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SASI PALA as an Informal Institution: Linking Resource Governance And Sustainable Household Livelihoods in Negeri Seith, Central Maluku, Indonesia

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Abstract

This study examines the role of Sasi pala as an informal institution in governing natural resources and supporting sustainable household livelihoods in Negeri Seith, Central Maluku, Indonesia. Specifically, it aims to analyze the institutional mechanisms through which Sasi pala regulates resource utilization, influences household economic conditions, generates collective economic benefits, and sustains customary resource governance. This study employed a qualitative interpretive approach. The research data consisted of primary and secondary data collected during fieldwork from August to December 2025. Primary data were obtained through observations, in-depth interviews, and documentation involving soa leaders, kewang members, kewang lepas (auction winners), and nutmeg plantation owners and farmers. Secondary data were obtained from relevant village documents and literature. Data were analyzed using the interactive model of Miles and Huberman, comprising data collection, data reduction, data display, and conclusion drawing. The findings demonstrate that Sasi pala operates through an integrated institutional arrangement involving customary rules, organizational structures, harvesting restrictions, auction mechanisms, collective monitoring, and sanctions. These mechanisms protect nutmeg resources until the appropriate harvesting period, reduce the monitoring burden on plantation owners, and enable households to engage in other income-generating activities. Furthermore, auction proceeds contribute to collective benefits, particularly mosque development and cooperative capital. This study concludes that Sasi pala functions not merely as a customary harvesting prohibition but as an informal economic institution that connects natural resource governance, household livelihood security, and collective economic welfare. Its sustainability depends on customary legitimacy, institutional capacity, community participation, and stronger regulatory documentation, particularly in addressing external violations and changing household economic pressures.

INTRODUCTION

Community livelihoods dependent on natural resources are shaped not only by resource availability, but also by the social arrangements governing who may access and use those resources, when utilization is permitted, and how the resulting benefits are distributed. In rural and island communities, such arrangements often emerge from collective experience and are passed down through generations as part of customary traditions. Natural resource management, therefore, should not be viewed solely as a technical matter of production or conservation. It also involves institutional arrangements comprising norms, authority structures, monitoring mechanisms, and sanctions that shape community members' economic behavior (Chambers, R., & Conway, 1992; Hahury et al., 2019).

In rural areas of Maluku, communities maintain close relationships with natural resources, which serve as sources of food and income while sustaining broader social life. Within this context, uncontrolled resource exploitation may undermine the capacity of natural resources to support livelihoods in the future. Agrariani (2026), Fatristya & Sarjan (2024), Niman (2019) identified local wisdom as an important means through which communities manage natural resources in accordance with their local social and ecological conditions. Local wisdom encompasses more than knowledge of the natural environment; it also incorporates worldviews, values, ethics, and customary rules that guide collective action. The practice of Sasi in Maluku, a customary harvest ban on plantations or crops, provides a concrete example of this form of resource governance. Through the Sasi pala (nutmeg), the nutmeg harvesting is prohibited for a specified period to ensure their continued availability and regulate their utilization according to collectively agreed arrangements.

In Maluku, a traditional village is called a negeri. One of the well-known villages is Negeri Seith. Its community livelihood base relies substantially on plantation agriculture, particularly nutmeg cultivation. Field-based evidence reported by Leunupun et al. (2020) indicated that nutmeg plantations in Negeri Seith covered 127 hectares in 2017, with an annual production of 31.5 tons. Further findings show that nutmeg production increased from 35.5 tons in 2017 to 50 tons in 2022. The Sasi pala in Negeri Seith has distinctive institutional characteristics, as its implementation is embedded in customary social organizations, particularly the soa (customary social group), soa leaders, Sasi committees, customary elders, and kewang (customary resource-monitoring body). Each soa administers Sasi within the territory and over the nutmegs falling under its customary authority.

