

Partnership Amongforest Village Community Institution (LMDH), Government Forest Business Enterprise (Perhutani), Local Government In Community Based Forest Management (CBFM) In Regional Division of East Java Province, Indonesia

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Abstract

The Community-Based Forest Management (CBFM) has been implemented for 14 years ago to improve the welfare of forest communities and the quality of forest resources. But the forest villagers' welfare is still low and the deforestation is still happening. The implementation of CBFM still has problems, in policy aspects, institutional, system and also community (LMDH), Perhutani and Local Government. Based on previous studies, the design of CBFM policies needs to be revised in strategy and partnership aspects. This research has the common objective to analyze the inter-institutional partnership strategy between LMDH, Perhutani and the local government to improve the performance of Perum Perhutani East Java Regional Division. This research uses the descriptive method with a qualitative approach. The CHBM management in East Java Regional Division there is one strategy that has not work, integrated the result of PDP in forest resources management system because of differentiation between PDP and forest resources management.

Keywords: *Partnership, Community Based Forest Management, Management Strategy*

1. BACKGROUND

Based on Ministerial Decree of Forestry in Indonesia, Indonesian forest and water areas in 2013 are 129.425.443,29 hectares. Most of those areas are controlled and managed by the Indonesian Government. Rights to manage the Indonesia forest area which is currently based on Government Regulation number 72/2010 is given to the Indonesian forest public enterprise called PERHUTANI. In 2014, PERHUTANI has been granted as corporate holding company in forestry including Inhutani 1 until Inhutani V based on Government Regulation Number 73/2014 about addition of government modal sharing into the Indonesian Forest Public Enterprise.

Pressures on the used forest are caused by the escalation of inhabitant number, economy needs and political situation changes in Indonesia. Forest exploitation has caused forest degradation. Deforestation in Indonesia which is more than 1,17 millionhectar per year is very high (FAO, 2011), Forest exploitation cause forest degradagation in its quality dan quantity (Dunggio dkk, 2009). To overcome deforestation and social conflict on the forest utilisation, PERHUTANI invloves community around forest (Perum Perhutani, 1992). It is related with forest development paradigm change from forest timber management to forest resource management and from stated based forest management to community based forest management. This new paradigm gives more opportunities for communities to have roles in managing sustainable forest resources optimally.

The paradigm is also in the line of National Act Number 41/1999 aimed to mnage forest for society prosperity equally an sustainably. In response to this Act, PERHUTANI declares director decision number 136/Kpts/Dir/2001 about forest management program with community called PHBM. PHBM is a new paradigm of forest management with resource sharings between PERHUTANI, forest local village and interested sides. Since PHBM launched in 2001, communities around forests through forest village community institution (LMDH) have a big role. The total number of LMDH are 5.304 from 5.392 forest villages in Indonesia.

Previous studies about PHBM shows that the involvements of LMDH dan local communities in managing forest resources gave advantages such as partneship development (Rosyadi, 2010). However, the other study found its weaknesses such as low capacity of LMDH (Pambudiarto, 2009). Lack forest performance of PHBM after 14 years of its implementation is the main reason to evaluate the current partnership system and each stakeholder involvement.

Currently, the partnership system in managing forest through PHBM program is called as 'half-hart partnership'. LMDH as PERHUTANI's partner can not play an equal role as a village level institution. Setiahadhi (2012) assumed that community involvement in PHBM is substantially only as guard keepers, they are not as a part of forest resource planning system in Java wholly. Based on the problem background as mentioned above, study on partnership among LMDH, PERHUTANI dan local government in the implementation of PHBM is crucial. If relation and partmership models among related actors and sectors can work well, so performance of PHBM can work well too, and will have positive implications to community welfare improvements. This study is aimed to analyse partnership strategy among LMDH, PERHUTANI and local government to increase performnace of PHBM.

