



## **Conversion of Public Land and Tenure Security in Lampong, Indonesia**

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## Working Paper

### Conversion of public land and tenure security in Lampung, Indonesia<sup>1</sup>

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#### The Communities and Public Lands

*Pesisir Adat* communities and migrants from Java Island and other part of Sumatera live in the west part of Lampung province, particularly in the area that located from the north of Pagar Bukit (sub-district of North Pesisir) to South Seashore (sub-district of Bengkuntat), between Bukit Barisan Mountains and Hindia Ocean. The *pesisir adat* community or sometimes called *orang Kroe*, consists of 16 (sixteen) *margas* so called as *penyimbang adat 16 margas*. LeBar in Djalins 2002 defines this *pesisir adat* community as *Orang Abung*. On another hand, this community claim that their ancestors were came from the *Skala Brak* area in sub-district of Balik Bukit who lives there since 450 years ago (Hadikusuma 1988).

The intensive migration of people in this area was begun in 1980's. It was started when 3 Balinese families were invited by this *adat* community to kill wild pigs that often destroyed community paddy fields and gardens. The presence of these Balinese families afterwards has been followed by peoples of Javanese, Batak, Sudanese, Semendo and Bugies. This rapid migration increased the population of *newcomers* to be 60% of overall of people who live in this area. The *newcomers* acquire the land from trading that legalized by the statement of Land Information Letter (SKT) that issued by the Head of Village without involving the Chief of *Adat/Marga* (*Sai Batin*). Unlike in *Marga Tenumbang* and *Ngambur*, coastal *adat* community of *Marga Bengkuntat* still strongly recognizes *adat* law. The Chief of *Adat* plays an important role on any land disputes. Generally, the land use and ownership status under *adat* law more rely on trust instead of formal relationship.

These communities cultivate mixed plantation by planting *lada* and *damar* (*shores javanica*) besides obtaining large irrigated paddy fields surrounding their kampong. *Damar* cultivation, for obtaining its sap purpose, has been practiced by the *adat* communities since 100-200 years ago. This cultivation was stimulated when the *adat* communities found difficulties to obtain the sap of *damar batu* from nature forest and there were high demand of sap of *damar* at that moment. Sap of *damar* play an important role as the leading export commodity since 17th Century (Boomgard, 1998).

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The livelihood of coastal *adat* communities of *Marga Tenumbang* and *Ngambur* are cultivation (rice) in paddy fields and mixed plantation (vegetables, coconut and *damar*) – or known as *Repong damar* - in the remaining *marga* land.

In 1930s, the coastal *adat* communities agreed to lease some part of their lands in the Bukit Barisan Mountains to the Dutch Government to be assigned as a game reserve in the name of Queen Wilhelmina Sanctuary. This agreement was reached after a long negotiation process. The Dutch Government finally agreed to provide special rights to the *adat* communities for tapping the sap from the *damar batu* trees and collecting bird nests in certain spots of reserve area. The boundary of the reserve area was marked by the boundary pools that well known as BW boundaries (*Bosswessen* or forest area).

In 1990, the coastal *adat* communities were shocked with sudden enlargement of Forest Area (coastal forest groups of 40.000 ha). The Indonesian government designated the historical forest area as production and protected forest. The Indonesian government granted a permit of forest concession rights (HPH) to HPH Bina Lestari Limited Company. This permit allowed Bina Lestari to conduct logging activities in the forest area yet prohibit Bina Lestari to conduct logging activities within *repong damar* area. Afterwards, the Indonesian government assigned Inhutani V Limited Company to perform a forest rehabilitation program within the concession area of HPH Bina Lestari Limited Company. Despite running the rehabilitation program, Inhutani V Limited Company only distributed *damar* seeds to the community to be replanted on the former concession areas.

Another major shift took place around 1995/1994 when the Indonesian government issued concession to big oil palm companies in the outside of enlarged forest area. There were two companies: first, Panji Padma Lestari Limited Company (PPL Company) that granted concession in *adat* land of *Marga Malaya*; second, Karya Canggih Mandirutama Limited Company (KCMU Company) in southern territory of *adat lands* of *Marga Tenumbang*, *Ngambur* and *Bengkunat*. Indeed, almost the whole of the concession areas have been intensively managed by the communities in form of plantation of multi-purpose trees that dominated by *damar* (*shorea javanica*), coconut and paddy fields. The mix plantation management that been conducted by communities, so called as *Repong damar*, has been widely recognized in Indonesia. One of the features of the recognition is Kalpataru Award that was granted in 1997 to coastal *adat* communities for their effort to manage sustainable *Repong damar*.

Minister of Forestry sought compromise way to overcome resentment of coastal *adat* communities. In so doing, the government designated *repong damar* in side forest zones to be managed by communities as the Specific Purpose Area (*Kawasan Dengan Tujuan Istimewa* /KDTI). By this policy, *repong damar* management can be continuously managed by the communities within the unlimited times. Later on, many people admit that this forest policy was a breakthrough for granting public access and recognition on

the sustainable natural resources management that created welfare for the coastal *adat* communities<sup>3</sup>.

The persistence of coastal *adat* community to object the location permit issuance of oil palm plantation was immediately responded by local government. The local government revoked the location permit of PPL Company that located in area of *adat* community of Malaya's *marga*. Different stories happened in the area of *adat* community that is located by KCMU Company. There were no any revocations for location permit or other permits of KCMU Company, despite of the fact that there are many problems have been remained in the operation of this company. The local government has been closing their eyes for the repeated objections of the community. KCMU Company is still operating in the area, which has been categorized by the community as the area of communities land, which has been planted by *Repong damar*.

### **The Presence of Oil Palm Company in the Area of Marga of Bengkunt, Ngaras & Tenumbang; A Perspectives of Community**

In 1984, KCMU Company started its approach in kampong / Pekon Marang that located in the boundary area of *marga* of Ngambur and Tenumbang. Together with the *Camat* (head of sub-district), the representatives of company visited the coastal *adat* community. They explained their plan to make this area as the nucleus plantation for oil palm plantation. In their explanation, each of participants of plantation will obtain some money as credits that will be used for seeds, operational devices, and fertilizers. The representatives of company persuaded the community to participate in the plantation by promising significant benefits that will be obtained by the community from the plantation.

This explanation has raised the hope of the community to get better incomes in their limited land. As the result, most of the members of community registered themselves and transfer most of their lands to the company. The average of transferred land is about *1 hectare* or one third of their land. The fact shows that the native people of community had higher motivation to register and transfer their land to the company than the newcomers, although the company valued the newcomers land more than the native people land.

In 1985, *Bupati* (the major) issued a decree regarding the land allocation for nucleus plantation. This decree regulates the composition of land for the oil palm plantation. Based on this decree, the land that transferred to the company for nucleus plantation should be 40% of community land, while another 60% will be remain as the ownership of the community that register as the plantation project participant.

