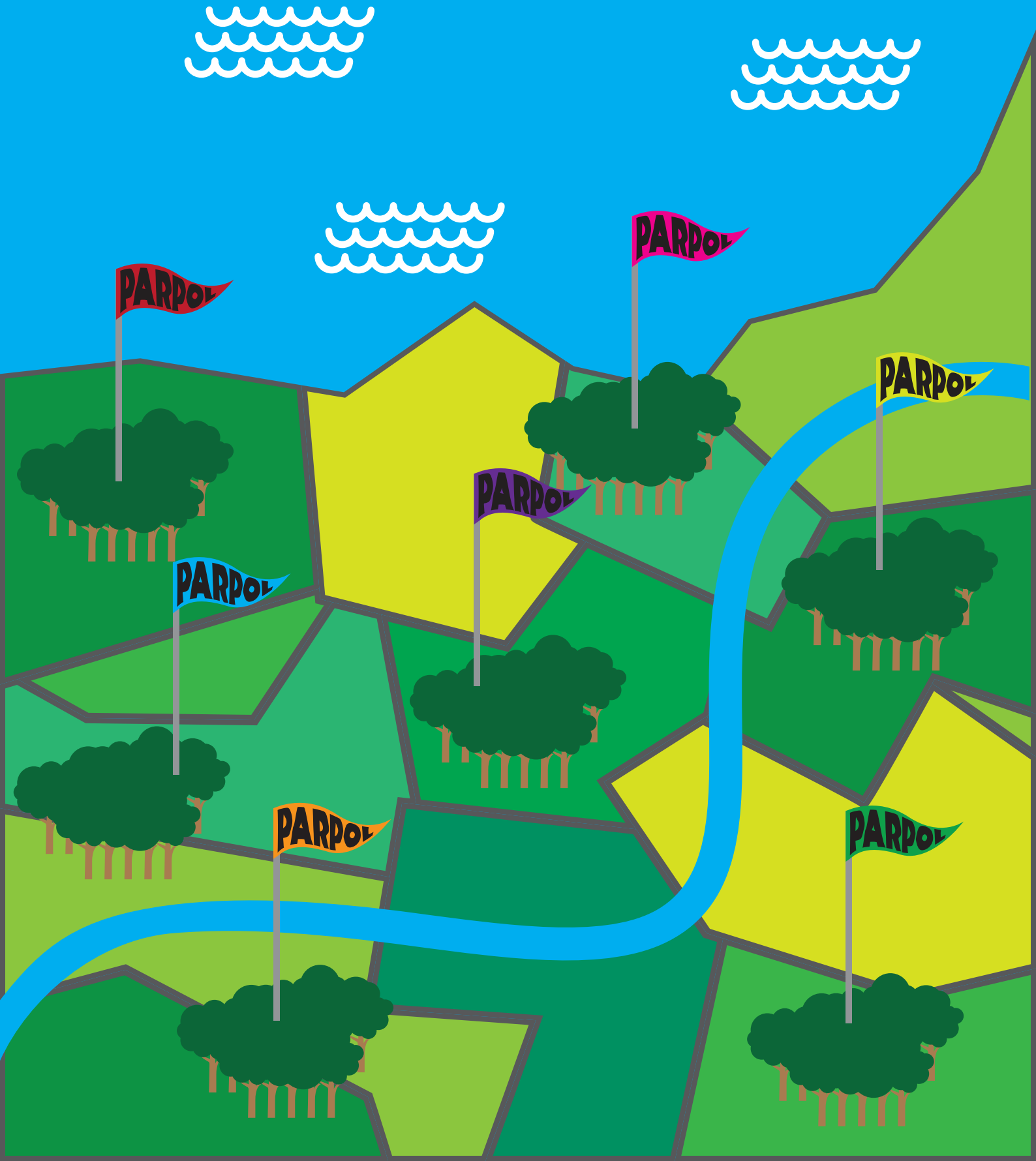


MENGUURAS BUMI MERE BUT KURSI

PATRONASE POLITIK-BISNIS ALIH FUNGSI LAHAN:
STUDI KASUS & REKOMENDASI KEBIJAKAN



Exhausting the Earth, Snatching the Chair

Politic-Business Patron Practice in Land Conversion: A Case Study and Policy Recommendation

Almas Sjarina, J. Danang Widoyoko dan Lais Abid¹

Introduction

The Indonesian government set an ambitious target of reducing emission up to 26% in 2020 within their own efforts, and up to 41% with international support. It is not easy to achieve this ambitious target, particularly because forest conversion to non-forest purposes continues albeit the application of tighter requirements and longer procedures. One of the reasons is the increase in the price of mining and plantation products, especially oil palm and coal.

