

Land Conflict and Grassroots Democracy in South Sumatra: The Dynamics of Violence in South Sumatra¹

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Background

The fundamental problem in land conflict is the widely divergent view taken of land rights by the government and by peoples who live in and draw their livelihood from the forests of Indonesia. According to the Basic Forestry Law (*Undang-Undang Dasar Kehutanan* or BFL) of 1967, the forests of the outer islands of Indonesia are owned by the State. Local peoples have only usage rights and these are difficult to document.² The BFL gave the Forestry Department authority to grant a

logging or timber concession (*Hak Pengusahaan Hutan* or HPH) to state-owned corporations and private timber companies. Between 1967 and 1980, logging rights to over four million hectares of forest land in the outer islands were given to the state-owned forestry enterprises—Inhutani, Inhutani II, and Inhutani III. In addition timber concessions covering over 53 million hectares were made to private corporations, many of which were joint ventures between private companies and companies controlled by the Indonesian military (Baar 1998:6).³ This development strategy produced enormous profits for corporations that had been granted HPH and provided revenue for the Suharto regime. In 1981 the government banned the export of logs hoping to capture more revenue through the development of an Indonesian plywood industry.⁴ At the end of the decade, as supplies of wood for plywood production were exhausted, the New Order government turned to the development of industrial timber estates for paper and pulp production.

According to the law, local government officials must clarify the status of land given out in concessions as 'unproductive'. Villagers in South Sumatra protest that in no case were claims to land they had been farming for years (and in many cases generations) recognized. Thus, many lowland villagers lost rights to land they believe they had inherited from their ancestors. Legally, the corporation with an HPH concession is required only to negotiate with villagers over 'compensation' for 'crops', such as rubber and fruit trees grown on the land. However, generally in South Sumatra there was not even a negotiation over compensation. When compensation was promised, little or none was paid. Loss of usage rights has meant a loss of livelihood to villagers, so they have resisted as best as they could.

In 1986 the World Bank announced it would support the establishment of 'nucleus and small holder' estates (Perusahaan Inti Rakyat or NES/PIR, generally referred to

¹ This article (originally titled: 'Rural Poverty and New Order Development: The Dynamics of Violence in South Sumatra') is a revised version of the paper presented by Elizabeth Collins at the panel: Local Resource Management: Between 'Productivity' and 'Sustainability' at the 1st International Symposium of Journal ANTROPOLOGI INDONESIA: 'The Beginning of the 21st Century: Endorsing Regional Autonomy, Understanding Local Cultures, Strengthening National Integration', Hasanuddin University, 1-4 Agustus 2001. This article was also published in *Journal Antropologi Indonesia* 25 (64): 41-55.

² The BFL law covered 74 percent of the land of Indonesia. See Nancy Peluso, *Rich Forests, Poor People: Resource Control and Resistance in Java* (1992) for an excellent account of the earlier history of dispute over rights to forest lands in Java.

³ Robison (1990:23) writes, 'The generals must be understood as an integral component of that foreign-dominated capitalism... [T]hey preside over policies which guarantee the interests of their corporate partners. It is a relationship which, on the one hand, generates money for the political survival of the military bureaucracy and, on the other, provides foreign and Chinese business with access to lucrative markets and sources of cheap raw material.'

⁴ According to Ascher, the new policy was designed to capture revenue that had gone to foreign corporations and the Indonesian military: 'Initially, forest rents were offered by the government in exchange for political support from the clearly powerful military; the newer strategy initiated an exchange of forest rents for cooperation by the Indonesian Chinese in financing development projects, and other off-budget initiatives (Ascher 1998:56).' In the following years, the world recession of the 1980s led to a consolidation of control over Indonesian companies in lumber industries in the hands of a few Suharto cronies. Prajogo Pangestu's Barito Pacific Group emerged as Indonesia's largest plywood producer by taking over eight firms (Baar 1998:10).

locally as the plasma system) for the development of palm oil plantations⁵ and industrial shrimp farming. In the 1990s the concept was extended to private corporations.⁶ In 1989 the inland and coastal forests and mangrove swamps of South Sumatra were targeted for development. Opposition to NES/PIR schemes in South Sumatra has grown, primarily because small holders' title to the land they farm is not clear.⁷ Generally the corporation holds the title until the small holder's debt to the corporation for inputs has been paid off. However, villagers in South Sumatra say that they do not know of any case in which title to land was actually handed over. Secondly, due to the high level of investment required for industrial shrimp farming, palm oil production, and paper and pulp production, corporations have ensured their profits by establishing monopoly control over the price paid for the crop produced. When the price of palm oil and shrimp was high after the Asian economic crisis, profits were captured by corporations.

