



The Impacts of Regional Autonomy on Indigenous Dayak People in Kalimantan: *Advantages and Disadvantages*



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Executive Summary

Decentralization in Indonesia has proceeded since 1999. Decentralization in the form of regional autonomy has opened many new opportunities for the people. Especially in the regions, higher authority allowed local governments to develop their regions and increase the people's welfare. Decentralizing the country is seen as a way to improve conditions from the previous centralized period. At the start of regional autonomy laws were revised and put in place to carry out regional autonomy. Policies were also created to support regional developments. Despite a number of positive developments, there are many problems in the implementation of regional autonomy. Bigger power has been given to local governments but lack of control to oversee the use of their increased authorities led to governance problems and rapid deforestation. Problems at the government level spread to other stakeholders in the forestry sector; namely, local people, the private sector and local NGOs.

For indigenous people of Kalimantan, the Dayak people, regional autonomy has impacted their lives positively and negatively. In general, increased democracy gives the people more political rights and freedom to voice their aspirations, as well as participating in development. Research findings show that since regional autonomy some Dayak people have successfully become leaders but others, especially the forest-dependent ones are still facing many difficulties. Local Dayak people are faced with land rights issues, in which they struggle to claim their land against other stakeholders; the government and private sector. Different interests and agendas of each stakeholder have often led to conflicts among them. Furthermore aside from land tenure issue, government policies which aim to increase the people's welfare have not given much benefit for the local Dayaks. The main reason is because these policies were not suitable for the Dayak people's capacities.

The aim of regional autonomy is to increase welfare for the people. To improve Dayak people's welfare, there are still many things that need to be done by other stakeholders and by the Dayaks themselves. Currently, Dayak people have more political opportunities but have not fully received economical benefits. Conflicts between stakeholders have intensified which is affecting the Dayaks' social welfare, and an environmental issue of forest degradation is threatening the Dayaks' livelihoods and culture.

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Abbreviations, Acronyms and Glossary

HPH	Hak Pengusahaan Hutan (Forestry concession)
HPHH	Hak Pengusahaan Hasil Hutan (Forest Product Harvest Concession)
Kaharingan	Dayak people's indigenous religion; a form of animism
Longhouse	Dayak people's traditional house
<i>Mandau</i>	Dayak people's traditional weapon
NGO	Non-Governmental Organization
ON	Oxfam Novib
PAD	Pendapatan Asli Daerah (regional income)
<i>Reformasi</i>	Reformation of the government system from centralized to decentralized
RSPO	Roundtable on Sustainable Palm Oil
UNDP	United Nations Development Program

1. Introduction

1.1. Background for Research

Ten years ago, Indonesia underwent a reformation of the government system; from an authoritarian centralized government to a more democratic, decentralized government. Before decentralization, the authoritarian government, known as the New Order regime, had ruled for 32 years. The New Order regime was led by the second President of Indonesia, Soeharto, replacing the predecessor Old Regime, governed by the first President, Soekarno. During that period, President Soeharto prioritized economic development, and the country experienced a stable economy over the years.

One of the sources of revenue for the economic development came from natural resources. As an island in Indonesia which is rich in natural resources and rainforests, Kalimantan had long played an important role in the development of the country. The President's natural resources policies had allowed for Kalimantan's natural resources to be massively exploited. Consequently, this action generated issues of environmental degradation and conflicts with local people living around the forests. Kalimantan was suffering from deforestation, while the local indigenous Dayak people were losing their source of livelihoods without having their rights regarded.

Moreover, President Soeharto's regime did not evenly spread benefits to the people. The regime was highly centralized and development was not shared equally, causing considerable regional disparities. Undemocratic governance subsequently led to resistant from the people. The peak of the resentment emerged during the Asian economic crisis in 1997-98, with the people calling for the president to step down and reformation of the government system. Many wanted to improve the unjust condition from the centralized period. The early promise of decentralization through regional autonomy was to create a democratic government and improve the people's welfare. Reformation to a decentralized system changed the country drastically. Laws and mechanisms were reformed to provide for a better situation. Nevertheless, the situation changed suddenly and quickly without a sufficient preparation. In its implementation, regional autonomy faces some serious problems.

1.2. Research Objectives

This paper will be presented as a thesis to complete a Bachelor level at the Haagse Hogeschool, in The Hague, The Netherlands. As a requirement from the school to write a thesis, the Non-Governmental Organization (NGO), Oxfam Novib (ON)¹ had been willing to facilitate and provide assistance for this research. Essentially, the purpose of this research is to see the development of regional autonomy and the impacts on the people in Indonesia. ON, which is based in The Hague, The Netherlands, has long worked with local NGOs in Indonesia to assist them in alleviating poverty in Indonesia. One of ON's approaches to alleviate poverty is to enable poor people to have access to natural resources, as their source of livelihoods. In Kalimantan, ON have programs in three out of the four provinces, in which the Dayaks are included as a target group. With local NGOs, ON is exploring more work with the indigenous Dayak people of Kalimantan, the environment and land rights issues. The outcome of this research will hopefully be useful for ON to enhance its programs in Kalimantan.

Learning from the centralized period, the Dayaks as the traditional owners of forest land became poor from the government's unjust behaviour. Thus, the central question of this paper is to see "How far has regional autonomy brought advantages and disadvantages to indigenous Dayak people in Kalimantan?" Regional autonomy has an aim to improve the people's welfare, but the implementation was not always a success. This central question would be intriguing for policy makers, actors of governance, civil society, academic researchers, and basically anyone who are especially interested with the Dayak people.

The research looks specifically at the forestry sector, since Kalimantan mainly consists of rainforests, with the indigenous Dayak people who are traditionally forest-dependent and view forests as a sacred part of them. Apart from the Dayaks living around the forests, Kalimantan's richness had invited a variety of stakeholders with their own interests. For the Dayaks, as native people of Kalimantan, other stakeholders coming to the island have a strong impact on their lives; positively and negatively. In the regional autonomy era, the key stakeholders interested in forests are the government (central and local), the private sector, and local NGOs. Another stakeholder is the group of migrant people coming into Kalimantan from the government's program. Their presence however, will not be looked at specifically, because the research focuses only on the indigenous communities, particularly on their rights and welfare.

¹ Oxfam Novib is a non-governmental organization which is a member of Oxfam International. ON's mission statement is to fight for a just world without poverty (Oxfam Novib).

Key stakeholders were looked at specifically in this research based on their role and interests. In general, both central and local government see forestry resources as a source of income for development; the private sector is interested for their business; and rural Dayak people need them for their livelihoods. At the other end, NGOs as a stakeholder put their main concern on the condition of the Dayaks and the environment of Kalimantan. Relationship among stakeholders impacts Dayak people's lives in a variety of aspects; their lives may be improved or worsened. Therefore the paper subsequently ask the questions, "What do stakeholders consider to be the issues within their relationship in ownership and access to land?" and "What are the perceived impacts of these issues politically, economically, socially and environmentally to Dayak people's welfare?" From these two sub-questions, it can be learned how the relationship among stakeholder is affecting Dayak people in the process of regional autonomy.

1.3. Methodology

This research uses both primary and secondary data. Obtaining secondary data from literature review was very important to gain basic insight and understand the situation in Kalimantan. The use of primary data through surveys and interviews was used to map-out relationships between stakeholders and have their perspectives on what the process of regional autonomy has brought to or taken from Dayak people, especially on their welfare. It then became obvious where similar and different views lie, and how this is causing a problem. Targeted stakeholders are those who are strongly related to the three provinces of Kalimantan; west, central and east. South Kalimantan is excluded from this paper as ON does not have many contacts there. Due to the limitations of time and capacity, while also taking distance into account, the research remains generic, and does not develop specific in-depth focus. This is important to mention as conditions in Kalimantan actually varies; starting from the geographical landscape to the different groups of Dayak people.

In the stakeholder analysis, different stakeholders were surveyed and interviewed. They are; the executive government, comprising of provincial government and district government; Members of Parliament representing Kalimantan from the central, Jakarta; the private sector who conduct businesses in Kalimantan; local Indonesian NGOs which are based both in Kalimantan and other regions, such as the capital city. Some of the NGOs are partners of ON and they are involved with the Dayak people and the environment. Finally, another important stakeholder is a Dayak person himself. The person interviewed previously lived in the village but has moved to an

urban area. It was very fortunate to meet him coincidentally and conducted a face to face interview. In addition to the key stakeholders, key informants were also surveyed to share their perspectives. The key informants are researchers who have carried out studies in Kalimantan; some have particularly conducted researchers on the Dayak people.

Apart from surveys, interviews have also been conducted. Written responses from surveys may have given a more comprehensive answer, as it followed each proposed questions. However, surveys also have limitations if the questions are not very clear for respondents, or time constraints for respondents to fill in the survey completely. If that was the case, then an interview was needed as a follow-up to clarify answers. Furthermore, in some cases, surveys were simply impossible and therefore going straight to interviews was necessary. This was so when obtaining responses from a Dayak man and district governments. With interviews, the questions usually cover the subjects more broadly, and not as detailed as in the survey. Nevertheless, the responses acquired have the same quality as responses from surveys. Results from surveys and interviews to the targeted stakeholders and key informants have provided valuable information to complement literature review, especially since the respondents are individuals who are involved directly to Kalimantan, and some being specialists on Dayak people.

1.4. Chapters Outline

Development of regional autonomy was viewed from certain aspects; legal changes and implementation, governance, development, land tenure, and welfare. These are the main issues in the process of regional autonomy. Since the government system was reformed, the first step taken was the creation of a more decentralized mechanism. Laws of regional autonomy were set up and implemented. These laws clarified governments' roles, attempted to solve problems of land tenure, and increasing people's participation in development; all with the fundamental aim to increase the people's welfare.

The structure of this paper starts with background explanation of Kalimantan, Dayak people and the condition during the centralized period. It continues with the aim and principles of regional autonomy, along with the mechanism. Then, it looks at the implementation of regional autonomy and the main issues facing Dayak people in Kalimantan. Relationship among stakeholders is further studied based on their roles and responsibilities, and conflicts among them as reported from literatures. Subsequently, answers from stakeholders' surveys and interviews are analyzed, which followed with the discussion based on combination of literature knowledge and

survey results. After discovering the problems, this paper will lead up to results and recommendations to improve the welfare of the Dayak people.

2. Background

The increasingly endangered traditional lifestyles of Dayaks in recent years by industrialization, logging, and forced government resettlement have caused many of them to actively struggle to fight and save their dwindling coastal and rain forest homelands (Dayak, n.d., para. 5). However, in their struggle against stronger parties, Dayak people tend to lose and continue to be marginalized in their homeland (Andasputra & Djuweng, 2005). Hence, for the Dayaks, transformation to a democratic government is expected to revive their rights and status as customary communities, as well as improving their lives as citizens of Indonesia.

2.1. Kalimantan and Dayak

2.1.1. Kalimantan

Indonesia is the world's largest archipelagic state, comprising of more than 17,000 islands. The country is very diverse both in terms of its population and natural resources. "It is well known that Indonesia has abundant natural resources such as oil, gas and minerals as well as rich and very diverse forest and marine resources" (Resosudarmo, 2005, p.2). One of the islands in Indonesia, Borneo, has a unique geographic feature with two thirds of the island belonging to Indonesia, the northern part to Malaysia, and last part to the small sultanate of Brunei Darussalam (Bjorn, 2005, "Kalimantan facts" section, para. 1). The name of the Indonesian part of Borneo is Kalimantan². It is home to one of the largest tropical rainforests in the world and is rich in natural resources, such as oil, timber, gold, diamonds, and a diversity of flora and fauna.

Kalimantan is divided into four provinces of West, East, Central and South Kalimantan. In terms of land area, East Kalimantan is the largest of the four provinces, while South Kalimantan is the smallest. Each province contribute differently to the economy; East Kalimantan is among the richest areas of Indonesia in natural resources, especially oil, liquefied natural gas (LNG), and timber; West Kalimantan's economy is based on wood products, especially plywood, as well as rubber and seafood; Central Kalimantan is based largely on timber processing, fishing, and the cultivation of crops; and finally South Kalimantan is mainly agricultural, with diamond mining and processing playing an important part (Leinbach, n.d., "Kalimantan" section, para. 12).

² To see a map of Kalimantan, see annex; appendix 3

Moreover, each of these provinces is further divided into cities and districts. As explained previously, South Kalimantan has been excluded from this research.

Natural resources have always been essential for Indonesia. Sunderlin et al. 2000, studied, “At least 20 million Indonesians depend on the forests for their livelihood” (as cited in Resosudarmo, 2005, p.2). As for the country, natural resource has long been an important source of revenue for national development. In the 1970s, natural resource revenues were the main engine of economic development and remained of critical importance to the Indonesian economy. Despite Kalimantan’s richness and contribution to the country’s economic prosperity, poverty is high. The reason for this is the way economic wealth has been distributed in the past; “most of the income has been siphoned off to Jakarta, the capital city, and not been to any benefit for this region” (Bjorn, 2005, “Kalimantan facts” section, para. 8). Unfortunately for Indonesia and in particular, Kalimantan, decades of natural resources exploitation have caused more problems than benefits.

Province	Capital city	Size (area)	Population	Poverty level
West Kalimantan	Pontianak	146.807 km ²	4,120,000 (2006)	584,300 people (12,91%) 2003
Central Kalimantan	Palangkaraya	153.564 KM ²	1.913.788 (2004)	210,600 people (10,51%) 2006
East Kalimantan	Samarinda	211.440 km ²	2.936.388 (2006)	324,800 people (11,04%) 2007

Table 1. Kalimantan Statistics.

Source: National Statistical Agency on each province

2.1.2. Dayak

The indigenous forest-dependent people of Kalimantan are known as Dayak people³. The name Dayak is a loose term for different ethnic subgroups inhabiting Kalimantan with their own dialects, customs, laws, territories and cultures (Dayaks, 2007, para.3). They are divided into six groups which are further divided into around 400 ethnic subgroups. Although they are divided into hundreds of subgroups, they have a distinct common custom which defines to which Dayak

³ For pictures of Dayak people, longhouse, and mandau, see annex; appendix 4

group they belong to (Dayak, 2007, para. 4). Traditionally, these subgroups live in a community called the Longhouse (Hudayana, 2003, para. 1). The longhouse is a structure supported by hardwood poles that can be hundreds of meters long. It is considered to be the center of all social, cultural, economic, and political activities of the Dayak people (Ksp, 1998). Presently, there is only a small number left of these house. The number of Dayak people in Kalimantan has also decreased by the coming of other ethnics.

