Patronage and power

Cross-border economic and commercial activities are often based on pre-existing networks of kinship, friendship, and entrepreneurial partnership that span both sides of the border (Baud and Van Schendel 1997:229).

This chapter focusses on the period right after Soeharto's fall from power in 1998 and the subsequent termination of the military logging concessions. Through several interconnected cases I show how border communities and border elites swiftly adjusted to the new shift in power and politics following new reforms of administrative decentralization. In particular, I demonstrate how the change from authoritarian to post-authoritarian rule created novel opportunities for local negotiations of authority over resources, through collusion and patronage networks with local government and cross-border entrepreneurs. One purpose of this chapter is to examine state-society relations in a time of decentralization, where central state authority appears especially weak compared to the previous period of strict military surveillance and 'strong' state authority in the borderland. According to Sally Falk Moore, within semi-autonomous social fields local norms can supplant or dominate those of official state law. However, as depicted in this chapter, while local norms and rules diverge from those of central government, they are inherently, and often ultimately, subjected to it. The chapter further looks into how local strategies and networks applied during this period of increased autonomy can be traced back to the period of confrontation and anti-PARAKU fighting and how they once again seem to challenge the effort to differentiate between the controls imposed by governments on either side of the Indonesian-Malaysian border.

DECENTRALIZATION, INFORMAL NETWORKS AND 'ILLEGAL'
LOGGING

In early 2000, on the Indonesian side of the international border between West Kalimantan and Sarawak, Malaysia, trucks loaded with sawn log blocks (*balok*) lined the heavily rutted road as they made their way toward the crossing into Sarawak. The logs, considered by the central Indonesian government to be illegally harvested and exported, came from numerous cutting sites along the border road in forests within the territories of Iban communities of the Kapuas Hulu district. At the head of one path leading to a cutting site, with *balok* piled on the side for collection, stood a hand-painted sign which read: 'CV Munggu Keringit Sdn Bhd'.¹ At first glance this sign signifies little, but examined more deeply it represents an important local perspective that must be taken into account for a more complete picture of the rampant 'illegal' logging in Indonesia generally and the borderlands of West Kalimantan specifically to emerge. 'CV'² stands for 'limited partnership' in Indonesia, while 'Sdn Bhd'³ means virtually the same thing across the border. 'Munggu Keringit' simply referred to a nearby hill and the scene of action. Such a designation had no legal standing and was intended as a joke, but it very effectively summed up the ambivalent position held by borderland residents engaged in cooperative logging with Malaysian timber entrepreneurs. The writing on the sign expresses an awareness among border communities of the dual position that life in the borderland entails, and the sensible strategy of securing one's livelihood by looking towards both sides of the border, as the locals have done continuously since the border's creation more than 150 years ago (Wadley and Eilenberg 2005). 'Illegal' is here deliberately placed within quotation marks because the central Indonesian government and international organisations regard much timber harvesting as illegal, whereas local communities see the timber coming from their own traditionally managed forests as part of negotiated agreements with loggers.

¹ Reed Wadley initially observed this incident during field research in April 2000 (Wadley and Eilenberg 2005).

² The abbreviation can be traced back to the colonial Dutch and means 'Commanditaire Vennootschap'.

³ 'Sendirian Berhad' in Malaysian.

TOWARDS INCREASED REGIONAL AUTONOMY

The drastic political changes that took place in the wake of the Indonesian economic crisis (*krisis moneter* or *krismon*) in 1997 and Soeharto's resignation from power the following year, quickly altered the dynamics of logging in the borderland. In an attempt to distribute political and economic power more evenly and to return authority to the districts, in the years after 1998, Indonesia's successive central governments began initiating national programs of decentralization. The first post-Soeharto government under the presidency of B.J. Habibie (1998-1999) came under immense pressure to take a stand against the authoritarian government structure of former President Soeharto and to take concrete steps towards enhancing the administrative powers of the districts. Regional autonomy became the main topic for policymakers, and new legislation resulted in a series of reforms that gave local districts greater autonomy over sectors such as forestry (Perdu 1999). Laws regulating the decentralization of authority (Law 22/1999)⁴ and the fiscal balance (Law 25/1999)⁵ between central and regional governments were passed by Indonesia's national parliament in 1999 and officially implemented in January 2001. The new regulations largely circumvented provincial governments and gave district governments authority to deal with most local affairs, including forest resource management.⁶ The formerly all-powerful Ministry of Forestry suddenly lost parts of its authority over forestry management in West Kalimantan, along with the large amount of revenue this authority generated (Yasmi et al. 2006). Districts were now entitled to a much greater share of revenues produced by local timber extraction.⁷

The new legislation was often inconsistent with already existing laws and therefore created a great deal of confusion and ambiguity in relation to the right to control forest resources. The potential for conflicts over resources and environmental degradation was a persistent worry resulting

⁴ Undang-undang Republik Indonesia Nomor 22 Tahun 1999 tentang Pemerintah Daerah.

⁵ Undang-undang Republik Indonesia Nomor 25 Tahun 1999 tentang Perimbangan Keuangan antara Pemerintah Pusat dan Daerah.

⁶ Besides natural resource management, the districts were also given authority over industry, agriculture, trade and investment, health and education.

⁷ Law 25/1999 on fiscal balancing specifies that provincial and district governments should receive 80 percent of the Forest Resource Rent Provision (*Provisi Sumber Daya Hutan*, PSDH) and that district governments would receive 40 percent of the Reforestation Fund (*Dana Reboisasi*, DR).

from the disorderly way in which regional autonomy was implemented.⁸ The distinction between what was considered legal and illegal timber extraction became increasingly blurred as central and district authorities often interpreted the laws differently.⁹ A few years after the outset of the decentralization reforms, the *ad hoc* manner in which the decentralization of the forestry sector was managed sparked a fierce contest for authority between the centre and the districts.

Even though the formal implementation of regional autonomy (*otonomi daerah* or *otda*) did not take place until 2001, the chaotic period of unstable and changing governments and numerous political reforms following the fall of Soeharto quickly led to a kind of *de facto* regional autonomy in most of West Kalimantan. District officials seized the opportunities presented by the political and economic uncertainties associated with the transition period and immediately began to implement their own regional reforms and regulations, officially ‘legalizing’ local timber logging without the final blessing of the central government. Widespread corruption developed. Although the legal status of timber extraction during this transition period remained undecided, the district government in Kapuas Hulu and local border communities nonetheless took advantage of their proximity to neighbouring Sarawak to invite Malaysian timber barons to harvest what they considered their forest, in turn receiving royalties (*retribusi*) and locally derived revenue (Pendapatan Asli Daerah, PAD) from local timber.¹⁰

These arrangements boosted local district tax income and transformed the small and sleepy border towns of Badau, Lanjak and Nanga Kantuk into prospering boomtowns. Nearly all of the regionally generated income (PAD) of the district originated from forest resources. From being heavily dependent on central government grants before 1999, the Kapuas Hulu district PAD income rose sharply in the ensuing years. During this period, several Sarawak-based logging companies, such as the Sibu-based Grand Atlantic Timber Sdn. Bhd, entered the border-

⁸ *Indonesian Observer* 2000; *Jakarta Post* 2000b; *Kompas* 2000a; *Media Indonesia* 2000a; *Pontianak Post* 2000b; *Tempo* 2001a.

⁹ See Casson and Obidzinski 2002; Fox et al. 2005; McCarthy 2004.

¹⁰ These arrangements not only unfolded in the Kapuas Hulu district, but also in other border districts like Sambas, Bengkayang, Sanggau, and Sintang where local populations also had long-term relationships with Malaysian Chinese timber entrepreneurs. For similar arrangements taking place in the borderland between East Kalimantan and Sabah. See, for example, Obidzinski et al. 2007.

land.¹¹ According to local timber workers, the district government and border communities had (unofficially) agreed to this arrangement in order to help boost the local economy in a time of economic crisis. Only the Malaysian companies possessed the necessary capital, equipment, and technical knowledge to restart logging in the area. It is important to note that these companies were operating entirely without official permits from the central government. Decentralization and new fiscal arrangements pushed the districts to become more self-reliant financially, and one way of generating much-needed local revenue was through timber harvesting carried out in the grey area between legality and illegality.¹² The companies' engagement in logging across the border can be seen as an outcome of several factors: the economic and political climate in the borderland and in Indonesia as a whole; the increase in international demand for timber; easy access to the area from across the border; and finally, pre-existing kinship and business ties between locals and Sarawak timber entrepreneurs. A local Iban resident described the situation in the borderland at the onset of regional autonomy as follows: 'The only thing on people's minds right now is the timber business (*bisnis kayu*)'.¹³

COOPERATIVE LOGGING AND A BOOMING ECONOMY

In West Kalimantan, as in other provinces rich in natural resources, the period following the fall of Soeharto provided a welcome opportunity for district governments and the border elite to take control of the formerly state-managed logging business (Yasmi et al. 2006). The formal implementation of regional autonomy after 2000 only heightened tensions, as provincial-level government was sidestepped in favour of increased authority for *bupati* at the local level. With respect to logging, between 2000 and 2002 the *bupati* had the authority to issue permits for small-scale forest concessions of 100 hectares located within state controlled forest (Kawasan Hutan), locally referred to as HPHH or community

¹¹ See *Jakarta Post* 2000c; *Kompas* 2000b; *Suara Pembaruan* 2000.

