Forest policy, legislation and administration in Indonesia\(^1\)

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I Introduction

Dutch involvement in forestry affairs in Indonesia dates back to the VOC (United East India Company) era in the 17th century, when the Company started to use the valuable teak timber for building its fleet, fortifications and offices. Interest in forests was thus in the first place mainly, if not entirely, in the produce from the forests. In a later period production forestry was indeed developed as the first conception of forest management by the Netherlands East Indies Government.

With the advent of the big agricultural estates in the upland and lowland areas, the need was felt to preserve forested areas in the mountains, partly to serve as a land source for mountain plantation estates (coffee, tea, etc.) but also to protect hillside slopes against erosion and to ensure a balanced water regime necessary for an effective irrigation system for large private sugar estates and the wet rice fields of the people in the lowlands. The concept of protection forestry was introduced.

After independence, forestry in Indonesia had to par-

Summary

Timber rights of the VOC (United East India Company) acquired through agreements with local kings in Java, were transferred to the colonial State in 1796. Under Daendels, teak forests in Java were declared State Domain; efforts were made to improve their management.

The first regulation on forestry affairs was enacted in 1830, the first Forest Service was founded in 1849, the first forest ordinance was issued in 1865. The last forest regulations under the Netherlands East Indies Government were the Forest Ordinance of 1927 for Java and Madura and the Forest Regulation of 1932 for its implementation. Outside Java the forests were administered by autonomous local communities.

The forest policy of the Republic of Indonesia finds its roots in article 33 of the 1945 Constitution: "Land, water and natural wealth are controlled by the State and shall be used for the highest possible prosperity of the people". This basic policy is reflected in the Forest Law No. 5/1967. Related policy statements are stipulated in the G.B.H.N. (National Development Strategy), e.g. of 1978 and 1983, which are fundamental to the organization of forestry projects in the 3rd and 4th Replilita (Five Year Development Plan 1979-1984 and 1984-1989). The policies emphasize rehabilitation and better control of the utilization of forest resources, and encourage popular participation in the conservation of natural resources and environment.

Before 1957 the Forestry Service was fully centralized; the regional Forestry Services were headed by Inspectors of Forestry, who were responsible to the chief of the central Forestry Service. After the enactment of Government Regulation No. 64/1957 part of the Central Government’s control of forestry matters, i.e. forest management, forest exploitation, marketing of forest products and forest protection, was transferred to the Provincial Governments.

In the early 1960’s, Government Forest Corporations (Perhutanis) were established in Java and Kalimantan. After their reorganization in the early 1970’s, two kinds of Government Forest Corporations emerged, i.e. one non-stock company (Perum Perhutani) and three stock-companies (P. T. Inhutani I, II and III).

After the enactment of the Foreign Investment Law (Law No. 1/1967) and the Domestic Investment Law (Law No. 6/1968) largescale private logging operations began in Kalimantan, Sumatra and certain other islands outside Java.

In 1983 the Government was reorganized, of which occasion a Ministry of Forestry was established.

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I have drawn much on lecture notes of my elder colleague the late Mr. Hasan Basryandin of the Bogor Agricultural University and on my own notes for a lecture for the Dutch and Indonesian members of the Kali Konto Joint Project in Malang in 1981. New information was added after the announcement of the reorganization of the Government in March 1983, when the new Ministry of Forestry had to be organized. The latter information was collected by Mr. J. W. Hildebrand. However, I am responsible for any mistakes and shortcomings in this presentation.

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167
participate in the development of rural areas, because of increasing population pressure on forest land. Once again, Dutch foresters have been involved in the development of this so-called "social forestry".

II Historical background

According to Altona (1923) teak was introduced to Java by the Hindus. Other authors have maintained that teak was indigenous to Java.

The local population could utilize the teak forests by virtue of their right of usufruct (beschikkingsrecht). The right of usufruct and individual rights were gradually transferred to the strongest and most powerful individuals and ultimately came into the hands of the kings.

When the Dutch came to Java in the 17th century they found vast areas covered with teak forests. Teak became highly valuable commodity for the VOC and, moreover, could be successfully used for building ships, offices, fortifications and the VOC warehouses.

Through agreements with the Susuhunan of Surakarta, the Company obtained the rights to harvest teak from the Javanese forests. When the VOC was abolished in 1796 those rights were transferred to the State. In one of the regulations during the Daendels administration (1807-1811) most of the teak forests of Java were proclaimed to be State Domain.

