



Discretion and Interpretation of Indonesian Social Forestry (ISF) by Local Forest Bureaucrats: Evidence from DI Yogyakarta Province

Diskresi dan Interpretasi Perhutanan Sosial Indonesia oleh Birokrat Kehutanan Daerah: Temuan Empiris dari Provinsi Daerah Istimewa Yogyakarta

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ABSTRACT

Policies on social forestry would be effective when translated into operation by lower forestry bureaucrats. This research aimed to analyze the discretion and interpretation of local forest bureaucrats on Indonesian social forestry policies. This research applied a documentary study, with data collected from policy documents issued by the Provincial Government of DI Yogyakarta and interview materials of 14 source persons from the Local Forest Bureaucrats (LFB) and farmer groups. The results showed that the DI Yogyakarta Provincial Government had produced numerous policy instruments to regulate the mechanism and profit-sharing of social forestry schemes within the Yogyakarta Forest Management Unit (FMU). The discretions proved the bureaucrats prefer forestry partnership cooperation to the licensing schemes. They also preferred utilizing environmental services for nature tourism to timber forest products due to the complexity and complicated harvesting procedures. These preferences were motivated by their views that increasing provincial government revenue and local beneficiaries from the forests were more achievable through partnership schemes and nature tourism. This research indicated a delay in the social forestry implementation through a licensing scheme. However, the creative discretion of the local forest bureaucrats could accelerate the implementation of forestry partnership cooperation schemes.

INTISARI

Kebijakan perhutanan sosial dapat diterapkan secara efektif jika birokrat kehutanan garda depan menerjemahkan kebijakan ini dalam skala operasional. Penelitian ini bertujuan untuk menganalisis diskresi dan interpretasi kebijakan perhutanan sosial Indonesia oleh birokrat kehutanan daerah. Penelitian ini menggunakan studi dokumen kebijakan yang dikeluarkan oleh Pemerintah Provinsi Yogyakarta dan hasil wawancara 14 narasumber dari birokrat kehutanan daerah dan kelompok tani hutan. Hasil penelitian menunjukkan Pemerintah Provinsi DI Yogyakarta telah menghasilkan beberapa instrumen kebijakan daerah untuk mengatur mekanisme dan bagi hasil perhutanan sosial di wilayah Kesatuan Pengelolaan Hutan (KPH) Yogyakarta. Diskresi tersebut membuktikan bahwa birokrat kehutanan provinsi lebih memilih skema kerjasama kemitraan kehutanan daripada skema perizinan (misalnya Hutan Kemasyarakatan) dan lebih menyukai pemanfaatan jasa lingkungan ekowisata daripada pemanfaatan hasil hutan kayu karena kompleksitas dan prosedur yang rumit untuk pemanenan kayu. Preferensi ini dimotivasi oleh pandangan bahwa peningkatan pendapatan daerah provinsi dan pendapatan masyarakat lokal lebih mudah tercapai melalui kemitraan kehutanan dan pariwisata alam. Kajian ini mengindikasikan kemungkinan tertundanya atau bahkan menurunnya luas areal perhutanan sosial skema perizinan. Di sisi lain, diskresi kreatif birokrat kehutanan daerah dapat mempercepat pencapaian perhutanan sosial melalui skema kemitraan kehutanan.

Introduction

The Indonesian government implemented the social forestry policy, and it is expected to be operational from 2019 to 2024. It targets 13.2 million ha or more than 10% of the country's forest area (PKPS 2021). This Indonesia Social Forestry (ISF) is a sustainable management system implemented to regulate the activities carried out in the state, private, and customary forests, with members of the local communities acting as the main actors. The ISF system aims to improve their welfare, maintain ecological balance, and ensure the continuity of socio-cultural dynamics. It comprises of five developed schemes, namely *Hutan Desa/HD* (Village Forest), *Hutan Kemasyarakatan/HKm* (Community Forest), *Hutan Tanaman Rakyat/HTR* (Community Plantation Forest), *Hutan Adat/HA* (Customary Forest), and *Kemitraan Kehutanan/KK* (Forestry Partnership). In addition, they have several similarities and differences relating to land tenure status, management purpose, rights, and the main parties involved (Rohadi et al. 2010; Obidzinski & Dermawan 2010). *Hutan Rakyat* (Farm Forestry) is another scheme not mentioned earlier, irrespective of its popularity in recent decades. However, a workgroup was formed in each provincial government, involving local forest bureaucrats (LFB) and other civil society organizations (CSO) to accelerate the implementation of the ISF. Irrespective of the fact that researchers investigated the factors that hinder the ISF targets (Obidzinski & Dermawan 2010; Maryudi et al. 2015), only a few analyzed the role of LFB in the implementation of this system in their territory.

