

# Increased exploitation of Indonesia's forests feared after president's demand for unrestricted investment

Environmental activists say the country is headed down the same path as Brazil under the presidency of Jair Bolsonaro, who has moved quickly to push policies permitting greater deforestation of the Amazon in pursuit of economic interests.

By Hane Nicholas Jong, Mongabay.com

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A logging truck transporting rainforest timber in Jambi Province, Sumatra in Indonesia. Image: Rainforest Action Network, CC BY-SA 2.0

Environmental activists say they fear for what's left of Indonesia's tropical rainforests, following a fiery call by President Joko Widodo threatening action against anyone hindering investment in the country.

The president's speech on July 14, his first major policy projection since winning re-election in a vote in April, emphasised opening up the country to investment and development to boost growth, including a call to expedite the issuance of permits.

"No one should be allergic to investment," Widodo said before a crowd of thousands at an arena south of the capital, Jakarta. "This is how we create as many jobs as possible. Therefore, anything that obstructs investment must be trimmed, such as slow or complicated permit processes, especially illegal levies. Be careful, going forward I guarantee that I will chase, I will control, I will check and I will beat [them] up if necessary! There should no longer be any obstructions to investment because this is the key to creating more jobs."

The language used has raised concerns among environmental and indigenous rights activists, who say there are plenty of justifiable reasons to oppose or at least slow down development projects that involve the clearing of forests and customary lands.

"He used threatening diction, such as 'clobber' and 'those who hinder [investments]," Khalisah Khalid, a spokeswoman from the Indonesian Forum for the Environment (Walhi), told reporters. "And who's usually accused of being a hindrance to investments? Indigenous peoples, environmental activists as well as regulations deemed to be unaccommodating [to the exploitation of forests]."

Dewi Sartika, the secretary-general of the Agrarian Reform Consortium (KPA), also said it was regrettable that the president had used such language in his speech.

"It's not right for a presidential speech to seemingly be filled with threats," she said. "If people reject infrastructure that doesn't mean they reject development; there's the issue of injustice. People's rice fields are bulldozed and converted into non-agricultural zones. Thousands of villages overlap with concessions."

Those overlaps, fed by a lack of clarity about land ownership, have given rise to hundreds of conflicts over the years, most of them involving land traditionally occupied by an indigenous or customary community that has been signed over by the government as a concession to a plantation or mining company.

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*Khalisah Khalid, spokeswoman, Indonesian Forum for the Environment (Walhi)*



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Data from the KPA show there have been at least 1,771 land conflicts between 2014 and 2018, the first four years of the Widodo administration, with 41 people killed, 546 assaulted and 940 farmers and activists facing criminal prosecution. Oil palm plantations accounted for the largest number of cases, at 642.

Even Sembiring, Walhi's head of policy analysis, said Widodo should be more sensitive to the problem, given that in the 1970s his own family was [evicted](#) from their home for a riverside development.

"He himself was a victim of eviction once," Even said. "He could see the way evil investments work, the ones that aren't friendly to the environment and human rights. But it seems like that [experience] only serves as a memory, not as a lesson for Joko Widodo."

### Changing policy stance

Widodo's call for unimpeded investment in the country marks an about-face from his stance in the run-up to the 2014 election that he would go on to win. Back then, he espoused a largely nationalist platform, in which he said the government should "[make it difficult](#)" for foreign investors to do business in Indonesia.

Since then, however, he's had to tone down that stance in a bid to make good on the ambitious GDP growth target of 7 per cent that he'd promised as a candidate. (Indonesia's annual GDP growth rate throughout Widodo's presidency has hovered at 5 per cent.) In April 2015, a year after winning the election, he invited business leaders at the World Economic Forum to [invest in Indonesia](#), adding, "if you have any problem, call me." That same year, he issued a regulation on eminent domain, making it easier for the state to requisition land deemed necessary for development projects.

A similar regulation issued in 2017 allows land to be taken over for "national strategic projects," overriding any existing zoning designations. The regulation was most famously used to push through a coal-fired power plant in West Java province that had previously been blocked by a local court because the proposed site was designated as a protected forest.

In 2018, the government issued another regulation, on online permit issuances, that effectively allows businesses to start operating before securing the required environmental impact assessments and environmental permits. And earlier this year, the government advised palm oil companies [not to share their plantation data](#) with other parties, including external consultants, NGOs, and multilateral and foreign agencies — despite such transparency being a requisite for certification under the Roundtable on Sustainable Palm Oil (RSPO).

More recently, a week before his July 14 speech, Widodo [ordered](#) his environment minister to "close your eyes [and] issue permits as quickly as possible" to investors complaining about the difficulty of obtaining licenses to exploit forest areas.

The president has previously called for [immunity for local officials](#) deemed reluctant to issue permits for fear of falling foul of anti-corruption regulations. The national anti-corruption agency, though, says there can be no exceptions to the law for any investments.

"The environmental aspect is a requirement that's in our regulations, so people have to comply," Laode M. Syarif, a commissioner at the agency, known as the KPK, told reporters. "We don't want investments that aren't responsible, and I'm sure the President wants the same thing."

### 'Maladministration and manipulation'

Activists are quick to note that much of the problems pertaining to land ownership and forests in Indonesia, including massive deforestation, overlapping permits and land conflicts, stem from the unbridled issuance of permits.

Telling the forestry minister to turn a blind eye to the regulations in order to expedite the issuance of permits could lead to even more conflicts flaring up throughout the country, according to Dewi of the KPA.

In 2018, the KPA recorded conflicts over a combined 8,071 square kilometres (3,116 square miles) of land in Indonesia, dominated by conflicts in plantation areas (656 square kilometres, or 253 square miles) and forest areas (540 square kilometres, or 208 square miles). The total figure is up from 5,204 square kilometres (2,009 square miles) in 2017.

