 hectares. The regency has targeted its timber output to reach 1.26 million cubic meters per year. In Sanggau, another regency in West Kalimantan, the local administration has targeted an output of 400,000 cubic meters of timber per year. Worse still, Sanggau has also issued a bylaw allowing locals to export illegally cut timber taken from other provinces (*The Jakarta Post*, March 27, 2003).

The Department of Forestry argued that the provision of “excessive” autonomy to district governments to manage forest resources was responsible for the increased rate of deforestation that has reached a record of two million hectares per year. Generally, the Department of Forestry has been very active in lobbying various politicians and the Department of Home Affairs to amend the 1999 BFL and the 1999 Local Government Law in order to regain its lost power in terms of forest control. Currently, the central Government is committed to amend these two laws. There is a great possibility that the power of the local governments, particularly the district governments and forestry services, will be dismantled by the new laws.

In East Kalimantan, the uprising against state control over forestlands has been observed since at least the early 1990s. It focused on the struggle of indigenous people for the recognition of their *tanah adat* (customary/adat land). The rise of the challenge was associated with the official stance of the East Kalimantan Office of the Department of Land Affairs concerning the customary land of indigenous Dayaknese.

Officially, the terminology of *tanah adat* (adat land) has been used in East Kalimantan since at least 1972 by the Pasir/Balikpapan Office of the Department of Land Rights. In its report to the Directorate General of Land Affairs (Jakarta) dated 30 June 1972, the *tanah adat* terminology was mentioned in association with *hak ulayat* (indigenous communal land tenure rights). In other words, *tanah adat* was used to refer to *tanah ulayat* (communal customary land).⁶ Following this evidence, field research was conducted by the East Kalimantan Office of the

⁶ This letter, entitled “*Masalah tanah adat di daerah Kotamadya Balikpapan*” [The problems of *tanah adat* in Balikpapan Municipality], was written by M.A. Rachman, the Head of Pasir/Balikpapan Office of the Department of Land Rights. See Direktorat Jenderal Pertanahan 1972/1973.

Department of Land Affairs in 1972/1973.⁷ In cooperation with Lambung Mangkurat University (Banjarmasin) and Gadjah Mada University (Yogyakarta), the East Kalimantan Office of the Department of Land Rights conducted further research in 1974/1975. In the research report, it was concluded that *hak ulayat*, and therefore *tanah ulayat*, no longer existed in East Kalimantan (Kanwil BPN Kaltim 1995), particularly in the research areas. As stated in the report:

In the area that has been used as research sites, that is, Kutai District, Samarinda Municipality, and Balikpapan Municipality (all of these were former areas of Kutai Kingdom), it has been not known (*tidak dikenal*) the so-called *tanah ulayat/tanah suku* or *tanah marga* (communal customary land).

In the village (*kampung*) that was usually inhabited by one ethnic group, the people indeed controlled (*menguasai*) certain area that had been used as village settlement, dry farming cultivated area, hunting ground as well as forest products collection area.

Such area whose boundaries made with nature signs (river, forest, mountain) was a controlled area (*daerah kekuasaan*) of the people and the control system laid in the hand of Village Head or Adat Leader.

Such area was not a common property (*milik bersama*) of such a tribe, but it was merely a boundarised area (*daerah perbatasan*) or controlled area of the people or tribe resided in the area (Direktorat Jenderal Pertanahan 1972/1973).

This report seemed to be kept in office before the Dayak Foundation advocated the recognition of *tanah adat* or *tanah ulayat* in 1990. Concerned with growing number of logging companies and massive expansion of forest concession areas in East Kalimantan. The Dayak Foundation argued that there were growing dissents among Dayak people because their land and livelihood sources were threatened. It was suggested that the presence of HPHs further impaired the living standard of the Dayak people. In reverse, the Dayak Foundation maintained, the rights of Dayaknese over their land eroded and natural resources as sources of additional incomes had decreased significantly. To solve this problem, the Dayak Foundation proposed a solution by recognising *tanah ulayat* of the Dayak people within a distance of 10 km from the edges of village settlements:

Hak Ulayat of Dayak people is within a radius of a 2-hour walking time from the edges of the respective village settlements, and if it is converted into metric system it is equal to 10 km. Such recognition should be made formally through law. With this recognition there will be clear boundaries in determining the rights of local people and forest businessmen so that unnecessary clashes can be avoided (cited in Abdurrachman and Wentzel 1997:39).

⁷ The report is dated 15 December 1972. See Direktorat Jenderal Pertanahan 1972/1973.

In response to the proposal of the Dayak Foundation, a chief of the East Kalimantan Office of the Department of Land Affairs, Soehadi, wrote a working paper (1990) entitled “The Relationships between Nation, State, Person and Land in East Kalimantan: The Conception of *Hak Ulayat* in the Constitution and Basic Agrarian Law.”⁸ The working paper elucidated:

In regard to the ideas proposed by the Dayak Foundation to revive *hak ulayat* of Dayak ethnic tribes, one should examine it based on points 5 to 8. The idea to revive *hak ulayat* is like an aphorism “the intention to erect a sunken trunk” or “to drag the dead carabao” which contradicts to the Law. The idea to revive *hak ulayat* is merely an amulet against the provision of HPH concession area in East Kalimantan. This will not solve the problem but it will create a new problem. Based on our research conducted around 1974/1975 in East Kalimantan province, *hak ulayat* had no longer existed since long time ago. Perhaps since the presence of Kingdoms’ influences in East Kalimantan *hak ulayat* had been no longer known (cited in Singarimbun 1994).

Soehadi’s statement provoked reactions among the Dayak people. A seminar was subsequently organised on 09-11 November 1990 to discuss the issue. Titus Pantir, a Bentian Dayaknese, wrote a paper for the Seminar and insisted that:

The adat property right (*hak milik adat*) or property right based on adat law is identical with the property right mentioned in Article 20 point 1 of the Basic Agrarian Law (UUPA). The definition of adat property in its original concept is the land owned by the adat community (*masyarakat hukum adat*) without having a certificate. When such land is asserted its rights through the issuance of a certificate, the adat property right automatically vanishes (Pantir 1990).

In Pantir’s view, this is because there is only one kind of property right certificate (*sertifikat hak milik*). If adat land is given a property right certificate, a certificate for adat right (*sertifikat hak adat*) is no longer necessary. Likewise, if adat land is not granted a property right certificate, such adat land automatically becomes an adat property right (*hak milik adat*) (Pantir 1990). As bureaucrats and forest companies in general questioned environmental impacts of shifting cultivation practices (cf. Lahajir 2001), he insisted that “shifting cultivation is a legal farming system and forestland acts as an agricultural land in dry farming cultivation system tradition.” With regard to forest companies, he argued, “the provision of forest concession areas covering village areas and the properties of adat community should be reviewed” (Pantir 1990: 34-35).

Pantir’s paper however failed to be discussed in the Seminar as the organising committee worried that Pantir’s concerns would shift to political issues.

⁸ The Indonesian title is “*Hubungan Hukum Antara Bangsa, Negara dan Perorangan Dengan Tanah di Kalimantan Timur: Konsepsi Hak Ulayat Dalam UUD 1945 dan UUPA.*” See Singarimbun 1994.

This angered the Dayak community, and in particular the Dayaknese participants who attempted to seek legal ascertainment concerning the status of their land (Abdurrachman and Wentzel 1997). In search of a compromise, another seminar was organised. In a one-day seminar on *Hak Ulayat* in Balikpapan (4 March 1991), Lieutenant Colonel Mardigo (Head of Legal Division of Regional Military Command, VI/Tanjungpura) presented a paper⁹ and maintained that “local people or ethnic tribes in East Kalimantan have been similar to that of outside East Kalimantan; they meet the criteria as adat community (*masyarakat hukum adat*).” He produced the argument that “the advancement of society followed by high mobility of East Kalimantan ethnic groupings does not mean that adat community is vanished. In other words, adat community still exists particularly in the interior of Borneo.” Therefore, he proposed, “if the third party [company] intends to obtain land use rights for business purposes in the land embedded with *hak ulayat*, the holders of *hak ulayat* should be heard at the first place,” and the resolution should be made on the basis of equal position, legal certainty, and compensation arrangements (in Singarimbun 1994).

Mardogo’s conclusion was supported by Masri Singarimbun, a social scientist from Gadjah Mada University. Singarimbun maintained that *hak ulayat* does exist among the Dayak people, similar to that of other ethnic groupings in Indonesia. He agreed with Mardogo’s statement that *hak ulayat* in East Kalimantan still exists and is still recognised and appreciated by national law (Basic Agrarian Law) (Singarimbun 1994).

Soehadi, who was representing the government’s stance on this issue (Abdurrachman and Wentzel 1997), however still defended his stance. In response to the legal argument, particularly the recognition of *hak ulayat* by the Basic Agrarian Law, Soehadi wrote a further document and maintained that:

In regard to *hak ulayat* mentioned in Basic Agrarian Law, such *hak ulayat* will be recognised and paid attention as long as such rights still exist in such adat community. For instance, in the provision of rights to certain land (e.g. land use rights for business purposes, *hak guna usaha*), adat community will be heard and a *recognitie* will be given to the holder of *hak ulayat*.

On the other hand, it is not justified if due to such *hak ulayat* adat community later hampers the provision of *hak guna usaha* at the expense of broader interests. As well, it is not justified if such adat community rejects the opening-up of forestland massively but orderly to implement big projects in the efforts to increase food supply and to carry out transmigration/village resettlement programs (*pemindahan penduduk*) (Kanwil BPN Kaltim 1995: 75).

Thus, Soehadi agreed with a statement that *hak ulayat* is recognised as long as it still exists. Yet, in such a document he still maintained that, “in East Kalimantan *hak ulayat* no longer exists.” He used a reference of research reports

⁹ The title of his paper was “An Observation of *Hak Ulayat* in East Kalimantan” (*Tinjauan tentang Hak Ulayat di Kalimantan Timur*). See Singarimbun 1994.

conducted by his office and that of in cooperation with the universities as mentioned above (Kanwil BPN Kaltim 1995: 79).

This statement was celebrated by forest companies but condemned by Dayaknese, including Dayak scholars. The statement powerfully encouraged forest businessmen to continue their investment in the East Kalimantan forestry sector. It also justified a continuing exploitation of East Kalimantan forests as well a limitation of indigenous people's access to the forests. This fact raised concerns among the Dayak people. Yacobus Bayau Lung, Mulawarman University academic (Dayaknese), expressed his concern over forest exploitation during the New Order regime:

When we were colonised by the Dutch, we had freedom to utilise and manage our forests, so we carefully preserved them. But since we declared Indonesian Independence, and especially under the New Order regime, we no longer have had freedom to do so. Accordingly, we lost our sense of belongings to the forests. The situation under the Dutch rule was better than that of under the Republic of Indonesia's rule. So, what is the use of Indonesia's independence?¹⁰

Since early 1990s, a growing number of NGOs in East Kalimantan had brought up the issue of a large scale forest exploitation in this province and empowered local people in the fields. First, East Kalimantan NGOs were unduly concerned with people-oriented development rather than state-led or state-oriented development. This was largely an effect of the rise of NGO movements in Java during the 1970s-1980s, whose mission was to promote emancipatory/participatory approaches in development efforts or people-oriented development programs across the archipelago.¹¹ Second, the working areas of East Kalimantan NGOs were mostly in the interior of East Kalimantan where the environmental destruction and the negligence of indigenous rights by forest companies have been massive and widespread.

Some NGOs in East Kalimantan promoted and "socialised" the use of the powerful concept of *tanah adat* (adat land) rather than *tanah ulayat* to the government and the people. This did not mean that the local people did not have a concept of *tanah adat*. NGO movements have been particularly successful in compiling and promoting this concept to become a widespread movement in East Kalimantan, particularly among the Dayak people in the Kutai District.¹² In contemporary East Kalimantan, particularly in the West Kutai District, almost all Dayak communities now speak *tanah adat* and submit claims to forest companies exploiting timbers in their *tanah adat* (cf. Pemkab Kubar 2001).

¹⁰ A slightly re-wording version. The statement was confirmed by Yacobus Bayau Lung during the field research (personal communication, 2002). For original quotation, see Gunawan (2000b).

¹¹ Noorsyamsu Agang (political scientist of the Faculty of Social and Political Science, Mulawarman University), personal communication during the field research, 2002.

¹² Kutai district has been split into Kutai Kertanegara, West Kutai, and the East Kutai district.

From the explanation above, there were two striking concepts regarding indigenous rights over forestlands. One was to do with *hak ulayat* and *tanah ulayat*, and the other was to do with *hak adat* and *tanah adat*. Martinus Nanang, an anthropologist of Mulawarman University, attempted to distinguish the concept of *hak ulayat* and *hak adat*, and therefore, *tanah ulayat* and *tanah adat*. He stated that:

In the official explanation of the BAL the traditional right to control the land is called *hak ulayat*, which is basically different from *hak adat*. Both *hak ulayat* and *hak adat* can be simply called *hak adat*. Yet the *hak ulayat*, which is derived from the Minangkabau land ownership system, refers to communal ownership, while *hak adat* refers to every land ownership based on *adat*. In other words, *hak adat* is not necessarily communal. The explanation of the BAL explicitly asserts that the law simply recognizes the *hak ulayat*. This means that in a community where the *hak ulayat* does not exist, there is no recognition of the traditional land ownership. This is not a serious recognition of the existence of *adat* and is still open-ended, that is, as long as it does not contradict the national interest. While the term national interest is subject to different interpretations (even though only the government explanation is considered valid) (Nanang 1998).

Thus, in Nanang's view, *tanah adat* is different from *tanah ulayat*. In the *tanah ulayat* concept, *tanah ulayat* refers to communal land only; thus, *tanah ulayat* refers to a certain territory in the village area (excluding private land). The *tanah adat* concept includes communal land and private land owned by local communities. This means, in Nanang's view, that *tanah adat* could refer to all village areas while *tanah ulayat* only refers to certain lands in village areas. This is "confirmed" by another Mulawarman University's anthropologist, Simon Devung. Devung even maintained that "*tanah adat* is all lands in village areas; *hutan adat* (customary/adat forest) is all forests in *tanah adat*" (personal communication, 16 Jan 2001).¹³

By comparing the proposal of the Dayak Foundation as noted earlier with that of Nanang's view and Devung's assertion, one finds a different interpretation of the concept, the boundary, or the size of *tanah adat*. A differing interpretation has been further found during the field work. In 1998, the Adat Congress (*Musyawah Adat, Musdat*) of *Lembaga Adat Besar* (Great Adat Council) of Long Bagun made a decision that the boundaries of *tanah adat* should run 5 km parallel to the riverbanks to the forestland along the Mahakam River as well as along its subsidiaries that could be reached by small boats (*ketinting*) (Musdat Long Bagun 1998). In the following Adat Congress (1999), an extension to 50 km distance was proposed, but eventually only a 7 km distance boundary was agreed. In the Long Bagun Ulu conflict (one of the study case), local people previously claimed 5 km distance as their *tanah adat* against the forest companies (based on the 1998 Adat Congress's decision). Later, all village areas were stated as *tanah*

¹³ The village areas here refer to the village areas of the adat community.

adat of Long Bagun Ulu. In the Matalibaq conflict (the other study case), previously all Matalibaq's village areas were regarded as adat area (*kawasan adat*); later, the terminology of *tanah adat* was used instead (Field Notes 2001-2002).

As far as *hutan adat* (adat/customary forest) is concerned, I also found a differing interpretation on it in the field sites. Some suggested that *hutan adat* (customary forest) refers to communal forest located in the land classified as *tanah peraaq* or *tanah mawa*¹⁴ (communal land), whereas some argued that *hutan adat* refers to all *hutan* (forests) in *tanah adat* (adat land) (Field Notes 2000-2001, Questionnaires 2002). Devung's concept is interesting to note. If other *hutans* (forests) are located outside the *tanah peraaq* but still inside the *tanah adat* area, what is the name or category of these *hutans*? Can *hutans* (forests) located in *tanah berahan* (land to be used for the income generation, such as to collect rattan), *tanah too* (sacred land), etc but still inside the *tanah adat* area be called *hutan adat*?

Currently, the battle between the state and the community (particularly indigenous people) in terms of forest resource control is still under way. The state attempted to control the forests to make them "properly managed." Having lost its authority to control the forestlands as it had during the autonomy era, the Department of Forestry is attempting to regain control from District Governments (Forestry Services) through lobbies. The District Governments on the hand are striving to maintain their control through local representatives in the national Parliament, their patrons in the Department of Home Affairs, and the Association of Provincial and District Governments, aiming at maintaining a steady flow of local revenues to finance their self-government affairs. Last but not least, the local people are struggling to regain control of their adat land from the Central and Local Governments (mostly via forest companies).

B. The Political Economy of Forest Exploitation

B.1. Logging Concessions (HPH)

New Order's "adventures in the jungle" had been initiated when Soeharto signed and promulgated the Forestry Basic Law No. 5/1967, providing the Department of Forestry with legal powers to manage the forests and regulate forestland tenures, including the right to claim customary forests as state forests. Based on this law, around 114-146 million hectares of forest land were declared as state forests (Lindayati 2000a, Ross 2001) and the Department of Forestry had an ultimate authority to "sell" forestlands to forest conglomerates. On 23 March 1970, the government promulgated Government Regulation No. 21/1970 on logging concessions (*Hak Pengusahaan Hutan*, HPH). Its intention was to anticipate the

¹⁴ *Tanah peraaq* is a Kenyahnese terminology while *tanah mawa* or *tanah mawaaq* is a Bahaunese terminology. Both refer to communal land or people's reserved forests (*hutan cadangan*). Cf. Nanang and Inoue 2000.

expected increase of domestic and, particularly, foreign investments (cf. Latin 1999) due to the promulgation of the 1967 foreign investment law and the 1968 domestic investment law (Mas'ood 1989, Muhaimin 1990).¹⁵

The policy change promoted by the New Order government to invite foreign investment, particularly to exploit natural resources, attracted many foreign investors. In the period of 1967-1972, the forestry sector ranked third in terms of investors' priority, behind oil and manufacture. In 1978, foreign companies poured \$376 million into logging and wood-processing businesses. The biggest investors came from the Philippine and Malaysia. The territorial expansion of these investors was associated with the decrease of forest areas in their own countries or their need to expand their base of timber supplies to another country. The second largest investors came from Korea and Japan. Some big companies like Mitsubishi, Sumitomo, Mitsui, and C. Itoh were involved in Indonesia's timber business. While the first three companies used their own concessions, C. Itoh provided loans to local companies in the expectation that the local people would in turn provide log supplies. In late 1973, about 58 percent of investment in the timber industry came from foreign investors. This resulted in a tremendous increase in timber export. While in 1966 timber exports amounted \$4 million, or 0.59 percent of total values from all export commodities, by 1973 timber export was worth \$ 3.2 billion. During this period (1966-1973), the volume of timber export increased by 108 percent annually. Accordingly, the forestry sector advanced to the second largest source of foreign exchange after oil.¹⁶ This timber boom, however, was "mostly caused by domestic, not international factors." It is true that the timber price on the international market had an effect on the timber boom between 1966-1973.¹⁷ However, although the price of Indonesian timber dropped by 20 percent during 1966-1969, the volume of timber exports increased from 334,000 to 3,728,000 cubic meters, about a 1,100 percent increase during this period. According to Ross, "the most important initial force behind the logging boom was the reduction in logging costs, caused by the change in government policies" (Ross 2001). In fact, to promote foreign investment, the Indonesian government provided many incentives such as tax holidays (six years, which could even be extended), free tax for dividend and material capital, free fees for companies' imported goods, free repatriation profits, and a compensation guarantee if their subsidiaries were threatened by nationalisation programs as occurred during the 1950s, liberalisation of foreign trade, and so on (Ross 2001, Mas'ood 1989, Muhaimin 1990).

Prior to 1971, most foreign companies undertook timber businesses through their subsidiaries in Indonesia. Since the early 1970s, the Minister of Forestry,

¹⁵ Law 1/1967 on Foreign Investment (*Penanaman Modal Asing*, PMA) was promulgated on 10 January 1967, while Law 6/1968 on Domestic Investment (*Penanaman Modal Dalam Negeri*, PMDN) was promulgated on 3 July 1968 (Muhaimin 1990).

¹⁶ Cf. Wangsawidjaja and Ismanto 1993:115.

¹⁷ During this period, the timber volume brought into the international market by timber companies was almost doubled. The advancement of the timber industry in the Philippines reached its peak in 1968, after which its position and role in international market was taken over by Indonesia (Ross 2001).

Gen. Sudjarwo, who was close to Soeharto, had begun to use “a combination of informal and formal measures to force foreign firms to take on domestic partners—partners he had the authority to nominate.” As a result, 66 out of 77 foreign companies had conducted joint ventures with Indonesian partners in timber industry by 1979 (Ross 2001). This was the origin of patron-client politics in the timber business in Indonesia. Since then the New Order government used forest concession arrangements to reward clients, to coopt potential opponents, and to maintain loyalty of the civilian and military bureaucracies (Brown 1999, Barber 1997, Crouch 1988, Robison 1986, Muhaimin 1990). Barber points out that:

Forestry concessions were a popular patronage resource in the early years of the regime, in part because logging does not require the technological sophistication and capital inputs that are needed in the petroleum and mining industries. Eager to settle power struggles among political and military factions in the early years, the regime handed out literally hundreds of concessions to companies linked to various military commands and other power centers (Barber 1997).

As Sudjarwo belonged to the military, his role in distributing forest concession licenses to the military and in realising joint venture between foreign firms and the military was crucial. He also played a significant role in distributing the licenses to Suharto’s business clients, patronage organisation (mostly *yayasans*, charitable foundation), and Suharto’s relatives. In the mid-1970s, the Minister provided forest concession licenses to various interested parties, amongst other:

- Concessions for each of the four major services (army, navy, air force, police), to help fund networks of Suharto loyalists and to finance off-budget projects.
- Concessions for Kostrad (Komando Cadangan Strategis Angkatan Darat, the Army Strategic Reserve Command) and Opsus (Operasi Khusus, Special Operations), two branches of the military charged with some of Suharto’s most important political tasks, including military intelligence,
- Three concessions for Lt. General Ibnu Sutowo, the autocratic president director of Pertamina, who helped finance both Golkar and many of Suharto’s patronage operations
- Three concessions for a group of retired army officers, who called themselves the Konsultasi Pembangunan Group;
- Two unusually large concessions for the Hanurata Group, which was wholly owned by two of Suharto’s *yayasan* [charitable foundations], Yayasan Harapan Kita, and Yayasan Bantuan Beasiswa Yatim Piatu;
- And ten concessions for PT. Tri Usaha Bhakti, the Defence Ministry’s holding company. The funds held by Tri Usaha Bakti were used to provide retiring officers with pensions, and to fund client networks running through the command structure. Many Tri Usaha Bhakti’s concessions were run in partnership with business groups of regional military commands (Robison 1977, in Ross 2001:177).

As far as the military business in timber industry was concerned, military-backed companies used their own forest concession licenses by relying on “either subcontracting agreements (which were illegal but unofficially permitted) or joint ventures with foreign or Indonesian Chinese firms.” This strategy easily generated huge revenues for the military. One report made by Jakarta’s American Embassy in 1980 mentioned that “subcontractors typically paid the concession holders \$10 to \$30 per cubic meter of timber, while incurring both the costs and risks of the enterprise” (Ross 2001:177). Particularly in regard to joint venture arrangements, Ross said that:

Military partner provided only the license and a nominal fraction of the capital; even this capital might be financed by the foreign partner through a “signing bonus” or an agreement to charge it against future revenues. The commercial partner supplied all or virtually all of the capital, managed the concessions and marketed timber. In the four cases described by Robison, firms linked to the military provided an average of 0.25 percent of the initial capital, yet received an average of 36 percent of the equity in the joint venture” (Ross 2001).

With such kind of business practices, the military’s timber business had expanded rapidly during the 1970s until the early 1980s. Lack of transparency and accountability in the timber business caused a serious degradation of Indonesian forests, which attracted the attention of local and international environmentalists. Some measures had been taken; the most important thing was that international NGOs lobbied their own governments to put pressure to the Indonesian government to change Indonesia’s timber policy, particularly in regard to timber production.

These tendencies evoked a power struggle between the Department of Forestry on the one hand and the Bappenas (National Development Planning Board) and the Department of Trade and Industry on the other hand to establish a more accountable and sustainable business in the timber industry. In April 1981, the Department of Forestry and the Department of Trade and Industry subsequently signed a “Letter of Joint Decision” to strictly limit the export of logs and to require businessmen to invest in the ply mills industry before proposing log exports permits. This was regarded as a triumph of the Bappenas and the Department of Trade and Industry over the Department of Forestry’s resistance. Accordingly, timber exports dropped by 57 per cent in 1981, and in 1982 it further dropped to 49 percent. Later, export of raw logs was banned, and in 1985 total export of raw logs turned to zero. This led to the collapse of over 100 forest companies; many more failed to continue their business in the following years. The survivors had sunk into heavy debt (Ross 2001).

Thus, since early 1980s “the era of easy profits had come to an end” (Ross 2001:183) for the military and foreign firms. This greatly affected their business and stimulated them to sell their own concessions or to close their companies. This development was seen as a good opportunity by Chinese entrepreneurs. In the past,

Chinese businessmen in the timber industry were resident in the periphery, except for a few such as Bob Hasan (partner or contractor for military's concessions), Burhan Uray, and Yos Sutomo (who used their own concessions). During this timber industry shakeup, Bob Hasan, Burhan Uray, and Yos Sutomo, along with other Chinese businessmen bought licenses from the military and foreign companies "with loans from state banks, foreign banks, and loans from Japanese trading houses" (Ross 2001:183). Some applied new licenses by using Chinese connections (cf. Robison 1986, Mas'ood 1989, Muhaimin 1990).

In the wake of the timber industry shake-up, a second wave of patron-client politics of Soeharto's government was observed. While the crucial clients in the first wave, were members of the military, mostly Chinese entrepreneurs profited from the second wave. The bankruptcies of foreign and military businesses provided welcoming business opportunities to the Chinese entrepreneurs. Soeharto himself used the skills of the Chinese entrepreneurs to achieve his political and, particularly, economic agenda.

In the case of Bob Hasan—who possessed 12 forest companies (Bob Hasan Group) controlling 2,380,800 hectares—for instance, "the reason Hasan was granted so many concessions was due, in part, to his willingness to unofficially divert rent to the first family" (Brown 2001). It was suggested that "one of the avenues through which Hasan enables the former first family to appropriate rent is by giving them shares and directorships in his concessions" such as in Alas Helan, Redjo Bumi Sari, Santi Murni, and Sumber Mari (East Kalimantan) (Brown 2001). Brown wrote that:

[I]n explaining why Bob Hasan was given access to the fifth-largest private area of timber concessions in the country, it is important not to overlook the fact that a steady stream of income accrued to the Suharto family over the years from directorships and shareholdings in those concessions. The Department of Forestry acknowledged this when they revoked the Alas Helan concession on the grounds that it had been controlled, as reported by a major Indonesian newspaper, "jointly by former president Soeharto's [sic] children and their business associates and... because they were allegedly granted through corruption, nepotism and collusion" (Brown 2001).

Revenues generated from Bob Hasan's concession holdings enabled him "the ongoing financial wherewithal to provide business services to the former first family" or "to pursue numerous partnerships with the former president's children," either in timber-related business or outside forest products business. Both Bob Hasan—who later known as "King of the Jungle" (*Raja Hutan*)¹⁸—and Soeharto's family used Nusamba, a Suharto family holding company, as a main vehicle to do so. Besides being partners in the Nusamba Group, Bob Hasan and Sigit

¹⁸ *Kompas*, 31.03.2000, *Tempo* 30.03.2001, *Sriwijaya Post* 21.02.2004, *Jawa Post* 22.02.2004. By quoting *Time Magazine* (Vol.149, No.10, March 10, 1997), one account writes: "In an oft-repeated anecdote, Hasan boasted after golf with Suharto and visiting actor Sylvester Stallone, 'I told Rambo, I am king of the jungle.'" See <http://forests.org/archive/indomalay/spbobhas.htm>

Harjojudanto (Suharto's eldest son) held 25 percent of the stocks of the Kertas Kraft Aceh paper mill, which monopolised Indonesia's newsprint paper. Bambang Trihatmodjo (Soeharto's second son), held 35 percent of the ITCI timber concessions in East Kalimantan, where Nusamba owned 14 percent and Army's Tri Usaha Bhakti 51 percent (Brown 2001).¹⁹

Another example of the patron-client orientated timber business can be traced back to Prajogo's case. Prajogo Pangestu, a relatively newcomer but later known as the "King of Timber" or simply the "Timber King" (*Raja Kayu*) (*Tempo*, 17.05.1997, 13.06.1999; *Asiaweek*, 25.09.1998) controlled six million hectares of concession areas. The acquirement of such huge concession areas was due to Prajogo's close relationship to Soeharto²⁰ and his children. Soeharto and Prajogo close relationship can be observed from the purchase of 35 timber concessions in the 1980s through the Barito Pacific Timber Group (BPTG):

The relationship between Barito Pacific and the former President got off the ground in the 1980's when Barito bought the rights to 35 timber concessions belonging to other timber companies. Barito could not have secured the bank financing to purchase so many timber concessions had the former President not exerted influence upon a number of state banks. Barito has taken loans from three of Indonesia's six state-owned banks, Bank Bumi Daya, Bapindo, and Bank Dagang Negara. Accounts differ as to whether Barito initially received state bank financing due to its strong balance sheet or its political connections but there is little doubt that the company's political ties became more important over time, as in the case of the securing of a US\$45 million subsidy from state-owned forestry corporation Inhutani II, and a US\$550 million uncollateralized loan from state-owned Bank Bumi Daya, both in 1991 at the insistence of Suharto (Brown 2001: 79).

His remarkable "success" in controlling six million hectares of forestlands managed by 68 forest companies was however not free from his political and economic strategies as well as the interests of Soeharto's family. Brown pointed out that "Prajogo's concession holdings stood at 68 in 1995 due in part to his willingness to provide former President Suharto's family members with shares and directorships in some of these concessions," such as in Barito Nusantara Indah and Sangkulirang Bakti (East Kalimantan), and Panambangan (Central Kalimantan) (Brown 2001:77). Due to the sheer number of forest companies and forest concession areas, Prajogo could both generate huge profits from forest exploitation and use them as capital or assets to expand his business empire either in forestry or non-forestry sectors. As suggested by Brown, "Barito's substantial concession holdings provided a continuous stream of revenues that enabled it to pursue a broad range of business activities, mostly, it would seem, in partnership with the former

¹⁹ Both Hasan and Bambang, along with Pertamina (state-owned oil company), were also co-shareholders of Bank Tugu (Brown 2001).

²⁰ In this regard, *Swasembada* wrote, "The two men reportedly breakfast together on a regular basis" (in Brown 2001:77).

President and his family” as well as to realise Soeharto’s ambitions (Brown 2001:80). In forestry-related sectors, for instance, he expanded his business in industrial timber plantations, pulp and paper, and estate crops. Some of them were established by conducting joint venture with the Soeharto family, such as Tanjung Enim Lestari pulp (Siti Hardijanti Rukmana, Soeharto’s daughter: 15% shares), the Musi Hutan Persada industrial pulpwood plantation (Siti Hardijanti Rukmana: 36% shares), and the sugar plantation in Sulawesi (with Siti Hardijanti Rukmana). In non-forestry sectors, he established the Bank Andromeda of which Prajogo owned 50% shares and Bambang Trihatmodjo (Soeharto’s son) owned 25% shares. Prajogo and Bambang also established Chandra Asri, an olefins facility that would be “projected” to monopolise the propylene industry (20% of Bank Andromeda’s loans went to Chandra Asri)²¹ (Brown 2001).

In realising Soeharto’s ambitions, Prajogo should also be ready to serve him if Soeharto asked Prajogo to provide help. As one researcher maintained:

- In 1991 Barito helped the former President achieve his desire to be both a player, and chief arbiter, in the world of Indonesian high finance. Barito provided around US\$220 million to bail out Bank Duta, a bank owned by Nusamba, a holding company 80 percent controlled by the former President’s three largest yayasans (charitable foundations).
- Barito also helped the former President to reign in the ambitions of the Astra group. When both Astra and Bank Summa were threatened with bankruptcy – due to currency trading losses by Bank Summa – former President Suharto reportedly asked Barito Pacific to bail out Astra, with a view toward being able to *re-assert* control over the conglomerate, this time through Barito Pacific’s Delta Mustika affiliate (Brown 2001:80).

Other businessmen, mostly Chinese entrepreneurs, were also encouraged to use Soeharto’s patronage network or his inner-circle if they wanted to get forest concessions. In fact, this was the main procedure that should be followed to be successful in timber business during the New Order era. Due to this patronage system, a huge number of forest concession licenses and areas had been distributed to forest tycoons. In 1994, the number of forest concessions reached a record 585 forest concessions with a total area of 63 million hectares. Among these, the top 10 timber companies controlled 45% of forestlands whose major owners were Chinese entrepreneurs (Table 4.1).

Table 4.1. Top 10 HPH Holders in Indonesia 1994/1995-1997/1998

No.	1994/1995			1997/1998		
	Timber Group	Major Owner	Area of HPH (Ha)	Timber Group	Major Owner	Area of HPH (Ha)
1.	Barito Pacific*	Prajogo Pangestu (Phang Djun Phen)	6,125,700	Barito Pacific*	Prajogo Pangestu (Phang Djun Phen)	5,943,067

²¹ Later, the Bank Andromeda was shut down.

2.	Djajanti	Burhan Uray (Bong Sun On)	3,616,700	Djajanti	Burhan Uray (Bong Sun On)	3,365,357
3.	Alas Kusuma	Tan Hok Lim	3,364,200	Kayu Lapis Indonesia	Andi Sutanto (Tan Siong An)	2,806,600
4.	Kayu Lapis Indonesia	Andi Sutanto (Tan Siong An)	3,053,500	Alas Kusuma	Tan Hok Lim	2,661,376
5.	Inhutani I	Government	2,422,000	Inhutani I	Government	2,609,785
6.	Bob Hasan Group	Bob Hasan (The Kian Seng)	2,380,800	Bob Hasan Group	Bob Hasan (The Kian Seng)	2,131,360
7.	Korindo	N.A.	2,225,000	Armed Forced/Navy	Armed Forced/Navy	1,819,600
8.	Surya Damai	Martias (Pung Kian Hwa)	1,801,400	Korindo	N.A.	1,589,228
9.	Satya Djaya Raya	Susanto Lyman (Lie An Djian)	1,663,500	Kodeco	Njoto Widjojo (Njoo Kiem King Kie)	1,081,700
10.	Tanjung Raya	Pohan Burdiman (Pho Boen Tjit)	1,530,500	Sumalindo**	William Soerjadjaja (Tjia Kian Liong), Prajogo Pangestu (Phang Djun Phen)	1,057,678
	Sub-total		28,183,300			25,165,751
	Total including other groups		62,543,370	Total including other groups		51,251,052
	Top 10 as % of total (including other groups)		45%	Top 10 as % of total (including other groups)		47%

Source: Brown 1999, FWI/GFW 2002, Ross 2001. * A subsidiary company of Barito Pacific (Timber Group) is one case study in this research. ** In 1994/1995, Sumalindo (Lestari Jaya) was at rank 19 with total concession area of 867,000 ha (Brown 1999). A subsidiary company of PT Sumalindo is another case study in this work.

Hence, the timber business in Indonesia during Soeharto's reign was mainly characterised by a lack of transparency and accountability. From the perspective of the patron, the main concern was how to exploit rich forest resources and how to distribute them in order to tame potential opponents, reward loyalists, and enrich his family. From the perspective of the clients, the focus was on how to generate the best possible profit from timber exploitation in order to enrich themselves and serve the patrons, the patrons' inner circles, and the patrons' families. Ecological considerations of forest exploitation were consequently neglected; the result was a steep increase of forest degradation across Indonesia.

What happened at the national level was similar to that of the provincial level. This was because the authority to issue forest concession licenses was in the hand of the Department of Forestry in Jakarta. Due to this arrangement, the provincial and district governments had no other choice than to facilitate "investment" from Jakarta. This included the East Kalimantan case.

Forest companies commenced their activities in East Kalimantan in 1939 when Indonesia was under the Dutch administration. At that time, five forest companies were reported to log East Kalimantan forest trees in a relatively big area for export purposes (Gunawan *et. al.* 1998). In 1967 there was only one company with a total concession area of 265,00 hectares, in the following year two recorded

companies were registered with a total forest concession area (HPH) of 465,000 hectares (Dinas Kehutanan Kaltim 2000). The number of forest companies and, therefore, the size of concession areas increased steeply during the 1970s-1990s.

In the first wave of patron client politics in the timber industry in East Kalimantan, the military took advantage of the timber business by means of its company Tri Usaha Bhakti, and particularly by means of the ITCI company (joint venture). In one example of military business in East Kalimantan, Ross maintained that:

The International Timber Corporation of Indonesia (PT. ITCI), a joint venture between Tri Usaha Bakti and the U.S.-based Weyerhaeuser, illustrates these arrangements. Weyerhaeuser had initially applied for an Indonesian timber concession in 1969 through wholly owned subsidiary, PT. Weyerhaeuser Indonesia: it was granted a relatively undesirable 100,000 hectares site in East Kalimantan, which it never fully developed. But in 1971, Weyerhaeuser found it could gain access to a much larger, and more valuable 601,000 hectares of concession by acting as the foreign partner for Tri Usaha Bhakti, which held the concession rights (Ross 2001).

Initially, Tri Usaha Bhakti owned a 35 percent share in ITCI (Ross 2001), later it even increased to 51% (Brown 2001). The military contributed a concession (no cost), and 5 percent capital (\$160,000 out of \$32 million) to ITCI. The role of the military in this business was only to guard the company headquarters in East Kalimantan, while the exploitation and marketing were carried out by professionals. Timber exploitation through its HPH license resulted in annual sales of \$67 million in 1978. Deduced by tax and other costs, net profits amounted 45-50 percent of this sum, and Tri Usaha Bhakti received \$10 to \$12 million (Ross 2001:178).

In the second wave of patron-client politics (with Chinese entrepreneurs), the patronage system was also carried out at the provincial level. This was because the central government controlled the provision of HPH licenses. Without a close connection to Soeharto and his inner-circle it was difficult to gain concession areas in East Kalimantan. In 1992, the timber tycoons dominating the timber business at the national level also dominated the timber business in East Kalimantan. While Bob Hasan was “defeated” by Prajogo in terms of forest concession size at the national level, he still had bigger concession areas (814,000, rank 2) compared to that of Prajogo (481,000, rank 9) in East Kalimantan. The third biggest concession owner in East Kalimantan was PT Sumalindo (see Table 4.2), which ranked 19th at the national level. PT Sumalindo was a “green project” of a holding company named Astra International (AI), owned by William Soerjadjaja. Soerjadjaja was also close to Soeharto, and conducted various joint ventures with Soeharto’s family (Robison 1986). Prajogo himself had significant stocks in PT Sumalindo and used to be the Vice President Commissioner of AI (1993-1997) and a member of the AI Board of Commissioners (1997-1998) (BPTG 1999, 2000).

Table 4.2. Top 10 HPH Holders in East Kalimantan 1992

No.	Logging Concession Group	Major Owner	Area (Ha)	Associated Timber Processing Companies
1.	Inhutani	Government	2,422,000	Idec Wood Abadi, Inhutani Samarinda, Inhutani Juata, Inhutani Nunukan, Inhutani Sesayap, Kenahutani
2.	Kiani Lestari	Bob Hasan (The Kian Seng)	814,000	Kalimanis Plywood, Kalhold Utama Plywood, Santi Murni Plywood, Kiani Lestari
3.	Sumalindo Lestari Jaya	William Soerjadjaja (Tjia Kian Liong), Prajogo Pangestu (Phang Djun Phen)	687,000	Sumalindo Lestari Jaya, Dharma Satya Nusantara
4.	Roda Mas Timber Kal. Coy	Tan Siong Kie	637,000	Tirta Mahakam Plywood
5.	Sumber Mas Timber	Yos Sutomo (Kang King Koat)	590,000	Meranti Sakti Indah Ply, Kayan River Indah Ply, Sumbermas Sawmil
6.	Harjohn	N.A.	577,000	Kayu Alam Perkasa Raya
7.	Kayu Lapis Indonesia	Andi Sutanto (Tan Siong An)	483,000	Kayu Lapis Indonesia
8.	Dayak Besar Timber	H.M. Yusuf Hamka (N.A.)	462,000	Daya Besar Agung Ply, Daya Agung Wood
9.	Barito Pacific Timber Group	Prajogo Pangestu (Phang Djun Phen)	481,000*	Tunggal Yudi Plywood, Hutrindo Palaran Ply, Bina Segah Uama Ply, Sangkurilang Bhakti
10.	Inne Donghwa	N.A.	356,000	Inne Donghwa, Balikpapan Forest Industry

Source: Walhi 1992, in Gunawan *et.al.* 1999; Ross 2001. * In 1994, the Barito Pacific Timber Group concession area in East Kalimantan increased to 731,000 ha (Astrini, Penambangan, Barito Nusantara Indah, Tunggal Yusi, Bina Segah Utama, Limbang Praja, BBAP Malinau, Sangkurilang, BBAP Berau) (Plasma 1994).

Thus, the pattern of timber business practices in East Kalimantan (provincial level) was similar to that of Indonesia as a whole (national level) during the New Order era, in terms of patron client politics in forest exploitation and the actors involved. Moreover, the patronage system in the East Kalimantan timber business lacked transparency and accountability. The result was a serious forest degradation and no considerable economic contribution was provided to forest communities.

The downfall of Soeharto's regime evoked euphoria and hope for freedom among the people across the archipelago. The euphoria not only manifested itself in socio-political affairs but also in natural resources issues. It had been highly expected that the new government would bring the country out of the crisis and manage natural resources appropriately for the prosperity of the local people. In response to these high expectations, the new governments attempted to distinguish

itself from the New Order regime albeit it was hard to do with that of Habibie's administration.

In the forestry sector, Muslimin Nasution, the Forestry Minister under the Habibie administration, promoted a series of reform-minded policies and advanced anti-KKN (corruption, collusion, nepotism) measures. Amongst other things, timber concessions obtained due to KKN practices would be cancelled; the maximum size of new concession areas would be strictly limited; no new forest concessions would be granted in the near future; the ministry would investigate in the misuse of reforestation funds from aircraft company (IPTN) and conglomerates; and so on (Sunderlin 1998).

Just before and immediately after Soeharto's fall, the number of concession licenses dropped from 585 in 1994/1995 (62.5 million hectares) to 427 in 1997/1998 (51.5 million) and to 420 in 1998/1999 (51.5 million hectares) (Ministry of Forestry and Estate Crops 2000). Brown suggested "what is most remarkable is not what has changed since the mid-90's, but what has not." He maintained that "while the third and fourth ranking timber concessionaires have switched places, the commanding heights of the industry are still dominated by the same five private groups: Barito Pacific, Djajanti, KLI, Alas Kusuma and Bob Hasan." Forest control by these five groups were still about 30% of the total Indonesia's concession area (Brown 2001).

In July 1999, the Department of Forestry made an announcement that eight concession licenses with a total size of 1.17 million hectares would be revoked and 13 licenses with a total size of 1.36 hectares would not be extended. Although this measure also affected the biggest companies, they were still in a comfortable position because this move only accounted less than five percent. Brown said "given that this relative handful of revoked and non-renewed concessions is spread across the five largest private concessions holders (as well as five mid- and small-sized ones), the positions of five largest groups at the commanding heights of the industry remains unshaken" (Brown 2001).

Forest Watch Indonesia and Global Forest Watch maintained that the violations or mismanagement by concession holders and the declining value of timber stands led to a situation that forced forest companies to discontinue their investments. GFW also found that while most license withdrawals occurred in Sumatra and Kalimantan where the forests had been highly degraded, in Irian Jaya (West Papua) forest concession provisions increased steadily since huge virgin forests were still available. The armed forces also got a windfall in this situation: 1.8 million hectares were given to them. The remaining 8 million were converted into non-forestry land uses. Thus, although there were changes in the ownership and the size of forest lands owned by timber companies, in the wake of the fall of Soeharto "the top 10 timber companies were virtually unscathed, their ranking and control over concession area changed little" (FWI/GFW 2002) due to their close connection to the regime.

In the investigation of forest companies allegedly undertaking KKN (corruption, collusion, nepotism), the Department of Forestry found numerous

companies connected to Soeharto families. Number and size of the concession areas of the companies allegedly undertaking such KKN practices can be seen in the following table.

Table 4.3. Companies of and Companies Connected to Soeharto/His Family, 2000

No.	Concession and Land Use Provision (Forestland)	Shareholders	Number of Companies	Total Area (Ha)
1.	Forest Concession (HPH)	Soeharto's Children	9	1,360,763
		Children in Law/Grandchildren	1	100,000
		Foundations	3	802,456
		Cronies:	4 *	1,546,975.00 [x]
			4 **	1,061,300.00
			1 ***	81,000,00
2.	Industrial Timber Estate Concession (HTI)	Soeharto's Children	6	1,359,196
		Relatives	1	268,585
		Cronies:	2*	273,598.00 [x]
			2+	478,730.00
3.	Estate Crops Using Forest Area	Soeharto's Children	17	148,444.73
		Children in Law	4	38,335.56
		Grandchildren	1	10,000,00
		Relatives	12	28,113.38
4.	The use of forest areas as industrial, settlement, and tourist sites	Soeharto's Children	8	9,760.29
		Children in Law	1	104.50
		Grandchildren	1	4,400.00
		Relatives	1	22.50
5.	Forest areas exchange use	Cronies	7	12,269.61 [x]
Sub-Total (excluding [x])			72	5,751,210.96
Grand Total			85	7,584,053.57

Notes for Soeharto's cronies: *Allegedly undertaking KKN; **Cronies as major stockholders, allegedly undertaking KKN; ***Cronies as minor stockholders, allegedly undertaking KKN; +Cronies as major stockholders but their KKN cases were unknown yet (should be further investigated).

Assumed that some HPHs owned by Soeharto's cronies are not connected to Soeharto or Soeharto's family (see sign [x]), in total, about 5.7 million hectares of forest use/exploitation in Indonesia are connected to Soeharto's family. This is nearly twice as much as has been found by Forest Watch Indonesia (three million hectares) (FWI/GFW 20002). This proves that Soeharto's family is still controlling a huge forest areas even after his downfall

Legal measures undertaken by the government to follow-up such findings have been however questionable since only Bob Hasan—Soeharto's crony—was sent to jail. Hasan' case even did not directly relate to forest concession license acquirement but to corruption charges on photograph and mapping projects of

protected forest.²² Recent trial involving Soeharto's stepbrother Probosutedjo²³ and the investigation in Prajogo Pangestu's case were also not aimed at the procedures of HPH license acquirements but on alleged data manipulation and corruption on HTI plantation projects (reforestation fund).²⁴

In the following years, the number of companies continued to decrease. By 2002, the number of issued forest concession licenses dropped to 270 with a total size of 28 million hectares. Thus there had been a 50 percent decrease since 1994/1995.

Table 4.4. Forest Concessionaires in Indonesia, 1990-2002

No	Year	Unit	Area (million Ha)	No	Year	Unit	Area (million Ha)
1.	1990/1991	564	59.62	8.	1997/1998	427 (466*)	52.28 (51.5*)
2.	1991/1992	567	60.48	9.	1998/1999	420	51.58
3.	1992/1993	580	61.38	10.	1999/2000	387	41.48
4.	1993/1994	575	61.70	11.	2000**	362	39.16
5.	1994/1995	540 (585*)	61.03 (62.5*)	12.	2001**	351	36.42
6.	1995/1996	487	56.17	13.	2002**	270	28.08
7.	1996/1997	447	54.09				

Source: Ministry of Forestry and Estate Crops (2000).

*Brown's estimation (Brown 1999); ** Ministry of Forestry (2003), www.dephut.go.id

It seemed that all forest companies were affected by the most recent cut of concession licenses. Global Forest Watch Report published in 2002, however, suggested that the existing big companies still dominated the timber industry in Indonesia (FWI/GFW 2002). Although many concession areas were handed to Inhutani (state owned companies), this did not mean that private companies lost their control over such areas. Due to the lack of human resources, Inhutani took over the management only formally in most cases while day-to-day forest exploitation was still conducted by private companies (cf. Brown 2001).

In East Kalimantan, the numbers of HPHs has been relatively stable during the period New Order era - post-New Order era. By comparing data of 1994 with that of 1998, the number of HPH companies even increased from 69 to 73. By 2001, they slightly increased to 75 active companies (see Table 4.5). This shows

²² He gained the project from the Department of Forestry through his company called PT Mapindo Parama. He was previously sentenced to two years by district court. After appealing to higher courts, though, the High Court and the Supreme Court sent him to jail for six years (*Kompas*, 21.09.2000, 16.03.2001, 13.07.2001).

²³ On 4 March 2003, the Attorney General sued Probosutedjo for 3 years in jail and asked him to return Rp 100,9 billion to the state due to corruption regarding the reforestation fund. In March 2004, the trial was being underway (*Kompas* 04.03.2003), but until February 2004 there has been no news concerning the court's decision.

²⁴ In August 2003, Prajogo's case was even frozen by Attorney General, along with other cases involving Soeharto's daughter (Siti Hardiyanti Rukmana). See *Kompas* 22.08.2003, *Sriwijaya Post* 23.08.2003.

that the timber business in East Kalimantan is not influenced by the timber industry shakeup prevalent at national level.

Table 4.5. Number and Size of Logging Concessions in East Kalimantan

Walhi's Version 1968-1991			Forestry Service's Version 1967-2001			
Year	Total HPHs	Total Area (Ha)	Year	Active (Unit)	Inactive (Unit)	Total HPHs (Unit)
1968-1969	2	400,000	1967	1		265,000*
1969-1970	9	1,589,000	1968	2		465,000*
1970-1971	21	3,029,000	1976-1977	77	22	99
1971-1972	27	3,488,000	1977-1978	78	11	89
1972-1973	37	4,165,000	1978-1979	87	10	97
1973-1974	62	5,984,000	1979-1980	82	20	102
1974-1975	71	6,637,000	1980-1981	80	24	104
1975-1976	76	6,927,000	1981-1982	65	40	105
1976-1977	83	9,699,000	1982-1983	59	47	106
1977-1978	89	10,086,000	1983-1984	68	38	106
1978-1979	97	10,478,000	1984-1985	80	26	106
1979-1980	100	11,055,000	1985-1986	80	26	106
1980-1981	104	11,552,000	1986-1987	79	30	109
1981-1982	106	11,812,000	1987-1988	80	26	106
1989-1990	112	12,487,700	1988-1989	87	17	104
1990-1991	108	12,093,500	1989-1990	83	22	105
			1990-1991	86	22	108
			1991-1992	83	25	108
			1992-1993	89	21	110
			1993-1994	86	24	110
			1994-1995	69	41	110
			1995-1996	72	38	110
			1996-1997	61	43	104
			1997-1998	73	37	110
			1998-1999	72	38	110
			1999-2000	66	17	83
			July 2001	75	n/a	8,311,217**
			Mean***	76.75	27.71	104.46

Source: Walhi 1992, in Gunawan *et.al.* 1999 (no data on active and inactive companies); Dinas Kehutanan Kaltim (1999/2000).

Notes: *Total area of HPHs (in hectare). ** Total area of active HPHs (in hectare). ***Excluding the 1967, 1968, and July 2001 data.

A relatively stable timber industry in East Kalimantan means a stable role of the actors involved in the exploitation of forest resources in East Kalimantan. Although many companies in East Kalimantan now face labour strikes—and some fired their employees—the companies still exist. It seems that they are waiting for the economic crisis to end, before recommencing their activities.

In the wake of the downfall of the New Order regime, an interesting development in the forestry sector was observed in East Kalimantan. That is, the increase of issuance of small to medium scale logging licenses by local governments. As mentioned above, small-scale concessions (100 ha), known as

HPHH (*Hak Pemungutan Hasil Hutan*, forest product utilisation rights), was provided by the district government. HPHHs were designed to be given to local communities; but in practice, they were commonly granted to businessmen and even big forest companies. According to the West Kutai District Head, Rama Asia, the HPHH provisions were a response to the forest companies' monopoly over East Kalimantan's forest areas. This policy was expected to boost both district revenues (Rp 20 million per license) and the income of local people (by means of village cooperatives) (EKSTREM, November-December 2001 Edition). According to Edi Sudiono, however, local people did not have sufficient cash during the economic crisis to buy the licenses, so that eventually businessmen or forest companies joined with local communities to log the forests. In many cases, such licenses were only used to legalise illegal timbers. Until July 2000, the West Kutai District had provided 622 HPH licenses covering an area of 62,200 hectares (Edi Sudiono 2000, and personal communication 2001-2002).

For the provision of small-medium scale forest concessions a Governor was given the authority to grant the licenses. In its arrangement, interested parties (businessmen, forest companies, etc) should cooperate with village cooperatives. The reason behind this seemed to avoid local anger. The involvement of village cooperatives in managing the forest areas was expected to provide a "trickle down effect" to local communities in form of fee distribution. In practice, village cooperatives have become a new client in forest exploitation (Brown 1999) whose patrons are forest businessmen, forest companies, and district forestry services. In many cases, fake cooperatives were established by village's elites to pave the way for timber cutting by investors or timber companies, and accordingly, the revenues were not going to common people but to businessmen and the village's elites.

Realising this fact, common people joined in forest cuttings whose initial "capital"²⁵ came from their own pockets or was lent by petty businessmen and speculators. Along with HPHH, this stimulated a revival of *Banjir Kap* (cutting/transporting logs during the floody or rainy season). *Banjir Kap* Part I was widespread in the late 1960s until the 1970s whereas *Banjir Kap* Part II only occurred again in recent years. While *Banjir Kap* I was associated with new opportunities given to forest companies, *Banjir Kap* II is associated with new opportunities given to local governments and local communities.

B.2. Industrial Timber Estate Concessions (HTI)

Facing the fact that HPH arrangements have degraded a huge forest area, the Indonesian government introduced the industrial timber estate scheme in 1984

²⁵ In community loggings, local loggers should stay in the forest for days or weeks. The basic needs are food (particularly rice) and fuel (for the chainsaws). How long they will stay in the forest is dependent on the availability of food and fuel they bring to the forest. Since they are asked to go farther from the forest's riversides to log high quality timber, they need semi-automatic equipment/machinery (*pancang*)—which is relatively expensive—to pull out the logged trees to the riversides.

(Walhi 1996), known as HPHTI (*Hak Pengusahaan Hutan Tanaman Industri*) or commonly abbreviated as HTI (*Hutan Tanaman Industri*). While HPH activities focused on timber cutting in natural forests, HTI activities were expected to cut timbers in man-made forests (timber plantations with fast-growing timber species). Its main objective was to sustain the timber supply, rehabilitate degraded land, and conserve forest areas.²⁶ This program has been justified and accelerated by numerous regulations since 1989 (Direktorat HTI 1989, Seve 1999).

Initially, two kinds of HTI were introduced, that is, HTI-based pulpwood (for plywood industries) and HTI-based sawnwood (for construction industries). An additional HTI program called HTI-Trans (incorporation of HTI and transmigration program) was introduced later by which transmigrants were plotted as company's workers. According to this scheme, the company can establish the plantation independently or in connection with logging companies. In order to stimulate the project, the Indonesian government provided various subsidies since the costs of rehabilitating and planting a degraded land was more expensive. The more important facilities offered by the government were the provision of soft loans under a general program named the Reforestation Fund (DR, *Dana Reboisasi*) and the provision of Wood Utilisation Permit (IPK, *Ijin Pemanfaatan Kayu*) licenses, which essentially was the right to cut all timber before the company established its plantation area. These instruments have indeed attracted many forest companies.

The practices in the provision of HTI licenses were however not different from that of HPH licenses. During the New Order era, HTI concessions fell to those in Soeharto's patronage network, as seen in the following table.

Table 4.6. Conglomeration in HTI Concessions 1994

No.	Company Group	HTI Project (Unit)	Area (Ha)	Percentage (%)	Major Owner
1.	Barito Pacific Timber Group	4	1,018,700	26.5	Prajogo Pangestu (Phang Djun Phen)
2.	Kalimanis	4	614,080	16.0	Bob Hasan (The Kian Seng)
3.	Raja Garuda Mas	2	428,560	11.2	Sukanto Tanoto (Lim Sui Han)
4.	Dayak Besar	1	376,000	9.8	H.M. Yusuf Hamka (N/a)
5.	Kayu Lapis Indonesia	1	300,000	7.8	Andi Sutanto (Tan Siong An)
	Sub Total	15	2,737,340	71.3	
	Other Companies	23	1,104,437	28.7	
	Total	38	3,841,777	100	

Source: PDBI 1994, in Walhi 1996; Ross 2001.

²⁶ The Letter of Decision of the Ministry of Forestry No. 20/Kpts-II/1983 stated that "HTI development is one of replantation and rejuvenation activities aiming at improving the potential of production forest in order to guarantee timber supply and rehabilitate production forest which is not productive" (in Walhi 1996:13).

HTI plantations expanded rapidly due to facilities and subsidies enjoyed by forest companies. While the total HTI areas amounted to 3.8 million hectares in 1994, the area reached 7.9 million hectares by 2000²⁷ (see Table 4.8). Thus, there had been a 100 per cent increase during a six-year period.

According to the HTI official regulation, HTI plantations are to be erected on “unproductive forest lands”—defined as those forest lands being economically unproductive, such as sparse forest, those covered by scrub and *alang-alang* grass, and bare land” (Seve 1999:21). Sparse forests are specifically defined by the Ministry of Forestry as “those with stands of commercial species with an average per hectare volume of less than 20 m³ for trees with diameter greater than 30 cm. In principle, it is strictly forbidden to establish a HTI on land under HPH” (Seve 1999:21). In fact, many HTI concession areas were designated in productive forests and in logged-over forests. Kartodihardjo and Supriono counted that, on average, about 22 percent of HTI concessions were previously in the category of natural forests (Kartodihardjo and Supriono, 2000). In FWI/GFW’s study of six cases, it was even found that, on average, about “72 percent of the total HTI area was formerly natural forest” (FWI/GFW 2002) before the plantation started.

As far as HTI concessions in East Kalimantan are concerned, HTI activities commenced in 1984. It seemed that the HTI project in East Kalimantan was one of Indonesia’s HTI pilot projects because HTI was widely adopted in the late 1980s. In 1984/1985, there were two HTI pulp companies and two HTI sawnwood companies with a total area of 216,514 ha and 91,788 ha respectively. HTI-Trans (an incorporation of HTI and the transmigration program) started operating in 1992/1992.²⁸ Of all categories of HTI (pulpwood, sawnwood, transmigration), at least 31 companies held HTI licenses with an area totalling 1,416,945 hectares in 2000. The provision of these concessions during the New Order era followed the New Order’s patronage system. HTI companies of the military (ITCI), Bob Hasan, Prajogo Pangestu, William Soerjadjaja also dominated the HTI industry in East Kalimantan.

Due to the rights granted in the HTI scheme to cut the remaining timber stands (IPK), there was a trend to convert the logged-over forest into HTI plantations. This is because the HPH scheme contained a regulation which

²⁷ A segregated data between pre-May 1998 (New Order regime) and post-May 1998 (post-New Order regimes) was not available.

²⁸ General types of transmigration programs in Indonesia are public transmigration (*transmigrasi umum*), spontaneous transmigration (*transmigrasi swakarsa*), and local transmigration (*transmigrasi lokal*) or APPDT (“*Alokasi Pemukiman bagi Penduduk Daerah Transmigrasi*, settlement allocation for inhabitants of transmigration areas”). Concerning the development of the East Kalimantan transmigration programs, Evers, Clauss, and Gerke maintained that “[t]he first transmigration settlements in East Kalimantan date back to the 1950s. It is, however, only since the third Five-Year-Development Plan (REPELITA III, 1979/80-1983/84) that the province has become one of the most important recipient areas of transmigration” (Evers, Clauss, and Gerke 1988). By 1984, 26,789 households (KKs) had been settled in this province (including over 13,000 households during the REPELITA III). During the REPELITA IV, 110,000 KKs had been planned to follow (Evers, Clauss, and Gerke 1988; Evers and Clauss 1988).

permitted the second cut only after 35 years. However, an attractive rejuvenated forest will have grown within a 20-year period, as was the case in one of the study cases. Thus, for the companies, it is economically advantageous to convert their HPH logged-over and unlogged forests to HTI areas due to subsidies. By 1998, the World Bank found that “logging operations can degrade a site with little risk of serious penalty, and in the process set themselves up to receive a license to convert the site so damaged into an HTI or tree crop estate” (in FWI/GFW 2002). Official data from the Department of Forestry shows that about 2.7 million hectares of HPH concession area in Indonesia were converted to HTI areas in 1998, as shown in Table 4.7.

Table 4.7. Conversion of HPH Logging Concessions to HTI Concessions, to 1998

No.	Province	HPH Converted to HTI (Ha)	No.	Province	HPH Converted to HTI (Ha)
1.	Aceh	133,010	8.	West Kalimantan	486,827
2.	Jambi	168,648	9.	South Kalimantan	194,513
3.	Riau	534,094	10.	Central Kalimantan	286,255
4.	West Sumatra	3,847	11.	East Kalimantan	614,913
5.	South Sumatra	113,251	12.	<i>Total Kalimantan</i>	1,582,508
6.	North Sumatra	120,234	13.	South Sulawesi	16,963
7.	<i>Total Sumatra</i>	1,073,084	14.	Maluku	68,551
			15.	Irian Jaya	14,945
Total (Provinces)*			2,756,051 ha		

Note: *Excluding nos. 7 and 12.

Source: Adapted from FWI/GFW 2002. For original data, see the Department of Forestry 1998.

In Kalimantan, about 1,582,508 hectares of HPH area has been converted to HTI area, while in East Kalimantan a total of 614,913 hectares of HPH concession area has been converted. One of the study cases in this work examines this practice.

In regard to the implementation of HTI projects in Indonesia, there have been 175 HTI licenses provided to forest companies until December 2000 with a size of 7,861,251 hectares. Of the total area provided, however, only 1,851,165 hectares have been planted. Comparing the size of concession areas granted and their actual use, it is striking that, on average, only 23.5 percent of the HTI concession area has been planted at the national level. In the case of East Kalimantan, the percentage of plantation was slightly higher, that is, 35.4 percent of the total HTI area (Table 4.8).

Table 4.8. Allocation and Planting of Industrial Timber Plantation to December 2000

No.	Province	HTI Area Allocated	HTI Area Planted	Allocated Area Planted (%)	Number of Companies
1.	Indonesia:				
a.	HTI Pulp	4,960,328	1,167,811	23.5	29
b.	HTI-Sawnwood	2,065,088	374,147	18.1	79
c.	HTI-Trans	835,838	309,207	37.0	67
	Total	7,861,251	1,851,165	23.5*	175

2.	East Kalimantan:				
a.	HTI Pulp	793,237	325,517	41.0	5
b.	HTI-Sawnwood	439,719	105,020	23.9	12
c.	HTI-Trans	183,989	75,934	41.3	14
	Total	1,416,945	506,471	35.4*	31

Note: *Mean. Source: Adapted from FWI/GFW (2002).

Kartodihardjo and Supriono (2000) suggested that the low size of HTI plantation is due to the forest businessmen's foremost concern on how to extract timber from natural forests and how to obtain soft loans rather than to rehabilitate the degraded land or to sustain the timber supply. FWI/GFW (2002) asserted, "planting and harvesting plantation trees is not the major reason for HTI development. Rather, growth in HTI area is being encouraged by generous financial subsidies and rights to clear-cut standing timber." Walhi (1996) added another reason, that is, to control the land for future use.

Due to the companies' HTI practices, the Department of Forestry took some steps during the *reformasi* era. Facing pressures from various parties, the Department of Forestry attempted to reorganise industrial timber estate (HTI) companies as joint ventures conducted together with state-owned companies (Inhutani). After having evaluated 40 HTI companies out of 92 joint companies (joint ventures between state-owned and private-owned companies), Forestry Minister M. Prakosa provided summations and threats to 30 HTI companies across Indonesia in October 2002. Out of 30 companies, 15 companies were classified as technically and financially unfeasible to continue their business (Category 1), 14 companies were categorized as technically feasible but financially unfeasible (Category 2), and one company was categorized as technically unfeasible but financially feasible (Category 3) (*Bisnis Indonesia*, 8 October 2000). This showed that among almost all companies, the financial aspect was critical. This was associated with the freezing of the Reforestation Fund (DR) in the wake of Soeharto's fall.

In November 2002, 14 companies categorised as technically and financially unfeasible were disbarred. Subsequently, ten companies submitted appeals to the Court (*Bisnis Indonesia*, 19 November 2002). In July 2003, the companies won their cases and the Court requested the Ministry to cancel its decision (*Media Indonesia*, 2 July 2003). Thus, the Department of Forestry could not shake up the HTI business to make it more accountable.

In the case of East Kalimantan, ten HTI companies were given summations or threats by the Department of Forestry in October 2002. Out of these, five companies had their licenses cancelled in November 2002 (see Table 4.9). As mentioned earlier, the license revocation was nullified by the court in July 2003. This means the companies could continue their activities.

Table 4.9. Summation and License Revocation to East Kalimantan HTI Companies

No.	HTI (Joint Venture)	Category	Area (ha)	Realisation (ha)	DR Loans 0% (Rp)	License Revocation
1.	PT Adindo Hutan Lestari	1	109,947	26,800	41,835,735,000	Revoked
2.	PT Surya Hutani Jaya	1	183,300	40,572	84,860,979,900	Revoked
3.	PT Intraca Hutani Lestari	1	42,050	4,418,04	3,042,478,000	Revoked
4.	PT Kiani Hutan Lestari	1	53,083	16,000	27,733,768.668	Revoked
5.	PT Taman Daulat Wananusa	1	13,400	N/a	6,382,544,000	Summation
6.	PT Anangga Pundi Nusa	1	29,728	3.721	7,563,842,500	Revoked
7.	PT Sumalindo Hutani Jaya	2	10,000	N/a	6,739,424,250	Summation
8.	PT ITCI Hutani Manunggal	2	161,127	N/a	95,151,761,000	Summation
9.	PT Hutani Mahligai	2	16,810	N/a	8,653,418,000	Summation
10.	PT Belantara Subur	2	16,475	N/a	N/a	Summation

Source: *Bisnis Indonesia*, 8 October 2002, 19 November 2002.²⁹

Concerning the right given to the companies regarded as technically and financially unfeasible to continue their HTI business, why did they ask for the cancellation of the decision of the Ministry of Forestry? The answer seemingly is to obtain a renewed reforestation fund and IPK-based logging licenses. Although HTI activities of many companies have grinded to a halt in recent years, the proof that a company is still alive and particularly the license is still valid is important. Both are of importance to obtain capital from the interest-free reforestation fund (DR) and licenses to cut the existing timber (IPK).

B.3. Rent Seeking and Timber Predation

Observing such business practices in the timber industry through HPH and HTI arrangements, it is undoubted that huge profits of the timber business went to Soeharto's family and forest tycoons (the owners of timber companies). What is left for the state? Are there other financial "leaks" in the timber industry?

While the total export in 1966 only amounted \$ 4 million, it rocketed in consecutive years and decades to \$ 3.2 billion (1973), \$ 4.17 billions (1990), \$ 6.66 billion (1994), \$ 7.06 billion (1998), and \$ 7.56 billion (2000). The forest contribution to the total value of exports commodities was 0.59%, 18%, 16.26%, 16.49%, 14.64%, and 16.83 % in 1966, 1973, 1990, 1994, 1998, and 2000 respectively (Ross 2001, Kartodihardjo 2002). Thus, the Indonesian timber industry provided a considerable contribution for the overall foreign exchange earnings.

Nevertheless, its contribution to the national economy has been low. By 2000, the contribution of the forestry sector to the national GDP was Rp 21,655

²⁹ For PT Surya Hutani Jaya (Sumalindo Lestari Jaya Group, SLJG), see *Kaltim Post*, 9 November 2002; for PT Anangga Pundi Nusa (Barito Pacific Timber Group, BPTG), see *Kaltim Post*, 22 November 2002. Another BPTG company whose HTI license was cancelled by the government was PT Rimba Equator Permai (West Kalimantan).

billions or about 2.3% of the total national GDP. Although the contribution of the forestry sector was quite high to the regional GDP in some provinces, on overall average, its contribution was still low (Kartodihardjo 2002). The East Kalimantan study by Walhi found that its contribution to local economy was “fairly minimal” (Walhi, in Barber 2001).

In order to assess the total revenues gone to government, the assessment should focus on rent seeking. As far as rent seeking is concerned, economists differentiate two types of profits, that is, normal profits and excess profits. Normal profit is “the opportunity cost of a business, the minimum amount necessary to attract a business to an activity, and to induce the business to remain in it” which is in Indonesia about “a 25 percent return on the total amount invested by timber concessionaires to extract wood from the forest.” Excess profit or economic rent is “any profit over that amount”. In economics, rent-seeking activity is a normal economic activity, and all of excess rents (100 % of excess rents), “may be captured by a government through taxation without having a deleterious effect on the competitiveness of the companies paying taxes.” However, looking at the Indonesian case, “the government has typically captured only a small portion of the economic rent in the timber sector through timber fees and corporate taxes” (Brown 1999:1). Ross said that:

From 1967 to 1969, low taxes and royalties may have been justified by the government’s efforts to attract foreign investors, and to help Indonesian timber capture a share of the international market. By 1970, however, the low level of rent capture was attracting public criticism, and by 1972 – with production booming and investors clamouring for new concessions – it was clear that profits had grown unjustifiably high in the forestry sector. Yet from 1973 to 1986 the state’s share of the logging rents fell from 25 percent to just 5 percent; most of the remainder went to licensees (Ross 2001:176).

In the oil industry, as noted, the government’s capture was 85% of the total rents by 1989. In the forestry sector the government captured only 8% in that year, which increased to 17% in the following year. Despite the government raised forest revenues to 47% in 1993, the World Bank accounted that the actual figure was below 30% (Barber, 1997). This low capture created curiosity regarding the politics of rent seeking in Indonesia’s timber industry. In this regard, Brown suggested “the remainder of the economic rent in the sector has been pocketed by integrated timber concession-plywood companies, or transferred by them, usually in an under-the-table fashion, to their political patrons” (Brown 1999). Thus, uncaptured rents were captured by timber companies, besides “official” profits generated from their timber businesses.

The most striking case in the timber business in Indonesia is the predation activity carried out by Apkindo. Apkindo, an association of plywood exporters, was established with a view to improve the bargaining position of timber companies on the world market by implementing an integrated marketing system in 1984. Soeharto’s crony Bob Hasan was the man behind Apkindo. Under Bob

Hasan, Apkindo became a cartel organisation which had “control over export contracts, volumes, prices and other terms” (Brown 1999). Gellert even believed that “Apkindo became more powerful than the government’s Ministry of Trade (or the Ministry of Forestry for that matter)” (Gellert 2003:64). Since the membership in Apkindo’s JMB (Joint Marketing Boards) is compulsory, “any member who does not follow the organization’s price guidelines will be driven out of business” (Brown 1999; cf. Gellert 2003, Poffenberger 1997).³⁰

A well-known predation activity exercised by Apkindo was to impose a fee to its members amounting to \$15 per cubic meter. This fee comprised of “a promotional fee of ten dollars per cubic meter and a handling fee of five dollars per cubic meter” (Brown 2001, cf. Gellert 2003). The *Australian Financial Review* (1995) reported that during their research into the flow of these revenues “an industry executive stated that, ‘God knows where the money goes. Everybody is afraid to ask’” (in Brown 2001:109).

Bob Hasan also applied rent-seeking mechanisms such as “the requirement that all shipping of plywood to foreign markets had to be arranged through Hasan’s personal shipping agency, Karana Lines.” In the Apkindo memorandum, it is stated “booking of ships will be done directly through Karana Lines and therefore mills may not book ships themselves.” As Brown clarifies the structure of this company: “Karana Lines is 33.2 percent owned by Hasan, and 66.4 percent owned by two Hasan companies. It owns no ships, and is merely a booking agency” (Brown 2001).

Finally, Apkindo sought rents from payment transactions. In this regard, “Apkindo was also paid by foreign plywood buyers more than it passed along to its membership. The difference earned by Apkindo on this transaction was approximately \$50 per cubic meter” (Brown 2001:112).

Thus, for a 16-year period, Apkindo’s predation activities against 62 plywood producing groups reached an estimated record \$7.4 billion (Table 4.10). This excluded financial gains generated by Bob Hasan through his own companies.

Table 4.10. Estimated Apkindo Earnings from Marketing Fees and Transfer Pricing, 1983-1998

Year	Total annual plywood exports (cubic meters)	Assumed annual payments of \$15 per cubic meter for marketing fee	Assumed annual Apkindo earnings from the reported practice of transfer pricing at the level of \$50 per cubic meter
1983	3,493,500	52,402,500	174,675,000
1984	2,058,500	30,877,500	102,925,000

³⁰ Apkindo also practices “unconventional manners” to make its members comply with Apkindo’s rules of the game. Brown provided one example: “Dorojatun Kuntjoro-Jakti related that he asked Bob Hasan how he ensured his membership complied with Apkindo price and production directives. Hasan replied, ‘I have all of their phone conversations taped.’ While such compliance measures may have been necessary to turn Indonesia into the undisputed world leader in hardwood plywood production, it seems likely that measures were employed with such vigor in order to assure that Apkindo would be able to function as a rent appropriation vehicle *par excellence*” (Brown 2001:108).

1985	4,096,800	61,452,000	204,840,000
1986	4,811,400	72,171,000	240,570,000
1987	5,480,400	82,206,000	274,020,000
1988	6,512,300	97,684,500	325,615,000
1989	8,186,900	122,803,500	409,345,000
1990	8,401,900	126,028,500	420,095,000
1991	8,752,600	131,289,000	437,630,000
1992	9,957,523	149,362,845	497,876,150
1993	9,942,937	149,144,055	497,146,850
1994	8,596,429	128,946,435	429,821,450
1995	8,698,500	130,477,500	434,925,000
1996	8,866,200	132,993,000	443,310,000
1997	8,353,960	125,309,400	417,698,000
1998	8,043,635	120,654,525	402,181,750
Total	114,253,484	\$ 1,713,802,260	\$ 5,712,674,200

Source: Brown (2001).

Therefore, most big companies were predated by Apkindo, including PT Barito Pacific Timber Group (Prajogo Pangestu) and PT Sumalindo Lestari Jaya Group (William Soerjadjaja), the parent companies of the study cases in this research. In the case of PT Barito Pacific Timber Group, Prajogo could not avoid predation by Bob Hasan's Apkindo despite his close ties with Soeharto, as one researcher maintained:

A measure of the costs associated with the various Apkindo fees and requirements can also be gleaned from the annual report of Barito Pacific, the country's largest timber conglomerate. As one of only four concession-plywood mill companies in Indonesia to sell shares to the public, Barito must adhere to more stringent reporting requirements than privately-held companies. Barito's annual report shows that in 1996 the company paid \$1.4 million for Apkindo association charges, plus another \$3.2 million for freight and insurance. Together, these charges comprised ten percent of the company's net profits during that year. Apkindo was located so precisely at the nexus of political and economic power that even a politically-connected company like Barito Pacific could not protect itself from predation by this association (Brown 2001:110)

Uncaptured rents also went to political patrons and affiliates in the diverse bureaucracies, particularly officials in the Department of Forestry (national level) and Forestry Services (local level). It is commonly known that the Department of Forestry and the Forestry Services are the places for generating unofficial fees. In Indonesian they are called "*tempat basah*" ("wet place") since these state organs levy various fees from forest businessmen, both officially and unofficially. Because of this, the FKKM (Community Forestry Communication Forum) suggested that the Department of Forestry is "one of the most corrupt departments in Indonesia" (Warta FKKM 2001). The unofficial fees imposed by officials in these state organs pinpoint the scale of predation activities by bureaucrats in the timber industry. In the investigation and separate studies conducted by the

Department of Industry and Trade-Sucofindo (Indonesian Superintending Agency), APhi (Association of Indonesian Forest Concessionaires), Kartodihardjo, and Prasetyo and Hinrichs, predation activities were found in one or more of the following activities (see also Table 4.11):

1. Administrative expense[s] of forest companies—over and above official fixed and variable costs—rang[ing] between 24% and 46% of variable costs;
2. Transaction costs of forest companies amount to around Rp 280,000/m³. [Thus] operating costs [amount] 48%, forestry tariffs 31%, and transaction costs 21%;
3. Cost[s] of arranging permits and authorisation amount to [approximately] 43% of [the overall] operating costs;
4. Each year, 12 government agencies make a total of 58 official inspections of 19 forest compan[ies'] activities;
5. Each year, forest concession holders are required to perform 43 types of activities, each involving contact with between 2 and 8 different agencies. This requires performing 169 different procedures [each year], which [implies] submitting 1,599 documents/maps, comprising [of] 256 books, 510 maps, 7 satellite images, and 521 completed forms. These procedures are governed by 7 Government Regulations, 4 Presidential Decrees, 82 Ministerial Decrees, and 20 Director General Decrees (in Hariadi Kartodihardjo 2002)

Table 4.11. Unofficial Fees Levied by Central and Local Governments on Natural Forest Companies (Rp million/year)

No.	Type of Cost	Province				
		South Kalimantan	East Kalimantan	Central Sulawesi	Irian Jaya	Riau
1.	Coordination Cost					
	-Arranging Permits	686	-	627	-	434
	-Binwasdal	422	383	389	476	256
	-Reporting	666	666	666	666	666
2.	Information Cost	3,656	3,656	3,656	3,656	3,656
3.	Strategic Cost	3,282	3,378	3,259	3,228	3,241
	TOTAL	8,715	8,086	8,600	8,028	8,256

Binwasdal = Guidance, supervision and control. It is noted that “the calculation for each example is based on a Forest Concession (HPH) logging 1,000 ha annually or with a log production of 30,000 cubic meters p.a. Thus average unofficial fees amount to between Rp 267,600 per cubic meter and Rp 290,500 per cubic meter.”

Source: Findings of Dept. Industry and Trade-Indonesian Superintending Agency (Sucofindo) Survey Team (Oct 2001), in Kartodihardjo (2002)

In recent years, the increased authority of local governments provided them an excuse to tax forest companies with various fees (see Table 4.11 & 4.12). In the meantime, local governments also provided new opportunities to the companies to extract more and more timber (HPHH, IUPHHK, etc) to generate revenues despite

of the Ministry of Forestry's complaints. Again, this is a new area for the generation of unofficial fees.

Table 4.12. High Economic Cost related to the Implementation of Regional Autonomy, 2001

No	Problem	Province					
		Riau	Central Java	South Kalimantan	East Kalimantan	Central Sulawesi	Irian Jaya
1.	Extra Levies*						
	1. Province	X	-	-	X	X	X
	2. Regency	X	X	-	X	X	XX
	3. Sub-district	-	-	-	-	X	-
	4. Local Community	X		X	X	X	XX
2.	Overlapping of Land Use (HPH-IPHH)	X	-	-	X	-	-
3.	Duplication of Administration	X	XX	X	X		
4.	Newly introduced Forest Product Levies	X	X	X	X	X	X

* Required by Law (regional government regulations) X=minor XX=major

Source: Findings of Dept. Industry and Trade-Indonesian Superintending Agency (Sucofindo) Survey Team (Oct 2001), in Hariadi Kartodihardjo (2002).

Such activities did not only occur in the HPH scheme, but also in the HTI scheme. Although many companies did not harvest their timber plantations yet, meaning that hardly any rents go to the government from the harvesting of plantations, HTI arrangements have the same patterns as those of the HPH industry, that is, improper rent-seeking and unofficial fees. These rents are obtained from the timber production under IPK-based logging activities. The rents that go to the government are rather low; a much bigger portion of revenues goes to the companies. However, not all companies' revenues have gone to their pockets since they have to tribute to political elites or corrupt officials due to political patronage networks or the facilities and "services" provided by companies' patrons at national or local level (cf. Kartodihardjo 2002). The National Planning Body (Bappenas) official Sayuti Hasibuan estimated that from 71% of uncaptured rents, "about 20 percent went to under-the-table payment to officials" (in Brown 2001).

Tributes and unofficial fees in the timber business stimulated the companies to optimise, if not maximise their revenues. One common practice is to overcut the forests, which is illegal to a considerable extent. Kartodihardjo maintained that "high fees make sustainable forest management unfeasible for forest companies. Forest concession holders have no choice but to over cut if they want to earn normal profits from their operations" (Kartodihardjo 2002). Although most companies' documents reported undercutting practices (below annual target), it is hard to believe that none of the companies undertake over-cutting practices in view of the number of logs on the market which is about twice as high as reported. One may argue that the over-supply of timber during the post-New Order era was due to the economic crisis and the provision of 100 ha concessions (HPHH). However,

as this also occurred during the New Order era, the companies' assertions that they never exercised over-cutting are highly questionable.

Kartodihardjo suggested that due to the rapid expansion of the wood industry in the last two decades, the wood consumption to feed this industry reached a record of 76 million cubic meters in 1997, or a "conservative" number of 61 million cubic meters in 1999 (Kartodihardjo 2002). This timber demand exceeded the amount of legal timber production (reported production), which was around 17 million cubic meters in 2000 (FWI/GFW 2002).

In other studies, Scotland estimated that the area of illegally logged timber reached a figure of between 32,613,000 and 56,612,000 cubic meters or about between 37.76 and 67.28 percent of the total volume of timber on the market in 1997-1998 (in FWI/GFW 2002). Referring to the *Bisnis Indonesia*'s report, Sunderlin maintained that "[t]he international auditing firms Ernst & Young stated in November 1999 that 52% of Indonesia's log consumption comes from illegal source" (Sunderlin 2002:257). FWI/GFW estimated that the illegal supply of logs amounted to between 35,000,000 and 40,000,000 cubic meters or about 65% of the total timber consumption in Indonesia in 2000 (FWI/GFW 2002) (Table 4.13).

Table 4.13. Estimated Timber Demand and Imbalance, 1997/1998-2000

No.	Source of Timber Supply and Demand	Volume (Roundwood Equivalent) (M3)	Percentage of Illegal Sources
1.	Supply and Demand 1997-1998:		
	Logs from Domestic Production	29,500,000	
	Log Supply Equivalent from Imports	20,427,000	
	Log Supply Equivalent from Other Sources (mainly recycled paper)	1,600,000	
	TOTAL SUPPLY	51,527,000	
	Domestic Demand (Timber Processing Industries)	35,267,000	
	Log Equivalent of Exports	48,873,000	
	TOTAL DEMAND	84,140,000	
	N. Scotland's estimation:		
	NET WOOD BALANCE (1997/1998)	-32,613,000	38.76
	NET WOOD BALANCE (1998)	-56,612,000*	67.28
2.	Supply and Demand 1999:		
	Ernst & Young's estimation:		
	NET WOOD BALANCE (Nov. 1999)	N/a	52
3.	Supply and Demand 2000:		
	Demand	50,000,000-60,000,000	
	Supply	17,000,000	
	FWI/GFW's estimation:		
	NET WOOD BALANCE (2000)	-35,000,000-40,000,000	65

Source: FWI/GFW 2002, *Bisnis Indonesia* (in Sunderlin 2002).

* A subsequent estimation made in 1998 by N. Scotland was based on a “higher estimate of domestic consumption and revised roundwood conversion factors.” FWI/GFW noted that “this estimate was not widely accepted but it is plausible” (FWI/GFW 2002).

Thus, although there has been a decrease in the number of HPH companies and the total forest area that should be exploited—which seemed to be good news for environmental protection—the condition of the forest area did not improve. In fact, during the *reformasi* era, illegal logging was widespread; illegal timbers have flooded the market on a massive scale:

Logging concessions, timber plantations, and forest clearance combined provide less than half the wood needed by Indonesia’s wood processing industries. Imports are relatively small, and illegal logging makes up the shortfall. Indonesia today is plagued by organized wood theft on a massive scale: 50-70 percent of wood supplied to the forest products industry each year is cut illegally. The total area of forest lost to illegal logging is not known, but a former senior official of the Ministry of Forestry, Titus Sarijanto, recently claimed that theft and illegal logging have destroyed an estimated 10 million ha of Indonesian forests (FWI/GFW 2002)

Practices such as over-cuttings and illegal logging were rooted in New Order’s ambitious project in the forestry sector. In the last 20 years, the structure of the forestry industry has been characterised by a huge expansion of plywood and pulp and paper industries which caused timber demands to increase rapidly, exceeding the total number of legal timber supplies (Brown 1999, 2001; FWI/GFW 2002). Illegal logging practices however increased in recent years at a tremendous rate due to confusing forest policies, lawlessness, economic crisis, and unofficial fees. It is true that not all illegal loggings were carried out by forest companies. However, in most cases they played a considerable role, either as players, backers, or purchasers (*Jakarta Post*, 10.11.2003, 13.12.2003; *Siaran Pers Warsi* 17.09.2002; cf. Table 4.13).

The huge amount of illegal timber spilt onto the market in recent years meant a huge loss of state’s revenues. The current Forestry Minister, Muhammad Prakosa, stated in February 2003 that “total losses from illegal logging in Indonesia amount to US\$600 million per year, which is equivalent to four times the annual government budget for the forestry sector” (*Associated Press*, February 07, 2003).

Rent seeking and predation activities of the companies have had a great impact on the environment. High economic costs in the timber industry (fees, unofficial fees, predation) have led to an unsustainable management of the Indonesian rainforests (over-cutting, illegal logging). Although the government has introduced selective cutting guidelines (TPTI) and replantation programs through its Reforestation Fund (DR), over cutting and illegal logging remain inevitable due to the practices described above. As a result, the area of degraded forest in Indonesia reached a record 42,4 million hectares by the mid-1990s, while the deforested area

made up 8,8 million hectares (unallocated forest was 58,5 million hectares). In East Kalimantan, the total size of degraded forest was 8,8 million hectares and 1,3 million hectares of deforested area respectively (unallocated forest was 5,9 million hectares) (FWI/GFW 2002).

Timber-hungry activities of the forest companies in particular carry a two-fold threat. First, it has a dramatic impact on the environment. The most recent assessment suggested that forest resources in rich-timber islands of Indonesia will soon disappear:

Indonesia was still densely forested as recently as 1950. Forty percent of the forests existing in 1950 were cleared in the following 50 years. In round numbers, forest cover fell from 162 million ha to 98 million ha. The rate of forest loss is accelerating. On average, about 1 million ha per year were cleared in the 1980s, rising to about 1.7 million ha per year in the first part of the 1990s. Since 1996, deforestation appears to have increased to an average of 2 million ha per year. Indonesia's lowland tropical forests, the richest in timber resources and biodiversity, are most at risk. They have been almost entirely cleared in Sulawesi and are predicted to disappear in Sumatra by 2005 and Kalimantan by 2010 *if* current trends continue (FWI/GFW 2002, emphasis added).

It is true that forest degradation or deforestation is affected by many activities such as transmigration, small-scale agriculture practices, estate crops, HPH, HTI, etc, nonetheless the contribution of massive forest cutting by HPH and HTI companies in forest exploitation is considerable.

Second, it has an impact on the local people. Those who rely heavily on non-timber forest products are seriously threatened by forest companies' activities. Not only are their livelihood sources threatened (non-timber forest products), but also their forestlands, environment, cultures, and their village economy. In East Kalimantan, reform-minded local communities have sought legal justice in the *reformasi* era (1998) to regain control of their forestlands and to get compensation over past exploitation of their forests.

C. Forest Conflicts in Indonesia and East Kalimantan

C.1. Forest Conflicts in Indonesia

The New Order regime had significantly contributed to the persistence and emergence of tensions among stakeholders in terms of natural resources management. This was the case not only because the existing tensions were not resolved properly but also because social foundations for the tensions were well developed due to development strategy and economic and political structures of the New Order. A widening power gap between the state and society in terms of resource control and a polarisation of economic interests between big enterprises backed by state policies vis-à-vis the neglected people were the main factors (Bachriadi 2001, Julianono 2000). In a developmentalist regime blessed by

resource abundances, the state will naturally rely heavily on natural resources to seek rents rather than to tax its people. The choice by all means requires more and more land and natural resources to be exploited. Since very little territory actually is “empty” land, the inhabitants in of such areas have been in a critical position. The need of immediate cash to finance development programs made the state taking short-cut measures by backing certain groups that would contribute to state’s revenues, and neglecting those who did not contribute cash to the government’s pockets. Differing interests between government-enterprises vis-à-vis the inhabitants on the same objects (lands, forests, etc) would in turn create tensions in the utilisation of such resources.

The Consortium for Agrarian Reform (*Konsorsium Pembaruan Agraria*, KPA), a non-governmental organisation, had put up a database on agrarian disputes or conflicts which occurred primarily during the New Order era.³¹ Agrarian resources, according to KPA, refer to that of a definition mentioned in Law 5/1960 of the Basic Agrarian Law that included lands, rivers, sea, air, space, and other natural resources of the Indonesian territory. Hence, forest conflicts are included in agrarian disputes or conflict. Since 1970, 1,920 agrarian disputes or conflicts covering an area of 10,5 million hectares and victimising at least 622,450 people have been recorded (see Table 4.14). The highest number of disputes was found in West Java (506 cases), Jakarta (186 cases), South Sumatra (186 cases), East Java (172 cases) and North Sumatra (186 cases). The most disputable sectors were land disputes or conflicts in big crop estates (430 cases), public and urban facilities (260 cases), settlement expansion and new city establishment (240 cases), and forestry (159 cases). The conflicts occurred in all provinces, covering 3,248 villages, 1,782 sub-districts, 856 districts³² (Bahcriadi 2001).