Customarily, Dayak communities are organized based on the Longhouse community. In that community, they live together with one leader. The leader is highly trusted by the community, as the person has access to all community activities; including how the community is feeling, desiring, and expressing (Multikulturalisme Dayak, 2008, “Budaya Rumah Panjang” section, para. 1). Like other ethnic groups in Indonesia, Dayak communities were traditionally governed by customary law. Customary law is believed by the communities as a source of a just life order. The Dayaks’ customary law defines how individuals interact with each other and with nature. Dayak people have a very tight connection with nature. However, after Indonesia’s independence, national law was created to govern the whole country. Indonesia became a unitary state with a common law binding the people, and not different customary laws of each ethnic. Nevertheless, at that time customary law and customary institutions still existed and respected by the communities. The severe weakening of the rights and status of indigenous communities happened during the centralized period; customary leaders and institutions were replaced with a system of village government. After decentralization, Dayak communities have a better recognition, but the village government system still applies.

The Dayaks’ indigenous religion is a form of animism, but now many have converted to Christianity and some to Islam (Religious Beliefs, 2007, para.3). In 1965, indigenous religions were viewed as threats and labeled atheistic and, by implication, communist. The Dayaks were considered of not having a religion and, “became suspect in the anticommunist fever of the late 1960s” (Dayak, n.d., para.4). Negotiations started in the 1970s to gain recognition of indigenous religion, and the Kaharingan religion succeeded to be recognized officially as a religion in the 1980s. Part of their culture which is dying out is the practice of headhunting. Headhunting was used to govern conflicts. This was a notorious trademark of Dayak people, along with their traditional weapon *mandau*. Headhunting has been abolished officially since Indonesia’s independence (Haug, 2007, p.15). Dayaks are skilled in crafts, making fine cloth and excellent iron weapons, such as the *mandau*. Their main means of subsistence is from rice cultivation,

hunting, and gathering wild fruits. Their dependence on mid-scale agriculture for subsistence has made them active in this industry.

Nature is an important aspect of Dayak people's lives. Traditionally Dayak communities live around the forest areas in which they depend on it culturally, socially and economically. Ownership of land among Dayak tribes is recognized by customary law. Land may be owned collectively or through inheritance. Usually, the territorial area is marked by plants growing on the land. Communities are well-aware of different groups' ownership to land through customary law, but this became difficult when being recognized formally in the national law (Muliadi, 2008, "Rentetan Status Kepemilikan Tanah" section, para.1). Some reasons are that certification may be too expensive for the local people, and collectively owned areas would be difficult to claim.

For Dayaks, living in a rich region has been a struggle to fight for their rights to land. Dayak people claim that land and forests belong to them; seen from historical evidence. Other people coming into Kalimantan are threatening Dayak people's ownership of land and polluting the environment from industrial activities. The rise of the modern day large scale plantations, such as palm oil, is threatening Dayak people's livelihoods, as it takes up vast areas of Dayaks' land. Apart from their cultural connection with forest land, the land is also a source of their livelihoods. A native Dayak expressed that, "Dayaks will not think of over-exploiting nature, because the land is our flesh, the river our blood and the forest our breath. These three elements provide us with identity as Dayaks, form our culture and beliefs, and give us our lives" (Wahyuningsih, 2001). Dayak people believe they have managed forests in a sustainable way according to their customary laws long before the existence of the Indonesian government.

2.2. Centralized Period

Forest exploitation policies enacted by the second President of Indonesia, Soeharto, did not bring much benefit for the local people in Kalimantan. When President Soeharto came to power in 1967, he quickly realized the potential of the country's abundant forests, oil, gas and minerals, and used them for development (Resosudarmo, 2005, p.2). These natural resources were the founding pillars of Soeharto's New Order regime. The New Order was an authoritarian regime, ruled by the military. At that time, the military had a dual function; both as soldiers and administrators. Massive exploitation from the President's policies caused forest degradation and threatened living things around them. Especially for the Dayaks, this has instead marginalized them and made them poorer. Kalimantan as one of the contributor of national wealth remained underdeveloped and only experienced nature destruction. Revenues received from natural

resources were all transferred to the centre, Jakarta, and for President Soeharto's private interest. The practice of corruption, collusion and nepotism was also a famous trait of this regime.

Realizing Indonesia's potential, Soeharto also understood that the involvement of foreign companies was essential to perform large-scale resource extraction (Resosudarmo, 2005, p.2). In the first year of his presidency, he enacted laws to support his natural resources extraction policies. Forestry was an important sector which was used to increase national income. Through the creation of Law no.5/1967 on forestry, land, water, and natural resources within them belong to the State and are to be used according to national interest for the welfare of the people (Law no.5/1967). Aside from Law no.5/1967 on forestry which put all forests under State control, Law no.1/1967 on foreign investment provided clear procedures for foreign operations. Massive exploitation of Indonesia's natural resources commenced with the opening of forests for logging and involvement of foreign investment.

Forestry Concession (HPH) and Forest Product Harvest Concession (HPHH) were given to investors to exploit forests. These permits are clarified in the Forestry Law no.5/1967. HPH permit allows holders to exploit forest timber products, along with logging, replanting, and planting products according to the existing regulations, while HPHH is a permit for timber extraction and utilization. Timber exports continued to rise over the years. Hill's study in 2000 discovered that, "Forest products were Indonesia's most important non-oil and gas exports from the 1970s until the 1990s" (Resosudarmo, 2005, p.147). Moreover, a study by Simangunsong, 2004, stated, "At its peak in 1989, the forest product sector accounted for almost 15% of total exports and 30% of industrial exports" (Resosudarmo, 2005, p.147). Forestry policies had improved Indonesian economy through the revenue from exports. However these policies were also used for the President's private interests and had apparently triggered conflicts with local people on land tenure and human rights.

Following the success of forests exploitation, President Soeharto built an oligarchy through "the highly centralized allocation of hundreds of large-scale 20-year forest concessions" (Gellert, 2005, p.147). Some concessions were given to foreign firms while most were given to his patrons. Corruption was highly centralized. Forest concessions were allocated without the acknowledgement and endorsement of millions of Indonesians living around the concession areas. Local communities depended heavily on forests yet had limited control while the state controlled almost all. "Although about 12 million people lived in and around forests, local communities were frequently not consulted prior to the selection of concession sites" (Azis &

Salim, 2005, p.127). This behaviour provoked conflicts between the government and local people.

The effect of forest exploitation was detrimental for both Kalimantan and Dayak people. Exploitation had been conducted unsustainably and resulted in a sharp acceleration of forests degradation and environmental destruction. Conflicts between local communities and companies increased because the granting of rights for these permit holders was not based on sustainable management or of a fair return of benefits to the local people. "The perception strengthened that while it was local resources and local land that was being exploited, local communities were receiving little or no benefit from these activities" (Resosudarmo, 2005, p.3).

Dayaks, as native people of Kalimantan who view forests as a part of them and have been managing it traditionally in a sustainable manner, claimed that, "Dayaks believe that nature; land, river and forest are communal homes where all living things are taken care of and protected" (Wahyuningsih, 2001). However, during the centralized period, traditional knowledge and wisdom of indigenous communities in managing their own natural resources was not acknowledged. Not only was the Dayak's use of land considered unproductive, primitive and backwards, their rights were also weakened by the existence of Law of the Village government in 1979. A study by Colchester et al. stated, "The institutions of customary law communities were severely weakened during the New Order when a uniform administrative structure was imposed throughout Indonesia down to the village level" (Colchester et al., 2006, p.13). This resulted in the disappearance of the authority of customary law and customary institutions.

Furthermore Dayak communities became increasingly marginalized due to the government's claim of Dayaks' lands under the term 'State Land'. Often, concession areas overlapped with Dayak communities' land. Because of lack of knowledge and power, Dayak people could only watch their land being taken by the stronger parties; the government and the private sector. Additionally, to reclaim their land they would have to go through a process that required large expenses which they could not afford (Wahyuningsih, 2001). The existing laws and regulations at that time were made without supporting the recognition of indigenous people's rights, despite the existence of customary laws in Dayak communities which define relationship between individuals or between individuals and their natural environment (Wahyuningsih, 2001). The fall of President Soeharto in 1998 increased the people's hope to regain their rights through the implementation of regional autonomy.

3. Regional autonomy

3.1. Introduction (Aims and Principles)

In 1997, the Asian economic crisis severely shattered Indonesia's economy and created an unstable political situation. President Soeharto's credibility in governing the country was questioned by many Indonesians. "In May 1998, after a massive riot in Jakarta and widespread demonstrations in major cities across the country, Soeharto was forced to step down from the presidency after 32 years in power" (Resosudarmo, 2005, p.4). The fall of Soeharto provided the opportunity to transform Indonesia from an authoritarian government to a democratic one, and from a highly centralized towards a much more decentralized system of government (Resosudarmo, 2005, p.1). This process is referred to as *reformasi*.

According to the Indonesian government, the notion of decentralizing then fundamentally aims to create a more democratic government and increase the people's welfare. There were more political parties, transparency, and a shift of power to local governments. The principle of decentralization in the form of regional autonomy seeks to reduce disparities in the regions and provide regional government with more power to finance and manage their own regions, "Thus giving them the capacity to fulfil their growth potential and distribute more of the benefits of economic growth to their residents" (Resosudarmo, 2005, p.5). Moreover resource-rich regions are given a greater share of the revenue from their own natural resources. This further aims to resolve the longstanding tensions over the unfair distribution of benefits between central and regional government.

Indonesia applies a system of broad autonomy and limited autonomy. Broad regional autonomy is given to district and city level, whereas regional autonomy for provincial level is limited autonomy (Law no.22/1999). Provinces are not superior forces of government over districts and cities. Thus provinces and districts and cities do not have a hierarchical relation (Kutipan Penjelasan Umum, 2001). Regions can no longer be seen as subordinates of the central, and the relationship among central and regions should be viewed as complementary; in the understanding that one needs the other (Rumusan pokok-pokok, 2000).

Democratization opened doors to other stakeholders to be involved in the process of governance. Firstly, the people now have more voice to express their aspiration and claim their rights; local government has more authority in developing their regions; and the role of civil society in monitoring and pressuring the government is stronger. The method of suppression by the military government no longer applies, especially with the freedom of speech the media now

enjoys, by which it continuously monitors and exposes the government. However, the hasty shift to democracy has not been accompanied with sufficient preparation. Problems among stakeholders grew; with each one fighting for their interest. In the forestry sector, conflicts among stakeholders intensified after regional autonomy.

3.2. Legal Changes (Laws & Actors) and Human Development (Practices & Impacts)

Transition from a centralized government to a decentralized one required a modification of laws. Laws during the New Order period were replaced by new laws that are considered more suitable with the current condition. This is the same for customary law. Some customary laws are no longer suitable and imperative to be replaced, such as the justice system for criminals. Nonetheless customary laws are important to some people in Indonesia as they still use them and highly value them in their life order. In the case of Dayak people, regional autonomy opened the opportunity to have their rights over natural resources recognized by the State, according to their customary law. Their claim is based on the unjust treatment from the centralized period. Through the reformed laws, the government improved recognition of indigenous communities and their rights based on set criteria.

Furthermore, government is the regulatory body between stakeholders and stakeholder relationships. Its laws are rules that determine what power each stakeholder has and determine rules in relationships. Thus laws are direct factors in setting the interests of stakeholders and also how they can (should) relate and negotiate on these. A clear example is the more power regional government has since the creation of regional autonomy law, and the basic principles of democracy which gives the people control over the government. Within stakeholder relationship, particularly concerning the issue of forestry management which will be discussed later, the government has created laws to ensure a responsible behaviour by stakeholders in the forestry sector. Laws hence shape and regulate stakeholder behaviour. In regional autonomy processes, not only stakeholders change, but also the power and rules within and around them.

Table 2. Laws of regional autonomy.

About:	Law	Implemented	Revised
Regional autonomy	22/1999	January 2001	32/2004
Balance of funds	25/1999	January 2001	33/2004
Forestry	41/1999	Through Law 34/2002	
Customary Law communities	Constitution 18 B (2) and Law 41/1999		

3.2.1. Local government and indigenous people

The highest set of law in the Indonesian governance system is the Indonesian 1945 Constitution. Chapter 18 of the Constitution provides the general guideline of local government and the recognition of indigenous communities and their rights as long as they are proved to still exist by certain criteria (UUD 1945 chapter 18). The Constitution as a guideline only mentions important aspects and further regulations are given through laws. Related laws in these issues are Law 22/1999 on local government, Law 25/1999 on financial balance, and Law 41/1999 on forestry management. Law 22 was later revised to Law 32/2004, and Law 25 was revised to Law 33/2004.

3.2.2. Regional autonomy

Laws relating to regional autonomy are specified in Law no.22/1999⁴ on local government and Law no.25/1999⁵ on financial balance between central and local government. Law 22 would not be able to function without the complementary of Law 25, as the latter clarifies how money is made available to implement the first. Patlis, 2005, claimed, “If Law 22 is the vehicle, Law 25 is the engine that made it run” (Resosudarmo, 2005, p.235). Law 25 on financial balance explained that to support development in regional autonomy it is essential to manage a balance of funds between central and local government based on the share of authority and responsibility between levels of government. Sources of income for regions are both explained in Law 22 and Law 25, with Law 25 giving a more detailed explanation on the different types. Both Law 22 and Law 25 were put into effect on the first day of January 2001.

Development of regional autonomy in Indonesia has gone through a series of positive and negative events. At the government level, distribution of power to regional government has brought the government closer to the people, showing greater responsiveness, efficiency, and the principles of good governance; transparency, accountability, and equality (What is good governance, 2006, p.1). The local government has also been given the chance to improve the management of natural resources through sound participation of the local people and a fairer sharing of revenue between central and regions. Following the decentralized system, regional governments with higher authority have achieved different outcomes, perhaps more ambivalent.

⁴ The basic principles of Law 22 are to be more democratic, increasing citizen participation, equality and justice while taking into account the potential and diversity of regions (Law no.22/1999). The authority of local government covers all areas of governance except for foreign affairs, national defence and security, justice, fiscal and monetary issues, and religion.

⁵ One of the basic principles is to give better public services and increasing the people’s welfare by conducting it in a manner of transparency, citizen participation, and responsibility to the people (Law no.25/1999). To do this, mechanisms of sources of income for regions are defined through several types of revenues.

Increased regional authority has led to greater natural resources exploitation accompanied with corruption and little transparency, while at the same time, some regional governments have undertaken “some excellent initiatives and enacted some excellent regulations in order to better promote sustainable management, and clarify and enhance the administrative structure for more transparent natural resource management decisions” (Patlis, 2005, p.231).

