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Research Report

Property Rights and Deforestation Implementing Community Forestry in Indonesia: Tale of Two Villages

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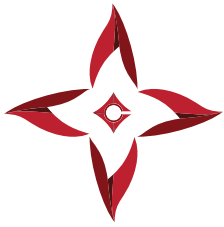
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CIPS

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Policy Studies

**Implementing Community Forestry
in Indonesia**

The Tale of Two Villages

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Implementing Community Forestry in Indonesia

The Tale of Two Villages

by

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Jakarta, Indonesia

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Glossary

ASITA	: Association of Indonesian Tour and Travel Agencies
BPD	: <i>Badan Perwakilan Desa</i> (Village Representative Council)
GSS	: Golden Sunrise Sikunir (ecotourism site)
HPI	: <i>Himpunan Pramuwisata Indonesia</i> (Indonesian Tour Guide Association)
LMDH	: <i>Lembaga Masyarakat Desa Hutan</i> (Village Forestry Board)
Perum Perhutani	: Indonesian state-owned company for forest management
Pokdarwis	: <i>Kelompok Sadar Wisata</i> (Tourism Management Group by the local community of Sembungan village)

Executive Summary

The Indonesian constitution mandates that all natural resources remain under the control of the state. Over the years, legal stipulations put different levels of government in charge but the authority to manage the forests stayed with government agencies. This has been ineffective in reducing deforestation in the country and the villagers in close proximity to forests continued to live in poverty. Without property rights, they were unable to legally enjoy the benefits of forest resources and consequently were tempted to take part in illegal forest exploitation, such as poaching and illegal logging.

In recent years, the Indonesian government gradually implemented provisions of the national forestry law, granting those local communities the right to get involved in forest resource management. The villagers were required to set up a village forestry board and they had to share the profits with the state in order to be granted the right to use and access forest resources. The Indonesian community forestry policy intends to provide concessions to 33,000 villages across Indonesia but property rights alone will not reduce deforestation and improve the villagers' livelihoods. Complementary activities are necessary.

This study presents the experiences in this regard, of the two villages of Sembungan and Buntu in Kejajar District, Wonosobo Regency, Central Java Province. These two villages are situated only 10 kilometres apart and both had been offered partial property rights under the community forestry policy. The way both villages managed the opportunity was substantially different. While Sembungan developed an ecotourism site, which has contributed to the villagers' livelihoods, Buntu has struggled to build its own initiative. Instead, this village was threatened by plans of the national state-owned forestry company, Perum Perhutani, to cut trees around the village.

The two case studies highlight the importance of activities in 3 areas that complement the community forestry policy in order to achieve the intended beneficial outcomes. Firstly, there needs to be an agreement among the villagers that changes due to economic development can be beneficial for the village. An exposure to successful cases may help create such an agreement. Secondly, there needs to be capacity-building programs to improve planning, organization, finance and human resource management skills in the villages. Thirdly, villages need to engage with external actors in neighbouring villages, government agencies and business circles to win their support for local development projects.

Indonesian Forestry at a Glance

Indonesian forests cover more than 91 million ha or 53% of Indonesia's land mass². They generally fall under three categories: conservation, protection, and production forests.

Conservation forests preserve the richness of Indonesia's biodiversity, including plants, animals and their ecosystems. In addition, they also store no less than 433.5 metric ton of CO₂/ha in their living biomass³, which makes them critically important for mitigating the effects of climate change.

Protection forests support human livelihood by preserving soil fertility, preventing erosion and floods, and maintaining ground water supplies. They are important because millions of Indonesians live on the slopes of about 150 volcanoes and experience an average national rainfall of 2,702 millimetres per year⁴.

“ Spread over 18,000 islands, Indonesia contains the world's third largest area of rainforest after the Amazon and Africa's Congo Basin ”

~ Rainforest Action Network, 2016

Production forests are being exploited for economic benefits and can be cut down partially or in their entirety. These forests contributed a gross value added of over USD 3.2 billion to the Indonesian economy in 2009⁵. Products include timber, rattan, pine tree sap, wood resins, sandalwood oil etc.