The deterioration of the teak forests because of mismanagement, theft and abuse during the rule of the VOC prompted Daendels to take the necessary steps to improve their management:

a. A forestry organization was founded, headed by an Inspector General.

b. Salaried officials were appointed and job descriptions stipulated.

c. Attention was paid to forest regeneration, maintenance, etc. Because of his reforms, Daendels is considered to be the founder of the regular management of the teak forests in Java (Cordes, 1881; Bruinsma, 1915; Brascamp, 1922).

The teak forests were organized into 10 forest districts, totaling 600,000 ha in extent (today, the forest districts cover approx. 800,000 ha). There were also non-teak forest districts, i.e. Priangan, Krawang, Banyumas, Bagelen and Probolinggo-Besuki (Soepardi, 1975).

The first regulation on forestry in the Dutch colonial period was the Government Regulation of 1830 (Regeringsreglement 1830) enacted because of the fear that there might be a shortage of teak timber. This regulation applied to areas governed by the Dutch in Java and Madura, but not to the Kingdom of Mataram.

In 1849 a Forest Service was founded to administer the forests.

In 1865 the first Forest Ordinance (Boschordonnantie 1865) was promulgated, with the same objectives and principles as stipulated in the Regeringsreglement of 1830.

The Forest Ordinance of 1865 was revised in 1874 with the issuance of the Forest Regulation 1874 (Boschreglement 1874) in which, in particular, a distinction was made between teak forest and non-teak forests. The following step was the establishment of intensively managed forest districts (houtvesterijen), pioneered by the forester A. E. J. Bruinsma. This Regulation advocated the sustained yield principle in the exploitation of teak forests.

In 1897 the Forest Regulation of 1874 was replaced by the Service Regulation of 1897 (Dienstreglement 1897).

In the period between 1895 to 1904 the forest administration in the Jogjakarta area was jointly carried out by the Sultan of Jogja and the Dutch Government.

In 1927 the Forest Ordinance for Java and Madura (Boschordonnantie voor Java en Madura 1927) was issued; this contained detailed provisions regarding the
forest administration in Java and Madura. For the implementation of this Ordinance, the Forest Regulation of 1932 (Boschverordening voor Java en Madura 1932) was issued. The Forest Ordinance of 1927 and the Forest Regulation of 1932 remained effective until 1967, when they were nullified by the promulgation of the Forestry Law of 1967 (Undang-undang no. 5 tahun 1967 tentang Ketentuan-ketentuan Pokok Kehutanan, abbreviated to U.U.P.K. 1967).

Various local regulations for forest protection (Boschverordening, Gewestelijke keuren) were issued for the provinces outside Java, as far as they came under the direct rule of the Netherlands Indies Government.

In these provinces, the Domain Statement of 1870 was not in force to the same extent as in Java. The forest lands were administered by the local autonomous communities (Landschappen) on the basis of “Long Political Contracts” (“Lange Politieke Contracten”) and “Short Statements” (“Korte Verklaringen”) by virtue of the Self-Government Ordinance of 1914 (Zelfbestuurs-ordonnantie 1914) and Self-Government Regulations of 1917, 1927, 1938 (Zelfbestuursregelen 1917, 1927, 1938).

The Domain Declaration, which was an integral part of the Agrarian Law of 1870 had its roots in the Domain Principle, which originated during the British Interim Government. The principle dictated that all land for which no right of ownership by third parties could be established was the property of the State. “Free State Domain” was discernable from “Not Free State Domain”. In Java, the “Free State Domain” mostly consisted of wild lands; a special form in this category was the Forest Reserve (Forest Conservancy). The “Not Free State Domain” was divided into categories in which the rights had been temporarily ceded, for example in long lease for agricultural enterprises and categories for which certain rights were recognized by the State, e.g. native right of possession, private lands, etc.

Gonggrijp (1932) believed that the Domain Declaration was a solid basis for an appropriate development of land use in Java. The right of usufruct did not clearly exist here, or had faded out as a result of population migrations and the merging of villages.

