For the past decade, Indonesia’s forestry community has witnessed growing opposition to the incumbent state-centered forest management system. The belief in the state as the sole legitimate resource developer and custodian has been condemned as the root cause of many contemporary forest-related problems (e.g., deforestation, forest-related social conflicts), particularly in the Outer Islands. In response to the ailing centralized system, many have proposed the community forestry alternative. This alternative is usually regarded as a better way to deal with the Outer Islands’ social and ecological complexities as well as the perceived unjust distribution of forest-generated economic benefits. Nongovernmental organizations (NGOs), academics, international agencies, and other policy advocates have actively tried to influence such reform, albeit with varying degrees of success. Incremental policy changes that have taken place for the last several years were primarily aimed at providing the legal means for greater local participation in forest management. Only recently have substantial reforms occurred, even with the basic tenet of a state-centralized management control remaining unaltered.

In this chapter, I will examine policymaking and policy change through an overview of the process of how community-based forest management ideas are translated into public decisions. Social forestry policymaking and policy change processes are explored by looking at the interactions of state
and societal actors within sectoral policy subsystems, within which ideas and institutions are central in shaping policy subsystem actors’ decisions. Policymakers decide what policy choices are or are not made, yet their decisions are biased by prevailing policy ideology or ideologies within a given sociopolitical institution and historical context. I will elaborate this argument in more detail by discussing the following points:

- the conceptual framework to understanding sectoral policy processes, focusing on the role of ideas and institutions that condition policy actors’ performances;
- the macro level institutions that shape institutionalized sectoral politics; and
- a historical overview of the social forestry policy subsystem, focusing on how the interaction of ideas and institutions enables and constrains the ability of policy actors to respond to changing socioeconomic conditions.

### Sectoral Policy Process: The Role of Ideas and Institutions

Most Indonesia-based forestry policy studies emphasize elite and business-linked economic interests as the major forces underlying forestry policy creation (see Chapters 6, 8, 9, and 16). Although material stakes indisputably play an important role, they are only half of the story. Some policymakers do care about the country’s forestry problems and are genuinely searching for solutions within an uncertain and continuously changing environment. Oftentimes the government is pressured to act under time, information, and resource constraints. Uncertainty with regard to the magnitude of the problem, the various interdependent social and ecological variables affecting the problem, and the competing interests surrounding it is a challenge routinely faced by policymakers. As Heclo (1974, 305) posited:

> Politics finds its sources not only in power but also in uncertainty—men [sic] collectively wondering what to do.... Policymaking is a form of collective puzzlement on society’s behalf.... Much political interaction has constituted a process of social learning expressed through policy.

The dimensions of “social learning,” pinpointed by Heclo, highlight the pivotal role that ideas play in influencing (and being influenced by) policy process politics and policy actors’ collective decisions. Ideas, Stone (1988, 7) said, “are a medium of exchange and a mode of influence.... Shared meanings motivate people to action and meld individual striving into collective action.” Every policy deliberation revolves around a set of ideas usually bounded by the way people see the world. Policy actors’ ideational conceptions of a particular public problem, therefore, are never impartial, for they carry assumptions of a given phenomenon’s cause–effect relationship, which consequently shapes the choice of policy goals and instruments.
In light of this argument, Outer Islands’ social forestry policy formation and change will be examined by mapping out different policy ideas that have encapsulated different modes of people–forest relations. To trace how a particular set of reform ideas can affect a policy outcome, it is useful to look at Howlett and Ramesh’s (1998) concept of policy subsystem, which encompasses two interrelated dimensions: knowledge and interests. The former refers to the notion of a policy community, which suggests an arena where those with knowledge of certain policy issues engage in policy discourse; the latter refers to the concept of a policy network, which refers to the relationships among certain actors in the policy community who actively participate in policymaking to pursue their policy interests (Wilks and Wright 1987; Sabatier and Jenkins-Smith 1993; Howlett and Ramesh 1998). While a policy community may include various segments of society who demonstrate a common policy concern (government, the public, NGOs, academics, international agencies, media, associations), a policy network maintains fewer participants specifically involved in policy formulation (usually government and a few nongovernment representatives).

Policy subsystems perform within broader sociopolitical institutions that serve to constrain policy actors’ preferences and actions. The institutional structures refer to the state and society’s organizational and ideological properties, rules, and norms that guide the group of actors’ relations (Ikenberry 1988). Once adopted, these institutions are usually very difficult to change and relatively unresponsive to individual preferences and idiosyncrasies (Ikenberry 1988); they may also recognize a particular set of policy ideas and interests as more legitimate than others. In the New Order era, for instance, the institutionalized belief of the supremacy of state control and centralized development pervaded all development sectors: school curricula were centrally designed, local administrative and governmental systems were made uniform and centrally supervised, people could only embrace religions permitted by the state, and so forth. This situation hindered any form of creative thinking that sought to promote development strategies based on diversity and unique local environments. The following section examines the institutional context of the New Order social forestry policy development process; it is followed by a discussion of the actual process itself.

**The Influences of Macro Sociopolitical Institutions**

The various dimensions of the social forestry policy subsystem (e.g., who has access to the policy process, who are the primary decisionmaking actors, what type of relationships do they develop, what kinds of policy ideas do they promote) cannot be understood in isolation from the broader political institutions in which the sectoral policy process takes place. Institutionalized policymaking mechanisms, which designate who has the legal decisionmaking
authority, are shaped by the country’s formal and informal rules. The 1945 National Constitution mandates the People’s Consultative Assembly to amend the Constitution and formulate general state policy guidelines; the executive and House of Representatives to pass laws and regulations; and the Supreme Court to conduct judicial review, both on policy procedure and content. Yet analyzing the legal text is far from sufficient. Society’s rules of conduct are also governed by a complex set of informal codes—stemming from social customs, cultural traditions, and historical experiences—which often provide the interpretive framework for how the legal precepts are exercised. A complex blend of these formal and informal codes shapes the political reality of state–society relations and power distribution, as well as reflecting “whose decisions count.”