¹² Personal interview, timber broker, Lanjak, 15-10-2002.

¹³ Personal interview, Lanjak, 03-11-2002.

cooperatives.¹⁴ In this two-year period the district governments in West Kalimantan altogether issued over 900 such HPHH licences, and the district of Kapuas Hulu alone counted for more than 335 of these (Dinas Kehutanan Kalimantan Barat 2004; Kartodihardjo and Putro 2004). In several instances, these HPHH concessions overlapped with already existing concessions (*Sinar Harapan* 2001). In 2003 this number had risen to 450 (Dermawan 2004). Besides these small-scale concessions, the government regulations also allowed the *bupati* to issue large-scale concessions of up to 50,000 ha known as IUPHHK (Timber Product Utilization Permit/Izin Usaha Pemanfaatan Hasil Hutan Kayu) that replaced the old HPH large-scale concessions of the Soeharto period. The district of Kapuas Hulu issued nine such IUPHHK, covering an area of 142,800 ha (Dinas Kehutanan Kalimantan Barat 2004). Several of these concessions, such as PT. Benua Indah, PT. Lanjak Deras and PT. Rimba Kanyau, were placed within the borderland (Kabupaten Kapuas Hulu 2006) and allegedly cooperated with Malaysian Chinese entrepreneurs (*Sinar Harapan* 2008).

Like most other regulations and decrees issued by central government at the time, the guidelines for implementing the HPHH concessions were extremely unclear. Regulation of these concessions was more or less up to the *bupati*'s own interpretation. This led to interpretations that often far exceeded the legal rights prescribed in the regulations. The Kapuas Hulu district government, for example, issued its own decrees concerning how to obtain permits and regulate these new forest concessions. These district regulations were also an attempt to generate local revenue through various district taxes. The legal standing for issuing local taxes was mentioned in Law 22/1999 and 34/2000. But instead of waiting for the local legislature to prepare a detailed decree (*perda*) as stipulated in the laws, the *bupati* in 2000 instead persuaded the district assembly to produce a recommendation for him to issue a temporary decree so he could immediately begin issuing HPHH permits (*Kalimantan Review* 2001; KepBKH 2000b, 2001). The increased authority of the *bupati* made the locals refer to his position as that of a 'small king' (*raja kecil*).

¹⁴ See 'Regulation No. 6/1999 on Forest Utilization and Forest Product Harvesting in Production Forest' and 'Ministry of Forestry Decrees No. 310/Kpts-II/1999 and No. 05.1/Kpts-II/2000' on guidelines and criteria for issuing HPHH licenses. These regulations and decrees provided authority to all districts across Indonesia to issue licences for small-scale timber extraction on less than 100 ha (Hak Pemungutan Hasil Hutan (HPHH)).

The HPHH concessions were issued to so-called multipurpose community cooperatives (Koperasi Serba Usaha, or KSU). The KSUs in the borderland were often made up of several communities who worked together with an outside entrepreneur, usually Malaysian. Their supposed aim was to empower local communities by facilitating different kinds of joint development projects, but the only activity carried out under their auspices in the borderland was logging.

Although vaguely outlined, the process of obtaining HPHH permits, as stipulated in the decrees, involved several stages. First, applicants had to initiate a survey of the area to be logged by mapping the forest resources available and identifying partners with the needed capital and knowledge to carry out the actual logging. In addition to the survey, signed recommendations and letters of support were needed from sub-district and village heads. Secondly, the proposal and a work plan had to be submitted to the *bupati* office for approval and various taxes had to be paid. For example, the Kapuas Hulu district decree number 8/2001 stated that cooperatives had to pay Rp 25,000 (US\$2) per hectare of forest in Forest Concession Liaison Fee (Iuran Hak Pemungutan Hasil Hutan, IHPHH) (KepBKH 2001). During this period, nearly all of the regionally generated income (PAD) of the district originated from production forest resources, especially from DR/IHH (rehabilitation fund/forest products payment), PSDH (Forest Resource Rent Provision) and IHPHH (Forest Concession Liaison Fee). From being heavily dependent on central government grants before 1999, the Kapuas Hulu district PAD income rose drastically in the following years. Out of the total budget, the PAD went from 0.7 percent in 2000 to 11.5 percent in 2002 (BPS-KH 2002, 2003; Dermawan 2004:45).

Finally, if a proposal was successful and the various taxes paid, the *bupati* office granted a one-year logging permit open to extension (KepBKH 2001). The cost of gaining permits and establishing a coop was very costly according to local standards; Dermawan (2004:43) mentions the cost as being more than Rp 10 million, but according to my data the cost was closer to Rp 20 million (US\$2,200) (*DetikNews* 2004). In the case of the borderland, such high capital input was often sought through cooperation with outside money men and entrepreneurs from Malaysia. Although these district decrees on the regulation of HPHH concessions stipulate various criteria for the regulation of concessions, such as the type of forest to be cut, equipment to be used,

and the replanting of logged areas, the actual activities taking place on the ground were another story. The new concessions issued often overlapped with existing concessions previously allocated by the central government, and some extended over the boundaries of protected forest and national parks (*Jakarta Post* 2002b). Despite the stipulated criteria, the district government did not put any effort into monitoring or enforcing compliance.

The outcome of the new district regulations soon attracted the attention of central and provincial government. Already under the Presidency of Megawati Soekarnoputri (2001-2004) the central government began to display resistance towards the decentralization process, especially to the extent of autonomy gained by the districts over the management of local natural resources. Consequently, in 2002, the central government issued a new government regulation (to take effect beginning in 2003) that revoked the authority of districts to issue HPHH logging permits. The centre thus attempted to reassert its authority over forest resources.¹⁵ The formal argument was that district governments were mismanaging the nation's forest resources, leading to an increase in illegal logging and corruption (Perdu 2002). However, the *bupati* of Kapuas Hulu largely ignored this new regulation, which he claimed was in conflict with the laws of regional autonomy and would lead to the loss of more than 34,000 jobs (*Pontianak Post* 2003c). In defiance of this attempt by central government to recentralize forest authority by constraining the allocation of HPHHs and permits, the *bupati* further withheld the share of timber taxes that he was supposed to pay the central government (*Kompas* 2004e; *Sinar Harapan* 2003a). The overall argument of the *bupati* for continuing the logging business was its contribution to empowerment of local border communities and the promotion of their general well-being. According to the *bupati*, never before had local communities received such a large share of revenues from the harvesting of local forest resources. By selling directly to Malaysian entrepreneurs, these communities received a much larger share than they had during the former HPH concessions (*Pontianak Post* 2004j). At this time, most of the logging operations taking

¹⁵ Just before leaving office in 2004, President Megawati replaced the 1999 decentralization laws with yet a new law (No. 32/2004) on regional autonomy. The law, among other things, reaffirms the status of provincial government, and it gives far-reaching authority to the central government to control district governments, such as supervision of various regulations, decisions or policies approved or favoured on the district level (Barr et al. 2006).

place along the border were unauthorized by the central government and considered illegal.

During my fieldwork in 2002 and 2003 and at the time of a return visit in 2004, much of the logging taking place in the Kapuas Hulu borderland was carried on by community cooperatives (KSUs) in locally arranged agreements with Sarawak timber entrepreneurs as ‘partners’. In order to harvest as much timber as possible, these Sarawak companies were involved with several cooperatives (sometimes more than ten) at the same time; in this way they were able to exceed the 100-hectare limit of forest allowed to be cut. However, more often than not, the 100-hectare limit was simply ignored. Furthermore, all the logging involving Sarawak entrepreneurs was carried out with the use of heavy equipment brought from across the border, and no reforestation took place. No effort was made by district government to exercise control and ensure that the operation adhered to the regulations.

In the particular stretch of the border discussed in this study, Sarawak logging companies were largely owned by a handful of Sarawak Chinese timber entrepreneurs, locally known as *tukei* (or *tauke*).¹⁶ Such logging entrepreneurs are known elsewhere in Indonesia as *cukong*. In his research on Sumatra’s rainforest frontier, McCarthy defines *cukong* as the entrepreneur with capital and *tauke* as the *cukong*’s broker who negotiates logging agreements (2000:5-6; 2006:142). In the Iban-dominated areas of West Kalimantan borderland, *tukei* are usually the entrepreneurs. The timber logged through the cooperatives by these companies was obtained very cheaply and sold for substantial profit across the border. Already in early 2000, there were no less than twelve Sarawak entrepreneurs operating along the border from Lanjak to Badau, and their numbers continued to grow until 2004. At least six *tukei* built substantial sawmills near the main government road (Jalan Lintas Utara) (Wadley and Eilenberg 2005). According to local informants, some Sarawak companies were initially invited by the *bupati* in 1998, at the onset of the economic crisis, to help develop oil palm plantations in the borderland; later they did become directly engaged in logging. As elaborated upon later, the largest and most dominant entrepreneur or *tukei* was operating in the Ulu Leboyan.