Table 4.14. Agrarian Conflicts in Indonesia, 1970-2000

No	Province	Total Conflicts	Disputed Area (ha)	Victims (person)	Total Conflicts (Selected Sectors)		
					Forest Production	Reserved Forest	Estate Crops
1.	Aceh	51	185703.79	20878	12	1	10
2.	North Sumatra	169	394628.9	81292	5	1	97
3.	West Sumatra	33	142041.5	8304	4	1	12
4.	Riau	36	95513.06	7268	2		12
5.	Jambi	13	85100	1004	2	1	7
6.	Bengkulu	15	1777.47	997	5	2	
7.	South Sumatra	183	303333.33	27574	51		83
8.	Lampung	54	240028.51	57521	3	8	13
9.	West Java	506	125407.9	103405	33	6	49
10.	Jakarta	186	32934.74	38512			
11.	Central Java	108	24267.5	39384	9	11	15

³¹ A segregated data between the period of New Order (pre-21 May 1998) and post-New Order (since 21 May 1998) is not available.

³² Data was collected by the KPA from national and local newspapers (published since 1972), investigation reports, conflict chronologies, study reports, monographs, etc. East Timor’s cases are excluded and they were collected before the establishment of new provinces (Indonesia currently has 32 provinces). See Dianto Bachriadi (2001).

12.	Yogyakarta	19	92.96	1404			3
13.	East Java	172	256644.96	171137	7	4	46
14.	East Kalimantan	34	1396118.5	18052	1	1	5
15.	Central Kalimantan	10	56914.5	1104			
16.	South Kalimantan	27	3787290.88	1539	2		4
17.	West Kalimantan	31	326167.43	1953	1		19
18.	South Sulawesi	51	66374.88	8189	1		13
19.	North Sulawesi	18	2436.68	3061			3
20.	Central Sulawesi	71	270927.44	8865	12	5	16
21.	Southeast Sulawesi	9	26198.63	4973		1	2
22.	Bali	14	2625.72	4214		1	2
23.	NTT	48	301360.77	570	8	7	6
24.	NTB	28	16842.55	3874		3	1
25.	Maluku	6	212000.14	3400	1		1
26.	Papua	28	2160205.65	3978	5		1
	TOTAL	1920	10512938.41	622450	159	56	430

Source: Adapted from Bahcriadi (KPA) 2001.

In almost all cases, the local people's position was weak. They could resist but it was hard to win the cases or to force the government and big enterprises to return the land or to pay compensation. In most conflicts, the people were forced to accept the solution proposed by the state, which generally were in favour of the state's interests or big companies' interests. In order to settle the cases, the state used coercion in resolution processes. During the New Order era, intimidation, terror, and physical coercion or violence were common means to enforce state policies. Bulldozing a disputed area, capturing movement's leaders, dislocating the masses, and closing the disputed area after having classified such areas as restricted areas were some other approaches applied by the New Order government to subdue local people. According to the same source (KPA, older data), of a total 1,735 land disputes in Indonesia, only 73 cases have been settled in the courts while 893 cases were not decided in court.³³ Among these, 508 cases were settled with the "assistance" of the military. The number of cases settled by the "supervision" of the military depicts the strong position of the state vis-à-vis local people (*Forum Keadilan*, 20 October 2002).

Based on this data compiled by the KPA, the number of reported forest conflicts in Indonesia amounted 215 within the period of 1970 to 2000. Out of these, 159 cases were conflicts in production forests (HPH and HTI), while 56 cases were conflicts in reserved forests. If the number of conflicts in production forests were divided by 25 provinces (excluding Jakarta and East Timor), there would be only six conflicts in any province in a period of three decades, which is very low, particularly in forest-rich provinces. On the crucial question is though why the reported cases were so low. This was the case as there were at least 760 forest concession licenses (585 HPH and 175 HTI licenses) granted to forest companies across Indonesia.

³³ YLBHI found that in 1998 there were 553 natural resource conflicts in 14 provinces, 144 of them being conflicts in big estates (in Heroepoetri 2001).

The low record of forest conflicts compiled by the KPA could be ascribed, first, to the fact that some conflicts were not reported by print media, and second, to the use of repression and coercion in order to deal with these forest conflicts. As reported by *Forum Keadilan* (22 Oct. 2002), however, the explanation of the use of repression and coercion in dealing with resource conflicts, including forest conflicts, was more convincing to explain the low record of incidences. In fact, New Order' repressive apparatus and institutions successfully suppressed most dissents or potential dissents. In regard to forest conflicts, one study maintained that during the New Order era:

Local communities were barred from forest resources on which they had long depended, and the forests themselves were recklessly logged, burned, and cleared for plantations, often causing erosion, flooding, and drought and wiping out many species of plants and animals that local people had been utilizing. The transmigration program also commandeered millions of hectares of land in forest areas and brought millions of new migrants into previously forested and sparsely populated areas. It is not surprising, then, that conflicts between forest-dependent communities on the one hand and government and private sector forest resource exploitation projects on the other have been a perennial and growing problem in Indonesia since at least the 1970s. Abused local communities had little recourse during the authoritarian Suharto era except to nurse their grievances and develop a strong mistrust of the government (FWI/FGW 2002).

In 1998, social unrests and violent conflicts exploded in many parts of the country. As discussed in the previous chapter, "vertical" and "horizontal" violent conflicts (i.e. state-society violence, religious conflicts, bloody ethnic conflicts, civil commotion, etc) were on the rise due to the breakdown of New Order's authoritarian political institutions. This breakdown and the absent of viable conflict resolution mechanisms in the ensuing months also had been a major factor for the spreading of communal and social conflict to natural resources conflicts. In regard to forest conflict, FWI/GFW reported: "Since Suharto's fall, conflicts have multiplied in both number and intensity" (FWI/GFW 2002). Although actual figures were not provided, the map of "Limited Data Survey of Reported Conflicts Over Forest Resources 1997-1999" demonstrated the spread of forest conflict across Indonesia, particularly after Soeharto's fall (see Map 13 of FWI/GFW Report, 2002). This report was in line with Tadjoeuddin's survey on increased social violence in Indonesia on the issue of "Competing Resources" (see Chapter 3; Tadjoeuddin 2002).

The rise of the forest conflict seems "understandable" as traditional communities who used to be silent in the New Order era became braver to express their anger to forest concession holders. This is pertinent to the past practices of forest companies, which were regarded cutting the forests arbitrarily, barring local people to enter the forests (concession areas), and prohibiting them to look for livelihood sources in the concession areas (Soetrisno 1990; Gunawan, Thamrin,

and Suhendar 1999). As in the case of communal and other societal conflicts, forest conflicts have been increasingly violent. Quite often local people occupied companies' base camps, menaced company staff, seized and burnt companies' heavy equipment/machinery, destroyed companies' offices and facilities, and the like (*Suara Pembaharuan Daily* 27.02.00, Andasputra 1999, *Kalimantan Review* Jan-Nov 1999, Tadjoeeddin 2002).

Growing conflicts and collective action against forest companies have forced many companies to stop their operation. By 2000, the Association of Indonesian Forest Concessionaires (APHI) reported that "50 timber companies, controlling about 10 million ha of logging concessions in Irian Jaya, Kalimantan, and Sulawesi, had stopped logging because of growing trouble with local residents, who not only claimed ownership of the concessions but also often threatened the workers" (FWI/GFW 2002, APHI 2000). This was hardly to happen during the New Order era because dissents were easily handled by coercion, as pointed out by one study: "such local impertinence was usually dealt with rapidly and violently by police or military personnel "rented" to logging firms" (FWI/GFW 2002). But during the era of freedom, accompanied by lawlessness, the companies become an easy target of the people's anger:

The companies find themselves increasingly on their own: the thinly-stretched military, dealing with large-scale violent conflict in numerous parts of the country, lacks the resources to respond to concession-related disputes. The Ministry of Forestry has softened its tone on such local protests, even admitting that logging firms may be to blame. The fact that most of the concessions where clashes are occurring have been linked to members of the Suharto family and inner circle, and hence are said to have been obtained through corruption, means that few officials are eager to spring to their defense (FWI/GFW 2002).

As the companies can no longer seek protection by the state, many are forced to accommodate local people or cooperate with them. As the security apparatus was mistrusted, they were in a position not to dismantle people's efforts in advancing their interests. As the district government's leaders needed support from the local people, they also could not afford to prevent local people to advance their interests in their own ways. What happened then was the "anarchy in the jungle": forest regulations were ignored, law enforcement failed, the companies joined with the local community to cut more and more forest, local governments and forestry services provided "administrative support" in exploiting forest areas to enhance local revenues and private fees, petty businessmen continued to speculate by pouring cash into community logging activities, and finally, military and police personnel backed illegal logging activities and at times even were directly involved (Telapak 2002; *The Jakarta Post*, 17.01.2003).³⁴

³⁴ In regard to the role of military personnel in illegal logging, *The Jakarta Post* (17.01.2003) reported, "Indonesian military (TNI) chief Gen. Endriartono Sutarto acknowledged on

Increasing illegal logging and community logging in recent years did not benefit the local people in general. In fact, it even created tensions within the community that made the existing conflicts between the local people and the companies more complicated. On the other hand, the tensions could stimulate timber theft activities on a wider scale. Thus, “illegal logging is both a cause and a result of tension over resources” (FWI/GFW 2002). As one report further explains:

It generates anger in local communities when timber is stolen from their land. But it also gives rise to conflicts within communities, where some are employed by illegal logging operations, and thus benefit, while others suffer the effects. These include diminution of local water supplies, increased erosion, and more frequent forest fires that are either set deliberately to hide evidence of illegal cutting or are caused by increased fuel loads of harvest waste material. Illegal logging is also a result of forest-related disputes. When the status of a particular area is contested or unclear (for example, a logging concession where local protests have stopped operations), it becomes an easy target for illegal cutting. And where local communities feel unjustly deprived of access to forest resources, they may often retaliate by “stealing” timber that they feel is theirs (FWI/FGW 2002).

C.2. Forest Conflicts in East Kalimantan

In East Kalimantan, the recorded cases collected by the KPA during the New Order era were low. The cases were dominated by mining disputes (12 cases) (see Bachriadi 2001), while numbering 5 in terms of crop plantation estates, and 2 regarding forest resources (forest production and forest conservation respectively) (see Table 4.14). The low record of forest conflicts during the New Order era was understandable since the KPA collected data mainly based on reported cases by the mass media. During the authoritarian regime, the forest conflicts were suppressed so that the conflicts were relatively unobservable by the media.

Based on limited data, this work found more forest conflicts in East Kalimantan during the New Order regime. Between 1992-1998, I recorded 17 forest conflicts in this province, as seen in the following table.

Table 4.15. Number of (Manifest) Forest Conflicts in East Kalimantan, 1992-1998

No	District	Number of Companies	Number of Villages
1.	Bulungan	1	1
2.	Berau	1	1
3.	Kutai	5	15
4.	Pasir	0	0
	Total	7	17

Wednesday that certain military personnel were behind many illegal logging operations in the country and promised to crack down on them.”

Source: a) Field notes, b) Edi Sudiono 2000, c) Setiawati's notes, d) *Apakabar* 1996, e) *Media Indonesia*, 5 Feb 1996, f) *Kompas*, 25 Jan 1996, 3 Feb 1996, g) Dingit 1999.

During the *reformasi* era (since 1998), forest conflicts in East Kalimantan significantly increased and most of them were conflicts involving collective action. While at least 17 forest conflicts were observed during the period of 1992-1998, between 1998-2001, the number rocketed to at least 95. Among these, the East Kutai, the Kutai Kertanegara, and the West Kutai districts were the most affected areas by forest conflicts. Between 1998-2001, 42 companies were in conflict with 76 villages in these three districts. Widespread conflicts in this area were mainly due to the fact that these districts used to be only one district (Kutai District) and logging as well as HTI activities have been concentrated in this area. The (former) Kutai district has been the most “noisy” area in terms of logging activities since the late 1960s.

Table 4.16. Number of (Manifest) Forest Conflicts in East Kalimantan, 1998-2001

No	District	Total Companies	Total Villages
1.	Bulungan	5	8
2.	Berau	3	9
3.	East Kutai	16	26
4.	Kutai Kertanegara	9	30
5	West Kutai	17	20
6	Pasir	1	2
		51	95

Source: East Kalimantan Forestry Service (2001), Pemkab Kubar (2001), East Kalimantan APhi (2001), Sudiono (SFMP, 2001), Conflict Documents (Long Hubung, Long Bagun, M. Ancalong, 1998-2001).

Forest conflicts in East Kalimantan began to rise when the companies' past and recent logging activities were problematised by local people and were accused of exploiting their customary forestlands arbitrarily. They started demanding a cash compensation of \$ 2-5 per cubic meter of production, counting back from the company's initial production (when the company started cutting timber) in their customary forest/land. This was strongly rejected by forest companies. Besides the fact that the compensation demand was regarded as too high, some companies used transferred licenses so that compensation payments for past activities were not regarded as their responsibility. Due to the companies' rejection, collective action against forest companies was widespread. Facing growing demands accompanied by collective action, the provincial government—followed by the district governments—issued a regulation in 2000 determining a fee compensation of Rp 1000-3000 per cubic meter of timber production (depending on the timber category and time frame) which should be handed out on an annual basis.³⁵ For past compensation demands, the Governor regulated that it could only be counted back 5 years (1995-2000) (Governor's Letter of Decision No. 20/2000 and West Kutai District Head's Letter of Decision No. 283/2000).

³⁵ From 1 April 1995 to 31 March 2000, the compensation fee was determined between Rp 1000 and 1500 per cubic meter. Since 1 April 2000, it has been between Rp 2000 and 3000 per cubic meter.

Although the compensation scheme designed by the Governor was regarded as too low by local communities (Rp 1500-3000 compensation fee compared to log price of Rp 600,000-700,000 per cubic meter, *Kaltim Post* 19 March 2000),³⁶ millions to billions of Rupiahs have been poured out to several villages. Inhutani I (Ex. PT Tunggal Yudi Sawmil Plywood II), for instance, has spent Rp 7,5 billion to tame the local people as part of the resolution of the conflict. However, data of PT Anangga Pundinusa (APN) revealed that APN had spent only nearly Rp 5 billion to resolve the conflict, as seen in the following table.³⁷

Table 4.17. Compensation Payment to Villages (Limited Cases)

No	Company	Compensation Paid (Rp)	No	Company	Compensation Paid (Rp)
1.	Anangga Pundi Nusa	4,489,338,380	8.	Marimun	464,005,850
2.	Barito Nusantara Indah	257,936,000	9.	Sumalindo Lestari Jaya V	474,000,000
3.	Duta Rendra	213,500,000	10.	Roda Mas Group	400,000,000
4.	Hitayaq Alan Medang	75,000,000	11.	Sumber Mas Timber	469,000,000
5.	Inhutani I (Ex. TYSP II)	7,500,000,000	12.	Oceanias Timber Product	469,000,000
6.	Inhutani I Tering	300,000,000	13.	Melapi Timber	469,000,000
7.	Kelawit Hutani Lestari	245,800,000	14.	Mugitriman Intercontinental	240,000,000

Source: APhi (2002); East Kalimantan Forestry Service (2001); Documents of conflicts between Adat Communities and HPH Companies along Atan River, Muara Ancalong (2000); Conflict documents of Matalibaq and Long Bagun Ulu (1998-2001); and *Kaltim Post*, 19 March 2000.

After the implementation of the conflict resolution scheme, many villages stopped their collective action, at least temporarily. In numerous cases, however, the provision of such cash compensation created internal conflicts within the village regarding its distribution.

The relatively big compensation sum poured into a certain village stimulated other villages to follow the “success stories” of their neighbouring village. In case the companies rejected the compensation payments, collective action remained as the only solution for the local communities. Therefore, collective action against forest companies has been a common occurrence in recent times in East Kalimantan. Big companies still are in the position to fulfill the people’s demands due to their long-term business plans. Small companies however (or big companies

³⁶ According to the Minister of Forestry, Nurmahmudi Ismail, profits generated by forest companies were too high, namely between 17 USD and 20 USD per cubic meter (about Rp 170,000-200,000/m³). “It should be about \$ 5 per cubic meter so that the rest would become government revenues,” said the Minister. This statement was made in relation to the role of HPH companies in destructing the forests in Indonesia. He said “they only exploited forest products and left the exploited forestlands in a critical condition.” See *Kaltim Post*, 25 July 2001.

³⁷ PT Anangga Pundinusa is a joint HTI company between Inhutani I and PT Tunggal Yudi Sawmill Plywood (Barito Pacific Timber Group), and these companies (Inhutani I, PT Tunggal Yudi Sawmil Plywood, and PT Anangga Pundinusa) dealt with the same conflict (Matalibaq conflict). One reason for the differing data is that Inhutani I/ PT Tunggal Yudi Sawmil Plywood (II) has been also in conflict with Laham.

that have many concession areas or face “excessive” compensation demands) prefer to give up their activity and leave the disputed areas. The areas left by the companies are not automatically under the control of the community, but in many cases they become the area of illegal logging activities undertaken by various parties.

D. Conclusion

This Chapter has elaborated forest politics, forest exploitation, and forest conflicts in Indonesia, with particular attention to East Kalimantan. As far as forest politics are concerned, the pre-New Order Indonesian government by and large adopted the state’s politics in terms of resource control applied during the colonial period. The state’s ultimate control over natural resources was untouched, but indigenous rights over land were also recognised. Due to some reasons (incapability to manage the whole area, the government’s focus on political affairs, etc), indigenous communities had great opportunities to exercise indigenous rights regarding the management of their customary land/forest. The change occurred when the New Order government came to power. The new government not only undermined the existing laws by promulgating new regulations, but also restricted and partly prohibited the indigenous community’s access and control over their customary forest/land. After the collapse of the New Order regime, a wider local participation in terms of forest product utilisation was promoted. However, there has been no substantial change concerning New Order’s legacy in the use of customary land/forests. Recently, the Department of Forestry even undermined this local participation and strove to seize the local governments’ authority to manage the forest areas.

In association with forest exploitation, the New Order government introduced two forest management/exploitation schemes, that is, logging concessions (HPH) and industrial timber estate concessions (HTI). While the HPH scheme was directed to exploit natural forests (mostly virgin forests), the HTI scheme was designated to exploit timber in man-made forests (timber plantations). In practice, however, the HTI companies were more concerned to cut the remaining timber stands in logged-over forests and even in virgin forests. Due to the patron client politics of the New Order regime, HPH and HTI licenses fell to big companies connected to the inner circle and cronies of those in power. Subsequently, inappropriate rent seeking and timber predation were unavoidable. The rents and royalties gone to the government were rather low whereas the largest portion went to Soeharto’s family, the timber tycoons, the Apkindo, and corrupt officials. This led to a lack of transparency and accountability regarding forest exploitation. As a result, HPH/HTI-based forest exploitation seriously degraded forest area in the archipelago, including the forest areas claimed by indigenous people. During the *reformasi* era, the number of HPH and HTI concession licenses decreased at national level, while remaining relatively stable in East Kalimantan. The rate of deforestation has, however, increased tremendously.

The exploitation of forest resources based on these two schemes did not go unchallenged by the communities in the surroundings. In fact, the challenges emerged only after the arrival of the forest companies and after the seriously degradation of the forests. These challenges created forest conflicts between local communities and HPH companies (HPH-based conflict) as well as between local communities and HTI companies (HTI-based conflict). The emergence of these two types of forest conflicts was simply a response from local people to the forest exploitation carried out by HPH/HTI companies. During the New Order authoritarian regime, however, most forest conflicts were suppressed so that only a few forest conflicts were observed.

Facing the fact that forest areas had been arbitrarily exploited by forest companies for about three decades, and revenues generated from timber production only benefited the forest companies, local people sought justice during the *reformasi* era by demanding compensation for the exploitation of their customary forestlands. In effect, the forest conflicts involving indigenous people and forest companies increased significantly during the *reformasi* era. The collapse of the authoritarian regime greatly contributed to this increase.

The rising tide of forest conflicts in East Kalimantan in recent times is a new phenomenon. The most interesting thing in this forest conflict phenomenon is that the local community raised the issue of *tanah adat* (customary land) to force forest companies to meet compensation demands. Many companies have paid the compensation and many more are still negotiating with the local people. The following Chapters will thoroughly examine what actually happened in the East Kalimantan forest conflicts, particularly in the study cases.

Chapter 5

An Intensifying Forest Conflict in Matalibaq during Indonesia's Early Stage of Democratisation

This chapter deals with forest conflict in Matalibaq, one of the study cases. The first aim of this chapter is to demonstrate the phenomenon of the rise of or the intensifying forest conflict in Matalibaq during Indonesia's early stage of democratisation. Secondly, to explain why such phenomenon occurs after the collapse of the New Order authoritarian regime. Lastly, to assess the achievement of collective goals in the conflict as well as the potential of future conflict.

To present such aims, this Chapter is divided into three main parts. The first part discusses Matalibaq forest conflict under the New Order regime. Here, conflict formation and conflict development are described. Village politics, conflict motives, indigenous resource mobilisation, and the risks in staging collective action under a repressive regime are also examined. The second part examines the same issues but under the post-New Order regime, particularly during Indonesia's early stage of democratisation (1998-2001). The third part discusses the outcomes of the conflict and the recent situation in the field site.

To begin with, an overview of Matalibaq people (and their village) and PT Anangga Pundinusa is presented. It aims at providing a general introduction of the main conflicting parties as well as the research site.

A. The Conflicting Parties: An Overview

A.1. Matalibaq: The Village and Its People

Matalibaq is a village under the jurisdiction of Long Hubung sub-district government,¹ West Kutai District. This village is situated on the bank of the Pariq River (a tributary of Mahakam River), about 430 km from Samarinda (the Capital of East Kalimantan province) (Matalibaq's Press Release, 6 January 1999), and geographically isolated (see maps, Appendix 6 & 10). Under normal water-level conditions, it takes about one and a half days to reach this village from Samarinda by using river ship (Samarinda-Lutan) and small boat (Lutan-Matalibaq).

Matalibaq people are grouped into Dayak Bahau ethnic group, with sub-ethnic Bahau Telivaq. Matalibaq people maintained that they had a slightly

¹ Long Hubung sub-district, established on 11 June 1996, consisted of 10 villages, namely, Long Hubung, Mamahak Teboq, Lutan, Matalibaq, Datah Bilang Ilir, Datah Bilang Ulu, Laham, Long Gelawang, Muara Ratah, and Danum Paroy (PP No. 38/1996). In the 2000 statistics, two transmigration villages were included, namely, Tri Pariq Makmur (SP I) and Wana Pariq (SP II) (BPS Kutai 2000a).

different language and cultural tradition² compared to other Bahaunese along Mahakam River. Local people suggested that their ancestors came from Apo Kayan, an area “close to” Indonesia-Malaysia borderline. Matalibaq historical records mentioned their ancestors as late as the year 1600³ (Lembaga Adat Matalibaq 1997). Based on their ancient tradition, they moved from one place (*luvung*) to another for some reasons. First, headhunting practices in Borneo’s Dayaknese tradition in the past (Interviews with key informants 2001-2002; cf. Ave and King 1986, Sutlive Jr (ed.) nd, Jessup and Vayda 1988). Second, the intention to look for a new fertile area (relating to shifting cultivation tradition) (Lembaga Adat Matalibaq 1997; cf. Ave and King 1986, Sutlive Jr (ed.) nd.). Third, due to unknown plagues that cost many lives (Lembaga Adat Matalibaq 1997). Between 1815-1820, led by Hipui Tanah Yong (a customary leader, tribal king, or chieftain), they arrived and made compound at Lirung Isau, close to the estuary of Mahakam-Pariq Rivers. With at least one or two of above reasons, a series of moving activities were carried out in current Matalibaq area such as to Uma Tutung Kalung (currently known as Wana Pariq port of SP II transmigration site, 1821-1907), Long Panek (4 km from Matalibaq), Batu Lavao (1908-1910), Mariti/Meritiq River (a tributary of Pariq River), Lirung Haloq (PT Anangga Pundinusa base camp, HTI plantation area, 1910), Uma Lirung Bunyau (1913) and Datah Itung or Lirung Arau or Telivaq (current Matalibaq settlement, 1919).

During their moving activities, particularly as “new comers” along the Pali River they were forced to be under the authority of the Kutai Kingdom.⁴ In Matalibaq history, there was a case that a certain *Hipui* (customary leader, tribal king) declined to be ruled by the Kutai Kingdom, and this resulted in a war between Matalibaq people and Kingdom’s army, until the Kingdom subdued Matalibaq.⁵ The Kingdom gave the area to Matalibaq people under two conditions. First, the area should be purchased. Second, they should pay annual tribute to the Kingdom, known as *Bakah Serah*. Matalibaq agreed to these conditions and for the former requirement, Matalibaq people sent Pariq (name of a person) as a payment

² For instance, while in other Bahaunese villages along Mahakam River local people carry out adat ceremony after harvesting season, in Matalibaq such a ceremony is carried out before planting season.

³ This date is also mentioned in the migration history of *Huang Tering Telaang Usaan* (Bahaunese of Tering). See G. Simon Devung in Coomans (1985:53).

⁴ In the past, in Mahakam area there were two Kingdoms. First, Kutai Martapura Kingdom, established in 400 AD (under the King of Mulawarman Naladewa). Kutai Martapura is believed to be the oldest Hindu Kingdom in Indonesia, whose Capital located in Muara Kaman. Second, Kutai Kertanegara Kingdom (Islamic Kingdom), established in 1300 AD in Jahitan Layar (delta of Mahakam River). In 1605 there was a big war between the two and Kutai Martapura was defeated by Kutai Kertanegara (under the King of Aji Pangeran Sinum Panji Mendapa). The incorporated Kutai Kingdom was named Kutai Kertanegara Ing Martapura and located in Tangga Arung, currently known as Tenggara (the capital of Kutai Kertanegara District) (Kadok 2001, c.f. Pemda Kutai 1975).

⁵ During my field research, Matalibaq people were proud to tell the story of their Hipui’s resistance to Kutai Kingdom (the incorporated Kingdom). It seemed that this story influenced their resistance to the company.

to the Kingdom. To commemorate, Pali River was later renamed Pariq River (key informants 2001-2002; see also Kadok 2001).⁶ Historical evidence of such past journeys in these areas, the areas they “purchased” from Kutai Kingdom, and the areas they controlled for over a century were regarded as a proof of their legitimate property upon the present *tanah adat* (adat/customary land) (see Lembaga Adat Matalibaq 1997).

In the past, the Dayak community of Matalibaq was stratified into four social strata, namely *hipui* (highest social strata; aristocrats), *pegawaq* (medium social strata), *panyin* (lower social strata; common people), and *dipan* (lowest social strata; slaves). *Hipui* was composed of small group of people who enjoyed privileges such as employing labour (particularly from slaves) and in receiving tributes (agricultural products). The position of this social group (*hipui*) was powerful in the past, as their members had adat legitimacy to rule. The customary leader (Adat Leader) was also called *Hipui* (a title of Adat Leader). *Pegawaq* was composed of small groups of people whose tasks were to assist *Hipui* (customary leader) in governing their people (*panyin* and *dipan*) as well as in providing “social services” to the community members.⁷ *Panyin* were common people and this was the large majority of community members. *Dipan* was the lowest social strata and composed by a relatively small group of people. *Dipan* members came from the conquered tribal community, who were not killed (in headhunting tradition) but were instead “brought” to the village as slaves. In this hierarchically stratified society, the position of the customary leader (*Hipui*) was central. He was like a king in a small tribal kingdom.

As time progressed, social strata of Matalibaq changed. The underlying cause was the banning of headhunting tradition in Kalimantan by the Dutch government in the nineteenth century, followed by the Tumbang Anoi Peace Agreement in 1894 among Dayak leaders, Malay leaders, and the Dutch Government in West Kalimantan. This agreement had an impact throughout Kalimantan, and over time it naturally undermined the foundation for the existence of *dipan* (slaves) social stratum across Kalimantan.⁸ In Matalibaq, it was not known when the *dipan* social stratum was completely disappeared. However, the year 1955 could be used as a “point of discussion” as this year marked the significant intrusion of state power to Matalibaq. In contemporary Matalibaq, the community was socially stratified into three social strata, namely *hipui*, *pegawaq*, and *panyin*. Exposed to external forces (state intrusion, modernisation) and internal

⁶ In Pariq’s Oath, he maintained that “As all of you send me to the King of Kutai as a protective agent (*tumbal*) or a trade for this land, you may move from this area if the *antang* (porcelaine or earthenware jug) grows.” Based on this, Pali River was renamed Pariq River, and local people were afraid to migrate. This also made them obliged to defend their adat land.

⁷ For instance, in circulating news and summoning the masses, solving trivial adat disputes, etc.

⁸ This tradition was revived in the mid 1967 when the Indonesian military asked assistance from the Dayak people to hunt communist rebels led by Sofyan as well as to join anti-Chinese campaign in West Kalimantan. This was believed as a media of “socialisation” of the red rice bowl tradition to a new generation (the 1997 and 1999 conflicts). See Apakabar 1997, <http://www.library.ohiou.edu/indopubs>.

forces (education, democratic aspiration, etc), however, the power embedded in the social strata changed significantly. The *Hipui* social group is no longer powerful. *Pegawaq* is now merely adat apparatus or elder people who master adat affairs. Numerous members of the *panyin* social group are even currently powerful or influential due to occupation (civil servants, businessmen) and economic status. Although there exist three social strata, contemporary Matalibaq people mostly divide themselves into *hipui* and *panyin* social groups. This division will seemingly continue to exist as it is well preserved in adat tradition such as in rice-planting tradition,⁹ marriage ritual,¹⁰ adat leader appointment,¹¹ etc. With this tradition, despite the fact that the Matalibaq community has been more and more egalitarian, the *Hipui* group still inherit a sort of privilege through adat “channel.”

By 2002, total population of Matalibaq were 602 people, consisting of 278 males (46.18%) and 324 females (53.82%). Based on households, they numbered 145, meaning that every family consisted of 4 persons. Of these, Matalibaq people are predominantly Dayak Bahau Telivaq with a proportion of 94.58%. They live together with a small proportion of other Dayak groups, with sub-ethnic Tunjung, Kenyah, and Ot Danum. There are also non-Dayaknese, such as Javanese, Floresnese, Kutainese, Banjarese, and Buginese. The presence of a small proportion of non-Bahau Dayaknese is mostly due to intermarriages. For the presence of non-Dayaknese, it is related to the presence of the HTI company, besides intermarriages. While the Dayak people are mostly Catholic (96.51%), non-Dayak people mostly adhere to Islam (2.99 %) (Table 5.1).

Table 5.1. Matalibaq Population by Ethnicity and Religion

No	Ethnic Group	N	%	No	Religion	N	%
1.	Dayak Bahau	571	94.85	1.	Catholic	581	96.51
2.	Dayak Kenyah	7	01.16	2.	Protestant	3	00.50
3.	Dayak Tunjung	4	00.66	3.	Islam	18	02.99
4.	Dayak Ot Danum (Central Kalimantan)	1	00.17		Total	602	100.00
5.	Kutai	1	00.17				
6.	Banjar	2	00.33				
7.	Java	8	01.33				
8.	Bugis	6	01.00				

⁹ In this regard, Matalibaq community still holds their adat tradition in that the first person that can plant rice should come from a *Hipui* clan. In other words, common people (*panyin*) cannot plant their rice before the representative of the *Hipui* clan does so.

¹⁰ In marriage ritual, there is a differing arrangement applied to *Hipui* group and *Panyin* group. While for *Panyin* group there are five shuttle-visits that should be carried out (bringing adat stuffs from bride's house to bridegroom's house; five times back and forth), for *Hipui* group, eight shuttle-visits are applied (previously 32 shuttle-visits for *Hipui* group) (Hibau Bong, 11 March 2002). This marriage ritual involves the masses and it could become complicated if the bridegroom is the outsider. From this marriage ritual, one can easily guess the social stratum of, particularly, the bride and his family.

¹¹ Adat leader is appointed from *Hipui* group, as this group is regarded the master and vanguard of adat tradition.

9.	Flores	2	00.33					
	Total	602	100.00					

Note: In the late 1998, there were eight Dayak Benuaq people. In 1999-2000, seven of them moved to Melak and Barong Tongkok and one passed away.

Source: Notes of and Interview with Village Secretary of Matalibaq, 2001-2002.

From an economic perspective, most people in Matalibaq are farmers practicing the dry-farming cultivation system. Few people become civil servants, mostly teachers. Some do business by opening small shops to meet villagers' basic needs. Due to tradition, those who run business, or work as civil servants are also practicing the dry-farming system. On average, socio-economic welfare of villagers tends to range from low to medium levels. This, to a certain extent, can be observed from their house condition, occupation, income sources, and the like (BPS Kutai 1998a, 2000a). Those who become civil servants or run small shops are better off and can afford to buy satellite television parabolas to watch national TV programs. At the time of field research (2001-2002), seven parabolas were observed. These parabolas used to play important roles in spreading the nationwide euphoria of *reformasi* (euphoria of freedom) to Matalibaq people, soon after the downfall of Soeharto.

During *Banjir Kap* II (community logging, particularly between 1999-2002), some villagers have become local loggers (chainsawmen), and some village elites acted as timber collectors (*pengumpul*) in the community logging business. Timber-hungry middlemen were outsiders who—besides buying timber from chainsawmen or collectors—quite often used speedboat to visit the company's loggers/field workers to make an on the spot transaction (cheap price) for company's unsunken timbers (Usman, March 2002). Middlemen's activities were part of timber business network along the Mahakam River, spanning from Lutan, Long Iram, Melak, to Samarinda. A Chinese businessman (capital), thugs and activists connected to one mass/political organisation (security protection, some capital), and forest companies (purchasers) were central actors in this timber business network (Lawing, 15 February 2002, 17 May 2002). Due to such activities, in a rainy season, huge logs were floated along the Pariq River. In a dry season or when the log price dropped drastically, riversides along village settlement and that of near Lutan (estuary of Pariq River) were relatively full of log rafts.

A.2. PT Anangga Pundinusa: An Industrial Timber Estate (HTI) Company

Initially, there were two subsidiary companies of Barito Pacific Timber Group (BPTG)¹² involved in the conflict with Matalibaq people, namely, PT Limbang Praja (HPH company) and PT Anangga Pundinusa (HTI company). The

¹² The official name is PT Barito Pacific Timber Tbk (Tbk=Terbuka=go public). It was originated from PT Bumi Raya Pura Mas (established on 4 April 1979). On 28 June 1996, the company officially used the name PT Barito Pacific Timber Tbk, commonly known as BPTG. It started offering shares to the public in 1993. See BPTG (2000).

role and position of PT Tunggal Yudi Sawmill Plywood (TYSP, a successor of PT Limbang Praja) and their company group (BPTG) were also considerable in conflict formation and, particularly, conflict resolution processes. Nevertheless, PT. Anangga Pundinusa posed itself as a front-line company in facing the Matalibaq people (see chart, Appendix 1).

The base camp of PT Anangga Pundinusa is situated about 30 minutes distance from Matalibaq (upstream) by using water transportation. The base camp or log yard of PT Limbang Praja/PT Tunggal Yudi Sawmill Plywood is located in Laham, on the bank of the Mahakam River, about 2-3 hours distance from the estuary of Pariq River (Lutan) (see map, Appendix 10). PT Anangga Pundinusa can be reached by land from PT Limbang Praja/PT Tunggal Yudi Sawmill Plywood base camp by passing Pariq River Bridge, which was later blocked by Matalibaq people for more than one month.

PT Anangga Pundinusa (APN) is a company initiated by BPTG (through TYSP). As discussed in Chapter 4, BPTG is owned by Prajogo Pangestu, a crony of former President Soeharto and was known as the King of Timber (*Raja Kayu*). By 1994/1995, BPTG had 68 HPHs with concession areas totalling 6,125,700 hectares across Indonesia (Brown 1999:12). In East Kalimantan, by 1994, BPTG controlled 731,000 hectares of forestlands, managed by 10 subsidiaries (see Table 5.2). In this province, BPTG also had three sawmill and plywood companies—PT Tunggal Yudi Sawmill Plywood, PT Hutrindo Palaran Plywood, and PT Bina Segah Utama Plywood—to proceed its logs (Plasma 1994).

Table 5.2. HPH/HTI Companies of BPTG in East Kalimantan

No	Name of Companies	Total area (Ha)	Location	Base Camp	Forest Concession
1.	Astrini	40,000	Sangatta	S. Asam	HPH
2.	Penambangan	65,000	Sangatta	Rantau Pulung	HPH
3.	Barito Nusantara Indah	95,000	Long Bagun	Mamahak Besar	HPH
4.	Tunggal Yusi	53,000	Long Iram	Leking	HPH
5.	Bina Segah Utama	58,000	Segah	Tepian Buah	HPH
6.	Limbang Praja	70,000	Long Iram	Laham	HPH
7.	BBAP Malinau	110,000	Malinau	Bengalun	HPH
8.	Sangkurilang	100,000	Sangkulirang	Pengadaan	HPH
9.	BBAP Berau	140,000	Sambalium	Meraang	HPH
10.	PT Anangga Pundi Nusa	14,000	Matalibaq	Matalibaq	HTI

Source: Plasma (1994).

Prior to the establishment of PT Anangga Pundinusa, one subsidiary company of BPTG, PT Limbang Praja (Timber), carried out its logging activities in the Laham and Matalibaq areas. PT Limbang Praja itself was initially granted a concession area of 60,000 hectares on 14 August 1971.¹³ Due to its merger with PT

¹³ Forest concession license (SK HPH) No. 355/Kpts/Um/08/1971.

Praja Mukti (10,000 hectares) on 3 July 1973, its total concession area turned to 70,000 hectares since then¹⁴ (see map, Appendix 10).

On 14 August 1991, the HPH license of PT Limbang Praja expired. Later, it got a one-year extension and its license was valid until 31 March 1992.¹⁵ In the following year its extension proposal was approved for another year and valid between 1 April 1992–31 March 1993.¹⁶ During this period, PT Limbang Praja was taken over by PT Tunggal Yudi Sawmill Plywood (TYSP), the backbone of BPTG in the plywood industry. The ensuing license extension was provided on an annual basis, before it was revoked by the Department of Forestry on 1 April 1994.¹⁷

Logging activities of TYSP recommenced at January 1995. The license extension was however under the name of PT Inhutani I (a state-owned HPH company). Although in its formal reports to the government TYSP used the name of PT Inhutani I (Inhutani I), the company's daily activities were carried out by TYSP.¹⁸ As TYSP and PT Limbang Praja were subsidiaries of BPTG, staff and equipments of TYSP in the areas were mostly that of PT Limbang Praja. Thus, the replacement of PT Limbang Praja by TYSP did not mean the company (PT Limbang Praja) disappeared. This field research found that many official letters written by the government, such as the Department of Forestry, Provincial Forestry Service, District Forestry Service (CDK) used various—and to a certain extent “confusing”—names: Inhutani I, PT Tunggal Yudi Sawmill Plywood, and PT. Limbang Praja. For instance, although in post-1991 the government formally recognised TYSP as PT Limbang Praja's successor, on 21 February 1992, PT Limbang Praja got 8,400 ha and 6,000 ha of HTI-Trans concession licenses and for this the company used names of PT Limbang Praja I (Unit I) and PT Limbang Praja II (Unit II).¹⁹ Furthermore, after Inhutani I had involved in TYSP logging business since January 1995, in June 1995 it was stated that PT Limbang Praja was given a production target of 60%.²⁰

To utilize the logged forest of Matalibaq and to run the industrial timber estate (HTI-Trans), TYSP and Inhutani I formally established a joint company called PT Anangga Pundinusa (APN) on 28 August 1992. APN's initial capital was Rp 10,690,000,000, where Rp 4,276,000,000 (4,276 stocks, 40%) was

¹⁴ Letter of the Director General of Forest Concession No. 366/DJ/I/1973, 3 July 1973.

¹⁵ Department of Forestry's Letter of Decision (SK Menhut) No. 1327/Menhut-IV/1991, 4 September 1991.

¹⁶ Department of Forestry's Letter, No. 667/Menhut-IV/1992, 9 April 1992.

¹⁷ Department of Forestry's Letter, No. 1977/Menhut-W/1994.

¹⁸ East Kalimantan Forestry Service's Letter of Decision No. 75/Kpts/KWL/PH-2/1995 (*Pengesahan Buku Rencana Karya Tahunan Pengusahaan Hutan Tahun 1995/1996 PT Inhutani I (d/h Limbang Praja Timber) Propinsi Kalimantan Timur*, 27 July 1995).

¹⁹ Department of Forestry's Letter of Decision No: 236/Kpts-V/1992, signed by Forestry Minister Ir. Hasjrul Harahap (*Pemberian Hak Pengusahaan Hutan Tanaman Industri Pola Transmigrasi (Sementara) Kepada PT Limbang Praja Timber I*).

²⁰ East Kalimantan Forestry Service's Letter No: 522.110.1/8378/DK-II/1995, 28 June 1995 (*Pertimbangan Tehnis URKT Tahun 1995/1996 Atas Nama PT Inhutani I (ex PT Tunggal Yudi Sawmill Plywood Unit II d/h PT Limbang Praja Timber)*).

contributed by Inhutani I and Rp 6,414,000,000 (6,414 stocks, 60%) by TYSP.²¹ In 2001, APN reported that its sources of funds were from private company equity (21%), government equity (14%), reforestation fund (DR) with 0% interest rate (32.5%), and reforestation fund with certain interest rates (32.5%).²² Although APN is a joint venture company between TYSP (Prajogo's company) and Inhutani I (government's company), Inhutani I played the least role in the conflict, or played only behind the scene.

The initial HTI area of APN was 14,400 hectares. On 31 March 1997, this company was granted an area extension of 16,700 hectares.²³ Having been recalculated, APN's total area turned to 29,728 hectares (APN 1999)²⁴ (see map, Appendix 11). During the conflict, nearly all of this area had been claimed by Matalibaq people as *tanah adat* (customary/adat land) of Matalibaq. A "small" part of APN area belongs to Laham village.

B. Forest Conflict in Matalibaq during the New Order Era

B.1. Political Settings: Village Politics under the New Order Regime

B.1.1. Co-opted Adat Government, Village Government, and the Masses

Prior to the New Order era, particularly pre-1955, village politics of Matalibaq was administered by the traditional system of government known as adat government (*pemerintahan adat*). As part of this governmental system, adat government had a leader (*Hipui*), "department/staff" (*pegawaq*), people (*panyin, dipan*), territory (*tanah adat*), and regulation (*adat*). All of these were important elements in the adat government. The power center, however, laid in the hand of Adat Leader (*Hipui*), who was appointed for lifetime based on heredity from *Hipui* social stratum. As in other sub-ethnic groups of Dayaknese, the adat leader not only acted as a "law maker" or decision maker but also did "control, manage, and govern the community by using a set of norms which [were] acceptable or desirable to the whole community" (Nanang 1998). This included mass mobilisation in a tribal war, which was commanded by the *Hipui*.

As time passed, due to mainly external forces, adat government weakened. This was greatly associated with the cooption of the adat leader and the adat system. By 1955, ten years after Indonesia's independence (1945), the adat leader of Matalibaq—*Hipui Belawing Hubung*—was appointed as *Petinggi* (Village Head in a modern village government system) (Kadok 2001). Accordingly, *Hipui* had

²¹ PT Anangga Pundinusa, 1997. See documents No 131, 28 August 1992 (*Perseroan Terbatas PT Anangga Pundi Nusa* dan and cooperation agreement dated 18 August 1992 on *Perjanjian Kerjasama Pengusahaan Hutan Tanaman Industri Pola Transmigrasi Antara PT Inhutani I (Persero) Dengan PT Tunggal Yudi Sawmill Plywood*).

²² Reforestation fund with certain interest rates was distributed by certain banks (determined by government). PT. Anangga Pundinusa, *Kronologis*, 2001.

²³ Letter of Decision of Forestry Ministry No: 357/Menhut-IV/1997.

²⁴ This was justified by the Department of Forestry's Letter of Decision No. 331/Kpts-II/1998, 27 February 1998.

two positions, as Adat Leader and Village Head. Although the authority of *Hipui* increased due to such dual positions, this enabled the Central Government to control the *Hipui* through modern village bureaucracy “channel.” However, as the government during Soekarno’s era lacked infrastructures as well as development funds to finance village government, the adat leader still enjoyed significant autonomy to manage village’s affairs.

Tremendous change occurred since the New Order came to power (1966). The New Order’s slogan of “Politics No, Development Yes,” was promoted across the archipelago; New Order political machines—repressive security institution, monoloyalty of the bureaucracy/*Golkarisation*, and mass depoliticisation through floating mass—were imposed to any villages. This was particularly to support the New Order government’s concerns on economic development and to gain loyalty from all level of governments (cf. Gaffar 1989). Although Matalibaq was geographically isolated, such New Order’s political machines worked well in Matalibaq.

During the New Order era (1966-1998), *Hipui* (Adat Leader) and *Petinggi* (Village Head) had been separated. In 1969, Hibau Bong was appointed as Vice *Petinggi*, and two years later (1971) he was in charge as *Petinggi* (Interview with Hibau Bong, 11 March 2002). Therefore, traditional and modern systems of village governments were since then formally separated. While the traditional (adat) system of government was chaired by the Adat Leader and appointed from *Hipui* descendants, the modern system of village government was chaired by *Petinggi* (Village Head) and could be appointed from common people (*panyin*).

Since the promulgation of Law 5/1979, *Petinggi* was renamed *Kepala Desa* (Village Head) and *Hipui* was renamed *Kepala Adat* (Adat Leader). In the new arrangement imposed by the New Order regime, the Adat Leader should be justified through formal appointment by the District Head. The Adat leader would receive the District Head’s Letter of Decision and be eligible for a monthly allowance.²⁵ This showed further change on the position of Adat Leader or the cooption of the adat leader through bureaucratic arrangement. Accordingly, the adat was also coopted through this mechanism.

In regard to the modern system of village government, the Matalibaq Village Head was subordinated to the sub-district head (*Camat*) of Long Hubung (previously Long Iram) and was responsible for village administration, village development, and village socio-political affairs. The Village Head was assisted by two important village bodies, that is, LKMD (Village Community Resilience

²⁵ Adat Leader of Matalibaq (Bith DJau) was appointed based on Letter of Decision by District Head. In post-conflict Matalibaq, the community later “replaced” Bith Djau and appointed Ding Kueng—with some controversies—as Adat Leader. Until recently, Ding Kueng was not appointed yet by the District Head. According to key informants, a new adat leader asked monthly allowance to Sub-District Head (*Camat*) but the *Camat* rejected because there was no Letter of Decision from the District Head. To solve the problem, an internal agreement was made in that monthly allowance was divided by two (Bith Djau and Ding Kueng). Bith Djau stated that he recently received Rp 50,000 per month (paid Rp 1,200,000 annually) (Bith Djau, March 2002).

Council)²⁶ and LMD (Village Consultative Council). Interestingly, these two bodies were chaired by the Village Head, and the adat leader was incorporated into LMD (member of LMD). Thus, structurally, the Adat Leader was subordinated to the Village Head. As the Village Head was responsible for any matters in his village, any village cases, including adat-related matters, should be made known to the Village Head. Non-adat related matters however were not necessarily reported to Adat Leader (Kadok 2001).

With such forced arrangements, the power and roles of the Adat Leader (*Kepala Adat*) in village politics significantly deteriorated during the New Order era. His power or authority was structurally taken by the government-controlled Village Head (*Kepala Desa*). Political mass mobilisation was then a matter for the Village Head or the village bureaucracy apparatus. As village government (i.e. Village Head) was co-opted by upper level governments through village bureaucracy, the masses were easily co-opted by the government. This allowed the Village Head and upper governments or bureaucracies such as the sub-district government to mobilise the masses, to run government's development projects or to vote for government's party (Golkar).

The effectiveness of this mechanism can be seen from election results during the New Order regime. In the 1982 election, 92.05% of the population voted for Golkar while 1.70% and 6.25% of them voted for PPP (United Development Party, an Islamic party) and PDI (Indonesian Democratic Party, a nationalist party) respectively (Panitia Pemilihan Daerah Tingkat II Kutai, 1982), as seen in the following table.

Table 5.3. The 1982 Election Results in Matalibaq

No.	Political Parties	Votes	Percentage (%)	Remarks
1.	Golkar	162	92.05	Nationalist (Government's) party
2.	PPP	3	1.70	Islamic party
3.	PDI	11	6.25	Nationalist party
	Total	176	100	

Source: *Panitia Pemilihan Daerah Tingkat II Kutai* (1982).

This meant the grip of the New Order regime to Matalibaq was strong. Data on overall election results of Matalibaq during the New Order era (1971-1997) were not available as most original village archives were destroyed/burnt.²⁷ To “find” the missing hard data of election results aiming at assessing the regime's grip in Matalibaq during the New Order era, two sources of information can be used. First, information from key informants. According to various key informants

²⁶ The main tasks of LKMD are to plan and to implement village development programs.

²⁷ Personal communication with Hero/Heru, an administrative officer of Kutai Kertanegara *Kesbang Linmas*, 2002. In Indonesia, a government body is allowed to destroy/burn a five-year old document. The East Kalimantan *Kesbang Linmas* (*Kesejahteraan Bangsa dan Perlindungan Masyarakat*, Nation's Welfare and Community Protection Body) only had archives of election results from 1977-1997 (not complete, mostly general recapitulation). *Kesbang Linmas* was established to supersede *Direktorat Sosial dan Politik* (Directorate of Socio-Political Affairs), as during the New Order era, such a Directorate was a repressive government body.

of Matalibaq (e.g. Village Head, Village Secretary, Village Teams, 2001-2002), Matalibaq election results during the New Order era were relatively the same from one election to another, where Golkar always won easily. Second, by highlighting the available election results at upper level of governments (sub-district and district). This was because election results in upper-level governments were counted from villages' election results. In Sub-District level (Long Iram), Golkar won 87%, 69%, and 84% of the total votes in the 1982, 1992, and 1997 elections respectively. This was slightly higher compared to that of District level (Kutai District) where Golkar won 65%, 72%, and 63%, and 75% of the total votes in the 1982, 1987, 1992, and 1997 elections respectively (Panitia Pemilihan Daerah Tingkat II Kutai, 1982-1997). By comparing the 1982 Matalibaq election results with that of Sub-District (Long Iram) and District (Kutai) election results (see Table 5.4), Matalibaq can be categorised as a Golkar Village (Matalibaq 92%, Long Hubung Sub-District 87%, Kutai District 65%).

Table 5.4. Total Votes for District Parliamentary Seats 1982-1997

No	Election Year	PPP		Golkar		PDI		Total	
		Votes	%	Votes	%	Votes	%	Votes	%
A.	Votes by Long Iram Sub-District Residents								
1.	1982	774	09.26	7,356	87.97	232	02.77	8,362	100
2.	1992	809*	06.73	8,310	69.16	2,897	24.11	12,016	100
3.	1997**	1,209	07.909	12,944	84.678	1,133	07.412	15,286	100
B.	Votes by Kutai District Residents								
1.	1982	53,045	29.06	119,353	65.38	10,145	05.56	182,543	100
2.	1987	46,368	19.66	171,313	72.65	18,141	07.69	235,822	100
3.	1992	44,255	14.50	193,029	63.25	67,899	22.25	305,183	100
4.	1997	65,663	16.60	297,068	75.08	32,928	08.32	395,659	100

Notes: * Counted by subtracting total votes with that of Golkar and PDI

** Total votes in the 1997 election referred to those of the provincial parliamentary seats (DPRD I) as data for the district parliamentary seats (DPRD II) was not available. The total votes acquired by political parties for the DPR (national Parliament), DPRD I, and DPRD II seats were relatively the same as the residents did not vote for candidates, but political parties.

Source: Recapitulated and adapted from *Panitia Pemilihan Daerah Tingkat II Kutai* (1982-1997).

The victory of Golkar in any election in sub-district and district levels mirrored the strong grip of Golkar in these areas (sub-district and district), including in Matalibaq. It also reflected the effectiveness of the New Order's political machines to co-opt village bureaucracy and to depoliticise the masses from political activities, except to vote for Golkar.

B.1.2. Village under Surveillance

As far as security is concerned, Matalibaq has been under the jurisdiction of the Sub-District Military Command (*Koramil*) of Long Iram. *Koramil* played a significant role in spying and controlling people's activities during the New Order era. It was true that Matalibaq was quite a distance (about three hours) from the

Long Iram *Koramil* headquarter. However, Matalibaq was a working area of a *Babinsa* (Non-Commission Military Officer, *Koramil*'s personnel) whose activities covered villages of Matalibaq, Lutan, and Datah Bilang (Interview with *Sertu* Diyono, 18 May 2002).²⁸ It was also true that the *Babinsa* did not stay permanently in Matalibaq. But the *Babinsa* regularly visited these villages, particularly in making contact with village apparatus and monitoring the development of village politics and political order.

Military or security apparatus' grip over Matalibaq can also be seen from the presence of ABRI (armed forces)-background transmigrants in Matalibaq. By 1993/1994, 25 ABRI-background households were placed as transmigrants in SP I and other 25 ABRI-background household transmigrants in SP II (see Table 5.5).

Table 5.5. Transmigrants by Household Origins

No	Transmigrants' Origins	Settlement Unit (SP) I (Household)	Settlement Unit (SP) II (Household)
1.	NTT	68	0
2.	West Java	82	50
3.	ABRI	25	25
4.	APPDT	125	125
5.	East Java	0	60
6.	Central Java	0	40
	Total Household	300	300

Note: ABRI= *Angkatan Bersenjata Republik Indonesia* (Indonesian armed forces); APPDT= *Alokasi Pemukiman bagi Penduduk Daerah Transmigrasi* (local transmigrants).

Source: PT Anangga Pundinusa (1997b).

The presence of these ABRI-background transmigrants could not be separated from the implementation of security approach (*pendekatan keamanan*) arrangements. This kind of placement was of importance as Matalibaq rejected transmigration programs in this area since 1992. By placing ABRI-background transmigrants, it was hoped that local people would be afraid to challenge this project or to “disturb” transmigrants and HTI plantation activities.

B.1.3. Elite-Masses Politics

Following the notion of elite as discussed in Chapter 2 (Theoretical Framework), the existence and roles of elites in the Matalibaq conflict are clearly observed. Based on types of elites, some groups of elites are also found. There are two groups of elites that can be clearly recognised in Matalibaq village politics, that is “bureaucratic elite” (elite in the village bureaucracy) and “adat elite” (elite

²⁸ According to one company staff, the *Babinsa* received monthly allowance amounting Rp 100,000. Another *Babinsa*—whose tasks covering the villages of Tri Pariq Makmur (SP I) and Wana Pariq (SP II)—and a police officer also received Rp 100,000 per month respectively. For *Muspika* (Sub-District Authorities), *Danramil* (Sub-District Military Commander), *Kapolsek* (Sub-District Police Chief), and *Camat* (Sub-District Head) received Rp 200,000 per month respectively (Anon, March 2002).

in adat government or adat organisation/council). There is another group of persons that cannot be included in such two groups of elites but terminology for this elite group is difficult to find. They come from a mixed social strata or social status; they have a mixed qualification and social network to exert influence; they have high political awareness, particularly on indigenous rights; and the like. For analytical purpose, I use the term “socio-political elite”²⁹ for this elite group. In addition, I observe an external group of persons that have certain superiority or are respected by villagers, namely NGO activists. I use the term “NGO elite”³⁰ for NGO activists who involved in the Matalibaq conflict.

A bureaucratic elite in Matalibaq emerged mainly due to their position in the village bureaucracy. There were three key persons in this elite circle, that is, Village Head (Hibau Bong), Chairman I of LKMD (Hingan Ubung), and Village Secretary (S. Lawing). Their main source of superiority or legitimacy was control of resources in the bureaucracy either in administrative arrangements or in implementing development programs. Two of them had other important sources of legitimacy. Hibau Bong for instance was from Hipui social stratum, therefore, he was respected by Hipui clan. He also mastered all adat tradition of Matalibaq so that adat community respected him. S. Lawing, on the other hand, has been a school headmaster and hold a university diploma degree. His education and position in the school made him respected by the villagers or parents of the pupils.

Adat elite is a group of persons who enjoy superiority due to their position in traditional system of government (adat “government” or adat organisation/council) and their capabilities in handling adat affairs or running adat rituals. In the Matalibaq conflict, there were two key persons highly involved during the course of conflict development, that is, Bith Djau and Ding Kueng. Bith Djau is Matalibaq Adat Leader from Hipui clan. His presence and role in most adat rituals were important to justify the “validity” of such rituals. His signatures were also crucial in formalising the movement of adat community. Ding Kueng was a Chairman of *Lembaga Adat* (Adat Council/Organisation). His source of legitimacy was due to his capabilities in representing the voices of adat community to the “outside world” (seminar, press release) and in arranging and executing adat rituals, including in caring illness through traditional means (*dukun*). Both figures had strong adat legitimacy in mobilising the masses, particularly in adat related matters. However, as adat leader was not physically active due to age, it was Ding Kueng that physically played more roles in dealing with the forest company.

A socio-political elite is the elite outside bureaucratic and adat elite circles. Their superiority or sources of legitimacy as elite were mixed, from their position

²⁹ Referring to “political and economic elite” terminology in Niklasson’s study (2001, see Chapter 2), a more sound terminology that characterises this elite group would be “social, economic, and political elite,” “socio-economic-political elite,” or “socio-economic and political elite,” as this elite group has both legitimacy to influence and great concerns in these three issues (social, economic, political). The use of term “socio-political elite” is merely to shorten the terminology.

³⁰ The use of this term is derived from my discussion with Conrad Schetter, Bonn, November 2003.

as Golkar's cadres, socio-economic status, intellectual capability, education, social network, and the like. The main characteristics of this elite group was "vocal," skillful in the debate or in persuading people, capable to lead the masses, and committed to pursuing a collective goal. This elite was mostly composed of young generation, educated persons, or village's "middle class." The mobility of this elite was high and therefore they played an important role in making contacts with the "outside world," particularly the East Kalimantan NGOs. Key persons were Huvang Tingang, Sulaiman Huvang, Willem Geh, Tekwan, Benny Bith, Martinus Bang, Hului Juk (former company staff of Limbang Praja in 1970s), Yosef, and J. Talang. The first three were the most important figures in this elite group. Huvang Tingang was Golkar's cadres and "businessman." Sulaiman had additional "legitimacy" due to his position as religious teacher in the school, his leading role in religious gathering, and his education (holding a university diploma degree). Willem Geh was "vocal" figure and used to live in Java for a long time so that his experiences in handling the "outsiders" were much respected. These three persons were family from Hipui social stratum.

NGO elite is an external elite who came to Matalibaq after the conflict emerged. The NGO elite played crucial roles in empowering local people by revitalising the adat system in the movement. Many activists from various NGOs visited Matalibaq, both the East Kalimantan and Jakarta-based NGOs, such as Putijaji, Plasma, Komite HAM Kaltim, Walhi, etc (Matalibaq Conflict Documents 1992-2001, Interviews with various key informants 2001-2002). Among these, *Lembaga Bina Benua Putijaji* (Institute for Community Legal Resources Empowerment, LBBPJ) known as Putijaji was the most important one, as Putijaji's "working area" was in Matalibaq. Putijaji was "founded on December 8, 1992 based on the fact that there is a tendency that development activities have neglected the indigenous community in East Kalimantan" (LP3ES 2003). Thus, Putijaji was established about seven months after the emergence of the Matalibaq conflict (May 1998). In one account, the goals of the establishment of Putijaji are "to improve the quality of human resources to be independent and have the comprehension of environment, legal nations values, honor and human rights so they [adat community] can actively take part in the law enforcement." Based on this, Putijaji sets its main activity in law enforcement. However, "there are also supporting activities such as environment, human rights and democracy." The form of Putijaji's activities "covers education and training, community development and assistance, publications, advocacy, seminars, studies, researches and surveys" (LP3ES 2003). Although most NGOs in East Kalimantan took side with the adat community of East Kalimantan, Putijaji can be categorised as an indigenous NGO as most of its activists are Dayaknese educated persons or had family relationships with Dayaknese. The term "Putijaji" for instance comes from the Benuaq Dayaknese language. As a group of persons who had the same concerns, Putijaji's "ideology" is relatively monolithic in the sense that activists' concerns are

organisation's concerns. However, from time-to-time, new generation of activists used a "tougher" approach due to the dynamic of national politics.³¹

In a traditional community, the masses mostly followed their elites as the elites have superiority or sources of legitimacy to influence. This occurred in Matalibaq during the New Order era. In principle, Matalibaq community had two undeniable loyalties (dual loyalties), that is, loyalties to the bureaucratic elite (particularly Village Head) and loyalties to the adat elite (particularly Adat Leader). This stemmed from the fact that the Matalibaq community could not separate themselves from bureaucratic arrangements (e.g. ID arrangement, village head's recommendation, implementation of village development program) and adat-related affairs (e.g. shifting cultivation tradition, marriage rituals, and other adat rituals). Loyalties to the socio-political elite depended on mass' interests or social relationship. The Hipui-clan, for instance, mostly followed socio-political elite from the Hipui social stratum. "Loyalties" to the NGO elite was by no doubt due to the NGO elite being regarded as a "salvation army" in handling their cases.

With these kinds of elite-mass relations, elite groups had great potential to mobilise the masses during the New Order era. Nevertheless, all such elite groups, including NGO elite, were scared to mobilise the masses physically due to the grip of New Order's anti-conflict machines (repressive bureaucratic institution, repressive security institution, mass depoliticisation institution). The implication was that the masses were also not courageous to act. In relation to the conflict with PT Anangga Pundinusa, the activities of the elites and the masses were then to take "soft" measures in the struggle against this company during the New Order era.

B.2. Conflict Formation and Development during the New Order Era

B.2.1. The 1970s Company's Arrival and People's Attitude

Forest exploitation activities in Matalibaq were initiated by PT. Limbang Praja whose 70,000 hectares logging concession area cover two villages, Laham and Matalibaq. Since early 1970s, this company had logged virgin forests in these two villages (Harahap *et.al* 1993, Hafidz 1997, PT Limbang Praja 1992) whose timber production can be seen in the following table.

³¹ Due to Putijaji's "empowerment program" in the case of London-Sumatra (Lonsum) oil palm plantation (Tanjung Isuy, Kutai District) during and in the wake of the collapse of the New Order regime, for instance, Putijaji was banned to operate in Kutai District soon after the fall of Soeharto. Two other NGOs with different "working areas", SHK and Plasma, were also banned "on the grounds that they were illegal organisations since they were not registered at that office [District Office of the Directorate General of Social and Political Affairs]." The banning of these NGOs sparked condemnation among national and international NGOs as it was regarded in contradictory with the spirit of *reformasi* (reformation). These three NGOs however ignored such banning. See WRM's bulletin No. 14, August 1998.

Table 5.6. Logging Activities of PT Limbang Praja Timber, 1970/71-1990/91

No	Annual Working Program	Realisation (ha)	Realisation (m3)	No	Annual Working Program	Realisation (ha)	Realisation (m3)
1.	1970/1971	1,000	4,000.00	12.	1981/1982	300	6,000.00
2.	1971/1972	1,900	13,540.02	13.	1982/1983	500	31,112.06
3.	1972/1973	4,000	29,917.80	14.	1983/1984	300	15,913.47
4.	1973/1974	2,300	43,820.52	15.	1984/1985	700	21,465.72
5.	1974/1975	1,800	32,061.93	16.	1985/1986	1,000	27,572.52
6.	1975/1976	1,500	17,785.77	17.	1986/1987	900	14,003.75
7.	1976/1977	1,300	33,159.24	18.	1987/1988	1,000	35,189.90
8.	1977/1978	1,000	17,760.48	19.	1988/1989	1,500	73,589.85
9.	1978/1979	1,300	13,658.07	20.	1989/1990	1,500	84,624.18
10.	1979/1980	1,300	46,955.23	21.	1990/1991	1,500	84,620.65
11.	1980/1981	600	19,680.60		Total (1-21)	27,000	699,156.81

Source: PT Limbang Praja (1992). Cf. PT. Inhutani I (1995, 1995b, 1997).

Timber production as mentioned above is a formal data of the company submitted to the government. The figure shows how active this timber company in forest cuttings during its concession period was. There was no time lag in forest cutting, and during a period of 21 years it had logged 27,000 ha with a total production volumes of 699,156 cubic meters. The table also shows that its logging activities increased significantly since 1987/88. It seemed that the company attempted to speed up timber production, as its HPH license would expire by 1991.

A separated data of timber production in Matalibaq area was not available as the company combined its production from two villages (Matalibaq and Laham). Villagers however reported that almost all of its concession area in Matalibaq had been logged by PT Limbang Praja during the 1970s. This was supported by company's report in that 93,33% of proposed HTI area in Matalibaq was logged over forests (PT Anangga Pundinusa 1999).

Interestingly, my interviews with various key informants on this issue revealed that although PT Limbang Praja logged Matalibaq forests in the 1970s, its activities did not generate conflict or grievance. This was confirmed by Hafidz's report mentioning:

By 1974, HPH company PT Limbang Praja entered the area of Matalibaq. Timbers were cut and taken from Matalibaq forests. Due to massive forest cutting many forestlands became bare. However, local people did not perceive this was a problem. They were relaxed and perceived undisturbed (Hafidz *et.al.* 1997:4)

There are three main reasons for this. First, the focus of HPH (logging) activities was to cut big trees. Due to market demand and government regulation (only allowing to cut timber with a minimum diameter of 50-60 cm), HPH company would by nature selectively cut the trees. This did not mean small trees were not included, as mentioned by Hafidz's report. Rather, the company did not have economic advantages to cut all trees. Second, at that time local people joined

in *Banjir Kap I* (community logging/transporting logs during the flood/rainy seasons, 1960s-1970s) due to the presence of the company and government's forest policies in attracting international and domestic investors (see Chapter 4). Hafidz even reported that the revocation of *Banjir Kap I* has some economic impact to villagers:

Another impact of the abandonment of *Banjir Kap/Kopersil* was that local villagers became poor since most of them did not know how to manage their incomes generated from community logging activities. Many of them returned to their previous occupation as farmers, including civil servants who quitted due to [economic opportunities in] logging activities (Hafidz 1997:4-5).

Third, indigenous rights awareness at that time was not high (see Hafidz 1997), and even absent. This was different from the awareness of the next generation due to education, communication media, and social network.

Thus, during the first arrival of the forest company in Matalibaq, forest conflict, including latent conflict, was not discerned. This was merely because local people cooperated with the company to log timber trees during the *Banjir Kap I* era (community logging).

B.2.2. The 1992-1998 Company's Arrival and the Emergence of Conflict

B.2.2.1. The 1992-1998 Company's Arrival and Activities

In 1992, PT Anangga Pundinusa (APN), "accompanied" by PT Limbang Praja, arrived in Matalibaq. These companies initially carried out their activities in a 14,400 ha forestland and later in the area of 29,728 ha. As an HTI-Trans company, PT Anangga Pundinusa incorporated its HTI project with transmigration program. It was projected that the transmigrants would become company's workers in planting and tending the plantations. As seen in the table below, the company "brought" transmigrants from various places, mostly from Java, NTT (Flores), and East Kalimantan (local transmigrants, APPDT). The placement of transmigrants in SP I (Settlement Unit I, Tri Pariq Makmur) and SP II (Settlement Unit II, Wana Pariq) commenced at March 1993, and by January 1994 total transmigrants were 600 households (2464 persons), as breakdown in Table 5.7.

Table 5.7. Arrival and Number of Transmigrants in Matalibaq

No	Place of Origin	Arrival Date		Household (KK)		Population (person)					
		SP I	SP II	SP I	SP II	SP I			SP II		
						M	F	M+F	M	F	M+F
1.	West Java	12.03.93	09.12.93	81	50	146	137	283	107	85	192
2.	Central Java	-	01.11.93	-	40	-	-	-	72	64	136
3.	East Java	-	21.10.93	-	60	-	-	-	120	91	211
4.	NTT	28.12.93	-	68	-	177	146	322	-	-	-

5.	APPDT	04.03.93	02.12.93	31	25	65	51	116	62	59	121
6.	APPDT	07.03.93	06.01.94	25	110	59	47	106	307	21 3	520
7.	APPDT	03.04.93	29.01.94	70	15	140	128	268	47	31	78
8.	APPDT	17.04.93	-	24	-	62	45	107	-	-	-
9.	APPDT	14.08.93	-	01	-	02	02	04	-	-	-
TOTAL				300	300	664	542	1206	722	556	1258
				600		2464					

APPDT: Local transmigrants (East Kalimantan), including local military-background transmigrants (ABRI).

Source: KPUT office, in Aminnudin (1997).

The company itself had a 35-year HTI license which can be extended if necessary. Based on the company's map, the company would control almost all of the Matalibaq area (see maps, Appendix 9 and 11).³² Out of APN's area, around 20,000 ha would be cleared either for HTI plantation, transmigration settlements, transmigrants' agricultural areas, infrastructures, etc (Table 5.8).

Table 5.8. Area Utilisation Plan of PT Anangga Pundinusa

No	Areas	Size (ha)	Percentage (%)
1.	Main plantation (effective area)	14400	48.44
2.	Non-effective area	736	2.48
3.	Diversification area	600	2.02
4.	Infrastructures	6874	23.12
5.	Protected forests	4068	13.68
6.	Community area	3050	10.26
	Total	29,728	100.00

Source: PT Anangga Pundinusa (1999).

The establishment of such HTI-Trans raised question on why such project was plotted in PT Limbang Praja's logged forest of Matalibaq. According to a high-ranking company staff, it was because former President Soeharto asked Prajogo Pangestu to support the transmigration program, through the HTI plantation project (HTI-Trans). As Prajogo was a rich conglomerate at that time, the main purpose was not to generate timber revenue, but to help the government in placing poor people from a densely populated area (Java) or "unfertile" area (Flores) to sparsely populated areas or areas with abundant natural resources (East Kalimantan), aiming at improving their living condition. Another important purpose for placing transmigrants was to secure the [borderline of the] island from foreign intruders (Anon, February 2002). This is probably true for the *purpose* to improve the living condition of transmigrants. The reality is that most transmigrants later left the sites (see discussion below). The reason to secure East Kalimantan land is questionable as transmigration sites are located far away from the Indonesia-Malaysia borderline (see map, Appendix 6). I instead argued that Prajogo's willingness to establish HTI plantation in Matalibaq in responding Soeharto's request was associated with the forest condition of Matalibaq. After

³² There is a debate about the size of HTI plantation area and Matalibaq area. See discussion in indigenous resource mobilisation (*tanah adat*).

more than a decade of the absence of forest exploitation in this village, rejuvenated forests grew tremendously. Table 5.9 shows an estimation of timber production (plan) and its realisation from Matalibaq forests. By comparing this table with Table 5.6 (see above), the company's production estimation and realisation suggested that Matalibaq secondary forest produced timbers nearly the same volumes as that of virgin forest, and in numerous cases (in annual working program, RKT) its production volumes even exceeded that of virgin forest.

Table 5.9. Timber Production based on Wood Utilisation Rights (IPK)

No	IPKs	Plan		Realisation	
		Size (Ha)	Volume (m3)	Size (Ha)	Volume (m3)
1.	IPK 1992/1993 Unit I	2,520*	32,115**	n/a	32,596.76**
2.	IPK 1992/1993 Unit II		31,970**	n/a	32,435.21**
3.	IPK 1994/1995 Unit I	3,020*	n/a	n/a	n/a
4.	IPK 1994/1995 Unit II		11,500**	n/a	11,549.98**
5.	IPK 1996/1997	3,020*	69,586*	n/a	n/a
6.	IPK 1997/1998	1,000	49,940	780	49,359
7.	IPK 1998/1999	1,320	22,375	n/a	n/a
8.	IPK 1999/2000	1,320	17,282	n/a	n/a
9	IPK 2000/2001	1,320	16,077	n/a	n/a

Note: HTI plantations were planned to be harvested by 2001/2002.

Source: *PT Limbang Praja (1992); **Keputusan Kepala Wilayah Kantor Dept. Kehutanan Prop. Kaltim No. 358/Kpts/KWI/PH-1/1999 10 Nov 1999, valid 1 Sep 1999-30 Aug 2000.

This timber potential attracted PT Limbang Praja to re-exploit. Unfortunately, however, the intention to re-log the forests was hampered by government regulations. That is, a HPH company was strictly forbidden to cut timber twice in the same forestlands (logged over forest; secondary forest) within One Rotation period (35 years). One strategy to carry out a second cut within One Rotation period was by establishing the HTI plantations. This was because the HTI company would be eligible to gain an IPK licence (Wood Utilisation Permit) to log the remaining timber stands before it was cleared for the HTI plantations. In fact, in carrying out its logging activities based on IPK license, PT Anangga Pundinusa (APN) that was established thereafter employed two contractors: PT Limbang Praja (1992-1997; acting as a contractor) and PT Mulia Permata (post-1997). A huge amount of timber was subsequently logged in Matalibaq forests, as seen in the company's timber production mentioned above. Thus, timber potential was the driving force of the company's plan to establish a HTI plantation project in Matalibaq, besides soft loans/subsidies.

B.2.2.2. People's Response and Conflict Formation during the New Order Regime: Emerging and Manifest Conflict

While the arrival of the forest company in Matalibaq in the 1970s did not stimulate counter reaction from local people, the arrival of the forest company in 1992 spawned though challenge from Matalibaq people. More specifically, the

company's activities in the forestlands along Bengoh River (8,400 hectares) and Mariti/Meritiq River (6,800 hectares)—after PT Limbang Praja got its IPK license in February 1992—angered local people. This was due to the fact that the company began to cut and clear the forestlands in such areas to extract timber stands and to establish HTI plantation and transmigration settlements. Land clearing in particular severely implicated the valuable forest products and livelihood sources of Matalibaq people.

Logging, land clearing, and the establishment of HTI plantation and transmigration settlements in Matalibaq areas were accused as land encroachment of the Matalibaq customary land (*penyerobotan tanah adat*) (Matalibaq's Press Release, 6 January 1999). In expressing people's concerns and rejection, the roles of "socio-political" elite as defined earlier was crucial. First, the bureaucratic elite, particularly the Village Head, had been approached by the forest company. Second, the adat elite (Adat Leader) was not an active figure due to age. *Lembaga Adat* (Adat Council) was also not established yet. Third, NGO was not present yet at that time. With this sort of elite groups' configuration or position, "socio-political" elite—who were mostly young generation, educated people, and more aware of the long-term impact of company's activities—took the lead in facing the forest company.

Prior to the arrival of transmigrants, the most important step taken by the "socio-political" elite was to raise the issue of land encroachment to local villagers and approach the bureaucratic elite (Village Head, Chairman I of LKMD) and adat elite (Adat Leader) to take a stance. The result was that on 23 May 1992, a meeting was arranged among 137 households (KK), manager of PT Limbang Praja, manager of PT Anangga Pundinusa, and Long Iram Muspika (sub-district authorities). At this meeting, Matalibaq people expressed their objection to the company's activities, and the company responded by asking local villagers to propose a request for land compensation. On 29 June 1992, the company even wrote a letter, requesting Matalibaq people to submit compensation proposal immediately (*Kronologis Permasalahan*, APN 2001).

Based on the company's letter, on 2 July 1992, the Village Head (Hibau Bong) submitted a letter to the company consisting of 14 demands. The demands were that the company must: 1) provide land certificate for the remaining forest areas; 2) provide land certificates for gardens owned by local people; 3) build roads connecting villagers' gardens; 4) rehabilitate the village hall; 5) provide compensation Rp 100/M3 for any timbers extracted by the company; 6) provide compensation Rp 10,000/ha for forestland used by HTI company; 7) provide compensation of Rp 5,000 per house built for transmigrants; 8) provide raw materials (timber) to local people for house construction; 9) provide jobs to local people; 10) provide power generator for the village's electricity; 11) provide one unit water pump for fresh water project; 12) provide one typewriter for the village office; 13) provide 250 sacks of cement for the grading of the village road; and 14) provide seeds for villagers' gardens.

The company with a letter No 704/LPT/PH.5/XXVII/92 dated 12 August 1992, however, rejected all people's demands. This was in contrast with

company's initial stance. It seemed because the demands were regarded "too many" in the company's view. This total rejection angered local people, since they had been advised by the company and *Muspika* to list their demands.

Having received successive protests, the company later told that the BPTG Management in Jakarta had approved such 14 demands. But local people questioned this commitment as they awaited its realisation. While not yet fulfilling people's demand, the company continued its clear-cutting activities and even brought all transmigrants by 1993/1994 as planned. As aforementioned, the company brought transmigrants from various places with total transmigrants of 600 households (2,464 people) by January 1994. These numbers were over four times (400%) the total of the Matalibaq population at that time (137 households). The newcomers did not include company's staff and non-transmigrant workers.

Company's negligence to people's concerns and demands increased tensions between the company and the Matalibaq people. Complaints were submitted and meetings were arranged. Subsequently, due to people's strong protests, by 1994, three demands were fulfilled, namely, village electricity, typewriter, and partial village hall reconstruction (Hafidz *et.al.* 1997:6).

To put pressures to the company, new formal protests were submitted on 10 June 1995 and 19 October 1996, but with no results. The company continued its activities in cutting the remaining timber stands and clearing the land (Press Release, 6 January 1999). Hafidz reported that forest cutting continued extensively despite people's protests (Hafidz *et.al.* 1997:6).

Before people's complaints were contained, by 1996, Matalibaq people found PT Limbang Praja (performing as a logging contractor of PT Anangga Pundinusa) committing—in Matalibaq's terminology—timber theft (*pencurian kayu*) in the Matalibaq adat land along the four rivers (Davai, Tagah Isau, Panganan, and Bilah Rivers). It was found that the company—according to the people's accusation—cut timber illegally in such areas. On 22 November 1996, Matalibaq people reported and complained to the company management, and on 22 December the company asked to settle the case based on familiness (*kekeluargaan*). On 07 January 1997, the local community carried out an on-the-spot check and found 2,580 logs cut by the company in the Matalibaq adat land. In addition, it was found that logs totalling 6,000 cubic meters were neglected by the company and left to rot. These findings were recognised by the company. On 10 January 1997, there was a meeting between the company (Hery Prasetyo, Muaz Asmuni, Agus Pratikno) and nine Matalibaq representatives (Ding Kueng, Benny Bith, Hingan Ubung, Tekwan, Willem, Suleman, Hendrikus, Sonny J, Talang), and it was agreed that the company would stop cutting in the disputed areas.

When local community re-checked the site on 07 June 1997, it was found that the number of logs had increased (Matalibaq's Press Release, 6 January 1999). Because of this, local people submitted new compensation demands totalling Rp 5 billion, comprising of: 1) adat fine Rp 90,000,000; 2) environmental destruction compensation Rp 48,000,000; 3) compensation for the extinction of traditional medicines Rp 50,000,000; 4) compensation for timber theft of 2,580 logs Rp 3,612,000,000; and 5) compensation for the neglected 857 adat timber

(*kayu adat*) Rp 1,200,000,000. The company rejected these demanded and offered community development programs. Local people, however, stuck with their Rp 5 billion compensation demand.

In 1997/1998 there occurred big forest fires in Kalimantan, including East Kalimantan. The fires hit Matalibaq in early 1998. Fire spots mostly came from HTI areas and spread to villagers' agricultural areas. Local people argued that the fires could be prevented if the company seriously handled the fires in the first place. On 05 February 1998, *Lembaga Adat* (Adat Council) of Matalibaq sent a letter No. 06/LA/I/Jan'98 informing the company that the fires came from HTI-Trans area due to shifting cultivation activities of transmigrants and asked the company to prevent the spread of the fires (Ding Kueng and Hibau Bong, 05 February 1998). The Village Head even demanded the company to make fire seals. On 17 February 1998, the fires resulted in one casualty (Press Release, 6 January 1999). As the company was regarded responsible for the fires and their impacts, the Matalibaq people submitted further compensation demands of Rp 944,000,000, consisting of Rp 756,000,000 for burnt village gardens (153 households x Rp 5,000,000) and Rp 179,000,000 compensation to the family of the casualty. Because the company rejected the demand, on 10 January 1998, local people sent a letter to the Department of Forestry informing that the company carried out timber theft and asked the Ministry to revoke the company's license.

From the explanation above, forest conflict in Matalibaq started emerging in May 1992 and turned to manifest conflict in the following month until 1998. In this emerging and manifest conflict, no collective action and unilateral non-collective action (as defined in this research) were carried out by Matalibaq people.

B.3. Conflict Motives in Matalibaq during the New Order Era

By examining conflict development during the New Order regime (emerging and manifest conflict), it was undoubtedly that grievance motive was the driving force of forest conflict in Matalibaq. Due to perceived arbitrary forest cutting and land clearing, grievances were expressed by the locals. Village elites such as Sulaiman, Willem Geh, and Lawing maintained that the HTI project should be carried out in unproductive or degraded forests, but the company did the project in Matalibaq's production forest with its rich timber and non-timber forest products (NTFPs). Since there existed various sources of livelihood such as rattans, forest fruits, medicinal plants, birds' nests, etc, the companies were regarded as destroying people's forests and livelihood sources (FGD, 22.12.2001). This was admitted by one key informant: "Prior to the presence of HTI project, there were considerable amount of rattans, resins, and swallow's nests. With the operation of HTI company, they are now difficult to find. Birds' nests are damaged and gone" (Yohanes Anyeq, 08 March 2002).

Besides employing transmigrants as daily workers, the company (APN) recruited some Matalibaq villagers as company staff as well as daily workers in

land preparation. This created a dilemma among them, as one former company staff from Matalibaq, Hery, pointed out:

I was in a difficult position. I worked for the company but the company destroyed our forests. To the bottom of my heart, I was so sad because our forests have been sources of livings of our ancestors, our generation, and our next generation. I felt my heart crying, but I could do nothing (Hery, 7 March 2002).

People's grievances are understandable because, as briefly mentioned, PT Anangga Pundinusa gained two rights prior to the establishment of timber plantations. One concerned with logging activities through Wood Utilisation Permit (IPK) license. One concerned with land clearing activities for land preparation. Both activities could be carried out separately (cutting selective timbers first, land clearing later) or coincidentally (cutting timber and land clearing relatively at the same time), depending on forest condition or the company's ability. This happened despite the guideline that HTI plantation should be carried out in unproductive forest or degraded land. In the Matalibaq case, both methods were employed and the project was carried in Matalibaq production forests. Some forest areas were even still, according to local people, virgin forests. Sulaiman insisted that "all virgin timbers [in virgin forest] were "swept away" for HTI plantations"³³ (in FGD, 22 December 2001). People's grievances to the company were eventually expressed formally to the company in the form of the rejection of 153 households of Matalibaq (all households at that time) and the submission of 14 demands.

Albeit a direct expression of people's grievance, the company did not halt its logging activities. While in 1992/1993 the company had logged 65,000 cubic meters, until 1997/1998 the company had logged at least 124,000 cubic meters.³⁴ Land clearing activities were also unable to stop. This can be seen from the realisation of timber plantations. While in 1992/1993 the company had planted 1,040 hectares, until 1997/1998 the company had planted about 8,741 hectares. This meant that in the initial stage of HTI plantation the company had cleared the area of 1,040 hectares and the figure reached 8741 hectares by 1997/1998. This did not include forest areas that had been cleared for the base camp, the company's facilities and infrastructures, transmigration sites, etc. In responding to people's grievance, company staff maintained that land clearing for HTI plantation was approved by central, provincial, and district governments. In the company's view, it would not dare to clear the forests without having letter of permission from the government (Paulo, 25 February 2002; Baidi, 15 March 2002).

Another grievance is related to transmigration program embedded in HTI plantation project of PT Anangga Pundinusa. In villagers and elite's views (Sulaiman, Willem Geh, Ding Kueng, etc), this program was not discussed with them (Interview, March 2002; Press Release, 6 January 1999). The company,

³³ In Indonesian he said "*Kayu perawan semuanya disikat untuk HTI.*"

³⁴ Excluding the 1996/1997 timber production. For complete production list, see Table 5.9.

however, argued that its transmigration program had the approval of various parties, including the Village Head of Matalibaq. Company staff even maintained that the transmigration project was not its own project, but a government project run by the Department of Transmigration. To prove it, the company maintained that all transmigrants' houses were built by such a Department. A two-year lump sum to support transmigrants' living in the adaptation process had also been provided by this Department (Paulo, 25.02.2002). When I confronted Hibau Bong (Village Head), he said that he provided "approval" because the company brought governments' approval and numerous formal letters (Hibau Bong, 11 March 2002). Regardless of the "approval" from the Village Head, the people argued that the "approval" was given without their consent. As reported by Kadok, an NGO (Putijaji) activist:

The location of HTI Trans for transmigrants from NTT [and other places] since May 1992 covered adat land along Bengoh River with the size of 8,400 hectares and that of Meritiq River with the size of 6,800 hectares. Since then, Matalibaq's people lost their sovereignty to control, posses, manage, and utilise forest resources in such areas. Accordingly, adat community submitted their protests concerning land encroachment before the companies and rejected the placement of transmigrants in such adat land. This is particularly because the determination of HTI area and the placement of transmigrants were carried out one-sidedness, without consulting local villagers (Kadok 2001).

A rejection to the presence of transmigrants did not center on cultural issues, but on natural resources issues. And the problem here was not the size of transmigration sites, which were relatively small (a total of 180 Ha of both settlement units, compared to—based on Matalibaq's participatory mapping—88,367.20 ha of Matalibaq area). In fact, it was about the issue of control ("sovereignty") over their customary land. The insignificance of the cultural issues can be seen by examining the origins of transmigrants. More than 50% of the transmigrants were local transmigrants (East Kalimantan residents) and many of them were Dayaknese. Arguments about the natural resource issues become clearer if one highlights Matalibaq's perception of Dayaknese transmigrants. To Kenyah Dayaknese transmigrants from Datar Bilang (45 minutes from Matalibaq, see map in Appendix 10), the Matalibaq people perceived that the Kenyahnese's purpose of coming to Matalibaq as transmigrants was only to obtain or claim Matalibaq's forestlands, since they observed many of them were seldom in the transmigration sites (Sulaiman Huvang, March 20002). Thus, recent and future pressures on Matalibaq's natural resources had been the main reason for their rejection.

As far as the company was concerned, it seemed difficult for the company to change its project from HTI-Trans to non HTI-Trans since it would take time to change the license provided by the Department of Forestry. In addition, the Department of Transmigration has commenced their activities by building transmigrants' houses, bringing transmigrants, and supplying lump sums. The

continuation of the program and company's ignoring of the people's grievances on this issue caused local people to blame the company, not the transmigrants or the Department of Transmigration. Kadok, Putijaji's activist, maintained that "although there were agrarian disputes with the company, there were no conflicts between adat community and transmigrants from NTT. This was because both parties realised that the source of conflict was the company, which ignored local customary law" (Kadok 2001:30). Research findings however suggested that there was a silent conflict between Matalibaq people and transmigrants.³⁵ Previously, conflict between Madurese/Sundanese transmigrants and Dayaknese transmigrants (backed by Matalibaq people) even nearly turned to bloodshed.³⁶ In spite of that, in general, Matalibaq's grievance was mostly directed to the company over its HTI-transmigration project.

Another underlying grievance was people's grievance concerning company's behaviour in timber cuttings and in handling forest fires. For the former, the expression of people's grievance can be derived from the use of the term "timber theft" by local people. The company might claim it cut timber in its own HTI area (see map, Appendix 11). However, since the people found that logging activities in such areas were not included in the existing annual working program (RKT), local people accused the company illegally stole timber in their adat land (Press Release, 6 January 1999). This was the case as the company should cut timber within the planned blocks, which were determined and approved annually by the Department of Forestry and Forestry Services through the RKT mechanisms. Cutting timber outside the planned blocks was prohibited, and because of this the locals used offensive terminology—timber theft—to express

³⁵ Tensions between SP I transmigrants (NTT, Flores) and Matalibaq people can be seen from three issues. First, disagreement/rejection by transmigrants to pay tribute (*upeti*) to Matalibaq amounting 10% of their agricultural harvests. To the Matalibaq people, in their adat tradition, any new comers should pay a fee of 10% from the collected forest products. Second, a rejection from Matalibaq people concerning SP I transmigrants' requests to move to the main settlement of Matalibaq (Group Interview in SP I, March 2002). Third, a rejection from Matalibaq people in response to SP I transmigrants' requests to extend their agricultural areas. With these kinds of relationships, during my last visit, the SP I transmigrants planned to move to Lutan (Thomas, October 2002) (see map, Appendix 10).

³⁶ In mid 1990s, there was a conflict between Madurese-Sundanese vs. Dayaknese transmigrants in SP II. The conflict was caused by a trivial case when, during lumpsum distribution to transmigrants, a Madurese transmigrant threatened and injured a Dayaknese transmigrant. The Madurese was later in alliance with four Sundanese while the Javanese took side with the Dayaknese. Because of the Dayak solidarities, Madurese transmigrants in particular were under siege. Some escaped to the forests nearby and many asked protection to the Village Head. Having heard that dispute, the Matalibaq people had been ready to fight with their traditional weapons and continuously controlled Pariq River. Fortunately, the Madurese and such Sundanese escaped not through such river, but they were subsequently captured by the police in Long Iram (Capital of Long Iram sub-district). Although many military personnel came to the site to anticipate unintended occurrences, this news was never heard or published in the media (Interview with Hatta [SP II Village Head], March 2002). This was a small case compared to what happened in 1981 in Kelian/Long Iram (Buginese vs. Dayaknese) as mentioned earlier (*Suara Karya*, 21 March 1981).

their grievance over company's behaviour. As to forest fires, the company was regarded as not having paid serious attention to this disaster, so that most villagers' gardens were burnt down and the fires caused one casualty. In my interview with the company's director, Paulo, he said that one Indonesian leading magazine accused the company deliberately burning the HTI plantation for certain reasons. The company's director said that he was most upset by this accusation. He asserted that the company staff had struggled with the fires (Paulo, 14.03.2002). In PT Anangga Pundinusa's document, it was mentioned that the sources of fires were: a) block F-4 (diversification land); allegedly caused by *ladang* preparation (shifting cultivation) and activities in diversification plantation by using fires; b) block E-6, allegedly caused by *ladang* preparation with fires (shifting cultivation); c) block F-8 (Mariti's riverbank), the fires were allegedly caused by those who fished and made fires to cook; d) block I-11 (Mariti's river bank), they were allegedly caused by *ladang* preparation with fires (shifting cultivation) (PT Anangga Pundinusa, May 1998).³⁷ From this report, it seemed that the company blamed local people or transmigrants. Local people and their elites, on the other hand, blamed the company. The company was regarded responsible for the fires as the fire spots started from the HTI plantation areas. Elites' grievance in this issue can be observed from letters submitted by Hibau Bong and Ding Kueng requesting the company to pay serious attention to the spread of the fire as well as asking the company to admit responsibility for it (5 February 1998, 26 February 1998). People's grievance as a whole can be seen from their unanimous stance in supporting their elites' moves, particularly in demanding the company to acknowledge responsibility for the consequences of forest fires.