After a “traumatic” experience of parliamentary polity (1948–1959), Indonesia returned to the 1945 Constitution that is based on a very powerful presidential body. Following the bloody 1965 attempted Communist coup d’état, the ousted President Soekarno handed over power to his successor, Soeharto. In its early days of rule, the Soeharto government was confronted with a fractious nation with conflicting political lines, regional uprisings, and near economic bankruptcy. To keep the nation together, the New Order emphasized political stability and the boosting of badly needed economic development. This, it was argued, required a strong government, which was accomplished by consolidating power in the executive position (centered in the president’s hands), gaining military support through various political-economic rewards and concessions, developing a strong and loyal bureaucracy to implement executive decisions, and systematically paralyzing potential state and societal adversaries. This strategy effectively calmed political strife and promoted several decades of economic growth. Yet it also resulted in a politically weak society and a highly centralistic and militaristic regime whose years of noncorrective power abuse eventually brought about its own recent demise.

So even though the constitution allocates policymaking authority to state agencies, other subordinate laws and informal political measures have systematically weakened the legislative and judicial bodies. The house’s administrative and political rules were created in such a way that the executive (with bureaucratic and military backing) could dismiss house members who dared to criticize government policies, not to mention proposing legislation that the government disliked. The Supreme Court, whose personnel and career development were controlled by the bureaucracy, also did not have the political power or the expertise to exercise its authority. The whole enterprise of legislative procedure and process lay entirely in the government’s (especially the bureaucracy’s) hands. Furthermore, through the “floating mass” doctrine, a citizen’s political participa-
tion was systematically crippled. People were disconnected from their political parties, which were more accountable to the government than to the people they were supposed to represent. The system created a hierarchical power configuration in which the president as the highest executive and military leader—was at the core, followed by the president’s closest state and nonstate benefactors (e.g., families, friends), the bureaucracy and military, other political parties, and, lastly, ordinary citizens (Sanit 1998). While the line of command was from the core to the far end, the line of accountability was the reverse.

Political relationships were highly personalized, and legal mechanisms for making political demands (e.g., through political parties, the House of Representatives, pressure groups) were virtually nonexistent. Instead, the patron–client relationship based on personal reciprocities—cutting across lines of family connection, economic dependency, ethnic and religious bonds, alumni affiliations, and so forth—proliferated and became the primary institution through which to channel such demands. “Whose voice counts” was less dependent on the person’s official rank than his or her proximity to the power center.

The “central power” is at the core of the state polity and symbolizes society’s unity, so that power dispersion is conceived of as a threat to the state’s existence (Anderson 1990). This prevailing ideology dictates the nature of state intervention, rendering legitimacy (or lack thereof) to proposed policy alternatives. Similarly, the legitimacy of social forestry policy alternatives depends on the degree to which they conform to the New Order’s prevailing norms of the state’s role. For most government policymakers, local forest management policies were conceivable as long as they came under state control and did not devolve significant power.

The primary point of the previous discussion is that the institutional and normative framework of a given political system sets the limits within which state and societal actors can pursue their policy initiatives. Following the 1998 New Order’s collapse, demands to transform prevailing sociopolitical institutions, including the patron–client mode of political-economic relationships, mounted considerably. Many statutory laws (Undang-Undang [UU] and government regulations (Peraturan Pemerintah [PP]) were altered, mostly during the Habibie government, although the extent to which these reforms coherently advocate genuine democracy is still questionable. In the forestry sector, a new law has been ratified as well. UU 41/1999 (see Chapter 4) explicitly acknowledges community-based forest management systems, although the predominant ideology of state-centralized forestry control remains intact. The law, which indicates a major legal transformation of community-based forest management, is a milestone of lengthy reform deliberations.
Social Forestry Policymaking and Change: The Historical Dynamics of Policy Subsystems

With politically powerless citizens and a dysfunctional legislative and judicial system, New Order policymaking was often labeled as based on bureaucratic politics—where power and participation in national policy decisions were almost entirely controlled by state actors, particularly the bureaucracy (Jackson 1978). I take a slightly different approach by viewing the policy network, whose members are state actors, nonstate actors, or both, as the primary “driver” of policy formulation. The advantage of the policy network concept is that it captures the decisionmaking role of bureaucrats, either by themselves or in relation to other state and nonstate groups. Different from the bureaucratic policy approach that refers to strategies for action, a policy network is a form of an institutionalized social relation that is voluntarily formed on the basis of the network members’ similar policy beliefs (as the primary glue for collective action).

The legal basis of New Order resource management policies is Article 33 of the 1945 Constitution, which is often interpreted as giving the state the absolute right to control all of Indonesia’s national resources. At the forestry level, the primary legal framework was the Basic Forestry Law (BFL) UU 5/1967, which further elaborated state resource management sovereignty and which governed three decades of sectoral forestry policies. The law mandated the government to plan and regulate all forest tenure and use arrangements within its jurisdiction. It also gave the government the legal authority to seize “unowned” land, including traditional community forests, and to allocate exploitation rights to private companies or to use the land for other purposes. This situation led to overlapping customary and state-based forest access and use rights that brought about three decades of serious conflicts and resentment among various Outer Island forest users, particularly between local people and state-backed logging companies.

Despite the New Order government’s claim otherwise, the 1967 BFL management philosophy did not differ significantly from its 1865 BFL colonial predecessor:

state forestry serves the greatest good of the greatest number of people, scientific forestry is an efficient and rational form of resource use, and promoting economic growth through forest production for the state is the key component of the forester’s role (Peluso 1992, 125).

Foresters are trained within this paradigm, and their belief in the supremacy of scientific management implicitly devalues other modes of resource institutional arrangements. As state agents, forestry bureaucrats are also implanted with the creed of centralized, power-based state unity. These dogmas are deeply
ingrained in most policymakers’ mindsets—rendering nonstate forest management policy ideas involving power devolution nearly inconceivable.

Before the New Order, most Outer Island forests were managed by customary (or adat) communities. Different regulations existed for different types of forest activities (e.g., hunting, timber felling, nontimber forest product gathering), but they were generally weak and inconsistent (Departemen Kehutanan RI 1986). State-centralized forest management that restricted local customary forest access was effective primarily in Java (Peluso 1992). The colonial Forest Service attempted to centrally control and exploit the Outer Islands’ forests through uniform forestry laws, but it failed because of fierce internal opposition (Lindayati forthcoming). The 1967 BFL represented the culmination of extensive government deliberation on the application of uniform forest management policies for both Java and the Outer Islands. With this law, state-centralized forest control, which the Dutch had instituted in Java during the mid-19th and early 20th centuries, was applied to the Outer Islands. Not surprisingly, many government assumptions of Outer Island forest management problems were derived from Java’s experiences, including social forestry. Java’s social forestry policy was implemented to minimize ongoing conflicts between the State Forest Corporation (Perhutani) and local people (Barber 1989), and similar intentions held true for the Outer Islands.