Furthermore, this decree elaborates in detail concerning the installment mechanism for the payment of credit/loan. The charge IDR 7.4 million per *hectares* of the land to the community as a debt to develop the Palm Oil plantation. In the 7th year of plantation

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<sup>3</sup> See the MoF Decree No. 47/1998 regarding the Designation of Certain Coastal Forest Areas as the Specific Purposes Area

cycle year, the plantation project participants should start to pay the installment in form of 30% of the plantation harvesting product. They should pay this installment every three months by delivering the harvesting product to the company established cooperative. The company will only give the land certificate of plasma land to the plantation project participants who has paid all of the credit/loan. Unfortunately the harvesting was never been good. Indeed, the company was more interested to buy the land.

When the communities noticed concerning the Decree of *Bupati*, they expressed their resentments by holding a demonstration. Nine community leaders were captured and jailed. Each of them was sentenced 3 months and 20 days. By this time, the Indonesian Legal Aid Foundation (YLBHI) was getting involved in advocating the struggle of communities. They demanded the cancellation of scheme of 40:60 that stipulated in the Decree. This effort was succeed. In 2000 the company decided not to implement the system. Yet, it changed its strategy by buying the community land.

In the New Order era, communities were not able to negotiate directly with the companies since the government usually represented the company to negotiate with communities. The government employed military officers to force the communities to accept the operation of the company. After the fall of Soeharto, however, the company actively conducted direct negotiation with the communities. Many communities still questioned the relationship between the company and the state. They felt that the state did not provide any supports to communities for defending their rights.

***The Testimony of Amrullah (Pekon Marang)***

The rapid migration from Sumatra and other regions in *Pekon Marang* has created huge pressure to the land. The uncertainty of the land possession and the high need of cash money have forced the *adat* community to sell their communal owned lands to the newcomers. The community prefers to sell their oil palm plantation instead of the paddy field. Almost there is no remaining communal owned land in this area. The plantation was sold to the company under SKT procedures. Based on the agreement between the company and the people, the National Land Agency (BPN) would be invited to measure the sold land. Subsequently, the land was converted from SKT into a land title. Nowadays, most lands have been measured.

Most *adat* communities sold their land due to their fear of trapping into the debt and the lack of information about their oil palm plantation harvesting products. In Marang, POSKO REFORMASI (Accidental Task Force of Student and People Union for Land Reform) conducted a survey. They found that 700 hectares of land have been sold to the company. There are only 200 hectares of plasma area. Posko Reformasi plays an important role in advocating the more fair process in land acquisition for oil palm plantation development, thereby communities can gain sufficient benefit. In the initial phase, the Posko Reformasi has many members. However, there are only 100 families left who still keep their memberships with Posko Reformasi. They demanded the company to be more accountable and asked government to make open the dialogue with the communities. Posko Reformasi also demanded a clear transaction between communities and the company before they start a partnership. In response, the company built KPPS (Oil Palm Plantation Farmer Cooperative), an organization of farmers that aimed to advocate the interest of farmer *vis a vis* government and company.

***Interviewed by Marcus Colchester & Martua Sirait, Oct 2005***

***The testimony of Herdi- PMPRD farmer organization (Krui)***

PMPRD (*Repong Damar* Farmers Union) is an organization of farmers that is widespread from sub-district of North Seashore to sub-district of Bengkuntat. From the beginning, PMPRD considered oil palm plantations as threat to the survival of *repong damar*. As the farmer organization that was built by *repong damar* farmers in encountering market intrusion, views *repong damar* is not only as the economic tool to improve the economic condition of community. For PMPRD, *repong damar* is also become a symbol of one's social statues. The *pesisir adat* communities will respect someone, if that person can bequeath *repong damar* to his oldest son. In contrasts, the plantation company has broken their promises to communities to give them better life and convert their *repong damar* into oil palm plantation.

We may take example from the interaction of coastal *adat* communities and company in the area of *adat marga* Tanumbang. The company forced *pesisir adat* community in that area to transfer their land to company and promised to build road to help community on conducting their mining (C type) activities. The company used many tricky ways to acquire the community lands for the oil palm plantation development purpose. They showed false satellite image map that mislead the young *repong damar* area as the agricultural field to the community. They also used local agencies to seduce *adat* community to sign agreements to transfer their lands for road building. At the end those lands actually were used for oil palm plantation purposes. Therefore, the mechanisms for implementing free, prior & informed consent (FPIC) are strongly needed to protect the community from mis conduct of the company, especially in the land acquisition process.

In 1997, supported by military forces back up, the company cleared away *repong damar* and pepper garden in the midnight. The community reported this case to the district government but left unanswered. There was strong indication that the district government more supported the company instead of their people. Nowadays, this kind of oppressions cannot be exercised anymore. Nevertheless the company still has many ways to manipulate the community. It is difficult for the government to prove the existence of false documents. If the company openly informs to communities concerning production costs, risks and benefits, farmers will likely to develop their own oil palm plantation. The value of oil palm plantation in amount of IDR 1 million for 1 hectare of land is very far below the value of *repong damar*. In addition, *repong damar* have more variety products than the oil palm plantation.

In my perspective, company since it does not respect *adat* rights and clears *repong damar* without consent of communities. However, not every *Saibatins* could bravely defend the rights of their *adat* community. The company argued that it had paid compensation to BPN. However, BPN rejected that claim. The Eleventh Team Team <sup>1</sup> is handling this problem at this moment. They reported this case to district parliament (DPRD) of West Lampung District. The company promised to solve the problem, yet the community seems cannot stand it any longer. Some plantation project participants, who have not sold their land, cut oil palm trees and replaced them with orange trees that have better market values. Afterwards, the company reported them to the police, who later bring those participants to the prison. This phenomenon describes to us concerning the difficulties of communities to seek justice. The government did not provide any assistance to communities. In the government perspective, KCMU Company did not violate any rules or regulations. We always wonder what have the company done to the government so that the government has such loyalty to the company?

***Interviewed by Marcus Colcheste & Maryua Sirait, Oct 2005***

***The testimony of Pun Syahril Indra Bangsawan, Saibatin of Marga Bengkumat***

The situation was completely different in 1985. At that time, there were many pressures from the state. If we disagreed to transfer the land to anyone who has been chosen by government, the state would grab it! The state could do anything that it wanted. I still remember there was a military *Bupati* who originally came from Lampung, Colonel Punawirawan Umpusinga, a close friend of General (Ret) Hendro Priyono. He invited his military friends with their complete army weapons and large amount of foods to Bengkumat. I think he wanted to show his power to our *adat* communities. I am so sad to see a *Bupati* who also a Lampung origin, have threaten us with such oppression. This is similar with the incident of the development of shrimp pond in east coast area of Bengkumat. They just grabbed the land from communities.