In expressing all of above grievances, the roles of local elites were imperative. They "summarized" and raised grievance issue to the public (adat meeting). They also formally expressed people's grievances to the company. As company's activities implicated all villagers (the loss of forest products, burnt village gardens), common villagers (the masses) also had the same grievances. But mass' grievances were solidly shaped after the elites brought the issue in a public forum (adat meeting). Thus, elites' grievances were shared by the masses as most of their livelihood sources were threatened.

Grievance motive was not the only motive in Matalibaq conflict. Economic motive was also a crucial driving force. This economic motive can be examined from cash compensation demands. From all demands submitted by Matalibaq people to the forest company during the New Order era, there were 21 items of demands (see Table 5.10). Of these, 11 demands were non-cash demands (1-11) and 10 demands were cash demands (12-21).

³⁷ See *Berita Acara Pemeriksaan Kebakaran Hutan di dalam Areal HPHTI PT Anangga Pundinusa Wilayah CDK Mahakam Ulu*, 1 May 1998.

Table 5.10. Matalibaq People's Demands to the Forest Company during the New Order Era

No	Demands	Type of Demand	Total Cash Demand (Rp)	Remarks
A.	Initial Demands (1992)			
1.	Certificate of the remaining adat land (outside HTI plantation)	Non-Cash	-	Not realised yet
2.	Certificate of village gardens (429 hectares)	Non-Cash	-	Not realised yet
3.	Roads connecting village gardens owned by villagers (4 km)	Non-Cash	-	Not realised yet
4.	Rehabilitation of village hall	Non-Cash	-	Partially realised
5.	Timber for house construction (10 M3/household)	Non-Cash	-	Not realised yet
6.	Provide jobs to local villagers	Non-Cash	-	Realised
7.	Provide one power generator.	Non-Cash	-	Realised
8.	One unit water pump (water pump, 4 water tanks, 50 m hose)	Non-Cash	-	Not realised yet
9.	Type writer for village office	Non-Cash	-	Realised
10.	250 sacks of cement for the grading of the village road	Non-Cash	-	Not realised yet
11.	Provide seeds for gardens owned by villagers.	Non-Cash	-	Realised
12.	Compensation of Rp 100 per cubic meter timbers extracted by the company	Cash	Not precisely defined yet	Not realised yet
13.	Compensation of Rp 10,000 per hectare land used for HTI-Trans	Cash	Not precisely defined yet	Not realised yet
14.	Compensation of Rp 5,000 per house built for transmigrants	Cash	Not precisely defined yet	Not realised yet
B.	Timber Theft Case (1996/1997)			
15.	Adat fines	Cash	90,000,000	Total: Rp 5,000,000,000, Not realised yet
16.	Environmental destruction	Cash	48,000,000	
17.	Extinction of traditional medicines	Cash	50,000,000	
18.	2,580 logs stealing	Cash	3,612,000,000	
19.	Neglected 857 adat timber	Cash	1,200,000,000	
C.	Forest Fire Case (Jan-Feb 1998)			
20.	Collective Demand, 153 households @ Rp 5,000,000	Cash	756,000,000	Total: Rp 944,000,000, Not realised yet
21.	Private Demand (family of the casualty)	Cash	179,000,000	

Exchange rates: 1992-May 1999, \$ 1=Rp 2200-2,400; Oct 1997, Rp 4000; 16 Dec 1997, Rp 5,600; 8 Jan 1998, Rp 10,000; 17 Jan 1998, Rp 17,000; Feb 1998, Rp 10,000-11,000.

As far as non-cash demands are concerned, out of 11 demands, only four demands were related to *tanah adat* struggle (demand Nos. 1, 2, 3, and 5), which might considerably represent a true people's grievance in general. From these four demands, however, only two demands (Nos. 1 and 2), that is, certification of the remaining *tanah adat* and village garden, did directly relate to the status on *tanah*

adat. Demand No. 3—road construction to connect villagers’ gardens—did not relate to the status of *tanah adat* but was merely a request to open the isolated gardens which could be done by one or two bulldozers owned by the company. Demand No. 5—timber demand of 10 M3 per household—also did not relate to the status of *tanah adat* but material compensation request in the form of timber. While demands Nos. 3 and 5 could be fulfilled more easily by the company, demands Nos. 1 and 2 were the difficult ones, as issuing certificates for a large track of forestlands involved numerous government agencies.

In regard to cash-demands, numbers of items were relatively the same (10 items compared to 11 items). However, the values of these cash compensation demands were huge. While the values of cash-demand in initial demands (1992) were not precisely defined yet, for timber theft case, Matalibaq people demanded Rp 5 billion. Similarly, in the forest fire case local people demanded Rp 944 million. Huge values of demand were much expected by local people as it could provide significant shares to local people. This amount of the demand was drafted and proposed by village elites (bureaucratic elite, *adat* elite, and socio-political elite). Thus, elites’ economic motive was observed. However, as these demands were discussed and decided in *adat* meetings, this economic motive was also the motive of local people as a whole. In other words, elites’ economic motive was shared by the masses.

It is difficult to conclude whether economic motive outperformed grievance motive, or vice versa. The most obvious one is that—by observing conflict formation—grievance motive came earlier. Because of people’s grievance, local people believed themselves deserving of cash compensation. Thus, economic motive was legitimised or justified by grievance motive. The grievance itself was stimulated by economic motive of the company. The economic motive of the company can be derived from timber-oriented activities of PT Limbang Praja/PT Anangga Pundinusa, the timber-hungry nature of the company, and the timber theft case as discussed above.

The question is then why did the company log so rapaciously in Matalibaq? This was because PT Barito Pacific Timber Group (BTPG) was structurally timber-hungry. BPTG had a plymill factory (TYSP) and this factory needed to be fed constantly with timber to keep the business rolling. Surprisingly, the input capacity of this factory was 526,000 cubic meters per year, as seen in Table 5.11.

Table 5.11. Annual Timber Demands of PT Tunggal Yudi Sawmill Plywood

No.	Production	Output Capacity	Input Capacity (M3/year)
1.	Plywood	5,000,000 pieces/year	430,000
2.	Sawn timber	48,000 m3/year	96,000
TOTAL			526,000

Source: PT Limbang Praja (1992).

To supply the timber-hungry plymill factory of TYSP, TYSP/PT Limbang Praja production could only meet 16% of input capacity (see Table 5.12). The rest was supplied by BPTG’s timber group companies (57%) and other timber companies such as PT Gruti, PT. Kutai Indo Prima, PT. Metro Daya Buana, PT.

Triwira Asta Barata, PT. Segara Timber, PT. Bengen Timber, and PT Ocean Timber Product. Thus, although timber extracted from IPK license was included, it was still not sufficient to feed its factory by BPTG's subsidiary companies.

Table 5.12. Timber Supply to PT Tunggal Yudi Sawmill Plywood

No.	Supplied by	Total Supply (1992)	
		Percentage (%)	Volume (m3)**
1.	PT. Limbang Praja	16	84,160
2.	HPH Group Companies	57	299,820
3.	Outside Group/Other*	27	142,020
TOTAL		100	526,000

* PT Gruti, PT. Kutai Indo Prima, PT. Metro Daya Buana, PT. Triwira Asta Barata, PT. Segara Timber, PT. Bengen Timber, PT Ocean Timber Product.

** Counted based on percentage of total supply.

Source: PT Limbang Praja (1992).

By June 1997, the production capacity of TYSP plymill factory dropped to 311,500 m³. But TYSP timber production (logging) was also dropped to 40,809,92, meaning that its total supply was about 13% to TYSP plymill factory. Thus, the rest should be supplied by other means (group companies, purchasing from outside group companies, etc) although timber production from IPK has been included.

Table 5.13. Annual Timber Demands of PT Tunggal Yudi Sawmill Plywood 1997

No.	Industry Output	Production Capacity	Remarks
1.	Sawmill	98,000	Log production of Inhutani I/TYSP in 1996/1997 RKT = 40,809.92 m ³
2.	Woodworking	10,500	
3.	Plywood	175,000	
4.	Blockboard	28,000	
TOTAL		311,500	

Source: PT Inhutani I (d/h PT Tunggal Yudi Sawmill Plywood Unit II) (1997).

Moreover, the TYSP plymill factory was one of BPTG plymill factories/companies. BPTG had other four Barito Pacific plymill factories that needed to be fed constantly with timber. Due to the lack of supplies from its group companies, the four plymill factories should purchase timber from other companies such as Braha Ternate, ITCI, Poleko Trading Co, Ratah Timber Co, Green Delta, and Yubarson Trading, as seen in the following table.

Table 5.14. Timber Concessions *not* owned by Barito Pacific which supply Barito Pacific mills

No	Name of non-Barito Pacific (BP) HPH which supplies BP mill	Group(s) to which the HPH is licensed (if known)	Total hectares of the HPH	Total ha's assumed dedicated solely to BP	Name of Barito Pacific mill supplied by the HPH
1.	Braha Ternate	-	30,000	30,000	Tunggal Agathis
2.	ITCI	Army/Bimantara	570,200	235,100	Sangkulirang Bhakti
3.	Poleko Trading Co.	Poleko	56,500	28,500	Yurina Wood Ind.
4.	Ratah Timber Co.	Roda Mas	125,000	62,500	Sangkulirang

					Bhakti
5.	Green Delta	Air Force	74,000	74,000	Yurina Wood Ind.
6.	Yubarson Trading	Poleko	45,000	22,500	Yurina Wood Ind.

Source: Brown (1999).

Thus, the structure of BPTG caused its subsidiary companies to speed up production in order to narrow timber purchase from other companies. This made its subsidiaries timber-hungry and stimulated them to use many means to maintain a steady flow of timber production. Timber hungry-related activities of the companies eventually generated people's grievance. This grievance legitimised people's demand for cash compensation.

B.4. Indigenous Resource Mobilisation: *Masyarakat Adat*, *Adat*, and *Tanah Adat*

In East Kalimantan, the term *adat* (customs, norms, customary law) had been commonly used during the New Order era while the use of terms *tanah adat* (adat/customary land) and *masyarakat adat* (adat/customary community) was relatively new. The last two were introduced, particularly by NGOs, since at least the early 1990s. Previously, *wilayah desa* (village area) was used to refer to or to include *tanah adat* while the term *masyarakat* or *warga* (society/community) was used to refer to or to include *masyarakat adat* (adat community). In case indigenous people were mentioned, *tanah ulayat* (communal land, as was the case of Sumatra) was used to refer to *tanah adat* while *kesatuan masyarakat hukum adat* (tribal community) was used to refer to *masyarakat adat*. As discussed in Chapter 4, an intense debate on, particularly, *tanah adat/tanah ulayat* in East Kalimantan occurred since early 1990s as a response to the stance of the East Kalimantan Office of the Department of Land Affairs that did not recognise the existence of *tanah ulayat* in East Kalimantan. This stimulated NGOs to study and promote the use of the terms *tanah adat* and *masyarakat adat*, besides empowering *adat*.

The involvement of NGOs in Matalibaq, particularly Putijaji, greatly contributed to the use of three interrelated Dayaknese indigenous resources—*masyarakat adat*, *adat*, and *tanah adat*—in the struggle against the forest company as they had the potential to undermine the company's arguments, stance, and resistance. Willem Geh, one of village elite, revealed early involvement of NGO in Matalibaq:

I used to work in Surabaya [East Java] for years. When I backed home, I saw our forests were destroyed by the company. The company cut the forests arbitrarily and cleared the forestland. We then gathered and discussed these issues with our friends. We also needed advise from NGO to discuss our concerns so that I went to Samarinda. When I raised these issues and asked the possibility to submit a demand, NGO's activists said, "You can" (Willem Geh, March 2002).

The Matalibaq conflict emerged in May 1992 and Putijaji was established in December 1998. This meant that indigenous resources, particularly *adat* and *tanah adat*, had been used by local elite prior to the arrival of NGO activists in Matalibaq. However, as this was a new case, and even the monumental one in East Kalimantan,³⁸ the use of such indigenous resources by local elite was not well organised yet and therefore a mixture in using indigenous resources related terms were found. It was due to the empowerment program of NGO, that the use of such indigenous resources was later solidly shaped in the Matalibaq movement.

As far as *masyarakat adat* (adat community) was concerned, the development of the use of this indigenous resource in the struggle against the forest company can be observed from the development of the use of this terminology in Matalibaq. Initially, the term *masyarakat* Matalibaq and *warga* Matalibaq (Matalibaq community) was used. In the meeting of 23 May 1992, for instance, it was stated that a meeting between “137 *warga* Matalibaq [Matalibaq community] with Manager of PT Limbang Praja, Manager of HTI [PT Anangga Pundinusa], and Muspika Long Iram” (Kronologis 1992-2001) took place. Even in the submission of 14 demands to PT Limbang Praja/Anangga Pundinusa, in the document dated 2 July 1992 and signed by Hibau Bong (Village Head) and Bith Djau (Adat Leader), local people used the term *masyarakat* (community).³⁹ The change occurred at least since 1993, when the term *masyarakat adat* (adat community) was used. A letter dated 4 January 1993, for instance, mentioned the response of *masyarakat adat* to the company, questioning the fate of Matalibaq’s 14 demands. Since then, the term *masyarakat adat* was frequently but still interchangeably used with the term *masyarakat* in the Matalibaq conflict documents. As noted, it was due to the active involvement of NGO in Matalibaq, that the term *masyarakat adat* was later commonly used.

Why was the term *masyarakat adat* important? This was related to the rise of a nationwide movement in introducing and promoting the term *masyarakat adat* (adat community or customary community) by NGOs. This movement was initiated in 1993 with the establishment of JAPHAMA (*Jaringan Pembelaan Hak-hak Masyarakat Adat*, Indigenous People’s Rights Advocate Network). As one account maintained:

At a meeting in Tanah Toraja, Sulawesi, in 1993, indigenous leaders and supportive NGOs established JAPHAMA. An important outcome of the meeting was a consensus among participants to use and promote the term “customary community” (*masyarakat adat*). The term refers to a community that has maintained its traditional community-based property rights, customs, and institutions. The term was selected in direct response to

³⁸ In East Kalimantan, there was another monumental case, namely the struggle of Dayaknese Bentian against Bob Hasan’s companies. The HPH company (PT Kalhod Utama) operated since 1982 and the conflict greatly exploded in 1992-1993 when the HTI company (PT Hutan Mahligai) began to operate (*Manuntung Kaltim Post*, 28 October 1998; Dingit 1999). One environmental NGO had empowerment programs in this village.

³⁹ In submitting such 14 demands however *adat* and *tanah adat* had been used.

existing government terms like “isolated communities” or “communities not yet modern,” which were viewed as pejorative. It is important to note that the equivalent word for “indigenous” in Indonesia is not used by customary leaders because most Indonesians can rightfully claim to be indigenous. The primary distinction is that customary communities have maintained a level of customary law and other practices distinct from homogenous political structure imposed by the central government (Fay and Sirait 2002:130).

Putijaji has been a member of JAPHAMA, besides Walhi (LP3ES 2003), and Putijaji’s “working area” was in Matalibaq where the activists greatly assisted Matalibaq people in the struggle against the forest company. With Putijaji’s concern and activities in Matalibaq, empowering *masyarakat adat* included the promotion or *sosialisasi* of such term to the Matalibaq community.

The most important issue in the term *masyarakat adat* was the issue of indigenous rights of adat/customary community (*masyarakat adat*). At this point, the promotion of the term *masyarakat adat* was aimed at improving the awareness of the locals about their identity and particularly their indigenous rights over land. Increased awareness about their identity and indigenous rights—due to the empowerment program of NGO—can be incurred from two issues. First, the term *masyarakat adat* has become a “standard” terminology used by Matalibaq people in identifying themselves and in dealing with the forest company (Matalibaq Conflict Documents 1992-2001, field observation 2001-2002). This is an evidence of the success in promoting the term *masyarakat adat* in Matalibaq. Second, a re-writing of the history of Matalibaq people. This was the outcome of the application of participatory approaches employed by NGO in empowering the Matalibaq people. Encouraged by NGO, local people wrote a document entitled “The History of the Adat Community of Telivag” (*Sejarah Masyarakat Adat Telivag*). Telivag is the name of one of the Dayak Bahau sub-ethnic groups (Simon Devung, personal communication 2001). This document (dated 5 January 1997) was written by the “socio-political” elite of Matalibaq, Isodorus Huvang, based on interviews or information from 21 elder people of Matalibaq. In the last three pages, with subheading “Adat Community of Uma Telivag” (*Masyarakat Adat Uma Telivag*),⁴⁰ this document was signed by 50 persons,⁴¹ and certified by the Chairman of Adat Council (Ding Kueng), Adat Leader (Bith Jau), and Village Head (Hibau Bong). This document did not only discuss the origin of Matalibaq people but also their *tanah adat* and *adat* system. Regardless of its main aim—to provide historical evidence concerning Matalibaq people’s claims over their customary land—a rewriting of such a “participatory” document mirrored a solid internalisation of the idea behind *masyarakat adat*.

In regard to *adat* (customary norms, rules of the games, or law), the use of adat in the movement was carried out by mobilising the potentials of adat in the struggle against the forest company. As adat was the rules of the games in

⁴⁰ The term “Matalibaq” is originated from “Uma Telivag” (the village of Telivag people), pronounced as “Matalibaq” by outsiders in the past, particularly by government’s officials.

⁴¹ The list consists of 100 signature fields, but only 50 persons did put their signatures.

governing the society in public life and can be imposed to community members (norms, adat sanction) and outsiders (e.g. adat fines), adat had great potentials in guiding the masses in the movement and in punishing outsiders in the struggle. On a conceptual level, mobilisation of adat in Matalibaq can be derived from the “attachment” of *adat* into certain words (functioning as adjective) and the frequent use of it in the movement. The most obvious examples were *masyarakat adat* (adat community), *tanah adat* (adat land), and *denda adat* (adat fine). Other examples were *hutan adat* (adat/customary forest) and *kayu adat* (adat timber). In mobilising this, four sub-groups of elites (bureaucratic elite, adat elite, socio-political role, and NGO elite) played crucial roles. Bureaucratic elite and adat elite played roles in promoting and imposing such term against outsiders (forest company, Department of Forestry). Hibau Bong (Village Head) and Hingan Ubung (Chairman I of LKMD) were key persons of bureaucratic elite in this regard, and Bith Djau (Adat Leader) and Ding Kueng (Chairman of Adat Council) were central figures of adat elite in this issue (see Letter dated 10 January 1998, formal demands as summarised in Table 5.10). These four key persons went hand in hand in mobilising adat by using such terminology through formal letters.⁴² In regard to socio-political elite, it was this elite actually playing a role “behind the scene.” Most letters and formal demands were drafted and typed by this elite group, before the letters or documents were signed by such bureaucratic and adat elites. In respect to NGO’s roles, as noted, Putijaji activists played important role in promoting the intense use of *masyarakat adat* and *tanah adat* terminology to the community to shape the movement.

On a practical level, the use of adat mechanism to gather the masses was central during the New Order era. In this respect, all sub-groups of village elites committed to use adat meeting mechanism to gather the masses and to discuss their problems. Bureaucratic elites such as Hibau Bong (Village Head) and Hingan Ubung (Chairman of LKMD) even rarely used *rapat desa* (village meeting) to gather their masses (mass-elite relationship under modern village government system). In regard to NGO elite, their role was observed in empowering the *adat* through the establishment of Adat Council/Organisation (*Lembaga Adat*). This effort was taken as the adat leader of Matalibaq was regarded as too weak. The age and his lack of experience in dealing with new village’s dynamic and outsiders were the main considerations. As it was difficult to replace the Adat Leader due to his lifetime appointment, *Lembaga Adat* was established under the assistance of NGO (Interview with Lawing, March 2002). In the report written by the Executive Director of Putijaji, *Lembaga Adat* was established in 1994 (Kadok 2001) and it was mentioned that the Chairman of Adat Council (*Ketua Lembaga Adat*) was elected by the people and his appointment did not need the District Head’s Letter of Decision. Thus, this arrangement changed the pattern in the appointment of adat-related leaders to meet new democratic aspirations. Apart from empowering the adat system, the establishment of *Lembaga Adat* was actually a move to formalise the adat movement through formal adat organisation. The establishment

⁴² See Matalibaq Conflict Documents, 1992-2001.

of formal organisation was regarded necessary as local community would deal with formal organisation (company, government bodies, etc). In the course of conflict development during the New Order era, the Chairman of *Lembaga Adat* played greater roles than the *Adat Leader*, particularly in dealing with outsiders or forest company. Most formal documents produced by Matalibaq during this period were also with letter-heading this adat organisation (see Matalibaq Conflict Documents 1992-2001). Thus, the establishment of *Lembaga Adat* and its crucial role in the course of conflict development mirrored the success in the empowerment of adat through organisational channel (*Lembaga Adat*).

Concerning *tanah adat* (customary/adat land), this was the most important indigenous resource to be used in dealing with PT Anangga Pundinusa. As mentioned, *tanah adat* terminology had been used by local elite before NGO commenced its activities in Matalibaq. The important role of NGO was to compile indigenous knowledge and empower the potential of institutions existing in *tanah adat*. Therefore, NGO did not create a new one but to compile and empower the existing indigenous knowledge or institutions to make it effective in the movement. One important effort undertaken by NGO was by conducting a participatory mapping in Matalibaq to map the Matalibaq *tanah adat*. This was regarded important, as there was strong criticism concerning *tanah adat* boundaries, which were regarded vague because the boundary lines were drawn by using nature signs (hills, rocks, rivers, trees, etc) (cf. Vice Director of APN, Hatta 25.02.2002). Previously, Matalibaq area was estimated about 775,000 hectares. Assisted by NGO activists, a participatory mapping was undertaken and its area was counted as 88,367.20 hectares (Matalibaq Map 1996, see Appendix 9). In this map, the land was divided into the existing traditional land use system, such as *tanah mawa* (reserved forestland, for communal use), *tanah berahan* (forestland for private use/making money), *tanah too* (virgin forest), *tanah lumaq* (village garden), etc. The compilation of these traditional knowledge and practices in the map was important to convince the outsiders (particularly the company) in that the land had been used for over a hundred of year ago by Matalibaq's ancestors. Reports published afterward however mentioned different sizes. Reports made by Putijaji and Jakarta-based NGO activists, for instance, mentioned that the size of Matalibaq area was 775,000 hectares (Kadok 2001:5, Hafidz 1997:10). In addition, research conducted by the Institute of Global International Strategies (IGES, Japan), reported the same size, 775,000 hectares (Nanang and Inoue 2000:176) (see map, Appendix 8). In the same token, Matalibaq's Press Release mentioned a total size of 775,000 hectares (Press Release, 6 January 1999).⁴³ My interviews with local elites of Matalibaq, such as Sulaiman Huvang, revealed that the size of 88,367.20 ha was unchallenged as this was based on participatory mapping.

⁴³ In Matalibaq conflict document, the Press Release was dated 06 January 1998. I suppose this date was mistyped as in the document it was reported that Adat Oath was declared on 17 November 1998. Other occurrences and agreements mentioned in the Press Release were dated February 1998, 18 November 1998, 23 November 1998, 26 November 1998, 26 November 1998, 30 November 1998, 04 December 1998, 15 December 1998, 16 December 1998, 29 December 1998, etc. I used 06 January 1999 instead.

According to a high ranking company staff of APN though, based on overlapping maps, the Matalibaq area was estimated as around 30,000 ha, since most of the Matalibaq areas were the HTI plantation areas of APN (29,728 hectares) (Anon, February 2002) (see maps, Appendix 9 and 11).⁴⁴ Matalibaq people, as maintained by Isodorus Huvang, however, resisted the claim on such size by arguing that such a map (with total size of 88,367.20 ha) was made by using participatory mapping method and advanced technology/tools such as compass, satellite/radar images, GPS, etc.⁴⁵

Regardless of the dispute in the exact size of Matalibaq *tanah adat*, an effort to “promote” *tanah adat* was successful in Matalibaq. This was because the Matalibaq community was homogenous in terms of ethnicity and such *tanah adat* issues revived historical memories of Matalibaq people concerning their ancestors’ efforts in controlling such land (cf. Matalibaq-Kutai Kingdom relations). Success in promoting *tanah adat* can be derived from empirical evidence. First, in contemporary Matalibaq, similar to the term *masyarakat adat*, the term *tanah adat* has become a “standard” terminology used by its people in identifying their village areas.⁴⁶ *Second*, local elite’s strategy in using *tanah adat* to deal with the company, as explained by Hibau Bong (Village Head). I was curious as to why the *tanah adat* concept just recently emerged and had become grassroot movement in Matalibaq. In the interview, he explained the evolution of *tanah adat*. He maintained that in the past, what was called *tanah adat* was *tanah peraaq* or *tanah mawa* (reserved forests, or forestland for communal or emergency use), a certain plot of land/forestland in the village areas. Other plots of forestlands had their own names such as *tanah too* (virgin forest), *tanah berahan* (forestland for making money, e.g. rattan collection for private use), *tanah lumaq* (village garden), *tanah kaso* (hunting ground), etc. All of these were called *kawasan adat* (adat areas). The change occurred when the *tanah peraaq* was destroyed by the company along with *tanah berahan*, *tanah too*, etc. Because of this, Matalibaq people subsequently insisted that all of their land (*kawasan adat*) had been *tanah adat* (adat land). According to the Village Head, this was because there have been no longer clear boundaries among *tanah peraaq* (“*tanah adat*”), *tanah berahaan*, *tanah too*, *tanah kaso*, etc. Most of them have become HTI plantation areas (Hibau Bong, 11 March 2002). To strengthen their claims, Matalibaq people re-sketches the boundaries of their *tanah adat* in the map based on such land classification (*tanah peraaq*, *tanah berahan*, *tanah lumaq*, etc) (see map, Appendix 9). This was a strategy used by local people to prevent further damage to the Matalibaq area or to prevent other

⁴⁴ If one looks at APN’s map, only a small part of Matalibaq area is the area of other HPH companies (most Matalibaq area became HTI plantation area) (see maps, Appendix 10 & 11). If one looks at the former map of Matalibaq, HTI plantation area was a small part of Matalibaq area (see map, Appendix 8).

⁴⁵ In the legend of the Matalibaq map, it is mentioned: “This map was made by the Matalibaq community on 19-25 November 1996, based on Radar Imagery Map (*Peta Citra Radar*) pages 18 16-11, 18 16-13, 18 16-14, 18 16-41, and 17 16-34. The tools used were compass, tape measure, and GPS” (see map, Appendix 9).

⁴⁶ Field observation, Interviews, Conflict documents, Questionnaires, 2001-2002.

parties or companies to further exploit their land. “This was a (political) strategy of the Matalibaq people”, said Hibau Bong (Hibau Bong, 11 March 2002).

The above discussion is about the mobilisation of indigenous resources for mostly internal use. That is, the mobilisation of the potentials behind such resources to strengthen their claims or to empower the community. In the study of mobilisation, such efforts were part of the so-called “framing process,” namely, a process to frame the masses in the movement to achieve a collective goal. The framing process was the most important initial step to bind the masses to achieve the collective goal (Benford and Snow 2000). Framing process was not only carried out by NGO elite (to local elites and the masses) but also by local elites (to the masses). This became clearer by observing the whole conflict process during the New Order era as described earlier. Three types of framings have been carried out by the NGO elite and the local elites (bureaucratic elite, adat elite, socio-political elite): diagnostic framing (to frame the masses by raising their indigenous rights and problems faced by adat community [destruction of adat land, the loss of livelihood sources]), prognostic framing (to frame the masses by raising the issue of adat community as a victim, those responsible for, and proposed solution for people’s suffering [compensation demand]), and motivational framing (to frame the masses by using certain vocabularies to motivate adat community to continue their struggle against the forest company [*penyerobotan tanah adat* or adat land encroachment, *empat belas tuntutan* or 14 demands, *pencurian kayu* or timber theft, *tuntutan kebakaran hutan* or forest fire-related demands]).

Indigenous resource mobilisation for internal use was not the only mobilisation carried out by the elites—bureaucratic elite, adat elite, socio-political elite, NGO elite—in the Matalibaq conflict. The elites also mobilised such resources for external use. While mobilisation by NGO was unquestionable in this respect (NGO networks, press release, internet,⁴⁷ etc), it is more interesting to see indigenous resources mobilisation by local elites (bureaucratic elite, adat elite, socio-political elite). One example of this was the move made by village elites after the company cut timber in Matalibaq *tanah adat*. Local elites such as Hibau Bong and Hingan Ubung (bureaucratic elite), Ding Kueng (adat elite), Willem, Huvang, Tekwan, P. Ding T. (socio-political elite) complained to the company concerning its activities in Matalibaq *tanah adat*, particularly in Mariti/Meritiq River. With the use of *tanah adat*, *masyarakat adat*, and adat rules of Matalibaq, it was then agreed that the company would “stop company operation in *tanah adat* (right side of Mariti River), [and] not to move the logs that had been cut.” Local elite also requested the company not to extend its HTI plantation areas. Company’s stance was that the company would not exploit *tanah adat* if there had been clear boundaries (*Berita Acara Pertemuan*, 1996 [no date]; cf. Lembaga Adat Document, 22 December 1996).

Another example was the move made by bureaucratic elite (Hibau Bong) and adat elite (Bith Djau, Ding Kueng) in “attacking” PT Anangga Pundinusa by sending the resume of an adat meeting on 5 January 1997, as follows:

⁴⁷ See Apakabar, <http://www.library.ohiou.edu/indopubs>.

Based on consensus, which was used as a basis of the decisions made by the Matalibaq adat community on 03 January 1997 and 05 January 1997 in the Adat Hall (list of participants attached), it was decided that the imposition of Adat Fine was based on the existing adat law (Compensation Demand and the Damage/Destruction of Matalibaq *tanah adat*).

Based on the existing facts, *Lembaga Adat* in its adat meetings with the adat community had decided the imposition of Adat Fine amounting Rp 5 billion (Hibau Bong, Bith Djau, and Ding Kueng, 05 January 1997).

There were some reasons behind such an adat fine as environmental destruction (by company's heavy mechanical equipment), the loss of valuable forest products, environmental pollution (muddy river), the loss of traditional medicines, and—the most important thing—the damage/destruction of *tanah adat* (Hibau Bong, Bith Djau, and Ding Kueng, 05 January 1997). From this occurrence, local elite—backed by community members—used their indigenous resources in legitimising cash compensation demand.

In another occurrence, a meeting was arranged between company staff and village elites (Ding Kueng [adat elite], Hingan Ubung [bureaucratic elite], Sulaiman, Willem, Tekwan, Benny Bith [socio-political elite]). One important conclusion of the meeting was that: “Because of the existence of *tanah adat* dispute with the company and there has been no clear resolution so far, timber cutting has been stopped provisionally in the disputed area” (Resume of Meeting, 10 January 1997).⁴⁸ This agreement showed that the use of indigenous resources, particularly *tanah adat*, yielded in considerable outcome.

Indigenous resources were not only used to deal with a forest company, but also to outsiders other than the forest company. For instance, in a letter to the Minister of Forestry, Bith Djau (Adat Leader), Hingan Ubung (Chairman I of LKMD), and Ding Kueng (Chairman of Adat Council) informed the Minister as follows:

The company has encroached adat forests owned by the community. Because of that, [high quality timber species like] *Ulin*, *Bengkirai*, *Lemhan* etc that have been preserved by the community as reserved materials have been logged out by the company. Rattans, resins, and *gaharu* [*Aquilaria malaccensis* LAMK] harvests decreased. The harvests of bird's nests also decreased as the bird habitats were disturbed. Another impact is that the river as sources of people's lives is now becoming muddy; the river no longer produces fishes as many as before.

Based on that, we, the adat community of Matalibaq, demand Rp 5 billion as a compensation for people's sufferings (Bith Djau, Hingan Ubung, and Ding Kueng, 10 January 1998).

⁴⁸ This meeting was attended by nine Matalibaq people: 1) Ding Kueng, 2) Benny Bith, 3) Hingan Ubung, 4) Tekwan, 5) Willem H, 6). Suleman, 7) Hendrikus, 8) Sonny Jenau, and 9) Talang.

In the letter above, such local elite also stated that because the company rejected such compensation demands, the adat community of Matalibaq requested the Minister of Forestry “not to provide [an approval for] a new RKT (annual working program) to PT Limbang Praja...before the dispute with Matalibaq is settled...[This is] to prevent the increased escalation of the problems.” It was also requested that the Minister of Forestry should “provide a written recognition on *tanah adat* of Matalibaq and distribute it to all subsidiaries of Barito [Pacific Timber] Group” (Bith Djau, Hingan Ubung, and Ding Kueng, 10 January 1998).

In order to force the Minister of Forestry to pay attention to Matalibaq’s concerns and requests, Bith Djau, Hingan Ubung, and Ding Kueng asked Walhi (Jakarta-based environmental NGO) to assist the Matalibaq people:

Concerning the Rp 5 billion demand, which was rejected by HPH Limbang Praja and the company has not recognised the existence of Adat Law, the adat community is very disappointed with the company’s [stance and] statement. We demand HPH Limbang Praja to be concerned with such matter. The company broke many regulations, among others:

- i. The company operated outside a designated RKT area allocated by the Department of Forestry (or related government bodies).
- ii. Stealing timber outside the RKT forest blocks so that an overproduction has been inevitable. As a consequence, a huge amount of logs were dumped and left to rot in our adat land.

[With such problems,] the adat community asked assistance to Walhi to raise this problem to the surface as regard to our letter to the Minister of Forestry demanding the license of HPH Limbang Praja (BPTG) to be revoked (Bith Djau, Hingan Ubung, and Ding Kueng, 10 January 1998).⁴⁹

Based on those explanations, indigenous resources of *masyarakat adat*, *adat*, and *tanah adat* had been mobilised in dealing with the forest company during the New Order era. Although local elite had mobilised them prior to the arrival of NGO, NGO played crucial roles in making indigenous resource mobilisation well organised and well grounded through its empowerment program. As a result, adat community was well framed in the movement, and indigenous resources mobilised by the local elite became better organised in dealing with PT Anangga Pundinusa. The mobilisation of such resources during the New Order was however still in the form of the mobilisation of the potentials of such indigenous resources or through “soft” measures, such as arranging adat meeting, sending letters, or carrying out on-the-spot inspection in the HTI area.

⁴⁹ The CCs of this letter were sent to NGOs in Samarinda, such as LBBP (Putijaji), Plasma, SHK, and Komite HAM Kaltim.

B.5. Risks of Action during the New Order Authoritarian Regime

During the New Order era, since the conflict emerged (May 1992) and became manifest conflict (June 1992-May 1998), there had been no collective action and ultimatum staged/imposed by Matalibaq people. People's action was to express complaints and to submit demands to the company as well as to ask the Minister of Forestry to take action. It was true that during a timber theft case (1996-1997), local people inspected the timbers cut by PT Limbang Praja. However, this action was aimed at collecting data on how much timber had been logged by the company in the effort to convince the company management and related parties. In fact, these findings were recognised by the company (Press Release, 6 January 1999). During forest fire cases, village elites only informed the company about the spread of the fires from the HTI plantations to the villagers' gardens. No collective action or ultimatum as defined in Chapter 2 was discerned during this period (New Order era).

The reason for this was because local people were scared to stage mass action (collective action) or unilateral action (e.g. ultimatum to leave the area) due to political environment and regime's grip in the area, including in Matalibaq. Regime's grip can be examined from people's political preference as discussed.

The most important thing regarding regime's grip was the presence and performance of a repressive security apparatus. As aforementioned, Matalibaq village was under the surveillance of security forces and New Order political machines had successfully created a "culture of fear." With the ubiquity of the military whose responsibilities were to handle wide-ranging issues (dual function) and to put security issue as a top priority (security approach), conducting political activities or mass mobilisation were at risks at that time. A close connection between the company and *Muspika* (sub-district civil administration, military commands, and police force)—that could make contacts at any time (CB communication available in the base camp)—made the security apparatus easier to monitor the development of village's situation. The ubiquity of the military in the area (ABRI-background transmigrants, Babinsa, *Koramil*) equipped with dual function doctrine and security approach had prevented the community to act; to carry out political mobilisation other than mobilising the masses to vote for Golkar was so risky. In 1997, for instance, having carried out village communal work (*gotong royong*) near the base camp, Matalibaq people came to the base camp to discuss their demands. The meeting between the company and Matalibaq elite (watched by Matalibaq people) ran well and nothing happened. However, after the meeting, Matalibaq elite such as Sulaiman Huvang requested the company's administrator to issue a statement mentioning that Matalibaq people came to the base camp after carrying out *gotong royong*, discussed people's demands, and no riots occurred. In a letter signed by Chief Officer of APN entitled "To Whom It May Concern," it was stated:

This is to certify that on 10 January 1997 there was a meeting between the Matalibaq community and the company of Barito Pacific Timber Group in

the base camp of *Ban Lirung Haloq*, as a follow-up of the agreement reached on 22 December 1996.

In such a meeting there was no unrest/riot (*keributan/kerusuhan*) and the meeting was carried out with the spirits of consensus and familiness between the community and the company.

Besides, there were village communal works to pick up raw materials [timber] from the *Ban Lirung Haloq* site for the construction of the Matalibaq Adat Hall (Muaz Asmuni SH, *Surat Keterangan*, 21.01.1997).

My interview with local elite, Isodorus Huvang, revealed that the reason behind this request was because they were scared to be accused by security apparatus as *penggalangan massa* (mass mobilisation). Huvang maintained that *penggalangan massa* would end with detention or interrogation, particularly for the leaders or initiators (Huvang, 22 December 2001). This occurrence demonstrated how effective military organisation and institutions were, particularly security approach institution, in reaching and controlling a remote area. In addition, the behaviour of the military was of concern. Key informants revealed that, angered by people's tough stance against the forest company, military personnel on some occasions shot into the sky in front of Matalibaq's employees (in the base camp) and at coconut fruits in front of villagers (in Matalibaq's main settlement). This not only scared local people in facing military personnel but also prevented them to act (Herry, 07 March 2002; Lawing, March 2002).

In such a political environment, the risks of staging collective action or to impose an ultimatum were high during the New Order's authoritarian regime. The risks were not only for individuals (interrogation, detention, accused as provocateurs, etc) but also for the collective (isolated by sub-district government, no development fund/project, accused as a "stubborn" village, etc).

C. Forest Conflict during Indonesia's Early Stage of Democratisation

C.1. Changing Political Settings: Village Politics in Matalibaq

Regime change in national politics implicated village politics of Matalibaq in the following areas: the spread of euphoria of *reformasi* (reformation) among villagers, the courage of local people to act due to the collapse of repressive security institutions, the acquisition of a more autonomous village bureaucracy and adat "government," and the rise of high-energy elite-mass politics. The following part examines such changing political settings that contributed to the rise of forest conflict in Matalibaq.

C.1.1. Euphoria of Reformasi

The collapse of the New Order regime in May 1998 evoked euphoria of *reformasi* (reformation) among Indonesians. The "arrival" of *reformasi* was celebrated not only by students, politicians, and the middle class, but also by

common people. This was seen by the popularity of the term *reformasi* across the archipelago, from the cities to the villages in remote areas. Although Matalibaq was geographically isolated, the term *reformasi* also “arrived” in this village and was very popular among villagers. This was possible as local people watched what happened in the Capital (Jakarta) and other big cities on national TV broadcasts, particularly RCTI and SCTV. Seven satellite television parabolas available in Matalibaq were the most important electronic equipment in connecting Matalibaq with the outside world. Intense contacts between “socio-political” elite with NGOs in Samarinda also existed.

One important implication of such development was the use of the term *reformasi* as a weapon to undermine company’s standard arguments or as a justification to challenge New Order-style approaches in dealing with Matalibaq people (particularly against security approach). They quite often ridiculed the New Order or Soeharto’s regime (“*rejim Orde Baru*” or “*rejim Soeharto*”) and regarded *reformasi* as allowing the freedom to speak, freedom to express their concerns and demands, as well as freedom to act. My understanding of the meaning of *reformasi*-based freedom expressed by the Matalibaq people (based on interviews and questionnaires) was not freedom without limit (anarchy). They tried to avoid actions easily categorised as criminal acts (FGD 22 Dec 2001, Hibau Bong 11 March 2002, Questionnaires Oct. 2002).

The most observable impact of regime change and/or *reformasi* on Matalibaq was the loss of the government party’s grip in this village. This was indicated by the change of voting behaviour of Matalibaq people in the 1999 election. By comparing the New Order election results (the 1982 election as a case) with the results of election during *reformasi* era (the 1999 election), PDI-P won a landslide victory against Golkar in Matalibaq (see Table 5.15). In this village, while in the 1982 election Golkar won 92% of the votes (New Order era), in the 1999 election Golkar only won 11% of total votes (*reformasi* era). Golkar’s heavy loss was grabbed by the Indonesian Democratic Party of Struggle (PDI-P) (originated from the Indonesian Democratic Party, PDI). While PDI won only 6% in the 1982 election, in the 1999 election PDI-P votes turned to 82%. If one compares this village’s voting result (82% PDI-P against 11% Golkar) with the national voting result (33% PDI-P against 25% Golkar, see Chapter 3), heavy loss of Golkar in Matalibaq showed the loss of the New Order political machines’ grip on this village.

Table 5.15. Election Results in Matalibaq under Two Differing Regimes

No	Election Year	Political Parties	Votes	%	Remarks+
1.	1982* (New Order era; three parties)	Golkar	162	92.05	Nationalist (government’s) party
		PPP	3	1.70	Islamic party
		PDI***	11	6.25	Nationalist party
	TOTAL		176	100	
2.	1999** (<i>Reformasi</i>)	Golkar:	27	11.30	Nationalist Party
		PPP	0	0	Islamic Party

era; 48 parties)	PDI	4	01.67	Nationalist Party
	PDI-P***	196	82.01	Nationalist (Megawati's) party
	PKB	1	00.42	Islamic Party
	PAN	2	00.84	Islamic Party
	Partai Katolik Demokrat	5	02.09	Catholic Party
	PNI – Front Marhaenis	1	00.42	Nationalist Party
	Other Parties	3	01.25	
TOTAL		239	100	

Source: * East Kalimantan Office of the Directorate General of Socio-Political Affairs (*Ditsopol*), 1982.

**Recapitulated from original voting results, Kesbang Linmas Office of Kutai Kertanegara, Tenggarong, 1999. At the national level, the five biggest parties in the 1999 election were PDI-P, Golkar, PKB, PPP, and PAN.

Note: *** Due to interference by the New Order government in Megawati's Indonesian Democratic Party (PDI), this party split into PDI (backed by the government) and the Indonesian Democratic Party of Struggle (PDI-P, chaired by Megawati Soekarnoputri). Most constituents of the PDI "migrated" to the newly born PDI-P.

+ Although PKB and PAN declared themselves as open parties (meaning not Islamic parties, or not exclusively for the Moslem community), they were viewed as Islamic parties due to their association with Islamic-based mass organisations (NU and Muhammadiyah respectively). This view was in line with Tholkhah's study (2001). See also Chapter 3.

The change of voting behaviour of Matalibaq people mirrored the increase of freedom gained by local people. More precisely, such change showed that local people were no longer scared to cast votes other than Golkar. The courage to dismantle Golkar was associated with the perception that supporting Golkar meant supporting Soeharto or the New Order regime, and to cast votes other than Golkar, particularly PDI-P, meant to support *reformasi* forces. A drastic change in Matalibaq voting behaviour was impossible if there was no greater freedom during *reformasi* era compared to that of the New Order era.

C.1.2. The Paralysis of the Repressive Security Apparatus

Regime change at national level also had significant impact on the behaviour of the security apparatus in the area. From organisational standpoint, there had been no change in the organisation of the security apparatus from the top level to village level (see Table 5.16), except the separation of the police force from the armed forces (ABRI). The sub-district police force was however still under the umbrella of *Muspika* (Sub-district Authorities; Sub-District Head, Military Commander, and Police Chief).

Table 5.16. Parallel Structure of Military Commands and Civilian Bureaucracies in Matalibaq

Military Command	Civilian Bureaucracy
Kodam (Regional Military Command) Kodam VI Tanjungpura (VI/Tpr), Balikpapan	Province(s) East Kalimantan, South Kalimantan, Central Kalimantan, and West Kalimantan Provinces

Korem (Resort Military Command) Korem 091/Aji Surya Natakesuma, Samarinda ⁵⁰	Province East Kalimantan Province
Kodim (District Military Command) Representative of Kutai Kodim 0906, Melak ⁵¹	District West Kutai District
Koramil (Rayon Military Command) Long Iram Koramil, Long Iram ⁵²	Sub-District Long Hubung Sub-District
Babinsa (Non-Commissioned Military Officer) The Babinsa is tasked to cover the area of Matalibaq, Lutan, and Datah Bilang ⁵³	Village Matalibaq

From an institutional standpoint, however, regime change considerably altered the political environment in the area, at Long Iram/Long Hubung sub-district in general and Matalibaq in particular. Regime change had undermined dual function (*dwifungsi*) and security approach (*pendekatan keamanan*) institutions of ABRI that used to be a core mechanism in dealing with political tension or people's dissents. Due to past human rights violation and strong challenges against ABRI's involvement in non-military affairs, the security apparatus were reluctant to act as in the past. In fact, the security apparatus let the people express their aspiration as long as they did not commit criminal acts.⁵⁴ A decreased number of ABRI-background transmigrants in the transmigration sites further undermined one of the bases in implementing security approach institution. Most of them had left the area due to hard life and the company's policy in firing all transmigrants as its workers since 1998. With such development, the security apparatus in the area preferred to monitor rather than to prevent people's action.⁵⁵

In the meantime, the "arrival" of the *reformasi* era had changed the minds and behaviour of local people. Exposed to *reformasi*, the people required the security apparatus, particularly the military, to act differently in a freedom era. Otherwise, local people would use *reformasi* as a pretext or weapon to embarrass and challenge the security apparatus. This was pertinent to people's view that

⁵⁰ Korem in South Kalimantan: Korem 101 Antasari (Banjarmasin); Central Kalimantan: Korem 102/Panju Panjung (Palangkaraya); West Kalimantan: Korem 121/Alam Bhanawanawai (Pontianak).

⁵¹ West Kutai District is a newly founded district (established on 4 October 1999) so that many government/state organs (court, public prosecutor, military command and police force) until my last visit (Oct 2002) still acted as representative bodies (*perwakilan, penghubung*) in the transition period. West Kutai military command was still called *Koramil Melak/Perwakilan Kodim Kutai* (Koramil Melak/Representative of Kutai Kodim). See *Kaltim Post*, 5 August 2003.

⁵² Long Hubung sub-district was established in 1996 (split from Long Iram sub-district). Until my last visit, Long Iram Koramil still controlled Long Iram and Long Hubung sub-districts (Interview with *Sertu* [Sersan Satu, sergeant 1st class] Diyono, 18 May 2002). During the 1998-2000 Matalibaq conflict, Long Iram Koramil played a substantial role.

⁵³ SP I (Tri Pariq Makmur) and SP II (Wana Pariq) were under another Babinsa. Long Iram Koramil managed 31 villages with 13 Babinsas, while in Kutai Kodim there were more than 400 Babinsas. Interview with *Sertu* Diyono (Babinsa of Long Iram Military Command), 18 May 2002.

⁵⁴ Interviews with *Sertu* Diyono, 18 May 2002, and with *Brigadir* Sunarto (Vice Chief of Long Hubung Sub-District Police), 13 May 2002.

⁵⁵ Interview with *Sertu* Diyono, 18 May 2002.

during *reformasi* era (particularly between 1998-2000, Habibie and Wahid regimes) the military would not dare to act arbitrarily compared to that of the New Order era.

These two developments—security apparatus’ unwillingness to act (due to the collapse of dual function and security approach institutions) and the courage of local people in facing them—made security apparatus in the area paralytic in front of the masses.⁵⁶

C.1.3. Autonomous Village Bureaucracy and the Rise of Adat “Government”

In view of the bureaucracy as an organisation, at the national level there has been a considerable change of government bureaucracy, from a centralised bureaucracy to a more decentralised one. The enactment of Law 22/1999 on Local Government that granted significant autonomy to District government was a case. This law also provided significant autonomy to a village government. Currently, the village government is composed of Village Government (*Pemerintah Desa*; Village Head and his/her apparatus) and Village Representative Body (*Badan Perwakilan Desa*, BPD, people’s representative) (Article 94). The most important change in this new law is that the Village Head is directly elected by the people and should be responsible to the people via the Village Representative Body (Article 102, point a). Although the Village Head should report the implementation of his/her tasks to the District Head (Article 102, point b), the Village Head—in theory—is no longer subordinated to Sub-District Head (*Camat*).⁵⁷

As previously mentioned, in West Kutai District, the district government followed up this law by enacting District Law (*Perda*) No. 17/2001 on the Establishment of the Village Representative Body. This district law revived some traditional terminologies used in the past. The term *Desa* (village) under Law 5/1979 was renamed *Kampung*, and the title of Village Head (*Kepala Desa*) was renamed *Petinggi*. In the meantime, *Badan Perwakilan Desa* (BPD) was named *Badan Perwakilan Kampung* (BPK, Village Representative Body). In Matalibaq, these new terminologies have been adopted, but a direct election of *Petinggi* and the establishment of BPK had not been practiced/realised yet until my last visit (October 2002).

From an institutional perspective, institutions governing the bureaucracy have changed significantly. Monoloyalty (*monoloyalitas*) of civil servants had been abandoned and *Golkarisation* had been lifted. The breakdown of *monoloyalitas* caused upper-level bureaucracies to lose control of the village’s civil servants or the village apparatus through administrative mechanisms (e.g. administrative sanctions). Likewise, because of the breakdown of *Golkarisation*, the bureaucracy could no longer use Golkar as a political machine to stir up Matalibaq people. This made civil servants, village apparatus, and Matalibaq people braver to act or to

⁵⁶ This would be further analysed in the ensuing discussion.

⁵⁷ Because of this, some observers pointed out that the sub-district government should be dissolved.

express their concerns. Civil servants—teachers in Matalibaq—were no longer reluctant to challenge government’s officials. Village head along with his people went hand in hand to challenge the sub-district government of Long Hubung as the *Camat* (Sub-District Head) was regarded taking the side of the forest company and not recognising the existence of *tanah adat* (adat land), although the *Camat* was a Dayaknese (Robertus Hului, 09 March 2002).

In regard to the adat “government,” Law 22/1999 on Local Government provided spaces for the exercises of traditional form of “government.”⁵⁸ This is associated with, first, the position of BPD/BPK (*Village Representative Body*) which is relatively equal to Village Head,⁵⁹ and second, one important function of BPD/BPK is to protect adat (Article 104).⁶⁰ Although membership and Chairmanship of BPD/BPK is open to all villagers (Article 105),⁶¹ *Kepala Adat* (Adat Leader) would have a special place in it due to his position as a vanguard of adat (at least as a member of BPK). The most important thing in this new arrangement is that whether *Kepala Adat* (Adat Leader) would become a member of BPK or not, *Kepala Adat* is no longer subordinated to *Kepala Desa* (Village Head). In fact, despite BPK not being established yet, adat “government” (Adat Leader, Adat Council) had significant autonomy in managing its own affairs without much interference from government-controlled bureaucracies, particularly sub-district bureaucracy. A more autonomous adat “government” in Matalibaq during the *reformasi* era was also caused by two main factors. First, West Kutai government was so concerned in empowering the adat or in placing it in its proper position.⁶² Second, local people strove to empower traditional systems of “government” to manage their own affairs, particularly in adat-related matters.

Due to the Adat Leader’s age and because a stronger position of Adat Leader in village government system came late,⁶³ however, the role of the Matalibaq Adat Leader in mass mobilisation (particularly physical mobilisation) after the collapse of New Order regime was taken over by *Lembaga Adat* (Adat Council/

⁵⁸ The Indonesian government never used the term “adat government” (*pemerintahan adat*) officially. It seems to avoid a dualist system of village government. In government science, however, a traditional system as discussed above is classified as a (traditional) system of government (adat government) (cf. *Desa Dinas* and *Desa Adat* in Bali). Due to this, I use a quotation (i.e. adat “government”) where necessary.

⁵⁹ Law 22/1999 implies that the position of the BPK and the Village Head is equal. In some issues, such as in the village leader election, however, the BPK is more powerful than the Village Head.

⁶⁰ Other functions are to make village regulations (with Village Head), to aggregate and channel people’s aspirations, and to supervise the running of village government.

⁶¹ BPK members are elected from and by villagers; BPK’s Chairman is elected from and by the BPK members.

⁶² The District Head of West Kutai is a Dayaknese who is so concerned with the advancement of the Dayak people.

⁶³ New national law regulating village government was enacted on 7 May 1999 (Law 22/1999) and that of West Kutai District Law (*Perda*) in 2000. Until my last visit (October 2002), however, it was not fully implemented yet, particularly BPK establishment and a direct election of Village Head.

Organisation). Regime change at national level prompted *Lembaga Adat*—that had been empowered during the New Order era—to use *reformasi* momentum in augmenting its roles in the movement. As examined earlier, the establishment of *Lembaga Adat* was aimed at assisting *Kepala Adat* in executing adat-related affairs.

C.1.4. High-Energy Elite-Masses Politics and the Rise of a “Spearhead” Elite

As has been mentioned, during the New Order era there were four groups of elites in Matalibaq: bureaucratic elite, adat elite, “socio-political” elite, and NGO elite. During the New Order era, these four elite groups played roles based on their functions and concerns. In general, however, all elite groups were reluctant to mobilise the masses to stage collective actions due to anti-conflict machines of the New Order. This implicated the community members (the masses); they were also scared to stage collective actions.

The collapse of the New Order regime provided some implications to elite-mass politics in Matalibaq. In term of persons or actors, elite members relatively did not change. Key figures in bureaucratic elite and adat elite were the same. In the socio-political elite, few young activists emerged in this elite circle, such as B. Song and Yosef. But an older generation of socio-political elite continued to play a decisive role. Some new NGO activists also visited Matalibaq, but Putijaji’s activists were still the core NGO elite in Matalibaq conflict.

A drastic change occurred in two areas: elite behaviour and elite configuration. In regard to the elite behaviour, the members of elite groups were becoming more aggressive and braver, including NGO elite. Most members of such elite groups saw the collapse of the New Order regime as a critical momentum in using different approach against PT Anangga Pundinusa. As they did not want to pass up such momentum, they rallied all their potentials and energies. In the meantime, euphoric villagers (the masses) who were no longer scared to act, dedicated their time and energies to achieve collective goals. As a result, elite-mass politics in Matalibaq during Indonesia’s early stage of democratisation was characterised by high-energy elite-mass politics.

Concerning the elite configuration, its change was associated with the efforts to unify the village elites who were “split” along “party lines” (bureaucratic elite, adat elite, socio-political elite) into one umbrella, namely, the Village Team. The establishment of the Village Team was aimed at making the movement more effective. As this Team would act as the village’s representative in facing the forest company, its members were appointed in adat meetings and a written mandate was given. In case the masses were not involved (due to certain situation, e.g. village tension), Adat Leader and/or Village Head would establish the Team and provide a written mandate to the Team members. With this kind of arrangement, the Team had strong legitimacy to “rule” regardless of their origins. The position of the Team became stronger as Team members came from sub-elite groups (bureaucratic elite, adat elite, socio-political elite). They were appointed as Team members as

they had distinct qualification or certain “superiority.” Second, in the establishment of the Team, representatives from bureaucratic elite and adat elite were taken into consideration (socio-political elite was always present). This was to show that the Matalibaq movement was supported by adat “government” and (modern) village government (S. Lawing, March 2002). Third, the Team used adat mechanism in mobilising the masses (adat community). This was because the adat offered a powerful mechanism in binding and appealing the adat community to act. During the post New Order era, five main Teams were established to deal with PT Anangga Pundinusa, namely, Team 60, Team 19, Team 10, Team 6, and Team 8. Although members of Team 60 and 19 were quite numerous (60 and 19 persons respectively), the core Team members few.

With such an arrangement, Village Team took the lead in the Matalibaq movement against the forest companies during the post-New Order era. This does not mean neglecting the role of certain members of sub-elite groups outside Team members. Village Head (bureaucratic elite) and Adat Leader (adat elite), for instance, never became members of such Teams. However, their signatures were powerful in legitimising Teams’ moves. Village Head was even physically active in mobilising the masses in the last collective action. This is to say that Village Team acted as a spearhead elite in the struggle against PT Anangga Pundinusa.

C.2. The 1998-2001 Company’s Activities and People’s Response: An Intensifying Conflict

C.2.1. The 1998-2001 Company’s Activities

During 1998-2001, PT Anangga Pundinusa (APN) had been seriously implicated by regime change, economic crisis, and natural disaster (forest fires). Regime change put a newly established government (particularly the Department of Forestry) under strong pressure to undertake reforms in forest policies. One target of criticism was the use of a Reforestation Fund (*Dana Reboisasi*, DR) allocated to forest companies. This was because during the New Order regime, DR was misused (e.g. to fund national aircraft industry) and its allocation was rampant with KKN (corruption, collusion, nepotism). Such political change forced the Department of Forestry to be more transparent and accountable. To “tame” the public, DR was frozen. This implicated APN as its ultimate source of fund was a DR. The freezing of DR made APN unable to finance its HTI plantations. It shook APN economically.

Prajogo Pangestu—the owner of Barito Pacific Timber Group/BPTG (including APN; majority stocks)—was a Soeharto’s crony, and the fall of Soeharto implicated Prajogo’s timber business empire. From about 6,125,700 hectares of BPTG concession areas during the New Order era (1994/1995), by December 1999, they dropped to 1,768,296 hectares (BPTG 2000). In East Kalimantan, only one of its HPH areas was still under BPTG control, namely PT Barito Nusantara Indah (95,000 ha). The rest was taken over by a state-owned company (Inhutani). Due to lack of human resources and of heavy equipment,

however, Inhutani ran an operational collaboration scheme (KSO, *Kerja Sama Operasi*) with BPTG (*Kaltim Post*, 29 March 2001). Such taking over caused a drastic decrease in profits and loans generated from timber business. The paralysis of BPTG business became worst due to a long-term economic crisis. Decreased profits and increased operation costs of the existing companies resulted in serious financial problems. Despite these financial problems, as a big company, BPTG could still afford to pay people's compensation demands, acquired from various sources, including debts.

Forest fires burnt down 75% of APN's HTI plantation areas (Baidi, 15 March 2002), making most employees and transmigrants as daily workers lose their jobs. By 1998, due to forest fires and financial problems, the company fired 205 transmigrants as company's plantation workers. By 1999, 78 transmigrants suffered the same fate (PT Anangga Pundinusa 2000). The rest were fired in the following year (2001).⁶⁴ Company's policies in this regard increased the number of transmigrants leaving the sites since they no longer had income sources.⁶⁵ By 2001/2002, in SP I and SP II the remaining transmigrants were 100 and 50 households respectively (SP I FGD, 14-15.03.2002; SP II Village Head [Hatta], 15.03.2002). Thus, 75% of transmigrants already left the sites.⁶⁶

Since 1999, there have been no planting activities in the HTI plantation area. By 2001, almost all companies' staff had been fired or faced a forced resignation. Until March 2002, only 25 staffs were available (Baidi, 15 March 2002), and nearly all of them, including the base camp's manager were without regular jobs. This minimum staff was needed to show that the company was still alive. This was the case as at that time (Feb/March 2002) the company proposed a new IPK-based logging license and a renewed reforestation fund. The director of the company was still optimistic to continue APN's HTI project. And to do so, he said, fresh money was needed (Paulo, 28 February 2002).⁶⁷

To handle financial problems, between 1998-2000, the company continued their logging activities by using the existing IPK license. Due to a timber theft case

⁶⁴ This spawned conflict between the company and transmigrants over rubber plantation compensation promised by the company. SP I transmigrants stage two demonstrations: the first one was in the East Kalimantan Office of the Department of Transmigration (*Kanwil Transmigrasi*), Samarinda; the second one was in the District Parliament (DPRD II) of Kutai, Tenggarong (SP I FGD, March 2002).

⁶⁵ This was also related to a rejection of Matalibaq people concerning transmigrants' requests, as noted, to move to Matalibaq's main settlement (transportation consideration). Because of this rejection, SP I transmigrants requested an extension of their agricultural fields in SP I areas (Sulaiman Lawe, 10 March 2002, SPI FGD, March 2002). But, again, Matalibaq people denied. These successive rejections could not be separated from Matalibaq's rejection to transmigration program in the first place

⁶⁶ My observation in SP I and SP II found that these two villages were so quite. Many transmigrant houses were not occupied. Some houses were sold and some were given freely to their neighbours or interested persons. In SP II, some people demolished their houses and took the materials to build a new house or to fix their own houses in their place of origins, although transmigrant houses were official houses built by the Department of Transmigration.

⁶⁷ In my last visit (October 2002), a new IPK license had been obtained

(1996/1997), PT APN replaced PT Limbang Praja with PT Mulia Permata as a contractor to log the remaining timber stands. The continuation of these IPK-based logging activities was one reason why local people angrily reacted to APN during *reformasi* era, besides dissatisfaction concerning the fulfilment of 14 demands as well compensation demands relating to timber theft and forest fire cases.

C.2.2. Conflict Development during Indonesia's Early Stage of Democratisation

C.2.2.1. People's Response and Conflict Development under Team 60

As mentioned, a few months before Soeharto's fall, forest fires hit Matalibaq severely. Due to burnt village gardens, local people submitted a demand of Rp 2,500,000 per household (Rp 756 million in total). In February 1998, the family of the casualty submitted compensation demands amounting Rp 179 million. Due to the company's ignoring of such demands, on 17 November 1998 local people held an adat meeting to discuss a plan of dealing with PT Anangga Pundinusa. It was decided that to put more pressures on the company, a significant number of the mass would be brought to the BPTG Headquarter in Samarinda. Apart from requesting the fulfillment of compensation demands from forest fire cases, the aims of people's action were the fulfillment of 14 demands, and a compensation demand on a timber theft case. To execute this plan, Team 60, consisting of 60 Matalibaq people, was formed. In this team, village elites such as Ding Luhung/Kueng (adat elite), Hingan Ubung (bureaucratic elite), Huvang Tingang, Isodorus Huvang, Willem Geh, Beni Bith, Hibau Doq, and Dew Anyeq (socio-political elite) were core members as they were prominent figures in the village.

On 23 November 1998, Team 60 came to Samarinda and staged a demonstration. Matalibaq people residing in Samarinda also joined in this collective action. In East Kalimantan, this was the first collective action undertaken by Dayak people after Soeharto's fall that involved a significant number of Dayaknese. It was not surprising, therefore, that the collective action attracted urban people to watch what happened in Prajogo's BPTG Headquarter.

In the Headquarter they questioned the company's stance and solution on three main issues: 14-demands, timber theft, and forest fires. The mass threatened that if the company did not fulfill people's demands, they would stay in the BPTG Headquarter until their cases were resolved. To the company, this threat was an embarrassment, as it could be interpreted as the occupation of the BPTG Headquarter. In this collective action, local people were surrounded by the security apparatus, both the military and the police force. They were not intimidated, as they had come to Samarinda to express their aspiration peacefully. They stuck to their threat to "occupy" BPTG if the company did not fulfill their demands.

To avoid embarrassment, the Management placed all participants in the Hayani Hotel, and costs were borne by the company. In the initial negotiation, Sigit Sigilayan, a high-ranking company staff, promised a meeting on 26 November 1998 with the following agendas: 1) 14 demands, 2) Rp 5 billion demand of timber theft case, and 3) Rp 944 million demand of forest fire case.

Having carried out a general meeting with all participants, core members of Team 60 arranged successive negotiations with the company. To reach final agreements, particularly in the case of 14 demands, another general meeting was held.

On 26 November 1998, the agreements for the 14-demand case were reached. The company agreed to the following points: 1) the provision of Rp 24,000,000 for *tanah adat* certificate, 2) the company would arrange certificates of 429 ha village gardens for 153 households; 3) construction of a 4-km road connecting village gardens; 4) village hall construction/renovation; 5) Rp 600,000 compensation for timber extracted by the company; 6) Rp 144,000,000 for *tanah adat* used for HTI-Trans; 7) Rp 3,000,000 for 600 units of transmigrants' houses; 8) the provision of 1,530 M3 timber for house construction; 9) four fiber glass water tanks @ 1,000 liters and 50 m hoses; and 10) 250 sacks of cements.⁶⁸ On 30 November 1998, represented by Willem Geh, Beni Bith, Isodorus Huvang, Ding Luhung, Hingan Ubung, Hibau Doq, Huvang Tingang, and Dew Anyeq, a check of Rp 171,000,000 was handed to them for agreements Nos. 1, 5, 6, and 7 (cash-based agreement). Non-cash agreements would be followed up later (some with specific dates).

For timber theft and forest fire cases, however, a tough negotiation between both parties was underway. Fed up by the company's resistance, village team provided an ultimatum to PT Anangga Pundinusa to leave from the Matalibaq adat land on 15 December 1998 at the latest. This ultimatum created high tension as the company never expected it. Lobbies to village elite were then conducted by company's staff. On 03 December 1998, an agreement was reached between the company and village elite in Team 60, with the condition to revoke such an ultimatum. The agreement was however not supported by all members of Team 60. The cause of this was the existence of two versions of agreements. One version mentioned company's agreement to pay Rp 353 million (Rp 200 million for timber theft case, Rp 153 million for 153 households/burnt village gardens) and another version mentioned Rp 532 million.

Following such two versions of agreements, the company issued a letter dated 04 December 1998 and signed by Sugijanto. It was stated that the company agreed to provide a participation fund of Rp 532 million. On 07 December 1998, Huvang Tingang, Ding Luhung, Willem, Is Huvang Paran, Hingan Hubung, FX Hingan Ubung, Hibau Doq, Antonius Bang, Talang Mayan, demanded APN to provide a participation fund of Rp 532 million (instead of Rp 3 billion demand⁶⁹ for a timber theft case and Rp 944 million for a forest fire case).

Such agreements and occurrences divided the society and created internal conflict among Matalibaq people. This was because in the "participation fund", three families of the casualty, Huvang Tingang, Isodorus Huvang, Willem Geh (socio-political elite) added a demand of Rp 179 million (Rp 532 millions= Rp 353 million + Rp 179 million). While every household would receive Rp 1 million for

⁶⁸ Demands on power generator, typewriter, jobs, and seeds were fully fulfilled while demand on village hall construction was partially fulfilled during the New Order era.

⁶⁹ This demand was a reduced demand from Rp 5 billion.

their respective burnt village gardens, the three elites would receive Rp 26 million, Rp 68 million, and Rp 74 million respectively.⁷⁰ This was regarded as unjust by the villagers. Due to this “dispute,” the three elite members stayed in Samarinda with their supporters and the rest returned to Matalibaq (Lawing 17 March 2002).

Those who returned home reported to the villagers. On 15 December, an adat meeting was arranged and in this meeting 10 people were in trance due to Adat Oath breaking (two versions of agreements). The meeting attended by 176 Matalibaq people unanimously decided to revoke the letter dated 03 December 1998. This decision was signed by adat elite, Ding Kueng (Chairman of *Lembaga Adat*) and Bith Djau (Adat Leader). To strengthen the decision, Chairman of PKK (household wife organisation), Chairman of Village Youth Organisation, and all participants of the meetings put their signatures to this adat meeting decision. In this “petition”, it was stated that: 1) the revocation of ultimatum by Team 60 was rejected as it did not suit with the adat meeting; 2) Matalibaq’s demand of Rp 5 billion remained existing (no bargain). In this meeting, 20 members of Team 60 also issued written statements to revoke their signatures in the agreements made in Samarinda.

As the revocation of the ultimatum was nullified by the adat meeting, the ultimatum against APN remained existing. This reestablished high tension between the forest company and the Matalibaq people. To calm down the situation, on 16 December 1998, Haryanto Jakfar of APN met Matalibaq people in a village meeting. Jakfar stated that the problem had been resolved, so that the company only needed to pay the “participation fund.” Local people responded angrily and claimed that the problem was not resolved yet. Jakfar was surprised as he was also asked whether he brought an order from the Management to leave (*angkat kaki*) from the Matalibaq area.

To increase the pressure, on 17 December 1998, a letter was sent to PT Anangga Pundinusa based on this adat meeting decision. Matalibaq people reiterated that the case was not resolved yet and that the demand of Rp 5 billion for a timber theft case and of Rp 765 million (153 x Rp 5 million) for a forest fire case remained unchanged. The most crucial one was the imposition of a renewed ultimatum with toleration until 7 January 1999. With this people’s stance, tensions heightened between Matalibaq people and the company as well as between elites and their supporters.

C.2.2.2. People’s Response and Conflict Development under Team 19 and 10

As members of Team 60 were in conflict, a new step was taken by the Matalibaq elite, particularly Adat Leader and Village Head. That is, to abolish

⁷⁰ Death ritual expenses Rp 9,777,000; Huvang Tingang’s garden Rp 68,625,000 (2000 *sengon* [*Paraserianthes falcataria*] Rp 15,000, 1000 *gamelina* [*Gmelina arborea*] ~ Rp 20,000); Willem’s garden Rp 74,200,000 (4000 *sengon*, 500 *gamelina*); Is Huvang Paran’s garden Rp 26,887,500 (1000 *sengon*, 500 *gamelina* - 6-year old *gamelina* garden). Total amount was actually Rp 179,489,500 but local people rounded it to Rp 179,000,000.

Team 60 and to form a new Team. On 19 December 1998, Team 19 was formed, chaired by Ding Kueng (Chairman of *Lembaga Adat*/Adat Council; adat elite). Other important elite members in this Team were Hingan Ubung and S. Lawing Nilas (bureaucratic elite) as well as Yosef Lung, SE and Benidiktus Bith (socio-political elite).⁷¹ In this new Team, three important village elite members—Huvang Tingang, Isodorus Huvang, and Willem Geh—were excluded, as they were connected to the previous agreements with the company.

Team 19 was given a mandate to negotiate with APN. On 29 December 1998, Team 19 came to Samarinda with missions to negotiate with the company, to reject the agreements made by Team 60, and to hand a letter dated 17 December 1998 directly to the company. The company resisted the previous agreements and this caused the team to quarrel with company's staff. When they intended to come upstairs to the Headquarter's building (main office of APN) for negotiation, company's staff denied entry as the case has been handed to lawyers (Lawing 17 March 2002). In the Press Release, it was stated that:

The company rejected to make a dialogue. The team was only met in office's waiting room, supervised by security apparatus. The company [staff] said that the case had been handed to the lawyers so that the people should meet them. Therefore, the Team was unable to hand the letter dated 17 December 1998. Local people were disappointed and not sympathetic with the company due to such rejection (6 January 1999).

As Team 19 felt embarrassed, on 31 December 1998, Team 19 sent a letter to the Minister of Forestry and Estate Crops, Muslimin Nasution, to report the problems and disputes between Matalibaq people and the company. Team members also asked the ministry to assist in solving their problems. However the letter was never answered.

After returning home, Team 19 prepared a new collective action against the forest company. As the company ignored elite's move and people's demands, collective action was subsequently staged in Laham, in the log yard/base camp of PT Tunggal Yudi Sawmill Plywood (TYSP) (see map, Appendix 10). This collective action was staged for 16 days, from 31 January to 16 February 1999 (Matalibaq Conflict Documents 1992-2001). Lawing said that "this collective action [*demo*] was still guided by Team 19" (Lawing, 17 March 2002). Most people participated in this collective action, except Huvang Tingang, Willem, and Sulaiman Huvang and their few supporters. In this collective action, the security apparatus from Tenggara (District Capital of Kutai Kertanegara) and Melak (Capital of Melak sub-District) were deployed to guard the participants, which merely guarded the company's properties. It is important to note that a helicopter flying Jakarta-based BPTG Management also landed in this base camp to negotiate

⁷¹ Chairman: Ding Kueng; Vice chairman: F:X: Hingan Ubung; Members: 1) Yosef Lung, SE, 2) Benidektus Bith, 3) S. Lawing Nilas, 4) E. Hibau D., 5) Hendrikus Irung, 6) Ton Bang, 7) Yulius Habing, 8) Nyuk Juwi, 09) Yosef Bang, 10) Diana Lahai, 11) Lere Lehung, 12) Intan Lukut, 13) Bulan Tusuk, 14) Gabriel Ding, 15) Valentina Awing, 16) Tubung, 17) Lung Ipu

with Matalibaq people (Lawing, March 2002; *Tempo*, 23 Feb-1 March 1999). The involvement of high-ranking BPTG Management showed that the tension between the company and Matalibaq people was so high.

In the negotiation process, 10 members of Team 19 were selected as speakers or negotiators [later, these 10 persons became Team 10]. This meant that the village elites continued to play a central role in dealing with the forest company. After 16 days of collective action, an agreement was reached on 16 January 1999 in the following points: 1) contribution to the forest fire case worth Rp 382,500,000; 2) participation fund (*partisipasi tebangan di tanah adat*) worth Rp 500,000,000 (timber theft case); 3) contribution of Rp 150,000,000 for village cooperative, 4) to assist the realisation of community's forest management (*pengusahaan hutan*) based on government regulation; 5) the provision of scholarship Rp 3 million [per month]; 6) the provision of 1780 M3 logs for Matalibaq people and 250 M3 for Muspika (sub-district authorities) of Long Iram/Long Hubung;⁷² 7) the provision of a boarding house within a one-year period. Later, it was also to provide a water pump, water tanks, hoses, and 250 sacks of cement for the grading of the village road. Thus, besides non-cash compensation, Matalibaq people received Rp 1,032,500,000 due to this collective action

In the process of handing over of such logs, four members of Team 10, namely Ding Kueng (adat elite), Hingan Ubung (bureaucratic elite), Martinus Bang, and Bennidictus B. Song (socio-political elite) received the logs not with the agreement of all Team members. On 13 August 1999, a formal handover of round woods (logs) from APN to these four members of Team 10 was materialised. It was mentioned that out of 313 logs with volumes 2,031.51 M3, 1,531.61 M3 was for the people (based on 153 households, for household construction), 250 M3 was for the community/village, and 250 M3 was for Muspika (sub-district authorities). Following this, these four persons sold the timber without the agreement of other members of Team 10. The logs were sold to PT Sahid Timber with the price of Rp 250,000 per cubic meter (Lawing, March 2002), which was regarded too cheap by Matalibaq people. From Rp 400 million promised by the company, Rp 200 million had been taken ("borrowed") by such persons (APN's base camp manager, Baidi, 15 March 2002). This money was however never received by villagers. In other words, a huge amount of money was gone. This created conflict among Team 10, angered local people, and the company. It is important to note that another village elite, Tekwan (socio-political elite), was also involved in this case. This was mentioned in the Matalibaq conflict document and in information from key informants. Even the role of Tekwan was regarded crucial by the Matalibaq people. However, as he was an active military personnel (Matalibaq resident),

⁷² As Muspika would receive timber share, on 29 June 1999, Long Hubung sub-district head made a request to Production Manager of PT Tunggal Yudi Sawmill Plywood in that the 250 cubic meters of timber "owned" by Muspika should be provided together with the handing over of logs to Matalibaq people.

Matalibaq people, company, and security apparatus “ignored” the involvement of Tekwan. Only four persons were later “tried.”

On 18 August 2000, an adat meeting was held and the meeting unanimously decided that local people did not recognise the handing over of such logs from the company to the four persons of Team 10. In response to this, the company argued that it already handed over such timber so that it was regarded as an internal problem of Matalibaq people. Matalibaq people rebutted this argument by insisting that Matalibaq people never gave a mandate to the four persons in log handing-over, so that they bore their own responsibilities. Due to exchange claims, the company hired lawyers to deal with the community and reported the case to the police. Team members and some Matalibaq elite such as Willem Geh, Lung Ipui, Yulius Abing, S. Lawing were later summoned to the police headquarter in Tenggaraong as witnesses in a criminal case.⁷³ This was seemingly intended to intimidate the local elite, as such a case was later frozen.

C.2.2.3. People’s Response and Conflict Development under Team 6 and 8

As noted, Team 19/10 was successful in arranging collective action in Laham with the outcomes of, among other things, the acquiring of 1730 cubic meters of timber for the Matalibaq people (excluding 250 M3 for *Muspika*, sub-district authorities). Four members of Team 10 subsequently sold the timber, while the remaining six persons regarded the arrangement as a problem. The split in Team 10 paved the way for the rise of—later—Team 6. These six persons—Lawing N, Hului Juk, Ahmad Yosef Ding Yok, Yulius Habing, and Lung Ipui—arranged adat meetings, made a plan, and prepared other actions. In this team, the key figures were Lawing N (bureaucratic elite), Hului Juk, and Ahmad Yosef (socio-political elite).

One adat meeting successfully arranged by the six village elite members was the meeting of 31 August 1999. Having discussed the planned action, the participants decided to take the timber unilaterally from the TYSP base camp. In a letter sent to the company, Village Head notified that 2030 M3 of logs in TYSP base camp would be “detained” and could not be moved by whomever. This was to execute such a plan as well as to secure the amount and condition of the disputed timber.

On 28 September 1999, the Village Head (with the arrangement with Team 6) sent a letter threatening that on 5 October 1999 Matalibaq people would come to the Laham base camp to take 2,030 M3 logs unilaterally. It was also stated that Matalibaq people had imposed a 5% fine of total timber due to late handover ($5\% \times 2,030\text{m}^3 = 101,50\text{M}^3$). One day before “D” day (4 October 1999), the Village Head (Hibau Bong) wrote a letter entitled “Letter of Notification Concerning Round Woods Taking.” In this letter, the Village Head provided a mandate to the adat

⁷³ *Pro Justitia, Surat Panggilan*, Resort Kutai Kasat Serse, 9 February 2000. Each person received one letter (*Surat Panggilan*).

community of Matalibaq to take timber amounting 2030 M3 from the Laham base camp.

On “D” day, collective action in Laham was again carried out (Laham collective action II). Most male villagers came to the base camp with numerous chainsaws. Local people also brought (hired with special price) three medium sized river ships to drag the logs from TYSP base camp to Matalibaq. In this collective action, two elite members in the forest fire case (Willem Geh and Sulaiman Huvang), who did not join the Laham collective action I, went hand in hand with other villagers. This reflected the unity of elites in Team 60 with Team 6 amid conflict with the four members of Team 10. The problems arose due to the lack of log documents. Some village elite like Lawing (Village Secretary) were scared to take such logs without documents but many angry participants proposed to cut the logs to appropriate length and drag them by river ships. This created tensions among the Matalibaq people. This small dispute calmed down after the angry people cancelled their plan. The cancellation of the plan disappointed the Matalibaq people with the company as the company was regarded uncooperative in the document arrangements.

During this collective action, six persons were invited by Long Hubung Police Chief (*Kapolsek*) and Long Iram Military Commander (*Danramil*) to negotiate in Samarinda. To strengthen their position, on 7 October 1999, the Village Head and Adat Leader issued a document (No. 178/48/Pem/X/1999) appointing six persons (Ahmad Yosef, Hului Juk, Ding Yok, Yulius Habing, Lung Ipu, S. Lawing N) as a negotiation team with a mandate to arrange log demand. This was a formal appointment of Team 6.⁷⁴ Team 6 was promised an opportunity to negotiate in Samarinda, but on the way to Samarinda, members of Team 6 were brought to the District Police Headquarter of Tenggarong. They were asked many questions and were forced to change their attitudes. While facing these pressures, the Team showed a letter of mandate from the Village Head and Adat Leader. The members of Team 6 insisted that only in this matter did they have authority to discuss. This seemed a good strategy, as security apparatus later faced an impasse.

In Hayani Hotel in Samarinda, they were in a negotiation table with four village elites who sold the timber, Sub-District Police Chief (*Kapolsek*) of Long Hubung, Sub-District Police Chief of Long Iram, Sub-District Military Commander (*Danramil*) of Long Iram/Long Hubung, company staff, and two lawyers. All participants, including the four village elites, confronted Team 6. They were accused by Muspika (sub-district authorities) as provocateurs and were threatened to be detained. They were treated harshly and forced to recognise that the problem with the four persons was an internal one of the Matalibaq people. But Team 6 rejected the idea, as the four persons sold the timber without the people’s mandate. Team 6 members threatened that if they were detained, “all members of the *masyarakat adat* (adat community) of Matalibaq would come forward” (Lawing, March 2002). The “threat” of using the *masyarakat adat* was important to “scare” the security apparatus and company’s staff.

⁷⁴ Willem and Sulaiman stayed in Laham to guide and coordinate the masses.

Due to high pressure, accusations of being provocateurs, and threats of detention in jail, Team 6 agreed to accept the price of Rp 250,000 per cubic meter. Thus, the price was similar to the price given to the four persons who sold the timber previously (though the money was gone). This was however the Team's strategy as they could no longer bear to face heavy pressures. In this arrangement, it was decided that *Muspika* would only take 150 out of 250 cubic meters of timber. 100 cubic meter of timber along with the people's shares (1730 M3) would be given to Matalibaq people. While Matalibaq's shares would be handed directly by company staff to the Matalibaq people in the form of cash, the *Muspika* received Rp 37,5 million at that time.⁷⁵

Ten persons of Matalibaq (Team 6 members plus the four persons above) went home, and before leaving Samarinda, they were given messages by the security apparatus: "Don't become provocateurs. Inform the villagers of good things" (in Lawing, March 2002). Facing the fact that the village elite in Team 6 made their decision based on pressures, Team 6 prepared a new strategy to deal with the forest company. Team 6 arranged night (secret) meetings with the Village Head of Matalibaq in *ladang* (a shifting cultivation area).⁷⁶ It was planned that the villagers should blame Team 6 and accuse its members of receiving bribes in order to attack the *Muspika* (sub-district authority) and the company. Three days later, a village meeting was held and attended by all Matalibaq people, *Muspika*, and company's staff. The plan worked well. Villagers attacked Team 6, and Team 6 attacked *Muspika* and the company. The four persons (who sold timbers), *Muspika*, and company objected. They threatened that Team 6 would be brought to Court. Adat community responded that they were ready to bring the case to the court, and all of them were ready to be jailed for the sake of people's "sovereignty" over *tanah adat* (adat land). The meeting ended without conclusion. A huge amount of money put into bags, which was intended to be handed to the Matalibaq people, was brought back to Samarinda by the company's staff (Lawing, 16-17 March 2002).

Other considerations were made by Team 6. First, the aforementioned four persons had wide networks in Samarinda, so that they could monitor Team 6's moves. Second, Team 6 members were worried that they would be sent to jail if they were found guilty in the court. Team's strategy would then be to arrange another meeting with the Village Head in *ladang* and "silently" come to Samarinda for consultation with a Dayaknese lawyer. The lawyer suggested that they should

⁷⁵ See *Berita Acara Pembagian Harga Logs 250 M3 Antara Muspika Dengan Perwakilan Masyarakat Matalibaq di Hotel Hayani Samarinda*, 12 October 1999. *Muspika* members impatiently requested the distribution of this fund at that time. This fund was previously allocated only to the *Danramil* of Long Iram/Long Hubung, the *Kapolsek* of Long Iram, and the *Camat* of Long Hubung, while the *Kapolsek* of Long Hubung was not given a share although he was present in the meeting. This created disputes among these security apparatus. Team 6 said that this occurrence nearly turned to blood shed as they had pullout their pistols in the quarrel for such cash distribution.

⁷⁶ *Petinggi* (Village Head) of Matalibaq mostly stayed in *ladang* (shifting cultivation area), about 30 minutes from Matalibaq's main settlement.

revoke their agreement as it was made under pressures. The lawyer also insisted that this was not an internal problem within the community, but between the four persons and the company. On 8 Nov 1999, Team 6 made a statement with the following points: 1) to revoke the statement made with four persons in Hayani Hotel on 11 October 1999; 2) to revoke signatures in the agreement; 3) to reject and to object to the action made by the four persons who silently received and sold the logs to other parties without the people's consent; 4) to insist that those four persons bore legal consequences for their own behaviour.

Later, two additional members—Sulaiman Huvang and Willem Geh—joined Team 6, so that Team 6 became Team 8.⁷⁷ On 19 November 1999, Team 8 provided a mandate to the lawyer, Dalmasius SH, to deal with: a) the Accused I, PT Anangga Pundinusa; and 2) the Accused II: Ding Kueng, Hingan Ubung, Martninus Bang, and Benny B Song. This move escalated the tension between village elites (Team 8 vs. four persons) and between Matalibaq people and the company. Legally, the position of the Matalibaq people was strong, as they never received the payments. Even if the Court would decide that such four persons found guilty, the company should pay the people, as the company provided the timber (to the four persons) without the people's consent. The crucial case might be a breaking of the agreement with the company since in the paper Team 6 stated that the agreement was made without pressures. The most critical thing considered by Team 6 was that the case would be protracted, and would cost a lot of money and time for villagers. So they decided to arrange a new collective action to subdue the company.

Based on adat meeting, since 14 January 2000, Matalibaq people staged a collective action on the Pariq River “Moral Movement” Bridge (see map, Appendix 10). This collective action was the longest one, as it lasted for about 47 days (*Berita Acara*, 23 March 2000). Their anger reached its peak on this bridge. They captured four tractors of PT Mulia Permata (an IPK-based logging contractor), sealed off the bridge area and the tractors; imposed a 5% fine of total timber per month for delayed payment (Matalibaq Conflict Document, 20 January 2000),⁷⁸ and demanded Rp 2.5 million/household as moral cost compensation. The security apparatus was present but reluctant to use force to re-seize company's properties, since local people were ready to fight with their traditional weapons such as *mandau*, *sumpits*, *boh*, etc.

The capture of four tractors by the masses under the guidance of Team 8 had the objective of forcing the company to fulfil the people's demand. This was so because the four tractors were not owned by BPTG. It was expected that the contractor would demand compensation to PT Anangga Pundinusa or BPTG because PT Mulia Permata's workers could not continue their activities (loss of revenues/profits). As one key informant maintained:

⁷⁷ Tim 8 was actually Team 9 as Huvang Tingang was also appointed. Huvang Tingang, however, later withdrew from Team's activities or he intended to act as an advisor only.

⁷⁸ *Pernyataan Sikap Masyarakat Adat Desa Matalibaq* [Matalibaq's Stance Statement], 20 January 2000.

Four tractors of Mulia Permata were seized as a guarantee. It was hoped that PT Mulia Permata would demand compensation to PT Anangga Pundinusa (Barito), so that we [Matalibaq people] had friends in the struggle against the forest company. Subsequently, it was heard that PT Mulia Permata demanded billions of *Rupiah* to Barito due to people's action. [PT Mulia Permata's staff said that] "We would retreat [from Matalibaq] but we demanded billions of *Rupiah* compensation." Barito was afraid with PT Mulia Permata's threat, and consequently the company was available to negotiate without bringing the case into the court (Lawing, 17 March 2002).

On 7 March 2000, the conflicting parties reached an agreement in that PT Anangga Pundinusa would provide Rp 149 million as moral cost during the collective action, and logs of 1740 M3. The problem was that the villagers later intended to trade the timber for cash. On 23 March 2000, Bith Djau (adat leader) and Hibau Bong (village head) provided a mandate to nine Matalibaq elite—Lawing Nilas, Is. Hufang Paran, Ahmad Yoseph Lung, Wellem Gech, Hului Djuk, Hibau Doq, Lung Ipui, Yulius Habing, and P. Huvang Tingang—to cash such timber. As BPTG could only afford to purchase for a price of Rp 250,000 per cubic meter (Matalibaq's bid was Rp 900,000 per cubic meter), the timber was offered to some forest companies such as PT Mulia Permata, PT Harjon Group, and PT Segara Timber for a higher price. PT Segara Timber agreed to buy for a price of Rp 650,000 per cubic meter with a condition that the timber should be brought to Samarinda.⁷⁹ A problem emerged due to the absence of log transportation documents such as DR (reforestation fund), PSDH, and SKSHH documents;⁸⁰ this forced the Matalibaq elites to arrange document exemptions from related government agencies as well as to find other potential purchasers which could manage the required documents.⁸¹ During log-bidding and document exemption arrangements, some activists of one influential mass organisation (Pemuda Pancasila, PP) demanded Rp 150 million with a threat that if not fulfilled, log rafts transported by Matalibaq people to the forest company (the purchaser) would be destroyed. Team 8 rejected such a demand;⁸² instead, they challenged it by responding that Matalibaq (people) would mobilise 150 *masyarakat adat* (adat community members) to fight PP's activists in Mahakam River with adat law

⁷⁹ Sulaiman Huvang and Lawing, March 2002. See also PT Segara Timber Co. Ltd, *Surat Perjanjian Jual Beli*, 23 May 2000.

⁸⁰ PSDH stands for *Provisi Sumber Daya Hutan* (Forest Resource Royalty Provision) and SKSHH stands for *Surat Keterangan Sahnya Hasil Hutan*, a formal document mentioning the legality of timber sources.

⁸¹ See Matalibaq's letter of request to the CDK of Mahakam Ulu (West Kutai Forestry Service) dated 5 July 2000 and a draft letter of East Kalimantan Forestry Service (*Dinas Kehutanan*) (made by APN) to the East Kalimantan Office of the Department of Forestry and Estate Crops (*Kanwil Kehutanan dan Perkebunan*) dated 29 June 2000.

⁸² One key informant stated that "*Kita mati-matian berjuang mendapatkan kayu itu, mereka enak-enaknya minta 150 juta*" [We struggled to "death" to obtain such timber, they easily demanded Rp 150 million] (Anon, 17 May 2002).