"Permits [that are issued] with maladministration and manipulation ... with eyes closed to the fact that there are villages and people's fields have created overlaps and agrarian conflicts," Dewi said. "This is because [the permit issuance] is demanded to be fast with privilege given to big investors."

In some provinces, the combined area of concessions granted exceeds the total land area, according to data from the Mining Advocacy Network (Jatam).

"How is it that the land under concession in East Kalimantan province is larger than the actual land area?" [said](#) Laode, the anti-corruption commissioner. "What kind of country is this? It's the same in Southeast Sulawesi province."

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### Indigenous groups in the firing line

The government has sought to allay fears about a torrent of new forest concessions being granted, saying environmental regulations won't be ignored.

"There's nothing to be worried about," said Bambang Hendroyono, the secretary-general of the environment ministry. "Even if we speed up the issuance of permits, there won't be permits issued without taking into account [the environmental aspect]."

He added that Widodo's talk of chasing and beating obstacles to investment referred to slow bureaucracy and red tape.

But that still leaves indigenous and forest communities in the firing line, said Walhi's Khalisah.

"Indeed our bureaucracy has to be reformed, but not to serve investors," she said. "Bureaucracy should serve the public."

She cited Widodo's flagship social forestry program, in which the president has targeted distributing titles to 127,000 square kilometres (49,000 square miles) of land to local communities, including indigenous groups, and resolving land disputes across Indonesia. The program has been [hindered](#) by red tape that subjects indigenous communities to years of a prohibitively expensive and convoluted process to simply gain the official recognition required to be eligible for the scheme.

Yet palm oil companies can secure commercial land rights in just three years, and own plantations that span close to 140,000 square kilometres (54,000 square miles) in total, Khalisah said.

"Our bureaucracy still treats people who until now have fallen victim [to land grabs and conflicts], where they can't access their forests even though they live there, the same as companies," she said. "This makes it very difficult [for people] to get permits [for the social forestry program]."

Walhi's Even said he and other critics of the president's latest policy pronouncements weren't against greater investment in the pursuit of development. What they want, he said, are investments that account for environmental and social factors and that put local communities at the forefront of the economy by giving them access to land.

"If we want to talk about investments, then let them invest in the downstream sector, and let the people manage the upstream sector," he said. "If Joko Widodo tells [the environment minister] to close her eyes, it means the government is still talking about [investments in] the upstream sector, with lands and forests still being given to companies."

He added the president was being "two-faced" on the issue of forest rights, having vowed earlier this year that in the case of overlapping land claims between companies and communities, the [latter should be prioritised](#), especially if they had occupied the territory for a long time.

"He has to get rid of his two faces," Even said. "Don't pretend to be nice in front of people. It's funny to see him at one time saying he wanted to speed up the resolution of conflicts, but in the next few days, he said he wanted to open up investments as wide as possible and to not block [any investments]."

### Parallels with Bolsonaro's Brazil

Khalisah said there was a worrying similarity between the policies espoused by Widodo and those of his counterpart in Brazil, another country whose rich tropical forests are under threat.

Brazil's Jair Bolsonaro, who took office at the start of this year, has been explicit about his plans to exploit the Amazon rainforest, and to date has dismantled environmental protections and institutions, loosened controls on economic exploitation of the rainforest, and [halted the demarcation](#) of indigenous lands. Environmentalists say they fear his policies will clear the path for [unchecked deforestation](#) of the Amazon.

"If there's no one criticizing [Widodo's policies], then we could end up like Brazil," Khalisah said. "He forgets that economic growth has its downside, an environmental cost that has to be born."

She cited the annual problem of forest fires, typically sparked by slash-and-burn clearing of land for plantations. The 2015 fire season was particularly devastating, resulting in estimated economic losses of about \$14 billion and huge volumes of carbon dioxide emissions.

"The cost that the country and the public have to bear is enormous," Khalisah said.

By choosing the same path that the Bolsonaro administration is taking Brazil, Indonesia will be at odds with the rest of the world and the global agenda of

tackling climate change as enshrined in the 2015 Paris Agreement, she said.

“Maybe he doesn’t understand that we’ve ratified the Paris Agreement as a global commitment [to tackle climate change], because he didn’t mention a single thing about sustainable development [in his policy speech],” Khalisah said. She cited countries such as China and New Zealand that she said were moving away from economic growth models reliant on the exploitation of natural resources.

“Slowly, countries have started to change,” she said. “They’re not chasing down economic growth ... because this type of development results in disparity and environmental destruction.”

A recent [government-sanctioned report](#) shows that if Indonesia continues to exploit its natural resources by cutting down trees and digging up coal to power its cities and villages, its environment will reach a tipping point beyond which the economy will suffer, with an attendant increase in poverty and mortality rates and a decline in human development.

But if Indonesia adopts a low-carbon development model, the report says, it will reap benefits that are both immediate and long lasting. This strategy would also cut the country’s greenhouse gas emissions nearly 43 per cent by 2030, exceeding Indonesia’s own stated goals.

The planning ministry is expected to incorporate the report in the next mid-term development plan, which will become the country’s [first green development plan](#). The plan, which will succeed the [current five-year plan](#) that expires this year, will center on quantifying the country’s ecological resources and planning its economic development accordingly, to prevent the depletion of those resources.

“Maybe after that speech, the commitment of green development currently worked on by the [planning ministry] will disappear completely,” said Teguh Surya, the executive director of the environmental NGO Yayasan Madani Berkelanjutan. “That’s our biggest concern.”

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