9. Conclusion

The evidence presented in this monograph illustrates the flexibility of smallholder farmers’ responses to constraints and opportunities. With attractive export coffee prices over the previous two decades, smallholders in Sumber Jaya and Way Tenong had allocated available labour and capital to intensive robusta coffee farming. Following the drop in coffee prices after the 1997–98 monetary crisis (*krismon*), labour and non-labour inputs to coffee farming were gradually reduced. Although the returns to land from coffee farming decreased, the return to labour remained attractive. Compared with coffee, vegetable farming provided higher production per unit of land and per unit of labour, which resulted in available labour and capital shifting from export crops to intensive vegetable farming for the domestic market.

Diversification in smallholder agricultural production in Sumber Jaya and Way Tenong was made possible because of the significant amount of labour and non-labour inputs acquired through non-market and non-capitalist relations. Access to land could be obtained through borrowing, sharecropping, inheritance, or squatting on forestry land. Relatives, friends, and rotational savings groups often provided interest-free credit. When commercial credit was not available through formal sources, usury was an alternative. Family members, sharecropping arrangements, and reciprocal labour exchange also provided alternatives to paid labour.

Another response to farming constraints was that more households sought off-farm, non-farm, and off-village sources of income. During my fieldwork in Sumber Jaya and Way Tenong, I was told many stories on this topic. A wealthy villager in Gunung Terang bought a shrimp pond in South Lampung; another wealthy villager in Bedeng Sari bought a palm oil garden in Jambi; and a family in Rigis Atas bought a rice field in Bandar Jaya in Central Lampung. When I was completing my fieldwork in early 2003, five men from Bedeng Sari and Buluh Kapur left the village to work overseas in Malaysia, leaving their wives and children behind. Among the poor, I often heard discussions of villagers’ plans to send family members to work elsewhere, for example in factories in Java or farms in other parts of Lampung or in the neighbouring provinces of Bengkulu, Jambi, and Riau.

The diversity of options offers a challenge for future research on household economies. ‘[T]he household’, as Rigg (2003: 199) vividly points out, ‘has become more fractious, fractured and fragmented’. Members of a household no longer necessarily live continuously under the same roof, which means that consumption and income generating activities are often conducted separately.
Swift responses to constraints and opportunities have been the key strategies for families to guarantee their own welfare. The ethos is that one is expected to stand on one’s own. It is everyone’s stated goal to have a better income, better education for their children, better housing, and possess more modern household goods. Attaining personal prosperity was a household or family responsibility, and families saw the attainment of this goal as one facilitated through engagement with state-led development initiatives. It was in this context that villagers organised their social lives.

This monograph has examined the ways in which people experience ‘development’ and the ways they shape and maintain their modes of life. It focuses on the forces that drive changes, their consequences, and the ways people cope with them. Development brings mixed results and effects. Marginality emerges from ongoing relations between centre and periphery, rather than from the resistance of the periphery toward the centre or the absence of centre–periphery relations.

However, state/centre and people/periphery relations do not necessarily lead to marginality and development failures. People in geographically marginal areas position themselves within the orbit of state power in order to promote resource flows from the centre to the periphery, while restricting resource extraction from the periphery to the centre. In dealing with development initiatives and their concomitant changes, people’s responses or strategies involve accommodation, collaboration, and compliance, as well as competition and resistance.

Villagers in Sumber Jaya and Way Tenong had transformed the forest frontier into a flourishing region (Chapter Three) and had adapted well to centralised government. In the past, villagers had invited more migrants and created more administrative villages (Chapter Three), turned the region into a pocket of Golkar voters (Chapter Four), and assimilated village leadership into the state framework (Chapters Four, Seven, and Eight) in an attempt to attract state resources to the village. On the other hand, villagers resisted government attempts to transform their smallholder fields into state plantation forests (Chapter Five).