LFB plays a crucial role in ensuring social forestry policies that are operational and beneficial to the relevant communities. It was implemented by the Street-Level Bureaucracy (SLB) to provide services for the target groups. It is also one of the determinant factors that tend to affect public policies successfully

(Subarsono 2011). However, its understanding at the field level is difficult because its interpretation and discretion deviate or differ from the desires of policy-making elites in the Ministry or parliament (Hill & Hupe 2014). Based on the SLB theory, Lipsky (1980) coined that the discretion at the front-line level is an aspect of public policy that is inseparable from its services. Its discretionary actions are autonomous and affected by their perceptions and interests. Therefore, the actual process of implementing this ISF policy is much more complex.

According to the SLB theory, any discretion that is different from the desires of the highest policymakers is not always negative. The local governments translate the ISF policies based on their interests, perceptions, and priorities, which tend to differ from the central government (Nurfatriani & Aliyya 2019). Discretion is perceived as crucial considering the complexity of the problems encountered by SLB at the ground level concerning the continuous rendering of public services based on daily routine. This SLB theory clarifies the reality of policy implementation and explains why it is unable to follow the norms set by the principal policymakers (Ota 2019).

Sulastiyono (2016) stated that top-level officials and field implementers have different perspectives of discretion concerning the disposition effect. It emerges from a phenomenon that is not regulated by any policy or where it is impossible to refer to the existing regulations (Trusty & Cerveny 2012). Discretion also exists when there is a legal vacuum, freedom to interpret a delegation of laws and fulfill public interest (Simamora 2010). Moreover, the scholarly explanation becomes relevant to shed more light on the unclear regulation or when it has a questionable concept. Discretion need not conflict with the laws, regulations, public order, and morality. Human rights also need to apply to the principles of good governance.

This research analyzes the discretion and interpretation dynamics of LFB in implementing ISF at the provincial level. It contributes to enacting policies and participatory forest management in Indonesia and accelerating ISF expansion targets achievement. It also analyzed the implementation of the Community Forestry, called *Hutan Kemasyarakatan* (HKm), the oldest ISF scheme developed since 1995 (Sulistiyawati 2019). The HKm scheme aims at empowering forest communities by granting permits to groups of forest farmers to manage state forests for 35 years (Djauhari et al. 2017). During its early development, three provinces (Yogyakarta, Lampung, and West Nusa Tenggara) adopted the HKm, with 8,164.26 ha devolved into 57 forest farmer groups. At the end of 2021, this scheme covered approximately 823,111 ha (PKPS 2021), equivalent to a more than 100 increase from the onset. Furthermore, 1,602 licenses have been issued to 189,539 people across 30 provinces (Sulistiyawati 2019). Nationally, the HKm scheme's adoption constitutes 18.36% of the current total achievements of the ISF program. It is important to note that its impact (outcome) is considered insignificant, specifically concerning the community members' standard of living (Maryudi 2012; Oktalina et al. 2017).

Materials and Methods

Research Location

The research focused on the discretion and interpretation of the HKm implementation in DI Yogyakarta Province. In 2007, this scheme covered approximately 1,238.15 ha, distributed to 42 HKm units, seven in Kulon Progo and 35 in Gunungkidul (Kuncoro et al., 2018). In addition, Gunungkidul implemented another ISF scheme in 2011, namely Community Plantation Forest (HTR), which covered relatively 327 ha. In 2012, the provincial government reserved 627 ha for a Village Forest (HD) scheme, although it was not materialized.

Research Materials

A desk research approach was used to examine the social forestry management documents issued by the DI Yogyakarta Provincial Government to implement ISF from 2007 to 2019. The form of policy discretion adopted was the product of Regional Regulations, Governor Regulations, and Forest Utilization Cooperation Agreement documents. Other materials utilized were interview transcripts of 14 informants from local forest bureaucrats and HKm farmers. The interview was held from March to May 2019 and used in unpublished research by Lutviah

Table 1. Resource persons used in this research

Position	Last Education
Head of the Environment and Forestry Office (EFO) DI Yogyakarta	S2
Head of Forest Planning and Production Division at EFO DI Yogyakarta	S2
Section Head of Social Forestry and Extension at EFO DI Yogyakarta	S1
Head of the Planning and Reforestation Section of Yogyakarta FMU	S1
Social Forestry Managers and Miscellaneous Enterprises at EFO DIY Province	S1
Forest Product Market Analyst and Technical Personnel	SMA
Head of Yogyakarta FMU	S2
Head of Playen Sub-FMU (Sinder)	SMA
Head of Paliyan Sub-FMU (Sinder)	Agricultural School
Forest Policy and Forest Planning Technical Personnel	SMA
Head of Kepek Forest Resort (Mantri)	SMA
Head of Semanu Forest Resort (Mantri)	SD
Head of the Gunungkidul HKm Farmer Group community	D3
Forest Farmer Group (KTH) System Operator Sedyo Makmur	SMK

