Jurnal Ilmu Sosial dan Ilmu Politik
Volume 27, Issue 1, July 2023 (46-59)
ISSN 1410-4946 (Print), 2502-7883 (Online)
https://doi.org/10.22146/jsp.72270

The Regime of Truth, Partnerships, and Palm Oil Expansion in East Kalimantan, Indonesia

Sudirman
Department of Public Administration, Universitas Kutai Kartanegara, Indonesia
(email: sudirman@unikarta.ac.id)

Abstract

A large part of the uplands in East Kalimantan has been converted to oil palm plantations through partnership schemes, making it increasingly difficult for the indigenous Dayak people to find land for swidden agriculture. Therefore, a better understanding of partnership discourses and narratives is needed. This article adopts a Foucauldian perspective on truth regimes and ethnographic methods to examine the Indonesian government's strategy to expand state space for oil palm expansion in Dayak customary lands in East Kalimantan. This article argues government strategies need to be formulated by involving a robust analysis of the circular power-knowledge relationship. This perspective allows an understanding of partnerships at the discourse level, i.e., as an extension of power, not just stories about community empowerment behind the invisible hands of capitalism. Oil palm partnerships are a temporary policy structure as it confronts another power-knowledge configuration: the Dayak community. Within this framework, customary practices are not static but are redefined continuously. In the uplands of East Kalimantan, oil palm agribusiness partnership policies often result in subjugating, disqualifying, and marginalizing practices. This article also investigates the implications of the formation of oil palm truth regimes.

Keywords:
the regime of truth; governmentality; partnership; expanding state space, customary space; palm oil

Introduction

This article analyzes the Indonesian government's strategy to expand the state's land for the palm oil industry to the indigenous people's customary land. Past studies have shown that governments, defined in a discursive field as a 'rationalized' exercise of power (Lemke, 2014, p. 44), use various strategies in such an expansion endeavor, including internal territorialization (Vandergeest & Peluso, 1995), accumulating by dispossession (Borras & Franco, 2013; Gellert, 2015), power exclusion (Hall, Hirsch, & Li, 2011), and adverse incorporation (Du Toit, 2007; McCarthy, 2010). However, these studies overlook the circular power-knowledge relationship in configuring government strategies. They consider 'the sovereign subject' as a metaphor of power. The implication of this view is to limit the discussion to the question of who has the power.

This article fills a theoretical gap by examining partnerships from the discourses and narratives that frame them. A previous study by Warner (2008) examining a regime in the biofuel industry shows that truth comes from reductionist and positivist epistemology produced by companies that employ scientists to answer technical problems only. In the context of the neoliberal regime, the government's strategy to expand the state's land on the customary area for the palm oil industry needs to be better understood. This article argues that such an understanding can be obtained from carefully

analyzing power exercises through a circular power-knowledge relationship.

This study uses oil palm partnerships in East Kalimantan as a case study to show how the local authority uses partnerships as an instrument to expand the state's land to customary lands for the palm oil industry. In 2008, the Provincial Government of East Kalimantan introduced the One Million Hectares Palm Oil Program to transform the spatial practices of the upland populations that were considered traditional and destructive. In 2013, the palm oil plantations in the East Kalimantan area had reached 1,002,284 hectares (Dinas Perkebunan Kaltim, 2012).

The Provincial Government of East Kalimantan's ambition is to double the palm oil circuit to two million hectares by 2030 (see Local Government Medium Term Development Plan, East Kalimantan 2013-2018). To achieve this goal, the government greenwash the campaign, stating that oil palm plantation is (1) 'green' and will reforest marginal lands and (2) inclusive and will overcome poverty in rural populations. The concession area for palm oil plantations, forestry, and mining reached 13.83 million hectares, more expansive than the mainland East Kalimantan, 12.7 million hectares (kaltimkece.id, 2019). Meanwhile, people's living space in the upland of East Kalimantan has narrowed significantly. Statistics Indonesia (BPS, 1991-2015) mentioned that the harvested area of the upland field in East Kalimantan decreased from 65,757 hectares in 1991 to 30,137 hectares in 2015 (54%).

Partnerships are an important tool to exercise power to accumulate land. The government uses the term 'partnership' to persuade customary landowners to sign an agreement with palm oil companies. The neoliberal regimes are active in promoting public-private partnerships (Haque, 1999, p. 205) to solve a long list of problems facing society, arguing that what is needed is to foster stakeholder collaboration and find an overarching solution (Dahlstedt, 2009, p. 787). Emerging in the late 1980s, the term 'partnership' has become mainstream in public policy (Buse & Harmer, 2009; Dahlstedt, 2009). Since 2007, the Government of Indonesia has used the term 'partnership' to access customary space and expand the circuit of palm oil. The 'partnership' transfers land tenure from households and smallholder farmers to companies (McCarthy, Gillespie, & Zen, 2012). Therefore, examining partnerships from the framing discourses and narratives is necessary. In the context of oil palm expansion, this discursive field is under-researched. This study aims to fill this theoretical gap.

Literature Review

This section reviews the literature on government expansion strategies for the oil palm industry and explains the current study's critical position as well as the approach to the problem. Three main perspectives relevant to this study are the Weberian, Marxian, and eclectic. In the Weberian perspective, internal territorialization becomes the state's strategy to control natural resources, including who can use them in certain geographic locations (Vandergeest & Peluso, 1995, p. 388). It involves closure, legalization or formalization, force, and violence (Peluso & Lund, 2011). A study by D'Andrea (2013, p. 59) involving the Katu community shows that territorialization has been imposed on farmers. From a Marxian perspective, Gellert (2015) applies the accumulation by dispossession (ABD) (Harvey, 2003), which is synonymous with land grabbing, to expand oil palm plantations in Sumatra. The elites work with the regional and global capitals to grab land from the locals for oil palm expansion (Gellert, 2015, p. 91).

