

COLLABORATION AND TENURIAL PROBLEMS IN PLANTATION FOREST SOUTH SUMATERA, INDONESIA

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Musi Hutan Persada (MHP) company is focused on the issue of *Acacia mangium* plantation to supply raw material for TEL pulp and paper industry. Total area of plantation is about 190,000 ha. The company was created two models of collaboration such as MHBM (community collaboration forest management) and MHR (forest management by people). CIFOR created a collaborative project in the Southeast Asia Country so called the LPF (Levelling Playing Field), which one is implemented in MHP. The objectives of LPF are to create a new model of fairness collaboration among community and company, raising awareness for both parties, and to support working group forum to get better collective action, timber production stability, and increase people income.

There are some methods used in the intervention program of LPF project in MHP company, such as basic survey on livelihood, observation and deep interview on the issue of culture, local politics, and land tenure conflict, and established working group forum for all stakeholders involved.

The result of the intervention program indicated that: **first**, most of community income from rubber latex; **second**, the community feel happy with the MHBM and MHR programs because this program gives the income for local people during planting activity and final harvesting of timber; **third**, people claimed their "adat" land is occupied by MHP, and it should be cleared tenure right for second rotation of timber plantation; and **fourth**, the community needs to increase benefits sharing from MHBM model; and **fifth**, established communication forum on MHBM and MHR to communicate all problems exist and looking for problem solving among stakeholders.

Keywords: The LPF, MHBM and MHR, adat rights, collective action, communication forum

I. Background

Forestry development was influenced by government political regime. In the New Order era the political of natural resources, included forest resource, have been pushed and exploited toward collecting money for national development. The effect of this political system was destroyed the resources and then the environment was inbalance and also occurred massive deforestation in Indonesia. We can conclude that so far, there are two extreme situations caused by political economic of forest resource exploitation in Indonesia such as : (1) Increasing deforested area is around 2.0 millions hectare per year, (2) conflict of forest land ownership among local community and Forestry Department. To restore deforested area, Forestry Department increased their efforts to do forest rehabilitation started from 1980 until land and forest rehabilitation movement 2004. Forestry department aware that to get rehabilitation more successful the involving of local community can not be avoided and the community must be participated actively. Meaning that the approach of the rehabilitation program should be changed.

One option of forest rehabilitation model is so called industry plantation forest program (HTI). This program implemented by PT.MHP in South Sumatera Province. Total clean forest area of MHP is about 200.000 hectares and MHP will produce wood of *Accasia mangium*. Total production of wood is about 2.3 million m³, and it

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is as intake material for pulp industry of PT.TEL (Tanjung Enim Lestari). Since beginning of 2002 the MHP was developed a new partnership model of planting system where local community were organized and get benefits from benefit sharing system. Cooperation among various stakeholders in the management of common pool resources is a widely accepted management strategy. Musi Hutan Persada, a big forest plantation company located in South Sumatra, Indonesia, has established cooperation with local communities. This cooperation was developed to directly respond the conflict over land uses between the company and local communities. However, the interests of the communities and the company are evolving, as well as biophysical aspects. How to make such a collaborative viable over the long term is the question for all involved stakeholders. This model expected that is a way to solve social conflict and land conflict problems. There are two models with involving the community in MHP such as: (1) MHBM (community partnership forest development program), and (2) MHR (forest development by community group). This research will be focused on social conflict, local organization, and local political problems in Muara Enim District.

Year 2005 is the first year of LPF project implementation in South Sumatra, Indonesia. The project is situated in the context of partnership between a big Acacia mangium forest plantation company that is Musi Hutan Persada (MHP) and communities surrounding the plantation. The partnership was developed to mitigate the conflict over land uses between the company and local communities in 1990s. However, the interests, knowledge and demands of the communities and the company are evolving, which undermine the partnership. The purposed of the project is to facilitate fairness and improvements of the partnership between MHP and the communities.

A. The Context

Musi Hutan Persada (MHP) is an Acacia Mangium plantation company placed in South Sumatra. MHP is a joint venture company among a state own company of Inhutani II and private companies of Barito Pacific Timber, Muktilestari Kencana and Marubeni Corporation. MHP runs under the Indonesian Minister of Forestry Decree No. 38/Kpts-II/1996, dated January 29, 1996. The total extent of MHP plantation is 296,400 ha positioned in three disjoint forest groups i.e. Benakat (198.741 ha), Subanjeriji (87,354 ha) and Martapura (10,340 ha) as illustrated in Figure 1. Administratively, MHP locates in five different districts i.e. Muara Enim, Lahat, Musi Rawas, Ogan Komering Ulu and Muba.

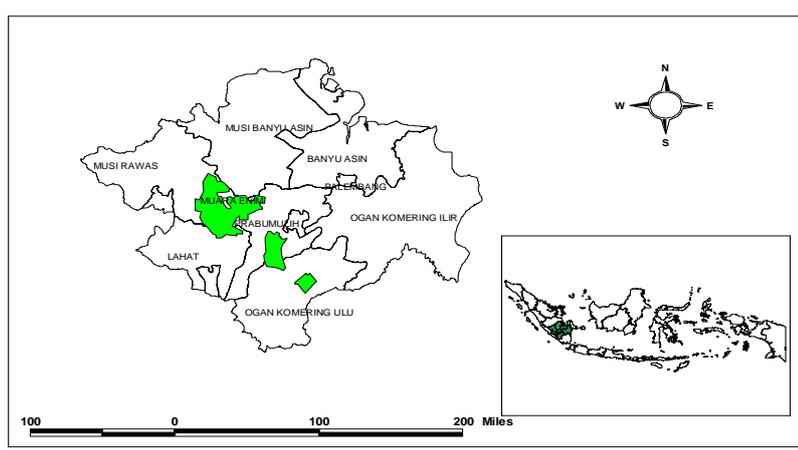


Figure 1. MHP location map

The community surrounding MHP mostly is traditional farmers. The others are MHP workers, traders and local government officials. The farmers grow rubber plantation, field rice and Acacia Mangium plantation in collaboration with MHP. The local people are used to have 'Marga' concept to organize among themselves. 'Marga' is a traditional institution with a land, rules and norms to manage their resources. The 'Marga' system is led by a trusted leader coming from the bloodline of the previous leader. Since 1982(?) this system was replaced by the concept of 'Desa', which is a line structure of local government. Currently 'Desa' is a formal system of village organization, but 'Marga' system still exists informally. A 'Desa' consists of several 'Dusun', and each 'Dusun' comprises of several 'Talang'.

Since the early 1990's the Indonesian's pulp & paper have expanded very rapidly. Expansion was temporarily held in 1997 due to the economic crisis. However, by 2000 several projects were reinstated and completed. Riau Andalan Pulp & Paper (RAPP) completed their expansion in 2001, while Tanjung Enim Lestari (TEL) mill was specially made in 2000. TEL, where MHP provides all the pulp wood, has pulp production capacity of 450,000 AdMt (Air Dry tons)/year (Botha 2002).

Disputes over lands between local and customary communities and forest companies during Soeharto era (New Order regime, 1966-1998) were very much restricted. The local army and government suppressed the disputes. Soeharto's resignation in May 1998 constituted the beginning of the customary community movement to demand the re-run of their customary rights including communal land rights. The conflicts between the local communities and the companies occurred in connections with (1) the land appropriation process; (2) environmental impacts; and (3) recruitment of employees (Sakai 2002).

In 1998, Indonesia faced economic, social and political crisis. The crisis influenced all sectors of development including MHP forest plantation that established two years before. The villages surrounding the plantation asked for more benefits from MHP. The conflicts between villagers and MHP appeared. As a result, two cooperation schemes emerged, which are 'Managing Forest with Community' (MHBM or *Mengelola Hutan Bersama Masyarakat*) and 'People Forest Management' (MHR or *Mengelola Hutan Rakyat*).

III. Theoretical framework

A. Social environment

Human has two positions in the social context such as: (1) Human as individual creature. This position gives meaning that human has different capability one to other, either positive or negative behavior. Capability of a human will determine his/her existence ; (2) Human as social creature. This position gives meaning that human as an individual creature needs other individual everywhere, in all situation of life. Human can not be living without doing relationship with other human. The pattern of this relationship then understood as social environment or community environment.

Social environment understood as an arena for many social interaction among community members, among community groups and among member and community groups, and also interaction of behavior, social value and social norm which have established within the society (*Kantor Meneg LH 2002*). Social environment needs interaction among community and nature environment, therefore, as arena for living and community interaction with social behavior, social value and social norm are exist within the society.

Two community interaction models mentioned above require three integrated fundamentals such as social defense system, social carrying capacity system, and social collectiveness system. Social defense system is community capability for life with utilize social carrying capacity and social collectiveness, then of course deal with capability of community to do self-recovery after get an damage and disaster, either natural disaster or social disaster. Social carrying capacity is a capability of region (ecosystem) to support community life and community member harmony within the system. Social collectiveness is a human capability either as an individual or as social creature living harmony within the same ecosystem.

B. Social system and local political "Marga"

Environment of social Marga is one example from social category that is based on genetic relationship or kinship (kinship based relationship). Other example are nucleus family, ethnic, etc. Other form of social category that is based on sameness of settlement (territorial based relationship). Social environment of "Marga" was understood has strong integrity caused social environment functioning as media for internal integration, reproduction and socialization development media, and also as a creativity development media.

In previous government regime, social environment of Marga assumed as one of ethnic group or isolated community. It is caused of assumption that the Marga system always known as a group of people who are living in remote area with less transportation infrastructure, isolated area, less development area, and primitive community. Total population is less but separated in the large area. People using simple technology for utilizing natural resource use. The basic need for dayli living, especially food and house are subsistence and collected from natural forest directly.

The general characteristic of socio-cultural noted by friendship and kinship integrity and also based on strong regionalism. This situation can be known from less cultural context of ethnic Marga with other community who have no blood relationship. The effect of this integrity that the community can not be developed their

social environment and rather late developing than other community groups. Beside that, culture development is adaptive only with his milieu and more selective to the culture acculturation.

The point is that social system of Marga has high vulnerability rate to do culture shock, which was caused by external cultural pressure—especially in global era. Maybe the impact of it that social system will unstable and collapse. If it is happened, therefore, the cost for social recovery is needed and bigger.

