

**Regime Change ~
Prospects for Community-Based Resource
Management in Post-New Order Indonesia**

Paper Presented at the **IASCP Pacific Regional Meeting**
Brisbane, Australia, 3-4 September 2001

Published in *Society and Natural Resources*
Vol. 15: 617-628. August 2002

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Keywords: Indonesia, Decentralization, Community-based Resource Management (CBRM)

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Abstract

In January 2001, Indonesia embarked on an historic effort to devolve many functions and responsibilities of government from the center to the district level. These changes are being attempted in the midst of the political and economic uncertainty that continue to bedevil Indonesia's government and population years after the "East Asian crisis" swept through the region in 1997-98. After decades of centralized control of economic and political development, the country's more than 360 district and municipal governments are suddenly placed in charge of managing nearly all affairs of state, excluding foreign policy, monetary policy, religion, and security. This essay examines emergent natural resource and environmental management consequences of this momentous transformation. Long promoted by social scientists and development agencies, it now appears that decentralization brings with it a host of new worries and problems. Indonesia's decentralization effort is still in the initial stages, and many of the problems have roots in previous regimes.

I. Overview: Tradition and Modernization in Indonesia

Indonesia is a country of unparalleled cultural and ecological diversity. Its tropical forests and seas are among the richest in the world; migrations, trade, colonizations, diffusion and adaptation have given rise to hundreds of distinct cultural groups across the 17,000-island archipelago. Indonesia's history has been turbulent, a characteristic that shows no sign of abating anytime soon. The half-century of Indonesian nationhood has been marked by many wrenching twists and turns, and is now entering a new period of uncertainty and change after a long interlude of relative stability under the heavy-handed authoritarian rule of ex-President Suharto.

Thirty-two years of "no holds barred" development during the "New Order" (1966-1998) regime of ex-President Suharto exacted a heavy toll on the country's ecological resources, and weakened many indigenous cultural institutions that mediated access to and use of local resources and territories. The post-New Order period in Indonesia is bringing sweeping

changes to many aspects of governance and state-society relations, particularly in the realms of decision-making processes and natural resource management. This paper explores some of the potential ramifications of these changes. In particular, it examines the construction and use of “*adat*” – the Indonesian language term meaning custom or customary law – and *adat*’s role in Indonesian statehood, state-society relations, and natural resource management.

The New Order government embodied a unique combination of “traditional” Javanese patri-monialism, deference and social stratification, unfettered capitalistic acquisition and expansion, and a liberal dose of military power and pomp. This mixture gave rise to a development juggernaut that undermined existing local social and normative orders as ruthlessly as it depleted forests and other natural riches. Prominent motifs permeating New Order society and governance included frequent references to *adat* and the ubiquitous political mantras *musyawarah* (deliberation) and *mufakat* (consensus). These were invoked as justification for a range of political measures and economic policies, and to censure anyone who tried to object. The same “myth of *adat*” was conjured as well by the regime’s critics, and by local communities attempting to retain or regain some control over the pace and direction of local change.

Burns (1989, 1999) chronicles the construction of *adat* as a uniquely Indonesian normative and legal order during the final half century of Dutch rule in the Indies; Bouchier (1997) explores early Indonesian nationalists’ use of *adat* as the basis of the integralistic, totalitarian state set out in the 1945 constitution, and its role as a potent “cultural-ideological instrument” for both the Guided Democracy (1959-65) and New Order (1966-98) governments. A lively – if slightly less sophisticated – NGO literature decries the Suharto regime’s disregard and frequent violations of *adat*, most particularly the corrosive influence of the Javacentric, homogenizing Law No. 5 of 1979 on Village Government, and the wholesale transfer of communal territories and natural resources to crony investors or “national interest” projects. Moniaga (1993) provides one of the best examples of this genre.