Meanwhile, in the eclectic perspective, the power of exclusion criticizes the concept of enclosure, primitive accumulation, and ABD (Hall, Hirsch, & Li, 2011). The four power mechanisms that allow land exclusion

and control are regulation, force, market, and legitimacy. Borras and Franco (2010) argue that capitalist control does not have to drive farmers away. They can work together, for example, through contract farming (CF). In this case, the capital owners can obtain land and labor at affordable prices, while smallholder farmers can be included in agribusiness through access to credit, market, and inputs. The structure in the agriculture industry is not based on exclusion but on a process that Du Toit (2012) calls 'adverse incorporation.' This perspective notes that poverty and disadvantages often flow not from exclusion but from inclusion with unfavorable terms (McCarthy, 2010).

However, studies have also provided evidence of 'profitable incorporation' in contract farming. The arrangement provides smallholders access to markets and credit that would otherwise be inaccessible (Simmons, 2022; Silva, 2005). Other than that, transaction costs can be reduced (Otsuka, Nakano, & Takahashi, 2016) and price stability ensured (Guo, Jolly, & Zhu, 2007). Evidence has also shown that contract farming creates jobs (Warning & Key, 2002), increases farmers' income (Ashraf, Gine, & Karlan, 2009), and reduces poverty (Barlow, Zen, & Gondowarsito, 2003).

Nonetheless, it should be noted that the private versus public dualism, as well as market versus society, are no longer relevant in understanding the modern economy. The 'partnership' model that the government proposes blurs this dualism's boundaries. In Foucault's truth regime, which is a condition for the formation and development of capitalism (Foucault, 1977, p. 14), such a partnership as a technology of power.

The regime of truth in this article is in the context of government's truth. Foucault's (2003) truth regime is a technique that separates true and false statements, distinguishes right and wrong, and assigns a status to those who speak what is recognized as truth. Foucault (2000) further explains that the regime of truth is modeled by the circular relationship between power and knowledge. In the genealogical works of the government's truth regime, Foucault (2006) emphasizes that the two do not replace each other. They intersect to form a specific truth regime. In this context, the truth regime is in the oil palm agribusiness.

The starting point to understand the relationship between the government's truth regimes and land control is the concept of 'governmentalization of the state,' i.e., how the government defines the discursive field to rationalize their power exercises (Lemke, 2007, p. 44). For example, the change from Nucleus Estate and Smallholders (NES) in the New Order centralized government to neoliberal partnerships is not a transformation to better governance but a governmentalization of the state, i.e., how to exercise power in a more contextualized way.

Governmentality is an important concept to understand the governmentalization of the state. The most common notion of governmentality is the conduct of conduct (Foucault, 2008, p. 186), a network of technical aspects (government practices), and the form of thought (mentality) (Foucault, 2007; Dean, 1999; Lemke, 2001). In this research, the government practice is the Million Hectare Palm Oil Program, and the form of through is the green economy discourse.

This study follows the two forms of practice postulated by Li (2007) to conduct governmentality studies. The first is problematization, i.e., identifying various deficiencies to be corrected (p. 7). Meanwhile, technical rendering is an anti-political machine (Ferguson, 1994), translating problematization into a program as follows: "what is a political problem, remove it from political discourse, then rearrange it in neutral scientific language" (see also Dreyfus & Rabinow, 1982, p. 196).

Methods

This article draws on nine-month ethnographic field research in a Mahakam Dayak village (pseudonym) located in East

Kutai Regency, East Kalimantan, Indonesia. This study uses a qualitative-explorative approach involving observations, semi-structured interviews, and focus group discussions with explorative questions. The in-depth interviews use questions based on the themes frequently emerging in the semi-structured interviews.

The fieldwork involved a total 89 interviews ie 17 government officials (head of Plantation Office of East Kalimantan, head of Forestry Office of East Kalimantan, head of Social-culture Division Planning of Regional Development Planning Agency of East Kutai Regency, head of Forestry Office of East Kutai Regency, head and secretary Busang District, chairman of Commission II, Regional Legislative Council of East Kutai, head and secretary of Long Bentuq Village Government, head of neighborhood association), 5 NGO activists (Wahana Lingkungan Hidup, Pokja 30, and Perkumpulan Nurani Perempuan), 5 customary heads and elders, 33 farmers involved in partnerships, 25 independent farmers, head and supervisors of the cooperative, and company managers. The narratives told by the interviewees aim to reveal the discourses, subject positions, and power relations circulating them. The narratives may originate from mutual understanding or differences of opinion. Coding plays an important role in seeing the difference between concepts and categories in the data, which forms the basic units of the analysis. A recurring central theme is coded. The emerging themes in the interviews and observations are scarcity of land and looking for new opportunities to improve the household economy.

The participant observations were conducted using visual ethnography (photo and video recording) and field notes. This article used pseudonyms for the individuals and their villages to ensure confidentiality.

Results

The results showed that the truth regime in the oil palm industry is formed through (1) the problematization of marginal land and cultivation practices and (2) contract technicalization.

'Marginal Land' Problematization

Legitimizing oil palm industry development in the upland of East Kalimantan requires understanding discourses of marginal land and the traditional identity of the indigenous people. The local government claims the palm oil industry is based on sustainable and environmentally friendly plantations. Trees are not cut down to open forests. Instead, the plantation utilizes critical and marginal land. Similarly, companies claim to expand palm oil plantations by exploiting idle land.

The term vacant, idle, marginal, or critical land originates from John Locke's concept of wasteland in the 16th century to justify the enclosure of communal lands (Whitehead, 2010, 2012; Baka, 2013; Gidwani, 1992; Gidwani & Reddy, 2011). In Indonesia, the construction of a wasteland has a long history. It was called *woeste gronden* during the Dutch colonial liberal period (*Agrarische Wet* 1870). The term abandoned land was used during Soekarno's nationalist administration (Law No. 5, 1960 - Basic Agrarian Principles), which was replaced by sleeping land in the Suharto era (Law No. 1, 1967 - Basic Forestry Principle), and marginal or critical land in the green economy discourses (Law No. 41, 1999 - Forestry).