On the other hand, land conversion issue is related to the interests of political elites in local level. Democracy in Indonesia could be categorized as patronage democracy (Webber 2006) and several studies described how local politics is conducted through patronage relation, particularly between politicians and entrepreneurs². The concepts used to describe the patronage relation include patron-client relation (Scott 1972) and clientelism (Kitschelt and Wilkinson 2007). Patronage relation in this study is defined as the relation between individuals who assume political positions with individuals who have wealth and business interests, in which the entrepreneurs provide financial supports to political officials in order to use their authority and influences for facilitating the entrepreneurs' legal or illegal business activities. The dynamics may be related to the lack of government's subsidy to the political parties.

Several literature shows that Indonesian politicians illegally accumulated funding, such as through gratification which involves entrepreneurs. The incumbents may also manipulate the local government budget allocation for their campaign financial support and it may involve external parties, including the entrepreneurs. The politicians used the funding legally and illegally in building their political supports and to enrich themselves. The entrepreneurs who gave offerings to the politicians expected that they would get repayment in the future in the form of budget allocation, projects, or business assurance.

In several regencies, the regents used their power as rent seizing (Ross 2004). In this case, the regent in power could restructure the government institutions in such way that s/he could gain direct, exclusive authority with discretionary on government assets. As the result, the regent could control the bribery practices within the bureaucracy, and could grant commendation or sanction to parties involved, both from the politicians and bureaucrats'

¹ The writers are the members of ICW working group. They are grateful to assistance provided by Luky Djani, Blair Palmer, Laurel Maclaren and Frans Siahaan for their valuable critics and input in the process of writing this report.

² See research on political patronage by ICW (2011), Badoh (2011), Djani (2013), McCarthy (2004), Ross (2004), Valsecchi (2012), Aspinall (2011), Mietzner (2011), Varkkey (2012), Schulte Nordholt and van Klinken (2007), Erb and Sulistyanto (2009), Aspinall and Mietzner (2010), Aspinall and van Klinken (2011).

side, and from the private parties.

In areas with forests, the political elites did not only have access to the local government budget, they also made use forests. The forest conversion process is closely related to politics. Burgess (2011) in his quantitative research shows the link between local elections and deforestation, or political logging cycle, in which an increase of illegal logging was detected a year before the local election. The research also found that the increase of deforestation rate also correlates with expansion of new regencies. Those who are familiar with the process of obtaining permit for land conversion would admit that the long procedure and tight requirements for forest conversation in fact open the opportunities for corruption. The practice did not only involve actors in the local level, but also in the national level.

The study is going to answer several questions. First, how do local political elites in areas with rich forest resources gather funding? Second, how do they gain and maintain support from voters? Third, what are the impacts of patronage on forest resources and land conversion? To see the correlation between patronage and land conversion, the study observed the cases of two areas, i.e. Ketapang Regency in West Kalimantan and West Kutai Regency in East Kalimantan. The findings of this study are aimed as recommendations to policy makers to produce and apply policies that can prevent and decrease the impacts of patronage to forest conversion in regency level.

West Kutai Regency, East Kalimantan

76% of the total area of West Kutai Regency, East Kalimantan, consists of forests. Of its total area of 3,162, 800 hectares, 2, 344,589 hectares are classified as forests areas. In this regency, neither illegal logging nor the forest concession through the business permits to utilize forest and plantation resources (Logging and Industrial Timber Concessions Permit/ IUPHHK-HT/ Izin Usaha Pemanfaatan Hasil Hutan Kayu-Hutan Tanaman) issued to private companies and government-owned companies that affect deforestation. Rather, the main factor in deforestation is the expansion of coal mines, oil palm and rubber plantations.

In the past ten years, there has been a major political competition between Rama Asia (2001-2006 Regent) and Ismael Thomas (2001-2005 Vice Regent) in this regency. In 2001 election, both were supported by PDI-P (Partai Demokrasi Indonesia-Perjuangan/Indonesian Democratic Party-Struggle). Then, in 2006 election, Ismael run as the candidate for regent and won the election with the support of coalition of PDI-P and PAN (Partai Amanat Nasional/National Mandate Party), while Rama run against him with the support of coalition of Partai Demokrat (Democratic Party), Partai Damai Sejahtera (PDS/ Prosperity Peace Party), and Partai Pelopor (Pioneer Party). In 2011 election, Ismael run again and effectively lobbied Partai Demokrat to abandon Rama and supported him instead. Rama was abandoned by Partai Demokrat and run with the support of Partai Kebangkitan Bangsa (PKB/National Awakening Party) and PIS (Partai Indonesia Sejahtera/Prosperous Indonesia Party) only. Ismael finally won the 2011 election for the second term. The change of party support shows that the political parties were only motivated by the highest bidder. The support of major political parties to Ismael Thomas did not create a significant discrepancy in the number of votes. The discrepancy was only 5%-6% between them, with the total of 85% votes of all voters.