Source: Lutviah (2019)

(2019). The transcript contained the views of local forest bureaucrats (LFB) on social forestry policies implemented in Yogyakarta (Table 1). The term “local” referred to the indigenous forest bureaucrats mainly working under the provincial government, either in the Environment and Forestry Office (EFO) or Forest Management Unit (FMU) as regulators or operators, respectively. The interview transcript was accessed through the Universitas Gadjah Mada (UGM) repository (Lutviah 2019). This research type had been acknowledged and potentially developed in forest policy analysis with caution (Handayani et al. 2020).

Data Analysis

The content analysis method was used to examine the research materials, including regional and government regulations or forestry partnership cooperation agreements. The interview transcript analysis was carried out based on five steps. The first involved summarizing the source persons' opinions, while the second entails classifying their views as the main themes or ideas. The third step included enriching these with literature research. The fourth was centered on tailoring and discussing themes and several similar research or related theories. The final step was concluding and addressing the research objectives.

Results and Discussion

Provincial Regulation Related to ISF Policy

Since 2009, the DI Yogyakarta provincial government had issued five instruments to implement social forestry policies at the operational level, such as regional and Governor's regulations (Table 2). Regional regulation was one of the products of regional level laws established by both Governor and Provincial People's Representatives. Meanwhile, the Governor's regulation was a statutory policy determined by the Governor to implement higher laws

or regulate regional authority. These five regulations functioned as the implementation, technical, planning, controlling, monitoring, and evaluation guidelines for parties involved in ISF licensing services. Besides, the main purpose were to create orderliness, increase community welfare, promote fair utilization, and sustainable forest functions. These were in line with the aim and objective of the regulations made by the central government, specifically related to community empowerment of forest-dependent people and its sustainability.

In 2007, the DI Yogyakarta Province adopted HKm, and concerning this, the Ministry of Forestry issued Decrees No. 433 and 438 to determine the work area of the utilization permit for this scheme in Kulon Progo and Gunungkidul Regencies. The Gunungkidul Regent issued Decrees No. 205–238 on HKm Definitive Permits for 35 groups based on these regulations. Kulon Progo Regent issued decrees No. 449–454 for seven HKm groups. Regents were authorized to grant 35 years of permit approval within the decentralization framework. However, it was revised by Governor's Regulation No. 38/2009 on HKm Management. Referring to this regulation, the Governor of DI Yogyakarta was authorized to grant HKm permits while the Regents promoted farmer groups to apply for this license.

In addition, Governor's Regulation No. 38/2009 stipulated a new norm on profit generated from forest utilization activities. It regulated the sharing process among the provincial and regency governments and farmer groups by 30%, 10%, and 60%, respectively. The central government earned non-tax revenue of approximately 6% of the forest product tariff. As a consequence of the profit-sharing procedure, the provincial and regency governments were obliged to facilitate community groups. These included institutional development, permit application, HKm work plans preparation, forest cultivation technology

subsidies, forest product processing, education or training, market access, capital strengthening, and business development. Unfortunately, this Governor's Regulation was invalid nor properly implemented because the profit-sharing needed to be delivered 100% to HKm farmer groups after paying non-tax revenue to the central government.

By the issuance of Law No. 23/2014 concerning Regional Government, the forestry sector became central and provincial affairs without involving regency governments, also called the forestry re-centralization era. To that effect, the Governor and the Regional People's Representative of Yogyakarta province issued Regional Regulation No. 7/2015 concerning the Management of Production and Protection Forests that regulated its utilization mechanisms in the FMU of Yogyakarta. It applied three forest utilization mechanisms, i.e.: self-management (*swakelola*), licensing, and cooperation. The FMU of Yogyakarta applied *swakelola* in areas with no utilization permit for other parties. Farmer groups, cooperatives, and village institutions needed to issue a utilization permit under the ISF licensing scheme, such as HKm or HTR. The cooperation scheme needed to involve the DI Yogyakarta Environment and Forestry Office (EFO) as the first party, as well as other partners or parties. These could include local communities, various enterprises, companies, cooperatives, universities, or research institutes. In addition, the Governor acted as the first party to cooperate with other parties, specifically

during the Bunder Conservation Forest Park.

Of the three mechanisms employed to manage the forests, the Governor usually emphasized on Cooperation scheme more than the others, namely the issuance of Governor's Regulation No. 84/2016 concerning Cooperation in Protection Forest Utilization. Based on this, cooperation in protected forests lasted for a maximum duration of two years for individuals and five years for business entities and was limited to the utilization of forest areas, non-timber forest products, and environmental services. It also regulated that the Provincial Government gets at least 25% and a maximum of 75% for its partners.