I still remember the statement of *Camat* when the KCMU Company started its operation in this area. For me, his statement had cultivated our hatred feelings as the farmers who live from the soil of the land. He said, "Every *adat* communities should transfer their land to the Oil Palm Plantation Company and move to Kota Agung or *Kroe* to become *satay* traders". Subsequently, people fighting including demonstrations that led by special committee started in Tanjung Parang . It seemed that demonstrations to district legislators of Lampung Barat in Liwa were successful. Mass media and the district government have paid a lot of attention to this case. Although KCMU Company has obtained a permit to operate in *marga* Bengkumat territory; they failed to acquire land from *adat* community. Therefore, the company concentrated their activities in Ngambur, Ngaras & Tenumbang.

However, the company continued to approach *adat* community in the south area of *marga* bengkumat. The company was strategically employed local agents and local government officials to convince *adat* communities to transfer their lands to the company. These local agents informed communities that they have sold lands to the company to join as plantation project participants. Indeed, these efforts could convince *adat* community. The *adat* community finally believed that company has a good performance and gives benefit to people. By deploying this method, the company successfully acquired land from communities. Local communities sold their land in very low price, in amount of IDR 500,000 per *hectares*. Sometimes, local agents acted as brokers by buying the lands and sold them to the company for nucleus plantation.

Nonetheless, the forces and intimidations that performed by company to *adat* community still can not fulfill the expectation of the company to the quantity of nucleus plantation. In 1998, the company involves the *adat* community as the plasma with unclear arrangements. Later, the benefit sharing mechanism were set under 40/60 model. Instead of negotiating with *adat* leader (*Marga Saibatin*), the company negotiates all land acquisition processes to the head of *Pekon* (kampong). BPN and the head of *Pekon* that was supported by *Camat* also conducted land surveys and measurements. As the *Saibatin*, I firmly rejected the presence of oil palm plantation in my *adat* community area. But unfortunately I could hardly gain support from other *Saibatins*. This has weaken our position *vis a vis* the company.

***Interviewed by Marcus Colchester, Oct 2005***

### ***The Testimony of Mahyudin in Talang Padang, Bengkunt***

My work is cultivating pepper, coffees and clearing the field for dry agricultural field (*ladang*). In my opinion, the information concerning KCMU Company and its offers is always unclear. They never provide any clear information regarding the area that the company planed to acquire and the boundaries of the nucleus and plasma plantation. The company interacted with *adat* community on individual base. In our *pekon*, there is approximately 60 percent of plasma area that has been brought by the company informally (without following the legal procedures).

There is a relinquished area forest (HPK) in Bengkunt with the uncertain boundaries. Most of the area in the forest has been converted to a mixing plantation including *repong damar* that managed by community members. Half of these community members even paid the annual land tax in form of SPPT (the Letter of Notice for Annual Land Tax Payment) to the kampong government. The main problem is, not all of *adat* communities agree with the idea of designation of HPK, for instance *adat* communities in Kampung Tua (Suka Marga) and *Repong Damar* Tua. The area of Kampung Tua is not a part of HPK until now while the area of Old *Repong Damar* together with its *Lamban Gedong* (*Adat Sacred House*) is still classified as protected forest. We, as the newcomers compare with Kampung Tua people, feels sympathetic to this phenomenon. We have not agreed to forest relinquishment idea unless there is an agreement from Kampung Tua people. We are really suspicious that KCMU Company involved and have interest in this forest relinquishment matters. We often saw presence of KCMU Company officials and their official cars in the area of forest relinquishment. I think KCMU Company was planning to convert the area into oil palm plantation<sup>1</sup>. It is important to remember that all lands in this place belong to *adat* community. Thus, if the company wants to invest in these lands, they should negotiate directly with the owner.

In my opinion, I think whether former HPK area or community land should not be leased to the bad reputation company such as KCMU Company. The company has not own factory. They also have not resolved land disputes with communities. I will not lease my land to the company with such reputations!

***Interviewed by Martua Sirait, Oct 2005***



***Testimony of Mr. Ajan, from Ngaras***

Mr. Ajan is an officer of 4<sup>th</sup> Division of the Oil Palm farmers associations, where 3300 families of local transmigration have not obtained land that they should receive (*1 hectare* per family). Therefore, it is ironic to see the ‘double burdens’ that faced by these people. In one hand, they still struggle with their distribution land problem; in another hand they should face the aggression of Oil Palm Plantation Company who wants to acquire their obtained land.

The lure of Oil Palm Plantation Company was so tempting. Many people were attracted to the offer of the company. In addition, *adat* community who rejected the company was evicted from their land by the company and police officers who have responsibility controlling the community (Babinsa). No room for negotiation or demanding compensation. *Adat* community who were evicted comprise of 132 families and among them, there are 72 families who join KPPS. Their demands included:

1. To compensate of the destroyed crops in people’s field that never been resolved until now.
2. To ban the implementation of 40/60 scheme in Ngaras. This demand was fulfilled with the delayed of the decree of *Bupati* regarding on the implementation of 40/60 model
3. Government should fulfill their promise to provide remaining promised lands to the local transmigration that never been provided by the government. Finally, the government granted a small cow (equal to IDR 300,000) to 3000 families in order to compensate these lands. In other words, a *hectares* of land was valued IDR 300.000. Local transmigration people viewed this as a very low compensation.

Over more than 9 years of the operation of oil palm plantation, there is no written agreement between the company and landowners. The company harvests plantation products without informing the landowners. The company also determined a very low price for the oil palm plantation products. The payment was made every 6-8 months. The average payment was IDR 83,000/*hectares*/month, which is a very low price for land productivity.

Following are the requirement for a plasma member:

- a. Submission of written statement of each plasma member to lease his or her land.
- b. In the case the transferred land is a *marga* land, it needs a recognition letter from *Pratin*. In fact, not everybody own any land titles for their land. To obtain a recognition letter from a *Pratin*, a landowner should provide a testimony of their neighborhoods to recognize the landowner claim and show boundary markers planted in the respective land.

These practices prompt to manipulations. Many lands were leased to the company by non landowner who has been entitled with a recognition letter of *Pratin*. This has led to increasing land disputes and fragmentation within communities. Sometimes, a *pratin* also abuses his power in this manipulation for his benefit. Many disputes in communal lands remain unresolved.

The company should resolve land disputes as soon as possible by giving compensations to land owner with clear land measurements. They should also provide a written agreement that will secure the position of communities. If they cannot fulfill our demand, we want the company to return our land. If not, this can be classified as an illegal land acquisition. We never lease our land. We want to develop our own oil palm plantation that will bring more benefit to us.