Many locals realized that the *tukei* paid regular monthly bribes to important officials and civil servants, such as local district and subdistrict

¹⁶ In Sarawak, the term used for these Chinese entrepreneurs is often spelled *towekey* or *taukey*.

officials, police, military and immigration officials at the border crossing, in order to have their businesses run smoothly. In exchange for bribes, officials ignored the logging and the smuggling of timber across the border. The *bupati* of Kapuas Hulu even imposed his own local unofficial export tax of Rp 50,000 (US\$6) on every truckload of logs taken across the border (*Pontianak Post* 2003a). In one year, from 2001 to 2002, the district office collected approximately Rp 6 billion (US\$600,000) solely from these locally imposed taxes.¹⁷ Besides these taxes the Sarawak companies supposedly had to pay a fee of Rp 50 million (US\$5,500) a month to the district customs office at the border in order to bring their illegal timber across the border (EIA 2001). Local communities along the Lanjak-Badau road also constructed toll gates and levied a charge of RM10 to RM20 (Malaysian ringgit)¹⁸ on each truck passing through (*Pontianak Post* 2004g).

According to civil servants in the district office, this locally imposed tax was an attempt to generate revenue for the underdeveloped district. The rationale was, that if central government did not have the capacity to live up to its obligation to regulate the international border trade, then it was up to the district to enforce such regulations for the common good of the border population. When asked about the purpose of these taxes, the *bupati* answered: 'We just please the communities, that's all (*tolong masyarakat saja*)'.¹⁹ In addition, at least one subdistrict office has issued some *tukei* with Indonesian identity cards (KTP or Kartu Tanda Penduduk) so they could operate more freely in the province (*Kompas* 2003e). There were even reports of several *tukei* using false documents with the signature of the Indonesian president in order to persuade local communities to cooperate in opening up a new road crossing the border from the district of Kapuas Hulu to Sarawak. This endeavour involved more than 100 Sarawak citizens and 50 bulldozers, and the main purpose was to open a new route for timber transport. According to local press, they succeeded in one month in smuggling timber across the border worth US\$1 million.²⁰ During field research in 2002-2003, around 500 trucks loaded with lumber traversed the government road from Lanjak towards the border point in Badau each week; this number

¹⁷ Personal interview, Putussibau, 14-3-2007.

¹⁸ Malaysian ringgit per US\$ was approximately RM3.8 in 2004.

¹⁹ Personal interview, Pontianak, 22-08-2007.

²⁰ *Media Indonesia* 2004; *Sinar Harapan* 2004b; *Suara Pembaruan* 2004b.

had decreased to between 150 and 200 a week by 2004.²¹

Huge amounts of money were at stake in cross-border logging at the time. When the timber crossed the border, it was 'legalized' by paying fees of RM2 per m³ and by obtaining official papers at the border checkpoint of the Sarawak-state-owned Hardwood Timber Company (Hard Wood *Sendirian Berhad*) in Lubok Antu. Thereafter the timber was considered legal and ready to be sold and exported.²² The Sarawak side of border has figured as a free trade zone since the 1990s, meaning that the import and export of trade goods including timber is very loosely regulated (Tirtosudarmo 2002). A team of researchers from the school of forestry at a provincial university in Pontianak (Tanjungpura University) estimated that 80 percent of the raw timber supply in the Malaysian province of Sarawak at the time came from West Kalimantan (*Jakarta Post* 2003). Sarawak has largely exhausted its own forest resources and therefore searches for timber elsewhere to feed its large timber-based industry.²³

NEGOTIATION AND COLLUSION: ELITE OPPORTUNITIES

In the attempt to exercise a certain degree of control of their forest and deal with both regional and cross-border interests, the ambivalent position of the Iban border population surfaces again and its dual identity comes into play. Nearly all Iban communities in the area welcomed the presence of the Sarawak companies for several reasons: first, there is the existence of intimate cross-border relations. Many Iban men in the area have at some point during their lives worked for logging companies in Sarawak run by ethnic Chinese. Based on these past experiences the Iban knew the efficiency with which these operations were run and the better working conditions and salaries they provided. The *tukei*, for their part, had learned to appreciate the honesty and stamina of the Iban. Second, cultural similarities that span the border played an important part in local cooperation. Having carried out logging operations in Iban

²¹ *Kompas* 2003d; *Pontianak Post* 2003a; 2004a; 2004l; *Sinar Harapan* 2004d.

²² *ELA* 2001; *ELA/Telepak* 2004; *Toyoda* 2002.

²³ Sarawak-owned companies crossing the border in search of cheap timber were not unique to the West Kalimantan borderland. Along the Sarawak border with East Kalimantan, similar activities took place (Obidzinski et al. 2006, 2007).

areas in Sarawak for decades, the *tukei* and their associates had an excellent knowledge of Iban customs and ways of life, and, in the case of the Sarawak Companies operating along the border, the *tukei* and a majority of his Sarawak crew spoke Iban. Many were Iban themselves. When negotiating an agreement of cooperation, both parties used this mutual knowledge of each other strategically.

The companies used Sarawak Iban intermediaries in negotiations and attempted to appear respectful of local customs, while the local Iban used their knowledge of logging operations in Sarawak to push for higher commissions and fees. Therefore, the Iban welcomed the Sarawak companies. While the locals generally were aware of the large profit the companies made from harvesting their timber in comparison with their own modest share, they felt that the benefits they received were much better than those that were on offer during the New Order period. This gave them the incentive to cooperate. Although the commissions were small, considering the value of the timber, they represented a considerable sum for the cash-poor non-elite population. Furthermore, these local communities wanted to gain as much from the current situation as possible, since, as one resident commented, 'You never know when the situation will change (*perubahan*), so for now we take as much as we can (*mengambil sebanyak*)'.²⁴ These words reflected a general concern about what might happen to local forest resources in a politically uncertain future. The commissions received by the majority of Iban communities for timber harvested in their forest were approximately one percent of the profit earned after the timber had been sold across the border in Sarawak (Wadley and Eilenberg 2005).²⁵ The communities were not passive and entirely content with the compensations received. On the contrary, they continually tried to negotiate and optimize their situation within the constraints put upon them from the more powerful players.

Local rumours suggest that several of the Malaysian Chinese logging entrepreneurs were using the knowledge of ethnically Chinese former PARAKU rebels in their logging operations along the border and even directly employing PARAKU veterans. As expressed by an Iban man from the Ulu Leboyan:

²⁴ Personal interview, Lanjak, 20-10-2003.

²⁵ Once taken across the border, however, the lumber is exported beyond Malaysia, with potential profits to Malaysian lumber exporters averaging US\$340 per m³ in 2000.

The elderly Chinese who worked in the logging company (*kerja kayu*) up here [the Ulu Leboyan] all knew their way around the area. They could easily find their way through the forest into Sarawak just by following the many small rivers. They had all operated (*petugas*) here before during the PARAKU time, they told me.²⁶

Locals often explain the *tukei*'s intimate knowledge of the forest areas along the border by referring to the PARAKU link. Moreover, several *tukei* logging camps were situated in the same locations as former PARAKU rebel camps, and according to locals at least one *tukei* operating in the area was involved with the PARAKU in the 1970s. Several senior Iban timber brokers further acknowledge that they still are in contact with surviving former PARAKU members now living across the border in Lubok Antu, Sibu, and Sri Aman. In his historical account of Chinese politics in Sarawak Chin Ung-Ho mentions how several timber *towkay* (*tukei*) from Sibu in 1973 were arrested by Sarawak authorities in 'Operation Judas' for their alleged financial and material support of the Sarawak Communist Organization (SCO) the political arm of the PARAKU (Ung-Ho 1996:130-1). Although allegations of such links between the PARAKU and cross-border logging are largely unfounded, they may have some role in explaining the effectiveness of the *tukei* operations in the immediate border area. However, a more likely explanation is that the various Malaysian Chinese *tukei* have decades of experience carrying out logging operations in Iban-dominated areas in Malaysia. A long tradition of labour migration to the timber camps across the border in Malaysia has furthermore resulted in various business relationships between Malaysian Chinese logging operators and Kalimantan Iban (Eilenberg and Wadley 2009). There is no doubt that centuries of close-knit relations and mutual respect between Iban and ethnic Chinese communities have contributed positively to the intricate patronage relations described here.