2. LITERATURE REVIEW

2.1 Strategic Management

Reksohadiprodjo (2000:1) defined strategy management as efforts to manage strategy affairs to achieve affairs' goals. Moreover, several benefits of strategy management mentioned by Reksohadiprodjo (2003:8-9) includes: 1) prevention of problems because of all things planned and implemented sistematically and consistently; 2) as work results; 3) involvements of several related stakeholders so participation among them will enhance mutual understandings and if there are changes among them who can adapt immediately. David (2011) mentioned three steps of strategy mangement: *strategy formulation, strategy implementation and strategy evaluation*.

2.2 Public Private Partnership (PPP)

PPP is partnership between public and privat sector. As mentioned by Spiering and Dewulf (2006:18) is that "PPPs are regarded as formal arrangements between public and private parties and therefore

the focus is on project based partnerships". Furthermore, Spiering and Dewulf (2006:19) explained that four elements of PPP including *actor, network, project and relation*. Firstly, actor, public and private actors public have different interest goals and organisational structures. Public actor is aimed to improve social income and prosperity while private actor is aimed to increase business/ economic income. Secondly, both public and private actors have dependency in achieving organisational goals, so this way they work together in their networking. Network is a kind of interaction among actors. Thirdly, "project", as Spiering and Dewulf (2006:26) is defined as "a given, plannable and unique task, limited in time, complex in its implementation and subject to evaluation". Finally, relation in PPPs, as Spiering and Dewulf (2006:27) are classified into two aspects: economy and sociology. Economy in PPPs creates an added value in content, process, finance and external aspects. Sociology influences functional relations inter organizations such as commitment, flexibility, diligent, leadership, trust, acceptance and respect.

3. FOREST DEVELOPMENT PARADIGM

Failures to achieve community prosperity and environment sustainability is the main reason of the new paradigm development from *state based forest management* to *community based forest management* (Campbell, 1997). The two different approaches are related to conceptual changes of institution and administration. Those changes include from centralization to decentralisation, from government management to partnership, from *top down approach* to *participative approach*, from target oriented policy to process oriented policy. Suharjito (2000) mentioned that development in the first paradigm is dependent on the central command, dominant bureaucracy intervention, uniformity and obedience, less innovation and creativity. Meanwhile the second paradigm prioritises creative and dynamic community knowledges as the learning process results in daily life.

4. RESEARCH METHOD

This research uses descriptive method with qualitative approach. Straus and Corbin in Basrowi (2009, 1) mentioned that qualitative research produces findings that could not be achieved by using statistical procedures and other quantitative ways. Qualitative research is used to investigate society life, history, behaviour, organisational function, social movement or kinship relations (Basrowi, 2009:1). This research focuses on partnership in community based forest management (CBFM). The research location is in Public Corporate of PERHUTANI in regional division of East Java. Primary and secondary data are collected in this research. Data collection is gathered through interview, observation and documentation. Descriptive data analysis by Miles and Hubberman (1992, p 15) is used in this research including data collection, data reduction, data presentation and data condensation.

5. RESEARCH FINDINGS

Partnership of CBFM

There are four things that are presented in the findings: construction of partnership, implementation of partnership, development of partnership in the last five years, and after the National Act of Local Village launched.

5.1 Construction of partnership among PERHUTANI, LMDH and Local Government

Based on Ministerial Regulation Number 39 Year 2013, construction of partnership is designed clearly in right and responsibility. However, data partnership was not well organised until it is collected in 2015. Based on interviews to some informants, it is mentioned that LMDH as a subject of forest community organisation should have access to project and budget of the Local Government. PERHUTANI is acted as the land provider who facilitates the LMDH to run their project in the PERHUTANI' forest areas. In fact, the LMDH have a limited access to the local governments. The governments thinks that the LMDH is formed by PERHUTANI and sponsored by them too. Local government does not allocate their budgets and programs to LMDH, but they allocate them into the other communities organizations like farmers, fisherman.

Moreover, in the partnership, PERHUTANI has rights to get sharing results based on agreement cooperation. If the partnership implementation is out of the agreement, PERHUTANI can cancel the partnership. PERHUTANI dominantly does several things in PPPS including to design plans; to conduct, monitor and evaluate the implementation of PHBM with LMDH and related sides; to give contribution as the

plan designed; and to prepare system, structure and corporate culture. It can be seen that PERHUTANI has a big role in PPPs from the beginning of the programs designed until it is monitored and evaluated.

