

An Auction of Lebak Lebung and River: A Traditional Open Water Auction in the Districts of Ogan Komering Ilir and Musi Banyuasin, South Sumatra Province

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1. Introduction

The Province of South Sumatra has a number of open waters. The types of open waters include Lebak Lebung, river and delta (Tanah nyurung). Lebak Lebung is a special terminology well-known in the Province of South Sumatra. Lebak is a floodplain area covered by water during the rainy season, which becomes a drought area suitable for paddy cultivation during the dry season. Lebung is a deeper area located in the lebak area. A lebak area may consist of one, two or even three lebungs of different sizes. It is one of the main sources of fresh water fish in South Sumatra. Tanah nyurung is a lowland area located in a river stream which rises during low tide (Regulation of the District of Ogan Komering Ilir, No. 3 (1996), regarding the auction of Lebak Lebung in the District of Ogan Komering Ilir).

Villagers are authorised through an auction to manage these open waters. There are several open water auction activities in the district of Ogan Komering Ilir (OKI) and the district of Musi Banyuasin (MUBA), South Sumatra Province. The district of OKI has the largest number of Lebak Lebung, and a few small rivers as well.

Like other open waters, the sustainability of fish resources in the open waters of South Sumatra is influenced by human activities including farming, planting, tree cutting, settlement and fishing. Consequently, the question of sustainability needs serious attention. This can be done by preventing the destruction of resources due to overfishing. Under certain conditions the auction may be effective in preventing the destruction of resources by irresponsible persons. Further, the auction may be a mechanism to optimally utilise the resources.

2. History of the Open Water Auction

The auction of open waters in South Sumatra Province has been practised since the Marga governing system in 1630, during the era of Palembang Darussalam Kingdom. The auction was further regulated in the Inlandsche Gemeente Ordonantie Buiten Gewesten Palembang (IGOP), Staatsblad 1938, No 490 to 681, during the Dutch colonial era. In 1974, the South Sumatra Provincial Regulation No. 8/Perdass/1973/1974 dated 14 July 1974 concerning the auction of Lebak Lebung was issued. Basically, it regulates the mechanism of the Lebak Lebung auction within marga-marga in South Sumatra.

The Provincial Regulation No 8 completes the Provincial Regulation No. 6 (1978) about altering the auction regulations of Lebak Lebung. To clarify the sharing of auction earnings, the Governor of South Sumatra issued the Governor Decree No. 705/Kpts/II/1982 dated 5 November 1982 for implementation of the Lebak Lebung auction to the District Government of South Sumatra Province. Based on the decree, the regent issued regulations about the auction of Lebak Lebung within the district region.

The methodology employed for this study included personal interviews with employees of the Provincial Fisheries Service Office of South Sumatra, the District Fisheries Service Office of OKI, District Fisheries Service Office of Muba, and a lecturer of Muhammadiyah University in Palembang. Interviews were also conducted with fishermen managing the auctions concerning the rivers of Sungai Aur, Lebak Petai and Sungai Air Hitam in the district of OKI as well as the rivers of Sungai Langgaran and Sungai Pake in the district of MUBA. (see map). The field study was conducted in August 1998. In addition, written information in the form of customary scripts, scientific reports and copies of local government decrees relating to Lebak Lebung and river auctions were collected and consulted for this study. The visited areas were extensively photographed.

3. Organisation of Auctions

Two parties are involved in the open water auction – the auction committee and the auction participant (bidder). The auction committee consists of a responsible person, a team of auction supervisors and a team of auctioneers.

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The structure of the auction committee in the district of OKI and the district of MUBA is different. It also differs according to the type of open waters, *i.e.* Lebak Lebung, river and delta (Tanah nyurung)

The organisation structure of an auction committee in the district of OKI is as follows. The Bupati (Regent) acts as a responsible person. The team of auction supervisors usually consists of local officers:

Chairman	:	Secretary of the region
Vice-Chairman	:	Assistant of territory of jurisdiction
Secretary	:	Chief, division of village government
Second Secretary	:	Chief, District Fisheries Service Office
Members	:	Assistant of Bupati (Regent) Chief, Division of Laws Chief, Division of Curbs

The team of auctioneers is responsible for the success of the auction. The team usually consists of:

Chairman	:	Sub-district head or assistant sub-district head
Secretary	:	Secretary of sub-district region

They are assisted by a village head, village officers and a community leader.

3.1 Auction Mechanism

The auctioneer begins by proposing the property to be auctioned. The auction team has the authority to propose an area that could not be auctioned earlier. The types of open waters selected for auction include a public Lebak Lebung, a public river, an inherited Lebak Lebung and an inherited river. An “inherited Lebak Lebung” and an “inherited river” refer to a Lebak Lebung or a river built by an ancestor on his own land. Recognition of the ownership of the inherited Lebak Lebung and inherited river is based on legalisation by the district court.