The implementation of Sasi involves several interconnected stages, including committee formation, prayer service, the installation of prohibition markers, the determination of minimum auction prices, the auctioning of Sasi yields, monitoring, the official lifting of Sasi restrictions, and the distribution of proceeds. Research findings indicate that each soa has a Sasi committee consisting of approximately 10-13 members. The official lifting of Sasi restrictions is announced three to seven days in advance, while harvesting is authorized through harvesting tickets. Regarding nutmeg, the findings also identify a provision allocating 10% of auction proceeds and one nutmeg from every ten harvested nuts to kewang lepas members. These arrangements establish a governance structure connecting plantation owners, auction winners, customary monitors, and the collective interests of the soa and mosque construction.

These practices demonstrate that the function of Sasi extends well beyond prohibiting the unauthorized collection of plantations or crops. It establishes greater certainty regarding harvesting periods, limits premature harvesting, and provides a monitoring mechanism applicable to both community members and outsiders. Violations are recorded in an official register, and offenders are required to submit written statements acknowledging their misconduct. Sanctions may take the form of financial penalties or customary social sanctions. The research findings document a fine of IDR 10,000 for each nutmeg taken in violation of the rules, alongside other customary sanctions enforced by the Sasi committee, soa leaders, youth leaders, and customary elders. This combination of regulations, monitoring, and enforcement illustrates the institutional mechanisms through which Sasi pala operates as an informal institution.

At the household level, Sasi provides economic benefits by protecting plantation assets. Landowners are not required to monitor their crops continuously because the kewang assume responsibility for overseeing the plantations, particularly as the harvesting season approaches. This

arrangement allows landowners to pursue other activities to meet their daily needs while preserving their nutmeg harvest for larger and longer-term expenditures, such as house construction or renovation and children's education. For the kewang members who also work as vegetable farmers, the annual compensation of approximately IDR 1 million, as documented in the findings, represents an additional source of income.

The benefits of Sasi, however, are not confined to individual plantation owners. Auction proceeds also contribute to meeting collective community needs. The findings identify funding for mosque construction and maintenance, as well as capital support for the Village Unit Cooperative (Koperasi Unit Desa, KUD). One soa leader explained that, from auction proceeds amounting to IDR 100 million, 85% was allocated to mosque facilities and infrastructure, while the remaining 15% was distributed to the committee. Once the mosque construction has been completed, part of the funds may be placed in the cooperative, provided that the money remains accessible whenever required for mosque-related purposes. This arrangement illustrates how benefits generated from natural resources circulate into the provision of communal goods and the strengthening of local socioeconomic institutions (Adi, 2025; Ansarullah, 2025; Budiarto et al., 2026).

Researches on Sasi has gradually expanded from its traditional focus on conservation and customary law toward a broader examination of its economic and institutional functions. Harkes and Novaczek (2002), for example, examined the presence, performance, and resilience of Sasi institutions across 63 villages in Central Maluku. Muspida & Sangadji (2019) demonstrated how contract-based Sasi and Negeri-level Sasi generate village income through auction mechanisms and revenue sharing, while also highlighting the need for institutional strengthening. Hahury et al (2019) and Hahury et al (2025) explored the role of kewang in safeguarding livelihood assets in Negeri Booi, including the dilemmas that arise when members' economic needs conflict with their customary responsibilities. More directly related to the present study, Madani et al (2025) investigated the soa-based Sasi pala in Negeri Seith and reported an association between compliance with Sasi regulations and farmers' income. Similarly, Tanasi et al (2025) focused on the soa-based Sasi system, nutmeg resource management, conservation practices, and income differences between farmers who comply with customary regulations and those who do not.

The above views imply that Informal institutions play a significant role in shaping economic behavior, resource allocation, and collective action, particularly in communities where customary arrangements remain influential. Unlike formal institutions, which are generally established through written regulations and legal frameworks, informal institutions operate through socially recognized norms, traditions, shared values, and customary obligations. From an institutional economics perspective, these arrangements influence individual incentives, reduce uncertainty, and establish expectations regarding resource utilization and collective responsibilities. Recent institutional economic perspectives further emphasize that informal institutions can strengthen collective capabilities by coordinating individual behavior and preventing opportunistic actions in resource management (Van Staveren, 2024).

