



Land Watch Asia

Campaign Update 2010–2011

INDONESIA

The Unrelenting Fight for Genuine Land Reform¹

Being the world's largest archipelago blessed with abundant and diverse natural resources has indeed made Indonesia's largely fertile land a valuable asset.

The Dutch and Japanese colonial powers knew this only too well, which was why they sought to control as much land as possible to produce such cash crops as palm oil, sugar, coffee, timber and rubber during their long colonial rule over the Southeast Asian nation.

Unfortunately, the end of the colonial era in 1945, when Indonesia became independent, did not mean the end to the ownership of large tracts of land. The reins of power merely changed hands from corporations owned by the Dutch and Japanese colonial governments to the new government under President Sukarno, in particular the military.

The Sukarno government did implement the Basic Agrarian Law (BAL) in 1960—after 12 years of formulation—in recognition of the need to protect the interests of Indonesia's multitude of peasant farmers and redistribute former plantation lands.

The BAL sought to restructure agrarian institutions and reform management of agrarian resources, particularly

land. It stated that the Indonesian people had the right to receive agricultural land through the land reform scheme. The spirit is to free the Indonesian people, most of who depend on the land for their livelihood, from the feudal arrangement under colonial rule where exploitation of peasants was the name of the game.

But while BAL seemed progressive and revolutionary on paper, it was not implemented as envisioned, and land reform from 1960 to 1966, when Sukarno was overthrown through a military coup, was deemed a failure. The Sukarno administration fell far short of its vision to redistribute the former plantation areas as these were tightly controlled by the military elites in collaboration with the village landlords.

If the Sukarno administration was considered bad for agrarian reform, then the Suharto administration was even worse. Instead of redistribution, what emerged during the Sukarno administration was the return to the plantation system.

The BAL was not implemented, and instead new regulations were passed during Suharto's long reign from 1966 to 1998. These include the Forest Law, Mining Law and the Foreign Investment Law, which all contributed to the grabbing of millions of hectares of land owned by small farmers for the benefit of Indonesian and foreign investments in the forestry, industry, housing and agricultural sectors, just to name a few. Control of

The Land Watch campaign in Indonesia is spearheaded by the Consortium for Agrarian Reform (KPA or Konsorsium Pugaruan Agraria) in partnership with Sekretariat Bina Desa.





the plantations remained firmly in the control of the military.

At the same time, Suharto's so-called New Order regime—as opposed to Sukarno's Old Order era—revoked agrarian reform regulations passed during the Sukarno era. In 1970, it

abolished the land reform courts and disbanded the land reform committees, although the general provisions of the BAL of 1960 were neither repealed nor amended.

And just before Suharto fell from power, he signed a large loan from the International Monetary Fund. In keeping with the conditions of that loan, his administration liberated agrarian resources, allowing investors to acquire as much resources as they want, including land.

These liberalization policies remain in effect as administrations that succeeded Suharto have not taken significant strides toward agrarian reform. On the contrary, plantations have expanded; forest and timber concessions have been awarded indiscriminately and mining activities have encroached on indigenous peoples' lands.

There was an incident in May 2003 when then President Wahid made the unprecedented declaration that a number of plantation companies were guilty of grabbing land from peasants. He even went so far as to demand the return of the land to the former owners, as well as the restructuring of the plantation companies.

Unfortunately, Wahid expectedly met with formidable opposition from plantation owners and the reforms he

proposed were never implemented. Instead, the plantation system continues to be in force even with the entry of new administrations, albeit it is now referred to as a “partnership model” where small holders are hired by big corporations to grow a specific crop under a contract arrangement. The model, however, has benefited only the plantation owners and their foreign investors.

According to Indonesia's National Land Agency (BPN), only 1,887 individuals held concessions covering 3.36 million hectares (ha) of land as of December 2000, or an average of 1,780 ha of plantation lands each.²

In contrast, data from Statistics Indonesia (BPS) show that in 2003, the number of marginal peasants in the country numbered 13.7 million, whereas in 1993, there were 10.94 million marginal peasants.³ As marginal peasants have grown in number, the average size of their landholdings has decreased—from 0.83 ha in 1993 to 0.5 ha a decade later.⁴

Given the prevailing inequalities and uncertainties on the policy front, farmers throughout Indonesia thus cannot afford to give up on their fight for policy changes so that they can finally have a taste of genuine land reform they have been longing for since colonial times.



The Land Watch Asia Campaign in Indonesia

Land Watch Asia (LWA) is a regional campaign that aims to ensure that issues of access to land, agrarian reform, and equitable and sustainable development in rural areas are addressed in national and regional development discussions.