Owners of the artificial Lebak Lebung are given a permit to use the resources. Issued by the district government, the permit is valid for two years. But under certain circumstances, the district government may not any longer permit villagers to construct a new artificial Lebak Lebung. In the Lebak Lebung, the area selected for auction is basically the water instead of the land beneath the water. The land underneath the water actually belongs to the owner, either individually or collectively. Interviews indicate that the property auctioned in the Lebak Lebung is basically not the Lebak as a whole but only the Lebung. The winner of the auction has a right only to the Lebung, not the Lebak as a whole.

3.2 Auction Regulation

According to District Government Regulation No 3 of 1996 on the auction of Lebak Lebung within the District of OKI, there are some restrictions on the open water auction. These vary from one district to another. But two rules apply everywhere:

- The participants in the auction are the local villagers.
- Villagers are not permitted to win more than three auction properties at any one time.

The auction is conducted directly and openly in front of the public. The winner, a Pengemin, is a person who offers the highest bid. He should pay in cash after winning the auction. If the highest bidder cannot pay cash, the offer automatically goes to the second highest bidder. If he too cannot pay, the auction is cancelled and a new auction has to take place.

Besides the above limitations, the Pengemin is also bound by a set of don'ts;

- Pengemin is not allowed to use explosive or toxic material or prevent water traffic;
- Pengemin is not permitted to collect money from any villager who wants to fish for his daily consumption;
- Pengemin is not permitted to obstruct or come in the way of neighbouring rice farmers;
- Pengemin is not allowed to hand over the Lebak Lebung or the river to another party; and
- Pengemin is not allowed to spoil or damage the planted rice growing in the Lebak Lebung area.

Besides, the Pengemin is obliged to :

- Sustain the resources and the environment
- Implement technical guidance provided by the Fisheries Service Offices



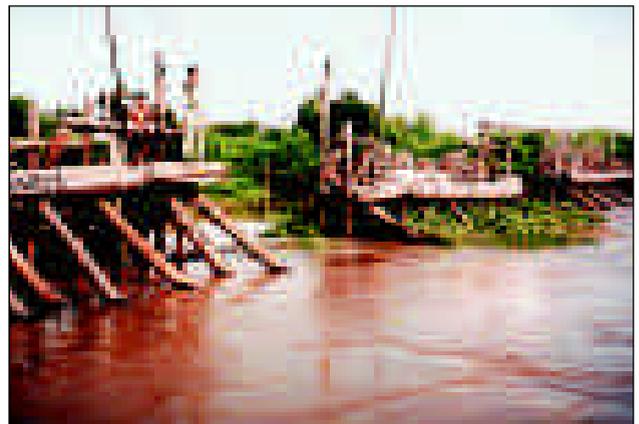
Net fence trap operated in Lebak Petai river, District of OKI, South Sumatra

Harvesting of fish in Aur river, District of OKI, South Sumatra



Fishermen operating net fence trap in Lebak Petai river

Territorial boundary of the auction property in Aur river



Interview with Anak Kapak in Lebak Petai river

District Fisheries Officer observes harvested fish in Aur river





Territorial boundary of the auction property in Lebak Air Itam river, District of OKI – South Sumatra

A bamboo fence trap operated in Pake river



Fish nets of the auction property in the Air Itam river

A territorial boundary of the auction property in Langgaran river – District of MUBA, South Sumatra



A bamboo fence trap operated in Pake river, District of MUBA, South Sumatra

The MUBA District Fisheries Service Office helps manage the auction property in MUBA District of South Sumatra Province



- Return the auctioned property in a good condition at the end of the permitted period.

The field survey showed that the villagers are aware of and understand the above regulations. But Abdul Hamid (1998) argued that the existing regulation tends to confer more benefits on the Pengemin, who is economically stronger than the rice farmers.

However, the District Government Regulation No 3 (1996) pays attention to lower-income villagers. One of its section says that except the owner of a paddy field which has become a Lebak Lebung area, any other villager is prohibited from fishing for daily consumption.

This regulation also prescribes the penalty for infringement of rules either by the villagers or the Pengemin. The penalties depend on the violations. They are as follows:

- A maximum jail term of six months or a fine of Rp. 50 000.
- The government may take over ownership of the artificial Lebung from the violator without paying any compensation
- Confiscated goods will be used as material evidence and destroyed thereafter.