In the context of common-pool resource management, institutional effectiveness depends on clearly defined resource boundaries, collective decision-making, monitoring mechanisms, and the enforcement of sanctions. These institutional elements help communities regulate access to resources and maintain compliance with collectively established rules. Empirical research on community-based resource management has demonstrated that institutional arrangements are closely associated with livelihood outcomes and compliance behavior (Cinner et al., 2012).

Similarly, research on community management of common-pool resources highlights the importance of sanctions and equitable institutional arrangements in maintaining collective resource governance (Yoon & Armsworth, 2025).

Within this framework, Sasi pala can be understood as an informal institution that establishes rules governing the utilization of nutmeg resources through customary authority, collective monitoring, harvesting restrictions, auction arrangements, and sanctions. Its institutional significance extends beyond ecological protection because it also determines the distribution of responsibilities, access rights, and economic benefits among community members.

Furthermore, The Sustainable Livelihoods Framework provides an important analytical perspective for understanding how households utilize available resources to sustain their economic and social well-being. The framework emphasizes five livelihood assets: natural, human, social, physical, and financial capital. However, the availability of these assets alone does not necessarily guarantee sustainable livelihoods because institutional arrangements and external conditions influence how households access, manage, and transform these resources into economic benefits. Recent developments in livelihood studies emphasize the importance of understanding the relationships among livelihood assets, institutional contexts, and household diversification strategies. The reformulation of the Sustainable Livelihoods Framework highlights the need to account for broader structural and institutional influences on livelihood sustainability (Natarajan et al., 2022). Furthermore, Habib et al (2023) demonstrate that livelihood assets, particularly human, natural, and financial capital, influence household livelihood diversification and poverty reduction strategies.

In rural and resource-dependent communities, livelihood diversification is particularly important because households often combine agricultural activities with other income-generating occupations to manage seasonal income fluctuations and economic uncertainty. The protection of productive natural assets, therefore, can provide households with greater opportunities to maintain diversified livelihood activities. In this regard, Sasi pala contributes to household economic resilience by protecting nutmeg harvests, reducing individual monitoring responsibilities, and enabling plantation owners to pursue alternative income-generating activities.

In fact, research on Sasi in Maluku has demonstrated that customary institutions have historically played an important role in regulating access to natural resources and maintaining collective responsibilities. Harkes & Novaczek (2002) examined the institutional performance and resilience of Sasi across villages in Central Maluku, highlighting the importance of customary authority, organizational arrangements, and institutional continuity. Subsequent studies have also demonstrated that Sasi is influenced by political, social, and institutional changes, particularly in relation to the interaction between customary governance and formal government institutions.

Zerner (1994) analysis of customary environmental law in the Maluku Islands further illustrates that the meaning and institutional functions of Sasi are continuously shaped by interactions among customary communities, government authorities, and external organizations. This perspective highlights the importance of examining Sasi not merely as a conservation practice but also as a dynamic institutional arrangement embedded in broader social and political relationships. More recent research by Soselisa et al. (2024) on Sasi pala in Negeri Morella demonstrates the relevance of customary governance in supporting natural resource management and household economic resilience. Nevertheless, the economic and institutional implications of Sasi require further investigation, particularly concerning the relationships between resource-use regulations, household livelihood assets, and the distribution of collective economic benefits.

These previous studies underscore the relevance of Sasi and customary institutions in natural resource management, conservation, and the generation of collective economic benefits. However, limited attention has been given to examining how the interconnected rules and practices of Sasi operate as a comprehensive institutional arrangement linking resource-use restrictions, the distribution of authority, monitoring, auctions, harvesting access, sanctions, and revenue allocation. Moreover, the relationship between these institutional arrangements and livelihood assets remains insufficiently explored. In particular, the ways in which nutmeg plantations function as natural capital, knowledge and skills contribute to human capital, kewang and soa relationships constitute social capital, and communal facilities such as mosques and KUD strengthen collective capacity have received relatively little attention. Therefore, for these reasons, this study aims to address three research questions: (1) Through what institutional mechanisms does Sasi pala in Negeri Seith function as a sustainable livelihood strategy?; (2) How do Sasi practices affect household economic conditions and generate collective economic benefits?; and (3) What supporting factors and challenges influence the continuity of Sasi as an informal customary institution?