Agreements to establish the semi-legal cooperatives were largely mediated by locals who had existing relationships with the *tukei* and well-established ties at different levels of local, regional, and provincial government. Such patronage relations between local communities, elites, district officials, and Malaysian *tukei*, played an important role the mixed, local economic strategy along the border. The brokers, who were often

²⁶ Personal interview, Lanjak, 16-03-2007.

part of the same border elite that had cooperated with the New Order logging companies, such as PT Yamaker, used their connections (often close relatives) in district government to facilitate the process of getting HPHH licences. After obtaining the licences, they directly negotiated commissions for the various communities involved in the cooperatives, for which they received fees locally referred to as ‘premiums’ (*premi*). In their role as ‘gatekeepers’, the border elite controlled the flow and size of commissions and other benefits flowing into the communities. Communities’ lack of knowledge of timber prices made them vulnerable to exploitation, since they had no ability to evaluate the benefits received. While the size of fees paid to the elite was a well-kept secret, the fees caused local speculation and envy, as members of the border elite made little effort to disguise their new wealth. Many purchased large four-wheel-drive trucks and other luxury goods. They also invested in property in both the district and provincial capitals and sent their children to schools and universities in Pontianak and Jakarta. Although this extravagant display of wealth created resentment among the less fortunate majority, few expressed resentment openly, as some benefits of the booming timber economy trickled down to everybody and the ability of elite networks to attract wealthy entrepreneurs seemed to overshadow concerns about inequitable distribution. One local Iban farmer commented:

Before, during the New Order period, most local people got nothing out of it [profit from logging] (*tidak dapat apa-apa*), we were only spectators (*penonton saja*) and local community involvement in the logging business today (2003) grew out of past disappointment (*berangkat dari kekecewaan*). Now, there are people like the *tukei* who want to buy our timber directly. I think now with regional autonomy the longhouses have a much higher bargaining position (*posisi bargainnya cukup tinggi*) than before. Now we decide ourselves and can negotiate. If there is a *tukei* from Malaysia who wants to work, he may work, but there are requirements, we say please build longhouses; provide clean water, like that. I guess the communities are brave to fight for their livings rights. ... even though I know that certain people have become contact persons between *tukei* and community and they do not feel responsibility (*tanggung jawab*) towards all communities and take benefits for themselves (*untung sendiri*).²⁷

²⁷ Personal interview, Lanjak, 27-10-2003.

The local brokers can be divided into two groups depending on their level of authority and commissions received. Firstly, there are the well-educated lower-level community leaders such as the administrative village heads (*kepala desa*), the administrative sub-village heads (*kepala dusun*), and other lower-level leadership figures. These persons use their knowledge of the area to identify commercially valuable forest that could be logged. They further use their kin networks in district government to obtain licences and negotiate benefits and community commissions with *tukei* representatives. They handle the day-to-day communication and coordination. Furthermore, these persons often work at the *tukei* sawmills and keep track of the amount of timber cut within the territory of the community cooperatives. In return for these services, they receive modest commissions.

The role of the second group of brokers is more indirect and consists of persons not necessarily permanently resident in the communities, although all have some kind of kinship relations to the involved communities. These higher-level brokers include *temenggong*, *patih*, *panglima*, local businesspersons, politicians (DPRD II), and district civil servants who often have close and intimate family ties with the *tukei* in Sarawak. These brokers monopolize access to the *tukei*. Through their contacts at various levels of government, they also provide access to information and guarantee the smooth running of logging operations and the safety of the *tukei* by securing collaboration among local military commands, police, and forestry regulatory agencies. The relationships between these brokers and the *tukei* are much more secretive, and the fees received much higher. Adding to the intimacy of these relations, several Sarawak Chinese have married local Iban and settled permanently in the border towns of Lanjak, Badau and Nanga Kantuk. One should remember that prior to the anti-PARAKU uprooting in the 1960s and subsequent forced resettlement of possible Communist sympathizers (Chinese) away from the border, there was a sizeable ethnic Chinese community living in the border area that for centuries had cooperated with neighbouring Iban communities. By the early twentieth century, the first ethnic Chinese traders had settled in the border town of Lanjak (Buil 1921).

CROSS-BORDER PATRON-BROKER-CLIENT RELATIONS

In order to show the intimacy of the patronage relations taking place during this period, I will in the following paragraphs offer a detailed account of these processes as they unfolded between one specific Sarawak entrepreneur (patron), a group of Iban elites (brokers) and several Iban communities (clients).

In the Ulu Leboyan area, a large Sarawak-based company originating from the Sibu area, Grand Atlantic Timber Sindirian Berhad (Sdn. Bhd) Limited, hastily took over logging where former Indonesian-run companies (like PT Yamaker) had operated until a few years earlier. Furthermore, several small-scale logging operations were scattered along the logging road in the Ulu Leboyan. They were mostly community-run and very low-tech, using chainsaws and transporting the logs out of the forest on bicycles. The logging crews in these small-scale operations were highly specialized loggers from Sambas (West Kalimantan), a border district in the far west of the province, hired on short-term contracts. In the Leboyan area, the Sambas crews were either hired directly by local communities or by one of the *tukei* who had long-standing family business ties with Sambas Chinese largely in control of the Sambas logging business. These small operations mostly supplied timber to the large sawmill owned by Grand Atlantic Timber Sdn. Bhd.

According to inhabitants of Rumah Manah and four other longhouses in the area, the company *tukei* began negotiations with local brokers and the wider Iban communities in early 2000, already having the initial go-ahead from the district government. In 2001, logging operations in the Ulu Leboyan were modified to satisfy the new regulations of HPHH and render them 'semi-legal', although timber was still 'smuggled' across the border using the same procedure as before. Grand Atlantic Timber had already been operating down-river and in other areas of the district and province since the onset of the economic crisis and now wanted to extend its operations into old-growth forest in the Ulu Leboyan along the border in the vicinity of the Betung Kerihun National Park. In order to accommodate the large volume of timber being harvested, the *tukei* built a large sawmill along the Lanjak-Nanga Badua road. According to local informants working in the sawmill, this mill processed approximately 100

to 120 tons of timber a day.²⁸ A close examination of this particular *tukei* and his arrival in the borderland will be helpful here.

THE MALAYSIAN CONNECTION

In late 1998 the *bupati* of Kapuas Hulu, Jacobus Frans Layang (1995–2000), an experienced politician and industrious businessman of Iban and Maloh descent born in Sarawak assisted the plantation company PT Plantana Razindo²⁹ to open up land in the subdistrict of Badau close to the Sarawak border for a new oil palm plantation of 30,000 ha.³⁰ Layang was a well-educated and well-connected politician originally from one of the border subdistricts. During the Indonesian-Malaysian Confrontation and the PARAKU period, he was actively engaged in the conflict as a local volunteer (*dwikora sukarelawan*) and cooperating with the military. After his Indonesian military service, he pursued a career as a government civil servant and rose quickly within provincial power circles. In the 1980s he was employed in the provincial Department of Agriculture (Dinas Pertanian), and in the early 1990s, he worked in the Law Bureau (Biro Hukum) at the governor's office. In between, he lectured in the Faculty of Law, Tanjungpura University in Pontianak. Finally, he was elected *bupati* of Kapuas Hulu in 1995.³¹

As both Golkar politician and chairperson of the Dayak Adat Assembly, Jacobus was a *bupati* candidate supported by both government/military and Dayak communities. The Malay community, however, was not pleased about his election and showed their discontent with this 'Dayak' candidate through several demonstrations in Putussibau. Speculations at the time of his election suggest that he was elected as an attempt by the Golkar party to gain support among the Dayak population in the 1997 national election. Layang was the only Dayak to become *bupati* during Soeharto's New Order regime (Tanasaldy 2007:360–1).

In his position of *bupati*, Jacobus used his connections within govern-

²⁸ Personal interviews, Lanjak, 14-2-2003.

²⁹ This company was already granted a location permit in 1996 of about 500,000 ha but because this permit overlapped with another active timber concession, it was reduced to 40,000 ha in 1998 (Wadley 2000d:389).

³⁰ Plantation permit SK Pelepasan Menhut No. 899/Kpts-II/99. Tanggal 14-10-1999 (Kepmenhut 2004:21).

³¹ Personal interview, Pak Jacobus Frans Layang, Pontianak, 26-2-2007.

ment and military circles to clear the way for the PT Plantana Razindo Company, which was a joint venture between the Indonesian holding company the 'Razindo group', a Malaysian oil palm company (Hak Corporation Berhad), and the Yamaker Foundation. The company had close ties with the military and was officially supported by a former minister of defence and the governor of West Kalimantan at the time, H. Aspar Aswin, who also had a long military career behind him (Wadley 2000d). The PT Plantana Razindo Company was thus an alliance between the military, the *bupati*, and Malaysian companies. Ironically, despite the fact that the military had officially lost its logging licences along the border in 1999, the same individuals now appeared as shareholders in the PT Plantana Razindo Company.