The study looked closely on how Ismael Thomas mobilized the support and resources to win the election by mapping his "Success Team" and network. Some PDI-P

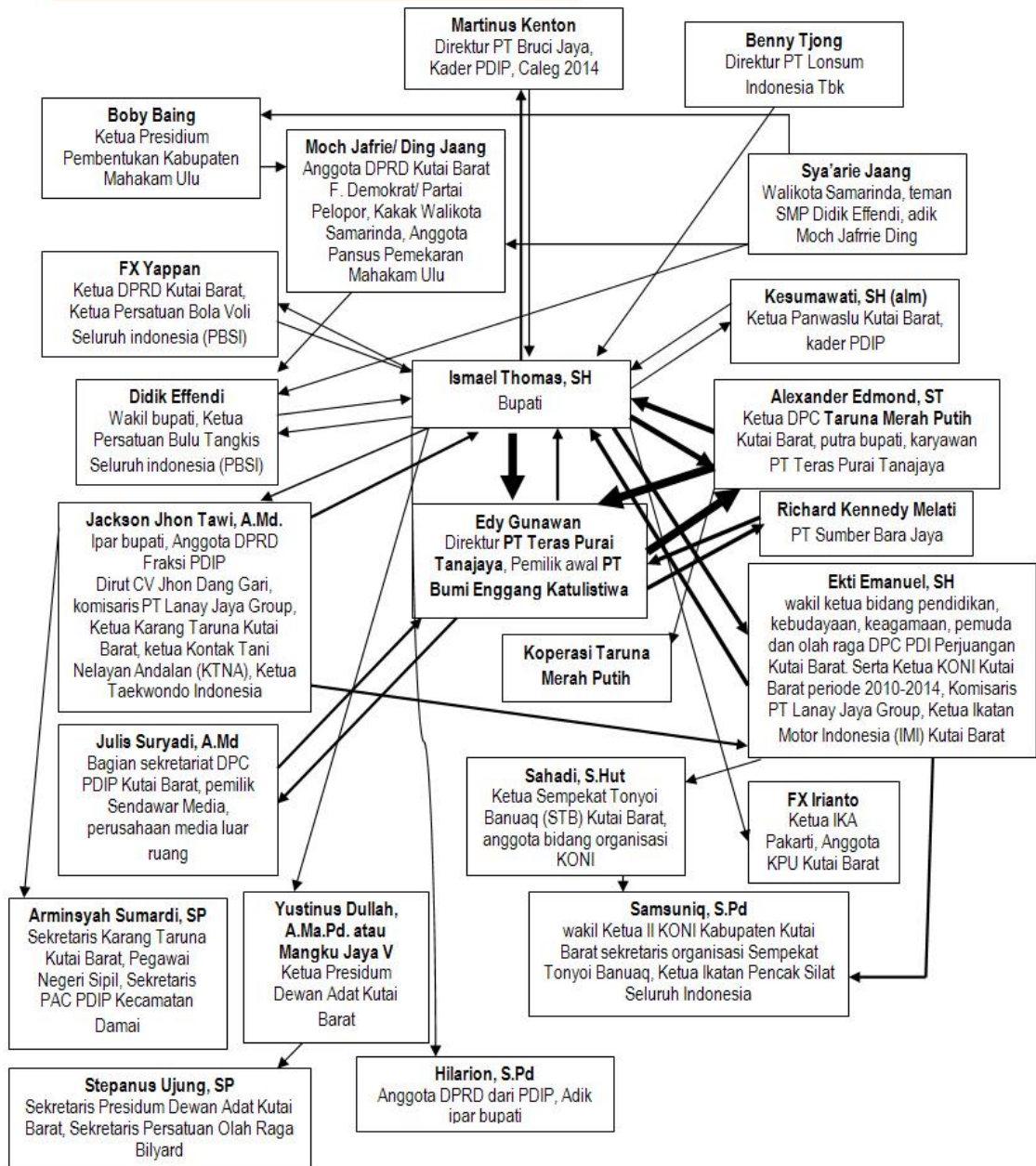
supporters who run several companies were Ismael Thomas' major supporters, such as Julius Suryadi, the Director of Sendawar Media. In addition, Edy Gunawan, the owner of PT. Teras Punai Tanajaya, seemed to play an important role in financing Ismael's campaigns in 2011. Edy Gunawan is suspected to be put by Ismael Thomas to get coal mine concession through his subsidiary company, PT. Bumi Enggang Katulistiwa (BEK), a coal mining company. During Ismael's first term, PT. BEK was granted a large scale permit for coal mining, and this company was suspected to be linked with Ismael Thomas³. At the beginning of its founding, the book value of BEK was merely 5 billion rupiah (\$500,000), but its book value reached more than 1 trillion rupiah (\$10 million) when it was sold to Geo Energy Group in 2011. It is widely known by public that the profit made during the sale of PT. BEK was used by Ismael for his political campaigns.

As commonly found in local elections in many places, Ismael also has a strong network in the communities through various organizations, like Pemuda Pancasila (Pancasila Youth), Pramuka (girls' and boys' scout), and even sport organizations such as KONI, bikers, volley, billiard, badminton, and martial arts organizations. Ismael also founded "Presidium Dewan Adat Dayak" (Dayak Tribal Councils Presidium) whose members received salary from the local government budget. The network could be used to mobilize support and even to buy votes.