Political system is understood as a system that is decide that special activity is done by means to reach community interests. In doing so, political system highly related with political structure covered relationship among community members and among community and government. Traditional community political structure is still strong enough influenced by kinship model.

Based on that explanation, we know that marga political system connecting to the policy in the marga community, in term of who and how the policy is. Because marga community social system development was slow, so that marga community political system were still authorized by informal social leaders in the village. This view based on kinds of legitimation that leader legitimation more determined by kinship clan model and good track record, rather the capability leader owned.

C. Community partnership forest development program (CPFDP)

MHBM program or CPFDP is a partnership program issued by PT.MHP in the management of industry plantation forest which contracted by government⁷. This program efforts to more involve local community in the process of HTI management organized in MOU. This program was introduced to community since beginning 1999. The objectives will be reached by MHBM program as follows:

- Improve community welfare through increase people income, increasing job opportunities and business in HTI activities.
- Assist developing facilities and economic infrastructure
- Give awareness to community around the forest, hoped that they will increase to do collective action in sustainable forest management

The principles should be implemented in MHBM program that are community empowerment through involving local community in all processes of tree planting partnership model among MHP and group of people, Location of MHBM is state forest land, kind of benefits got by people were working fee, management fee, and production fee. Mix cropping model was used to develop HTI, especially paddy.

IV. The LPF Project Framework

A. Goals, Objectives and Purposes

The LPF project in general has three overall objectives:

- Promote good governance and conflict solving processes for forest management and land use in Southeast Asia'

⁷ Based on Ministry decree No. 38/Kpts-II/1996 , 29 January 1996

- Look for opportunities to improve local people livelihood from poverty towards a real prosperity thanks to forest management'
- Enhancement of forest sustainability.

A key result of LPF project in general is the improved stakeholders' capacity to adapt to change.

Consistently with the LPF project, in this site the project has three overall objectives i.e. promote good governance, look for opportunities to improve local people livelihood and enhance sustainability of forest and renewable resources. To achieve this objective the project intends to:

- Improve capacities of stakeholders to negotiate and come up with agreements and/or to re-negotiate rules and agreements on forest management as partnerships.
- Participate or create forums for stakeholders to communicate and share views at different levels.
- Produce practical guidelines and tools to facilitate collective action for forest or renewable resources management.

B. Project Framework

Figure 2 explains the LPF project's framework, in which there are two layers of processes i.e. village level and district level. Market and policies influence and pressure the stakeholders at both levels. At the village level, a learning loop of "Reflection-Plan-Action-Monitoring" takes place to do with micro projects that will be determined by local stakeholders. At the district level, a multi-stakeholder forum will be formed to interact and discuss their interests. A representation from village level will be part of the multi-stakeholder forum at district level. These two levels of fora communicate, interact and learn each other.

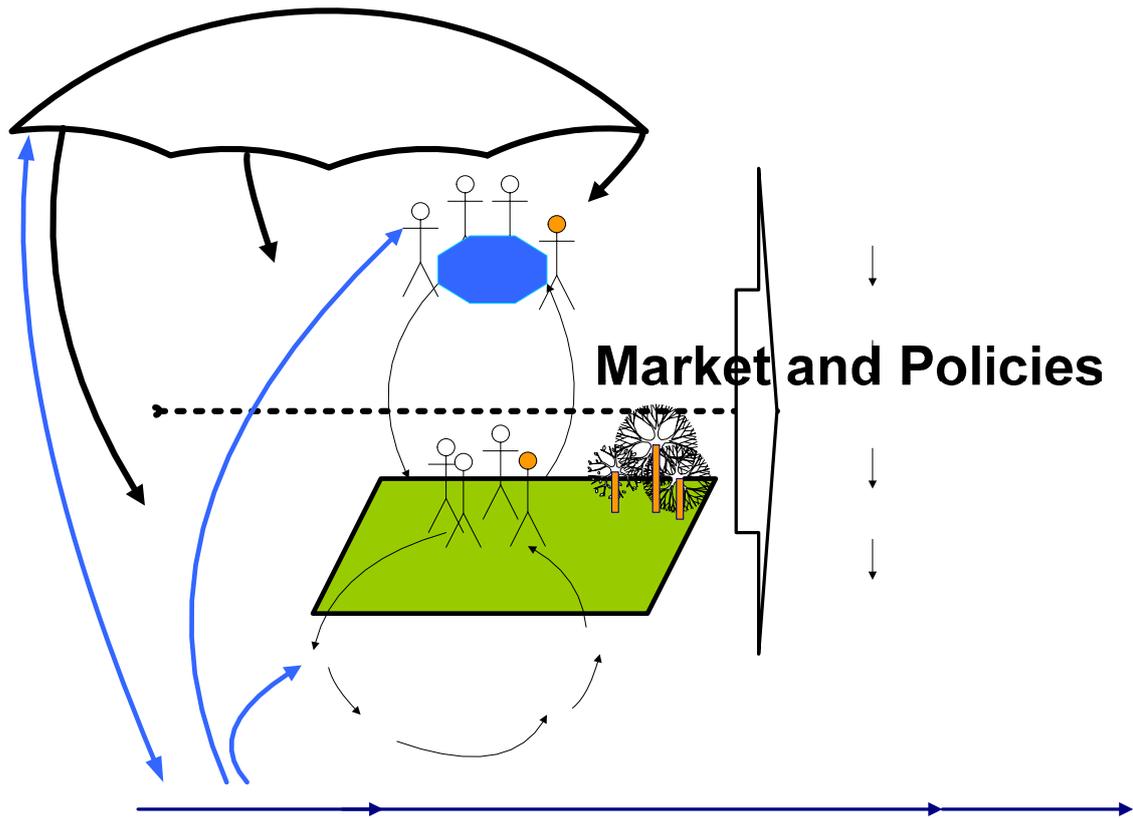


Figure 2. LPF framework

The project will conduct three major steps i.e. 1) initialization and baseline study, 2) intervention, 3) monitoring. During the 'baseline study' the project will conduct biophysical and social surveys. In this step the project will provide information on market, renewable resources and policies to stakeholders at village and district levels as well as interact with market and policies at the macro scale. In the 'intervention' step the project will facilitate stakeholders to help a group to achieve their goal while functioning as a group (Braakman and Edwards 2002) and provide information as requested. The last step is 'monitoring' the progress and impacts in collaboration with the major stakeholders. Modelling and role-playing game activities will contribute to the learning processes at village and district levels, which are written in separate documents.

The project activity aims at triggering the social process of sustainable forest management, which comprises sharing view, common long-term objectives, co-design integrated management scheme, choosing management organization and implementation & monitoring. Having clear picture of tenurial problems on tree and land as well as democratic and transparent decision making processes are necessary conditions for all stakeholders to participate in the fair partnership.

V. Implementation Results of The LPF Project in South Sumatra

INITIALIZATION AND BASELINE

A. Baseline Studies and Initialization

LPF provides information on market, renewable resources and policies

Facilitate stakeholders as re

Reflection
Micro projects
Plan
Acti

A.1. Socio Economic Survey of Ex-Marga Rambang Niru

Methodology

Eight out of the nine villages previously surveyed were considered for the detailed survey. The village of Kasih Dewa could not be considered for the survey as no accurate administrative data –not even a simple record of heads of households- was available at the village level. Considering the strong heterogeneity between villages, we opted for a stratified sample of at least 40 households per village. In every village 40 to 44 households were sampled randomly from an up to date record of heads of households. A total of 334 households (made up of 1418 individuals) were interviewed by three trained enumerators. All interviews were carried out at the home of the households after having been introduced by the head of the village or of the hamlet. Enumerators presented themselves as belonging to CIFOR, an international research organisation, independent from the local government as well as from MHP. In order to avoid any mix-up with MHP, enumerators insisted on using their own logistics and stayed overnight in the villages surveyed. Because of the length and strenuousness of the process neither village officials nor MHP managers ever interfered, and exchanges were open and frank. Thus, we are quite confident that the data collected is free of systematic bias, at least in its links with MHP.

Table 1. Villages surveyed and sample size

Villages surveyed	Number of households	Sample size
Subanjeriji	684	42
Gemawang	440	43
Aurduri	525	40
Jemenang	813	44
Tanjung Menang	258	41
Tebat Agung	936	41
Gerinam	199	40
Lubuk Raman	802	43
Total	4657	334

Major sources of income in Rambang Dangku

At the Rambang Dangku sub-district level, 79% of the households have an agricultural income, while 69% have an off-farm income (63% combine agricultural and off-farm income). A ranking of major sources of income according to the proportion of households concerned shows the overwhelming importance of rubber in the households' economy (Cf. table 2).

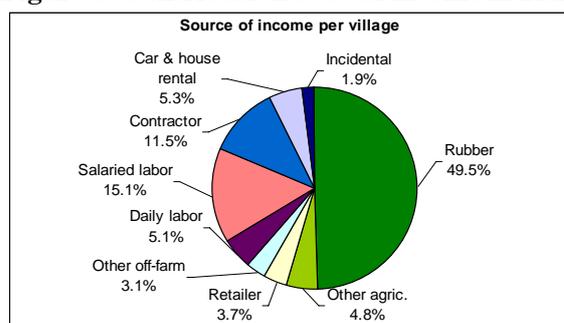
Table 2. Major sources of income

Source of income	Percentage of households concerned	Average annual income per HH concerned (million Rp)
Rubber	77	14.5
Salaried labour	27	12.6
Daily labour	19	6.0
Other agriculture	16	6.9
Incidental	14	3.1
Other off-farm	13	5.3

Retailer	11	7.9
Contractor	4	65.9
House and car rental	3	41.5

The figure 6 summarizes the contribution of the various sectors to the total income in Rambang Dangku. Rubber takes the lion's share with nearly half the total income and concerns 77% of surveyed households. On average rubber provides a 14.5 million rupiah annual income to the households concerned. In comparison, other agricultural activities like oil palm, fruit trees, food crops and animal husbandry appear very secondary as they only concern a limited number of families and for a much lower income. Salaried labour comes second with 15.1% of the total amount and concerns 27% of households. This sector regroups all civil servants, employees of state owned companies (railways, Pertamina, electricity, etc.) and of the private sector (mainly MHP and related companies). Off-farm activities are particularly important in the more urban villages close to the main road (Tebat Agung, Gerinam and Jemenang) and in Subanjeriji because of the proximity of MHP base camp. Contractors, especially those working with MHP, receive very high incomes. The same contractors usually enjoy additional income from house and car rentals to the companies active in the area. However, only a few households are concerned in every village.