Challenges in the implementation of regional autonomy include, “An environment of political uncertainty, inconsistent laws and regulations, weak law enforcement, a weak governmental system and insecurity of land tenure” (Resosudarmo, 2005, p.6). In his book, Resosudarmo, 2005, evaluated four immediate effects of decentralization in Indonesia:

1. Intensified disharmony among various levels of government
2. Increasing number of disputes involving local communities over the right to exploit natural resources. There are two types: 1) Occurs between local communities and the state or a large natural resource company, usually based on the ownership of land, 2) Occurs among local communities themselves to compete for a higher share of benefits from local natural resources
3. Corruption
4. Strong temptation of local governments to raise revenues through taxes and natural resource extraction licenses (p.6).

In the management of forestry, disharmony among various levels of government intensified due to the need to share power. The decentralization of the forestry sector has given control of forestry resources to three levels of government (central, provincial and district/cities). “At issue are disputes over the allocation of forest extraction rights or logging permits and redistribution of forest revenues from the centre to local governments” (Fox, Adhuri & Resosudarmo, 2005, p.98). Based on a report by the Ministry of Forestry, the different levels of government have lacked understanding, co-ordination and synergy, which “led to misperceptions in identifying responsible actors in forest management” (Ministry of Forestry, 2004, “Background” section, para. 3). And, tensions between different levels of government were tried to be resolved through the reformed Law 32/2004, which now emphasizes their relationship as a partnership.

The level of corruption in the regional autonomy period has increased compared to the centralized period. Corruption at the government level has spread horizontally and has become more unpredictable. In an article by Tempo Interaktif, a researcher from The Habibie Center, Andrinof A. Chaniago evaluated that corruption has been one of the outcomes of an increased

authority of the legislative and executive government in the regions (Desentralisasi korupsi, 2004, para. 2). Law 22 has increased local government's authority to manage budgets, but in practice, transparency and responsibility to the public has been weak. Practices of corruption, collusion, and nepotism are frequent. Apparently, seeing from the misuse of increased local government authority, decentralization in Indonesia seems to require a strong control to ensure the practice of good governance.

3.2.3. Laws on forestry and indigenous people

Replacing forestry Law no. 5/1967 from the centralized government regime, Law 41/1999⁶ specifies the rules of forestry management in a more decentralist approach. Although this law still claims that the State controls forests, Law 22 and 25 give the opportunities for other parties to be involved in a more democratic manner. Forestry Law 41/1999 has been created to ensure a well-managed forestry management. Subsequently, Government Regulation no.32/2002 as an implementing regulation of the forestry law additionally emphasized the importance of good governance and cooperation among all levels of government⁷.

Part 1 of Law 41/1999 defines the different types of forests. According to their main functions, Indonesia's forests are classified into three categories: conservation, protection and production (Patlis, 2005, p.38). Aside from the different categories of forests functions, forests are further classified based on ownership. Different types of forests based on their ownerships are State forests, rights forests (owned forests) and customary forests. The different interpretation of customary forest has been one of the main sources of conflicts among stakeholders.

Table 3. Classification of forests.

No.	Type	Definition
1.	Production forests	Forests that are maintained to produce forestry resources; wood and non-wood
2.	Protection forests	Forests that function to control water, flood, erosion, coastal protection and soil nutrient maintenance
3.	Conservation forests	Function to conserve the diversity of plants and animals

⁶ This law stipulates that forests are controlled by the State for the maximum welfare of the people; for the current and future generation. Forests in Indonesia are controlled by the State and therefore the government has the right to manage and control forests (Law no.41/1999).

⁷ "All development activities undertaken by all government agencies, including local government, must promote the spirit of good governance" (Ministry of Forestry, 2004). Local government is authorized and has the responsibility to conduct development activities in a transparent and accountable manner. Since forestry development has many implications for the economy, ecology and culture, forest degradation and forest Act enforcement should become a shared duty and responsibility of all levels of government.

		in the forests and their ecosystem
4.	State forests	Forests in areas which do not belong to anyone else; owned by the state
5.	Rights forests or owned forests	Forest owned by someone
6.	Customary forests	State forests in the indigenous people's areas

Source: Law 41/1999

Law 41 further adds that the control of forests by the State recognizes the rights of indigenous communities as long as they still exist, and does not oppose national interests. This statement is in line with the Constitution chapter 18B; “The state recognizes and respects customary law communities with their traditional rights, as long as they still exist and accord with community development and the principles of the Unitary State of Republic of Indonesia, as regulated by law” (Colchester et al., 2006, p. 47). Although the Constitution now recognized customary law communities, their existence still needs to be proven. The next sub-chapter will discuss this issue deeper.

Legal recognition of indigenous people is usually in line with laws regulating natural resources. Aside from the Constitution and Forestry Law, the rights of indigenous communities are considered in the National Assembly Decree no.IX/2001 (TAP MPR no.IX/2001) and the Agrarian Minister Regulation no.5/1999 (Peraturan Menteri Negara Agraria/Kepala Badan Pertanahan Nasional no.5/1999). Lack of effective recognition of indigenous people's rights eventually called for a revision of the Basic Agrarian Law. The National Assembly Decree no.IX/2001, declared that the rights of indigenous communities over agrarian and natural resources must be recognized, respected, and protected (Masyarakat Adat, 2002, p.1). As for the Agrarian Minister Regulation, the government must recognize and respect indigenous communities' communal rights. These are the main laws on the recognition of indigenous people's rights.

3.2.4. Impacts on Dayak people

Technically, since decentralization, laws are placed to recognize their rights as indigenous communities, based on the criteria that the community is proven to still exist. This further strengthens recognition and respect for their rights, especially regarding the management of natural resources. Local governments have created policies in the forestry sector to increase the people's welfare, and invited palm oil companies to invest in the regions to create job opportunities and income for the local people. In practice, increased government authority has

instead raised deforestation and broader the chance of corruption. Efforts to increase the people's welfare through policies have faced problems in the implementation and failed to give optimal benefits; giving greater benefits to the private sector instead. Unsustainable palm oil plantation is threatening the environment and claiming the Dayak people's land for business, leading to numerous conflicts. The main impacts of regional autonomy on the Dayaks are land tenure issues, environmental degradation, and weak economical benefits.

3.2.5. Land tenure for indigenous people

Decentralization re-acknowledges indigenous people and their rights. The Constitution chapter 18b and the Forestry Law specifically mentioned customary communities. In addition, "Indonesia has also ratified some key pieces of international law which protect the rights of indigenous people and local communities" (Colchester et al., 2006, p.47). But, who are identified as indigenous people? Indigenous people in Indonesia is defined by the Indigenous People Alliance (AMAN) as "a group of people that have an ancestral origin in a certain geographical area, and have their own values, ideology, economy, politics, culture, social and territory" (Masyarakat Adat, 2002, P.1). In a more simplified way, it can be comprehended that indigenous communities are bound by customary law, ancestral and residence. Being bound to customary law signifies that the law still exists and respected, and there is a customary institution that is still functioning to oversee that customary laws are really obeyed. Although in many places the laws are not written, they are respected by their followers.

Recognition of customary communities' existence and their rights opened the opportunities for local communities to claim their rights which have been neglected for decades. During this period land tenure has become a crucial and disputed issue. "Some indigenous communities claimed that lands, including forestlands should be owned and approved based on the historical background of their forest occupation" (Ministry of Forestry, 2004, "Tenure conflict" section, para.1). According to customary law, indigenous communities are entitled to certain land areas. This entitlement is based on the tight connection between local communities with the natural resources in the associated areas. It is known as communal land (or collectively owned areas). Within their communal land, communities are permitted to obtain benefits from natural resources, including land, for their livelihoods (Tanah Ulayat, 2008, para. 1). In many cases, areas claimed by indigenous communities were located in forest areas. Conflicts often found are those between the government in control of natural resources management within forest areas and indigenous communities (Hutan Adat, 2002, p.1).

During the previous regime, the rights of indigenous people to their lands were in tension with the State's legitimation to regulate and manage natural resources. To reconcile this tension, the Basic Agrarian Law (BAL) of 1960 recognized communal rights to ensure that these rights will be respected, but "so long as the corresponding customary law communities continue to exist" (Colchester et al., 2006, p. 48). After it is proven, this determines whether they have the right over their communal land. However, due to the State's authority to regulate and manage natural resources use, the use of communal land for indigenous communities is under the state's interests. Interests of indigenous communities are not to oppose activities that are considered as serving the wider interest, like development projects. The law further added that, "Customary law communities should not hamper big business development in support of the welfare of the people, but this does not mean that the interests of the customary law communities will not be considered" (Colchester et al., 2006, p. 50).

In the regional autonomy era, the government responded to the demands of indigenous people and their rights through a regulation which clarifies how communal rights should be recognized⁸. Yet, this regulation has limited the circumstances for recognizing communal rights and allowed communal lands to be acquired for 'public' purposes⁹ (Colchester et al., 2006, p. 51). Generally, recognition of communal land by local governments varies greatly across provinces. Some groups are able to control land as collectively owned areas, "Subject to well developed rules regulating land ownership, land transfer and group membership" (Colchester et al., 2006, p. 15). Whereas in West Kalimantan, for example, "Customary land rights are given little recognition at the most being treated as ill-defined use rights on State lands" (Colchester et al., 2006, p. 15).

Within the same year of the passing of the regulation, the new Forestry Law was issued; creating a new category of forest land, 'customary forest'. These are State forests within the indigenous people area. Indigenous communities have the entitlement to manage and exploit forests, but they are not land owners. Ownership to these forests are not recognized (Hutan Adat, 2002, p.1). Exploitation of these forests is only to be used for basic fulfillment and not for commercial purposes, whereby the granting of this right will be given once the existence of the indigenous communities is proven. Communities have the right to manage forests, but they are

⁸ The criteria to classify land as communal land is that there is a legally defined community, which still observes customary law in its daily life, and has effective customary law institutions which regulate, control and use communal land.

⁹ Such as the issuance land utilization rights (hak pakai) granted to individuals and business utilization rights (hak guna usaha) granted to corporations.

allowed to cooperate with companies. Due to the numerous requirements, indigenous communities tend to hand over their land to companies, hence leaving only small benefits to communities. (Hutan Adat, 2002, p.2). On the other hand, the central government had the assumption that due to economic pressures, communities had to give up their land. Thus the granting of land will not always guarantee improved welfare (Ministry of Forestry, 2004, “Tenure conflict” section, para.1). Conflicts around land tenure will be discussed further in the next chapter.

3.2.6. Revised laws on regional autonomy and financial balance

Slowly, the process of regional autonomy is progressing in some positive ways. As part of a process to improve laws since the start of *reformasi*, the government updated laws on regional autonomy and financial balance. In 2004, Law 22/1999 and Law 25/1999 were replaced with Law 32/2004 and Law 33/2004. Law 32 has restored some of the flaws from the previous law by clarifying many of the questions, ambiguities and inconsistencies, as well as doing “a better job than Law 22/1999 of incorporating the rhetoric of good governance” (Patlis, 2005, p.234). Law 33 had increased potential revenue for regional government, especially to regions producing oil and gas. This law supported improved basic educational services through budget allocation from the share of oil and gas revenue. It also ensures more suitability of budget and development planning, as well as increasing governor’s control over district head and the Minister of Internal Affairs’ control over governor (Cahyat, 2005, p.4). Moreover, both laws guarantee more improvement to manage regional finance by transparency, accountability, and suitability with development plans. The two emphasize the importance of regional government to provide basic services for the people. This implies more support by regional government to reduce poverty. An example is the more attention given to educational services (Cahyat, 2005, p.8).

Through the reformed laws, relationship among central and regional government is now emphasized as partnership¹⁰. Furthermore, the implementation of direct election in 2004 had provided new opportunity for local communities to influence state policies and choosing their own leaders. In Kapuas Hulu, West Kalimantan, candidate village heads approached communities to find out about “the presence of the indigenous people who are not recognized by the government all this time” (Oey & Krisnawaty, 2005, p. 20). Dayak people now have the

¹⁰ In “Article 2(4) of Law 32/2004 provides that, in conducting the affairs of government, regional governments have a connection with the central government and other regional governments” (Patlis, 2005, p. 235).

opportunity to become leaders, elected directly by the people; both as executives or legislatives. In the centralized period, this would not have been possible, as only the military could govern.

Nevertheless, evaluation of the revised law on regional autonomy in 2004 showed how the law is affecting village government. The new Law is thought to be “somewhat restricting the scope for community self-governance and has been interpreted as an attempt to re-centralize government authority at the village level” (Colchester et al., 2006, p.48). And in this case, the role of village government is actually crucial in elevating welfare for the people. Regarding the village role, Law 32 had reduced village authority, decreased village budget, and vanished local people’s control over village government. This weakened democracy in the village (Cahyat, 2005, p.3).

3.3. Forestry Policies: Case Studies

After the amendment of decentralization laws, policies are then created under the umbrella of laws. Laws are legal and binding to all citizens with penalties for violators, whereas policies are not binding and do not have a legal sanction. In Indonesia, authority to make laws rests on the Parliament but needs to have the agreement by the President. Policies for regional development program are created by the governor and district government can also make policies for its district (P. Siahaan, personal interview, July 30, 2008). Decentralizing the country had intended more democracy to increase the people’s welfare, and bringing them more benefits. However, at the start of regional autonomy, problems arose due to the hasty implementation without a well-prepared government apparatus. Some case studies concluded that both local government and local communities were not ready to take up new roles and responsibilities as given by the new laws. Communities’ lack of capacity, capital, and knowledge proved also to be the main drawback in benefiting fully from the government’s policies. Case studies which will be discussed are:

- HPHH 100ha : Small-scale logging concession issued by the local government
- Mini HPHH or IUPHHK : Forest timber product exploitation permit; also issued locally
- Palm oil : Expansion of palm oil plantation across the regions of Kalimantan

With its increased authority by regional autonomy, regional government issued local forest licenses in order to generate revenue for local development. Problems then surfaced when forestry resources exploitation was conducted unsustainably and led to conflicts. Sustainable principles have been neglected, causing rapid deforestation; this can particularly be seen in the case study of HPHH 100ha permit, issued at the start of regional autonomy. District governments had the authority to issue small-scale forestry permits. In some areas, local communities started to

be involved in the permitting process. Basically, all citizens are allowed to request for these permits. Indigenous communities have the same right, but given special attention; they must first prove their existence as customary communities. Authorization to administer the indigenous people's rights over natural resources is given to local government, which would be regulated through local regulations; since the government regulation was not yet available at that time (Pengusahaan hutan, 2005, p.2). When requesting for permits, individuals often lacked of capital, and therefore they can cooperate with credit unions. Local people may also cooperate with companies to obtain official permits from the government. Unfortunately, this change of role has "confused local people as they do not know their role in the permitting process and how to handle the investors" (Pengusahaan hutan, 2002, p.1).

