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Chris Barr

## The struggle to control Indonesia's forests

Over the past two decades, at least 60 countries have made a significant effort to decentralise the management and administration of their natural resources. The process has been driven by the belief that a shift in authority away from the centre would make decision-makers more accountable, the business of government more transparent, and lead to a more equitable distribution of the benefits which flow from the exploitation of forests and other resources.

Indonesia's experiences with decentralisation have been closely studied by CIFOR and some 20 local and international research partners. The key findings of two major projects, funded by the Australian Centre for International Agricultural Development (ACIAR) and the UK Department for International Development (DFID), were published in 2006. *Decentralisation of Forest Administration in Indonesia* explores the impact of decentralisation on the sustainability of Indonesia's forests, on governance and on local livelihoods.

For three decades prior to 1998, President Suharto's government exercised formal control over the 143 million hectares of land which were classified as 'forest estate.' Most of the timber concessions were allocated to companies with close ties to the political and military élites, and the districts and local communities gained little from the exploitation of the country's forests.

Then Suharto fell, and a democratically elected government introduced reforms which gave district governments, and local communities, a much greater say in forest management. The process of decentralisation was rapid and far-reaching, with

district authorities issuing large numbers of small-scale logging and forest-conversion permits in the months following the passage of the 1999 regional autonomy law. By 2002, however, the pendulum had already begun to swing back towards greater central control in the forestry sector, as Jakarta began to claw back the authority that had been given to provincial and district governments.

According to CIFOR policy scientist Chris Barr, decentralisation has had mixed results. “Decentralisation happened very quickly and it was poorly planned and poorly implemented,” he explains. “There was certainly a transfer of authority from the centre to the districts, but many of the governance problems which were apparent when the centre managed the forest estate have simply been replicated at the local level.” A small locally based élite now captures most of the benefits which come with forest exploitation, and corruption among local government employees is rife.

The CIFOR study makes it clear that there have been few benefits as far as the forests are concerned. In many provinces, the pace at which forests were being cleared – either legally or illegally – increased when district governments were given the powers to allocate small-scale logging concessions. But forest destruction was already happening under the old system, and decentralisation simply accelerated a process that was already under way.

There is no doubt that decentralisation has led to a significant increase in local government receipts from forestry activities, especially in East Kalimantan, Central Kalimantan and Riau, the main timber-producing provinces. However, the people



who have most to lose when forests disappear, the local communities, have often received little or no payments for the exploitation of 'their' forests.

However, decentralisation has at least helped to make local communities more visible. "In the past, during the Suharto era, they were completely ignored," explains CIFOR social scientist Moira Moeliono, "but now their voices are being heard. They are no longer docile, as they were in the past, and both local and central governments now recognise that the issue of community land rights needs to be addressed."

The core messages of *Decentralization of Forest Administration in Indonesia*, which was launched at a meeting of the Asia Forest Partnership in Yogyakarta, are aimed at Indonesian policy-makers, development agencies and others engaged in decentralisation. There are some significant lessons to be learned from Indonesia's experience and the book offers a number of recommendations. If

Indonesia is to avoid a 'tragedy of the commons', governments at every level will need to move beyond the ongoing tug-of-war over the economic rents associated with timber production. Instead, say Barr and his co-authors, they must focus on how responsibility for managing existing and degraded forests should be shared so that the forests, and those who depend on them for their livelihoods and survival, benefit both now and in the future.

This message was also clearly articulated in *The Politics of Decentralization*, a global analysis launched at a major CIFOR conference, held in Switzerland in April 2004 and organised by the governments of Switzerland and Indonesia. At the time, the Secretary General of Indonesia's Ministry of Forestry said he would like to see the book translated into bahasa Indonesia. It would provide valuable guidance, he believed, to policy-makers in central and local government. The Indonesian version was duly published in 2006.

## Room for Improvement

Between 2002 and 2006, CIFOR and the World Resources Institute (WRI) studied the impact of decentralisation on forests and rural livelihoods in Cameroon. Their research is summarised in a CIFOR Governance Brief, *Improving Decentralized Forest Management in Cameroon: Options and Opportunities from Ten Years of Experience*. The transfer of power, away from central government, represents a significant change in forest tenure arrangements. Unfortunately, the implementation has led to poor results and the goals of decentralisation are not being met.

Over 40 per cent of the country's population live in rural areas, and the dense rainforests which cover approximately half the country provide them with a range of goods and services, from timber to fuelwood and fibre, from land on which to grow crops to a whole range of non-timber forest products which can be consumed or sold. When the country was plunged into a severe economic crisis in the 1990s, many communities became increasingly dependent on the exploitation of natural resources, especially timber.

Decentralisation, which began with the passage of the 1994 Forestry Law, should have given marginalised groups greater access to resources, and ensured that decisions were made which reflected local needs and interests. According to CIFOR researcher Phil René Oyono, that simply hasn't happened. "Our research suggests that decentralization has led to greater conflict at the local level, and it has helped to create new social élites and undermined the traditional village authorities," he says.

In some places, the financial resources generated from the exploitation of forests have brought tangible benefits to local communities. They have been used to build houses, establish community nurseries, dig wells, repair classrooms and set up beekeeping enterprises and the like. However, the researchers have found that there is nearly always a disproportionate gap between revenues generated from community forests, and the quality and quantity of socio-economic benefits derived by the villagers. Furthermore, in many areas, villagers have derived no tangible benefits at all, and a substantial portion of the revenues generated by decentralized forest management has been embezzled by local councils and management committees.

The report suggests ways in which the process of decentralisation could be reformed to improve local livelihoods and provide benefits that can be equitably shared among rural communities. Among other things, legal sanctions against corruption and embezzlement are urgently needed, and management committees need to be constituted in such a way that they are no longer dominated by a small (and frequently corrupt) élite. "Decentralisation is a nice concept," suggests Oyono, "but if it is to succeed in Cameroon, it needs to be supported by democratic practices and good governance at the local level." There is, as the authors of the report suggest, enormous room for improvement.



Small-scale logging of a community forest in Cameroon.  
Photo: Veille & Jum

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