

## DECENTRALIZATION POLICY AND THE STRUGGLE FOR AUTHORITY OVER FOREST RESOURCES IN TEBO REGENCY, JAMBI

*(Kebijakan Desentralisasi dan Pertarungan Kewenangan atas  
Sumber Daya Hutan di Kabupaten Tebo, Jambi)*

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### ABSTRACT

*Kebijakan desentralisasi atau yang umum dikenal dengan istilah otonomi daerah mengamanatkan kepada pusat untuk menyerahkan berbagai kewenangan pemerintahan kepada daerah. Penyerahan kewenangan kepada daerah ini dimaksudkan agar tata pemerintahan dan pelayanan publik dapat berjalan secara lebih efektif dan efisien. Namun, peralihan sistem pemerintahan dari sentralisasi ke desentralisasi tidak selamanya berjalan lurus mulus. Ketegangan hubungan pusat dan daerah terjadi akibat keengganan penyelenggara pemerintahan di tingkat pusat menyerahkan kewenangan kepada daerah dan egoisme kedaerahan yang berlebihan ditandai dengan terbitnya berbagai Peraturan Daerah yang bertentangan dengan peraturan di atasnya. Hal ini mengakibatkan ketidakpastian hukum yang berpotensi memicu konflik antara pusat dan daerah serta antara kelompok masyarakat menyangkut hak mereka untuk mendapatkan manfaat, akses dan tanggung jawab atas sumber daya alam termasuk hutan.*

Keywords: decentralization policy, forest degradation, forest management, regional autonomy, regional governance

### INTRODUCTION

Following regional autonomy, the political tension between center and region as well as among regencies in Jambi province tends heater since a wide array of powers have been devolved from the central government to the regency accompanied by substantial fiscal transfers. The legislation on which this decentralization was based also allowed for the creation of new regions by dividing or merging existing administrative units. In practice, this process has meant not mergers but administrative fragmentation and the creation of several new provinces and close to 100 new regencies. In Jambi province, 5 regencies were fragmented into 10 after regional autonomy. The research area of Tebo regency is also the result of the administrative fragmentation of the former regency of

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Bungo Tebo. With some of those regencies drawn along ethnic lines and vastly increased economic stakes for local political interests, there have been fears of new conflicts over land, resources, or boundaries and of local politicians manipulating tensions for personal political gain (compare ICG, 2003).

The Regional Governance Law and the Forestry Law grant more authority over natural resources management, including forestry, to local governments, and decisions are made at the lowest effective level. This offers more opportunities for local governments, to manage their own natural resources. For the regencies with rich forest resources, such as the research area of Tebo, the decentralization policy provides an opportunity to increase incomes for local people and provides financial resources for the local government. However, the local policy of maximizing income has caused over-exploitation of natural resources in Jambi as well as in many Indonesia's regions. The combination of economic reasons and lack of law enforcement has been the main cause of a higher rate of natural resource degradation in the beginning of the decentralization era in Jambi (compare McCarty, 2001; Matthews, 2002).

## **METHODS**

This research has been conducted in two parts, desk and field research. It is a typical study based on cross-sectional primary and secondary data. Primary data were collected by personal and group interviews with various stakeholders, decision makers, and experts as well as by fact finding and field observations. Secondary data were taken from laws and regulations, official reports, statistical bureaus, and other relevant data sources. It can be called descriptive-empirical research and its aim is to describe and explain the phenomena under consideration (Niemela, 1993).

Key person interviews were conducted to gather the perceptions of stakeholders in the three levels of governments. It used a qualitative research, which is conducted by purposive sampling. In all, 47 key persons representing 24 institutions of the three levels were interviewed. Each level was represented by eight institutions. A sampling-plan according to which interviews with institutions' key persons has already been developed. However, the choice of person for each interview determined using the 'snowball method'. In this method, the further interview partners are selected by considering the recommendation of the former interview partners (Bryman, 2001).

## **CONCEPTS OF DECENTRALIZATION**

Decentralization is any act in which a central government formally cedes powers to actors and institutions at lower levels in a political-administrative and territorial hierarchy (Ribot, 2002). Furthermore Ribot holds that "...political or democratic decentralization occurs when powers and resources are transferred to authorities representative of and downwardly accountable to local populations. Democratic

decentralization aims to increase popular participation in local decision-making. Democratic decentralization is an institutionalized form of the participatory approach. This is considered the 'strong' form of decentralization -the form that theoretically provides the greatest benefits".