After two years of implementation, this regulation was revoked by issuing Governor's Regulation No. 5/2018, which monitors cooperative activities in forest use relating to protection, production, and Bunder Conservation Forest Park. It had no significant difference from the previous Governor's regulation regarding cooperation in the use of protected forests. The new regulation promoted cooperation with other parties with the same proportion of profit-sharing as in the protection forest. In the cooperation of nature tourism in Bunder Conservation Forest Park, partners' profit-sharing was based on a maximum and minimum of 85% and 15%, respectively, for the Provincial Government, and it was recorded as local revenue.

The Governor's Regulation No. 5/2018 served as a basis for underpinning existing forest uses and cooperation agreements for the future. The Provincial

Table 2. Regional policy documents to operationalize ISF at DI Yogyakarta (DIY) Province

Document Name	Description
DIY Governor Regulation No. 38/2009	Community Forestry Management
DIY Regional Regulation No. 13/2013	Bunder Conservation Forest Park Management
DIY Governor Regulation No. 77/2014	Guidelines for Verification of Applications for Village Forest Management Rights
DIY Regional Regulation No. 7/2015	Management of Production Forest and Protection Forest
DIY Governor Regulation No. 84/2016	Cooperation in the Utilization of Protected Forests
DIY Governor Regulation No. 5/2018	Cooperation in the Utilization of Production and Protection Forests as well as Cooperation and licensing of the Utilization of Grand Forest Parks

Source: BPK Republic of Indonesia (RI) (2021)

Government of DI Yogyakarta, through the Environment and Forestry Office, had enacted at least eight cooperation agreements with other parties since 2010 (Table 3). For example, it collaborated with the PT Surya Sylva Mataram (SSM) to manage superior clonal teak within 35 years in the production forest area at Menggoro Forest Resort since 2010 with a profit-sharing of 65%, 25%, and 10% for PT SSM, the Provincial Government, and farmer groups, respectively. In 2017, the Notowono Cooperative in Mangunan Forest Resort was authorized to manage the 30 ha protected forest as Mataram Cultural Ecotourism with a profit-sharing of 75% and 25% for the cooperative and Provincial Government, respectively. Meanwhile, through Village-Owned Enterprises (BUMDes), several villages were authorized to manage production forests as a service area for supporting ecotourism by the Provincial

Government. The Governor also collaborated with UGM and the Research and Innovation Agency of the Ministry of Environment and Forestry Relating to the ex-situ conservation of rare plant species in the Bunder Conservation Forest Park.

Interpretation of ISF by Local Forest Bureaucrats (LFB)

The LFB had several views on the dynamics of its policies and their implementation. These included the choice of schemes, types of forest utilization, forest farmer group's performance, policymakers, its institutionalization, procedures for permitting timber forest harvesting, and strategic behavior to facilitate the schemes and types of forest utilization

1. *Views on the choice of ISF scheme*

Some LFB identified ISF with licensing schemes, such as HKm, HTR, and HD. In this situation, they

Table 3. Number and types of forest utilization cooperation agreements in DI Yogyakarta Province

Year	Cooperation Agreement	The partner	Forest Function	Forest Utilization	Location/Size	Profit-Sharing
2015	The development of clonal teak forests through intensive silvicultural innovation and water management (No. 119/21370 SSM.PH.034.X.15)	PT Surya Silva Mataram (SSM) KTH Lestari Widodo, Mulo Village	Production	Timber product	Sub-FMU (BDH) of Paliyan/ 1000 ha	LFS (25%); PT SSM (65%); KTH (10%)
2016	Management and Development of Flora and Fauna Stations (No.119/01186/II/2016)	Ecosystem and Nature Conservation Agency (BKSDA)	Conservation	Ecotourism	Bunder Conservation Forest Park	-
2017	Mataram Cultural Ecotourism (No. 119/01600)	Notowono Cooperative	Protection	Ecotourism	Forest Resort (RPH) of Mangunan-Bantul/30.4 ha	LFS (25%); Cooperative (75%)
2017	Luweng Ngingrong caving tourism (No. 119/01599)	Bangun Kencana Village-enterprise (BUMDes)	Production	Ecotourism	RPH Mulo	LFS (25%); BUMDES (75%)
2017	Klayar Tourism (No. 119/01543)	Murakabi Village-enterprise (BUMDes)	Production	Ecotourism	RPH Kenet, Karangmojo/ 9.95 Ha	LFS (25%); BUMDES (75%)
2017	Sekargama Rest Area (No. 119/01599)	Jati Lestari Village-enterprise (BUMDes)	Production	Ecotourism	RPH Candi, Karangmojo/ 1,87 ha	LFS (25%); BUMDES (75%)
2018	Utilization of Bunder Conservation Forest Park for Trial Planting of Cemara Udang (<i>Casuarina equisetifolia</i>) (No. 20/PERJ/GUB/XII/ 2018)	Ecosystem and Nature Conservation Agency (BKSDA)	Conservation	Research Cooperation	Bunder Conservation Forest Park	-
2018	Ex-Situ Conservation of Rare Plant Species (No. 23/PERJ/GUB/XII/2018)	Research and Innovation Agency (B2P2BPTH)	Conservation	Research Cooperation	Bunder Conservation Forest Park	-