(jungle law).⁸³ Fortunately, this did not happen. Due to this tension and document arrangement problems, finally BPTG purchased the timber with the price Rp 525,000 per cubic meter, and the payment of Rp 913,500,000 for 1,740 cubic meters of logs was arranged on 09 July 2000. Due to timber purchase contract cancellation,⁸⁴ BPTG paid Rp 60 million compensation to PT Segara Timber. Since then the conflict calmed down.

Based on the explanation above, the intensity of forest conflicts in Matalibaq increased since November/December 1998, after the collapse of the New Order authoritarian regime. The increased intensity of conflict was associated with people action led by village elites, particularly elite in Village Teams. Key elite in Team 60 led collective action in Samarinda and provided an ultimatum to PT Anangga Pundinusa to leave from *tanah adat* of Matalibaq; key elite in Team 19/10 led the action in Laham; and elite in Team 6/8 led collective action both in Laham and on the Pariq River Bridge. Despite the crucial role of elites in Village Teams, the role of other elites outside the Village Teams cannot be set aside. They were the Adat Leader and, particularly, the Village Head of Matalibaq. Hibau Bong explicated: “When Matalibaq people staging *demo* [collective action in Samarinda and Laham], the Village Head did not join. But the command came from the Village Head” (Hibau Bong, 11 March 2002).

C.3. Opportunity Risks in a Changing Political Environment: The Risks of Collective Actions and Ultimatums

Unilateral people's actions/moves characterised forest conflict in Matalibaq during the post-New Order era. As explained, Matalibaq people staged four collective actions at different places and times and provided two ultimatums to PT Anangga Pundinusa to leave from the adat land of Matalibaq. It is undoubted that such actions increased the tension or conflict intensity between both parties. The question is why did local people bravely stage collective actions and impose ultimatums to the company only after the collapse of the New Order regime? Or, why did they use the momentum of regime change or institutional breakdown to stage such actions? Research findings suggested that this was strongly associated with a change in local political environment due to regime change/democratisation at a national level. This new political environment provided political opportunities to act and to succeed in achieving collective goals.

As far as political opportunities to stage collective action are concerned, as rational human beings, individuals would compare the costs or risks in advancing

⁸³ In this context, adat law (*hukum adat*) refers to a jungle law (*hukum rimba*). In the preparation to fight with the PP activists, Matalibaq Team sent letters to the District Police Office and the East Kalimantan Governor with about 15 CCs to various organisations informing such a threat and taking a stance that “if something would happen in the rafts [due to the use of the adat/jungle law], the PP activists would be responsible for it (Anon, 17 May 2002).

⁸⁴ See *Surat Pernyataan Bersama*, 26 July 2000.

such opportunities. The costs or risks here refer to political costs or risks, which would not only bear individually (such as interrogation, detention, difficulties in acquiring government's letter/document, accusation as inciters, etc) but also communally (accused as a "rebellious" village, difficulties in acquiring village development funds and project, etc). The following part discusses these issues by comparing the risks to stage or undertake actions during the post-New Order era (*reformasi* era) with that of during the New Order era.

C.3.1. Security Risks

As previously mentioned, the "arrival" of *reformasi* era changed political environment across the archipelago, including in the research area. The abandoning of dual function (*dwifungsi*) and security approach (*pendekatan keamanan*) institutions has prevented the security apparatus to use force in handling local people. In the meantime, the locals viewed that during the *reformasi* era the security apparatus, particularly the military, would not dare to act arbitrarily. As long as they did not commit criminal acts, in locals' views, there would be relatively no security risks—apprehension, interrogation, detention, etc—for their actions during the post-New Order's era (FGD, 22 December 2001). Thus, a changing political setting implicated the security risks in staging or undertaking certain actions. More precisely, security risks decreased considerably after Soeharto's fall.

Empirical data were collected to assess such decreasing risks. One underlying proof can be seen from the courage of local people in facing the security apparatus, as it reflected the considerable decrease of such risks. One example of this can be derived from the interview with a key informant:

In an adat meeting attended by sub-district military command (*Danramil*), sub-district police head (*Kapolsek*), and sub-district head (*Camat*), they blamed local people and took side with the company. Angered with such behaviour and stance, local participants snapped them: "You took side with the company because you were paid and bribed." They [sub-district authorities] kept silent (K. Long, 12 March 2002).⁸⁵

In the Matalibaq movement against PT Anangga Pundinusa, there was also an interesting occurrence during the collective action that related to such decreasing risks. As informed by one female participant (presented in a dialogue):

⁸⁵ Robertus Hului also mentioned similar thing (Interview, 9 February 2002).

Security apparatus:

Who are your leaders?

Participants:

No leaders. None leads us. Those who lead us are our hearts that demand [the fulfillment of] our rights over our adat land.⁸⁶

Security apparatus:

Are you brave to be detained?

Participants:

Yes, you may. You can detain all of us. But you should also bring all of our possessions, including pigs, chickens, and cats. Would you afford to feed them? Would you afford to feed all of us? (K. Long, 8 February 2002).

In another case, during the Laham collective action, one elder participant who was believed to have brought a talisman (*jimat*), challenged the security apparatus that guarded the company:

You can shoot me first, at my forehead or my stomach. Choose the hard one (*yang keras-keras*) or the soft one (*yang lembek-lembek*); target them whatever you like. If I will not die, I will borrow your weapon to shoot you back. Who dares among you? (in Joni Baen, 8 March 2002).

The embarrassment of security apparatus was admitted by Paulo, a company director of PT Anangga Pundinusa. This happened not only in the Laham collective action but also in the Pariq River “Moral Movement” Bridge collective action. He suggested:

In Laham, there were about 60 police and military personnel.⁸⁷ They intended to guard but they were ignored. On the Bridge [of Pariq River], the police personnel were even evicted. In Laham, they brought traditional weapons. They carried out traditional ceremonies [in the base camp], like people ready to stage war, to make their struggle successful (Paulo, 28 February 2002).

As seen in those quotations, it was certain that local people were very brave in facing, and even in embarrassing, the security apparatus. Such courage would be less likely to be expressed if security risks were high. Thus, there was a sort of perception that the security risks decreased during the post-New Order era, particularly during regime change.

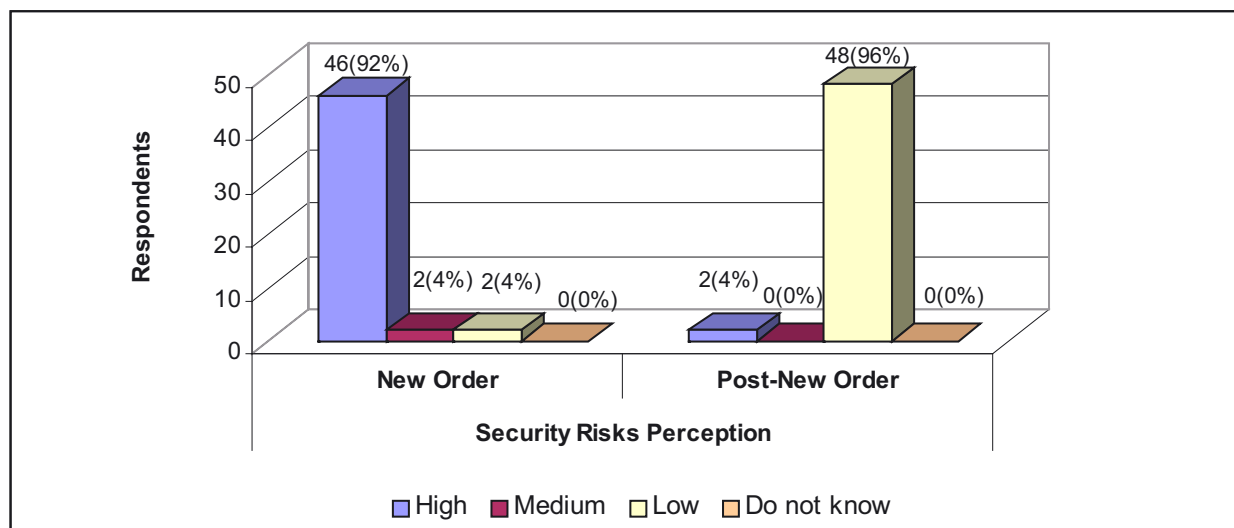
The decrease of risks in conducting collective action was supported by empirical data on the perception of local people in staging collective action. Asked about their perception regarding security risks (apprehension, interrogation, detention, etc) in conducting collective action, 92% of 50 Matalibaq respondents

⁸⁶ This statement was made in the context of security risks (to avoid apprehension, interrogation, etc).

⁸⁷ According to *Tempo*, in this collective action, about 70 armed security apparatus (mostly with pistols) were present (*Tempo*, 23 Feb-1 May 1999).

said that the security risks during the New Order era were high while during the *reformasi* era 96% of respondents said low (Diagram 5.1). This meant the majority of respondents perceived a high decrease of security risks in staging collective action during the *reformasi* era compared to that of the New Order era.

Diagram 5.1. Perceptions in Matalibaq of Security Risks under Two Differing Regimes/Eras



A contrast risks perception concerning security risks in conducting collective actions showed a contrast condition existed when Soeharto was in power and when he was toppled. This is one important reason why Matalibaq people bravely staged successive collective actions during *reformasi* era. This also explains why local people, without any doubt, tried to evict PT Anangga Pundinusa from Matalibaq.

C.3.2. Bureaucratic Risks

The breakdown of *monoloyalitas* (monoloyalty) institution created new political environment in that the bureaucracy could no longer control civil servants through administrative arrangements such as administrative sanctions. In this village, one conflict negotiator, S. Lawing, was a civil servant and a Headmaster. As he was active in the movement, officials from sub-district educational affairs attempted to put pressures on him through civil servant/teacher organisation and Lawing's position in a school. He pointed out:

I was called to come before the sub-district office of educational affairs and questioned my involvement in the conflict by connecting my tasks in teaching and educating the pupils.⁸⁸ This was a New Order's style, putting pressures through administrative arrangements. However, I defended that I was selected by our people to struggle and to demand the recognition of our people's rights. I addressed one question to him. "Am I wrong if I help my people?" The sub-district officer finally admitted that it was nothing wrong,

⁸⁸ To negotiate with company's staff in Samarinda, for instance, he should delegate his teaching tasks to his colleagues.

except suggesting me not to leave the pupils (S. Lawing, 16 March 2002).

According to him, during the New Order era, he would not dare to “challenge” his superior. *Reformasi* was regarded as providing freedom or spirit of freedom, and any New Order’s arrangement style (intimidation) would be ignored.

In addition, the breakdown of *Golkarisation* institution made the bureaucracy no longer able to use Golkar as political machine to control the village. In the past, a sub-district head (*Camat*) would “punish” Village Head if Golkar was defeated in the election. For individuals, it would be more difficult to get letters or supports from the *Camat* if they were not in favour to Golkar. This was why Golkar always won in Matalibaq during the New Order era. In the *reformasi* era, the situation changed. By examining Matalibaq conflict documents, in many documents, Village Head, Adat leader, Village Secretary, and Charman (I) of LKMD (village planning body) were involved. This included documents or letters to the Sub-district Head (*Camat*) and District Head (*Bupati*) (Matalibaq Conflict Documents, 1992-2001; LBU Conflict Documents, 1999-2001). This showed *Golkarisation* no longer worked or government officials could no longer use Golkar’s channel to control Matalibaq’s village government and local elites. Any efforts made by the sub-district head (*Camat*) was rejected by Matalibaq people because the *Camat* was regarded as taking side with the company and—although he was a Dayaknese—openly rejected the existence of *tanah adat* (adat land) in Matalibaq (K Long, 8 February 2001). There was one critical comment made by Matalibaq’s elite in this regard:

The *Camat* (sub-district head of Long Hubung) no longer has power as was during the New Order era. In the new law [Law 22/1999], the “boss” of village government is the district government, not the sub-district government. So, why did the *Camat* continuously hamper us in demanding our rights? (Huvang, 16 March 2002).

Matalibaq people were also getting more critical with their Village Head. As the conflict emerged since 1992, the Matalibaq Village Head during the New Order era had been in a difficult position. He was put under pressure by the Sub-District administration (*Camat*) and their people. In this difficult position, he was expected to take a “middle-way” position. A few months before Soeharto’s fall (during forest fires), local people formally asked his attitude in the conflict, whether he was taking sides with the company (backed by Sub-District administration) or the people (Huvang, 16 March 2002). Eventually, the Village Head wrote a formal letter stating that he took sides with the people (Surat Pernyataan Kades, 1 Feb 1998). Since then, the Village Head confronted the *Camat*, the company, and the security apparatus (Matalibaq Conflict Documents, 1992-2001). The Matalibaq Village Head even provided a harsh warning against the *Camat* of Long Hubung. He said that:

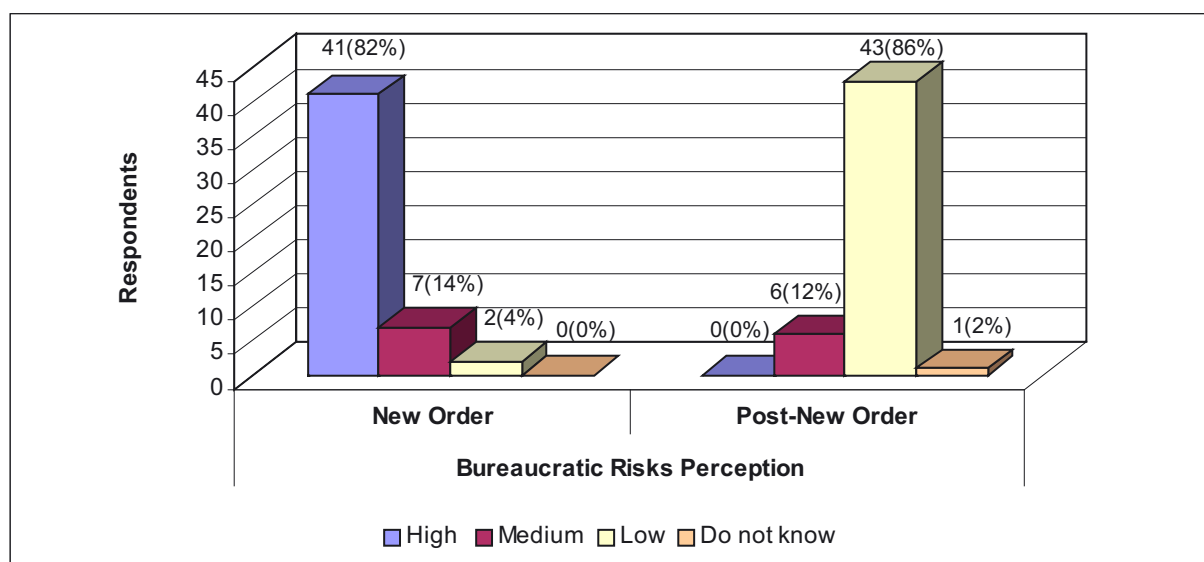
In the *Gerakan Moral* [collective action on the Pariq River Bridge], the only neutral Village Head in Kutai [District] is Matalibaq Village Head. After a

month staging collective action, I gave ultimatum [warning] to Long Hubung sub-district head (*Camat*). I asked the *Camat* to be neutral. I warned him: “Beware if you could not be neutral. Otherwise, you would be tied and placed in the raft” (Hibau Bong, 11 March 2002).

The above explanations demonstrated that with *reformasi*, villagers had more freedom and the courage not to obey the government or bureaucracy. In their views, there would be relatively no risks imposed by the government or bureaucracy if they challenged officials’ wrongdoings or of their ally (i.e. the forest company).

This kind of phenomenon was also supported by respondents’ perceptions regarding bureaucracy-related risks in staging collective action. Asked about the perception of these risks, such as administrative risks, administrative sanctions, difficulties in getting formal letters, and the like, 82% of 50 Matalibaq respondents said that bureaucracy-related risks were high during New Order era and 86% said low during *reformasi* era (Diagram 5.2).

Diagram 5.2. Perceptions in Matalibaq of Bureaucratic Risks under Two Differing Regimes/Eras



Such figures show that the majority of respondents in Matalibaq perceived that there existed a contrast condition regarding bureaucracy-related risks, where *reformasi* “offered” less risk of actions.

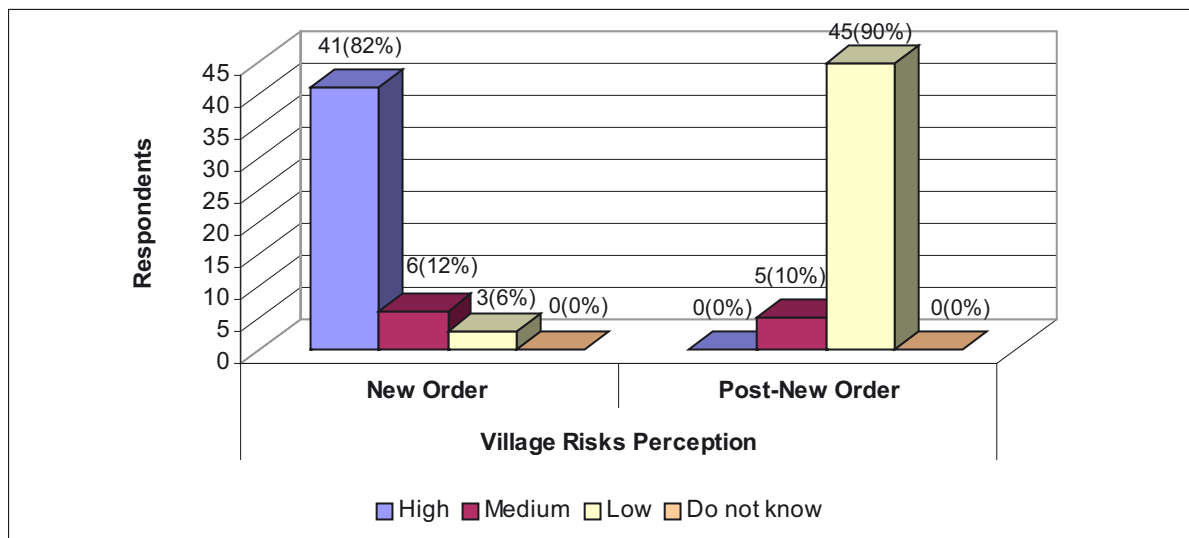
C.3.3. Village Risks

The collapse of New Order’s anti-conflict machines and greater freedoms enjoyed by local people during *reformasi* era considerably contributed to the rise of people’s actions. Such a collapse in particular affected close relationships among Golkar, bureaucracy, forest companies, and security apparatus. Due to the abandonment of floating mass institution, they could no longer used Golkar’s machine to undermine people’s struggle or to punish village government. Thus, the

abandonment of floating mass during *reformasi* era reduced political risks.

The costs or risks during the imposition of floating mass were, to a certain extent, related to the costs or risks discussed above (security and bureaucracy-related risks), which were mostly personal risks. As floating mass was designated to focus people's activities on development program and to assure Golkar's victory, the underlying risks would be the village's risks as a whole (communal risks). This included the risks in gaining village development projects and village financial assistance, the risks of being labeled as a "rebellious" or "stubborn" village (that would be followed by some consequences), and the like. Therefore, apart from highlighting the perceived security and bureaucracy-related risks, the respondents were also asked about their perception concerning the risks that would be born by their village. In this village, 82% of 50 respondents thought that the risks born by their village were high during the New Order era (Diagram 5.3).

Diagram 5.3. Perceptions in Matalibaq of Village Risks under Two Differing Regimes/Eras



Such perception is in contrast to that of the *reformasi* era, where 90% respondents said that the risks would be low. This means the risks that would be born by their village for villagers' political actions decreased.

In summary, abrupt regime change from the New Order authoritarian regime to the post-New Order democratic regime caused a collapse of repressive forces and sudden breakdown of the New Order anti-conflict machines (mechanisms). Without a quick presence of their acceptable successors (forces and mechanisms), such collapse or breakdown created a sort of power and institutional vacuum, particularly during Indonesia's early stage of democratisation or democratic transition. This situation offered opportunities for the repressed or neglected people to act. Before they acted, however, they considered the costs or risks to advance such opportunities (opportunity costs/risks). If the costs/risks were low they tended to act; otherwise, they did not. During 1998-2000 (Indonesia's early stage of democratisation), the costs or risks in staging collective actions or other unilateral actions have been perceived as low by the Matalibaq people, and because of this,

successive people's actions and other unilateral actions were staged or undertaken against PT. Anangga Pundinusa.

C.4. Conflict Motives during the Post-New Order Regime

Matalibaq people's actions against PT Anangga Pundinusa during the post-New Order era were successive and well organised. Therefore, the examination of the motives behind such actions is of importance. This part examines the development of these motives during the post-New Order era that contributed to the rise (or increased intensity) of forest conflict in Matalibaq.

As far as grievance motive was concerned, its development can be traced back to some occurrences. Like many other villages in East Kalimantan, since 1997 the Matalibaq people were affected by the economic crisis. There was a common argument among observers, that economic crisis had little or no impacts in rural villages or villages in remote areas. This argument was not applicable to Matalibaq although this village is geographically isolated. First, despite Matalibaq people to a greater extent still practiced subsistent economy, villagers were still dependent on goods outside the village. The presence of numerous shops selling basic needs from the city was an indication of people's dependence on outside goods. The problem was that due to the economic crisis the price skyrocketed and they could not afford to buy basic needs as before. Second, during the economic crisis there existed a long drought in East Kalimantan, including Matalibaq. It was reported that 95 percent of Matalibaq people faced harvest failures, forcing them to move from their village to other area as traditional gold miners, such as to Boh River (two days from Matalibaq), Ratah village area (few hours from Matalibaq), and former Sirau village (the closer one). Income generated from traditional gold mining was not much. Although the gold price skyrocketed (Rp 55,000-65,000), it was reported that at the average they received about Rp 5,000-5,500 (USD 0.5) per day (Liah 1998).⁸⁹ Third, a severe long drought in East Kalimantan was mostly followed by forest fires, due to natural cause (coal-related fires) and people's activities (Suhartoyo and Toma, 1999). In fact, in January/February 1988 forest fires hit Matalibaq. The fires burnt their village garden and shifting cultivation areas. These three occurrences affected Matalibaq people at that time. They looked for other livelihood sources, but the incomes were too low.

Because of the economic crisis and long drought (harvest failures) Matalibaq people could not blame other parties. For the forest fire case, PT Anangga Pundinusa (APN) was regarded as responsible. In truth, Matalibaq people were very angry with this company, as the fires spreading from the HTI plantations since 5 January 1998 burnt down their agriculture areas. As the fires nearly hit their houses, Matalibaq people worked together on 24 March 1998 to make a 500-meter fire break at the edges of village settlement, carried out traditional

⁸⁹ Income from traditional goal mining was used to buy daily basic needs such as rice (Rp 2,000/kg), sugar (Rp 2500/kg), cooking oil (Rp 1,700/small bottle), salt (Rp 750/small pack), gasoline (Rp 1,200/litre, for boat), and kerosene (Rp 600/litre) (Liah 1998).

ceremonies to ask “assistance” from their ancestors, and acted as “fire brigades” 24 hours a day. The saddest occurrence was that on 17 February 1998 the fires burnt one Matalibaq woman who struggled to save her valuable village gardens (Liah 1998). Because of this, Matalibaq people angrily demanded compensation for such fires-related consequences.

The problem was that six months after the fires (until November 1998), the company did not respond people’s demands properly. Combined with a harder life and the company’s ignoring of the previous demands (14 demands and timber theft case demand), they could no longer bear to hold back their grievances. Therefore, on 17 November 1998 Matalibaq people declared Adat Oath (*Sumpah Adat*) in an adat ceremony, based on their cultural tradition:

[We swear that] we will defend adat land inherited from our ancestors until the last drop of our blood, for the shake of [the continuation of] our generations (see Matalibaq’s Press Release, 6 January 1999).

Such an adat oath was actually a declaration of “war” against APN as the oath was directed against this company. By comparing the timing of the adat oath declaration (Nov. 1998, post-New Order era) to that of the company’s arrival (1992, New Order era), the oath or “war” declaration was an expression of accumulated deep grievances that had reached a critical level.

The growth of people’s grievances can also be seen from occurrences surrounding the making of Matalibaq’s Press Release. Seen as being embarrassed in the BPTG Headquarter (prevented to come upstairs to meet company Management in BPTG building), Team 19 (Ding Kueng *et.al.*) issued a Press Release (dated 6 January 1999). In this Press Release, Team 19 members expressed their increasing grievances and anger by exposing all the company’s behaviour and wrongdoings in Matalibaq. This included land encroachment issues, destruction of adat land, the establishment of transmigration projects without people’s consent, timber theft, and the company’s responsibility for forest fires (Press Release, 6 January 1999). The most important points in this Press Release was the attitude and statements made by Team 19 as follows:

1. ***Return Our Adat Land.*** For this, the HPH company of PT Limbang Praja and HTI Company of PT Anangga Pundi Nusa must leave from Matalibaq adat land as stated in the Letter of Statement dated 30 November 1998.
2. ***Pay Compensation.*** The company must pay compensation for the destruction of adat land (14 demands), timber theft (Rp 5 billion), and forest fires that burnt village’s gardens, plantations, and huts, and caused casualty (Rp 944 million).
3. ***Recognition and Protection of Adat Land.*** To ensure our sovereignty as adat community, the company and government should guaranty the existence of legal certainty concerning adat community’s rights, particularly adat rights over land (Press Release, 06.01.1999).

From those statements, statement No. 1 (Return Our Adat Land) was the strongest expression of increasing grievances since it was never expressed during the New Order era and was related to attempted eviction of APN. The attempted eviction in particular reflected that people's grievances had reached their peak.

By examining the conflict development in Matalibaq, any collective action was preceded by the expression of increasing grievances. This was understandable, as without increasing grievances, Matalibaq people were less likely to stage collective actions. The expression of adat oath-related grievances before staging the first collective action (BPTG, Samarinda) was the case. The second collective action in Laham was also related to increasing grievances as expressed by Team 19 above. In the third collective action in Laham (Laham collective action II), increasing grievances were associated to company's unwillingness to hand over the logs. Lastly, the fourth collective action (Pariq River Bridge) was pertinent to increasing grievances due to the protracted handing-over of logs.

One also observes a rise of grievances during the collective action. Two underlying examples can be discerned, namely the capture of four tractors and the readiness of local people to fight on the Pariq River Bridge (Lawing and Hibau Bong, March 2004). The former was related to people's grievances due the continuation of the company's logging activities amidst high tension with local people. The latter was associated with people's anger due to the company's long-held ignoring of the people's action on the bridge. For the latter case, local people would not be ready to take risks of their lives if their anger was not at a critical level.

Based on Team 19's grievance expression above, one also sees that there existed an economic motive. In fact, such an economic motive had existed since the New Order era. To better understand the development of economic motives during the post-New Order era, an assessment on the dynamics of people's demands is required. Table 5.17 shows that during the New Order there had been 21 items of demands, consisting of 11 non-cash demands and 10 cash demands. Out of non-cash demands, four demands had been fulfilled completely and another one partially. Therefore, 17 demands during the New Order era were re-submitted during the post-New Order era. This included all cash demands.

Table 5.17. Matalibaq People's Demands to the Forest Company and their Fulfilment⁹⁰

No	People's Demands	Development of Demands (Rp)		Demand Fulfillment (Rp)
		New Order Regime	Post-New Order Regime	
A.	Initial Demand (1992)			
1.	Certificate of the remaining adat land.	Non-Cash	Cash, Defined 24,100,000	Fully Paid
2.	Certificate of village gardens	Non-Cash	Non-Cash	Not realised yet

⁹⁰ Approximate exchange rates: 1992-May 1999, \$ 1=Rp 2200-2,400; Oct 1997, Rp 4000; 16 Dec 1997, Rp 5,600; 8 Jan 1998, Rp 10,000; 17 Jan 1998, Rp 17,000; 2000-2001, Rp 10,000; recently (2003-2004), Rp 8,500-9.500.

3.	Roads connecting gardens owned by villagers (4 km).	Non-Cash	Non-Cash	Not realised yet
4.	Rehabilitation of village hall	Non-Cash	Non-Cash	Realised
5.	Timber for house construction (10 M3/household).	Non-Cash	Cash, Defined, 913,500,000	Fully Paid
6.	Provide jobs to local villagers.	Non-Cash	-	Realised
7.	Provide one power generator.	Non-Cash	-	Realised
8.	One unit water pump (water pump, 4 water tanks, 50 m hose).	Non-Cash	Non-Cash	Realised
9.	Type writer for village office.	Non-Cash	-	Realised
10.	250 sacks of cement for the grading of the village road.	Non-Cash	Non-Cash	Realised
11.	Provide seeds for gardens owned by villagers.	Non-Cash	-	Realised
12.	Compensation of Rp 100 per cubic meter timbers extracted by the company.	Cash, Undefined	Cash, Defined, 600,000	Fully paid
13.	Compensation of Rp 10,000 per hectare land used for HTI-Trans.	Cash, Undefined	Cash, Defined, 144,000,000	Fully paid
14.	Compensation of Rp 5,000 per house built for transmigrants.	Cash, Undefined	Cash, Defined, 3,000,000	Fully paid
B.	Timber Theft Case (1996/1997)			
15.	Adat fines Rp 90,000,000.	Cash, Defined 5,000,000,000	Cash, Defined, 5,000,000,000	Paid 500,000,000
16.	Environmental destruction Rp 48,000,000.			
17.	Extinction of traditional medicines Rp 50,000,000.			
18.	2,580 stolen logs, Rp 3,612,000,000.			
19.	Neglected 857 adat timbers Rp 1,200,000,000.			
C.	Forest Fire Case (Jan-Feb 1998)			
20.	Collective Demand, Rp 756,000,000 (burnt village's gardens, for 153 households @ Rp 5,000,000).	Cash, Defined 944,000,000	Cash, Defined, 944,000,000	Paid 382,500,000
21.	Private Demand, Rp 179,000,000 ((for the family of the casualty).			
D.	Other Demands (1999-2000)			
22.	Initial capital for Village cooperative.	-	Cash, Defined, 150,000,000	Fully Paid
23.	Scholarship	-	Cash, Defined, 3,000,000	Fully Paid, per month
24.	Boarding house in Samarinda	-	Non-cash	Realised (two-story boarding house).

25.	Moral costs in collective action, Rp 2,500,000 per household.	-	Cash, Defined, 372,500,000	Paid, 49,000,000
26.	5 % fine of total 2,030 M3 timber due to delayed handover.	-	101,50 M3*	Withdrew (included in the 1730 M3 demand)

* Initially, this demand was for the whole conflict process; later, it was imposed per month.

During the post-New Order (*reformasi*) era, there were three new cash demands, that is, cash for cooperative's capital, scholarship, and moral costs. Among these, demand on moral costs was the most interesting one. During the collective action on Pariq River Bridge, local people demanded moral cost of Rp 2,500,000 per household. While "moral cost" terminology was used in facing the company, in the village it was called *uang demo* (demonstration's money). For this, the company later paid Rp 1,000,000 per household (Rp 149 million in total). Aside from the grievance motive behind this demand, this moral cost demand reflected that there existed an increasingly economic motive in the conflict.

Increasing economically motivated behaviour can also be seen from the transformation of non-cash demand to cash demand. While demand on certificate of *tanah adat* is debatable, demand on logs provision clearly captured this issue. For the demand on such a certificate, it had been converted to cash to amount Rp 24,100,000. In the conflict document, this amount of money was proposed by villagers as costs for arranging the certificate.⁹¹ Until my last visit, however, the fate of this certificate was not known. For the demand of 10 M3 of timber per household (1730 M3 in total), local people later preferred the company to pay cash instead of timber.⁹² For this, the company later paid Rp 913,500,000.

All of the above demands were formal demands discussed and submitted by the community to the company (PT Limbang Praja/PT Anangga Pundinusa). Thus, they represented the demands of the whole community. As the motive laid in the demands, the increasing economic motive in the Matalibaq conflict was not only the motive of the elite but also the motive of the whole community.

Referring to the findings of Collier (1998, 2000), Collier and Hoeffler (1999, 2001), and Renner (2002) in violent resource conflicts or resource war in that the economic motive or the greed of the elites (conflict entrepreneurs) dominated the conflict, research findings in Matalibaq did not support such findings. First, economic motive in Matalibaq conflict was not only the motive of the elites, but also the motive of the whole community. This became clearer as all economic gains acquired as the outcomes of the conflict were distributed to the whole community through adat meeting mechanism (see discussions on "Adat Mobilisation" and "Conflict Outcomes" below). Second, it is true that there were certain conflict elites who used the conflict situation as opportunities to get—or

⁹¹ The cost breakdown dated 27 Nov 1998: a) making basic map Rp 6,600,000; b) Village head, sub-district head, and witness Rp 500,000; c) transportation Rp 4,500,000; d) copying data & basic map Rp 500,000; e) meals (*konsumsi*) Rp 1,000,000; f) cost for arranging certificates in related government bodies Rp 10,000,000; c) accommodation Rp 1,000,000.

⁹² Adat meeting, 23 March 2000.

hoped to get—private economic gains (cash) (Usman, 1 October 2002), such as in the dispute of ultimatums due to two versions of agreements and in the dispute of timber selling without people's consent. However, this became a problem, as the community members did not intend their shares to be taken by their elites. In sum, the economic motive of the masses was also strong.

In term of the role of economic motive in the conflict in general, however, the findings in this research are in line with that of Collier, Collier and Hoeffler, and Renner in that the economic motive became a crucial driving force of the conflict. However, by comparing economic motives with grievance motives, it is difficult to assess (statistically) which one is greater than the other, although economically-motivated behaviour in the conflict dominated the *course* of conflict development, particularly during the post-New Order era. The most important findings in this research are that, first, there had been an increasing economic motive during the *reformasi* era. This economic motive was not the motive of elites *per se*; increasing economic motive was also shared by community members. Second, this increasing economic motive did not stand-alone. It was inseparable from increasing grievances of local people. The community felt that it deserved cash compensation for the destruction of their *tanah adat* and for the people's suffering. Thus, the increasing economic motive was legitimised by increasing grievance of the community. The increasing grievance itself was justified or caused by the company's behaviour in the area, which was merely economic oriented.

C.5. Indigenous Resource Mobilisation during Indonesia's Early Stage of Democratisation

In Matalibaq, "selling" the idea of *masyarakat adat* (adat community), *adat* (norms and rules), and *tanah adat* (adat/customary land) to the people in the struggle against the forest company had been carried out since the New Order era. While *adat* had been commonly used during the whole period of the New Order era (1966-1998), the terms *masyarakat adat* and *tanah adat* were being used since at least 1992/1993, when PT Anangga Pundinusa arrived in Matalibaq. Selling the ideas behind these resources was effective, as Matalibaq people were relatively homogenous. The use of these indigenous resources against the forest company during the New Order regime could however not subdue the company due to repressive political institutions. The following examines the development of the use and the strategy to use these indigenous resources during Indonesia's early stage of democratisation.

C.5.1. Masyarakat Adat Mobilisation

During 1998-2000, *masyarakat adat* (adat community) of Matalibaq was highly mobilised as *masyarakat adat* was powerful and "threatening" in the eyes of

the forest company, not only in terms of concept but also in terms of action. The term *masyarakat adat* contained the spirit of “rebellion” from the long-held suppression of indigenous rights. The struggle (action) of *masyarakat adat* was the struggle of indigenous people to seek justice from the company, after a long period of being ignored.

In the Matalibaq conflict, physical mobilisation of the masses was perceived important, as demanding cash compensation without mass action was regarded as fruitless, as was the case during the New Order era. As discussed, *masyarakat adat* of Matalibaq staged four collective actions against the forest company. The following table summarises such actions:

Table 5.18. Matalibaq Collective Actions Against the Forest Company

No	Description	Collective Action 1	Collective Action 2	Collective Action 3	Collective Action 4
1.	Date	23-30 Nov 1998	31 Jan-16 Feb 1999	5-11 Oct 1999	14 Jan-29 Feb 2000
2.	Place	Headquarter of BPTG, Samarinda	Log yard/base camp of TYSP, Laham	Log yard/base camp of TYSP, Laham	Pariq River Bridge, Matalibaq jungle
3.	Distance (by Time)	One and a half days	Three hours	Three hours	Three and a half hours
4.	Organisers	Team 60	Team 19	Team 10/6	Team 6/8
5.	Participants	65 persons*	110-150 persons	75 persons	All villagers, except three households**
6.	Type of Action	Demonstration in the BPTG Headquarter	Demonstration, occupation of TYSP log yard/base camp	Demonstration, occupation of TYSP log yard/base camp	Blocking logging roads, sealing four tractors, etc.
7.	Main Purpose	To acquire 14 demands fulfilment and compensation for timber theft and forest fire cases.	To acquire compensation for timber theft and forest fire cases.	To acquire 10 M3 timber per household	To acquire 10 M3 timber per household, moral cost compensation, etc
8.	Physical Pressure	Mass' presence and “occupation” threat in the Headquarter	<i>Mandaus</i> , spears, <i>sumpits</i> , etc	<i>Mandaus</i> , chainsaws, etc	<i>Mandaus</i> , spears, <i>sumpits</i> , <i>boh</i> , rifle, traditional fire guns, etc
9.	Threats	Team members would sleep in the BTPG Headquarter.	Matalibaq people would continue to occupy the base camp until the demand is fulfilled.	- Matalibaq people would unilaterally take the logs in Laham. - 5% fine for delayed logs provision.	- 5% fine per month for delayed logs provision - People would take adat action (<i>tindakan adat</i>), including jungle law.

* Including Matalibaq's “diaspora” in Samarinda. ** Lawing, March 2002.

From this table and the earlier discussion, a significant number of *masyarakat adat* was successfully mobilised in four waves by village elites (particularly elites in Village Teams) to “attack” the forest company. One interesting instance was the second collective action. In mobilising *masyarakat adat* to the TYSP base camp, in the adat meeting, Matalibaq people were encouraged by the Village Head and Team 19 to “deploy” all of their boats to embark the participants. Team 19 led the “rally” from Matalibaq to the estuary of Pariq River (Lutan) and continued upstream along the Mahakam River to Laham (see map, Appendix 10). As Mahakam River was a “busy” river, this boat convoy attracted villagers along the Mahakam River, boats and river ships’ passengers, sub-district office’s staff, company’s workers, floating shops’ sellers and purchasers, etc. This three-hour convoy became interesting as most participants wore adat clothes or accessories and brought their traditional weapons such as *mandau*, *sumpits*, etc. In the company’s document it was revealed that about 110 of *masyarakat adat* were mobilised to occupy the base camp on 13 January 1999 (APN, *Kronologis Permasalahan*, 1992-2001). It is important to note that there were informal rules agreed by the participants in that whoever had spare time should participate in the collective action. Those who had certain personal business or activities could leave the collective action arena and then return the following day. Thus, a rotation (shift) of participants occurred, but key negotiators were mostly present in the base camp. Therefore, in total, actual number of participants in the collective action was more than the figure mentioned above. In one conflict document (Attendance list), for instance, 115 participants were listed. In the last day of collective action, an Indonesian leading magazine, *Tempo*, reported that “about 150 Dayak Bahau Telivak people gathered along the base camp....they looked dashing in their [traditional] hats decorated with *Enggang’s* [bird’s] feathers and *mandaus* [Dayaknese swords] in their waists” (*Tempo*, 23 Feb-1 March 1999).⁹³ Matalibaq key informants said that all households participated, except certain elite in Team 60—Huvang Tingang, Sulaiman Huvang, and Willem Geh—and their few supporters. Participants were not only male villagers, but also female ones. According to key informant (K. Long), gender training arranged by NGO in 1997 had a profound impact on female participation. In other words, gender training had great impact in engendering the movement. In fact, in the negotiation (particularly general meeting with the company), female participants played a role in revealing the disastrous impact of forest exploitation to household life such as the difficulties in acquiring income sources, traditional medicines, and forest fruits and vegetables, as well as a deteriorating condition of Pariq River. Some female villagers even brought a sample of the muddy water of Pariq River consumed by villagers (K Long, 12 March 2002).

⁹³ *Tempo* called the negotiation in the last day of collective action as *peradilan adat* (adat trial) that took six and a half hours. During this adat trial, Ding Kueng wore black bear skin clothes while Benedictus Bith wore spotted leopard skin clothes. Local people also documented this occurrence by using a tape recorder, cameras and a handycam (*Tempo*, 23 Feb-1 March 1999).

The success of local elite in mobilising *masyarakat adat* in four waves raised interest as collective action venues were far away from Matalibaq. One of the venues was in the jungle (the fourth collective action), an empty collective action arena. Why was the mass easily “brought” to such collective arenas? This has to do with the field target determined by local elite. This issue is important in the Matalibaq conflict, as the elite never specifically targeted the base camp of PT Anangga Pundinusa, although the locals were in conflict with this company. In this issue, Matalibaq elite played a decisive role. This is not to disregard the role of *masyarakat adat* (as a mass) in this respect. The mass contributed in providing information of the situation in the field target, particularly during Laham and Pariq River Bridge collective actions. But this was only the case after the elite chose the field target. Village elite such as S. Lawing and Sulaiman Huvang provided an explanation on why such field targets were selected. Elite’s arguments and rationales in fact convinced the mass, proven by mass participation in the collective action. In the **first** collective action, Headquarter of Barito Pacific Timber Group (BPTG) in the Capital of East Kalimantan (Samarinda) was selected because all activities of subsidiary companies of BPTG (including PT Anangga Pundinusa) were controlled and guided from this Headquarter. By attacking the heart of the company, it was hoped that pressure could be exerted on the company’s handling of the Matalibaq case. In the **second** and **third** collective action, Laham base camp/log yard of PT Tunggal Yudi Sawmill Plywood (TYSP) was determined as the target because, according Lawing and Huvang, this base camp was the center of “money circulation” (*pusat peredaran uang*). Subsidiaries companies, including contractors of APN, sent their timber production to Laham, and from this log yard, timber (money) was supplied to Samarinda (to plywood factories in the case of timber; to BPTG Headquarter in the case of production revenues). In reverse, from Headquarter of BPTG, cash (wages) and logistics were sent to Laham before being distributed to subsidiary companies in this area, including the PT Anangga Pundinusa’s staff and workers. Thus, in village elite’s views, Laham was a strategic target in the field. Base camp of APN was not specifically selected, as this base camp acted as an administration office (*kantor administratur*) only. In the **fourth** collective action, Pariq River Bridge in the jungle of Borneo was chosen since it was the only land-based infrastructure that connected APN’s base camp (Matalibaq) with TYSP’s base camp (Laham). Logging contractors that undertook their activities in the APN concession area also had to pass this bridge. Thus, this target was important in terms of production supply. By “disturbing” the company’s production supply, it was hoped that the company would be willing to negotiate people’s demands (Lawing and Is. Huvang, March 2002).

In elites’ views, targeting certain fields (field target, collective action arena), was not without goals. In reality, they expected or targeted certain outcomes (outcome target). It was actually the outcome target that drove the masses—led by the elite—to approach the field target (collective action arena). In other words, it was impossible to “bring” the masses to the field target if the masses were not convinced about the goals to come to the field target. As the masses and the elites

came to the field target with certain goals, it is therefore important to examine how the elites “controlled” the masses to achieve such goals. Research findings suggested that this has to do with the issues of how the elites looked after the masses in the collective action arena and how the elites guided and coordinated the masses to provide a significant blow to the company. This was the case as, first, in one collective action the elite successfully mobilised the masses to stage a long-held collective action of about 47 days. Second, in all collective action—except the third one—mass mobilisation by village elites resulted in immediate significant outcomes.

The first issue—looking after the masses—centers on how the elites handled the logistic problems of the masses. Logistics were important to keep the continuation of mass participation until their goals were achieved. In the *first* collective action (Samarinda), after “bringing” the masses into the Headquarter of BPTG, the first negotiation proposed by Matalibaq elite (elite in team 60, such as Sulaiman Huvang, Willem Geh, Ding Kueng) aimed to deal with masses’ logistics. The strategy used by the elites was to take the position that they would be only available to discuss the main agenda after the company discussed the logistics first (Sulaiman Huvang, March 2002). It was revealed that 60 members of *masyarakat adat* came from the interior of Borneo, far away from Samarinda. They were hungry and did not have enough money. It was also argued that some of them sold their possessions or borrowed money from their neighbours or families to come to Samarinda. With this argument, the elite members threatened that 60 persons of Matalibaq would sleep in the Headquarter of BPTG if the company did not agree to provide meals and accommodation. As explained, BPTG was owned by the conglomerate Prajogo Pangestu and it was an embarrassment if BPTG—which exploited valuable timber of Matalibaq—did not make the effort to feed local people and provide shelters. To avoid embarrassment, as noted, the Management agreed to handle this issue, and all participants were later placed into the Hayani Hotel and costs were borne by the company. A similar strategy was used in the *second* collective action in Laham that took 16 days. In this collective action, it was impossible to reach an agreement in one day, and therefore meals were important. Before discussing the main agenda of negotiation, Matalibaq elite in Team 19 discussed how to handle mass’ basic needs. It was suggested that Matalibaq people did not bring rice and did not have sufficient money. It was pointed out how dangerous it was to deal with hungry people. For this reason the company agreed to feed the participants of the collective action for more than two weeks. Additional logistic supplies were brought to the Laham base camp by the company to feed 110-150 persons for 16 days, with two or three meals per day. In the *third* collective action in Laham, a similar strategy was applied. But at that time, preliminary notification was provided by informing that on 5 October 1999 Matalibaq people would unilaterally collect timber totalling 2030 cubic meters and the company should bear the “living cost” in the base camp for a 7-day occupation. As Village Head of Matalibaq (Hibau Bong) insisted:

All technical problems or issues and the expenses (costs) for the community during their stay in the Laham base camp for logs handing-over arrangement became the responsibilities of the company (*Penegasan Serah Terima dan Pengambilan Log 2,030 M3*, 28 September 1999).

In the *fourth* collection in Pariq River Bridge, as this was an empty field target, Matalibaq people were mobilised by Team 6/8 and the Village Head to bring daily needs (particularly rice). Some villagers were also encouraged to bring their traditional weapons such as *mandaus*, *sumpits*, rifles, traditional fire arms, etc. Apart from use for self-defence in possible unintended occurrences, this equipment was used to collect vegetables and to hunt games in the forests, particularly wild boars. Surprisingly, they went hand in hand to supply their logistics for about 47 days (*Rapat Adat*, 23 March 2000). This showed that they could also manage their living needs by their own efforts.

Thus, the elites used some strategies in looking after the masses, from company's "assistance" to their own efforts. In case they asked logistics "assistance" (from the first to the third collective actions) it was simply because they felt deserving of it, owing to the exploitation of valuable timber in their *tanah adat*. All of these strategies were imperative in maintaining mass' supports and participation during the collective action.

As far as the second issue—guiding and coordinating the masses—was concerned, the roles of the elites were crucial in directing the masses on how to behave in the collective action arena. In fact, this was the chief activity in mass mobilisation in Matalibaq. In this respect, although local elite (particularly the elite in Village Teams) did not object to the masses bringing their traditional weapons—in the second (Laham) and fourth collective action (Pariq River Bridge) in particular—local elite were committed to avoid any actions categorised as criminal acts, unless for "self-defence." In the elites' views (elites in Team 60, 19/10, and 6/8), if mass action turned to criminal acts, their struggles would be easily undermined by security forces. The masses might not be confronted by the Criminal Code. But their leaders would be more probably sent to jail, and therefore, their collective goals would not be achieved. During the *first* collection action in Samarinda, the masses were guided and coordinated simply to put pressures on the company by threatening that if the company refused to negotiate and fulfil the people's demand, as noted, they would spend their nights in the BPTG Headquarter. Or, to stay in the paid hotel (Hayani Hotel) as long as possible until the company agreed to provide compensation. During this collective action, the masses were "guarded" by the security apparatus in the Headquarter of BPTG as well as in "accompanying" the participants from Hayani Hotel to the company's headquarter, and vice versa. With this tight security, core elite in Team 60 requested the masses to avoid criminal acts and provocation (Huvang and Lawing, March 2002), so that the security apparatus did not have an excuse to undermine people's struggle. As a result, Rp 141 million was brought to Matalibaq. In the *second* collective action in Laham, core members in Team 19 provided a statement

that they were not responsible for the company's belongings outside the base camp complex. As village elites in the FGD (Focus Group Discussion) maintained:

In the Laham *demo* [collective action], many security apparatus [60-70 personnel] were present in the base camp/log yard. To anticipate, we made a letter of statement and gave it to the base camp's director. In the statement we insisted that we were only responsible for any equipment and buildings in the base camp complex. Heavy equipment or houses outside the base camp complex were not our responsibilities. This was because we were afraid that the security apparatus would burn one of the company's facilities or equipment outside the base camp complex and then accused us of doing so (Willem Geh, Ingan Ubung, Isodorus Huvang, S. Lawing, 22 December 2001).

Such formal statement was deemed necessary as in some parts of East Kalimantan (such as in Tanjung Isuy), the conflicts turned criminal, due to the burning of the company's equipment/facilities. The company and security apparatus accused local people of doing so, but local people maintained that they were not guilty. As the case turned to criminal charges, people's struggles were dismantled accordingly. In the Matalibaq conflict, to anticipate, after providing the statement, *masyarakat adat* was mobilised to control the base camp complex to avoid unintended occurrences as mentioned above, as well as to check the company's activities (FGD, 22.12.2001). This was intended to secure the existing mass action, as revealed in one APN's document:

Because there has been no agreement concerning the demands on adat land and forest fire disaster, on 13 January 1999 about 110 people of Matalibaq occupied the Laham base camp that has been used as the log pond of PT Inhutani I for its IPK activities, and banned any form of operation/exploitation of the company until the case is resolved (PT Anangga Pundinusa, *Kronologis Permasalahan*, 1992-2001).

Yielding to mass pressure, the company agreed to discuss people's demand, and a result was cash compensation over Rp 1 billion plus 2,030 cubic meters of logs, a two-story boarding house in Samarinda, scholarships, and initial capital for the establishment of a village cooperative. In the *third* collective action (still in Laham), the masses were guided to take logs in the base camp. A similar strategy was also imposed to put pressures to the company, by occupying and controlling the base camp complex (Huvang, March 2002). As mentioned earlier, the elites, and therefore the masses, were split during this collective action due to the absence of log documents. Village elite in Team 6 such as Yosef Lung intended to cut most logs into appropriate lengths to facilitate the log transportation from Laham to Matalibaq. Other elite's members like Lawing, who were concerned with the possibility of the imposition of the Criminal Code for this action, disagreed with such plans as the Matalibaq people would be accused of looting. As most participant followed Yosef's proposed approach, Lawing retreated from the

collective action arena and returned home. The absence of one key elite (Lawing) convinced other elite members in Team 6/8 to recognise the consequences of such a plan. Subsequently, the elites and the masses cancelled their plan and brought back their chainsaws to Matalibaq (Lawing, March 2002). Regardless of elite's dispute and cancellation, such occurrences showed the important role of elites in directing the masses during the collective action. In the *last* collective action (Pariq River Bridge), the masses were guided to realise and/or to secure the following actions: to close Pariq River Bridge as logging road; to stop all activities of BPTG/APN's contractor (PT Mulia Permata) in the HPH/HTI area; to close/stop all operational activities of APN in the base camp, to seize four tractors of PT Mulia Permata which were at that time operating in adat forests or people's forests of Matalibaq (*Pernyataan Sikap Masyarakat Adat Desa Matalibaq*, 20.01.2000). It is important to note the psychological aspect of the masses in this last collective action. The *masyarakat adat* was ignored in the jungle by the company for a long period of time. Therefore, they were disappointed and turning belligerent. They defended their action in taking as "hostages" four tractors of PT Mulia Permata, a contractor of APN. With this tough stance, APN later agreed to negotiate with Team 6/8. As local people were angry with the company, local elite discussed with the masses about new compensation demands due to the company ignoring them. As a result, the Village Head (Hibau Bong) and Adat Leader (Bith Djau) imposed moral cost compensation demands and issued a new threat:

-As a consequence of a protracted resolution of the problem between the Adat Community of Matalibaq and PT Anangga Pundinusa/PT Barito Pacific Timber Group, we, the Adat Community of Matalibaq, have decided to demand material compensation amounting Rp 2,500,000 per household to PT Anangga Pundinusa/PT Barito Pacific Timber Group.

-If the intended solution proposed by the Matalibaq community is not met through (a planned) meeting in Samarinda, we, the Adat Community of Matalibaq, firmly state that such meeting is the last meeting attended by the Adat Community of Matalibaq (*Pernyataan Sikap Masyarakat Adat Desa Matalibaq*, 20 January 2000).

To support such imposition and threat, key elites in Team 8, Village Head, and Adat Leader mobilised *masyarakat adat* to make a statement to demonstrate that they acted based on their own intention. This resulted in a statement made by *masyarakat adat* of Matalibaq:

žReferring to the Village Head's Letter No: 01/2004/Mtl/2000 dated 13 January 2000, we, the Matalibaq Community, state that we fully support the Moral Movement (*Gerakan Moral*) because the Moral Movement [action] has been the willingness of the people decided in the 3 January 2000 adat meeting.

žThe Moral Movement is one of the efforts of the [Matalibaq] community in the struggle to regain the rights of the adat community (20 January 2000).

With this pressure as well as other threats (see discussion in “Adat Mobilisation” below), the company took a soft stance in dealing with Team 6/8. The company agreed to provide Rp 149 million for moral costs demand and Rp 913.5 million for logs demand.

Thus, elites’ efforts in keeping the participation of the masses as well as to use the potential of the masses in putting pressures to the company had significant results. In total, over Rp 2 billion (over USD 200,000) were brought to Matalibaq and distributed to the villagers.

From the discussion above, local elites played crucial roles in “bringing” the masses to the collective action arenas, looking after the participants to keep their support and participation, and coordinating/guiding them to put pressure on the company. If one compares mass mobilisation in Matalibaq with other mass mobilisations elsewhere (e.g. workers’ collective action), mass mobilisation in Matalibaq did not seem very different. Research findings, however, suggested that the mass mobilisation in Matalibaq was distinct in numerous issues. As this part focuses on *masyarakat adat* as one of indigenous resources mobilised by Matalibaq elite, the discussion here sheds light on the *masyarakat adat per se*.

The findings suggested that a distinct characteristic rested in the mobilisation of indigenous potentials embedded or existed in *masyarakat adat*. The core mechanism was observed in the inclusion and exclusion “arrangements” of *masyarakat adat* of Matalibaq. In these arrangements, the ultimate inclusion of *masyarakat adat* was the descendants of Dayak Bahau Telivaq. This included Matalibaq Bahaunese resided in Matalibaq and elsewhere. Thus, the “diaspora” of Matalibaq who resided in Samarinda (the Capital of East Kalimantan), Melak/Sendawar (the capital of West Kutai District), and other villages such as Lutan, Datah Bilang, Laham, Wana Pariq (SP II, transmigration village)⁹⁴ were included as *masyarakat adat* of Matalibaq. The village elites, such as Hibau Bong and Sulaiman Huvang, proposed—and approved by Matalibaq people—in that all Dayak Bahau Telivaq descendants have the same rights and obligation to their mother village (Matalibaq). With this mechanism, the Matalibaq elites such as Hibau Bong (Village Head), Bith Djau (Adat Leader), Ding Kueng (Chairman of Lembaga Adat), and other elites in Village Teams (Team 60, 19, 10, 6, 8) easily mobilised supports from their community members. They had an obligation or were encouraged to support Matalibaq struggle against PT Anangga Pundinusa.

In the community “confronted” by modernisation like Matalibaq, however, a rigid rule was not applied. For instance, those who worked, stayed far away, or became civil servants in the city had some exemptions. They were allowed not to participate in the collective action, but were expected to support Matalibaq people in the defence of their land. In this case, a new mechanism had been imposed by the village elite. They were grouped—in Matalibaq terminology—into *KK plus* (household plus). *KK plus* meant Matalibaq households (residents) resided outside

⁹⁴ There were two households from Matalibaq that became local transmigrants in SP II.

Matalibaq who, mostly, did not join in the collective action. As all *tanah adat* belong to all Dayak Bahau Telivaq people (Matalibaq people), they had the same rights over land, including rights for cash compensation (K. Long, March 2002). Thus, although they did not participate in the collective action, they had the same shares for *tanah adat* compensation demands. For other demands—outside *tanah adat* demands—such as moral cost compensation and the like, they were not eligible to receive shares. The amount of shares for *tanah adat* demand depended on their participation in the movement. If *KK plus* participated in the collective action they were eligible for equal distribution of shares. Otherwise, they would receive 50% of shares.⁹⁵ The important thing in this mechanism was that as long as they participated in the collective action they got the same rights over shares.

For non-Dayak Bahau Telivaq people, Matalibaq elites determined as follows. First, for those who were married to Matalibaq people and resided in Matalibaq—regardless of religion and ethnic background—they were included as *masyarakat adat* of Matalibaq. For other Dayaknese ethnic groupings (non-Bahau Telivaq such as Kenyahnese) who stayed for a long time in Matalibaq and had been accepted as Matalibaq residents, they were included as *masyarakat adat* of Matalibaq although they did not have intermarriage relations (Hibau Bong, Sulaiman Huvang, March 2002). However, their inclusion as *masyarakat adat* of Matalibaq (Dayaknese non-Bahau Telivaq) depended on their stay in Matalibaq. The number of this latter community was small; the existence of Dayaknese non-Bahau Telivaq was mostly due to intermarriages. Second, for transmigrants in SP I and SP II (except Matalibaq transmigrants in SP II), they were excluded from *masyarakat adat*. There was the case that due to transportation hardships, all transmigrants from SP I (Flores/Timorese and Sundanese) proposed to the village elites (Village Head, Adat leader, Village Secretary, Chairman of Lembaga Adat, Chairman of LKMD, Sulaiman Huvang, etc) to move/stay in Matalibaq's main settlement. This proposal was, however, rejected by the Matalibaq elites and their people.

With such arrangements, the Matalibaq elites could clearly distinguish who were the *masyarakat adat*. In addition, such arrangement could “purify” the movement of Matalibaq *masyarakat adat*, because, if all community members resided in Matalibaq areas were included (e.g. transmigrants), their claim on *tanah adat* would raise internal challenges from the community as well as to confuse the forest company. With this ethnic-based arrangement, local elites easily mobilised their indigenous potentials by appealing to their community members (particularly Dayak Bahau Telivaq) to take a stance or actions. In reality, elites' appeals to *masyarakat adat* revived historical memories of Matalibaq people concerning their ancestors' efforts in defending or preserving the present *tanah adat*. And because of this, elites' appeals resulted in significant support and solidarity from the masses, proven by significant and successive participation of the masses in the collective action.

⁹⁵ K Long for instance said that while Matalibaq residents (*KK asli*) got Rp 5 million per household, Matalibaq diaspora (*KK plus*) received Rp 2.5 million per household.

Form such explanation, two important points can be drawn. First, *masyarakat adat* mobilisation is actually the mobilisation of indigenous potential of the community. The mobilisation of this indigenous potential evoked solidarities (e.g. actions) among community members who shared the same ethnic-based feelings, sentiments, kinships, identities, and the like. Second, as the elites used ethnic-based feelings, sentiments, or identities as a vehicle to mobilise the masses, elites' appeals to the community members were actually an ethnolocalist appeal to the masses to act. Ethnolocalist appeals to act worked well in Matalibaq as the masses had been framed during the New Order era and there have been more chances to succeed in achieving collective goals in a new political setting (post-New Order's democratic regime).

The success in mobilising support or solidarity among *masyarakat adat* could not be separated from village elites' roles. The elites in Village Teams (Team 60, 19/10, 6/8) as well as Village Head and Adat Leader played crucial roles in mobilising support and mobilising the masses to the collective action arenas, apart from looking after the masses and guiding/coordinating them during the collective action. Referring to the groups of elites as defined beforehand, Matalibaq's elite groups that played crucial roles were bureaucratic elite, adat elite, socio-political elite. Some figures in these elite groups could act personally (e.g. the case of four persons selling timber without people's consent) as well as based on their position in the village (Village Head, Adat Leader) and/or that of the Village Teams. What was the role of the NGO elite?

In the Matalibaq conflict, while during the New Order era the NGO elite played a role in empowering Matalibaq people by strengthening the potentials of indigenous resources, during the post-New Order era, the NGO elite played roles in supplying information (political situation, new national regulation in mass mobilisation), providing advice (dealing with two versions of letters), and the like. Thus, the NGO elite was not physically involved in staging collective action. In the case NGO activists were present during the collective action, particularly in the Samarinda collective action, they played a role in monitoring and attending the general meeting in BPTG Headquarter (see also Matalibaq's photos collection). During the conflict between village elites due to the existence of two versions of agreements/letters, for instance, the NGO elite provided advice in solving the problem, strategies in dealing with company's rejection, and the like. This kind of NGO's role can be seen from one document with subheading "The Meeting Between Team 19 and NGO Network in Samarinda" as follows:

22 December 1998. Discussion topic: (1) recent information [by Team 19] concerning the results of Matalibaq's village meeting, (2) information concerning the mandate provided by the community to the Team 19, (3) to examine the decision/agreement letters made in the negotiation [with the forest company], particularly the letters dated 03, 04, and 07 December 1998.

23 December 1998. Discussion topic: (1) to prepare arguments in the

negotiation with PT APN, (2) to prepare a letter of statement concerning people's rejection, (3) to determine the date of negotiation, (4) to discuss future plans as a follow up of the company's rejection (Matalibaq's Conflict Document, no date).

During the collective action in Laham and Pariq River Bridge, similar roles were played by NGO elite: providing advice, discussing strategies and future plans, etc. In certain cases, NGO elite also lent electronic equipment, such as handycam, to shoot collective action preparation and gatherings (K Long March 2002).

There are two main reasons for these kinds of roles. First, NGO activists realised that as outsiders their deep involvement in people's conflict would result in accusations of being provocateurs in the Matalibaq conflict. This was the case with the Executive Director of Putijaji, Kadok, who had become an operation target for security apparatus (Willem Geh, March 2002). Second, it was associated with the main goal of most NGOs, namely, to empower the people. As soon the people had been empowered, NGO activists would let local people handle their cases according to their own choices. In the Matalibaq conflict, from time-to-time, NGO withdrew their level of involvement in the conflict as local people had been empowered. One of the village elite, Sulaiman Huvang, even regretted this strategy. As Huvang maintained:

They [NGO activists] did not assist us until the case completely ended, particularly after we received cash compensation. Now, all cash compensations have been finished, distributed to all villagers. There are no cash left for our village. They should assist us in managing the cash compensations appropriately so that our tough struggle against PT Anangga Pundinusa contributed to villagers' prosperity and village development. (Huvang, March 2002).

C.5.2. Adat Mobilisation

Adat—norm, custom, customary law, or indigenous rule of the game (institution) that govern public life—was another important indigenous resource used in the struggle against PT Anangga Pundinusa. During the New Order era, however, adat was depoliticised and repressed through the incorporation of Adat Leader into village bureaucracy. Therefore, adat was not properly used in achieving collective goals during the New Order period. In spite of that, because adat as an institution governed the community in public life, adat had potentials to guide the behaviour of the masses. It was during the *reformasi* era that local elites saw opportunities to use the powerful potentials of adat institution in achieving collective goals.

There were some important strategies used by village elites in using this institution during the *reformasi* era. The first one was to support a more active Adat Council (*Lembaga Adat*) during the *reformasi* era, or to make the Adat Council effective. In numerous meetings of Adat Council during the *reformasi* era,

adat mechanisms were used by the Chairman of *Lembaga Adat* to support the work of this adat organisation. One example is as follows:

Today, Tuesday, 15 December 1998, it was carried out a meeting of Adat Council in Adat Hall of Matalibaq, Long Hubung Sub-District, West Kutai District to discuss the problems as follows: 1) The letter of Revocation dated 03 December 1998 which was made in Samarinda in the name of the Matalibaq Adat Community; 2) The demand of the Matalibaq Adat Community totaling Rp 5 billion. The meeting of Adat Council was attended by... (Rapat Lembaga Adat, 15 December 1998).

As occurred elsewhere, the role of an organisation was important in the mobilisation because the organisers would find it easier to mobilise the members of the organisation. The significance of using adat to support Adat Council was because the adat determined that all *masyarakat adat* automatically became the members of *Lembaga Adat* (Adat Council).⁹⁶ With this kind of membership, *Lembaga Adat* could effectively mobilise its members to participate in the decision making process or in staging certain actions. As in achieving collective goals the Matalibaq people established Village Team as a spearhead, any Village Team (particularly Team 60, Team 19, Team 10) used adat resources controlled by the Adat Council (particularly adat meeting mechanism) to mobilise the masses. The Village Team could use Adat Council's resources effectively because the Chairman of Adat Council was appointed as members or Chairman of such Teams (Team 60, 19, and 10). Thus, there was a symbiosis between Adat Council and such Village Teams in using adat resources.

Secondly, in numerous cases, local elites did not necessarily mobilise adat community through Adat Council because this organisation was a newly created organisation (established in 1994). This mobilisation pattern—without involving the Adat Council—had been re-applied since the Chairman of Adat Council involved in selling timber without people's consent (the case of four persons in Team 10, as discussed earlier). Instead, the local elites (Village Head, Adat Leader, and elite in Team 6 and Team 8) used adat mechanism as was applied in the past, where Adat Leader did not need to use such formal organisation as *Lembaga Adat* (Adat Council). The Adat Leader simply used adat meeting mechanisms in gathering the masses as well as an ancient tradition (e.g. *adat kayau*) in mobilising the community members for action (e.g. in tribal war). In other words, adat institution can also be used independently without involving the Adat Council. There were some examples of this in that the local elites used *rapat adat* or *musyawarah adat* (adat meeting) without involving *Lembaga Adat*. One of them is as follows:

On Tuesday, 31 August 1999, we, the adat community, held a meeting based on consensus and arrived at the following points/decisions:

⁹⁶ Even, Village Head (*Kepala Desa*) as the leader of modern village government mobilised his mass by using term *masyarakat adat* (the mass of adat "government"). Mass's obedience to Village Head was because he was a prominent figure that mastered adat tradition of Matalibaq.

1. Results of the Matalibaq community's meeting attended by 113 people in *Amin Aya'aq* of Matalibaq firmly insisted that the agreement made by five persons⁹⁷ of Matalibaq that accepted the handing over of logs was not based on the adat community's consensus. They did not act as representatives of the adat community, but they merely acted personally.
2. The community appointed and provided a letter of authorisation to a) Ahmad Yoseph Lung SE, b) S. Lawing N., c) Lung Ipui, and d) Wellem Gech, to act in the name of the adat community to meet the company staff of PT APN in Samarinda... These persons are representatives of the adat community based on the results of the 31 August 1999 meeting (Minutes of Adat Meeting, 31 August 1999)

Thus, besides *masyarakat adat* “arrangements”—inclusion and exclusion of the community members (cf. discussion on “Masyarakat Adat Mobilisation”)—the adat was also a crucial element in the mobilisation of *masyarakat adat*. In fact, although some “modern” mechanisms in the *masyarakat adat* “arrangements” were invented by Matalibaq elites (e.g. *KK plus*, temporary memberships of *masyarakat adat* for Dayaknese non-Bahau Telivaq, etc), key element in the *masyarakat adat* “arrangements” was rooted in adat tradition. The crucial position of the adat in the movement leads to the investigation on how the adat works in mobilising *masyarakat adat*, which was used to provide “lessons” to PT Anangga Pundinusa during regime change.

Collective action has two sides, that is, the cost/risk side and the benefit side. As examined, during the post-New Order era, the risks to stage collective action were low. This actually provided a situation conducive to staging collective action. However, as they struggled for public goods (justice, village's compensation), rational actors would tend to be free-ride. Thus, although the risks in staging collective action have decreased during the post-New Order democratic regime, collective action problems still persisted. Since adat has great potential to guide the behaviour of the masses, adat was intensively used during the post-New Order era to handle the collective action problems. Adat was used to provide selective incentives, either social sanction and material benefit (cf. Olson 1975).

The important mechanism of adat used by Matalibaq elites was adat meeting. In regard to the provision of social sanction as selective incentive, the logic behind the use of adat meeting was because, besides anyone should participate in the adat meeting, community members should follow the decision of the adat meeting. Thus, to attend adat meetings and to recognise the decision of adat meetings—either through Adat Council or not—would provide selective incentive to individuals (cf. Olson 1975). Social sanction imposed on the community members in Matalibaq varied. For normal meetings, the sanction was low. However, if the community never attended the meetings, they would receive

⁹⁷ From this document, it is clear that five persons involved in selling the timber. However, as one of them was a military personnel, only four persons were “tried.”

serious social sanction in the form of banishment or ostracism. The more adat meetings were arranged during the rise of conflict (to prepare successive collective actions, to discuss strategies in dealing with the company and internal conflicts, etc) meant the more frequent social sanctions were “offered” to the community members.

A tougher use of adat institution in “offering” social sanction was also observed in Matalibaq. As aforementioned, Adat Oath was declared by Matalibaq people in an adat meeting on 17 November 1998. In preparing or arranging the Adat Oath, local elites in general—bureaucratic elite, adat elite, and “socio-political” elite—played an important role. However, as the declaration of this oath was accompanied by ancient tradition or ceremony, it was the Adat Leader and the Chairman of Adat Council who played crucial roles in realising this ceremony. Adat Oath was a call for Matalibaq people to defend their land until the last drop of their blood (Matalibaq’s Press Release, 6 January 1999). Adat Oath declared in a traditional ceremony has psychological, mystical, and social effects among Dayak Bahau of Matalibaq. Psychologically, all Matalibaq people were to go hand in hand to resist the forest company. Mystically, those who broke the Oath would anger their ancestors and this could result in further consequences to the Oath’s breakers or to all villagers (cf. Kadok 2001). Socially, the Oath’s breakers would receive social sanctions from the community. Thus, there existed social sanctions in the Adat Oath arrangements.

The imposition of Adat Oath-related social sanctions can be seen from two cases. The first one was related to two versions of agreements/letters accompanied by the abolishment of ultimatum by some elites in Team 60. According to the decisions of adat meetings, such elites’ moves were regarding of breaking an adat oath. Local people strongly believed this adat oath breaking case as 10 people were in trance in an adat meeting discussing such issues (Press Release, 6 January 1999). Consequently, the elites received social sanctions from the community in the form of banishment and ostracism, although the sanctions did not last forever (Anon, March 2002). The “enactment” of adat oath-related rules showed that the adat was an important tool in providing social sanctions. Another case was associated with the behaviour of four village elite, as discussed earlier, who sold the timber without people’s consent. This was also regarded as breaking the adat oath, and in this regard adat fines were imposed. As Yohannes Anyeq maintained:

Village’s renegades were enticed with money by the company. Educated persons bullied non-educated people to advance their private interests. Finally, the village’s renegades were punished through adat fines. After the fines were paid, the case ended. This is because all of us are family” (Yohannes Anyeq, 8 March 2002).

With these sorts of sanctions or mechanisms, the villagers were later united in the last collective action. The sanctions strengthened people’s obligation to obey adat rules.

As far as material incentive/benefit was concerned, adat was used to arrange the provision of this incentive. The acquirement of the initial cash compensation was the most important one in this mechanism. As aforementioned, due to the first collective action, local people received Rp 171 million. Most of this cash compensation was distributed to the community members through adat meeting. Thus, adat mechanism played an important role in the distribution of the material benefits. The provision of these material benefits through the adat mechanism in turn affected the handling of future collective action problems, as it provided the adat community with expectations as well as economic opportunities in staging the ensuing collective action.

In the acquirement of Rp 149 million for moral costs compensation (due to collective action on Pariq River Bridge), adat institution was also used to provide material incentives to the participants. As adat meeting dated 23 March 2000 decided:

Households (KK) and Youths who did not support the Moral Movement Action of the Adat Community of Matalibaq on Pariq River Bridge for about 47 days would not receive cash distribution of the moral cost compensation.

Household Beneficiaries (*KK Penerima*) were in consensus to decide the distribution of the moral cost compensation fund as follows: 1) Household Beneficiaries Rp 86,168,000, 2) Youths supporting the Moral Movement Rp 12,640,000, 3) Bank/Safety Social Network Rp 10,000,000, 4) Lawyer Rp 40,000,000, 5) Contribution to the family of the late participant (Mr. Hasun) Rp 192,000 (*Rapat Adat*, 23 March 2000).

The adat mechanism was chosen since it was the only transparent and just distribution mechanism of cash. With this nature of adat mechanism, local people strongly trusted the adat.

After the company agreed to hand over logs based on people's demands, adat mechanism was also used to transform the logs into cash. As an adat meeting decided:

Based on the agenda of Adat Meeting on 23 March 2000 and Letter of Authorisation (*Surat Kuasa*) of Matalibaq Adat Community dated 23 March 2003 as well as private statement of the Household Beneficiaries with sufficient stamps (*materai*), they [Household Beneficiaries] anonymously decided that the logs acquirement were replaced by CASH.

This adat meeting agenda and its decision cannot be appealed (*diganggu gugat*) by whomever as they were decided by all community members based on the existing adat law (*Berita Acara Rapat*, 23 March 2003).

Having received cash compensation amounting Rp 913,500,000, this cash was distributed to the community members through another adat meeting:

Today, Wednesday, 9 August 2000, it was carried out an adat meeting in Adat House of Matalibaq and was attended by Village Head, Adat Leader,

Village Elite, LKMD staff, and Household Beneficiaries. The logs were sold with the price/amount Rp 525,000/M3 x 1,740 M3 or Rp 913,500,000. The Adat Community of Matalibaq/Household Beneficiaries unanimously decided as follows:

1. Household Beneficiaries receiving 10 M3/KK have been in consensus that the community's (private) expenses used during the struggle would not be reimbursed. The expenses become the responsibilities of the respective Household Beneficiaries.
2. All Household Beneficiaries have made an Adat Decision concerning the distribution of log price of Rp 913,500,000 as follows: 1). 133 Household Beneficiaries @ Rp 5,000,000 = Rp 665,000,000; 2). 15 KK plus @ Rp 2,500,000 = Rp 37,500,000; 3). 64 youths @ Rp 1,000,000 = Rp 64,000,000; 4). 4 persons @ Rp 5,000,000 = Rp 20,000,000; 5). Team 8 = Rp 34,000,000; 6) Dalmasius SH [lawyer] = Rp 60,000,000; 7). Village Fund replacement/ reimbursement = Rp 20,000,000, 8. Expenses for rafting and river ship = Rp 7,000,000, 9. Feast expenses (village ceremony), etc = Rp 5,500,000. Total Rp 913,500,000.

The Adat Decision has been unanimously decided by all members of the community based on the existing adat law. Attendance list and signatures are attached. The decision of this Adat Meeting has been made without pressures from whomever and signed by participants in the healthy condition, physically and mentally. The decision cannot be appealed by whomever (*Berita Acara*, 09 August 2000).

Thus, adat was an important mechanism in the distribution of material benefits in the Matalibaq movement. From the last two quotations, it is imperative to note that adat decisions in the distribution of material benefits could not be challenged. This meant that the offering and the provision of material benefits to individuals were also accompanied with potential social sanctions. Those who challenged the adat decisions would suffer social sanctions from the community.

Discussed above was the use of adat for internal purpose, that is, to handle collective action problems. Besides, local people used adat institution against the forest company. This was particularly used to justify people's action or elites' action. In the meantime, there was also the case that adat institution being used both internally and externally. Internally, it was used to rule breakers of adat institution, and externally, it was used to provide justification of people action. An example of this (internal and external use) can be seen from the argument used in undermining two versions of agreements/letters between elite in Team 60 and APN concerning compensation for timber theft and forest fire cases and the revocation of Team 60's ultimatum:

Such letters were flawed or cancelled by law, because they contradicted to:

- A. Adat Law:* 1) The letters were made without adat consensus; 2) The contents of the letters dated 03, 04, and 07 December 1998 were not in

accordance with adat demand; 3) The [two] letters dated 3 December 1998 had two versions; 4) The letters were made due to force and pressures; 5) There were falsifications of signatures.

B. Formal Law: Based on Article 1320 of Civil Law, the [conditions for the] legality of agreements are: 1) The existence of [mutual] agreements between parties to “tie” themselves; 2) The capacity [of the respective party] in making an agreement; 3) Certain consideration; 4) Rightful consideration.

Because of that, we, the adat community of Matalibaq, Long Hubung Sub-District, Kutai District, state as follows: 1) Our [adat] demand cases are not resolved yet; 2) The letters dated 03, 05, and 07 December 1998 broke the Adat Oath in relation to adat demands; 3) The letters dated 03, 05, and 07 December 1998 were flawed by law or violated the laws, both the adat law and the formal law; 4) The adat meeting of Matalibaq on 15 December 1998 decided to reject the letter of 3 December because such letter was not in accordance with the adat law.

Therefore, with the issuance of this Letter of Statement, the demand of the Adat Community totalling Rp 5 billion [timber theft case] and the demand related to the forest fires worth Rp 765 million (155 households x Rp 5 million)⁹⁸ are the demands of Matalibaq and remain existing (*Atas Nama Masyarakat Matalibaq*, 17 December 1998).

In the use of adat in dealing with the forest company, adat law was frequently used to strengthen the agreement with the forest company. For instance, as the previous agreement of log handover was made without people’s consent (*Berita Acara Penyerahan Kayu Bulat*, 19 August 1999)—meaning not involving adat mechanism, in a renewed agreement of the log handover (after staging collective action on the Pariq River Bridge) Matalibaq’s Adat Leader and Village Head stated that the decision in making the agreement “had been made by all community members based on consensus and the existing adat law” (9 August 2000; *Serah Terima Kayu Log*, 01 July 2000). This showed that adat was important in the conflict. The company also trusted local elites if the elites used adat mechanism in decision making. This stemmed from the fact that the use of adat in decision making would involve all community members.

Nevertheless, local elites—Village Head, Adat Leader, and elites in Team 6/8—also used adat to attack the forest company. The elite used the term “adat actions” (*tindakan-tindakan adat*) to support people’s action. As observed during the “Moral Movement” on the Pariq River Bridge:

Due to a protracted resolution of the problem [conflict] between the Adat Community of Matalibaq and PT Anangga Pundinusa/PT Barito Pacific Timber Groups, we, based on decision on 14 January 2000 have carried out adat actions against the activities of the company of PT Anangga Pundinusa

⁹⁸ In this case, the demands of the three families of the casualty worth Rp 179 million were excluded.

in the form of: closing logging roads; stopping the activities of contractor of PT Barito Pacific Timber Group (PT Mulia Permata) in the HPH/HTI area of PT Anangga Pundinusa; stopping operational activities of Administrator Office in the nursery area of Ban Lirung Haloq (20 Jan 2000)

Based on that, closing logging roads, stopping the activities of contractor of PT Mulia Permata in HPH/HTI area of PT Anangga Pundinusa, stopping operational activities of Administrator Office in the base camp of Lirung Haloq (20 Jan 2000) were categorised as adat actions. Research findings also suggested that adat actions included sealing the area (certain area on the bridge) by placing boundary lines with strings and leaf ornaments. In Matalibaq's terminology this was called *segel adat* (adat seals). Those who passed such boundary lines would receive adat fines. In fact, some company staff received on-the-spot-adat fines because they did not realise that they already passed such adat seals (Huvang, March 2002). Four tractors of PT Mulia Permata captured during the collective action were also sealed with *segel adat*. This arrangement was documented by the company:

On 29 February 2000, the Community opened adat seals as a follow-up of the result of meeting/consensus on Monday, 28 February 2000 at 20.00-23.30 in Matalibaq...

On 29 February 2000, four tractors were handed [to the company], accompanied by the making of a handing-over agreement document signed by Hibau Bong (Village Head) and Ir. Paulo (in the name of the Company) (*Kronologis Permasalahan*, 1999-2001).

The most interesting one was the threat of using adat action in the form of jungle law (*hukum rimba*). During the collective action on the Pariq River Bridge, security apparatus were present to monitor and asked the leaders of collective action. But they got no information as local people ignored such security apparatus while arguing that there were no leaders. These personnel were also reluctant to use force to re-seize company's properties since local people were ready to fight with their own traditional weapons. This was related to people's threat that if the demands were not fulfilled, adat community would apply the ensuing adat actions as part of conflict resolution:

The ensuing (next) resolution that has been intended by the community is the resolution based on adat actions or based on the situation and condition in the fields (*Pernyataan Sikap Masyarakat Adat Desa Matalibaq*, 20 January 2000).

My interview with Hibau Bong (Village Head) revealed that such statement and people's intended adat action referred to the implementation of jungle law (*hukum rimba*) as the last resort in "solving" their conflict with PT Anangga Pundinusa. According to the Matalibaq Village Head, "Moral Movement is Adat Movement." Because this movement was carried out in the jungle (*hutan rimba*), the application of adat law as was exercised in the past, including jungle law in a

tribal war, could not be avoided. If the company or security apparatus hurt local people, they would uncompromisingly use the jungle law as applied by their ancestors (Hibau Bong, 11 March 2002).

In sum, the use of adat was not only directed to the company in legitimising or supporting people's action but also applied internally in handling collective action problems. Adat as an institution consisted of norms and rules in public life. Local people adhered to these rules without questions, and with this character of adat, the elite used it in handling the collective action problems. Outsiders should also respect their adat, particularly in their areas. If the outsiders (i.e. forest company) "disturbed" their life, adat law would be imposed.

C.5.3. Tanah Adat Mobilisation

Tanah adat (adat/customary land) was the most important indigenous resource used by Matalibaq people in the struggle against PT Anangga Pundinusa. Drawing on the discussion in "Masyarakat Adat Mobilisation" and "Adat Mobilisation" during the post-New Order era, one observes a more intense use of *tanah adat* in the mobilisation of *masyarakat adat* and *adat*. There are three main explanations for this. First, as noted, *tanah adat* (adat land) is inseparable from *masyarakat adat* (adat community) and *adat* (indigenous norm/law). Therefore, in mobilising *masyarakat adat* and *adat*, local elite, explicitly or implicitly, also mobilised *tanah adat*. In fact, *tanah adat* has been used as a main "weapon" or a central issue in mobilising *masyarakat adat* and *adat*. Second, the locals used the momentum of regime change to submit their demands on *tanah adat* as well as to attract related parties' attention (company, *Muspika*, mass media) on the issue of *tanah adat*. In this, a more intense mobilisation of *tanah adat* was a *conditio sine qua non*. This can be derived from adat oath declaration, press release, more adat meetings discussing *tanah adat* demand, four collective actions aimed at seeking justice before the company over *tanah adat* exploitation, and the like. Third, more new demands were submitted during the post-New Order era, where *tanah adat* exploitation was used as a base of argument. Thus, in term of the use of *tanah adat* in the struggle against PT Anangga Pundinusa, a more intense use of *tanah adat* in the movement was observed during the post-New Order era compared to that of during the New Order era.

In term of the strategy to use *tanah adat* in the movement, a differing strategy was also observed during the post-New Order era (compared to that of during the New Order era). This is pertinent to the imposition of ultimatums against PT Anangga Pundinusa. In truth, the imposition of ultimatums was the most critical issue in the Matalibaq movement, and therefore, it is specifically highlighted.

During the first collective action in Samarinda, Team 60 reduced the demand from Rp 5 billion to Rp 3 billion for a timber theft case (excluding Rp 944 million for forest fires case). As the company rejected this demand, Team 60 imposed a

written ultimatum to PT Anangga Pundinusa on 30 November 1998, as follows:

The Matalibaq adat community demanded the company to leave from the adat land location/area on 15 December 1999 at the latest (in *Surat Pernyataan*, 3 December 1998)

This ultimatum had tremendous impact since based on such an ultimatum Matalibaq people excluded the company's existence in the Matalibaq area as well as its rights over the HTI concession area. Owing to this, the company attempted to negotiate on *tanah adat* issues. Agreement between the company and elite in Team 60 was reached in that the company would provide Rp 353,000,000 for timber theft and forest fire cases. One condition was that Team 60 should revoke such an ultimatum. Local elite in Team 60 such as Huvang Tingang, Sulaiman Huvang, and Willem Geh subsequently abolished this ultimatum in the name of Matalibaq people. As mentioned in the statement:

Today, Thursday, 03 December 1999, we, the undersigned below, herewith stated that we revoked our statement demanding the company of PT Anangga Pundinusa to leave from the location of HTI Trans PT Anangga Pundinusa (*Ban Lirung Haloq* site) on 15 December 1998 at the latest.

As a consequence, the Matalibaq adat community accepted company's offerings as follows: 1) The capability of the company to meet the demand of Rp 3 billion is only Rp 200,000,000, 2) For the impact of forest fires affecting 153 households, the company's capability to pay is Rp 153,000,000. Thus, total compensation is Rp 353,000,000 (*Surat Pernyataan*, 3 December 1998)

A crucial role of ultimatum can also be seen from another version of the written statement. Although the amount of compensation was different, the condition behind the agreement was the same (revocation of ultimatum):

With full awareness and without pressures by whomever, we state that we herewith revoke our statement, namely the statement "the Matalibaq adat community demanded the company to leave from the adat land location/area on 15 December 1999 at the latest," as we made on 30 November 1999 at 16.00 in the PT Anangga Pundinusa office, Jl. Jend. Sudirman No. 33 Samarinda...[We] agreed to receive participation fund of Rp 532,000,000... (*Surat Pernyataan*, 3 December 1998)

Regardless of elites' motive behind the revocation of the ultimatum, the condition for such an agreement (revocation of ultimatum) demonstrated the power of the ultimatum—as well as the power of *tanah adat*—in the eyes of the forest company. In fact, due to this tough stance, the company was willing to negotiate and offered compensation.

As the revocation of the ultimatum was not recognised by all Matalibaq people, local people led by Hibau Bong, Bith Jau, Ding Kueng, Hingan Ubung, S. Lawing, Yosef Lung, Benidektus Bith, etc arranged an adat meeting and rejected

the above agreement/statement and insisted that the people's initial demand remained unchanged (*Keputusan Masyarakat Adat Desa Matalibaq*, 15 December 1998). Based on this, in a letter to the Manager of APN dated 17 December 1998, Team 19 insisted that the case was not resolved yet. They resumed the demand to Rp 5 billion for the timber theft case and Rp 756 million for the forest fire case (excluding the demand of the families of the casualty). A renewed ultimatum with a deadline extension was imposed:

With the issuance of this Letter of Statement ... the [compensation] demands of Rp 5 billion and ... Rp 765 million ... remain unchanged.

Therefore, the Matalibaq adat community continues to request PT Anangga Pundinusa to pay such compensation demands. If the company is unable to meet the demands, as mentioned in the statement dated 30 November 1998, the company must leave from the Matalibaq adat land location/area with toleration until 7 January 1999 (*Atas Nama Masyarakat Matalibaq*, 17 December 1998).

With this ultimatum, the company attempted to tame local people by offering them a payment of Rp 532,000 million. This was however rejected by Team 19 and local people, due to two versions of the agreement as well as because of the amount of compensation, which was regarded as too low.

From the perspective of *tanah adat* mobilisation, the critical issue behind such occurrences was not in the dispute over the amount of compensation, but on the strategy used by local people. That is, the use of an exclusionary strategy against the forest company of PT Anangga Pundinusa. And in using this strategy, local people, particularly Team 19, used *tanah adat* to exclude the existence of PT Anangga Pundinusa in the Matalibaq area.

The forest company not only consisted of a cluster of buildings or office rooms in the base camp; it had also staff and workers, including transmigrants (as company's workers). Thus, to exclude the company also meant to exclude the company's staff and workers, including transmigrant workers.⁹⁹

The danger of using exclusionary strategies in such a critical condition as democratic transition has been raised by scholars because exclusionary strategies provoked enmity (Snyder 2000, Varshney 2002, Bertrand 2002). However, the Matalibaq people did not use exclusionary strategies as was the case with ethnic or ethnonationalist conflicts that ended with bloodshed. It was used to put on pressure and to increase their bargaining position vis-à-vis the company. In spite of that, explicit use of exclusionary strategies through *tanah adat* issue had a severe impact on the forest company. It increased tension between the forest company and the Matalibaq people since the former felt threatened for its existence in the area.

As *tanah adat* was the most crucial indigenous resource used by the locals to

⁹⁹ This became clearer if one examines terminology of *masyarakat adat*, which is inseparable from *tanah adat* and *adat*. Term *masyarakat adat* implied inclusion and exclusion; it excluded non-*masyarakat adat* in the area, particularly transmigrants and company staff and workers. However, inclusion and exclusion in *masyarakat adat* refers to ethnic identity.

defeat the company, some questions—similar in tone—arise: How did its mobilisation mechanism work? How did Matalibaq people use *tanah adat* as a central weapon in the struggle against PT Anangga Pundinusa? What were the things that made *tanah adat* so powerful in facing the forest company? To answer these questions, field observation of exchange claims between the people and the company is necessary.

During the collective action in Samarinda, *Kaltim Post* (26 December 1998) made a report on the Matalibaq-APN conflict. Ding Luhung/Kueng raised the activities of PT Limbang Praja and APN on Matalibaq *tanah adat*. He maintained that two subsidiaries of PT Barito Pacific Timber Group—PT Limbang Praja and PT Anangga Pundinusa—committed timber theft and *tanah adat* encroachment for HTI plantation and that they were regarded as responsible for forest fires. A report published by the Indonesian leading Magazine, *Tempo*, also raised the issue of *tanah adat* encroachment and the Matalibaq people's suffering due to the forest fires (*Tempo*, 28 Dec 1998, 23 Feb-1 Mar 1999). In these “public releases,” Matalibaq people claimed that the HTI area of PT Anangga Pundinusa was the *tanah adat* of Matalibaq. This statement was a response to the statement made by APN's base camp manager, Hariyanto Jakfar, who said that “in East Kalimantan, there are no regulations on *tanah adat*” (quoted by Ding Luhung, *Kaltim Post*, 26 December 1998), implying that there has been no *tanah adat* in East Kalimantan. This was similar to what a new base camp manager (appointed on 14 March 2002) said: “We were surprised with the claim on *tanah adat*. The government never promulgated *tanah adat* regulation in East Kalimantan. What they [Matalibaq people] claimed as *tanah adat* is *tanah negara* (state land)” (Baidi, 14 March 2002). Vice Director of APN added, “*Tanah adat* is not regulated, particularly its boundaries” (Hatta, 28 February 2002).