In addition, Ismael Thomas put his relatives in several mass organizations to maintain support. His son became the chair in the local chapter of Taruna Merah Putih, an organization which is suspected to be affiliated with PDI-P. His brother in-law was the chair of Karang Taruna (Youth Neighborhood Organization) in West Kutai Regency level. His other relatives, such as his wife and in-laws, were the members of the local parliament. The map of his social network and their supporters is presented in details in Figure 1.

³ Investigation on the document of the Decree of the Minister of Law and Human Rights No. AHU-12145.AH.01.01 in 2009 and State Gazette No. 52 on 30 June 2009, which later were crosschecked with the websites http://www.lpjg.org/modules/registrasi/detail_registrasi_badan_usaha.php?action=Tenaga_Kerja&ID_Badan_Usaha=8893579&ID_Propinsi=17 and http://www.lpjg.org/modules/registrasi/detail_registrasi_badan_usaha.php?action=Pengurus&ID_Badan_Usaha=8893579&ID_Propinsi=17 confirmed the suspicion that this company had interest affiliation with the Regent.

Grafik 1: Jaringan Sosial bupati Kutai Barat



It is suspected that Ismael abused his power and may embezzle government resources in 2011. As an incumbent, he gave funding to 149 co-ops with the total funding of 14.9 billion rupiah (\$1.5 million). The suspicion is reasonable because after the election, many co-ops which received the funding did not develop or even were closed without any reports to the government on the use of the funding.

It is no doubt that Ismael Thomas had a close relation with coal mining companies. Table 1 shows the number of mining permits issued that significantly increased since West Kutai was under Ismael Thomas and Didik Effendy in 2006. For example, 223 mining permits were issued only in 2011, and grew even more in 2012 with 267 permits being issued. The

total area under mining concession in West Kutai has reached 3,968,493 hectares, which even exceeds its total area of 3,162,800 hectares.

Table 1. The Number of Permits and the Areas of Mining Concessions in West Kutai 2007-2012

Year	Number of Permits	Area (in Hectares)
2007	15	247,956
2009	138	395,486
2010	122	658,130
2011	223	1,217,624
2012	267	1,445,297

Source: Jaringan Advokasi Tambang (Jatam/Mining Advocacy Network) East Kalimantan

The relation pattern of Ismael Thomas in oil palm plantation is different with the one in coal mining. As shown in Table 2 below, the increase in the issuance of oil palm plantation permits occurred in 2008, i.e. 17 permits and it decreased to 7 permits in 2011.

Table 2. Recapitulation of the Area of Oil Palm Plantation and the Number of Permits Issued

Year	Area (in Hectares)	Number of Permits
2005	89,474.00	8
2006	44,724.00	3
2007	154,723.00	12
2008	215,351.00	17
2009	128,812.00	10
2010	131,281.00	10
2011	71,959.84	7

Source: Bureau of Plantation, Office of Plantation, Land, and Farming, West Kutai Regency, updated in February 2012

One of the oil palm plantation companies that were given the permit to plan the widest in West Kutai Regency is PT London Sumatera, and other companies such as Surya Dumai Group and Tian Siang Holding (Malaysia). Such companies have been known to practice patronage to gain permits for oil palm plantation in Indonesia (Varkkey, 2012).

Hence, it may be concluded that there is strong indication that patronage has accelerated the number of permits issued for coal mining operation in West Kutai Regency. In addition, considering that the number of permits issued for oil palm plantation increased dramatically during the years after the first election, and that the practice illegal payment is suspected to be the common *modus operandi* of oil palm plantation companies in Indonesia, it may be reasonable to conclude that the executives received bribery through the process of obtaining permits for oil palm plantations. Next, looking at the rate of forest conversion in West Kutai Regency, it may be the proof that the rate of deforestation was accelerated during the years after Ismael's first election.

Table 3. The Rate of Deforestation in West Kutai

No	Period	Deforestation Rate (hectares/year)
1	2003-2006	8,818.6
2	2006-2009	14,117.2

3	2009-2011	4,957.4
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Source: Directorate of Forest Resource Inventory and Control, Directorate General of Forest Planning and Design, Indonesian Ministry of Forestry, from various years, and Landsat 7 ETM+ satellite imaging pictures in 2012.

Ketapang, West Kalimantan

Ketapang Regency is the widest regency in West Kalimantan, with the total area of 31,588,000 hectares. Similar to West Kutai, Ketapang also has wide areas of forests. The Bureau of Forests Area Stability (Balai Pemantapan Kawasan Hutan/BPKH) Pontianak stated that Ketapang has the total area of forests of 1,916,449.89 and other purposes areas (Areal Penggunaan Lain/APL) of 1,207,624.11 hectares.

During 2003-2006, the rate of deforestation in Ketapang is 72,005.5 hectares/year. Compared to West Kutai, this number is considerably very high. The rate of deforestation in Ketapang is significantly decreased during 2009-2011. The decrease is because the decrease of the forests area in Ketapang. Although deforestation occurred, the rate of deforestation in Ketapang is considerably higher than in West Kutai.