On the ground that job creation and established contracts are essential to continued IMF loans and economic revival, corporations have been able to resist pressure to negotiate with protesting villagers (see Collins 2001). Managers of corporations with large land concessions in South Sumatra argue that their operations serve the public good by providing profits that are used to pay foreign debt and create new jobs. Former Economic Minister Kwik Kian Gie

described the Barito Group of Prajogo Pangestu (involved in PT TEL and MHP) as a 4 'black' conglomerate. He accused them of paying analysts to initiate a disinformation campaign suggesting that if (corporate owners) were jailed, the companies they owned would go bankrupt and employees would lose their jobs. 'It is said that ... Syamsul Nursalim and Prajogo are heroes and saviors who could not be disturbed by me as the coordinating minister... So the robber barons are being hailed as the saviors of labor,' (*The Jakarta Post* 2000b). Corporate managers accuse peasants, workers, and non-governmental organizations that criticize and oppose their operations of opportunism and anarchical tendencies. For example, a representative of PT Tanjung Enim Lestari (PT TEL), a corporation established to build the largest paper and pulp factory in Southeast Asia, maintained that where formerly there had been 'unproductive land', there was now a factory with jobs. While acknowledging that the PT TEL concession included land from five villages and that the paper and pulp factory could provide only a small number of jobs for local residents,⁸ he insisted that there was no reason for protests against the factory. He said that while PT TEL supported the transition to a more democratic government, the new openness meant that 'now everybody wanted something and was ready to demonstrate to get it. The government needed to be strong to protect factories and their employees, so that investors would feel secure'. He pointed to the conflicts in Ambon and Aceh to emphasize that the government's control over the country was disintegrating because it did not take strong action and concluded by reiterating the need for security to bring foreign investors back to Indonesia.⁹

In an interview in August 2000, the Governor of South Sumatra, Rosihan Arsyad, listed four pressing problems in the transition to greater democracy and local autonomy:

- increasing the people's understanding of democracy;
- establishing an orderly society with respect for the law;
- improving the security forces so that they act professionally and in the interest of society; and
- resolving conflicts over land.

On June 6, 2000 the Governor proposed the elimination of Permits to Use the Forest (HPH). In August, he reported that 135 land conflict cases had been registered with his office.¹⁰

⁵ According to a report of the World Rainforest Movement (WRM), from 1967 to 1997, 'planted areas increased 20-fold and crude palm oil production augmented at an average annual rate of 12%.' 'The rapid growth of the oil palm sub-sector has displaced local communities, resulted in social conflict, contributed to the devastation caused by the 1997/98 forest fires, and posed a significant threat to Indonesia's existing forest cover.'

⁶ NES/PIR called for a 'nucleus' of a government-owned estate to be established within a larger 'plasma' area of small holders, who would grow the same crop and sell their produce under contract to the government estate. It is easier for the central government to tax corporations (or obtain a share of profits in other ways) than to tax small holders.

⁷ As a World Bank working paper puts it, 'Since the land is infrequently titled, these negotiations can be complicated and intractable. Following the negotiations, the land is typically leased for thirty years with an option to renew, rather than purchased outright. The lack of clear title certainly builds a barrier to investment in tree crops. However the implication for small holders is much broader. Lack of title inhibits transfers of ownership in general, and small holders who may wish to migrate to better opportunities may have to abandon valued properties' (Gellert 1998:80-1). According to a study of an unsuccessful NES/PIR rubber project in Lahat, South Sumatra, local residents hesitated to participate because they were uncertain that the project would increase their income. Secondly, participants had to fulfil a set of conditions to be accepted in the project. Consequently, the target for participation in the project was not met. Third, the project manager said that many participants did not take care their plants as agreed. On the other hand, participants said that they had not received adequate information. (Final Evaluation Report PIR, Center for Economic and Social Research and Development [P3EM] 1986:25-37).

⁸ PT TEL has hired only 500 local people, and this in response to protests by local residents. The local employees are all young men, who are trained for security. This means that the head of household has lost his livelihood from his rubber trees, while some of the toughest young men have obtained jobs, a change that disrupts the normal social order of village life.

⁹ Interview with Arnold Bakara, Technical Manager PT TEL, at the factory in Muara Enim (July 24, 2000).

¹⁰ In 1999, the Legal Aid Society (LBH-Palembang) had recorded 193 cases of land conflict.

The Conflict between PT Gunung Sawit Bina Lestari (PT GSBL) and small holders in Kundi on Bangka¹¹

PT Gunung Sawit Bina Lestari is owned by Ramli Sutanegara, a local Indonesian businessman. There is no foreign capital involved in the company. In 1995, PT GSBL received a concession of 10,000 hectares to establish palm oil plantations in Kecamatan Muntok and Kecamatan Perwakilan Simpang Teritip, Bangka. The villagers say that on June 1, 1995, without informing them of the concession, PT GSBL brought in heavy equipment and began to build a road into the area. Shortly thereafter, the headmen (*lurah*) of Kundi, Mayang, Plangas, and Pangek in Kecamatan Muntok and Sungai Ibul were informed of the company's intent to build a palm oil plantation. They were told that PT GSBL would pay the legally stipulated compensation for land and villagers would be employed in the plantation and factory.