Figure 6. Contribution to total income in Rambang Dangku



The prominence of rubber

The income from rubber concerns 77% of all households. These households can be subdivided into strict sharecroppers (18.6%) and rubber plantation owners (58.7%). The latter can further be subdivided into owners tapping their own trees (42.8%), owners tapping part of their trees and entrusting the remainder to sharecroppers (6%), and owners entrusting all their trees to sharecroppers (9.9%). In some rare cases, smallholders also practice additional sharecropping to complement their income (Cf. table 3).

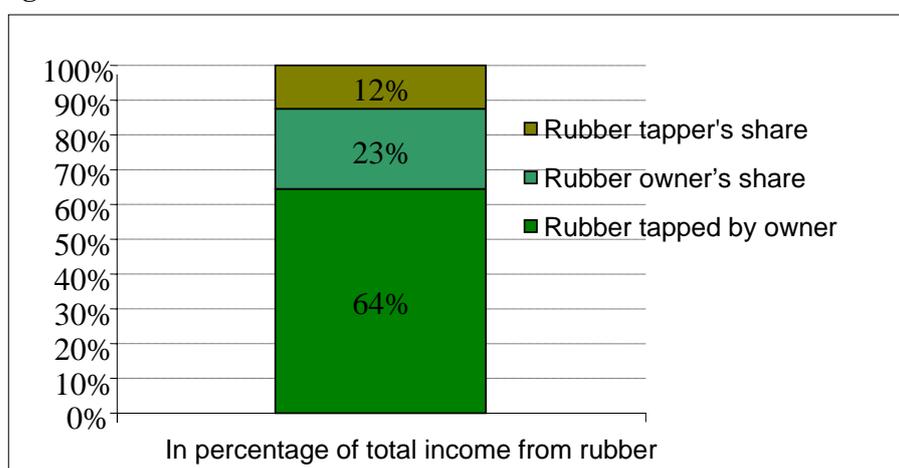
Table 3. Tapping system and rubber income

Categories	Tapping done by	Additional sharecropping	Households	Average income (million Rp/year)
Rubber owners (58.7%)	owner	no	41,0%	14,9
		yes	1,8%	11,6
	owner + sharecropper	no	5,1%	26,5

		yes	0,9%	22,5
	sharecropper		9,9%	21,5
Sharecroppers	sharecropper		18,6%	6,4
No income from rubber			22,7%	

Incomes from rubber are directly linked to the size of the holdings. The highest incomes are obtained by rubber owners entrusting their plantations or part of it to sharecroppers. This is generally the case for land lords and households owning rather large estates. Households with 1 to 2 ha holdings generally tap their trees themselves. Sharecroppers get the lowest income as they have to repay 50% of their sales to the owners of the rubber plantations. The figure 6 summarizes the shares for the 77% households with income from rubber.

Figure 7. Income from rubber



Considering that the rubber plantation owners and the tappers usually receive equal parts, the sharecropper's part is obviously underestimated in figure 6. The reason for this is that many sharecroppers live directly on the rubber plantations and are not always registered by the village administration. As a consequence, the sharecropping households are probably underrepresented in our sample, and the part of rubber in the total income of ex marga Rambang Niru might also be slightly underestimated.

Disparities between villages

The socio-economic data collected confirm the disparities between villages that were already visible to the naked eye. According to their location, some villages present more urban or rural characteristics. Older villages have generally a better access to landownership, while newer villages accommodating many recent immigrants are the worst off.

Income disparities at village level

Table 4 and figure 7 summarize income data at the village level and illustrate the huge disparities in matters of income between villages. Figures are given for 40 households in every village in order to facilitate comparison. Table 5 presents the percentage of households concerned by the income category in each village.

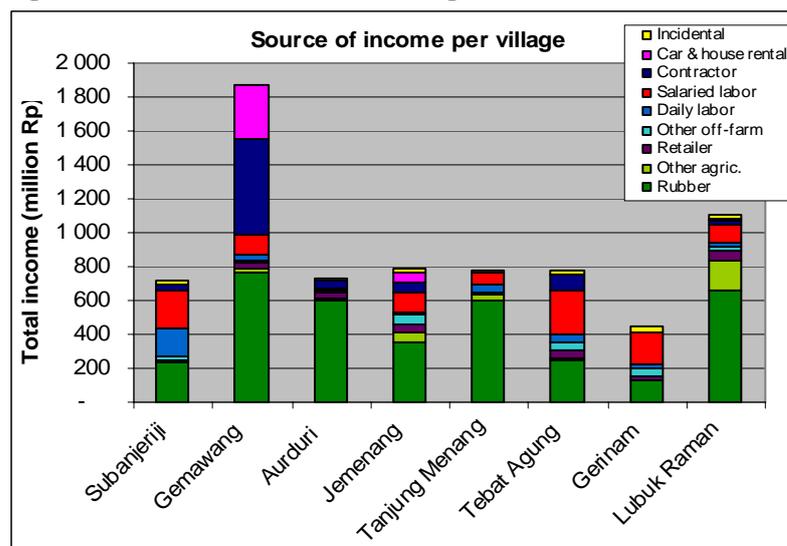
Table 4. Contribution to total village income (in million rupiah)

Village	Rubber	Other agric.	Retailer	Other off-farm	Daily labor	Salaried labor	Contractor	Rental	Incidental	Total
Subanjeriji	235	12	-	23	165	228	30	-	23	716
Gemawang	764	29	35	5	37	117	570	309	6	1871
Aurduri	598	13	40	13	6	5	47	-	1	724
Jemenang	351	57	50	58	15	115	60	65	17	788
Tj. Menang	596	34	12	7	45	70	-	1	14	781
Tebat Agung	242	12	53	52	40	259	98	3	18	776
Gerinam	125	7	19	44	30	188	-	1	28	441
Lb. Raman	656	184	57	21	26	106	21	7	31	1109
All villages	3567	348	266	223	364	1087	826	385	139	7206

Table 5. Percentage of households concerned by activities listed in table 4

Village	Rubber	Other agric.	Retailer	Other off-farm	Daily labor	Salaried labor	Contractor	Rental	Incidental
Subanjeriji	57	14	-	12	38	43	2	-	19
Gemawang	91	19	16	5	33	16	9	7	7
Aurduri	95	20	13	8	13	3	8	-	5
Jemenang	82	30	18	18	16	27	5	5	16
Tanjung Menang	93	17	5	5	10	27	-	5	22
Tebat Agung	54	12	15	22	15	44	2	2	15
Gerinam	50	10	15	25	20	33	-	3	20
Lubuk Raman	95	5	9	12	9	21	5	2	9
All villages	77	16	11	13	19	27	4	3	14

Figure 8. Contribution to total village income



Three major income categories appear as determining: rubber, salaried labour and contractors. Rubber dominates the economy of Gemawang, Aur Duri, Tanjung

Menang, Lubuk Raman and to a lesser extent Jemenang. In the four first villages, 91 to 95% of households get an income from rubber ranging on average from 15 to 19 million rupiah per year. In the villages of Subanjeriji, Tebat Agung and Gerinam rubber income only concerns 50 to 57% of households, 33 to 44% of households depend on salaried jobs (and to a lesser extent on daily labour) to make a living. In addition to this, Gemawang is home to a few wealthy contractors who proved able to strike very profitable deals with MHP.

Household level

Landownership

On average, in our sample 29% of households are landless (Cf. table 6). The frequency of landless households is highest in the more urban villages of Tebat Agung (58%) and Gerinam (45%) and lowest in Gemawang (14%) and in Lubuk Raman (11%). Rubber overshadows all other land uses with 54% of the total agricultural land under rubber plantations. Fallow land, a category regrouping all kinds of secondary re-growth and former plantations, comes second with 28% of the total area. Only 20% of households own fallow land, which is a good indicator of the increasing scarcity of land for agricultural development in the sub-district. Furthermore, 53% of all fallow land is located in the village of Gemawang. In all other villages there is virtually no spare land available for future development, which is a strong incentive for claiming land from MHP.

Table 6. Landownership in Rambang Dangku (sample population)

Village	Land less HH	Rubber owners		Oil palm		Orchard		Acacia		Upland rice		Fallow land		Total land owned	
	%	HH %	ha	HH %	ha	HH %	ha	HH %	ha	HH %	ha	HH %	ha	HH %	ha
Subanjeriji	36	62	53	0	0	5	2	2	14	0	0	19	44	64	113
Gemawang	14	81	124	2	2	9	22	2	15	0	0	40	148	86	311
Aurduri	25	73	85	0	0	18	14	0	0	0	0	18	11	75	109
Jemenang	21	80	63	25	23	2	1	2	20	2	1	14	11	80	119
Tj. Menang	24	71	78	22	27	2	1	0	0	7	4	17	8	76	118
Tb. Agung	58	38	29	3	2	5	2	0	0	5	2	10	5	43	40
Gerinam	45	35	17	0	0	8	2	23	12	3	1	23	42	55	73
Lb. Raman	11	86	85	2	1	7	2	9	4	0	0	21	9	89	100
Total	29	66	533	7	55	7	46	5	65	2	7	20	277	71	983

Assets

The table 7 presenting the assets of households is proof of the rather wealthy economic conditions of the Rambang Dangku sub-district. Television and Video players can no longer be considered as luxury items as on average 81% households own the former and 58% the latter. Thanks to the recent development of credit sales, 49% of households own a motorcycle. Some families own up to 3 motorcycles. Hand phones are also well distributed with 23% of households equipped on average. Even in villages like Subanjeriji not yet reached by GSM signal, 21% of households are already equipped with hand phones. Chainsaws are important items especially in

villages with many contractors working for MHP. One contractor alone owns 38 chainsaws. The ownership of a private car has become the top indicator for high social status. In wealthy villages like Gemawang, Jemenang and Lubuk Raman, respectively 14%, 9% and 9% of households own at least one car, minibus or truck.