Interestingly, these discourse changes reflect the role of science in creating legible spaces (Scott, 1998). In the context of green economy, environmental science defines and classifies marginal lands. The production of knowledge from environmental science further rationalizes the government's actions to acquire *adat* (customary) lands by deeming them marginal lands. The Decree of the Director-General of Land Rehabilitation and Social Forestry - DEPHUT, SK.167 / V-SET / 2004 - provides guidelines for determining

critical land and its spatial parameters. The four parameters are erosion rate, vegetation cover, land slope, and zone management. The last parameter is mainly to distinguish forest zones and non-forest zones. These parameters distinguish landscapes into five categories: non-critical, potential, moderate, and very critical. As of 2020, the area of moderate, critical, and very critical land in East Kalimantan reached 4.2 million ha (33% of the total province of East Kalimantan) (Table 1).

The local governments claim that land clearing for palm oil plantations does not damage forests but utilizes degraded land. However, more detailed observations and participatory mapping results from a coalition of NGOs show the opposite. Palm oil companies have converted 952 hectares of primary forest, 1,305 hectares of fields, and land owned by the Dayak Mahakam into palm oil plantations (Perkumpulan Nurani Perempuan, 2017).

Palm oil companies expand to the primary forests and fallow lands even though it is prohibited. This undertaking is motivated by two reasons. The first is the soil characteristics in East Kalimantan. The land is degraded after centuries of being eroded by tropical rains, which destroy the topsoil, especially if the forest cover is lost (Irwin, 1955, p. 2; Lindblad, 1988, p. 178). Meanwhile, palm oil roots are relatively shallow, with the most active sources above 30 cm of soil (Gray, 1969, cited in Uexkull & Fairhurst, 1991, p. 15. Therefore, land covered by secondary forest is preferred due to its fertility (von Uexküll, 1984).

The second reason is the business model's profitability, combining logging activities and palm oil development. In oil palm cultivation, wood other than oil palm is classified as 'waste.' Until 2007, palm oil companies had encroached on about 925 hectares of land (Perkumpulan Nurani Perempuan, 2007), which was categorized as 'waste.' As a comparison, according to Shibao (2015), logging can generate incomes of up to $10,000 per hectare, enough to provide start-up capital to convert the land.

Thus, as Franco et al. (2010, p. 674) explained, policymakers use the concept of marginal land as a narrative tool for biofuel production in the Global South. Meanwhile, in practice, biofuels are reshaping agrarian relations in developing countries in ways that are detrimental to livelihoods. Marginal land framing eliminates local knowledge and livelihoods in land-use practices (Borras, Fig, & Saurez, 2011; Franco et al., 2010). Forest classifications of the Modang Dayak such as fallow land *(sebelau)*, swidden plot *(la mauq)*, and primary forest *(tenoaq nan)*, as well as the practice of 41 local rice species *in situ*, were removed and replaced by a positivist classification.

Contract Technicalization

In the 1990s, extractive companies worldwide faced increasing resistance from

Table 1.
Distribution of Land Criticality Class in Regencies/Cities of East Kalimantan

Regencies/Cities	Non	Potential	Moderate	Critical	Very	Total
Berau		4.89	37.34			
Kutai Barat	91,556.95	563,071.75	597,055.21	9,252.28	5,849.99	
Kutai Kartanegara	453,066.34	629,659.00	1,182,359.00	31,463.71	33,767.14	2,330,315.18
Kutai Timur	89,162.84	459,718.04	992,247.46	11,014.60	3,981.26	1,556,124.20
Mahakam Ulu	121,748.22	494,369.95	1,221,753.51	5,921.12	2,322.30	1,846,115.11
Paser				3,419.67		3,419.67
Penajam Paser Utara		69.42	1,392.73	170.65	11.29	1,644.08
Samarinda	13,281.49	11,540.05	36,017.14	5,793.74	5,063.79	71,696.21
Area (Ha)	**868,815.84**	**2,158,433.09**	**4,034,282.06**	**63,616.10**	**50,995.78**	**7,176,142.86**

Source: Environmental Service of East Kalimantan Province (2020)

local communities due to the social and environmental impacts (Arellano-Yanguas & Bernal-Gómez, 2017). This study found that, on the research site, contract technicalization is a vital instrument to neutralize resistance.

The problematization of marginal land and the traditional-destructive way of life is translated into a technical-rational document, i.e., the partnership contract. Around 2008, palm oil companies began to approach the Dayak Mahakam. The *adat* chief firmly told the Dayak Mahakam not to hand over customary land for any reason. However, in 2017, four palm oil plantations managed to establish camps in the neighboring villages. Most were in the Dayak Mahakam customary forest. The palm oil companies used various techniques to persuade swidden farmers to become smallholder farmers through partnership. The techniques include socialization, creating smallholder companies, and governing through one-stop management.

Socialization to raise awareness: From Swidden Farmers to Smallholder Farmers

Socialization is a popular method used by governments and companies to guide the behavior of swidden farmers to join palm oil partnerships. Socialization is common among development actors in Indonesia to indicate one-way awareness raising or dissemination of public information from development actors to the public (Colchester & Chao, 2013). This term was deliberately chosen because it is understood by many as a process of disseminating information on a decision that the government has issued to the public, including local communities and indigenous peoples. In this context, the government approves the planning for developing palm oil plantations in certain areas (Colchester et al., 2006, p. 182).