Table 4. Comparison of the Deforestation Rate in West Kutai and Ketapang

No	Period	Deforestation Rate (hectares/year) in West Kutai	Deforestation Rate (hectares/year) in Ketapang
1	2003-2006	8,818.6	72,005.5
2	2006-2009	14,117.2	37,741.9
3	2009-2011	4,957.4	9,859.5

Source: Ministry of Forestry, 2013

The patronage between politicians and entrepreneurs that occurred in Ketapang is quite similar to the one in West Kutai. The difference is that in Ketapang, there was a change of regents, from Morkes Effendy, the regent in 2000-2010, to Henrikus, the vice regent in 2005-2010.

During Morkes Effendy's term, he was highly suspected of using natural resources to gather funding for his own wealth and political capital. The modus operandi was by frugally issuing permits to wood, oil palm, and mining businesses. The permit issuance was facilitated by his position as a regent which gave him authoritative power to conveniently do so.

As one of the examples, Indonesian Corruption Watch (ICW) with Kontak Rakyat Borneo (Borneo People Contact) and Save Our Borneo have reported Morkes Effendy to KPK in 2012, in the case of authority abuse (2006-2011) in which he issued Decree No. 337/2006 which gave PT. Karya Utama Tambang to exploit the area of Durian Sebatang, Ketapang for mining purposes⁴.

Nevertheless, it is not easy to prove that there was a patronage and bribery practice behind the issuance of the permit. Information from some informants of this study in the field may provide explanation of the patronage practice in Ketapang. One informant stated that each permit had certain "tariff"⁵. Of course, the said "tariff" is the bribe given to ease

⁴ Indonesia Corruption Watch (ICW). 2012. *Corruption and Money Laundering Eradication Performance in Forestry Sector*. Unpublished paper.

⁵ Based on interviews with one of the external affairs staffs of an oil palm plantation company on 19 April 2013

the process of permit issuance. Furthermore, he explained that there was a particular oil palm plantation company that was willing to pay about 2.6 – 5 million rupiah/hectare to relevant parties/authorities, from the village heads to regents and other government officers, in order to obtain the permit.

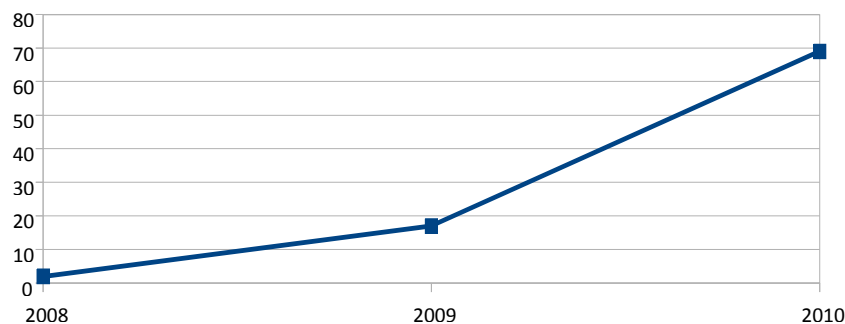
Another indication is that there were some mining companies whose deed of establishment listed the name of the regent’s son, Yasir Ansyari. Some of such companies are PT. Lanang Bersatu, PT. Jalin Inti, PT. Jalin Vaneo and PT. Serinding Sumber Makmur that mine tin, galena, bauxite, and gold.

Considering the strategic authority that the regent plays in the process of permit issuance, it may be assumed that Ketapang election is an important momentum to decide which authority patron that will establish relations with the entrepreneurs in the next 5 years. Yasir Ansyari, Morkes Effendy’s son, run as a candidate for Ketapang regent in the 2010 election. He was supported by Golkar Party, the same party that supported Morkes Effendy in the 2005 Ketapang election.

In the report to Local Election Commission (Komisi Pemilihan Umum Daerah/KPUD), Yasir Ansyari spent the most campaign costs among the candidates⁶. In addition to personal funding, he was funded by many companies, both mining and construction companies. Many claimed that Yasir Ansyari’s campaign funds were far higher than what he reported, and mainly from entrepreneurs in mining and oil palm companies⁷. He even sold some of his mining companies, such as PT. Lanang Bersatu⁸. In his campaign funds report, PT. Lanang Bersatu and his other companies were listed as sponsors.

The increase in the number of mining permits issued during the two years before the election may also be viewed as an indicator of patronage between Yasir Ansyari’s campaign financing and land permits (See Figure 2 and 3)

Figure 2.
The Number of Mining Exploration Permit up to May 2010 in Ketapang Regency



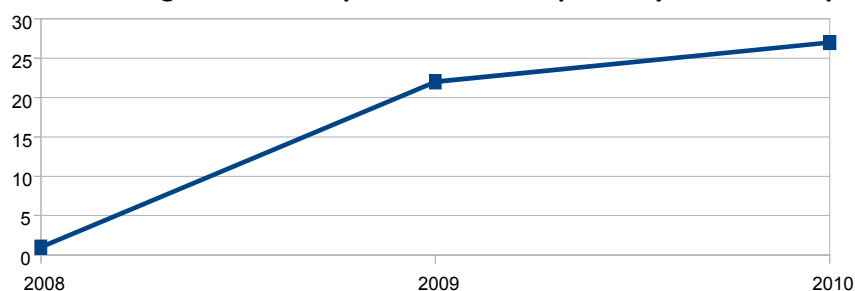
in Ketapang.