***Interviewed by Martua Sirait, Oct 2005***

## Permitting and Negotiation Process: a documents exploration analysis

### Land Acquisitions Permitting Process

In understanding the chronology of permitting process and various strategies deployed by Oil Palm Company. Documents exploration analyses on the land acquisition procedure found that the land acquisition process was done under the name of public lands either classified is as forest zone or other names and after that converted to non forest zone, for the “sake” of local community. But it rarely happen, insecure tenure system could not protect the community form land accumulation by the Palm oil plantation. The whole process describe below:

Following up a survey conducted by KCMU Company on 20 October 1993 in the candidate of oil palm plantation area in North Seashore sub-district, *Bupati* of Lampung Barat issued a letter that allocates an area covering 25.000 *hectares*. This area comprised of 10.000 *hectares* in Bengkuat subdistrict (between Way Ngaras and Way Curung Bengkumat), 7500 *hectares* in the local transmigration area and 5000 *hectares* in the forest area.<sup>4</sup>

On 22 November 1993, several community leaders and the village heads (now called as *Pekon* head) wrote a join statement to lease *marga* lands for oil palm plantation of KCMU Company under a model, “company supported partnership”. These village heads included; the village head of Pardasuka, Pagar Bukit, Tanjung Kemala, Suka Marga Penyandingan, Kota Jawa dan Raja Basa. The statement letter was certified by *Bupati* of Lampung Barat (HS. Umpu Singa), *Camat* of South Seashore sub-district and Bengkumat sub-district. There were 18 community leaders represented the communities to lease their land covering 25000 *hectares* (without land maps) to the district government with a special requirement (point 3)<sup>5</sup>. If the land were not managed by a village cooperative unit (KUD) for a year, the land status would automatically become *Marga* land. This statement letter became the basis of permits issued by the government. Have those 18 community leaders obtained any mandates of community members to lease their lands? Did these community leaders have the rights to grant land to other parties and sign the agreement of land acquisition, in addition, wrote that all of community members have agreed to sign the letter (point 1c)?

On 10 December 1993, BPN of West Lampung District issued a location permit to KCMU Company that included 10.000 *hectares* of nucleus area and 15.000 *hectares* of plasma area. The location permit was granted with several conditions: *first*, land acquisition should be finished within 12 month, and could be extended for another 12 months (point 7). These land acquisition process should be discussed directly with the

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<sup>4</sup> See a letter of *Bupati* of West Lampung District No 643/442/Bappeda-LB/1993 dated 19 November 1993, which signed by *Bupati* of West Lampung District, HS Umpusinga

<sup>5</sup> They said that all families in their village agreed to participate in oil palm plantation. The formation of a village cooperative unit would be decided later. The land should be certified for recognizing rights. If local people have finished their loan payments, they would be granted land titles.

landowner through trading or by leasing land rights based on the existing regulation (point 1), which included compensations providing for lands, crops, and so forth (point 2), creating enclave for house/field of people who refused to lease their lands (point 3). The map was also attached with detailed description of nucleus area (in the south area) and plasma area (in the north area)<sup>6</sup>.

The signing of the written agreement was followed by the issuance of letters of Head of No BPN.61c/2008/27/94 that governs the guidance and socialization of the compensation for acquired land. According to these letters, the community lands that entitle to get compensation is only the land, which attached by land ownership title (SHM). Other lands than SHM land (*ulayat/marga/negeri*), should be categorized as State land. Therefore, those community members who hold the land other than SHM lands do not entitle to get any compensation. For the lands other than SHM land, the investor should pay certain amount of money as recognition expenses to the District Government. The money from recognition expenses would be used for public interest purposes. Last thing, the letters stipulates that amount of compensation should be negotiated between the landowner and the investor.<sup>7</sup>

In response to this letter, *Bupati* of West Lampung announced that within two months BPN would conduct a measurement process for oil palm plantation of KCMU Company. The district head asked to landowner/ workers to show their land boundaries (point 3), sign the minutes and the form of stock taking activities (point 4), prove their land ownerships to government officers (point 5) and to suggest *Camats* to initiate land disputes resolution for unresolved land disputes by mutual dialogue (*musyawarah*)<sup>8</sup>.

However, after the measurement was completed, the investor did not get the quantity of the lands as their expectation. It can be identified by the approved area, covering only 8,500 *hectares*, which mentioned in the principle permit of oil palm plantation that issued by the Director General of Plantation of Agricultural Department for KCMU Company<sup>9</sup>. In July 1994, *Bupati* of West district wrote a letter to the Governor of Lampung to suggest the additional location for PT KCMU. *Bupati* also expressed his agreement with

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<sup>6</sup> See the Decree of the Head of BPN in Lampung District No KPBL/401/03.1/SK/93 on 10 December 1993 that signed by Head of BPN in Lampung District Drs. M Syaiful Hajani, which renewed by another Decree of Head of BPN in West Lampung No. KPLB.401/01/SK/IL/1995.

<sup>7</sup> See a letter of the Head of BPN in Lampung Province No BPN.61c/2008/27/94 on Socialization before the land measurement was conducted in order to lease the land for KCMU Company on 31 March 1994

<sup>8</sup> See the Announcement Letter of *Bupati* of West Lampung District No 593/3.499/LB/1994 dated 13 April 1994 that signed by *Bupati* of west lampung, HS Umpusinga

<sup>9</sup> See the Letter of the Director General of Plantation of Agricultural Department No HK.350/b4.172/03.94 on the Approval of Principle Permit for Oil Palm Plantation that covered 8500 *hectares* in the Sub-district of South Seashore, West Lampung, dated 19 March 1994. This permit was last for 12 months. The covering area of oil palm plantation in this letter differs with the Approval Letter of the Investment Coordinating Board (BKPM) No. 448/I/PMDN/1994 on July 8, 2004 states that the land granted for oil palm plantation in the Sub-district of South Seashore, West Lampung covered 10,000 *hectares*.

the plan to develop an oil palm plantation<sup>10</sup>. Nevertheless, *Bupati* asked the governor to consider the difficult of topography of the area and the presence of communities' *repong damar* in the buffer zone<sup>11</sup>. The district head recommended the utilization of former production forest that covered 6000 *hectares* (based on the measurement of lands and mapping agency or SIBHPL in Lampung that has been agreed by the boundary arrangement committee (PTB) in West Lampung district. The district government also allocated 2,100 hectares of HPK for additional area of KCMU Company<sup>12</sup>.

***See Figure 1.Overlapping HPK allocation for PT KCMU (in blue color)***

However, local communities increasingly resented to the project. People of *Pekon Bengkumat* reported to Provincial Legislator about the plan of PT KCMU to open an oil palm plantation.<sup>13</sup> In response, the provincial legislator, commission A in particular, visited to *Pekon Bengkumat* in 26 July 1994. They held a dialogue between KCMU Company and *adat* community as well as the key local government officers in *Pekon Bengkumat*.