Indonesia’s post-New Order reformasi and the consequent decentralisation of administration brought changes in the organisation of village life. Some villagers began to collaborate with forestry authorities in ‘forest management’ through the granting of community forestry contracts (Chapter Six). Villagers no longer aligned themselves with Golkar, and village leaders paid more attention to policies at the district (kabupaten) level (Chapters Four and Six). In West Lampung, the term for the administrative village was changed from desa to pekon; the term for sub-village or hamlet from dusun to pemangku; the term for village head from lurah or kepala desa to pertain; and for hamlet head from kepala dusun to pemangku. But despite their name changes, the functions of these units remained much the same.
Reformasi and decentralisation would continue to bring changes in the organisation of village life. More decision-making would perhaps be taken at the provincial and district levels. With decentralisation, villagers in Way Tenong and Sumber Jaya now needed to adopt new strategies. The question for future research on this matter is whether they would be as successful as before.

Reformasi and decentralisation also fostered the presence of NGOs and people’s organisations in the villages. State institutions were no longer the only extra-village agencies that villagers engaged with. In Sumber Jaya and Way Tenong, apart from WATALA and ICRAF, there were several other organisations working with villagers. For example, in 2002, the Komite Anti Korupsi (Anti-Corruption Committee), which was based in Bandar Lampung, recruited and trained village leaders for its campaign against corruption and in rights advocacy. This body also conducted an investigation into illegal logging practices in the region and published its findings. Some Semendonese villagers in Sukaraja in Way Tenong formed an organisation called Yayasan Cinta Lingkungan (Caring for the Environment Foundation), whose activities included gaining support for the protection of the Kalpataru forest, a campaign against illegal logging, promoting the formation of community forestry groups in some villages, and obtaining assistance and credit for village cooperatives. Villagers in Dwikora (Bukit Kemuning) joined regional and national farmers’ organisations that fought for farmers’ land rights. The emerging and diverse issues and opportunities regarding village relations with non-government institutions formed part of the reformasi landscape of highland West Lampung.

In a speech to inaugurate various development projects in front of 20,000 people in Central Lampung on 31 August 2004, President Megawati claimed that she was surprised to learn that Lampung was among the three poorest provinces in Indonesia (Lampungonline, 31 August 2004). She could understand that East Nusa Tenggara, due to its limited resource potential, might be one of Indonesia’s poorest provinces. Lampung, however, was well known as a producer of abundant agricultural commodities such as rice, coffee, pepper, and sugar. It was not supposed to be a poor province. She concluded her speech by asking industries (pengusaha) to do more to assist local farmers (petani).

President Megawati was correct in pointing out that the absence of a mutually supportive relationship between industries and smallholder farmers was an important issue for a better future for the Lampung people, but these relationships were not the whole story. The historical transformation of Lampung province had been driven largely by colonial and post-colonial central planning and development initiatives (Chapter Two), and it is argued that the results of these initiatives were linked to centre–periphery relations and the emergence of uneven resource flows.
In an interview in 1997, Harris Hasyim, the head of the Lampung Development Planning Office (Badan Perencanaan Pembangunan Daerah), acknowledged that poverty eradication in the province had been slow (lamban) (Angkatan Bersenjata, 26 November 1997). He attributed this to continued high population growth, and later noted that:

> despite the end of the transmigration program [in Lampung] in 1977–78, the migration of population from Java to Lampung has continued to flow and is very difficult to control. They [the migrants] are poor people from Java … (Kompas, 25 June 2001).

The high incidence of poverty in Lampung was perceived to be the result of the growing number of poor migrants from Java. Thus, in contrast to past decades, when the migration of people from Java to Lampung was seen as the source and justification for Lampung’s regional development (Chapter Two), the migration of people from Java was now seen as inimical to development and poverty eradication. Viewed as a blessing in the past, the inflow of migrants was now seen as a curse.