Matalibaq's elites however rejected such statements. One key elite, S. Huvang, for instance, insisted, “Matalibaq area is *tanah adat*. There is no *tanah negara* here. We admitted that there have been certain areas that we called *tanah negara* (state land) such as a certified area of District Office, Governor Office, and the like. But all Matalibaq areas are *tanah adat*” (S. Huvang, 13 March 2002). Hibau Bong (Village Head) added, “Indonesian land [territory] belongs to the Indonesian people, since without people and land there has been no so-called state (*negara*). The state only has a right to regulate the land, not as the owner. The owners of the Indonesian land are the people. We have a village called Matalibaq. There is no *tanah negara* here; there is only *tanah adat*” (Hibau Bong, 11 March 2002). In other words, the land of Matalibaq is owned by the Matalibaq people.

As the company's presence and activities were a problem to Matalibaq people, Baidi further insisted, “we are here based on legality. The government allowed us to be here with legal paper. We would not come here if the government did not give us permission or license” (Baidi, 14 March 2002). Thus, in the company's views, the land they “occupied” was state land, not *tanah adat* (adat land). The license granted by the state/government was regarded as proof that its HTI concession area was state land. When S. Huvang was confronted with this company statement he stated that as indigenous people, Matalibaq people had

indigenous right over land. This right had been inherited for generations. When he was questioned concerning the already-presence of APN, he expressed his regret. He provided a “solution” as follows: “The company came here with a business proposal, therefore, it only has had business rights/permit (*hak ijin usaha*), not property rights (*hak milik*). When its business permit expires, at that time its right to stay here as a newcomer will have expired as well” Following this logic, he maintained, because the company used people’s land and cut village’s timber in running its business, “the company should pay rents/fees or provide shares of timber production value to the Matalibaq people” (S. Huvang, 13 March 2002).

From the perspective of the community, such exchange claims were part—in the surface—of *tanah adat* mobilisation in attacking the company’s arguments and stance. It is important therefore to understand a core mechanism in the use of *tanah adat* as a weapon in the struggle against PT Anangga Pundinusa. As has been mentioned in the previous chapters, in managing forest resources throughout the archipelago, the Indonesian government imposed a national model in forest resource management, which was uniform in nature, regardless of specific condition, cultural identity, or distinct practices of a particular ethnic grouping in managing their land/forest. This model was aimed at controlling the territory (political consideration), generating state revenues (economic consideration), and managing forest resources sustainably through the application of forestry science in timber cuttings (ecological consideration) (cf. Barber 1997, Lindayati 2000a, Peluso 1988). In achieving this control and advancing the state’s interests, the state imposed two main institutions, that is, state institution in land management and state institution in forest product management. Both institutions are inseparable but distinguishable. In these two institutions, there were three interrelated critical issues in the conflict, that is, rights over the land, land classification, and rights over trees.

In regard to the ***rights over the land***, land management institution regulated that “land without property rights (*hak milik*) is state land (*tanah negara*)” (UUPA 1960). “Without property rights” here simply refers to the land certificate. Thus, land without certificate is classified as state land. As *tanah adat* of Matalibaq was without certificate, following this argument, it is “understandable” therefore that the *tanah adat* of Matalibaq (HTI area) was claimed as *tanah negara* (state land). According to the 1945 Constitution, the state only has a right to control the land (*hak menguasai*). In practice, however, state land becomes state property. Thus, any land (including forestland) categorised as state land subsequently has a status as state property, or the state acts as the owner of such land.

With the provision of HTI concession area to PT Anangga Pundinusa (APN), the status of its forest concession area is state land (state property), hired by the company. Hiring rights of APN are 35 years and can be extended if necessary. Although the company did not act as the owner of the land, based on the concession license, the company has been given an ultimate right to manage such land to run its business during such period of time. The provision of forest concession rights was accompanied by certain obligations. An underlying

obligation of the company was to preserve, protect, and secure such land from intruders or encroachment by other parties, including local people in the surrounding. This arrangement threatened the rights of local people over their land.

To challenge such imposition, the local elites, particularly elites in Village Teams, used their indigenous system. As mentioned, during the New Order era, the issue of land right had been raised. During *reformasi* era, they intensively and provocatively challenged the company's argument with their own system. In January 1999, Team 19 insisted that:

We, the Dayak Bahau adat community of Matalibaq, are one of the East Kalimantan indigenous peoples. As an indigenous people inheriting adat law tradition from generation to generation, we have sovereignty (*kedaulatan*) in the issues of ownership (*pemilikan*), control (*penguasaan*), and management (*pengelolaan*) of natural resources within the adat land (*wilayah persekutuan adat*). This is a mandate aiming at sustaining our lives and future generations (Matalibaq's Press Release, 6 January 1999).

Such argument stems from the tenet adhered to by local people in that their adat land has been inherited from their ancestors, not granted by the government. Local people claimed that they have been there a long time, while the Indonesian government was just recently created. Thus, according to the Matalibaq adat community, they have full rights to their properties. In local views, their land (*tanah adat*) is not state property, but people's property.

To show that such land is the property of local people, Matalibaq elites such as Hibau Bong asserted their property rights. In *tanah adat* institutions, they have five sources of rights. First, *tana bo hayaq*, the rights over land inherited from their ancestor or previous generation. Second, *naa lumaq*, land with property rights as a result of *ladang* (dry farming rice field) making. Third, *keline*, property rights that are given/delegated by the owner of certain land to other parties. Fourth, *uvaat dendaaq*, property rights stemming from adat fines. Fifth, *pebele-mele*, property rights due to land purchase (Press Release 6 January 1999, Hibau Bong 11 March 2002; cf. Kadok 2001).

The principles used in property rights among Dayak Bahau people are, first, the rights are automatically embedded, without space and time constraints. This means that even though the inheritors no longer stay in such areas, they still have rights to such land. The owners will be recognised by local people or neighbours. In the case that other people or newcomers would like to use such land, they have to ask permission from the owner of such land. As a user, his/her status was as a lender, not the owner of the land (except if such land is purchased or granted voluntarily). Second, gender equity. Male and female villagers have the same rights over land. In principle, the land is distributed equally. This does not necessarily mean the actual size of the inherited land is the same since its distribution is arranged based on the piece of land (*lembar tanah/ladang*) (Kadok 2001).

The property systems in Matalibaq can be grouped into three. First, *pu'ung anuk* or private property rights, that is, certain areas in the *tanah adat* are owned privately by households, including by an extended family. Second, *anan tuvuh bo hayaq* or communal rights, in that, the rights to certain areas in the *tanah adat* are the rights of (or owned by) all villagers. Third, *lepu'un lepau petuk* or private-communal property rights, namely, a private land but it can be utilised by the community members (private-to-communal) or a communal land but it can be utilised privately (communal-to-private) (Press Release 6 January 1999, cf. Kadok 2001).

Local people manage their land based on these institutions. Matalibaq village areas with a size of—according to a Matalibaq map—about 88,000 hectares have been regarded as *tanah adat* of Matalibaq inherited from their ancestors (*tana bo hayaq*). Thus, they regarded themselves as the legitimate owners of the Matalibaq areas. Within these areas there exist private, household, and communal land. With this property right system, it is understandable that the Matalibaq people vowed to defend their land until the last drop of their blood (Matalibaq's Adat Oath, in Press Release 6 January 1999) and asked compensation for the destruction of their *tanah adat*. It is also understandable that every household in Matalibaq demanded compensation in the forest fire case as their agricultural areas and household gardens were hit by the fires, and the company was regarded as responsible for the spread of the fires.

As far as the *land classification* is concerned, the Department of Forestry classified forestland into production forest, limited production forest, conversion forest, protection forest, and conservation forest. This classification was implemented nationally, and forest exploitation (including mining activities) was not allowed in protection forest or conservation forest, although in practice this regulation was quite often violated by the government (see *Tempo* 04 November 2003, 14 March 2004). Based on this classification, concession areas were then granted to the companies (HPH or HTI companies). In the field site, Matalibaq forestlands were granted to HTI company of PT Anangga Pundinusa and its concession area was classified as production forest, limited production forest, and conversion forest, as follows:

Table 5.19. Forest Types of PT Anangga Pundinusa's HTI Areas

No	Forest types	Size (ha)*	Percentage (%)
1.	Shrubs/non productive [conversion forest]	1983	06.67
2.	Logged over forests [production forest & limited production forest]	27,745	93.33
	Total	29,728	100

*Calculated based on percentage. Source: PT Anangga Pundinusa (1999).

Such forestland classification by the state—and followed by the company—in the Matalibaq areas was regarded arbitrary by Matalibaq people. This was because in their indigenous system, they classified their land/forestland as follows:

1) *tana umaq*, village settlement area; 2) *lepuun lumaq*, former *ladang* planted with fruit plants; 3) *lepuun umaq*, former village settlement, planted with fruit plants or crop plantation; 4) *tana bio*, sacred land; 5) *tana patai*, grape area; 6) *tana berahan*, area for forest product collection for livelihood or income sources; 7) *tana mawaaq* or *tanah peraaq*, reserved land/forest; 8) *tana aang*, land boundaries; 9) *tana pukung*, hunting area (land); 10) *tana kaso*, hunting area (forest); and 11) *tana lirung*, island in the river (mostly in river's delta), etc.¹⁰⁰ (Press Release 6 January 1999; Hibau Bong, 11 March 2002; Bith Djau 16 March 2002; cf. Kadok 2001, Nanang and Inoue 2000). This land classification reflects traditional land use systems among the Dayak Bahau community of Matalibaq. Local people act according to this classification. For instance, to utilise forest products in *tanah mawaaq/mawa* (reserved land/forest), the activities allowed in this land are only for the community's emergency use. To make money, forest product collection should be carried out in *tanah berahan/belahan*. Apart from social and economic elements (*tanah mawa*, *berahan*), such land classification also contains cultural elements (*tanah bio*, *tanah patai*), conservation elements (*tanah pukung/kaso*, *tanah mawa*), and subsistent use elements (*lepuun lumaq*, *tanah pukung/kaso*). This was totally different from the state-based land classification, as the forestland was only classified as production forest, limited production forest, and conversion forest. For instance, forest area in Mariti River was classified as *tanah mawa* (reserved forest, for community's emergency use) by Matalibaq people, but the state and the company classified as production forest. It was understandable, therefore, that forest cutting in these areas by PT Limbang Praja/PT Anangga Pundinusa resulted in complaints by Matalibaq people, as this kind of forest was allocated for communal and emergency use. Forest cuttings along Bengoh River, Davao River, etc. caused also complaints due to similar reasons. During the *reformasi* era, these arguments were used by the locals to demand compensation. In response to state-based land classification, for instance, one Matalibaq elite, Sulaiman Huvang, pointed out: "They [government and company] arbitrarily classified our *tanah adat* as KBK [production forest, limited production forest] and KBNK [conversion forest]" (Huvang, December 2001). Huvang added, "HTI activities must be carried out in non-productive forest, but they did it in production forest even in virgin-like forest."

¹⁰⁰ In this regard, Nanang and Inoue said, "Although not professionally produced, some maps of land classification have been created by the community. No part of the territory is unused or unimportant to the community." They noted the indigenous land classification into "the graveyard (*tana patai*), old growth forest/primary forest (*tana tu'an/tanah mawa*), sacred land (*tana to'*), utilization areas for personal consumption and making money (*tana belahan*), recreational land (*tana paru'*), forest land with a special history (*bato' hagong*), swiddening area (*tana luma'*), reserved forestland (*tana mawa*), and orchard (*tana lepu'un*). Some allocation overlap, such as *tana belahan*, which is also *tana tu'an/tana kaso*, and *tana mawa*, which is partly *tana tu'an/tana kaso* and partly secondary forest" (Nanang and Inoue 2000:180). See map in Appendix 8 and 9.

Another important issue is the *rights over trees*. Besides the rights to manage forestland, the company was also granted the rights to manage timber in such forestland (the rights over trees). As discussed, the HTI area of APN was used to be the HPH area of PT Limbang Praja (LP)/PT Tunggal Yudi Sawmill Plywood (TYSP). In response to LP/TYSP's proposal to establish HTI-Trans plantations for APN, the Minister of Forestry's Decision No. 236/Kpts-V/1992 dated 21 February 1992 stated that:

Concerning the implementation of HTI-Trans in your working areas, we herewith inform the map of HTI-Trans working areas. Thereafter, you should immediately prepare the 1991/1992 Annual Working Program (RKT) and submit it to the Forestry Service to obtain an approval. In the planned land clearing areas, a proposal of IPK [Wood Utilisation Permit] should be submitted along with the planned RKT if there exist timber stands to be utilised. The IPK will be granted in concomitant with the approval of your RKT-HTI. We hope that field activities should begin in January 1992.¹⁰¹

This meant that APN (via LP/TYSP) was not only given the rights to cut the remaining timber stands but also to clear such logged-over forest. In the 1992 survey of 14,400 hectares of forestlands, timber potentials with a minimum diameter of 30 cm in these areas were between 19,08 to 113,54 cubic meters per hectare, depending on forest types, as seen in Table 5.20.

Table 5.20. Diameter-based Timber Potentials in the APN Concession Areas (30 cm and above)

No.	Vegetation & Forest Density	Size (Ha)	Volume (M3/ha)
1.	Thick Forest	49	113,54
2.	Mid-thick Forest	817	76,34
3.	Spare forest	2,744	50,49
4.	Critical Forest	8,631	19,08
5.	<i>Alang-alang</i> , Shrubs	2,159	-
	Total	14,400	-

Source: PT Limbang Praja (1992).

Later, this company obtained an area extension from 14,400 hectares to 29,728 hectares. APN was also given the rights to cut timber with a minimum diameter of 20 cm. The provision of these rights can be seen from the provision of production targets for timber, with a minimum diameter of 20 cm. For instance, in the 1997/1998 IPK license, this company was given target to cut 49,940 cubic meters. In the 1998/1999 IPK license, an additional production target of 15,001 cubic meters was provided,¹⁰² as seen in Table 5.21.

¹⁰¹ Letter of Ministry of Forestry to General Director of PT Limbang Praja Timber Unit II, No. 76/Menhut-V/1992, January 1992.

¹⁰² East Kalimantan Forestry Service's Decision (*Kanwil Kehutanan*) No. 358/Kpts/KWL/PH-1/1999 on the Extension and Additional Production Target for the 1998/1999 IPK of Inhutani I in Land Clearing Areas of APN' HTI-Trans Development, 10 November 1999.

Table 5.21. IPK-based Production Target of PT Anangga Pundinusa, 1997/1998-1998/1999

No	Timber Species	Diameter-based Volume Target (M3)				Total (M3)
		20-29 cm	30-39 cm	40-49 cm	50 cm and above	
1.	<i>Meranti</i>	1,880	327	8,249	18,280	28,736
2.	<i>Kapur</i>	463	98	2,500	6,000	9,061
3.	<i>Keruing</i>	102	10	494	1,180	1,788
4.	<i>Bangkirai</i>	312	10	1,332	2,160	3,814
5.	<i>Nyato</i>	112	30	342	980	1,464
6.	<i>Anggi</i>	290	79	936	1,200	2,505
7.	<i>Banuang</i>	72	50	218	300	638
8.	<i>Medang</i>	200	35	802	1,110	2,147
9.	<i>Ulin</i>	0	0	0	380	380
10.	Other	1,390	240	4,190	8,590	14,410
	Total	4,812	879	19,061	40,180	64,941*

Source: East Kalimantan Forestry Service Decision No. 358/Kpts/KWI/PH-1/1999 10 Nov 1999, valid 1 Sep 1999-30 Aug 2000

Note: *Production target of the 1997/1998 IPK (and its change) was 49,940 M3, and the license was valid until 30 August 1999. Additional production target of 15,001 M3 was provided through the 1998/1999 IPK license and valid between 1 Sep. 1999-30 Aug 2000. Thus, the total production target of the 1997/1998 and 1998/1999 IPK licenses was 64,941 M3 (with a minimum diameter of 20 cm).

Thus, forest companies in Matalibaq have been given the rights to cut all timber with a minimum diameter of 20 cm. Before planting fast-growing timber species, the company has to clear the area and thereby the company was granted the right to cut all timber in its HTI concession areas. The provision of these rights to PT Anangga Pundinusa was a threat to the Matalibaq people as their forests are not only composed of timber. Their forests are their lives, as insisted by Ding Kueng *et.al.* (Team 19):

As the Dayak adat community, we have a holistic view on forest resources. To us, forests are not only important economically, but also socially, culturally, and religiously. Forests, in our views, contain not only rich flora and fauna, but also the people, an adat community. All of these are inseparable. Therefore, forest resources within our sovereign adat land are always be maintained and defended their existence. Whoever destroys such forest resources means destroying us as the adat community (Matalibaq's Press Release, 6 January 1999).

To challenge state institutions concerning the rights over trees, Hibau Bong and Bith Djau showed their traditional rights over trees. They insisted that Matalibaq rights over trees were based on land ownership and prior claim or finder's rights (*nyang*) (Hibau Bong and Bith Djau, March 2002; cf. Yohanes Anyeq, March 2003, Kadok 2001). Nanang and Inoue clearly explained these two systems in Matalibaq:

The first is ownership of land. Individuals or households who own a piece of land are the owners of the trees or crops that grow on the land. This is why

trees or crops provide proof (“living certificate”) of land ownership in the community.

The second is a prior claim. This is applied particularly to the ownership of honey trees (usually *benggeris* or *koompassia exelsa*). To show a claim over a tree, the finder clears and fells small trees around the trunk, and if it is a honey tree, the finder nails wooden nail-like tools (*pantak*) used to climb up the trees onto the trunk. In the past, people have claimed temporary ownership over trees in virgin forests, making recognized signals around the trees by felling small trees (Nanang and Inoue 2002).

Thus, land ownership and prior claim-based rights were rules of the game adhered by Matalibaq people in managing people’s rights over trees. If other persons intend to cut the already-claimed trees, they should ask permission from the finder. The settlement could be sharing-work and sharing products, sharing-products only, or a payment of compensation. If someone cuts the claimed trees without notification, this is categorised as theft and adat fines will be imposed (Hibau Bong, 11 March 2001; see also Kadok 2001). It was common therefore that a certain piece of land belongs to one person or household, but certain trees in such piece of land belong to another person or household. Similarly, it is common that the land belongs to the community as a whole, but certain trees belong to certain persons or households. With this arrangement, in a broader context, there are three kinds of ownerships over trees. First, in dealing with outsiders or newcomers (including forest companies), all trees in the whole *tanah adat* (adat land) belong to the community as a whole. This is particularly the case in *tanah tuan* (virgin forest), *tanah mawa/peraaq* (reserved forest), *tanah berahan* (forest used to support subsistent needs or to make money), and *tanah kaso* (hunting ground area). Second, trees in certain areas belong to certain households or extended families. This is associated with the rights over trees based on land ownership, such as trees in shifting agricultural areas, *lepuun lumaq*, etc. Third, the trees belong to individuals. This is particularly associated with a property right system based on a prior claim (finder’s right). Thus, in *tanah adat* institution there have been the owners of all trees in their village (community, household, individuals) and therefore they perceived having ultimate rights over such trees.

In dealing with newcomers or outsiders intending to collect forest products for personal use (e.g. house construction, making roof, etc), they should collect forest products in *tanah berahan* and should ask permission from an Adat Leader (*Kepala Adat*). The Adat Leader will determine the location and the amount of forest products to be collected. They should pay a 10% fee for collected products to the village.¹⁰³ If the outsiders come to the village and collect forest products for commercial use, the Adat Leader will determine the location and the amount of forest product to be collected. The fee imposed to the outsiders who collect forest

¹⁰³ In rattan collection for instance, local people used *gelung* (bunch) as a metric system. If outsiders got 10 *gelungs*, they should give one *gelung* to the Village or Adat Leader. In collecting *ulin* for roof (household/personal use), if the outsiders got 1000 pieces, they should handed 100 pieces to the Village or Adat Leader.

products for commercial use varied from 10% to 50%, depending on the value of the forest products. If the outsiders cut trees without notification (theft), all products would be taken out and they should receive adat fines (Hibau Bong, 11 March 2002; Bith Djau, 16 March 2002). With these rules, it was understandable therefore that Matalibaq people imposed adat fines to APN in timber theft case.

In the course of conflict development during *reformasi* era, such institutions were used by Matalibaq elites to undermine company's stance, arguments, and resistance. The use of these arguments was more intense during the post-New Order era as it needed strong and plausible arguments to back their compensation demands against APN. The provision of cash Rp 24 million in December 1998 for arranging certificates of *tanah adat* was the case. The agreement on the provision of certificates for households' gardens located in the claimed *tanah adat* and other *tanah adat*-based compensations were other indications of a more intense mobilisation of *tanah adat* institution during the post-New Order era.

In sum, *tanah adat* was not only a piece of land. It consists of institutions that govern local people on how to behave in managing such land, forestland, and forest products. *Tanah adat* mobilisation was therefore not the mobilisation of physical land, but the mobilisation of institutions or indigenous knowledge/practices existing in the *tanah adat* to "attack" the forest company.

Based on the core mechanism applied in *tanah adat* mobilisation, research findings also suggested that there had been an institutional gap in forest resource management in Matalibaq, namely the gap between state institutions (applied by forest company) and indigenous institutions (applied by Matalibaq people) in managing forestland and forest products. This gap had persisted prior to Indonesia's democratic transition (particularly during the New Order regime) and local elite had attempted to negotiate aiming at bridging such a gap. With an increasingly powerful adat community during regime change, they attempted to eliminate such a gap by evicting the forest company (APN) from their *tanah adat*.

D. Conflict Outcomes and the Recent Situation

D.1. Conflict Outcomes

From cash compensation given to Matalibaq people, all participants of collective actions gained economic benefits. As seen in Table 5.22, total cash obtained by Matalibaq people were Rp 2,266,700,000. Subtracting Rp 317,929,000 for lawyers, village contribution, and other necessary expenses, Matalibaq people received a net of Rp 1,949,408,000.

Table 5.22. Economic Gains in the Matalibaq Conflict*

No	Demands	Total Cash Acquired (Rp)	Date of Payment	Expenditures, Non-shareable cash (Rp)
1.	Certificate of the remaining adat land	24,100,000	30.11.1998	24,100,000**
2.	Compensation of Rp 100 per cubic meter of any timber extracted by the	600,000	30.11.1998	

	company			
3.	Compensation of Rp 10,000/ha <i>tanah adat</i> used for HTI plantation (14,400 ha)	144,000,000	30.11.1998	
4.	Compensation of Rp 5,000 per house built for transmigrants (600 houses)	3,000,000	30.11.1998	
5.	Timber theft case	500,000,000	18.03.1999	
6.	Forest fires	382,500,000	03.03.1999	
7.	Village cooperative	150,000,000	08.04.1999	150,000,000
8.	Moral costs in the collective action	149,000,000	21.03.2000	
9.	Cash-converted logs demand (timber for house construction (10 M3/household)	913,500,000	09.07.2000	
	Total	2,266,700,000		174,100,000

* Excluding scholarship Rp 3,000,000 per month. Student Scholarships for July 1999 period, for instance, was paid on 13 August 1999. ** It was mentioned as costs for arranging the certificate of adat land.

Table 5.23. Economic Gains Distribution for Moral Costs and Converted Logs Demands

No	Beneficiaries, Contribution, etc.	Total Cash Acquired (Rp)	Date of Payment/ Distribution	Expenditures, Non-shareable cash (Rp)
A.	Moral Costs Demands			
1.	Households	86,168,000	23 March 2000	
2.	Youth participants	12,640,000	23 March 2000	
3.	Contribution to the village (Bank/JPS)	10,000,000	23 March 2000	10,000,000
4.	Lawyer	40,000,000	23 March 2000	40,000,000
5.	Contribution to the late participant (debt)	192,000	23 March 2000	192,000
	Total	149,000,000		50,192,000
B.	Converted Logs Demand			
1.	133 households (original residents) @ Rp5,000,000	665,000,000	9 August 2000	
2.	15 households (plus) @ Rp 2,500,000*	37,500,000	9 August 2000	
3.	64 youths @ Rp 1,000,000	64,000,000	9 August 2000	
4.	4 persons @ Rp5,000,000	20,000,000	9 August 2000	
5.	Team 8**	34,000,000	9 August 2000	
6.	Lawyer	60,000,000	9 August 2000	60,000,000
7.	Reimbursement for village fund	20,500,000	9 August 2000	20,500,000
8.	Costs for rafting (medium river ships)	7,000,000	9 August 2000	7,000,000
9.	Feast expenses (<i>biaya pesta</i>), including adat ceremonies, etc.	5,500,000	9 August 2000	5,500,000
	Total	913,500,000		93,000,000

* Matalibaq residents (households) resided outside the village.

** Eight members of village team (Team 8).

If such an amount of net cash is distributed to 148 households equally,¹⁰⁴ every household is expected to get shares of about Rp 13,171,676. However, as there was also personal distribution (organisers/team members, youths, and certain persons, see Table 5.23), total shares received by certain households would be less while other received more. Regardless of differing individual shares, this showed a transformation of economic opportunities into economic gains in the conflict.

In non-cash demand, all people's demands had been fulfilled by the forest company, except two demands, namely, certificates of villagers' gardens and road construction connecting villagers' gardens. By analysing all non-cash demands (see discussion earlier), only two demands were closely related to the recognition of *tanah adat* rights, that is, certificate of *tanah adat* and certificates of villagers' gardens. While the demand of garden certificates has not been fulfilled yet, the demand of *tanah adat* certificate had been converted to cash amounting Rp 24 million. This amount of money was planned to be used for the certificate arrangements, but the result is not yet known.

With the above outcomes, it is interesting to note the main objective of Matalibaq people's struggle against the forest company as follows:

The sole objective of our struggle is the recovery of our sovereignty (*pemulihan kedaulatan*) in terms of control, ownership, management, and utilisation of natural resources in [our] adat area/land. Material demands (*tuntutan material*) are part of the consequences of the company to pay due to the destruction of our adat land (Press Release, 6 January 1999).

The achievement of this objective is questionable. More precisely, it is not fully achieved yet. This can be seen from the conflict outcomes as mentioned above as well as the recent situation as discussed below.

D.2. The Recent Situation

Since the adat peace ceremony attended by all villagers, the APN director and the lawyer was held in Matalibaq, the Matalibaq forest conflict has calmed down. This does not mean that the conflict has ended. First, there are two demands left, that have not been fulfilled yet by the company (certificates of villagers' gardens and road construction connecting villagers' gardens). According to the company's staff, the company has been in a position to await people's approach/move (Hatta, 25 February 2002). During my fieldwork, however, local people were not yet interested to advance these demands, because of new economic opportunities, i.e. *Banjir Kap* II (community logging era, mostly during the flood, 1999-2002). This did not mean that they forgot their demands, because some village elites still raised this issue during the fieldwork. Second, local people still claim that HTI area of PT Anangga Pundinusa is their *tanah adat*. These two issues could potentially result in new conflict.

¹⁰⁴ Based on *Berita Acara Rapat Adat* (Minutes of Adat Meeting), 9 August 2000.

In my last visit, due to *Banjir Kap II*, Barito (BPTG) and forest businessmen came to this village to offer timber cuttings cooperation with Matalibaq people. Until October 2002, logging activities in Matalibaq were as follows:

Table 5.24. Logging Activities in Post-Conflict Matalibaq

No	Timber Cutting License	License Owner	Partner	New-Conflict Potentials
1.	IPK	PT. Anangga Pundinusa	PT Tunggal Yudi (as a contractor)	No agreement yet on timber fee for Matalibaq people.
2.	HPHH	Alius Talang (Matalibaq's resident)	KWS	Its HPHH area is actually in Laham.
3.	IUPHHK	CV Pari Jaya Makmur (Matalibaq's "company")	MKT (Meratus Kalimantan Timber)	Not operating yet due to the disputes in the recruitment of Matalibaq people as workers.
		Pari Ngalimaan (Matalibaq's village cooperatives)	Barito Pacific Timber. Contractor: PT. Mulia Permata.	Although the procedures are not fully fulfilled yet, Barito has cut timber in this area. The Barito used APN's boarding house as a base camp.
4.	IPPK	Ujat Heleeng Lestari Foundation		Ujat Heleeng Lestari cut timber trees in the CV Pari Jaya Makmur concession area. This created disputes.

Source: Interview with Village Secretary, October 2002.

In conducting forest exploitation, the existence of village cooperative is important for arranging a license to cut. Staff of Matalibaq cooperatives recently dealt with Barito (BPTG) in arranging IUPHHK. In an adat meeting, the staff of the Matalibaq cooperatives (*Pari Ngeliman*) revealed that the cooperatives had debts to Barito amounting Rp 700,000,000. This surprised and angered local people, because such debt was coming from the arrangements of a license to cut (Lawing and K. Long, March 2002). This persuaded Matalibaq people, particularly cooperatives staff, to continue their cooperation with Barito to pay the debts.

As seen in the above table, PT Anangga Pundinusa also received a new license to cut (IPK). To start its activities, the company should approach local elite. Accompanied by disputes in IPK, HPHH, IUPHHK, and IPPK, in my last visit, village elite would summon all parties to avoid future conflict.

Due to a halt in activities and the company's performance, on 5 November 2002, HTI license of PT Anangga Pundinusa was revoked by the Ministry of Forestry, along with other 13 HTI companies across Indonesia. In revoking HTI licenses, the Ministry of Forestry made three categories of companies: 1) technically and financially unfeasible; 2) technically feasible, financially unfeasible; 3) technically unfeasible, financially feasible. PT Anangga Pundinusa

was categorised in the first category (technically and financially unfeasible). The Department of Forestry revealed the latest data PT Anangga Pundinusa as follows:

Table 5.25. PT Anangga Pundinusa according to the Department of Forestry

No	Items	Remarks
1.	Total Area	29,728 ha
2.	Plantation Realisation	3,721 ha (0.12%)
3.	Government capital (equity)	Rp 5,568,154,500
4.	Reforestation Fund (DR), 0% interest rate ¹⁰⁵	Rp 7,563,842,500
5.	Category of company after assessment	Technically and financially unfeasible

Source: *Bisnis Indonesia*, 8 October 2002, 19 November 2002

With such data, only about 3,721 ha of its HTI area had become HTI plantation or about 0.12 percent of total concession areas. This is supported by my observation in the areas and interviews with various informants in that rubber plantation for transmigrants and most HTI plantation area have become new “natural” forests. In the 1998 company’s report, it was mentioned that the realisation of HTI plantation reached 8,741 hectares, or 29.40 percent of the HTI area (PT Anangga Pundinusa 1998). One reason for differing data is the matter of forest fires.

In the Ministry’s license revocation, HTI area of PT Anangga Pundinusa would be handed to the East Kalimantan Governor. To challenge the Ministry’s decision and to postpone the taking over of the HTI area by the Governor, PT Anangga Pundinusa along with other nine HTI companies submitted appeals to the court (*Bisnis Indonesia*, 8 Oct. 2002, 19 Nov 2002; *Kaltim Post*, 22 November 2002). In July 2003, the companies won their cases and welcomed the court’s decisions (*Media Indonesia*, 2 July 2003). This meant that PT Anangga Pundinusa could continue its activities in Matalibaq.

E. Conclusion

Forest conflict in Matalibaq is a conflict between Matalibaq Dayaknese and PT Anangga Pundinusa (APN). PT Limbang Praja was involved in the conflict formation, and TYSP and BPTG took part in the conflict resolution. In spite of that, APN placed itself to the forefront of the companies in dealing with the Matalibaq people.

In the first arrival of the forest company (PT Limbang Praja) in 1970s, the forest conflict was not discerned. In the second arrival of PT Limbang Praja/APN, particularly since May 1992, the forest conflict had been emerging and had become latent conflict in the following months. Manifest conflict continued until the collapse of New Order regime (May 1998). During Indonesia’s early stage of democratisation (May 1998- July 2001), there had been intensifying forest conflict

¹⁰⁵ There was also Reforestation Fund (DR) allocated to APN by certain banks with certain interest rates. According to company’s document, the percentage was the same as that of DR’s 0% interest rate, namely 32.5%.

in Matalibaq. The intensifying conflict eventuated in the occurrences of unilateral collective action carried out by the Matalibaq people against APN. During this period (November 1998-August 2000), four collective actions were recorded, also two ultimatums issued, while during the New Order period (May 1992-May 1998) there were none. From the year 2000 to now, the conflict in Matalibaq calmed down, but has not disappeared. Thus, based on periods of conflict, which in this research is grouped into conflict during authoritarian regime (1992-May 1998), Indonesia's early stage of democratisation or democratic transition (May 1998-July 2001), and Indonesia's democratic consolidation (July 2001-present), conflict intensity in Matalibaq increased tremendously during the period of Indonesia's early stage of democratisation.

The phenomenon of intensifying forest conflict during Indonesia's early stage of democratisation (1998-2001) was affected by regime change and democratisation at national level. A sudden collapse of the New Order authoritarian regime contributed to the paralysis of repressive state organs and the breakdown of repressive political institutions (repressive security institution, bureaucratic institution, and mass depoliticisation institution). In the early phase of regime transition, this created a kind of power and institutional vacuum, so that the costs or risks of staging collective action decreased. Such changes contributed to the change in political environment of Matalibaq. While the risks (security risks, bureaucracy risks, village risks) in staging collective action or committing other unilateral actions against forest companies were high during the New Order era, in the post-New Order era the risks have been low. This provided opportunities for local people in expressing their concerns against the forest companies through collective actions and unilateral non-collective action (ultimatums). People's actions/moves against APN intensified the forest conflict during this period.

By examining successive and well-organised collective actions and other unilateral actions, we see that the conflict had strong motives. In fact, grievance motives and economic gain-seeking motives were the driving forces of the forest conflicts in Matalibaq. By using a chronological approach, grievance motives came earlier in conflict formation and economic motives played a critical role in the course of conflict development. During Indonesia's early stage of democratisation, there were increasing grievance and economic motives. This increase resulted in more actions, and therefore, tensions between the conflicting parties intensified.

Grievance and economic motives were not only the motives of Matalibaq elites but also the motives of the community members as a whole. While people's economic motive was legitimised by grievance motives, grievance motives itself were justified or caused by the timber-hungry nature of the forest companies, which had merely economic motives.

The presence of motive without action would not result in manifest conflict or increasing intensity of (manifest) conflict. At this point, mobilisation efforts to "attack" the forest company played crucial roles. A distinct characteristic of the mobilisation efforts in the Matalibaq conflict was that the elites involved in the conflict mobilised indigenous resources of Matalibaq, namely *masyarakat adat* (adat community), *adat* (indigenous norm/law), and *tanah adat* (adat land). During

the New Order era, these indigenous resources had been mobilised. However, due to repressive political institutions of the New Order regime, the mobilisation efforts were carried out in a “gentle” manner and did not result in substantial outcomes. When these repressive political institutions were broken down during the post-New Order era, particularly during Indonesia’s early stage of democratisation, there was an increasing mobilisation of such indigenous resources to achieve people’s collective goals. The increasing mobilisation of the indigenous resources aiming at defeating the forest companies greatly contributed to the increased intensity of forest conflict in Matalibaq during this period.

Referring to the goals of the Matalibaq people in the struggle against PT Anangga Pundinusa, namely, a recovery of “sovereignty” over adat land and cash/material compensation over the destruction or exploitation of *tanah adat*, the “sovereignty” objective has not been achieved yet, while all but two cash/material compensation demands have been fulfilled. If Matalibaq people continue their struggle for the “sovereignty” over adat land, or at the very least, for the fulfillment of the remaining demands while the company resists, Matalibaq Conflict Part II is inevitable.

Chapter 6

An Intensifying Forest Conflict in Long Bagun Ulu during Indonesia's Early Stage of Democratisation

This chapter deals with the second study case of forest conflicts in East Kalimantan. While the discussion in Chapter 5 focuses on the conflict between indigenous Dayaknese and an industrial timber estate (HTI) company, Chapter 6 sheds light on the conflict between indigenous Dayaknese and a logging (HPH) company, namely between the people of Long Bagun Ulu (LBU) and the company PT Sumalindo Lestari Jaya V (SLJ V). The conflict is examined within the framework of regime change in Indonesia—from the New Order authoritarian regime to the post-New Order democratic regime—to better understand the phenomenon of rising or intensifying forest conflict when democracy is promoted.

To explain such a phenomenon, the discussion begins with a short introduction to Long Bagun Ulu (the village and its people) and PT Sumalindo Lestari Jaya V (the logging company), in order to provide a general overview of the conflicting parties as well as the research site. The next part describes the forest conflict, particularly conflict formation, during the New Order era. The following part examines the development of the conflict in a changing political environment (the post-New Order regime) with particular attention paid to the risks of staging collective action, conflict motives, and indigenous resource mobilisation. Finally, the conflict outcomes and the post-conflict situation are discussed, as well as the potential for future conflict in the research site.

A. The Conflicting Parties: An Overview

A.1. Long Bagun Ulu: The Village and Its People

Long Bagun Ulu (LBU) is a village under the jurisdiction of Long Bagun sub-district,¹ West Kutai district, about 502 km from Samarinda, the provincial capital of East Kalimantan (BPS Kutai 1996, 1997, 2000b). It is situated along the bank of the biggest and busiest river in East Kalimantan, the Mahakam River. To reach this village from Samarinda it takes about two days by water transportation. Under normal water-level conditions, LBU is the daily end destination of two Samarinda-based river ships that transport people, products, fuel, and other economic commodities. Besides connecting downriver villages with upriver villages in neighbouring sub-districts, LBU plays a role as a transit point or “base camp” for people collecting valuable non-timber forest products from upriver

¹ Long Bagun sub-district consists of 10 villages, namely, Long Bagun Ulu, Long Bagun Tengah (Batu Kelau), Long Bagun Ilir, Batu Majang, Ujoh Bilang, Long Melaham, Mamahak Ulu, Mamahak Ilir, Long Huray, and Long Merah (BPS Kutai 1996, 1997).

forests, including *gaharu* (*Aquilaria malaccensis* LAMK) and birds' nests. The logging company PT Sumalindo Lestari Jaya V (SLJ V) is located on the other bank of the Mahakam River, opposite the village (see maps, Appendix 12 & 13).

The Dayak people of Long Bagun Ulu are from the same ethnic group as the Matalibaq—the Dayak Bahau group—but from a different sub-ethnic group, namely the Bahau Busang Umaq Waq. Their ancestors also originated from the Apo Kayan area (near the Indonesia-Malaysia border), from where they underwent a series of migrations. Under the leadership of Hipui Lejo Lung, the people moved from Apo Kayan to Ulu Aga (on the Boh River, the area of SLJ II), and some years later to Seratah where swallows' nests were widely found. From Seratah, the Bahau Busang Umaq Waq people moved down to Payang River (the area of the present village of Batu Majang, near the SLJ V base camp), led by Lejo Lung Bayo Lahe. Signs of their stay in the Payang River area can still be seen in the form of a big *lepuun umaq* (former village settlement planted with fruit plants or crop plantation). A few years later, they moved to the present SLJ V base camp (Km 0), from which they then migrated upstream to the confluence of the Mahakam-Ayoh Rivers (the site of Batu Kelau village). Due to fires, Bang Juk (the King/Hipui of the Mahakam at Batu Kelau village)² asked the Bahau Busang Umaq Waq people to move upstream along the Ayoh River. A few years later, they migrated back to Batu Kelau village. By 1920,³ because Bayo Lahe wanted to be independent from Bang Juk, about 50 households migrated to the (current) Long Bagun Ilir site. At that time, there was no village in the current Long Bagun Ulu area. By 1935, due to an unknown plague, they moved to the current Long Bagun Ulu site (cf. maps, Appendix 12 & 13).

Due to the strategic location of Long Bagun Ulu village (with its easy access to the “outside world”), people from Batu Kelau under the King/Hipui, Bang Juk, asked permission from the Long Bagun Ulu people to settle in the LBU vicinity. The leader, Bayo Lahe, gave land, and this site was later known as Ujoh Bilang village (the present capital of the Long Bagun sub-district). Not long after (in 1924), Kenyah people from Umaq Timay ethnic grouping asked permission to settle from the LBU people, and were allocated the area currently known as Batu

² Ayang Bayau called Bang Juk as *Raja Mekam* [*Raja Mahakam*], the King of Mahakam.

³ As the Adat Leader of Long Bagun Ulu, Ayang Bayau, did not know the dates of his people's successive migrations, this is the earliest date that I can estimate. My estimation is based on his arrival in the current area of Long Bagun Ilir village when he was about 10 years old. In the conflict document dated 2000, his age was written as 80 years old. However, according to him, this was too young (also, he was not consulted). He told me that his age was about 90 years at that time (2000). Thus, 2000-(90-10)=1920. This is supported by a Batu Majang map mentioning that the arrival date of the Kenyahnese in the Batu Majang area (Alan River) was 1924 (the map was shown me by the Batu Majang Village Head [Bilan Tingang], May 2002). Dhani Subroto (1997:25 & 66) in his research report on *Tanah Ulen* in Batu Majang village also mentioned 1924 as the arrival date of the Umaq Timay Kenyahnese in the Alan River. As noted, according to Ayang Bayau, the Umaq Timay Kenyahnese asked permission from the Bahau Busang Umaq Waq people to reside in the Alan River area, meaning that the Bahau Busang people had existed in the area prior to 1924. The existence of Bahau people prior to the arrival of the Kenyahnese is also mentioned in Dhani Subroto's report (1997).

Majang village (close together with SLJ V base camp).⁴ Pinihing people from the upper Mahakam River also asked for land from the LBU people, and their village is now Long Bagun Ilir (LBI). The Dayaknese Ot Danum (originally from Central Kalimantan) residing in Batu Kelau were resettled by the government (in a resettlement project) in the LBU area and this village has become Long Bagun Tengah (LBT). This village (LBT) does not have a forest area within the LBU area.⁵ The villages of Long Bagun Ulu, Long Bagun Tengah, and Long Bagun Ilir are like three subdivisions, and for outsiders, their boundaries are difficult to distinguish (see maps, Appendix 12 and 13). Due to the central role of LBU in allocating land to the people of Ujoh Bilang, Batu Majang, Long Bagun Ilir, and Long Bagun Tengah, the position of LBU is unchallenged in dealing with SLJ V and other villages.

The relationship between LBU and the Kutai Kingdom has also been described in LBU history. According to the customary leader, Ayang Bayau, the LBU people asked permission from the Kutai Kingdom to stay in the area. They were told that they could stay, as long as they recognised the authority of the Kingdom. The Kingdom's permission, along with the record of their routes of migration (including the recognition by other ethnic groupings) are the sources of the LBU people's claims to their *tanah adat* (adat/customary land).⁶

⁴ The Umaq Timay Kenyahnese later moved to Tabang in 1970, and only five households (23 people) were left. In the meantime, Umaq Tukung Kenyahnese arrived in the Batu Majang area in three waves (1949-1972), followed by Umaq Bakah Kenyahnese (1979) (Dhani Subroto 1997). Currently there is (silent) conflict between Batu Majang and Long Bagun Ulu villages concerning their boundaries. LBU people rejected the "expansion" of the Batu Majang village's area since, according to the LBU elite, the existing recognised boundaries (by LBU) were the boundaries based on an adat agreement (*perjanjian adat*) made between Bahau Busang Umaq Waq and Umaq Timay Kenyahnese (Anyeq Lahai, 21 March 2002). Due to the tough stance of LBU village, one Batu Majang elite has proposed a plan to his people to move to Berau (another district) to seek a better life for their future generations. However, this is not an easy task as many considerations should be taken into account, including, among other things, population size (in 1996, the total population of Batu Majang was 719 people or 154 households (KK); Dhani Subroto 1997). Conflicts between villages have been common in East Kalimantan in recent years, particularly during the HPHH or timber fee compensation era. For a description of conflicts between villages in West Kutai, see Pemkab Kubar (2001).

⁵ Its village and forest area are still in former Batu Kelau, within the concession area of SLJ II. The status of the LBT agricultural area (*ladang*) within the LBU area is that of borrowed land (*status pinjaman*) (Anyeq Lahai, 21 March 2002). LBT people are currently involved in a dispute with the Kenyahnese of Apo Kayan (Dumu Mahak and Mahak Baru people) and SLJ II. This dispute is associated with the timber fee compensation provided by SLJ II. Recently, SLJ II attempted to resettle the LBT people to their former village in Batu Kelau (Interview with Gunaq Tayaq [Adat Leader of LBT], May 2002).

⁶ The issue of the Kutainese-Dayaknese relationship is of particular importance in this conflict since the base camp manager of SLJ II was Kutainese and became one of the SLJ V negotiators. At one stage when the LBU people raised the issue of *tanah adat* (adat land), this SLJ II manager argued that the land used to be part of the Kutai Kingdom. This can be debated by referring to historical accounts. From historical writings, the indigenous people of East Kalimantan are believed to have originated from Yunnan (Southern China), arriving in migration movements between 3000-1500 BC. The first wave of migration was carried out by Negrid and Weddid

Similar to other sub-ethnic groupings of the Dayak Bahau, in the past the LBU community was stratified into four social strata: *hipui*, *pegawaq*, *panyin*, and *dipan*. The *hipui* social stratum was at the top of the social hierarchy and acted as the aristocratic group. *Hipui* was also the title of the customary leader. The *pegawaq* was a middle stratum that bridged the *hipui* and the *panyin* and *dipan*. While the *panyin* were the common group, the *dipan* were the slave group of the LBU social strata. The existence of *dipan* was a result of the headhunting tradition (*adat kayau*) from historical times. Following the banning of headhunting practices by the Dutch government, the *dipan* social stratum (the slaves) “faded away”; this stratum no longer exists. Because of this, in a recent Adat Congress of customary leaders in the Long Bagun sub-district, the community was stratified into three social strata, namely the *hipui*, *pegawaq*, and *panyin* (Lembaga Adat Besar Long Bagun, 1998). As most adat leaders descend from *hipui* ancestors, local people still respect the *hipui* clan, particularly for leading existing adat ritual arrangements such as the commencement of the planting season and other rituals.

Owing to the strategic location of Long Bagun Ulu (as a transit village for people trading in non-timber forest products, a company’s base camp, the end destination of river ships, etc.), many newcomers have come to this village. By 2002, the total population of Long Bagun Ulu was 848 people or 208 households (KKs), consisting of 437 males (51.53%) and 411 females (48.47%). Of the total population, about 80% of them are of Bahau Busang ethnic background (Tuvak, March 2003).⁷ The main religion is Catholic, but Islam makes up about 30 percent of the total population (Table 6.1). The existence of a considerable proportion of Moslems in LBU is due to this village being a central business area in the upper Mahakam River, which attracts traders and job seekers from cities like Samarinda.

Table 6.1. Long Bagun Ulu Population by Ethnicity and Religion

No	Ethnic Group*	N	%	No	Religion**	N	%
1.	Dayak Bahau	688	81.13	1.	Catholic	493	58.14
2.	Dayak Kalteng [Siang, Ot Danum] (Central Kalimantan)	20	02.35	2.	Protestant	4	00.47
3.	Dayak Kayan	12	01.41	3.	Islam	262	30.90
4.	Dayak Pinihing	3	00.36	4.	Ancient Faith (Kaharingan)	13	01.53
5.	Dayak Tunjung	1	00.12	5.	N/a***	76	08.96
6.	Buginese (South Sulawesi)	65	07.66		Total	848	100.00
7.	Javanese (Java)	50	05.90				
8.	Banjarese (South Kalimantan)	6	00.71				
9.	Manadonese (North Sulawesi)	2	00.24				

groups, also known as the Proto Malay. The second wave of migration—involving a larger number of immigrants—was carried out by the Deutro Malay who later resided in coastal areas and are currently known as Malay ethnic groups (Coomans 1995). These immigrants, particularly those who migrated in the first wave, became the ancestors of the Dayak people. As mentioned in Chapter 5, the Kutai Kingdom itself was established later, originating from two Kingdoms: Kutai Martapura (5th Century) and Kutai Kertanegara (12th Century).

⁷ This figure is not so different from the data obtained from the group interviews.

10.	Kutainese	1	00.12				
	Total	848	100				

Source: *Group interview and Questionnaires, 2002. **Village Secretary, 2002. Note: *** Data is not available, but it is most likely Catholic. If this data is included in the Catholic group, Catholics make up 67% of the total population.

The Dayak people of LBU still practice the shifting cultivation system of agriculture. However, more and more people are abandoning this traditional practice due to modernisation and the availability of other business opportunities. Their socio-economic condition tends to range from low to medium levels. Although newcomers take many of the business opportunities, the prosperity of the LBU Dayaknese in general is slightly higher compared to that of the Matalibaq (cf. Chapter 5, see BPS Kutai 1996, 1997, 1998b, 2000b). Those who become civil servants or run business are generally better off compared to others. In 2002, 18 satellite television parabolas were observed in this village; more than a half of them were owned by LBU Dayaknese. State-run electricity⁸ also reaches this village, but local people can only use their electric appliances from 6 to 11 pm.

Besides being visited by regular river ships from Samarinda, this village is also regularly visited by long boats transporting people and economic commodities from upper sub-districts (Long Pahangai and Long Apari). In LBU there are two market complexes, along with one market in Long Bagun Tengah and another one in Long Bagun Ilir. This makes the LBU village area more densely crowded compared to that of sub-district capital (Ujoh Bilang). On a fortnightly basis, PT Sumalindo's truck "brought" Kenyahnese from the Apo Kayan area to LBU for shopping purposes. The presence of daily and weekly gambling (cockfights, dice) as well as phone stations, electronic services, markets with numerous *warungs* (food stalls), lodgings, and PT Sumalindo Lestari Jaya V's base camp with various supporting infrastructures (mosque, cafeteria, photocopy machines) means that LBU is a small town serving a large jungle area.

A.2. PT Sumalindo Lestari Jaya V: A Logging (HPH) Company

PT Sumalindo Lestari Jaya V (SLJ V) is a company unit (*Unit HPH V*) or subsidiary of PT Sumalindo Lestari Jaya Group (SLJG).⁹ SLJG itself originated from PT Multi Forest, a "green project" of PT Astra International.¹⁰ PT Astra

⁸ The power generator is located in the sub-district capital of Long Bangun, Ujoh Bilang, about two or three kilometers from LBU.

⁹ Its official name is PT Sumalindo Lestari Jaya Tbk (SLJ, SLJ Tbk). In East Kalimantan, SLJ Tbk is usually called the Sumalindo Group. In this thesis, SLJG (Sumalindo [Lestari Jaya] Group), SLJ, and SLJ Tbk. are used interchangeably. SLJ Tbk has offered shares to the public in the Jakarta Stock Exchanges since 1994 (SLJ Tbk 2001).

¹⁰ In the company establishment chronology, it is mentioned that: "1972: started as PT Multi Forest (part of PT ASTRA International); 1975: PT Imporium Timber (sawmill); 1976: Joint venture with PT Rimba Nusantara (Long Bau); 1980: Joint venture between PT Bina Lestari and PT Suwondo Malik Indonesia => PT Sumalindo Lestari Jaya (SLJ) with headquarters at Loa

International (AI)—a holding company focusing its activities on the automotive industries, manufacturing, and banking—is owned by a Jakarta-based conglomerate headed by William Soerjadjaja. He was close to Soeharto and the First Lady, and ran his business in partnership with the Soeharto family through such holding companies (Robison 1986).¹¹ Due to his personal relationship and business ties with the First Family, William Soerjadjaja was known as one of Soeharto's cronies. His relationship with Soeharto is important to mention as the fall of Soeharto (regime change) severely affected the standing of his business empire.

By 1997/1998, the total HPH area of SLJG amounted to 1,057,678 hectares (Brown 1999:40, FWI/GFW 2002). In April 2000, its HPH area was 785,601 hectares along with a HTI area totalling 240,700 hectares (Table 6.2).

Table 6.2. Forest Concession Areas of PT Sumalindo Lestari Jaya Group

No	Companies	Location	Ha
A.	HPH s*		
A.1.	Company Units:		
1.	SLJ I	Batu Putih, East Kalimantan	89,595
2.	SLJ II	Long Bagun, East Kalimantan	269,660
3.	SLJ III	Takar, Irian Jaya (West Papua)	148,496
4.	SLJ IV	Gunung Sari, East Kalimantan	100,000
5.	SLJ V	Batu Majang/Long Bagun Ulu, East Kalimantan	59,066
A.2.	Subsidiaries:		
1.	PT Inti Prona	Riau (Sumatra)	57,174
2.	PT Injapsin	Jambi (Sumatra)	61,610
	Sub Total (HPHs)		785,601
B.	HTIs**		
1.	PT Surya Hutani Jaya	Sebulu, East Kalimantan	92,000
2.	PT Surya Hutani Jaya	Menamang, East Kalimantan	52,000
3.	PT Surya Hutani Jaya	Muara Bengkal, East Kalimantan	54,000
4.	SLJ's subsidiary (N/a)	Sungai Pesab, East Kalimantan	10,000
5.	SLJ's subsidiary (N/a)	HTI-Trans, Batu Putih (Berau), East Kalimantan	8,700
6.	SLJ's subsidiary (N/a)	HTI-Trans, Muara Karang (Berau), East Kalimantan	24,000
	Sub-Total (HTIs)		240,700
	Grand Total (HPHs and HTIs)		1,026,301

Janan. ASTRA (the owner of SLJ) starts to introduce the 'Total Quality Control' or TQC system" (SLJ Tbk 1994, Appendix 'Notes on Visit to SLJ II...'). See also SFMP (1995).

¹¹ It is also important to note that William Soerdjajaja was close to Prajogo Pangestu (another Soeharto crony). In June 1998, Prajogo's Barito Pacific Timber Group controlled 35.75% of SLJG's total shares (AI 39.92%; Norbax Inc. 5.72%, public 18.62%) (SLJ II 1993). Although BPTG's shares in SLJG had decreased to 9.53% by April 1999 (AI 78.05%; cooperatives 0.52%; public 11.90%) (SLJ V 1999) until at least by April 2000 (the latest data available, see BPTG 2000), this share ownership showed that BPTG (Prajogo Pangestu) still had business links with SLJG (William Soerjadjaja) when the LBU conflict exploded.

Source: *PT SLJ Tbk (2000). ** SLJ II (1994), particularly in the appendices of “Notes on Visit to SLJ II...” [Anon, 23-27 Nov 1994] and HTI Batu Putih Booklet welcoming the “Visit of German Federal Minister for Economic Cooperation and Development and Indonesian Minister of Forestry” [4 June 1994]. In the 1999 SLJ Annual Report (SLJ Tbk 2000), another location of HTI activities is mentioned, namely that of the Mao River (data is not available).

The rise of forest conflict in Long Bagun Ulu is associated with the arrival and commencement of logging (HPH) activities by PT Sumalindo Lestari Jaya V (SLJ V) in this village. The arrival of SLJ V itself cannot be separated from the presence of PT. Sumalindo Lestari Jaya II (SLJ II), and the arrival of SLJ II is inseparable from the existence of logging activities by SLJ (SLJG) in this area.

The establishment of SLJ II was initiated by the joining of the HPH area of PT Rimba Abadi (110,000 ha, HPH license dated 27 October 1981) with that of SLJ (132,000 ha, HPH license dated 11 April 1986). The proposed license and area incorporation were approved by the Department of Forestry on 17 February 1990, and therefore the total concession area of SLJ II was 242,000 hectares when this company formally began its operations. Based on a Letter of Decision of the Department of Forestry (No. 365/Kpts-II/95, 17 July 1993), the size of SLJ II was increased to 272,560 hectares; following a recalculation it became 269,660 hectares (SLJ II 1993) (see map, Appendix 7).

In the mid 1990s, SLJ II proposed a forest concession area extension. On 5 February 1996, the Department of Forestry granted SLJ II a reserved concession area (*pencadangan areal*) totalling 42,976 hectares.¹² Based on a Letter of the Directorate General of Forest Inventory and Use¹³ as well as further evaluation, this reserved forest area ended up totalling 59,066 hectares (SLJ V 1999). In September 1996, this area was approved as an area of SLJ V,¹⁴ and on 27 February 1998, the Department of Forestry legalised it as the SLJ V concession area¹⁵ (see chart, Appendix 2; maps, Appendix 7 & 12).

During the conflict with the Long Bagun Ulu people, about 25% of the SLJ V concession area was claimed as the *tanah adat* (adat/customary land) of Long Bagun Ulu (Kronologis, SLJ V 1998-2001). The remaining area of SLJ V (about 75%) covered other village areas, namely Batu Majang (within the concession area), Long Bagun Ilir, Ujoh Bilang, Long Melaham, Mamahak Besar, and Mamahak (Keputusan Bupati No. 283/2000)¹⁶ (see map, Appendix 12). However, no open conflicts—as was the case with LBU—were observed between these villages and SLJ V during my fieldwork. There are two main explanations for this. First, the people of these villages, particularly those of Long Bagun Ilir, Batu Majang, and Ujoh Bilang, are “newcomers” and so they do not have historical

¹² Decision Letter No. 159/Menhut-IV/96, 5 February 1996.

¹³ Letter No. 653/VII/IPP-1.1/96, 22 August 1996.

¹⁴ Letter of Director General of Forest Concession No. 3106/IV-PPH/1996, September 1996.

¹⁵ Letter of Decision of Forestry Ministry No. 236/Kpts-II/1998, 27 February 1998.

¹⁶ Long Bagun Tengah is included in the SLJ II concession area as its former village (Batu Kelau) is within the area of SLJ II. See *Keputusan Bupati No. 283/2000, Desa-Desa di dalam dan di Sekitar Areal HPH yang Berhak Menerima Dana Kompensasi dari Perusahaan Kehutanan yang ada di Wilayah Kabupaten Kutai Barat*, 8 November 2000.

claims as strong as that of LBU. Second, SLJ V has not yet exploited its forest concession areas situated in these other villages.

B. Forest Conflict in Long Bagun Ulu during the New Order Era

B.1. Political Settings: Village Politics under the New Order Regime

B.1.1. Co-opted Adat Government, Village Government, and the Masses

As mentioned, the Long Bagun Ulu (LBU) people arrived around 1920 to the current village settlement area. Thus, their arrival was relatively recent compared to that of the Matalibaq (cf. Chapter 5). However, their traditional system of government (adat government) had existed long before their arrival in this area. When they still lived in the Apo Kayan, Ulu Aga, Ayoh River, and Payang River areas, the people were governed by an adat system led by a *Hipui*. Later, this adat government system was “moved” to LBU.¹⁷

Until some years after 1945, the year of Indonesia’s independence, the Adat Leader (*Hipui*) was still a strong figure in village politics as he was the leader of the only system of government that existed at that time (adat government). In governing his people, an Adat Leader used adat as a guide on how to behave in social life. He also controlled certain areas of land, later known as *tanah adat* (adat/customary land).

As time passed, the position and role of the Adat Leader and the adat government system were weakened due to the imposition of the modern system of village government in LBU. This system was imposed at least since 1959 when one of the LBU people, Ayang Bayau, was appointed by the central government as the *Petinggi* (the Village Head in the modern village government system) (Ayang Bayau, 20 March 2003). As the Adat Leader still existed, the appointment of Ayang Bayau did not abolish the traditional system of government (adat government). However, the imposition of the modern system of government eroded the power of the Adat Leader as a considerable amount of the community’s affairs were now put under the authority of the *Petinggi* (Village Head). As the *Petinggi* was a government “employee,” such an imposition marked the intrusion of the central government’s authority into the traditional village authority of LBU.

An even stronger intrusion by central government into the village occurred after the enactment of Law 5/1979 on Village Government that drastically dismantled the power of the Adat Leader and co-opted the *Petinggi* (Village Head). Furthermore, LBU’s strategic location and role as a “small town in the jungle,” as well as modernisation and the arrival of newcomers with new interests and religious faiths, all contributed to the weakening of the adat system and therefore the role of the Adat Leader in the LBU Dayaknese society.

With the promulgation of Law 5/1979, the *Petinggi* was renamed the *Kepala Desa* (Village Head) and the title of *Hipui* (Adat Leader) was renamed the *Kepala Adat*. To be recognised as a leader of an adat community, the *Kepala Adat* (Adat

¹⁷ For the use of “adat government” terminology in this study, see Chapter 5.

Leader) must be formally appointed through a central government decision (District Head's Letter of Decision). In practice, the New Order government co-opted the Adat Leaders through this appointment arrangement. One reason for this was because the government could not interfere with the traditional appointment system for the Adat Leader, where the Adat Leader was appointed from the *Hipui* social group, the highest social stratum in the Dayaknese society. This issue mattered as in a stratified society, particularly in the past, the existence of a community leader from the highest social stratum was associated with the obedience of the masses. Another reason was the unchallenged adat mechanism whereby the Adat Leader was appointed for his entire lifetime, unless he resigned. By the formal appointment of the Adat Leader, these two traditional mechanisms remained untouched, but the Adat Leader could be co-opted.¹⁸

The most important implication of the enactment of Law 5/1979 was the subordination of Adat Leader to Village Head. The Adat Leader was placed as a member of the LMD (Village Consultative Council) whose chairman was the Village Head. Thus, structurally, Adat Leader was put under the control of the Village Head.

The Village Head of Long Bagun Ulu was subordinate to the sub-District Head of Long Bagun (in a direct hierarchy). Most government policies, decisions, and programs were "brought" to the Sub-District Head before they were passed to the Village Head. Since Adat Leader was subordinate to the Village Head through the LMD, the government could easily control the Adat Leader. This control was strengthened by the fact that, to maintain loyalty, the Adat Leader was provided a monthly allowance by the government (as a consequence of the formal/official appointment). One might argue that the monthly allowance arrangement served to increase the welfare of Adat Leader as a "volunteer", even though the allowance was meager.¹⁹ In fact, this arrangement was used as a control mechanism, as part of a broader strategy of the New Order regime to depoliticise the influential leaders and their masses.

¹⁸ How this formal appointment works in Long Bagun Ulu (LBU) can be seen from Adat Leader's succession in this village. Based on adat tradition, the former Adat Leader of LBU, Beliah Ding, was appointed for his entire lifetime. Due to age, however, he decided to resign. To succeed him, he looked for candidates from the *Hipui* social stratum that had mastered the adat system of LBU. He found the figure of Ayang Bayau, who was *Petinggi* (Village Head) at that time (appointed since 1959). Seven adat figures were summoned by Beliah Ding to appoint a new *Kepala Adat* (Adat Leader). Ayang Bayau was unanimously selected/appointed as Beliah Ding's successor in 1980. Although he had been appointed as Adat Leader for his lifetime according to the adat tradition, Ayang Bayau maintained that "it was provisional (*itu sementara*)" as he was not formally/officially appointed yet by the government. He was officially appointed as Adat Leader by the District government in 1982 through a District Head's Letter of Decision, after 23 years of serving his people as Village Head (Ayang Bayau, 20 March 2003). Succession through formal/official appointment by the government as well as Ayang Bayau's comments ("it was provisional") indicates that the cooptation mechanism imposed by the New Order government worked well.

¹⁹ By 2001, the allowance was Rp 100,000/month for Adat Leader and Rp 150,000/month for Village Head. See *Kaltim Post*, 26 August 2002.

The deterioration of the Adat Leader's power caused the influence on mass mobilisation to shift from the Adat Leader to the Village Head or village bureaucracy apparatus. As the Village Head was under the direct control of central government (particularly the sub-district government), political mobilisation focused on central government goals, such as the success of development projects or the election of Golkar (the political party in power at that time).

The change in the power structure in elite politics implicated the political configuration of mass politics. The introduction of a new village government system forced the masses to obey two systems—the adat system (traditional adat government) and the village government system (modern village government). Accordingly, mass loyalties were dedicated to both the Adat Leader (*Kepala Adat*) and the Village Head (*Kepala Desa*). As the position of the Village Head was more powerful than that of the Adat Leader during the New Order era, the masses were under the “guidance” of the Village Head. Because the Village Head was subordinated to the Sub-District Head, upper government bureaucracies could easily co-opted village's leaders and their masses to achieve certain goals. The effectiveness of this mechanism was mirrored by the election results during the New Order regime. In the 1982 election results, 94.88% of the LBU population voted for government's party, Golkar (Table 6.3).

Table 6.3. The 1982 Election Results in Long Bagun Ulu

No.	Political Parties	Votes	Percentage (%)	Remarks
1.	Golkar	241	94.88	Nationalist (Government's) party
2.	PPP	9	3.54	Islamic party
3.	PDI	4	1.58	Nationalist (Megawati's) party
	Total	254	100	

Source: *Panitia Pemilihan Daerah Tingkat II Kutai* (1982).

Data on the election results in Long Bagun Ulu during the entire New Order era (1971-1997) were not available from either the village or government office's archives. However, the effectiveness of such a control mechanism throughout the New Order era can be assessed from two sources. One source of information is from interviews with key informants. According to various key informants (e.g. Muslimin, Anyeq, Subandi, respondents, field notes 2001-2002), Golkar always won the New Order elections with a profound victory. Muslimin in particular mentioned that Golkar always won about 90% of the total votes (Muslimin, March 2002). A second source of information is the election results at the upper levels of governments (i.e. sub-district and district election results), since the election results at these government levels were determined by the villagers' votes. In the sub-district level (Long Bagun), Golkar won 96%, 67%, and 87% of the total votes in the 1982, 1992, and 1997 elections respectively (see Table 6.4). This was considerably higher than the election results at the district level (Kutai district), where Golkar won 65%, 72%, 63%, and 75% in the 1982, 1987, 1992, and 1997 elections respectively (Panitia Pemilihan Daerah Tingkat II Kutai, 1982-1997). Therefore, comparing the election results of Long Bagun sub-district (96% in 1982) and Kutai district (65% in 1982), the election results of LBU (94% in 1982)

showed that Long Bagun Ulu was convincingly a Golkar village. Similarly, Long Bagun sub-district was undoubtedly a Golkar sub-district.

Table 6.4. Total Votes for District Parliamentary Seats 1982-1997

No.	Election Year	PPP		Golkar		PDI		Total	
		Votes	%	Votes	%	Votes	%	Votes	%
A.	Votes by Long Bagun Sub-District Residents								
1.	1982	80	02.99	2,571	96.04	26	00.97	2,677	100
2.	1992	06	00.17	2,390	67.40	1,150	32.43	3,546	100
3.	1997*	217	04.53	4,173	87.12	400	08.35	4,790	100
B.	Votes by Kutai District Residents								
1.	1982	53,045	29.06	119,353	65.38	10,145	05.56	182,543	100
2.	1987	46,368	19.66	171,313	72.65	18,141	07.69	235,822	100
3.	1992	44,255	14.50	193,029	63.25	67,899	22.25	305,183	100
4.	1997	65,663	16.60	297,068	75.08	32,928	08.32	395,659	100

Notes: * Total votes in the 1997 election referred to those of the provincial parliamentary seats (DPRD I) as data for the district parliamentary seats (DPRD II) was not available. The total votes acquired by political parties for the DPR, DPRD I, and DPRD II seats were relatively the same as the residents did not vote for candidates, but political parties.

Source: Recapitulated and adapted from *Panitia Pemilihan Daerah Tingkat II Kutai* (1982-1997).

Thus, the profound victory of Golkar in LBU village, Long Bagun sub-district, and Kutai district mirrored not only the effectiveness of the co-option mechanism against the adat government, village government and the masses, but also the strong grip of the New Order regime in this area.

B.1.2. Village under Surveillance, Company under Protection

In examining the political environment of Long Bagun Ulu during the New Order regime, an examination of ABRI's (Indonesian armed forces) presence and its strong grip in the area as well as its relationship with the forest company is necessary. This is pertinent because the security apparatus were frequently deployed to secure the New Order's political and economic agendas.

The presence of the military can be traced through several historical events. First, in the wake of the 1965 Aborted Coup (30 Sept-1 Oct 1965), particularly when a military-dominated government took over power from President Soekarno, LBU was of importance for the East Kalimantan military command. Due to the village's position and role in bridging downriver villages with upriver villages along the Mahakam River, the village of LBU was considered a strategic place to execute the military's mission to crush the communists throughout the archipelago. LBU was therefore used as a station or transit by the military to hunt for communist activists and alleged sympathizers who were hiding in the interior of East Kalimantan (Anyeq Lahai, Ayang Bayo, Usman, March 2002). This occurrence not only made LBU well known among the military personnel but also made the military personnel familiar with the potentials of this area, including its forest resources. Second, the first PT. Sumalindo's base camp manager (early

1980s) was appointed from military personnel (Anyeq Lahai, 21 March 2002). This was due to the military's familiarity with the area as well as the close connection between William Soerjadaja and Mrs. Tien Soeharto and General Ibnu Sutowo (cf. Robison 1986). Such an appointment meant that, since the earliest times, PT Sumalindo's operations in LBU were guarded or protected by military personnel. Third, although in earlier years LBU was put under the same Military Command as that of Matalibaq (Long Iram Military Command), the Long Bagun Military Command was later established in Ujoh Bilang to "supervise" villages in this area, including LBU. Therefore, whereas under the Long Iram Military Command it took about one day to reach LBU from the Military Command, under the Long Bagun Military Command it took only fifteen minutes to reach LBU from the Military Command. In addition to making it easier for the military to monitor the area (including Long Bagun Ulu) for the purpose of executing dual function (*dwifungsi*) and security (*pendekatan keamanan*) related tasks, this change in the location of the military command made SLJ V relatively more secure geographically (compared to APN in the Matalibaq case). Finally, there was the *Babinsa*, a non-commissioned military officer whose tasks covered the villages of Long Bagun Ulu, Long Bagun Tengah, and Long Bagun Ilir.²⁰ Interestingly, the Babinsa was stationed at the SLJ V base camp (and previously at the SLJ II base camp).

Another security force, the sub-district police force, was also present in the area. Its headquarters (*Polsek*) were in Ujoh Bilang, about 15 minutes from LBU. In terms of civil security, the presence of the police force in the vicinity should have provided protection to the common people. However, during the New Order era, the police force was integrated into the Indonesian Armed Forces (ABRI). The provision of civil security was questionable because the police officers were also stationed in PT Sumalindo's base camp. The company provided a strategic place in the base camp area so that the police officers could monitor what was happening in the vicinity.

With such a close relationship between the security apparatus and the company, LBU people developed the perception that this company was guarded and protected by the military (or the security apparatus in general) (Anyeq Lahai, Usman, and Muslimin, March 2002). One company staff member admitted to the existence of this impression. He pointed out, "the Babinsa and police officers should live in the village. They [security apparatus] argued that there was no boarding house (*mes*) in the village so that they had to stay in the company [base camp] temporarily. But until now they are still there (the company's *mes*). Therefore, it looks like the company is being guarded by the military (*dijaga oleh militer*).” The company's staff member added, "We did not invite the security apparatus to stay here. They wanted to stay here" (Anon, 27 March 2002). Interestingly, the security apparatus, particularly the police officers, were employed

²⁰ According to *Serda* (Sersan Dua, sergeant 2nd class) Ajat (Babinsa of Long Bagun Koramil), in the past there were two Babinsas who were assigned to cover these three villages but more recently (2002) there was only one (Interview, 15 May 2002).

to guard timber pontoons moving from the SLJ V's base camp to the SLJ Headquarter in Loa Janan (near Samarinda).²¹

B.1.3. Elite-Masses Politics during the New Order Era

Following the terminologies used in Chapter 2 (the theoretical framework) and Chapter 5 (the Matalibaq study case), during the New Order era, the LBU village elites can be divided into three groups, namely, the bureaucratic elite, the adat elite, and the “socio-political” elite. A NGO elite was not present in this village during this period.

The bureaucratic elite emerged as a result of their position in the village bureaucracy. There were some important positions in this lowest level of government bureaucracy, namely, the Village Head, the Village Secretary, the Chairman I of LKMD, and the Chairmen of Neighbourhood I, II, and III (*RT* I, II, and III). However, in this village, the Village Head was a central figure during the New Order era.

From 1959 to 1982, Ayang Bayau occupied the Village Head position. He was succeeded by Paran Kueng, followed by Bato Hang, Likur Ulo, Kulian, and Subandi (Ayang Bayau, 20 March 2003). All of these Village Heads were Dayaknese, except Subandi. Although Subandi still occupied this post up to my last visit (Oct 2002), he had served such a position since the New Order era. Therefore, it is important to note his “legitimacy to rule” during this period. Subandi was a mechanic and had opened a workshop on the riverbank. His main job was to provide services to the community particularly in servicing boats' machinery. He was better off compared to common villagers and had a good educational background. One question arises: why was he appointed as a Village Head although he was a Javanese? He maintains that because other villagers declined to be appointed as Village Head, he agreed to occupy such a post as a volunteer (Subandi, March 2002). This is common problem faced by the Village Heads outside Java, as the Village Head does not receive sufficient allowance and support from the government.²² His appointment was also related to the presence

²¹ Employing police officers is of importance as there are many spots where “timber predation” activities occur along the Mahakam River (demands for paid tributes, security fees, etc), carried out by thugs connected to one mass political organisation, the security apparatus, and staff of the Forestry Service. According to one company staff (Anon, March 2002), by 2002, the police officer who guarded a timber pontoon received Rp 300,000 per trip. In addition, the security apparatus (police officer and Babinsa) received monthly allowance, depending on their ranks. The officers with the rank *Serka* (*Sersan Kepala*, sergeant chief) received Rp 1,000,000 per month while those with a lower rank received Rp 700,000 per month. Concerning *Muspika* (Sub-District Authorities), *Kapolsek* (Sub-District Police Head) received between Rp 1,000,000-Rp 2,000,000 per month. The allowance data for *Camat* (Sub District Head) and *Danramil* (Sub-District Military Commander) is not available, but it seems similar to that of the *Kapolsek*.

²² In Java, local elites compete closely in the Village Head election, as the Village Head gains the right to control and harvest agricultural products in the relatively huge agricultural land (*tanah bengkok*).

of a considerable number of people from the Javanese or Moslem community, who gave him their support. For the Dayaknese community, his “legitimacy to rule” was due to his economic status and courteous behaviour. For the Javanese/Moslem community, on the other hand, his ethnic/religious background was the main reason for their support.

Another important figure in the bureaucratic elite—particularly in relation to future conflicts—is the Village Secretary, as the community directly deals with those who occupy this post over administrative arrangements. This position was occupied by Tuvak, whose socio-economic status was similar to that of the Village Head (i.e. relatively wealthy). Tuvak is Dayaknese, self-employed and a former PT Sumalindo staff member. The reason for his appointment as a Village Secretary was similar to that of the Village Head, namely, because no one else wanted to be a volunteer Village Secretary (Tuvak, March 2002). In addition, amongst the three Chairmen of the Neighbourhood Associations (*RTs*), Yus Paran (Chairman of *RT D*) played a relatively important role. His economic status was not as high as those of the Village Head and the Village Secretary, but he was respected by villagers due to his knowledge of adat²³ and his capability in dealing with the masses and outsiders (e.g. the company).

With regard to the adat elite, there are some key adat figures in Long Bagun Ulu. The Long Bagun Ulu case is slightly different from that of Matalibaq (see Chapter 5). Whereas in Matalibaq, the Adat Leader and the *Lembaga Adat* (Adat Council/Organisation) were separate, in Long Bagun Ulu, the Adat Leader was the chairman of the *Lembaga Adat*. This consolidated the central position of the Adat Leader in the adat system. For instance, as Ayang Bayau explained, “in handling adat cases, I tried to delegate them to my assistants. But, such cases were later returned to me [due to deadlock or the need for the Adat Leader’s final word]” (Ayang Bayo, 20 March 2003). His presence and role in most adat rituals were of importance as well. Thus, his legitimacy to rule lay both in his position as Adat Leader and his knowledge and capabilities in handling adat related matters.

In implementing his tasks, Adat Leader of Long Bagun Ulu was assisted by the Vice Adat Leader, the Secretary, and the Treasurer under the umbrella of the *Lembaga Adat* (Adat Council). Some figures outside this adat organisation also assisted him, particularly elders from the Hipui clan. Among the Adat Leader’s “assistants,” Anyeq Lahai played an influential role, particularly in the eyes of the young generation, as he was “vocal” and had mastered the adat traditions of Long Bagun Ulu.

As defined, the “socio-political” elite refers to the elite existing outside the bureaucratic and adat elite circles. Their sources of legitimacy were mixed, being due to their socio-economic status, their intellectual capabilities, their level of education, and the like. One of the influential figures of this elite group during the New Order era was Usman, a Moslem Buginese who had married a daughter of a former Adat Leader. Usman came to LBU as a fabric trader in 1967 and later

²³ I include the Chairman of Neighbourhood Association as a member of the bureaucratic elite, as in the village government such a Chairman is the assistant of the Village Head.

worked for PT Sumalindo. After quitting from PT. Sumalindo, he opened his own grocery shop and *warung* (food stall). He became one of the most successful businessmen in LBU, and therefore his relatively high socio-economic status (along with his relationship with the former Adat Leader) was the main source of his legitimacy to influence village affairs. Another important figure was Cosmas Belareq. Although Cosmas had leadership capability in his own right, his legitimacy as an elite substantially came from his status as the son of the (current) Adat Leader. Another elite in this respect was Mikael. Although he originally came from the village of Tering, he maintained that he had become one of the Long Bagun Ulu people (Mikael, March 2002). Mikail holds a university diploma and is currently a school headmaster in the village. In addition to his legitimacy due to his education and position in the school, his “vocal-ness” and his economic status were also influential. There were also some other members in this elite group; however, they played a less important role in the LBU conflict. It is also important to note that Long Bagun Ulu is a multi-ethnic or multi-religion village. The elite from the Moslem community had the potential to play an important role in mobilising the Moslem community through the mosque or through religious gatherings. Nevertheless, as these elite and their followers (if not intermarried with LBU Bahaunese) were excluded from the adat community, they did not play a significant role in adat-related matters including the adat-based forest conflict with SLJ V.

With respect to the elite-mass relationship, the masses mostly followed the elites. In adat-related affairs, they were loyal to the Adat Leader (adat elite), and in general or socio-political affairs they were loyal to the Village Head (bureaucratic elite). Loyalties to the “socio-political” elite were dependent on personal interests, socio-economic relations, or other mechanisms such as clan-based relations. For instance, those who came from the Hipui social stratum would most probably follow the elite from this clan (e.g. Cosmas Belareq).

With the dominance of patron-client village politics during the New Order era, the masses followed the political behaviour of their elites. This can be seen from the fact that Long Bagun Ulu during the New Order era was a Golkar village, where the majority of the masses voted for Golkar. The masses’ political preferences (for Golkar) was linked to the elites’ political favour for the government party, Golkar (Subandi, Tuvak, Muslimin, Usman, etc., March 2002).

In relation to the company, it is important to note that when PT Sumalindo first arrived in Long Bagun Ulu in 1982, the village elites were informed by the ex-military base camp manager that PT Sumalindo was a government company owned by Ibu Tien, the First Lady of Indonesia at that time (Anyeq, 21 March 2002). With this kind of information, the obedience of the elites to the government (i.e. the government party) positively affected the initial relationship between villagers (elites and masses) and the company.

B.2. Company's Arrival and People's Response: Conflict Formation

B.2.1. The 1980s-1990s Company's Arrival: Latent Conflict

As previously mentioned, the arrival of PT Sumalindo Lestari Jaya V (SLJ V) in Long Bagun Ulu was inseparable from the presence and activities of PT Sumalindo (in the 1980s) or PT Sumalindo Lestari Jaya II (in the 1990s). The current base camp of SLJ V even used to be the base camp of PT Sumalindo and PT Sumalindo Lestari Jaya II.

Although it is not clear whether or not the license to cut timber trees in the current SLJ V areas was granted during the 1980s, forest clearing in these areas was highly likely. First, the clearing of trees was required to establish a base camp on the river bank opposite the village (LBU). One of PT Sumalindo's documents states that in 1982 "HPH PT Sumalindo was located opposite the village"²⁴ (SLJ V 1999d), meaning that by 1982, PT Sumalindo had begun its activities in the current SLJ V area, including, at the very least, clearing forest for the establishment of infrastructure. Second, in constructing a forest corridor (logging road) from the current Km 0 (the river bank of Mahakam River, currently the SLJ V base camp) to Km 35 (the current borderline of SLJ V-SLJ II), cutting additional forest trees was unavoidable. Here, the issue was that the forest area from Km 0 to 35 was within the claimed LBU adat land. Third, key informants (local people and migrants resident in the village since the 1960s) have insisted that logging by PT Sumalindo has taken place in the LBU area since the early 1980s (Anyeq Lahai, Usman, 21 March 2002).

Anyeq Lahai (current Vice Adat Leader) has maintained that during the first "wave" of the company's activities in Long Bagun (Ulu) (in the early 1980s), the company's manager—a military personnel (*Angkatan*, ABRI)—asked permission to open the base camp, and local people had no choice other than to agree. "We (local leaders) just said yes, since he stated that it was a government company, the company of *Ibu Tien*.²⁵ We were afraid to reject him although we knew that the source of our livelihoods would be gone. We were also afraid that we could be restrained (*diikat*) because he was an ABRI [Indonesian armed forces personnel]," said Anyeq Lahai.

Forest cutting activities in 1980s meant that the source of the livelihoods of the locals was diminished. Anyeq Lahai (the Vice Adat Leader) expressed his grievances:

Prior to the arrival of the company, we used to collect rattans, resins, *gaharu* [*Aquilaria malaccensis* LAMK], birds' nests, gold, timber [for household use], medicinal plants, firewood, *sambir* leafs [for roof], and blue leafs [for *sraung*/hat] as well as go hunting in the forest [particularly for wild boars]. Once the company exploited our forests, our source of livelihoods were gone

²⁴ The village here refers to Long Bagun Ilir, a neighbour of Long Bagun Ulu.

²⁵ Mrs. Tien Soeharto, the First Lady at that time. William Soerjadjaja was close to Mrs. Tien Soeharto and Gen. Ibnu Sutowo (see Robison 1986). During the interview, Anyeq Lahai stressed the term "a government company" (*perusahaan pemerintah*).

in that area. As we were told that it was a government company, we were afraid to collect forest products there. We collected them in other areas instead (21 March 2002).

Hipui Hang expressed similar feelings:

The current base camp of Sumalindo used to be the *lepuun* (village garden) of local people. The roads connecting the SLJ V base camp to SLJ II also used to be the locations of our *ladangs* (dry farming rice fields) and *lepuun*. We also used to collect rattans, resins, forest fruits (e.g. *tengkawang* fruit), gold, and other forest products from those places. Since the company came, we could no longer grow and harvest rice or harvest rattans and fruits as all those areas were occupied (20 March 2002).

After running for few years during the early 1980s, the company stopped all activities. According to one LBU key informant, who used to work for PT Sumalindo, “this was because the company cut timber within the HPH area of PT Gunung Jati [Rimba]” (Anon, interview, 21 March 2002). Another LBU key informant added, “PT Gunung Jati reported to the Minister, and its activities were then closed down” (Anon, interview, 21 March 2002). On the other hand, a former consultant of PT Sumalindo who worked for this company in the early 1980s said that the company’s sudden inactivity in Long Bagun was because PT Sumalindo had moved to another area (the current Damai Sub-District) where the forest trees were easier to cut. In this area (Damai), it was also mentioned that PT Sumalindo exploited (*mengerjakan*) part of PT Dayak Besar’s concession area. Local villagers used the term “timber theft” for timber cutting in the PT Gunung Jati area. Confronted with this, the former consultant, who said that he had never heard of such a case, provided an analysis as follows, “the making of a forest corridor from the [current SLJ V] base camp to the [current SLJ II] concession area that might pass by the area of PT Gunung Jati probably caused a conflict with PT Gunung Jati, and because of this local villagers possibly regarded it as timber theft” (Anon, personal communication, 18 February 2004) (cf. PT Gunung Jati’s area in Appendix 12).

The former consultant maintained that once it had finished its activities in the Damai area, PT Sumalindo returned to Long Bagun (Anon, 18 February 2004). It is interesting to note that to recommence its activities in Long Bagun, PT Sumalindo Lestari Jaya brought a new HPH license (132,000 ha) dated 11 April 1986.²⁶ The return of the company marked the “second wave” of the company arrival in the LBU area.

Later, the incorporation of PT Sumalindo Lestari Jaya (132,000 ha) and PT Rimba Abadi (110,000 Ha) into PT Sumalindo Lestari Jaya II in 1991 marked the “third wave” arrival of PT Sumalindo in Long Bagun. The incorporation was possible because, according to the former consultant, PT Rimba Abadi and PT

²⁶ At this point, the relationship between these timber cutting activities and the new license is not clear.

Sumalindo—whose concession areas were close together—were “under the same company” (Anon, 18 February 2004). Although the incorporated concession area (SLJ II area) was not in the current LBU area,²⁷ the recommencement of the company’s activities in this area since the mid 1980s created similar grievances to those aforementioned (grievances related to the establishment of forest corridor/logging road, etc.) (Anyek Lahai, Hipui Hang, March 2002).

Referring to the terminology of conflict—latent, emerging, and manifest conflicts—the forest conflict pre-1998 was a latent conflict (the expression of grievances). As key informants maintained, the impact of forest cutting pre-1998, particularly in the construction of logging roads, was to destroy villagers’ *ladangs* and village gardens. As well, the company occupied hunting grounds. This caused the livelihood sources of the people, such as rattan, honey, fruits, meats, etc. to become more and more difficult to find.

B.2.2. The 1998 Company’s Arrival (Feb-May): The Continuation of Latent Conflict

As noted, in the mid 1990s, SLJ II proposed a forest concession area extension. In February 1996, the Department of Forestry granted 42,976 ha concession area to this company,²⁸ which, based on evaluation and recalculation, turned out to be 59,066 ha (SLJ V 1999). In September 1996, this area (59,066 ha) was approved as the area of SLJ V,²⁹ and in 27 February 1998 it was formally justified as the SLJ V concession area.³⁰

To make a proposal for forest exploitation, the company was obliged to carry out an environmental impact assessment and an inventory of the timber potential in the proposed area. Thus the company carried out these activities prior to its formal arrival in the area. In the company’s documents, such activities were carried out in 1997-1998. The inventory activities in particular were carried out by PT Sarbi Moerhani Lestari (SLJ V 1999, 1999d, 199e).

It is not clear whether logging took place between February-May 1998 (23 May 1998 was Soeharto’s fall) because the timber production data of SLJ V is only available from July 1998 onwards (SLJ V’s LHP Recapitulation, 1998-2000). The conflict document did mention the following:

As for [the compensation fee for] the total production volume from 1 April 1998 until 31 March 2000, it has been resolved by providing a bond of Rp 400,000,000, and the payment has been received by the Second Party [Long

²⁷ One village elite also said that part of the current SLJ II areas (around the borderline of SLJ II-SLJ V concession areas) used to be part of the LBU area (Anon, March 2002) (cf maps, Appendix 7 & 12).

²⁸ Decision Letter No. 159/Menhut-IV/96, 5 February 1996.

²⁹ Letter of Director General of Forest Concession (No. 3106/IV-PPH/1996, September 1996).

³⁰ Letter of Decision of Forestry Ministry No. 236/Kpts-II/1998, 27 February 1998.

Bagun People] on 9 March 2000 (*Berita Acara Kesepakatan*, 17 March 2001).³¹

The formal arrival of PT. SLJ V in 1998 raised no direct challenges. But key informants expressed their grievances by stating that the company came without notification. “The company just came and carried out its activities without permission,” said Anyeq Lahai (Interview, Anyeq Lahai, 21 March 2002). My research has revealed that prior to commencing its activities, in January 1998, the company had notified and asked permission regarding SLJ V’s exploitation activities³² from the Adat Leaders of Long Bagun Ulu, Long Bagun Ilir, Long Bagun Tengah, and Batu Majang (SLJ V, Conflict Chronology, 1998-2001). But, as commonly occurred, the public was not consulted. Following the notification of certain elites (without any resulting challenges), the company perceived that it had received approval from all villagers.

Another grievance with respect to the company can be traced to village-company relations. Before the conflict emerged, estranged relations between both parties already existed even though the company was located opposite the village (LBU). The site manager pointed out that during the New Order era, local people were scared to visit the company’s base camp, and the company staff members were also reluctant to come to Long Bagun Ulu. They felt as though they were enemies of each other. “If we come to the village [LBU], it was as if we had come to an enemy’s area, and if local people came to the company’s base camp, it was as if they had come to their enemy’s area,” said the base camp manager (Bambang Sugiarto, 26 March 2002).³³ From the local point of view, the company was regarded as being unable to interact with local people, and not able to take local interests into account. My interview with various key informants suggested that this was because of the perceived high profile of the company management and its staff members. This made local people reluctant to go to the base camp although they insisted that it was in the LBU area. The company’s staff on the other hand felt uncomfortable about going to the village since they knew they had exploited the forests in the LBU area without providing a significant contribution to the prosperity of the indigenous Dayaknese of LBU.

The grievances mentioned above, however, were never explicitly expressed to the company, particularly in the form of people’s action. Therefore, until May 1998 (during the authoritarian regime), open conflict was not observed. What was observed—based on conflict definitions used in this work—was latent conflict, or conflict that had not yet surfaced. The mobilisation of indigenous was therefore absent before May 1998.

³¹ Timber production is calculated based on the Annual Working Program (RKT) calendar, from 1 April of the ongoing year to 31 March of the following year. Thus, it is possible that there was no timber felling between April-June 1999.

³² In Indonesian, it is stated “*Pihak Perusahaan...meminta ijin untuk eksploitasi SLJ V...*”

³³ This statement was made to show that currently (post-New Order era) such a relationship no longer exists.

C. Forest Conflict during Indonesia's Early Stage of Democratisation

C.1. Changing Political Settings: Village Politics during the Post-New Order Era

The change of regimes from an authoritarian state to a democratic one as well as the liberalisation/democratisation of national politics instigated a change in political environment across the archipelago, including in LBU village. The following sections discuss some critical changes or developments that occurred in this village in the wake of Soeharto's fall.

C.1.1. The Spread of the Euphoria of Reformasi

The downfall of Soeharto's regime evoked a feeling of euphoria of *reformasi* (political reform) among people across Indonesia. This was also observed in LBU. The term "*reformasi*" was very popular in this village, not only among village elites, the young generation, and educated people, but also among common people, elders, and "uneducated" people.