Table 7. Assets owned by households

Village	Hand phone	TV	Para-bola	Video player	Refrigerator	Water pump	Chain-saw	Motor cycle	Car / Truck*
	% KK	% KK	% KK	% KK	% KK	% KK	% KK	% KK	% KK
Subanjeriji	21	83	10	62	7	2	17	41	0
Gemawang	21	79	14	63	26	21	12	67	14
Aurduri	3	63	0	33	0	3	3	35	0
Jemenang	34	91	11	64	27	41	5	50	9
Tj. Menang	27	78	10	51	27	27	2	49	0
Tebat Agung	35	88	8	58	23	15	5	50	5
Gerinam	15	75	5	58	8	8	3	50	3
Lubuk Raman	39	86	18	71	41	30	14	50	9
Total	25	81	10	58	20	19	8	49	5
Maximum / HH	3	2	1	2	1	1	38	3	4

* Includes private cars, rented cars, minibuses and trucks.

Livestock

Livestock is considered as a complementary income to rubber and other plantation crops by 10% of households on average. Poultry is more uniformly distributed. Cows and buffalos are generally owned by rich families and usually left wandering in the neighbourhood. Incidents are frequently reported (between owners and planters) when cows start feeding on young rubber plantations. The livestock production pattern is irregular, as the herds serve mainly as a living savings account.

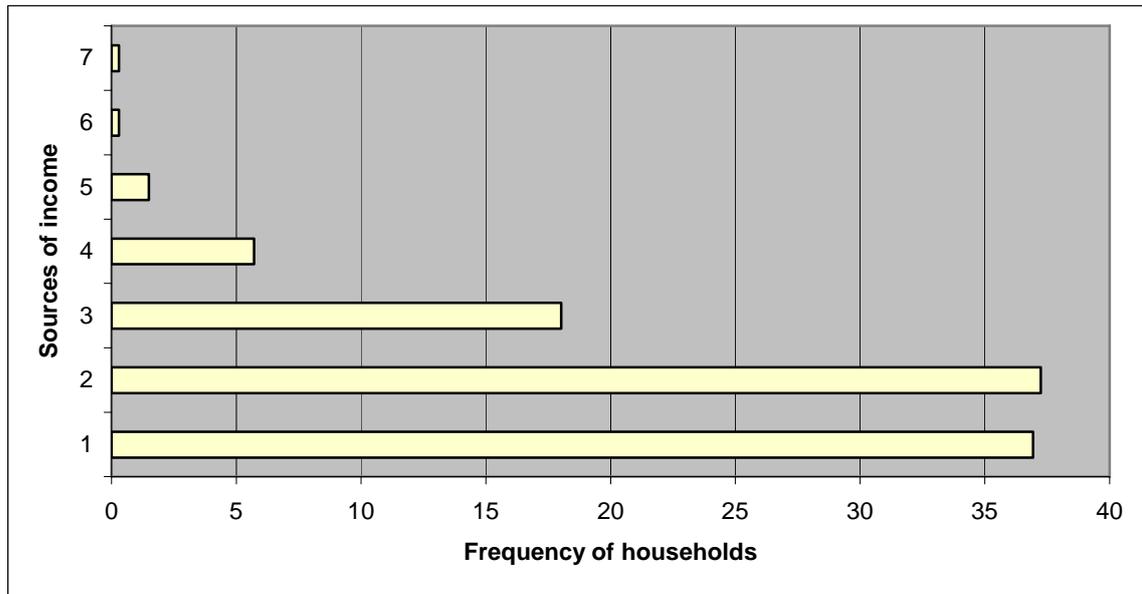
Table 8. Households owning livestock.

Village	Poultry		Cows		Buffalos		Goats	
	% HH	n/HH	% HH	n/HH	% HH	n/HH	% HH	n/HH
Subanjeriji	36	4	5	3	5	2	21	6
Gemawang	33	8	16	3	7	2	14	4
Aurduri	60	9	15	1	0	0	3	6
Jemenang	39	6	2	29	5	7	7	6
Tanjung Menang	34	6	2	5	2	2	7	2
Tebat Agung	33	13	8	3	0	0	10	4
Gerinam	50	7	13	2	0	0	13	3
Lubuk Raman	34	6	0	0	0	0	7	6
Total	40	7	8	3	2	3	10	5

Livelihood options

A large majority of households benefits from one or two sources of income. Only very few families present highly diversified livelihood options.

Figure 9. Distribution of households according to livelihood options

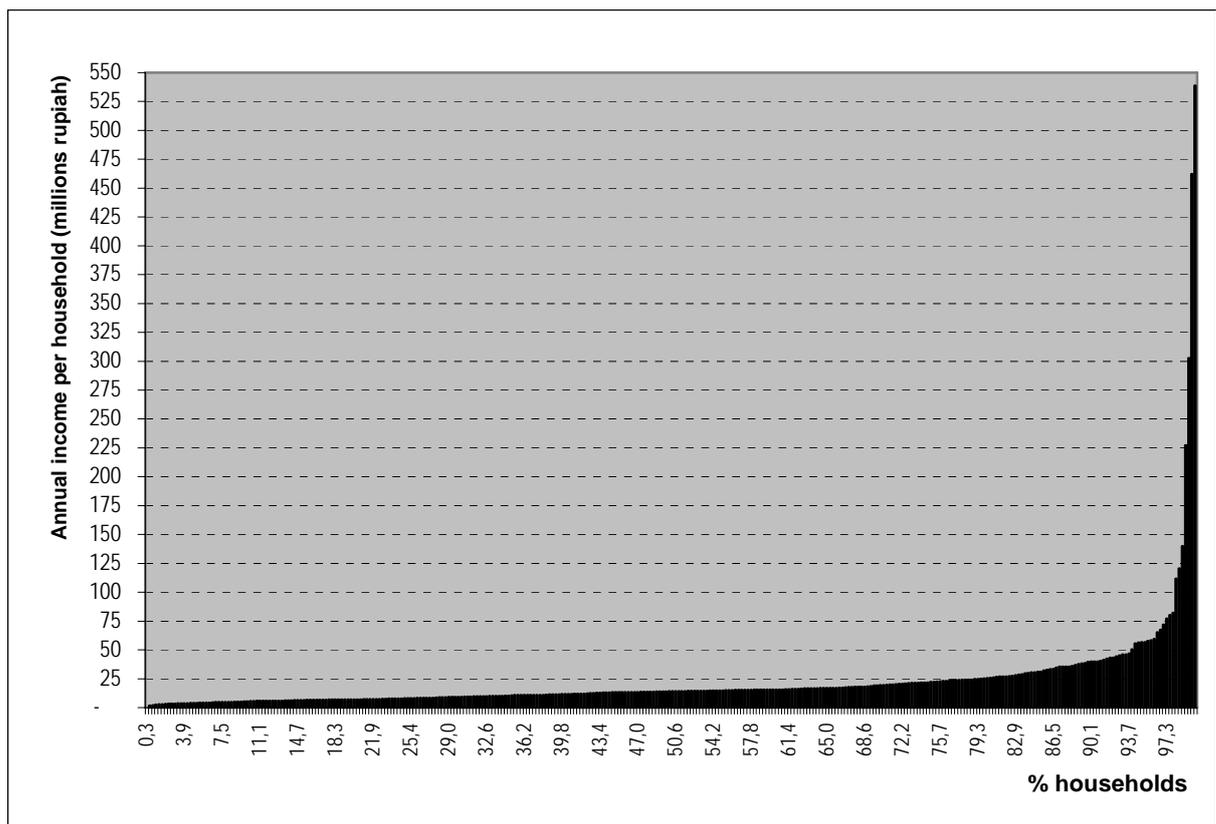


Household income

Income Distribution

The distribution of the households' annual income shows huge disparities. The poorest household in our sample lives with 1.7 million rupiah per year, while the richest reaches 540 million rupiah. Considering the very unequal distribution of income (Cf. figure 10) average values are of little significance. The median value for the whole sample is of 14 million rupiah income per household and per year. Median values are quite similar for all villages, with the exception of Lubuk Raman which is a bit richer (17 million rupiah) than the average and Gerinam which is significantly poorer with 8 million rupiah per household and per year.

Figure 10. Distribution of annual income per household



The poor

The 33 households (10%) with the lowest income (less than 5.3 million rupiah per year) generally benefit from a single source of income, either rubber, daily labour or financial support from children or relatives:

12 households are sharecroppers on rather small estates; half of their production is repaid to the owner, which leaves them with a very small income;

5 households exploit their own rubber plantation; however their plantations are either too small, too old or both to provide them with sufficient income;

9 households only work occasionally as daily labourers, generally in the vicinity (only one household with MHP);

7 households are headed by elderly people, often women, and totally depend on financial support from children or relatives, or on charity to make ends meet.

The rich

The 33 households (10%) with the highest income (40 – 539 million rupiah per year) have diversified sources of income as rubber planters, contractors, house and car hiring, and sometimes traders. The large majority (31/33) are agro-businessmen who own large rubber estates (up to 30 hectares). In addition, nine heads of households are traders, and eight households are in business with MHP, two of them are even staff of the company. The richest five households, with income over 140 millions rupiah per year are all MHP contractors and at the same time large rubber plantation owners.

As a rule, in Rambang Dangku, rubber farming is essential to the poorest as well as to the richest families. For the whole sample there is a strong correlation between income and rubber plantation ownership. The poorest households do not own rubber plantations at all. They usually make a living as daily labourers or sharecroppers. The

richest households are real landlords. They own large plantations entrusted to sharecroppers and make additional money as contractors with MHP or related companies. For the 80% households in between, the income level is first determined by the surface area of clonal rubber plantations, than by complementary activities like salaried jobs, and various off-farm opportunities. However, the income from rubber is negatively correlated with most off-farm activities like daily labour, salaried labour and small industries. As a rule, households with insufficient income from rubber need to complement their income with off-farm activities: salaried labour for the educated ones, small industries for the skilled ones and daily labour for all others. Those with very high income from rubber tend to invest their surplus in lucrative businesses with MHP and related companies.

Extreme poverty

Considering the low heterogeneity in the size of the households, income figures per capita are quite similar to figures at household level. Table 9 summarizes income per capita figures and poverty rates according to various criteria.