The other sector is private as the partner who has rights to plan, do, monitor and evaluate PHBM with PERHUTANI and LMDH. In this case, the private initiatives are limited into what kinds of businesses will be established. They offer business proposals that will be evaluated by PERHUTANI for its visibility. Cost and benefit analyses are conducted to predict the business prospects. PERHUTANI sometimes also recommends a kind of business to be established. Then, the private has also rights to get result sharings. This is a benefit to private sector who wants to use spare lands between trees in the PERHUTANI's Forrest. Private sectors in this case are members of community. They can also work with the other private sector who own finances to run the business, because the private sectors must provide their modal or capital to make the business happened. This will accelerate economy. According to Hanapiah (2007) private has function to accelerate economic activities, industry and trade.

Furthermore, the Local Government owns rights to collect tax and retribution. When the business sell their products into the market. Government levies tax and retribution. Products are mostly vegetables or the farming sectors. The Local Government is also obligated to give consultations to forest village communities; to facilitate the PHBM activities; to push optimization of the partnership activities. However, the facts show that the local governments are entirely absent to do their responsibility, because they feel that LMDH is under the PERHUTANI arrangements. They think that PERHUTANI is more than enough to do the government jobs like consultation.

In the future, it is needed a government regulation to reallocate LMDH in the same position with other community groups such as farmer groups, fisherman groups and etc. So the LMDH can get a fund access from the government programs and budgets. The national government should be at least on the Presidential level such as president decree. Currently, the regulation is only at the ministerial level. Government to government relations between local, provincial and central government need intensively to be established in the implementation of PPPS. It is better if the national regulation is created and then the local acts can be created to be based on the national arrangement.

5.2 Implementation of partnership

This research finds that partnership can not be implemented optimally. Partnership is done in aspects such as: 1) giving plant sheeds; 2) socialization of helps given to LMDH; 3) drafting strategic plan. Plant sheeds are often given by the PERHUTANI. So in this case PERHUTANI recommend that LMDH to cultivate certain plants as recommended. Local governments sometimes also give sheeds. But, sheeds from the local governments do not match with the community wants or do not match with the lands. So in the plan process of sheeds' provision, the forest community is not involved. The local government buys the sheeds for general farming purposes as the majority farmers cultivated their lands. It is clear that the forest community is left behind the other farmers to be involved the local government plan and decision.

Moreover, socialization is given to the members of LMDH. PERHUTANI routinely invites LMDH to socialize about efficient land use, land fertility, deforestation, business earnings. Learning process is transferred to the community in order to enhance the community farming capacity and business orientation. However, the local government rarely conducts socialization to the LMDH specifically. The local government usually socializes information and knowledge in general. It is not specifically oriented to the forest community.

The final thing is on drafting strategic plan which is involved the LMDH to decide on what kinds of business will be conducted. Business plan initiatives mostly come from the LMDH. Then, it is evaluated by the PERHUTANI. The final decision is in the hand of PERHUTANI on which kinds of business are agreed. PERHUTANI dominantly direct the business plan. LMDH follows on what the PERHUTANI suggestion. In this case, the local government is not involved. So the local government does not also involve the forest community in their planning activity.

Implementation of partnership in PHBM is categorized as *pseudo partnership model*. According to Sulistiyani (2004:130) mentioned that *pseudo partnership* is done by two sides or more, but the cooperation is not balanced between one to the others. It means that there is one dominant side that is PERHUTANI itself. Based on the partnership model of organisational life, the partnership implementation in PHBM is categorized as model of *sub-ordinate union of partnership*. As mentioned by Kusumadewi (p. 56) is that it can

be seen that LMDH and other stakeholders are sub-ordinate of PERHUTANI in this partnership. So it is recommended that LMDH should be granted more roles on design plan and its implementation. The local government should be pushed to give more roles and responsibilities to participate on the PPPs.

