THE EFFECT OF GLOBALIZATION AND CAPITALISM ON FOREST DAMAGE IN INDONESIA

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Abstract

This article discusses the effects of globalization and capitalism on the occurrence of forest destruction in Indonesia. This research uses the theory of globalization and capitalism. The problem in this research is how globalization and capitalism influence forest destruction in Indonesia. This study aims to describe the factors that cause forest destruction in Indonesia. The results showed that all forest damage that occurred in Indonesia was caused by the growing process of globalization that encouraged the capitalists to compete to invest their capital in order to enrich themselves without regard to the impact that would be felt by humans and other living creatures.

Keywords: Capitalism, Forest, Globalization.

Introduction

The phenomenon of globalization is something that cannot be denied, something that is sure to happen. Globalization, on the one hand, has a positive impact in the fields of technology and science, but on the other hand, globalization has a negative influence. One of the adverse effects of globalization that is happening in Indonesia is forest destruction. Forest damage is getting worse, making globalization as one of the causes of environmental damage that occurs in developing countries.

Globalization demands every developing country to open itself to aid and cooperate with external parties. This factor causes the entry of foreign investors who embrace the understanding of capitalism to compete in investing their capital in developing countries, such as Indonesia. Behind these positive impacts are the negative impacts of unlimited

economic development, in the form of forest destruction. This happens because every economic activity carried out by both production and consumption is inseparable in influencing the surrounding environment (Siahaan, 2004).

Indonesia, which has abundant natural resources, is used as a place for industries established by developed countries to exploit excessive natural resources, plus the work processes of these industries are not environmentally sound. This can be seen through various forms of damage due to illegal logging and also deforestation to clear land for oil palm plantations.

They use Indonesia's natural resources without considering the natural damage that occurred and only thought to get multiple benefits. Deforestation in Indonesia, which is supposed to be a conservation area, converts the forest as an industrial area or plantation area. Unconsciously, humans have damaged their dwellings only with a reason to survive or to make ends meet without thinking about the next generation.

Theoretical Review

Globalization according to Appadurai

The main problem of global interaction in the modern era is cultural homogenization and heterogenization. The main argument of homogenization is none other than Americanization and commodification, and the two are related to one another. Arjun Appadurai sees that what is not understood from this argument is the existence of new troops from various metropolitan groups who are brought to the new society and encourage indigenization. One example is that Indonesianization was felt to be more worrying for the people of Irian Jaya compared to the Americanization itself. There is a fear of the government from the process of cultural absorption because one's imagined community will have the possibility of being a prison for the other party. In addition, coercion and fear of homogenization can be exploited by nation-state relations to minority groups by implementing global commodification.

The global cultural economy in its development is understood as something complex, overlapping, and disjunctive orders. Arjun Appadurai divides five dimensions that explain the separation of the economy, culture, and politics in global economic practices.

First, ethnoscares explain the shifts in the world, such as tourists, immigrants, refugees, exiles, guest workers, and other individuals or groups that will have an impact on a country's politics. This dimension argues that stability can be analyzed through individual or group disputes, whether it is because there is a compulsion to move or simply be driven by desire. Ethnoscares are essential to understand because the movement of individuals or groups can influence shifts in capital requirements, production, a technology that are of concern to the government.

Second, technoscape refers to global configurations that change and cross borders quickly, such as the development of information technology. Technoscape is understood not only because of the encouragement of political and market practices but also the complexity

of the relationship of the velocity of money, political possibilities, and the availability of workers. One example is India exporting maids to Dubai and Sharjah and also software to the United States.

The third dimension is finanscape, which needs to be discussed because the shift in the capital of the modern era is done quickly and is not real because it is mostly done in the capital market. The global political economy in practice must take into account the shift in the relationship between human movement, technology, and financial transfers that can accommodate relationships with one another. However, the critical points of the global relationship between ethnoscape, technoscape, and finanscape are unpredictable.

The fourth dimension is mediascape, which means the distribution of electronic capabilities to produce and disseminate information through newspapers, magazines, TV stations, films, etc. The mass media is rapidly growing and spreading both privately and publicly. The critical thing about mediascape is the provision of a broad and sophisticated form of media regarding communication, narratives, and ethnoscares so that it can be observed by the world community, as well as being a commodity. In its dissemination, mediascapes can be produced by private and state actors who focus on narrative images and texts based on reality to be then presented in the form of characters, plots, and texts.

Fifth, ideoscapes refer to a series of images controlled by the country's politics and ideology with the aim of describing the power of the state. Ideoscapes consist of ideas, themes, and images that discuss freedom, welfare, sovereignty, representation, and democracy.

