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## Indonesia after Decentralisation — The Changing Roles of Public and Private Actors in Environmental Regional Programmes

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### Abstract

The decentralization program in Indonesia implemented in 1999 has given far-reaching authorities to the regional government in many fields. With respect to natural resources, central government devolves the authority to manage available natural resources and maintain environmental conservation on land and in water to regional government. This paper discusses several implications of decentralization program especially in forestry sector in the province of East and Central Kalimantan. Shortly after the issuance of the law of decentralization, the central government implemented the decentralization process in natural resources management by releasing legislation (PP no. 6/1999) that devolved elements of authority to manage forests from the central government to the regional government. Now, the regional government are allowed to grant concession up to 10,000 ha. In sum, this regulation provides opportunity for private sector companies as well as local communities and cooperatives to take part in forest resource exploitation. As a result, the number of forest concession applications increased significantly and covered hundreds of thousands of hectares of forestland in East Kalimantan alone. This situation increased logging activities and the production of log and timber. The logging industry generates employment and income for local community. Through permit issuance, fee and tax the regional government can generate their income (gross domestic product). However, local people can only participate in logging activities as workers due to the limitation of capital. People who primarily benefit from this chance are those who own capital. As a result, the rate of income disparity among people living close to forest is relatively high. Besides, the high level of log and timber production results the high level of deforestation. This deforestation will obviously lead to the loss of natural resources and biodiversity and increases the risks of natural catastrophes such as flooding, landslide, drought and insect infestation. Changing roles of public and private actors have accelerated the exploitation of natural resources in Indonesia. Although this process has some undeniable positive consequences in the economic and social sectors, negative consequences on the environment are also obvious.

**Keywords:** Decentralization, deforestation, forest resources, private and public actors