Article 33 of the Indonesian Constitution states that “the land, the waters and the natural riches contained therein shall be controlled by the State and exploited to the greatest benefit of the people”⁶. Forestry Law 41/1999 stipulates accordingly that the government has the authority to “maintain and manage anything related to forest, forest area, and forest produces”⁷. Corporations and business cooperatives are being told to “gradually empower” local community cooperatives “to become solid, independent and professional cooperatives having equal position with other economic enactors”⁸. During the initial years of democracy and decentralisation after 1998, however, this was hardly implemented and for years local communities had no property rights and no access to local forest resources.

² UN FAO. *Global Forest Resources Assessment 2015: Desk Reference*, Food and Agriculture Organization of the United Nations, Rome, 2015. p. xiii, available at <<http://www.fao.org/3/a-i4808e.pdf>>

³ Josil P. Murray, Richard Grenyer, Sven Wunder, Niels Raes, Julia P.G. Jones. 'Spatial patterns of carbon, biodiversity, deforestation threat, and REDD+ projects in Indonesia', in *00/0 Conservation Biology* (2015) p. 5, available at <http://www.cifor.org/publications/pdf_files/articles/AWunder1501.pdf>

⁴ Compared to 715mm in the US and 700 mm in Germany. <http://data.worldbank.org/indicator/AG.LND.PRCP.MM>

⁵ UN FAO. *Global Forest Resources Assessment 2015 - Country Report: Indonesia*. Food and Agriculture Organization of the United Nations, Rome, 2015. p.105, available at <<http://www.fao.org/3/a-az239e.pdf>>

⁶ Constitution of Indonesia, https://www.unodc.org/tldb/pdf/Indonesia_const_1945.pdf

⁷ Law of the Republic of Indonesia Number 41 of 1999 regarding forestry, http://theredddesk.org/sites/default/files/uu41_99_en.pdf.

⁸ Elucidation of Law of the Republic of Indonesia Number 41 Year 1999 Concerning Forestry, <http://www.flevin.com/id/lgo/translations/Laws/Law%20No.%2041%20of%201999%20on%20Forestry%20%5BElucidation%5D.pdf>

The lack of local property rights and the poor management of forest resources by authorities on different levels of government were significant contributors to large-scale deforestation.⁹ From 1990 – 2015, Indonesia lost an average of 1,101,400 ha forestland per year¹⁰. Meanwhile, the government hardly utilized the economic potential of forest resources for the livelihood of local communities. 16 million villagers, who live inside and around the forest, have insufficient incomes and remain poor.¹¹ Without proper access to the forest resources, the villagers engaged in illegal activities (such as logging and poaching) in attempt to escape poverty.¹²

Gradually, however, the state-owned forestry company Perum Perhutani started to involve village communities in forest management. In the Wonosobo Regency a sustainable forest resource management guideline¹³ stipulated in 2006 that local communities around the forests will be trained in forest management and granted access to the benefits of forest resources.¹⁴

In 2009, the national government issued a guideline on forest resource management with local communities¹⁵. The guideline acknowledges the communities' rights to fair representation in the management and protection of forest resources. In order to be included, a village needs to form a village forestry board¹⁶ and it has to agree on a profit-sharing model with Perum Perhutani.¹⁷

Finally, in 2015, a new community forestry policy was announced with the intention of giving 12.7 million hectares of state forest concessions to the management of local communities in 33,000 villages. All these villages were asked to set up communal institutions that manage the forests and engage with Perum Perhutani in order to benefit from the newly-acquired property rights.

This study compares experiences of two villages located in the Keajar District, Wonosobo Regency, in the province of Central Java. Buntu and Sembungan are only 10 km apart from each other and they are positioned on the Dieng

“From
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⁹ World Bank 2006

¹⁰ UN FAO. *Global Forest Resources Assessment 2015: Desk Reference*, Food and Agriculture Organization of the United Nations, Rome, 2015. p. xix, available at <<http://www.fao.org/3/a-i4808e.pdf>>