From the explanation above, it can be seen that there is a competition between homogenization and cultural heterogenization. Homogenization refers to Americanization, which emphasizes the values of democracy, capitalism, and liberalization. Homogenization is sometimes seen as a threat due to the rapid movement and movement of information technology, as well as the existence of local and western cultures that are forced to be fused into one. However, in practice, the state does not close these changes, which are marked by openness (Appadurai, 1996).

Capitalism according to Sombart

Capitalism, according to Sombart as the basis of the system of economic thought, this concept shows that capitalism is a system that is clearly marked by the power of "capital." Like other economic systems, capitalism also contains essential elements that constitute the spirit or economic outlook of the sum of all objectives, motives, and principles. (Mannan, 1995). As for the characteristics of capitalism, namely:

First, there is no planning. In the economic system of capitalism, there is no flashlight economic plan. Free, uncoordinated, and individualized economic action. When competitive conditions are market forces, the absence of an economic plan is not a "laissez-faire" reason. Laissez-faire is an expression whose practical meaning is the principle of free markets. Jeremy Bentham assumes that laissez-faire (free market) is the greatest happiness for the most significant number; the intention is to produce as much happiness as possible

for as many people as possible. This assumption contains optimism in the ideology of capitalism; the principle is considered as trust. So the critics of capitalism consider laissez-faire is a dogma or a kind of myth in the economy (Raharjo, 1999).

Second, consumer power. The absence of a central economic plan implies that there is consumer power in the capitalist economy. However, capitalism is not considered a completely democratic system of consumers. In fact, capitalism implies sovereignty for producers.

Third, the freedom to choose work. It means that to attract the supply of a specific type of labor that is sufficient for an industry, where labor is needed more everywhere, wages must be high enough to have an attraction, then such a thing is contrary to the equitable distribution of income. Karl Marx argued that the worker in the capitalist system is "free in a double sense, first as a free human being, he can provide his labor force as his commodity; secondly, he cannot have other commodities to sell, and he does not have everything needed to realize his energy. It works" (Mannan, 1995). On that basis, a worker who receives a low salary will be free to choose a job.

Fourth, freedom of business. In the capitalist system, freedom is defined as freedom to obtain property rights because property rights are needed for the maintenance of personal independence.

Fifth, freedom save and invest. In capitalism, freedom of saving is supported and enhanced by the right to inherit wealth. In a capitalist economy, entrepreneurs take advantage of investment opportunities by using funds raised from individual savers to offer interest to pay interest on the returns from their investment, so in this way, a market interest rate is formed.

Sixth, competition, and monopoly. The capitalist economic structure is a competitive structure. Capitalism states that competition can lead to a process of natural selection, and each individual can reach the level in the position most capable of occupying. People who have capital must be in a better position than those who do not have capital. In other words, the competition must be on the firm side, the lucky one, at the expense of the poor, the capitalist economic system in competition seeks to monopolize (Mannan, 1995).

Discussion

Problems arising from natural resource management that occur in Indonesia include the continuing condition of forests in Indonesia both in terms of the amount and function of forests as a buffer for human life. Forests are an essential resource, not only in supporting the national economy but also in maintaining the environmental carrying capacity of the world's ecosystem balance.

Forest destruction in Indonesia began in the early 1970s when forest exploitation companies began to operate. Based on data from the Ministry of Forestry, in the period 1985-1997, the reduction in Indonesia's forest area was 22.46 million hectares or 1.87 million hectares per year. However, in 1997-2000 deforestation increased sharply to 2.84 million hectares per year. Another data source, namely SPOT Vegetation imagery, shows a

reduction in forest cover of 1.08 million hectares per year for the period 2000-2005. Indonesian deforestation calculation data for the 2003-2006 period using Landsat 7 ETM + imagery results in Indonesia's deforestation rate of 1.17 million hectares per year. The latest data on the calculation of Indonesia's deforestation for the period 2006-2009 produced Indonesia's deforestation rate of 0.83 million hectares per year.

The Ministry of Forestry in the 2014 Ministry of Forestry Work Plan document states that the rate of deforestation and forest degradation for the period 2009-2011 remained 450 thousand hectares compared to the 1998-2002 period, which reached around 3.5 million hectares. Finally, through a press release, the Ministry of Forestry said the deforestation rate in Indonesia was at 613 thousand hectares in 2011-2012.

In addition to official data from the Ministry of Forestry, there are various versions of the data, which also state estimates of damage and loss of forest cover in Indonesia. Forest mapping conducted by the Government of Indonesia with assistance from the World Bank during the 1986-1997 period showed that the rate of forest destruction during that period was around 1.7 million hectares per year, and there had been a sharp increase of more than 2 million hectares per year (FWI / GFW, 2001).