Contemporary Outer Islands’ social forestry policy development can be considered in three distinct periods, each distinguished according to the variety of policy instruments and approaches that the government used to deal with forest dwellers and local forestry systems. The first, or presocial, forestry phase (late 1960s to mid-1980s) occurred when the government reinforced its monopoly over forest control, strengthened negative attitudes toward local forest practices, and established a legal institutional framework that systematically excluded such systems from formal forestry discourse. The second phase (mid-1980s to 1997) occurred when social forestry schemes were adopted and gradually institutionalized into the state forest management system, although local indigenous forest use and tenurial rights were still illegal. The third phase (1998 to the present) is a point at which radical policy changes are occurring; local forest management is being incorporated into the overall legal forestry framework even though it remains subject to the government forestry system.

**Late 1960s to Mid-1980s**

This period was characterized by the adoption of policy instruments that reflected the government’s complete rejection of local community forest access, including formal contempt toward forest dwellers’ lifestyles and resource management practices. Forest communities were considered “backward” and thus in need of integration into mainstream society, and their shifting cultivation method was deemed economically unproductive and ecologically destructive.8
The practice was blamed for causing the degradation of approximately 500,000 ha of land annually, with the cumulative total of degraded land blamed on such practices reaching some 40 million ha in the mid-1980s (Departemen Kehutanan RI 1986, 29). Strict control of this agricultural system was one of the primary objectives of the first Five-Year National Development Plan (1969–1974) and remained so in the ensuing years.

The negative ideological inclination toward forest-dwelling communities resulted in a set of policies that attempted to keep them away from the forest (i.e., resettlement) or aimed at transforming their customary forest practices into lifestyles more in keeping with policymakers’ preference (e.g., sedentary farming, urban-based livelihoods). Because it was believed that shifting cultivation was driven by desperate economic need, resettlement and permanent agriculture programs were seen as potential means of raising farmers’ living standards (i.e., the farmers would, theoretically, be relocated in areas more accessible to government services and employment opportunities). Some 15,000 households were targeted for resettlement during 1973–1983, with a realization rate of approximately 75% (Departemen Kehutanan RI 1986, 148). In the new locations, every newly settled family was normally given a small house, 3 ha of land, a year’s supply of basic foodstuffs (e.g., rice, sugar, dried-fish, vegetable oil), and government technical assistance for sedentary farming. After one or two years, they were left on their own.

In addition, restrictions on peasants’ forest access were further reinforced by a gradual ban on small-scale timber felling and nontimber forest product gathering. During the early years of the timber boom (late 1960s to early 1970s), forest exploitation was performed mechanically by a handful of logging companies as well as manually by individuals responding to lucrative international (especially Japanese) timber markets. At first, some 20–30% of total production forest was intended for small-scale logging, including those based on customary rights (Departemen Kehutanan RI 1986, 12). With PP 21/1970, the criteria and administrative mechanisms for both big and small concessionaires were defined; big concessionaire licenses (Hak Pengusahaan Hutan [HPH] or Forest Concession, Forest Exploitation Rights) were issued by the central government, while the smaller ones (Hak Pemungutan Hasil Hutan [HPHH] or Forest Product Harvesting Rights) were issued by the provincial government. The HPHH system allowed individuals and local businesses to collect forest products manually for either personal use or for local markets (not for export), although the same regulation also froze local customary resource access in HPH areas.

Subsequent to the Japanese hand-cut log boycott, which caused the Government of Indonesia large economic losses, a harsher stance was taken toward small-scale and local-based timber cutting operations. The East Kalimantan government—concerned by the adverse social effects of thousands of suddenly jobless woodcutters (locals and migrants) partly caused by the rapid ecological
deterioration that resulted from uncontrolled logging—was probably the first to withdraw from the provincial-based HPHH system. Several years later (mid-1980s), the HPHH was completely cancelled throughout Indonesia because it was neither economically and ecologically feasible nor easily controlled. The central government monopolized the issuance of concession rights from then on.

Resettlement and permanent agriculture programs, combined with coercive forest access policing, were the New Order’s primary policy instruments for transforming and governing forest dweller–forest relationships in the Outer Islands. PP 21/1970 (Forest Exploitation Rights and Forest Product Harvesting Rights) and later PP 28/1985 (Environmental Protection) specifically banned local people’s customary forest access in state-designated forest concession and protection zones. Criminalization of villagers’ forest resource use was the primary cause of friction between the state and forest dwellers. Incidents between locals and government-backed business interests over forest use and ownership were reported throughout the country. When these conflicts turned violent, the government usually used its military power to resolve them.

The New Order’s economist-dominated development planners emphasized growth-oriented modernization as the ultimate national development goal, with forestry policies formulated accordingly. Local-based and small-scale forestry practices were deemed irrelevant to the nation’s modernization and industrialization process. Formal decisionmaking was kept in government hands, with the policy community and policy networks remaining small, exclusive, and monopolized by the bureaucracy and a handful of elites who uniformly believed in the supremacy of state-centralized and growth-oriented forest management. International donors, long important in government national and forest management planning, subscribed to this same modernization and industrial forestry paradigm. Local (provincial) governments were also fully supportive of the resettlement policy and constantly requested that the central government pass regulations to ban shifting cultivation. Academic communities, from which governments often requested technical policy advice, also held similar views. The involvement of NGOs and nonforesters in forestry policymaking was quite rare, as the Ministry of Forestry (MoF) was confident in its in-house expertise. It was not until the 1990s, especially during the social forestry experimentation phase, that the government began to involve nonbureaucrats and nonforesters, as the department began to realize it was lacking both knowledge and experience in community development. The policy subsystem’s homogenous membership, its hegemonic policy discourse, and the strong bureaucratic mandate of coercive forest control contributed to a high degree of state autonomy in forestry policymaking. This strong autonomy was further magnified (through the enactment of 1985 political laws) by a depoliticization of citizens and political parties, rendering popular participation in policy formation an alien concept.
National development and the forest management framework in this period provided ideological and institutional infrastructures through which the social forestry concept was later introduced. Meanwhile, various internal sectoral factors, as well as outside events, led to the second phase that was characterized by the MoF’s increasing attention to social forestry programs and a slight attitudinal change toward community forestry. The 1978 Jakarta World Forestry Congress was obviously responsible for introducing the MoF to the social forestry concept and “forests for people” rhetoric. The conference marked the beginning of forest management that embraced distributional benefits to local people, arguing that the focus on industrial growth should be accompanied by strategies aimed at equity, popular participation, and the attainment of basic needs. Like other newly independent countries that relied on Western aid and technology, the New Order was quick to adopt international development ideas—promoting local participation, meeting people’s basic needs, and addressing environmental concerns soon became rhetorical niches through which the New Order situated its goal to govern peasant–forest relationships. Yet the way these ideas were incorporated into national development and forestry policy was mediated through policymakers’ well-established forestry ideology, the national sociopolitical institutions, and socioecological conditions and development priorities. The 1978 World Forestry Congress resolution was seen as consistent with current government ventures to improve the living conditions of forest villagers through resettlement and shifting cultivation control (Departemen Pertanian, Direktorat Jenderal Kehutanan 1979, 7).

