

New Indonesian Frontiers

Stuck between market, state, civil society and the contest over natural resources

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Summary

Indonesia is host to some of the richest and most diverse ecosystems on this planet. Despite its ecological value, Indonesia's natural resources have been rigorously exploited since the late 1970s, to the disadvantage of the local population and often the ecosystem and its services. The radical institutional reforms of 1999 generated hope of fairer governance and equity and more sustainable ways of natural resource management. However, in some cases, developments have clearly gone in the opposite direction and the exploitation of natural resources has intensified: huge tracts of forest, land and water have been assigned to national and international logging, mining and oil palm companies.

The notion of *new frontiers* refers to these natural resource rich-regions. These new frontiers differ in many aspects from the so-called classical frontiers. Classical frontiers are areas near or just beyond a boundary of already settled areas or a developed territory, beyond the edge of 'civilization' and state control, i.e. transition zones. The term 'new frontier', by contrast, does not refer to 'unmapped' areas, never before 'civilized' or subjected to state control. New frontiers are regions that have recently witnessed a considerable decrease of state control, accompanied by an increase of lawlessness and resource and land grabbing. New frontiers are in short, regions that have undergone 'decivilization' processes because of political dissolution processes and the arrival of natural resource-oriented 'wild-west capitalism', with often-destructive consequences, socially, culturally and ecologically.

Given the unique historical conditions and strong political-economic dynamics in Indonesia, the notion of new frontiers provides a distinctive way to examine and unpack the political paradoxes surrounding resource extraction. Paradoxes that stem from the co-presence of the legal and the illegal, the formal and informal, the legitimate and the illegitimate, the public and the private, the ecological domain and the economic sphere, all in geographical and institutional spaces where new forms of social-economic interaction and new forms of cooperation are forged for the use of natural resources and to direct socioeconomic development.

By aiming to understand what these new frontiers and paradoxes are: (a) their causes and conditions; (b) the assemblage of actors involved; (c) the mechanisms and instruments that regulate resource control; and (d) the societal and ecological effects of the frontier mentality, this Joint Research Programme should provide insight into the question as to *why the degradation and depletion of similar natural resources continues in certain regions whereas this process slows down or is curbed in others*.

This programme's sub-projects offer perspectives on various locations and from various angles and provide a framework for understanding 'new Indonesian frontiers'. The main focus of our research will be on Kalimantan – a region thirteen times the size of the Netherlands – rich in

natural resources and home to some of the most diverse ecosystems on earth. Several regions will be selected, that are ecologically, historically, ethnically, politically and socio-culturally different, yet connected by comparable processes of resource use and ecosystem services, habitation, foreign influxes and local initiatives for and against change.

Research proposal

The rise of economic globalization, democratic governance and decentralization over recent decades has resulted in many 'new resource frontiers' emerging across the developing world. These new frontiers differ in many aspects from the so-called classical frontiers. A classical frontier can be defined as a 'non-colonized or unsettled space *within or at the edge of a state*, consisting of virgin land into which independent peasants or farmers advance' (Turner 1963; Billington 1971). Here, a frontier is a productive civilizational border, signifying the limits of the civilized world and the state-controlled universe, and the start of the unknown. Beyond it is supposedly barbarism and chaos. The border gradually moves out: it is a transitional zone, a front. Pioneering humans come here because they see opportunities precisely because of the absence of regulation.

There is also another strand of literature on frontiers, the so-called resource curse literature. It has to do more with a specific perspective on the presence and impact of a certain kind of natural resource. This literature (e.g. Ross 1999, 2001; Collier et al. 2003; Collier & Hoeffler 2004) argues that the presence of some types of globally desired resources, such as timber, oil, gas or diamonds, tends to weaken the state in the regions where the resources are extracted. The concept of 'resource curse' stems from the field of economics, and is used to explain the often poor growth figures of natural resource-rich states. The appearance of frontiers, and their specific characteristics and locations are, according to this literature, related to specific kinds of natural resources that might encourage predatory, destabilising behaviour and produce "Wild West" conditions. Different resource geographies might lead to different kinds of disturbances or conflict, depending on their distance or proximity from the centre of governance, and whether the resources in question are point sources, such as an oil field, or more diffuse, like timber (Le Billion 2001: 257 in Gerry van Klinken 2008). Logging, for instance, easily generates warlord-type activity as timber is a diffuse and generally distant resource. On the other hand, oil near the political centre of a state stimulates the emergence of coup d'état whereas oil in a distant place might encourage secessionism.