The main permits which will be discussed here are HPHH and mini HPHH. To improve the welfare of communities, districts have the chance to manage their forest resources. At the start of regional autonomy, local governments issued small-scale logging concessions for a one-year period on a maximum area of 100ha on state-owned forest land to local communities. This policy is known as HPHH or IPPK and acts as timber extraction and utilization permit. Another policy known as mini HPH or called IUPHHK is a permit to exploit forest timber product. These permits are given to local communities but often involve private sectors to continue the management, due to communities' limited capital, technical skills, and channels (Fox, Adhuri & Resosudarmo, 2005, p.98). Communities obtained a fee based on their negotiating skills with their business partners. Nevertheless, being positioned vis-à-vis in negotiations with stronger capacity parties had decreased local communities' chance to benefit optimally from this policy.

In the end, both policies have not led to the desired effect, in which, unsuitability of these policies to the capacities of local communities was a fundamental reason. Shown from research reports, forestry resources permits initiated by the government showed that these policies had failed to reduce poverty and had instead increased local people's vulnerability and intensified conflicts among associated stakeholders. Economically, these permits only gave them short-term benefits, in particular through the form of fee¹¹ or compensation¹² payment from companies. While the overall benefits from these policies are mainly felt by parties with stronger capacities in terms of capital and information.

¹¹ Fee is paid by companies to local people as payment for exploiting forests

¹² Compensation is paid by companies or the government for local people to pay for the losses which local communities have to bear from companies' activities

1. HPHH 100ha

An evaluation of the HPHH 100ha policy conducted in Sintang District, West Kalimantan, showed that the implementation of this policy had faced serious problems of overlapping authority (including policies between the central and local government), uneven share of benefits¹³, forest degradation¹⁴, and increasing number of conflicts¹⁵. At that time both the capacity of local government in exercising their new authority and the local people's capacities were not yet ready with the new opportunity (Continued Marginalization, 2005). In the end, the authority to issue this permit was put back in the hand of the central government. This had been one of the reasons for intensified disharmony between different levels of government and was observed by many as a recentralization process.

From the central government's point of view, their action was reflected on the explosion of uncontrolled permits that were causing further severe damage to forests and the environment (ecosystem) due to unsustainable practices of forest harvesting (Ministry of Forestry, 2004, "Act and Regulation" section, para.5). The mechanism then changed; the authority of issuing licenses for forest product utilization is with the Ministry of Forestry, but it requires technical recommendations from the Head of the District as the main reference to issue such license. Through this procedure, it is expected that proper monitoring can be developed and maintained. This also gives a clear line of responsibility among stakeholders. The central government believes, "in order to achieve a better coordination, a clear mechanism of role and responsibility between central, province and district/city governments as well as state owned companies is crucial" (Ministry of Forestry, 2004, "Act and Regulation" section, para.6).

2. Mini HPHH or IUPHHK

In this case study conducted in Malinau District, East Kalimantan, the benefits of this policy was again not felt fully by the communities due to their lack of capacity, capital, and knowledge. Research showed that communities were pressured to give their permits to people with better

¹³ Occurred between local communities and business partners, and between central and local governments.

¹⁴ Weak monitoring and control on permit holders to protect the environment

¹⁵ Locally issued HPHH 100ha location often overlapped with centrally issued HPH areas. It also often overlapped with protection forest areas.

access to capital, while they only received fees. “Communities’ lack of access to information and support when negotiating with these entrepreneurs resulted in agreements where the entrepreneurs enjoyed the greater benefits while communities were left with very little” (Affandi, 2006, p.1). Unsuitability of these policies towards local communities’ capacities showed that the benefits have not reached them optimally. Furthermore, these policies commonly lead to conflicts between: “local communities and companies when villagers feel dissatisfied with initial agreements, and communities with other communities over land ownership and distribution of profits (Affandi, 2006, p.4).

3. Palm oil

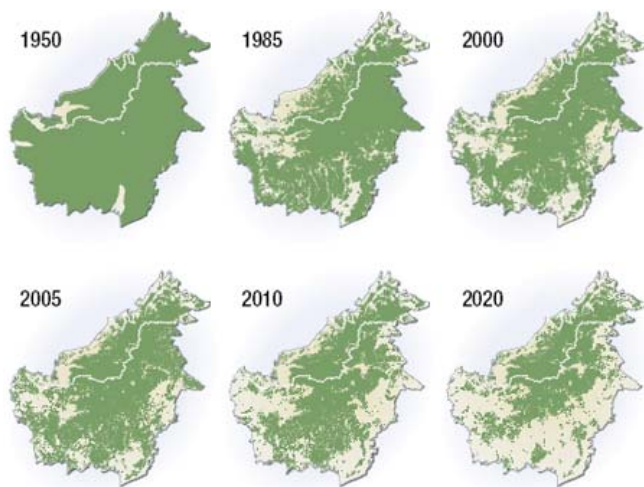
The rising demand of bio fuel (EU by 2020) increased the expansion of palm oil plantation in many areas of Indonesia, including Kalimantan. Indonesia plans to become the number one palm oil producer, overtaking Malaysia’s position. Just from the provincial governments’ plans in the whole island of Kalimantan, approximately 7,500,000 Ha of land will be cleared for palm oil (Colchester et al., 2006, p.26). Local governments began inviting palm oil companies to invest in the region. When it is done right, “Palm oil should generate wealth and employment for local communities”, however, “Done wrong, oil palm estates can lead to land alienation, loss of livelihoods, social conflicts, and exploitative labour relations and degraded ecosystems” (Colchester et al., 2006, p.11). Particularly on land tenure, palm oil expansion has triggered many conflicts with local communities, as areas for plantations have often been located on indigenous people’s and farmers’ lands “without their consent or respect for their rights” (Colchester et al., 2006, p.18).

Palm oil plantation is causing a major impact on the environment due to its plantation system. Palm oil production requires extensive clearance of tropical forests and threatening the habitats of endangered species. Forest clearance has also been causing forest fires and air pollution, which is a serious threat to public health (Colchester et al., 2006, p.18). In its annual report, the United Nations Development Programme (UNDP) reported that, “As a result of deforestation, some of which is for palm oil, Indonesia is the third-largest emitter of carbon dioxide, after the USA and China,” (Mok, 2007, para.3). Aside from the existing plantations and growing conflicts, “New plans are currently under discussion to establish the world’s largest palm oil plantation of 1.8 million hectares in the heart of Borneo” (Colchester et al., 2006, p.12).

Conflicts arising from palm oil focus mainly on environmental degradation and land rights. Business conducts of companies permitted by the government to manage palm oil plantation are often deemed unsustainable; damaging the environment and violating indigenous people's rights. There is also the possibility that forests have been cleared in the name of oil palm expansion, so permit holders can get access to timber. "Large areas of forest land traditionally used by indigenous people have been expropriated and logging companies have often used oil palm plantations as a justification for harvesting timber," stated the UNDP (UN Says Palm Oil Destroys Forests, 2007, para.4).

To counter accusations of palm oil plantation causing environmental damage and social conflicts, leading actors in the palm oil sector created the Roundtable on Sustainable Palm Oil (RSPO)¹⁶. One of the principles of the RSPO is that "Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent" (RSPO principles, 2006, p.6). The statement of free, prior and informed consent itself was initiated by the UN to "recognize and protect the inherent and prior rights of indigenous peoples to their lands and resources" (Free Prior, 2005, p.1). Thus, the creation of RSPO aims to ensure a sustainable and responsible practice of palm oil plantation.

Figure 1: Illustration of deforestation in Borneo if forest clearance continues.



Source: Plant Tree Save Planet.com

¹⁶ Formally speaking the RSPO is an NGO incorporated in April 2004 under article 60 of the Swiss Civil Law (Promised Land, p.32). Their website is www.rspo.org.

4. Relationship among Stakeholders

Decentralization is seen as a way to improve unjust conditions from the centralized regime. The government has come closer to the people, more transparency, and there are efforts to restore human rights. The quality of governance is positive to better equity and community development as it is the basis of good management. There should be a clear role and responsibility among the government actors for a good leadership in governing and managing public resources. More power has been distributed to create a better condition, but it can easily be misused if there is no strong control to oversee the use of it. In the management of forestry, the government is not only the regulator but is also a stakeholder with interest on forestry.

Participation of other stakeholders also contributes to a better management. Democratic governance has led to more involvement of other stakeholders in the management process; they have stronger influence since everyone has the right to have their say and act. Different stakeholders are affecting each other, mainly based on their power and interest. Their relationship may result in positive or negative outcomes for each stakeholder. Therefore the quality of governance is an important element to ensure a proper coordination in the management process.

4.1. Stakeholders

By definition, “A stakeholder is a person or group having a stake, or interest in the success of an enterprise, business, movement, etc” (Stakeholder definition, 2008). In this research, stakeholders are evaluated on how they are playing a part in the process of regional autonomy. Having identified the stakeholders through literature review, the noticeable factors are: interest, information and power (based on capital and influence). The system of stakeholder analysis is to first identify the stakeholders, and next to work out their power, influence and interest (Stakeholder analysis, 2008, “How to use” section, para.1).

More power has been distributed to regional governments through regional autonomy. Given the authority, regional governments are encouraged to be independent in financing their own regions and providing good public services for the people (Ministry of Forestry, 2004). In the three provinces of Kalimantan, West, Central and East, all “consider the private sector as the main engine for the creation of economic growth and more welfare for the people; as such the private sector is the main actor to ensure increased employment and income” (Van Esbroeck,

2007, p.20). The need to gain regional income (PAD) has become one of the reasons for government to attract companies to invest in the regions.

The governments' expectation on the private sector has made these another powerful stakeholder in the forestry sector. Private sector is needed to create economic development and job opportunities for local people. Without advanced technologies and investments of the private sector, the natural resources of Kalimantan would not have been highly valued. Companies' presence is expected to involve local people in economic development through job openings or business partnerships. Aside from the expectations placed on them, the main goal of the private sector itself is to make profit. Natural resources available in Kalimantan are a source to earn capital. Companies invited to Kalimantan may be owned by Indonesians or foreign investors.

As explained in the background chapter (chapter 2), forests are an important element of Dayak people. Dayak people have traditionally collected forest products to provide them with their daily needs. Culturally, they also have a very tight connection with forests. In the current regional autonomy period, forests are becoming more important economically and as a cultural value for their existence as indigenous communities. Apart from its economical value, forest land can be used for the Dayaks' traditional farming, as the economic pressure is making it harder for them to buy food. Thus the ownership of land for Dayak people is crucial.

Local NGOs in Indonesia are very much concerned on the current situation facing Dayak people and the environment. They see that Dayak people are losing their rights and becoming victims of other stakeholders' acts. Increased environmental degradation has also become their main concern; the impact is the decrease in Dayak people's source of livelihoods, endangering local flora and fauna, and has even global impact in the form of climate change. The role of NGOs is important to monitor the situation and act as a mediator of stakeholders through methods of advocacy, campaigning, etc. NGOs represent Dayak people to help them fight for their rights and improve their lives.

4.2. Conflicts

As a valuable public resource needed by different stakeholders, forests often invited conflicts. Since regional autonomy, conflicts intensified because change in the people's attitude has developed (Wulan, Yasmi, Purba & Wollenberg, 2004, p.1). In the past, conflicts were not heard about very often as they were concealed, and the weaker parties were not brave enough to fight the stronger ones. Through decentralization, people know their rights and have more courage to

fight for these rights. In forestry management, conflicts generally occur because of overlapping areas in concession areas or protected areas with areas that are actually in use by local people. Local people also lack access to benefit from forests (Wulan et al., 2004, p.2). Furthermore, conflicts not only occur between local people and permit holders, but also among policy makers; local government and central government. As mentioned previously, there has been a fight for control and disharmony among them. Multiple stakeholders, lots of conflicts, and decentralization, now how far has regional autonomy brought advantages and disadvantages to Dayak people in Kalimantan? And what do stakeholders consider to be the issues within their relationship, as well as the perceived impacts of these issues?

Evidence from case studies indicates that conflicts between local communities and the private sector have intensified. The business conduct of private sectors has often been deemed unfair to the communities and unsustainable to the environment. Companies are threatening the livelihoods of local Dayak people living around the forest areas. Companies' unfair behaviour to communities revolves around compensation payments and the claiming of Dayaks' land. Communities demand their right to land because permit holders do not contribute anything to the local people. For them, the presence of companies is creating losses because communities' farming areas and local business diminish through nearby big industrial activities (Sulistyowati, 2003, para.4). Towards the environment, companies tend to be irresponsible and are causing environmental degradation; cutting forests, polluting water, and have other impacts on forests ecosystems; like endangering local flora and fauna. Conflicts around land are now very often heard. On paper, the government puts the private sector under obligation to conduct business in a sustainable manner through a range of laws and regulations. However, there are many conflicting laws, views, and interests between the levels of government (Van Esbroeck, 2007, p.21). In the end, communities' land right is not recognized. Andiko from HuMa explained that until now, there is still no specific regulation which gives space for indigenous communities to manage their natural resources (Andiko, personal interview, May 7, 2008).

5. Key Questions

This paper has looked at the development of laws and their implementation, in particular on the success and failures of government policies to increase welfare. It further touches on the relationship among stakeholders in the process of regional autonomy. Stakeholder relationship is a fundamental aspect in governance as early chapters of this paper show that synergy and understanding among them is crucial in improving or hampering development. The sub-questions of this research are intended to learn about the issues within the relationships between stakeholders and the impacts of these issues politically, economically, socially, and environmentally to Dayak people's welfare. It is expected that through surveys and interviews, as stakeholders themselves see it, their responses will strengthen or give new insight to secondary data.

Stakeholders in this research are local government, NGOs, the private sector, and a Dayak man. The provincial government is a representative of Central Kalimantan, and the district level governments are representatives of West and East Kalimantan; the companies both conduct businesses in East Kalimantan; and the NGOs came from Kalimantan or other places, such as Jakarta, to help Dayak people to protect their rights. In the survey there are six proposed main questions to three stakeholders (Government – executive and legislative, NGOs, and a Dayak person), and an additional question for one stakeholder (private sector).