In 2007 the Food and Agriculture Organization (FAO) through the State of the World's Forests report book stated that the rate of destruction of Indonesia's forests had reached 1.87 million hectares in the period 2000-2005. This situation placed Indonesia in the second rank of ten countries with the highest rate of forest destruction in the world in 2005.

In 2011, FWI, through a report on the State of the Forests of Indonesia for the period 2000-2009, explained that the rate of forest destruction was still relatively high, at around 1.5 million hectares in the period 2000-2009.

Matt Hansen of the University of Maryland stated that Indonesia experienced forest cover loss of 15.8 million hectares between 2000 and 2012, ranked fifth after Russia, Brazil, the United States, and Canada in terms of forest loss. In the same period, Margono et al. in their report entitled Primary forest cover loss in Indonesia over 2000-2012, stated that the average deforestation that occurred in Indonesia in the period 2000-2012 ranged from 0.8 million hectares per year.

With various versions of the deforestation figures described above, this report "A Portrait of the State of Indonesia's Forests 2009-2013" states that the rate of deforestation remains high, not decreasing drastically as stated by the Ministry of Forestry who reasoned that the relevant ministry since 2011 had implemented a moratorium policy granting of a new permit (Forest Watch Indonesia, 2014).

Sumatra Island and Kalimantan Island are the islands that have the most severe deforestation compared to other islands. This situation is not surprising when we see the tendency of forms of land expansion in the interests of the development of industrial timber plantations, oil palm plantations, and the provision of new locations for mining.

The provinces of Riau, Central Kalimantan, East Kalimantan, West Kalimantan, and Papua are the five provinces that experienced the worst deforestation in Indonesia. Of the five provinces, Riau ranks first with deforestation of around 690 thousand hectares,

followed by Central Kalimantan with 619 thousand hectares, Papua 490 thousand hectares, East Kalimantan 448 thousand hectares, and West Kalimantan 426 thousand hectares.

The finding that is quite surprising is about deforestation in Central Kalimantan. At the end of 2010, Central Kalimantan was selected as a pilot province for the implementation of Reducing Emissions from Deforestation and Forest Degradation (REDD +) projects in Indonesia. However, in the 2009-2013 period, Central Kalimantan Province ranks second as the province with the highest rate of natural forest loss and the REDD + Project Delay and New Permit Delay Policy that came into force since mid-2011, apparently was unable to prevent or reduce degradation and deforestation in Central Kalimantan.

Forest loss or deforestation does not only occur in Converted Production Forest Areas and Other Use Areas (APL). Deforestation also occurs within State Forest Areas, which should be protected or used selectively, such as Limited Production Forests, Protection Forests, and Conservation Areas. By its function, then in these forest areas, there should be no deforestation and must be maintained as a forested area.

The area of deforestation contributed by the three forest areas reached 1.4 million hectares of the total area of deforestation (4.58 million hectares) during the 2009-2013 period. This figure is equivalent to 31 percent of total forest loss that occurred throughout Indonesia. This means that the area that is supposed to be maintained as forest and has a good forest cover turns out to be experiencing very severe deforestation (Forest Watch Indonesia, 2014).

Indonesia has about 19.3 million hectares of peatlands. In 2013, there were around 9 million hectares of area that were still covered by natural forests. Peatlands tend to be vast, relatively flat stretches, making them vulnerable to large-scale land clearing activities. In the 2009-2013 period, around 1.1 million hectares of natural forest on peatlands were lost. This figure is more than a quarter of the total loss of natural forests throughout Indonesia.

The highest forest loss in peatlands is found in Riau Province, which is close to 450 thousand hectares, followed by West Kalimantan 185 thousand hectares, Papua 149 thousand hectares, and Central Kalimantan 104 thousand hectares. Peatlands are actually directly damaged when the forests above are cleared, let alone coupled with intensive exploitation through canalization and drying. The peatland that has been encumbered with concession licenses currently reaches 2.4 million hectares, including mineral and coal mining concessions around 295 thousand hectares. When judging from the intensity of management, plantations and oil palm plantations have a tremendous opportunity to cause massive damage to peatlands, both in the form of natural forest removal and due to canalization and drainage.

The area of peatlands within these two types of concessions is around 984 thousand hectares. While HPH, although the concession is the most extensive in peatlands, the destructive power is considered lower because it has to implement a selective cutting system when harvesting natural wood. Mining concessions are also considered to be less forested because, until 2013, most were still at the exploration stage. However, in the long run, mining, especially minerals (minerals and coal), must continue to receive attention

because exploitation will inevitably be carried out continuously in the concession area (Forest Watch Indonesia, 2014).