In *new frontiers*, control over natural resources remains important, but with an important difference: the notion of new frontiers does not refer to areas where 'development' and 'progress' meet 'wilderness' or 'traditional lands and peoples' (Peluso and Lund 2011, p. 668). Nor does it refer to the consequences of having a certain type of resource and its reclamation. Rather, the notion of new frontiers refers to natural resource-rich regions, that have recently witnessed a severe run down of state control, accompanied by an increase of lawlessness and resource and land grabbing. These intermingled dissolution processes and the arrival of natural resource-oriented 'wild-west capitalism', have often resulted in destructive consequences, socially, culturally and ecologically. Moreover, the state has become just one of the players, more-or-less on an equal footing with the other players around. The word *new* in the definition refers to the fact that existing powers, authorities and institutions are challenged by new claims, arrangements and regimes. The newness has to be sought in (a) the new causes behind this emergence and the conditions under which they emerge; (b) new forms of resource exploitation or use; (c) new ownership perspectives; (d) new assemblages of new actors (local, national and transnational) and rapidly changing coalitions between those actors; (e) the

emergence of new and contradictory legal and practical instruments that are designed and used to defy existing forms of resource control; and (f) new, often significant, sometimes hard to nominate, impacts on society and the natural environment as a result of resource exploitation.

The main characteristics linking the new and classical types of frontier is nicely typified by Schmink and Wood's (1992), who researched in the Amazonian frontiers. They speak about 'ironic' twists', the fact that things become the opposite of what they were intended to be: 'planned communities lead to unplanned settlement; resource nationalisation leads to private control; land titling leads to forgery; military protection leads to generalised violence' (see also Tsing 2005). By aiming to understand what these new frontiers and paradoxes are: (a) their causes and conditions; (b) the assemblage of actors involved; (c) the mechanisms and instruments that regulate resource control; and (d) the societal and ecological effects of the frontier mentality, this Joint Research Programme should provide insight into the question as to *why the degradation and depletion of similar natural resources continues in certain regions whereas this process slows down or is curbed in others.*

In Indonesia several of these so-called new frontiers exist. Most of these have emerged since 1999, the year in which regional governments were granted substantial autonomy. Indonesia then witnessed a period of decentralisation, accompanied by a deep drive to strengthen local democracy. This decentralisation policy was suddenly introduced, virtually imposed, after a long period of centralised and authoritarian state control, the so-called New Order (1965-1998). All these developments make Indonesia a particularly intriguing place to apply the notion of new frontiers to the analysis of conflicts around issues of resource use, property and legitimacy.

Figure 1. Changes in (frontier) conditions - Suharto vs post-Suharto period

Suharto period	Post-Suharto period
Development (<i>pembangunan</i>) as all-encompassing word for developing the frontier in New Order	Investment (<i>investasi</i>)— the new mantra of post-Suharto governments
Extraction oriented	Still extraction oriented, though with increasing emphasis on added value.
Natural resource exploitation guided by opening of isolated areas and state formation	Target mentality (pro-growth, pro-poor, pro-job), very much dictated by global markets
Dominated by state and domestic private enterprise	Dominated by foreign and domestic private enterprise
Supported mainly through state financing	Supported mainly through offshore financing and domestic private banks
Planning and implementation centralized	Planning and implementation decentralized
Select group of politically connected actors making decisions and reaping benefits	A diverse constellation of actors making decisions and reaping benefits

- A. Given the unique historical conditions and strong political-economic dynamics in Indonesia, the notion of new frontiers provides a distinctive way to examine and unpack the political paradoxes surrounding resource extraction that stem from the co-presence of the legal and the illegal, the formal and informal, the legitimate and the illegitimate, the public and the private, the ecological domain and the economic sphere, all in geographical and institutional spaces where new forms of social-economic interaction and new forms of cooperation are forged for the use of natural resources and to direct socioeconomic development. These swiftly changing causes, characteristics and conditions at the new frontiers raise the following questions: *What conditions cause, enables, legitimise and restrict resource exploitation and shifts in resource control in new Indonesian frontiers, and how do these conditions relate to other institutional changes in*

resource use and control.

- B. Indonesia's natural resources have been rigorously exploited since the late 1970s, to the disadvantage of local populations and the ecosystem. The institutional reforms of 1999 generated hope of greater equity and sustainable resource management. However, these expectations were not met and, in some cases, the developments went in the opposite direction. In many places, the exploitation of natural resources intensified: huge tracts of forest, land and water were assigned to national and international logging, mining and oil palm plantations, often by local government officials. Most recent studies depict large private firms and local government officials as the big winners of the so-called 'new-frontiers-game', while local populations are generally seen as major losers.