Table 9. Income per capita and poverty rates

Village	Average income per capita (million Rp/year)	Median income per capita (million Rp/year)	Under Pradhan poverty line 1999 (%)	Under Pradhan poverty line 2005 (%)	Under 1US\$/day line (%)	Under 2 US\$/day line (%)	Over 2 US\$/day line (%)
Subanjeriji	4.1	3.4	5	10	52	90	10
Gemawang	12.6	3.3	7	16	56	81	19
Aurduri	4.3	2.9	5	20	53	85	15
Jemenang	4.7	3.1	5	11	59	84	16
Tj. Menang	6.2	4.8	2	5	39	73	27
Tebat Agung	5.4	3.8	3	13	40	83	17
Gerinam	2.6	2.0	13	33	78	98	2
Lubuk Raman	6.5	4.4	0	2	32	77	23
Total	5.8	3.6	4	12	48	83	17

Average conversion rate for 2005 : Rp 9 700 / US\$.

If we define poverty as having an income less than US\$ 1 per day, then 48% of the total population of Rambang Dangku can be considered as poor. Most villages present similar results, with the exceptions of Lubuk Raman which has only 32% of poor, and Gerinam with 78% of its population under the poverty line.

But to many Indonesian households, the US\$ 1 per day per capita limit is considered more as an unreachable dream than a poverty line. Pradhan *et al.* (2001) defined a more accurate poverty line for Indonesia at a provincial level (rural and urban) based on the local prices of nine major items. If we consider the figures obtained by Pradhan *et al.* in 1999 for South Sumatra (to say Rp. 81 667/capita/month or Rp 980 000/capita/year) then only 4% of the population of Rambang Dangku would be under the poverty line. But if we take in account a total inflation rate of 50% in Indonesia between 1999 and 2005, than the Pradhan poverty line shifts to Rp 1 470 000/capita/year, and 12% of the total population end up under the poverty line. Lubuk Raman (2%) and Tanjung Menang (5%) show the lowest percentage of very poor families, while Gerinam has one third of its population under the poverty line.

On average 17% of the population can be considered as well off, with an income over US\$ 2 a day. Results are more heterogeneous between villages, ranking from 2% for Gerinam to 27% for Tanjung Menang.

Contribution of MHP and partners to households' economy

MHP and related companies provide four types of income to the households of Rambang Dangku:

- Wages for daily labourers hired by contractors working for MHP
- Salaries for employees directly hired by the companies
- Net profits for contractors working with the companies
- House and car rentals paid by the companies.

These categories of income do not address the same type of households. Daily wages generally concern poorer households which need to complement an insufficient agricultural income. Salaried labour is generally reserved to younger heads of households or dependents benefiting from specific skills or from higher education. However, after some violent demonstrations, companies like PT. Tel agreed to put aside a significant number of jobs for people originating from nearby villages. Gerinam benefited most from this new policy. Last but not least, a small number of wealthy and well connected villagers cashes in on contracts with MHP and on house and car rentals. Table 10 and 11 summarize the contribution of MHP and partners to the households' income in Rambang Dangku.

Table 10. Global contribution from MHP and partners in Rambang Dangku

Category of income	% of income from MHP for the category	Percentage of households concerned by MHP	Average income per household concerned (million Rp/year)
Daily labour	56.3	7.4	10.2
Salaried labour	69.9	17.2	13.7
Contractor	88.6	3.7	65.0
House and car rental	97.0	1.4	80.6
Total contribution from MHP	24.6	27.7	

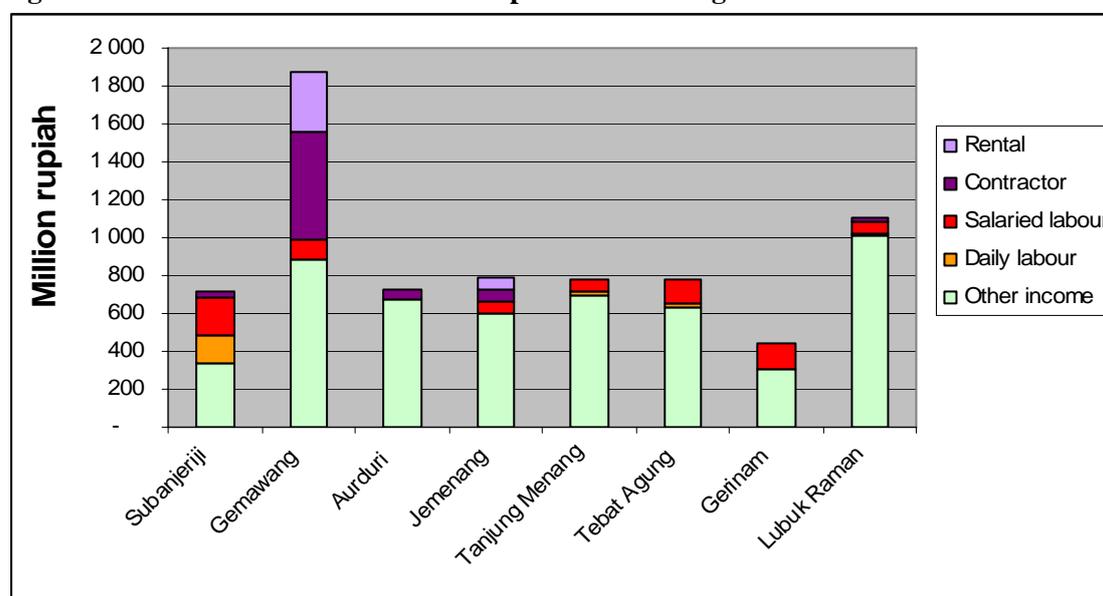
MHP's role appears determining in most off-farm income opportunities. Daily labour opportunities are provided by MHP for 56% of the total of the category but only concern 7% of households, proof that most families have better opportunities at hand than working as daily labourers. As a fact, most daily labourers working for MHP contractors are recent migrants or hired from outside Rambang Dangku. The impact of MHP is strongest in providing salaried labour opportunities (70% of the total) to 17% of households. Again, the highest amount of money provided by MHP goes to a very small number of contractors. All in all, MHP contributes to 25% of the total income of Rambang Dangku and directly concerns (to different levels) 28% of all households. However MHP's contribution varies greatly between villages as can be seen in table 11 and figure 10.

Table 11. Contribution from MHP and partners per village

Village	Percentage of households concerned by activity with MHP					Village income from MHP %
	Daily labour	Salaried labour	Contractors	House and car rental	All activities	
Subanjeriji	26.2	38.1	2.4	0	64.3	53.5
Gemawang	2.3	11.6	9.3	7.0	20.9	52.7
Aurduri	0.0	0.0	7.5	0	7.5	6.5
Jemenang	4.5	13.6	4.5	4.5	25.0	23.8
Tj. Menang	4.9	19.5	0.0	0	24.4	10.6
Tebat Agung	10.0	22.5	0.0	0	32.5	19.2
Gerinam	0.0	25.0	0.0	0	25.0	30.8
Lubuk Raman	2.3	9.1	4.5	0	13.6	8.5
Rambang Dangku	7.4	17.2	3.7	1.4	27.7	24.6

The category “daily labour” is only important in Subanjeriji, the village being closest to MHP base camp and hosting a large number of recent and rather poor immigrants. Subanjeriji is also home to a large number of MHP salaried workers. In Subanjeriji 54% of the total village income is provided by MHP and concerns 64% of households. In Gerinam 31% of the total income is directly provided by PT. Tel to 25% of households. Gemawang gets a high percentage of its total income (53%) from MHP because of the large number of contractors living in the village, only 21% of households receive an income from MHP. In all other villages, the economic impact of MHP is very secondary. The villages of Aur Duri, Tanjung Menang and Lubuk Raman receive the smallest contribution from MHP and partners. These three villages are specialized in rubber production and benefit from a rather egalitarian distribution of wealth as most families own between 1 and 6 ha of rubber plantations.

Figure 11. Contribution from MHP and partners to village income



The category “other income” concerns all income not directly related to MHP or partners.

Perceptions about MHP

To the question “Do you consider that MHP has a negative, no, or a positive impact on your household’s economy” only 1% of the heads of household interviewed considered that MHP had a negative impact. The very large majority (73%)

considered that MHP had no impact at all on their livelihoods. The remainder (26%) considered that MHP had a positive impact. The results of the poll are summarized in table 12.

Table 12. Impact of MHP on household's economy

Village	MHP impact on household		
	Negative	None	Positive
Subanjeriji	0%	43%	57%
Gemawang	0%	74%	26%
Aurduri	0%	98%	3%
Jemenang	2%	72%	26%
Tanjung Menang	5%	73%	22%
Tebat Agung	0%	72%	28%
Gerinam	0%	80%	20%
Lubuk Raman	0%	77%	23%
All villages	1%	73%	26%

The results of the poll are in agreement with the household survey. The highest proportion of positive opinion (57%) is found in Subanjeriji where a large number of households depend directly on MHP for daily and salaried wages. The smallest positive opinion (3%) is found in Aur Duri where the contribution of MHP to the households' income is almost inexistent. In all other villages MHP gets 20 to 28% positive opinions. Quite obviously there is a strong correlation between positive opinion and income generated from MHP.

These results also show a strong discrepancy between village elites and simple villagers. In previous surveys, village elites were much more critical and usually conveyed the strong resentment of their communities towards MHP. According to village elites, the communities' feelings about MHP were mixed, ranging from compensation claims to violent rejection. Seven main claims were listed from previous surveys:

- **Help**; people were expecting from MHP altogether welfare spending, scholarships, cultural and sporting facilities, places of worship, etc.
- **Cooperation**; people want to get more directly involved in MHP's activities;
- **Jobs**; local people want to be given priority in recruitment for permanent jobs;
- **Leave**; some people disappointed by MHP consider that the company's presence is detrimental to local peoples' interests and that it should leave;
- **Land**; MHP should give back the land forcibly taken away from its legitimate owners;
- **Road maintenance**; MHP should maintain the roads because the numerous trucks heavily loaded with acacia that roam the area cause much nuisance (damage to roads, dust, noise);
- **Money**; MHP should pay regular fees to the communities living in its vicinity.