Although it is true that latecoming migrants formed the bulk of the poor stratum in Sumber Jaya and Way Tenong, children of earlier migrants and older generations were also found in the village’s lowest socio-economic stratum (Chapter Seven). Moreover, not all latecoming poor migrants came directly from Java. Many of them had previously lived in other regions within the province of Lampung. Nonetheless, linking high incidences of poverty with the flow of poor migrants from Java could divert attention from the link between poverty and uneven resource flows in the context of centre–periphery relations.

Geographically, ‘poor zones’ in Lampung were areas where the inflow of state resources was limited and where natural resources tended to be extracted by central elites (Chapter Two). The poor zones on the plains of Way Kanan, Tulang Bawang, North Lampung, and South Lampung, represented the last of the transmigration areas. Instead of irrigated rice fields, the transmigrants were allotted dry fields to cultivate. Although the land areas allotted to them were larger than the irrigated rice fields granted to transmigrants during the colonial and early post-colonial periods, the fields were not large enough for rotational cultivation. Cultivated without effective fallow periods, poor soils deteriorated further, and incomes were reduced accordingly.

Nonetheless, the opening of these transmigration sites attracted a flow of spontaneous migrants and more administrative villages were created (Chapter Two). Once again, these migrants could only obtain small fields. In the colonial and the early post-colonial eras, transmigration programs were preceded or immediately followed by the construction of irrigation canals and a range of
regional and rural development projects (construction of roads and villages, education and health facilities, agricultural extension, and so forth). This was not the case with later post-colonial transmigration programs. In the 1980s, Lampung ceased to be a major transmigration receiving area, and funds from the central government for regional development ceased to flow. Thus, unlike the earlier transmigrants, the last transmigrants and those migrating ‘spontaneously’ did not secure the expected flow of resources from centre to periphery. Instead, the development of the estate sector stimulated the extraction of resources from these peripheral areas.

Because there were few other options, many smallholder farmers in these poor regions practised intensive farming. Demand from feed industries for maize, and from food industries for cassava and soybean, led to the application of chemical fertilisers and hybrid seeds in maize cultivation. But while production increased, farmers’ incomes remained low because of high input costs and price fluctuations.

In contrast, the late colonial and early post-colonial transmigration areas in Lampung were transformed into so-called ‘wealthy zones’. Metro, East Lampung, and Central Lampung belonged to this category, with a relatively high incidence of ‘wealthy’ families. Cultivation of irrigated rice fields drove the economy in these areas, and thanks to the flood of state resources for regional development, the economy of these areas was buoyant. A few decades before, the early colonial transmigration settlements of Pringsewu, Gading Rejo and Gedong Tataan in the district of Tanggamus also belonged to this category. But after two or three generations of land division through inheritance, the number of landless and near-landless villagers grew, and poverty became an issue. Input costs for rice cultivation were high, and despite the floor price set by the government, incomes were low.

In ‘wealthy zones’ with the cultivation of perennial cash crops such as pepper and coffee, a higher household income enabled smallholders to live above a subsistence level. The population of these ‘wealthy zones’ consisted of spontaneous migrants as well as natives. The bulk of these smallholders had a better life. However, here too shrinking landholdings and increasing landlessness was an emerging problem (Chapter Seven), although it was emerging at a slower pace compared to irrigated rice field areas. Coping with the fluctuation of prices for cash crops was another perennial issue.

Smallholders in upland Lampung were quick to respond to constraints and opportunities. In the years following the drop in the prices of cassava, maize, and soybean, farmers ceased to plant these crops and planted others instead. Among these other crops, bananas, lemons, and watermelons emerged as commodities that Lampung exported to Java. Surplus production was also achieved for eggs,
chickens, goats, and cattle. When tapioca factories and feed industries stimulated a rise in the prices of cassava and maize, hundreds of thousands of hectares of land were replanted with these two crops. A similar pattern emerged amongst smallholder coffee farmers following the drop in coffee prices. In Tanggamus, some farmers planted vanilla and cocoa; in Liwa, smallholders started to plant lemon or other citrus trees in addition to vegetables; while in Sekincau, Way Tenong, and Sumber Jaya, intensive vegetable farming became the alternative. Another response was to seek off-farm, non-farm, and off-village sources of income.