President Suharto’s 32-year reign finally ended in May 1998, ushering in a new era of rapid and wide-ranging change to Indonesia’s social and political configurations. During the brief presidency of Suharto’s successor B.J. Habibie, the government passed a number of reform

measures, setting in motion the process of dismantling many of the core institutions of New Order power. These measures include Laws No. 22 of 1999 on Regional Government and No. 25 of 1999 on Fiscal Relations between the Center and Regions, committing the government to a course of administrative and financial decentralization. Political devolution is expected to follow in the wake of these more mundane shifts.

This promises to be a long-drawn-out process, with the powerful centralized agencies maneuvering to retain power and budgets, while most district, municipal and many provincial governments generally lack the skilled personnel or management structures to immediately assume the responsibilities being delegated. Indonesia's protracted economic crisis further complicates the process.

These changes signal a momentous shift in the management of Indonesia's natural resources, with profound implications for the rights and roles of local communities in resource management decisions and actions.

II. NGOs, Local Knowledge and Sustainable Development

As occurred in many other countries around the world, a lively and vociferous environmental NGO movement emerged in Indonesia during the late 1970s and '80s. Several factors contributed to this development, including growing domestic alarm over industrial pollution and destruction of lowland tropical forests, increasing economic and social polarization, and a draconian government decree in 1978 banning most student organizations. This latter measure, taken in response to student protests against government corruption and the accumulation of wealth by President Suharto's family and close associates, excluded campus religious organizations and nature clubs, which had the inadvertent effect of politicizing the environment in Indonesia. (It may have contributed to increased religious militancy in some quarters as well, but this is a topic for another discussion.) Environmental NGOs abounded, spearheaded by a national umbrella organization named WALHI, the Indonesian Environmental Forum. These domestic voices and actions intersected with contemporary international discourses on ecology and sustainable development.

Social welfare and community development-oriented NGOs proliferated in Indonesia as well

during the same period, and the concerns and agendas of the various groups merged as their activities and experiences revealed the reciprocal links between poverty, development and environmental destruction. Foreign donors supported many Indonesian NGOs' efforts, and encouraged the government to cooperate with non-governmental organizations as a condition of some loans and grants. Indonesian NGOs became increasingly outspoken in their criticism of government policy and practice; one government response was to emulate some of the sustainable development, conservationist and community participation rhetoric of the NGOs.

Other popular international discourses of the 1980s and '90s – indigenous knowledge systems, customary resource management and indigenous peoples' rights – found fertile ground in Indonesia. The country has a very large number of local ethnic communities, many still dependent on local forest and marine resources for their livelihoods. NGOs and government alike extolled the nation's rich cultural heritage, and nostalgically praised the “environmental wisdom of the ancestors” (e.g., Salim 1995). However, their respective attitudes toward the living descendents of these ancestors diverged widely. To the government, forest-dwelling communities were “forest encroachers,” their traditional livelihood systems criminalized as theft and destruction of national resources.¹ Fisher communities were faulted for their persistent disorderliness and poverty, impervious to government efforts to improve them and rationalize exploitation of Indonesian seas.

To the NGOs, these communities are the hapless victims of bad development, and of government economic and resource management policies that centralize decision-making and control of resources, while siphoning profits to a small group of powerful business tycoons close to the President.

To be sure, President Suharto's New Order government was able to boast many remarkable achievements. Over three decades, Indonesia experienced a steady increase in GDP and ac-

1 In 1994, the Ministry of Transmigration, long criticized by domestic and international environmental and cultural rights organizations as being hostile and unreceptive to the customary land and resource tenure claims of indigenous communities in Indonesia's outer islands, was granted a new brief to resettle and develop these communities, reflected in its new title, the Ministry of Transmigration *and Settlement of Forest Encroachers*.

companying increases in access to health and social services, improved transportation and communication infrastructures, and rising literacy rates. These achievements, however, came at a very heavy social and environmental cost.