METHODS

This study employed a qualitative approach with an interpretive orientation. This approach was selected because the research sought not to statistically measure relationships between variables, but to understand the meanings, rules, practices, and experiences of the actors involved in the implementation of Sasi pala. From an interpretive perspective, social reality is understood through meanings constructed and negotiated by individuals within their everyday social contexts (Sugiyono, 2019). Accordingly, this study examines *Sasi* through the ways in which community members organize, interpret, and implement customary regulations, as well as the implications of these practices for their livelihoods.

Fieldwork was conducted in Negeri Seith, Leihitu District, Central Maluku Regency, Maluku Province, Indonesia, between August and December 2025. Negeri Seith was selected because its community continues to practice terrestrial Sasi, particularly Sasi pala, which is closely connected to household economic activities and collective community interests. Socially, Negeri Seith has a customary governance structure involving the raja (customary village head), saniri (customary council), and five soa, each represented by a soa leader responsible for its respective customary territory. This institutional setting provides a relevant context for examining how customary resource governance is organized and implemented at the community level.

The investigation of this study focused on five interrelated aspects: (1) the establishment and implementation of Sasi pala; (2) the distribution of responsibilities among customary authorities and the kewang; (3) regulations governing resource access, auctions, harvesting authorization, monitoring, and sanctions; (4) the benefits of Sasi for individual households and collective community interests; and (5) the factors supporting or constraining the continuity of the practice. These aspects follow the research questions and are re-organized to facilitate an integrated examination of Sasi as an institutional arrangement.

This study used both primary and secondary data. Primary data were obtained through direct field observations and interviews with individuals involved in or familiar with the management of Sasi. The principal informant groups included soa leaders and kewang members, who perform customary resource-monitoring and enforcement functions. Secondary data were collected from documents concerning the profile of Negeri Seith, its customary and administrative governance

structures, socioeconomic conditions, and relevant literature on sustainable livelihoods, local wisdom, and *Sasi*.

In this study, informants were purposively selected based on their involvement in and knowledge of the implementation of Sasi. Four categories were identified: (1) soa leaders; (2) kewang members (customary resource guardians and monitoring personnel); (3) kewang lepas members (auction winners); and (4) nutmeg landowners and farmers. These categories were selected to represent customary authority, resource monitoring, economic transactions of the Sasi yields, and productive asset ownership.

Furthermore, primary data collection involved three complementary techniques: observation, interviews, and documentation. Direct observation was conducted to examine field conditions and the actual implementation of Sasi practices in Negeri Seith. Interviews were conducted to obtain detailed information of the regulations of Sasi, roles of actors, auction arrangements, monitoring, and benefits of Sasi. Documentation complemented the observational and interview data by providing additional information from relevant archives, written records, books, photographs, and reports. This technique was particularly useful for examining the customary governance structure, community history, organizational arrangements, and the allocation and utilization of auction proceeds.

Data were analyzed qualitatively using the interactive model of Miles & Huberman (2014), which involves four interconnected stages: data collection, data reduction, data display, and conclusion drawing. Data collection involved compiling information obtained from field observations, interviews, and documentary sources. Data reduction was undertaken by selecting, focusing, simplifying, and organizing the information most relevant to the research questions. Data display presented the data in narrative form by connecting the sequence of Sasi practices with the roles of the actors involved. Information concerning committee formation, the installation of prohibition markers, minimum price determination, auctions, monitoring, harvesting authorization, and sanction enforcement was organized as an interconnected institutional process. These findings were then interpreted using the sustainable livelihoods framework and the concept of informal institutions. Conclusions were drawn by identifying recurring patterns, relationships among the emerging themes, and the limitations of the available evidence.

Lastly, data trustworthiness was assessed through prolonged engagement, persistent observation, and dependability procedures, as reported in the research findings. Prolonged engagement was intended to strengthen credibility through repeated field visits and interviews with previously identified informants as well as additional data sources (Patton, 2002). Persistent observation involved maintaining careful and systematic records of the collected information and the sequence of events. Dependability was addressed through an audit of the overall research process, covering the formulation of the research problem, field activities, selection of data sources, and preparation of the research report.