Provincial parliament of Lampung asserted that the hesitancy of *adat* community to involve in oil palm plantation mainly because the compensation that provided by oil palm plantation company were lower than local income generating from cocoa, coffees, and *damar*. To resolve the disputes, all of people's crops and lands located in the nucleus oil palm plantation area should be compensated by KCMU based on existing regulation (point 4). The district government was appointed to mediate the dispute resolution. Lampung Barat (point 5)

There were four choices for people:

- a. Farmers would be involved as plasma. Two *hectares* of land would be acquired and registered to get land title. Farmers would become members of PIR co-operatives. In the fourth year, they would be granted loan
- b. Plasma scheme 40:60

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<sup>10</sup> This letter is a response of *Bupati* of West Lampung to the Letter of Governor of Lampung No. 5503/1678/04/94 dated 14 July 1994 concerning the Plan of Additional Location for Oil Palm Plantation of KCMU Company in Pesisir Sub-District

<sup>11</sup> This letter did not mention any information regarding the status of the area as buffer zone area neither the area of Bukit Barisan Selatan National Park.

<sup>12</sup> See a letter of the sub district head of Lampung Barat no 522-12/204/Bapp-LB/1994 to Lampung Governor on 16 July 1994 on the utilization of converted production forest in North Seashore subdistrict (Lampung District).

<sup>13</sup> See further in a community allegation letter in June 1, 1994 and their attendance in hearing with the head of provincial BPN office in June 6, 1994 and the head of plantation office and BKPM in Lampung, June 1994. See also newspaper, Merdeka, July 29, 1997 (*Masyarakat Minta Izin Prinsip PT KCMU dicabut; PT KCMU mengusur tanah rakyat secara membabi buta*); Merdeka, July 30 1997 (*Kasus pengusuran Tanah Warga; Pemda Lampung Merasa Diremehkan PT KCMU*); Merdeka July 31, 1997 (*Penyepelean Surat Gubernur, Sikap Arogansi PT KCMU*); a letter to reject the plantation development and expansion were signed by people from Pahmungan village, 16 Marga of *adat* communities in Seashore, Malaya village, Penengahan village. The letter was sent to Ministry of Forestry and District government.

- c. People's land was compensated with other land areas outside the plantation.
- d. People's land was designated as enclave (exception) in the plantation area.

The final report revealed that the provincial legislator field visit resulted in the agreement of local communities to accept the plantation. Local communities withdrew their lawsuit (Team Eleven represented by Khoiri) and agreed with the opening of oil palm plantation by PT KCMU. They asked the district government to handle the land dispute and aware with other parties who could exploit benefit from the transferring rights over the land and the issuing of new land titles (SKT) in Bengkumat<sup>14</sup>.

Owing to Recommendation letter of *Bupati* West Lampung District on the nomination of reservation of forest area, the Governor of Lampung sent a letter to KCMU Company to continue land-leasing process in the forest area. Provincial forestry agency gave recommendation to lease the former production forest (6,000 hectares) and converted production forest (2100 hectares) for oil palm plantation. By then, oil palm plantation became 8,100 hectares located in the adjacent area of EAK Company that planned to open hemp plantation (3,500 hectares)<sup>15</sup>.

Provincial forestry agency had designated the former production forest covering 6,000 hectares, former and HPK area covering 5,690 hectares as settlements and agriculture areas as well as various development projects that conformed to Land Use Plan of Lampung Province (District Regulation No. 10 of 1993)<sup>16</sup>. However, the provincial forestry agency agreed to lease the mentioned area for oil palm plantation. The agency required KCMU Company to either provide employments for 500-1000 families of forest squatters or involve them as plasma farmers.

Nevertheless, before opening the land, the company was required to coordinate with related government agencies and discuss the plan with local communities<sup>17</sup>. Subsequently, the head of Suka Marga village sent an agreement letter to accept the plantation project by leasing 40% land for nucleus and 60% land for plasma. However,

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<sup>14</sup> In the RDP report mentioned that Provincial parliament (DPRD) particularly A Commission visited districts (West Lampung, North Lampung and South Lampung) in 20-30 July, 1994.

<sup>15</sup> See a Recommendation Letter of Lampung Governor No 503/2116/04/1994, 25 July 1994. See also the letter of the Head of Provincial Forestry Agency No. 3601/Kwl-6/1994 in 29 December, 29 1994 (including map and minutes No. 22/D.a/I/1995 issued by BPN, 10 January 1995).

<sup>16</sup> See the letter of the Head of Provincial Forestry Agency No. 1720/kwl-6/1994 dated 5 July 1994 and the letter of provincial forestry agency no 3519/kwl-6/1994, 22 December 1994 concerning the utilization of former forest area in Lampung Province

<sup>17</sup> See the letter of the Head of Provincial Forestry Agency No. 213/Kwl-6/1995 dated 23 January 1995 on the agreement of oil palm plantation of KCMU Company. This letter was reaffirmed by another letter from letter of the Head of Provincial Forestry Agency dated may 17, 2005 No. 1243/Kwl-6/1995 on the agreement of oil palm plantation of KCMU Company.

Communities' forest was not leased as enclave<sup>18</sup>. Following the letter, several villages sent agreement letters as well including:

- Village head (*Kades*) Pagar Bukit (Engkon Gunawan), local organization Kota Batu (Purnawardi),
- Village head Penyandingan (Yubhar Hassan), LKMD Penyandingan (Muhtadin),
- Village head Kota Batu (Wahabullah), Kadus Pardasuka (Matrosidi)
- Sekretaris Desa Negeri Ratu (Syarif Usman),
- Village head (Ibnu Rusyid), Kades Negeri ratu (Sujadi),
- Village head Kota Jawa (Juaher),
- Village head Mulang Maya (Choiruddin),
- Village head Raja Basa (Fatahurrohman),
- Village head Tanjung Kemala (A.Hamidi) in the petition in 11 June 2005<sup>19</sup>
- Village head Biha (Nusirwan),
- Village head Way Jambu (Zainal Abidin),
- Kades Marang (Johan Samsi),
- Village head Kades Sumber Agung (Mursid),
- Village head Negeri Ratu Ngambur (Syariffudin) dan
- Village head Gedung Cahaya Kuningan (Mazkur M)

These letters, which were certified by *Camat* Abdul (Jalil, BA), aim to support government program on oil palm plantation managed by KCMU Company. They demanded that the plantation program should be materialized<sup>20</sup>.

There were several changes of land acquisition process since the first plantation project implemented. Land areas that were acquired as plantation area included: communal land and private land, HPK and former HPT area. Yet, the government persisted with the width of land for oil palm plantation: 25,000 hectares that included 15,000 hectares to plasma and 1000 hectares for nucleus.

### **Land Consolidation**

Land consolidation processes could not be preceded because of the uncertainty of land compensation. The consolidation process impacted on land rearrangement including width, boundaries, positions of these lands that were mentioned in the land title of community, SHM, *girik*, SKT, SPPT and ownership evidence<sup>21</sup>. In the mean time, the meeting with three community representatives from Pagar Bukit was held in order to achieve justice (point II.2). The compensation was agreed by paying the communities IDR 25/ m2 for their land. For crops, the compensation would be based in regulations and

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<sup>18</sup> See the Approval Letter of Head of Village of Suka Marga signed by Effendi Husien dated 24 June 1995 and certified by *Camat* of Bengkunan, Drs. Syahril.K.

