

Asia-Pacific: Indonesia

A Private Marine Concession for Pearl Cultivation in Raja Ampat, Papua: A Case Study of Relationship Establishment and Management with an Indigenous Community

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Abstract

PT Cendana Indopearls (CIP), a subsidiary of the Australian listed company Atlas South Sea Pearl Ltd (Atlas), established a 30-year private marine concession for pearl cultivation with the Kawe people of Raja Ampat in 1997. This involved a steep learning curve for both the company and the indigenous community as the cultural differences and understanding of extended contracts were vastly different between the two groups. The key factor in the success of the pearling project was the investment into community relations. Community relations in the context of the company successfully operating a commercial venture in a remote area controlled by a traditional indigenous people is broad reaching and included undertaking an anthropological study of the community and their culture¹. The path to success involved a clear understanding that a written long term lease is only the starting point to success. Several factors required considerable management resources to be invested in ongoing dialogue and broad community consultation: community understanding of long term arrangements was limited; there was no distinct hierarchical leadership structure; and decisions were made by community consensus at almost every level. Atlas seeks to make a meaningful contribution to local communities and is a major employer in some of Southeast Asia's most remote regions. The company is involved with assisting in the education of local school children through the provision of scholarships and assistance in maintaining and rebuilding school infrastructure. In Indonesia, the company directly employs over 500 people. To ensure the spread of benefits, the company consciously enacts a recruitment program targeting local communities and over 80% of the staff employed at the pearl farms is from local villages.²

Project Description

Context

- PMA/Foreign Investment Company started pearling in 1993.
- CIT's commenced operations in Alyui Bay, Waigeo in 1997.
- CIT has negotiated a range of contracts with two local communities (Selpele/Salio).
- Land and water areas are claimed by the villages of Selpele and Salio.
- Selpele has a population of approximately 200; Salio population is approximately 230.
- The spoken language is KAWE (there is no written form).
- Indonesian is generally spoken only with "outsiders".
- The major economic activity (except employees of CIP) is fishing, although more recently employment has become available at some of the local mining prospects.
- Villages lay claim to ownership of: West Wageo from Alyui Bay to Pulau Sayang; Kawe Island; Batangpele; and Wayag

Community Information

- Leadership is not defined by "Kepala Desa" status: no single person or group has the right to negotiate.

¹ Keith Berry, 2000. Selpele, Salio and PT Cendana Indopearls. A report on land and resource ownership, village leadership and villager's expectations. Commissioned report, 31pp

² <http://www.atlassouthseapearl.com.au/apearling-environment.asp>

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- Traditional relationships remain critically important and ten family groups are considered the community founders.
- Decisions are generally reached via whole community consultation.
- There is an unsophisticated understanding of long-term arrangements.
- There is significant “political” action within the community, i.e. power struggles.

CIP Agreements

No single agreement is in place for all activities and areas utilized by CIP. All agreements must be documented, witnessed and broadly communicated. This is extremely important as most communication within the community is verbal repetition. As a result, there is a significant risk of distortion of facts from person to person. The initial contract for land and water is for a 30-year term. This includes a one-off payment, commitment to employ, community house for school children, and transportation assistance. Three additional contracts for land owned by family groups with single payments were also entered into. In addition, many non-contractual commitments exist, including voluntary royalties on pearl production, scholarships (bea siswa), free medical assistance, a community relations office, and electricity generation. Ad Hoc donations support religious festivals, specific “adat” events, re-building schools, and repairs to church and other community buildings. The company maintains a small community centre in the village of Selpele staffed by a permanent community relations officer or HUMAS. The yearly investment into community relations is significantly more in monetary terms than any of the specific lease arrangements and CIP budgets this accordingly.

Managing Relations

The relationships with the local communities in Papua require continual management. As such, human resources must be dedicated to Community Relations Management (CRM). CRM is the major challenge of working in Papua.

