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# INTRODUCTION

## RATIONALE

In 1998, the Asian Development Bank (ADB) adopted a Policy on Indigenous Peoples that reflected the need for indigenous peoples/ethnic minorities to be given attention in any development project it supports. ADB believes that poverty is one of the crucial problems of these groups in the context of development. Many of them live in poverty despite the abundance of natural resources in the territory in which they live. This poverty is not only a problem of household income and basic needs fulfillment, but also one of opportunities to participate fully in the development process. Therefore, the poverty of indigenous peoples/ethnic minorities cannot be solved solely by aid and charitable programs; it requires also—and mainly—access to participate in the development process in order for them to determine their own future.

For this purpose, ADB provided technical assistance to the Indonesian Government through the Directorate General of Human Rights Protection, Department of Justice and Human Rights. The technical assistance, implemented during April–June 2001, was intended to develop a complete understanding of the problems of poverty of these groups in Indonesia. It was hoped that this technical assistance would contribute to an understanding of their basic problems. In this period of reform, regional autonomy, and the shift in ethnic relations, many assumptions related to indigenous peoples/ethnic minorities and poverty need to be reexamined. New understanding of these issues, by linking them to the contextual changes in the country, will help the Government in designing more systematic programs to protect these peoples. ADB can also make use of the findings to determine its role in this area.

## METHODOLOGY

In implementing this technical assistance, many stakeholders were consulted. At the national level, discussions were held with government officers, especially those in departments having relevant policies or programs on poverty reduction or indigenous peoples/ethnic minorities. Discussions were also held with representatives of indigenous peoples/ethnic minorities, academe, nongovernment organizations (NGOs), activists, business persons, and funding organizations. Many other stakeholders could not be consulted due to time constraints. Reviews were also made of policies, programs, and projects that affect indigenous peoples/ethnic minorities.

In June 2001, two provincial workshops were conducted in Palu, Central Sulawesi, and in Samarinda, East Kalimantan, respectively. These provinces were chosen in view of activities and issues affecting indigenous peoples/ethnic minorities there. In Central Sulawesi, there are several projects funded by ADB, such as rainfed agriculture development and integrated area development and conservation, which affect them. In East Kalimantan, a project on empowerment of village communities began in March 2001. Many of the village communities involved are considered indigenous communities or *masyarakat adat*. There are also many problems in East Kalimantan related to the implementation of development projects in sectors such as forestry, mining, and agriculture (plantations), because of the impact on these communities. In this era of regional autonomy, some new trends in this province include the rise of indigenous peoples and ethnic community identity and the shift in the balance between central and local government.

The provincial workshops were intended as a forum for participatory discussion. Stakeholders discussed various problems related to indigenous peoples/ethnic minorities and made participatory assessments of development projects, especially projects supported by ADB. To obtain more concrete information and to understand the problems in a participatory manner, representatives of indigenous peoples/ethnic minorities were invited from some villages. They addressed their real problems, needs, and perception of poverty. Consultations with some stakeholders were also conducted in the two provinces.

Fieldwork was carried out in four villages in Central Sulawesi and East Kalimantan. Each consultant spent several days in each village, having discussions with villagers and conducting participatory observations of the villagers' daily life. Personal interviews and focus-group discussions were conducted with various segments of the community such as men, women, and old and young people. In-depth discussions with and observations on poor families were conducted. It was difficult to find out who were the poor in each village due to the shortage of time. They were chosen based on the perception of the majority of people in the village. Stories of poor families in this report are not intended as a basis to discuss poverty indicators, but simply to show the real conditions and perceptions of these people.

The findings of the consultations, workshops, and fieldwork, and a proposed action plan for the Indonesian Government and ADB were discussed in a national workshop held in Jakarta on 25–26 September 2001.

## STRUCTURE OF THE REPORT

The report consists of seven chapters. Brief descriptions of the contents follow.

The next chapter contains a general overview of indigenous peoples/ethnic minorities in Indonesia. It analyzes the debates on the concept of *adat* communities, the accepted term for these peoples, and

attempts to identify communities that come under this category. It also discusses the changing social and political context, which also influences how the concept of *adat* communities is understood. An analysis follows of the relevance of the Indonesian *adat* community concept to ADB's Policy on Indigenous Peoples.

Chapter 3 analyzes the policy and legal framework related to *adat* communities in Indonesia: how policies and laws recognize and protect the rights of these communities and their impact. This is important because the nature of further interventions by ADB and other agencies will depend on the government policy on *adat* communities.

Chapter 4 briefly describes programs on poverty reduction and development of *adat* communities. Although there is no program directly targeted at *adat* communities, some programs take place in their areas/territories and benefit them. These initiatives come not only from government but also from other stakeholders such as NGOs, funding institutions, and *adat* communities themselves. It is impossible to cover all these initiatives. Examples are given to point out that programs and projects related to development of *adat* communities with different approaches and impact, have taken place.

Chapter 5 describes *adat* communities' perceptions of poverty and its causes and trends. From discussions with various stakeholders, especially with *adat* communities during fieldwork, various factors that are believed to contribute to the poverty of *adat* communities are revealed. The main finding is the reality of poverty as perceived by *adat* communities themselves.

Chapter 6 reviews the implementation of projects supported by ADB in Central Sulawesi and East Kalimantan. The aim is not only to review the projects, but also to learn from the lessons derived from their implementation.

The final chapter highlights important issues for a proposed action plan on the protection of *adat* communities and improvement of their living conditions. The action plan, which was discussed in village-level meetings, provincial workshops, and the national workshop, is addressed to stakeholders.