Furthermore, changing state policy ideas were also influenced by sectoral factors, such as bureaucratic training and experience, information exchanges (e.g., workshops, seminars, research), and a flood of international aid for social forestry projects. The changing development orientation of many international donors during the 1970s—shifting from macro economic growth to meeting people’s basic needs—allowed the government to access resources to put the social forestry idea into operational projects. In the early 1980s, the MoF and the Ford Foundation began to discuss social forestry programs, although it was not until 1985 that actual programs were launched, both in Java and the Outer Islands. The field experiences gained from these projects later became the foundation from which the MoF formulated its nationwide social forestry policy.

External events such as increasing and more widespread conflict between local people and logging companies, accelerating rates of deforestation, and an increasing number of environment- and human rights–oriented NGOs were also significant influences on policymakers. The presence of NGOs in the policy subsystem was unique: they stand at the interface between local communities and the government, and their close collaboration with the international community helped to spread the worldwide movement of indigenous rights and
self-determination. Even though their policymaking roles were still insignifi-
cant—the government felt NGOs were just a nuisance—their strong interna-
tional links meant that the government could not totally turn a deaf ear to
these critics. *Wahana Lingkungan Hidup Indonesia* ([WALHI] or Indonesian
Forum on the Environment) and *Sekretariat Kerjasama Pelestarian Hutan In-
donesia* (NGO Network for Forest Conservation in Indonesia) were some of
the pioneers that supported the local forestry system, and their advocacy work
(as well as that of other NGOs) was probably one of the major forces that later
brought the community-based forest management issue onto the formal policy
agenda.

**Mid-1980s to 1997**

This period is notable for the adoption of social forestry programs. The core
policy ideology, that the state is forest developer and steward and that local
forest management systems are backward and destructive, remained intact.
Yet some aspects (albeit secondary ones) started to change. Compared to the
previous era, the policy goal remained the same (halt forest dwellers’ destruc-
tive resource management practices), but the instruments used to achieve this
goal were more diverse. In addition to repressive measures, a “prosperity”
approach was given more emphasis and the social forestry concept was viewed
as a potential policy option.

From the mid-1980s to early 1990, national attention increased toward
local people’s forest access and tenurial rights. This was marked by the grow-
ing realization (especially by nongovernmental actors) of the Outer Islands’
diverse and complex local forestry systems. Various studies and field projects
(including the MoF/Ford Foundation social forestry pilot projects in East
Kalimantan, Irian Jaya, and Sulawesi) contributed to this understanding.
Subsequent internationally funded social forestry projects followed this lead
in an attempt to promote recognition of Outer Islands’ local forestry diversity
in formal policy. In the meantime, this period also witnessed increasing gov-
ernment concern over local forest encroachment.

Internal and external forces, as indicated earlier, played an important role
in shaping these trends. Yet it was President Soeharto’s official speech at the
1987 National Regreening Week indicating his serious concern about the wide-
spread land degradation caused by shifting cultivation that was probably the
primary reason for the MoF’s decision to pay more serious attention to local
forestry practices.14 The president called for local governments, sectoral de-
partments, and private companies to play an active role in controlling shifting
cultivation. The MoF quickly responded by instructing governors in the Outer
Islands to coordinate, vertically and horizontally, all relevant sectoral programs
in their jurisdictions.15 In addition to resettlement, programs such as Transmi-
gration, People’s Nucleus Estate Programs, Industrial Timber Plantations,
Development of Isolated Communities, Village Consolidation, and others, which were administered by different ministries, were expected to prioritize forest dwellers as the target groups.16

The changing national development orientation in favor of environment and peasant socioeconomic problems was reflected in Rencana Pembangunan Lima Tahun VI (the sixth Five-Year National Development Plan) (1994–1999). Environmental conservation, poverty alleviation, decentralization, and local participation were stated to be the primary policy guidelines, providing a favorable political climate for social forestry. The MoF slowly began to “loosen” its de jure forest control as it realized that the three decades–long complete ban on local forest access was ineffective—the government had neither the capacity nor the resources for enforcement. Conflicts between local people and state-sanctioned logging companies over forest access control frequently captured national headlines. Some prominent examples include Yamdena Island (Maluku Province), Sugapa (North Sumatra), Bentian (East Kalimantan), and Benakat (South Sumatra) (Barber 1998). Furthermore, as the international community became increasingly concerned with the adverse social and ecological consequences of current development practices, many donor agencies began to incorporate strong environmental and local participation criteria into their development project portfolios. The then forestry minister, Djamaludin Suryohadikusumo, also paid more attention to local forest access concerns.

Internal divisions existed within the ministry itself, as some foresters began promoting policy reforms whereas others wanted the status quo. In the late 1980s, attempts began to revise the 1967 BFL, with one of the major proposed changes being to clarify adat or customary forest rights. The reform proposal, however, was opposed by some senior officials who saw the 1967 BFL as an Indonesian foresters’ masterpiece and worried that any reform would result in reduced MoF forest control and authority (Manurung 1997). After several years, the reform working group evolved to consist entirely of the reform proponents. Deliberations, however, were abruptly halted in 1997 when some MoF senior officials began to fear that the Agrarian Ministry (which believed forestlands should be under its jurisdiction) would challenge the MoF’s jurisdictional authority during upcoming interdepartmental meetings (Manurung 1997). Nevertheless, MoF reform-minded individuals remain an important enabling factor in pushing MoF policy reforms.