The widespread use of land for commercial and industrial use to the detriment of ordinary farmers and peasants is unfortunately not a new phenomenon in Indonesia, and the policy landscape that makes this possible continues to shift in favor of those who benefit from the prevailing system.

Thus it is imperative for civil society organizations (CSOs), smallholder farmers, peasants and those concerned with the equitable distribution of land to be abreast of as well as influence legislative developments that will either further impinge on land rights or lead to changes in the agrarian reform agenda.

The Consortium for Agrarian Reform or *Konsorsium Pembaruan Agraria (KPA)* sought to contribute to this effort of knowledge building by implementing a program called “Developing Common Understanding on New Agrarian Phenomena in Indonesia” as part of the latest phase of the Land Watch Asia campaign convened by the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) and supported by the International Land Coalition (ILC).

In the current phase, the campaign strategy is to intensify policy dialogues with national governments and regional institutions by strengthening and building consensus among constituents. Specifically, the campaign objective at the country level is to develop “improved mechanisms and conducive policy environment for policy dialogue and partnerships among civil society organizations, governments and donors on land issues.”



KPA seeks to better serve its constituents by increasing their knowledge of increasingly complicated land issues and shaping a common understanding on new agrarian phenomena in Indonesia.

The project implemented from June 2010 to February 2011 focused on two major components: information sharing; and policy dialogue and campaign at the national level.

Information networking has involved regular sharing of news, analysis and other land-related information among participating organizations while policy dialogue has covered the undertaking of roundtable discussions on key issues as land rights, food security and land grabbing as well as a campaign on land conflicts.

The workshop on land, food security and other critical issues affecting land rights was intended to pursue a multi-stakeholder dialogue on these issues and rekindle the commitment of development organizations to pursue the unfinished task of helping the poor get land entitlements. Likewise, appropriate national and regional actions will be recommended during the national consultations.

The roundtable discussion on land grabbing, meanwhile, was organized to assess the factors affecting agricultural investments in communities; analyze current and potential impacts of these investments on farmer

land tenure and local economy; and recommend appropriate actions.

These actions should relate to advocacy issues to protect farmers and community rights; strengthen land governance such as instituting a land use plan and facilitate innovative production arrangements to not just enhance productivity but also attain development goals.

On the campaign on land conflicts, KPA sought to increase the public's awareness of the agrarian condition in Indonesia through the holding of press briefings and

the dissemination of regular reports consisting of reports on conflicts as well as analyses and recommendations.

Almost simultaneously, KPA initiated a dialogue of CSOs in Indonesia on the Land Management and Policy Development Project (LMPDP) aimed at changing the BAL of 1960. Indonesia's Ministry of National Development Planning, National Land Agency and Ministry of Home Affairs are implementing the project.

Considering how any change to the basic agrarian reform law would impact agrarian reform campaigns, KPA thought it crucial to hold a national dialogue

BOX

When Business Interests and Land Rights Collide

The growing demand for palm oil for both household and industrial use has undeniably brought great economic benefits to Indonesia, which has emerged as the world's largest producer of the highly prized commodity exported to giant markets such as Europe, China and India.

Unfortunately, such benefits are being generated at great cost to indigenous peoples and subsistence farmers who are being driven out of their lands because of the encroachment of capitalists who want to ride on the highly profitable palm oil bandwagon.

The government is only too happy to facilitate their quick entry because of the promise of

huge taxes or revenues from these get-rich-quick ventures that require more and more land to meet rapid expansion needs.

Take the case of the Merauke Integrated Food and Energy Estate (MIFEE) in Merauke district, which Sawit Watch and SKP Keuskupan Agung Merauke documented from July to August 2010.

The project inaugurated on 12 February 2010 calls for the clearing of as much as two million hectares of valuable land, which will be parceled out to investors that will put in money in a number of ventures including oil palm plantations. It is being administered by the district government of Merauke in the

southern province of Papua and the central government in Indonesia.

Falling by the wayside because of this project are indigenous peoples in the area such as the Marind tribe. Because they rely on their customary land rights, it has been easy for others to encroach on the land they have been living on for generations. Exacerbating the dire situation the indigenous peoples face is the fact that the government is not exercising political will to fight for their rights over their land. Instead, it is facilitating the entry of both local and foreign investors.

among like-minded organizations to discuss the potential impact of the LMPDP and see how CSOs can respond to it and present a united force to deal with the effects and influence its final formulation.