There are two 'magical' concepts often used in socialization. The first is the win-win solution concept, as the East Kutai Plantation Service official said:

> "Law No. 13/2014 concerning Plantations does not recognize *plasma* (NES) but instead partnership. Currently, the regulation on giving *plasma* no longer exists, only partnership plantations. We admit that there were many conflicts because, at that time, it was still nucleus plasma, the scheme was not transparent, so many smallholders suffered losses. Now, our policy is more to the partnership. The partnership is a win-win solution for smallholders" (interview, 5 June 2019, my translation)

The World Bank claims contract farming is the only way to obtain inputs, credit, and extension services (World Bank, 2008). Win-win is a common term used by government officials to establish partnership rationality. Companies acquire swidden farmers' land, and farmers will receive the technology transfer, market access, increased productivity, family income, and job opportunities. However, there are no elders in the Mahakam Dayak Village who want to become laborers in a palm oil company because they feel enslaved. On the other hand, local governments and companies see this behavior as lazy and unwilling to work hard.

The second concept is the promise of multiple economic benefits. In the socialization, the government and company managers highlighted the 'backwardness' of the Dayak Mahakam and the opportunities to achieve a better future if they are involved in palm oil agribusiness partnerships. "Don't give fish but give a fishing rod" is a popular jargon among officials to mark the farmers' laziness and lack of entrepreneurial mentality. An elder of the Mahakam Dayak shared information about how the government and companies direct the behavior of the swidden farmers in socialization, "If you join the partnership, you don't have to work; you just sit back and relax. Every month, IDR 2-3 million will be transferred to your account" (interview, 6 April 2019, translated)

The Village Head explained why it was necessary to convince Dayak Mahakam swidden farmers to stop their farming practices and urged them to switch to palm oil plantations. He considered palm oil partnership more advanced than swidden agriculture:

> "Compared to the neighboring villages, the (village's) economy is much more advanced. Even though this village is the oldest. I have served as an extension worker here for eleven years. I feel how difficult it is to get them to leave the old way of life. The agriculture is still traditional, it cannot support the community's economy" (interview, 20 April 2019, translated)

Swidden farmers who reject palm oil plantations are considered not to embrace 'modernization' as explained in the narrative above. Not joining palm oil partnerships means rejecting modernization. Private sector involvement in rural development projects is ideologically legitimized by the rhetoric of 'dynamic partnerships' to 'target the rural poor' (Watts 1992, p. 75). However, the local government and company managers never followed through after the swidden farmers handed over their land. They never returned because the land rights would fall back to the state after the concession rights (*hak guna usaha*-HGU) ended (Colchester et al., 2006, p. 153).

The creation of smallholder companies

After the regime converted swidden farmers into 'normal' smallholders through their socialization programs, the next stage was maintaining the mentality through what Rose (1996) calls 'governing through the community.' Following the basic Foucauldian assumption, I argue that no group arises by chance. The regime deliberately constructs it in an attempt to achieve specific goals. Once the 'smallholder companies' (cooperatives) were formed, they immediately became the government's media through which neoliberalism could be promoted and directed. O'Malley (1996, p. 313) calls this phenomenon 'alignment' of local groups by the government to advance its interests. The company expected the Dayak Mahakam people to become cooperative members so that their land could be acquired in the name of *adat*. Also, the establishment of cooperatives can create a barrier in the institutional structure that separates farmers from the market (White, 2002, p 319).

The plantation development began with a bank loan of IDR 52.8 million per hectare in two locations with an area of 198.87 hectares and 326.88 hectares, respectively. However, the independent Bugis smallholder farmer in neighboring villages can establish palm oil plantations at a lower cost, IDR 25 million (US$1,700) per hectare (Toumbourou & Dressler, 2020, p. 10).

There were 263 cooperative members involved. Smallholders involved in a contract immediately entered a period of obligation to repay a bank loan of IDR 52.8 million per hectare for seven years. However, after two years running, the company and cooperative renegotiated additional credits with one of the state banks. According to the Plantation Service official, East Kutai Regency Government, changing banks indirectly harms smallholders because the loans' interests increase. However, the increase of the loan interest remained unknown. Unfortunately, the change of bank was not bound by a written agreement. Credit transfer tactics are not within the scope of the current research (see Colchester et al., 2006: 130), but, in essence, this tactic aims to shift risk from the company to the smallholders. From the interviews, the smallholders were not consulted about the cost of credit. They also did not know the debt details and how long the term of payment was.

In 2018, the plantation started the production. From Plantation I, the cooperative received a net income of IDR 191,197.126 after deducting estate costs (harvest, fertilizer,

Table 2.
Net Income of Village Unit Cooperative "N" (pseudonym), Plantation I, 2019

Component	Period (Quarter)			Total
	Dec 2018	Jan 2019	Feb 2019	
Fresh Fruit Bunches Production (Kg)	*569,790*	*409,090*	*300,340*	*1,279,220*
Price of Fresh Fruit Bunches (Rp)	*1,081*	*1,172*	*1,259*	*1,152*
Sales value	*615,971,480*	*479,302,117*	*378,058,982*	*1,473,332,579*
Harvest	*85,193,798*	*62,579,145*	*54,277,206*	*202,050,149*
Fertilizer	-	*160,065,441*	*185,960,284*	*346,025,725*
Maintenance	*71,808,780*	*48,062,793*	*56,221,179*	*176,092,752*
Transport	*31,499,167*	*21,186,854*	*19,344,234*	*72,030,255*
Estate Cost (Rp)	*188,501,745*	*291,894,233*	*315,802,903*	*796,198,881*
Management Fee 5% (Rp)	*9,425,087*	*14,594,712*	*15,790,145*	*39,809,944*
Estate Cost (Rp/Kg)	*331*	*714*	*1,051*	*622*
Selling Estate Cost Management Fee (Rp)	*418,044,647*	*172,813,172*	*46,465,933*	*637,323,752*
Bank Installment (70%)	*292,631,253*	*120,969,220*	*32,526,153*	*446,126,626*
Net Income (30%)	***125,413,394***	***51,843,952***	***13,939,780***	***191,197,126***

Source: Village Unit Cooperative "N"