In the provinces outside Java, the right of usufruct was, and to a certain extent still is, more prevalent than the Domain Declaration. This is considered to be one of the reasons why a general forest legislation could not be imposed in these regions. This conflict between right of usufruct and Domain Principle was reflected in a long debate between developers, policy-makers and scientists before the war. The "Leiden School" believed that the Domain Principle had its roots in the abuse of power by the former native kings, and was therefore nog acceptable in a modern State. The debate prompted the Government to appoint a commission with the following terms of reference:

1. To advise on whether the Domain Principle should be abolished as a basis of the agrarian legislation;
2. If it was decided to abolish it, which principle could underlie the new agrarian legislation;
3. To stipulate in brief which changes (legislative as well as operational) should be introduced.

The report of the commission concerned provoked widespread discussion not only among foresters. The main problem that directly concerned forestry was to what extent an integral forest legislation for the Outer Provinces that could secure cooperation from the local communities could be introduced. No unanimously accepted concepts emerged; this was demonstrated in the debate (see, e.g. Nolst Trenité, 1932, 1940; Cos-
As a consequence, forest policy in the Outer Provinces was merely directed to taking practical measures in areas where supposedly valuable forests were exposed to the hazards of uncontrolled shifting cultivation.

A draft of a new forest regulation was prepared in 1938, to replace the regulation of 1932, but it was never legalized, because of the Japanese invasion.

In the field of nature conservation and wildlife management the following regulations were enacted:

3. The Hunting Ordinance for Java and Madura of 1940 (Jachtord. voor Java en Madura 1940).
4. The Hunting Regulation for Java and Madura of 1940 (Jachtverord. voor Java en Madura 1940).

During the Japanese occupation between 1942 and 1945 no significant forestry regulations were issued. All the regulations issued by the Netherlands Indies Government remained effective in this period and all forestry activities were geared to satisfying the Japanese war machine.

III Forest policy in Indonesia

The present forest policy of Indonesia finds its roots in article 33 of the Constitution of 1945, which stipulates that:

1. The economy is organized co-operatively on the basis of familial relationship.

2. Branches of production vital to the country and governing the livelihood of the public at large, are controlled by the State.

3. Land and water and the natural wealth in them are controlled by the State and used for the greatest possible prosperity of the people.

This basic policy is reflected in the Forestry Law No. 5, 1967, which stipulates:

1. “That forest is a favour of God the Almighty, as a natural wealth resource, which provides useful benefits, perpetually and absolutely needed by mankind” (Consideration a).

2. “That forest in Indonesia, as a source of natural wealth and one of the basic elements for the national resilience, has to be protected and utilized for the prosperity of people in a sustainable manner” (Consideration b).

3. “That the administration of forests has the objective to attain the greatest possible multi-purpose sustained benefit, either directly or indirectly in the effort to develop a just and prosperous Indonesian society, to be formulated in general and working plans as stipulated in articles 6 and 8” (Article 9).

By “forest” is here understood “a piece of land vegetated with trees, constituting as a whole a living biological natural association together with its environment and designated by the government as forest” (Article 1, clause 1).

Directives concerning forest and other related policies in the Repelita III (Third five-year development plan 1979-1984) as laid down in the Garis-garis Besar Haluan Negara (GBHN = National Development Strategy) and determined by the Majlis Permusyawaratan Rakyat R.I. (People’s Council of the Republic of Indonesia) bij Decree No. IV/MPR/1978 read as follows (scattered in various paragraphs):
Activities in the field of inventory and assessment of natural resources have to be enhanced, with the objective of acquiring more knowledge concerning the available natural resources, i.e., forest, land and water and energy that are indispensable for development.

Increase of production from agricultural estates, forestry and fisheries, next to extending employment opportunities and increasing the income of people, also has the objective of supporting industry and enhancing exports.

Besides exploitation for economic development, full attention has to be paid to developing the forest as a natural resource. In this context serious efforts have to be undertaken to control forest exploitation operations effectively, to replant damaged forests and to convert parts of the natural forests into man-made forests to produce industrial timber.

In addition, the forest has to be managed in such a way that the population can enjoy the benefits directly. This will stimulate a sense of responsibility among the people towards a sustainable forest management.

In agricultural development, proper attention has to be paid to the rehabilitation of marginal degraded lands, with the purpose of conserving water and other natural resources. The rehabilitation of degraded lands has to be accompanied by stimulating the people’s awareness of the importance of a sustained management system for natural resources, so that they can participate actively in the implementation of this system.