As the area was widely forested, PT Plantana Razindo hired a Sarawak-based company, run by a Malaysian Chinese named Apheng, to carry out the actual land clearing and to apply for an IPK land conversion permit (Izin Pemanfaatan Kayu, IPK) (*Pontianak Post* 2005b; *Sinar Harapan* 2005a). Obtaining these permits was a long and potentially expensive process, as all government agencies involved demanded a considerable 'fee'. According to local informants, Apheng never managed to get the official permit as he supposedly refused to pay the large fees required, but he still ended up spending a large amount of company funds in the process and suffered a loss of Rp 9 billion (US\$1.1 million). At that time, he had apparently already worked 13 months for PT Plantana overseeing initial land clearings and managing the timber harvest without being paid himself. According to local informants, the company owned by the military and *bupati* was cheating him. Frustrated by the outcome, Apheng gave up his ties with PT Plantana and instead directly approached the Iban communities who claimed customary rights to the forest. He consequently negotiated his own logging agreements, without the backing of PT Plantana.³²

The land concession of PT Plantana Razindo involved several local Iban community forest tracts. After the break with Apheng, the company experienced significant problems in gaining access to part of the land within their concessions. They had difficulty coming to an agreement with the communities, forcing the company to suspend its operations in the area, and local communities burned company buildings. Local resi-

³² Personal interview, Lanjak, 29-3-2007.

dents claim the company only wanted to clear the particular plots within the concession that contained the largest, most valuable trees. Locals in Badau believed that the company was not really interested in creating oil palm plantations but only wanted to extract any valuable timber.³³ In April 2000, Abang Tambul Husin was elected as *bupati*. He was in favour of cooperating with the *tukei*. In the name of regional autonomy, he immediately began granting HPHH concessions to local community co-operatives and their Sarawak partners. Having already established close ties with a network of local communities and leaders, Apheng seized this opportunity to semi-legalize his business under the formal authority of district government. Being well connected on both sides of the border, Apheng was in a unique position to capitalize on the uncertainty of the situation. From 2000 onwards the Ulu Leboyan area was considered to be under the sole authority (*kekuasaan*) of Apheng.³⁴

CAPTAIN OF THE TIMBER INDUSTRY

Goh Tian Teck, alias Ng Tung Pheng, alias Apheng, ‘mentioned above’ is a former member of the Royal Malaysian Marines and the youngest of three brothers who run Grand Atlantic Timber Sdn. Bhd, part of an international business empire specializing in timber extraction and plantation development with an office in Sibul, Sarawak. Among multiple aliases, ‘Apheng’ is the name most widely recognized by the border communities in West Kalimantan. At the height of timber boom in the borderland in 2002-2003 Apheng was in his mid-forties, married to an Indonesian, and a highly experienced timber contractor whose main area of expertise was logging in old-growth forest. He specialized in logging in remote and demanding regions outside formal control of the legal apparatus of the central state. He obtained his experience in the heyday of the Sarawak timber industry from the 1970s until the 1990s when he worked closely with local Iban communities along the large rivers in the Sarawak interior.³⁵

³³ Personal interview, Badau, 19-3-2007.

³⁴ Besides Apheng, two other Chinese Malaysian timber entrepreneurs named Hengking and Robbin also operated in the area.

³⁵ Personal interview, Lanjak, 19-3-2007. Sarawak Chinese timber entrepreneurs and their Iban workers have, for example, been arrested conducting illegal logging in West Papua (*Jakarta Post* 2004a).

Kalimantan Iban from the borderland acknowledge familiarity with Apheng's companies from working in the Sarawak timber business across the border during the logging boom. The Sibuan area in particular was a favoured destination for labour migration due to its high salaries (compared to the meagre salaries in the Indonesian timber business) and because of the high concentration of Iban communities in the region, many being close kin.³⁶ Besides, Apheng was familiar with work across the border in West Kalimantan. Even before 1998 Apheng claimed that his family clan had been working on and off in the province as timber contractors for large HPH concessions going back to the period of anti-PARAKU operations in 1972.³⁷ However, his career was not confined to Borneo; Apheng's experience and efficiency was also highly sought after in other timber-rich regions of Indonesia and Southeast Asia such as West Papua, Vietnam, Cambodia, and Thailand. He even worked as timber contractor in equatorial African countries like Cameroon and the Congo (*Sinar Harapan* 2005a). One small incident during fieldwork in 2002 that confirms these global connections was the visit of a businessman from Cameroon who stayed several days in the borderland inspecting the company's operations in the Ulu Leboyan. According to local Iban working in the company sawmill, the businessman was negotiating with Grand Atlantic Timber Sdn. Bhd in order to have them come and harvest timber in his home country.

In general, Apheng became an extremely popular figure among the majority of borderland residents and completely surpassed the popularity of the *bupati*. As portrayed by a local Iban timber broker, Apheng was an astute politician and businessman:

The presence (*kehadiran*) of Apheng brought new colour in life (*membawa warna baru lah dalam kehidupan*) as Apheng could offer something different (*yang berbeda*) than the Indonesian HPHs. The HPHs did not contribute anything to the communities who own the forest. I know that the relationship with Apheng was also not equal (*tidak merata*), but this time every village received some compensation from logged forest. In my opinion

³⁶ The ethnic Chinese communities in Sarawak, and especially in the Sibuan area, have a long tradition of close relationships politically, economically, and socially with especially the Iban; see, for example, Milne (1973). The ethnic Chinese (Fookchow) communities in the Sibuan area arrived in Sarawak from southern China during the reign of Charles Brooke in the nineteenth century.

³⁷ For example, an article in *Tempo* mentions a timber contractor named Apheng operating in the Kapuas Hulu district as early as the 1980s (*Tempo* 1989).

Apheng was a smart and brave man (*cerdas dan berani sebenarnya menurut saya*), a magnificent mafia (*mafia yang luar biasa*). He read situations very fast (*membaca situasi dengan cepat*), he is a brain man (*otaknya*).³⁸

Apheng's great successes were partly due to his ability, as a patron, to get things done and provide needed services where the former concessions (and central government) had failed. Besides creating local jobs in his sawmills and timber camps, he maintained the local networks of (dirt) roads and more generally sustained a booming border economy. As the non-farming population had expanded, locals developed daily vegetable markets where women from nearby communities sold their produce. Shops, cafes, bars, and hotels proliferated in the market towns of Lanjak and Badau, and prostitutes from outside the area who catered to the loggers were now ubiquitous. Besides the smuggling of logs across the border, various kinds of luxury contraband such as electronics and cars crossed the border from Sarawak to Kalimantan. For example, from 2003 to 2005 a large number of Malaysian cars without number plates cruised the Lanjak area despite the fact that there were only a few kilometres of paved roads that could be used by these small city cars (*Kompas* 2004f). The smuggling of stolen and second-hand cars from Lubok Antu to Badau was, according to Sarawak media, carried out by sections of the Sarawak police, among others (*New Straits Times* 2005).

Not without some truth Apheng was depicted in national news media as the de facto king (*naja*) of the Kapuas Hulu border area (*Kompas* 2004b). He was definitely the principal economic force during this period. Originally invited by the former *bupati* and welcomed to stay by the *bupati*, Apheng felt extremely self-confident and secure operating in the area. Despite several provincial government arrest orders hanging over his head, he did not attempt to hide or conceal his operations.³⁹ Furthermore, all vehicles used in logging activities, be they heavy logging-trucks, fuel-trucks, bulldozers, or jeeps, were equipped with Sarawak license plates and had the name of the actual company written in large letters on the side. Another example of his self-confidence was the erection of a large and fully equipped sawmill on the Indonesian side

³⁸ Personal interview, Lanjak, 2-3-2007.

³⁹ Several times during fieldwork in 2003 unfounded rumours circulated that Apheng supposedly had paid about Rp 1 billion (US\$120,000) to the Indonesian minister of forestry to have the minister ignore illegal logging in the border region.

of the border along the government road between Badau and Lanjak. This sawmill represented a huge investment and built to last.⁴⁰

Besides being closer to the timber source, placement of a sawmill on the Indonesian side of the border also allowed Apheng to circumvent legal restrictions in Sarawak, where the government did not allow raw logs to be imported. At this sawmill, the harvested timber could be processed immediately and sawn into export-friendly lumber to avoid such restrictions. In 2002, this sawmill and a major timber camp in the Ulu Leboyan employed more than 700 people. The major timber camp, named 'Sebabai', was where the freshly cut logs were stored before they were transported to the sawmill along the border road. The camp was a major investment and resembled a small town (*kota kecil*). It was situated close to the border with numerous feeder roads going in all directions. The camp was made up of more than 20 buildings, workshops, offices, shops and sleeping quarters accommodating timber workers and their Chinese foremen, many of whom had brought along their families.

Apheng himself claimed that his sawmills and timber camps throughout the border area employed altogether more than 2,000 people (*Tempo* 2005c). The sawmill was not the usual poorly constructed structure as seen other places in the province but was strongly built with large living quarters to accommodate hundreds of workers, several canteens, workshops and garages. It even had its own brothel. The sawmill further accommodated around 30 large logging trucks that travelled back and forth between the upriver logging camps and the sawmill heavily loaded with timber. Apheng made a profit estimated to be approximately Rp 400 billion (US\$45 million) per year from his logging business in the borderland (*Sinar Harapan* 2004d).

The presence of the sawmill also provided access to sought-after Malaysian consumer goods at discount prices.⁴¹ After having delivered their cargo, the company timber trucks returning from Sarawak loaded up with Malaysian consumer goods that were brought back to the sawmill in Indonesia and sold at discount to the workers. That way many

⁴⁰ Apheng ran four sawmills in the Batang Lupar district: 'Koperasi Segala Burung', 'Guntul Mandiri', 'Bunsu Bahtera' and 'Telaga Betung'.

⁴¹ The trade in endangered wildlife for pets (such as infant orangutans) and medicines (such as bear claws and gallbladders) was also expanding as was trade in rare orchids (*Pontianak Post* 2004c). These export items were usually acquired by loggers working in the forest and passed across the border through the sawmill operator.

Iban men working in these sawmills could supply most of their families' everyday necessities from the company at a favourable price instead of buying these products at a higher rate in Lanjak town.