5.3 Partnership development in the last five years

This research finds that partnership in the last five years includes several forms. The first is forest management cooperation. This includes on how is the cooperation to manage the forest resources. Forest security is one of the cooperation in which the LMDH has roles to guard the forests to stop tree steals. Trees have been cutted and stole and cause huge financial loses to PERHUTANI. So members of LMDH is local community who stays besides forests. It is expected by PERHUTANI that the LMDH can guard the forest an limit steal cases. As a consequences, the LMDG will be granted money shares from the timber sales.

The second thing is an agreement cooperation of plantation area below forest trees (PLDT). LMDH is given rights to cultivate plants or to farm empty land spaces between the forest trees. Principally, the LMDH cultivation does not destroy the main trees. It is recommended if plants will fertilize the forest land. The third this is the cooperation agreement on plant result sharings. So, plant harvest from cultivation will be sold. Its total income will be shared between PERHUTANI and LMDH. So both sides get benefits from the business activities. Partnership development is conducted in 14 forest management areas (KPH): Padangan, Blitar, Banyuwangi Selatan, Nganjuk, Saradan, Kediri, Jombang, Lawu, Probolinggo, Madiun, Malang, Mojokerto, Jember dan Pasuruan. The time length of the partnership is between 1 to 5 years.

The fourth this is addendum. It is conducted when both sides want to change, add or delete several points on the cooperation such as proportion on the income sharings. The last thing is resource sharings of timbers. Timbers will be sold. Its income is shared with LMDH. However, the current share proportion for LMDH is felt too small. So, tree steal cases are still occurred, because the LMDH does not maximally secure the forest. It is recommended that sharing incomes to LMDH are increased, so LMDH feel that risk and benefit are balanced.

5.4 Partnership after the National Act of Local Village

After the National Act of Local Village number 6 year 2014 is launched, village has autonomy rights to manage their local community needs and interests. This Act also brings implications to the partnership in PHBM. However the implication is not directly, because to implement the national act is needed operational regulations or local regulations to arrange more details. The research finds that before the act implementation, PPP in partnership is based on the *state based forest management*, but after the Act implementation, the partnership is based on *community based forest management*.

The state based forest management is that managing forest is depending on the state' directions and initiatives. The other sector is only sub-ordinate of the state. Conversely, community based forest management is that managing forests is through active community participation. The state is acted as the facilitator to the community or private sector.

Furthermore, this Village Act pushes every village to maximise their potential assets optimally. The role of PERHUTANI is to synergise LMDH as the local village enterprise (BUMdes) in village developments and supports village infrastructure developments to integrate with the forest partnership. It means that LMDH is now becoming a part of the village institution. This also decreases tensions between LMDH in one side and the head of village on the other side. Previously, because LMDH is not directly as a part of the local village institution, so there are two possible situations. Firstly, head of LMDH and head of village are as the opposition from one to another. This is as a consequence of the competition between both of them on the village level, when they compete to be the head of the village. Secondly, both of them are working together because the head of LMDH is the supporter of his or her village head on the election. Sometimes, the position of head of LMDH and head of village are hold by one person.

After the implementation of the village act, LMDH is directly a part of the local village institutions. It is more possible to reduce conflicts among them. Head of LMDH is decided by the head of local village. So, they will select somebody who support them as the heads of villages. It is expected that mutualistic partnership among them can be implemented. According to Sulistiyani (2004:130), mutualistic partnership is done by two or more sides with a high understanding among them in doing the partnership, so there is no one of them felt higher than the other.

6. CONCLUSION

PPPs among the PERHUTANI, LMDH and the local government are good examples on how is to govern societies and privates to be involved on the cooperation. The Partnership program in this case can be considered as a part of reform to public administration and governance. This is indicated sseveral dificulties on balancing between rigts and obligations among stakeholders in this case including PERHUTANI, LMDH, Private and Local Government. The existing condition shows that the pseudo partnership and sub-ordinate partnership has been implemented in the last five years, because PERHUTANI has acted as the dominant side vis to vis the other side. After the Village Act is implementated, it is expected that the partnership can shift into a mutualistic partnership model.

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