<sup>19</sup> See *Minutes of Meeting of Musyawarah*, dated 11 June 1995

<sup>20</sup> See *Minutes of Meeting of Musyawarah* June 10, 1995

<sup>21</sup> See the Decree of *Bupati* of West No 188.45/087/TP/1995 regarding Land Consolidation Planning for Plasma oil palm plantation, 13 April 1995.

findings of research of WASDAL team developed by the government without involving people in the decision making process<sup>22</sup>. To smoothen land leasing process, *Bupati* issued a letter declared that the first phase of 4000 hectares oil palm plantation prioritize for the candidates of plasma farmers who have leased over 4 hectares land.<sup>23</sup> In addition, the district head also designated 17 villages in South Seashore sub district covering 25,000 hectares as 40:60 scheme of plantation area. However, this scheme could not be applied in former HPT area<sup>24</sup>. Statement letters of Village government officials justified this process. Following are the village government official who issued the statement letter:

- Way Jambu (19 people),
- Marang (20 people),
- BiHa (15 people),
- Pardasuka (10 people),
- Mulang Maya (9 people),
- Batu (11 people),
- Pagar Bukit (20 people),
- Negeri Ratu Ngaras (9 people),
- Negeri Ratu Ngambur (10 people),
- Gedung Cahaya Kuningan (10 people),
- Pekon Mon (9 people),
- Sumber Agung (10 people),
- Tanjung Kemala (8 people),
- Kota Jawa (10 people)

These statements declared people's agreement on the scheme of 40:60 and demanded the company to materialize their project such as building roads, blocs and the plantation of oil palms without any compensation<sup>25</sup>.

***See Picture 1. Map of Kampung & Adat area vs. KCMU Company area***

The statement of village head stated that he was responsible for smoothen the agreed land leasing process and promised to villagers to be given the fix compensation payment certified these statements. KCMU Company also declared to give compensation of crops

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<sup>22</sup>See the Decree of *Bupati* of West Lampung No 188.45/500/BPN/HK/1994 concerning basic land prices, July 30, 2004 and unit prices of crops, building and other rights as regulated in the Decree of *Bupati* No 188.45/223/HK/93, appendix I & II, dated 3 September 1993. The land leasing agreement between KCMU Company and villagers in Pagar Bukit represented by Sangidi, Suparlan & Sarmain certified by the coordinator of land leasing program for private sectors in the district levels, West Lampung, Engkon Gunawan, in 19 April 1995.

<sup>23</sup> See Recommendation of *Bupati* No.000/297/TP-LB/1995, 22 June 1995 and the Decree of *Bupati* no 188.45/087/TP/1995, dated June 13 1995

<sup>24</sup> See the Decree of *Bupati* No 188.45/693/TP/1995, dated 23 June 1995 regarding the implementation of land consolidation replacing Decree of *Bupati* No. 188.45/087/TP/1995 dated 13 June 2005.

<sup>25</sup> See a join statement of officers from 15 villages representing all villagers in 12-14 July 2005.

and would not evict unregistered damar plantation owned by local communities<sup>26</sup>. Meanwhile, five farmer organizations declared that they would not destroy or cut oil palm plantation and support the West Lampung district government program<sup>27</sup>. Subsequently, a *Bupati* decree (SK) on recognition payment was issued. The decree required the plantation company to pay retribution for district revenue generation purpose. The company should pay for nucleus area covering 2400 hectares (Rp.20.000 per hectares) that equals to IDR 48 million<sup>28</sup>.

In the land consolidation process, BPN district agency issued a location permit for KCMU Company (the third extension of the permit) adding a statement that declared: scheme of 40:60 could not be forced (point 10), and the company should take responsible to possible risks that might occur in their activities (point 3). The map attached did not show the area of plasma and nucleus area<sup>29</sup>.

Indeed, in the area covering 25,000 hectares have been allocated for various activities including shrimp pond, irrigated paddy field, and transmigration settlements (3,683 hectares). However, there were also local settlements, productive people's plantation (*damar*, coffees, pepper, etc), irrigated paddy field and the unfertile land. The detailed of the land used could be seen below

**Table I. Land Use in the Working Area of KCMU Company**

Land Use	Width (in ha)	Explanation
Transmigration and other government programs	3,683	Paddy Field, Trans SP II-VI
Hamlet	1,887	Non Transmigration
Productive plantation	3,345	<i>Damar</i> , coffees, and pepper
Swamp/dry rice field	1,109	
Infertile land	462	Steep
Abandoned land that potential for oil palm plantation	6,578	The resentment of people on the bushes area
Potential land to be opened as oil palm plantation	2,,000	
Land opened by KCMU	5936	Have been platned 5088, Ready to be planted 848. This process involve 843 workers
Total	2,5000	

*Compiled from Land arrangement of plasma and nucleus plantation of KCMU Company in 1997*

<sup>26</sup> See a join statement on 30 April 1996, that was certified by the head of district legislator

<sup>27</sup> See a join statement on 30 April 1996, that was certified by the head of district legislator and all of political parties' representatives and Damar farmers of Jejama Beguai (Negeri Ratu Ngaras), Sangen (Pardasuka), Kota Batu Mandiri (Mulang Maya) dan Kilu Andun (Raja Basa)

<sup>28</sup> See a Decree of *Bupati* No 975/366/DP.II/LB/1997 on 30 May 1997 on recognition expenses.

<sup>29</sup> See the decree of The head of BPN West Lampung No 401/01/SK/IL/1996 on 10 January 1996



From this table, we can conclude that BPN Lampung office's designation of plantation area included nucleus (5,806 Hectares) and Plasma 8,708 hectares (if the potential land is added, the area would increase into 14,514 Hectares). The designation of nucleus and plasma became ungrouped<sup>30</sup>. Therefore, the Decree of *Bupati* established the nucleus and plasma area into 14,514 hectares. The widespread of nucleus and plasma changed into what shown in Figure 2<sup>31</sup>.

### ***Picture 3. Map Plasma & Nucleus Area of KCMU Company***

Later on, the new *Bupati* of West Lampung designated the implementation of partnership between local communities and KCMU Company, revoked the allocation of 25,000 hectares land and revoked the land consolidation in 17 villages, involved farmers, district legislators and NGOs to solve the conflict<sup>32</sup>.

An environmental impact assessment (ANDAL) study reveals that there are a huge percentage of people who fear of the establishment of the oil palm plantation. This fear is caused by the possibility in of oil palm plantation to destroy people's *damar* garden. The company would determine the selling price and change the business scheme of coffees, pepper and damar. Some of the *adat community* who did not own land afraid that they would lose opportunities to be paid worker farmer because of the establishment of oil palm plantation. This study also describes how people's unrest related to land acquisition and consolidation that could lead to land shortage for future. Because of those reasons, *adat community* decides to firmly reject the establishment of the plantation. This resentment of course disturbs activities of the plantation company. In response, the company should wisely give clear information on the goals of the project and their plan to enclave the community land that not involve in the project and providing appropriate price for the harvesting products of plasma plantation<sup>33</sup>.