The New Order government constructed a powerful state administrative infrastructure extending to the furthest reaches of the archipelago, penetrating down to the village level. The New Order political-administrative apparatus – particularly, as mentioned above, the Ministry of Home Affairs’ regional and village government structures set out in Laws No. 5 of 1974 and 1979 and hundreds of supporting regulations – was considered by domestic and international NGOs as a dangerous homogenizing force, that peripheralized and enfeebled the socio-political institutions underpinning traditional local (time-tested, sustainable) resource management regimes.²

There exist many interesting examples of indigenous management institutions and practices from Indonesia that exemplify the most romantic imaginations of indigenous peoples living in harmony with nature (e.g. Weinstock 1983; Dove 1986, 1990, 1993; Ellen 1985; Thorburn 2000). There are equally striking examples of the degradation that ensues when large-scale capitalist enterprises take control of forests and fisheries, or when pioneer slash and burn agriculturalists follow logging roads into the forest interior (e.g., Padoch 1988; Brookfield 1988). Direct causal links between the 1979 Village Government Law, institutional decline, and environmental degradation are more difficult to verify, but the assumptions are generally valid. At the very least, there exists a strong correlation between the growth of New Order state power and the pace of forest loss in the country between the 1970s and ‘90s.

2 Law No. 5 of 1975 on Regional Government established a uniform and hierarchical national government structure for the entire country of Provinces, Districts (*Kabupaten*) and Municipalities (*Kotamadya*) and Sub-districts (*Kecamatan*). In its form and function, this structure mirrors the national armed forces territorial control apparatus.

Law No. 5 of 1979 extended this structure to the community level, creating uniform “village” governments (*Desa* and *Kelurahan*) as the lowest level of the state infrastructure. Based on a combination of (highly idealized) traditional Javanese forms and military command structures, the village government apparatus rested uneasily over autochthonous forms in most regions of the diverse country. These new structures were bolstered by their access to state financial and other resources channelled to villages for economic and infrastructure development and routine government functions.

Public discourse on this topic in Indonesia has been characterized by ample doses of hyperbole and finger-pointing. Perhaps to pre-empt its NGO critics, the government over the years issued a number of national laws promoting traditional communities' welfare and resource rights, and local community participation in spatial and land-use planning.³ These laws were ineffectual, lacking implementation regulations or clear delegation of authority and responsibility. Meanwhile, clear-cut logging, forest conversion, mining operations and destructive fishing continued unabated. Local resistance was often met with force.

III. Reformasi

The fiscal crisis that swept through Eastern and Southeast Asia beginning in 1997 hit Indonesia particularly hard. The exchange value of the Rupiah plunged from around 2,000 to the US dollar to over 10,000. The government and many private investors were unable to meet loan repayment schedules. Projects and programs ground to a halt, hundreds of businesses closed their doors. Rising unemployment and uncertainty fuelled public protest in many cities. A violent crackdown on student protesters in May 1998 by elements within the armed forces backfired, and President Suharto was forced to resign in disgrace.

Suharto's replacement was newly-anointed Vice President Bahrudin J. Habibie, an eccentric engineering genius who lacked strong support within the armed forces or bureaucracy. Perhaps attempting to establish legitimacy and retain power, President Habibie began pushing through a sweeping reform program. Draconian social and political laws were rescinded, new election laws passed, press controls relaxed, political prisoners released, a referendum was organized to determine the future status of East Timor. For the purposes of this essay, the most significant reform measures of this period were Laws No. 22 on Regional Government and No. 25 on Fiscal Balance between the Center and the Regions, which together establish

3 Examples include:

- Law No. 10/1992 on Population and Family Prosperity (*Undang-undang Nomor 10 Tahun 1992 tentang Perkembangan Kependudukan dan Pembangunan Keluarga Sejahtera*)
- Law No. 24/1992 on Spatial Planning (*Undang-undang Nomor 24 Tahun 1992 tentang Penataan Ruang*)
- Government Regulation No. 69 of 1996 on Rights and Responsibilities, plus the Form and Conduct of Community Participation in Spatial Planning (*Peraturan Pemerintah Nomor 69 Tahun 1996 tentang Pelaksanaan Hak dan Kewajiban, serta Bentuk dan Tata Cara Peran Serta Masyarakat dalam Penataan Ruang*)

the framework for a radically decentralized form of government in Indonesia. The hastily prepared laws fundamentally alter the relationship between Jakarta and regional governments, delegating significant decision-making and implementing powers to district and municipal (*Kabupaten/Kota*) governments. Law No. 22 replaced both the hierarchical Regional Government Law No. 5 of 1974, and the “cookie cutter” Village Government Law No. 5 of 1979. After a frenetic preparation period, the new decentralization laws officially came into effect on New Years Day 2001.

