Kajang customary law community bureaucratization? a transaction cost perspective

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Abstract. The research investigates bureaucratization indication of the institutional of the Kajang Customary Law Community. With the institutional economic framing and participatory action research method, we found the appearance of formal transaction fees that indicates bureaucratization of the institutional of the Kajang Customary Law Community. This condition is formed through the process of institutional assimilation.

1. Introduction
Kajang indigenous community is one of the indigenous communities in South Sulawesi Province, located in Kajang, Bulukumba Regency [1-7]. They used to live with forest emphasis as a source of life. The forest believed as a place of descending human spirits from Heaven to Earth and from Earth to Sky [2]. They convinced that the first human being (Ammatoa) descended from Heaven to Earth in their forest area [8].

Based on previous research, they take a centralistic system under the leadership of the customary leader called Ammatoa [2,4]. The Ammatoans predominantly adhere to rules derived from their customary oral principles called pasang ri Kajang [4]. Furthermore, these principles cover everything about how to live communally and culturally [9].

Paradoxically, the issuance of Decree, the Minister of Forestry number 504/Kpts-II/1997 [10], claimed Kajang territory into limited production forest. Furthermore, it revised by the Constitutional Court in 2012 [11]. With these changes, we suspect an institutional economic change.

All the changes above hypothetically may affect the economic institutions of the community. Based on the theories, every social or technical change can affect the economic institutions of the business unit or industry [12–16]. Does Kajang Customary Law Community can assimilate the government system based its policies? Will there be a bureaucratization? These questions lead to finding economical, institutional change. To make concise, we defined it into a transaction cost perspective.

2. Methods
We used economic, institutional framing [17–19] on measuring transaction cost analysis. To collect empirical material, we used participatory action research methods such as transect walk and semi-structured interviews [20] and content analysis of related documents [21]. The field data were collected in 2015, and the document was collected until 2019.
We used transect walk and semi-structured interview to observe community activity related to their daily economic, institutional process, and their informal policy related to institutional economic, while content analysis was mainly to analyze formal tasks such as Legal Law (Undang-Undang), Government Regulation (Peraturan Pemerintah), Ministerial Regulation (Peraturan Menteri), and Regional Government Regulation (Peraturan Daerah).

3. Result

3.1 Institutional changes in Kajang Customary Law Community

Kajang Customary Law Community is one of the indigenous groups that still hold their traditions. In daily life, they are guided by the rules of verbal inherited since hereditary and known as the term Pasang. The community believes Pasang is the traditional teaching of the ancestors who came from Tu Rie A’ra’na (God) through Ammatoa as the leader of the community.

In the forestry context, Pasang and Ammatoa policy recommend not to harm the forest because they see the forest as a source of life and environmental balance buffer. For the community, if the forest is damaged, so it is damaged their lives too. The teaching of the rules in forest management held firmly by the community are presented in Table 1:

| No | The Message / Advice (Pasang)                                                                 | That Means                                                                 |
|----|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 1  | Jagai linoa lollong bonena kammayya tompanyangika siangang rupa taua siangang boronga Nikasipillangngi ammanra’-manrakia borong | Nourish the earth and its contents, as well as the heavens, the people, and the forests. |
| 2  | Anjo boronga iya kontaki bosiya nasaba konre mae pangairangnega iaminjo boronga nikua     | It is forbidden damaging the forest                                          |
| 3  | Pangairang                                                                                   | The forest invites the rain. Since Kajang Area does not have its own water system, so we depend on forests to provides water. |
| 4  | Punna nitabbangngi kajua riborongnga, nunipappirangnga Angngurangi bosipatanre timbusu. Nibicara pasang ri tau Ma’riolo          | If the wood in the forest is cut down, the rain will be gone, and we will be dry. It was our ancestor message. |
| 5  | Narie’ kaloro battu riboronga, nurie’ timbusu battu rikaju na battu ri kalelengnga           | The river derived from the forest, and the water springs originated from the trees and vines. |
| 6  | Boronga parallui nitallassi, ereya battu ri kaloro lupayya                                    | Forests need to be preserved because water comes from small rivers         |
| 7  | Iyamintu akkiyo bosipanggena ereya nipake a’lamung pare, ba’do apa’rie’ timbusia             | It is a forest that brings rain so it can be used to grow rice, corn and become a water spring. |
| 8  | Anjo tugasa’ha Ammatoa nalarangngi annabangngi kaju ri boronga. Iyaminjo nikua ada’tana     | The task of an Ammatoa is to prohibit the occurrence of logging in the forest. It is the law that applies here. |
| 9  | Iyaminjo boronga kunne pusaka                                                               | Forests are our heritage.                                                  |
| 10 | Talakullei nisambei kaju, iyato’ minjo kaju timboa, talakullei nitambai nanikuranig tonong karama, nilarangngi taua a’lamung-lamung riboronga, nasaba se’re hattu larie’ tau angngakui bate lamunan | Prohibited to change the wood type in the indigenous forest, that is only wood that grows naturally, cannot be added and reduced, there are no planting activities in the indigenous forest because a time will appear recognition of the property rights in indigenous forests |