¹¹ Gutomo Bayu Aji, Joko Suryanto, Rusida Yulianti, Amorisa Wirati, Ali Yansyah Abdurrahim, Temi Indriati Miranda. 2014. *Strategi Pengurangan Kemiskinan di Desa-desa Sekitar Hutan: Pengembangan Model PHBM dan HKM [Poverty Reduction Strategy for Forest Villages: The Development of PHBM and HKM Model]*. Lembaga Ilmu Pengetahuan Indonesia (LIPI) [Indonesian Institute of Sciences]. p.2, available at <<http://kependudukan.lipi.go.id/id/publikasi/naskah-kebijakan/file/12-makalah-kebijakan-strategi-pengurangan-kemiskinan-di-desa-desa-sekitar-huta>>

¹² David Reed describes the example of Seasot village at the slopes of Mount Rinjani where many villagers joined illegal logging activities (Reed, 2006, p. 80). This is just one of many stories from all across Indonesia.

¹³ Joint regulation between Perum Perhutani Regional Division of Central Java and Wonosobo Regent No. 2871/044.3/Hukamas/I and 661/13/2006 on Sustainable Forest Resources Management (PSDHL), signed in 2006.

¹⁴ Rina Mardiana. 2007. Kasus Pengelolaan Hutan Negara di Wonosobo, Jawa Tengah. *Krisis Ekologi dan Kebijakan Pengelolaan Sumberdaya Alam di Era Desentralisasi [Case Study on State Forest Management in Wonosobo, Central Java. Ecological Crisis and Natural Resources Management in the Era of Decentralization]*. Department of Science and Community Development, Faculty of Human Ecology, Bogor Agricultural Institute [Online] p.11, available at <<https://ahnku.files.wordpress.com/2011/02/pengelolaan-kolaboratif-psdhbm-compatibility-mode.pdf>>

¹⁵ The Regulation of Perum Perhutani Board of Directors No. 682/KPTS/DIR/2009 on the Guidelines for Forest Resource Management with the Community (PHBM), signed in 2009.

¹⁶ Lembaga Masyarakat Desa Hutan (LMDH)

¹⁷ Hasrut Hanif, Totok Dwi Diantoro, Ronald Ferdaus, Edi Suprpto. 2013. 'Transformasi Tata Kelola Hutan Jawa: Menuju Pengelolaan Hutan oleh Rakyat Pasca Implementasi Pengelolaan Hutan Bersama Masyarakat [Transformation of Forest Management in Java: Moving Towards Forest Management by the People After the Implementation of Forest Resource Management by the Community]'. In: Edi Suprpto & Agus Budi Purwanto (eds.) *Hutan Jawa: Kontestasi dan Kolaborasi [Forest in Java: Contest and Collaboration]*. Yogyakarta: Biro Penerbitan Arupa. pp.79-80, available at <<http://arupa.or.id/sources/uploads/2014/06/Hutan-Jawa-Kontestasi-dan-Kolaborasi-resize.pdf>>

volcanic plateau at 2,000 meters (6,600 feet) above sea level. Several high mountains that are part of the Bisma Mountain Range surround them. With particularly high precipitation rates of 3,500 – 4,000 mm per year¹⁸, the forests in this region play an important role in preserving soil integrity and absorbing rainwater.