Despite internal opposition to the 1967 BFL reform attempt, other subordinate regulations (e.g., ministerial decrees) were issued to gradually accommodate local forestry practices. In 1993, the MoF passed a regulation that obliged concessionaires to allow customary communities to collect forest products (for subsistence purposes) in concession areas.17 Furthermore, it was assumed that by allowing villagers to participate in state forest management (i.e., through social forestry schemes), multiple social and environmental
objectives would be met: locals would have access to productive capital (land, credits), allowing them to improve their socioeconomic well-being, and would therefore be willing to practice “ecologically sound” permanent agriculture (as promoted in social forestry programs). As a result, the government’s limited resources would be saved because the community development goal could be achieved in addition to solving illegal squatter and deforestation problems.

The early 1990s to 1997 marked the beginning of the incorporation of local participation into formal forest management systems. Through the Ministerial Decree on Community Forestry (Hutan kemasyarakatan), first enacted in 1995, locals were granted limited user rights; and through the Forest Village Community Development decree (Pembinaan Masyarakat Desa Hutan), first enacted in 1991, concessionaires were obliged to “help” in the economic development of forest villages. The Community Forestry decree’s primary purpose was to rehabilitate degraded land while providing local economic opportunities. Therefore, it allowed local people to manage critical lands both in state-protected and production forests. Meanwhile, the Forest Village Community Development decree goal of improving villages’ socioeconomic situation was often interpreted by the concessionaires as helping villagers with physical infrastructural development (e.g., building mosques, permanent agriculture demonstration plots, health clinics, schools). In contrast to the Community Forestry decree that did not seem to interest villagers (most villagers perceive the land as theirs, so joining a Community Forestry program would merely slash their de facto forest rights), the Forest Village Community Development program was implemented to a certain degree. One major reason was that funding for the latter was readily available from the private concessionaires, whereas Community Forestry depended on a limited government budget.

Forest Village Community Development and Community Forestry program objectives were formulated in accordance with the New Order’s political ideology. This meant that they did not address the Outer Islands’ underlying forest management problems, which were rooted in state–society conflicts over resources. Nor did the two programs deal with the imbalance between state and societal power structures that underlay the paternalistic relationship between government and local people in any New Order policy intervention. Far from being a “partnership,” the approach was more like “social welfare.” Forest management and proprietary rights remained the exclusive domain of the MoF, with local people only entitled to limited user rights. Local forest access—even to a very limited extent—was deemed a privilege rather than a right.

Various changes in the bureaucracy and broader socioeconomic conditions also led to changes in the policy subsystem. New players—such as NGOs, academics, and international agencies—entered the policy community and facilitated the development of an alternative policy discourse that challenged mainstream state beliefs. Growing research on indigenous knowledge, combined with the spread
of certain values (e.g., environmental conservation and sustainable development, grassroots democracy, human rights, cultural identity), helped to develop an alternative forest management ideology focused on community self-determination rights. In its most extreme form, this philosophy (often advocated by NGOs and a few academics) was the total opposite of state-centralized resource control. It recognized full community forest management and ownership authority and therefore demanded that the state relinquish forest functional and territorial control to local people. In the early 1990s, several NGOs established a nationwide network, called *Sistem Hutan Kerakyatan* (Community-based Forest System Management), focusing on research and advocacy to promote community-based forest management.

The formal policymaking network also saw the entrance of more innovative bureaucrats and nonstate players. Lacking the necessary information, unaccustomed to the new social forestry approach, and inexperienced in dealing with local complexities, the government invited nonstate actors to provide policy advice. The previous minister, Djamaludin Suryohadikusumo (1993–1998), also showed more concern for social forestry issues and was more accommodating of nonstate policy participation. The MoF did, however, still retain full authority to screen the participants and advice. Those who showed adversarial attitudes were quickly dropped from the invitation list, and policy recommendations that contested the state forest management philosophy were immediately discarded. Participants included provincial bureaucrats and other actors from different backgrounds (e.g., NGOs, international agencies, academics) and geographical settings (most were from Jakarta, and a few were from the provinces). Nongovernment participation was limited to the early stages of the policymaking process, which usually addressed technical issues. Final decisions involving more political considerations were the exclusive domain of the highest level bureaucrats.

Forest Village Community Development and Community Forestry policy formulation provides some illustrations of the process. Both regulations were at the level of ministerial decrees, which meant that the decisionmaking took place internally within the MoF. First drafts were prepared by middle-level officials, who then invited non-MoF stakeholders—usually those who had already developed some relationship with the bureaucracy—to comment on the drafts. Since first introduced, the Forest Village Community Development and Community Forestry decrees have changed several times, and numerous implementation guidelines were formulated (between 1991 and 1996, the MoF passed 28 Forest Village Community Development–related regulations). The middle-level officials who were interviewed indicated that they expected policy advice that was technically applicable, not harsh criticism with suggestions that were impossible to implement. Conceptual issues, like land tenure, were unpopular because they were perceived to directly challenge
CHAPTER TWO

the MoF’s position and authority. Resolving such issues would also require involvement of other land-use ministries (e.g., the Ministry of Mining, National Land Agency, Ministry of Agriculture)—the last thing the MoF middle-level officials wanted. The interdepartmental policy process was typically time- and resource-consuming; it produced frequent conflicts, particularly with regard to competing land-use controls.

From 1995 to early 1998, frequent meetings were held to discuss Forest Village Community Development and Community Forestry reforms. Meeting minutes show that policy recommendations dealt mainly with technical matters (e.g., methods to implement the programs). On a few occasions, some participants (mainly NGOs and expatriates) attempted to open up discussion to include the status of local peoples’ forest management and ownership, but the MoF firmly responded that there should be no debate: state proprietary rights were absolute, and local people were only entitled to limited user rights. The NGOs and expatriates presented evidence of sustainable local forest management practices, although to no avail as the MoF’s stance did not change. Even when the MoF did not categorically reject the suggestions, they were never ultimately adopted into final policy decisions. Typically, the draft (which was prepared beforehand by MoF mid-level bureaucrats) only underwent slight changes, such as settings/levels or the mechanisms for policy delivery.