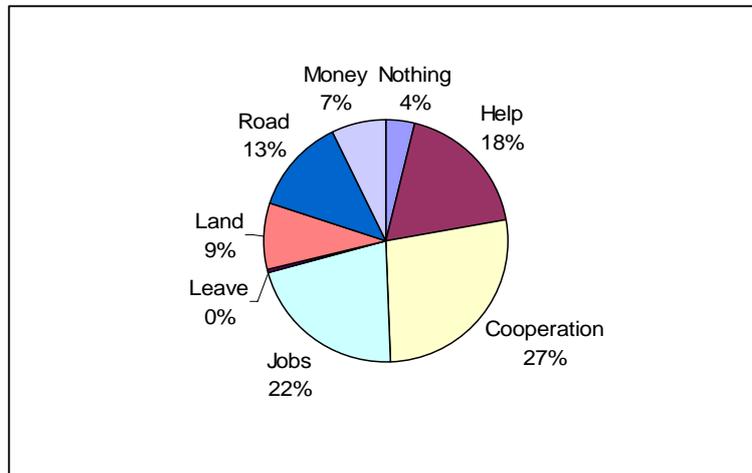
All households were proposed to choose among the 7 claims listed above –and presented on cards- which ones corresponded most to their feeling. The households were allowed to pick up 0, 1, 2 or 3 cards.

9% did not pick up any cards, having no claims with MHP;

21% choose only one card, considering other cards as not relevant;

22% choose 2 cards, considering other cards as not relevant;
 48% choose 3 cards, considering other cards as not or less relevant.
 Figure 10 summarizes the results of the poll. Results were not significantly different between villages.

Figure 13. Major claims from communities



Heads of household in Rambang Dangku appear much more restrained in their claims than their village elites. A large majority seeks a better cooperation with MHP (27%), salaried jobs (22%) and welfare spending (18%). Direct claims for road maintenance, land or fees are very secondary. Last but not least, only 2 out of 334 households declared that they would like MHP to leave for good.

Perceptions about MHBM and MHR

To the question “Do you consider that the MHBM programme has a negative, no, or a positive impact on the household’s economy?” the answers leave no doubt: a large majority of households (97%) consider that MHBM has no impact whatsoever on the family’s economy. In fact, the large number of households considering that MHBM had no impact consisted mainly of people having no clear idea of what MHBM really was. Tebat Agung is the only village where positive opinions reached 11%. No household considered that the programme had a negative impact.

Table 13. Impact of MHBM on household’s economy

Village	MHBM impact on household		
	Negative	None	Positive
Subanjeriji	0%	98%	2%
Gemawang	0%	98%	2%
Aurduri	0%	98%	3%
Jemenang	0%	100%	0%
Tanjung Menang	0%	100%	0%
Tebat Agung	0%	89%	11%
Gerinam	0%	95%	5%
Lubuk Raman	0%	98%	2%
All villages	0%	97%	3%

Out of the total sample (there were no significant differences between villages):

- 55% of the households had never heard about the programme;

- 20% had heard about the programme by chance but had no clear idea;
- 19% had some idea about the programme but considered information as insufficient;
- 6% considered that extension had been appropriate.

Very similar results were obtained with questions about the MHR programme:

- 54% of the households had never heard about the programme;
- 15% had heard about the programme by chance but had no clear idea;
- 21% had some idea about the programme but considered information as insufficient;
- 9% considered that extension had been appropriate.

The results of the poll prove clearly that information and extension about the MHBM and the MHR programmes have been neglected. Questioned about this surprising result, some village elites declared that they were waiting for the first results of the programmes before multiplying information meetings. Some heads of household were more critical and considered that they were betrayed by their elites which tried to keep for themselves the information and the benefits of the programmes.

A.2. Establishment of Multistakeholders Forum

The preliminary intervention stage in the form of establishment of multi-stakeholder forum was carried out at district level was executed with full supports of the stakeholders as part of the project framework strategy. The forum came from the workshop using FGD and Plenary methods, which previously aimed at “ritually and formally” initiating the project implementation. This forum was namely *Forum Sebahu Sejalan*, the acronym of local words that mean “together to establish forest and to sustain livelihood”. The project facilitated the written agreement of the constitution and work plan of the forum.

A.3. In Depth Studies about Social and Local Political System in in ”Ex-Marga Rambang Niru”

Ex- Marga Rambang Niru community located in Rambang Dangku sub-district, Muara Enim Regency, South Sumatera Province. The name of Rambang Dangku composed by two communities marga such as *Marga Rambang Niru* and *Marga Empat Petulai Dangku*. Previously, both community marga as groups of people which have done on slash and burn activities. Many years ago, slash and burn community moved from one to other places, there was no permanent settlement of them, every 3-5 years those community moving to other places. Each slash and burn group consist of more than ten families. The locations were occupied by slash and burn families called ”area of talang”. According to many activities in development process, among group of talang establish their common boundary and those people staying and living permanently. This grouped model approach stopped when village institution established. In some places up to now still find out that many talang within the village territorial but they were settled permanently.

Previously slash and burn area of Rambang Niru were covered several villages such as: Jumenang, Aur Duri, Gemawang, Subanjeriji, Tanjungmenang, Kasih Dewa, Tebat Agung, Gerinam, and Lubuk Rahman, and then added by six transmigration villages area. While swiden agriculture area of marga Empat Petulai Dangku were

covered villages of Banoayu, Kuripan, Muara Niru, Gunung Raja and 5 transmigration villages.

A.3.1. Social System of Ex-Marga Rambang Niru

Community of Ex-marga Rambang Niru as an example of people who were living close by rivers. Long time ago, rivers as a basis for all community activities and people moved out from a swiden area to other to looked for pieces of land for crops cultivation and their living security. Those kind of interactions done by community, that was also supported by nature of thinking and view that forest resources as source of living. The view of people influence pattern of community living over the time. The traditional views sustainability caused by less dynamic of people due to geographyc constraint, that also caused by less contact with external world so that the information had been limited.

The activity of swiden agriculture will be stoped if one or all members of family have alternative source of income i.e : income from rubber trees and working in town. The pattern of settlement was also changed by built permanent housing in centre village or along the main road which already developed by HPH and HTI companies.

Changing, slowly but sure, of the community of Ex-marga Rambang Niru can not be avoided the cultural assimilation processes from others different culture. Cultural assimilation gives the effect to the reducing and loss of original "adat marga" value. Cultural assimilation begun by spreading out of Islam religion to Sumatera island, and continued by meeting cultural come from Java and China. The changing of Marga cultural can be seen pricisely in the contexts of houses construction models now compared with housing model in talang as an oldest one.



Figure 14 : Settlement pattern and housing model in Talang area



Figure 15 : Settlement pattern and permanent housing model in

Disapearing of adat marga value was also stated by community informal leaders in Rambang Dangku sub-district. Adat value which still followed that were only connected with land distribution system, where the group of males have good and dominant position in term of decision making process, either position or portion in case of property distribution.

Although adat marga value degraded, but social informal leaders still have legitimation within the community---- in some extend more than formal leader roles (village headmen and head of sub-district). Based on field observation, that was happened because most of community were not trusted to the government. Community didn't trust to government because most of government policies were not accomodated to the problems of people or less profit for the community.

Based on kinship approach the community of Rambang Niru can be grouped into two villages such as: (1) nucleous village and (2) non-nocleous village. Can be called as Nucleous village if the ancestor of this village as the founding fathers of community, then their children and next generation living in around of this village. Nucleous villages are: Jumenang, Kasih Dewa, and Lubuk Raman.

Non-nucleous village can be understood as villages that most of community come from nucleous villages i.e: Tanjung menang (ancestor from Jumenang); Tebat Agung (ancestor from Kasih Dewa); Subanjeriji and Gemawang (ancestor from Jumenang and Lubuk Rahman); Gerinam as extended village from Tebat Agung and Kasih Dewa; Aur Duri (ancestor from mixing among Marga Rambang Niru and Marga Empat Petulai Dangku).

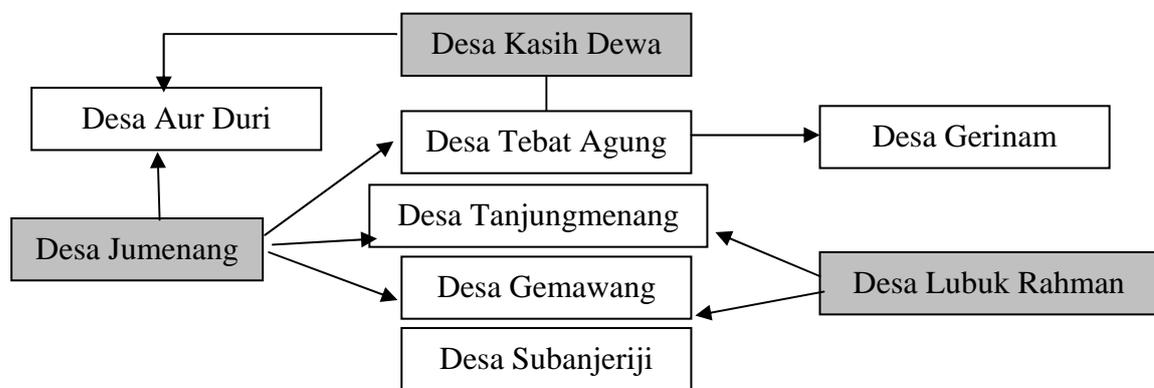


Figure 16: Developing pattern of community on Marga Rambang Niru (grey boxes represent Nucleous village, and white boxes represent Non nucleous village)

A.3.2. Local political system Ex-Marga Rambang Niru

Local political system understood as a system that is found within society related to decision making process about community interest, either direct or indirect interests. Local community political system Ex-Marga Rambang Niru hold by two main actors, such as: (1) actors related to economy activities; and (2) actor related to informal leader (social actors). Actor economy is a member of community which has

more opportunity to access and also to influence many kinds of economy activities in the village. This actors can as social actor which has double role either as merchant or as people who has job as success merchant.

Informal community leader in ex-Marga Rambang Niru authorized by original clan from Marga Rambang Niru which stay in nucleous village. It can be stated that the centre of authority in this Marga was Jumenang village. It was poited out with: first, the all board members of MHBM organization as Payung Ex-Marga Rambang Niru stayed in Jumenang Village. Second, in Jumenang village was also established a group of MHBM *Puyang Tana Putih*, as an anector of original community from Jumenang. Almost all decisions making on organisation of MHBM Ex-Marga Rambang Niru issued to give advantage for MHBM group of Puyang Tana Putih, although those decision would be affected to eight villages. This condition differences with the role of social leader in non-nucleous village where its legitimation efective in his village only.