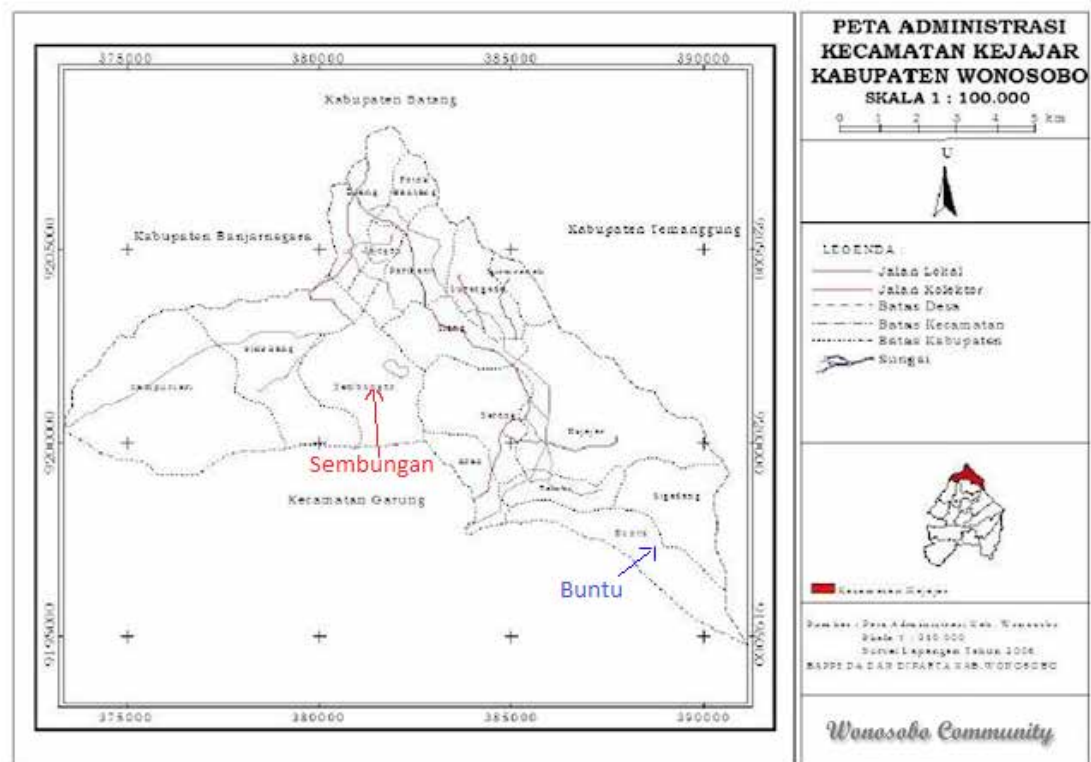


Image 1

Kejajar District Administrative Map, with Buntu and Sembungan villages

Source: (Website of Wonosobo Community, 2010)

¹⁸ Badan Meteorologi dan Geofisika [Indonesian Meteorology and Geophysics Agency] 2016. *Tingkat Curah Hujan Dataran Tinggi Dieng* [Precipitation Rates on the Dieng Plateau].

Case study on Buntu and Sembungan villages

A. Buntu village

Brief statistics¹⁹

Size of area: 3.34 km²

Altitude: 1,328 meters above sea level

Population: 2,429 (677 households)

Size of state forest area: 35 ha

Buntu is one of many villages in the Wonosobo regency exposed to high risk of rainfall-related disasters such as floods and landslides. Located at the foot of Mount Sindoro (summit at 3,136 metres), the surrounding forests play an important role in protecting the soil from erosion. Since heavy floods destroyed 2,500 m² of land in 1997 the villagers know the importance of keeping the forests intact²⁰.

As Buntu is located in a beautiful landscape some villagers considered ecotourism to utilize the partial property rights granted to Wonosobo in 2006²¹. Cengkul Suri Hill lies 5 km from the village at 1,900 metres above sea level and offers breath-taking sunsets and a beautiful view of the Dieng Plateau. A trekking path was built in 2010 and with further development this site could become a popular tourist destination. The Wonosobo regency government was supportive of these plans. It considered opening more access roads to Cengkul Suri Hill and to engage in discussions with Perum Perhutani as the planned roads needed to go through state forests.

In the end, however, these plans were never realized. About a quarter of the villagers were afraid that tourism may have negative and unwelcome effects on the youth. The villagers eventually agreed to abandon the ecotourism plans and to use their property rights instead for the development of intercropping in the local forests.

The idea was to plant silk trees between the original trees of the local forest. This would be lucrative because every silk tree has potential value up to USD 150 and even higher, in the event that the tree trunk was processed and turned into building material. The villagers also planned to diversify the crops by planting bamboo, tamarillo and guava trees. Unfortunately, the village's forestry board could not effectively implement this plan because there was no proper agreement regarding the maintenance of the trees, the sharing of profits, and individual responsibilities for implementing the plan. This lack of clarity and organization among the villagers and their forestry board led to the failure of this project. The young silk trees were stolen even before Buntu villagers could harvest them.

A new community forestry policy was announced with the intention of giving **12.7 million hectares** of state forest concessions to the management of local communities in **33,000 villages**

¹⁹ Statistics Indonesia, *Kecamatan Kejajar Dalam Angka 2015* (Kejajar District in Figures 2015), p.11.