The MoF’s firm stance over local peoples’ forest access and rights was also for practical reasons. The centralistic bureaucracy was not designed to serve local diversity. Allowing millions of local community groups to become primary forest players would require a fundamental bureaucratic (e.g., structure, standard operating procedures) transformation. The perceived risk and uncertainties of radical policy reform were probably too high for the MoF. Nonstate actors advocating *adat* and local forest rights often expressed frustration in dealing with the slow pace of change. Some claim, somewhat cynically, that the MoF’s policy debate invitation was superficial, because none of their substantial recommendations were ever considered. Despite these criticisms, the MoF policy forums at least created a medium in which state and nonstate actors met, exchanged ideas, engaged and clarified each others’ policy stance, and built networks with like-minded individuals. In the years to come, these networks would become increasingly significant in forestry policymaking.

Without significant changes in the wider sociopolitical institutions, the fundamental policy network power structure remained unaltered. The bureaucracy was still the ultimate decisionmaker, reflecting state policymaking autonomy. Changes in the network character, mainly caused by a lack of state policymaking and implementation capacity, were more nuances than profound systemic changes. With resource shortages (e.g., in-house experts, information, funds), the government searched for outside assistance, particularly from international donors. Various social forestry projects, both bilateral
and multilateral in nature, mushroomed.\textsuperscript{20} The objectives of these projects were primarily to generate policy-relevant information and to help the government with policy implementation.

\textbf{1998 to Present}

The conditions in the previous phases shaped social forestry development in the third period (1998 to present). This phase is marked by more meaningful changes in formal government social forestry policy. The utilitarian forestry philosophy is still well preserved, as is the belief that the state is the ultimate forest manager and steward. Yet the recognized means of achieving sustainable forest exploitation and conservation have been significantly amended. This includes a gradual acceptance of the government’s limited policymaking and implementation capacity and of the ability of local people (especially indigenous communities) to manage forests. This change has not yet been implemented and institutionalized in the sense of being widely embraced or adopted as standard operating procedure. It is, however, imprinted in the recently enacted law and other government regulations. As will be described later, these substantial policy reforms are more a function of broader sociopolitical pressures and innovative policy individuals than of collective bureaucratic action.

The first landmark of the third phase was the 1998 Ministerial Decree of \textit{Krui Kawasan dengan Tujuan Istimewa} ([KdTl] Zone with Special Purpose, see Chapter 6). This regulation marked the government’s initial gesture to legally recognize local indigenous forest management.\textsuperscript{21} The minister acknowledged that, by passing the KdTl, he took a political risk, because community forestry does not have a clear legal foundation under the 1967 BFL (Suryohadikusumo 1998). To avoid unconstitutional measures, the best he could do was to grant the people of Krui stewardship rights, with the forestlands still remaining under state tenurial control (Suryohadikusumo 1998). The minister’s maneuver was indirectly facilitated by the political situation—Soeharto was preoccupied with International Monetary Fund threats and the worsening economic climate, and the minister had nearly completed his term in office. Futhermore, the lack of economic interests in Krui for Soeharto and his patrons was another major advantage.\textsuperscript{22}

More substantial and nationwide social forestry policy reform took place during the recent political economic turbulence. Soon after Soeharto stepped down (May 1998), the Ministry of Forestry and Estate Crops’s (MoFEC’s)\textsuperscript{23} new minister, Muslimin Nasution, established a reform committee whose members were drawn from both inside and outside government. The committee’s primary task was to review and reformulate “oppressive” forestry regulations, including the 1967 BFL. Through several seminars, attended primarily by NGOs, academics, international agencies, provincial government, and forestry business associations, the committee welcomed public
opinion and criticism of the proposed new Forestry Law and other regulations. Local people, however, still remained outside the process.

Most nonstate policy actors who had applauded this reform endeavor, because it was perceived to signal a more democratic and open MoFEC, were soon disappointed when they discovered that the MoFEC had established another internal (bureaucratic) commission with exactly the same mandate. Unhappy with the MoFEC's conduct, as well as the committees' draft Forestry Law reforms, the coalition of nonstate community forestry supporters, coordinated by the Forum Komunikasi Kehutanan Masyarakat ([FKKM] Communication Forum on Community Forestry), formulated its own Forestry Law proposal. There were, therefore, three Forestry Law drafts from three different groups, each representing different ideals of community–forest relations. The most radical policy changes were proposed by the FKKM; this version significantly reduced the state's forest management authority by, among other things, requiring that the state grant full forest management control and ownership rights to local, especially indigenous, people. For policymakers who believed in state unity and centralized power and who believed that foresters' raison d'être was to act as managers and guardians for the state, the idea of relinquishing total territorial control was far from persuasive.

The recently enacted Forestry Law UU 41/1999 was drawn primarily from the draft designed by the MoFEC internal committee (see Chapter 4). Compared with its predecessor, the new law contained substantial changes in relation to local people's forest access and rights. Like other forest user groups (e.g., big business, state enterprise), forest villagers are now granted equal access for forest use and management, especially if they form cooperatives. Indigenous people (or adat communities) are also given special status, and their unique resource management is legally recognized. Large concessionaires whose operations are located near villages are required to work with the local cooperatives. Unlike the FKKM proposal, the new law still defines the MoFEC as the highest institution that controls and oversees forest territorial functions, use, and tenurial arrangements. Many, however, are still unhappy with the new law, feeling that it is just another government tactic to control forests through government- or industry-controlled cooperatives.

Of the three decades of social forestry development that we have reviewed in this chapter, the last two years have demonstrated the most remarkable policy and subsystem changes. The collapse of the New Order and the ongoing political economic crises have damaged state legitimacy and significantly reduced state power vis-à-vis societal groups. The normative value of the state's absolute power and centralized control was strongly criticized, and a call for democracy and strengthened civil society quickly gained advocates across the nation. The transformation of political systems and norms pervaded the forestry sector, providing more legitimacy to alternative social forestry policy
ideas that promote empowerment of local people. Debates over the “appropriate” state forest management role (for the new Forestry Law) no longer took place exclusively within the state domain but spilled over into the public sphere involving a much wider audience (including the media).

Social forestry policymaking is no longer monopolized by the state-centralized management philosophy. Policy networks were formed along two ideological lines—those who believe in state control and those who are convinced that this authority should be devolved to local communities. The former network was dominated primarily by state actors, although it also includes a few nonstate individuals. The latter was dominated by nonstate agents, especially NGOs. Each network, through various strategies, tries to pursue its policy idea, including affecting public opinion through means such as seminars, conferences, press releases, and public statements. Of the two networks, the government’s network seems to be more receptive to amending its policy belief by assimilating elements of the other ideology into its own. This is demonstrated by the new Forestry Law UU 41/1999, which adopted many community forestry concepts into the philosophy of state management and control. At the same time, the need for collective action has seemed to enhance the non-state-dominated policy network’s capacity. Through more organized and nationwide membership coalitions (or networking with groups such as the FKKM), societal interest associations seemed to enhance their position vis-à-vis the state.