In 2000, the company commissioned Keith Berry, an Australian anthropologist who has lived and worked in Papua for over 20 years, to conduct a discrete survey of the two local communities. Berry’s specific brief was to elicit candid responses in regard to community attitudes towards the CIP and to determine some community aspirations whilst also highlighting any specific cultural beliefs and behavioral patterns that CIP management should be aware of. Further, the Berry report identified some of the key resource ownership issues as well as highlighted the specific style of local leadership and decision making process.

As a result of the survey and management’s own observations, CIP senior management determined to invest at least 25% of time in community relations. Senior farm management staff has adopted an “open door” policy in regard to local villagers’ opportunity to meet and speak directly with those in charge of running the project. This is a critical point in maintaining mutual respect and is quite contrary to the standard management approach in Indonesia whereby the “boss” is a distant figure not to be disturbed.

Important points:

- The Project Manager is accessible to the local community;
- CIP employs one full-time, village-based community relations officer (“HUMAS”);
- Minor misunderstandings have major consequences if not immediately addressed – these can cause threats of violence against people/property (has never led to actual event) and loss of time through “crisis” management;
- Relationship management is critical to develop “trust” in the community; and
- Support from the government and organizations is extremely limited in a practical sense.

Community Investment/Payments

We have found that it is extremely difficult to develop local business models and consequently have found it better to support “visible” activities rather than pay cash. Some of our support activities include building programs, providing schooling/medical/transportation assistance, supporting local activities (fishing, market, barter). The barter program in particular has been a successful model. Under this program local community members can barter products, such as fresh fish and other products, with CIP in return for goods such as flour, fuel and rice. CIP uses the Sorong market price³ as a reference point for local produce. This means that the “seller” is achieving a better return on effort when dealing with CIP as opposed to selling to a middleman trader who then takes the produce to market for sale.

Social/Cultural Points

CIP came to understand very early on that the local community leadership structure did not follow the accepted norms of an Indonesian village. In most cases, regardless of ethnicity, a village community is under the direct leadership of a Kepala Desa or Village Headman. Under Indonesia’s political system the Kepala Desa is a recognized government posting and in recent times the Kepala Desa is elected by the community⁴. Often this style of leadership is augmented by a Kepala Adat or Traditional Leader. The Kepala Adat generally has a role in religious and cultural leadership. In the villagers of Selvele and Salio, whilst there is a Kepala Desa and Kepala Adat, leadership involves all of the senior men from the main families. The Kepala Desa often has very little say in final decisions and anything that an individual representing the community might agree to with an outsider is held in high suspicion. As a result, it is critical to involve as much of the community as possible in any discussions that will lead to a structured agreement.

Important points:

- Kawe people do not like to be reminded of what has been previously provided to them.
- Embarrassment is an extremely uncomfortable emotion for the local people and is to be avoided at all costs. Embarrassed individuals may seek revenge to redeem self worth.
- Most issues are “immediate” and forward planning beyond a few days is meaningless.
- It is culturally accepted that resolution following disagreement involves a “payment”.
- It is accepted that Western people are wealthy and should be prepared to “share”.
- Distinction between “profit” and “non-profit” will not be clear to the community.
- Westerners are expected to behave extremely well – Kawe people (culturally) are expected to have their transgressions forgiven and forgotten.

Recommendations

A single lease or one-off agreement that intends running several years (decades) will not allow any project to succeed. Community involvement and sense of ownership is more important than cash payments that may come from a lease.

Given these experiences, CIP recommends:

- An on-site project and community relations manager must be appointed for any similar project.
- Indonesian language should be used by project managers and some efforts at understanding the basics of local language should be made.
- Project staff should have experience in community negotiations and in local community discussions.
- Project assistants should include members of the local population.
- Negotiations on concessions must involve public forums.
- Any agreements must encompass direct local employment, e.g. rangers.

³ Sorong is the nearest major town and is the neighboring regency to Raja Ampat. Sorong is approximately 160 km by sea from Alyui Bay.

⁴ Until very recently, a Kepala Desa was appointed by a higher political authority. Since the adoption of Regional Autonomy early this century direct elections within the community determine the position of Kepala Desa.

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- Project managers should be prepared for continual on-going dialogue with stakeholders and must be accessible to members of the local community.