did not agree to increase the area of the ISF permit and prioritized the forestry partnership cooperation scheme, instead. One of the senior LFB stated, “...(we) do not intend to issue Social Forestry activity version P.83...” (Head of EFO Yogyakarta). This statement implied that the provincial government will not issue ISF licensing schemes such as HKm, although its reserved area in Yogyakarta is approximately 4000 ha (Mulyadin et al. 2016; PKPS 2021). Instead, they preferred the partnership cooperation scheme to the licensing. This was because it had a clear profit-sharing mechanism for the local community and provincial government, potentially increasing their participation and economic impact. It was suggested that all FMUs needed to initiate such forestry partnership cooperation models. According to them, a forestry partnership cooperation scheme initiated by FMU and local community groups also fulfilled the ISF initiative, where they acted as the main actors. This view was reflected in the

statement of the Head of FMU Yogyakarta, “... because the definition of the main actor is the local community, it does not have to go through this procedure (licensing scheme, such as HKm). In any way, when the main actor is the local community, it is (also) Social Forestry.”

2. Preferences for types of forest utilization in ISF

The LFB preferred the utilization of environmental services, such as nature tourism, in the production and protection of forests. It was believed that the partnership cooperation for nature tourism service utilization contributed more to the local revenues compared to licensing for timber utilization. For example, the partnership cooperation of protected forests utilization for Mataram Cultural Nature Ecotourism at Mangunan forest resort between Notowono Cooperative and LFB had contributed significantly to the local community income and provincial government revenue. From 2017 to 2019, it generated total revenue of approximately IDR 26.5 billion, with the profit-sharing of IDR

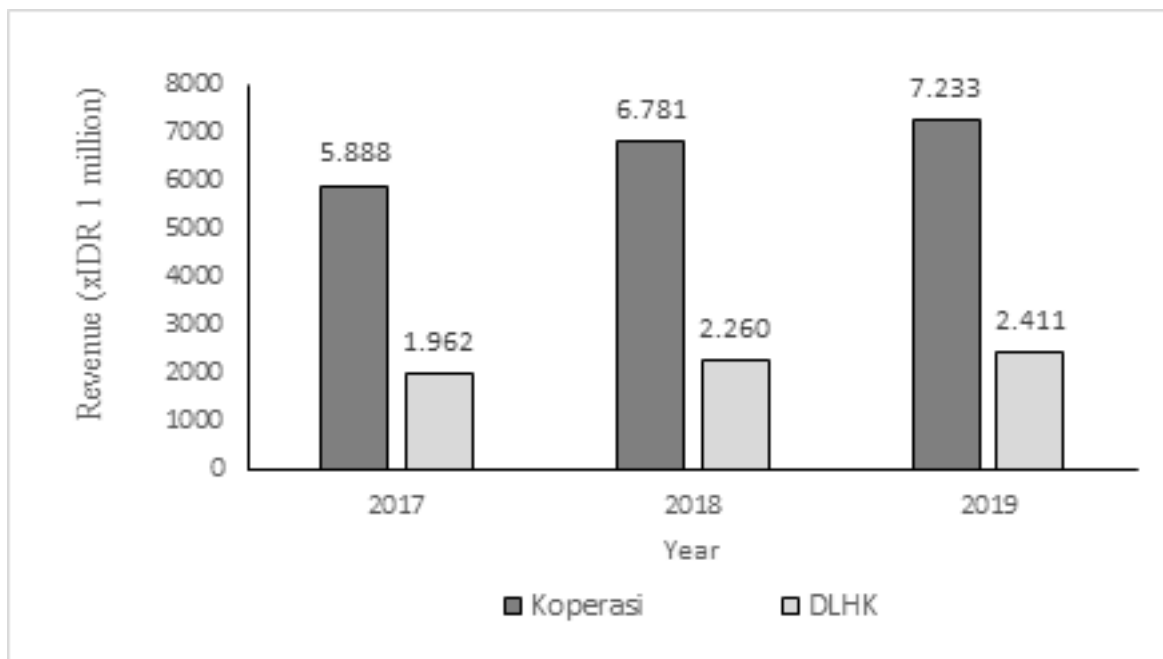


Figure 1. Sharing-profit between the Notowono Cooperative and Local Forest Service of Yogyakarta, 2017 to 2019

19.9 billion and IDR 5.6 billion received by the Notowono Cooperative and Provincial governments, respectively (Nugroho et al. 2020) (Figure 1). This experience had strengthened their choice that the forestry partnership cooperation model between LFB and local partners was preferable to the ISF licensing scheme mainly because of the contribution of regional income and significant economic impact on rural development.