Even though crisis-ridden change has not caused a social forestry policy paradigm shift, it has brought about substantial policy reform. This policy transformation has occurred not because of any bureaucratic learning process, as happened in the previous periods, but because of changing state–society power configurations and political norms. The bureaucracy is still the decisionmaking center, but it is less powerful than before. The House of Representatives and political parties are beginning to play their roles, and societal groups may also enhance their policy participation. If Indonesia continues on its path to democracy and a more pluralistic political system, social forestry policy development will be characterized by the participation of more diverse players. Understanding social forestry policy formation should, therefore, focus on these players’ decisionmaking roles and their modes of interactions, political power, policy ideas, policy strategies, and institutional constraints.

**Conclusion**

Indonesia’s experience demonstrates that policymaking is not simply driven by government interests; it also involves the policymakers’ “learning” process in which policy ideas play a central role. The Outer Islands’ social forestry development reveals a close relation between policy reform and policymakers’ changing ideational conceptions. Every policy deliberation revolves around a
particular set of ideas. Policy actors, both state and nonstate, pursue these ideas within the institutional boundaries that limit their actions and preferences. Policy ideas are not static—they change as policy actors interact with each other and with the broader sociopolitical world.

Yet the earlier social forestry historical analysis also demonstrates how an institutionalized dogma of state-centralized and scientific-based forestry hamstrung the adoption by policymakers of new ideas contrary to such dogma. It was not until the 1998 political economy crisis that substantial policy changes occurred. It is argued here that once a particular set of ideas—usually introduced to serve a particular mandate—is adopted and internalized as part of an institution’s standard operating principles, it becomes very difficult to radically change. The extent of ensuing policy change is largely gradual because substantial reforms often involve very high short-term costs. More importantly, the institutionalized ideological principles within which policymakers operate are often perceived to be the raison d’être of a given institution; radical policy changes can be perceived to threaten the very existence of said institution.

The development of Outer Islands’ social forestry policy can be divided into three stages, each of which is featured by modified state conceptions of local forestry systems and represented through different policy instruments. The first period (late 1960s to mid-1980s) was characterized by government’s complete rejection of local communities’ forest access and its contempt toward forest dwellers’ resource management practices. Formal policy focused on policing local forest access, in addition to relocating forest dwellers outside of the forests and trying to change their mode of production. During the second phase (mid-1980s to 1997), government began to ease de jure restrictions on local forest access and adopted social forestry programs, such as Community Forestry and Forest Village Community Development, although the fundamental view of state and local people’s roles and status remained the same. The third phase (1998 to present) is marked, at least theoretically, by a substantial improvement of local people’s legal forest access and management rights, although this scheme is still under the state management framework.

The first three decades of social forestry history involved incremental policy changes that took place under “normal” political situations. These reforms were primarily a result of changing bureaucratic social forestry ideas and resulted in the alteration of policy instruments (such as the enactment of the Forest Village Community Development and Community Forestry programs) without substantial transformation in state and local forest management roles and authority. The only notable policy change under the “normal” state was in early 1998 (the third phase), when Djamaludin Suryohadikusumo passed the ministerial decree granting Krui the designation as a Zone with Special Purpose. This development suggests that meaningful policy reforms can happen in the presence of risk-taking policymakers. The minister’s exceptional
decision, however, was still made within the state-centralized forest management framework because his decision could not go beyond this institutional framework. The fact that Krui’s experience did not have a direct nationwide effect—because it was restricted to the Krui region—and did not require bureaucratic organizational changes also minimized the minister’s political risk.

During the first and second periods, the policy community was small and dominated by the bureaucracy. With the bureaucracy’s permission, a handful of NGOs, international organizations, and academics was sometimes involved at the beginning of the policy process, although their involvement was restricted to helping the government deal with technical issues rather than political ones. Bureaucratic control of the policy process and policy ideology resulted in high state policymaking autonomy. Alternative policy ideas promoting community forestry began to develop, but this was outside the mainstream public policy discourse because a closed and monolithic political system tends not to tolerate unconventional policy ideas.

After the fall of the New Order, social forestry policy entered a distinctive development phase marked by changing laws and regulations respecting local people’s access to forest and forestry rights. The basic tenets of the state resource management role remain the same, but local community authority has been, at least on paper, significantly restored. Unlike the previous social forestry stages, the third phase policy reform occurred more because of the political situation than because of a bureaucratic internal learning process. State decisionmaking autonomy was reduced as state legitimacy was crippled. The experience of social forestry in the Outer Islands suggests that significant policy change entails several interrelated factors: (a) the presence of alternative policy ideas whose supporters have developed a fairly strong network; (b) the presence of risk-taking policymakers; and (c) changing sociopolitical institutions, which involves changing the power distribution and political norms. The first factor is the prerequisite for policy change, although it does not ensure that significant change will occur. The second and third factors accelerate the reform process, provided that the first factor exists.

The current, more open, political system resonates at the sectoral level. The policy community is a wider audience and includes more than a single policy ideology. The policy network includes more players and a changing decisionmaking mechanism. The bureaucracy is still the decisionmaking center but no longer the hegemonic player, as the House of Representatives has begun to play a significant role. Local governments, which have long been powerless, increasingly become significant players as well, particularly with the implementation of the current form of decentralization (see Chapter 15). In addition, NGO-based societal interest groups are more organized and have more capacity to bring their aspirations to the House of Representatives. Local people are still in the policymaking periphery, although their political participation
is formally enhanced. This sectoral trend will likely continue, assuming the broader political system permits such changes.

With a more open policy subsystem that allows easier access to new players and ideas, struggles for policy change will likely be more dynamic. This does not necessarily mean that policy change will now be easier—more diverse players (with more dispersed power distribution) and policy ideas can lead to various policy change scenarios, depending on how different policy networks struggle to acquire policymaking power.