In March 2011, KPA was invited by the National Parliament to a public hearing on land acquisition issues. KPA, with coalition members that make up Karam Tanah or People's Coalition Anti Land Grabbing, attended the public hearing. Idham Arsyad, secretary general of KPA, told Parliament members about the

standing position of civil society to reject the proposed law on land acquisition.

The hearing ended quickly, but the campaign of KPA and other members of the coalition to promote agrarian reform in Indonesia is far from over.

Then from March to May 2011, even after the end of its project under the LWA campaign, Karam Tanah conducted a series of meetings and public hearings and also dialogues with political parties as well as grassroots organizations relating to agrarian reform.

For instance, in the area of the Marind Mbyan, two companies—PT Papua Agro Lestari and PT Bio Inti Agrindo (BIA)—hardly met with the indigenous peoples in the area and did not even seek their agreement before they took over. They only gave token payments to other supposed tribes people who are not the actual owners of the land, thus sparking tribal conflicts.

PT Indocin Kalimantan, meanwhile, supposedly reached out to the representatives of the indigenous peoples who will be affected by its project during the environmental impact assessment process. The

representatives, unfortunately, were not given the opportunity to speak during the meeting and were instead asked to sign documents to release the land. When the 10 leaders returned home, they were sued by their own people because they agreed to turn over the land.

Such blatant disregard for the rights of indigenous peoples over the land being usurped by big corporations in partnership with the government is seen throughout the large-scale project area. This has caused great concern for the local people. Not only do they face the loss of their land; they also stand to lose their identity and

livelihood because monoculture threatens the biodiversity of the forest on which they have depended for generations.

The Marind tribe depends almost entirely on the forest, swamps, rivers and the sea for their survival. If the forests are converted to endless oil palm plantations, the land will be gone and the people fear that when that happens, the Marind will eventually be gone as well.

Source: Sawit Watch and SKP Keuskupan Agung Merauke. Food Barn and Energy MIFEE Project in Merauke Agung Indonesia (draft).

Gains of the Campaign

To kick off the implementation of its programs under the Land Watch Asia campaign, KPA invited representatives of CSOs to take part in a meeting and discussion in August 2010 entitled “Cleave Impasse in Completion of Agrarian Conflict.” About 40 participants, including representatives of local peasant unions and academics attended the meeting.

The discussion led to the formation of a broad coalition to analyze and address agrarian conflict and the enumeration of initial steps on how to commemorate the 50th anniversary of the passage of the BAL.

In September 2010, a series of activities to commemorate the 50th anniversary of the Basic Agrarian Law was implemented. KPA and its network within a coalition, the National Committee for National Peasants’ Day (Panitia Bersama Peringatan Hari Tani Nasional) observed National Peasants’ Day.

Activities implemented by the committee included demonstrations at the Presidential Palace in Jakarta, which was attended by 1,500 participants from KPA as



well as other partner organizations who called on greater government recognition of the need to implement agrarian reform.

In December 2010, KPA organized a discussion on international and local developments relating to agrarian

reform and their impact on Indonesia. Participants expressed specific concern over proposed legislation. For instance, the bill of land procurement would facilitate investors’ purchase of people’s land. The discussion encouraged KPA to expand its alliance in order to prevent the passage of this bill, which would be detrimental to the plight of the already oppressed peasants.

KPA greeted 2011 with a flurry of activities triggered by the submission of President Yudhoyono of the draft law on land acquisition to the Indonesian Parliament for passage.

The draft law is part of the administration’s policy on Revitalization of Agriculture, Fisheries and Forestry (RPPK), which seeks to revive the agriculture, forestry and fisheries sectors to promote economic growth, but largely at the expense of agrarian reform.

Believing that the proposed law will become yet another way to promote land grabbing in Indonesia, or the widespread sale or lease of large tracts of arable land for commercial interests, KPA immediately took steps to form Karam Tanah to prevent the passage of the draft law.

While continuing its work in the coalition, in February 2011, KPA convened a roundtable discussion on land grabbing and food security in Jakarta, during which Ahmad Yakub from the Indonesian Peasant Union discussed the connection between international food trade and land grabbing in Indonesia, especially as companies into the commercial production of food crops in Indonesia are part of the international food trade. This has been cited as one of the reasons why Indonesia’s progress toward food sovereignty has been impeded.

Emiel Kleden, a researcher from the Pusaka Foundation, also discussed the policy of the Indonesian government to establish industrial estates supposedly to achieve food security. The Merauke Integrated Food and Energy Estate (MIFEE) Project, however, is

disadvantageous to the people of Papua; thus the national policy to achieve food security should be reformed.