3. *Views on the orientation and performance of HKM farmer groups*

“...it seems that this group is only oriented towards food crops. In fact, ecological sustainability is important...” (Head of BDH Paliyan)

The LFB presumed that the orientation in ISF was centered on food crops and short-term benefits rather than forest improvement in the long run, and perceived it as being harmful to forest sustainability. Some member of LFB felt that giving management rights to farmer groups was a loss because they often overlook the original purpose of forest improvement. In circumstances where farmer groups established forest plantations, they were expected to harvest timber. The LFB admitted that HKM needed to provide welfare, although they doubted whether timber harvesting could meet this purpose. They were worried that farmer groups did not have the intention to replant the trees to guarantee regeneration, thereby destroying the forests. On the other hand, the farmer groups replanted the teak stands with a coppice technique to minimize the replanting costs and accelerate the growth of the trees, ensuring the forest was replenished in a shorter time.

The number of assessment results acquired based on the performance of HKM farmer groups had contributed to the doubts about adopting an ISF

licensing scheme. There were 42 HKM groups and 3 HTR cooperatives, with approximately 1,612.53 ha of managed areas. The LFB believed that the existing number of HKM groups was sufficient. However, they had experienced several crucial problems, such as lack of regeneration and leadership and poor forest management performance. As an illustration, the average age of group members was between 50 to 60 years, and this was determined when they received a definitive decree for an HKM permit in 2007. After 14 years, the average age of group members had been increasing, irrespective of the fact that there was no regeneration.

The burden of forest security was also borne by the forest rangers, although it was the group's responsibility, not all had carried out the expected forest management (Hadiyanti et al. 2020). Currently, there was a condition that the group's license was likely to be revoked because it had given up in terms of forest management. Besides, the LFB also had limited technical resources to facilitate the groups. The well-performed groups experienced difficulties finding certified personnel with technical qualifications such as developing management and harvesting plans. To some extent, FMU officials had fulfilled these needs.

4. *The Complexity of timber utilization procedures*

“...However, we are just a farmer group, not the company, therefore, (supposedly) it needs to be simplified, and not too complicated...” (Head of Sedyo Rukun HKM Farmer Group).

Based on the LFB's view, timber harvesting in the HKM area was complicated and complex, as acknowledged by the Head of HKM. The regulation substance containing the procedures needed to be simple and adjusted to the knowledge and skills of group members. The

existing one was only suitable for large corporations with professional forestry officials and extensive capital. For example, farmer groups needed to formulate a 10-year business and an annual work plan to obtain timber harvesting permits. In addition, there was a need to carry out forest inventory, data reporting, and uploading to the forest product administration system to obtain approval from the FMU. This approval needed to be submitted to the Minister of Environment and Forestry for a timber utilization business permit. After the timber had been harvested, these groups had to pay 6% non-tax revenue as determined by the Ministry. Additionally, only certified technical staff and forest planners were entitled to carry out those activities.

Judging from this process, the LFB assessed HKM groups did not have relevant human resources required to prepare operational and implementation plans for timber utilization. Responding to this situation, they exercised discretion by borrowing FMU's technical personnel at a cost included in the local government budgets within a short period. According to field officers, this was considered burdensome and time-consuming for the provincial forestry apparatus. Meanwhile, assuming the ISF area was expanded based on timber-based utilization, they were concerned that funding for these regions was perceived as a burden. The FMUs provided no facility and budget to provide such technical guidance and assistance.

5. *Coordination between Social Forestry and Environmental Partnership (SFEP) and Sustainable Production Forest Management (SPFM) Echelons*

“...HKM is part of the ISF scheme, however, the

timber is not under the authority of SFEP but SPFM. Moreover, the SPFM failed to implement a policy to regulate timber administration in detail. This is based on the fact that HKM needs a technical officer. Not to mention the administration mechanism through the online system...” (Forest Product Market Analyst, FMU Yogyakarta).

Utilization of timber forest products in HKM involved at least two related Echelons I, namely the Directorate General of Social Forestry and Environmental Partnerships (SFEP) and Sustainable Production Forest Management (SPFM). According to LFB, the regulations made by these two did not accommodate timber harvesting activities by the HKM farmer groups. For this reason, it needed to be a higher-order regulation that explained the roles and boosted the synergy between the two echelons to facilitate the HKM groups in applying for timber harvesting permits. In addition, the regulation needed to contain detailed rules on timber administration, such as procedures for outsourcing technical officers, formulating business and operational plans, producing Logging Results Reports, and payment mechanisms of the Forest Resources Provision. Currently, the timber administrative system policies for HKM groups were the same as corporations.