The farmers’ decision to diversify their farming and non-farming income sources was linked to the absence of relations between farmers and industries. For decades Lampung had been the home of agribusiness with crops such as oil palm, sugar, tapioca, animal feed, and more recently canned food (pineapple, rambutan, coconut) and shrimp. Most of these industries obtained raw materials from their own plantations. They bought additional raw materials from smallholders, but as farmers frequently complained, the prices they set were too low to provide the farmers with an adequate income. Lampung was also the home of large exporters of coffee, pepper, and copra (dried coconut meat). Like the processing industries, these exporters did not offer much help to the smallholders in their attempts to obtain better incomes.

Conflicts between plantation companies and villagers had become a regular feature of Lampung politics. As Lucas and Warren (2003) have noted, the Indonesian people’s struggle for land rights and demand for agrarian law reform remained as unfinished business in post-Suharto Indonesia. For example, in October 2000, about 1,000 people from six villages burned the office, managers’ houses, hall, and clinic of the state-owned PT Perkebunan Nusantara in Kalianda, South Lampung (Kompas, 4 October 2000). The only building that the villagers did not burn was the company’s mosque. Fortunately, all of the company’s managers were evacuated prior to the arson attack and no one was injured. The attack was triggered by villagers’ anger after a story was published about company guards torturing five villagers accused of stealing coconuts from the plantation. It was reported that, prior to this attack, in mid-2000, farmers demolished 500 hectares of the company’s palm oil plantations in Bergen, also in South Lampung, and converted the land into a settlement (Kompas, 25 June 2001). In Bunga Mayang, North Lampung, nearly 5,000 hectares of the company’s sugarcane plantations were claimed as communal adat land by the surrounding native Lampung people. In Tulang Bawang, the adat communities claimed 12,800 hectares of land that the government granted to PT SIL, owned by the Salim Group, for sugarcane plantations. In 2001, PT Tris Delta, a Taiwanese company developing
a pineapple plantation and canning factory in Central Lampung, was closed after the company's land was taken over by thousands of transmigrants from adjacent villages.

Assistance given to coffee smallholders was an example of the rift that existed between what exporters (and the government) offered and what farmers expected. President Megawati's visit to Lampung on 31 August 2004 was to declare Lampung as a ‘national coffee étalase’ (showcase). President Megawati also noted that she expected Lampung, the producer of 60–65 per cent of national coffee production, to lead the nation in coffee research and development. In 1999, the Asosiasi Exportir Kopi Indonesia (Indonesian Coffee Exporters Association) opened its Centre for Coffee Extension and Development (Pusat Penyuluhan dan Pengembangan Kopi) in Hanakau, West Lampung. The centre had 10 hectares of exemplary gardens (kebun percontohan) for smallholders where it demonstrated the cloning, cultivation techniques, and post-harvest handling procedures needed to produce a higher yield and quality of coffee (Lampung Post, 24 August 2004). The smallholders would have adopted this advice if the price had been attractive, but with a decline in coffee prices in recent years, they chose to reduce labour and non-labour inputs in coffee farming and diversify their crops and income sources.