3.3 Revenue from open water auction

One half of the auction revenue goes to the District Government, the other half is used to develop the village and support social activities. For example, within the District of OKI, income generated from the auction is allocated as follows:

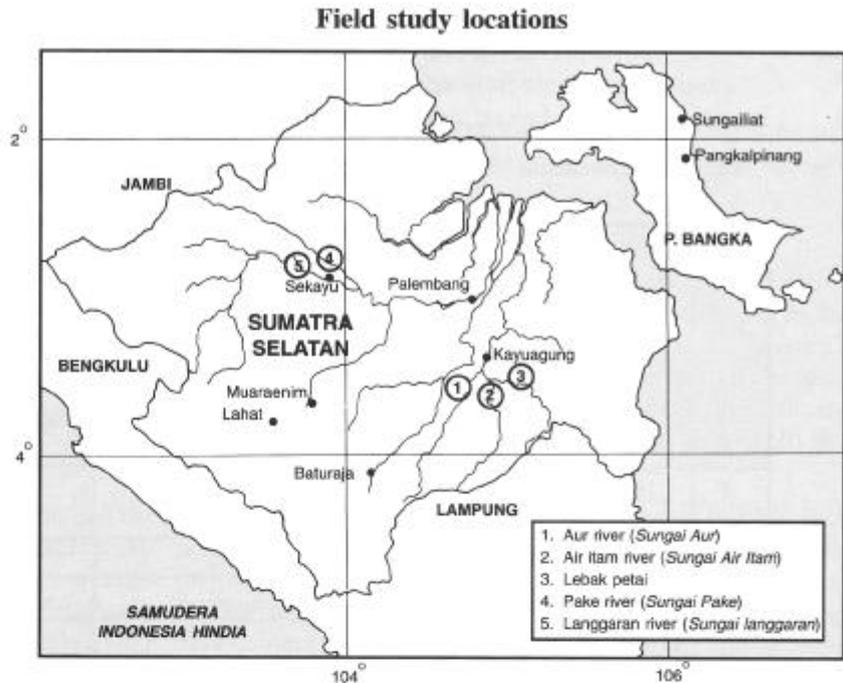
- Two per cent is allocated to the head of the sub-district as well as the head of the assistant sub-district as the chairman of the auction.
- Three per cent goes to the head of the village, 30 per cent to the village office, 10 per cent to village institutions including Village Community Unit /Lanbaga Masyarakat Desa (LMD) and 48 per cent to the district government.
- Five per cent of the earning is distributed to the District Fisheries Service Office, and the remaining two per cent to customary leaders.

Auction revenue from an inherited Lebak Lebung or inherited river is allocated as follows:

- Two per cent goes to the head of a sub-district and the head of an assistant sub-district.
- Three per cent goes to the head of the village, 30 per cent to the village government, 10 per cent to the village institution including the Village Consultative Institution, and another 13 per cent to the district government.
- Five per cent is for the District Fisheries Service Office, 35 per cent for heirs and the remaining two per cent for the customary leader.

Though the right to utilise an artificial Lebung is obtained by the villager without an auction, the villager may still have to obtain permission from the District Government. Permission is needed only for artificial Lebung of size larger than 10m². A license is issued by the Bupati (Regent) for an administration fee of Rp. 2 000 per m².

However, if a villager has more than one artificial Lebung smaller than 10m², he needs permission from the District Government to utilise the second. The administration fee is allocated as follows: 2 per cent goes to the head of the sub-district and the head of the assistant sub district, 3 per cent to the village head,



30 per cent to the village government office, 10 per cent to the village institution including the village consultative institution and another 55 per cent to the District Government Office. The distribution of earnings generated from auction of the public Lebak Lebung, the public river, the inherited Lebak Lebung and the inherited river, and the administration fees is shown in Table 1.

Table 1. Allocation of the auction income and license fee for utilisation of the open waters in the district of OKI, South Sumatra

No.	Subject	Allocation of the auction revenue and licence fee		
		Public Lebak Lebung and River (auction revenue) (%)	Inherited Lebak Lebung and River (auction revenue) (%)	Artificial Lebak Lebung and River of area more than 10 m ² (license fee) (%)
1	Head of sub-district and assistant sub-district	2	2	2
2	Village head	3	3	3
3	Village government office	30	30	30
4	Village institution	10	10	10
5	District government	48	13	55
6	District Fisheries Service office	5	5	
7	Customary leader	2	2	
8	Heir		35	
	Total	100	100	100

Sources: OKI District Government Regulation No 3 (1996) on the auction of Lebak Lebung within the District of Ogan Komering Ilir

4. Open Waters Managed by Pengemin

Pengemin may utilise the open waters for a year. The right to utilise the waters begins from January 1, and is held till December 31. During this period, the Pengemin is bound by several obligations. He must report the yield of his business to the District Government office, keep the waters clean, utilise fishing gear that is environmentally friendly, and hire local labour. The *Pengemin* has a right to obtain technical guidance from the Provincial and District Fisheries Service Offices.