A sizeable semi-civic, semi-public dimension midway between the domains of the government and the market emerged in Indonesia, typical for new frontiers. It is a grey zone, encompassing various actors, such as local elites, strong men, clans and other power-brokers, fluid clusters of businessmen, politicians and officials, local people co-opted by firms or the government, and immigrants. These actors are the driving force behind new frontiers: by connecting competitors and by offering money, security, support and legitimacy.

The assemblage of new actors raises the following questions: *Who are the new actors in the semi-civic, semi-public dimension, or the interstitial social spaces of the frontier, and how do they operate, collaborate and connect networks of peoples and/or organizations using or exploiting natural resources? To what extent does this assemblage of 'interstitial' actors develop features that are more 'solid' and give rise to more coherent, entrenched interests and alliances?*

- C. Peluso and Lund (2011) argue that contemporary forms of land control have been made possible by globalizing political economies, patterns of investment, movements of labor, capital, and ideas; but are also driven by the particularities of local histories and geographies, i.e. the characteristics of particular environments, and the historical moments. They outline several mechanisms of land control: (1) primitive accumulation; (2) enclosure; (3) territorialization; (4) legalization and institutions; and (5) violence. (Peluso and Lund 2011: 675). Building upon these insights we pose the following question: *What are the mechanisms and the legal and practical instruments for possessing, expropriating or challenging previous resource control mechanisms and instruments in Indonesian frontiers (e.g. territorialization, enclosure, privatization and violence)?*
- D. Mechanisms for resource control provide new economic opportunities to some, but also new means for excluding others. This can create or reinforce inequalities, and in doing so undermine fairness, equity and even sustainable development as a whole. We know, for instance, that access to alternative resources and sources of income is the only way to prevent rural poor people from plundering the own natural environment, even if they know that this is against their own long-term interests.

This generates the following research questions: *How does resource use or exploitation reinforce social inequality and marginalization? Which categories of people are excluded from access to resources? To what extent are existing ecosystem services (e.g. extractive use, tourism, flood control, shoreline protection, etc.) affected or sustained by new forms of resource usage in the frontier regions and to what extent do new ecosystem*

services emerge? Are they created or is there a potential for further development of ecosystem services within the dynamics of the resource frontier?

These on purpose partially overlapping questions and their answers shape together the overall research objective of the NIF Joint Research Project as a whole.

Approach and objectives

The project aims to deliver policy-relevant concepts and tools to tackle or prevent these socio-economic problems that pose formidable challenges to the desired combination of economic development, poverty reduction, and a diverse ecosystem. Given the enormous size of Kalimantan, its ecological and cultural diversity of great scientific interest, and global value, it is perhaps surprising that trans-disciplinary research into all these aspects on Kalimantan remains marginal and fragmented. In Indonesia in general, and Kalimantan in particular, there is a mounting call by policymakers for greater insight into all the above-mentioned aspects, and especially the deteriorating ecosystems and struggles among the 'new frontier actors' over natural resources.

Departing from a comprehensive analytical framework, we will use a comparative and interdisciplinary approach in analysing the different (and sometimes contrasting) frontiers and frontier elements (causes and conditions, assemblage of actors, mechanisms and impacts) by conducting seven in-depth studies in East and West Kalimantan.

Though proposed as separate sub-projects, it is the totality and integration of the sub-projects that provides the multidisciplinary data required to answer the guiding questions posed above. The research localities differ historically, ethnically, administratively, politically and socio-culturally, yet are connected by processes of resource usage, settlement, foreign influxes and local resistance to these. As such, they form a laboratory for studying the dynamics and socio-spatial trajectories of rural development, which has relevance for Indonesia at large and also for other countries in Southeast Asia.

The methodology for these projects is based on triangulation through qualitative methods (e.g. Participatory Appraisal, network analysis, in-depth interviews and observation) and quantitative techniques. Seven PhD students will carry out in-depth research in the respective project areas. In addition to the local in-depth studies that focus on grassroot elements of the 'new frontiers', three out of the seven sub-projects will move beyond the local level and consider the roles of national and international firms and NGOs which fulfill a crucial function in the creation and maintenance of the new frontiers in Kalimantan. By mapping out the central actors, characteristics, mechanisms and conditions of the so-called classical frontiers, the project makes clear what is *new* in 'New Indonesian Frontiers. It, therefore, provides the major argumentation for investigating, applying and further developing an analytical framework for new frontiers.