⁶ In the campaign fund in report, Yasir Ansyari spent Rp. 3,241,200,000 (\$3 million).

⁷ One member of Yasir Ansyari’s campaign team stated that the total cost of campaign spent by Yasir Ansyari for the two rounds of election and the cost of the legal case of the result of the election in the Constitutional Court was billions of rupiah (interview with one of the members of Yasir Ansyari campaign team on 26 April 2013 in Pontianak). The phenomena of fictitious campaign financing was discussed by Marcuz Mietzner in “Funding Pilkada: Illegal Campaign Financing in Indonesia’s Local Elections” in Edward Aspinall and Gerry van Klinken, eds., *The State and Illegality in Indonesia*. Leiden : KITLV Press.

⁸ Based on interviews with a local activist in November 2012 in Ketapang.

Figure 3.
The Number of Mining Production Operation Permit up to May 2010 in Ketapang Regency



Sources: compiled from data in Bureau of Mining and Energy, West Kalimantan 2013 by Link-AR Borneo

In addition to big campaign funding, Yasir Ansyari who is from Malay ethnic group used ethnic sentiments to ensure his victory. He chose a running mate who is a member of Dayak tribe council. However, he was running against Henrikus, a strong competitor in the election. The candidates run a tight competition that even led to a conflict with the Local Election Commission, two rounds of election, and a legal case over the result of the election that needed to be settled in the Constitutional Court.

Henrikus was supported by the coalition of Partai Demokrat, PDIP, and PAN, and Cornelis, the then current governor of West Kalimantan who was also the chair of PDIP West Kalimantan Area Advisory Board⁹. Further analysis revealed that Cornelis' support to Henrikus is a part of his strategy for winning the 2012 West Kalimantan governor election. It is important for Cornelis to secure his political support in Ketapang by supporting Henrikus¹⁰.

Henrikus chose Boyman Harun, the member of local parliament who is also the brother of Sulian Harun, a contractor in Ketapang, as his running mate. Boyman Harun's relatives were also listed as the sponsors in Henrikus' campaign financing report. The cost of his campaign was less than Yasir Ansyari's¹¹, but he received support from Dayak tribes because he is a Dayaknese. The support from the tribes was also gained because he promised to complete the construction of roads in rural areas and not to grant permits to open new oil palm plantations which disregard the communities¹².

⁹ Interview with a high-rank party politician and the member of Ketapang Local Parliament on 12 April 2013 in Ketapang.

¹⁰ Morkes Effendy lost against Cornelis in the 2012 West Kalimantan Governor Election.

¹¹ In the report, the total income on Henrikus' campaign funding was Rp. 1,107,500,000.

¹² Tribun Pontianak. *Pemilukada : Semua Cabup Nilai Pemda Gagal (Local Election: All Regent Candidates Thought the Local Government Failed)* Thursday, 13 May 2013, p. 8

Other than ethnic sentiments in the election, Henrikus seemed to benefit from the disappointments of the communities to Morkes Effendy. They were particularly disappointed about the slow process of constructing infrastructures in rural areas, the discontinuation of Pawan V bridge construction in Pawan River, and he was regarded as not pro-community and frugally granting permits to oil palm and mining companies¹³. Henrikus finally won the election in the 2010 Ketapang election, with 7% margin of votes from Yasir Ansyari.

Did Henrikus fulfill his promise after he was elected to be the regent? Unfortunately, there are some indicators that the patronage practice between the head of the regency with the entrepreneurs will continue. The bids in the projects of the local government were suspected to “go through” Henrikus’ relatives, such as Alexander Tommy Henry, his second son who is now registered as the candidate for the member of local parliament from PDIP. Henrikus’ other son, Jecky Henrik, is now the officer who has the authority to decide on the provision of goods and services at the Bureau of Public Works. This caused a lot of critics because Jecky Henrik has not been certified in the provision of goods and services. The communities were also disappointed because there have not been significant definite actions in constructing infrastructure in the rural areas.

The circulation of local government leaders also affected the shift of the role of the companies, albeit not thoroughly. One of the examples is PT. Kayong Agro Lestari (KAL) that is publicly known to be close with Morkes Effendy. During Morkes’ term, the company received easy treatment in the process of obtaining permits. The location of PT. KAL used to be forests. During Morkes’ term, they applied for the permit to convert the forests into Other Purposes Areas (Area Penggunaan Lain/APL) and succeeded. It was suspected that the success was due to their relation with Morkes Effendy and his access to the national authority. Morkes Effendy was even said to own shares in the 18,754 hectare oil palm plantation company. They are currently in trouble, because their area is overlapping with the area of a mining company that has relations with one of the members of local parliament from PDIP who is also listed as Henrikus’ campaign team¹⁴.