SMALL BORDER ELITES

Although he operated in close tandem with district officials, Apheng would never have obtained his high level of success as a local patron without the consent and protection of the local elites and communities. In the case of cooperative logging in the Ulu Leboyan there were two groups of local brokers: those who maintained the day-to-day dealings with the *tukei* foremen, in this case the five longhouse heads, and those who initiated contact with the *tukei* through their large networks. The latter group of brokers consisted of a local businessman, an *adat* leader and two district civil servants, all Iban and originating from the Ulu Leboyan but resident in Lanjak, Badau and the district capital Putussibau. Some of the brokers, as portrayed in the following examples, fit into both of the above categories. In order to provide a better picture of the ambivalent character of these brokers, I will briefly introduce three members of the Iban elite, all of whom have multiple positions as traditional leaders, are active in the creation of a new border district (see Chapter 8), and who, in various ways, have been engaged as brokers in the timber business during and after the New Order period.⁴²

Nanang is a middle-aged man in his late fifties who was born in the Ulu Leboyan area but through marriage moved to a longhouse near Lanjak where he holds the position of *adat* elder (*patih*). In the late 1950s and early 1960s Nanang was a promising young student and one of the few Iban to attend senior high school. In 1963, he joined the National Red Cross (Palang Merah Indonesia, PMI) in Badau. All young students were obliged to join the PMI training, which at the time strongly resembled light military training. The students were trained in basic medical care and how best to assist the Indonesian troops and volunteers engaged in fighting along the border. After finishing training, Nanang began teaching in the local schools. During the height of the PARAKU, the young Nanang was appointed an intelligence gatherer

⁴² The border elite are not to be seen as a homogenous category. There are tensions, squabbles, disagreements, and rival agendas among the elite members themselves

for the Indonesian army under the direct authority of General Soemadi. Forty such intelligence assistants gathering information on the PARAKU movements in the border area were supposedly appointed in the subdistrict of Kecamatan Batang Lupar in the 1960s and 1970s.⁴³ Nanang's intelligence data resulted in a successful ambush of PARAKU patrols along the Leboyan River. Pleased with his performance, a military officer offered to sponsor Nanang's further education. In return for assisting the army, Nanang, together with several other community leaders (*temenggong*, *patih* and *panglima perang*), were given control of their own timber concession.⁴⁴

The majority of Nanang's close family are Malaysian citizens, and through these long-term cross-border kinship relations, he managed to attract Malaysian investors to the company managing the concession. As co-manager of this concession, whose headquarters were placed in the provincial capital Pontianak, Nanang became acquainted with the intricate web of networks involved in the West Kalimantan timber business. Besides sharing management of this Iban-headed company, Nanang used his military contacts and worked closely with Pontianak-based Chinese timber contractors who worked the Yamaker concessions in the border area. His involvement included the role of broker between the companies and local communities. Nanang further consolidated his authority when, in the late 1980s, he was elected as the local representative for the Golkar party in the district assembly (DPRD II) in Putussibau. Nanang was, for example, the Iban DPRD II mentioned in Chapter 4 who went to Jakarta in the 1990s with two Iban *panglima perang* to lobby for a new border road.

Nanang's position among local communities is dual: on the one hand, he enjoys respect as *adat* elder because of his ability to solve local disputes; on the other hand, his close association with outsiders makes him somewhat suspect. By local standards, Nanang is doing quite well and has managed to send both his son and daughter to university in Pontianak.

Jabak, another prominent local leader engaged in the logging business, is a man in his sixties. In the late 1960s, Jabak was hired as a scout by the Indonesian army to hunt down PARAKU rebels in the

⁴³ Personal interview, Lanjak, 23-3-2007.

⁴⁴ Several of the *panglima perang* who were originally given the concession by the military have since passed away; and other local leaders (*patih* and *temenggong*) have taken their place.

upriver forest along the border. His military deeds and outspoken anti-Communist sentiments later earned him the military rank of *panglima perang*. Later, in the mid-1970s he was appointed to the customary rank of *temenggong*, which afforded him considerable advantage in negotiating with military and timber companies on behalf of local communities. Like Nanang, Jabak became involved with the Yamaker concessionaries, such as PT Benua Indah. Jabak further claims to have strong kinship ties with the former paramount chief of the Iban in Sarawak, Tun Jugah. Jabak is a member of the District Assembly for Golkar and an active lobbyist for the border district movement.

Ranting is a village headman in his late thirties from a renowned kinship line of Iban customary leaders. His family's success is largely based on cross-border labour migration, employment in the Sarawak timber industry, and various business relationships with the former Yamaker concessions. His family was economically successful by local standards, which meant that Ranting was one of a lucky few sent off to boarding school in Putussibau. After finishing high school, he was sent to the provincial capital Pontianak on a government scholarship where he obtained a university degree in economics and became one of the few Iban to be college educated. While Ranting was at university in the 1990s, his father, a highly regarded tribal leader, was killed in a logging accident in the Ulu Leboyan while employed by Yamaker.

After returning to the borderland, Ranting took over his father's position of community leader and in early 2003 succeeded in getting a position as civil servant in the *bupati* office in Putussibau. Besides working as a civil servant of the government, Ranting was also the person who was most deeply engaged in negotiating logging agreements with ethnic kin across the border and with Apheng. For Ranting to employ the benefits of being a government civil servant and simultaneously cultivate economic and social relations with kin and friends across the border poses a few contradictions. Ranting, like many other inhabitants in the Ulu Leboyan, acknowledges his strong affiliation with Sarawak and ethnic Iban identity while at the same time he takes strategic advantage of his Indonesian identity when it benefits him and his community. For example, while working in the *bupati* office, Ranting did extensive lobbying to benefit his own community. He succeeded in allocating funds for a new school just next to his longhouse and, paradoxically, he had the Malaysian logging company clear the building area of trees with their

bulldozers. Besides negotiating benefits for his own community, Ranting also managed to direct some resources into his own pocket and invested in land, shops, and a new house in Putussibau.

Ranting, like most other local timber brokers, creatively used his relationship with the *tukei*. The local brokers knew that the *tukei* would have immense difficulty operating in the border area without their support. The *tukei* dependency on their authority gave the brokers considerable leverage in negotiating their own benefits; for example, several brokers established small but lucrative trading businesses in the border towns, ordering cheap consumer goods from Lubok Antu across the border in Apheng's name (an arrangement that supposedly offended Apheng). Ranting forged his role as broker between local communities and the *tukei* by continuously negotiating the opportunities brought along by his dual position as government official and local tribal head, which again enhanced his bargaining power over local forest resources.

Finally, conceiving the borderland as a semi-autonomous social field, the authority of the border elite rests upon their capacity to produce or control rules, and to arbitrate and eventually solve conflicts. Being long-time residents on the border between the two politically and economically divergent nation-states of Indonesia and Malaysia and exposed to the special opportunities and semi-autonomy that this location offers, Nanang, Jabak, and Ranting have self-confidently played this historical and economic advantage to their own and their community's benefit. Thus, the actions of these men have not been purely predatory, and they are also regarded as conscientious community leaders. Border elite authority is immensely dependent on the good will of the majority of borderland society. This is especially so as their authority is based on various kinds of local reciprocity, and they need a certain degree of local legitimacy to exercise their authority. Their high status within society was not a fixed given, but a result of constant negotiations and the distribution of favours. All members of the elite had strong kinship ties, responsibilities, and commitments with their birth villages and fellow village members. Local displays of benevolence, such as sponsoring schooling for less well off kin or financing community development projects are intricate tools for maintaining legitimacy. Long-standing personal ties put certain restrictions on the freedom to act; however, these elites were constantly under local pressure to deliver either economic or social benefits.

As traditional leaders, they were obliged to act as mediators in inter

village disputes, and as upholders of traditional norms and laws. As prominent local politicians, government officials and entrepreneurs with business ties across the border, they were expected to use their authority to attract jobs and promote prosperity. Self-enrichment was, to a certain degree, locally endorsed if the elite at the same time managed to keep the local economy blossoming. Elite strategies, however, involved balancing their various roles, and thus they not only focussed on personal gain in order to fill their own coffers, but they also played an important role in attracting and distributing wealth within local society. Men like Nanang, Jabak, and Ranting played a critical ‘mediating’ role in the borderland by connecting different spaces, state and non-state alike.⁴⁵

COOPERATION AND DISPUTES

For Rumah Manah and the four other Iban longhouses situated in the Ulu Leboyan along the border, negotiations with Apheng’s company resulted in several advantages for the communities involved. These advantages would have been unthinkable during the New Order concessions. Furthermore, while the former New Order concessions showed little recognition of local *adat* forest rights, Apheng was careful to operate within local norms and largely recognized local forest rights. Having worked in Iban areas elsewhere, Apheng was aware of the importance of getting along and pleasing local communities. As confided by a Sarawak Chinese company supervisor, ‘The Iban are rough (*kasar*) and strong minded (*tahan hati*) people, with whom you do not want to have any problems. However, if you treat them respectfully they are very trustworthy’.⁴⁶

Today, as in the past, the borderland Iban have proven themselves quite capable of taking matters into their own hands if they feel that they have been treated unfairly. Not having the direct support of the Indonesian military as earlier concessions in the area had, Grand Atlantic Timber Sdn. Bhd opted for cooperation, although with a mini-

⁴⁵ The lack of a more detailed characterization of the particular elite members is partly the result of the ethical dilemma of providing a too intimate portrait of certain individuals and thereby compromising their anonymity. Taking the contested character and often-violent borderland setting into consideration, I decided that such shortcomings were unavoidable and opted for full anonymity of my key informants. This unfortunately meant leaving out important details that might help the reader grasp the full complexity of elite strategies.