Most of the villagers of Kundi are farmers who own 2-5 hectares of land on which they grow pepper and rubber as cash crops, along with rice, vegetables and fruit. They earn a subsistence living and are not classified as below the poverty line. Because the price of pepper has been relatively high, some farmers have saved enough money to go on the Hajj. In general they did not want to give up their land. However, when the company began to bulldoze their fields, some decided not to resist. The villagers in Mayang, Plangas, and Sungai Ibul were divided, and PT GSBL was able to pressure the resisters into compliance. However, Kundi, which had about 5,000 residents, united in opposition to the appropriation of their land.

The land claimed by Kundi was communal land (*tanah adat*). According to the villagers, they had been settled in the area by Sukarno, who gave them land for the village and to farm. They used the communal forest to gather wood for cooking and building, to collect jungle crops, and for rubber and pepper gardens. A villager's right to a particular area was marked by trees that were recognized by everyone in Kundi and the surrounding villages. If granted permission by the *tokoh masyarakat* (traditional leader) of Kundi, people from neighboring villages might also use the communal land as long as the purpose was not commercial.

The *lurah* of Kundi was afraid to lead the villagers' protest. He said, 'I cannot resist, because I'm a government official, which means that I cannot take sides.' The villagers accepted that the *lurah* would remain neutral,¹² and with the

lurah's permission, TS, a charismatic 53 year-old man, agreed to represent the villagers in their case against PT GSBL. The villagers took an oath that none of them would 'sell' land to the company.

On June 8, 1995, TS sent a letter to PT GSBL, informing the company that the villagers of Kundi did not want to give up their land or receive compensation. He explained that Kundi was not a poor or backward village, but rather an historic village with ancient graves. Secondly, the fertilizers and pesticides used by the company would affect the ecosystem of the sea, threatening the livelihood of village fisherman, who caught coastal fish, shrimp, and crab. Thirdly, the villagers would earn less as laborers on the palm oil plantation than they presently earned as farmers. In later interviews, the villagers added that they did not want to be bound to the company work schedule of 8:00 a.m. to 5:00 p.m. Receiving no reply to the letter, TS went to the company headquarters the following week, but no one would receive him. Instead, local government officials warned him not to resist the company.

At the end of June, the *Camat* of Muntok and Perwakilan Simpang Teritip arranged a meeting with leaders from Kundi, Lima, Belo Laut (Sungai Ibul) and Mayang to discuss the conflict with PT GSBL. According to the villagers, the *Camat* said that he had not been consulted about the concession. The local police chief also had been left out of consultation and did not approve the take over of village land. But nothing was decided.

At the beginning of July, PT GSBL began to clear land, including cutting down a plot of one-year-old rubber trees planted by a Kundi resident. On July 16th TS and AS, who had returned to Bangka to help his father fight for his land, sought help in Jakarta. They sent a letter of protest to the national Human Rights Commission, Komnas HAM, various government Ministries, WALHI-Jakarta, the Governor of South Sumatra, and the Bupati of Bangka. They also sought support from the local branches of Partai Demokrasi Indonesia (PDI), Golkar, and Partai Pembangunan Persatuan and from the teachers' organization, Persatuan Guru Republik Indonesia (PGRI). They say that each political party and government official agreed to write objecting to the PT GSBL concession. But the campaign of letter writing was ineffective.

In August, TS organized the villagers of Kundi to stop the bulldozers that were clearing Kundi land. About 2,000 villagers confronted the bulldozers with posters appealing to the Suharto regime, 'Please Pak Suharto, Don't condemn our village' (*Tolong Pak Harto Desa Kami di Gusur*), 'Don't sell our village' (*Jangan di Jual Desa Kami*), 'We know that ABRI protects the People' (*Kami Sadar Pak, ABRI ini Pelindung Rakyat*). This action was successful in temporarily stopping the bulldozers, but TS was summoned by the police. The villagers sought support from the Legal Aid Association, LBH-Palembang. LBH publicized the villagers pro-

¹¹ The information on Kundi is drawn from LBH-Palembang reports and a series of interviews with TS conducted by Jamilah M. Nuh (January/February 2000; August 2000).

¹² Later in the dispute, the village secretary was fired by the Bupati because of his support of the villagers' campaign to retain their land. However, the *lurah* was not fired because he was only indirectly involved in the struggle. In an interview, the *lurah* explained that nobody wanted to be the *lurah*, because the pay was very little, yet the *lurah* was expected to work 24 hours a day and keep the village peaceful (December 21, 1999).

test. Articles appeared in the *Sriwijaya Pos* and *Sumatra Ekspres*. In response, the Bupati of Bangka issued a statement that nobody in Kundi had been evicted from their land. He suggested that 'certain persons' were 'dramatizing the villagers' fears' (*Sriwijaya Pos* 1995a).

In September 1995, TS and other village leaders went to Jakarta to the parliament to present their protest. Representatives of PDI agreed to take up the Kundi case with the Minister of Forestry. They also agreed to protest the use of security forces (Koramil) to intimidate the villagers (*Kompas* 1995b). The Director General of the Department of Agriculture agreed to reconsider the location of PT GSBL's concession (*Sriwijaya Pos* 1995b). Clementino dos Reis Amaral agreed to bring the Kundi case before Komnas-HAM. However, upon his return from Jakarta, TS was picked up by the local police again.¹³

The villagers of Kundi continued their protests and demonstrations. On September 19, 1995, hundreds of unarmed villagers, including children, women, and old people, demonstrated at the company headquarters. They also went to the site near Kundi that was being cleared and tore out the PT GSBL boundary markers and uprooted newly planted palm oil plants. The villagers used a loudspeaker to ask company employees to leave the location because of the conflict over land.