In contrast to democratic decentralization, administrative decentralization or deconcentration involves the transfer of power to local branches of the central government, such as prefects, administrators, or local technical line-ministry agents. In other words, deconcentration bodies are local administrative extensions of the central state. They may have some downward accountability built into their functions, but their primary responsibility is to the central government.

## **RESULTS AND DISCUSSION**

### **Conflicts of Interest and Shifting Locus of Power**

Although studying decentralization in developing countries as well as in Indonesia is not new, the further studies concerning decentralization are still relevant since studies differ in their choice of topics and are also usually interesting because each region has different political, social, economic, and cultural characteristics. Most case studies concerning regional autonomy in Indonesia focused on wealthy regions, whose income is generated mainly from oil as well as other natural resources such as mines and forests.

Different from most of the earlier studies, this study was not conducted in a wealthy region but in Jambi, one of the poorest provinces in Sumatra, because of the following reasons. First, in the logic of nature the poor regions must endure a more difficult situation following regional autonomy because of their higher dependence on the central government. Second, Jambi has huge natural forest resources, but nearly half of its forests' resources are categorized as conservation forests. Since the region has almost no other alternative of income sources besides forests, the only way to increase the regional revenue is to exploit the forest resources as much as possible. This condition could potentially lead to sharp conflicts of interest with national policies as well inter-regional governments. Therefore, it is very important to understand and to learn about the implementation of regional autonomy in Jambi.

Conflicts of interest concerning forestry decentralization in Jambi occur due to different and even contrary roles and goals of the various stakeholders. By the decentralization policy, much authority over forest management has been devolved to local authorities. Moreover, regional autonomy also promised that forest resources management would be conducted in a more democratic way. The evidence in the research area, however, indicates that a democratic process is not automatically resulting in better methods of forest management. During the implementation of regional autonomy in Jambi, public perception as to what kind of forest should be created and with what objectives has been and is an important factor in policy-making and could also be, to some extent, in conflict with environmental policy. An increasing rate of forest conversion and a growing number of sawn timber industries in the research area are indubitable proofs that

regional policy on generating income often contra verses sustainable development principles. Since raising revenue is foremost on the minds of local governments, the policy of maximizing wood production will be a common problem following regional autonomy in Jambi.

The massive logging practices conducted by local people in the research area are a complex problem. Those occur due to commercialization and marketization, which transform the rural economy to such an extent that traditional resource-use patterns are replaced with newer livelihood strategies that include commercial exploitation. This situation leads to over-exploitation of forest resources in Jambi, but some argue that there is no reason to prohibit local people from managing forests for commercial purposes. As with Fisher *et al.* (2000), rural people also have the same rights to get benefits as their urban counterparts such as large-scale forest entrepreneurs.

There are some arguments opposing and supporting forestry decentralization in Indonesia and in Jambi, as well. The debates center mainly on which level decentralization should be implemented, and not on the idea of decentralization itself. The interviews with key persons in the center, province, and regency show that the arguments against forestry decentralization at the regency level are generally supported by forestry departments (in the center and province), the province's government and legislative members, the national land agency, and forest management as well as state administration law experts. Some NGOs that were interviewed (WARSI, Gita Buana, and YP2M) did not give a specific statement concerning the level of government to which forestry matters should be devolved, but generally they argue that it may be better to devolve forestry matters to the province than to the regencies. Summarizing the interview results, the main arguments opposing forestry decentralization in the regency are as follows:

- The regencies mostly have poor human resources and less capability to manage their own natural resources.
- Indonesia is a Unitarian state; any benefits from natural resources should be distributed equally to all regions.
- Intersectoral coordination will be very difficult, since there is no deconcentration office in the regency anymore.
- Forest is a complex ecosystem that cannot simply fragmented by administrative authority such regency. Since each regency has own-plan and regional egoism, it will be very difficult to integrate planning.
- Impacts of mismanagement of natural resources in certain regencies will influence other regencies.

By contrast, the arguments to decentralize a large authority of forest management at the regency level are generally supported by the central and regency governments, regency legislative members and social as well as political experts. The arguments supporting forestry decentralization in the regency level are as follows:

- Indonesia has more than 100 million hectares of forest that are distributed widely over thousands of islands. This condition implies the difficulties of controlling the area from the center as well as from provincial government.
- Natural resources have locally specific ecological characteristic, therefore forest management should belong to local authorities and based on local factors.

- Forests have socio-cultural characteristics that should be managed with certain approaches. Giving a greater authority to the regency may help to adapt local conditions and meet local needs.
- The experience of imbalanced financial sharing between center and region during the centralized period has led to a high political demand for decentralization.