²⁰ Interview with Suroto, Buntu villager, 28 April 2016.

²¹ See footnote 7 above

The inability of Buntu villagers to take full advantage of their property rights brought unwanted consequences. In 2015, Perum Perhutani announced plans of cutting down 800 trees in the state forests surrounding Buntu. These forests were classified as production forests and, as the villagers left them untouched, they were considered under-utilized. The plan met fierce resistance from the villagers, who had come to understand that deforestation increased the risk of floods and landslides.²² Their official petition (see Image 2) to Perum Perhutani was endorsed by the Wonosobo regency government because it was in line with a reforestation programme that campaigned for the planting of deep-rooted plants since 2008.²³ The regency was afraid that villagers would return to planting potatoes and other seasonal crops that would not maintain the quality of the soil and would lead to dangerous erosion. Perum Perhutani eventually abandoned its plans.



“The inability of Buntu villagers to take full advantage of their property rights brought unwanted consequences”

²² Interview with Supardi, Buntu Chief of Village, 13 January 2016.

²³ In 2008 the Wonosobo regency government approved of a Dieng Recovery Task Force (TKPD) to lead the restoration and reforestation of the Dieng Plateau. The task force consists of local government officials, academics, environmental activists, and journalists.

Image 2

Petition by Buntu villagers from 2015 rejecting Perum Perhutani's plan to cut trees in the forests around their village²⁴

	
PEMERINTAH KABUPATEN WONOSOBO	
KECAMATAN KEJAJAR	
DESA BUNTU	
Alamat : Desa Buntu Kec. Kejajar, Kab. Wonosobo Prov. Jawa Tengah Kode Pos. 56354 Telp. 081227693947	
No : / III / 2015	Buntu, 09 Maret 2015
Lamp : lembar	Kepada,
Hal : Penolakan Penebangan Pohon	Yth, Administratur KKPH Kedu Utara
Diatas desa Buntu	Jln. Veteran no. 30 Magelang
	di - MAGELANG
Dengan Hormat	
<p>Sehubungan dengan adanya rencana penebangan pohon sekitar 800 batang oleh pihak Perhutani di lahan hutan sebelah atas desa Buntu di lokasi milik Perhutani, dengan ini kami atas nama masyarakat desa Buntu MENOLAK KERAS rencana tersebut dengan pertimbangan sebagai berikut :</p>	
<ol style="list-style-type: none">1. Posisi desa Buntu termasuk rawan bencana, terbukti beberapa waktu yang lalu terjadi banjir yang menyebabkan sekitar 1 hektar ladang milik warga habis,2. Penebangan pohon tersebut sangat bertentangan dengan upaya warga desa Buntu yang telah dibina oleh TKPD (Tim Kerja Pemulihan Dieng) sejak tahun 2008 untuk melestarikan lingkungan dalam bentuk penanaman berbagai jenis tanaman keras di ladang, di lahan hutan dan tempat-tempat lain agar memiliki fungsi lindung.3. Adanya keterbatasan pengetahuan dan pemahaman dari warga desa dan warga diluar desa akan menyebabkan adanya penebangan pohon dimaksud sebagai bentuk diijinkannya perusakan hutan dan pemanfaatan lahan hutan untuk tanaman semusim.4. Penebangan pohon dimaksud diyakini akan dapat menyebabkan semua warga desa Buntu terancam bahaya banjir dan tanah longsor, mengingat beberapa tahun terakhir curah hujan semakin tinggi sedangkan tanaman keras yang ada di lereng Sindoro dan atas desa Buntu semakin jarang. Penolakan ini lebih pada masalah kemanusiaan.5. Penebangan pohon seperti yang direncanakan akan menyebabkan warga yang telah menyumbangkan tanah / lahan untuk badan jalan menuju hutan diatas desa buntu akan mencabut kembali hibah tanahnya dan akan dicangkul kembali sampai jalan tersebut tidak bisa dilewati.6. Rencana penebangan pohon dimaksud telah menyebabkan kemarahan kelompok pemuda dan warga desa sehingga apabila rencana tersebut dilaksanakan maka kelompok pemuda dan warga desa akan menebang semua jenis tanaman keras yang ada di wilayah desa Buntu termasuk yang ada di kawasan hutan, selain itu jalan menuju hutan akan dikembalikan lagi menjadi ladang seperti dulu, dan warga akan memblokir jalan desa dari armada pengangkut kayu tebangan tersebut.	
<p>Demikian Surat Penolakan ini kami buat sebagai tindak lanjut dari keresahan warga desa Buntu, untuk selanjutnya dapat menjadi perhutian dan kami menunggu adanya Surat Resmi dari pihak Perhutani terkait dengan pembatalan rencana penebangan pohon tersebut.</p>	
<p>Mengetahui Ketua BPD Desa Buntu</p>  <p>SLAMET WAHID</p>	<p>Kepala Desa Buntu</p>  <p>SUPARDI</p>
<p>Tembusan disampaikan kepada yth :</p> <ol style="list-style-type: none">1. Bp. Bupati Wonosobo2. Ibu Wakil Bupati Wonosobo3. Bp. Ketua DPRD II Kab. Wonosobo4. Bp. Camat Kejajar5. Bp. Kapolsek Kejajar6. Asper/KBKPH Wonosobo7. RPH Sigedang8. Kepala Dishutbun Kab. Wonosobo9. Ketua TKPD (Tim Kerja Pemulihan Dieng)	