These survey questions are indicators of power and interest of stakeholders in relationships. Both methods of survey and interview are used to obtain primary data. Out of all the respondents contacted, the stakeholders surveyed were six NGOs, two parliament members, one executive government (provincial level), and one private sector. The interviewed stakeholders are one NGO (follow-up survey), two executive governments (district level), and one private sector. In addition, key informants were also surveyed to give their answers based on their experience on this issue. A more detailed summary of answers are placed in the annex.

The six main questions focus on:

1. Advantages and disadvantages of regional autonomy for Dayak people
2. Land rights for Dayak people
3. Dayak people's participation in development; men and women
4. Welfare for Dayak people; men and women
5. Stakeholders in ownership and access to land in the regional autonomy era
6. Optimism on regional autonomy

An additional question for the private sector is:

7. Company policy

5.1. Analysis of Answers (Categorized Into Themes)

1. Advantages and disadvantages of regional autonomy

Respondents indicate that regional autonomy has given many advantages politically, but creating major losses environmentally. They saw that regional autonomy has brought many opportunities for Dayak people. Generally, Dayak people have the opportunity to elect their own leaders or become leaders themselves, influencing policies to become more suitable to their needs, voicing their aspirations, negotiating the management of natural resources and benefit from them, and determining their own lives independently with a bigger bargaining power¹⁷. The Dayak man also saw positive developments from regional autonomy, especially on infrastructure development and better educational services. A majority of respondents saw that regional government has been given more opportunities to develop their regions. The closer government and public services has made development process faster with better targets as they understand the people more.

The biggest disadvantage of regional autonomy viewed by a big part of stakeholders surveyed is the significant increase of natural resources exploitation. NGOs, parliament members, and the local Dayak man saw a decrease of forest areas and polluted rivers. NGOs also saw that the practice of corruption, collusion and nepotism in the regions is increasing. Rising deforestation is mainly caused by the issuance of numerous locally issued forestry permits and a lack of efficiency in management. From NGOs' point of view, autonomy has proceeded without sufficient development of capacity in the local government. Without strong control, the level of damage will rise and social conflicts increase. Furthermore, NGOs saw that the advantages of regional autonomy are mainly felt by the elites. On the contrary, district governments reasoned

¹⁷ For more views on advantages and disadvantages, see annex; appendix 2 no. 1

that regional autonomy can be a disadvantage if the people and infrastructure are not ready. The people can participate in development, but inadequate human resources will slow down the process. At the provincial level, the government realize that regional autonomy cannot yet sufficiently protects and guarantees Dayak people's rights to manage natural resources.

The key informants have also seen advantages and disadvantages of regional autonomy. On the advantages and disadvantages, their answers have been mainly similar to the stakeholders¹⁸. In conclusion, as stated by the Dayak man, the process of regional autonomy has been reciprocal; there are both advantages and disadvantages. Regional autonomy has provided the opportunity to increase welfare, but the process needs to be accompanied with sufficient capacity of the local government, local people, and good infrastructure. The laws were created to ensure a democratic government and a better management of natural resources. Nevertheless, obviously the implementation has not been easy and has led to numerous problems. In practice, laws have been enforced weakly and the existing gaps have instead been taken advantage of for private interests. Technically, it has become more democratic; however control by the people is still weak.

2. Land tenure

Stakeholders perceive land rights for Dayak people differently. Some recognize this through customary law, some through formal legal status, and some recognize it through both. Each of them understands that the other stakeholders recognize land right differently. All stakeholders agree that Dayak people have a very tight connection with land. Stakeholders say that Dayak people view their land as a part of them and are dependent on it in many ways; economically, politically, socially, culturally and spiritually. The respondents also all agreed that land is very important for Dayak people. Land is an important economical asset, cultural identity, and a proof of their existence as customary communities.

Interestingly, although all stakeholders claimed that land right is very important for Dayak people, when asked how they think other stakeholders view this; their perception on each other stands in contrast. The private sector assumed that other stakeholders recognize and respect land right for Dayak people. While the rest of the stakeholders feel that the importance of land right is not fully understood by other stakeholders. According to NGOs and a parliament member, conflicts over land occur because there is no compromise and understanding on the land-claims made between the government and local Dayak people. On the private sector side, one company

¹⁸ For more, see annex; appendix 2 no.1

claimed that as long as the legal criteria to communal rights are fulfilled and the area of communal land has been mapped by the government, Dayaks' rights shall be respected and undisturbed. Referring to the situation, provincial government have answered that they are continuously working to have Dayak people's land right recognized formally based on customary law. Nevertheless, in smaller district areas, district governments said that recognition of Dayak people' land by other stakeholders is not an issue since things have been well-regulated.

From the Dayak man's point of view, rights to land are still weakly recognized. There is a big gap in power between local people and the private sector. In conflicts over land, local people have demanded their rights to the government, but the influence of private sector is much stronger. For example, local people lack capital to pay lawyers. The Dayak man further stated that in the regional autonomy era, the condition is reciprocal; there are advantages and disadvantages. In terms of land right, however, there are more losses. Conflicts around land right happen very often. Nowadays, there is no more fee payment. Land right is very important for Dayak people. Some people are farmers, and some are very dependant on nature; they cannot be separated from forests and rivers, especially the ones that are still primitive. The condition now is that Dayak communities are marginalized from their own land.

Regarding land rights, the key informants evaluated that other stakeholders recognize Dayak people's right differently and also do not fully recognize these rights. There have been changes in laws but the implementation is unclear. All key informants believed that Dayak people's right to land should be recognized because land right is very important for the Dayaks. Based on their views, other stakeholders are aware of the importance of land right for Dayak people but not all of them are willing to recognize it. Seeing from respondents' answers, there is still not a clear and fixed regulation to recognize land which is understood and approved by all stakeholders.

3. Development

All respondents claim that they consider Dayak's role in development. Both the government and parliament say they are involving Dayak people in development in all aspects of life, and are continuously working to set them as the actors of development, not the object of development. According to the government, communities in the field have shown that they are willing to participate and support development. Aside from development projects initiated by the government, they are also working with the private sector to involve Dayak people in business activities. The private sector involves Dayaks in company activities which improve their human

resources, such as training and involving them in core nucleus scheme in plantation. Nevertheless, most stakeholders agree that the lack of capacity in human resources has become the main drawback to Dayaks' participation in development. It will require more time to be able to facilitate this. Respondents see that education is a crucial factor to develop participation in development, along with providing better health facilities. The Dayak man also sees the importance of educational capacity to participate in development. He explains that Dayak communities often only become blue collar worker¹⁹ due to their limited capacities in education. There has been a discrepancy in job allocations to local workers and external workers. For example, only 30% of local people are employed compared to 70% of outsiders. Outsiders have higher skills, especially those based on education.

Each stakeholder has their own way to find out about the needs and capacities of Dayak people. Often they conduct surveys, discussions and direct working with communities. All stakeholders recognize that government policies are not always suitable and sometimes need to be adjusted to suit the capacities of Dayak people. According to NGOs, policies that are particularly not suitable are the ones which favour the private sector. The local Dayak man sees that existing government policies are quite good but lacking in implementation. The parliament members observe that the policies still view Dayak people as object of development; this paradigm should shift to make them the subject of development. The executive government realizes this and responds that they are working to ensure the policies to be suitable for Dayak people, and increase their human resources so they can pro-actively participate in development. According to the stakeholders, government policies have given both short-term and long-term benefits, but are expected to give long-term benefits, not only short-term.

The four key informants agree that in general Dayak people are very eager and are actively looking for opportunities. However, their opportunity to participate in development varies across regions and ethnic groups. A number of Dayaks are playing an important role in government work, such as in positions of district heads. Agreeing with the stakeholders, most key informants see the importance of education to get Dayaks further involved in development. To be involved in the development process, personal connections and networks also play a part. The key informants see that so far the suitability of the existing policies has been limited. There are good initiatives but are facing problems in the implementation; for example the opening of a local university, but remote Dayak communities lack the access to or it is too expensive for them. The

¹⁹ A blue collar worker is a member of the working class who performs manual labor and earns an hourly wage (Blue Collar Worker, 2008, para.1).

government should listen more to the Dayaks' needs and local development priorities. According to the key informants, government policies have given both short-term and long-term benefits.

4. Welfare

Stakeholders see many things that can be done to improve Dayak people's welfare. NGOs see the need to secure Dayak people's source of livelihoods; recognizing their rights over their natural resources based on their status as customary communities, and balance the uneven power relation between Dayak people and other stakeholders. Recognition of Dayaks' rights should be followed with facilitation to manage the natural resources well. Providing formal and informal education will help to benefit from the resources, and providing Dayak people with basic facilities to sustain their economy. The executive governments set to enhance policies and economic development activities that are based on the needs of Dayak people. They also prioritize both formal and non-formal education. The parliament, on the other hand, will encourage the government to continue making policies that are pro-Dayak people, encouraging to fairly enforcing laws, involving the people and NGOs in development, and implementing the function of parliament; advising and controlling. The private sector sees the importance of not disturbing areas that have high conservation values, and help provide Dayaks with facilities. From the Dayak man's point of view, what can be done by other stakeholders to improve welfare is to pay fees, and enhance development and education.

What stakeholders think Dayak themselves can do to improve their welfare also varies. NGOs and the parliament share some similar views; Dayak people should use their natural resources and benefit from it, and to work with credit unions. Credit unions have been proven to positively affect their welfare. Additionally, according to NGOs, the Dayaks should develop a local economy that is more useful to them, which is different from an economy based on extractive industries. The executives suggest that the Dayaks can increase their capacities through a range of learning and traineeship. They should also receive education and health services, and give suggestions to the government on what should be done in the region. The private sector expects Dayak people to cooperate with other stakeholders through better communication (more open) and to work harder. According to the Dayak man, Dayak people are highly creative; such as arts and crafts, and gold digging. He thinks their contribution is cultural, not modern.

Evaluating from responses, other stakeholders affected Dayak people's welfare positively and negatively. The government and parliament see the need of private sector's involvement to increase welfare, such as involving Dayak people in company activities to improve people's

economy and alleviate poverty, as well as giving them the opportunity to obtain practical knowledge and education. A threat to Dayak people's welfare is the coming of migrant workers. Social discrepancies between local Dayak people and outsiders exist and work to further marginalize Dayak people. Recognizing the many difficulties Dayak people are facing, the key informants see many things that other stakeholders can do to improve their welfare, as well as what Dayak people themselves can do²⁰. According to key informants, Dayak people will need the help and support from other stakeholders. It is clearly seen that there is still much room for improvement by other stakeholders and the Dayak people themselves to increase their welfare.

5. Gender

Stakeholders have different attitudes towards gender in development and welfare. According to NGOs, Dayaks, in culture or traditional lives, do not differentiate between men and women. However, cultural shifts have reduced women's role and opportunities in development. There has been discrimination in the development process, such as in decision making and job opportunities; women are poorly paid. The executive governments involve both men and women in development and basically do not make differences. However, a district government official claims that participation in development depends on the quality of human resources. Men have a bigger role since they are more qualified, whereas women lack education and their skills are lower than men. Thus the government is determined to increase their human development so they can have equal rights and responsibilities as men.

The parliament also gives equal opportunities and sees some positive improvements in women's roles. Moreover, the parliament urges to leave behind passive attitudes toward Dayak women. The private sector is different in their answers; one company representative does not differentiate men and women at all, while the other one does. The latter private sector representative regarded women's roles based on the traditional view and employed women to do simpler things in the company. The Dayak man said that there is discrimination towards women; they have fewer opportunities in development and education. Hence, according to some respondents, although most stakeholders do not differentiate men and women in welfare improvement, women's lack of participation in development is the reason how their welfare may be affected. Furthermore, key informants claim that both men and women should have equal roles where they can equally contribute to improve their lives. However, they notice that women, compared to men, are still in lower position in the development process.

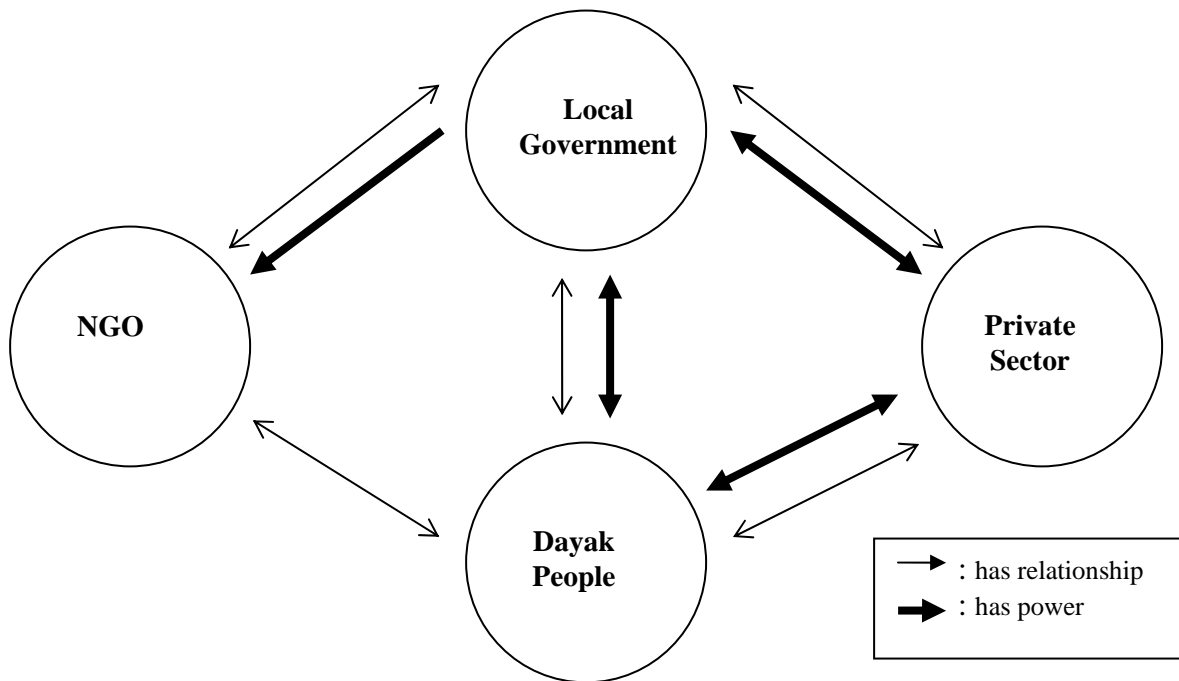
²⁰ For more views, see annex; appendix 2 no.3

6. Stakeholders in the regional autonomy era

All stakeholders have a relationship with the other stakeholders. Some relate in cooperation and partnership, while others only communicate. Since regional autonomy, there has been a change in the relationship between stakeholders. NGOs and the parliament see that since decentralization, relationships between stakeholders have been more open; they have been more willing to cooperate with each other through negotiations. The executive government also see a difference between current period and the previous. According to the provincial government, previously, it was more of a patron-client type of relationship. Nowadays, it has become more of a partnership and strategic alliances. One company sees that local people are more confident and braver to have their say, whereas the other sees higher levels of bureaucracy, overlapping regulations and authority, and law uncertainty.