In the effort to rehabilitate degraded lands, e.g., through reforestation and the greening movement, it has to be emphasized that not only the planting but also the maintenance of the plantation is important, together with efforts to prevent the formation of new marginal lands.

In the integrated effort to stimulate industrial development, steps have to be taken in such a way that industrial growth will not bring about deterioration of the living environment and abuse of natural resources.

Energy resources in rural areas have to be developed to make the supply of cheap energy to the rural population possible, so that destruction of forest, land and water can be prevented.

The rehabilitation of degraded natural resources, i.e., land, water, has to be enhanced through an integrated approach in watershed and regional management. In this context, the programme on the salvation of forests, lands and water resources has to be perfected and intensified.

For the Repelita IV, which is to run from April 1984 to March 1989, the forestry and related policies are laid down in the 1983 GBHN, determined by Decree No. II/MPR/1983 of the People’s Council, emphasizing the same issues:

1. Rehabilitation of natural resources, i.e., forest, soil and water, has to be intensified through an integrated approach to watershed and territory management. In this context the programme of conserving forest, soil and water resources had to be continued and made more effective.

2. In the research, exploitation and utilization of natural resources and in the development of the living environment, appropriate technologies and adequate management practices have to be applied, so as to attain a high quality sustainable yield of the natural resources and environment, which will benefit continuous development activities.

3. In order to boost regional development, the initiative and participation of the local population are necessary.

4. In carrying out development programmes, the re-
gional government has to stimulate awareness and competence among the people, so as to secure utilization and management of various natural resources in a sustainable manner and to develop a healthy habitat for people. For this purpose, public relations and the development of skills have to be enhanced.

IV Forest laws and regulations

After the proclamation of independence on August 17, 1945, the Government of the Republic of Indonesia disclosed that all laws and regulations inherited from the Dutch Indian Government would remain valid provided they did not contravene the spirit of the R.I. and no replacement had been introduced.

Up to 1957 no new forest laws and regulations were enacted. Forestry was controlled centrally by the national Government through assigning officials to the various regions, headed by an Inspector of Forestry.

A major change came in December 18, 1957, when a Government Regulation was enacted concerning changes in forest administration. Under the concept of granting the broadest possible autonomy to the “Daerah Swatantra Tingkat I” (Autonomous regions Level I, Province) the Central Government transferred much of its responsibility in forest administration to the Daerah Tingkat I (Government Regulation No. 64, 1957). The transferred responsibility includes forest management, exploitation, marketing of forest products and forest protection, which nevertheless has to be carried out in accordance with the pertaining Central Government regulations. Not included in the transfer were research, higher education, nature conservation and wildlife management.

Although not explicitly enacted, some parts of the responsibility were withdrawn in a later stage, for example by founding Government Forest Enterprises, which were practically all Central Government bodies, and also by the Central Government granting large forest concessions as a consequence of the opening-up of the country to large-scale foreign investors in 1967, and domestic investments in 1968, also in forestry.

A second big step was the enactment of Law No. 5/1967 concerning “Basic Provisions in Forestry” (“Ketentuan-ketentuan Pokok Kehutanan”) mentioned earlier, which includes provisions for classifying forests, and for planning, administering, utilizing and protecting forests. This law is a step further towards a uniform forest legislation for Java and areas outside Java and is a general law, which will have to be followed up by implementing regulations (Peraturan Pemerintah, etc.).

The implementing regulations of Law No. 5/1967 subsequently enacted were:


The Minister of Agriculture and the Director General of Forestry (since April 1983 Minister of Forestry) have issued various decrees and instructions for the implementation of the above-mentioned Government Regulations.

Before 1967, exploitation of forests outside Java took place at a modest scale only, i.e. in East Kalimantan by Perhutani (Government Forest Corporation) and some Japanese companies and on the east coast of Sumatra and Riau in the panglong operations.

After the enactment of Law No. 1/1967 concerning Foreign Capital Investment and Law No. 6/1968 on Domestic Capital Investment, the exploitation of for-
Jogjakarta as an apparatus of the State, the Forest Service in Indonesia (R.I.) was established, which was subdivided into:

1. The Forest Service
2. The Central Forest Research Institute
3. The Landuse Planning Office
4. The Directorate of Forestry, as founded in 1957, underwent several reorganizations. One of these was the establishment of the Ministry of Forestry in 1964.