Forest areas for mining and the release of forest areas for oil palm plantations, in practice, have provided opportunities for the systematic conversion of natural forests. The removal of forest cover is carried out in a planned manner through licensing schemes designed by the government, namely for land-based and large-scale businesses.

The poor performance of timber forest product utilization permits (IUPHHK-HA) has contributed significantly to forest destruction. This condition is exacerbated by the fact that almost every year, there are always a number of companies (IUPHHK-HA) that stop operating, creating a situation of unclear management of forest areas at the site level.

The development of industrial timber estates or HTI (IUPHHK-HT) to meet the supply of raw materials for pulp and paper refineries is also a factor that causes deforestation. The area and number of IUPHHK-HT issuances increased significantly but were not followed by an increase in planting productivity in the HTI area. The allegation that the IUPHHK-HT entrepreneurs only sought wood from the Timber Utilization Permit (IPK) granted was not unreasonable. The conversion of natural forests to oil palm plantations is one of the determinants of high deforestation in Indonesia.

Indonesia's forests are systematically and systematically destroyed by officials and rogue investors. Corruption practices in the forestry sector occur throughout Indonesia. This practice is not only illegal logging but also licensing corruption, which results in forest loss (deforestation). Deforestation occurs mainly due to illegal and illegal conversion practices and the conversion of forest areas. Conversion is done by turning forests into plantations and mining. In Central Kalimantan, 7.8 million hectares of forests have been turned into oil palm plantations, mining areas, and other non-forest landscapes.

There are a number of problems with the application of laws and policies that result in forestry crime practices and forest conversion that are still ongoing: the power of policy enforcement is still weak (law and law enforcement), the commitment of the government and entrepreneurs is still weak, the imbalance of interests in the application of policies, the interests of the government over the policy of release forest area for the development of large plantations, as well as the dominance of the interests of entrepreneurs over the application of policies to release forest areas.

There also appears to be overlapping authority regarding forest conversion. This is proven by the harmonious and asynchronous law and policy. Disharmony of legislative policies (plantation, forestry, environment, spatial planning, regional autonomy) results in overlapping authority. So the government is difficult to carry out protection, planning, management, supervision, law enforcement, and recovery.

The euphoria of regional autonomy has resulted in the regional government going too far to issue plantation and mining licenses. Save Our Borneo, and Silvagama data shows violations of plantation and or mining permits issued by all Regents in Central Kalimantan. Even in the Austral Byna HPH concession in North Barito, Central Kalimantan, 23 plantation permits, and 47 mining permits were granted by the local Bupati. In Riau, four regents

issued 37 business permits for the utilization of timber forest plantations (formerly HTI), which violated the provisions (<http://fwi.or.id/publikasi/kotak-fakta-potret-keadaan-hutan-indonesia-2009-2013-bag-1/5/>).

Globalization demands every developing country to open itself to aid and cooperate with external parties. This factor causes the entry of foreign investors who embrace the understanding of capitalism to compete in investing their capital in developing countries, such as Indonesia. The condition of Indonesia, which has the most extensive tropical forests in the world, as well as diverse biodiversity, has attracted the interest of foreign investors who embrace capitalism to invest in Indonesia.

Forest damage that occurred in Indonesia due to the entry of foreign investors who embrace the understanding of capitalism to compete to invest in developing countries, such as Indonesia. Behind these positive impacts are the negative impacts of unlimited economic development, in the form of forest destruction. This happens because every economic activity carried out by both production and consumption is inseparable in influencing the surrounding environment.

The investors use the natural resources in Indonesia without considering the natural damage that occurred and only thought to get multiple benefits. Unconsciously, humans have damaged their own dwellings only with a reason to survive or to make ends meet without thinking about the next generation.

Conclusion

From the explanation above, it can be concluded that globalization does not only have an impact on the economic, educational, technological, and other aspects of Indonesia. However, it also has an impact on the preservation of Indonesia's natural environment, which incidentally is an attraction for capitalists to explore its natural resources. Because of their too much love for Indonesia's natural resources, they forget that what they have done so far will have an impact on long-term human life. Many of Indonesia's forests are damaged and cause a parallel effect on other natural conditions, including air conditions, flora, and fauna conditions that exist in the forest. Natural damage that occurs will also affect the occurrence of various natural disasters in Indonesia, such as floods, landslides, and other natural disasters. All the damage is caused by the growing process of globalization that encourages the capitalists to compete to invest their capital in order to enrich themselves without regard to the impact that will be felt by humans and other living things.

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