Table 3.
Net Income of Village Unit Cooperative "N" (pseudonym), Plantation II, 2019

Component	Period (Quarter)			Total
	Dec 2018	Jan 2019	Feb 2019	
Fresh Fruit Bunches Production (Kg)	446,410	388,520	391,340	1,226,270
Price of Fresh Fruit Bunches (Rp)	1,033	1,126	1,210	1,119
Sales value	461,122,847	437,516,244	473,508,438	1,372,147,529
Harvest	75,934,818	70,820,528	72,649,215	219,404,561
Fertilizer		257,318,109	279,406,278	536,724,387
Maintenance	121,502,449	103,473,733	104,823,810	329,799,992
Transport	28,720,349	19,990,546	22,401,630	71,112,525
Estate Cost (Rp)	226,157,616	451,602,916	479,280,933	1,157,041,465
Management Fee 5% (Rp)	11,307,881	22,580,146	23,964,047	57,852,074
Estate Cost (Rp/Kg)	507	1,162	1,225	944
Selling Estate Cost Management Fee (Rp)	223,657,351	-36,666,818	-29,736,541	157,253,992
Bank Installment (70%)	189,913,236	189,913,236	189,913,236	569,739,708
Net Income (30%)	33,744,115	-226,580,054	-219,649,777	-412,485,716

Source: Village Unit Cooperative "N"

maintenance, and transport costs), 5% management fee, and 70% bank loan **(Table 2)**.

Then, the net income was divided, with a ratio of 70% (IDR 133,837,988) for smallholders and 30% (IDR 57,359,138) for the cooperative operational costs. As such, the dividend distributed to 263 members was IDR 508,889.69, paid quarterly according to the contract.

Thus, the average monthly income of smallholders was IDR 169,630, which was insufficient for subsistence needs. Another problem is that smallholder plantation production declined in the harvest season of December 2018 to February 2019. During the 2019 fieldwork, the net income for the March-May period experienced a loss. Smallholders felt tricked into engaging in the 'partnerships' because they did not receive the multiplied economic benefits as promised. More ironically, Plantation II suffered a loss of IDR - 412,485,716 **(Table 3),** which had to be borne by the smallholders along with the bank credit.

The company argued that the losses experienced by smallholders' plantations were

mainly due to technical problems, such as a decrease in the price of fresh fruit bunches (FFB), uneven roads, non-standard maintenance, and the inaccessible location of the plantations by road. Meanwhile, for the officials of the East Kutai Government Cooperative Office, the problem faced by cooperatives is caused by the low human resources in the management. Therefore, the solution is also technical: an 'empowerment' or 'capacity building' program for cooperative members rather than fixing the issue of corruption and inequality in the land tenure system. The latter is not an option because it means exposing the internal contradictions of the 'partnership.' In the interviews, the cooperative official I said he was just doing his job and that political problems were beyond his control because he could be transferred or dismissed from office.

The interview with the cooperative supervisor revealed another side of the story, stating the losses were caused by the non-transparent partnership schemes (interview, 18 April 2019). Companies often use smallholders' dividends to 'maintain good relations' with the district government and security forces and compensate for land. Smallholders repay these costs through repayment of debts to banks along with other withholding costs. The daily worker shared his experience, "If it rains, we are told to clean up the smallholder plantations, but if the weather is sunny, we are told to clean up the company's plantations. If it rains, how can we work?" (interview, 18 May 2019). Other smallholders argue that certified seedlings are indistinguishable from fake ones until they are five or six years old, and it will be too late. As such, the only way to know if a seed is certified or fake is to trace the history or origin in the value chain. All the interviewed smallholders said they did not know whether the seeds used in their plots were certified. Smallholders in Mahakam Village wanted the practice of palm oil seeds for rice seeds—able to be reproduced, stored, and exchanged. Communal seed practices that do not depend on seed producers will certainly hurt seed companies, and they will prevent it.

Governing through one-stop management, the production of monopsony space

Implementing the 'partnership' scheme differs from the previous generation, Nucleus Estate and Smallholders (NES). Unlike the NES scheme, smallholders in the new 'partnership' are not involved in farming. Companies outsource workers to carry out all development and plantation management activities on behalf of cooperatives. They also conduct sales of FFB through cooperatives. From the production revenue, smallholders only receive profit sharing (dividends). Agreements are made on a revenue-sharing model, typically at 70:30. The company will obtain 70 percent of the smallholder harvest value, and the smallholders receive 30 after various cuts (Julia & White, 2012). However, the 80:20 ratio is preferred by the company (McCarthy, Gillespie, & Zen, 2012) as outlined in the government policy (see *Kementerian Pertanian,* 2007). Such a 'partnership' scheme is known as one-stop management *(manajemen satu atap)*. The *adat* elders in Mahakam Village were perplexed that outsiders could own a lot of lands, but they could not open new land for swidden agriculture.

In the interviews with the provincial and district agricultural extension workers, as well as company managers, one of the recurring themes was the allegedly unproductive swidden agriculture. Therefore, land tenure is handed over to the company and managed under the one-stop management for higher productivity. Following Wilder (1999, cited in Li, 2007:15), this tactic is called 'the structure of permanent deferral,' aiming to improve the target group's lives and places a clear boundary between those who are built and made.

Discussion

The results show that the truth regime in the oil palm agribusiness is formed by

problematizing marginal land and swidden agriculture practices. Foucauldian analysis of biopolitics is effective in understanding the binary opposition between normality and abnormality. The neoliberal regime actively creates the subject of *homoeconomicus* (Foucault, 2008). The government moves the market through the production of self-help and active subjects.

The production of neoliberal subjects is about becoming successful entrepreneurs. In the palm oil capitalist venture, the government and companies use partnerships to guide swidden farmers to become subjects with an entrepreneurial mentality (smallholders). These smallholders with an entrepreneurial mentality were encouraged to surrender themselves to the palm oil companies. Swidden farmers who are not persuaded to become smallholders are considered abnormal and will be excluded.