There are different views about stakeholders with more power and the changes therein since decentralization. NGOs perceive that other stakeholders who are powerful are the government (executive and legislative) who has the authority to create law, Dayak elites, and the private sector. District government is also very dominant. The parliament, along with the local Dayak man agrees that the private sector is the powerful stakeholder, especially as its influence increases in the regional autonomy era. Foreign investors can now directly cooperate with regional government, and customary stakeholders and institutions. On the other hand, executive government and the private sector both see the people as having more power in terms of role and influence in the decision making process. In addition, the private sector also thinks that regional government has more power.

Figure 2. Relationship and power between stakeholders



Some key informants cooperate with stakeholders, while some do not. Since decentralization, they see new cooperation among stakeholders and increased power of local (district) governments, including the local parliament. There is strong clientelism and patronism (patron-client relationship) with the district head and legislative members being the main patrons. Companies have become more powerful in their relation with communities, and vocal people's power in communities also increased. Powerful stakeholders are regarded differently by the respondents. The government and the private sector consider the people as the stronger stakeholder, while the rest of the respondents see things differently. Technically, democracy increases the people's power. However, seeing from the responses, it is the government and private sector that have more influence in the field since Dayak people are still considered to have a weak capacity; this will not make them the stronger stakeholder, even after regional autonomy.

Most stakeholders share the same opinion that conflicts over land between private sectors and local people have occurred more frequently since regional autonomy took off. NGOs and the parliament view that conflicts occur especially in plantation and mining areas. The stakeholders have seen a number of lessons learned from regional autonomy; such as the importance to synchronize policies as mentioned by the private sector. In most cases, this has been positive; however, regional autonomy can also be a threat. The parliament answered that regional

autonomy has increased threats to Dayak people's way of lives. All stakeholders are optimistic that regional autonomy can improve conditions for Dayak people, but some also have their doubts; based on their evaluation on the practice of regional autonomy. They believed that as long as regional autonomy is well-prepared, then it can achieve its initial goal.

From stakeholder responses, regional autonomy has both positive and negative effects. In line with the stakeholders, the key informants see that the development of regional autonomy is a long process that needs more time and needs to be accompanied by strong and well-prepared government apparatus. Otherwise, they think it may lead to a worse condition than the centralized period. According to one key informant, the question of who can benefit from regional autonomy is determined by local actors and their power relations. The key informants also see that horizontal conflicts (between local communities) have occurred more frequently; often about natural resources. Although key informants have seen many problems in the process of regional autonomy, most of them see that regional autonomy has opened more opportunities for Dayak people and are optimistic about the future. Nonetheless, one key informant is presently not optimistic because the key conditions (e.g. strong local institutions, transparent and democratic political mechanism) for success of regional autonomy are not fulfilled.

5.2. Summary (Result of Surveys & Interviews)

In this section, responses from the survey and interview are summarised and interpreted. Regional autonomy has created more opportunities for local government and the people. It has also created a number of improvements, especially on infrastructure development. Unfortunately, there has been greater exploitation due to increased local government's authorities and inefficient management. The practice of corruption, collusion and nepotism has also increased in the regions. On the whole, the process of regional autonomy has been reciprocal; there are advantages at the cost of other losses. On land rights, stakeholders recognize land right for Dayak people differently and realized this on each other. All stakeholders view land right as very important, but misunderstand each other's opinions on the importance of land for the Dayaks, possibly from what they see of other stakeholders' behaviour in the field. The key informants added that they think other stakeholders are aware of the importance of land right for Dayak people, but not all of them are willing to recognize it.

All stakeholders consider Dayak people's role in development, but the limited capacities of Dayak people, especially on education is seen as the main obstacle for their participation. All

stakeholders see that government policies sometimes are not yet suitable for Dayak people and need to be adjusted. According to the stakeholders, government policies have given short-term and long-term benefits, but they hope that the policies will give long-term benefit, not only short-term. On development, the key informants share the same view with other stakeholders; Dayak people have more opportunities in development but are hindered because of their lack of education. Respondents have different views regarding gender equity; key informants and some stakeholders see discrimination while others do not. In terms of welfare, most stakeholders responded that there is no difference between men and women, but others do claim there is a difference between them; based on women's role in development and their attitude and capacities.

According to surveys and interviews result, regional autonomy has brought advantages and losses to Dayak people as follows:

Table 4. Advantages and losses based on primary data

No.		Advantages	Losses
1.	Land tenure	Stakeholders recognize the importance of land right and claim to respect this right	Conflicts over land from different and unclear way of recognizing land rights
2.	Development	- More opportunities - Policies are good in theory - Infrastructure development	- Hindered by lack of education - Unsuitability of policies for Dayak people
3.	Welfare	All stakeholders and Dayak themselves can contribute to welfare improvement	Social discrepancy between local Dayak people and outsiders are marginalizing Dayak people
4.	Gender	Some stakeholders see improvements on women's role	Some see discrimination towards women
5.	Stakeholders : - Relationship	More open and more cooperation	Higher levels of bureaucracy, overlapping regulations and authority, and law uncertainty
	- Power	Increased local government power help to improve development in the regions	- Greater exploitation from increased authority and inefficient management - Increased practice of corruption, collusion and nepotism in the regions - The key informants see the existence of client-patron relationship

		Increased power of the private sector; investors can directly negotiate with local people	
	- Views on Dayaks	Increased power of the people in terms of role and influence	Dayak people have weaker capacity compared to the government and private sector
6.	Governance	More political opportunities for local government and the people	<ul style="list-style-type: none"> - Greater natural resources exploitation - Increased practice of corruption, collusion and nepotism

There are many things that other stakeholders can do to improve Dayak people's welfare, and there are many things that Dayak people themselves can do for themselves. Other stakeholders are affecting Dayak people's welfare both positively and negatively, depending on the actions. There is a change in the relationship between stakeholders; it has become more open and cooperative, but has also generated problems. Each stakeholder has different opinions on who is more powerful since regional autonomy. Furthermore, most stakeholders and key informants see that conflicts have occurred more frequently. Only at smaller district level does the government believe conflicts seldom occur because things are well-regulated.

Table 5. Stakeholders recommended actions to help Dayaks

1. NGOs

	NGOs can do	Dayak themselves can do
In land tenure	Facilitate Dayak people after giving their land rights	
In development	Providing formal and informal education	
In welfare	Balance the uneven power relation between Dayak people and other stakeholders	<ul style="list-style-type: none"> - Dayak people should use their natural resources and benefit from it - Work with credit unions - Develop a local economy that is more suitable to them
In gender	-	

2. Government

	Government can do	Dayak themselves can do
In land tenure		
In development	<ul style="list-style-type: none"> - Enhance policies and economic activities based on Dayak people's 	

	needs - Prioritizing formal and non-formal education	
In welfare	The private sector can help to improve welfare by involving Dayak people in company activities to improve people's economy and alleviate poverty, and giving them the opportunity to obtain practical knowledge and education	- Dayak people can increase their capacities through a range of learning and traineeship - Receive education and health services - Give suggestions to the government on what should be done in the regions
In gender	-	

3. Parliament

	Parliament can do	Dayak themselves can do
In land tenure	-	
In development	Encourage the government to continue making pro-Dayaks policies Involve the people and NGOs in development	
In welfare	The parliament sees the importance of the private sector involvement in increasing welfare, with the same way as the government (above)	- Dayak people should use their natural resources and benefit from it - Work with credit unions
In gender	Urge all stakeholders to leave behind passive attitudes toward Dayak women	

4. Private sector

	Private sector can do	Dayak themselves can do
In land tenure	Not disturb areas that have high conservation values	
In development	Help provide facilities	
In welfare		Dayak people can cooperate with other stakeholders through better communication (more open) and work harder
In gender	-	

5. Dayak man

	Other stakeholders can do for Dayaks	Dayak themselves can do
In land tenure		
In development	Enhance development and education	
In welfare	Fee payment	Dayak people contribute in cultural

		terms not modern
In gender	-	

To conclude, the main similar views on benefits and costs of decentralization to Dayaks from the responses are: deforestation and environmental destruction, the need for education, policies being good in theory but not in practice, unsuitability of policies, increasing conflicts, and regional autonomy as a long process that needs to be well-prepared. The significant differences in responses between stakeholders are: the way to recognize land ownership, women's role, and perspectives on stronger stakeholders. The process of regional autonomy has taught many lessons for all stakeholders in different ways. All stakeholders are generally very optimistic about regional autonomy, despite some of them having doubts.

Stakeholders have shown similar and different views on the development of regional autonomy. It can be seen that their perspectives are mainly based on their role, experiences, and position. The different NGOs often share the same opinion, although they operate on different issues. Their role as a watchdog has made them well-aware of the situation the Dayak people face. The Dayak person himself has viewed the process of regional autonomy from a slightly different angle. His personal experiences are the basis of his arguments. The governments too, have different views. Naturally, different bodies of government (executive and legislative) have different roles, and different levels of government have different positions. At most times, the parliament's views differ to those of the executives, and are quite often similar to those of NGOs. Within the executive levels, provincial and district level have sometimes shown differences in views. Aside from governing in different regions, the scope of their position also plays a part. Provincial government sees things more broadly, while district governments evaluate things more on the basis of their specific districts only. Furthermore different private sector representatives showed differences in responses. One significant difference in their responses is on gender equity in their business practices, even though they are working in the same region, but maybe not in the same district or city. Geographical location should also be taken into account as a factor to explain differences. The respondents have come from or act in different regions. Kalimantan is a very vast area and Dayak people also vary.

In conclusion, based on the stakeholder surveys and interviews, regional autonomy has brought a number of advantages and disadvantages to Dayak people. The creation of laws and policies has technically protected Dayaks' rights and increase their participation in development. However, the implementation has been facing problems which become disadvantages, such as environmental degradation and conflicts over land. Most respondents see that the main issue

between stakeholders is about land. Evaluating from their answers, all stakeholders have different ways of recognizing Dayak people's land rights which then becomes the source of misunderstanding and disputes. The impacts of the issues within stakeholder relationship are affecting Dayak people's welfare politically, economically, socially and environmentally. For the Dayaks, there are still many things that can and should be done to improve their lives; by other stakeholders and the Dayaks themselves.

6. Discussion

The aim of regional autonomy is to improve condition from the centralized period. Its principles are to create a democratic government, increase citizen participation, justice, and increase welfare with the principles of good governance. This was a response to the centralized period, which was authoritarian, undemocratic, oligarchy, and was highly centralized corrupted. After regional autonomy, multiple stakeholders are involved in forestry management, each with their own interest. The research asks about the issues within stakeholder relationship and how these issues affect Dayak people's welfare. Perspectives of stakeholders on these issues are seldom explained in literatures, hence the conduct of surveys and interviews help to fill the missing gaps. For this paper, the added value of surveying and interviewing stakeholders are strengthening findings from literatures and gaining new knowledge. The Dayak man has also given valuable additional inputs, and meeting him has made this research which is done from afar more real. Having only interviewed one person is a weakness; however, his perspectives have certainly strengthened the stakeholder analysis.

Literature review has shown that problems occurring in Kalimantan are quite similar across the provinces. However, this cannot be taken for granted that the same exact condition applies for the whole Kalimantan. That is why this paper through literature review had taken examples from different regions, and targeted surveys and interviews to parties connected to the three provinces; not a specific area. These different locations would affect the respondents' answers. Nevertheless, primary and secondary data from various areas have given a clear overview of the process of regional autonomy for Dayak people in Kalimantan; especially as a variety of stakeholders had shared their story of their regions.

6.1 Governance

Respondent stakeholders have seen an improvement and advantages of regional autonomy. There have been more opportunities and obvious infrastructure development in the regions. However, this is accompanied with a number of serious problems. Seeing from literatures, and especially from the book by Resosudarmo, 2005, at the government level, there has been disharmony among different levels of government (central and local) due to the share of authorities; causing a weak government system. Miss-coordination among them has further led to inconsistent laws and regulations, especially overlapping policies in the forestry sector. Moreover, decentralization has

apparently opened bigger opportunities to the practice of corruption, collusion and nepotism by the elites in the regions. This has also been confirmed by the respondents.

Reformation from a centralized government to a decentralized one had transformed drastically. Authoritarian government ruled for 32 years, and in a quick step, things changed suddenly without preparation. It has been said that in the process of regional autonomy, it is not only the people that were not ready with their new opportunities and roles, but also the government and their authorities. In the implementation, regional autonomy is facing governance problems. For Dayak people, regional autonomy has brought them both advantages and disadvantages. They have been given more opportunities to increase their role through government policies, but are losing some of their most precious asset; natural resources, due to unsustainable management and weak land right recognition. There are many things that need and can be done to improve the condition of Dayak people. Furthermore, a quick action must be taken to save the environment.

Regional autonomy has created a more democratic government system. The involvement of stakeholders plays an important part in pursuing common interest. So far, stakeholders have faced numerous conflicts because of their different agendas and capacities among them. This paper has shown several times that the stronger party is the one who benefits. Local indigenous Dayak people's lack of capacity, especially in capital and skills, require support from other stakeholders to raise their welfare. This weakness can then be a threat if other stakeholders wish to take advantage of it. In their responses, the government and the private sector said that the people have more power since regional autonomy, but actually Dayak people's bargaining power is lower compared to other stakeholders, because of their limited capacities. Technically, it has become more democratic; however control by the people is still weak. In democracy, the people should have a strong control over the government and their authorities. Uneven power relation will limit their control and monitoring over the government. Nevertheless, most respondents have answered that since regional autonomy the relationship among stakeholders have been more open. Some of them are already cooperating with the other. This change is an opportunity which should be taken advantage of to achieve the public good.

6.2 Land Rights and Palm Oil

In the introduction chapter, it was explained how the centralized government exploited natural resources for national economic development unsustainably. Claims of land for exploitation have

further created conflicts with local Dayak people on land tenure; their rights were unacknowledged and they became displaced from their land. Since decentralization, increased autonomy had pressured local government to gain regional income. To earn revenue, local government created policies to exploit forests and expanded palm oil plantation. The government's initiatives have apparently increased deforestation and triggered conflicts among stakeholders. At the government level, unclear governments' roles in the implementation of policies led to overlapping policies and tension among them. Local government's higher authority caused explosion of permits without strong control in protecting the environment. Problems at the government level are the underlying reason for existing problems in the society. Miss-coordination among decision makers is affecting the implementation of laws and policies. This is spreading to the relationship among stakeholders, particularly on land issues. Seen from literature reports and stakeholders answers, conflicts have intensified since regional autonomy. Conflicts between local people and the private sector have mainly been about land acquisition and uneven share of benefits from their business activities. Local people also lack of trust in the government because their land right is not strongly protected.