²⁴ Document obtained from the Buntu Village Representative Council

B. Sembungan village

Brief statistics²⁵

Size of area: 2.65 km²

Altitude: 2,121 metres above sea level

Population: 1,251 (321 households)

Size of state forests area: 50 ha

Sembungan is the highest village on Java island and offers several tourist attractions. After the village received property rights over local forest resources it decided in 2011 to develop the Golden Sunrise Sikunir (GSS) ecotourism site. This joint venture between local villagers, their village forestry board and Perum Perhutani brought major changes to the work and livelihoods of the villagers. Before 2011, almost all villagers worked as potato farmers with an average monthly income of USD 150.²⁶ By taking part in the ecotourism sector, 280 villagers now have additional incomes of up to USD 190 depending on their involvement.²⁷

Tourism to Sembungan began complementing local farmers' incomes in the 1980s. They worked as local tour guides and paid informal fees to forestry officials when entering state forests. Just like other regions on the Dieng Plateau, however, Sembungan also suffered from deforestation that put the village at risk of floods and landslides. With the new community forestry guideline from 2006 and in line with the regency's reforestation campaign after 2008, the Sembungan Village Representative Council²⁸ started a forest rehabilitation program. In addition, the villagers also went through several capacity-building activities, learning how to manage a forest ecotourism site in Sikunir and the surrounding lakes and waterfalls. In 2011, the village forestry board finally managed to reach an agreement with Perum Perhutani and opened the GSS ecotourism site to the public.

In June 2013, the village forestry board legally incorporated the Kelompok Sadar Wisata Association for Cebong lake and Sikunir hill²⁹ called "Pokdarwis". The association is registered under the Ministry of Laws and Human Rights and officially recognized by government agencies, banks and other organizations. At the village level, Pokdarwis cooperates with the Indonesian Tour Guide Association (HPI). At the provincial level there is a co-operation with the Association of Indonesian Tour and Travel Agencies (ASITA), whose 148 travel bureaus promote tourist destinations in Indonesia.³⁰

Currently, Pokdarwis has 280 members. All of them are villagers of Sembungan. Some work as tour guides, ticketing staff, security personnel, parking attendants, and cleaning staff. Others are food and drink vendors, provide accommodation or sell souvenir items and handicraft. Members must follow certain service standards and rules. For example, accommodation providers can only charge their guests in accordance with their facilities (e.g. a maximum USD 15/night for rooms with a private bathroom, and a maximum of USD 11.28/night for rooms with a shared

²⁵ Statistics Indonesia, *Kecamatan Kejajar Dalam Angka 2015* (Kejajar District in Figures 2015), p.11.

²⁶ Interviews with Iswanto, Sembungan villager, 13 January & 28 April 2016.