Discourse as a system of representation represents the world in the dichotomy of 'the self' versus 'the other' (Hall, 1992, p. 308). The palm oil capitalist's truth regime represents the spatial practice of swidden agriculture as 'the other,' while palm oil agribusiness represents 'the self.' The dichotomy operates through stereotypes. The colonial and postcolonial governments labeled the Dayak people as head hunters, primitive peoples, or isolated communities. In the palm oil capitalist's truth regime, the Dayak Mahakam is racialized based on the mode of production. The swidden agriculture is considered traditional and destructive, while palm oil agribusiness is modern and productive. Two terms in the discourse (marginal land and traditional-destructive practices) seem contradictory but are inseparable, like two sides of a coin. The depiction of opposition is necessary for the idealization (Hall, 1992, p. 308).

The oppositional depiction of space and spatial practices implies that the Dayak Mahakam do not have the right to use the 'marginal land' (land and resources) because of their traditional-destructive behavior. Therefore, the 'marginal land' must be left to companies with the more 'modern-productive' approach. This representation prompts the emergence of a discourse domain around defining what is good and evil, healthy and unhealthy, or normal and abnormal in rural communities. Because authority and expertise are often attached to those who make these definitions, the discourse becomes normal to the extent that only certain behaviors are acceptable while others are marginalized (Clegg, 1989, p. 156).

The problematization of marginal land and cultivation practices is then made technical in the partnership contracts. Instead of offering a rational-technical mechanism to create multiple economic benefits, the contract is detrimental to the farmers. Companies can quickly produce monopsony spaces that control all aspects of the contractual relationship, from determining contract terms to transferring financial risk to smallholders. Companies can, among other things, engage in contract holdings, avoid pricing transparency, and refuse farmers' products on trivial grounds (Da Silva, 2005). A unique construction to justify the expropriation is taking 7.5 hectares of sustainably cultivated land from farmers and returning only 2 hectares (often less) planted with a single low-value crop, with many inherent costs (White & Dasgupta, 2010). Schemes (if not scams) of this type appear to be the norm and are often planned on a large scale (p. 602). "It is impossible for two hectares to bring prosperity to smallholders," said a cooperative supervisor (interview, 18 May 2019). Thus, contracts are a technology of power rather than a rational technical matter.

Conclusion

Capitalism has become our regime of truth. It directs how we behave, act, and the life goals to be achieved. In the context of the palm oil industry under 'green' neoliberalism,

the truth regime of capitalism is formed in two processes: the problematization of marginal land and the technicalization of contracts. Partnership emerged as a governance linking the two processes.

The discussion here highlights the fact that partnership is a technology of power. This finding is different from previous studies, which describe marginal land and partnership as technical-rational (Weberian) or as a way of operating with the invisible hands (Marxian). The results of this study contribute theoretically to political science and public policy by utilizing the truth regime framework to examine the power relations of knowledge that configure the contestation of natural resources. The empirical findings above show that the actual situation regarding benefit sharing after land acquisition is far from what is promised.

The promise is that the oil palm partnership will reforest marginal lands and provide multiple economic benefits. However, this study shows that the shift from customary land tenure systems based on the principle of redistribution and reciprocity to private ownership raises new problems that can easily lead to conflicts. This research also shows that living under a contract prevents farming households from enjoying the benefits due to the narrow land allocation, high bank interests, manipulative practices, monopsony practices, and cooperative members acting as parasites. In other words, partnerships may legitimize new forms of colonialism (Havnevik, 2011).

The limitation of this study is that it focuses too much on biopower operations. During the fieldwork, the techniques of sovereign power are still used. It justifies a different rationale. Local governments and security forces often use 'welfare' as an excuse to enforce their will. The expropriation of Dayak Mahakam land is not as violent as primitive accumulation. It shows that Foucault's interpretation of sovereign power leaves a gap that needs further elaboration.

References

Arellano-Yanguas, J., & Bernal-Gómez, M. (2017). Partnerships for development in the extractive sector: protecting subterranean interests? *Journal of Environmental Policy & Planning, 19*(3), 251-265. https://doi.org/10.1080/1523908X.2017.1302321.

Baka, J. (2013). The political construction of wasteland: Governmentality, land acquisition and social inequality in South India. *Development and Change, 44*, 409-428.

Borras, S., & Franco, J. (2013). Global land grabbing and political reaction from below. *World Quartely, 34(9)*, 1723-1747.

Borras, S., & Franco, J. C. (2010). Contemporary discourses and contestations around pro-poor land policies and land governance. *Journal of Agrarian Change, 10*, 1-32.

Borras, S., Fig, D., & Saurez, S. (2011). The politics of agrofuels and mega-land and water deals: insights from Mozambique's ProCana case. *Review of African Political Economy, 38(128)*, 215-234.

BPS. (1991-2015). *Statistik padi dan palawija Provinsi Kalimantan Timur (1991-2015).* Samarinda: Badan Pusat Statistik (BPS) Provinsi Kalimatan Timur.

Buse, K., & Harmer, A. (2009). 'Global health partnerships: the mosh pit of global health governance'. In K. Buse, W. Hein, & N. Drager, *Making Sense of Global Health Governance: A Policy Perspective* (p. 245). Basingstoke: Palgrave.

Clegg, S. (1989). *Frameworks of power.* London: Sage Publications.

Colchester, M., & Chao, S. (2013). Pendahuluan. In M. Colchester, & S. Chao, *Konflik atau Mufakat? Sektor Kelapa Sawit di Persimpangan Jalan* (pp. 7-24). Forest People Programme-Perkumpulan Sawit Watch-Transformasi Untuk Keadilan Indonesia.