The expansion of palm oil is threatening Dayak people and nature in Kalimantan. In the book, *Promised Land*, palm oil is considered to have violated human rights (Colchester et al., 2006, p.15); for example, Dayak people's lands have been taken over without prior consultation. Earlier chapter (chapter 3) on the laws concerning indigenous people shows that technically the government has created better recognition for Dayak people and their rights. In practice, however, their rights have not been clearly recognized. Reviewing from previous chapters, regulations for recognition have been contradictive and complicated for the local people. Through the survey, all stakeholders claimed they realized the importance of land for Dayak people and are respecting it in their own ways. However, stakeholders have different ways of recognizing land rights. The difference in recognition is one of the sources of misunderstandings. Presently, stakeholders have different validation on the recognition of land; through customary law, formal legal status, or both. There is still not a clear and fixed regulation to recognize land which is understood and approved by all stakeholders. Without a common understanding of recognition and fixed area, conflicts over land will remain.

According to actors in the private sector, conflicts around land emerge because of unclear government policies. Before inviting investors, the government should have clarified the status of customary communities and their communal land areas (Andiko, 2008, p.1). This would have made it easier for investors to plan their business by considering the existence of indigenous

communities and their land. For companies, a way to resolve conflicts with local people is through compensation payment; however, this is a quick but short-term resolution. Compensation payment does not solve the root of the problem, and may even eliminate local people's rights, such as community land right (Wulan, Yasmi, Purba & Wollenberg, 2004, p.2). In addition, actors in the private sector believe that low level of education in communities is a reason that compensation payments are not delivered or not appropriately calculated. This then gives rise to continuous compensation payments by companies which they feel is not justified.

Moreover, palm oil plantation and exploitation of forests are threatening the environment. Based on reports around palm oil, business operations have not been conducted in a sustainable way, causing deforestation and pollution. The central government had further recentralized the forestry sector; one of the reasons was because the local government had lacked of control in protecting the environment. Majority of respondent stakeholders have answered that increased exploitation is the disadvantage of regional autonomy. The impact of environmental degradation is not only threatening the livelihoods of Dayak people living around forests and the ecosystem, but will also contribute to global climate change. Forests and natural resources in Indonesia are assets of the country, but they will disappear from mismanagement. Indonesia has traditionally been an agrarian country and not industrial. Traditional wisdoms will help to exploit natural resources in a sustainable manner, especially since local people have managed it for a long time and succeeded in protecting it.

6.3 Development

During the centralized period, development was mainly noticeable in the capital city, Jakarta. Local people had lack the opportunity to be involved in development. Today, regions have experienced development, especially on infrastructures. In addition, now local people also have more opportunities to be involved in the development process. At this stage of development of democracy, however, still a big gap in capacities exists among the stakeholders concerned. From case studies HPHH 100ha and mini HPHH, this has been the basic reason of policies failing to achieve optimal results. Economic benefits have not fully reached local communities, and usually only short-term cash from compensation payments. Benefits from these policies are mainly felt by the private sector because of their stronger capacities, in terms of capital, influence and information. In her research, Michaela Haug discovered that decentralization has increased inequality in the villages of Kutai Barat, East Kalimantan, "As the new economic opportunities

were not equally accessible for everyone” (Haug, 2007, p.15). The jobs that became available required formal education, personal physical strength for logging activities and ability to operate machines. Meanwhile, actual benefits from compensation payments and fees, “Depended heavily on a person’s aptitude to deal with the companies involved, as well as one’s power position within the village” (Haug, 2007, p.15).

Local Dayak people’s lack of education have limited their participation in development and further made it difficult for them when negotiating with the private sector. The private sector on the other hand, regarded Dayak people’s limited capacity as the main reason for not being able to compete with outsiders. The number of local people employed is lesser than outsiders because outsiders have shown to be more capable than local communities. Lack of capacity restricted their chance to benefit much. In their answers, stakeholders claimed to consider Dayak people’s participation in development, but agreed that their capacities should be increased if they are to play a bigger role in development. Stakeholders have also noticed that indeed the policies have not always been suitable for the Dayaks. Policies thus need to be suitable for Dayak people’s capacities.

6.4 Gender Issue

Through surveys and interviews, stakeholders have given inputs on the condition of women’s role. From the answers obtained, it can be concluded that women’s role are still weak in the development process, compared to men. This was viewed by some NGOs, key informants, and the Dayak man. In the survey, a parliament member urges all stakeholders to leave behind passive attitude toward Dayak women. In literatures, however, gender issue has been seldom mentioned. Throughout literature review, only one report by Michaela Haug studied the difference of welfare between men and women. Thus to achieve an equal welfare among Dayak people, the development of gender equity needs to be improved.

7. Conclusion

Regional autonomy has opened the opportunities for Dayak people to have better lives. However, the involvement of other stakeholders remains necessary to support them. Generally, what should be done are; stakeholders need to develop common views on land rights recognition; facilitation of other stakeholders to improve Dayak people's human resources; and support of other stakeholders will make it possible to save their natural resources, as well as the environment. Therefore, to bring benefits to the Dayaks, regional autonomy is a process that requires support from all stakeholders and a good cooperation among them.

This research has given answers to the central question and the two sub-questions. Regional autonomy brought both advantages and disadvantages for Dayak people. They now have more opportunities to participate in the local government process. But the biggest disadvantage is forest degradation. Forests are an asset to Dayak people in all aspects of their lives. Nevertheless, with the more democratic government, it can be assumed that Dayak people will be able to demand their rights over natural resources; also with the support of other stakeholders.

Relationships between stakeholders are determined by difference of interests and capacities. Stakeholders have different interests in forests and what has happened is a fight for this interest among them. In these conflicts of interests, stronger parties have often benefited most. Local Dayak people are still in weaker position compared to other stakeholders. They still need to fight for their rights if they wish to claim a fair share to benefits of resources.

Stakeholder relationships have impact on Dayak people's welfare politically, economically, socially and environmentally. Politically, the Dayaks are still struggling for their rights over land; economically, their weaker capacity has limited their chance to benefit as much as other stakeholders; socially, conflicts have intensified between them and other stakeholders; environmentally, rapid deforestation is a threat to their source of livelihoods and cultural identity. As a whole, it can be concluded that although regional autonomy has brought a number of advantages for Dayak people, the disadvantages are still bigger. There is a discrepancy between theory and practice mainly because of unsuitability of policies and stakeholders behavior; misunderstandings and miss-coordination.

Compared to the centralized period, some things have improved while others have worsened. Advantages of regional autonomy are mainly in terms of political rights and development in the regions. Things which have worsened are environmental degradation from

increased deforestation; the practice of corruption, collusion and nepotism in the regions; and intensified conflicts among stakeholders, even horizontally.

In the forestry sector, stakeholders have different agendas and power. Clashes of interest without a common understanding have led to conflicts. Additionally, the difference in power is an important factor that determines relationships between stakeholders. A fundamental issue is that there are big gaps in capacities between them. Local Dayak people still need time to even their capacity with other stakeholders, who are more advanced. Power-gap and capacity-gap are the main reasons they are receiving fewer benefits and losing their rights. Furthermore within Dayak communities themselves, women's role is even weaker as they are not fully prioritized in the development process. There are many things that still need to be done to improve condition for Dayak people.

8. Recommendation

After studying the impacts of regional autonomy on Dayak people in Kalimantan, I suggest several things which can be recommended for Oxfam Novib and other stakeholders to help Dayak people.

1. **Increase communication and cooperation among stakeholders.** To have a solution which is good for all, communication and cooperation among stakeholders is necessary. Many disputes happened because there is no shared understanding among them. Each stakeholder can actually contribute positively while respecting others. However, in many cases, they have not taken into account others and only prioritize private interest. This type of behaviour is not benefiting, but instead causing more problems. There must be a forum among stakeholders to understand each other. This forum must be represented by trusted representatives from each side to have a good negotiation and achieve an agreement. The involvement and cooperation of other stakeholders will increase Dayak people's role and welfare.
2. **Increase Dayak people's capacities.** To strengthen Dayak people's role in development, their capacities must be increased. Dayak communities must be well-educated to even their level with other stakeholders and receive greater benefits of regional autonomy. Generally, all stakeholders will be able to provide this; such as programs and trainings by the government, companies and NGOs. Legally, the revised financial balance law (Law 33/2004) has allowed for more education services. This can definitely be taken advantage of. Communities must receive formal education and non-formal education, such as courses, to increase their knowledge. These education must take into account the Dayak people's custom, to make it more suitable for them. Education must be given to the older and younger generations, but with more emphasis on the younger generations, as they will be easier shaped to learn. Fundamentally, the quality of education is very important. The role of media will also help local communities to discover the outside world and see the positive impacts it can have. Importantly, the information received must be screened thoroughly to avoid negative influences coming in. If the infrastructure is adequate, the use of internet will help them gain quicker information. Again, however, there must be tight control on the information they receive. For communities living in villages around

the forest areas, having trips to the better developed cities can give them insights on development. They should be aware and understand of the current modernization without neglecting their traditional values.

3. **Recognition of Dayak people's right to land through legal status.** Firstly, all stakeholders must have an agreement on how to recognize Dayaks' lands fairly. This agreement should take into account customary law, and recognition needs to be accompanied with legal status to strengthen Dayak people's right over land. Furthermore, respondents have given a few suggestions on land rights: communities need to be aware of the value of land (in modern terms); the claim of land itself and the mapping of area must be clear to guarantee a fair share and avoid excessive claim; and recognition should be accompanied with facilitation afterwards to facilitate the management of land.
4. **Increase control on natural resources exploitation.** Natural resources exploitation has worsened since regional autonomy compared to the centralized period. Good government initiatives for the people from the centralized period should be implemented in the regional autonomy period, particularly to have strong control on exploitation. To stop increasing exploitation, having a strong control is very important. Between the central and local government, it is vital to monitor and have a strong control on exploitation permits, unsustainable practices, and illegal activities. Modern activities in forest areas have often damage the environment. In this case, Dayak people's wisdom for sustainable environment should be taken advantage of; their wisdom can be integrated with modern knowledge. Hence, natural resources in Kalimantan can be benefiting optimally, without destroying it. Saving the environment is a shared responsibility of all stakeholders.
5. **Increase women's opportunities.** Women play an important role in welfare improvement but lack the opportunities in the modern development. To contribute to a better condition for the Dayak people, women need to receive equal education and opportunities as men. Women can contribute through local industries participation or home industries, such as making handicrafts and weaving. Discrimination towards women can be removed if all stakeholders give their support in increasing women's role and capacities.

6. **Increase the people's participation and have a strong political will.** The presence of democracy should increase the people's participation in decision making and policy making. Increased democracy must then be accompanied with strong political will to commit for a better condition. A strong political will is essential for the implementation of laws and policies to achieve its goals. Additionally the practice of good governance is important to ensure a fair management and eradicate corruption. This should start from the government.
7. **Increase awareness of the influential Indonesian citizens,** such as the upper-middle class people to support improvement of Dayak people's welfare. Influential upper-middle class citizens often lack of awareness and concern for the less-benefiting people. They need to be made aware of what is causing impoverishment and that they can also help to make a change. Local Indonesian NGOs will be able to do this with the help of the media.
8. **International support on indigenous people's rights and to save the environment.** Especially on palm oil, companies can be pressured to comply with the RSPO standards through international campaigns. This suggestion is especially directed to Oxfam Novib and Indonesian NGOs who are involved with the RSPO.
9. Overall, Oxfam Novib can help partner NGOs to empower communities, improve land rights recognition, increase women's role, and saving the environment.
10. After completing my research, I see some issues that can be looked at deeper for future research:
 - The environmental impact of decentralization. From my findings, deforestation is frequently mentioned. Environmental degradation has apparently increased since regional autonomy and is causing a serious threat both locally and globally.
 - Focus specifically on one region. In my research, I have combined information from three provinces. I think that to have a more concrete overview on the process of decentralization, such as the one I have done, it will be better to focus on one region.

- Gender equality and equity. From the surveys and interviews, some respondents claimed to see discrimination towards women in the development process. Welfare for Dayak people will not be achieved evenly if there is still discrimination. Hence it will be necessary to look at the development of women's role since regional autonomy.

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5. Name: Purwo Susanto
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6. Name: Nordin
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Executive government:

7. Name: Agustin Teras Narang, SH
Position: Governor of Central Kalimantan
Organization: Central Kalimantan Provincial Government

8. Name: Suman Kurik

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Organization: Melawi District Government

9. Anonymous

Parliament

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Montane rainforest, Mount Kinabalu National Park, Borneo, from Picasa Web Albums

picasaweb.google.com/.../Q3EZ6XzHRQvCmelDL6wWKA

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Appendix 1: List of questions to stakeholders

1. This is about your role and activities in Kalimantan
 - a. What is your name?
 - b. What is your organization?
 - c. What activities do you work on Kalimantan?
2. Process of regional autonomy since 1999
 - a. What have been the advantages for Dayak people?
 - b. What have been the disadvantages for Dayak people?
3. Land tenure; on your organization and your view on other stakeholders
 - a. How are Dayaks' rights to land recognized by your organization?
 - b. How do you think are Dayaks' rights to land recognized by other stakeholders?
 - c. What is your view of land rights to Dayak people?
 - d. How important do you think are rights to land for Dayak people?
 - e. How do you think other stakeholders think of the importance of rights to land for Dayak people?
4. Development; your view on their role, capacity and needs
 - a. How do you consider their role in development? Is there a difference between men and women?
 - b. How far can they get involved based on their capacity? Difference between men and women?
 - c. How do you consider Dayaks' needs in development? Difference between men and women?
 - d. How do you find out about these capacities and needs?
 - e. How suitable have the development policies been toward their capacity and needs?
 - f. Do these policies give short-term or long-term benefits?
5. Stakeholders in ownership and access to land in the regional autonomy era
 - a. Do you have relations with other stakeholders?
 - b. What kind of relation? (e.g. cooperation, communication, shared objectives)
 - c. What has changed in relationship among stakeholders after decentralization?
 - d. Are there stakeholders with stronger influence over decisions compared to other stakeholders?
 - e. Have these differences in strengths over influence changed in the period of regional autonomy?
 - f. If so, who gained more or less power?
 - g. Since regional autonomy, have conflicts become more or less frequent?
 - h. With what services or decisions do you and (as far as you know) other stakeholders affect Dayak people's welfare (positively or negatively)?