⁴⁶ Personal interview, Lanjak, 05-11-2003.

num of expenses. Well aware that the Company has no official permits to operate in the area and that all the Sarawak employees work without permits and in general reside in the area illegally, local Iban have used this reality strategically when dealing with the company. On several occasions, I witnessed how local Iban, as a subtle warning, commented on the twilight status of Grand Atlantic Timber Sdn. Bhd when reprimanding the company supervisors if they were too demanding when negotiating fees or other benefits with the communities. Bonds of kinship and friendship were also common among local Iban and Sarawak Iban workers in the companies. This dynamic has contributed greatly to the local loyalty towards the Sarawak companies and the preservation of an atmosphere of fairly peaceful cooperation between the two parties.

Besides the border elites, few Iban held key positions within the company workforce, and in Rumah Manah, most work contracts were short-term. The men were usually hired on a weekly or monthly basis, and the work included tracking down areas with a high percentage of valuable timber, building new feeder roads for heavy machinery to enter the areas. The actual tree felling was generally considered too dangerous by the locals and usually left to outsiders. The duration of work contracts was usually a few weeks to a month. In 2002, a month of tracking paid RM600 (US\$158), and people working as gatekeepers at the upriver logging camp were paid a daily wage of RM15 (US\$4). The Iban were also hired in teams; for example, six men were hired for a week to build a new logging camp in the Ulu Leboyan. The RM800 remuneration was to be split among the six of them. The examples are numerous, and most men have similar work experiences to report. What is important to note here is that wages are relatively high compared to local standards and can easily compete with those in Sarawak.

In large-scale operations in the Ulu Leboyan, a high percentage of the workers in logging crews consists of Sarawak Iban, brought in by the *tukei*. Even more so than the Kalimantan Iban, these Iban usually have considerable experience working in the Malaysian timber industry and have often learned special skills such as mechanics and driving. Their presence, however, introduces an interesting social dynamic: far away from their families, these men seek company in local longhouses, and their hosts welcome the news, conversation and consumer goods that they bring. One could cite numerous examples of Sarawak Iban forming strong friendships with local Iban and in some cases actually bring-

ing their families from Sarawak to live with local families. In addition, Sarawak Chinese working in the logging operations (many of whom speak fluent Iban) often visit nearby longhouses to socialize after work. A very popular local pastime is cockfighting, and the Sarawak Chinese and Iban workers happily participate in the betting. These cockfights are important arenas for networking and making deals. The district government allows cockfighting in the borderland as it is seen as part of the cultural heritage of the local peoples (Wadley 1998). In Sarawak, on the contrary, cockfights are illegal because of the heavy gambling involved. The booming economy that resulted from increased logging activity gave local men more ready cash resulting in more widespread gambling.⁴⁷

The presence of outsiders in the area presents an interesting contrast that further underscores the importance of local Iban identity. Loggers from Timor and Flores working for the *tupei* routinely visit local Iban longhouses to buy pigs and chickens and socialize with residents, their common Christianity being the culturally salient link.⁴⁸ But nowhere do the interpersonal relations and identification run as deep as they do than between the border Iban, Sarawak Iban, and Chinese from the Iban-dominated areas of Sarawak. When asked privately, many Iban felt little commitment towards their own central and provincial governments, and saw no problem with cooperating with the *tupei* and his Sarawak Iban workers despite the fact that such operations were regarded as illegal by the centre. As shown above, their relationship with the *tupei* and his Sarawak Iban workers is characterised by quite a different kind of dedication. The fact that the Sarawak relations are more familiar with local Iban customs and language than most government officials and have shown that they are able to satisfy the immediate economic needs of the Iban seems to play a large role in the placement of local Ibans' loyalty. Both socially and economically, the Iban feel much relaxed and comfortable dealing with their Sarawak relations.

The incentives for cooperation with the company were numerous,

⁴⁷ The headmaster of one of the schools in Lanjak told me that when school fees had to be paid, fathers complained of the high expenses, while during a cockfight they easily gambled away cash worth several months of school fees.

⁴⁸ The presence of the small Sambas Malay logging crews mentioned earlier presents an interesting contrast. Although Sambas are border inhabitants in their own right, they remain cultural outsiders to local Iban; as a result, the Sambas logging crews rarely visited Iban longhouses or socialized with locals in the same way Sarawak Iban and Chinese did. Indeed, the Sambas crews lived apart and generally looked for entertainment in the market towns, where there were other (though more often local) Malays.

and my informants from Rumah Manah emphasized two in particular. First, they spoke of transportation and mobility. Because of timber road construction, one can now visit Lanjak or cross the border at Nanga Badau and return to the longhouse of Rumah Manah in one day. The communities in the Ulu Leboyan had a standing agreement with the *tukei* that any company vehicle passing the cooperative longhouses should take up passengers waiting at the side of the road. On a normal day during the dry season I would count as many as 10 or more fully loaded logging trucks passing the longhouse, not counting the numerous company Jeeps cruising back and forth between the main sawmill and the upriver logging camp. The wide availability of such free transportation has meant an enormous increase in the number of people who commute to and from the area each day. Every day several inhabitants of Rumah Manah travel to sell produce in Lanjak or at the large Sarawak-owned sawmill on the main road, and people often go on a one-day shopping trip across the border to Lubok Antu. Formerly such trips were made on foot and took days or even weeks.

Second, cash commissions are paid based on the amounts of timber harvested in their forest, determined through negotiation with Grand Atlantic Timber Sdn. Bhd. In the case of the Ulu Leboyan (as in many other places in the district), negotiations with the company are largely carried out by local brokers and result in the following type of arrangement: between 2002 and 2003, the *tukei* paid a compensation of approximately Rp 25,000 to 35,000 (US\$3-4) per m³ of timber collected. When the timber crossed the border into Sarawak the value of the timber rose dramatically and the *tukei* received approximately RM1000 (US\$270) per m³.⁴⁹ Each month the communities further received Rp 50,000 for each log removed. For the communities in the Ulu Leboyan this means that each household on average receives Rp 1 million to 1,5 million per month (US\$100-170). Commissions vary from community to community and depend on the community's ability to negotiate and the distance to the border. Commissions are calculated locally in either Indonesian *rupiah* or Malaysian *ringgit*, but logs are measured in British tons, reflecting the dominance of Malaysian *tukei* as well as the fact that border Iban are more comfortable with British measurements, many having worked for decades in the timber industry of Sarawak and Sabah.

⁴⁹ Personal interview, timber broker, Lanjak, 20-11-2003.

To keep track of the amount of logs removed, the communities select representatives who work at the large down-river sawmill, counting each log arriving. In order to know which logs are removed from which community forests, the logs are painted with red numbers indicating their community 'ownership', and the representatives write down the numbers for the later collection of commissions. The commission received was divided among each family in the respective longhouses. In reality, however, the question of commissions is not straightforward, and agreements are continually renegotiated or attempts are made to sidestep certain provisions of them. Instead of paying commissions in cash, the company often tries to pay off the communities in consumer goods such as diesel fuel for their generators or sawn timber for maintaining longhouses. In most cases, the commissions are late or less than agreed upon. (One often-used company excuse for deficient or tardy payment is the ever shifting world price for lumber.).

As the cases above show, transnational ethnic relations play an important role in these logging operations and directly influence local Iban decision-making and strategies. The use of ethnicity as a conscious strategy is twofold: local Iban (elite and non-elite) use the relationship with Sarawak Iban workers to promote their own position and heighten their rewards. Malaysian companies use the same Sarawak Iban as ethnic liaisons when negotiating with local communities in the attempt to win Iban confidence and influence their decision to cooperate.

Local engagement in cooperative logging with the *tukei* is not entirely free of problems and has an effect on relations between communities. Internal disagreement become more common as communities become aware of the stakes at play and the commercial value of their forest. In some instances, disputes are settled by a traditional cockfight, with the winning community gaining possession of the contested forest but leaving the losers embittered. Locals recognize all this as a scramble to make claims on timberland so that local profits from logging might go to them. These cases also represent the confluence of a booming economy and traditional Iban political organization focussed on the longhouse and its autonomy from similar communities. Given the complex ties of kinship and marriage between longhouses, inter-longhouse disputes can feed internal divisions. As I will illustrate in the cases below, the competition over resources and strengthening of community autonomy in some instances superseded former inter-community solidarity, and in its wake,

new alliances were made in the ever-changing borderland milieu.

In one case during 2000, an Iban community refused to cooperate with logging operations, and the *tukei* intentionally created troubles between it and another Iban community that was cooperating (*Media Indonesia* 2000b). The *tukei* gave shotgun shells to people from the cooperating longhouse in order to intimidate their neighbour. People from the first longhouse became aware of this situation and fired their shotguns at the sawmill camp owned by the *tukei*, located near the cooperating longhouse. Several people from the first community then wrote a letter to local government officials objecting to such foreign intrusions and threatening to act alone if the government did not deal with the problem. The dispute went unsolved and created a fair deal of 'bad blood' between the neighbouring communities.