LBH-Palembang called for a halt to the PT GSBL's clearing of land and a meeting (*musyawarah*) between company representatives and the villagers to resolve the conflict. However, the Bupati declared that the villagers' actions were a criminal attack on private property (*Sriwijaya Pos* 1995c). A team of local government officials investigated and reported that land cleared by PT GSBL was 'unproductive' and far from Kundi. A local military unit was stationed in Kundi, and villagers were summoned to Pangkal Pinang, the capital of Bangka, for questioning. Villagers reported that they were not intimidated during these interviews as on previous occasions because LBH-Palembang representatives were present. PT GSBL stopped clearing new land. At the end of October, TS returned to Jakarta to visit officials who had promised to help the people of Kundi. Once again he was promised that the case of Kundi would be looked into. But the case was not resolved until the fall of Suharto.¹⁴ On August 14, 1999, PT GSBL signed an agreement not to ex-

tend its plantation beyond Sungai Ibul into Kundi land.

However, violence erupted on August 15th, the day the boundary between Kundi land and the plantation was to be marked out. According to Kundi villagers, the manager of PT GSBL had hired a local thug (*preman*), A and his gang as a security force (used to harass villagers who resisted settling with the company).¹⁵ At the boundary-marking ceremony, the *preman* attacked five people from Sungai Ibul village who were to be given land by Kundi. A car was damaged and several motorcycles were thrown into a nearby river.¹⁶

The success of the villagers of Kundi in reclaiming their land from PT GSBL was due, at least in part, to the publicity about the case generated by LBH-Palembang and WALHI in Jakarta. The village of Kundi is remote. There is no direct bus to Pangkal Pinang, the capital of Bangka, about four hours away, and there is only one bus a day to the nearby port of Muntok. Were it not for the intervention of the activist NGOs, it is unlikely that news of the conflict would have gotten out, especially as there was no local press in Bangka at the time. Another important factor may well have been the fact that PT GSBL was owned by a local entrepreneur, rather than a Suharto crony or military officer. However, the villagers of Kundi attribute their success to TS. They seem to regard the conflict as a contest of black magic, pitting TS against A, who was much feared as an expert in black magic (*orang berilmu*).¹⁷

The Conflict between PT Musi Hutan Persada (PT MHP) and the villagers of Rambang Lubai and Rambang Dangku, 1999-2000¹⁸

PT MHP is a joint venture of PT Enim Musi Lestari (Barito Pacific Group, headed by Prajogo Pangestu) and PT Inhutani

¹³ According to TS, he was not taken directly to the police station but to a private house, which made the villagers afraid that he would be tortured or disappear.

¹⁴ Throughout this time, TS was subjected to harassment and intimidation by local security forces. According to TS, on one occasion the police came to his house at night to arrest him, but he refused to go with them because they did not have a warrant. The next day, he was picked up by the police and held for three days. He was told that his movement was a threat to security (Gerakan Pengacau Keamanan or GPK) like subversive movements in Lampung and Aceh. After his release, TS was required to report to the police whenever they wanted information about Kundi.

¹⁵ Kundi villagers pointed out that A.'s *preman* had been recruited from Sungai Ibul, a village that had given up its land to PT GSBL. Those attacked were resisters. According to TS, Kundi village agreed to give land to villagers from Sungai Ibul who had lost their land to the plantation.

¹⁶ No one could provide an entirely satisfactory explanation of this incident. Some Kundi villagers speculated PT GSBL had neglected to tell the *preman* about the agreement reached. Others accused Amit of planning the attack for personal reasons. No action was taken the perpetrators.

¹⁷ In August 1996, during a time of high tension between Kundi and PT GSBL, an old man named M, who was regarded as a shaman (*dukun*), built a house on the edge of the land claimed by Kundi. He is credited with having 'protected' Kundi from PT GSBL, although he died from a serious illness before the conflict was resolved.

¹⁸ The information on the conflict with MHP is collected from the reports of LBH-Palembang, WALHI-Sumsel (*Data Kasus Tanah Propinsi Sumatera Selatan Tahun 1999*), *Sriwijaya Pos*, *Sumatera Ekspres*, the national press, interviews with LBH-Palembang and WALHI-Sumsel activists, and interviews conducted with JK conducted by Elizabeth Collins (July 23, 2000 and August 7, 2000).

II, a government owned company, Badan Usaha Milik Negara (BUMN). Beginning in 1989 PT MHP was granted a series of concessions to develop industrial forestry estates in five kabupaten in South Sumatra. In Muara Enim, PT MHP was granted concessions amounting to 260,863 hectares in the sub-district (*kecamatan*) of Benakat, 112,637 hectares in Suben Jeriji, and 33,724 hectares in Martapura. PT MHP was established to be the supplier of raw materials to PT Tanjung Enim Lestar (PT TEL).