Endnotes

1. The Outer Islands refer to the areas outside Java and Bali (Inner Islands). The Outer Islands include approximately 90% of Indonesia’s forests, and they have been the focus of the massive forest exploitation that has occurred during the last three decades. The Inner and Outer Islands’ forest management histories have taken different paths, so it is important to distinguish between the two. For Java’s forest management, see Barber (1989) and Peluso (1992).

2. A variety of terms such as social forestry, community forestry, local and community-based forest management, and joint forest management, are used to describe various modes of local people’s involvement in forest management. I will use “social forestry” as an umbrella term to cover all government programs and policies that involve forest dwellers in forest management and that have the ultimate goal of improving their socioeconomic well-being. The terms community-based forest management and community forestry, unless indicated otherwise, will be used to refer to actual forest management practices of local communities. Social forestry may or may not promote community-based forest management.

3. The definition of success, of course, depends on one’s standards and criteria for expected change. It may range from small policy adjustments to radical ideological transformations.

4. With the exception of Barber (1989) and Peluso (1992), most of Indonesia’s social forestry policy studies focus on legal text analyses without paying attention to the incumbent policy process. For text-based analyses, see Moniaga (1993), Wargasadidjaja and Ismanto (1993), WALHI (1993), Lynch and Talbott (1995), Safitri (1995), and Chapter 1 of this book.

5. I use the term “policy idea” to encompass all other similar terminologies such as policy ideology, paradigm, and discourse. Idea is used here to acknowledge that it entails ascending levels of policy actors’ belief systems, from the “core” (i.e., usually involving overall policy goals and causal theories) to “peripheral” aspects (i.e., usually involving policy instruments). Sabatier and Jenkins-Smith (1993) provide a detailed description of this matter.

6. Political parties had to request government approval for proposed legislative candidates, and through the “recall” mechanism, the government (through the political party) could dismiss a disliked house member without legal cause.

7. This phrase was used to imply, and sometimes state, that any dissent was Communist inspired.

8. This attitude was obviously passed down by the Dutch. During the 1930 summit of the East Indies Agriculture Extension Bureaus, for instance, one of the urgent recommendations dealt with the need to establish legal mechanisms (with or without conforming to the customary laws) to halt the “destructive” Outer Islands’ shifting cultivation practices (Departemen Kehutanan RI 1986, 175).

9. The 1967 BFL itself neither explicitly outlawed nor promoted local forest use and access rights on state land.
10. In contrast to its primary objective, the HPHH did not seem to bring many economic advantages to forest farmers because they had neither the understanding of urban-based bureaucratic procedures nor the necessary start-up capital—the benefits were primarily reaped by a few urban rich.

11. Thanks to Hubert de Foresta for this contribution.

12. See Forest Department annual reports (i.e., Rapat Kerja Nasional Kehutanan 1975), especially between 1966 and 1979.

13. In 1975, for example, the Institut Pertanian Bogor (Bogor Agricultural Institute), which houses one of the country’s biggest and most influential forestry faculties, in cooperation with the Department of Agriculture, discussed the problem of the Outer Islands’ accelerating land degradation. Blame was again directed at shifting cultivators, and the recommendations made were to enforce existing resettlement and permanent agriculture policies (Tjondronegoro 1991, 26). Universities such as Gadjah Mada University and The University of Padjajaran, among others, played an active role in helping the government design its Resettlement Master Plan (Rapat Kerja Nasional Kehutanan 1975).

14. Land degradation became a serious issue, especially after the huge forest fire of 1983, which cleared some 3 million ha of forests. Smallholder farming practice was blamed as a major cause.

15. See MoF Instruction 088.

16. Transmigration (under the Ministry of Transmigration) formerly aimed at relieving the Inner Islands’ population pressures by resettling Inner Island farmers in the Outer Islands. Since the mid-1980s, however, this program also included “local” transmigration, which relocated Outer Island smallholders to government-selected areas (the Ministry of Transmigration then became the Ministry of Transmigration and Resettlement of Forest Squatters). Forest farmers were also encouraged to join People’s Nucleus Estate programs (under the Ministry of Agriculture) and Industrial Timber Plantations (MoF). The Development of Isolated Communities (Ministry of Social Affairs) focused on relocating “isolated” tribes into urban areas, while the Village Consolidation program (Ministry of Home Affairs) aimed at merging scattered, isolated, and sparsely populated villages into larger geographic and administrative units.

17. See MoF Decree 251.

18. For community forestry particulars, see MoF Decree 622.

19. The community development plan must become an integral part of the company’s Rencana Karya Pengusahaan Hutan (Forest Exploitation Work Plan); without this document, the concessionaires’ work plan could not be approved by the MoF bureaucracy.

20. Some examples include West Kalimantan’s Social Forestry Development Project, community forestry in Gunung Palung National Park, the conservation project in Danau Sentarum Wildlife Reserve (now a national park), and East Kalimantan’s Promotion of Sustainable Forest Management Systems.

21. In January 1998, for the first time in Indonesia’s history under the New Order, the forestry minister (Djamaludin Suryohadikusumo), designated 29,000 ha of state-claimed forest in Krui (Lampung) as a special, formally recognized, grassroots-based forest management zone. Before such status was granted, Krui was yet another state forest area where local people’s forest access was banned. In the early 1990s, government-licensed oil palm plantations began to aggressively raid and clear village damar (Shorea javanica) dominated agroforestry gardens. Krui villagers tried various methods to stop company operations, including seeking outside assistance. The International Centre for Research in Agroforestry and a few locally active NGOs acted as facilitators to help bring the Krui case to the attention of the MoF in Jakarta. After long and arduous negotiations, including the minister’s visiting Krui, the minister agreed to grant Krui special status. Although the plantation threat has vanished, locals remain unhappy because this “special status” is reminiscent of user rights and hence does not eliminate the government’s claim over the land.
22. The Bentian region of East Kalimantan had experienced developments similar to those in Krui, yet the designation as a Zone with Special Purpose status was never awarded to Bentian people. One of the reasons is that Bentian is directly linked to timber stakes held by key members of the elites, including those of Bob Hasan (Soeharto's closest economically).

23. At that time the MoF had been renamed the MoFEC (Ministry of Forestry and Estate Crops).

24. Business interests are not direct players in social forestry policymaking. Yet they have a powerful (albeit indirect) influence; the social forestry subsystem is politically and economically “subordinate” to the timber industry’s. Accordingly, every policy instrument of the former is designed in such a way that it does not erode the latter’s interests.

References