### **Loan Request from KUD Karya Mandiri and Benefit Sharing of Oil Palm Plantation**

On 11 April 1995 Lampung government sent a letter to support the partnership between KCMU Company and KUD Karya Mandiri, gave loan (IDR 6,619,537/ hectares) and allow the farmer to do mix plantation<sup>34</sup>. In May 8 1995, the agreement between KCMU Company, KUD Karya Mandiri and BDN Company was signed to implement development and management of oil palm plantation project in South Seashore sub

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<sup>30</sup> See the report of land arrangement of plasma and nucleus plantation of KCMU Company and BPN in 1997

<sup>31</sup> See the Decree of *Bupati* No. B/235/ Kpts/B-01/1997 on the designation of nucleus and plasma plantation in 11 November of 1997 certified by H Indra Bangsawan as the Acting of *Bupati*. See also Decree of *Bupati* No B/240/KPTS/01/1997 on the implementation of designation of nucleus and plasma area of KCMU Company dated 19 November 1997 that signed by the Acting of *Bupati* of (Drs. H Indra Bangsawan).

<sup>32</sup> See *Bupati* Decree No 45 /2001 regarding Re-establishment of Partnership Schemewith PIR KCMU Company dated 11 April 2001.

<sup>33</sup> See KCMU, 1996, Andal Report

<sup>34</sup> See the letter of Lampung Governor no 325.28/1640/04/1995 to KCMU Company dated 11 April 1993

district or Bengkumat. The justification of this partnership is a location permit issued by BPN in 1993 that was extended in 1995, principal permit issued by Director General of Plantation, Decree of *Bupati* of West Lampung District concerning socialization and boundary establishment in 1994; and Decree of *Bupati* of West Lampung District concerning oil palm plantation in 1993 that covered 10,000 hectares (plasma) and 15,000 hectares (nucleus)<sup>35</sup>.

### **The Changing of Government's Perspective**

The policy of the new Bupati of West Lampung, Lieutenant Colonel (Ret) I Wayan Dirpha (replacing HS Umpusinga) is to promote partnership between company and people in accommodating the oil palm produce from people's plantation. The district head attempted to facilitate a dialogue between local community who demanded the return of their land with the plantation company. After the fall of Soeharto, many *adat* communities sent their resentments to the company and the revoke their agreement letters to support the establishment of KCMU Company. Clearly, those letters were signed under pressure. In addition, nucleus and plasma area were changed (See Figure 3.). it seems that both district heads (I Wayan Dirpha & current *Bupati*, Erwin Nizam, MSi ) of West Lampung inherited similar problems, but they view the problems differently.

The Lampung Governor (H. Oemarsono) proposed re-arrangement of forest area to Forestry Department by leasing converted production forest area (HPK) that covered 145.125 hectares that consist of settlements, agriculture land, the edge of river, and swamps. These areas would be redistributed to communities based on justice, equality, and sustainable environment principles<sup>36</sup>. This decision was also to respond the demand of local communities to get land titles. In 1998, forestry reformation team demanded the provincial government of Lampung to implement community based forest management and to lease forest area to farmers.

Subsequently, Ministry of Forestry sent a letter to re-arrange forest areas in Lampung province with exception of the proposed area. They argued that these areas were no longer fit with forest criteria and need not be adjusted<sup>37</sup>. A part of those areas is in West Lampung District (in sub district of Bengkumat) considered as *Marga* Bengkumat territory and a part of KCMU Company area as well. Forest area in Bengkumat was included in forest in coastal area that was managed by local communities<sup>38</sup>. However, local

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<sup>35</sup> See agreement letter between BDNI, KCMU and KUD Karya Mandiri no 36/80/BDN or 73/KM/05/95 or 20/KUD-KAMI/5-95 dated 8 May 1995.

<sup>36</sup> See the letter of head of Bappeda in Lampung Province No 522.11/2285/BappedaIV/1999 on the proposal of Re-Designation converted production forest area (HPK) in 7 Oktober 1999; a letter of the head of forestry department no 2056/KWL-6/2000 on 12 August 2000; Letter of the Governor of Lampung No. 522.11/1753/Bappeda/2000 dated 15 August 2000 regarding forest area re-arrangement in Lampung Province

<sup>37</sup> See Ministry of Forestry Decree no 256/Kpts-II/2000 on the designation of forest and water area in Lampung province that covers 1.004.735 *hectares*, on August 23, 2000. See consideration part of this decree that also revoke previous Ministry of Forestry decree no 416/Kpts-II/1999.

<sup>38</sup> See the Ministry of Forestry Decree no 47/ 1998 on the designation of coastal forest area to be KDTI

communities rejected the establishment of new forest area in 1980. Instead of designating as state lands, they demanded to the government to designate these areas as private lands.

In table 2 shows land acquisition in villages in the area of HPK, which located in Lambar district in 2000. In figure 3, we could see the overlapping of HPK allocation for KCMU Company. It can be concluded that people in form of garden, field and settlements control all HPK area. Meanwhile, BPN of West Lampung granted a permit to KCMU Company in the former HPK area that covers 2100 hectares (based on BPN permit) of 1,235.86 hectares based on BPN-forestry department's boundary arrangement.

The community was suspicious with the allocation of land to KCMU Company because based on a governor letter, those area would be redistributed to people<sup>39</sup>. The head of BAPPEDA in Lampung rejected this suspicion that delivered in a meeting with the study team in Liwa (14 July 2005). He said that from the beginning these former HPK areas were allocated to people.