²⁷ Interviews with Bukheri, finance and administration officer from Sembungan village, 3 & 15 June 2016.

²⁸ Badan Perwakilan Desa (BPD)

²⁹ Perkumpulan Kelompok Sadar Wisata (Pokdarwis) Cebong Sikunir

³⁰ Interview with Tafrihan, Committee Member of Pokdarwis Sembungan, 30 June 2016.

bathroom). They also must provide their guests with at least coffee/tea and freshly-baked potatoes for breakfast. Meanwhile, food and drinks as well as souvenirs and handicraft have to be sold below a maximum price set for each item. Any violation of these rules can be reported to the Pokdarwis secretariat.

Right from the beginning, Pokdarwis encouraged the villagers to engage. Those with spare rooms were advised to turn them into homestay accommodation. Those who owned flat land were offered the opportunity to turn it into parking lots. Pokdarwis also facilitated negotiations between villagers and the village representative council³¹ regarding rent agreements for food and drinks stalls or souvenir and handicraft shops.

Admission fees to the GSS ecotourism site stand at 75 US cents/person, collected from an average of 5,000 visitors per month or up to 3,000 visitors per day during the holiday season. Revenues are being shared between Pokdarwis representing the local community, Perum Perhutani representing the national government, and the village forestry board as the facilitator between Pokdarwis and Perum Perhutani. Pokdarwis receives 44%, Perum Perhutani 35%, and the village forestry board 13%. The remaining 8% are given to the village representative council who use it for social programmes in education, health care etc. Pokdarwis receives additional income from the fees for using public toilets. Accommodation owners pay a portion of their income to HPI, which recruits, trains and pays their staff.

GSS provides Sembungan villagers with additional income that complements their earnings from their main occupations. From all 280 members, 100 take on alternating positions as ticketing staff, tour guides, general and accommodation security personnel, and lavatory attendants. 20 people support the parking of cars and 5 are general cleaners. 30 people have been recruited by HPI and work in tourist accommodations as housekeepers, cooks etc.

“By taking part in the ecotourism sector,
280 villagers now have additional
incomes of up to **USD 190**”

³¹ Badan Perwakilan Desa (BPD) – the village level assembly of elected representatives

Table 1Total number and average monthly income of ecotourism workers in GSS³²

Roles	Number of Staff	Average Monthly Income	Source of Funds
Ticketing	100 (changing assignments)	USD 45	Pokdarwis
Tour guide		USD 75	Tourists
General security		USD 30	Pokdarwis
Accommodation security		USD 30	Pokdarwis
Lavatory attendants		USD 45	Pokdarwis
Parking staff	20	USD 19	Land owners
Cleaners	5	USD 45	Pokdarwis
Accommodation staff	30	USD 75	HPI

The remaining 125 Pokdarwis members are individual entrepreneurs who have opened tourist facilities, such as homestay accommodation, food and drinks stalls, souvenir and handicraft shops. They engage in profit-sharing arrangements in accordance with their businesses.

Table 2Total number and average monthly income of business owners in GSS³³

Business	Number of owners	Average Monthly Income	Profit-sharing arrangements
Homestay accommodation	40	USD 188	80% to owners, 20% to HPI
Food and drink vendors	80	USD 150	100% to owners. Land use charges of 23 USD/year paid to the land owner
Souvenir and handicraft shops	5	USD 451	Same as food and drink vendors

³² Interviews with Pokdarwis finance and administration officer, 3 and 16 June 2016

³³ Interviews with Pokdarwis finance and administration officer, 3 and 16 June 2016

Implementing community forestry in Indonesia

It is a well-researched paradigm³⁴ that property rights lay at the core of the protection of forests and other common pool resources. Experiences in many countries suggest that community forestry³⁵ reduces deforestation and improves the livelihoods of the rural poor. Full property rights include the right to transfer property to others but this has been ruled out by the Indonesian constitution, which mandates the state to remain in control of forest resources. Instead, Indonesian communities are being granted partial property rights to use and access the forests and to enjoy the proceeds of forest management. These usufructuary rights enable people living in and around the forests to exploit the forests' produce, such as honey, fruits, resins, and wood oil. It also includes the right to use the forests as tourist destinations.