Protests over loss of land rights began in Muara Enim in June 1993 when villagers from Benakat, Pelawe, Sungai Ibul and Tebing Tulang sent a letter to the Bupati of Muara Enim signed by 716 household heads protesting PT MHP's occupation of their land. After a series of letters, local government officials sent a team to investigate in June and July 1994. Nothing came from this investigation, so the villagers appealed to the environmental NGO, Wahana Lingkungan Hidup Indonesia (WALHI) in Jakarta in September 1994. The report of LBH-Palembang and WALHI-Sumsel on the conflict generated considerable publicity during the brief period during which the New Order experimented with a policy of 'openness' (*keterbukaan*). A government investigating team recommended that the disputed land be put in 'status quo,' meaning that all parties were not allowed to proceed with activities in the forest until the dispute was resolved. However, in the crackdown following the closing of four major news magazines, the (former) Governor of South Sumatra fired two of village leaders who had supported the protests of villagers. The case of Rimbo Sekampung was never formally resolved, but LBH-Palembang reports that in 1995, 2,000 hectares of undisturbed forest and 1,000 hectares of cleared land was returned to the villagers.

The crackdown following the end of the Openness policy served as a warning to other villages, and further protests were suppressed until the fall of Suharto. In 1998, when PT MHP began an intensive program of harvesting the trees on land claimed by the villagers of Rambang Lubai, protests broke out. One villager and his son were imprisoned for cutting down trees on land they claimed as their own. PT MHP put up watchtowers for fires, bulldozed fire breaks through the forest, and also prohibited villagers from carrying matches in the forest, because some villagers had set the forest on fire in protest.

In September 1999, residents of nine villages from Kecamatan Rambang Lubai demonstrated in Muara Enim, demanding the return of 26,000 hectares, and compensation for trees cut by PT MHP on the disputed land. Their spokesman was JK, a graduate of Gadjah Mada University from Rambang Lumbai who worked in Jakarta. He first heard about the land being taken over by PT MHP from relatives in 1992. When he returned home for a visit in 1994, he learned that the villagers were looking for a way to resist, but were frightened of confrontation because a villager had been shot (but not killed) by TNI soldiers who guarded PT MHP's opera-

tions.

Almost immediately after the resignation of Suharto on May 21, 1998, as soon as JK heard that Habibie was to be the new president, he called Rambang Lubai and urged villagers to collect information to reclaim their land because 'big changes were coming'. In his words, he decided to 'lead a movement in accord with the people's aspirations'. In February 1999, he returned to Muara Enim as a candidate of the Partai Bulan Bintang (PBB) in the forthcoming election. JK says that he saw that Islam was not a central issue in South Sumatra, but he could mobilize people around the issue of land. Although there were only three months until the June election, he decided he would commit himself to a campaign to reclaim Rambang Lubai's land.

In the June election, JK came in second in South Sumatra on the PBB ticket to the younger brother of Yusril Ihza Mahendra, the PBB presidential candidate. He did not win a seat in the DPR, but he did continue his campaign to reclaim the land of Rambang Lubai. On July 22, he went to the PT MHP base camp in Subanjeriji accompanied by representatives from nine villages. The PT MHP spokesman denied that the company had taken one meter of land or one tree from the people. So JK took his campaign to Jakarta. According to JK, the Bupati agreed to support the villagers' campaign in exchange for a promise that they would not resort to violence. On July 27, the local government (Pemda, Tingkat II) set up a team to investigate the claims of Rambang Lubai.

In August, JK organized a demonstration at the office of PT MHP in Jakarta and also visited Habibie, Komnas-HAM, the DPR, and the Department of Forestry and Plantations. Throughout August and September, the villagers mounted demonstrations (*aksi damai*) in Muara Enim. A demonstration of 2,000 villagers on September 11th was the largest demonstration ever seen in the district.

According to JK, he met with PT MHP representatives in Jakarta in October and was told that the villagers' claim (26,000 hectares) was too big and the demand for compensation too costly because there would be a snowball effect and other villages would also present claims. PT MHP proposed that a religious leader (*tokoh agama*) mediate the dispute and tried to pressure JK through PBB channels. Another suggestion was that PT MHP sponsor a mini fertilizer factory in the area so that the villagers would have a new source of income. JK says that on these occasions he was offered bribes, which he rejected. However, he admits that he asked PT MHP to pay the cost of his trips to Jakarta for these meetings. After this, word spread among NGO activists that JK had demanded money from PT MHP and he would be paid off to compromise with PT MHP by a fertilizer factory. The NGOs began to withdraw their support from him.