The newest satellite images show that Ketapang forests experience massive destruction. As shown in Table 5. below, the coverage of forests has decreased significantly, and even more than half coverage of forests has disappeared in the Limited Production Forests (Hutan Produksi Terbatas/HPT) areas.

Table 5. Deforestation Rate According to Satellite Images Analysis in Ketapang, 2013

Forests Classification	Official Coverage Areas	Real Coverage Areas	Discrepancy
Production Forests (Hutan Produksi/ HP)	570,002	66,812.90	12%
Limited Production Forests (Hutan Produksi Terbatas/HPT)	687,049	322,462.60	47%

¹³ Based on interviews with community members and informants, among a few, a director of a foundation and a Catholic priest on 15 April 2013 in Ketapang. See also *Tribun Pontianak*. *Pemilukada : Semua Cabup Nilai Pemda Gagal (Local Election: All Regent Candidates Thought the Local Government Failed)* Thursday, 13 May 2013, p. 8

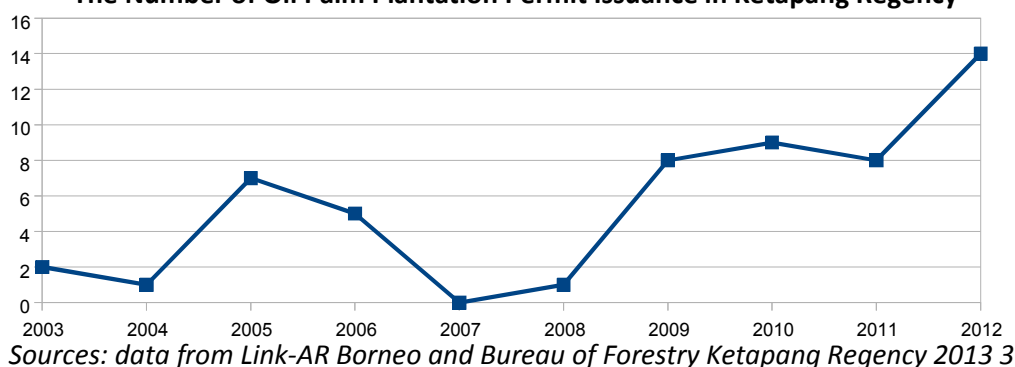
¹⁴ Interview with a director of a foundation on 12 April 2013 in Ketapang

Converted Production Forests (Hutan Produksi Konversi/HPK)	196,139	33,025.72	17%
Conservation Forests (Hutan Lindung)	290,893	214,578.60	74%
National Parks	172,266	19,862	12%

Source: Link-AR Borneo, from satellite images analysis (2013)

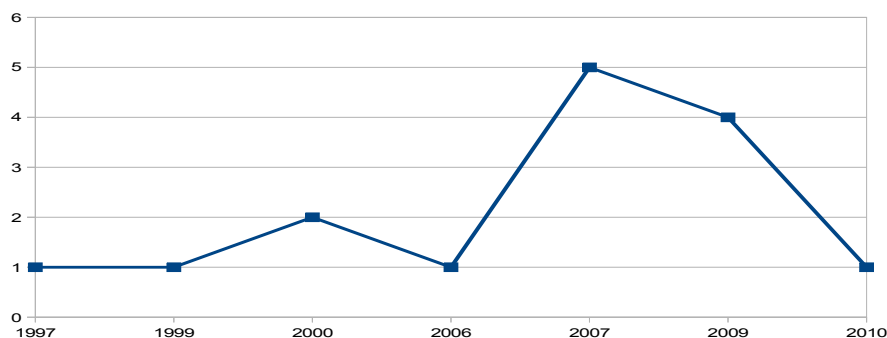
Some said that Henrikus had inherited the problem of deforestation. This may be a valid opinion considering the many permits that Morkes Effendy issued during his term as a regent. However, the ease in granting permits continued in Henrikus' term. The permits for oil palm plantation in Ketapang were still issued even until 2012. In 2012, the land allocation for oil palm plantation has reached 877, 550 hectares. Figure 4 shows the numbers of production permit issuance and approval by Ketapang Regent during 2003-2012. As the figure suggests, the oil palm plantation permits were mostly issued right before the election, i.e. in 2005 and 2010.

Figure 4.
The Number of Oil Palm Plantation Permit Issuance in Ketapang Regency



There were only few production permits issuance for logging/industrial timber concessions in 2010 and even no issuance at all later in 2010, but the areas granted were very wide, covering 959,035.74 hectares for 15 companies. It was even wider that the total areas permitted for 88 oil palm plantation companies. There are not pulp companies in Ketapang. Most timber from Ketapang was transported to Riau to be processed.