In the view of the people of LBU, *reformasi* was identical with freedom. The arrival of the era of *reformasi* was regarded as the arrival of an era of freedom: freedom to speak, freedom to demand [the fulfillment of] their rights (*kebebasan menuntut hak*), and freedom to act. Nevertheless, such freedoms were not freedoms without limit (anarchy). In exercising their freedoms, LBU people realised that there were certain behaviour that should be avoided. They respected national law, particularly the Penal Code. As long as they demanded their rights (*menuntut hak*) without committing criminal acts, they were not afraid to act, including the staging of collective actions. In their view, this was not the way that had felt during the New Order authoritarian regime (Questionnaires, October 2002).

The most observable result of the spread of *reformasi* in this village was the loss of the New Order regime's grip in LBU. This is indicated by the performance of the New Order government's party, Golkar, in this village. By comparing New Order election results (the 1982 election as a case)³⁴ with those of the post-New Order election (the 1999 election), it can be seen that while Golkar won 95% of the total votes in the 1982 election, in the 1999 election its proportion of the votes plunged to 26%. In the meantime, the PDI, which in the 1982 election had gained only 2% of the votes, jumped to 56% in the 1999 election (Table 6.5).

Table 6.5. Election Results in Long Bagun Ulu under Two Different Regimes

No	Election Year	Political Parties	Votes	%	Remarks+
1.	1982* (New Order era; three parties)	Golkar	241	94.88	Nationalist (Government) party
		PPP	9	3.54	Islamic party
		PDI***	4	1.58	Nationalist (Megawati's) party
		TOTAL	254	100	
2.	1999**	Golkar:	118	25.60	Nationalist Party

³⁴ See the explanation in Chapter 5.

(Reformasi era; 48 parties)	PPP	27	05.86	Islamic Party
	PDI	5	01.084	Nationalist Party
	PDI-P***	256	55.53	Nationalist (Megawati's) party
	PKB	5	01.084	Islamic Party
	PAN	0	0	Islamic Party
	PSII - 1905	19	04.121	Islamic Party
	PNI - Front Marhaenis	5	01.084	Nationalist Party
	Partai Katolik Demokrat	1	00.217	Catholic Party
	Other Parties	25	05.42	
TOTAL		461	100	

Source: * East Kalimantan Office of the Directorate General of Socio-Political Affairs, Samarinda, 1982.

**Recapitulated from original voting results, Kesbang Linmas Office of Kutai Kertanegara, Tenggarong, 1999. At the national level, the five biggest parties were PDI-P, Golkar, PKB, PPP, and PAN.

Note: For *** and +, see the explanation in Chapter 5.

The significant election defeat experienced by the New Order government's party showed the attainment of greater freedom for the people. Without the enjoyment of greater freedom, the people were unlikely to feel brave enough to undermine the Golkar party.

The dramatic change of voting behaviour from supporting Golkar to supporting PDI-P (and Islamic parties), can be explained as follows. First, Golkar was associated with the New Order authoritarian regime. This meant supporting Golkar was supporting the New Order authoritarian regime. In contrast, to cast a vote for a party other than Golkar, particularly PDI-P, meant to support *reformasi*. At a time of euphoria of *reformasi*, it was understandable therefore that a significant number of Long Bagun Ulu people would vote for PDI-P, which, to a great extent, represented the force for *reformasi* at that time. Second, in LBU, the proportion of Moslems in the community was considerable, and therefore the Islamic parties (or parties that used Islamic symbols) such as PPP, PSII, and PKB received numerous votes although it was not significant enough to affect the outcome.

Compared to Matalibaq where Golkar only received 11% of the votes (see Chapter 5), the still-considerable votes enjoyed by Golkar in LBU (25%) during the post-New Order era can be explained in two ways. First, LBU people did not have an open conflict with PT Sumalindo (government/Golkar's "ally") during the New Order era, continuing up to the time of the 1999 election. This was not the case in Matalibaq (see Chapter 5). Second, LBU was more supportive of Golkar during the New Order era to start with, compared to Matalibaq (cf. Chapter 5). Therefore, one can predict that more "remnants" of Golkar's sympathizers would be found in LBU village.

Although the total votes gained by Golkar were still considerable, such a drastic change in voting behaviour underlined the change in the political environment in LBU. The collapse of the New Order forces and the greater freedoms enjoyed by local people caused the majority of LBU people to no longer be co-opted by Golkar. As well, the village bureaucracies, the security apparatus,

and the forest company could no longer use Golkar's channels/infrastructure to stir up *reformasi*-minded villagers.

C.1.2. The Paralysis of the Repressive Security Apparatus

The New Order regime was characterised by the dominant role of the military in politics. The military intervened in almost every aspect of people's life (Kahin 1988, Liddle 1993, Crouch 1988, Gunawan 1996). The collapse of the New Order regime in 1998 affected the behaviour of the security apparatus across Indonesia, including in Long Bagun (sub-district) and Long Bagun Ulu (village).

From the organisational perspective, there was relatively little change in the organisation of the security apparatus, except the separation of the police force from the armed forces.³⁵ The structure of the military command from the top level (provincial) to the level of villages such as LBU remained unchanged, as seen in Table 6.6.

Table 6.6. Parallel Structure of Military Commands and Civilian Bureaucracies in LBU

Military Command	Civilian Bureaucracy
Kodam (Regional Military Command) Kodam VI Tanjungpura (VI/Tpr), Balikpapan	Province(s) East Kalimantan, South Kalimantan, Central Kalimantan, and West Kalimantan Provinces
Korem (Resort Military Command) Korem 091/Aji Surya Nataksuma, Samarinda	Province East Kalimantan Province
Kodim (District Military Command) Representative of Kodim 0906 Tenggarong, located in Melak	District West Kutai District
Koramil (Rayon Military Command) Koramil 0906-03 Long Bagun, Ujoh Bilang	Sub-District Long Bagun Sub-District
Babinsa (Non-Commissioned Military Officer) The Babinsa is tasked to cover the area of Long Bagun Ilir, Long Bagun Tengah, and Long Bagun Ulu	Village Long Bagun Ulu

From the institutional perspective, however, regime change greatly contributed to a changing political environment in Long Bagun sub-district in general and in LBU in particular. It was associated with the breakdown of the dual function (*dwifungsi*) and security approach (*pendekatan keamanan*) institutions, where the security apparatus could no longer apply the repressive New Order approach to people's dissent or confrontations. Security personnel at all levels became reluctant to act as they had in the past, when they, particularly the military, had committed human rights violations. Long Bagun Military Command and Police Force adopted the new principle that as long as the people did not commit criminal acts, the security apparatus would allow the masses to express their

³⁵ Despite such separation, the sub-district police force is still under the umbrella of Muspika (the sub-district authorities forum, consisting of Sub-District Head, Sub-District Military Command, and Sub-District Police Chief).

demands and rights.³⁶

At the same time, during the *reformasi* era, the people of LBU also required the military to act differently from the way they had acted during the New Order era. For example, they no longer accepted that the military should back the company. Local people used a popular phrase, “*Sekarang jaman reformasi, Pak!*” (“Nowadays it’s the *reformasi* era, Sir!”) (Muslimin, March 2002) to remind the security apparatus to act differently. Results of interviews with security apparatus suggest that *reformasi* was a powerful word, and that the security apparatus were fearful of being branded as anti-*reformasi* if they used the New Order style of handling local people.³⁷ The main development of this new political environment was that in the *reformasi* era the security apparatus (particularly the military) no longer dared to act arbitrarily, compared to the way they had acted in the New Order era (Anyeq Lahai, Mikail, and Muslimin, March 2002; Questionnaires, Oct. 2002).

These new developments—the security apparatus’ unwillingness to act and the people’s newfound braveness—caused the security apparatus to be paralysed in its relation with the masses, particularly in facing any mass gatherings of the post-New Order era. To make matter “worse” (from the perspective of the security apparatus), local people used the term *masyarakat adat* (adat community) to identify themselves. Facing the masses identifying themselves as *masyarakat adat*, the security apparatus felt more “vulnerable” than if the masses had identified themselves by the generic term *masyarakat* (community).

C.1.3. Autonomous Village Government and the Rise of Adat “Government”

Regime change also stimulated changes in how the government should be run during Indonesia’s early stage of democratisation. From the organisational perspective, at the national level there was considerable change in government administration, from a centralised bureaucracy to a more decentralised one. One example of this was the enactment of Law 22/1999 on Local Government, which provided significant autonomy to District governments. The enactment of this law also enabled the village governments across Indonesia to gain more autonomy. From the institutional perspective, institutions governing the bureaucracies also changed dramatically. *Monoloyalitas* (monoloyalty) was abandoned and *Golkarisation* was lifted. The breakdown of these two institutions meant that upper-level governments or bureaucracies could no longer strictly control the lower-level governments or bureaucracies through administrative arrangements or political party channels.

³⁶ Interview with *Ipda* Siswoyo (Long Bagun Sub-District Police Chief) and *Serda* Ajat (Babinsa of Long Bagun Sub-District Military Command), Ujoh Bilang, 15 May 2002. My interviews focused on the security environment, territorial management, criminal records, and the rise of collective action in Long Bagun sub-district during *reformasi* era.

³⁷ Interview with Sub-District Police Chief of Ujoh Bilang (*Ipda* Siswoyo) and Babinsa of Sub-District Military Command of Ujoh Bilang (*Serda* Ajat), 15 May 2002.

At the local level, the West Kutai government and parliament issued the district law (*Perda*) No. 17/2001 on The Establishment of Village Representative Bodies, as a follow-up of the national law No. 22/1999 on Local Government. In this district law, the term *Desa* (Village) is replaced by *Kampung*, and the title *Kepala Desa* (Village Head) is renamed *Petinggi*. The main issue in the legislation is the introduction of a Village “Parliament,” the so-called *Badan Perwakilan Kampung* (BPK, Village Representative Body), one of whose tasks is to arrange a direct election of the Village Head. Although by my last visit (Oct 2002), the BPK had not been established yet in LBU, and a direct Village Head election had not been conducted, the promulgation of Law 22/1999 and *Perda* 17/2001 had already forced the West Kutai government to commit to providing significant freedom (autonomy) to the LBU village government in arranging its own affairs. This significantly changed the features of the LBU village government during the *reformasi* era. The upper government levels (i.e. the Long Bagun sub-district government) could no longer strictly control the LBU village government. The breakdown of *Golkarisation* in particular meant that upper-level bureaucrats could no longer use Golkar as a political mechanism to control the village apparatus and their people.

At this time, a revival of adat “government” (traditional government) was observed in LBU. The rise of a traditional system of government in this village was not sponsored by upper level government, even though the West Kutai district government was interested in revitalising adat for development purposes. It was also not caused by the Adat Leader alone. Instead, the rise of traditional government was mainly due to the increasing role of the *Lembaga Adat* (Adat Council) in the conflict between LBU and the logging company. As noted, in the LBU case, besides being the head of the adat “government,” the Adat Leader also chaired the *Lembaga Adat*. However, due to his age (90 years old), the LBU Adat Leader was unable physically to play much of a role in mobilising his people. Because of this problem, other local elites beside the Adat Leader took the initiative to use the *Lembaga Adat*, a formal (modern) organisation of *masyarakat adat* in the traditional government system, to advance people’s concerns. Thus, it was other elite members beside the Adat Leader who revitalised the *Lembaga Adat* and used it to mobilise the masses.

To maintain their legitimacy “to rule,” however, the local elites needed to involve Adat Leader, at least symbolically. Research findings suggest that village elites needed the Adat Leader’s signatures (including on the *Lembaga Adat*’s letter headings and stamps), his attendance and contributions at adat meetings, and the like (LBU Conflict Documents, 1999-2001; Ayang Bayo, March 2002). With this kind of strategy, organisationally, the adat “government” could operate although in practice it had been taken over by the *Lembaga Adat* (Adat Council). Personally, the Adat Leader also appeared to function normally although in practice his roles were mostly taken over by other village elites. It was therefore the intense use of *Lembaga Adat* by the local elites during the *reformasi* era that caused the role of adat “government” to rise. The local elites themselves never used the modern

village government/bureaucracy to mobilise the masses because they dealt with *masyarakat adat* (the adat community), and their demand was about *tanah adat* issues (traditional land related affairs). Due to its role and function in representing the adat community, the *Lembaga Adat*—and therefore the “adat government”—became a powerful organisation in the eyes of the forest company, SLJ V.

C.1.4. High Energy Elite-Masses Politics and the Rise of a “Spearhead” Elite

As discussed earlier, three groups of elites were observed in Long Bagun Ulu during the New Order era, the bureaucratic, adat and “socio-political” elite. All of these elite groups, however, did not act against PT Sumalindo/SLJ V during the New Order era. They were passive and not yet aware of their indigenous rights.

The change in political environment during the *reformasi* era affected elite-masses politics in this village. In term of actors, there had been no change of figures in village elite groups, except certain individuals in the socio-political elite. In the bureaucratic elite, Subandi, Tuvak, and Yus Paran still occupied the posts of Village Head, Village Secretary, and Chairman of Neighbourhood I respectively. Similarly, in the adat elite, Ayang Bayau (Bayo) still occupied the position of Adat Leader as he had been appointed for life. Anyeq Lahai (the Vice Adat Leader) also still assisted Ayang Bayau. In the socio-political elite, Mikail and Cosmas Belareq still occupied their “posts” as well. The only change observed was in the figure of Usman. Due to age, he was no longer an active figure, and to a great extent he was superseded by Muslimin, his eldest son. Besides his university education and his capability to deal with SLJ V, Muslimin’s legitimacy was associated with his father’s socio-economic status in the village and his relationship with the former Adat Leader (he was a grandson of the former Adat Leader).

In term of elite behaviour and elite configuration, however, a substantial change was observed during the post-New Order era. In behaviour, the village elites had become braver and some of them had taken a tougher stance in facing SLJ V. The most common feature of the elites’ behaviour was that they acted at a much higher level of energy than formerly, fuelled by the euphoria of *reformasi*, to the extent that most of them became very aggressive in dealing with the forest company. In the bureaucratic elite, although the Village Head (Subandi) was not widely involved in the *masyarakat adat* (adat community) due to his ethnic background, he, without any doubt, supported his people’s struggles against SLJ V. The less active Village Head was compensated by the activeness and braveness of the Village Secretary (Tuvak). To a great extent, the Village Secretary superseded the role of the Village Head, particularly in mobilising the masses. Similarly, Yus Paran (Chairman of Neighbourhood I) worked together with other elite members in the struggle against SLJ V during this period.

In the adat elite, due to his age, Ayang Bayau (the Adat Leader) was not physically active in mobilising the masses. In term of providing support to other village elites and in legitimising the action of adat community, however, his role was unquestionable. It was Anyeq Lahai (the Vice Adat Leader) who took the lead

in this elite group in physically mobilising the masses. Although during the New Order era, Anyeq Lahai was afraid of the *angkatan* (the military and other security apparatus), during the *reformasi* era he felt brave enough to confront the security apparatus (Anyeq Lahai, March 2002).

In the “socio-political” elite, Cosmas Belareq was very aggressive in dealing with SLJ V. In the emerging conflict, he enjoyed legitimacy to influence due to his status as the son of the current Adat Leader and his strong interest in gaining cash compensation from SLJ V. Although Mikail was a civil servant and a school headmaster, he no longer felt too scared to take the risk of challenging SLJ V and becoming active in the conflict. Muslimin, as a new elite member, took a different attitude/approach than his father had previously, becoming much more active and aggressive in dealing with SLJ V.

With regard to the elite configuration, as with Matalibaq (see Chapter 5), the main change was the establishment of the Village Team. This was an effort to unite the village elites in order to make the movement more effective. In this village, the local elite used an even more powerful term for the Village Team compared to that used in Matalibaq. While in Matalibaq, the local elite used the term “*Tim*” (Team), in LBU the local elite used the term “*Kuasa Adat*” (Adat Authority). The *Kuasa Adat* was merely a Village Team. However, the use of the term *Kuasa Adat* in dealing with SLJ V had a more intimidating psychological effect on the forest company (hereafter, the terms *Kuasa Adat* and Team will be used interchangeably). In LBU, two *Kuasa Adats* were established, these were *Kuasa Adat 3* (Team 3) and *Kuasa Adat 9* (Team 9). *Kuasa Adat 3* was composed of Cosmas Belareq Liah (Chairman; the son of Adat Leader), Bang Ulu, and Adi Batur. *Kuasa Adat 9* was composed of Anyeq Lahai (Chairman; Vice Adat Leader), Adi Batur, Mikael, Muslimin Usman, Bang Ulo, Nimuk Usak, Yus Paran (Chairman of Neighbourhood I), Alui Wan (Chairman of Neighbourhood II), and Bith. Although some new figures are found in these *Kuasa Adats*, only a few figures played central roles in this elite configuration, as explained above.

As a collectivity, the village elites under the umbrella of *Kuasa Adat* (3 and 9) became a spearhead elite in the struggle against SLJ V. First, the Adat Leader and other LBU people established the *Kuasa Adat* as an organisation representing the adat community. Second, the Adat Leader and other LBU people provided a mandate to the *Kuasa Adat* to deal with the company and to make any necessary arrangements. The *Kuasa Adat* became very influential as the *Kuasa Adat* used the *Lembaga Adat* (Adat Council/Organisation) and adat system of LBU to mobilise the masses as well as to deal with the forest company. However, as mentioned earlier, only a few members of the *Kuasa Adats* played a central role. In *Kuasa Adat 3*, it was Cosmas Belareq (Chairman) who played a central role. In *Kuasa Adat 9*, Anyeq Lahai (Chairman), Muslimin, Mikail, and Yus Paran played this role. Although the roles of the elites within the *Kuasa Adats* were central, the roles of other elite members outside the *Kuasa Adat*, such as the Adat Leader (Ayang Bayau), the Village Head (Subandi) and the Village Secretary (Tufak/Tuvak)—cannot be set aside.

Another considerable development observed in elite politics during the post-New Order era was the arrival of a new elite group in LBU, namely the NGO elite.³⁸ This elite group came from the activists of LAK Kaltim (the East Kalimantan Anti-Corruption Institute, *Lembaga Anti Korupsi Kalimantan Timur*). The establishment of LAK in Samarinda was part of a nationwide anti-corruption movement after Soeharto's fall. LAK was chaired by Isak Iskandar (the Director), but in the LBU conflict it was Sabam Pakpahan (a lawyer) and other activists (mostly students) who made frequent contacts with the village elites. LAK's involvement in the LBU conflict was the result of an invitation by LBU elites (Team 9), following the recommendation of a District parliamentarian (Anyeq Lahai, March 2002). In the conflict, LAK provided legal advice to the village elites and encouraged the use of indigenous resources, particularly adat law, to confront the forest company. Interestingly, in dealing with SLJ V, LAK promoted its motto of "*Kejar Koruptor Sampai Dapat!!!*"³⁹ (Pursue the Corruptor Until Captured!!!).

Concerning the masses, the euphoria of *reformasi* moved mass politics into a high-energy level of activity. Solidarity over the issue of adat rights was high among the adat community during this period, and therefore, they were easy to mobilise against the forest company that was exploiting their claimed land. As the masses followed the village elites, particularly the *Kuasa Adat*, in this movement, the actions of the masses were dependent on the actions of the elite. This high dependency had the potential to provide negative impacts on mass-mass and mass-elite relations, particularly if the elite were to split. This potential was realised during the development of the conflict when, due to elite conflict in LBU, the masses became divided. As will be described later, the LBU people experienced this kind of internal conflict after the abolishment of *Kuasa Adat* 3.

C.2. The Company's Activities in 1998-2001

In the SLJ V documents, timber production was recorded from July 1998, after the fall of Soeharto's regime (May 1998). Between July 1998 and December 1999, the company had cut 9,476 timber trees with total volume of 49,256 cubic meters (Table 6.7).

Table 6.7. Timber Production of PT Sumalindo Lestari Jaya V, July 1998-September 2000

No.	Date of Production	No. of Trees	Volume (m3)	No.	Date of Production	No. of Trees	Volume (m3)
1.	July 1998	347	1,935.79	19.	January 2000	299	1,348.06
2.	August 1998	378	2,087.88	20.	February 2000	5	18.72
3.	September 1998	582	3,205.91	21.	March 2000	662	2,973.61
4.	October 1998	864	4,072.73	22.	April 2000	254	1,089.39
5.	November 1998	655	2,943.61	23.	May 2000	892	4,667.48
6.	December 1998	603	2,867.08	24.	June 2000	637	2,940.60

³⁸ For the term "NGO elite", see Chapter 5.

³⁹ See LAK's letters. For instance, LAK's summation to SLJ V dated 16 April 2001.

7.	January 1999	200	987.90	25.	July 2000	806	4,404.66
8.	February 1999	441	2,624.5	26.	August 2000	599	3,186.56
9.	March 1999	1,157	5,996.58	27.	September 2000	465	2,953.47
10.	April 1999	0	0.00				
11.	May 1999	283	1,501.03		Sub-Total (19-27)	4,619	23,582.55
12.	June 1999	671	2,864.01		Sub-Total (22-27)	3,653	19,242.16
13.	July 1999	40	3,516.67				
14.	August 1999	752	3,315.57				
15.	September 1999	1,245	5,385.85				
16.	October 1999	208	897.67				
17.	November 1999	678	3,201.16				
18.	December 1999	372	1,852.08				
	Sub-Total (1-18)	9,476	49,256.02		Grand Total (1-27)	14,795	72,838.57

Source: Adapted from LHP Recapitulation, PT Sumalindo Lestari Jaya V, July 1998-September 2000. Cf. SLJ V (1998, 1999b, 2000, 2001).

Note: Sub-total separation was made as LBU's formal compensation demand was submitted to SLJ V in December 1999.

Local people had complaints about these logging activities over the period of July-December 1999, but the company continued to operate. From January until September 2000, the company cut a further 4,619 timber trees with a total volume of 23,582 cubic meters. Thus, during a two-year period (July 1999-September 2000), SLJ V had cut 14,795 timber trees with a total volume of 72,838 cubic meters.

Timber production between October-December 2000 can be estimated from the total production of April-December 2000 as mentioned in the conflict document:

The first party (the company) was available to pay a compensation fee based on the Governor's Letter of Decision No. 020/2000 for the period of 1 April 2000-31 December 2000. The total timber volume of *Meranti* species was 24,059.31 M3, and of mixed timber species was 1,198.51 M3. The total funds paid [to LBU people] was Rp 74,574,950. The company continued to pay compensation to LBU people after 31 December 2000 based on total production volume in accordance with Governor's Letter of Decision No. 020/2000 *as long as*⁴⁰ [SLJ V] still operated in the *tanah adat* claimed (*diakui*) by adat community of Long Bagun Ulu (*Berita Acara Kesepakatan*, 17 March 2001).

This document indicates that between October-December 2000, the company had cut timber trees to a total volume of about 6,014 cubic meters (25,256.82 – 19,242.16). Thus, during the period of July 1998-December 2000, the company had logged timber trees in the LBU forests to a total of 78,902 cubic meters (72838 + 6,014).

⁴⁰ Emphasis added. This is because the remaining concession area (75% of SLJ V area) belongs to other villages.

Such a level of timber production was quite high, and was due to the company's activeness in logging timber trees in the LBU forests. There were no time gaps in logging, except—based on the above data—in April 1999. The activeness of SLJ V in cutting LBU forest trees as well as the huge timber volume extracted from the claimed *tanah adat* (adat land) without providing benefits to the LBU people were the main forces that stimulated the villagers to act.

C.3. Conflict Development in Long Bagun Ulu during Indonesia's Early Stage of Democratisation

C.3.1. Emerging and Manifest Conflicts

Conflict development in Long Bagun Ulu during Indonesia's early stage of democratisation can be traced back to occurrences after the downfall of the New Order government. On 7-8 December, 1998, adat leaders from villages across the Long Bagun sub-district, the Great Sub-District Adat Leader (sub-district Adat Leader), and other prominent figures in the sub-district held an Adat Congress (*Musyawarah Adat*, Musdat). This sub-district level Adat Congress was affected by the storm of *reformasi* in that local people attempted for the first time to empower themselves by revitalising their traditional rights. The congress produced one crucial decision, as written in Chapter III, Article 9, point 2 of the congress's proceedings:

In the adat meeting it has been decided by consensus that *tanah adat* is the land located along the Mahakam River (both left and right sides), or along the rivers located in the village areas that can be reached by small boat (*ketinting* or *ces*), of a distance of 5 (five) kilometers from the riverbanks inland (*Lembaga Adat Besar Long Bagun*, 1998:20).

Thus, in the Long Bagun sub-district, the *tanah adat* (adat land) was determined to be all land within a distance of 5 km from the riverbank. It included not only the areas along Mahakam River but also the areas along all small rivers as long as they could be reached by small boat (particularly in rainy season). The significance of such a decision was that it was recognised and legalised (*mengetahui dan mengesahkan*) by the Sub-District Head, Paul Usat Liban, and the Great Adat Leader of Long Bagun, A Dja'ang Aran (Penetapan Hasil Musdat, Lembaga Adat Besar Long Bagun, 1998). This meant that the area of *tanah adat* was legally recognised by government, at least by the sub-district government.

Following this Adat Congress (Musdat I), the second Adat Congress (Musdat II) was held in 1999 in Batu Majang, close to the SLJ V base camp. The participants proposed an expansion of the distance from the river from 5 to 50 km. However, there was a great debate about this in the plenary session and so a distance of 7 km was decided upon as a guideline (*patokan*), following that applied by villages along the Belayan River. At the time of my last visit (October 2002),

local people were still waiting for the government to legally recognise this Adat Congress decision.⁴¹

Another stimulating factor in the rise of the LBU forest conflict was the inspiration of the Matalibaq conflict. My interviews with two LBU elites (Anon, March 2002) revealed that the struggle of the Matalibaq people against the forest company exerted great influence. This, to a great extent, was due to the success of the Matalibaq people in gaining cash compensation from the forest company (PT. Anangga Pundinusa). The Matalibaq people had received a huge cash compensation fee before the LBU conflict exploded (Rp 141 million in Dec. 1998; over Rp 1 billion in March-April 1999, see Chapter 5). This was viewed as a success story that could be replicated in LBU.

In the upriver villages (in neighbouring sub-districts), two other conflicts influenced the rise of LBU's "aggressiveness." The first conflict was between PT. Long Bangun Prima Sakti (a birds' nest business) with the Dayaknese villagers of Long Apari. In January 1999, numerous villagers—particularly the owners of birds' nest caves and their workers—rejected the letter drafted by their own Village Head supporting the existence of this outside company. It was argued that the company did not contribute to the welfare of the surrounding communities. Later, in November 1999, a large group of villagers burnt the office of PT. Long Bangun Prima Sakti.⁴² The second conflict was between PT. Kemakmuran Berkah Timber/KBT (a logging company that was a subsidiary of the PT Roda Mas Group) and the Dayaknese villagers of Long Tuyok (Long Pahangai sub-district) that emerged in February 1999. This conflict attracted attention when the villagers reported this company to the police, accusing the company of illegal forest encroachment. The company was also accused of encroaching and destroying 200 hectares of land owned by Blawing Belareq, a prominent Adat Leader of Long Tuyok (Sudiono, SFMP 2001, *Kaltim Post*, 19 March 2000).⁴³

Those developments (the Adat Congress's decision and the influence of the conflicts in Matalibaq, Long Apari, and Long Tuyok) stimulated the LBU people to act. The Adat Congress' decision in particular was a "written regulation" that could be used against SLJ V.

On 12 April, 1999, villagers in the Long Bangun sub-district, including those from LBU village, staged a demonstration in the sub-district office of Long Bangun. Their demands were as follows: 1) to eradicate the thugs in the birds' nest business; 2) to fire the government officials who backed birds' nest theft; 3) to abolish the licenses of PT Long Bangun Prima Sawit (a birds' nest and oil palm

⁴¹ Interview with the Great Adat Leader of Long Bangun (Dja'ang Aran) and the Village Head of Batu Majang (Bilan Tingang), May 2002.

⁴² The conflict calmed down after the company signed a document agreeing to a set price for birds' nests, joint security arrangements, and the involvement of local labor in the birds' nest business.

⁴³ According to the District Head of West Kutai, Rama Alexander Asia, the Roda Mas Group later agreed to pay Rp 400 million to Long Tuyok people. This advance payment would be recalculated after the Governor and the District Head issued regulations clarifying timber compensation fees for local people (*Kaltim Post*, 19 March 2000).

plantation company), which operated in the sub-districts of Long Bagun, Long Pahangai, and Long Apari; 4) to abolish monopolistic and discriminatory regulations in the birds' nest business; 5) to hand back the collection and marketing of birds' nests to local people; 6) to reject [the existence of] any companies exploiting natural resources (in any form) from adat land; 7) to return the rights to manage natural resources to local people. The last two demands worried SLJ V since it was in the process of exploiting the forest lands of LBU and other villages. In the afternoon, SLJ V staff met the Sub-District Head of Long Bagun, and it was suggested that SLJ V should approach all villages in this sub-district and hold meetings with their adat leaders and village heads to try to calm down the situation.

The staff of SLJ V accordingly came to LBU on 15 April, 1999, to meet the Adat Leader and other members of the village apparatus. This meeting provided an opportunity for LBU elites to discuss the issue of LBU *tanah adat* (adat land) in SLJ V concession area. The company's staff, however, diplomatically rejected to recognise the claim. It was decided that the problem of *tanah adat* would be settled when the government issued a regulation concerning *tanah adat*. Two weeks later, on 30 April 1999, SLJ V held a meeting with the Sub-District Head, Great Adat Leader, Adat Leaders and Village Heads of Long Bagun sub-district, as well as the Adat Leader of Long Lebusan. Again, it was concluded that the problem of *tanah adat* would be settled when the government promulgated a regulation on *tanah adat*.

One month later, on 1 July, 1999, a rumor arose that there would be a new demonstration in the sub-district office. On 2 July, 1999, SLJ V arranged a meeting with some village elites under the jurisdiction of the Long Bagun sub-district government. At this meeting it was realised that the agreement made on 30 April, 1999 had not been communicated to common villagers. In the case of LBU village, it was also mentioned that the credibility of certain elites among those who arranged the LBU *tanah adat* demand had been questioned by other villagers. Because of this, the people of LBU invited SLJ V staff to meet in LBU village.

The meeting between SLJ V and LBU people was held the following day in LBU village (3 July 1999). In this meeting, the LBU people maintained that the LBU adat land encompassed all land a distance of 5 km from the Mahakam River bank inland. Thus, their demands were in line with the decision of the first Adat Congress (Musdat I). The range of the LBU area was stated as being from the estuary of the Bagun River (a small river in the base camp of SLJ V) to Long Ayau (the Ayoh River, about a 48 km distance [upstream] from the SLJ V base camp)⁴⁴ (see sketch map, Appendix 13). As the company was operating within this area, the LBU people demanded a compensation fee of Rp 20,000 (about USD 2) per cubic meter of SLJ V's timber production. The company did not provocatively reject this demand, but instead used a diplomatic approach. Having discussed many issues, including the company's community development projects, both parties agreed that in regard to *tanah adat* demands they would await the government's decision.

⁴⁴ This is stated as the borderline between the Long Bagun Ulu and the Batu Kelau (Long Bagun Tengah) areas.

While waiting, it was agreed that both parties should cooperate and respect each other. The company also promised that it would consider the LBU people's demand that LBU be included in SLJ V's community development programs (SLJ V, *Kronologis*, 1999-2001).

However, it appeared that the local people, particularly their elite, eventually became dissatisfied or impatient with the indefinite "waiting time" proposed by the company. Some elites took the initiative of recalculating the compensation demands, and on 20 December 1999, an adat meeting was arranged. The meeting's outcomes were to summarise the people's demands and to set a plan of action. On 24 December 1999, Cosmas Belareq (the son of the Adat Leader) and Tufak (the Village Secretary) came to the SLJ V base camp to submit the minutes of the 20 December adat meeting. Local people demanded Rp 3 billion in compensation; if the company did not fulfill the demand, LBU people threatened to stage collective action in the base camp. It was stated that the demand would be effective as of January 2000.

A formal document concerning the LBU peoples' demands was made a few days later (28 December 1999) and signed by Ayang Bayau, Adat Leader of LBU. Four demands were submitted to SLJ V in this document. The first demand was for compensation for adat harassment with a total value of Rp 5,000,000. The second demand was for compensation for the damage/destruction of the forests in LBU adat land; it was valued at Rp 500,000,000. The third demand was for compensation for the destruction of a potential tourist site that would have supplied an endless source of income. For this, the compensation fee was worth Rp 1,000,000,000. The fourth demand was for compensation of Rp 1,495,000,000 for the loss of forest products, both timber and non-timber. In sum, the total value of the demands was Rp 3 billion in cash (LBU 28 Dec 1999). Thus, this was a breakdown of the demands raised earlier.

The company responded by rejecting the LBU people's demands. The company referred to the agreement made between the company and local people that, in order to solve *tanah adat* problem, both parties would wait for the government to issue the regulation on adat land. This response dissatisfied the Long Bagun Ulu people, particularly their elites. On 19 January 2000, 10 LBU people including, among others, Cosmas Belareq, Anyeq Lahai, and Yus Paran, brought the company a letter by the Adat Leader informing them that they wanted to inspect the *tanah adat* that had been exploited by SLJ V. These people expressed their disappointment by stating that the company had arbitrarily exploited their adat land. Due to the company's resistance, the LBU people increasingly applied pressure on SLJ V from this time onwards.

The development of conflict from the New Order to the post-New Order era went from people's silent grievances during the New Order regime (latent conflict) to a more open expression of grievances during the post-New Order regime. The LBU forest conflict began to emerge in April 1999 (emerging conflict), turning to manifest conflict since December 1999.

C.3.2. Intensifying Forest Conflict under Kuasa Adat (Team) 3

The new roles of the local elites had appeared when they drafted LBU village's compensation demands against SLJ V, at which time, in order to legitimise these demands, they involved the masses in decision making in adat meetings. The increasing role of certain elites became clearer when the Adat Leader (Ayang Bayo) on 27 January 2000 appointed Cosmas Belareq Liah, Bang Ulu, and Adi Batur as *Kuasa Adat* (adat authority) of Long Bagun Ulu to follow up the above compensation demands. This *Kuasa Adat* was known as Team 3 or by the generic term *Kuasa Adat*. This *Kuasa Adat* was given a mandate by the Adat Leader to act on behalf of the people (*Surat Kuasa dan Penunjukan Petugas*, 27 January 2000).

In a move initiated by Team 3, SLJ V staff met local people, particularly the elites, on 29 January 2000. It was concluded that LBU people claimed about 25% of the SLJ V concession area as LBU adat land. Based on this conclusion, the breakdown of the demands as mentioned above was re-submitted. Team 3 stated that if the demands were fulfilled, the company could continue to operate in the LBU adat land. The LBU villagers gave the company one week to respond.

Due to this threat, on 2 February 2000, a meeting was arranged between the company staff and the LBU people, facilitated by the Head of the West Kutai District Office of the Directorate General of Socio-Political Affairs (*Kaditsospol*), Gabriel. In this meeting, the LBU people, particularly the village elite, insisted that the *tanah adat* dispute was between LBU village and SLJ V. Thus, the dispute should be solved between LBU and SLJ V by themselves without involving other parties, unless there was a deadlock. This statement was directed to SLJ V and the government official (*Kaditsospol*) in order not to involve government officials in the LBU conflict. It is important to note that the Provincial and District Offices of the Directorate General of Socio-Political Affairs (*Ditsospol*) during the New Order era had been a powerful body for implementing the security approach from within the civilian bureaucracy. Even though *Kaditsospol* was present in the meeting, LBU presented the company with two options: 1) a one month period to fulfill the demands; however, the company must stop its operations immediately; 2) a one week period to fulfill the demands; during this period, the company could operate normally, but if the company did not fulfill the demands within one week it must stop its operations thereafter. The company selected the second option; the deadline was thus set at 10 February 2000.

As there was no resolution of the demands by the specified date, on 10 February Cosmas Belareq took the lead to "bring" about 100 people to stage collective action at the SLJ V base camp. Local people occupied the base camp and stopped the company's operations. The local people also inspected the forests to ensure that there were no company's activities in the fields. This first collective action increased tensions between SLJ V and LBU as local people strove to provide a significant blow to the "untouchable" SLJ V. Three days after the collective action, on 13 February, the company staff invited the *Kuasa Adat* to discuss company operations including the annual work program, rafting, rehauling,

the loading logs to the pontoon, and towing. On 15 February, Team 3 provided exemption for rafting, rehauling, loading logs to the pontoon, and towing to Samarinda. My interviews with the Village Secretary suggested that the Team (Team 3) did not take a firm stance. Without fulfilling the demands, the company had been given dispensation to continue their activities (Tuvak, March 2002). This caused the Team to be looked at with some suspicion, particularly the Chairman of Team 3.

Ten days later, on 25 February, Team 3 again gave the company two weeks to realise at least 50% of the people's demand (Rp 1.5 billion). If this deadline was not met, the local people would occupy the strategic places and facilities of SLJ V. Following this, on 27 February, LBU people inspected the base camp and log yard and counted the timber stocks. The local people again stopped the company's operations, as was the case on 10 February. Interestingly, on 01 March 2000, there was a change in the Team's demands. The demand of Rp 1.5 billion, above, was reduced to Rp 500 million, with the request that Rp 100 million be paid on 2 March 2000, and Rp 400 millions be paid 10 days later. If the demand of Rp 100 million would be fulfilled, the Team members promised that they would allow the company to operate normally and forget the Rp 3 billion demand.

On 02 March 2000, ten people from the village elite including Cosmas Belareq, Adi Batur, Bang Ulo (Team 3), Yus Paran, etc. met with SLJ V. They demanded an immediate payment of Rp 500 million. Out of this amount, they demanded that the payment of Rp 100 million was for the village elites and should be paid without a receipt (*tidak mau secara legal*) and another Rp 100 million was for the local people and should be paid with a receipt (*secara legal*). In this meeting, it was proposed that the payment of this amount (Rp 200 million in total) should be realised on 6 March 2000, while the specific date of the payment of the rest (Rp 300 million) would be determined on 3 March 2000. If the meeting of 02 March 2000 failed (i.e. if the company disagreed), the LBU people's demand would increase to Rp 1.5 billion. If by 10 March no agreement had been reached, the LBU people would occupy the SLJ V base camp (on 11 March 2000) and the demand would return to Rp 3 billion (SLJ V, Kronologis 1998-2001).

Scared by the threat of collective action, on 09 March 2000, SLJ V agreed to pay the compensation. The chairman of *Kuasa Adat* (Team) 3, Cosmas Belareq, signed an agreement with SLJ V, justified by the Village Head (Subandi) and the Adat Leader (Ayang Bayo). It was agreed the payment of Rp 400 million would be made as an advanced payment. If, based on the ensuing government regulation (i.e. Governor's Decision on timber fee compensation) such payment would be found to have exceeded the value of compensation expected for the total production of SLJ V, the company would not ask LBU people to refund the money. But if the advance payment was found to be less than the expected value (based on total value of SLJ V production), then the company should pay the village the remainder owed.

C.3.3. Intensifying Forest Conflict under Kuasa Adat (Team) 9

Six months after the payment agreement, on 25 September 2000, a new team, *Kuasa Adat* (Team) 9, was established. The reason behind the establishment of this new team was because Team 3 had allegedly “mismanaged” their duties. An undercover story had been passing around the village. The story centered on an alleged underground deal between a few elites and SLJ V staff with a total value of Rp 100 million (cf. the last demand was Rp 500 million, whereas the actual agreement had amounted to Rp 400 million). This story was begun by one village elite who had come across a meeting between three local people and company staff in a *ladang* (a shifting cultivation rice field) (Anon, March 2003). This news angered local people, and Team 3 was subsequently summoned to an adat meeting. In the meeting, Team 3 was dissolved and its members were forced to formally resign as *Kuasa Adat* members.

The new team consisted of 9 members (Team 9). Interestingly, two former members of Team 3 were reappointed as members of Team 9. As noted earlier, Anyeq Lahai (Chairman, Vice Adat Leader), Muslimin, Mikael, and Yus Paran were central figures in this new Village Team. This team was given a written mandate signed by the Adat Leader (Ayang Bayo) to follow up the village’s compensation demands due to the damage/destruction of adat land.

Nine days after the establishment of Team 9, on 4 October 2000, SLJ V management was invited to meet LBU people. The focus of the discussion was the “remaining money” (*sisu uang*). The village stated that as the company had already paid Rp 400 million, the company now owed the LBU people the remaining Rp 2.6 billion. The company rejected this demand, saying that in the agreement made between Team 3 and SLJ V for the payment of Rp 400 million, the case was regarded as resolved. The company also argued that Team 3 had agreed that there would be no further demands unless the government regulation determined otherwise. Local people, however, ignored the possibility of future government involvement in the *tanah adat* dispute. The team provided a deadline of 20 October 2000. If not fulfilled, the team threatened that LBU people would again occupy the base camp.

Due to the people’s threats, SLJ V invited the Mobile Brigade (*Brimob*) unit of *Polres* Tenggara, the District Police of Kutai (Kertanegara).⁴⁵ On 19 October 2000, 15 *Brimob* personnel were deployed to the base camp in anticipation of collective action. This move was resented by the local security apparatus who felt that SLJ V had belittled the local security forces (the Long Bagun sub-district police [*Polsek*]) and military command [*Koramil*]). Because of this, the Babinsa (the non-commissioned military officer) supported the people’s action (Muslimin, March 2002). On 21 October 2000, local people staged their second collective action. According to the company’s documents, about 40 people participated, but according to the LBU elite, there were about 75 people participating. This differing figure is understandable as the company counted the participants based on one

⁴⁵ At that time, the District Police of West Kutai had not been established yet.

specific day of collective action whereas Muslimin counted them throughout the one week period of people's action. Although the participants in this collective action were fewer than in the previous one, the tension was higher. This was because local people were "confronted" with the district security apparatus. In addition, the local people themselves had brought traditional weapons such as *mandaus* (traditional swords), spears, *sumpits* (poisonous blowpipes), etc. In anticipation of unexpected occurrences, the Adat Leader of Long Bagun Ulu had provided an adat message or mandate to the participants (in an adat meeting held one day before): "Don't commit violent acts. But, if you are hurt by the company staff or whoever [i.e. the security apparatus], it is up to you" (Ayang Bayau, 21 December 2001). Therefore, the village elite (Team 9) and the other local participants ignored the security apparatus. Team 9 took action as follows: they stopped all the company's operations; they brought heavy equipment in the forest down to the base camp; they forbade the transport of timber to Samarinda; and they demanded to take back all timber in the pontoons. They also inspected the logged timber in the forests. The locals insisted that they would continue their actions until SLJ V paid the compensation demands.

SLJ V did not want to pay. On the next day (22 October 2000), the company challenged the threats of the LBU people by continuing its operations. The company's courage to challenge the villagers seemed to be due to the presence of the district security apparatus in their base camp. On 23 October, seven village elites monitored the company's activities but SLJ V insisted that it would not stop its operations. On the following day (24 October), a meeting between company staff and the village elites (9 people) was arranged. The local people continued to demand the payment of Rp 2.6 billion and gave a deadline to respond of 31 October 2000. If by then there was no response to the people's demand, all timber extracted in the LBU *tanah adat* by SLJ V would be sold by the LBU people. It was also asserted that the Adat Council would not be responsible for the people's actions.

An important meeting was held on 31 October 2000. In this meeting—attended by company staff, Team 9 members (Anyeq Lahai, Mikail, Yus Paran, Muslimin Usman, etc.), military personnel, and police officers—Team 9 maintained their Rp 2.6 billion compensation demand and stated that it should not be related to the Governor's Decision No. 20/2000 on timber fee compensation or to the company's PMDH activities (forest community development projects). They stated that SLJ V would be allowed to operate but not to transport its logs to Samarinda. As well, they notified the people at the meeting that the village elites would not be responsible for mass action if the company ignored their demands.

As the ensuing negotiations (3 & 7 November 2000) did not result in the demand being met, on 14 November 2000 the local people, represented by Anyeq Lahai (member of Kuasa Adat 9), Ayang Bayo (the Adat Leader), and Tufak (the Village Secretary) imposed an ultimatum on SLJ V, saying that if the company did not fulfil the people's demands, SLJ V should retreat from the LBU adat lands. With this ultimatum, the company was notified to stop its operations, bring its

heavy equipment in the field to the base camp, keep its logs in the log yard and not transport pontoons to Samarinda. This attempt to evict the company from the LBU area created high tension, which SLJ V attempted to mitigate by carrying out some meetings.

As the meetings did not result in an agreement, Team 9 subsequently led the third collective action against SLJ V from 15 to 19 November, 2000. The masses were organised to guard SLJ V in two shifts; that is, those who controlled the company in the daytime and those who guarded SLJ V at nighttime. The lowest record of mass participation during the course of this collective action was 14 people (during a daytime shift) and the highest was 48 people (at a nighttime shift). Overall, the number of individuals involved in this collective action totalled 86 people (Table 6.8).

Table 6.8. Attendance Lists of Participants in the Collective Action

No.	Date	Day (people)*	Night (people)*
1.	15-11-2000	48	43
2.	16-11-2000	32	30
3.	17-11-2000	18	14
4.	18-11-2000	15	14
5.	19-11-2000	17	24
	Total	86**	

Note: *Some daytime participants were also nighttime participants, and vice versa; ** Total individuals

Source: *Daftar Hadir, Jaga Siang dan Malam*, 15-19 November 2000.

This action caused the tensions between LBU and SLJ V to increase as the company was like a “prisoner.” To calm down the villagers, SLJ V offered compensation based on the Governor’s Decision. In a 20 November meeting mediated by the District Head, Rama Asia, the village elites agreed to receive a timber fee compensation based on the Governor’s Decision No. 20/2000 as well as the payment of compensation for adat harassment. While the compensation payment of Rp 5 million for adat harassment was realised on 23 December 2000, the agreement for a timber fee compensation of Rp 74,574,950 was not signed by the company until 19 March 2001.

According to local people, this payment was only an annual timber fee compensation for the company’s timber production from 1 April 2000 to 31 December 2000. Thus, it was not to be related to the people’s initial demand with respect to their *tanah adat* claims (the remaining Rp 2.6 billion demand). Local people stuck with their demand for this amount and continued to put pressure on the company.

As there was no fulfillment of their demands, on 27 May 2001, local people—represented by Anyeq Lahai (Kuasa Adat 9) and Ayang Bayau (Adat Leader)—imposed the second attempted eviction of SLJ V from the LBU area. The company was informed that local people would not stage collective action but that [all] company staff should leave from the LBU *tanah adat* while all company’s assets [should be left and would function] as a guarantee (Berita Acara Musyawarah Adat, 27 May 2001). Muslimin used the strong term “ultimatum” for

this move. According to him, the reason for imposing the ultimatum in this manner was because in the previous collective actions, the participants usually brought traditional weapons such as spears, *sumpits* (poisonous blowpipe), or *mandaus* (traditional swords) to the base camp. This scared the company staff, particularly the staff's families residing in the base camp. In the second collective action in particular it was heard that some families of the company staff had escaped or prepared to escape to the forests nearby while the company was under siege by the local people. Thus, rather than staging such a frightening collective action again, this form of ultimatum was chosen as another option (Muslimin, March 2002).

The company's staff tried to negotiate with the community and one important meeting was held on 12 June 2001, attended by local people, company staff, and sub-district authorities (Muspika). As local elites regarded the company as playing with time, local people made a letter based on the issues and demands raised in such a meeting and sent it to the relevant parties. It was stated that the company should stop its operations, all heavy equipment in the field should be brought down to the base camp, and logs should not be transported to Samarinda. The impact of such a letter was that the company stopped its operations for about one month. Research findings suggest that such a great influence could not be separated from the title used in such a letter, namely "Minutes of Agreement" (*Berita Acara Kesepakatan*). In the company's views, it was not an agreement between SLJ V and LBU, but merely the people's demands.⁴⁶ This is pertinent to the fact that the company's representatives did not put their signatures in such an "agreement" letter. The letter—with *Lembaga Adat* letter headings—was only signed by Anyeq Lahai (Kuasa Adat 9) and Ayang Bayau (the Adat Leader) (see *Berita Acara Kesepakatan*, 12 June 2001). Secondly, in such a letter local people asserted that if the company did not want to pay, the locals would take further action based on their adat traditions. Thirdly, it was greatly associated to the ultimatum imposed earlier (27 May 2001). The inactivity of the company in the area greatly affected timber supplies to PT Sumalindo Lestari Jaya Group (SLJG, SLJ Tbk) in Samarinda. Muslimin maintained that due to SLJ V's inactivity (which had created a timber supply shortage), the plywood factory of SLJG in Samarinda changed its working shifts from three to two (Muslimin, March 2002).

High tensions between SLJ V and LBU forced the company to arrange numerous meetings. But Team 9 stuck with their stance. This deadlock resulted in SLJ V bringing its case to the District Parliament (DPRD). After some negotiations, on 5 July 2001 Team 9 agreed to revoke the 12 June 2000 letter because both parties had agreed with the solution mediated by the DPRD. On 12 July, the negotiated agreement stated that the company would assist LBU with six physical projects: 1) the grading of 500 m of the village road, 2) the establishment of a fresh water project, 3) the extension of the village's main settlement, 4) the finishing of 10% of the remaining work on constructing the adat hall, 5) the establishment of three classrooms, and 6) the establishment of an adat office (the office of the Adat Leader).

⁴⁶ The LBU people however could argue that this was the agreement among them (LBU people).

As for cash compensation, members of Team 9 reduced their demand gradually, finally staying firm at a demand for Rp 800 million. However, the company only agreed to pay Rp 150 million. The District Parliament (DPRD) offered a middle way by summing both amounts and dividing by two (Rp 800 million plus Rp 150 million divided by 2) so that the proposed compensation was Rp 425 million cash. Team 9 agreed with this solution but the company's negotiators needed to consult with the Company Management. Later, the company agreed to pay such an amount, but not instantly. Instead, the company suggested that they pay through a cooperation project (*pola kemitraan*) involving timber cuttings in certain forest blocks (see map in Appendix 12). Initially, Team 9 did not agree with this arrangement, but subsequently this village team found it did not have other choices.

Over the course of these negotiations the conflict calmed down, but numerous meetings continued to discuss technical aspects of the implementation of the cooperation project as well as the realisation of agreed physical projects. The chairman of the former team (Team 3), his supporters, and numerous other villagers did not agree with the arrangement of cash compensation through a cooperation project. This created silent tensions between the LBU elites on the one hand and between the elites' supporters (from the masses) on the other hand.

Examining the description of the LBU conflict development thus far, it can be seen that the latent conflict during the New Order era (pre-May 1998) turned to emerging conflict over the period of April-December 1999, and transformed into manifest conflict from December 1999 onward. The intensity of manifest conflict increased as a result of the local people's unilateral actions against SLJ V, where between February 2000-June 2001, three collective actions were staged and two ultimatums were imposed. Thus, an intensifying forest conflict in Long Bagun Ulu occurred during the period of Indonesia's early stage of democratisation (21 May 1998-23 July 2001).

C.4. Opportunity Risks in a Changing Political Environment: The Risks of Collective Actions and Ultimatums

Referring to the above conflict development, one question arises: Why did local people find the courage to stage unilateral actions against the forest company only after the collapse of the New Order authoritarian regime? This part seeks to answer this question by examining the issue of risks in a changing political environment.

The intensification of the forest conflict is inseparable from the changes occurring in the local political environment that occurred immediately after Soeharto's fall. The breakdown of repressive political institutions (repressive security, bureaucratic and mass depoliticisation institutions) across the Indonesian archipelago rendered these institutions unable to confront local people. This offered opportunities for the euphoric and high-energy local elites and masses to

advance their interests. More precisely, the change in political environment during the *reformasi* era provided local people with opportunities to succeed in achieving collective goals.

In taking advantage of such opportunities, however, as rational human beings, the individuals involved must calculate the risks involved in achieving such goals. In the case of this conflict, the result of these calculations of risks was that local people tended to act. The following sections discuss this issue looking at three main areas of risk: security risks, bureaucracy risks (personal risks) and village risks (communal risks).

C.4.1. Security Risks

As noted earlier, in the LBU people's view, the *reformasi* era was an era of freedom. *Reformasi* was deemed to provide people with the freedom to speak, to demand their rights, and to act. The freedom expressed by LBU people was not a *laissez-faire* freedom, as they considered that certain behaviour should be avoided. Muslimin maintained:

During the collective action we captured about 13 bulldozers, tractors, and excavators in the forest area (logging area). In the base camp we seized 8 bulldozers, tractors, etc. We also stopped about 7 pontoons and 4 rafts. Many company's employees supported us; they cooperated in collecting such heavy equipments. Some of them even offered, "If you want to burn, just burn them." But we declined to do so. We were afraid that it would become a criminal case and our struggles would be finished (Muslimin, 21 March 2002).

Avoiding certain behaviours was regarded as necessary because if the people's struggle resulted in criminal charges, their movement would easily be undermined. In the LBU people's views, as long as they did not stage any action that could be categorised as a crime according to the Penal Code, they were convinced that there would be relatively little risk in staging collective action during the *reformasi* era.

People's views on such risks can be seen from the courage exhibited by local people in facing the security apparatus. In this regard, Tuvak maintained:

In the past, during the New Order era, the government was respected, and we were [also] afraid of the security apparatus. We were afraid to act. Nowadays (in the *reformasi* era), if they behave inappropriately, they will be defied or confronted (Yakobus Tuvak, 21 Dec 2001):

As can be seen from Tuvak's statement, local people were no longer scared to face the security apparatus—as well as the government officials—after the downfall of Soeharto's regime. If they acted arbitrarily against LBU people during the *reformasi* era, the security apparatus would be challenged. The braveness of

local people can be also seen from another occurrence. As one key informant described it:

Having been ignored for four days, we continued to stage collective action. At lunchtime it rained, so we moved to the veranda of the SLJ V office as we regarded this as our office's base camp as well. But the security apparatus kicked at our woven mats and evicted us. Tuvak said, "don't act like that. Do you regard us as dogs?" [Because of the security apparatus's behaviour,] tensions increased. The SLJ V office was put under siege by participants with *mandaus* [Dayaknese swords] in hands. The staff escaped. We looked for the base camp's Manager, but the security apparatus hampered us. I [Muslimin] said, "We come here to speak with the Company's Manager, but you [security apparatus] block us. In the *reformasi* era, to back the company is no longer necessary. You do not need to back a 'naughty' company." Subsequently, the security apparatus allowed the negotiation team to meet the base camp's Manager (Muslimin, 21 December 2001).

In that occurrence, the participants in the collective action were not scared to challenge the security apparatus or to act in front of them. Based on the action of Muslimin in particular, it can be seen that the word "*reformasi*" was used as a weapon to confront the security apparatus. With the word "*reformasi*," he bravely reminded the security apparatus that they were not to take sides with the company. Muslimin's braveness was surpassed by that of Alex. In challenging the security apparatus when they appeared to be backing SLJ V, Alex rolled up his sleeves, saying to the security apparatus:

I am also a military. If you dare, we will go to the forest, like Rambo. I will face [fight with] all of you there. If you want to shoot me (now), you are welcome as well. You can shoot me first. If the bullets do not enter my body, I will borrow your weapon to shoot you back (Alex, in Muslimin 24 March 2002).

Another participant of collective action, Usak, a normally close-mouthed older person, surprisingly confronted the security apparatus during the collective action, and even embarrassed them. It was reported that:

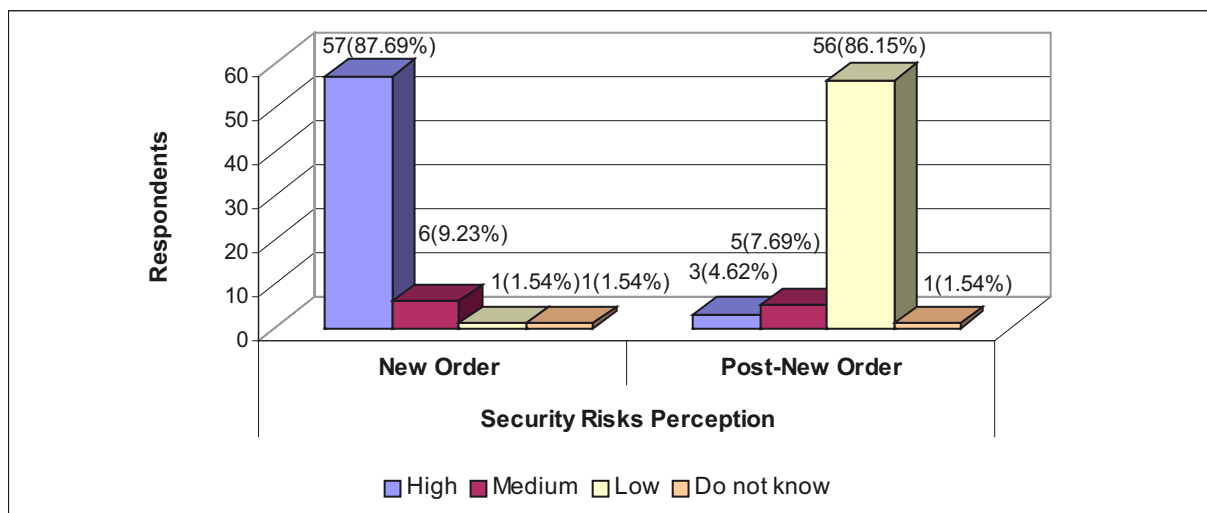
Pak [Mr.] Usak, who never spoke up in public came forward to stand in front of the security apparatus. Taking from his pocket a small bottle containing talisman fluid he said, "If I rub this fluid on my body and hands, by only pointing my finger at you, I will cause all of you to die" (Usak, in Muslimin 24 March 2002).

It is hard to predict what would have happened if the security apparatus had shot Alex first. As well, it is hard to believe from common sense that Usak could succeed in his threats (although many do believe that Dayak people have magical capabilities inherited from their ancestors). These examples do demonstrate,

however, how local people dared to face the security apparatus during the *reformasi* era. They showed such daring behaviour because they perceived that the security risks of acting against SLJ V were relatively low. They would not be detained, interrogated, or sent to jail if they demanded their rights. Thus, there was a perception of a decrease in the risks involved in staging collective action during the *reformasi* era.

The decrease in the risks of staging collective action was supported by data on the perceptions of local people about staging collective action. Asked about their perceptions regarding the security risks (apprehension, interrogation, detention, etc) involved in conducting unilateral actions, particularly collective actions, 88% of 65 LBU respondents said that security risks were high during the New Order regime, while 86% perceived the same risks as low after Soeharto's regime collapsed (see Diagram 6.1). This means that the majority of the respondents perceived that there was a significant decrease in the security risks involved in staging collective actions during the *reformasi* era (post-New Order era) compared to those of the New Order era.

Diagram 6.1. Perceptions in LBU of Security Risks under Two Differing Regimes/Eras



A great contrast in the perception of security risks between when Soeharto was in power and when he had been brought down shows a perceived contrast political condition during the New Order era compared to that of during the post-New Order era (*reformasi* era). This was one important reason why the Long Bagun Ulu people staged successive collective actions and undertook unilateral non-collective actions (ultimatums) against SLJ V during the *reformasi* era.

C.4.2. Bureaucratic Risks

The New Order's institutions that governed the bureaucracy and its apparatus (including the civil servants) changed dramatically during the post-New Order era. The breakdown of the *Monoloyalitas* mechanism meant that the government bureaucracy could no longer control the civil servants in the village. A

key local elite, Mikail (Mikael), for instance, is a civil servant school headmaster in LBU village. Although he was very active in dealing with SLJ V, he never received any direct pressure from his superiors. It seemed that during the *reformasi* era his superiors no longer had reason to impose sanctions against him for his political activities. He maintained that:

Local people asked and appointed me to help them, and gave me a mandate to deal with the company. With such a request and mandate, I do my best and struggle to help our people. Nowadays is a *reformasi* era, it is nothing to do with my profession or my position in the school (Mikael, 21 March 2002).

Thus, in Mikael's view, he dared to act against the forest company because the risks were relatively low. This can be seen from his braveness in suggesting that the company should retreat from the LBU adat land one day before the formal ultimatum was imposed. The significance of this was that Mikael's threat was raised in a meeting where the sub-district head (*Camat*), sub-district military command (*Danramil*), and sub-district police head (*Kapolsek*) were present (SLJ V-LBU minutes of meeting, 26 May 2001). It is very interesting to note one (anonymous) high-ranking government official's response to his threat as well as his role in the conflict. In the West Kutai District's minutes of the meeting, the district official raised the issue of Mikael's place of origin (implying his ethnic origin), not his status as a civil servant. Although Mikael is a Bahau Dayaknese originally, he is now a Long Bagun Ulu resident, however, to district official criticised his involvement in the conflict due to the fact that he came from Tering (Minutes of Meeting, 01 June 2001). In other words, it was the place of birth or the purity of his ethnic origins that was questioned (Mikael, March 2002). This was "understandable" as the government bureaucracy during regime change no longer had the power to apply pressure to the civil servants.

In regard to *Golkarisation*, the bureaucracy could no longer use the political party Golkar as a mechanism to control Long Bagun Ulu people. During the New Order era, it was common practice for a sub-district head (*Camat*) to "punish" Village Heads if Golkar was defeated in the election. For individuals, it would be more difficult to get letters of support from the Sub-District Head (*Camat*) or Village Heads if they were not supportive of Golkar. Although this was not the case in LBU—as Golkar always won every election in this village—this kind of informal power was "respected" by the relevant parties (the village head, local people, etc).

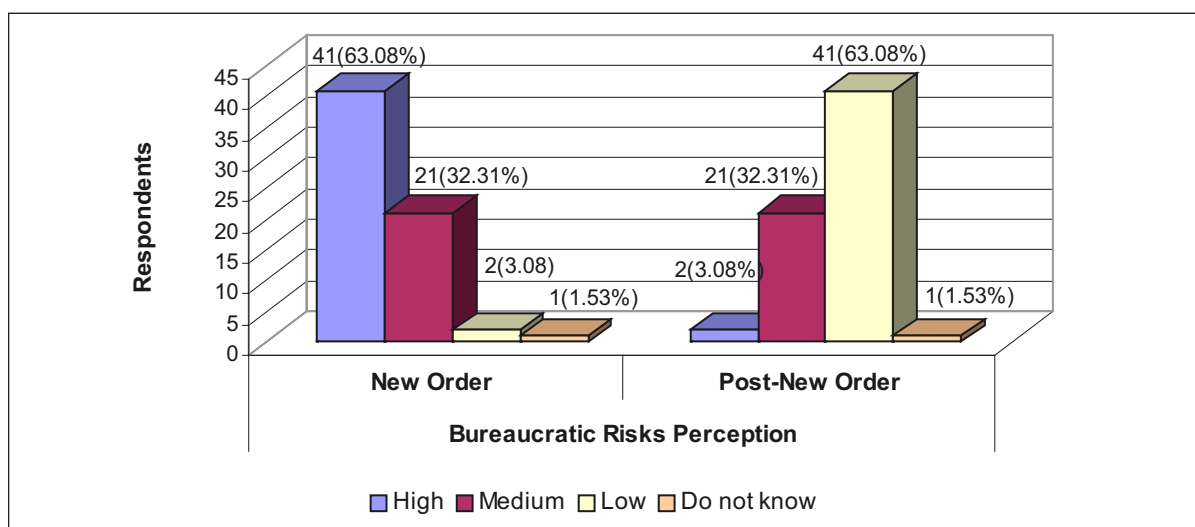
During the post-New Order era, such a mechanism was no longer respected. Two underlying occurrences were observed to support this statement. One case was a people's demonstration in the sub-district office on 12 April 1999 that involved LBU villagers and apparatus. As previously mentioned, besides demanding the "eradication" of thugs and officials involved in bird's nests robbery and business dealings, LBU people also rejected the presence of any company exploiting their *tanah adat* (adat land) and demanded the return of their rights to

manage forest resources (SLJ V Conflict Document, 1999-2001). An important aspect of this occurrence was that such action was staged against the *Camat*, or sub-district head. This indicates that the *Camat* was no longer an untouchable figure during the *reformasi* era. In another case, the Village Head of LBU became a target. This occurred at two people's demonstrations against the Village Head in which they demanded more transparency in managing the annual village development fund and programs provided by the government (Anyeq Lahai, 21 March 2002). These kinds of actions never occurred during the New Order era. In regard to these occurrences, the Village Secretary of Long Bagun Ulu (Tuvak) said that:

The people are now so powerful; we cannot control or ask them to respect us. If something happened with the village apparatus, they will protest, defy us, or stage a demonstration. This never occurred during Soeharto's era (Interview, Tuvak, 20 November 2000).

From the discussion above, it can be seen that during the *reformasi* era, villagers had increased freedom and courage not to obey the government bureaucracy. Local people perceived that there would be relatively low risks imposed by the government bureaucracy if they challenged the alleged wrongdoings of officials or their allies (i.e. the forest companies). This kind of phenomenon was supported by the respondents' perceptions regarding the bureaucracy-related risks of staging certain actions. Asked about their perceptions of the bureaucratic risks involved in staging unilateral actions, such as administrative sanctions, administrative risks, difficulties in getting formal letters, and the like, 63% of 65 LBU respondents said that bureaucracy-related risks were high during the New Order era whereas 63% said they were low during the *reformasi* era (Diagram 6.2).

Diagram 6.2. Perceptions in LBU of Bureaucratic Risks under Two Differing Regimes/Eras



Although a considerable number of the respondents said that the risks were medium level or that there was no change, the majority of the respondents of Long

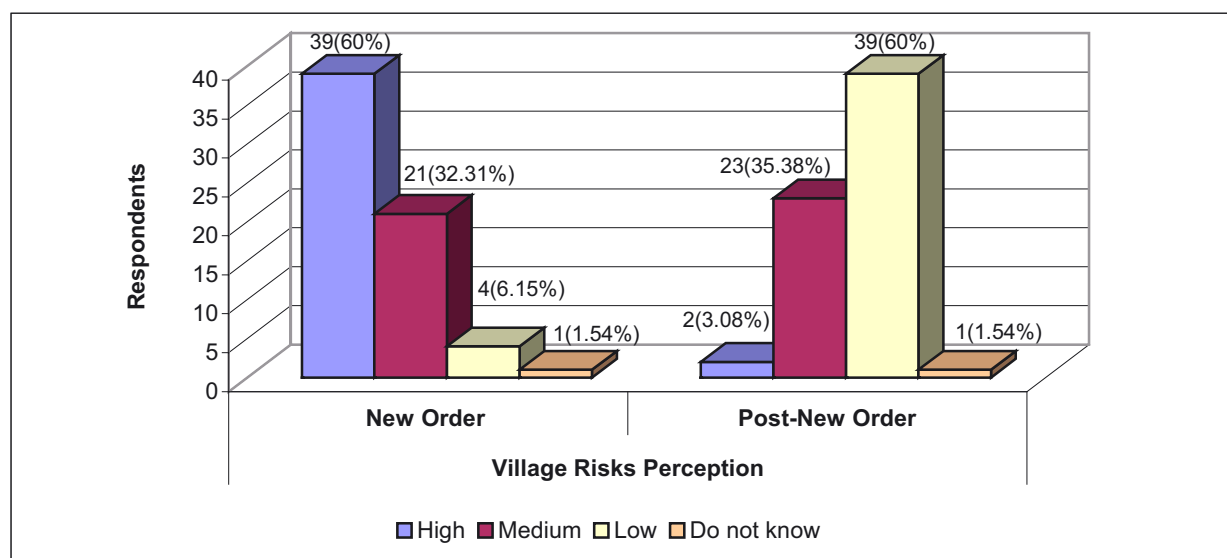
Bagun Ulu perceived that bureaucracy-related risks changed from high to low. *Reformasi* was regarded as providing lower bureaucratic risks.

C.4.3. Village Risks

The security and bureaucratic risks mentioned above were mostly personal or individual risks. This research also attempted to collect data from the respondents concerning the risks that would be borne by their village or the community as a whole. This was related to the breakdown of the mass depoliticisation institution (*massa mengambang*, floating mass), which government officials and Golkar members (the government's party) had used to control the village. During the New Order era, the government had used this mechanism to provide or not provide development programs/projects or village development funds to the community. If local people did not support Golkar, or if Golkar was defeated in the election, the village would have little chance of obtaining such projects or village funds. It could be argued that with the abolishment of this depoliticisation institution, the communal risks of sanctions being imposed on the village as a whole are likely to be lower.

In acquiring data on the village or communal risks, the respondents were asked about their perceptions of the village risks, for example of obtaining village development programs, village funds, etc., if the people staged provocative action against the government or its allies (i.e. forest companies). The findings revealed that 60% of 65 LBU respondents said that the risks were high during the New Order era. In contrast, the same proportion of respondents (60%) said that the risks were low during the *reformasi* era (Diagram 6.3).

Diagram 6.3. Perceptions in LBU of Village Risks under Two Differing Regimes/Eras



Despite a considerable proportion of respondents (32-35%) viewed that there was no change in risks, the majority of respondents perceived a contrast in village/communal risks to staging unilateral actions, particularly collective actions,

between the two differing regimes, where the risks were lower during the democratic regime compared to those during the authoritarian regime.

In sum, a sudden collapse of the New Order regime brought about an abrupt collapse in the repressive political institutions—the repressive security, bureaucratic and mass depoliticisation institutions—of the New Order regime. Such an abrupt breakdown, without the presence of acceptable new institutions, created a power and institutional vacuum following regime change, particularly during Indonesia's early phase of democratisation. This situation offered opportunities for Long Bagun Ulu people to act in order to achieve their collective goals. In advance of taking such opportunities, however, they calculated the opportunity risks. If the risks were low they tended to act. During the *reformasi* era, both the individual and communal risks of undertaking certain actions were perceived as being low, and because of this they had the courage to stage successive collective actions and impose ultimatums against SLJ V without any hesitation.

C.5. Conflict Motives

During the New Order era, there had been no confrontation between the local people and the forest company operating in the LBU area. The people indeed had grievances against the forest company, but these were held silently. It is interesting therefore to examine the development of these grievances in association with the rise of the forest conflict in this village.

The development of the people's grievances can be best understood by examining specific incidents. As noted, having seen the demonstration in the sub-district office of Long Bagun on 12 April 1999, SLJ V took the initiative of meeting LBU people on 15 April 1999. In this meeting, LBU people began to raise the issue of *tanah adat*. On 3 July 1999, LBU people also invited the company's staff to a meeting. Although the meeting's goal was to discuss cash compensation, it was inevitable that the people would express their grievances directly to the company. In fact, the people's grievance regarding the exploitation of their *tanah adat* was used as the basis to demand compensation of Rp 20,000 per cubic meter (SLJ V, Conflict Chronology, 1999-2001). Thus, the silent grievance of the New Order era was expressed explicitly towards the company during the *reformasi* era.

A formal grievance was expressed in a written document dated 28 December 1999 and submitted to the company. LBU people's grievance was directed at the logging activities of SLJ V, and the company was accused of arbitrarily exploiting the community's *tanah adat*. The local people raised the issues of the damage to adat land and forest and the loss of valuable forest products, as the consequences of the company's forest exploitation activities (LBU, 28 Dec 1999). The expression of local people's grievance regarding *tanah adat* exploitation is understandable because ever since the arrival of SLJ V, the company had been logging huge forest trees in the claimed adat land. As aforementioned, the company reported that

within a six-month period (July 1998-December 1999), the company had cut 9,476 timber trees of a volume of 49,256 cubic meters (SLJ V, LHP July 1998-September 2000). If the logged trees were multiplied by Rp 600,000-700,000 per cubic meter (*Kaltim Post*, 19 March 2000), then according to local people at the time of submission of their demand, (December 1999), timber valued at Rp 29.5-34.4 billion had been taken from their *tanah adat* at the expense of adat forest and land condition as well as people's livelihood sources. The company might claim that there was nothing wrong with its forest exploitation activities since it had been granted permission to do so from the government (both central and local governments). But from LBU village's viewpoint, about 25% of the SLJ V concession area was claimed as the LBU *tanah adat* (SLJ V, Conflict Chronology, 1999-2001), and SLJ V was therefore conducting its logging activities in their area.

The destruction of waterfalls was also raised when local people expressed their grievances about *tanah adat* exploitation (LBU, 28 Dec 1999). Local people argued that SLJ V had cut timber in the vicinity of their waterfalls (Anyeq Lahai, 21 March 2002). They maintained that the waterfalls site had been used to attract many tourists (Usman, Mikail, and Muslimin, March 2002), and because of this, one LBU document stated that the site was an endless source of village revenues (LBU, 28 Dec 1999). In responding to the company's argument that claimed that the company had used selective cutting guidelines (TPTI) in cutting forest trees in this area, local people showed the condition of the forest trees in the vicinity of the waterfalls, as well as the impact of logging activities on the waterfalls. Mikail and Muslimin maintained that due to logging in such areas, "the water of the waterfalls is now becoming brown [muddy]. It used to be clean and fresh" (Mikail and Muslimin, March 2002). In response to these complaints, SLJ V promptly responded by reconstructing the site, building an infrastructure for visitors, and reforesting the area around the waterfalls.

In regard to the local people's grievances concerning the company's behaviour in LBU village, the accusation of adat harassment was the most serious one, as it reflected a very deep grievance on the part of the locals against SLJ V. Research findings suggested that the adat harassment issue was associated with the company's perceived disrespect to existing local adat, particularly the adat property system and the adat rules for managing adat land or forests. Interestingly, local people also raised the issue of PT Sumalindo's role in adat degradation. Anyeq Lahai maintained, "before Sumalindo came here, our people obeyed local adat. So did the newcomers. But since Sumalindo's presence, particularly SLJ V, the young generation and newcomers have neglected our adat tradition" (Anyeq Lahai, 21 March 2002). Regardless of PT Sumalindo's roles in driving economic activity in the area—which mostly benefited newcomers—since many locals did not benefit from this activity and since their adat tradition had become significantly degraded, local people blamed PT Sumalindo (SLJG, SLJ V). Thus, local people seemed to relate their grievances regarding the degradation of adat tradition with PT Sumalindo's role in attracting many newcomers with various "alien" cultures.

This perception is common, not only in LBU but also in other areas of Kalimantan.⁴⁷

Another grievance regarding the company's behaviour can be seen by examining village-company relations. The local elite regarded SLJ V as not caring about LBU people. The LBU elite expressed these grievances by raising the issue of *HPH Bina Desa* or PMDH (forest community development projects). It was stated that SLJ V ignored LBU as this village was not included in the *HPH Bina Desa* of SLJ V, even though the company was located at the opposite end of the village. In contrast, the company ran such projects in Batu Majang and Long Bagun Ilir, neighbouring villages of LBU. In responding to the people's complaints, the company's staff maintained that LBU had already been assisted by PT. Surapati, and so it was not necessary for two companies to run similar projects (Ary, March 2002). The local elites, however, argued that PT Surapati had moved to upriver villages a few years before Soeharto's fall and no longer assisted LBU village. In the view of the local elites, however, PT Sumalindo was seen to only be taking timber without providing any contribution to the village in return (Muslimin, March 2002).⁴⁸

By the same token, the employment issue was also raised by the local elites when expressing their grievances against SLJ V. This issue emerged because the company was seen as belittling local people by not employing them. For instance, both Muslimin and Anyeq said that "there are no LBU people working in SLJ V." Research on this topic suggests that a very few LBU people did work for SLJ V, but not as regular or permanent staff. The company staff stated that less than five local people worked for the company, with most of them working off-site or in river-related work. As LBU people had experienced an "employment problem" with SLJ V, I tried to find whether a similar experience had occurred with SLJ II, a neighbouring (parent) company of SLJ V (see map, Appendix 7). One of SLJ II's off-site workers from LBU revealed that 62 LBU people worked in rafting activities for this company (SLJ II).⁴⁹ Their tasks were to transport log rafts in a river full of stones in which they passed through some water rapids (*riam*). One raft, consisting of 30 logs (*batangs*), is usually dragged or managed by two boats. As each boat is managed by four people, these 62 people would have worked in about eight groups. If one log was lost in the water rapids,⁵⁰ the responsible group

⁴⁷ In West Kalimantan, for instance, SHK Kalbar maintained, "the positive impact of HPH could not compensate for forest destruction, the death of small rivers, and the destruction of local culture and tradition" (SHK Kalbar 1999:4). SHK Kalbar lists Five Sins of HPH companies: 1) reduce [undermine] indigenous rights, 2) remove [eliminate] sources of living or livelihoods of indigenous people, 3) change [undermine] social and cultural institutions, 4) create an [economic] gap, and 5) destroy forest biodiversity (SHK Kalbar, 1999:9).

⁴⁸ By raising this issue, local people got SLJ V to agree to include Long Bagun Ulu in its HPH-based community development project.

⁴⁹ The company hired contractors and the contractors employed local people. According to *Kompas* (16.01.2004), the contractors were paid \$ 2 per cubic meter.

⁵⁰ To pass the most dangerous water rapids in Long Bagun (Riam Udang), the logs (log raft) should be untied and freely released as a single trunk. For the danger of this kind of work

paid for such a loss by deducting their income by Rp 650,000 per month over a three-month period (a total of 3 x Rp 650,000, a cost shared by all group members) (Anon, March 2002).⁵¹ In view of the employment issue, PT Sumalindo preferred to employ LBU people as non-regular off-site workers. It seemed that this was a company's politico-business strategy. Employing local people to cut forest trees in their claimed *tanah adat* would have been—in the company's views—a risky policy, as was proven by the case of Matalibaq village.⁵² Regardless of the reasons why LBU people were not employed by SLJ V, particularly as permanent staff, the expression of people's concerns over the employment issue showed their grievance over the company's negligence towards LBU people, despite that fact that—in people's views—the company had occupied and exploited their *tanah adat* for profit-making.

While the above grievances, particularly the compensation demand-based grievances (destruction of *tanah adat*, destruction of the tourist site, loss of forest products and adat harassment), contributed to the rise of the conflict, there were other grievances that emerged during the conflict processes. Among other things was the company's perceived strategy of playing with time so that the people's claims would become protracted. The LBU Village Secretary, for instance, said, “the company played with time, always bargaining and bargaining, and reduced the demands. Finally, there was no cash.”⁵³ This company is so stingy” (Tufak/Tuvak, 20 November 2000). In addition, the company's alleged attempt to bribe local elites in order to tame them (Anon, March 2002) and the use of the security apparatus to defend the company against the local people generated more grievances against SLJ V (Muslimin, March 2002).

The grievances mentioned above were grievances of the local community as a whole, as they were used as the basis for submitting local people's demand for compensation and were therefore widely discussed in adat meetings. The elite's grievances regarding the absence of SLJ V's community development projects and an alleged bribery attempt were shared by local people as they were discussed in adat meetings. The grievances regarding the problem of unemployment were also without a doubt the concerns of most villagers, particularly among the young generation and among educated unemployed people. Thus, the elites' grievances during the post-New Order era were also shared by the masses.

The rise in grievances was not the only underlying feature behind the increased intensity of the LBU-SLJ V conflict. The rise of an economic motive in the conflict was also a significant factor. While an economic motive during the

(particularly in shooting the water rapids of Riam Udang), see *Kisah Sebatang Kayu dari Hulu Mahakam* [The Story of a Trunk from Upper Mahakam River], *Kompas*, 16 January 2004.

⁵¹ This key informant also said that no LBU people worked in SLJ V. He only mentioned Batu Majang people (Kenyahnese) as working for SLJ V.

⁵² In the Matalibaq case, for instance, the person who reported a timber theft case (i.e. that the company was cutting timber outside the planned block) was a Matalibaq villager who worked for the company.

⁵³ This is related to the Rp 2.6 billion compensation demand.

New Order had not been observed, the rise and the development of this motive in the post-New Order era can be observed by looking at the submission of demands to the forest company (SLJ V), as summarised in the following table.

Table 6.9. Long Bagun Ulu People's Demands from SLJ V

No	Demands	Comparison of the Demands		Demand Fulfillment
		New Order Era	Post-New Order Era	
A.	Initial Demands			1999
1.	Harassment of adat (customs), adat institutions, customary law	-	Cash, Rp 5,000,000	Rp 10,000,000 (realised twice)*
2.	Destruction of adat land	-	Cash, Rp 500,000,000	Rp 400,000,000, realised
3.	Destruction of a tourism site as a potentially endless source of income	-	Cash, Rp 1,000,000,000	
4.	Compensation for the loss of forest products, such as logs, rattan, resin, <i>gaharu</i> , etc	-	Cash, Rp 1,495,000,000	
			Rp 3 billion (total)	
B.	The Development of the Demands			2000-2001
5	Remaining payment		Cash, Rp 2,600,000,000**	Rp 425,000,000, not realised yet
6.	Timber fee compensation, April-December 2000	-	Cash, Rp 74,574,950	Realised
7.	Grading of village road, 500 m	-	Non-Cash	Realised
8.	Fresh water project	-	Non-cash	Realised
9.	Compound extension	-	Non-cash	Not realised yet
10.	Village hall rehabilitation (10 % of remaining work/finishing touches).	-	Non-Cash	Not realised yet
11.	Three classrooms	-	Non-Cash	Not realised yet
12.	Office for Adat Leader	-	Non-cash	Not realised yet

Note: Approximate currency: 1999-2001, USD 1 = Rp 10,000. * The first payment (Rp 5 million) is unknown concerning its utilisation/distribution. ** Rp 3 billion – Rp 400 million = Rp 2.6 billion.

From this table it can be seen that, in the initial year (1999), four demands were submitted, while in the ensuing years (2000-2001), eight demands were recorded. Thus, the total number of demands submitted by LBU people between 1999 and 2001 was 12 demands. Out of these demands, six items were non-cash demands and six other demands were for cash.

Interestingly, all four of the initial demands were for cash to the amount of Rp 3 billion. The demand for cash compensation was not only for the issues of adat forest/land destruction, tourist site destruction, and the loss of valuable forest products, but also for the issue of adat harassment. By comparing the demands submitted at that initial time (1999; post-new Order era) with that of the previous New Order era (pre-1998), in which there were no demands, an increasing

economic motive can be seen to be developing in the LBU conflict. Although the local elite played important roles in drafting these cash compensation demands, and thus clearly possessed economic motives, the demand was discussed and decided at adat meetings, and therefore this economic motive was also shared by the other community members. In other words, the observed increase in economic motives during the post-New Order era occurred for the whole community.

It is also important to consider the development of this motive in the period that follows this initial time period. In making an agreement that Rp 400 million should be paid for the above compensation demands, both parties had taken the stance that the demand for cash compensation had been resolved, unless an ensuing government regulation forced the company to pay more. In the agreement, local people (represented by Team 3, the Village Head, and the Adat Leader) also promised not to stage any more collective action.⁵⁴ There were three critical issues in this agreement. First, Team 3 agreed that the final solution for the cash compensation demand would be based on the government regulation (Governor's Decision). Thus, at that time, local people agreed to the government's involvement or to the use of formal laws/regulations to resolve the conflict. Second, in the Letter of Agreement, Team 3 agreed that such payment was a bond for overall compensation. If the total compensation provided to LBU exceeded the overall compensation that should be paid by SLJ V (based on the long awaited government regulation), local people would not be requested to refund. Otherwise, the company promised to pay the remaining amount owed. Third, such a bond was based solely on the widely discussed timber fee compensation arrangements at that time. Therefore, the members of Team 3 had abandoned compensation demands related to the issues of adat land destruction, tourist site destruction, etc.

The payment of Rp 400 million was realised in three phases, namely, in March (Rp 150 million), April (Rp 150 million) and May 2000 (Rp 100 million). One month later (in June 2000), the Governor's Decision on timber fee compensation was issued. Following this regulation, it could be seen that the company did not need to pay any more compensation, since the bonds that had already been paid exceeded the total fees owed for timber production between 1998 and 2000. The local elites then attempted to use one point in the Governor's Decision that stated that the compensation could be counted five years back (1995-2000). Anyeq Lahai and Muslimin (March 2002), for instance, said that PT Sumalindo had been operating since the early 1980s and therefore the company should pay full compensation for the entire period (1995-2000). However, as SLJ V had only formally operated since 1998, the company argued that it was not its obligation to pay for any timber production that had occurred prior to 1998. Such a

⁵⁴ The website of East Kalimantan APhi (Association of Indonesian Forest Concessionaires) even admired this conflict resolution agreement by suggesting that such an agreement could be replicated by other forest companies or be used as a good example for resolving forest conflicts (www.aphi.org, accessed in 2001).

demand was not seen as plausible in the eyes of the company, as the previous timber extraction activities had not been carried out by SLJ V.⁵⁵

As Team 3 found it impossible to break this agreement, a new Team (*Kuasa Adat*/Team 9) was established, with their main goal being to request the remaining compensation payment of Rp 2.6 billion. This indicates that there was an increasing economic motive in the conflict. This increasing economic motive cannot be separated from some other developments. First, the distribution of the previous cash compensation was regarded as unjust, particularly by the non-Hipui social stratum and mixed Dayaknese [this will be discussed further at a later stage]. Second, although LBU was not directly hit by the 1997/1998 forest fires, the villagers faced successive harvest failures due to a long drought. To make matter worse, these harvest failures were experienced during a nationwide economic crisis. This economic crisis had a strong impact on the villagers' lives, as it caused the prices of basic goods and other products from the city to skyrocket. Therefore, a need for cash was urgent. Third, after the distribution of Rp 400 million to the villagers, numerous recipients finished their money within a few days, some even in one day, in the dice and cockfight gambling activities that were available in the village.⁵⁶ Therefore, the local people strongly supported the submission of a new demand, regardless of the previous agreement. All of these factors contributed to the submission of the Rp 2.6 billion demand.

The persistence of an increasing economic motive can also be seen from the timber fee compensation demands of April-December 2000. As mentioned, due to strong pressures from local people (threats, occupation of the company site), SLJ V attempted to tame local people by paying a timber fee compensation based on the Governor's Decision, worth Rp 74,574,950. Team 9 accepted this fee. After the payment, however, the demand for Rp 2.6 remained, as the timber fee compensation was not included in the demand for compensation for *tanah adat* destruction. With this demand, local people continued to put pressure on the company for a quick payment.

Last but not least, in the struggle to gain the remaining compensation, local people agreed to the acquirement of physical projects and Rp 425,000 million in compensation. Common people were very concerned about the additional cash of

⁵⁵ Muslimin said that in 1985, PT Sumalindo (the company's generic name) cut timber in the LBU area; this work was carried out by a contractor of BPTG (cf. Prajogo's BPTG had shares in Soerjadaja's SLJG). Logging was then stopped. In 1987, logging activities recommenced. He maintained that "the former team [Team 3] took a wrong step [by excluding SLJ II]. SLJ II should also pay compensation since it carried out logging prior to 1998 (particularly in the 1980s)". Although the timber fee compensation demand prior to 1995 had not been included in the government's regulation, according to Muslimin, local people could actually have submitted a compensation demand to SLJ II for its forest exploitation activities in the LBU area (by not using the Governor's Letter of Decision). According to Muslimin, SLJ V staff said "forest cuttings prior to 1998 were not by us (SLJ V). Forget the past, let's start again." Interview, 21 March 2003.

⁵⁶ Some key informants said that this is due to the "culture" of gambling. I observed that cockfight and dice gambling were the most popular forms of gambling.

Rp 425,000 million promised by the company. They asked for an immediate realisation of such an agreement. Currently, this has created disputes among villagers since, as noted, in the Agreement between Team 9 and SLJ V, both parties agreed that the payment of the remaining Rp 425,000 million would be realised through a logging cooperation project (*pola kemitraan*) in certain forest blocks. In response to this agreement, Tuvak (Village Secretary), who represented the views of many villagers, said that “Team 9 agreed to get cash that had been generated from a LBU-SLJ cooperation project. But, local people disagreed. Cash first, cooperation later.” When he was asked why this could have happened, he said, “The negotiation was made in Melak/Sendawar (the Capital of West Kutai District), about a hundred kilometers away from Long Bagun Ulu. The Team made a decision/agreement with the company without consulting the local people first” (Interview, 20 November 2000). In the conflict documents, however, it was clearly mentioned that local people (in an adat meeting) had provided a mandate to Team 9 to make an agreement. It seems that for cash issues, local people felt that they needed to be consulted first. Up to the time of my last visit (October 2002), local people still criticised this agreement. In many villagers’ views, if the company paid the village using cash generated from their forests, this means the company has paid nothing since the forest trees were regarded as the village’s property anyway. In other words, the company was regarded as paying local villagers with local people’s own money (through the sale of their timber). “The company will pay us with our own money,” said Tuvak (Interview, 20 November 2000).

Based on the above explanation, the increasing economic motive did not only occur when the conflict began to emerge, but also throughout the conflict process. The increasing economic motive in the LBU conflict was not only a motive of the elites but also a motive of the masses. Therefore, research findings in LBU are in line with those of Matalibaq (cf. Chapter 5), and do not support research findings from other violent resource conflicts (or resource wars) suggesting that the greed of the elites is central (Collier 1998, 2000; Collier and Hoeffler 1999, 2001; cf. Renner 2002). The economic motive in the LBU non-violent forest conflict is a motive of the whole community. It is true that there were certain elites who appeared to use the conflict situation as an opportunity to get (or attempt to get) private economic gain (cash), such as the alleged bribery attempt behind the payment of Rp 400 million involving unjust and non-transparent cash distribution.⁵⁷ However, because of the alleged bribery and unjust distribution of cash compensation, the community members subsequently supported the submission of a new demand to get more cash compensation. Thus the economic motive of the masses was also strong.

In term of the role of the economic motive in the conflict in general, however, this research supports the findings of Collier, Collier and Hoeffler, and

⁵⁷ In cash distribution, one key informant said that the recipients should come to certain village elite one by one to pick up the shares (Anon, March 2002). Another key informant said that the “fate” of about Rp 30 million was unknown (gone) (Anon, March 2002).