The villagers continued to mount (peaceful) demonstrations, and the new Governor of South Sumatra, Rosihan Arsyad, set up a team to investigate the issue of Rambang

Lubai's claims.¹⁹ On October 27, 1999, the Director of PT MHP, Joedarso Djojosebroto, met with JK, the Bupati of Muara Enim and representatives of the Governor in Palembang. Djojosebroto announced that PT MHP was willing to return the disputed land and to pay compensation for the trees cut down and the value of other crops destroyed if the villagers could prove legal ownership to local officials (*Kompas* 2000a). He also agreed to stop clearing new land until the conflict was resolved. This agreement was revoked three days later, on the grounds that PT MHP could not legally return the disputed land to the villagers because the owner of the land was the state. Only the Ministry for Forestry and Plantations could return the land to the villagers. PT MHP's lawyers also claimed that the agreement had been made under threat of force.

The following day, Friday, there was a demonstration in Muara Enim of 2,500 'workers' protesting against putting the contested land in *status quo*, because they would lose their income. The demonstrators chanted 'Kill JK.' They attacked passing vehicles and destroyed several cars. The villagers of Rambang Lubai claimed that these demonstrators must have been paid by PT MHP, because the number of protestors far exceeded the number of people working for PT MHP. The villagers of Rambang Lubai organized a counter-demonstration at the Governor's office in Palembang.

At the end of December, the report of the Governor's investigating team was released. It said that only 600 hectares of the PT MHP concession could be documented as belonging to the villagers of Rambang Lubai. JK rejected the report on the ground that 5,063 heads of families had land claims, so the finding would mean only 1/10 of a hectare per family. However, he acknowledged that the figure of 26,000 hectares included land claimed by villagers in two sub-districts—9,150 hectares in Rambang Dangkau and 15,556 hectares in Rambang Lubai.²⁰ JK announced that he would represent only Rambang Lubai and agreed to reduce their claim to 12,000 hectares.

The villagers' protests against the findings of the Governor's team were ignored, so in February they renewed their demonstrations. On February 16th, two thousand people from eleven villages demonstrated at the governor's office in Palembang. They erected tents and declared that they would stay until their demands were met. Governor Rosihan Arsyad, who was in Jakarta, promised to meet the protestors the next day (*Kompas* 2000a). Upon his return, Rosihan Arsyad urged JK and the villagers to end the demonstration. According to JK, the Governor pointed out that some villagers were carrying knives, and he was worried about an out-

break of violence.²¹ But the villagers refused to disperse, and the Governor arranged for a kitchen to be set up to feed the villagers. He also summoned security forces in case of violence. Meanwhile, the Governor tried to arrange another meeting with PT MHP. In a meeting with 23 representatives of the villagers, Governor Rosihan Arsyad negotiated the following three points:

- the claim of Rambang Lubai was 12,000 hectares;
- the villager's claims would be certified by local government officials;²² and
- the governor would arrange a meeting between the villagers' representatives and directors of PT MHP for February 23, 2000 (*Kompas* 2000a).

Two days later, the national newspaper *Republika* reported that JK was accused of blackmailing PT MHP by demanding Rp. 300 million as a negotiator (*Republika* 2000a). JK denied the accusation, and the director of LBH-Palembang suggested that the accusation leveled against JK was a strategy of PT MHP's lawyers to turn the conflict into an attack on JK. LBH emphasized that the villagers had legitimate claims, and whether or not JK was attempting to profit from those claims was not the point.

At just this time, PT MHP was becoming the focus of a national investigation into corruption. On February 17, 2000, the Minister of Forestry and Plantations announced that the Attorney General's Office was investigating the alleged misuse of reforestation funds by five major figures linked to former president Suharto, including Siti Hardijanti Rukmana and Prajogo Pangestu of Barito Pacific Group. Prajogo and Tutut were accused of manipulating documents regarding the size of PT MHP's 193,500 hectares in South Sumatra and of having misused Rp 346.87 billion of reforestation funds (*The Jakarta Post* 2000a).

On February 24, 2000, Governor Rosihan Arsyad declared the disputed land in Rambang Lubai and Rambang Dangku in 'status quo' (*Sriwijaya Pos* 2000a). This put the dispute into the hands of the Ministry of Forestry and Plantations. However, the villagers of Rambang Lubai were not satisfied with the governor's action, and on February 29th, they attacked the PT MHP base camps and took three MHP vehicles hostage (*Sriwijaya Pos* 2000b).

The meeting between the director of PT MHP and representatives of Rambang Lubai and Rambang Dangku scheduled for Feb. 23, 2000, did not take place because the PT MHP's president director, Johannes Hardian Widjanarko failed to come to Palembang. However, the protestors left the Governor's office quietly because Rosihan Arsyad said that he would approach the Minister of Forestry to request help

¹⁹ JK objected on the grounds that the investigation committee set up by the Bupati had already validated the claims of Rambang Lubai.

²⁰ Under the system of *marga*, ended in 1974, Rambang Dangkau and Rambang shared communal land.

²¹ On the third day of the demonstration, some protestors harassed and threatened journalists whom they felt were not sympathetic to their cause.

²² PT MHP lawyers reiterated that PT MHP could not legally return the disputed land to the villagers.

in settling the case (*Republika* 2000b).