“Partial property rights to 33,000 villages will allow the villagers to gain economic benefits from their local forests...But this alone does not lead to more prosperity and less deforestation.”

The new Indonesian policy that intends to grant partial property rights to 33,000 villages will allow the villagers to gain economic benefits from their local forests, albeit in cooperation with the state-owned forestry company Perum Perhutani. But this alone does not lead to more prosperity and less deforestation. The cases of Buntu and Sembungan clearly demonstrate that the same types of property rights granted to similar villages do not necessarily reap the same benefits.

The stories of the two villages reveal substantial differences in three areas: the attitudes and preferences of the villagers, their capacity to manage local forests, and their relations with external actors.

Firstly, the villagers of Buntu and Sembungan have different perceptions of tourism and a different outlook on the future of their village. Sembungan villagers generally concur that tourism provides additional income and they feel compelled to develop it. In contrast, approximately 25% of Buntu villagers want to avoid tourism as they feel that it may affect the morale of the youth. This negative perception of tourism limits their options and their chances to improve their livelihoods.

Secondly, Sembungan acquired the capacity to set up Pokdarwis with well-structured rights and responsibilities of the members with each member performing a specific role in the GSS ecotourism site. Buntu, on the other hand was unable to set up clear and detailed arrangements between the villagers who had participated in the planned intercropping project. This lack of organization resulted in the project failing to reach the intended objectives.

³⁴ Elinor Ostrom, *Governing the Commons. The Evolution of Institutions for Collective Action*, Cambridge, 1990

³⁵ Some of these experiences have been described in a policy paper by the Center for Indonesian Policy Studies on "Forest Ownership and Management in Indonesia: Reducing Deforestation by Strengthening Communal Property Rights" published in June 2015: <http://cips-indonesia.org/en/publications/forest-ownership-and-management-in-indonesia-reducing-deforestation-by-strengthening-communal-property-rights/>

Thirdly, Pokdarwis of Sembungan managed to create and sustain profit-sharing partnerships with key actors, such as Perum Perhutani and the village forestry board. It also co-operated with HPI, which supported staff employment in the accommodation sector, while ASITA promoted the GSS ecotourism site through its member agencies. Meanwhile, Buntu did not have any strategic partnership with actors outside the village that could have supported their intercropping project.

Different experiences in both villages suggest that complementary actions are needed to support the move to local property rights if more villages are to be as successful as Sembungan and to avoid similar obstacles as those experienced in Buntu.

In order to address negative perceptions of changes caused by economic development, village representative councils need to be exposed to experiences of other village forestry boards in neighboring villages. This might provide clarity and a more optimistic outlook on the benefits of developing the local economy. The exposure has to provide a broad picture of options in tourism, agriculture, manufacturing and also other service industries that emanate from the partial property right to utilize forest resources. District (kecamatan) and regency (kabupaten) government agencies need to provide practical guidance that help villagers to see how property rights can improve the livelihoods in their village.

“Perum Perhutani must be involved from the beginning as this company holds the key to accessing forests surrounding the village”

Capacity-building programs and the transfer of know-how from one village to the other help improve management skills in the villages. Pokdarwis of Sembungan visited an ecotourism site in West Java to learn from the local organizers. Other villages can similarly learn from each other how to manage development projects, be it intercropping, tourism, or other sectors; sharing knowledge in key management skills such as planning, organization, finance, and human resources. In order to minimize risks, trying small-scale, short-term projects (e.g. 3-month paprika intercropping in Buntu) is recommended as these may serve as prototypes to improve future endeavors. These projects also provide “short-term wins” that build confidence and inspire the implementation of larger-scale projects.

Finally, Sembungan demonstrated the importance of co-operating with external actors. Perum Perhutani must be involved from the beginning as this company holds the key to accessing forests surrounding the village. The village forestry board needs to build strategic relationships with Perum Perhutani and local government agencies on the district and regency levels. They also need to verify the feasibility of their development projects by engaging with relevant business circles, such as the agroindustry for intercropping and travel agencies for tourism. Academic institutions in nearby cities may be able to provide fresh and innovative insights regarding the development potential of their region.





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