Colchester, M., Jiwan, N., Andiko, Sirait, M., Firdaus, A. Y., Surambo, A., & Pane, H. (2006). *Tanah yang dijanjikan: Minyak sawit dan pembebasan tanah di Indonesia – implikasi*

terhadap masyarakat lokal dan masyarakat Adat. England: Forest People Program (FPP) & Bogor: Sawit Watch (SW).

Cooke, F. M. (2006). Expanding State Spaces: Using 'Idle' Native Customary Land in Sarawak. In F. Cooke, *State, Community and Forest in Contemporary Borneo.* Canberra: Australian University E Press.

Da Silva, C. (2005). *The growing role of contract farming in agri-food system development: Driver, theory and practice.* Rome: FAO.

Dahlstedt, M. (2009). The partnering society: Governmentality, partnerships and active local citizenship. *The Open Urban Studies Journal, 2*, 18-27.

Dean, M. (2009). *Governmentality: Power and rule in modern society.* London: Sage Publication.

Deininger, K. (2011). Challenges posed by the new wave of farmland investment. *Journal of Peasant Studies, 38*(2), 217–247.

Dinas Perkebunan Kaltim. (2012, April 28). *disbun.kaltimprov.go.id.* Retrieved from disbun.kaltimprov.go.id/artikel: https://www.google.com/url?sa=t&source=web&rct=j&url=https://www.disbun.kaltimprov.go.id/artikel/program-sejuta-hektare-sawit-kaltim-terwujud&ved=2ahUKEwiFiK-K_svzAhWd63MBHWtpBF8QFnoECAoQAQ&usg=AOvVaw2UlA6sp9pr7hMZDaQgwJ3u

Dinas Lingkungan Hidup Provinsi Kalimantan Timur. (2020). Dokumen Kajian Lingkungan Hidup Strategis (KLHS) Rencana Tata Ruang Wilayah Provinsi Kalimantan Timur Tahun 2020. Samarinda.

Dove, M. (1983). Theories of swidden agriculture: and the political economy of ignorance. *Agroforestry System, 1*, 85-99.

Dove, M. (2002). Representasi "Orang yang Berbudaya Lain" oleh "Orang-orang Lain": Tantangan Etnografis tentang Pandangan Pengusaha Perkebunan terhadap Petani Kecil di Indonesia. In T. M. Li, *Proses Transformasi Daerah Pedalaman di Indonesia* (pp. 247-290). Jakarta: Yayasan Obor Indonesia.

Dreyfus, H., & Rabinow, P. (1982). *Michel Foucault: Beyond Structuralism and Hermeneutics.* Brighton: Harvester Press.

Du Toit, A. (2007). Adverse incorporation and agrarian policy in South Africa. Or, how not to connect the rural poor to growth. Retrieved from: http://repository.uwc.ac.za/xmlui/bitstream/handle/10566/65/duToit_Adverse2009.

Fairhead, J., & Leach, M. (1996). *Misreading the African Landscape: Society and Ecology in a Forest-Savanna Mosaic.* Cambridge: Cambridge University Press.

Ferguson, J. (1994). *The anti-politics machine: development, depoliticization, and bureaucratic power in Lesotho.* Minneapolis: University of Minnesota Press.

Foucault, M. (1977). The political function of the intellectual. *Radical Philosophy, 17*, 12-14.

Foucault, M. (1991). Space, knowledge and power. In P. Rabinow, *The Foucault Effect* (pp. 239-256). Harmondsworth: Penguin.

Foucault, M. (1995). *Discipline and punish: The birth of the modern prison. Trans. Alan Sheridan.* New York: Vintage Book.

Foucault, M. (2000). Truth and power. In P. Rabinow, *Essential Works of Foucault 1954–1984* (pp. 111-133). New York: The New Press.

Foucault, M. (2003). *Society must be defended. lectures at the collège de France 1975-1976. trans. D. Macey.* New York: Picador.

Foucault, M. (2007). *Security, territory, population. Lectures at the Collège de France, 1977-1978.* New York: Palgrave.

Foucault, M. (2008). *Birth of biopolitics: Lectures at the college de France 1978-79.* New York: Palgrave Macmillan.

Franco, J., Levidow, L., Fig, D., Goldfarb, L., Honicke, M., & Mendoca, L. (2010). Assumption in the European Union biofuels policy: friction with experiences

in Germany Brazil and Mozambique. *The Journal of Peasant Studies, 37*(4), 661-698.

Gellert, P. K. (2015). Palm oil expansion in Indonesia: Land Grabbing as Accumulation By Dispossession. *Social Theory, 34*, 65-99. https://doi.org/10.1108/S0278-120420150000034004.

Gidwani, V. (1992). "Waste" and the permanent settlement in Bengal. *Economic Political Weekly, 27*(4), 39–46.

Gidwani, V., & Reddy, R. (2011). The afterlives of "waste": Notes from India for a minor history. *Antipode, 43*(5), 1625-1658.

Hall, D., Hirsch , P., & Li, T. (2011). *Powers of exclusion: Land dilemmas in Southeast Asia.* Singapore: NUS Press.

Hall, S. (1992). The West and the rest. In S. Hall, & B. Gieben, *Formation of Modernity* (pp. 275-320). Cambridge: Polity Press.

Haque, M. S. (1999). The fate of sustainable development under Neo-liberal Regimes in Developing Countries. *International Political Science Review, 20*(2), 197-218.

Harvey, D. (2003). *The new imperialism.* Oxford: Oxford University Press.

Havnevik, K. (2011). Grabbing of African lands for energy and food: implications for land rights, food security and smallholders. In P. B. Matondi, H. Kjell, & B. Atakilte, *Biofuels, land grabbing and food security in Africa* (pp. 20-43). London-NewYork: Zed Books.

Irwin, G. (1955). *Nineteenth century Borneo: A study in diplomatic rivalry.* Gravanhage: Martinus Nijhoff.