CSOs, peasant union leaders, academics and even journalists affirmed during the roundtable discussions that land grabbing continues unabated in Indonesia and that new and proposed laws are being used to continue grabbing land in Indonesia.

Civil society groups are thus enjoined to develop and implement programs to impress upon government that it is the state's duty to promote agrarian reform; prevent the passage of new regulations that facilitate land grabbing and revise or amend existing regulations that enable land grabbing.



Lessons and Ways Forward

The rapid development of the Indonesian economy in recent years has provided the administration with some ground to say that policies, including those relating to agrarian reform and land administration, are working for the benefit of the Indonesian people.

In terms of strategy, President Yudhoyono has not departed far from Suharto, who also adhered to market oriented development and liberalization policies. This means in part that the market will largely determine the use of land in Indonesia and this is expected to exacerbate the already unequal distribution and control of land in the country.

During the course of the campaign, CSOs have realized the value of coalition building as it is only in presenting a strong and united force that the movement toward agrarian reform can gain some momentum and credibility with the government, especially one that is decidedly pro-market and does not prioritize agrarian reform.

To realize the agrarian reform agenda, at least five main tasks must be undertaken:

- Resolution of all land and agrarian conflicts and disputes;
- Implementation of land reform programs, including the unfinished land reform of the 1960s;
- Rearrangement of rural production and improving productivity by prioritizing peasants in efforts to improve access to land;
- Revocation of anti-people and anti-peasant land laws and regulations; and
- Development of a strong and democratic peasant-based organization.

The development of such a strong peasant-based organization cannot be overemphasized as the government cannot be relied on to adopt policies benefiting a fragmented and unorganized peasantry at the expense of powerful landlords and interest groups.

For this reason, the development of a strong peasant-based organization is a very important agenda in agrarian reform implementation as well as the most urgent strategic intervention in Indonesia today.

Progressive non-government organizations and committed international organizations can play important

roles as catalysts to help grassroots peasants and landless movements organize and press their demands for land, but the crux of the campaign should be centered on the peasants themselves.

Farmers, after all, are the beneficiaries of any agrarian reform program. In this regard, their participation and support through strong and democratic organizations will be a decisive factor in the successful implementation of agrarian reform. ■

Endnotes

- ¹ Condensed by Ma. Cristina Dumlao based on reports and updates prepared by KPA. Edited by Catherine Liamzon and Nathaniel Don Marquez. Design and layout by Liza Almojuela.
- ² 2000 data from the National Land Agency (BPN) as cited in “The Persistence of Popular Will” (Indonesia Country Paper), *Securing the Right to Land: A CSO Overview on Access to Land in Asia* published by ANGO (2009).
- ³ 2003 Statistics Indonesia (BPS) cited by Serikat Petani (SPI) and IHCS (2008). From “Land Issue and Policy Monitoring Initiative: Indonesia Report” submitted by Sajogyo Institute (SAINS) and Consortium for Agrarian Reform (KPA) in August 2011 as part of the CSO Land Reform Monitoring Initiative that ANGO is leading.
- ⁴ Ibid.

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The International Land Coalition is a global alliance of civil society and intergovernmental organizations working together to promote secure and equitable access to and control over land for poor women and men through advocacy, dialogue and capacity building.



As the overseas development agency of the Catholic Church in Germany, MISEREOR works in partnership with all people of goodwill to promote development, fight worldwide poverty, liberate people from injustice, exercise solidarity with the poor and persecuted, and help create “One World”.



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Founded in 1979, ANGO is a regional association of 17 national and regional networks of non-government organizations (NGOs) in Asia actively engaged in food security, agrarian reform, sustainable agriculture, participatory governance and rural development. ANGO member networks and partners work in 14 Asian countries with an effective reach of some 3,000 NGOs and community-based organizations (CBOs). ANGO actively engages in joint field programs and policy debates with national governments, intergovernmental organizations (IGOs), and international financial institutions (IFIs).

ANGO is a founding member of the International Land Coalition (ILC).

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Land Watch Asia (LWA) is a regional campaign to ensure that access to and control of land, agrarian reform and sustainable development for the rural poor are addressed in national and regional development agenda. The LWA is facilitated by ANGO and involves civil society organizations in Bangladesh, Cambodia, India, Indonesia, Nepal, Pakistan, Philippines and Sri Lanka. LWA aims to: (i) take stock of significant changes in the policy and legal environments; (ii) undertake strategic national and regional advocacy activities on access to land; (iii) jointly develop approaches and tools; and (iv) encourage the sharing of experiences on coalition-building and actions on land rights issues.

This campaign update covers the period 2010–2011.