6. *Top-down ISF facilities*

“... SFEP agency is responsible for the technical implementer of ISF at the regional level... The problem is that it has a large coverage area in several provinces, and the number of officers is limited. How is it possible that people in there to do such extensive work?...” (Head of FMU Yogyakarta, 2019)?

The SFEP agencies situated in Java, Bali, and Nusa Tenggara (Jabalnusra) in Denpasar Bali needed to

facilitate the ISF in Yogyakarta. Formerly, the Watershed Management and Social Forestry Agency of Serayu Opak Progo in this province carried out the facilitation activities. The changing location and scope of the working area had significantly affected the effectiveness of the services because the SFEP situated in Jabalnutra had to provide ISF services in Java, Bali, and Nusa Tenggara. In addition, the LFB viewed that the SFEP facilitation services were still top-down and did not follow the needs related to timber utilization. The LFB DI Yogyakarta Province and FMU office offer assistance in the form of procedures for operating the online timber administration and the mechanism of the market system.

"There was a group meeting with the SFEP of Jabalnutra for three days, and it was targeted to the arrangement of a 10-year and an operational work plan to be ratified. It is as if the group is forced to make plans in a short time..." (Head of Planning and Reforestation of FMU Yogyakarta). There was a top-down training session for the group's needs, and there was no connection... For example, the need to prepare for timber harvesting, however, the only problem was that the Director-General was in SPFM. SFEP only monitored the central budget, therefore, this was inappropriate." (Head of Planning and Reforestation of FMU Yogyakarta).

On the other hand, the HKM farmer groups perceived that Jabalnutra SFEP was appropriate for providing such facilitation. Based on the 2018 Performance Report, they also distributed productive economic assistance such as supporting equipment to KTH.

The problems of the groups were producing both the work and operational plans. Yesterday, the Jabalnutra SFEP held a meeting to facilitate those plans. In addition, productive economic assistance

and procedures for making proposals were later analyzed." (Head of KTHKm Sedyo Rukun, 2019).

The Director-General of SPFM issued the regulations related to timber administration. This required the involvement of the Director-General of SFEP and SPFM. In practice, the Jabalnutra SFEP was mandated to provide assistance and facilitation. Occasionally, FMU also assisted in including activities related to timber administration within a limited budget. This situation was an example of the lack of synergy among the Director Generals within the Ministry of Environment and Forestry.

7. *The Role and Strategy of the LFB DIY Province*

The LFB DIY Province was exercising its discretionary rights by submitting the revocation of permits for the HKM group that was inactive or not undertaking forest management activities. Meanwhile, it had provided assistance and training sessions, for the active groups, specifically in the timber forest products utilization through outsourcing technical officers. The forest rangers were responsible for forest protection activities, although they thought that those permit holders needed to execute these tasks. Despite experiencing budget constraints, local forest bureaucrats continued to facilitate groups within their capability, such as establishing a hub that handled timber utilization. It aided the HKM groups in preparing the annual work plan and uploading it online to the Information System of Forest Product Harvesting (SIPUHH).

In addition to the issuance of Law No 23/2014, the DIY Province created a new unit, namely the Social Forestry and Extension section. It had a general work program to increase group assistance in the ISF area, including the HKM scheme. Among other tasks included providing

technical guidance on non-timber forest product utilization in production and protected forests. In addition, this section improved the quality of training, including a farmer-to-farmer extension program to provide mentoring at the front-line level. It also worked with NGOs that had directly assisted the HKm groups.

Discussion

The Government of Indonesia recognized ISF as one of the sustainable forest management schemes. This recognition is strengthened by the new Omnibus Law No. 11/2020 concerning Job Creation and Government Regulation No. 23 of 2021 concerning Forestry Management. The Government Regulation No. 23 of 2021 mentioned Social Forestry 105 times in various contexts and objectives. It was described as a resolution for land tenure conflict and agrarian reform or a scheme for managing forest areas for particular purposes, supporting food estate or security or rehabilitation activities. Social Forestry was also an effort to produce both timber and non-timber products to supply forest industries. It was a type of forest management activity for achieving sustainability by balancing the community welfare, environmental, and sociocultural dynamics. Social Forestry required facilitation and coordination involving FMUs.