No	Sub district Pekon Hamlet	Land holder (people)	Amount of land parcels and width of land based on land use			
			Settlement		Width	
			Amount (parcel)	Width (ha)	Amount (parcel)	Width (ha)
1	Pesisir Selatan & Bengkunat					
A.	Sukamarga					
	1. Srimulyo	110	78	24,6100	32	102,3000
	2. Sukoharjo	90	41	11,9200	49	118,7000
	3. Sumberagung	240	51	174,000	189	743,3000
	4. Jambat	208	63	22,3400	145	604,7000
	<b>Sub Total</b>	<b>648</b>	<b>68</b>	<b>232,8700</b>	<b>415</b>	<b>1569,000</b>
B.	Penyandingan					
	1.Sumber Rejo	125	68	19,3900	58	218,3000
	2.Penyandingan	Tad	Tad	Tad	Tad	Tad
	<b>Sub Total</b>	<b>125</b>	<b>68</b>	<b>19,3900</b>	<b>58</b>	<b>218,3000</b>
C.	Tanjung Kemala					
	1.Tanjung Kemala	128	79	20,1200	49	162,1000
	2.Tanjung Raja	529	Tad	Tad	529	2622,6000
	<b>Sub Total</b>	<b>657</b>	<b>79</b>	<b>20,1200</b>	<b>578</b>	<b>2784,7000</b>
D.	Kota Jawa					
	1.Sidomulyo	97	47	13,6400	50	203,4000
	2.Sukanegeri	118	60	22,1300	58	174,2000
	3.Talang Beringin Jaya	96	11	4,5000	85	235,6000
	<b>Sub Total</b>	<b>311</b>	<b>118</b>	<b>40,2700</b>	<b>193</b>	<b>613,2000</b>
E.	Pagar Bukit					

<sup>39</sup> See a letter of *Bupati* KDH TK II Lampung Barat no 643/442/Bappeda-LB/1

	1.Pagar Bukit	529	42	25,0500	487	1075,0000
	<b>Sub Total</b>	<b>529</b>	<b>42</b>	<b>25,0500</b>	<b>487</b>	<b>1075,0000</b>
	<b>Total</b>	<b>2270</b>	<b>375</b>	<b>337.7000</b>	<b>1731</b>	<b>6260.2</b>

Source: the appendix of a letter of Bappeda head, Lampung province no 522.11/2285/BappedaIV/1999 on the proposal of Re-Arrangement of converted production forest (HPK) dated 7 October 1999

### Land Redistribution Program vs. Oil Palm Expansion

In response to land redistribution program, the governor issued governor decree and the district government of West Lampung issued a provincial regulation to regulate the land distribution process.<sup>40</sup> Studies conducted by UNILA in 2002 revealed that community's responses to the change of area status from forest zones into non forest zones (APL). Most of the respondents (99,41 %) agreed. Yet, this research addressed people's fear of unclear boundaries between protected forest and former HPK as well as Marga's land. In addition, most of the communities did not possess land titles that made their land prompt to be appropriated by more powerful agencies thereby could leading to conflicts.<sup>41</sup> In Central Lampung district, land redistribution of register 8 covering 16,870 hectares was conducted by giving a recognition expenses to Way Rumbia Marga (*adat communities*). This recognition fees was referred as *adat* fees. In 18 April 2001, land users agreed to pay *adat* fees, worth Rp.500.000/ hectare to the *marga* head.<sup>42</sup>

However, the land users later on rejected to pay *adat* fees due to the implementation of District regulation No. 6 of 2001. They also rejected to pay retribution to the Central Lampung district government (IDR 100,000/hectare). The district government argued that the agreement between *adat* communities and land users is legally higher than other existing regulations. So that land users should pay *adat* fees (IDR 500,000/hectare), retribution to the district government (IDR 100,000/hectare), adjudication fees (IDR 50,000/hectare) and the fees for land status (IDR 100,000/hectare)<sup>43</sup>.

Provincial parliament (Commission A) of Lampung Province argued that the fees of land acquisition was based on District Regulation No.6 of 2001: IDR 100,000/hectare for agriculture areas, IDR 40,000/1,000m<sup>2</sup> for settlements; IDR 100,000/1,000m<sup>2</sup> for

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<sup>40</sup> See the Lampung Governor Decree no G./283.A/B.IX/HK/2000 on the Establishment of Former HPK land status that covers 145.125 *hectares*; the Provincial Regulation No 6 /2001 on the change function of former HPK land into non HPK area that covers  $\pm$  145.125 *Hectares*. This land status change is aimed to give land rights to people. This land status change is a priority of land for people program.

<sup>41</sup> See Utomo Hajir, Mechsas Sudirman, Akib Muhammad, Wulandari Christine, Kabul Ali Mahi, Mulyaningsih Handi (tim UNILA, 2001); *Peluang dan Tantangan Dalam Pelepasan Kawasan Hutan Negara di Lampung Province*, unpublished document.

<sup>42</sup> Radar Lampung, 28-2-2002; *Ribuan Warga Tuntut Penyelesaian Tanah, Terkait pelaksanaan Perda no 6/2001 Propinsi Lampung*.

<sup>43</sup> Radar Lampung, 1-3-2002; *Lamteng Didesak Proaktif Tangani Persoalan di Register 08*

commercial buildings and Rp. 250,000/1,000m<sup>2</sup> for industries. They also argued that people lived in the state forest not in *adat* forest<sup>44</sup>.

In order to respond demand of people, the government should develop land distribution system based on the Government Regulation no 224 of 1961 on land redistribution for settlement and agriculture area<sup>45</sup>. The government also issued the procedure of implementation<sup>46</sup>. In addition, it designation of the locations for registering land by issuing a letter from BPN No 24-VIII-2001 in south coastal areas including:

- Suka Marga
- Penyandingan
- Tanjung Kemala
- Kota Jawa
- Pagar Bukit

Land administration conflicts were increasing. People rebuffed the program, which implemented in HPK, HL and HPT area. There are also differences of data that is showed by the provincial head of BPN and Forestry Agency on former HPK are. Villagers also expressed their confusion on the situation that they encounter. Therefore, forest in coastal area could not be included as a state forest area because of the absence of boundaries arrangement and the minutes of boundary arrangement (BATB) agreed by local communities. When these areas would be distributed, there was confusion on what land should be distributed to whom. In 2004, almost five year the leasing of forest area, the forest boundaries were agreed by Ministry of Forestry and BPN.

Another problem found in article 18 of Provincial Regulation No. 6/2002. The statement in this article considers the state land could be distributed to anybody who need it but not to return those lands to original owners. This kind of land redistribution could be found not only in West Lampung but also in East Lampung as well as other former HPK areas that could potentially be distributed. We could see the lack of people's enthusiasm to register their land to BPN or other registration posts that has been prepared by BPN in every *pekon* (5 village) see Fathullah, Situmorang et al, 2004.

#### ***Figure 4. Satellite Images Interpretation; Oil Palm Expansion***

At the same time the Oil Palm company continue expanding their plantation, without considering the debate of the land status and possession (see figure 4). The company might believe that the what ever the land status determine, market could influence it through voluntary land acquisition or using the old trick by force and manipulation.

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<sup>44</sup> See the statement of Bpk Djuweni Ma'sum. Commission A member, Lampung provincial parliament; Lampung Post 2-3-2002, *Komisi A Panggil Bupati Lamteng*

<sup>45</sup> See ICRAF-UNILA, 2001; *Studi Proses Administrasi Pertanahan dan Respons Masyarakat Atas Pelepasan Kawasan HPK propinsi Lampung ; Studi Kasus HPK Pesisir Selatan Bengkulu*

<sup>46</sup> See the letter of Provincial Head of BPN in Lampung no 600-2072 on the implementation direction of Independent Adjudication Activities. See also registration locations in a letter of the provincial head of BPN no 24-VIII-2001 in five villages

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