RESULTS AND DISCUSSION

Social and Institutional Context of Negeri Seith

The social structure of Negeri Seith has been shaped by the historical consolidation of several groups, locally known as Hena, across the Leihitu District. The research findings identify five soa(s) within the community: Seith or Nukuitu, Hautuna, Lebelehu, Wasila, and Lain. Each soa maintains its own leadership, customary territory, and social relationships. The Negeri's customary governance structure is headed by the raja and supported by the saniri and other

customary administrative officials. The saniri comprises representatives of customary elders, religious leaders, community figures, and the terrestrial and marine kewang. Meanwhile, soa leaders assist the village government in managing customary and social affairs within their respective territories.

The findings indicate that the implementation of Sasi pala is primarily organized through individual soa rather than being administered exclusively by the Negeri government. Soa leaders, Sasi committees, and kewang members perform complementary responsibilities in establishing customary rules, communicating harvesting restrictions, monitoring compliance, and enforcing sanctions. The involvement of religious institutions, particularly mosques and religious leaders, further demonstrates that resource governance is embedded in the broader social and cultural structure of the community. From the perspective of institutional economics, this organizational arrangement illustrates the relationship between institutions and organizations. North (1990) distinguishes institutions as the rules that structure human interaction, while organizations represent the actors that operate within and implement those rules. In Negeri Seith, customary norms concerning resource utilization constitute the institutional framework, whereas soa leaders, the Sasi committee, kewang, and customary authorities function as the organizations responsible for translating these norms into practical arrangements.

This distinction is important because the effectiveness of Sasi does not depend solely on the existence of customary rules. It also requires organizational capacity to communicate, monitor, and enforce those rules. The distribution of responsibilities among customary organizations creates an institutional structure through which individual resource users are connected to collective governance mechanisms.

Furthermore, the relationship between the raja, saniri, soa leaders, and kewang reflects a multilevel institutional arrangement. This structure can be examined through Ostrom (1990) concept of nested enterprises, in which resource governance operates through interconnected organizational levels. However, the findings also suggest the importance of clarifying institutional responsibilities to avoid overlapping authority and uncertainty in enforcement. Thus, the institutional context of Negeri Seith demonstrates that customary governance is sustained through the interaction between local authority, organizational arrangements, and community legitimacy.

Sasi Pala as Informal Institution: Rules, Organization, And Enforcement

The findings demonstrate that Sasi pala in Negeri Seith operates through an established sequence of customary procedures, despite the fact that most underlying regulations continue to be transmitted orally. Each soa may initiate Sasi according to its respective needs and establishes a committee consisting of approximately 10–13 members. The committee is responsible for organizing the auction of harvesting rights and supervising compliance with customary restrictions.

The implementation process begins with a prayer service at the mosque, followed by the installation of Sasi markers to indicate that designated nutmeg plants or their products must not yet be harvested. Subsequently, the soa leader and mosque administrator determine the minimum auction price, followed by an open auction for interested buyers. The successful bidder obtains harvesting rights under the conditions established by the customary institution. In the case of nutmeg, the findings also document a provision allocating 10% of auction proceeds and one nutmeg for every ten harvested nuts to kewang lepas members.

Sasi is lifted when the crops are considered ready for harvesting. The reopening is announced three to seven days in advance, and harvesting tickets are issued as authorization to collect the produce. Harvesting is restricted to individuals holding valid tickets and is limited to nutmeg fruits that have reached the appropriate stage of maturity. The process may be reopened three times or more, depending on harvesting requirements. These procedures can be interpreted through North (1990) institutional economics perspective. The customary rules governing harvesting periods, auction prices, harvesting authorization, and benefit distribution establish predictable expectations among resource users. By clarifying when and under what conditions nutmeg can be harvested, Sasi reduces uncertainty in resource utilization and establishes a framework for economic transactions.