Two months later, the Secretary-General of the Ministry of Forestry and Plantations, Suripto, announced that he would go to Maura Enim to meet with representatives of Rambang Lubai and Rambang Dangku. JK arranged for press coverage of the visit. When Suripto and his staff arrived by helicopter on April 27, 2000, more than 5,000 villagers waited on the soccer field that had been prepared for his arrival. Some had knives and threatened that they would take Suripto hostage if they were not satisfied with his decision. After the meeting, Suripto declared that the 12,500 hectares of disputed land would be returned to the people of Rambang Lubai, PT MHP would retain the other land in its concession; and compensation for land taken over by PT MHP would be determined by the provincial government (PEMDA). Suripto stated that his decision was in agreement with new forestry regulations: 'Up until now, corporations have been facilitated in obtaining land; now it is time to give compensation' (*Sriwijaya Pos* 2000c, *Sumatra Express* 2000, *Walhi News* 2000).

On June 20, 2000, at a press conference in Palembang JK announced that although the villagers of Rambang Lubai had yet to receive any monetary compensation from PT MHP, (*Sriwijaya Pos* 2000g, 2000h)²³ 12,500 hectares of land had been returned to them.²⁴

Analysis

In analyzing what can be learned from these cases, we focus on the major actors in the conflict, 1) villagers, 2) company officials, 3) activist NGOs and the press, and 4) government officials and police and military forces.

Villagers

Under the New Order, there were severe constraints on villagers' ability to resist confiscation of their land for corporate concessions. Villagers and NGO activists agreed that when villagers were divided into opposing factions—those who wanted to accept compensation and were willing to work for the company versus those who wanted to resist—they were unable to defend their land rights. Therefore a major strategy of corporations is to create horizontal conflict by hiring some local people who then have a stake in the corporation. However, in these two cases villagers acted in solidarity.

Acting on their own initiative, villagers tend to adopt a strategy that could be described as feudal. They write letters bemoaning their fate and lack of sophistication (*bodoh dan miskin*) and imploring government officials to come to their aid. In no case has this strategy produced a response from

officials. Then villagers organize demonstrations that initially are peaceful, but over time tend to disrupt company activities. One example of such direct action is the blockade of bulldozers clearing land in Kundi. In Muara Enim, the villagers of Rambang Lubai took PT MHP vehicles hostage.²⁵ A third example referred to in this paper is the barricade of the new paper and pulp factory in Tanjung Enim mounted by villagers in conflict with PT TEL. The strategy of demonstrations that often leads to attacks on company property and violent confrontations between demonstrators and security forces has often proved to be effective in bringing corporations to the negotiating table. It also has engaged government officials in efforts to resolve conflicts.

Activist NGOs and the press

In the case of Kundi, LBH-Palembang and WALHI played a vital role in the resolution of conflict in the following ways:

- Villagers report that questioning by authorities did not lead to threats and accusations of being PKI (communist) when LBH representatives were present. LBH was also able to limit abuse of power through harassment and intimidation by security forces because they brought disputes to the attention of the press.
- By using the mass media, particularly newspapers, to publicize the conflict, the NGOs were able to pressure government officials to become involved in resolution of conflict.²⁶ Conflicts that remain local and receive no publicity are not resolved.
- The local branches of LBH and WALHI also played a crucial role in investigating the background of land conflicts and documenting the claims of villagers and the actions of the company and government officials.²⁷
- NGOs have facilitated networking among different villages with land claims and contributed to institution building. One example is the creation of the Union for Peasant Solidarity and Welfare of South Sumatra (*Kesatuan Solidaritas Kesejahteraan Petani* or KSKP) in 1996. This organization emerged from three cases in which villagers were successful in reclaiming land, Kundi,

²⁵ In May 2000, after the return of land to the villagers of Rambang Lubai, the villagers of Rambang Dangku attacked the MHP base camp in their area ('Basecamp PT MHP Dibakar Massa', *Sriwijaya Post* 2000e). The following day Nazaruddin Kiemas of the DPR urged PT MHP to negotiate with protesting villagers ('PT MHP - Warga Laukan Renegosiasi' *Sriwijaya Pos* 2000f).

²⁶ In 1995, the (former) Governor of South Sumatra made an attempt to take over the *Sriwijaya Pos*. As a result of conflict over control of the paper, *Sriwijaya Pos* was shut down for a year. South Sumatra now has several local newspapers.

²⁷ Cross-checking the data used to write this paper proved to be extremely difficult because villagers interviewed could not recall the exact date of events or the order in which things happened. In general, data from LBH-Palembang and WALHI has been used where villagers' accounts differ. Local papers provide a check in some cases.

²³ This led to further demonstrations by the villagers in which they threatened PT MHP with further destruction of property.

²⁴ In August 2000, JK confirmed that compensation had not been paid (Interview, August 7, 2000).

Rimbo Sekampung in Muara Enim, and Pelawe in Musi Rawas.