The Ministry of Environment and Forestry exclusively facilitated HKm, HD, and HTR out of five ISF schemes as reported by the licensing progress (http://pkps.menlhk.go.id/akps/index.php/site/cara_pendaftaran). As a result, the LFB identified ISF as only these three schemes. However, the development of customary forest and forestry partnership schemes was improperly regulated. This void created room for LFB to interpret and formulate regional and Governor regulations on forestry partnerships in the production forest and protection forest areas. It also involved

diverse partners, including cooperatives, BUMDes, and the private sector. In Yogyakarta, this partnership cooperation had proven to be more facilitative to poverty alleviation for forest communities that did not receive assistance from the ISF licensing schemes. At the same time, the choice of this initiative provided better profit-sharing for the provincial government revenue, specifically from the nature tourism sector. On the other hand, the LFB DI Yogyakarta Province saw the ISF licensing scheme as a burden because they needed to be able to provide assistance and technical guidance to many HKm groups. Technical guidance, specifically regarding timber utilization of HK, was complex and involved many dissonance echelons, thereby creating confusion for the field officers.

Based on the transaction costs incurred by field officers and their impact on forestry, the discretion of the LFB in Indonesia could be divided into two types, i.e., creative and passive (Kubo 2010). Creative discretion was selected by developing mechanisms that promoted communities to be actively involved in environmental conservation activities to reduce disturbances to forest areas. It had transaction cost implications for front-line forestry officers, although they received immaterial rewards from their surroundings. In the case of Yogyakarta, the LFB was motivated to actively implement regulations to fill certain gaps in the forestry partnership scheme, which aided in boosting the provincial government's revenue and economic growth in rural areas or forest frontiers. This motivation was interwoven with community empowerment following a moral motive for equitable income distribution (Mas'od 2003).

Unfortunately, Government Regulation No. 23/2021 provided no clear legal basis for the forestry partnership cooperation scheme in Yogyakarta. The Minister of Environment and Forestry Regulation No. 9/2021 on Social Forestry Management also stated that the cooperation of the partnership could only operate

in protected or production forest areas, and it only involved state and regional forest enterprises, as well as timber corporations. Meanwhile, the LFB had been discouraged from creative thinking because the forestry partnership cooperation with the FMU, the community, and other parties part of the ISF schemes in the self-managed forest areas was not acknowledged. This situation gave birth to passive discretion (Kubo 2010), which tended to select 'not to do' to address socio-economic problems in forest areas. Further research was required on the views of LFB in filling out and interpreting ISF policies in the era of the Omnibus Law.

Conclusion

The discretions of ISF policy by LFB in Yogyakarta Province had filled the void in forestry partnership cooperation schemes that were not regulated and controlled by the central government. These included the regional policies regulating forest management cooperation concerned with the production, protection, or conservation of forests. The salient discretion was the norms mandated on profit-sharing by the provincial governments and local partners, of which a substantial proportion went to them as the main actors. The LFB preferred forestry partnership cooperation initiatives to other ISF schemes because this profit-sharing was more profound to the provincial government. The local beneficiaries also benefitted from it in terms of household income. This scheme created a better equitable distribution of economic development in rural areas. In addition, the LFB preferred nature tourism as an environmental service because timber utilization in HKm had more complex procedures. It viewed the HKm group as tinged with doubts about its human resource capacity, thereby causing them to often feel burdened by facilitation tasks that were not their responsibility.

The empirical findings showed that the discretion

and interpretation of policy implementation regulating ISF schemes were affected by the personal perception of the LFB, as stated in the SLB theory. This tended to delay the social forestry area expansion, specifically for the licensing schemes (HKm, HTR, and HD). However, the active discretions that were shown by the DI Yogyakarta government also created a quick track to accelerate other forestry partnership schemes. This was further translated into the regional regulations enacted by the Governor and Provincial People's Representative Legislators regarding daily management, specifically timber harvesting processes and the enhancement of environmental services for nature tourism. The central government had recognized several of these regional regulations and verbally annulled a few.

This research suggests that the central government needs to improve the ISF schemes and align efforts in improving forest conditions and enhancing social welfare within sustainable forest management through the following five recommendations. *First*, it needs to change the substance of the ISF policies, specifically on the timber harvesting procedures. The policies have to be more straightforward and adjusted to the community needs and forestry technical staff knowledge and skills. *Second*, the Ministry of Environment and Forestry needs to improve the coordination and cooperation between echelons in policy-making on timber harvesting procedures. *Third*, the Ministry of Environment and Forestry must facilitate bottom-up programs to accommodate community aspirations and enhance their capacity. *Fourth*, the FMUs need to regain their roles and be allowed to build partnership relations with many stakeholders. Finally, the central government needs to recognize the partnership cooperation schemes organized by the LFB to accelerate the ISF area expansion target as mandated by the national action plan for 2020 to 2024. In the

absence of this norm, the provincial government (Governor or Legislator) tends to initiate a local regulation to allow FMUs to collaborate with the communities to implement social forestry programs.

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