This comprises the most far-reaching reconfiguration of governance in Indonesia since the mid-1960s. The resource management implications of this new framework of government are profound. Environmental organizations and NGOs, for many years Indonesia’s most critical and outspoken civil society groups, have been oddly quiet during this turbulent period. *Adat* law and local community control over territory and natural resources, once prominent themes in national conservation and development discourse, have been drowned out in the hubbub over delegation of political authority and administrative responsibility.

District and municipal governments are now empowered to set resource use and spatial planning policy, and to manage revenues and budgets. The Ministries of Forestry and Mining have managed to retain a greater measure of centralized control over their respective realms than most other ministries, nonetheless, many decisions that directly affect local people’s access to and use of local forest, land, coastal and marine resources have been delegated to the districts. Significantly, *Kabupaten/Kota* governments have been granted management control over coastal seas and resources within four nautical miles of the shoreline.

Complex formulae are being developed to determine the proportions of resource revenue that are retained in the respective districts and provinces, and how much is forwarded to Jakarta for redistribution. Laws are being drafted to specify obligations and service standards for local and regional governments, including their role in managing natural resources. District and provincial assemblies (DPRD) must issue scores of new regulations and decrees to administer these new responsibilities.

Under the decentralization scheme, central government allocations for regional governments

are being greatly reduced, forcing provincial and district governments to generate a larger portion of their own revenue. In the midst of the country's protracted financial crisis, governments at all levels are hard pressed to meet routine expenses, much less provide improved services and infrastructure, and promote local development.

IV. Decentralization, Public Participation and Resource Management

Mission statements and policy documents of multilateral development agencies, international environmental organizations or political associations that promote integrated conservation and development and social equity prominently feature such terms as "decentralization," "community participation" and "sustainability," often in the same sentence. A caveat is in order – *these are not the same thing*. Nor are there necessarily inherent positive causative linkages between one and the other. Indonesia's nascent experiment indicates that decentralization does not in and of itself necessarily produce a more conducive political environment for local voice or community empowerment. Indeed, observers in Indonesia are beginning to question whether decentralization could lead to even more exploitative, inequalitarian, and environmentally harmful practices than pertained under the previous system.

Much of the international decentralized natural resource management literature seems to imply that shifting authority "down" nearer the community will somehow engender more responsible and accountable natural resource policy and practice. A good example of this premise can be found on the FAO Community Forestry Web Site:

The aim is to reduce the size and role of central government in order to increase efficiency of services, *as well as to promote pluralism, democracy and public participation* [emphasis added].

FAO goes on to qualify these remarks by noting that "although decentralization in natural resource management (NRM) has been implemented in many countries, this does not necessarily mean that decentralization always assures the devolution of decision-making power to the local level." They point out that many "governments with a strong authoritarian streak" are applying "opportunistic and/or manipulative" models of decentralization and participation, "because such approaches are relatively cheap to apply and can bring considerable benefits."

Benefits to whom, though? Although Indonesia's regional autonomy policy has been in place for only a few months, certain disturbing trends are already becoming evident. A few illustrations culled from newspapers during the early months of 2001 include:

- The government of *Kabupaten* Kendal has threatened to cut off *Kotamadya* Semarang's water supply if they do not begin paying royalties for use of the Boja spring.
- *Kabupaten* Boyolali has similarly approached *Kotamadya* Solo, who responded by intimating that they will assess a head tax on "foreign workers" from Boyolali.
- Fishermen from Pekalongan, Central Java have been forbidden to ply their trade around the Masalembu Islands northeast of Madura in East Java.
- Several *Kabupaten* in Java are preparing regulations hoping to reap windfall profits by charging trucks road user fees and weight penalties as they pass through. Already, produce from northern Sumatra cannot be shipped to Jakarta markets, as levies charged at various points along the journey now exceed the total value of a truckload of fruit or vegetables.
- Many villages in East Java have restricted the operation of motorcycle taxis ("*ojek*"), allowing only those belonging to local residents to pick up passengers in *ojek* stands in their village. This becomes complicated in cases where people from neighboring villages depend on *ojek* to travel between their village and a trunk route, but where *ojek* from their village are not allowed to pick up passengers at the disembarkation point, and must return home empty. The neighboring villages, in turn, retaliate by levying charges on *ojek* from the roadside village whenever they enter. The result being that local travel has become much more complicated, antagonistic, and expensive.
- Numerous *Kabupaten* in East and Central Java have [unsuccessfully] attempted to draft regulations to facilitate "rational" exploitation of forest and mineral resources in centrally-controlled National Parks and other protected forest zones that fall within the boundaries of their districts.

As mentioned above, the new laws have only been in effect for a short time. It will take a concerted effort by government agencies at all levels, also donor and multilateral development bank-supported projects, domestic and international NGOs, and numerous other concerned parties, to help affect this transformation. Also, it must be noted that many of the trends described here have roots in previous historical epochs, and cannot be solely attributed to the new decentralization effort. Nonetheless, certain trends are becoming increasingly evident. These can be summed up by three evocative phrases:

- *Seratus Suharto* (The "100 Suhartos" effect);
- *Putra daerah* (The "Native Son" syndrome); and
- *Obsesi PAD* (The "Local Revenue" obsession).

Seratus Suharto: The first of these terms describes a trend that was already well advanced before the fall of the New Order. District government heads (*Bupati*) possess tremendous political power within their respective regions, and have typically used their position to enrich themselves, their families and other close associates. During the quarter century that Law No. 5 of 1975 was in effect, district governments were swept along on the coattails of the national government's phenomenal growth, developing large bureaucracies and consolidating power and privilege.

Local assemblies (DPRD), in the past, have functioned solely as "rubber stamp" bodies, who were appropriately rewarded for their acquiescence to the plans of their superiors. Since the 1999 election and implementation of the decentralization laws, these bodies are becoming more outspoken and assertive, but the balance of power still strongly favors the executive branch.

The new regional autonomy, as set out in Laws No. 22 and 25 of 1999, largely bypass provinces, assigning most responsibility for running government to the district (*Kabupaten/Kota*) level. Most of Indonesia's more than 360 *Kabupaten* coincide with ethnic zones ("adat law regions," known as *rechstkringen*) identified by the Netherlands East Indies government. Local political power is still largely concentrated in the hands of a small hereditary elite, who combine traditional *adat* authority with the power of the state. There are very few checks and balances on this sort of political power. There is concern that decentralization could be encouraging the creation of scores, perhaps hundreds, of authoritarian "states within a state."

Putra daerah: Race, ethnicity and local culture are particularly sensitive topics in multi-ethnic Indonesia. Successive national governments have sought to supplant "primordial" ethnic loyalties – resented as a legacy of Dutch colonial "divide and conquer" strategy – with a sense of Indonesian citizenship. The collapse of the New Order seems to have opened a "Pandora's Box" of separatist and regionalist sentiment and action – encouraged, some say, by the East Timorese people's decision in the 1999 referendum to secede from Indonesia. Besides the well-known examples of separatist movements in Aceh and Papua, and the horrific "ethnic cleansing" of Madurese migrants in West and Central Kalimantan, the political land-

scape in Indonesia today is characterized by a proliferation of smaller “us versus them” sentiments, struggles and skirmishes. Government jobs, services, projects and contracts are allocated to members of the indigenous population. Local governments seek to monopolize resources for local use, or to charge neighboring districts for their use. “Outsiders” – including, in many instances, migrant families who have lived in a region for generations, or even people from neighboring villages – are being denied access to local resources and territories.

