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## [Indonesia: The forest assaulted by the forestry industry](#)

Indonesia has the world's third largest area of tropical forest, after Brazil and the Democratic Republic of Congo. Although only 1.3 per cent of the world's total forest area, Indonesia's forests are home to 10 per cent of the world's flora species, 12 per cent of the world's mammals, 17 per cent of the world's reptiles and amphibians, and 17 per cent of the world's birds. Indonesia is the second country in the world in terms of wildlife richness. Indonesia's forests are also home to endangered species such as orangutan, tigers, rhinos and Asian elephants.

Forests are the second largest contributor to the Indonesian national economy after oil. The State used revenue from the forests to maintain its power during the 32 year New Order regime under the former President Suharto. Forestry operations – in the form of forest concessions (Hak Pengusahaan Hutan – HPHs), industrial tree plantations (Hutan Tanaman Industri – HTIs) and other plantations (such as oil palm and rubber) – were distributed among the ruler's families, friends and partners, among key military officers and political elites as a reward for their loyalty. Those who controlled the forests had considerable wealth and power.

For forest-dependent village communities, forests have a completely different meaning. Abusive and destructive forest management has stripped forests and has greatly affected the rural poor. For these people, forests embrace cultural values. Most rural communities living outside the densely-populated islands of Java, Bali and Madura practice a combination of subsistence and commercial agriculture with gogo rice (upland, unirrigated rice), other annual crops and tree crops. They also collect various forest products, such as rattan, honey, resins, herbs, fruits, fish and wildlife, for both commercial and domestic purposes. About seven million people in Sumatra and Kalimantan rely for their livelihoods on their rubber gardens, which cover a total area of about 2.5 million hectares. In Sumatra, local communities manage about four million hectares of forest using various agroforestry practices which combine natural forest management and fruit gardens, without external aid.

Forest communities have a profound understanding of traditional forest management, which they inherited from their ancestors. This traditional forest management has been specifically acknowledged in the 1945 National Constitution.

As most forest peoples have no written or official certificates of ownership, the state under President Suharto ignored indigenous rights and exercised control over Indonesia's vast, profitable forest lands. Suharto's "New Order" regime included a development agenda which was driven by logging the country's forests. The state claimed more than 90 per cent of the total forest land outside Java. This so-called "state forest" was designated without either due process or proper compensation for local communities. Mature forests which had been managed sustainably by indigenous communities for generations and which were rich in flora and fauna, were exploited for timber and converted into vast plantations of monocultures of exotic fast-growing trees.

The rapid expansion and development of wood processing industries exceeded the supply capacity of production forest areas and the plantations. As a result, the loggers expanded ever deeper into natural forests, logging in protected areas as well as state forest still claimed by indigenous

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communities. The World Bank, which has more recently produced critiques of illegal logging driven by the over-development of the pulp industry, is itself partly responsible for the problem. In the 1980s, the World Bank was one of the agencies involved in promoting the expansion of the pulp and paper industry. In 1984, for example, the World Bank financed a study, carried out by Finnish forestry consulting firm Jaakko Pöyry, aimed at “strengthening the structure of the Indonesian pulp and paper industry”.

A research from the Indonesian NGO WALHI indicates that at least 72 per cent of the country's forests have been destroyed. In a press release in 2004, WALHI pointed out that the deforestation rate in Indonesia had reached 3.8 million hectares annually, the highest rate of forest loss in the world. To put this rate of forest destruction into perspective, this means that an area of forest equivalent to six football pitches is destroyed in Indonesia every minute. Based on this calculation, every minute the Government of Indonesia loses US\$1,300 in unpaid tax and customs (three times the average annual income of an Indonesian family), while a few conglomerates and elite business people pocket US\$24,000 from the theft of Indonesia's forests.

The impacts of this rapid deforestation have been widespread and various. Impacts on the environment include the loss of unique biodiversity, increasing occurrence of floods and drought, decreasing water quality and quantity, and increasing occurrence of forest fires that pollute the air and contribute to global climate change.

Although more and more people have become aware of the environmental impacts, they know little about and rarely discuss the impacts of illegal logging on human rights. The over-capacity of the wood processing industry and the inability of industrial tree plantations to supply the demands of this industry have driven the destructive exploitation of Indonesia's forests, both legal and illegal. As in other sectors that are illicitly profitable, criminal networks play an important role as blackmailers and protectors of illegal operations, which unhesitatingly use violence to put down opposition to their operations. In Indonesia, the illegal sector and the use of violence are often linked to governmental officials.

Ironically, deforestation and the loss of local communities' livelihoods are driven by government policies which the government claimed were designed to bring prosperity to the nation. Suharto's development concept, like the one adopted by many emerging industrialised countries, was to accelerate the expansion of the economy through natural resource exploitation. However, the goal of expansion of the economy became less important and was eventually, replaced by Suharto's agenda to consolidate his power through political patronage, where he handed out permits for exploitation of natural resources. More than 62 million hectares of forest land were awarded as forestry concessions (HPHs), without a proper tendering process, to tycoons and state-owned forestry companies that had family ties to Suharto's family, or ties to the military. Although Suharto fell in 1998, the nation still lives with his regime's legacy of bad forestry governance and law enforcement.

Excerpted and adapted from “Social conflict and environmental disaster: A report on Asia Pulp and Paper's operations in Sumatra, Indonesia”, by Rivani Noor and Rully Syumanda, August 2006, <http://www.wrm.org.uy/countries/Indonesia/Book8.pdf>