The role of political party and its political actors were not influential in the community. Their relationship efective only in the general election on 2004. Beyond that there was no communication and contact among political actors and community of Ex-Marga Rambang Niru. Those community also aware that political party could not be used as a vehicle toward social welfare of the community. In the community oppinion, political party as same as with deception or dishonesty.

The existence of government institution also has no strong legitimation in the community. All community respect to government institution because they need public services from government rather they need leadership system which capable to give the community services. The role of government institution related to the MHBM program implementation only in term of giving land title recognition (SKT) where it was needed by community when they want to be a member of MHBM organization. Alot of SKT which were issued by village government not the same with the reality exist. Head of village didn't know exactly SKT territory, so that later, the conflict of land status within community increase.

B. Community Forest Collaboration Development Program for the Community Ex-Marga Rambang Niru (MHBM)

B.1. Communication among community and PT. MHP

Community Ex-Marga Rambang Niru stated that the existence of PT.MHP has given some advantages to the people such as: developing road transportation to increase community economy activities and job opportunity available for local community.

Besides open job opportunity and open access on economic, the existence of PT.MHP was also supported to the improvement of quality and quantity facilities for mosque, bridge rehabilitation, and sport facility rehabilitation. MHP was also supported finacial for some community activities. Based on the field information, other activities such as training on agribusiness, cattle raising, that were also improved the income of people.

Conclusion that communication pattern among community and MHP just matter of business where MHP has high authority and community still has less power to manage forest management fairly. There was no equal partnership in their connection. Unequal partnership pattern can be seen in case of both parties position. In case of working distribution i.e : land preparation, planting and maintaining *Acacia mangium*, MHP position as holder authority to give job opportunity to the community, and MHBM group as worker group to do all plantation activities. All regulations related to the working on plantation (method and budget) were determined by MHBM, there was no community participation at all. To get the job, therefore, MHBM group should propose to MHP manager in unit level. When MHP could not take care of needs of communities to get those job, the community started to do social resistance. Form of social resistance has been happened that were anarchism, terror, taking of hostages of truck etc.

B.2 MHBM and local organizations

MHBM organization is a form of community organization collaborating with MHP to do implementation scenario of MHBM program or projects. MHBM organization in the community of Ex-Marga Rambang Niru composed by two forms such as: (1) Village MHBM organization, and (2) Umbrella MHBM organization of Ex-Marga Rambang Niru. This umbrella MHBM organization is a place for merger all village MHBM organization which guided by four coordinators live in Jumenang village.

The name of Ex-Marga Rambang Niru was selected based on an agreement of community when socialization and forming of MHBM organization done by MHP. The agreement was based on thinking that all location of MHBM as ex-swiden agricultural activities area of Marga Rambang Niru. That the reason why village MHBM organization which was merged grouped based on locations into two organizations such as: (1) village MHBM organization in the HTI area (i.e : Subanjeriji, Gemawang, Aur Duri, Jumenang), and (2) village MHBM organization out side of HTI area (i.e : other five villages).

Function of MHBM organization so far, just as bridging for communication among member of MHBM and field manager of MHP in the unit level. Part of community assume that MHBM organization is actually as an interest group representative from MHP and also as speaker of MHP in the frame of making community keep silent, save social security, and persuade community, so that those all communities don't want to annoy the interest of MHP. Most other communities don't know what, who, and how MHBM organizations is. Those things to be a background raising some village MHBM organization internal problems.

Each kind of MHBM organization managed by committee in village level, and they have different structure and board of organization. There are 20 members in each working unit team. The structure of organization can be seen in Figure 5.

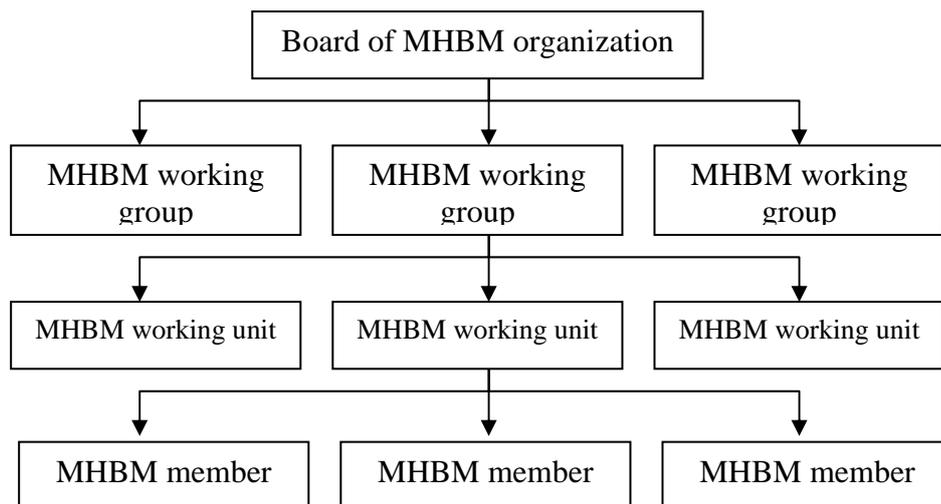


Figure 17: Organization structure of village MHBM

The membership of village MHBM organization based on two considerations namely: (1) people who has relation with the ancestor based on previous utilization swiden agricultural land ownership; (2) all people who live in the village. Average land distribution for each member was 2 ha, either member come from ancestor linkages or ordinary people live in village. Brief condition of MHBM organization can be depicted in table 14.

Tabel 14. Brief description of village MHBM organization in community Ex-Marga Rambang Niru

No	Villages	Land area	Total group	Total member per each group	Scope of member
1	Subanjeriji	± 5700 Ha	27 working group	20 – 25 people	All community member
2	Gemawang	± 4000 Ha	1 group	350 households	All community member
3	Aur Duri	± 1200 Ha	13 groups	25 people	All community member
4	Jumenang	1.000 Ha	30 groups	20 – 25 people	All community member
5	Tanjungmenang	-	2 groups in Subanjeriji and 3groups in Gemawang	25 households	All community member which have previous swiden agricultural land in village within HTI area
6	Kasih Dewa	-	-	-	All community member which have previous swiden agricultural land in village within HTI area (Subanjeriji, Gemawang, and Aur Duri)
7	Tebat Agung	-	-	-	All community member which have previous swiden agricultural land in village within HTI area
8	Gerinam	-	-	-	All community member which have previous swiden agricultural land in village within HTI area (Gemawang and Aur Duri)
9	Lubuk Rahman	-	-	-	All community member which have previous swiden agricultural land in village within HTI area (Subajeriji, Gemawang, and Aur Duri)

According to table 14 can be satated that there were different treatment relation with MHBM membership: For village MHBM organization within HTI area,

the membership consists of all community members. For village MHBM organization out side of HTI area the membership was determined by previous swiden agricultural land ownership. Although in internal agreement of MHBM umbrella organization of Marga Rambang Niru could not recieved member of group come from ordinary people, but board of MHBM umbrella allowe the people to be a member of this group with goal to maintain social harmonization. Other different also seen by the community out sider of HTI area namely membership status that was determined by coordinator of MHBM umbrella organization of Ex-Marga Rambang Niru and board of village MHBM organization within HTI area. Village out side of HTI area have no village MHBM organization and its member of community which has previous swiden agricultural land become a member of village MHBM organization within HTI area automatically.

Besides that, the community member come from out side of HTI area was also got difficulty in term of getting information available in umbrella MHBM organization, less participation in meeting and coordination, and also some proposal in meeting had been negated by board of umbrella MHBM organization. Those things caused disharmonization by board and members MHBM organization out side of HTI area, and this situation will cause some horizontal conflicts which will give the negative impacts for wider social interaction. This fenomena and analysis based on the valuing of unfairness which has been felt by community out side of HTI area addressed to the benefit sharing where it was based on ambiguity among basic idea (village classification: nucleous and non-nucleous village) with profit distribution (village classification: village within HTI area and village out side of HTI area). Jumenang is a village which got many advantages under scenario of MHP program implementation because this village in the position both as nucleous village of community Marga Rambang Niru and also as village within HTI area (see figure 5)

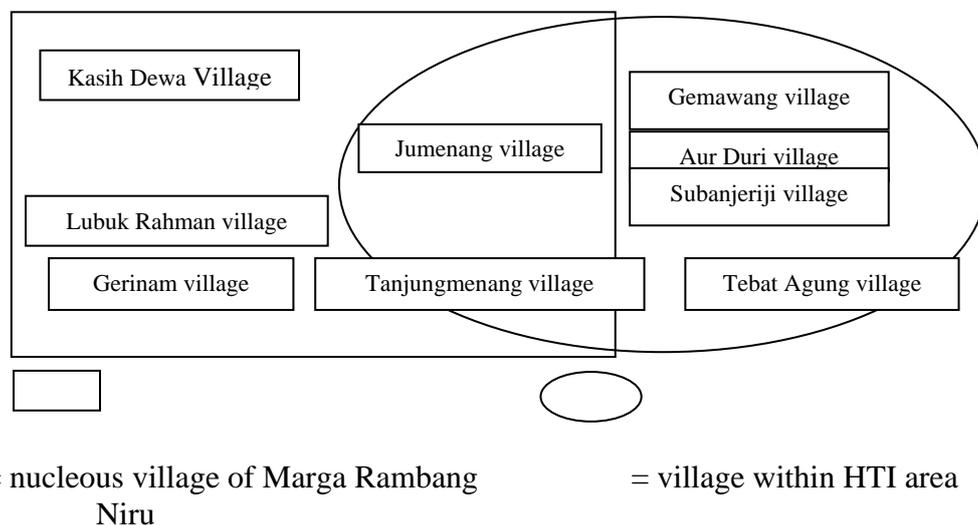


Figure 18: Relation pattern among nucleous village and village within HTI area In the umbrella MHBM organization of Ex-Marga Rambang Niru

Some main problems faced by MHBM organization as follows:

- Lack of community understanding to the detail MHBM program and implementation mechanism. These were caused less of trust to the board of MHBM organization

- The minimum capability of board human resource as source of problems in concept distribution and MHBM program implementation. In several villages, therefore, MHBM organization was stagnant and doesn't work at all. There was no empowerment activities for MHBM organization
- Lack of effort from board of MHBM to do forest security and socialization to the members, and also lack of networking dialogue with other MHBM organization
- There was no provided capital which can be used to do financing cultivation and maintaining Acacia mangium plantation