Julia, & White, B. (2012). Gendered experiences of dispossession: Palm oil expansion in a Dayak Hibun community in West Kalimantan. *The Journal of Peasant Studies, 39*(3-4), 995-1016. https://doi.org/10.1080/03066150.2012.676544.

kaltimkece.id. (2019). *kaltimkece.id.* Retrieved from kaltimkece.id/warta/lingkungan: https://www.google.com/url?q=https://kaltimkece.id/warta/lingkungan/detail-perizinan-kaltim-yang-lebih-luas-dari-daratan-provinsi-dan-membuat-murka-pimpinan-kpk&sa=U&ved=2ahUKEwjYsYv436XxAhVv_XMBHaCIAEMQFjABegQIARAB&usg=AOvVaw2F_F3mTZUvX2muAXwVk4vk

Kementerian Pertanian. (2007). *Permentan No. 26 Tahun 2007 tentang Pedoman Perizinan Usaha Perkebunan.* Jakarta: Kementerian Pertanian.

Kurniawan, N. I. (2016). *Local struggle, recognition of Dayak customary land, and state making in Central Kalimantan, Indonesia* [Thesis]. Asia Institute, Faculty of Arts, University of Melbourne.

Lemke, T. (2001). Thee birth of biopolitics: Michel Foucault's lecture at the College de France on neoliberal governmentality. *Economy and Society, 30*(2), 190-207.

Lemke, T. (2007). An indigestible meal? Foucault, governmentality and state theory. *Journal of Social Theory, 8*(2), 43-64.

Li, T. M. (2007). *The will to improve: Governmentality, development, and the practice of politics.* Durham & London: Duke University Press.

Lindblad, J. (1988). *Between Dayak and Dutch.* Dordrecht-Holland: Foris Publications.

Martin, P. (1997). The constitution of power in landcare: A post-structuralist perspective with modernist undertones. In S. Lockie, & F. Vanclay, *Critical Landcare* (pp. 45-46). Wagga Wagga: Centre for Rural Social Research.

McCarthy, J. F. (2010). Processes of inclusion and adverse incorporation: Palm oil and agrarian change in Sumatera, Indonesia. *The Journal of Peasant Studies*, 821-850. https://doi.org/10.1080/03066150.2010.512460.

McCarthy, J., & Cramb, R. (2009). Policy narratives, landholder engagement, and palm oil expansion on the Malaysian and Indonesian frontiers. *The Geographical Journal, 175*, 112-123.

McCarthy, J., Gillespie, P., & Zen, Z. (2012). Swimming upstream: Local Indonesian production networks in "globalized" palm oil production. *World Development, 40*(3), 555-569.

O'Malley, P. (1996). 'Indigenous governance'. *Economy and Society, 25*(3), 310-336.

Pramono, A. (2014). Perlawanan atau pendisiplinan? Sebuah refleksi kritis atas Pemetaan Wilayah Adat. *Wacana, 33*, 207-242.

Rose, N. (1996). The death of the social? Re-figuring the territory of government'. *Economy and Society, 25*(3), 327-56.

Scott, J. C. (1998). *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed.* New Haven: Yale University Press.

Shibao, P. (2015). *Mengapa sawit berkembang menjadi Komoditas utama Indonesia?*. Retrieved from https://www.mongabay.com/.

Tim Riset PASPI. (2017). *Proses reforestasi dan perbaikan ekologi melalui perkebunan kelapa sawit di Provinsi Kalimantan Timur.* Palm Oil Agribusiness Strategic Policy Institute (PASPI).

Thung, P.H. (2018). A case study on the persistence of Swidden agriculture in the context of post-2015 anti-haze regulation in West-Kalimantan. *Human Ecology*, 46, 197-205.

Toumbourou, T. D., & Dressler, W. (2020). Sustaining livelihoods in a palm oil enclave: Differentiated gendered responses in East Kalimantan, Indonesia. Asia Pacific Viewpoint. *Asia Pacific Viewpoint*, https://doi.org/10.1111/apv.12265.

Uexkull, H., & Fairhurst, T. (1991). *Fertilizing for high yield and quality. The Palm oil.* IPI.

Vandergeest, P., & Peluso, N. (1995). Territorialization and state power in Thailand. *Theory and Society, 24*(3), 385-426.

Vermeulen, S., & Goad, N. (2006). *Towards better practice in smallholder palm oil production.* UK: International Institute for Environment and Development.

von Uexkull, H. (1987). Acid soils in the humid tropics: managing the soil surface. *Soil Management Under Humid Conditions in Asia* (pp. 333-349). Khon Kaen, Thailand: International Board for Soil Research and Management (IBSRAM).

Warner, K. (2008). Agroecology as participatory science: Emerging alternatives to technology transfer extension practice. *Science, Technology and Human Values, 33*(6), 754-777.

Watts, M. (1992). Living under contract: Work, production politics, and the manufacture of discontent in a peasant society. In A. Pred, & M. Watts, *Reworking modernity: Capitalisms and symbolic discontent.* (pp. 65-105). New Brunswick: Rutgers University Press.

Weir, L. (2008). The concept of truth regime. *Canadian Journal of Sociology, 33*(2), 367-389.

White, B. (2002). Inti dan plasma: Pertanian kontrak dan pelaksanaan kekuasaan di dataran tinggi Jawa Barat. In T. Li, *Proses Transformasi Daerah Pedalaman di Indonesia* (pp. 293-329). Jakarta: Yayasan Obor Indonesia.

White, G., & Dasgupta, A. (2010). Agrofuels capitalism: a view from political economy. *The Journal of Peasant Studies, 37*(4), 593-607.

Whitehead, J. (2010). John Locke and the governance of India's landscape: the category of wasteland in colonial revenue and forest legislation. *Economic and Political Weekly, 45*, 83-93.

Whitehead, J. (2012). John Locke, accumulation by dispossession and the governance of colonial India. *Journal of Contemporary Asia, 42*, 1-12.

World Bank. (2008). *World Development Report 2008: Agriculture for Development.* WoldBank.