Obsesi PAD: The most striking trend arising from the new decentralization laws has to do with revenues. Under a set of complex formulae, *Kabupaten* are permitted to retain a much larger portion of local revenues generated from taxes, user fees, and government-owned enterprises. A portion is forwarded to Jakarta, where it is pooled and used to pay national government expenses, with the remainder being redistributed to the Provinces and *Kabupaten/Kota* based on need (taking into account local revenues, population, poverty, natural disasters, and other considerations). Income derived from particular sectors (e.g., petroleum, mining, forestry, agriculture, tourism, real estate taxes) is subject to different formulae, with different proportions being retained or forwarded to Jakarta. Local and regional governments use a combination of their own income and central government revenue sharing, general allocation and specific allocation funds (for those entitled to receive these moneys) to pay routine expenses, provide basic services, and support local development efforts.

Under the new framework, central government funds for local governments have been reduced significantly, and local governments are now responsible for procuring most of their own revenue. In the midst of Indonesia’s prolonged economic crisis, governments at all levels are finding it difficult to meet expenses. By the time they pay salaries and other routine costs, there often remains little or nothing to pay for services, maintenance, or new infrastructure and other development investments. A few resource-rich regions benefit from the new arrangement, however, the majority of provinces and *Kabupaten/Kota* receive far less than under the previous arrangement.

Several studies note that “regions ... equate decentralization with revenues” (Resosudarmo and Dermawan 2001:13; Pye-Smith 2001). There are indications of a new “resource boom”

in Indonesia as *Kabupaten* and village governments rush to convert available resource capital into cash. The decentralization laws allow them to do this. For example, Government Regulation No. 6 of 1999 allows *Kabupaten* governments to issue permits for small (up to 100 hectare) forest concession permits to various forms of cooperative or individuals. Although the individual permit areas are small, total allocations can be quite considerable. Within just a few months after the regulation was enacted, some *Kabupaten* governments in Kalimantan had issued as many as 220 permits (Casson 2000; Resosudarmo and Dermawan 2001). *Kabupaten* governments lack the personnel and resources to supervise logging operations of this scale. Also, it has become clear that many permits are issued to local cooperatives or businessmen acting as “front men” for large logging companies, who provide what appear to be very generous cash payments for this service. Although these payments amount to only a small portion of the actual commercial value of the timber harvested, this arrangement is nonetheless quite popular with many local people, who consider it to be an improvement on the past, when they received almost nothing from the concessionaires.

Three factors mentioned above – the “100 Suhartos” effect, “native son” syndrome and “revenue obsession” – in combination with the protracted economic crisis and general breakdown of law and order in the country are wreaking havoc on Indonesia’s natural resources. Researchers at the Indonesia-based Center for International Forestry Research (CIFOR) warn that Indonesia’s *Reformasi* “could go down as one of those key periods in history where there is a massive loss of forest, such as there was in China in 1958, during the Great Leap Forward” (Pye-Smith 2001).

Quo Vadis Adat?

A common utterance in many parts of the archipelago to describe excessively greedy, self-serving, or antisocial behavior is “*tidak tahu adat*” – one does not know (more aptly, has forgotten) *adat*. The present epidemic of shortsighted, destructive resource exploitation by nearly anybody who possesses the political and/or economic wherewithal to do so would seem to indicate that the nation is suffering from a case of collective amnesia. The silence surrounding the topic of *adat* during this critical period is all the more surprising given the

role that *adat* plays in defining Indonesian state and nationhood, also the previous regime's tremendous investment in ideological education and propaganda, along with the identification of *adat* with social justice and wise resource stewardship by the regime's NGO critics. In the midst of the upheaval that is reaching virtually every facet of Indonesian society and politics, the lack of public discussion about customary institutions and mores strikes this writer as extremely odd.

As discussed previously, the popular discourses of decentralization and community-based resource management share the premise that shifting resource management control to stakeholders and decision-makers living in proximity with, and dependent upon, local natural resources will inherently lead to sounder resource management practices. Furthermore, indigenous people's rights, customary resource management institutions and indigenous knowledge systems discourses stress that many traditional communities have developed appropriate and sustainable resource stewardship practices, institutions and supporting mores over generations of intimate contact with nature that surrounds them.