Renner, as well as those of Matalibaq, that the economic motive is a crucial driving force of the conflict. Nonetheless, when comparing the economic motive with the grievance motive, it is difficult to assess which one is greater, despite economically motivated behaviour being relatively dominant over the *course* of conflict development. This is because in the people's demands, both grievance motive and economic motive were mentioned.

In sum, the research findings suggest that there was an increasing economic motive during the *reformasi* era. This increasing economic motive was not only the motive of the elites but also the motive of the masses. This economic motive however was accompanied by an increasing grievance motive. More precisely, the increasing economic motive was legitimised by the increasing grievance motive. LBU people felt that they deserved to receive cash compensation (economic motive) due to the destruction of their *tanah adat*, tourist site, forest products, and the like (grievance motive).

If one traces the development of such motives, the people's grievance motive that legitimised their economic motive was merely a response to the company's economic motive in exploiting the claimed adat land. It was the economic motive of the company that drove the company to cut more and more timber trees in LBU. While it's not necessary to discuss why the company had an economic motive (due to the profit-oriented nature of all companies), it is more important to scrutinise the "mechanism" behind the company's economic motive that impacted the lives of the local people.

As mentioned, prior to the establishment of SLJ V, there existed SLJ II with concession areas totalling 269,660 hectares. These huge concession areas were located in two districts, West Kutai and Malinau districts (formerly Kutai and Bulungan Districts respectively). In the SLJ II overall plan, with an average production volume of 102.93 m³ per hectare, the timbers that could be cut (at a minimum diameter of 60 cm) were nine million (9,060,346.95) cubic meters (SLJ II 1999). With this timber potential, during the period of 1991-2001, the timber production of SLJ II was over one million cubic meters, as can be seen in the following table.

Table 6.10. Log Production of PT Sumalindo Lestari Jaya II

No.	Year	Plan		Realisation	
		Size (ha)	Vol (m ³)	Size (ha)	Vol (m ³)
1.	1991/1992	2,500	86,160	319	31,191.75
2.	1992/1993	2,700	92,270	1,476	54,259.20
3.	1993/1994	3,200	105,270	2,430	91,292.04
4.	1994/1995	4,400	166,000	3,909	148,629.89
5.	1995/1996	5,000	166,000	4,296	135,085.77
6.	1996/1997	5,081	200,873	4,044	143,915.47
7.	1997/1998	5,344	279,244	2,977	138,651.23
8.	1997/1998	5,344	279,244	2,977	138,651.23
9.	1998/1999	6,036	281,148	2,680.86	93,144.37
10.	1999/2000	6,126	255,742	3,328.08	119,276.94

11.	2000	4,291	166,613	2,900.75	72,296.00
12.	C0 1999/2000	476	19,555	246.85	6,761.47
13.	2001	5,968	207,284	1,788.41	85,347.29
	Total	51,122	2,026,159	30,395.95	1,119,851.42

Source: SLJ V (1999), SLJ II (1999). See also SLJ II (1991-2000, 2000b).

Based on such timber production, SLJ II was a very active company in timber logging. Due to its forest concession size, its timber production significantly outperformed that of PT. Limbang Praja/TYSP in the Matalibaq case (see Chapter 5). While PT. Limbang Praja/TYSP took 20 years to extract nearly 700,000 cubic meters of timber, SLJ II needed only 10 years to log timber stands of over one million cubic meters.

With such huge concession areas and timber potentials, one question arises: Why did SLJ II propose to expand its forest control to encompass the (current) concession area of SLJ V (59,066 ha)? One may argue that this was a business expansion of the company. This might be true to a certain extent, but, similar to that of Matalibaq case, it is likely that expansion was mainly to feed a timber-hungry SLJ ply mill (plywood) factory, as can be seen from its production capacity, broken down in the following table.

Table 6.11. Production Capacity of the Plywood Factory of PT Sumalindo Lestari Jaya Group

No.	Year	Timber Input (M3/year)	Production Capacity		SLJ II Supply*	
			Output (M3/year)	Recovery Factor (%)	M3/year	% of total input
1.	1990	324,190.75	180,799.78	56	31,191.75	09.62
2.	1991	278,245.17	165,806.55	60	54,259.20	19.50
3.	1992	294,576.79	168,117.03	57	91,292.04	30.99
4.	1993	333,303.17	180,473.27	54	148,629.89	44.59
5.	1994	312,478.94	155,384.15	50	135,085.77	43.23
6.	1995	341,884.10	177,229.38	52	143,915.47	42.09
7.	1996	332,605.08	184,820.68	56	138,651.23	41.68
8.	1997	336,773.31	183,792.93	55	138,651.23	41.17
9.	1998	317,059.67	155,080.93	49	93,144.37	29.38
	TOTAL	2,871,116.90	1,551,504.60			
	AVERAGE	319,012.98	172,389.40			

Source: SLJ V (1999). Cf. SLJ V (1998, 1999b). Note: *Selected case (for comparison purposes) as data of post-1998 production capacity is not available. For complete timber supply of SLJ II, see Table 6.10.

Based on Table 6.11, the company's biggest concession area (SLJ II) could only supply between 9-44% of the timbers needed. Although the timber supplies from SLJ II to the SLJ plywood industry were considerable in recent years (between 29-41%), the industry still lacked supplies. Moreover, since 1996, SLJG has diversified its business by establishing a MDF (Medium Density Fiberboard) factory/company in Sebulu (East Kalimantan), which later became one of the four main businesses of SLJG (these were its logging, timber plantation, plywood, and MDF businesses; see www.sumalindo.com). Interestingly, MDF's production capacities were nearly as high as those of the plywood factory since at least 1998, as can be seen in Table 6.12.

Table 6.12. Production Capacity of the Plywood and MDF Factories of PT Sumalindo

No	Product	1995	1996	1997	1998	1999
1.	Plywood*	218,283	224,613	218,317	184,397	201,426
2.	SDP Plywood	43,477	46,228	44,653	43,038	55,884
3.	MDF	-	53,914	132,574	153,846	178,515
4.	SDP MDF	-	1,387	4,013	1,449	6,248

* Including SDP Plywood

Source: <http://www.sumalindo.com/product.htm> (accessed in March 2003; the latest annual report dated 2001).

To meet the needs of both timber-hungry factories (plywood and MDF), SLJ V was established in 1998. During its two-year operation, as mentioned earlier, the company had cut 14,795 timber trees with a total volume of 72,838.58 cubic meters. However, although SLJ V timber production was quite high, its production was still not sufficient to feed the factories, particularly the plywood factory. SLJG subsequently “mobilised” all of its group companies and also looked for other sources of timber, as can be seen in the following table.

Table 6.13. The Sources of Timber for the SLJG Plywood Factory, 1998/1999

No.	Source of Timber Supply	Location	Plan (m3)	Realisation (m3)
1.	Remaining (Timber) Supply		-	34,580
2.	Annual Supply			
	<i>SLJ HPHs:</i>			
	- PT SLJ I	Batu Putih	18,450	19,228
	- PT. SLJ II	Long Bagun	176,879	127,087
	- PT. SLJ III	Takar	43,625	3,959
	- PT SLJ IV	Gunung Sari	-	14,950
	- PT SLJ V	Batu Majang (LBU)	-	20,141
	<i>Related HPHs</i>			
	- PT Dharma Satya Nusantara	Jabdan	23,770	39,703
	<i>Free Purchasing</i>			
	- PT Basuimex	Long Bau	10,925	31,512
	- Other	East Kalimantan	-	83,762
3.	IPK			
	<i>SLJ IPK:</i>			
	- PT SLJ	East Kalimantan	-	14,667
	<i>Free Purchasing:</i>			
	- PT Dharma Satya Nusantara	Jabdan	-	45,558
	- PT Inhutani/Surya Hutani Jaya	East Kalimantan	-	1,077
4.	HTI Thinning			
	<i>SLJ HTI:</i>			
	- PT SLJ	East Kalimantan	9,900	1,859
	<i>Shareholder-related Companies:</i>			
	- PT Sumalindo Hutani Jaya	East Kalimantan	118,000	15,126
	<i>Free Purchasing:</i>			
	- PT Surya Hutani Jaya	East Kalimantan	142,916	171,241
	TOTAL		613,500	624,450

Source: SLJ V (1999e).

The problem was that due to regime change and the company's financial problems, its HPH concession area dropped from 1,057,678 hectares in 1997/1998 (Brown 1999:40, FWI/GFW 2002) to 785,601 hectares by April 2000 (SLJ Tbk 2000). By 2001, due to conflicts (people's actions) SLJG stopped or suspended the operation of at least two companies.⁵⁸ By 2002, the Department of Forestry provided summations to two HTI companies of SLJG, that is, PT Surya Hutani Jaya (183,300 ha) and PT Sumalindo Hutani Jaya (10,000 ha). Later, the license of PT Surya Hutani Jaya (183,300 ha) was revoked (*Bisnis Indonesia*, 8 Oct 2002, 19 Nov 2002; *Kaltim Post*, 9 Nov 2002). This meant that timber supplies from its companies decreased steeply (if a license was revoked, the company was banned from operating during the course of the court appeal process [*status quo*]). Accordingly, the existing companies (including SLJ V—prior to or after stopping its operation) needed to speed up timber production, or else both factories (plywood and MDF) would need to get their timber supplies by other means. To feed the MDF factory, for instance, during the *Banjir Kap* II (community logging) period, particularly between 2000 and 2002, this factory was known as the purchaser of small-size timber extracted by local communities in the swamp forests (*hutan rawa*) of Jempang, Semayang, and Melintang Lakes.⁵⁹ Local communities along the Belayan River also cut small trees along the riverbanks to be sold to a MDF factory via middlemen. My personal communication with one of Matalibaq's key informants who ran a timber business during the *Banjir Kap* II expressed his impression of the company and its timber arrangements:

I visited the MDF factory of Sumalindo. This factory is very sophisticated and is able to crush a huge log in just a few minutes. Its factory complex is also very luxurious, like a city complex. The company's staff asked me to look for small sized timber (with a diameter of about 20 cm) that can be easily founded along the riverbanks. I have a plan to harvest them along the Matalibaq (Pariq) riverbanks, but the problem is, for this arrangement the company uses weight measurement rather than volume. The company needs at least one ton of timber (Anon, 7 March 2002).

Thus, with such a company group structure, any subsidiaries or company units of SLJG were prone to be timber-hungry. In the case of SLJ V, one can trace their activities from local people's observations during their inspections in the field of the condition of their *tanah adat* (during the LBU collective action). In the inspections, local people found that their forests were not well treated due to timber-hungry nature of the company. One of the "inspectors" said, "Not only

⁵⁸ One company staff (Anon, March 2002) said that one of SLJG companies situated in Berau (HTI and logging) was closed down when local people demanded a huge cash compensation fee (Rp 15 billion) that was not negotiable. Another HPH company (SLJ V) stopped its operations for about one month (due to the LBU conflict).

⁵⁹ One MDF company staff defended, "I [would like to] explain that SLJ has never and will never take the initiative to stimulate [local people] to cut timber in such areas. In the case that the communities later offered/sold legal timber from people's forests and we need it, that is another problem" (Anon, Dec 2001).

timber in the [former] village gardens were cut, but timber in the vicinity of the waterfalls was also ‘swept away’ (*disikat*)” (Anyeq Lahai, 21 March 2002). This caused, as noted, the fresh water in the waterfall to become muddy. Timber cutting practices can also be examined by referring to another finding of the inspections: “Our forests were exploited intensively. When we made an inspection [during the collective action], the company workers even hid the logs by blocking the road and covering the logs with leaves, branches, etc.” (Anyeq Lahai, 21 March 2002).

When I asked local people about a replantation program of the company, another “inspector” said that it amounted to “nearly nothing.” The company was seen to be planting just a few plantations, mostly near the logging roads. “If you go further in, you will find [relatively] no replanted plants,” said Muslimin, a key member of Team 9. In Muslimin’s view, replanting through *reforestation* programs was merely paying lip service (Muslimin, March 2002). When I asked how local people could differentiate between replanted plants and natural plants, Anyeq Lahai (Chairman of Team 9) said, “It is not difficult. Any replanted plants are easy to be recognised by observing [the species of] the plants and the condition [of soil, grass, shrub, etc] around certain plants” (Anyeq Lahai, 21 March 2002). The most striking observation is from my interview with one of key elites of Team 9, who joined in the inspection of LBU forests:

In front of Mr X [Anon, a high-ranking SLJ Management staff], I [Anon, key village elite] said that “it is a big lie that SLJ V carried out a full reforestation program. I estimate a maximum of 15%. Mr X responded: “How do you know?” I [key village elite] maintained: “I saw with my own eyes and also got information from company’s workers. Reforestation is only along the road from Km 0 to Km 35. In the replantation blocks, it was only on the edges of such blocks. Company’s workers also told me that the seeds were spread inappropriately (Anon, March 2002).

With this issue, it is interesting to note the statement made by West Kutai District Head, Rama A. Asia. While the above observation had been made by a local elite concerning one forest company in West Kutai District, the District Head’s statement was directed to all companies located in his administrative area. He said, “None of them seriously or appropriately carried out reforestation programs. If they have claimed that they did so, they are all big liars” (EKSTREM, Nov-Dec 2001).⁶⁰ Reforestation programs are an obligation for any company. Ignoring this program means the companies save reforestation fund/budget (DR) for their own pockets while continuing to log the existing timber stands.

⁶⁰ Rama Asia’s statement was made as a response to the forest companies’ accusation in that HPHH licenses provided by West Kutai Forestry Service had destroyed East Kalimantan forests because HPHH license holders did not have obligation to run reforestation programs. According to Rama, HPHH was promoted due to the forest companies’ monopolistic control over East Kalimantan forest areas. Besides to increase the West Kutai District’s revenues (Rp 20 million per license), the provision of HPHH licenses were expected to increase the incomes of local people since they were hard hit by economic crisis at that time (EKSTREM, November-December 2001 Edition).

In summary, the structure of PT Sumalindo Lestari Jaya Group (SLJG) caused its subsidiary companies to speed up timber production in order to minimise the need for timber purchases from other companies. This made its subsidiary companies timber-hungry and stimulated them to look for any means to supply a steady flow of timber. This timber-hungry activity of the companies reflected their strong economic motives. This company's motive greatly contributed to the rise of the local people's grievance motive. People's grievance motive further legitimised their economic motive in the conflict.

C.6. Indigenous Resource Mobilisation

Indigenous resources were attractive resources for the Long Bagun Ulu elites to mobilise in their struggle against the forest company. This was because they had great potential for attacking the "alien" system imposed by newcomers, particularly the forest company. There were three critical indigenous resources, that is, *masyarakat adat* (the traditional community), *adat* (the norms and rules, the customary law), and *tanah adat* (the traditional land). The mobilisation of these resources is traceable from the use of these resources by the local people in their struggle against the forest company.

During the New Order era, these indigenous resources had never been used by the LBU elites to deal with the forest company. There were no emerging or manifest conflicts during the New Order era. It was during the *reformasi* era that the elite saw an opportunity for success in mobilising these resources to deal with the forest company. The following sections examine how such indigenous resources were mobilised in the LBU forest conflict during this period.

C.6.1. Masyarakat Adat Mobilisation

As discussed earlier, the village elites of Team 3 and Team 9 mobilised the LBU people to stage successive collective actions against SLJ V. To better understand the internal mechanisms involved in *masyarakat adat* (adat community) mobilisation, it is necessary to summarise such actions from the mass mobilisation point of view.

As seen in Table 6.14, in the *first* people's action, Team 3 led the local people in staging an interrupted collective action. In all of LBU village history, this was the first collective action carried out by the LBU people against PT Sumalindo. In this action, the village team successfully mobilised 100 persons to the SLJ V base camp, coordinated and guided the masses in their collective action, and imposed threats. It is important to note that the decision to stage such collective action was made in an adat meeting (Ayang Bayau, Muslimin, March 2002) and that this action greatly contributed to the acquirement of Rp 400 million compensation through an agreement made between SLJ V and the local elites (Cosmas Belareq [Chairman of Team 3], Ayang Bayau [Adat Leader], and Subandi

[Village Head]).

Table 6.14. Long Bagun Ulu Collective Actions Against SLJ V

No		Collective Action 1	Collective Action 2	Collective Action 3
1.	Date	10 Feb-9 March 2000*	21-31 Oct 2000**	14-20 Nov 2000
2.	Place	SLJ V Base Camp	SLJ V Base Camp	SLJ V Base Camp
3.	Distance (by time)	5 minutes	5 minutes	5 minutes
4.	Organisers	Team 3	Team 9	Team 9
5.	Participants	100*	75**	86
6.	Type of Action	Stop company operations; occupation of SLJ V base camp; collect all heavy equipment; prevent transport to Samarinda of logs in forest blocks & pontoons.	Stop company operations; occupation of SLJ V base camp; collect all heavy equipment; prevent transport to Samarinda of logs in forest blocks & pontoons.	Stop company operations; heavy equipment should be brought to the base camp, prevent transport to Samarinda of logs in the log yard and pontoons.
7.	Main Purpose	To acquire Rp 3 billion compensation.	To acquire the remaining Rp 2,6 billion compensation.	To acquire the remaining Rp 2,6 billion compensation.
8.	Physical Pressure	<i>Mandaus</i> , spears, <i>sumpits</i> .	<i>Mandaus</i> , spears, <i>sumpits</i>	<i>Mandaus</i>
9.	Threats	If purpose not fulfilled, the company could not operate in LBU.	If purpose not fulfilled until the end of Oct 2000, adat council/organisation would not responsible for people's action.	If purpose not fulfilled, timber in the log yard would be sold by the LBU people.

*The action to stop company operation was held on 10 February 2000. The collective action was not undertaken continuously. Key informants said that the effective period of the collective action was about one week, with total participants numbering about 100 people. ** The collective action was staged for about one week with about 75 participants (Muslimin, 21 Dec 2001).

In the *second* collective action, about 75 people were mobilised by the village elite under a new Team—Team 9—to the base camp (Muslimin, March 2002). This collective action was also decided upon at the adat meeting. Although the elites in Team 9 successfully mobilised the masses, this collective action did not result in cash compensation. In the *third* collective action, the local elites of Team 9 again mobilised 86 members of *masyarakat adat* to the SLJ V base camp. Similar to the previous collective actions, the decision to stage this collective action was decided upon at the adat meeting (arranged by the village team and justified by the Adat Leader). The Team 9's strategies for guiding and coordinating the masses to occupy the base camp day and night resulted in success, when Anyeq Lahai (Chairman of Team 9), Ayang Bayau (Adat Leader), and Subandi (Village Head) signed an agreement for the acquirement of an adat harassment compensation worth Rp 5 million and a timber fee compensation amounting to Rp 74 million. Thus, in all such actions, the Village Teams (both Team 3 and Team 9) and the Adat Leader played crucial roles in summoning and uniting the masses through

adat meetings. In organising and guiding the masses in the field, it was the elites under the Village Teams (Team 3 and 9) who played a critical role. At the same time, the Village Teams as well as the Adat Leader and the Village Head, played imperative roles in making agreements with the company.

While in the Matalibaq conflict the elites' roles in selecting differing field targets, bringing the masses to such targets, and looking after the masses during the collective actions were important issues (see Chapter 5), in the LBU conflict these were not the case. The locals felt it was not necessary to stage collective actions in the Headquarters of SLJG in Loajanan (Samarinda)—another option for a field target—for a number of reasons. First, the base camp of SLJ V was the center of SLJG's logging activities in two districts. SLJ V used this base camp as its office and log yard. SLJ II, the biggest subsidiary company SLJG whose concession areas were located in West Kutai and Malinau Districts, also used the SLJ V base camp for transit of their logs. It is not surprising therefore that this base camp was used as the end destination for SLJG's timber pontoons and medium river ships. Second, the SLJ V base camp was used as a distribution point for the weekly or monthly logistical supplies of SLJ V and SLJ II (food, wages, etc). The base camp was also used as a workshop for fixing SLJ V and SLJ II heavy equipment. Third, in this base camp, there existed a one million litre fuel tank for supplying fuel to SLJ V and SLJ II. This was regarded as the most critical facility owned by SLJG, and for this reason was tightly guarded by the company (Usman and Muslimin, March 2003; Ary, March 2003). With such a position and such roles for the SLJ V base camp, local people were able to select the easiest target to reach (across the river from the village) without sacrificing their hopes of putting high levels of pressure on the company. This also helped the local elites to look after the needs of the masses in the collective action arena (i.e. logistics or food), as the participants could easily move back and forth to the collective action arena in just a few minutes.

The crucial issue in such mass mobilisation lay in the participants who were mobilised. That is, the mobilisation was conducted under the "banner" of being a *masyarakat adat* (adat community) action against the forest company (SLJ V). This was unusual, as prior to Soeharto's fall, the term *masyarakat adat* (adat/customary community) was not commonly used by the LBU people. In the past, they had used terms such as *masyarakat/warga desa* (village community) or *orang Dayak* (Dayak people) to identify themselves. The term *masyarakat adat* had also never been used in any of their interactions with PT Sumalindo (SLJ II/V) at that time. Another issue was the number of the collective action participants. Assuming that one participant represented one household,⁶¹ the maximum number of household participants in the collective action was thus 100 households (see Table 6.17). This is interesting, as this village was composed of 208 households

⁶¹ In Indonesia's villages, participation is mostly accounted for at the household level. At least one person is expected to represent each household participating in any village activities. This person is usually the household head (*Kepala Keluarga*, mostly male) or his adult son.

(KK). These two issues lead to a discussion of first, how the local elites adopted or internalised the term *masyarakat adat* to both their own community members and the company, and second, how the local elites mobilised support from the community members.

As far as the *first issue* was concerned, the adoption or internalisation of the term *masyarakat adat* cannot be separated from the events that took place after the collapse of the New Order regime. The sub-district level Adat Congress was of great influence in this respect. As previously mentioned, on 7-8 December 1998, all adat leaders in Long Bagun sub-district carried out the first Adat Congress (*Musyawah Adat*, Musdat). The significance of this gathering for the LBU people was that this congress was held in LBU village. As hosts, the LBU villagers worked together to prepare, host and manage the Adat Congress in their village. In this congress, the existence, position, and rights of *masyarakat adat* as indigenous people were widely discussed and in Musdat's decisions (published as a proceedings), the term *masyarakat adat* was also widely used (see Lembaga Adat Besar Long Bagun, 1998). Thus, the Adat Congress was an important medium for introducing the concept of *masyarakat adat* to the people of not only LBU village but also other villages. Musdat II, arranged in the following year, played a similar role. However, as Musdat II was held in Batu Majang, only the LBU elites and a few other interested people attended the congress. Nevertheless, the LBU elites played an important role in promoting the Musdat II stance on *masyarakat adat*, particularly in ensuing adat meetings in LBU village.

The acceptance and internalisation of the term *masyarakat adat* in LBU village was not only influenced by the Adat Congress. There were two other important occurrences that contributed to such acceptance and internalisation; these occurred at the provincial level and the national level. At the provincial level, the Matalibaq conflict was a very influential event. The Matalibaq conflict that exploded from late November 1998 (23-30 Nov) until early December 1998 (3 Dec) greatly strengthened the issue of *masyarakat adat* raised by the Adat Congress (7-8 December 1998). The Matalibaq people's "rally" along the Mahakam River (from Lutan to Laham), as well as their occupation of the Laham base camp for 16 days (Laham collective action, 31 Jan-16 Feb 1999), provided a demonstration of the importance of this issue. Matalibaq influenced many East Kalimantan Dayaknese, particularly those who used the Mahakam River for transport. In addition, due to the strategic location of the Laham base camp (on the riverbank of the Mahakam River), many LBU people were able to watch what happened in this base camp, with the result that some of them were inspired by it. Muslimin and Anyeq, in particular, mentioned the effect of events in Matalibaq on the LBU village *masyarakat adat* movement (Muslimin and Anyeq, March 2002). At the national level, a nationwide indigenous people's movement arose under the banner of the Alliance of Adat Communities of the Archipelago (*Aliansi Masyarakat Adat Nusantara*, AMAN). AMAN was formed in 1999, and its first congress (KMAN I), held in Jakarta on 17-22 March 1999⁶², as well as its street

⁶² <http://dte.gn.apc.org/AMAN/kongres/krs.html>. Accessed in July 2003.

rallies were widely broadcast by TV stations. According to LBU key informants, many LBU villagers were fascinated by what they saw on television. Muslimin, in particular, maintained that AMAN's actions provided inspiration for strengthening the use of the term *masyarakat adat* as well as for seeking justice from the company (Muslimin, March 2002). This exposure of LBU villagers to the activities of AMAN was made possible in this village due to the presence of 18 satellite television parabolas. One television in the village in particular was watched by mass gatherings.

By such occurrences, particularly the Adat Congress, the term *masyarakat adat* was introduced to the LBU elites as well as the masses. However, the ensuing intense promotion of this term was carried out by the village elites. First, the elites were more interested in using this terminology as a powerful weapon for attacking SLJ V. Second, the elites controlled the adat resources, particularly the *Lembaga Adat* (Adat Council) and the adat meetings. For strengthening the ideas behind *masyarakat adat*, the adat meeting (*rapat/musyawarah adat*) was the most important medium available to the village elites.

In the LBU conflict documents, nearly all documents mention the term *masyarakat adat*. When more general terms were used, such as *masyarakat* (community), *warga desa* (village members), or *warga masyarakat* (community members), they were used in the context of *masyarakat adat* or in relation to other indigenous resources such as *adat* and *tanah adat* (adat land) (see LBU conflict documents 1999-2001). In the attendance lists of the collective actions, the participants signed their names and stated their position/status in the village as *masyarakat adat* (see for instance, *Daftar Hadir*, 15 November 2000). This illustrates that the term *masyarakat adat* had been thoroughly internalised by the masses. Referring to Benford and Snow's framing process (2000), research findings suggest that the use of the term *masyarakat adat* was part of the village elites' efforts to frame the masses, with their aim being to increase the awareness of the adat community of their indigenous rights as well as to motivate them to achieve collective goals.⁶³

⁶³ Although the framing of the masses in LBU was not as solid, organized, or intense as that of Matalibaq, this research observed that the LBU elites also conducted three types of framings, that is, diagnostic framing, prognostic framing, and motivational framing. *Diagnostic Framing* was observed when the elites raised the issues of the damage/destruction of the *tanah adat* and waterfalls, the loss of livelihood sources, and the like. The masses were prompted with these issues as the present and future problems faced by the LBU people. Because these were caused by SLJ V's logging activities, this company was regarded as responsible for all such problems. If one examines LBU village's minutes of adat meetings, the minutes mention the victim and the responsible party. Although it is true that the masses would have observed the same problems by themselves, the elites played a crucial role in arranging meetings and bringing the issue to the public's attention. This occurred in particular in July-December 1999, during the process of conflict formation. *Prognostic Framing* was observed in the elites' efforts to solve such problems by providing alternative solutions. The proposed solutions were actually a plan of attack. In this regard, LBU elite considered two options. The first option was a soft solution; that is, by submitting cash compensation demand and asking the company to pay immediately. If the company did not intend to pay, the second option—collective action—would be executed.

The term *masyarakat adat* (adat/customary community) was also promoted in communications with the forest company. The village elites used the term *masyarakat adat* in most letters sent to SLJ V. One instance was a letter written after the adat meeting:

Based on the results of the meeting on 06 November 2000 at 8.00 in the Adat Hall of Long Bagun Ulu attended by 40 *warga masyarakat adat* (members of adat community), we regret the decision of the Company Management via SSB on 3 November 2000, which does not satisfy the *masyarakat adat* in their Adat Fine demands. Therefore we inform you of the results of the meeting, where the community requests as follows... (Ayang Bayo and Anyeq Lahai, 07 Nov 2000).

Another example was a letter written on 14 November 2000. This letter was sent to SLJ V concerning a renewed compensation demand:

Based on the meeting of 25 September 2000 in the Adat Hall of Long Bagun Ulu attended by all strata of the *masyarakat adat* (adat community), we submit five requests to the company. It has been stated that, in addition to the Rp 400,000,000 that has already been paid, the *masyarakat adat* demand a remaining Rp 2,600,000,000, which is the remaining fine due to the destruction/damage of our *tanah adat* (*Berita Acara*, 14 November 2000).

Based on these two examples, it can be seen that the local people preferred to use the term *masyarakat adat* to identify themselves to SLJ V. A more general term, *masyarakat* (community), was also used in dealing with the company. However, it was used in the context of *masyarakat adat* or combined with the term *masyarakat adat*. As a letter dated 27 May 2001 stated:

Because the adat fine demands imposed by Long Bagun Ulu are two years old, [which is older] compared to those of other villages, it is plausible that the *masyarakat* (community) can allow 15 days since the meeting on 26 May 2001 for consideration of the inputs (demands) of the *masyarakat adat* (adat community) of Long Bagun Ulu (*Berita Acara Musyawarah Adat: Masalah Tuntutan Denda Adat Dengan PT Sumalindo*, 27 May 2001).

Motivational Framing, or the provision of the rationale for the movement and the use of certain vocabularies to motivate the masses, was imperative to prevent the masses from retreating from the movement or the proposed plan. To provide the rationale for the movement, local elites exposed the company's stance of ignoring people's demands. To provide motivational vocabulary, the LBU elites promoted the following terms: 1) *pengrusakan tanah adat* (the destruction of adat land); 2) *denda adat* (adat fines); and 3) *tuntutan tiga milyar* (Rp 3 billion demand). These three phrases were easy to remember and were widely used by villagers. *Tuntutan tiga milyar* was the most frequent phrase used by common villagers (LBU Documents 1999-2001; key informants and respondents 2001-2002). In sum, although the framing process in LBU was not as solid and organised as that of Matalibaq, it was used to considerable effect in this village (LBU), as proven by the successful participation of adat community members in the collective actions.

In response to the imposition of the term *masyarakat adat* by the local elites, the company's documents reveal that SLJ V preferred to use a general term for the community, such as *masyarakat* (community) or *masyarakat desa* (village community) (see SLJ V Conflict Documents, 1998-2001). In making joint statements or agreements, however, particularly with Team 9, the company appeared to respect "the rules" imposed by the LBU elite; namely the use of the term *masyarakat adat* or the use of a generic term (*masyarakat*) in association with *masyarakat adat* or *tanah adat* (see LBU & SLJ V Conflict Documents, 1998-2001). Imposing the term *masyarakat adat* on the company was a non-physical mobilisation of *masyarakat adat* against SLJ V. A non-physical mobilisation was aimed at strengthening, supporting, or providing the foundation for a physical mobilisation of *masyarakat adat* during the collective action.

In regard to ***the second issue*** (mobilisation of support from the *masyarakat adat*), the local elites mobilised support based on ethnicity. In this, the mechanism for mobilisation centered on the inclusion and exclusion of community members as imposed by the local elites. In the arrangements made for inclusion of community members in the *masyarakat adat*, Team 3, led by Cosmas Belareq, imposed the following rules. First, all LBU people with a Dayak Bahau Busang ethnic background were included as core members of the *masyarakat adat*. Second, those who had married with the Bahau Busang Dayaknese of LBU were also included as *masyarakat adat* members, regardless of their religion or place of birth. Third, the inclusion rules as applied to Dayaknese with a non-Bahau Busang ethnic background were relatively complicated. Those who were Bahau but not Bahau Busang were included as *masyarakat adat*, but as for non-Bahau Dayaknese, some were included and some were not (no fixed rules). For instance, the Central Kalimantan Dayaknese such as the Siang were mostly excluded from *masyarakat adat* of LBU. All newcomers who were not members of the above three groups were excluded from the *masyarakat adat*. These newcomers were mostly—but not necessarily—Moslems or non-Dayaknese.

With such an inclusion/exclusion mechanism, it is not surprising that the number of participants in the LBU collective actions were not as high as the totals available according to the village statistics. As all Moslems and Dayaknese non-Bahau who had not intermarried with LBU people were mostly excluded from the *masyarakat adat*, these people did not have "rights" to participate. It is also important to note that the village territories of LBU were large (particularly outside the SLJ V concession areas), meaning that numerous households of *masyarakat adat* lived in *ladang* (shifting cultivation areas), far away from the village's main settlement area. This geographic constraint also hampered their participation in the collective actions (Muslimin, March 2002).

This research also found that a kind of "intra exclusion" (exclusion within the *masyarakat adat*) was also imposed by the Chairman of Team 3. This occurred after Team 3 had signed an agreement for Rp 400 million cash compensation. In distributing the cash, Team 3 divided the LBU people into Groups A, B, and C.

Differing/changing rules for distributing cash to these groups were observed, due to cash distribution taking in three phases (Rp 150 million, Rp 150 million, and Rp 100 million), the procedure for cash distribution (the recipients came to the Chairman of Team 3 one by one), and the effect of people's criticisms. One rule for distribution went as follows. Group A was composed of Dayak Bahau Busang from the Hipui social stratum. However, not all Hipui descendants were included in this group, as they were selected personally by the Chairman of Team 3. Group B was a mixed group. It was composed of Hipui descendants (Hipui members outside of Group A), mixed Dayak Bahau Busang (due to intermarriages), etc. Group C was the newcomer group, and applied to both non-Dayaknese and Dayaknese non-Bahau. For non-Dayaknese newcomers, the "requirement" to be a member of Group C was that they should have stayed in LBU village for at least 10 years. For Dayaknese non-Bahau newcomers, the requirement of 10 years was "negotiable" (Muslimin, March 2002). In addition, not all "eligible" members of Group C had the same rights, especially if they had not participated in the collective action. The problem with all of these rules was that most of the newcomers, particularly non-Dayaknese newcomers, were excluded from the *masyarakat adat*. Non-Dayaknese newcomers who would like to dedicate their support to the LBU *masyarakat adat* in their struggle against SLJ V thus faced psychological constraints.

Another rule determined as follows. Group A was composed of original people (*penduduk asli*), both Hipui and non-Hipui. These original people received 100% of the individual share. Group B was composed of the descendants of intermarriage (*penduduk campuran*). For the outsider (newcomer) who had married a local woman/man and lived in LBU, he/she received 50% of the individual share while the wife/husband (from the original people) and their children received 100%. For instance, Usman, a Buginese who had married the daughter of the former Adat leader, received 50% while his wife (a Hipui descendant) and his children who lived in LBU received 100% of the individual share. Group C was the newcomer residents. This category was applied to those families where both the husband and the wife were newcomers. These families received nothing (0%) (Usman, March 2002; Mikail, 22 December 2001).

Other rules were also imposed for cash compensation to the *masyarakat adat*. For example, most of the LBU "diaspora" residing in the cities (like Samarinda) or married and living in neighbouring villages (like Batu Majang)—based on ID card (*KTP*)—received nothing (0%). However, those who studied in Samarinda (students) were eligible to get a share (Usman, March 2002). In addition, in the second phase of cash distribution (Rp 150 million), widows and widowers were not eligible to get their share of the cash distribution; thus they received 0% of the individual share (Muslimin, March 2002).

Despite such complicated rules for distributing the cash; in general, those who were included in Group A received the biggest shares while those in Group C received the least shares or nothing. The crucial issue was that such arrangements (grouping the community into Groups A, B, and C) created a kind of "intra

exclusion” among the *masyarakat adat*, particularly among members of Group B, as they were unequally treated, and rights were not recognised. This “intra exclusion” created tensions and divided the *masyarakat adat* (particularly between Groups A and B). According to Muslimin, this was the main source of the divisions in the community as the community members began to demand that different rules be imposed to different groups. For instance, in *gotong royong* (village communal work), the “disadvantaged” group (Group B) demanded that Group A carry out *gotong royong* for two days, Group B for one day, and Group C for a half-day only (Muslimin, 24 March 2004). Not only did these exclusion mechanisms divide the *masyarakat adat* but also the community members of Long Bagun Ulu as a whole. A Javanese key informant who ran a small business and was not involved by the village elites in the collective action—and therefore did not receive the compensation share—raised a similar point. He said, “the newcomers should work [in *gotong royong*] for a quarter day, the mixed Bahaunese for a half day, and the pure Bahaunese for a full day” (Anon, March 2002). This was because most newcomers got nothing while other ethnic groups received considerable shares of the compensation funds.

With such arrangements, mobilising the whole of the masses to the collective action arena became a problem, particularly after the distribution of cash. Fortunately, Team 9 later abolished such “intra-exclusion.” One reason was probably because family members of some of the elites in Team 9 had been grouped in Group B, but the main reason was because of the common perception that the distribution of cash had been unjust and non-transparent. Under the new arrangement imposed by Team 9 on the community, all of the *masyarakat adat* had equal rights. This arrangement was implemented in distributing the timber fee compensation of Rp 74 million, where all *masyarakat adat* got equal shares based on the number of persons in the household (Muslimin, March 2002).

The rule imposed by Team 3 hampered a full participation of LBU residents. The new rule imposed by Team 9 also did not solve all of the problems of encouraging participation as those who did not participate or were partially involved in the collective action received the same cash distribution as those who had. In addition, a big family (a household with a many family members) received a bigger proportion of cash.

Despite such internal disputes, a significant number of *masyarakat adat* were mobilised to the base camp of SLJ V by both Team 3 and Team 9, as described earlier. This was because both village teams appealed to the *masyarakat adat*, particularly the Bahau Busang Dayaknese (pure Dayak Bahau Busang) and their descendants (including mixed Dayak Bahau Busang), to dedicate their support to the struggle against SLJ V. Their success in mobilising a significant number of the *masyarakat adat* to the collective action arena (SLJ V base camp) illustrated that the village elites of Team 3 and Team 9 had successfully undertaken a so-called ethnolocalist appeal (for further discussion of ethnonationalist appeals, see Snyder 2000). Thus, again, the mobilisation of *masyarakat adat* was not only a physical mobilisation of the masses to the collective action arena but also a non-

physical mobilisation of *masyarakat adat*. While “selling” the idea of *masyarakat adat* (internalisation or promotion of the idea of *masyarakat adat*; the first issue) was the mobilisation of the potential of *masyarakat adat* aiming at strengthening people’s awareness, ethnolocalist appeals (mobilisation of support from the *masyarakat adat*; the second issue) was *also*⁶⁴ the mobilisation of the potential of *masyarakat adat* aiming at garnering a sense of solidarity among them to achieve collective goals.

Referring to the classification of elite groups in LBU—the bureaucratic elite, adat elite, and socio-political elite—all of these groups played their appropriate roles in physical mobilisation and non-physical mobilisation of the *masyarakat adat*. In the case where a certain elite (i.e. the Adat Leader) could not use all of his power “to rule,” he was used by other elites as a symbol. Concerning another elite group, the NGO members, research findings suggest that the members of LAK (*Lembaga Anti Korupsi*, Anti Corruption Institute) did not play a great role in the whole conflict process. It was recorded that LAK provided legal consultation to Team 9 in imposing demands to SLJ V (Sabam Pakpahan, Somasi, 16 April 2001), and on another occasion, that LAK members attended the people’s collective action (Muslimin, 24 March 2002). There are some explanations for their relatively minor role. First, LAK came late to the LBU conflict. Team 9 appointed LAK as a *Kuasa Hukum* on 5 April 2001, about two years after the emergence of the conflict (*Surat Kuasa*, 5 April 2001).⁶⁵ Second, as a *Kuasa Hukum*, LAK acted like a hired team of lawyers. Third, LAK was short-lived as an organisation due to financial problems (Moses, February 2002).⁶⁶

C.6.2. Adat Mobilisation

The adat institution—norms, customs, or customary law—was a potential indigenous resource in the movement as this institution directs the *masyarakat adat* (adat community) on how to behave in public life. Although during the New Order era the LBU elites never used the adat institution to deal with the forest company, during the post-New Order era they highly mobilised the adat institution in their struggle against SLJ V.

In the Dayak communities, there are two main actors that have the right to use the adat institution to mobilise the masses (*masyarakat adat*) and to deal with newcomers (e.g. the forest company); these are the Adat Leader and the *Lembaga*

⁶⁴ Ethnolocalist appeals function as both a physical mobilisation and a non-physical mobilisation of the adat community.

⁶⁵ This letter of authorisation (*Surat Kuasa*) was given to Isak Iskandar (Director of LAK Kaltim) and Sabam Pakpahan, SH, MH.

⁶⁶ According to one of LAK’s activists, LAK faced problems in financing its advocating activities (Moses, February 2002). Possibly there was another factor, namely, because LBU elites later agreed to negotiate with SLJ V in West Kutai District Capital (mediated by bureaucrats/local parliamentarians), not in LBU as proposed by LAK.

Adat (Adat Council). In the past, the Adat Leader had the ultimate right to use it for such purposes, based on ancient tradition. Once the New Order government came to power, the newly created *Lembaga Adat* became a new organisation that could also use the adat institution to mobilise the masses. As noted, while in certain villages like Matalibaq, the Adat Leader and the *Lembaga Adat* were separated (see Chapter 5), in LBU, the Adat Leader and the *Lembaga Adat* were not separated (as the Adat Leader chaired the *Lembaga Adat*). As there was no dualism between the Adat Leader and the *Lembaga Adat*; theoretically, the Adat Leader's position in this case was stronger.

The problem was that—as previously mentioned—due to age, the Adat Leader of LBU could not actively use his strong position. The Adat Leader mostly acted as a symbol and was not physically active in mobilising the masses through the *Lembaga Adat* (Adat Council). To a great extent, the Adat Leader's authority in using the *Lembaga Adat* was delegated to the *Kuasa Adat* (Village Team). In fact, to mobilise the *masyarakat adat* in their struggle against SLJ V, the *Kuasa Adat* (Team 3 and Team 9) used the *Lembaga Adat* (Adat Organisation/Council) as an umbrella. In any functioning *Lembaga Adat*, the use of the adat institution was a requirement. Internally, the *Kuasa Adat* used the adat meeting mechanism to gather the members of the *Lembaga Adat* (i.e. adat community) in the Village Hall for decision-making. Externally, the *Kuasa Adat* used the adat meeting decisions made by the *Lembaga Adat* to put pressure on the company. Thus, the adat institution was used to make the *Lembaga Adat* (Adat Council) effective. It is not surprising, therefore, that in most minutes of meetings or formal letters sent to SLJ V, the elites used the heading *Lembaga Adat Desa Long Bagun Ulu* (Long Bagun Ulu Adat Council). This kind of arrangement became effective because the Chairman of *Kuasa Adat* (Team) 3, Cosmas Belareq, was the son of the Adat Leader, and the Chairman of *Kuasa Adat* (Team) 9, Anyeq Lahai, was the Vice Chairman of the *Lembaga Adat*. Most important in this arrangement was that although the *Lembaga Adat* was placed as a responsible party for the people's actions (see LBU Conflict Documents 1999-2001), the elites as well as the masses argued that they acted based on their adat tradition. The elites in *Kuasa Adat*, in particular, used the adat institution to support their decisions, approaches, and actions.

What was the purpose of using the adat mechanism in the LBU movement against SLJ V? Similar to Matalibaq (see Chapter 5), the adat institution was used to provide selective incentives. In staging collective action, the masses tend to calculate the costs/risks and the benefits. As rational human beings, particularly if the community has been highly exposed to modernisation, individuals will tend to seek a free ride, by avoiding the risks but receiving the benefits. To counter this problem, the adat institution provides selective incentives—both sanctions and benefits (cf. Olson 1975)—to the masses in order to achieve collective goals.

Research findings suggest that the main mechanism used to deal with the problem of free-riding was the adat meeting. The adat meeting was used to gather the masses and to punish the “deviators.” The adat institution regulated that attending the adat meeting was obligatory for all members of the LBU *masyarakat*

adat.⁶⁷ As this mass gathering mechanism was used to make decisions, all adat community members were then obliged to obey the adat meeting's decisions, including the decision to occupy the forest company's grounds. Those who never attended the adat meetings or who did not follow the decisions would receive a social sanction from the community. The most common sanction in LBU was ostracism. This sanction was personal in nature, with the result that obeying the adat rules provided a selective incentive for individuals (cf. Olson 1975). Nevertheless, intentional free-riders in the collective actions were observed in this village. However, this was due to the divisions in the society, particularly the split in the village elites (between Team 3 and Team 9). In this case, it was difficult to assess the social sanctions given by the community as both parties (Team 3 and Team 9 as well as some of their supporters) blamed each other.

As far as punishing "deviators" was concerned, the adat mechanism was used to punish Team 3, particularly its Chairman. Because of the performance of *Kuasa Adat*/Team 3, this village team was dissolved in an adat meeting and its members were forced to resign. I observed that sanctions did not end at this stage. In social relationships, the former Chairman of Team 3 received social sanctions from the community in the form of mistrust and ostracism due to his alleged deal with SLJ V and his "mismanagement" in distributing the cash compensation. He was also not involved by Team 9 in the ensuing people's actions even though he was the son of the Adat Leader. This showed that the imposition of adat did not take into account the position or prestige of a particular person, but was applied equally to all community members. With this kind of mechanism, the members of the newly established *Kuasa Adat* (Team) 9 were very motivated to maintain the people's mandate in order to avoid social sanctions.

With regard to material incentives/benefits, adat was used to arrange the provision of such an incentive. The acquirement of the first cash compensation was the most crucial one example of this. As aforementioned, after the LBU villagers had carried out collection action and imposed threats, the company agreed to provide compensation in three phases, namely, Rp 150,000,000 (March 2000), Rp 150,000,000 (April 2000), and Rp 100,000,000 (May 2000). This commitment was made in a written agreement between the company's representative (the Site Manager) and the Chairman of *Kuasa Adat* 3 (Cosmas Belareq), and witnessed by the Adat Leader (Ayang Bayo) and the Village Head (Subandi) (Surat Pernyataan dan Kesepakatan Bersama, 9 March 2000). The underlying issue was that adat meetings had preceded the realisation of such a cash provision. This provided a strong message to community members that the adat institution had been an important element in the acquirement of cash compensation, although in its implementation (the actual distribution of cash), the cash was distributed

⁶⁷ To make this mechanism worked, the elites in Team 3 and Team 9 used two main approaches. The first one was by informing the villagers door to door. This could be carried out by *Pegawaq* (staff in *Lembaga Adat*) or by the community members. The second one was by placing formal announcements in strategic places, particularly in the village hall's message board. Both were effective as the population of Long Bagun Ulu was relatively small.

personally and unequally by the Chairman of *Kuasa Adat 3* (based on ethnic origins).

To avoid further social jealousy, after the acquirement of the second timber fee compensation, Team 9, led by Anyeq Lahai, Muslimin, and Mikail, distributed Rp 74,574,950 equally to the adat community of Long Bagun Ulu (Muslimin, March 2002). While in the cash distribution arranged by *Kuasa Adat 3*, adat arrangements were not widely used, in the cash distribution managed by *Kuasa Adat 9*, adat meetings were used to determine how much money each household (or each member of the adat community) got. A more transparent cash distribution process using adat meetings made local people feel more trust for *Kuasa Adat 9* as well as the adat institution itself.

The most important point in this issue was not how much cash had been acquired but how the village elites in Team 3 and Team 9 used the adat mechanism to motivate the *masyarakat adat* to join in the struggle against the forest company (SLJ V). The use of the adat mechanism to provide selective incentives was important for strengthening and maintaining people's support in the struggle against SLJ V. The selective incentive mechanism (both social sanctions and material benefits) also motivated the local people to act to achieve their collective goals.

Based on the discussion above, the provision of social sanctions and material benefits was an internal use of adat by local elites (particularly Team 3 and Team 9) in dealing with their own community (*masyarakat adat*). In their imposition of adat on the forest company (an external use), the local elites also used adat to legitimise or support the LBU movement as well as the actions of the *masyarakat adat* against SLJ V, including the action of their elites. To begin with, their use of adat can be seen from the formal submission of their demands to SLJ V, as follows:

The Breakdown of Adat Demands

- Compensation for the harassment of customs (*adat istiadat*), adat law (*hukum adat*), and the Adat Council (*Lembaga Adat*), valued at Rp 5,000,000.
- The damage/destruction of the forests in the adat land area, valued at Rp 500,000,000.
- The destruction of a tourist site [waterfalls] as an endless source of income, Rp 1,000,000,000.
- Compensation of Rp 1,495,000,000 for the loss of forest products in the adat forest areas, such as a) logs, b) rattan, c) resin, d) *gaharu*, e) gold, f) *nangkaang*, g) *malau*, h) fruits, i) *sengauk*, j) *liseq*, k) *daun biru*, l) birds' nests, and m) medicinal plants.

In sum, the total value of the demands is Rp 3 billion (*Perincian Tuntutan Adat*, signed by the Adat Leader, Ayang Bayo/Bayau, 28 December 1999).

From this example, one sees that the above demands were presented as *tuntutan adat* (adat demands). This means that all demands were adat-based demands. The use term "adat" in "adat demands" increased their importance, as the

indigenous rights of the adat community were regulated, recognised, or maintained by adat. In the past, the *masyarakat adat* had controlled the concession area of SLJ V and they claimed that it was their adat land. As SLJ V had exploited the LBU *tanah adat*, the village elites had a rationale for demanding compensation for SLJ V's exploitation activities and their various impacts (the damage of adat land, the losses of forest products, etc.). The use of adat therefore mirrored people's efforts to provide historical legitimacy for their movement. Without mentioning adat, people's claims would be baseless.

The adat demand for compensation for adat harassment, which was valued Rp 5 million, was the most striking demand of all. Adat harassment was a sensitive issue and those who did so (harassed adat) were regarded as not respecting the adat tradition of the local community. By raising a sensitive issue in the first rank of the demands, the position of the forest company was made more vulnerable. Because of this, this demand was paid immediately (Anon, SLJ V staff, March 2002). The payment of cash totaling Rp 400 million to LBU also could not be set aside from such adat-based demands. Thus, the use of adat by local elites to legitimise or support the LBU village's demands was instrumental in forcing the company to pay.⁶⁸

In a renewed demand submitted by Anyeq Lahai (Chairman of *Kuasa Adat*/Team 9), Ayang Bayau (the Adat Leader) and Tufak (the Village Secretary), the adat institution was used again:

Based on the meeting of 25 September 2000 in the Adat Hall of Long Bagun Ulu attended by all strata of the adat community... the adat community demanded...Rp 2,600,000,000, which is the remaining [adat] fine due to the destruction/damage of *tanah adat*... [Based on] *hukum adat* (adat law), the community perceives themselves to be highly embarrassed and not obeyed by HPH SLJ V. The *tanah adat* conflict should be resolved completely in the Adat Hall of Long Bagun Ulu with the statement: to pay or not to pay (*Berita Acara*, Anyek Lahai, Ayang Bahau, Tufak, 14 Nov 2000).

In this example, a stronger phrase was used, namely *hukum adat* (adat law), to support the submitted demand. In the Dayaknese tradition, an adat fine is a core adat mechanism for resolving conflict or for punishing a guilty party. Even when cases are categorised as criminal acts by the Indonesian legal system (such as theft, child abuse), it is still common that adat law is first used to settle the case. If adat law could not solve the problem, or if the rule breakers did not change their behaviour, the use of formal law by the security apparatus would then be welcomed.⁶⁹

⁶⁸ Although such a document was signed by the Adat Leader (Ayang Bayo), it was the other village elites, particularly Cosmas Belareq, who were the important figures in its arrangement.

⁶⁹ During my field research, there was an incest case, which was categorised as a criminal act according to the Penal Code. This case was also reported by local media (*Kaltim Post*). The same misconduct involving the same persons had been repeatedly found, and adat elites had imposed sanctions based on the existing adat law, in the form of both adat fines and adat ceremonies (to

To put more pressure on the company, the LBU elite even rejected an offer to partially fulfill the demands by referring to the adat system of the Dayak Bahau Busang:

The adat community of Long Bagun Ulu strongly demand for the management of PT Sumalindo Lestari Jaya Tbk to resolve the problem of the Adat Fine and to meet in the Adat Hall of Long Bagun Ulu. In the Dayak Busang tradition there is no terminology for bargaining in the case of Adat Fines, because this was an adat decision and had been decided in the Adat Hall forum of Long Bagun Ulu. It [the forum] was even attended by the *Camat* as both a head of sub-district government and a witness in the resolution of the demand for the Adat Fine. The adat fine decision is related to the self-esteem of the adat community of the Dayak people to defend their customary rights (*Hak Ulayat*) and their gardens, which are now looted by investors without taking into account the socio-environmental impacts (Anyeq Lahai and Ayang Bayo, 24 May 2001).

Rejecting an offer was actually a LBU strategy aimed at strengthening the bargaining position of LBU people vis-à-vis SLJ V. Its substance was to support the original demand by referring to the adat tradition or adat law of LBU. This can be seen from the statement made on 27 May 2001, when an offer was made to lower the demand from Rp 2.6 billion to Rp 2.0 billion. The reduced demand was “suggested” by Muspika (the sub-district authority), as the demand was regarded as too high (Minutes of Adat Meeting, 27 May 2001). Regardless of the process and the reasons for lowering the demand, the local elites—Anyeq Lahai and Ayang Bayo—still used adat to support their demand:

The meeting discussed the demand of adat fines against PT Sumalindo Lestari Jaya V Group. Although it was a tough discussion finally we reached a consensus based on the aspirations of the adat community who obey both adat law and national law so that we give a toleration of Adat Fines based on humanity, social justice as mentioned in the 1945 Constitution and Pancasila [State Ideology], as the foundation of the Indonesian state. The adat community was in consensus that the value of Adat Fines of Rp 3,000,000,000 be decreased to Rp 2,000,000,000. This is the last value for our bargain to PT Sumalindo Lestari Jay V. The payment by the company must be in cash (Anyeq Lahai and Ayang Bayo, *Berita Acara Musyawarah Adat*, 27 May 2001).

The use of adat or adat law was challenged by SLJ V. This company attempted to force the *masyarakat adat* to use formal law instead of adat law to

“clean” the village). In the last occurrence, the infant was found dead and floating in the Mahakam River. As the adat elites could not handle this issue—particularly as it was now a murder case—the police was invited to investigate. For the use of adat law in handling criminal acts, see the proceedings of the Long Bagun Adat Congress I (Lembaga Adat Besar Long Bagun, 1998).

resolve the conflict. The mechanism for using formal law, in the company's view, was by obeying the Governor's Decision No. 20/2000 concerning timber fee compensation. The local elite rejected this suggestion. One reason was that if this regulation was used, there would be no further payments. They demanded not to include the government regulation or formal law because this was regarded as an adat case. In the LBU people's views, fines-based compensation should be resolved by using an adat fines mechanism according to LBU adat tradition. As the Adat Leader (Ayang Bayau/Bayo) insisted:

1. The adat community demands the remaining payment of the fines for the destruction of *tanah adat* worth Rp 2,6000,000,000.
2. The adat community asks for certainty on the stance of PT Sumalindo Lestari Jaya V/II on October 2000.
3. Decisions on Adat Fines do not involve government regulations in the resolution of the Adat Demands regarding the Adat Lands of Long Bagun Ulu (Ayang Bayo, Kesimpulan Rapat Musyawarah Adat, 06 Oct 2000).

In their efforts to promote the application of formal law for conflict resolution, SLJ V approached West Kutai District Head, Rama Asia. Rama Asia, a Benuaq Dayaknese, however, suggested that the company respect the adat system of the Dayak people. This was in line with his statement in local media, where he stated that the use of formal law *per se* in resolving the East Kalimantan forest conflicts would not solve problems during the *reformasi* era, as the collective actions would be unstoppable. He maintained that the people would not make demands that were beyond the company's capability to pay. To solve the problem, the District Head suggested that the company should not be rigid in interpreting the existing regulations but be creative in coping with the problems in the field (*Kaltim Post*, 19 March 2000). As local people had raised the issue of adat harassment, the District Head questioned the company's capability to pay Rp 5 million, which was a relatively small sum. According to the company, however, this demand had been paid long time ago.⁷⁰ Due to the pressures of local people on such a sensitive issue (adat harassment), however, the company promised to pay again for adat harassment, and this payment was realised on 23 December 2000:

In regard to the agreement in the office of West Kutai district on 18 November 2000 between Adat Leader-*Kuasa Adat* of Long Bagun Ulu community and PT Sumalindo Lestari Jaya, Tbk, and witnessed by District Head of West Kutai, the First Party [SLJ V] provided cash totalling Rp 5,000,000 as a payment of Adat Fines to the Second Party (Manager of SLJ V, Ayang Bayo [Adat leader], and Anyeq Lahai [*Kuasa Adat*], 23 December 2000).

Adat was also used to support the action or planned action of the masses against SLJ V (collective action). This research found one interesting finding;

⁷⁰ See *Resume Perundingan Masyarakat Desa Long Bagun Ulu dan Bapak Bupati Kutai Barat*, 17 November 2000.

namely, the planned use of *aksi adat* (adat action). A threat to carry out adat action was associated with the company's alleged disrespect to the adat system of LBU:

1. Before there is resolution on Adat Land fines, logs in the log yard and in the pontoon cannot be transported to Samarinda.
2. People's decisions should be resolved by 12 November 2000. If there is no response, we are not responsible for the action of the community who regard the company as embarrassing [our] adat (Ayang Bayo and Anyeq Lahai, 07 Nov 2000).

The term "action" (*aksi*) referred to action based on adat rules. This becomes clearer by examining the following threat made by the Chairman of Team 9 (Anyeq Lahai) and the Adat Leader of LBU (Ayang Bayo):

- a. The company of PT SLJ Group was not available yet to decide on the resolution of the Long Bagun Ulu adat land demand based on the bargain of Rp 2,000,000,000.
- b. The adat community of Long Bagun Ulu take action as follows: a) To stop production activities of the company PT Sumalindo Lestari Jaya which operate in the area of customary rights (*Hak Ulayat*) of Long Bagun Ulu: (1), Heavy equipment should be brought to Km 0, base camp Bagun, (2) Logs in the location [field] and in the log yard cannot be transported before there is a payment agreement; b) The stopping of the company's operations as described above will continue until there is a response from the company to resolve the *Tanah Adat* demand of Long Bagun Ulu.
- c. If in the next meeting there is no agreement on the resolution of the *Tanah Adat* demand of Long Bagun Ulu, the community will take action based on adat rules (Anyeq Lahai and Ayang Bayo, 12 June 2001).

Although in the people's and elite's views, stopping the company operation, the occupation of the company, and the like were categorised as adat action, my interviews with key informants revealed that "action based on adat rules" did not refer to national law (Muslimin, Mikail, Anyeq Lahai, March 2002). In other words, they were using adat rules as existed in the past. One key informant even said that they would use jungle law (*hukum rimba*) as applied by their ancestors in the tribal wars of the past (Anon, March 2002).⁷¹ Raising the possible application of such ancient traditions seemed to be a means to put on more pressure. The main issue is that adat was an important tool in supporting people's action or planned action against the forest company.

⁷¹ This key informant said that "*kami akan mengayau ke base camp jika Sumalindo macam-macam*" [we would stage a "tribal war" in the base camp if SLJ V behaves inappropriately] (Anon, LBU key informant, March 2000). A similar issue was raised by a Long Bagun Ilir (LBI) elite who tried to replicate the LBU case in advancing people's interests. One SLJ V staff quoted that of the LBI elite: "*Kami tidak akan melakukan demonstrasi, tapi mengayau*" (We would not stage demonstration/collective action, but a "tribal war" (Anon, SLJ V staff, March 2002)).

In sum, adat was an important element in the forest conflict between SLJ V and LBU people. It could not only bind local people to advance their collective goals but was also a source of legitimacy for the people's movement and actions. A high level of exposition of adat was observed when the LBU movement was under the guidance of Team 9. This was understandable because the Chairman of Team 9 was the Vice Adat Leader and its members were composed of well-educated people such as Muslimin and Mikail. The elite's efforts and commitment to using adat law became stronger after they were justified, supported, and even encouraged by the NGO members (LAK), as Sabam Pakpahan maintained in the summation to SLJ V:

If the *tanah adat* dispute is discussed outside the framework of adat law on adat land (*hukum tanah adat*) of Adat Council of Long Bagun Ulu, a protracted debate would persist and [the disputes] would be possibly be resolved through a manipulation of the rules of adat law on adat land or that of national law on land affairs (*hukum tanah nasional*).

The national law is not ready to provide a full and honest protection of the *tanah adat* of the Adat Council of Long Bagun Ulu from the perspectives of genealogy or territory. So, whatever happens, the instrument that should be used in handling the *tanah adat* disputes of Long Bagun Ulu, at least at the moment, is the adat law of the Adat Council of Long Bagun Ulu.

Concerning [the relations between] national law on land affairs and adat law on *tanah adat* of Adat Council of Long Bagun Ulu (which existed thousands of years earlier), there has been no contradiction between them as long as [the company] had honesty and a good will [in handling the case] (Sabam Pakpahan, 16 April 2001).

The purpose of LAK's summation was to not involve the government officials in the negotiation between SLJ V and Team 9 as well as to change the planned venue of the negotiation from the West Kutai District Office to the LBU Adat Hall. Although one high-ranking SLJ staff threatened LAK,⁷² Team 9 was encouraged by LAK's support for applying adat law to solve the *tanah adat* fines demand. The threats of adat action and the continuing imposition of adat fines based on adat law by Team 9 were some of the occurrences that followed the involvement of LAK.

C.6.3. Tanah Adat Mobilisation

During the New Order era, no action had been taken on *tanah adat* (adat/customary land) issues in LBU, apart from the silent grievances of the

⁷² The company staff stated, "If you [LAK] use a means of inviting and mobilising (*mengajak dan menggerakkan*) the community that will disadvantageously implicate us [the company], we will prosecute you in the court based on the Criminal Code and Civil Law" See SLJ Tbk, *Penegasan*, 27 April 2001.

villagers. During the post-New Order era, the village elites saw the potential of the *tanah adat* concept for “attacking” SLJ V. To create a grassroots movement, the elites realised that they needed to promote the *tanah adat* concept to community members. This did not mean that community members did not already understand the concept of *tanah adat*. Rather, certain elites needed to synergise the potential of *tanah adat* as a tool to make them powerful in the movement. As this had never been carried out during the New Order era, the promotion of the *tanah adat* concept in LBU was carried out in a relatively short period of time. This stemmed from the fact that the *tanah adat* movement in this village came late, arising one year after the fall of Soeharto.

For “selling” the idea of *tanah adat* to community members, again, the adat meeting was the most important medium used by the local elites, whether they were the adat elite, the bureaucratic elite or the “socio-political” elite. As the three main indigenous resources—*masyarakat adat*, *adat*, *tanah adat*—are inseparable from one another, the *tanah adat* issue was automatically promoted in adat meetings that discussed the demands of the *masyarakat adat* and the use of *adat* to support people’s claims. In fact, as mentioned earlier (see “Masyarakat Adat Mobilisation”), it was *tanah adat* that had been used as a core issue in framing the masses: whether it be diagnostic framing (*tanah adat* exploitation by SLJ V, with LBU people as the victims), prognostic framing (*tanah adat* compensation demands), or motivational framing (*tanah adat* related vocabularies such as *penghancuran tanah adat* [adat land destruction], *tuntutan tiga milyar* [Rp 3 billion demand], etc). As this internal use of *tanah adat* has already been highlighted, the remainder of this section focuses on the external use of *tanah adat* in the people’s movement (the promotion or imposition of the concept of *tanah adat* to SLJ V).

To achieve their collective goals, the promotion of *tanah adat* to the company (SLJ V) was a crucial step, particularly to pave the way for the imposition of *tanah adat* institutions on the company. However, the promotion of the *tanah adat* concept to the company proved very difficult as the company had very different interests and “ideology.” Promoting initially and imposing later were difficult for the elites to carry out, as the company would consistently reject this concept. I observed that the best method found by the local elites was to promote and to impose the *tanah adat* concept at the same time. The initial promotion and imposition of *tanah adat* on SLJ V was observed in April-July 1999. In July 1999, in particular, village elites such as Cosmas Belareq, Ayang Bayau, Anyeq Lahai, Yus Paran, and Tufak invited SLJ V staff to discuss the *tanah adat* of LBU. As noted, it was claimed that the LBU *tanah adat* covered all land within a distance of 5 km inland from the riverbank of the Mahakam River. As the elites insisted:

1. The adat right [land] is within a distance of 5 km from the left and right sides [of the riverbanks] of the Mahakam River, spanning from the estuary of the Bagun River [SLJ V base camp] to Long Ayau (the borderline of LBU-Batu Kelau, Km 48).
2. A distance of 5 km inland from the riverbank is divided into:

- a. A distance of 1.5 km for agricultural activities and the collection of materials [timber] for [house] construction.
- b. A distance of 3.5 km for management by the company, but the company must pay Rp 20,000 per M3 of timber production.
3. If [forest trees in] the areas of point 2.a. have been cut by the company, the company is also obliged to pay for them, as mentioned in point 2.b. (*Kronologis Permasalahan*, 1998-2001).

By imposing such claims, the village elites had introduced an initial concept of *tanah adat* to SLJ V. Although they did not convince the company, they had at least raised their concerns over the status of the SLJ V concession area, particularly from the perspective of the locals. As the local elites continued to demand cash compensation from SLJ V, they used any chance that arose to promote the *tanah adat* concept. By the year 2000, for instance, Anyek Lahai, Ayang Bayau, and Tufak again promoted the idea of *tanah adat* to SLJ V in the hope that the company would immediately fulfill the demands of LBU village. As these village elites stated:

The *tanah adat* of Long Bagun Ulu in Long Bagun sub-district has been managed and defended for generations since [our] ancestors' time until now and has become the source of people's livelihoods [and incomes]...such as logs, *gaharu*, resins, traditional gold mining, bird nests, traditional medicines, game, and tourism. All of these have been protected and guarded by the adat community, [but now they] are polluted and exploited by HPH SLJ V (Anyek Lahai, Ayang Bayau, Tufak, 14 Nov 2000).

With this statement, the village elites intended to inform SLJ V that the concession area is the traditional land of LBU people that has been well managed for generations and has become an essential part of their lives. It was due to the company's activities only that their adat land was not well managed. Thus, indigenous rights over the land and the people's dependence on forest resources were important issues in the promotion and imposition of the *tanah adat* concept to the forest company of SLJ V.

On another occasion, the Adat Leader (Ayang Bayau) was also "brought" to SLJ V base camp by the village elites of the *Kuasa Adat*/Team 9 to explain the story behind the *tanah adat*. "Bringing" an ageing Adat Leader to SLJ V base camp was regarded as very important for strengthening their claim as well as for convincing the company. In this meeting—attended by sub-district authorities (Muspika)—Ayang Bayau explained the history of LBU village, the origin of the community/village, and LBU village's relations with surrounding villages. The most important issue that he covered was that the boundaries of the *tanah adat* of Long Bagun Ulu had been recognised by other villages based on the Dayaknese tradition. The most burning issue however was that the exploitation activities of SLJ V were being carried out in such a clearly delineated *tanah adat*. With this unchallenged explanation—at least from the historical perspective—the village elites in Team 9 such as Anyeq Lahai and Mikail had presented a strong historical

rationale for demanding compensation for the exploitation of their land (SLJ V Resume, 26 May 2001).

In a joint agreement between the company and Kuasa Adat 3 (Cosmas Belareq), it was agreed that the company would pay compensation to the LBU people. In this agreement, the *tanah adat* was the central issue. As stated:

Regarding the *tanah adat* demand submitted by the second party (Cosmas) to the first party (SLJ V); that is, from the right side of Sangiang River until Sayun River and from Igo River to Atip River, both parties make a Statement and Agreement as follows:

1. The decision [made in response to] the demand of the second party is under the full authority and responsibility of the Government.
2. Both parties agreed to fully obey the Government's Decision concerning the *tanah adat* demand.

While waiting [the issuance of Government's Decision] over an unlimited time ... [the company agrees to pay a bond of] Rp 400,000,000 ... (Cosmas, Suandi Djauhari, 9 March 2000)

Thus, the use of the *tanah adat* issue had successfully forced SLJ V to pay compensation. This meant that the promotion and imposition of *tanah adat* against SLJ V had yielded a considerable outcome. The potential for obtaining cash compensation during the post-New Order era had become much greater compared to that of the New Order era. However, without strong arguments—particularly historical claims—for the *tanah adat*, the LBU people would have lacked a foundation or rationale for submitting their demands, and therefore for gaining such a relatively large cash compensation.

In the renewed demands of the community, the *tanah adat* was again used to undermine the company's arguments defending its stance of not paying further compensation. As discussed, the company regarded all of the problems as solved by the payment of Rp 400 million compensation because, based on the Governor's Decision, the company was no longer required to pay further compensation. However, the village elites, particularly those in Team 9, rejected the company's arguments by arguing that the payment based on the Governor's Decision was for timber fee compensation, not for the destruction of *tanah adat*, the tourist site, etc. A letter to SLJ V by the village elites (Anyeq Lahai and Ayang Bayo) stated:

1. The Governor's Letter of Decision No. 10, June 2000, concerning timber fee compensation worth Rp 3000/M3 is not accepted by the community as resolving the conflict concerning the *Tanah Adat* demand because it only advantaged a certain party [the company].
2. The compensation fund based on the Governor's Decision is a general fund distributed to all villages in [Long Bagun] sub-district. Because of that, the community rejects the use of such a [general] compensation fund for resolving [the LBU] *tanah adat* demand.
3. The demand was submitted on 28 December 1999 while the Governor's Decision was issued later [June 2000]. In addition, the Governor's

Decision only concerned the timber fee issue without taking into consideration environmental aspects like: the destruction of the adat forests, fauna habitats, tourism sites [waterfalls], traditional gold mining, bird nests, rattans, resins, traditional medicines, etc, which have been the source of income for the people in improving their economic conditions (Ayang Bayo, Anyeq Lahai, 07 Nov 2000).

From the discussion above, it can be seen that the use of *tanah adat* was twofold. First, to frame the masses, by comparing the condition of the *tanah adat* in the present time with that of the past. In this, promoting the idea of the *tanah adat* to the *masyarakat adat* was aimed at reviving historical memories of the people and enhancing the awareness of LBU people of their indigenous rights. Second, to provide a rationale for cash compensation demands. For this purpose, the *tanah adat* concept was introduced and imposed on SLJ V. Thus, the *tanah adat* concept was mobilised internally and externally in the LBU movement.

With regard to the mobilisation of the *tanah adat* concept, which was aimed at strengthening the movement as well as defeating the forest company, this research observed that the LBU elites used a similar strategy to that of Matalibaq village (see Chapter 5). That is, the use of an exclusionary strategy in dealing with SLJ V. This strategy was associated with the external use of *tanah adat* in the movement and can be observed from the imposition of ultimatums to the forest company.

In the LBU struggle under *Kuasa Adat* (Team) 3, led by Cosmas Belareq, this *Kuasa Adat* only threatened to stop the company operations and to occupy the company's base camp. This was an initial warning before the LBU *masyarakat adat* was mobilised to stage collective action against SLJ V. In the LBU struggle under *Kuasa Adat* (Team) 9, led by Anyeq Lahai, the *Kuasa Adat* also initially threatened to stop the company operations and to occupy the base camp. In term of cash acquirement, however, after struggling for three months, Team 9—and therefore the local people—received nothing (Sept-Nov 2000), while under Team 3, the local people had received Rp 400 million. This stimulated Team 9 to take a tougher stance against SLJ V (Tufak, March 2002). The stance chosen by the village elites was to carry out an attempted eviction of SLJ V from the area, as asserted in the ultimatum made by Anyeq Lahai (the Chairman of Team 9), Ayang Bayo (the Adat Leader) and Tufak (the Village Secretary):

The community demands that the Management and Director [of SLJ V] meet directly with the community and related government bodies to search for the best solution for the adat land conflict of Long Bagun Ulu.

If there is no realisation [fulfilment of the demands] by the Management and Director in Samarinda/Jakarta, or by the related government bodies, then the HPH [company of SLJ V] located in the adat land of Long Bagun Ulu village should retreat or else be closed down (Anyek Lahai, Ayang Bayau, Tufak, 14 Nov 2000).

Although a deadline was not issued, this ultimatum shows the people's increasing anger against SLJ V. Such an ultimatum was regarded as a last resort, for use when local people did not have any other choices. This ultimatum was indeed effective as it yielded a considerable outcome, namely, as mentioned, the provision of Rp 5 million for adat harassment compensation and Rp 74,574,950 for timber fee compensation. This compensation was still small, however, compared to the cash compensation provided to the LBU people under Team 3 (Rp 400 million). This made Team 9 upset, particularly as they were criticised by the former team (Team 3) and its supporters (Tufak, March 2002). Consequently, as aforementioned, a second ultimatum was imposed by the local people and signed by Anyeq Lahai (Kuasa Adat 9) and Ayang Bayau (the Adat Leader):

If our demand of Rp 2 billion is not responded to, and the company's Director and Management continues to play with time without any clear reason, we will not stage collective action but the company's staff should retreat/leave [the LBU area] and all company assets in the SLJV [concession area] will be treated as a guarantee (Ayang Bayau and Anyeq Lahai, *Berita Acara Musyawarah Adat*, 27 May 2001).

The issuing of such an ultimatum was initiated by an informal ultimatum raised in a SLJ V-LBU meeting that had taken place one day earlier. As Mikael warned:

If our adat rights are resolved [the compensation paid], the community will be ready to safeguard the continuation of the company's operations from external disturbances.

If our adat rights are not resolved [if the company rejects the provision of the remaining compensation of Rp 2.6 billion], the community cannot guarantee [the company's "safety" and continued operations], and the company should leave the location [LBU *tanah adat*] while leaving in place all of the company's assets (heavy equipments, workshop, buildings) (Mikail, 26 May 2001)⁷³

Although the second ultimatum (both formal and informal) was also without a deadline, it was raised during a tough negotiation, and increased the tension between the forest company (SLJ V) and LBU elites (particularly Team 9). In fact, following this ultimatum and other threats made on 12 June 2001, SLJ V stopped its operations for about one month. The subsequent provision of cash compensation of Rp 425 million (through cooperation programs) and non-cash compensation (infrastructure projects) is likely to be a result of the elites' tough stance.

Although these two ultimatums can be categorised as soft ultimatums—using soft wording and giving no deadline—the imposition of these ultimatums shows the use of an exclusionary strategy in dealing with SLJ V. The use of this

⁷³ In *Hasil Resume Pertemuan Masyarakat Desa Long Bagun Ulu dan PT Sumalindo Lestari Jaya*, 26 May 2001.

strategy increased the tensions between the conflicting parties as it provoked enmity and threatened the existence of the “enemy” (i.e. forest company) in the area (cf. Snyder 2000). The outcomes of the use of this strategy also mirrored the power of the *tanah adat* in the movement.

In both the Matalibaq-APN (see Chapter 5) and the LBU-SLJ V forest conflicts, *tanah adat* was a central issue. It is imperative therefore to trace the central mechanism of *tanah adat* mobilisation in LBU since the type of forest company operating in LBU (HPH/logging company) is different from that of Matalibaq (HTI/industrial timber estate company). Referring to the discussion in Chapter 5 (the Matalibaq case), here the dispute over *tanah adat* (adat land) versus *tanah negara* (state land) between the LBU people and SLJ V can also be used as a point of departure in analysing it.

The logging company was defiant in the face of the *tanah adat* claims on the SLJ V concession area. Its rejection of the Adat Congress decisions showed its stance on the claims over *tanah adat*. Initially, in responding to *tanah adat* claims based on the decisions of Adat Congress I (a distance inland from the river of 5 km), SLJ V maintained that the company would wait for further decisions or regulations from government (SLJ V Conflict Documents, 1998-2001). This response was a diplomatic way of rejecting the claim, as SLJ V did not agree with the imposition of indigenous property rights over its concession area. Their position is understandable as recognition meant—in the company’s view—disaster for the company. A clearer stance was taken in response to the decisions of Adat Congress II (a distance inland from the river of 7-50 km). In the SLJ V document it was clearly stated that on 12 January 2000 SLJ V “rejected the results of Musdat (Adat Congress) II ” (SLJ V, *Kronologis*, 1998-2001) regarding *tanah adat* claims, because SLJ V regarded its concession area as *tanah negara* (state land).

In response to the company’s rejection, Mikail/Mikael (Team 9) argued, “since a long time ago Long Bagun Ulu people have had their *tanah adat*. It is not correct for the company to claim that our *tanah adat* is *tanah negara*. That land has been utilised by Long Bagun Ulu people since historical times” [prior to the arrival of SLJ V] (Mikael, 23 March 2002).

The SLJ V staff followed the company’s policy. The company staff argued that SLJ V’s presence and activities in LBU were “legal as they are there with the Ministry’s permits.” It was maintained that “based on [formal] laws and regulations, there is only production forest, limited production forest, and conversion forest, or KBK [production forest and limited production forest] and KBNK [conversion forest]. There is no *tanah adat* or *tanah ulen* [in LBU]. But the community has its own perception [that their *tanah adat* is] from this river to that river/area” (Anon, March 2002). It was suggested that in the government’s regulations, the forest concession area was only within an area of the so-called *tanah negara* (state land), where no other rights had previously existed or had been granted by the government (Group Interview/Discussion, 26 March 2002). This means, in the company’s view, that first, no property rights had previously existed

in the SLJ V concession area. If such rights had existed or been granted, the government would not have issued a forest concession license. Second, the forest concession area of SLJ V was in *tanah negara* (state land).

Yus Paran (Team 9) rebutted such arguments. Paran said, “We have had *tanah adat* managed by our ancestors since a long time ago. We recognise that *tanah negara* exists somewhere, but we reject the claim of *tanah negara* on our *tanah adat* [of Long Bagun Ulu]” (Yus Paran, 23 March 2002). Thus, Yus Paran’s argument is similar to that of Mikael, which was the village’s general stance on the *tanah adat* issue.

Such exchanges could be continued and would end in enflaming the dispute. It is more interesting to examine the core “mechanism” behind such disputes, particularly from the perspective of the locals (*tanah adat* mobilisation). This leads to a discussion of the institutions that existed in *tanah adat* and how the locals used or mobilised such institutions to undermine the company’s arguments, stance and resistance.

SLJ V employed state institutions in managing its concession area, particularly the state institutions on land management and forest management. *Tanah negara* was greatly associated with the state institution on land management. As mentioned, a HPH concession area would only be granted in the forestland classified as *tanah negara* (state land, state forestland) so that the provision of concession areas to SLJ V meant such concession areas were categorised as *tanah negara* by the state, particularly the Department of Forestry. In the *tanah negara* concept, according to the 1945 Constitution and Law 5/1960 (Basic Agrarian Law), the state has ultimate control over state land, particularly over large tracts of forestlands. In practice, the forestlands were treated as state property. The provision of concession rights to SLJ V was the provision of rights to manage its concession area. In addition, during its concession license period (20 years), SLJ V was obliged by the Department of Forestry to secure and protect their concession area from intruders or disturbers. Thus, the state rights over the land were delegated to SLJ V and this company was obliged to follow its mandate to protect the concession area. To undermine this argument by using formal laws was difficult, if not impossible. Therefore, the LBU people used their indigenous rules (institutions) to challenge the company. A powerful instrument for challenging SLJ V was found in the *tanah adat* institution.

Based on the LBU tradition, the concession area of SLJ V is the land (*tanah adat*) of LBU people. In the LBU’s views, local people not only have control over the management of their *tanah adat* but also are the owners of their *tanah adat*. Thus, the core “mechanism” used in *tanah adat* movement was to claim ***indigenous rights over the land***. Making such a claim without arguments or evidence was baseless. Therefore, it was imperative to show the existing rules of the game. Similar to other Dayak Bahau along the Mahakam River, the LBU people had five sources of rights. These were *tana bo hayaq* (property rights over land inherited from their ancestors or previous generations), *naa lumaq* (property rights as a result of *ladang* [dry rice cultivation area] making), *keline* (property

rights that are given/delegated by the owner of a certain piece of land to other parties), *uvaat dendaaq* (property rights stemming from adat fines), and *pebele-mele* (property rights due to land purchase). Based on such sources of rights, four indigenous property systems emerged, that is, *pu'ung anuk* (private property rights), *anan tuvuh bo hayaq* (communal rights; certain areas in the *tanah adat* that are owned by all villagers), *lepu'un lepau petuk* (private-to-communal rights, private land which the community can use; or communal-to-private rights, communal land which community members can use privately), and household rights (including the extended family).

This is the indigenous rights system that had existed in Long Bagun Ulu (Anyeq Lahai and Ayang Bayo, March 2002).⁷⁴ However, this system was not consistently used in LBU, compared to Matalibaq. The villagers mostly used *tana bo hayaq* (rights over land inherited from their ancestors or previous generations; meaning all lands are inherited by the current generation) as their main source of rights and *anan tuvuh bo hayaq* (communal rights; meaning all lands are owned by the community) as their main property rights system for making claims for their land. This was because only a “small” part of the LBU *tanah adat* was within the concession area of SLJ V. The remainder of the LBU *tanah adat* (a precise map is not available, see Appendix 12 and 13)—that had been exploited by other forest companies⁷⁵—was located outside the SLJV concession area. In spite of this, because two such systems (*tana bo hayaq* and *anan tuvuh bo hayaq*) embrace all sub-systems of the property rights—all lands are inherited by the current generation (*tana bo hayaq*) and all lands are owned by the community (*anan tuvuh bo hayaq*)—they can effectively undermine the company’s arguments concerning the land rights. The arguments became even more plausible when they used the terms *masyarakat adat* (as the owners of such rights) and *adat* (as the source of the rules of the game) to support them.

With regard to *land classification*, although it was not systematically used, the LBU elites also raised the issue of land classification in attacking the company’s arguments. This was done in response to the imposition of a uniform model of forestland classification by the state; namely, production forest, limited production forest, conversion forest, protected forest, and conservation forest. SLJ V used this classification system and the SLJ V concession areas were composed of limited production forest, production forest, and conversion forest, as stated by the company’s staff. The respective total size of each forest type is as follows:

⁷⁴ See also proceedings of Long Bagun Adat Congress I (Lembaga Adat Besar Long Bagun, 1998).

⁷⁵ Muslimin said that numerous forest companies used to operate in LBU areas such as HPH Romastika Group, HPH Rangga Kusuma, HPH Kalamur, HPH Surapati Perkasa, and HPH Kemakmuran Bakti Timber (24 March 2002).

Table 6.15. The Classification of Forestlands in the SLJ V Concession Areas

No	Forest Types	Ha	%
1.	Limited Production Forest	25,311	42.85
2.	Production Forest	29,067	49.21
3.	Conversion Forest	4,688	7.94
	Total	59,066	100

Sources: SLJ V (1999).

Out of the 59,066 hectares of the concession area of SLJ V, about 14,766 hectares (25%) were claimed as the LBU *tanah adat*. According to Ayang Bayo (20 March 2002) and Anyeq Lahai (21 March 2002) and various key informants such as Yus Paran and Hipui Hang, the LBU's claimed area used to be *tanah peraaq* (*mawaaq*), *tanah berahan*, and *lepuun*.⁷⁶ In this land classification system, there are certain rules that should be respected by community members as well as newcomers. Among these, those that apply to *tanah peraaq* and *tanah berahan* are the most important ones. In the *tanah peraaq* classification, this forestland should be used by the community for emergency use only because this land is classified as a forest reserved for community members. In the *tanah berahan* classification, forest product collection is allowed for income generation, as well as for subsistence use (Mikail, 22 December 2001). If outsiders intend to collect forest products (e.g. rattan) in the *tanah berahan* for subsistence use, they must pay a 10 per cent fee. A higher fee would be imposed if the collection of forest products in the *tanah berahan* by outsiders was done for the purpose of making money. These rules had been applied for years (Ayang Bayau, March 2002). After the arrival of PT Sumalindo, however, the community could no longer apply these rules because a company director (from a military background) was now in charge of the forestlands. It was the *reformasi* era that provided an opportunity for the local elites to revive these rules and use them as a powerful weapon for undermining the company's arguments. It is understandable therefore that the villagers regarded the company as illegally exploiting the forests for profit making in the *tanah peraaq* and *tanah berahan*, since such forestlands had been reserved by the community for emergency use and local livelihoods. Following this logic, it is also understandable why they imposed adat fines due to the destruction of their adat land. Their use of the "adat harassment" argument was also understandable, as they regarded the company's timber logging activities as disregarding their indigenous rules for adat land management (see Perincian Tuntutan Adat, 28 Dec 1999). Thus, with respect to the issue of land classification, the imposition of indigenous rules (institutions) could be used to undermine the company's arguments that used state rules (institutions).

⁷⁶ Other land classifications based on local indigenous knowledge and practices are located, as noted, outside the SLJ V concession area. This is one reason why the village elites could not "mobilise" all of their land-based institutions to confront SLJ V.

Besides indigenous land rights and land classification systems, *indigenous rights over trees* are of importance in attacking SLJ V. The logging company had been granted rights by the state to log all specified timber trees in its concession area. In the forestland classified as production forest, the company is permitted to cut timber with a minimum diameter of 50 cm (50 cm and above), and in limited production forest the minimum diameter is 60 cm (60 cm and above). The regulation to cut trees with such a minimum diameter is actually a temporary restriction. If the company receives a license extension for another 20-35 year period, the diameter of the trunks will grow and the company will then have the right to log them. To maximize their use of these cutting rights, the company can select the “fat” forest blocks to be cut first, leaving the “thin” ones to be cut later (some time within the period of 20-35 years) by means of their Annual Working Program (RKT) arrangements.

SLJ V had a forest inventory conducted before commencing its logging activities. It was found that the dominant timber species in the primary forest areas were Red *Meranti* (*Shorea sp.*), *Jambu-Jambu* (*Eugenia sp.*), *Medang* (*Alseodaphne sp.*), *White Meranti* (*Shorea lamellate*), and *Keruing* (*Dipterocarpus sp.*). The potential timber stand, with a minimum diameter of 40 cm (40 cm and above) was 112.62 M3/ha, for 50 cm and above it was 84.8 M3/ha, and for 60 cm and above it was 62.35 M3/ha. In the company’s documents it is stated that “the potential of [such] timber species that may be cut (excluding protected timber) with diameters 40 cm and above, 50 cm and above, and 60 cm and above, were 108.23 M3/ha (39.77 ph/ha), 83.86 M3/ha (22.78 ph/ha) and 62.35 M3/ha (13.45 ph/ha) respectively” (Table 6.16) (RKPHS, SLJ V 1999).

Table 6.16. Diameter-based Timber Potentials in the SLJ V Concession Areas

No	Timber Stand (diameter)	Timber Potential (M3/ha)	Timber Potential that may be cut (M3/ha)
1.	40 cm and above	112.62	108.23
2.	50 cm and above	84.8	83.86
3.	60 cm and above	62.35	62.35

Source: SLJ V (1999).

In implementing the TPTI system (Indonesian Selective Cutting and Planting System), however, the company stated that only timber with a minimum diameter of 50 cm (50 cm and above) and 60 cm (60 cm and above) would be cut in the limited production forest and production forest respectively (excluding protected timber) (SLJ V, RKPHS 1998). As SLJ V has just begun to exploit the LBU forest area (since 1998), the rights over these trees have not yet been fully exercised by this company.

As LBU people were of the same ethnic group as that of Matalibaq, LBU people also had a system of indigenous rights over trees based on prior claims or finder’s rights (*nyang*) and land ownership. In dealing with outsiders, the rights over trees were held by all community members (communal rights). Thus, all members of the LBU *masyarakat adat* held the rights over the trees in the claimed *tanah adat*. With this logic, it was not surprising therefore that the LBU elites

(Team 3, Team 9 and the Adat Leader) demanded cash compensation for the loss of many kinds of forest products such as timber, rattans, resins, *gaharu* (*Aquilaria malaccensis* LAMK), *nangkaang*, *malau*, *sengauk*, *liseq*, *daun biru* and the like, due to SLJ V's exploitation activities.⁷⁷ Thus, the institutions that existed in *tanah adat* concerning rights over trees potentially undermined the company's use of state institutions for managing forestland and forest products. In fact, indigenous rights over trees were used as justification for part of the Rp 3 billion cash compensation demand, as mentioned above (*Perincian Tuntutan Adat*, 28 Dec 1999).

The explanations above show that what was mobilised by the Long Bagun Ulu elites in regard to *tanah adat* were the institutions that exist in *tanah adat*. After observing the entire process of the *tanah adat* movement, research findings suggest that in order to undermine SLJ V's arguments, the LBU people focused most on land rights and, to a great extent, rights over trees. Their use of the indigenous land classification system was not as systematic as that of Matalibaq. This can be seen from the fact that LBU people did not have a "sophisticated" map mentioning where their *tanah peraaq*, *tanah berahan*, and *lepuun* were located. The LBU people also did not know the total size of their *tanah adat* (Ayang Bayo, Anyeq Lahai, Muslimin, March 2002). They only possessed a sketch map, drawn from the HPH companies' maps (SLJ V, PT Surapati) and nature signs (Muslimin, March 2002) (see map, Appendix 13). However, if one asks about the location of their *tanah peraaq*, *tanah berahan*, *tanah tuan*, *tanah kaso*, *tanah lumaq* etc, Ayang Bayo (the Adat Leader), Anyeq Lahai (the Vice Adat Leader), the current and former members of *Kuasa Adat*, and the older generations will promptly point their fingers in certain directions. This meant that indigenous institutions governing the *tanah adat* do still exist, although they are not as strictly practiced in contemporary LBU.

The use of indigenous institutions to "attack" state institutions shows that there existed an institutional gap in forest resource management: the gap between state institutions (e.g. state land institutions) and indigenous institutions (e.g. adat land institutions). The gap has existed since the introduction of HPH-based timber exploitation (1960s), as the state institutions imposed on LBU have been placed in diametrical opposition to the existing indigenous institutions. The "arrival" of the *reformasi* era inspired the local community to attempt to negotiate a bridge over this gap. As the increasingly powerful adat community was ignored by the company, they had no choice but to destroy the gap by attempting the eviction of SLJ V from the LBU adat land.

⁷⁷ Ayang Bayau, *Perincian Tuntutan Adat*, 28 Dec 1999; Anyeq Lahai, Ayang Bayo, 07 Nov 2000; Anyek Lahai, Ayang Bayau, Tufak, 14 Nov 2000; Mikail, *Penyampaian Jeritan Hati Masyarakat Rimba*, 26 May 2001.