Figure 5.
The Number Logging/Industrial Timber Concession Permits in Ketapang Regency



Sources: data from Link-AR Borneo and Bureau of Forestry Ketapang Regency

It is evident in Ketapang that the change in leadership or the circulation of the heads of the local government does not make the patronage practice between the head of the local government/politician and the entrepreneur disappear. It is still practiced and even developed into a new configuration. Although the promises that Henrikus made during his campaign gave the communities a new hope of changes, the patronage and rent seizing practices were only transferred from one politician's network to another. One of the problems is that both the past and the new regent which were supported by different political parties needed substantial political capitals to be in power. The authority of the regent to regulate the permit issuance policy seems to become a way out from the demands of campaign funding and personal wealth.

As the result, the local election only became the momentum to consolidate the local elites and the entrepreneurs. The importance of the local election is not on electing a local leader who can improve the conditions of the locals. Rather, it is an important momentum to decide who will be the ruling elite patron who can build relation with the entrepreneurs in the next 5 years. This is the beginning of the patronizing politico-business relation between the leader and the entrepreneurs

Conclusion

The study observed the patronage practices in two areas which are rich with forests sources, i.e. Ketapang and West Kutai. The increase of the price of coal and palm oil commodities in international market obviously promote massive investments in those sectors in the two areas. The expansion requires vast lands, and it is relatively easier to convert forests for that purpose.

In the two regencies, the center of the patronage network in the regency level is the regent. So powerful was the regent that it created the practice of rent seizing, or the practice in which the executive controlled almost all aspects in the bribery practices between bureaucrats and entrepreneurs. Both in Ketapang and West Kutai, the regent depended on the fee accumulated from granting the permits for converting lands in order to get funding for securing power.

Another aspect of patronage that was observed in both regencies is the assignment of the relatives of the regent as the owner of the companies that were later granted the permission to mine coal. The companies owned by the relatives, along with the permits that they had, were later sold to other companies when the regents needed funding, for example for elections.

In Ketapang where there was a transition from an old regent to a new regent which was supported by different parties, it is obvious how in such a short period of time the new leader followed similar patronage pattern practiced by the old leader. It is suspected that the practice of corruption in land conversion and permit issuance continued.

Recommendation

1. The government must ensure the availability of an official guideline for obtaining permits for plantation and coal mining. The availability of an official guideline will ensure that permits are only granted to companies with capabilities to manage plantations and mines. The findings of this study show that permits were issued to companies with no capabilities and later were sold to investors to gain profits.
2. The government must also conduct reviews on the permits that have been issued, particularly those which are suspected to be obtained by violating the procedures, that overlapped with other permits, and should consider the social and ecological impacts of the permits issuance.
3. To increase the transparency and accountability of land conversion, the involvement of a third party is very crucial in ensuring that the process runs properly and that there will be no corruption or bribery practices in the process of obtaining the permits. The cost and the length of time needed in obtaining the permit need to be clearly informed to the applicants. The existing regulations, such as Government Regulation No. 10 in 2010 in junction with Government Regulation No. 60 in 2012 have not regulated the specific fee for obtaining the permit and it opened the opportunities for corruption practices.
4. A mechanism to prevent conflicts of interests is necessary, so that the concessions will not be granted to the relatives or cronies of government officials who do not have the capacities to manage plantations and mines.
5. The law enforcement forces, particularly the Commission for Corruption Eradication (Komisi Pemberantasan Korupsi/ KPK), must pay attention to the process of land conversion and mining concession bidding. The many corruption practices in the process of obtaining permits may impede the government from achieving its target in reducing emission in 2020. The law needs to be enforced immediately because there has been much information about corruption practices in land conversion. KPK could serve as the coordinator for the law enforcement process.
6. KPK has to ensure that the regulation to submit a report on the wealth of state officials (Laporan Harta Kekayaan Pejabat Negara/LHKPN) is obeyed and that the report is updated by the public officials, particularly by local leaders. LHKPN should not only include the personal wealth of the officials, but also the properties under the names of their children and relatives.
7. The study reveals the link between land conversion and political interests, particularly in winning the local election. Therefore, it is necessary for the Election Commission to strictly oversee the election process to ensure that political funding is managed according to the regulations. The regulations on political funding can be included into the draft of the law on local election that is currently being discussed by the parliament and the government.

The public must also understand the impacts of corruption practices in land conversion and

permit issuance to plantations and mines on the environment. Corruption does not only harm government financial condition, but will also harm the public due to the potential disasters that may happen. Therefore, the study recommended particularly to the public to:

1. Actively keep track of the wealth of politicians, particularly the regent. The ownership of companies linked to industries that convert land must be reported to KPK immediately and crosschecked with report on the wealth of state officials (Laporan Harta Kekayaan Pejabat Negara/LHKPN).
2. Review the permits issued for utilizing the lands. CSO must also actively use the law on Public Information Disclosure to access necessary data.
3. Conduct investigation and report any environmental damages caused by mining and oil palm plantation activities.