The open waters allotted to the Pengemin may be harvested by him at any time. Several workers called Anak kapak carry out daily activities. These include setting up of the fishing gear, harvesting and sale of fish. Fish are normally sold early in the morning. A part of the earning is saved to get back capital invested in the auctioned property, repair damaged fishing gear and construct new gear. Anak kapak may keep for their own consumption some of the fish that is to be sold. Income-sharing between the Pengemin and the Anak kapak is done according to prior agreement. In general, the benefits are shared equally between the Pengemin and the Anak kapak.

While harvesting open waters, the Pengemin should utilise a certain type of fishing gear. The gear normally used includes the bamboo fence trap, net fence trap, gill net, bamboo fence, throwing net, beach seine, hook and line and longline. Even though the area has been allotted legally to the Pengemin, some villagers do fish in the area. They should obtain permission from the Pengemin. The permission is given on condition that nets are not used, and that the number of fish caught is limited to 1-2 kg/person/day.

5. The Impact of the Auction on the Villagers

The villagers regard the Lebak Lebung and the open waters auction quite positively. It helps reduce conflicts among the villagers on the use of the open waters. On the other hand the perception of the role of the District Government is not always positive. Korten (1981) identified four reasons for the ineffectiveness of a central management approach: 1) limited reach 2) inefficient in utilising villagers' capability 3) irrelevant to villagers' needs and 4) increases the dependence of villagers on the government, thereby reducing local initiative.

An example of the ineffectiveness of central management is the limited protection given to farmers who own the land underneath the water. The field survey showed that rice farmers are unhappy about the auction of the waters on their paddy field. They believe that the auction mechanism is not fair to the owner of the paddy field. This feeling emerges because the interests of Pengemin and rice farmers differ. A Pengemin believes that he has

the full authority to utilise the waters throughout the year, and that the rice farmers do not have the right to carry out farming activities. The rice farmers believe that the beginning of the dry season is the most suitable time for rice cultivation, while Pengemin assumes that any time is suitable for fish harvesting.

However, according to the Provincial Fisheries Service Office of South Sumatra, villages where the phenomenon of Lebak Lebung and river auctions are practised prosper more than villages without Lebak Lebung. Reason: incomes generated for the village by the auctions.

6. Local Government Support for Better Open Waters Auction

The government of the province of South Sumatra believe that the open waters auction secures optimal utilisation of the waters, especially for fisheries resources. However, the field survey showed that fish production in the open waters declines annually, especially for featherback (*Notopterus chitala*), carp (*Leptobarbus hoeveni*), murrel (*Ophiocephalus micropeltes*), sand goby (*Oxyleotris marmorata*), and kissing gourami (*Helostoma temmincki*). This might be because of over-exploitation of the open waters. But the provincial government supports the practice of open waters auctions because it generates revenue. Besides, the auction plays a significant role in social conflicts among the villagers.

Several rules and guidelines have been issued in connection with the auction of the Labak Lebung and the river. These rules consist of the fisheries ordinance, provincial and district regulations, and Governor decrees. Further, the Bupati (Regent) has issued guidelines to ensure smooth conduct of auctions and compliance with regulations. To sustain the fisheries resources, the Provincial and District Government have put some effort into increasing the seed supply to the open waters by establishing fish conservation areas in the districts of OKI and MUBA. These areas are respectively 202 ha and 30 ha wide respectively.

7. Conclusion

The practice of auctioning open waters such as the Lebak Lebung in South Sumatra has been common since 1630. Regulations concerning the auction mechanism have been modified several times. The phenomenon of open waters auction is popular with the District Government, for it not only generates income for the local government but also reduces social conflicts in utilising limited resources. The auction also creates harmony in the community and generates work opportunities.

The regulations issued so far show that the power centre has switched from the community to the district government. This is reflected in the increased allocations for the district government, and the fact that the auction committee is dominated by the local government. Despite some positive features, centralized auction management can create a negative impact on the villagers as well as on the fish resources. It could reduce the villages' sense of belonging concerning the open waters. Consequently, the district government should closely control the utilisation of open waters allotted to the Pengemin. More staff and more funds are needed for surveillance. If control is weak, regulations would be flouted, authority would be defied and social conflicts among villagers would rise. Besides, regulations about utilisation of open waters by the Pengemin should be tightened so that they do not lead to over-exploitation and environmental destruction. Considering the fact that some aspects of the open waters auction in South Sumatra need review, further research is called for to sustain the auction policy from the standpoint of fisheries resources and economic development.

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