By decree of the Presidium Cabinet No. 75/1959 the New Order Ministry of Agriculture was established, consisting of several Directorate Generals, one of which is the Directorate General of Forestry. This name was maintained until 1983 when a new Ministry of Forestry was founded in the “Fourth Development Cabinet”; this Cabinet has 37 Ministers.

The organization of the new Ministry of Forestry includes:

1. The Minister of Forestry – Menteri Kehutanan;
2. The Secretariat General – Sekretariat Jenderal;
3. The Inspectorate General – Inspektorial Jenderal;
4. The Directorate General of Forest Utilization – Direktorat Jenderal Pengusahaan Hutan;
5. The Directorate General of Reforestation and Rehabilitation – Direktorat Jenderal Reboasasi dan Rehability Lahan;
7. The Institute for Forest Inventory and Planning – Badan Inventarisasi dan Tata Guna Hutan;
8. The Institute for Forest Research and Development – Badan Penelitian dan Pengembangan Hutan;

The Minister is also assisted by a staff of experts.

As mentioned earlier regional forestry services deal with forestry matters in the Provinces. Before the enactment of Government Regulation No. 64/1957, these local services, the Forest Inspection Services, represented the Central Forest Service in the various Provinces. After the enactment of this Regulation the regional Forestry Services became part of the Provincial Government; technical guidance, especially for administrative matters, is provided by the Central Forestry Office, now the Ministry of Forestry.

Some Government Forest Enterprises, currently known as Perum Perhutani and P.T. Inhutani I, II and III also operate under the Ministry of Forestry. The foundation and objectives of these enterprises are discussed below.

In the Law on “Planned National Development Stage I” (not the Repelita), it was stated that besides reforestation and the supply of raw material to industry (both of which were included in “Project A”), forestry also had to co-operate in implementing “Project B”, i.e. to generate US$ 52.50 million foreign exchange within eight years as a contribution towards financing “Project A”.

A national commercial body had to be created for this purpose, to embark on the exploitation and marketing of forest products. To implement this policy, Government Regulation No. 17/1961 on the foundation of BPU Perhutani (General Management Body of Government Forest Corporations) was enacted, followed by the issuance of Government Regulations No. 18 to No. 30/1961, concerning the establishment of Perhutans in 13 Provinces. Only five regional Perhutanis...
could be effectively realized, however, i.e. those of Central Java, East Java, East Kalimantan, South Kalimantan and Central Kalimantan, beside the earlier mentioned BPU Perhutani in Jakarta. As a consequence, all forestry affairs in those regions, including all personnel and assets, were transferred to Perhutani; the Forest Services in those regions were abolished and all tasks previously charged to them, including the provision of public services, were transferred to the Perhutani.

Two significant changes took place in the development of the Government Forest Enterprises:

First, the Perhutani working area in East, South and Central Kalimantan was reduced, i.e. limited to areas under production-sharing agreements with two Japanese companies. The remaining areas became concession areas under the foreign and domestic investment laws (Law No. 1/1967 and Law No. 6/1968). To supervise the private forest operations, the respective Forest Services were re-installed.

Second, the organization of Government enterprises was modified into three kinds of business entities:


b Perusahaan Umum (Perum) = Government Corporation, non-stock company, own budget to be approved by the technical Minister concerned.

c Perseroan (Persero) = Government company, stock company, Minister of Finance as representative of the Government is sole shareholder.

The Perhutanis in East, South and Central Kalimantan became Persero Inhutani I, Persero Inhutani II and Persero Inhutani III, respectively (Government Regulations No. 21/1972, No. 32/1974 and No. 31/1974); they remained separate bodies in law. BPU Perhutani was abolished and Central and East Java Perhutanis (two separate bodies in law) became production units of Perum Perhutani, which was founded as a single body in law (Government Regulation No. 15/1972). Forestry of West Java was merged into Perum Perhutani by virtue of Government Regulation No. 2/1978.

On the next page, the Ministry of Forestry at the central and regional levels, including the above-mentioned Government Forest Enterprises, is schematized.

**Literature**


Brascamp, E. H. B., 1922. De grondvester van Indie’s Bosbeheer: Nicolaus Engelhard of Herman Willem Daendels? (The founder of forest management in Netherlands-East Indies: Nicolaus Engelhard or Herman Willem Daendels?).


Fig. 1 Organization chart of the Ministry of Forestry of the Republic of Indonesia