D. Conflict Outcomes and the Recent Situation

D.1. Conflict Outcomes

Of all the compensation demands, the total cash that has been received by the LBU adat community was Rp 479,574,950 (see Table 6.17). If such total cash compensation was allocated to 180 households (Usman, 20 March 2002) equally, every family would have been expected to get a share of about Rp 2,664,305, which was quite small compared to that received in Matalibaq (cf. Chapter 5). However, as cash distribution was unequal and based on ethnic background (Groups A, B, and C) and as the “fate” of a considerable amount of the total cash amount was not known (gone), most households received less than that amount. In spite of this, in a community where some of its members had left their occupation as shifting cultivators and where some did not have regular jobs, a cash distribution of such an amount had a considerable impact during the economic crisis. This also showed—particularly for the participants in the collective actions—the economic benefits of staging certain actions.

Table 6.17. Economic Gains and the Resolution of Other Demands in the LBU Conflict

No	Demands	Cash Payment (Rp)	Date of Payment	Remarks
1.	Initial demands	400,000,000	a. 09.03.2000 b. 01.04.2000 c. 01.05.2000	Fee compensation for 1 April 1998- 31 March 2000 period.
2.	Harassment of adat (part of the initial demands)	5,000,000	23.12.2000	Second payment
3.	Fee compensation (included in the initial demands)	74,574,950	17.03.2001*	Fee compensation for 1 April 2000-31 December 2000 period.
	Total cash (all households)	479,574,950		
	Total cash (per household)	2,664,305		
The resolution of other demands (mostly becoming the Company's PMDH projects)				
1.	Compensation through <i>pola kemitraan</i>	425,000,000 (agreement)	-	Not realised yet
2.	Improvement of the village road, 500 m	-	-	Realised in 2000/2001
3.	Fresh water project	-	-	Realised in 2002
4.	Compound extension	-	-	Not realised yet
5.	Village hall rehabilitation (the remaining 10% of the work).	-	-	Not realised yet
6.	Three classrooms	-	-	Not realised yet
7.	Customary village office	-	-	Not realised yet

*Date of agreement between SLJ V & LBU (*Berita Acara Kesepakatan*, 17 March 2001).

With respect to their non-cash demands, the Long Bagun Ulu people did not demand a formal recognition of their indigenous rights such as an adat land certificate or the recovery of their “sovereignty” (*pemulihan kedaulatan*) over their adat land (cf. the Matalibaq case in Chapter 5). They preferred to gain improved

infrastructure for their village. This option of infrastructure establishment as a form of compensation was proposed by the district parliamentarians. Out of six non-cash demands (for infrastructure improvements), two have been fulfilled, that is, the grading of the village road and the fresh water project. In the former project, the roads connecting three villages—Long Bagun Ulu, Long Bagun Tengah, and Long Bagun Ilir—have been graded. In the fresh water project, one concrete water storage tank supplying numerous fibre water tanks (1,000 litres/tank) was established, including Long Bagun Tengah and Long Bagun Ilir as well as Long Bagun Ulu. Thus, two other villages benefited from the LBU-SLJ V conflict.

D.2. The Recent Situation

Up to the time of my last visit (October 2002), the conflict between LBU-SLJ V had not yet been fully settled. The company had agreed to pay compensation amounting to Rp 425 million as well as sponsor six physical projects. Based on the Team 9-SLJ V negotiations, this cash compensation would be paid in the form of *pola kemitraan* (cooperation projects), which were merely timber logging projects in certain forest blocks (see the blocks in Appendix 12). Of the six physical projects promised by the company, four projects were not realised yet, that is, the establishment of three classrooms, the extension of village's main settlement, the establishment of an adat office (the office of the Adat Leader), and the finishing of 10% of the remaining work on construction of the adat hall. Team 9 continued to negotiate for a quick realisation of these projects, particularly the extension of the village's main settlement.

However, due to several developments, the conflict had been put on hold at that time. One development was the restructuring of PT Sumalindo Lestari Jaya Tbk (SLJG) due to financial problems (*Kaltim Post*, 3 June 2002). Since mid-August 2002, Hasko Group (Hasan Sunarko Group) through PT Sumber Graha Sejahtera had bought 74.56 percent of PT Sumalindo's stocks from Astra International at a value of Rp 14 billion. The purchase of these stocks was regarded as benefiting Hasko Group since the annual turnover of PT Sumalindo in 2001 had reached Rp 1,6 trillion (on average its annual turnover was Rp 1 trillion) (*Tempo*, 13 October 2002).⁷⁸ Under the new management, many key staff of PT Sumalindo were replaced or forced to resign. Those who disagreed with the replacements took "pensions" with compensation (Edi Sudiono, personal communication, May 2002). These changes in staff changed the people who had been handling the LBU conflict. Up to October 2002, the local elites (Team 9) were still awaiting further notification from the company (Muslimin, October 2002).

⁷⁸ Hasko Group's timber businesses span from Jambi (Sumatra), to Basirih (Banjarmasin, South Kalimantan), to Sulawesi. To support its timber industry, Hasko Group has a plywood factory with a total capacity of 700,000 M3/year, about 8% of national plywood production. To run its business, Hasko Group has arranged joint ventures with Kartika Eka Paksi Foundation, a military business foundation (*Tempo*, 13 October 2002).

The second development was a rise in uncertainty over sub-district leadership when the *Camat* (sub-district head) faced an “administrative case” and was quite often “out of town.”⁷⁹ This affected the LBU-SLJ V negotiations since the West Kutai District government normally would assign the *Camat* to mediate the conflict. The company therefore suggested that negotiations be halted until the *Camat* became available, hopefully a new *Camat* (Muslimin, October 2002). This shows that LBU people still relied on government bureaucracy to solve these problems.

E. Conclusion

The forest conflict in Long Bagun Ulu (LBU) involved the LBU Dayaknese and the logging company of PT Sumalindo Lestari Jaya V (SLJ V), a subsidiary or company unit of PT. Sumalindo Lestari Jaya (Group). Prior to the arrival of SLJ V, other subsidiaries of SLJG had been active in the LBU area. Although active conflict did not exist during the time of these previous companies (prior to 1998), tensions between the LBU people and the companies had been observed. It was only at the arrival of SLJ V in 1998 that the conflict become active, particularly after Soeharto’s fall. Based on the periods of the conflict, namely, the conflict during the New Order regime (pre-May 1998), during Indonesia’s early stage of democratisation or democratic transition (May 1998-July 2001), and during Indonesia’s stage of democratic consolidation (post-July 2001), the forest conflict in Long Bagun Ulu during the New Order regime (1980s-May 1998) was a latent conflict. During this period (the New Order regime), the conflict had not yet surfaced; and the LBU people’s grievances were kept silent. During the period of Indonesia’s early stage of democratisation the conflict greatly intensified. This was indicated by the staging of collective actions and the imposition of ultimatums by the LBU people to SLJ V. At the present phase of Indonesia’s democratic consolidation, the conflict has calmed down but still exists.

The intensifying forest conflict during Indonesia’s early stage of democratisation (1998-2001) was affected by regime change and democratisation at the national level. Regime change or democratisation contributed to the breakdown of the New Order’s repressive institutions. This in turn caused a change in the village’s political structure or political environment. While the risks (security risks, bureaucratic risks, and village risks) of staging collective actions and imposing ultimatums against the forest company were high during the New

⁷⁹ The *Camat* faced embezzlement charges over loss of funds from the 2001 sub-district budget that had been planned for village heads and adat leaders across the Long Bagun sub-district (Rp 21 million) and for the purchase of a small boat (*ketinting*) (*Kaltim Post*, 26 August 2002). In September 2002, the *Camat* promised to return the “lost” funds (*Kaltim Post*, 8 September 2002). Among the LBU people, particularly the LBU elites, the existing *Camat* of Long Bagun was called “*Camat Samarinda*,” as he was quite often gone to Samarinda (the capital of East Kalimantan). These two issues were behind the pressure for the replacement of the existing *Camat* by a new candidate.

Order era, during the post-New Order era (*reformasi* era) the risks became much lower. This provided an opportunity for local people to express their concerns and to act against SLJ V. This was a critical element in the rise of people's actions against the forest company, which contributed to the intensifying forest conflict during this period.

It is clear that the conflict was driven by strong motives. In fact, conflict motives were the driving forces behind the LBU forest conflict. During the New Order era, the grievance motive characterised the tension between LBU people and SLJ V, while the economic motive was not observed. During the post-New Order era, the economic motive was strongly expressed and even played a critical role during the course of conflict development in this period. In the meantime, the grievance motive was also strongly expressed against SLJ V soon after the collapse of the Soeharto's regime. Although the LBU elites played crucial roles in expressing the grievance and economic motives, the masses also shared the elites' grievance and economic motives. This can be derived from the submission of demands that were discussed, debated, and decided at adat meetings. Thus, the conflict motives, particularly the economic motive, were not only the motives of the elites but also the motives of the masses. The expression of the economic motive was because the community felt entitled to cash compensation (economic motive) due to the destruction of their *tanah adat* (grievance motive). Therefore, the economic motive was legitimised by the grievance motive.

The presence of the conflict motives in themselves would not yield an intensifying forest conflict. This required action. At this point, the role of the elites in resource mobilisation was critical in transforming these motives into action. Research findings suggest that indigenous resources were mobilised to realise the local people's interests or motives. Although during the New Order era, indigenous resource mobilisation was not observed, during the post-New Order era, indigenous resources—the *masyarakat adat* (adat community), *adat* (indigenous rules, customary law), and the *tanah adat* (adat land) institution—were highly mobilised by the village elites (the bureaucratic elite, the adat elite, and the “socio-political” elite), either as individuals (Village Secretary, Adat Leader, etc) or as members of Village Teams (Team 3 and 9). The mobilisation of these resources hampered the forest company in dealing with the LBU people. One significant impact was that SLJ V stopped its exploitation activities for about one month. Although NGO members as an external elite supported and encouraged the local elites to use their indigenous resources as well as to “attack” the forest company (SLJ V), on the whole the NGO members did not play a significant role. This was mainly due to the late arrival and short period of involvement of the NGO in the conflict.

By 2001, the company had agreed to pay all of the people's demands, namely, one cash demand (Rp 425 million) to be paid by conducting a cooperation project and six non-cash demands (infrastructure projects). This has calmed down the LBU-SLJ V conflict. However, as only two infrastructure projects have been realised, the conflict is not fully settled yet. The existence of an internal dispute

(among LBU people) concerning the form of such cash payment (i.e. cooperation project), as well as the intention of the locals to realise the remaining infrastructure projects immediately even though the company currently faces financial problems could protract the existing conflict.

Chapter 7

Comparison and Conclusion

This last chapter is divided into two main parts. The first part compares the key findings of the study cases of Matalibaq and Long Bagun Ulu (Chapter 5 and 6 respectively), with the focus on conflict development, political risks to act, conflict motives, indigenous resource mobilisation, and public goods achievement in the conflict. The second part will offer a conclusion of the entire work of this study as well as a classification of the underlying issues found in the rise of the forest conflict phenomenon. This study refrains from trying to offer pragmatic remedies due to the complexity of the problems. Rather, it focuses on a strategic key entry point to deal with forest conflicts that has not received much attention by researchers. I argue this key entry point can also be used as an underpinning for the consolidation of the newly born Indonesian democracy at the local level, which has been much neglected by the Indonesian government and politicians.

A. Forest Conflict Development under Differing Regimes: Intensifying Forest Conflicts during Indonesia's Early Stage of Democratisation

Forest conflicts in Matalibaq and Long Bagun Ulu show up certain characteristics that contribute to the persistence of differences “in the road” to forest conflicts. Despite some differences, both have many similarities regarding the phenomenon of the rise or of intensifying forest conflicts during Indonesia's early stage of democratisation.

In the Matalibaq forest conflict, the conflict had not been observed until early 1990s, although forest companies had been logging Matalibaq timber since the 1970s. The arrival of PT Limbang Praja in Matalibaq in the 1970s did not stir up unrests of the local people. On the contrary, local people even went hand in hand with PT Limbang Praja to log virgin forests of Matalibaq during *Banjir Kap* Part I. Economic opportunities offered to local people due to the change in forest policies were the main cause. It was in the second arrival of PT Limbang Praja along with PT Anangga Pundinusa (APN) in early 1992 to which the Matalibaq people responded differently. There were two underlying causes for this change of reaction. First, the massive forest exploitation along the Bengelh and Meritiq Rivers of Matalibaq as part of the establishment of an industrial timber estate (HTI) project. In these forest areas, the company not only extracted the timber stands but also cleared the forestlands. Second, the incorporation of the transmigration program into the HTI project (HTI-Trans). The establishment of two transmigration settlements that later became two villages—SP I (Tri Pariq Makmur) and SP II (Wana Pariq)—resulted in more forestlands to be cleared. These projects related to forest cuttings/clearings raised concerns among local

people; they felt threatened due to the loss of livelihood sources and of the valuable forests which constituted a fundamental part of their life and culture. However, their concerns were not expressed explicitly in the form of “behaviour” yet. Thus, in early 1992, the conflict had been discerned but it had not surfaced yet (latent conflict).

In May 1992, the local people then formally submitted 14 demands to the forest company composed of cash and non-cash compensation demands. Therefore, the conflict transformed from a latent conflict to an emerging conflict. The continuation of the companies’ activities in post-May 1992 provoked direct challenges by the people and the conflict became manifest. The arrival of transmigrants in 1993-1994 without the local people’s consent and the arrangements of conflict resolution mechanisms between both parties (meetings, negotiations, etc) until May 1998 without satisfying results for the local people further strengthened the nature forest conflict during 1992-1998. However, during this New Order era, the plans to stage unilateral action against the forest companies had been far from people’s minds.

In Long Bagun Ulu (LBU), the existence of the forest conflict during the New Order era was associated with the companies’ successive arrivals. The arrival of PT Sumalindo Lestari Jaya V (SLJ V) in LBU was inseparable from the presence and activities of PT Sumalindo Lestari Jaya (SLJ, 1980s) and PT Sumalindo Lestari Jaya II (SLJ II, 1990s). SLJ was followed by SLJII, and SLJ V was established to exploit a reserved concession area (*cadangan areal*) of SLJ II. Although SLJ V was granted a forest concession license in April 1998, SLJ V had prepared its logging activities (e.g. environmental impact assessment, forest inventory) at least as early as 1997. During the period of the 1980s - May 1998 (the New Order era), there had been no open/manifest conflict between the LBU people and the forest companies (SLJ, SLJ II, and SLJ V). Instead, the existing forest conflict remained at a latent stage. This manifested itself in the persistent discontent of the people during this period, which was not expressed directly before the companies, though. Key informants maintained that due to the construction of logging roads or forest corridors, villagers’ *ladangs* (shifting cultivation areas) and gardens had been destroyed, and villagers’ sources of livelihood and hunting grounds had been occupied (Ayang Bayo, Anyeq Lahai, Hipui Hung, Usman, March 2003). With the arrival of SLJ V in particular, the local elite expressed its discontent by accusing the company of carrying out its activities without notification to (all) villagers (Anyeq Lahai, 21 March 2002). Thus, tensions between the LBU people and the forest companies were inevitable. The tensions became obvious as research findings suggested that the relations between both parties during this period were characterised by a rather hostile climate. The base camp manager of SLJ V, for instance, explicated that the parties acted like enemies during the New Order era (B. Sugiarto, 26 March 2002).

Comparing both cases during the New Order era, it can be said that the forest conflict in Matalibaq was mainly characterised by a manifest conflict while the forest conflict in Long Bagun Ulu was characterised by a latent conflict. In

both study cases, there was no unilateral action staged by local people against the respective forest companies.

A significant development of the forest conflicts in the field sites was observed immediately after the collapse of the New Order authoritarian regime. During the period of Indonesia's early stage of democratisation (May 1998 - July 2001), the forest conflicts in Matalibaq and LBU rapidly intensified. The increasing intensity of conflicts resulted in the staging of collective action and the imposition of ultimatums by villagers to advance their concerns and interests. In the Matalibaq forest conflict, the manifest conflict during 1992-1998 began to intensify in November/December 1998 when local people staged collective action against the forest companies in the Headquarters of PT. Barito Pacific Timber Group (BPTG) in Samarinda. Later, collective action was carried out on two occasions in the log yard/base camp of PT. Tunggal Yudi Sawmill Plywood (TYSP) in Laham and on another occasion in the Pariq River "Moral Movement" Bridge, in the jungle of Matalibaq. The collective action staged in these strategic places intensified the conflict, as the local people threatened to "occupy" the heart of the company and hampered the companies' operations in the fields.

In Long Bagun Ulu, a similar phenomenon was observed. The LBU people also staged successive collective action against a forest company (SLJ V) during the post-New Order regime. Prior to staging collective action, however, a transformation of the conflict had occurred, a transformation from latent conflict to emerging and manifest conflict. The emerging conflict was observed in April-July 1999 when the local elite met company's staff and submitted claims on *tanah adat* (adat land), with a distance of 5 km from the edges of the riverbanks inland. In December 1999, the emerging conflict turned into a manifest conflict after the company arranged conflict resolution mechanisms in response to local people's demand for cash compensation. As local people remained dissatisfied with the fulfilment of their demands, collective action was staged on three occasions in the log yard/base camp of SLJ V, at the opposite of the village's main settlement. During the collective action, the tensions increased as local people occupied the company's base camp, stopped the company's operation, seized heavy equipment, timber pontoons, and the like.

Aside from collective action, the local people in both villages also imposed ultimatums to the respective forest companies to leave their village areas. In the Matalibaq forest conflict, the locals imposed two ultimatums to PT Anangga Pundinusa (APN). The first written ultimatum was imposed on 30 November 1998 which suggested to the APN to leave the Matalibaq adat land on 15 December 1999 in case the company would not fulfill 14 demands, and pay Rp 5 billion cash compensation for timber theft case as well as Rp 914 million for forest fire case. The second ultimatum was issued on 17 December 1998 with a similar wording, however containing a possible extension to 7 January 1999. The imposition of these ultimatums threatened the existence of the company in Matalibaq, and therefore, increased tensions were unavoidable.

In the Long Bagun Ulu forest conflict, the LBU people also imposed two ultimatums. The first ultimatum was issued on 14 November 2000 by stating that if

the company did not fulfil a cash compensation in the amount of Rp 2.6 billion, SLJ V should retreat from the area or be closed down. The second ultimatum was raised on 26 May 2001 by threatening that unless the company fulfilled the demand, SLJ V should leave the Long Bagun Ulu adat land while all company assets should be left. Although no deadline was mentioned and the wording of the ultimatums were softer compared to those of Matalibaq, it showed the increased anger of the people against SLJ V.

By examining the nature of forest conflicts in both study cases, the forest conflict in Matalibaq was tougher than that of LBU. There are two explanations for this. First, a longer resistance of Matalibaq people against the forest company could be observed compared to that of the LBU people. While Matalibaq's resistance had arisen as early as 1992, in LBU the resistance only emerged in 1999. Second, the company's activities in Matalibaq were more threatening to local people compared to that of LBU. As an industrial timber estate (HTI) company, APN was granted the rights to log the remaining timber stands in the secondary forest of Matalibaq as well as to carry out land clearing activities before a planned working area was planted with fast-growing timber species. In contrast, the logging (HPH) company SLJ V was only given the rights to log timber trees with a minimum diameter of 50 cm, so that timber cuttings did not entail land clearing. Thus, as the nature of the companies' activities differed, the forest exploitation activities of APN (particularly land clearing) provided more severe threats to the livelihood sources and the lives of the Matalibaq people. This fact caused the Matalibaq people to take a tougher and uncompromising stance against the forest company.

Forest conflicts had existed both in Matalibaq and LBU during the New Order era. The difference was that while the forest conflict in Matalibaq had reached the phase of a manifest conflict during this period, the forest conflict in LBU only reached the level of a latent conflict. The conflicts later intensified during the post-New Order era, particularly in the period of Indonesia's early stage of democratisation. The manifest forest conflict in Matalibaq intensified due to the staging of collective action and the imposition of ultimatums against the residing forest company. In LBU, the latent forest conflict transformed into an emerging and manifest forest conflict during post-New Order era. Later, the manifest forest conflict in LBU also intensified due to the people's collective action and the imposition of ultimatums.

B. A Changing Political Framework: Institutional Breakdown and Decreased Political Risks

The rising forest conflicts in Indonesia and East Kalimantan in recent years were inseparably intertwined with the abrupt regime change. The increasing intensity of the forest conflicts in the study cases of Matalibaq and Long Bagun Ulu (LBU) was also associated with this change.

The fall of Soeharto's New Order regime affected the New Order's authoritarian political institutions. The most affected ones were political institutions related to conflict management or anti-conflict machines of the New Order regime, namely the repressive security institution, the repressive bureaucratic institution, and the mass depoliticisation institution (floating mass)—that used to be effective in preventing the potential conflicts from arising or in suppressing existing conflicts. The downfall of Soeharto's regime caused the breakdown of these repressive political institutions.

The collapse of the New Order regime and the subsequent breakdown of the repressive political institutions had a profound effect on Indonesia's political environment and political situation. It evoked euphoria of *reformasi* (reformation) among Indonesian people across the country. In people's views, *reformasi* was associated with freedom, and the "arrival" of the *reformasi* era has been regarded as the "arrival" of greater freedoms—freedom to speak, freedom from fear, freedom to express their concerns and demands, and freedom to act. The most obvious evidence concerning the acquirement of greater freedoms was the change of voting behaviour among Indonesian people both at national and local levels. Similar to what happened in national politics, local people in both Matalibaq and LBU changed their political preferences. In Matalibaq, Golkar won 92% of the votes in the 1982 election (New Order era), but in the 1999 election its total votes plunged to 11% of the total votes (*reformasi* era). Golkar's heavy loss was grabbed by the Indonesian Democratic Party of Struggle (PDI-P) (originated from the Indonesian Democratic Party, PDI). While PDI won only 6% in the 1982 election, PDI-P's votes rocketed to 82% in the 1999 election. In Long Bagun Ulu, Golkar's votes decreased from 95% of the total votes in the 1982 election to 26% in the 1999 election. Whereas the PDI gained only 2% of the votes in the 1982 election, they received 56% of the votes of the electorate in 1999. Thus, in both villages a change in voting behaviour had occurred, from supporting the New Order's authoritarian force (Golkar) to a *reformasi* force (PDIP). This voting behavior would have been unthinkable without the attainment of greater freedoms. The significance of the attainment of greater freedoms in relation to the forest conflicts during the post-New Order regime was that local people were becoming braver to challenge their "enemies" or perceived "enemies" (i.e. forest companies), which was greatly associated with, among other things, freedom from fear and freedom to act.

In the meantime, the breakdown of repressive anti-conflict mechanisms without the presence of new viable political institutions during democratic transition resulted in a situation of lawlessness as well as a kind of institutional vacuum. This critical political situation provided political opportunities for the repressed and *reformasi*-minded masses across Indonesia—including Matalibaq and LBU—to act. As rational human beings, however, individuals would rationally differentiate regarding political risks to advance such opportunities (opportunity risks) between those during the authoritarian regime and those during the democratic regime. The political risks could take the form of apprehension, detention, physical threats, and other repressive means imposed by the state

apparatus. This calculation was mostly applied by the masses before they staged actions. This did not only occur in political issues but also in natural resource issues, such as the forest conflicts.

In the Matalibaq and LBU forest conflicts, such calculation was applied by local people, particularly by those who identified themselves as a *masyarakat adat* (adat community). They compared the risks of action during the New Order era with that of the post-New Order era. They calculated individual and communal risks, as during the New Order era the risks would not only bear individually (such as interrogation, detention, difficulties in acquiring government documents, accusation as inciters, etc) but also communally (accused as “rebel” village, difficulties in acquiring village development funds and projects, etc). The findings in both study cases suggested that the risks to take action during regime change was perceived lower compared to that during the New Order era.

Risk perception was examined in three areas, namely, security risks, bureaucracy risks, and village risks relating to the floating mass policy. As far as the security risks were concerned, the abandonment of the dual function doctrine (*dwifungsi*) and the security approach mechanisms (*pendekatan keamanan*) prevented the military of using force to handle the local people, although the military as organisation (Military Command) in the field sites did not change. The local people believed that the military would not dare to act arbitrarily during the *reformasi* era. In the people’s perception, this meant that the staging of collective political action less risky compared to the era of New Order. This perceived decrease of risks in staging collective action was supported by qualitative and quantitative data. In the case of the Matalibaq conflict, 92% of 50 Matalibaq respondents said that security risks—apprehension, detention, intimidation, etc—during the New Order era were high while during the *reformasi* era 96% of them regarded them as low. In the case of the LBU conflict, 88% of 65 respondents said that the security risks were high during the New Order regime, while 86% perceived them as low when Soeharto’s regime collapsed. This means that the majority of the respondents perceived that there was a high decrease of security risks in staging collective during the *reformasi* era compared to that of the New Order era.

In regard to bureaucracy risks, the breakdown of *Monoloyalitas* (monoloyalty) and *Golkarisation* institutions had created a new phenomenon: the bureaucracy could no longer control civil servants, village elites, and local villagers by means of administrative arrangements such as administrative sanctions. This meant that the bureaucracy risks during the post-New Order regime were lower compared to those of the New Order regime. In Matalibaq, 82% of the aforementioned Matalibaq respondents said that bureaucracy-related risks were high during the New Order era and 86% of them said they were low during the *reformasi* era. Among the aforementioned Long Bagun Ulu respondents, 63% of them said the risks were high during the New Order regime and 63% of them regarded them as low during the post-New Order regime. Despite a considerable number of respondents in Long Bagun Ulu maintaining that the risks were the same (medium risks), the majority of Long Bagun Ulu respondents perceived that

the “arrival” of the *reformasi* movement provided fewer risks to act.

The risks mentioned above (security and bureaucratic risks) have a close link with the risks relating the implementation of the mass depoliticisation policy “floating mass” (*massa mengambang*). As the above risks were mostly personal risks, the investigation on floating mass-related risks focused on the villages’ risks as a whole (communal risks). This stemmed from the fact that the floating mass policy was intended to direct people’s activities or energies towards development programs favoured by Golkar. Floating mass-related risks included risks in obtaining funds of development programs, general financial assistance, the branding of “rebel” or “stubborn” villages (that will be followed by some consequences, such as the government’s negligence), and the like. In Matalibaq, 82% of the respondents said that the risks that would be born by their village were high during the New Order era. This was in contrast to their perception during the *reformasi* era of which 90% of the respondents said that the risks were low. In the LBU case, 60% of the total respondents said that the risks were high during the New Order era and 60% said low during the *reformasi* era. One main explanation for the persistence of a considerable proportion of LBU respondents (about 40%) who believed the risks were the same (medium risks) was due to the persistence of considerable support for Golkar. Those who still support Golkar would think that nothing would change concerning the village risks. Albeit such risk perception in LBU, a similar phenomenon to that of Matalibaq was found in LBU, in that the majority of the respondents there was a contrast regarding village-related risks between the *reformasi* era and the New Order era.

It was understandable therefore that successive collective action was staged by the adat communities of Matalibaq and LBU against the forest companies. The decrease of risks also meant that local villagers in both villages, and their elites in particular, were no longer scared of imposing ultimatums to the forest companies to leave their respective adat land (*tanah adat*). All of these actions never occurred during the New Order era.

Thus, the change of political environment due to the institutional breakdown provided political opportunities for the local people to act. The lower risks perceived by Matalibaq and LBU people to advance such opportunities (opportunity risks) during the *reformasi* era were a crucial element in the phenomenon of the intensifying forest conflicts in these villages, as the lower risks made local people no longer scared to act against PT Anangga Pundinusa (in the Matalibaq case) and PT Sumalindo Lestari Jaya V (in the LBU case).

C. Conflict Motives: Intense Grievance and Economic Gain-Seeking Motives

The analysis of institutional breakdown that contributed to the decrease of risks in staging collective action and imposing ultimatums against the forest companies provides an important explanation for the rise or increase in intensity of the forest conflict phenomenon in both field sites. However, without the persistence of motives it was impossible for the local people to undertake

successive, well-prepared, and well-organised collective action. In fact, the people's motives in the conflict were the driving forces of the forest conflicts in Matalibaq and Long Bagun Ulu. The crucial motives observed in this respect were the grievance motive and the economic gain-seeking motive.

As far as the grievance motive is concerned, differences were found between the cases of Matalibaq and Long Bagun Ulu (LBU). In the Matalibaq forest conflict, mainly three grievances were expressed by the Matalibaq people against the forest company during the New Order era, that is, grievances relating to the exploitation of *tanah adat* (adat/customary land), to the transmigration program, and to the company's behaviour. In the LBU conflict, however, grievances of the LBU people were observed in two issues, namely grievances relating to the exploitation of *tanah adat* and to the company's behaviour. These differing grievances were due to differing types of the forest companies, and therefore, the differing types of the companies' activities. Another underlying difference between Matalibaq and LBU grievances existed concerning the expression of grievance. While the Matalibaq grievances were explicitly expressed during the New Order era, the LBU grievances were kept silent during this period.

In regard to the economic motive in the conflict, the persistence of this motive during the New Order era can be traced from the people's economic expression or economically motivated behaviour of local people during the conflict process. In the Matalibaq forest conflict, the submission of cash compensation demands constituted an evident economic motive. In the initial compensation demand, the locals submitted 14 demands. Although not all of these demands were cash-oriented, the presence of considerable cash compensation demands showed that the conflicts were economically motivated and were accompanied by economic gain-seeking motives, such as the compensation of Rp 100/M3 for any timbers extracted by the company, the compensation of Rp 10,000/ha for any land used for HTI plantations, and the compensation of Rp 5,000 for every house built for transmigrants. In the ensuing demands, economic motive was solidly shaped. For instance, in 1996/1997, the Matalibaq people submitted an additional compensation demand totalling Rp 5 billion (timber theft case), and in early 1998 they submitted further compensation demands amounting to Rp 944 million (forest fire case).

In LBU, an economic motive or an economic-gain seeking motive was not observed during the New Order era. This was merely due to a differing nature of the forest conflict in this village compared to that of Matalibaq, since the LBU people had not explicitly expressed their concerns (latent conflict). This did not necessarily mean that economic motives were totally absent in the latent conflict because the economic aspect played an important role in people's lives. The destruction of rattan gardens or shifting cultivation areas by the company often meant the destruction of economic (income) sources for the local people.

During the *reformasi* era, an intensification of the grievance and economic motives was observed. A stronger expression of the grievance and economic motives during this period was implicated by two underlying developments. The first one was due to the numerous opportunities to succeed in achieving collective

goals. Due to the vulnerable position of the rich forest tycoons connected to Soeharto during the *reformasi* era (Prajogo Pangestu of APN and William Soerjadaja of SLJ V), the opportunities to seek justice and cash compensation were higher. This stimulated the local people to submit more and more cash compensation demands. The second one was due to the company's resistance in responding to the people's demands. The unwillingness of the companies to meet the people's demands disappointed the local people, and the companies' continuing resistance provoked more anger in the villages of Matalibaq and LBU. It was true that during the New Order era an unwillingness of the company to meet people's demands was observed. However, the increasingly powerful *masyarakat adat* during the post-New Order era made the locals more aggressive and easily "frustrated" if the company did not fulfill the demands.

In the Matalibaq case, the development of the people's grievances can be assessed by comparing the baseline grievance (grievance during the New order era) and the rise or intensification of grievance during the post-New Order era. Undoubtedly the baseline grievance during the New Order era was maintained by the Matalibaq people during the post-New Order era. The 14 demands and demands related to timber theft and forest fire issues were cases in point. As this baseline grievance was not alleviated by the forest companies during the New Order era, the local people realised that they were neglected by these companies for a long period of time. As until the "arrival" of the *reformasi* era the company did not provide a satisfactory solution while continuing its exploitation activities in the Matalibaq forestlands, the people's anger increased accordingly. The increase of this anger became apparent with the declaration of Adat Oath on 17 November 1998, when the local people swore to defend their adat land inherited from their ancestors until the last drop of their blood for the sake of their generations (Matalibaq's Press Release, 6 January 1999). By comparing the timing of the Adat Oath declaration (1998) to that of the companies' arrival (1992), it becomes clear that this declaration was an expression of a serious grievance as well as an increasing grievance of the Matalibaq people against the forest company (APN) concerning the issues of *tanah adat* exploitation, the transmigration program, and the company's behaviour in Matalibaq. APN's ambitious plan to clear around 20,000 hectares of the forestland for HTI plantations, transmigrants' agricultural areas, infrastructure, supporting facilities, and the like, caused them to react after undertaking a series of efforts (e.g. negotiations) without a significant outcome. The increase of grievance in Matalibaq can also be explained by the people's disappointment regarding the company's unwillingness to hand over the logs, and the continuation of the company's logging activities.

In LBU, a similar development pattern was observed concerning the people's grievances. The intensification of the grievance motive was observed as well as a change in its expression. As mentioned earlier, the LBU people formally submitted compensation demands to the forest company in December 1999. By submitting these demands the local people provided written rationales. In regard to the exploitation of adat land, the local people explicitly expressed their grievance by mentioning the arbitrary exploitation of adat land by SLJ V. The company was

accused of destroying their adat land and thus also destroying livelihood sources and other valuable forest resources. People's complaints concerning the forest cuttings at the LBU waterfalls were also in case. In regard to the company's behaviour, the people's grievances were also expressed explicitly to the company (SLJ V). The first one was related to the adat harassment issue, by which SLJ V was accused of exercising adat harassment against LBU people. Although the type of adat harassment was not clearly mentioned in the paper, research findings suggest that it was related to the company's alleged ignorance to people's adat law regarding natural resource management and the company's ignorance towards indigenous rules. The second one was related to the company's alleged ignorance in providing a contribution to the village in the form of village development projects (*HPH Bina Desa*), as the company only assisted the neighbouring villages of Batu Majang and Long Bagun Ilir prior to the conflict. SLJ V was accused of only taking timber without providing an adequate contribution to the village. Other grievances included SLJ V's policy regarding employment issues, company's strategies in handling the conflict, etc.

With regard to the development of the economic motives in both study cases, similar means of assessment can be applied, that is, by examining the development of the baseline economic motive. In Matalibaq, the baseline economic motive was the cash compensation claim of 14 demands, the Rp 5 billion demand relating to the timber theft case, and the Rp 944 million demand relating to the forest fire case. The development of this baseline economic gain-seeking motive was observed in two issues: the "dynamics" of the existing demands (baseline demand) and the submission of new demands. Concerning the "dynamics" of the existing demand, the non-cash demands had been converted to cash demands. While the demand for certificates of *tanah adat* (adat land) is debatable, the demand on the provision of logs clearly captured this issue. With a view to the demand of such a certificate, it had been converted to a cash demand amounting Rp 24,100,000. This conversion was planned for certificate arrangement costs, but its outcome is not known yet. Instead of the demand of 10 M3 timbers per household, local people later preferred to get cash. The company subsequently paid Rp 913,500,000. Concerning the submission of new demands, there were some new cash compensation demands put forward by the Matalibaq people, such as the capital for village cooperatives, scholarships, and moral costs. Among these, cash compensation for moral costs relating to the staging of collective action of Rp 2,500,000 per household was the most important one in this regard.

In the LBU conflict no economic motive was observed during the New Order era. The development of this motive can be clearly seen, though, by observing the economic motives of the LBU's initial demands. One year after the collapse of Soeharto's regime, the local people demanded cash compensation in July 1999 of Rp 20,000 per cubic meter of timber exploited in LBU adat land. Five months later (Dec 1998), an overall compensation demand was formally submitted which was merely a cash compensation totalling Rp 3 billion, including a Rp 5 million cash compensation for the alleged adat harassment. This cash demand

made it obvious that the economic motive was strong. This kind of motive was never expressed against the forest companies (SLJ, SLJ II, or SLJ V) during the New Order era. It is also important to examine the development of this initial demand in the ensuing months or years as well as a new demand submitted to SLJ V. First, the submission of a renewed demand of Rp 2.6 billion by Team 9 despite the agreement of Team 3 to refrain from any further demands (unless the Government Decision forced the company to pay more). Second, the company's agreement to pay a fee compensation of Rp 74 million, aimed at taming the local people. Later, this compensation should not be included into the Rp 2.6 billion demand, though. Third, the internal dispute regarding the arrangement of the Rp 425 million compensation agreement. The local elite initially demanded an immediate payment for this agreement, but the company only agreed to pay by means of cooperation projects (*pola kemitraan*). Although the local elite subsequently agreed with the cooperation project settlement, it was the mass and the elite in the former team (Team 3) which problematised this agreement and asked for an immediate payment without any cooperation project arrangements.

Thus, in both study cases—Matalibaq and LBU—grievance and economic motives were on the rise during the *reformasi* era. This was because the local people saw opportunities to seek justice as well as more opportunities to succeed in achieving collective goals after the collapse of the New Order regime. The rise of these motives considerably contributed to the intensification of the forest conflicts during the post-New Order regime.

By assessing the whole conflict process, it becomes apparent that the grievance and economic motives in Matalibaq and LBU were not only the motives of the village elites—that later drove the conflict—but the motives of all villagers in the respective villages. It was true that the role of the elites was crucial regarding the “selling” of these motives to the masses. However, as all arrangements and plans were discussed and decided in the adat meetings, the economic and grievance motives were also shared by the masses. It was also true that certain elites used economic opportunities during the conflict in order to obtain private economic gains. However, as this fact was problematised by the masses, the economic motive of the masses was as crucial as that of the elites in the conflict. The disputes involving all villagers concerning the forest fire compensation and cashable log demands in Matalibaq and a strong intention of the masses to receive an immediate payment (instead of a cooperation project) in LBU were sufficient evidence of these problems. Therefore, these findings did not support research findings analysing violent resource conflicts or resource wars where the greed of the elites or conflict entrepreneurs played a decisive role in the conflict. In non-violent forest conflicts, an increasing importance of the economic motive of the elites was shared by the whole community. In term of the role of economic motive in the conflict in general, however, this research undoubtedly is in line with research findings claiming that the role of the economic motive was a crucial driving force in the conflict.

By examining the relations between the grievance motive and the economic motive, we can observe a “chain cyclical reaction” of the conflict motives. In

Matalibaq, the grievance motive (destruction of *tanah adat*, land clearing) legitimised the emergence of the economic motive (cash compensation in 14 demand, Rp 5 billion demand in timber theft case, and Rp 944 million demand in forest fire case). The non-fulfillment of this economic motive increased people's grievances (adat oath, protracted logs hand-over, etc). As not all of their grievances were alleviated, they submitted a new compensation demand which contained an economic motive (e.g. moral cost compensation). In LBU, the grievance motive (silent grievance during the New Order era; explicit expression of grievance during post New Order such as to hand back the right to manage adat land to local people, the destruction of adat land and forest trees, etc) similarly legitimised the submission of a Rp 3 billion cash compensation (economic motive). As the local people allegedly observed underground deals between the company and certain village elites (grievance motive) after the payment of Rp 400 million, they submitted a further compensation demand of Rp 2,6 billion (economic motive). This cyclical chain reaction could be continued. However, there was a general similar pattern in that the economic motive was legitimised by a grievance motive.

From the perspective of the people-company relations, the rise of the people's motives in the Matalibaq and LBU conflicts was a reaction to the company's activities such as timber predation or timber-cutting activities, which were merely profit-oriented (economic motive). Thus, the economic motive of the companies stimulated the rise of people's grievance. People's grievances in turn legitimised their economic motive.

D. Indigenous Resource Mobilisation: The Rise of Ethnolocalism

The underlying characteristic of the people's struggle against the forest companies in both study cases was the mobilisation of indigenous resources. Matalibaq and Long Bagun Ulu (LBU) are two Dayak villages, and in their rebellion against the forest companies indigenous resources of Dayaknese were highly exposed and mobilised. There were three main indigenous resources used or mobilised in this respect, namely, *masyarakat adat* (adat community), *adat* (customs, adat tradition, adat law), and *tanah adat* (adat/customary land). These indigenous resources each contained a specific function and played a specific role in the movement: *masyarakat adat* was a central actor mobilised to "defeat" the forest company; *adat* was a central mechanism used to mobilise the masses and justify people's action; *tanah adat* was a central issue used to "attack" the forest company. Concerning the mobilisation of these resources, however, differing "paths" were observed in both study cases.

During the New Order era, the mobilisation of such indigenous resources was only observed in Matalibaq. Its absence in LBU during this period was simply due to the absence of a manifest conflict. In Matalibaq, the village elites—the bureaucratic elite, the adat elite, and the "socio-political" elite—and the NGO elite went hand in hand in mobilising such resources during the New Order era. Although the village elites had mobilised their indigenous resources when the

conflict was emerging, it was the NGO elite which played a decisive role in empowering and strengthening the use of these resources to make the movement effective and well grounded. The most important steps taken by the NGO elite were to “sell” the idea of *masyarakat adat*, empowering the adat through the establishment of *Lembaga Adat* (Adat Council), and the revitalisation of institutions (rules of the games) existing in *tanah adat* for the movement. The NGO’s efforts had a significant impact on the villages’ elites who further committed to and intensively promoted to the masses in using these resources in the struggle against PT Anangga Pundinusa (APN)—either under the assistance of the NGO elite or based on their creativity. Regardless of who played a more important role regarding the promotion of the ideas and potentials behind such resources, the masses had been well framed during the New Order era. Well-framed masses were an invaluable “capital” in the struggle against the APN to achieve collective goals. However, due to the repressive nature of the New Order regime, the mobilisation of indigenous resources to “attack” the forest company was carried out in a “gentle” manner (submission of demands, “correspondences,” and negotiation).

After the fall of the New Order regime in 1998, a new phenomenon was observed in Matalibaq. Indigenous resources were mobilised more intensely for action purposes. Furthermore, the rise of indigenous resources mobilisation aimed at “attacking” PT Sumalindo Lestari Jaya V (SLJ V) was also observed in LBU during this period. As the masses had been well framed during the New Order era in Matalibaq, the use of indigenous resources during the post-New Order era did not face a hindrance. In LBU, however, the local elites struggled to mobilise the masses by using such resources within a short period of time while at the same time mobilising such resources to “attack” SLJ V. These differences yielded differing outcomes. First, the mobilisation of indigenous resources was better organised in Matalibaq compared to LBU. Second, the number of participants of collective action in Matalibaq was slightly higher (at least between 75-150) compared to that of LBU (75-100) despite the latter’s larger overall population. Third, the Matalibaq elites “offered” better selective incentives (particularly material benefits) to the community members compared to those of LBU.

Regarding the target of the mobilisation of these resources, we do find similarities between Matalibaq and LBU. The elites in these villages targeted the use of these resources to both the community (internal use) and the “outsiders”, particularly the forest companies (external use). In regard to the internal use, the more intense use of indigenous resource mobilisation in Matalibaq during the *reformasi* era is twofold. First, it was used to strengthen framing activities that had been undertaken during the New Order era. Diagnostic, prognostic and motivational framing undertaken by village elites were becoming more intense, more solid and more focused: The aim was to “attack” the forest company (PT

Anangga Pundinusa) physically. Second, the rise of ethnolocalist appeals¹—the appeal of the elites to the adat community members to dedicate their solidarity towards a unified movement drawing from an ethno-communal localism or ethnolocalism (a sense of being local based on ethnicity or ethnic identity).² This stems from the fact that indigenous resources such as *masyarakat adat*, *adat*, and *tanah adat* were ethnic-based resources of the Matalibaq Dayaknese. A call to the community members (*masyarakat adat*) to defend their ancestor's land (*tanah adat*) and to impose indigenous rules of the Dayak Bahau Telivag (*adat*) to the company was the elites' ethnolocalist appeals to Matalibaq people to act.

In LBU, the local elites started to “sell” the idea of *masyarakat adat*, *adat*, and *tanah adat* to the masses to achieve collective goals during the post-New Order era. Interestingly, the local elites—the bureaucratic elite, the adat elite, and the “socio-political” elite—did not receive assistance from the NGO elite for the first two years of their efforts in mobilising their indigenous resources. Although some lessons were learned (Matalibaq's demonstration effect, TV broadcasts on indigenous people's movement across the archipelago, etc), local elites mobilised *masyarakat adat*, *adat*, and *tanah adat* in their own ways to achieve collective goals. Thus, although indigenous resource mobilisation in LBU came late compared to that of Matalibaq, the LBU elite used the same indigenous resources to strengthen their movement against SLJ V. In view of the LBU people, the potentials of indigenous resources in the struggle against SLJ V could handle three main issues. First, SLJ V's negligence of the LBU people during the New Order era. The use of the general term *masyarakat* (community) or *warga masyarakat* (community members) in the struggle against SLJ V would not provide a significant impact. Instead, the more powerful term of *masyarakat adat* (adat community) was used, as it was associated with the indigenous rights of LBU people over their land. Second, the company's persistence in carrying out its logging activities. To challenge this predicament, *tanah adat* was used to “wake up” the company as well as to undermine the company's “ideology” of forest exploitation. The use of *tanah adat* legitimised the local's claim over their indigenous properties and justified their compensation demands. Third, SLJ V's adherence to formal regulations in order to justify its forest exploitation activities in the LBU adat land. In view of the LBU people, this only benefited SLJ V but disadvantaged the local people. The potential strength of the adat rule in undermining the company's arguments and resistance in controlling the LBU

¹ Cf. “nationalist appeals” (Snyder 2000:53) based on ethnicity (ethnonationalist appeals), referring to the appeal of the elites to the group's members to dedicate their “nationalism” or solidarity towards a unified movement drawing from “common culture, language, religion, shared historical experience, and/or the myth of shared kinship.” In violent ethnic conflicts, the elites and (later) the groups' members “use these criteria to include and exclude members from the national group” (Snyder 2000:70).

² Cf. “ethnic nationalism” or “ethnonationalism” (Snyder 2000, Bertrand 2002). Here, an “ethnolocalism” can also be said as an “ethnonationalism” at the local context or local politics in general.

forest areas was found. By imposing adat rules in the management of the LBU adat land, the company's exploitation activities and the company's presence in the LBU *tanah adat* would be vulnerable. In view of the potentials of these indigenous resources, they were very attractive to the LBU elites. As during the New Order era there was no mobilisation of indigenous resource, however, the LBU elites had to work hard to socialise and promote the potential of these resources. As the LBU movement came late and its elites were more concerned to receive immediate cash compensation, the framing of the masses was carried out in a short period of time and not as systematic as in the case of Matalibaq. The absence of supporting "infrastructures" such as an adat map, a written village history, and the like was the case. In spite of this fact, research findings suggest that the LBU elites by and large successfully framed the masses. As the purpose of framing the masses was to appeal to the community members to go hand in hand in the struggle against SLJ V, the high exposition of ethnic-based feelings, sentiments, and resources in this process were undoubtedly ethnocelist appeals to *masyarakat adat* to act. Thus, despite some differences in the mobilisation of indigenous resources between LBU and Matalibaq (timing, elite groups, etc), the rise of ethnocelist appeals to act constituted an underlying similarity regarding the phenomenon of intensifying forest conflicts in both study cases.

In regard to external use of indigenous resources during the *reformasi* era, the village elites in Matalibaq and LBU used such resources to act against the forest companies. In Matalibaq, the *masyarakat adat* of the Matalibaq was commonly mobilised to defeat PT Anangga Pundinusa (APN). The successive collective action staged by the *masyarakat adat* of Matalibaq may serve as an example. *Adat* was not only used to justify such collective action but also to legitimise unilateral non-collective action (i.e. ultimatums) against APN. Similarly, besides using *tanah adat* to undermine the company's stance and resistance, there was an effort to evict APN from Matalibaq by using the *tanah adat* issue.

In LBU, the *masyarakat adat* was also commonly mobilised by the villages' elites to "attack" the forest company physically during the post-New Order era. Exploiting the euphoria of *reformasi* and the favourable political environment during this period, a high-energy and increasing powerful *masyarakat adat* was easier to mobilise by the local elites. The mobilisation of *masyarakat adat* in LBU took place when a well organised collective action was carried out on three occasions in the base camp of SLJ V. In the collective action, the masses occupied the base camp, seized company's vehicles and heavy equipment, stopping the company's operation, and the like. Similar to Matalibaq, the *tanah adat* and the *adat* institutions were not only used to frame and motivate the mass to act, but also to justify the existing action and proposed adat action (*aksi adat*) of the community as well as to legitimise other unilateral non-collective action against SLJ V. Furthermore, the *tanah adat* (adat land) was used to undermine the imposition of the *tanah negara* (state land) institution in their land; adat was used to undermine the application of formal regulations in the exploitation of LBU forests.

In sum, the indigenous resources of the Dayak people of Matalibaq and LBU were commonly mobilised by local elites during the *reformasi* era to deal with the

forest companies operating in their respective areas. Internally, the elites used indigenous resources to frame the masses as well as to mobilise all potentials for proposed action. Externally, *tanah adat* and *adat* were used to justify the *masyarakat adat* action against forest companies. The most important thing regarding this phenomenon was that the local elites in both villages successfully carried out ethnolocalist appeals so that *masyarakat adat* as a whole shows up the same ethnic-based feelings, sentiments, and the like to achieve collective goals. The rise of ethnic-based feelings and sentiments in the movement or the increasing use of ethnic-based identity as a vehicle to achieve collective goals reflected the rise of an ethnolocalism or the rise of ethnolocalist politics in forest conflicts during Indonesia's early stage of democratisation.

E. Public Goods Achievement: Unfinished Struggles

In the struggle against the forest companies, both Matalibaq and LBU people strove to achieve collective goals or public goods. In Matalibaq, the collective goals or public goods that were intended to achieve were cash compensation, non-cash compensation, and the recognition of people's rights over their *tanah adat* (adat land). Examples for non-cash compensation were demands for typewriters, fresh water projects, road constructions, village hall constructions, boarding houses, and the like. Examples for cash compensation were the demands for cash compensation for the timber theft case (Rp 5 billion), the forest fires case (Rp 944 million), and moral costs (Rp 2.5 million per household), etc. Finally, collective goals related to the recognition of people's rights over adat land can be deducted from the demand of certificates of *tanah adat* and village gardens.

In LBU, the demands were initially merely cash compensations worth Rp 3 billion. Thus, the collective goal of the LBU movement was merely a cash compensation. Later, new demands included road constructions, fresh water projects, village hall constructions, classroom constructions, the construction of an adat leader's office, and compound extensions. These demands were collective goals to acquire non-cash compensation. Different from that of Matalibaq, the LBU people did not demand the recognition of their *tanah adat* in the form of a certificate.

Of these demands, collective goals or public goods in the Matalibaq and LBU movements can be grouped into two main categories. First, public goods for personal use. This group was merely or mostly associated with cash compensation. In LBU, all cash compensation was designated for personal use. In Matalibaq, the cash compensation was also mainly intended for personal use; only a small amount of cash was contributed to the village. Second, public goods for public use. In both study cases, this was merely related to non-cash compensation demands such as village hall constructions, road constructions, fresh water projects and the like. Between these two categories the demands on land certificates in Matalibaq could be included as a public good for both personal and public use. Certificates for the village's *tanah adat* was a public good for public use (for the whole community)

while certificates for the villagers' gardens were a public good for personal use (for household). In Matalibaq and LBU, the demands for public goods for personal use (cash compensation) dominated the whole conflict processes.

The people's struggles in Matalibaq and LBU to achieve collective goals had resulted in the achievement of public goods, either for personal use (cash compensation) or public use (non-cash compensation). In respect to the achievement of public goods for personal use (cash compensation acquirement), Matalibaq people received a compensation of Rp 2,266,700,000. If this amount is subtracted by Rp 317,929,000 for necessary costs, the Matalibaq people received a net of Rp 1,949,408,000. If this amount is distributed to 148 households equally, every household is expected to get shares of about Rp 13,171,676. However, as there also was personal distribution (organisers/team members, youths, and certain persons), the total shares received by certain households would be less while others received more. This meant that the participants of collective action received economic gains. The total cash compensation received by Matalibaq people was significantly higher compared to that of LBU. LBU people only received a total cash compensation of Rp 479,574,950. If LBU's total cash compensation is allocated to 180 households equally, every family was expected to get a share of about Rp 2,664,305. However, as the cash distribution was based on an ethnic background (Group A, B, and C) and a considerable amount of the total cash had disappeared, most households received less than that amount. Compared to Matalibaq, any household in LBU roughly received one-fifth of the sum poured out in Matalibaq. Despite the smaller compensation received by the LBU people, the provision of cash compensation meant that the participants of collective action gained economic benefits.

In regard to the achievement of public goods for public use (non-cash compensation), the Matalibaq people had received typewriters, road constructions, village hall constructions, plantation seeds, fresh water projects, village electricity, and so on. In LBU, the local people had acquired road constructions and fresh water projects from SLJ V. My observation for the attainment of public goods for public use was that the local people did not care for this provision in terms of maintenance. In Matalibaq, villagers no longer used fresh water facilities and village electricity established by PT Anangga Pundinusa. It was probably true that the village's fund was not sufficient to cover the costs for fixing the power generator or the water pump machinery, but since the costs could be shared by villagers, these facilities could have functioned properly if to the will had been there. In LBU, the local people wanted the company to maintain the fresh water project by employing company's staff, not villagers, to maintain the water supply. This became problematic as water storage and the water pump machinery are located in LBU.

Hence, it was clear that the conflict outcomes were merely material compensation (both cash and non-cash compensation). Local people did not succeed (Matalibaq) or did not intend (Long Bagun Ulu) to get "formal" recognition of their rights on the *tanah adat*. In Matalibaq, it was true that local people had sought to receive formal recognition of their *tanah adat* by demanding

the provision of a *tanah adat* certificate outside the HTI concession area and certificates of villagers' gardens. In order to issue a certificate of such a *tanah adat* demand, however, it had been converted to cash, which would be used to arrange such a certificate. But the outcome of this certificate arrangement was not known. It seemed difficult, if not impossible, to get a certificate for a large track of forestland in East Kalimantan due to the existing regulations. The company did not yet issue certificates for villagers' gardens. In LBU, there was no demand for *tanah adat* certificates.

The absence of the recognition on people's rights regarding their *tanah adat* would be critical in the future. First, there are some remaining demands that have not been fulfilled yet by the forest companies in Matalibaq and LBU. In Matalibaq, PT Anangga Pundinusa (APN) has not fulfilled two demands to date, that is, issuing certificates for villagers' gardens and road constructions connecting villagers' gardens. These remaining demands potentially spawned Matalibaq Conflict Part II. In LBU, both cash compensation (Rp 425 million) and non-cash compensation (village hall constructions, classroom constructions, construction of an adat leader office, and compound extensions) have not been fulfilled yet by SLJ V. Although SLJ V had committed itself to fulfill all of these demands, internal disputes on how to acquire the cash compensation could intensify the conflicts. Second, although a formal demand for the recognition of *tanah adat* "deteriorated" in Matalibaq and was absent in LBU, by examining the course of the conflict in these villages, the Matalibaq and LBU people actually struggled for the recognition of their *tanah adat*. The cash and non-cash compensation demands implied the demand for the recognition of the *tanah adat*. The imposition of the ultimatums to APN and SLJ V to leave their respective concession areas offers proof for this point. Third, the existence of the Governor's Letter of Decision No. 20/2000 and the West Kutai District Head's Letter of Decision No 283/2000 that regulated the provision of annual fee compensation—Rp 2000-Rp 3000 per cubic meter, since 1 April 2000—to adat communities living in and around the concession areas in East Kalimantan, particularly in West Kutai District. These Letter of Decisions are conflict resolution efforts by means of rent-seeking mechanisms. Thus, "rent-seeking" is institutionalised at the local level. On the other hand, the East Kalimantan Association of Forest Concession Holders (Komda APhi Kaltim) has recently questioned the effectiveness of the provision of instant cash for resolving the widespread forest conflicts of East Kalimantan. It was argued that the provision of a "fish" (instant cash) rather than a "hook" would negatively impact the communities in terms of empowerment (www.aphi.org, accessed in 2002-2003).

Although tensions after July 2001 (Indonesia's democratic consolidation) were not as high in both villages as during 1998-2001 (Indonesia's democratic transition) as some compensation demands have been fulfilled by the forest companies, the existence of tensions between local people and the forest companies in Matalibaq and LBU have still been considerable. The presence of opposing claims on *tanah adat* (adat land) and *tanah negara* (state land) after July 2001 could preserve and fuel these tensions in the future.

F. Concluding Remarks

Forest conflicts in Indonesia have been prevalent since the earliest times of forest exploitation in Indonesia. It can even be traced back to the colonial period when colonial power declared all “unclaimed,” “unused” or “unowned” land as state land (*domeinverklaring* doctrine). An important point in the emergence of forest conflicts, however, occurred during the New Order era. This was simply because massive forest exploitation was encouraged through the introduction of the HPH and HTI schemes during this period. Massive forest exploitation carried out thereafter threatened those who lived in and around the forests. Accordingly, the emergence of the local’s rebellion or resistance was unavoidable. This created conflicts or tensions over access and control of forest resources. Due to the effectiveness of the anti-conflict mechanisms of the New Order regime, however, the conflicts or potential conflicts could be easily suppressed so that many of them were not easily discerned.

It was during the post-Soeharto era that a tremendous increase in number and quality of the forest conflicts was observed. The rise of forest conflicts across Indonesia during this period—particularly during Indonesia’s early stage of democratisation—became a common phenomenon. Interestingly, in terms of timing, it occurred parallel to the rise of non-resource conflicts in Indonesia, such as the violent state-society conflicts, ethnic-based communal conflicts, religious conflicts and the like. In East Kalimantan, this research found that while 17 *manifest* forest conflicts were observed during the period of 1992-1998 (New Order era), between 1998-2001 (post-New Order era), the number jumped to 95. In terms of intensity, the rise of forest conflicts was characterised by a transformation from silent conflict to conflict with collective action. Some collective action even turned into violence. The local people not only seized companies’ heavy equipment, occupied base camps, blocked logging roads, stopped the companies’ operation, but also burnt companies’ properties and facilities. In certain villages, the local people attempted to evict the forest companies from their customary forests. To better understand this phenomenon, this study has examined the rise of the forest conflicts in two villages, namely that of Matalibaq and Long Bagun Ulu (LBU).

The forest conflict in Matalibaq was a conflict between the indigenous Dayaknese of Matalibaq and the PT Anangga Pundinusa (APN, a HTI company). The forest conflict in LBU was a conflict between the indigenous Dayaknese of LBU and the PT Sumalindo Lestari Jaya V (SLJ V, a HPH company). Both conflicts intensified when Indonesia entered the early stage of democratisation (1998-2001). The intensification of these conflicts was indicated by the occurrence of successive collective action and the imposition of ultimatums against the forest companies in their respective areas. In the period of Indonesia’s democratic consolidation (July 2001-present), the conflicts still exist, but the tensions are not as high as during Indonesia’s early stage of democratisation.

The forest conflicts in both study cases intensified because there was a change in the villages’ political environment implicated by the regime change at

the national level. The collapse of the New Order authoritarian regime and the breakdown of its repressive political institutions or anti-conflict machines—repressive security institution, repressive bureaucratic institution and mass depoliticisation institution (floating mass)—affected village politics. During this democratic transition, the local people were taken by the euphoria of freedom, and the risks to advance their concerns to achieve collective goals were lower compared to those of the New Order era. This is one important explanation why the Matalibaq and LBU people bravely staged unilateral mass action (collective action) and unilateral non-mass action (ultimatums) to APN and SLJ V respectively.

The rise of such unilateral action was also associated with the increasing concern of the local people to receive cash compensation. In other words, it was associated with the increasing economic gain-seeking motive. This motive was legitimised by the increasing grievance of the local people. And the local grievances were a response to the profit-oriented forest exploitation activities of APN and SLJ V (economic motive). The villagers' economic and grievance motives were not only that of their elites but also that of the masses. At this point, the research findings analysing violent resource conflicts which suggest the greed motive of the elites played a decisive role in the conflict are not supported by the findings of this research. In the non-violent forest conflict, the economic motives of the masses were as strong as those of their elites.

Last but not least, the rise or intensification of the forest conflicts in the field sites was also accelerated by the rise of indigenous resource mobilisation undertaken by the elites in the respective study cases. The rise of indigenous resource mobilisation was associated with the persistence of disagreements concerning the establishment or imposition of a uniform (national) model regarding forest management (cf. Bertrand 2002). The local people, particularly the elites, saw opportunities to negotiate agreements by proposing an indigenous model. Although they could not change the existing (uniform) model, the local people successfully brought the issue onto the center stage and forced the forest companies to recognise such indigenous models at least informally. There are three main indigenous resources that were highly mobilised by the elites in the respective villages, that is, *masyarakat adat*, *adat*, and *tanah adat*. These three indigenous resources are ethnic-based resources and are associated with ethnic potentials, ethnic feelings, and the like of the Dayaknese of Matalibaq and LBU. From the perspective of ethno-mobilisation, the phenomenon of the rise of indigenous resources mobilisation during the *reformasi* era was the phenomenon of the rise of ethnolocalism or ethnolocalist politics in their struggle against the forest companies.

The rise of ethnolocalism or ethnolocalist politics in the East Kalimantan forest conflicts has two crucial points. **First**, it has to do with the fate of future forest conflicts. As examined thoroughly in the previous Chapters, there have been two contending institutions governing the same land (state institutions and indigenous institutions in forest resource management) due to the imposition of

state institutions (uniform/national model) into local institutions (indigenous model). These contending institutions are diametrically opposed so that a wide gap between these institutions persists. During the New Order era, this institutional gap was supported or preserved. The powerful authoritarian state—by means of its repressive political institutions or anti-conflict methods—easily suppressed the weak society, including their indigenous institutions.

The collapse of the New Order's authoritarian regime after Soeharto's fall resulted in a deterioration of state power. This collapse in turn offered a better position to the people who had been suppressed under the New Order regime so that the society was becoming more powerful vis-à-vis the state. This by all means changed the power relations or the power gap between the state and society. The problem was that the change in the power gap (state power vs. people/society power) was not followed by an institutional change (state institutions vs. indigenous institutions in forest resource management). The demand to abolish, to narrow, or to change the institutional gap (i.e. the recognition of the *tanah adat*) was not "approved" by the state. The state continued to impose state institutions (state land and state forest management institutions) across the archipelago. The change in the power gap that was not followed by a change in the institutional gap subsequently led to a steep increase of the tensions between the state and the society during Indonesia's early stage of democratisation. As the forest companies applied state institutions in carrying out their forest exploitation activities, tension between the companies and the society were inevitable. During this situation of high tension, the more powerful adat communities utilised or mobilised their indigenous institutions to attack the state institutions that backed the forest companies. The people's unilateral action against the forest companies was part of this attack.

After reaching its culmination during Indonesia's early stage of democratisation, the tension between state/company and the society decreased, and therefore the conflict calmed down. This was because the forest companies "tamed" the owners of indigenous institutions (adat community) with material compensation (cash and non-cash). As long as the company could pay the compensation, the tension could be kept "under control." Thus, without changing the institutional gap, the *tension* could be reduced—with certain condition (i.e. material compensation)—but the *conflict* still exists.

Although the tension in the present time (post-July 2001) is not as high as during Indonesia's early stage of democratisation (May 1998-July 2001), the tension is still considerable. This is due to the persistence of the institutional gap. The presence of this institutional gap in a new democracy still leaves sufficient space for the mobilisation of an ethnoclocalism to fuel the peoples' struggle against the forest companies. Thus, the tension could re-increase in the future if the companies could not afford or do not intend to pay further compensation. At the very least, the tension will remain to exist. Therefore, as long as the issue of the institutional gap is not solved sufficiently, the conflict will continue to exist.

Second, the rise of ethnoclocalism or ethnoclocalist politics raises concerns concerning the fate of the democratic consolidation in Indonesia. Based on the

different periods of the democratisation process in Indonesia examined in this research, Indonesia has left the transitional stage of democratisation (1998-2001) and has entered the consolidated stage of democratisation (post-July 2001). In many new democracies, the state faces difficult tasks in consolidating this newly born democracy and to transform the democratising state into a mature democracy. Failure in this regard could lead to state failure, the persistence of *laissez-faire* politics, or the rise of neo-authoritarianism. Therefore, democratic consolidation at any level should be carried out to strengthen the foundation of a sound democracy. The rise of ethnolocalism or ethnolocalist politics in East Kalimantan (as in the study cases of Matalibaq and LBU) in recent years is a sign that the consolidation of democracy in a multi-ethnic state of Indonesia has not yet been successfully achieved, particularly within the Dayak communities of East Kalimantan.³ On the other hand, there are many strategies or measures which can be applied in order to consolidate the emerging democracy, depending on the specific condition or the local context.

Regarding these two problems, the core issue is the institutional gap between state institutions and indigenous institutions in the forest resource management. This could be a critical point in order to prevent the rise of conflicts in the future as well as to promote the consolidation of the newly born Indonesian democracy. The question is then on how to bridge such a gap. By analysing the conflict motives, where the economic motives dominated the *course* of the conflict, coping with the economic motives or issues of bridging the gap could provide some key entry points. This approach does not necessarily mean to neglect grievance motives, since economic motives and grievance motives are, more or less, like two faces of the same coin.

³ Political scientists promote the strengthening of a “civic nationalism” in the consolidation of democracy in a multi-ethnic state, instead of an “ethnic nationalism” (ethnonationalism) (Bertrand 2002; cf. Snyder 2000, Edwards 2002). Civic nationalism refers to a nationalism that grows out of the principles of civil society, emphasizing “an inclusive form of citizenship based on the sovereignty of the people as free individuals.” Ethnic nationalism (ethnonationalism), on the other hand, refers to “nationalism based on the uniqueness of a people, and therefore implies an exclusive form of citizenship” (Bertrand 2002; cf. Edwards 2002, Smith 2002). The strengthening of civic nationalism does not mean to negate ethnonationalism because “pure civic nationalism does not exist since many aspects of the nation are associated with particular groups”. For instance, “[t]he official language is always that of a particular group or the history of the nation often portrays that of the dominant groups.” The point is how to create a broad agreement on a national model for some critical issues without threatening the identities of the particular groups (Bertrand 2000). Parallely, “localism” can be divided into “civic localism” and “ethnic localism” (ethnolocalism). The rise of ethnolocalism in the conflict described here does not mean that the particular ethnic groups do not feel a sense of civic nationalism and/or civic localism. It simply underscores the fact that the state has failed so far to create broad agreement on a national model—or a regional model—for some crucial issues (e.g. forest resource management), which can actually be used to consolidate the emerging democracy.

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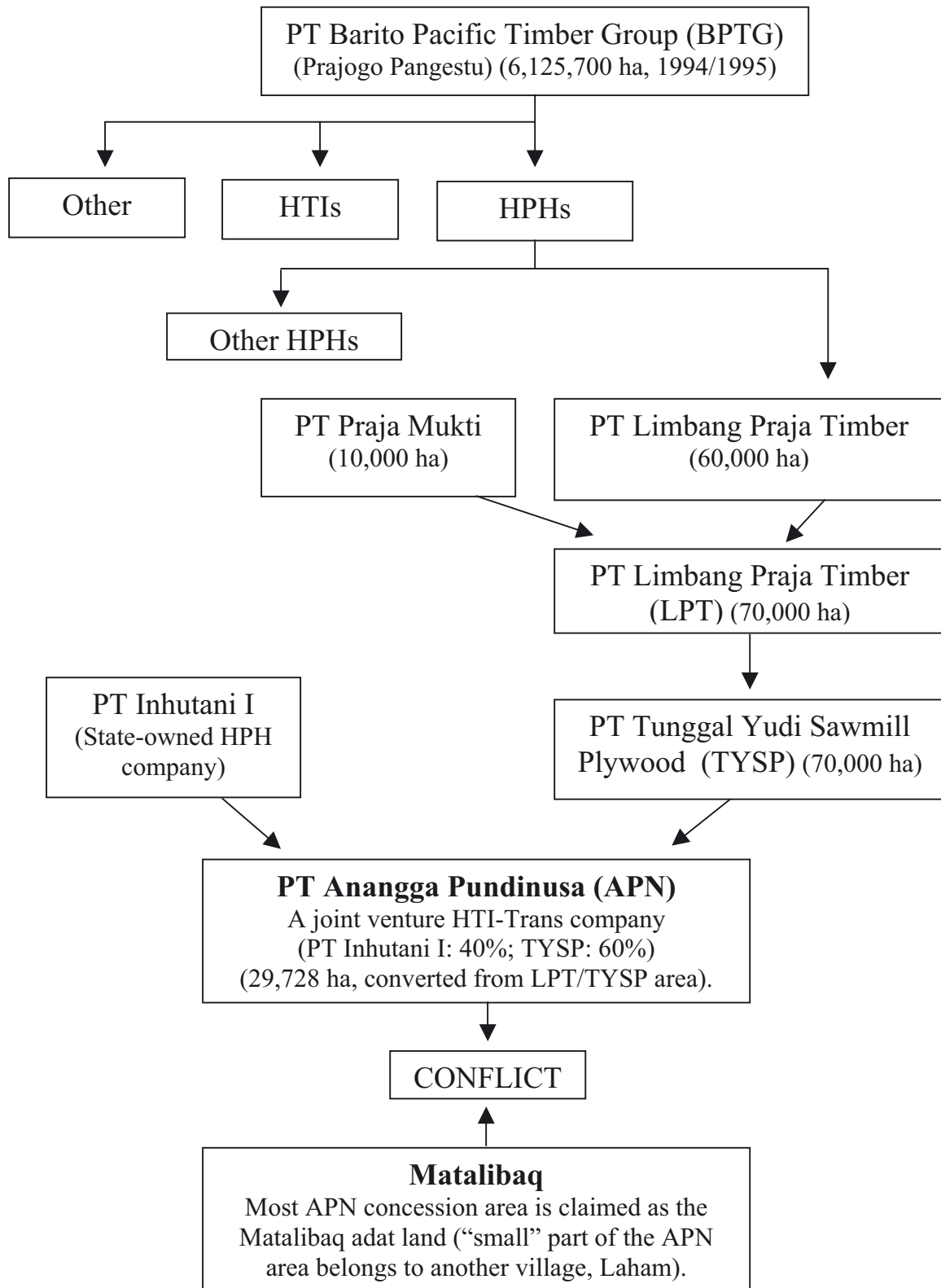
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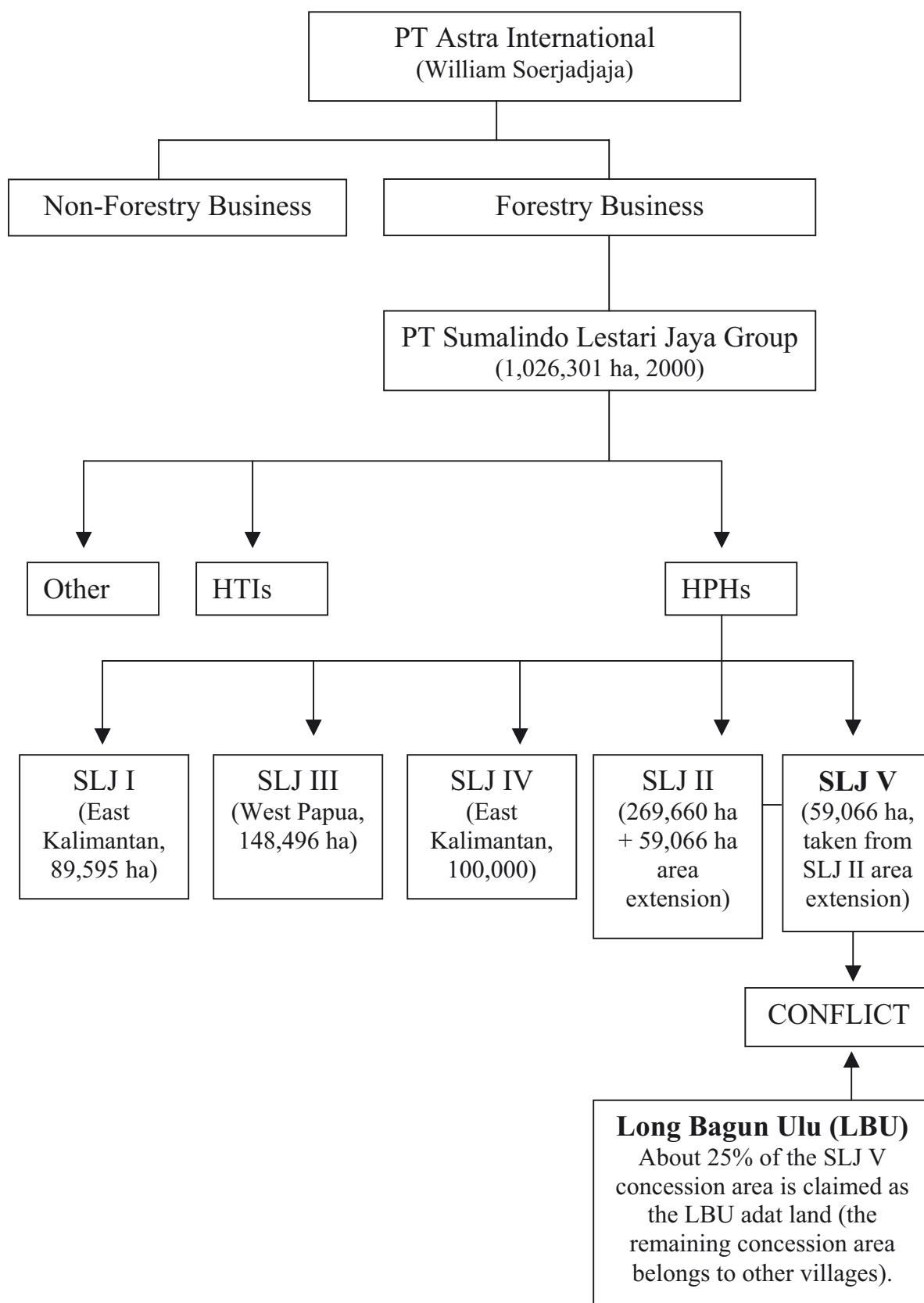
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Appendices

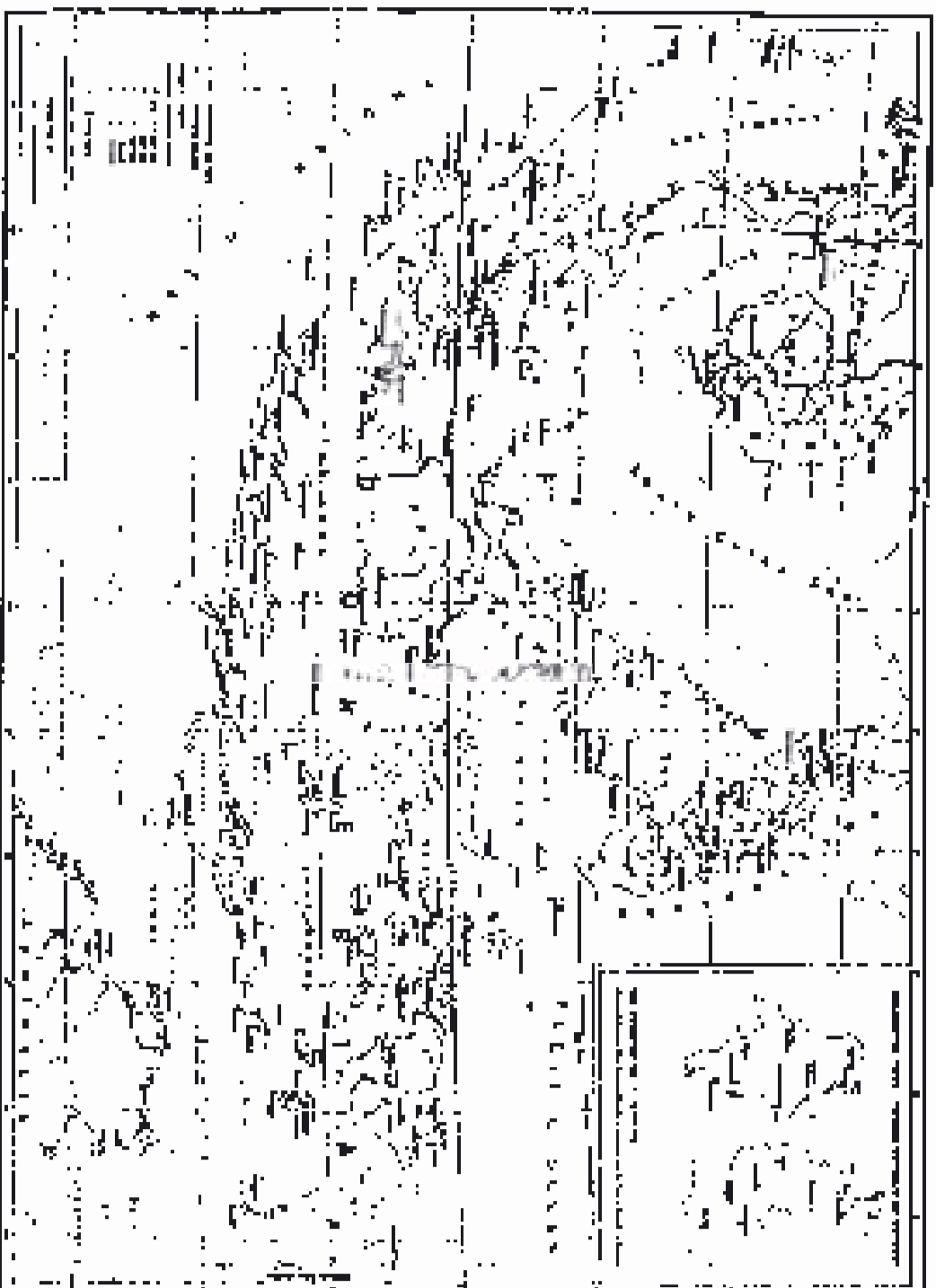
Appendix 1: PT Barito Pacific Timber Group



Appendix 2: PT Astra International and PT Sumalindo Lestari Jaya Group

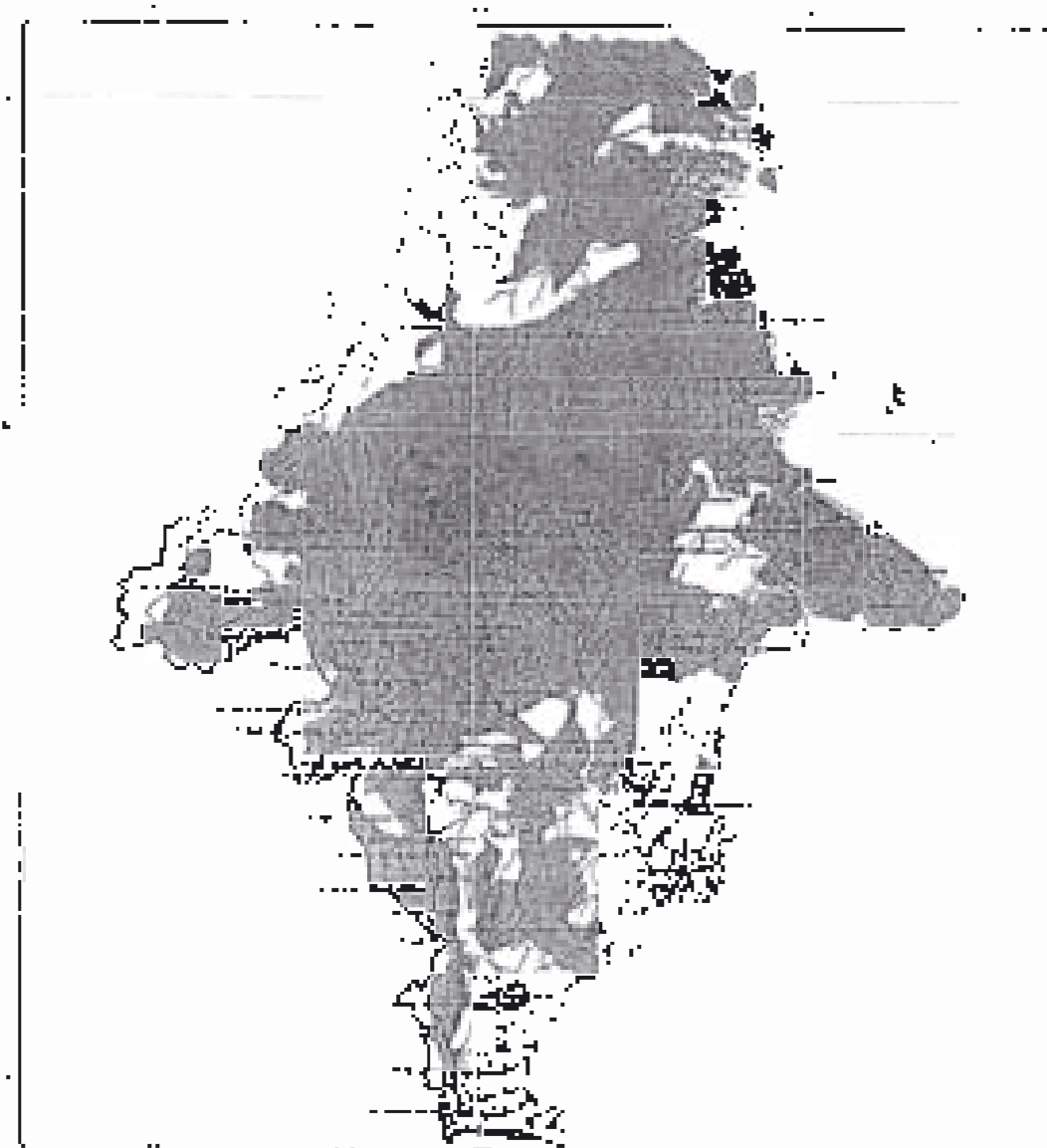


Appendix 3: Indonesian and Local Kalimantan

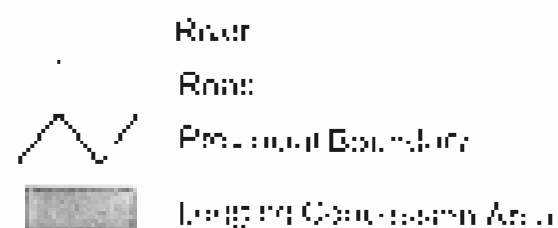


Source: Your Table.

Appendix 4: East Kalimantan Logging Concession Area

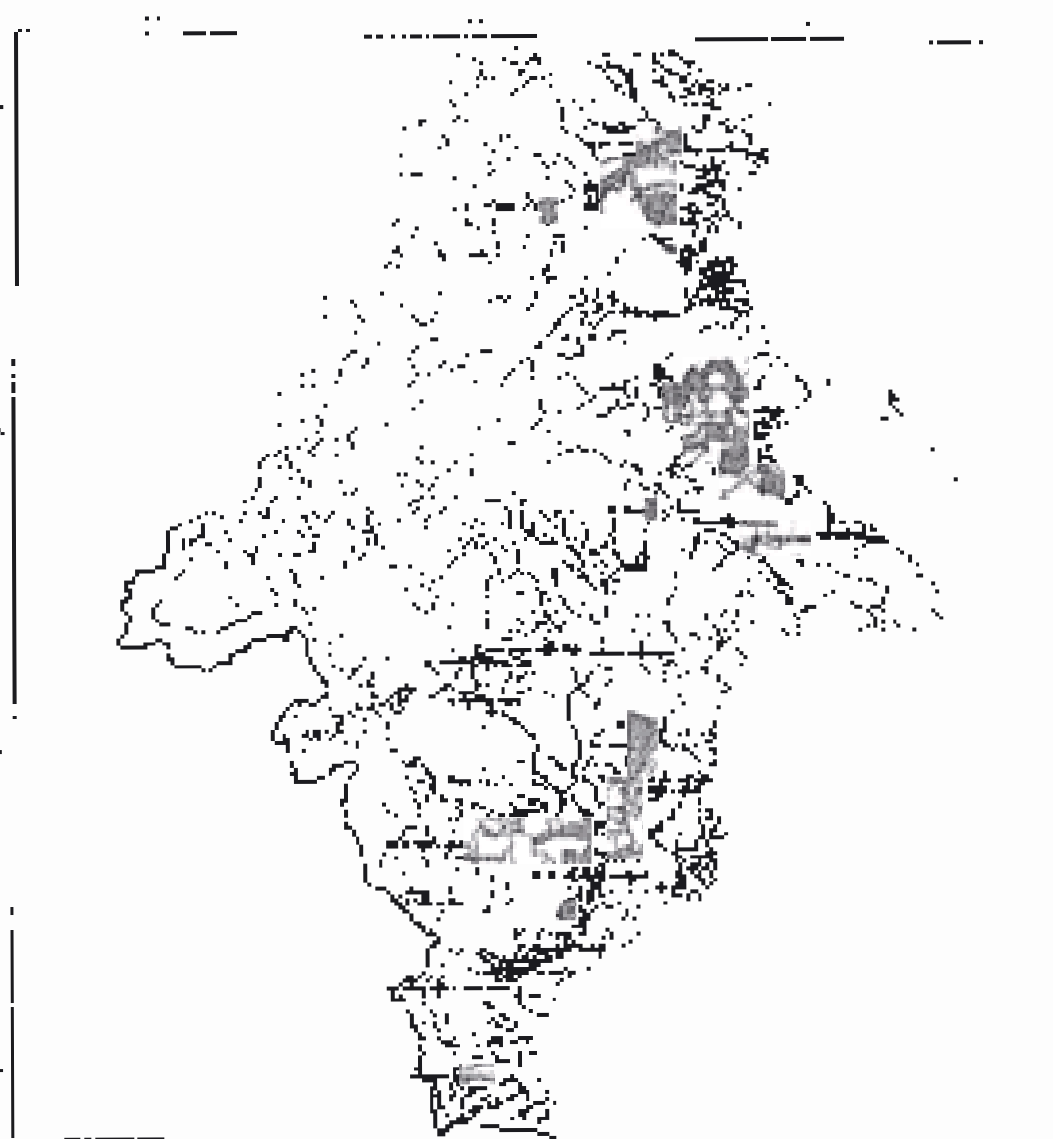


LOGGING CONCESSION MAP (HPH)







Source: Ministry of Forestry, 2000; HPH, 2000

Appendix 5: East Kalimantan Industrial Timber Estate Concession Area

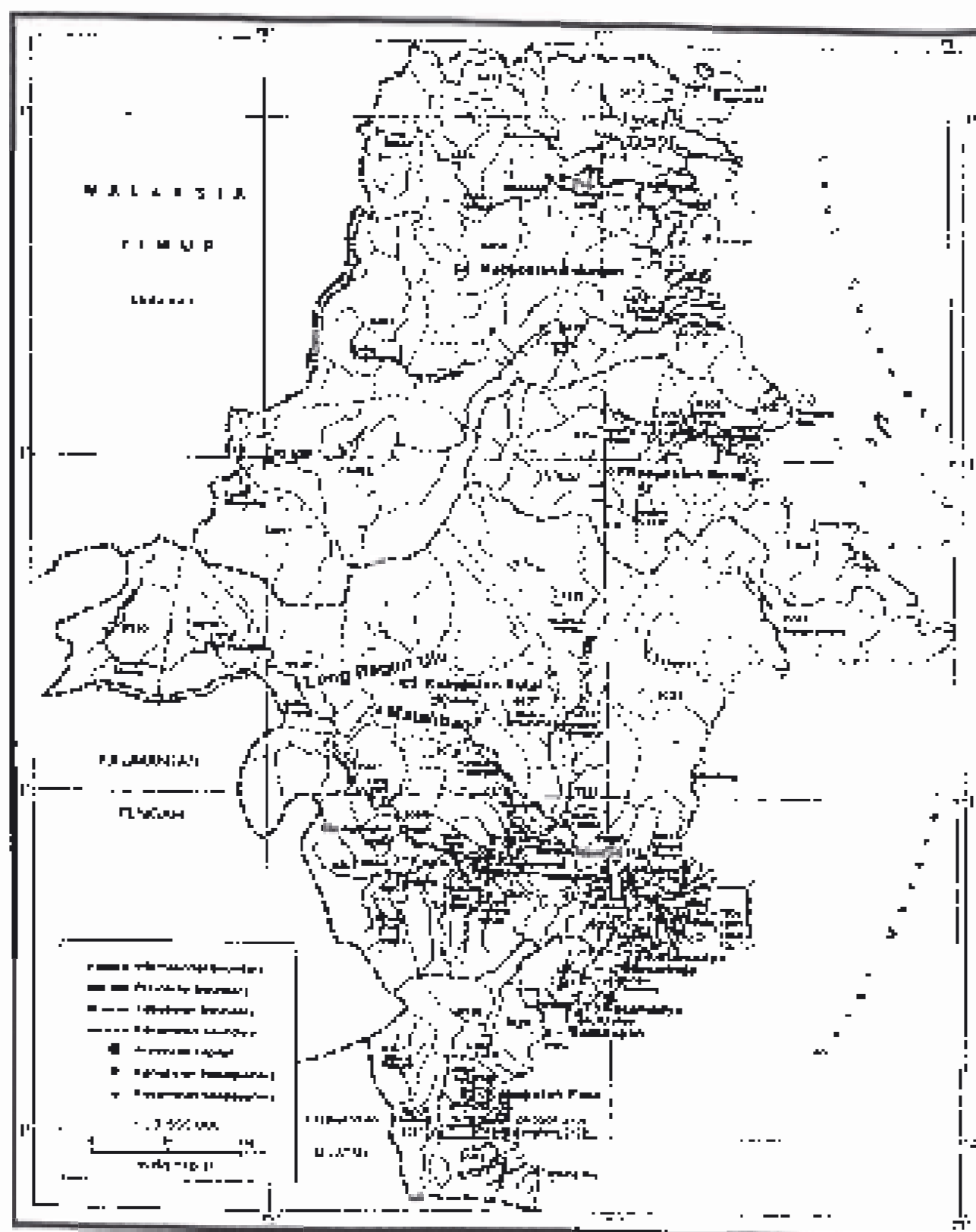


INDUSTRIAL TIMBER ESTATE CONCESSION MAP* (HTI)

-  River
-  Road
-  Provincial Boundaries
-  Industrial Timber Estate Concession Area

* Data from PT. Hutan Bukit Tiga Belas

Appendix 6: East Kalimantan and Research Sites



Source: VGGI, 1996.

WEST KITCHEN FOLKS: CONGRATULATIONS!



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Appendix 1 to 1 only Figure 1.10