The central government has specific interests in devolving authority to the regency instead of to the province level. The potency for separatism will be higher, if decentralization is given to the province as an autonomous region. This could threaten the sovereignty of the unitary state of the Republic of Indonesia.

According to the interviews most respondents agree that devolving authority over forest management to the region (province or regency) is needed. They argue that adequately managing large forest lands on thousands of islands, such as in Indonesia, by centralized government is nearly impossible because of budgetary constraints, lack of institutional capacity, and local specifics both environmental and socio-cultural. Discourses concerning regional autonomy usually do not discuss the idea of decentralization, i.e. devolving authority to the region, but debate on which level of government and to what kind of authorities it should be devolved. The following figure shows perceptions of respondents toward authority to manage forest resources.

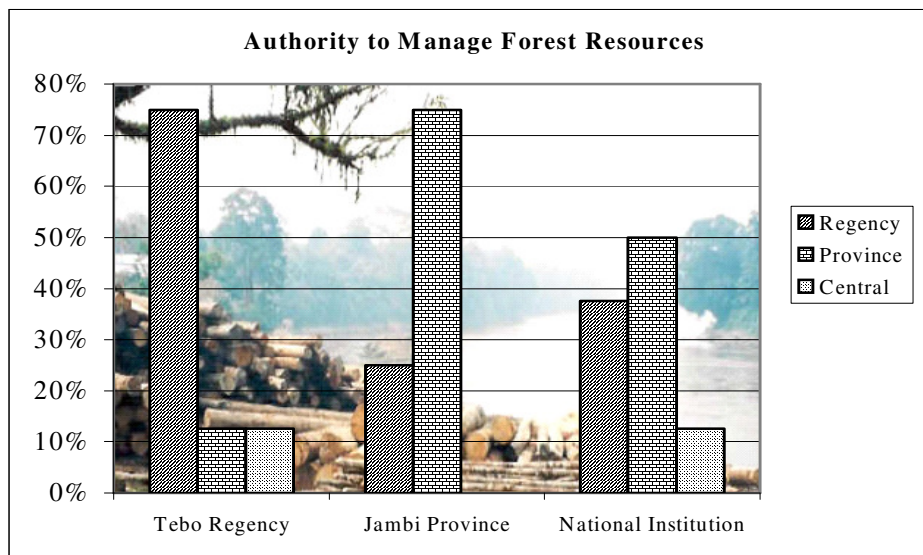


Figure 1. Perceptions toward Forest Management Authority

### **Struggle for Authority Over Forest Resources**

Forest is one of the most important sources of revenue in Jambi. Therefore, the struggle for authority over forest resources often causes legal conflicts between center and region (province or regency) as well as among regencies in the research area. This section will discuss the interesting case of the struggle for authority over natural resources between center and regencies in Jambi province. Soon after the enactment of the regional autonomy law, many regions responded by establishing a number of regional regulations. Some of those regional regulations are intended to fill the 'holes' of technical guidance of the Regional Autonomy Law. On the other hand, they create further problems because they are mostly intended only to increase regional income without considering higher-level regulations or long-term sustainability.

Considering that central government cannot adequately manage and effectively control the vast production forests, the central government through the Forestry Minister enacted Decree 05.1/2000, which gave the regency heads the right to hand out 100 ha logging licenses called IPHH (Ijin Pemanfaatan Hasil Hutan). By promising attractive income, the policy of IPHH had a great response both from the local government and the local community in Jambi.

However, the practices of IPHH are uncontrollable. Since there is no clear limitation on the number of licenses to be given, the regency heads release as many as number of IPHHs in their own region. The result is a very high rate of forest degradation, mainly because of legalized 'illegal' logging practices with a sheltered by the regional regulations in the name of IPHH. Thus, the Forestry Minister stopped the practice of IPHH by enacting Forestry Minister Decree 541/2002 to cancel the previous decree 05.1/2000. The new decree withdraws the authority of regency heads to hand out 100 ha logging licenses.

The regional governments in Jambi, both province and regencies, resisted the Forestry Minister Decree 541/2002. By a political agreement concluded on April 25<sup>th</sup>, 2002 and signed by the governor, all heads of regencies (Bupati), and all chairs of the local parliament (Ketua DPRD), the regional governments of Jambi stated that the substance of the Forestry Minister Decree 541/2002 is not compatible with Regional Autonomy Law 22/1999, Forestry Law 41/1999 and Government Regulation 25/2000 on the authority of central government and provinces. According to this argument, the regional governments in Jambi decided to refuse Forestry Minister Decree 541/2002 with a promise to "postpone the implementation of the Forestry Minister Decree". The implication of this political statement is that all forestry business related 100 ha logging licenses (IPHH) in Jambi must follow the previous regional regulations instead of the forestry minister decree.