Indonesia currently faces a situation where these various factors could, and should, converge. The country is still rich with traditional management practices and institutions, *adat* is acknowledged as an important component defining what it means to be Indonesian. The national government has embarked on a program to decentralize the functions of government to the district level. And yet, a mounting body of anecdotal evidence indicates that destructive resource management practices are rising sharply throughout the country.

Perhaps one ray of hope in an otherwise bleak picture is found in the Decentralization Law no. 22 of 1999. This law replaces two major New Order Laws, both the Regional Government Law no. 4 of 1974 and the Village Government Law no. 5 of 1979. These two laws, along with hundreds of implementing regulations, have frequently been cited as the basic building blocks of the centralistic, top-down development juggernaut that characterized the New Order regime. Of particular interest are the changes this is bringing to village government. The previous Village Government law formed the cutting edge of state intervention in people's daily lives. Under the new law, the entire 40-plus-page law, and scores of imple-

menting regulations have been replaced by a few short paragraphs, that grant villages so-called “natural autonomy.” Village Heads are no longer civil servants, and the entire edifice of Village Community Resilience Boards (LKMD) and sundry Assistants, whose primary purpose was to carry out state mandated development programs, has been replaced by a Village Representative Board, or BPD. According to the new law, the function of the BPD is to “protect local customs and traditions, make village regulations, gather and channel community aspirations, and supervise organization of village governance” (Chapter XI, Article 104).

Elsewhere, the law states that “*Kabupaten/Kota* governments or other third parties planning to develop housing, industrial or service projects in a village area must involve the Village Government and BPD in the planning, implementation and supervision thereof,” and that “*Kabupaten/Kota* Regulations must acknowledge and respect Village rights, customs, and traditions” (Articles 110 and 111).

Early evidence from several areas in Indonesia indicates that this law is leading to some radical transformations of the political landscape in many villages. In other areas, however, the process has been hijacked by the entrenched political elite. Nonetheless, the concept of autonomous village governments, empowered to make regulations and *required* to protect local custom and tradition, signals a major shift in state-village relations in Indonesia. Particularly in areas where *adat* practice and institutions managed to survive three decades of force-fed development programs, the potential for developing or reviving community-based common property resource management regimes is greater now than it has been in a long time.

Additional research is needed to identify and analyze cases where changes in the regional and village government laws in Indonesia are leading to a revival of customary resource management practices. Probably the greatest hope to conserve Indonesia’s dwindling natural resources lies in individual communities’ success in resuscitating and adapting customary resource management practices as a means of regaining and retaining control over the utilization and management of natural assets.

Concluding Remarks

As Indonesia's "multi-dimensional crisis" drags on, there are increasing calls to retract or revise Laws No. 22 on Regional Government and No. 25 on Fiscal Relations between the Center and Regions. The Indonesian press, NGOs and some lawmakers express alarm at daily revelations of greed and/or incompetence by regional governments and legislatures. But in the words of Dr. Andi Mallarangeng, political commentator and Chief Policy Adviser to the UNDP-led Partnership for Governance Reform in Indonesia, "Most of what we are witnessing now is the culmination of processes that were initiated during the New Order era, well before we issued Laws No. 22 and 25. Centralized control has failed in this country! Why don't we give decentralization a chance?" (Mallarangeng, pers.com. 2001).

As complicated as it is, the administrative and fiscal reform discussed above is but one small step in the larger process of decentralizing governance in Indonesia. What is described here is an attempt to transfer some management and administrative function and authority to lower levels of the national government structure. This is a far cry from devolution of resource management authority to local communities – a process that will require far-reaching changes in political culture and institutions in Indonesia. Numerous groups and individuals throughout the country – including some national and local politicians – are hard at work attempting to foster the institutions, norms and capabilities needed to move the country toward more inclusive, equitable and sound environmental management practice. Hopefully these efforts will bear fruit while the country still has some resources – and a government.

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