6. This part aims to understand Dayak people's welfare. By welfare, I refer to livelihoods, income, rights, access to natural resources, and social happiness.
 - a. Knowing that Dayaks have difficulties, what should be done by you or other stakeholders to improve the welfare of Dayaks?
 - b. Is there a difference between the welfare of men and women?
 - c. What is your role to achieve this improvement?
 - d. What do you think Dayaks themselves can do to improve their welfare?
 - e. Difference between men and women?
 - f. What lessons have been learned from the process of regional autonomy?
7. Are you optimistic that regional autonomy will improve conditions for Dayak people? Please explain
8. Which literature or people to interview could you recommend me to further understand on effects and impacts of regional autonomy on Dayak people?
9. Company policy in your conduct of business; profit policy, employee policy, and policy towards external stakeholders, such as local communities and neighbours
 - a. Do you have a policy on social and environmental responsibility?
 - b. What does it say?
 - c. Is the policy communicated only in the company or also outside the company?

Appendix 2: Answers of stakeholders

1. Advantages of regional autonomy:

NGOs

Politically, the closer government allows the opportunity to voice aspirations to the government. There has been more space for the people's participation to influence policies which would be more suitable to them. The people now has the chance to become regional governments (executive and legislative), especially elite Dayaks with better education. Regional government is quite dominant in determining the people's lives, as they allocate the amount of budget for education, health, and the management of natural resources, such as plantation, forestry and mining. Regional autonomy has opened more space to negotiate the management of natural resources. Furthermore, a lot of people are inspired to determine their own lives independently, with bigger bargaining power.

Executive governments

The government and public services are closer and more efficient so the products of development can also be enjoyed by Dayak people. Developments are now faster and more real. Before, Dayak people were distant from the central government. Now, Dayak people can participate and be involved in a range of development activities (economically, politically and socially), including the opportunity to become regional leaders. Aspirations and needs of Dayak people are more accommodated. There are more opportunities for Dayak people to determine and prioritize development suitable to their needs, and they can make benefit of development services provided by the government, private sector, etc. With regional autonomy, they can determine their own lives and choose their own leaders.

Parliament

Regional autonomy created the opportunity for Dayak people to become leaders. Previously, it was very difficult to become one since regional government is appointed by the central. Dayak people have broader opportunity to manage and benefit from available resources. People development has been targeted better as regional government understands the needs of Dayak people more. Regional autonomy has also brought improvement on human resources.

Private sector

The advantage is that regional budget becomes greater and the portion to escalate Dayak people's lives increases; education opportunities, jobs, health services and access to infrastructures. Regional autonomy has given more opportunities for the people and especially the government, to develop their regions. Many decisions are made in the regions, making the process of development easier. In the past, when it was still centralized, there are many obstacles that local governments face in developing their regions.

Key informants

Possibilities to better recognize Dayak people's rights, in particular over natural resources; devolution of power to local levels has the potential to better take into account the Dayaks' interests and defend them against outsiders; increased self-determination; short-lived economic profits; improvement of local infrastructures; Dayaks have the opportunity to obtain senior government positions, thus increasing their opportunities to influence policies; more opportunity to speak up, repressive methods of private companies was no longer acceptable; increased financial benefits from forest exploitation; indirect recognition of right of communities on the territory, e.g. by providing logging licenses; budgets of district governments have increased dramatically, enabling a lot of development; better access to information, partially through the use of Dayak languages in government offices; better access to natural resources; and improved cultural self-confidence.

2. Disadvantages of regional autonomy:

NGOs

The disadvantage is the increased natural resources exploitation, due to local government's higher authority in issuing their own licenses. The people could be marginalized with the licenses issued by local governments for plantation, such as palm oil. Pressure to increase regional income by inviting companies increasingly eliminating communities' right over land and sources of livelihoods. A serious threat in the future is the control of land by big companies and environmental destruction. Water pollution would make it harder for local people to get clean water. Since regional autonomy, there has been emergence of local elites using their authority for their own interests, and not for the people. Issuance of permits by local governments has not been accompanied with real considerations, causing a booming of permits and worsening environment condition. The practice of corruption, collusion and nepotism increased. Regional autonomy has not been complemented with sufficient capacity. Without strong control, level of destruction will

rise, along with social conflicts. The presence of companies negatively affected the Dayaks' young generation. Their activities have also removed the Dayaks' cultural sites and tools. The benefits of regional autonomy are mainly felt by the elites.

Executive governments

Provincial government realizes that regional autonomy cannot yet sufficiently protect and guarantee Dayak people's rights to manage natural resources. The political system, especially the direct election might reduce the opportunities for Dayak people to become leaders, as the number of Dayak people decreases compared to other ethnics. Regional autonomy, particularly on district government's authority in natural resources policies (issuance of permits in plantation, forestry, mining, etc) can become one of the threats to Dayak people's traditional wisdom in the management of environment and their customary law over ownership of land (generally this is not written like certificates, but based on recognition from bordering parties).

According to a district government, regional autonomy can be a disadvantage if the people and infrastructure are not ready. The people can participate in development but if the human resources are inadequate, then this will slow it down. Another disadvantage is that autonomy has not yet been given to the regions fully. Some things are still controlled by the central government, such as mining and forestry.

Parliament

The disadvantage is that Dayak people have lost too many potential incomes from natural resources due to the lack of efficiency in management. Forests exploitations have rapidly increased in the regional autonomy period. This decreases forest areas and started to make it harder for Dayak people to find basic materials available in the nature.

Regions cannot yet be independent since the economy is still weak and dependant on the central government's budget. Regional autonomy is burdening local governments economically.

Private sector

The disadvantages of regional autonomy are the broadening of access which reduces real values of Dayak people, the possibility of Dayak people's areas being taken over for business expansion (plantation, mining, forestry, etc), and the shift from self subsistence to consumptive.

Key informants

Weak implementation; corruption; increased amount of conflicts (mainly over natural resources, fee and compensation payments), increased exploitation of natural resources and environmental degradation; elite capture of local leaders; consumptive behaviours; conflicts among Dayaks over control of government; excessive claims on territory, which are difficult to justify; increased social conflicts (even within families); increased prostitution and gambling.

3. Welfare

NGOs

There are many things that can be done to increase welfare for Dayak people. First of all, it is vital to secure Dayak people's source of livelihoods (land, forests, and water); to recognize their rights over their natural resources and their status as customary communities. Recognition should be followed with facilitation to manage these natural resources well. Providing formal and informal education will help to better benefit from the resources, and also provide them with access and facilities to sustain their economy. Additionally, it is necessary to balance the uneven power relation between Dayak people and the other stakeholders.

Dayak people should not rely their lives on anyone. There are many things they can do to improve their welfare. NGOs believe that their natural resources as their biggest asset should be protected and well-managed. They can also work with credit unions to earn cash for their daily needs, and develop local economy that is more familiar to them, unlike extractive industries.

Executive governments

Provincial government with other stakeholders are working to find alternative solutions for the problems facing Dayak people. Provincial government sets to enhance policies and economic development activities that are based on the needs of Dayak people. District governments also emphasize on the needs of the people and first conduct researches to find out about these needs. After finding out about these needs, then they can proceed with activities that are suitable to their needs. To increase welfare, regional government prioritizes education, both formal and non-formal.

Dayak people themselves can increase their capacities through a range of learning and traineeship. They should receive education to improve their human resources along with health security. Because regional autonomy has brought government closer to the people, Dayak people themselves can give suggestions to the government on what should be done in that region.

Key informants

Welfare improvement can be done by recognizing the Dayaks' traditional rights related to their natural resources and help to create an environment in which they can fully exercise these rights; increase education and knowledge; increase self-determination; increase motivation for long-term development on village level as well as on district level; economic opportunities (jobs and markets) and political opportunities (participate in local decision making), provided by the government and the private sector; reduce vulnerability, through public safety net functions like free health insurances, free education and subsidized food, but also through private measures and traditional institutions, such as family or community based safety nets; economic vulnerability can be reduced by income diversification and a broad portfolio of alternative livelihood strategies (this depends on the quality of the natural environment); sustainability; better access to information (also on their rights); better education opportunities; better health care; more participatory planning; and acknowledgement of cultural preferences.

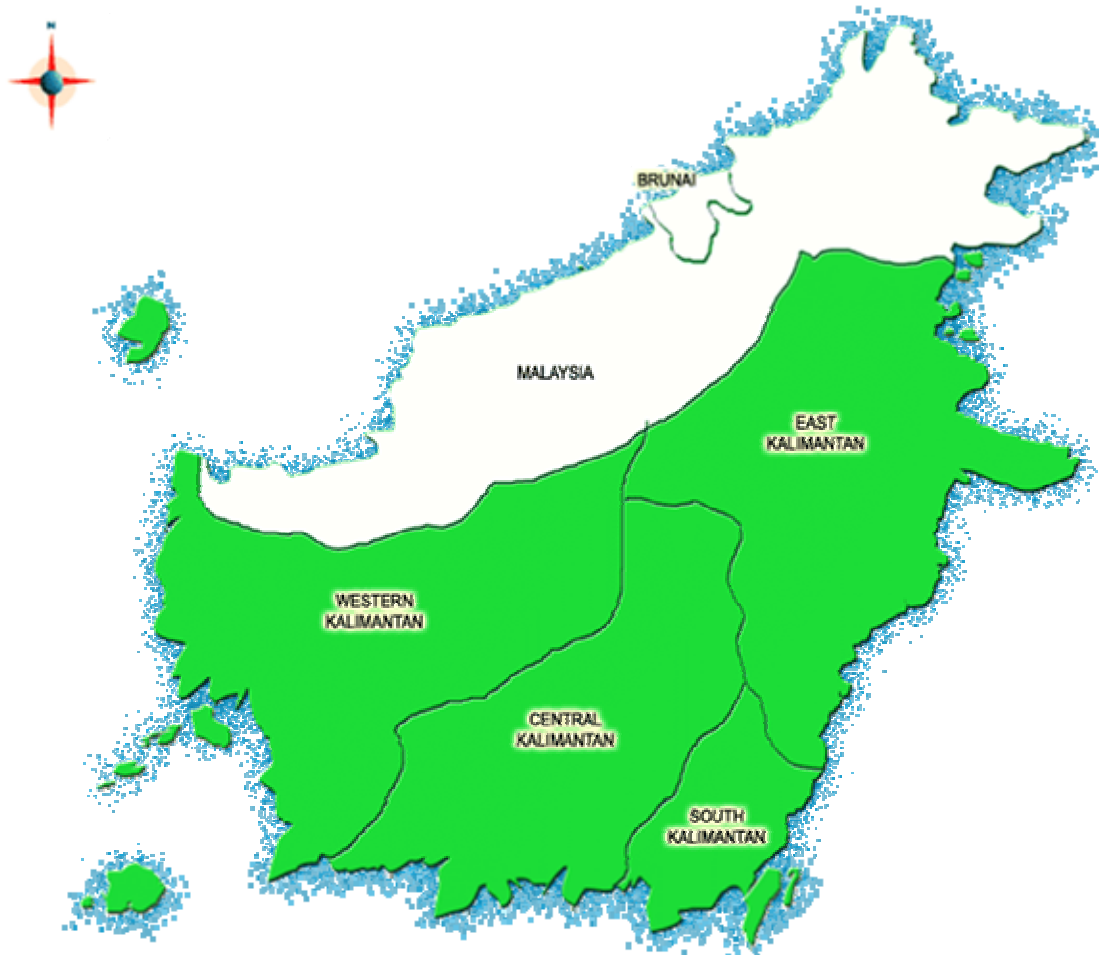
Dayak themselves should first try to develop authentic leadership and transparency and accountability mechanisms that are compatible with their culture and traditions to build their local governance system upon; they should formulate strategic answers in relation to other key stakeholders (external economic powers, migrant groups, etc); actually, it can only be Dayak people themselves that can improve their livelihoods, outsiders can only support local initiatives, provide technical and methodological assistance as well as providing knowledge and support political lobby activities; pursue education (not necessarily formal education); improve local organizations at community level (e.g. harmonizing formal and informal institutions); develop joint future visions and scenarios; conduct participatory development planning; and unite for granting their rights acknowledged (at various levels).

4. Stakeholders

Executive government

According to the provincial government, in the centralized period, cooperation or relationship between regional government and other stakeholders were more of a patron-client and this reduces participation of other stakeholders in development. In the regional autonomy era, as regional governments acts as a regulator, motivator and facilitator, other stakeholders have bigger opportunities in development. And the relationship becomes more of a partnership and strategic alliance rather than patron-client.

Appendix 3: Map of Kalimantan



Source: Tari Travel www.taritravelindonesia.com/Destinations/map.html

Appendix 4: Pictures

1. Dayak people, East Kalimantan



Source: Floressa Tours

http://www.floressatours.com/indonesia-pictures/pages/kalimantan_paul06_jpg.htm

2. A Dayak Bahau woman in a village on Mahakam river



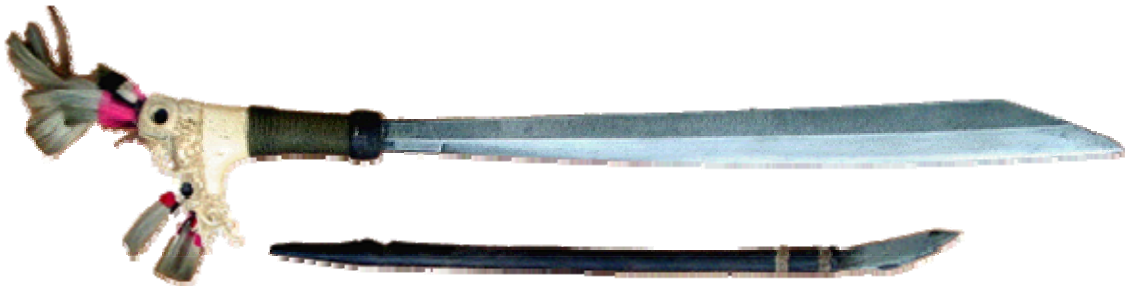
Source: Indonesia Travel <http://www.acrossindonesia.com/DayakLongEars.jpg>

3. Dayak longhouse in West Kalimantan



Source: hunwagner travel page <http://members.virtualtourist.com/m/2e789/662/>

4. Mandau; inland Dayak weapon



Source: Old Blades <http://old.blades.free.fr/swords/dayak/picdayak/mandau.gif>