Another example concerns the planned construction of a Malaysian sawmill close to Rumah Manah in 2003. Ranting, the village head of Rumah Manah, had been contacted by close Iban relatives in Sibu, Sarawak, during a previous search for work. Together with a local Sarawak Chinese entrepreneur, they had proposed to sponsor the opening of a new sawmill near Rumah Manah for the purpose of manufacturing plywood for sale across the border. In the manufacturing of plywood the quality and size of the timber used is less important, and the idea was to enter the areas that already had been logged and harvest the smaller trees left behind. As such, this smaller Timber Company would not be competing with the much larger Grand Atlantic Timber Sdn. Bhd that was only interested in valuable hardwood timber. In order to make the sawmill operation profitable, however, a large forest area had to be included, meaning the involvement of all five Iban longhouses in the area that made up one *desa*. Furthermore, in order to make the operation agreeable to the district government, the sawmill would be run as a *desa* cooperative with timber extracted from the longhouse territories and as such a license for a community cooperative (HPHH) was needed, and that required a signature from all five community heads. Being anxious to begin work, the company pushed hard for an agreement and promised high economic returns. Ranting and his Sarawak relatives agreed that he should use his authority to involve the other four communities and collect the needed signatures. After considerable effort, Ranting succeeded in convincing all four longhouses as well as his own to play along, give their signatures, and begin negotiations with the Malaysians.

After weeks of meetings and long hours of tough negotiation in the roofed communal gallery of Rumah Manah, a provisional agreement was made. The logging and the sawmill operations were to be run as a cooperative between the five Iban longhouses in the area and the company. As part of the agreement the company had to promise that the new jobs created by these operations would primarily be assigned to local Iban and local commissions would be more equally adjusted to the actual profit earned after selling the timber in Sarawak. Furthermore, company obligations included the construction of a new school and a small medical clinic and the installation of running water in each longhouse. Grand Atlantic Timber Sdn. Bhd., still operating in the Ulu Leboyan, initially gave similar promises, but they were only partly fulfilled.

Whether the many promises made by the company were genuine was never put to a test. Before the final agreement was signed, one of the Iban communities had second thoughts and pulled out of the negotiations because of disagreements about where the sawmill should be placed and where the timber was to be extracted. This defection not only made the other longhouse communities very disappointed and angry, but it also frightened the investors away. Members of Rumah Manah who had kinship ties to the smaller Sarawak Timber Company were especially bitter about the collapse of the agreement. Without the full commitment of all communities, the company could not build the sawmill and begin logging, and they therefore left the area. Ranting and his kinship group who had most at stake were enraged at the longhouse community that was responsible for the breakdown of negotiations. Ranting lost credibility and face because he could not keep his part of the agreement with his Sarawak relatives. Like the first case described above, this dispute remained unresolved and has created resentment among the communities.

Another example from Rumah Manah shows disputes take place internally, within longhouses. In 2003, the *tukei* operating in Ulu Leboyan recruited members of several closely related households to build a new logging camp without offering the opportunity to others within the same longhouse. When the deal became public, the others expressed outrage at the distribution of benefits of logging on community territory going to a select few, and some household heads threatened privately to move to other longhouses. Although these threats were never carried out, the case illustrates that internal resentment over how certain individuals use their

better-established networks to gain special agreements with and higher commissions from the *tukei* can develop. Knowledge of higher commissions paid to these local liaisons strengthens already present resentment and may exacerbate material inequalities. As mentioned previously the Iban have an anthropological reputation as being 'egalitarian' and, at the ideological level, this is certainly the case, with strong values of personal autonomy and achievement. Because of those values, substantial material and political differences between households within the same longhouse can become the source of resentment and disdain in internal relations.

NON-STATE FORMS OF AUTHORITY

When starting fieldwork, my first impression was that the local claims of regional autonomy and the major timber smuggling taking place along the border were to be understood as a direct outcome of the chaos following recent decentralization processes within the country. After New Order some remote, disadvantaged and subdued regions rebelled and wrested control out of the hands of a central government that long had been ruled by the strong and suppressive central state apparatus of Soeharto's regime. This explanation provided an instant clue to local incentives but left too many questions unanswered. The way in which these so-called illegal practices developed so effectively and smoothly merited further explanation.

One puzzle that was left unanswered was the intimate and very personal relationships between the Malaysian timber barons, Indonesian military officers, district officials, and border elites. Clues to causality began to emerge when local informants began to explain the continuity of current patronage relations by pointing to previous periods of military intervention along the border in the 1960s and 1970s. Several accounts vividly described how some members of the border communities colluded with the military and later received rewards in the form of timber concessions. Decentralization processes thus provide an exceptionally favorable environment for these patronage relations to blossom freely, but it was not the sole explanation for their formation. Instead, what these events showed were the many continuities between current relations and former arrangements of informal networks and coalition-making during the New Order regime.

This chapter has shown how the economic and political changes in the borderland after 1998 have been most dramatically manifested by the heavy involvement of Sarawak timber companies in logging forests under the tenuous control of local elites and communities. I argue that acts of patronage are a plausible coping strategy in a remote borderland milieu where state institutions are weak and state power continuously waxes and wanes. Further, in the cases discussed, patronage relationships become especially potent because of traditionally rooted patterns of respect, strong leadership, and authority.

The basic outline of this activity appears to be similar to that of other places in Indonesia where 'illegal' logging occurs (McCarthy 2000; Casson 2001), and where Malaysian logging enterprises operate in widely removed locations, from West Africa to West Papua. In few other places, however – except possibly other borderlands – has the configuration of the borderland and local community autonomy come together to structure the patterns reported here. The 'CV Munggu Keringit Sdn. Bhd' sign described previously symbolizes not just a willingness among the border Iban to maintain diverse sources of livelihood in the face of great uncertainty, something most subsistence-level peoples practice, but an intimate knowledge and association with the other side of the border, generated by the history of both ethnic partition and border inequalities.

Furthermore, the traditional political autonomy of longhouse communities results in divergent interests between longhouses in the same *desa* or cooperative. Implementation of regional autonomy in the area has weakened what little administrative power the *desa* system had and strengthened longhouse autonomy. During this period, border communities had the power to manage their resources for and by themselves. However, they too are worried about the future of their natural resources, not only because of competition from timber and oil palm companies that might gain legally binding licenses to their forests but also competition from neighbouring and related communities. These threats appear to be one factor driving locals to allow logging in their forests, though communities are not equally enthusiastic about it. The ecological consequences of the logging boom in the borderland remain unstudied, though various preliminary reports from government and NGOs indicate that the level of logging does not bode well for local forests and thus for local, forest-dependent livelihoods (Kepmenhut 2004; Susanto 2005). Even prior to regional autonomy some worried about

severe environmental degradation and greater resource conflict resulting from formal autonomy, not to mention confusion over its implementation and very meaning (*Media Indonesia* 2000a).

These developments underscore the vulnerability of local people in the face of outside interests in their forests: With millions of cubic metres of timber being smuggled into Malaysia annually (from throughout Indonesia), the country loses a substantial amount of taxable profit. Not surprisingly, the national and provincial governments have moved to criminalize 'illegal' logging by making occasional police raids to arrest loggers and confiscate logs (though no 'big operators' have yet been caught), and labelling *tukei* as 'mafia' and 'gangsters' in the media. Although the loss of revenue is an obvious motivation, these manoeuvres may also signal a nationalistic desire to reclaim Indonesian territory and resources, as well as a national and provincial challenge to the autonomy that the districts have enjoyed since regional autonomy was implemented. Nonetheless, it is not as if local communities are caught passively between these forces; local people remain active participants. The boom in 'illegal' logging once again challenged government efforts to control the Indonesian-Malaysian border, and as border inhabitants, the Iban again straddle the line, as they have in the past.

Economic links between West Kalimantan and Sarawak have intensified during the period of *reformasi* (Fariastuti 2002), and this has been especially true in the Kapuas Hulu borderland. Yet those links have always been there, as have strong cultural and social relations. What makes this set of cross-border relations different is not so much the direction of resource flow (still into Sarawak) as it is the physical presence of Sarawak enterprises competing for local resources. From the standpoint of resource extraction and forest habitat, the outcome may not be so different from Indonesian concession logging under the New Order. However, Indonesians appear to be of two minds: away from the border they see foreigners threatening national resource sovereignty, but on the border they see interactions with familiar people, even kin, during a time of enhanced, though tenuous, local empowerment. In the following chapter, I will investigate this apparent paradox by analyzing several cases of vigilantism that illustrate the ambivalent nature of legality and illegality in the borderland and highlight how local communities openly defy the limits of official legality if it collides with local rules and norms.

Fig 33: Jalan Lintas Utara during the rainy season, 2003 (Photograph by author)

Fig 34: Graffiti on a shop in Lanjak displaying local discontent with logging stoppage, 2005 (Photograph by author)

Fig 35: Confiscated logs from up-river logging camps, 2007 (Photograph by author)

Fig 36: Apheng's deserted and burnt down logging camp close to the Sarawak border, 2007 (Photograph by author)

Fig 37: Control post along a timber road, 2002 (Photograph by author)

Fig 38: Police post close to the Sarawak border, 2007 (Photograph by author)