Company officials

Under the New Order, companies with land concessions were able to rely on security forces to suppress protests and conflict. Carrere and Lohmann write, 'PT MHP, one of Barito's timber estate management companies, when it found out that the 300,000-hectare concession it had been awarded overlapped with one given to another timber company in the area, took over fertile land belonging to 200 farmers in Muara Enim regency without warning, destroying durian and jack-fruit trees, rubber plantations, wet-rice fields and forest commons. Protesting farmers were arrested and their claims dismissed out of hand by the provincial governor, who claimed they were merely seeking financial gain. Minister for Forestry Djamaloeddin Soeryohadikoesoemo, for his part, claimed it was the responsibility of the company to settle the dispute—despite the fact that the concession was awarded only on the condition that fertile or privately-owned land 'not be used' (Carrere and Lohmann 1996).²⁸

With no incentive to resolve conflicts over land, corporations resisted negotiation and compromise of any kind. This has been a major factor in contributing to outbreaks of violence, as seen in these and other cases. However, the transition to local autonomy and greater accountability has made a difference, as seen in the resolution of the conflict between Rambang Lubai and PT MHP.

Government officials, police military forces

In the New Order, officials tended to act in the interest of elites connected with the Suharto regime, and they were generally rewarded for their support. Highly placed government officials in South Sumatra—including the (former) Governor of South Sumatra and Bupati of Muara Enim—had a financial interest in PT MHP and PT TEL (*Sriwijaya Pos* 2000d). This made the conflicts involving these corporations impossible to resolve at the local level. By contrast, the owner of PT GSBL was a local entrepreneur, and this may have made resolution of the conflict with the villagers of Kundi easier to resolve at the local level.

Lower level New Order officials were put in a difficult position. Their superiors expected them to carry out policies that benefited elites at the expense of local residents and at the same time to maintain security and order. Caught in the middle between their superiors and small holders, with whom they sometimes seemed to sympathize, government officials and officers of security forces walked a fine line. One of the best examples of this is Kundi, where the *camat* tried to explain to the villagers that they were not responsible for the

decisions they were expected to carry out. Understanding the dilemma of their *lurah*, the villagers of Kundi tried to protect him by allowing him to retain a neutral posture.

Local officials and officers of security forces generally seem to have done their best to limit violent conflict. Unable to pressure corporations to address the claims of protestors, the major tools of local government officials and security officers were intimidation and harassment. When there was an outbreak of violence, these tools were employed, but only rarely did the police resort to actually arresting the leader of protests.

Conclusion: conflict over land, democratization, and decentralization

Three changes in patterns of land conflict have emerged in the last year—July 1999-August 2000—of a hoped-for transition to a more accountable and decentralized government.

First, villagers in lowland South Sumatra show a new willingness to challenge corporations to redress long-standing grievances, as in the case of PT MHP. This means that there will be an increase in violence unless new channels are developed for the resolution of such conflicts.

Second is the emergence of new political actors. After the fall of Suharto, local elites saw new opportunities to benefit from development in South Sumatra.²⁹ JK is one example of the demand for local *pribumi* control. Although JK did not win a seat in the DPR, he has mounted a campaign to make Prabumulih a new kecamatan. NGO critics say that he hopes to become *camat*. They accuse him of building a following by supporting populist causes, such as the land claims of villagers. They say that people in Rambang Lubai are very dependent (*sangat tergantung*) on JK. In contrast LBH and WALHI say that their goal is to empower people by helping them gain new skills and showing them how to act collectively so that they will be able to deal with future problems.

Third is a new willingness on the part of the governor, bupati, and camats of South Sumatra to become engaged in attempting to resolve conflicts over land. Most striking is the role of the new governor of South Sumatra, Rosihan Arsyad, who pushed PT MHP to negotiate with the villagers of Rambang Lubai. In August 2000, the Governor said that he had personally intervened to settle 35 cases of land conflict in South Sumatra. Since villagers could not document their claims, he was forced to rely on his heart and judgement in finding a fair resolution. Further difficulties are encountered in cases involving multinational or foreign-owned corporations, where contracts cannot be renegotiated and

²⁸ Carrere and Lohmann draw their information from reports in *Tempo* and reports of the Network for Forest Conservation (SKEPHI) (1995).

²⁹ An official in the office of the Bupati of Lahat reported in August 2000 that he had been approached by many people who hoped that corporations controlled by Suharto cronies would be replaced by corporations owned by South Sumatrans.

alternative land must be found for either the corporation or the villagers. When a corporation controlled by a powerful Indonesian conglomerate resists negotiation and the disputed land is put in 'status quo,' responsibility for resolution of the conflict returns to the Ministry of Forestry and the central government. This runs counter to the decentralization of power promoted by *reformasi*.

A final finding of a review of land conflicts in South Sumatra is that not a single conflict has been resolved through the judicial system. Villagers say that the judicial system is corrupt and because they cannot document their land claims, there is no point in going to court. Consequently, they tend to adopt the risky strategy of wearing down a corporation through demonstrations. Demonstrations often lead to attacks on company property and undermine investor confidence, yet villagers have seen that this is the most effective strategy in achieving resolution of land conflicts. This analysis suggests that there is a vital need for the institutionalization of alternative means of conflict resolution.

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