This indicates that instead of stakeholders' participation, the experience of IPHH in the research area has been characterized by 'popular' participation. Actually in the research area, participation in logging practices (IPHH) could raise both local government revenue and local people's income. However, the other people must reap negative impacts of IPHH due to forest resources degradation.

Besides Forestry Minister Decree 541/2002, Government Regulation 34/2002 on Forest Arrangement and Forest Management Planning was also rejected in Tebo regency (research area) and some other regencies in Jambi. The head of Tebo regency released an

official letter of objection 522/789/DINHUT/2002 sent to the chair of the National Parliament, Supreme Courthouse, and Minister of Internal Affairs and Regional Autonomy. Tebo regency refused the afore mentioned government regulation because of the following arguments:

- Government Regulation 34/2002 did not follow the spirit of decentralization and contradicted the substances of the Regional Autonomy Law 22/1999 (then replaced by Law 32/2004) and the Government Regulation 25/2000. The Regional Autonomy Law 22/1999 stated that the region has all government authorities except defense and security, judicature, foreign affairs, monetary and fiscal, and religion.
- The substance of government regulation is very centralist. This means that the authority of central government, particularly of the Ministry of Forestry, is too dominant. In practice, this regulation could not be implemented because after regional autonomy all Regional Forestry Administrations (deconcentration agencies) were liquidated into regency.
- The high rate of forest degradation occurred because the regency did not receive a full authority to manage its own forests. Therefore, the regency of Tebo resisted the Government Regulation 34/2002 and officially requested a judicial review by the Supreme Court.

The Jambi Forestry Office made the opposite arguments in responding with the Government Regulation 34/2002. According to the forestry official of Jambi province, Government Regulation 34/2002 is not contrary either to Regional Autonomy or to Government Regulation 25/2000. The following arguments support the Government Regulation 34/2002.

- According to the Regional Autonomy Law, the authority of the regency involved all government authorities except some other policies. The authorities that must be decentralized to the regencies are the authorities in the following fields: infrastructure, health, education, industry, trade and investment, environment, agriculture, cooperative, and lab our. The regency does not have the government authorities in defense and security, judicature, foreign affairs, monetary and fiscal, religion and authority in other sectors. The forestry sector is one of 'the other sectors', to which is given the authority to manage natural resources.
- The province has the government authorities of the natural resources management, which lie in the inter-regencies and involving forests. As mentioned previously, the authority of the regency includes all government authorities besides the exceptions. The Regional Governance Law also states that it needs the further implementing legislations, which are ordered by government regulation.
- As per its title, the Government Regulation 25/2000 is only adjusted to the central government and the province. It is clearly stated in the legal explanation that the authority over the regency does not existed in this regulation. Regarding these arguments, the forestry officer holds that Government Regulation 34/2002 is not contradictory to Regional Autonomy Law and other Government Regulation. Therefore, the implementation of this regulation is a must.

Both cases show how the struggle for authority between center and region has occurred in Jambi. Generally, it indicates that the struggle for authority in the forestry sector occurs

due to a number of differences in central and regional preferences for forest resources management.

## CONCLUSION

Decentralization and its usual accompanying concepts like participation and co-management generally hold prospects for increasing proximity to clients, appreciating local ownership, reducing transaction costs, increasing equity, and enhancing sustainability. Since the enactment of Regional Governance Law 22/1999 (then replaced by Law 32/2004) and the renewal of Basic Forestry Law 5/1967 by Forestry Law 41/1999, there has been a fundamental shift in many areas of forestry matters from central institution to the region. It is intended to give more attention to local needs and take into account the interests of local people.

Besides the positive impacts, decentralization in forestry holds a number of perhaps illusory and unkept promises. Decentralization is also not immune from capture by personal or group interests and manipulation. Decentralization does not mean that local communities or groups magically have the capacity for sustainable forest management. The growing practices of illegal logging and larger degraded forests in the research site of Jambi province as well as Tebo regency provide a refutable evidence that removal of central control over natural resources to regional authorities during the process of decentralization led to virtually no control at all, due to the ambiguous and contradictory regulations. Moreover, lack of skills, increased population, mercerization, and conflicts of interest also influenced to the in-sustainability of Jambi forest. Conflicts of interest concerning forestry decentralization in Jambi occur due to different and even contrary roles and goals of the various stakeholders. Given the phenomenon of high forest degradation in Jambi, there are fears and some real risks that some types of competition between multiple interests of the center and region as well as among regions can lead to forest degradation.

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