The auction mechanism also represents an institutional arrangement for allocating access to productive resources. Rather than allowing unrestricted harvesting, access is organized through a publicly communicated process with a minimum price and designated harvesting rights. This arrangement potentially reduces disputes over access and creates greater certainty regarding the economic utilization of nutmeg plantations. From the perspective of transaction cost economics, established procedures and recognizable rules can reduce the costs associated with information gathering, negotiation, monitoring, and enforcement North (1990). The institutional characteristics of Sasi pala can also be examined through Ostrom (1990) principles of common-pool resource governance. The installation of prohibition markers establishes visible boundaries concerning resource use, while the distribution of harvesting rights through auctions and tickets regulates access. Meanwhile, collective monitoring by the Sasi committee and kewang provides an enforcement mechanism to maintain compliance.

Monitoring is particularly important because violations may involve both community members and individuals from outside Negeri Seith. The findings document several sanctions, including a fine of IDR 10,000 for each nutmeg taken in violation of customary regulations, physical punishment using a rattan cane, and social sanctions through public announcements using loudspeakers. Violations are also recorded in an official register, and offenders are required to submit written statements acknowledging their misconduct.

From an institutional perspective, these enforcement mechanisms demonstrate that compliance is maintained through a combination of formalized procedures, social expectations, reputational consequences, and customary authority. North (1990) emphasizes that informal constraints, including conventions, norms, and reputational considerations, influence economic behavior alongside formal rules. In Negeri Seith, public announcements of violations can create reputational consequences that reinforce the authority of customary regulations. Nevertheless, the findings reveal institutional limitations. Sasi regulations and sanctions are still transmitted primarily through oral traditions and have not been comprehensively incorporated into the formal regulations of Negeri Seith. This condition may create uncertainty when violations involve outsiders or when disagreements emerge concerning authority and enforcement procedures. In relation to Ostrom (1990) framework, the limited formal recognition of customary rights represents an institutional challenge that may affect the long-term resilience of community-based resource governance.

Therefore, the findings suggest that the institutional sustainability of Sasi requires a balance between customary legitimacy and stronger regulatory documentation. Formal recognition should not replace customary authority but should provide greater clarity regarding institutional responsibilities, resource-use rights, and enforcement procedures.

From an institutional perspective, documentation and formal recognition may strengthen regulatory certainty, provided that these measures preserve the legitimacy and participatory character of customary governance (Hahury,, 2020; Hahury et al., 2019).

Sasi Pala dan Protection of Livelihood Assets

The protection of livelihood assets represents one of the most significant economic functions of Sasi pala in Negeri Seith. Nutmeg plantations constitute an important form of natural capital because they generate income for households through seasonal harvesting activities. Their economic value is not limited to current production but also depends on their capacity to generate income over time. The findings indicate that Sasi protects nutmeg plantations by regulating harvesting periods and establishing collective monitoring arrangements. The kewang undertake supervisory responsibilities, particularly as the harvesting season approaches, thereby reducing the need for plantation owners to monitor their crops continuously. This arrangement allows landowners to allocate their time to other economic activities while their productive assets remain under customary protection.

Within the Sustainable Livelihoods Framework developed by Scoones, (1998), livelihood sustainability depends not only on the availability of productive assets but also on institutional and organizational arrangements that influence access to and utilization of those assets. Bebbington (1999) further emphasizes that the ability to combine and transform different forms of capital is central to the construction of sustainable livelihoods.

The case of Negeri Seith illustrates this relationship. Nutmeg plantations represent natural capital, but their productive potential depends on the existence of institutional arrangements that protect harvesting rights and regulate resource utilization. Sasi therefore operates as an institutional mechanism that helps households preserve the productive value of their natural assets. The protection of natural capital is also associated with risk reduction. Households dependent on plantation production face the possibility of losing potential income through theft or premature harvesting. Through harvesting restrictions, collective monitoring, and sanctions, Sasi provides an institutional response to these risks. Although these mechanisms do not eliminate all threats, they provide greater protection for household productive assets until the appropriate harvesting period.

The findings also indicate that Sasi contributes to the development of human and social capital. Knowledge concerning customary regulations, harvesting schedules, prohibition markers, and sanctions is transmitted through everyday practices and intergenerational learning. Kewang members and soa leaders therefore perform not only administrative and supervisory functions but also contribute to the preservation of customary knowledge. Community participation in collective activities and gotong royong strengthens social relationships and shared expectations. In Bebbington (1999) perspective, social capital is important because it enables individuals to establish relationships through which they can access resources, coordinate activities, and strengthen their livelihood capabilities.