Source: Ibrahim T, 2001

Historically, Kajang Customary Law Community ruled their own community without interaction with the others. In an economic context, they build their own economic system all within their own community. Their institutional system (include the economic system) ruled by only Ammatoa. In an
extreme viewpoint, this community did not rule or assimilate with [22] the Gowa Kingdom as the big kingdom in its era. They also build their own institutional structure and still exist until now [23].

As the Indonesian Government strengthens its territorial claims, they issued Legal Law called Undang-Undang Pokok Agraria (Undang-Undang Nomor 5 Tahun 1960) in 1960 [24]. Sambu [22] said within this year. It was the first time the community assimilated with the others (in this context Indonesian Government) marked by merging of leadership status of Ammatoa: Kajang Customary Law Community Leader (Customary) and District Head (Government).

The institutional system above still applicable until 2012, although there are several Legal Law additions such as Undang-Undang Nomor 5 Tahun 1967, which was changed into Undang-Undang Nomor 41 Tahun 1999 [25]. Within this period, there are several discussions about land reform in Indonesia, especially for the customary community, and it was successfully suing the term of Customary Forest from the state forest into a customary community forest.

The last institutional change was happening in 2015. The customary community becomes formalized through Local Regulation called Peraturan Daerah Kabupaten Bulukumba Nomor 9 Tahun 2015 concerning the inauguration, recognition of rights and protection of the rights of the Kajang Customary Law Community. Even though formalized, the customary tradition still recognized and applicable until now.

### 3.2 Transaction Cost Perspective

#### 3.2.1 Transaction system.

There is two kinds of transaction in the community: direct transaction and indirect transaction. It is provided in Table 2.

| Transaction | Market Chain                      | Commodity                  |
|-------------|-----------------------------------|----------------------------|
| Direct      | Producer-Consumer                 | All commodities            |
| Indirect    | Producer - Intermediaries - Consumer | Agriculture, Livestock and Textiles. |

In the first era of Kajang tradition, the community was only provided direct transactions, from producer to consumer directly. The producer and consumer were from its community. After assimilated with the Government, they became more open to the others and unlocked their new system. We called that indirect system transaction because the producer comes from the community, and the consumer comes from the other community. We are also known intermediaries who buy community products and distribute the product into the market district.

#### 3.2.2 Transaction Fees.

Based on the Focus Group Discussion results, there are eleven main commodities traded by the community. After the institutional change occurred, we find a transaction fee in the commodities, and it is shown in Table 3.

| No | Type of commodity | Administrative costs (Rp) | Information costs (Rp) | Price (Rp) |
|----|-------------------|--------------------------|------------------------|------------|
| 1  | Rice              | -                        | -                      | 5.500      |
| 2  | Corn              | -                        | -                      | 2.000      |
| 3  | Pepper            | -                        | -                      | 120.000    |
| 4  | Clove             | -                        | -                      | 26.000     |
| 5  | Chocolate         | -                        | -                      | 20.000     |
| 6  | Banana            | -                        | -                      | 10.000     |
| 7  | Langsat           | -                        | -                      | 20.000     |
| No | Type of commodity | Transaction Fee | Price (Rp) |
|----|-------------------|-----------------|------------|
|    |                   | Administrative costs (Rp) | Information costs (Rp) |        |
| 8  | Cow               | 50.000          | 100.000    | 7.000.000 |
| 9  | Chicken           | -               | -          | 50.000    |
| 10 | Woven Gloves      | -               | -          | 700.000   |
| 11 | Passapu           | -               | -          | 300.000   |

Based on the table above, Kajang Customary Law Community takes transaction fees on the sale of a cow. If the member of the community wants to sell their cow, they must pay Rp.50.000 per cow to the community administrator and Rp.100.000 per cow to the intermediaries.

Even the term of bureaucratization is very general; in this research, we defined it as a process from customary policy into a formal policy called government bureaucratization. As this concept [26,27] all the transaction fee above indicates precondition of the institutional bureaucratization because in the customary origin process there were no fees and rules in economic transaction process meanwhile, we can see that in their daily life right now.

4. Conclusion

4.1 Indication of Bureaucratization
The appearance of formal transaction fees indicates bureaucratization of the institutional of the Ammatoa Kajang Customary Law Community. This condition is formed through the process of institutional assimilation.

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