To suggest an absence of collaborative relationships between industries and farmers in Lampung is misleading. The problem more directly involved the nature and scale of these relationships. For example, PT Nestle Beverage, a multinational food company whose factory in Panjang, Bandar Lampung, produces Nescafé instant coffee for the world market, provided assistance for the provision of inputs, cultivation techniques, post-harvest handling, and marketing to a village cooperative in Pulau Panggung, Tanggamus (Lampung Post, 16 August 2004). In a similar fashion, the government promoted partnerships between feed industries, banks and smallholder maize farmers. Contract farming was also gaining recognition in Lampung (Chapter Two), but experience with this arrangement had so far been disappointing. In the late-1970s, contract farming in Lampung began with rubber on the North Lampung plain. It had been more recently adopted in sugarcane, oil palm, and shrimp production. Apart from land conflicts, a common problem that rose from the implementation of these schemes was that farmers felt that they were being exploited. In May 1999, 4,000 shrimp pond smallholders from Dipasena, Tulang Bawang, demonstrated and camped overnight at the governor's office in Bandar Lampung. PT Dipasena was owned by a tycoon named Syamsul Nursalim of the Gajah Tunggal group. By mid-October, the number of smallholders who had joined the demonstration and the encampment at the governor's office had doubled. Their demands were for a revision of the contract, making it more beneficial to farmers, and the curtailment of intimidation and unilateral
contract termination by the company (Kompas, 15 October 1999). The conflict continued and the industry collapsed. The company’s assets were later handed to the Indonesian Bank Restructuring Agency (IBRA), a new negotiation with smallholders commenced, and in early 2004, shrimp production was resumed (Tempointeraktif, 4 May 2004). In September 2004, 200 of 1,600 smallholders engaged in contract farming with PT BNIL on a palm oil plantation accused the company of not paying their entitlements from the harvests (Lampung Post, 2 September 2004). According to media reports, exploitation emerged as a point of contention in contract farming, but more information on other cases would need to be reviewed for a general conclusion to be made.

About 1 million hectares of Lampung’s territory was classified as state forest (kawasan hutan negara). Smallholder farmers controlled a significant portion of these lands. To date the forestry authorities and the industry had shown a great desire to own the trees and land and force the villagers to become gatherers of minor forest products at best, or a cheap labour force at worst, leading villagers to relentlessly resist these attempts (Chapter Five). This was particularly true of the production forest zones (hutan produksi), all of which were legally controlled either by the state-owned forestry company (PT Perhutani) or by private companies. In protection forest zones (hutan lindung) under the jurisdiction of provincial and district governments, the forestry authorities hesitantly began to invite villagers to collaborate in ‘forest management’. In Sumber Jaya and Way Tenong (Chapter Five), permission to continue coffee farming was given to community groups that were expected to plant more trees in their gardens and protect the remaining forests. Another example comes from Tanggamus, where reforestation funds had been given to 15 community groups that were responsible for planting trees in their coffee gardens (Lampung Post, 13 August 2004), instead of this being done by a private company, the military, or another government agency. The eviction of forest squatters had continued, but the ways in which it was carried out were different. In August 2004, over 2,000 farmers living inside Gunung Betung Provincial Forest Park (Taman Hutan Raya) in South Lampung were asked to dismantle their huts and move elsewhere (Lampungonline, 24 August 2004). Unlike in the past, this time there was no violence, no arson, and no crop demolition. More importantly, the farmers were officially forbidden but discreetly allowed to continue farming coffee and cocoa inside the park.

The two national parks in the province (Way Kambas in East Lampung and Bukit Barisan Selatan in West Lampung and Tanggamus) were faced with serious difficulties which could result in wildlife disappearing and being replaced by smallholder fields. The problems included illegal hunting and poaching, elephant attacks on surrounding villages, and the expansion of smallholders’ fields. Coordination between the park authority and local government was minimal,
and coordination with villagers was even more limited. Unless coordination between these three groups were to improve, the wildlife in these two parks would be under serious threat.

The changes in the management of protection forests (and the absence of change in production and conservation forests) were brought about by post-Suharto decentralisation in natural resource management. While the management of protection forests was carried out by local governments, the management of production forests was in the hands of companies, and conservation forests in those of the central government (the Ministry of Forestry). Interactions between the state, local people, and natural resources would thus remain as a vital issue on the provincial development agenda.