VI. Intervention Steps Based on Initialization Data

A. The Methodology

Key Informant and Focus Group Discussion were applied during 2nd phase of intervention of the LPF project. Based on baseline data and information then the strategy for improving the collaboration were designed as follows :

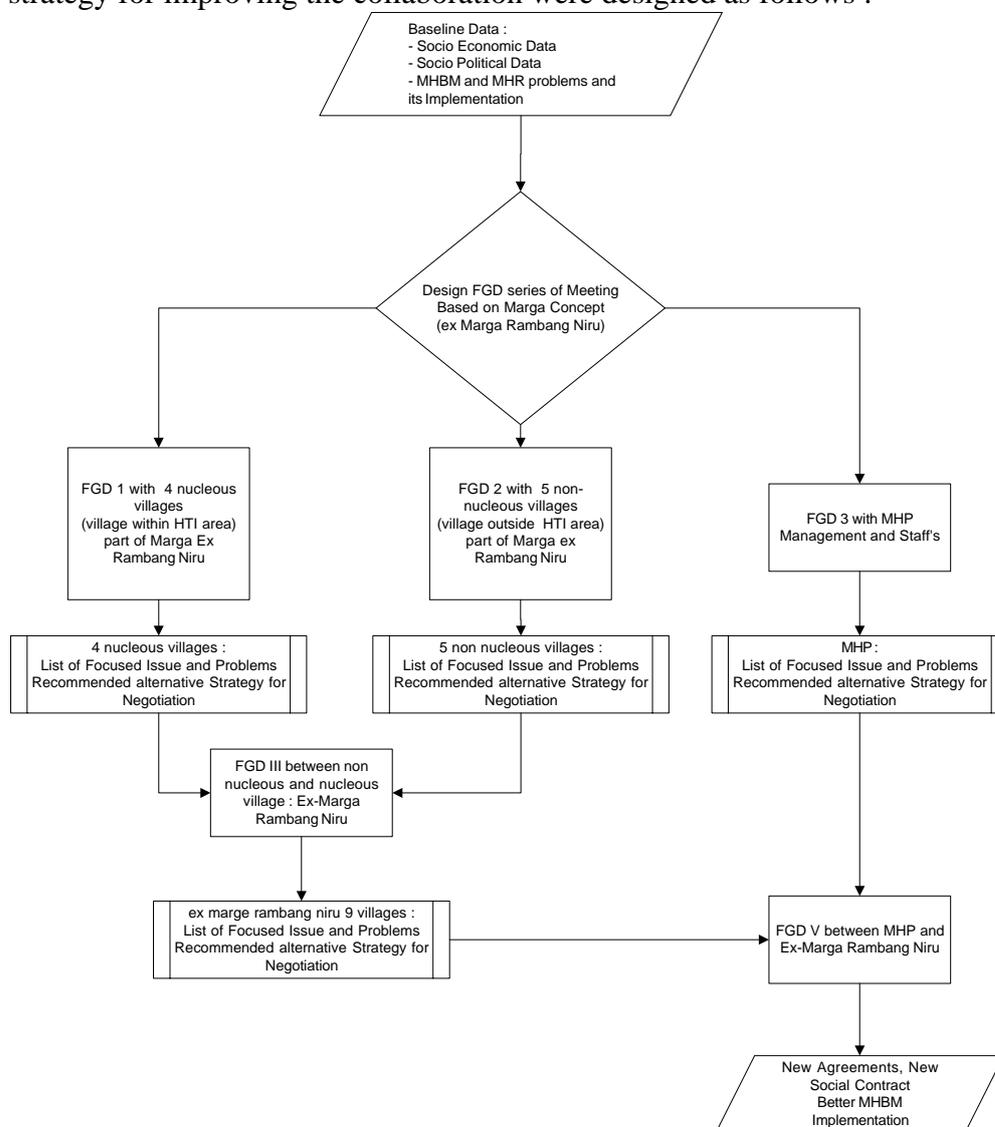


Figure 19. The FGD series strategy option to achieve new agreements on MHBM as part of model of negotiation in the Collaborative Context

At moment the LPF project are still at the FGD steps 3 which are between non-nucleous and nucleous villages, which comprises some results as follows :

MHBM program evaluation and its Implementation

MHBM program implementation started with socialization activity from MHP to community. Concepts and technical perspectives were introduced in the socialization. Others material were introduced as like rights and responsibility among community and MHP, and also all benefits will be taken from MHBM program. Intensif socialization done only in the community Ex-Marga Rambang Niru which their village located within HTI area. Others village located in out side of HTI area were not gotten enough attention from MHP. There was happen inbalance information among both village in and out HTI area. This is the initial problem why community who lives in out side of HTI area quite jealous with village within HTI area.

Besides that, misscommunication was occured among MHP and MHBM organization with community, in case of different understanding that actually MHBM program was strengthened to benefits distribution, it was not land reform MHP to the commounity. Disadvantage situation was rided by other member of community to get personal interest through sent the wide negative information. By doing so the implementation of MHBM program become chaos and more confuse.

MHBM program implemented based on legal-formal agreement among MHBM organization and PT.MHP through community development (CD) unit. Although the agreement already prepared by both parties, but analysis on the text and contents of agreement were found out some critical items which were not gave more benefits to the community. The content of articles which were problematic as follows:

- Article 2 (item 5) state that if there is land desputing from other community, it will become responsible of MHBM organization. Data collected from respondens and key informants shown that land desputing always exist while land status which was managed by MHP and also conflict land claimed by local communities can not be finished by central government
- Article 5 describe the huge authority of MHP in determining implementation MHBM program, but the process to formulate budget in tree plantation was not transparent. Alot of questions from community about benefits will be taken by community
- Article 10 (item 1) state that there is mistake in meaning interpretation. In this item 1 should not right but authority of first stakeholder. This problem will gives the MHBM organization more job and activities than MHP
- Article 11 (item 2) there was no arrangement about total financial loss, who will responsible or who not among MHBM organization and MHP.

In the field implementing of the MHBM program, it was disappointed because the agreements were not worked well. MHP was not opened to the MHBM organization, very view job opportunity offered to the MHBM organization. MHBM also can not access to the year operational planning, working contractual, and document for finishing work approved by MHP. Some problems occured in the implementation process of MHBM as follows:

- Involving the third party as investor has caused limited space for MHBM organization to do tree plantation. The problem was MHBM organization doesn't have any capital to involve in working patnership with MHP

- MHP staff (in block and unit level) gives the working order contractual letter to the outsider investor without getting permission from MHBM organization. Some respondents stated that in this process occurred collusion among them, investor was also gave some couple of money to MHP staffs
- Based on respondent information, also happened fictitious in document for finishing work approved by MHP to get implementation budget without doing planting trees or that only doing planting in view area of HTI
- In the form of money, the daily income earn from MHBM activities less than income from working in rubber tapping. The price of basic needs for living were also high. Those all were problematic.

Benefit Distribution and Its Problem

The important things in the implementation of MHBM and MHR are the benefit distributions from these programs. Based on MOU agreement, MHP will give three kinds of financial benefits to community through MHBM organization such as: (1) work services; (2) management fee; and (3) production fee. Work services are a kind of fee which can be gained directly by community if they involved as a worker in the cultivation processes. Management fee is a kind of fee will be gained as much as 1% from MHP working contracted through MHBM organization, it means that the MHBM organization got sharing income from external investor, even in the situation that planting trees done by MHBM itself. Production fee is a kind of fee of Rp 2,500 per m³ log gained from MHP and given to the MHBM organization.

Most respondents stated that since 2000 they never got benefits directly from those three kinds of services. These were caused by two main reasons such as: (1) *Acacia mangium* is not harvested yet because not mature yet, so that scenario of the Management and production fee were not implemented yet, and (2) the access of MHBM organization to involve in MHBM and MHR program implementation quite late. In daily practical, the implementation of MHBM activities (land clearing, land preparation, planting, maintaining) were dominated by MHP staffs, that were collaboration with external investor. In this case member of MHBM works with investor, and it is true that the income become decreasing.

At the moment there are no serious problems in the internal MHBM organization right now, especially linked with common budget in MHBM. Production fee is still waiting for trees harvesting, maybe in the next 2006 MHBM will receive money from MHP because timber from MHBM program started its harvesting. According to field data was collected, coming problems in MHBM have been indicated by transparency issues of financial management. Decreasing rate of community trust either to coordinator of umbrella MHBM organization or to village MHBM organization will influential to social life in each village.

Those problems will become big issues of “time bomb” which at any time can explosive and cause high financial loss. The forms of conflict which will be occurred that is land encroachment by community members, they felt there is no benefit for them, conflict among members, conflict among member and board of MHBM and conflict among stakeholders (community and government, community and MHP).

Land encroachment in some places has been occurred and it was caused by two things such as: (1) aggregate people frustration because they didn't get the same opportunity to gain benefit from PHBM program implementation. This condition will be more difficult if the encroacher has evident that their ancestor have previous swidden agricultural land within HTI area; (2) land encroachment done by community because influenced by benefits calculation in term of production fee only. This second problem generally happen because of : (1) limitation on mobility of village MHBM organization board in forest security activity; (2) weak of MHBM organization activity; (3) people collaboration with government village staff, MHP staffs; (4) utilizing empty forest land.

VII. Conclusions and On Going Activities

The Collaborative and tenurial issues in South Sumatera (MHP) are very dynamic, the things are going fast event the process for negotiation between company and communities. The LPF project present there is to facilitate the process to improve the collaboration and to avoid the conflict because in this year, MHP will start to harvest the trees and it is really a critical situation because previous scheme of MHBM/MHR is just only for vague the conflict but not solve the problems because our findings indicates there are still some problems exist and the issue about tenurial are still there not being solved yet. It is really important that using the collaboration strategy the issues about tenurial and conflict can become alternative for managing the resource in South Sumatera especially for MHP. At the moment the process to have a new agreements between the company and the community (ex-Marga) in the context of collaboration and conflict resolution are still in the process. We plan to start the FGD IV and V for the final event for new agreements in May 2006. Therefore, it is too early to conclude something at present however we hope will have some results after May until the IASCP presentations

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