In terms of physical capital, the findings show that nutmeg auction proceeds contribute to the development and maintenance of mosque facilities. This arrangement demonstrates how agricultural resources can be transformed into communal infrastructure that supports broader community needs. Accordingly, the benefits of Sasi extend beyond the preservation of individual plantations to the strengthening of collective livelihood assets.

These findings demonstrate that Sasi pala contributes to sustainable livelihoods through

the institutional protection and transformation of natural, human, social, and physical capital. Its significance lies in the way customary governance connects productive resource protection with collective capacity and long-term household livelihood opportunities.

The Effects of *Sasi* Pala on Household Economy and Livelihood Diversificatioan

The economic implications of Sasi pala for households in Negeri Seith are evident through two interconnected mechanisms. First, Sasi protects nutmeg yields until the appropriate harvesting period, allowing plantation owners to preserve the potential economic value of their crops. Second, collective monitoring reduces the time and effort required for individual landowners to supervise their plantations continuously, enabling them to engage in other income-generating activities. The findings indicate that households in Negeri Seith undertake various occupations while maintaining ownership of nutmeg plantations, either through personal acquisition or inheritance. Nutmeg provides periodic income during the harvesting season, whereas other occupations contribute to meeting daily household consumption requirements. This arrangement demonstrates that household economic activities are not exclusively dependent on a single commodity.

From the perspective of the Sustainable Livelihoods Framework, this pattern reflects livelihood diversification, in which households combine different economic activities to manage income uncertainty and maintain their livelihood security (Scoones, 1998). The contribution of Sasi is therefore not simply reflected in the preservation of nutmeg production but also in the opportunity it provides for households to maintain multiple sources of income.

An important finding concerns the different economic functions of income derived from nutmeg and other occupations. Daily earnings are generally used to meet routine household consumption, whereas nutmeg harvest proceeds are often allocated to larger expenditures, including house construction or renovation and children's education. This distinction indicates that the economic benefits of Sasi should not be assessed solely through short-term consumption improvements. They should also be understood in terms of household asset accumulation, human capital investment, and intergenerational livelihood development.

Furthermore, the findings show that kewang members receive approximately IDR 1 million annually as compensation for their monitoring responsibilities. Although this amount is relatively modest and does not represent their primary source of livelihood, it provides supplementary income. The kewang members interviewed also work as vegetable farmers and intensify their monitoring activities as the harvesting season approaches. From an institutional economics perspective, this compensation represents an incentive mechanism that recognizes the economic contribution of individuals responsible for maintaining collective resource governance. The arrangement also reflects a local division of labor in which some community members undertake monitoring responsibilities while maintaining their principal economic activities.

Nevertheless, the relationship between Sasi and household economic resilience should be interpreted carefully. The findings demonstrate mechanisms that support income protection, occupational diversification, and asset preservation, but they do not establish a statistically measured increase in household income or a reduction in poverty. Accordingly, the contribution of Sasi is more appropriately understood as an institutional mechanism that strengthens household livelihood opportunities and reduces certain economic risks.

Collective Economic Benefits: Mosques and Cooperatives

One of the distinctive characteristics of Sasi pala in Negeri Seith is the allocation of auction proceeds to support collective community interests. Although nutmeg plantations are individually or family-owned, their utilization is regulated through customary arrangements that also generate benefits beyond individual plantation owners. The findings indicate that auction proceeds contribute to the construction and maintenance of mosque facilities, as well as the potential development of cooperative capital. One soa leader reported that, from auction proceeds amounting to IDR 100 million, approximately 85% was allocated to mosque facilities and infrastructure, while the remaining 15% was distributed to the committee. Once mosque construction has been completed, part of the funds may be placed in the Village Unit Cooperative (KUD), provided that the funds remain accessible for mosque-related purposes.

This arrangement illustrates the relationship between private resource ownership and collective economic benefits. The utilization of individually owned productive assets generates economic value that is subsequently allocated to communal facilities and local institutions. From the perspective of institutional economics, this arrangement demonstrates how customary rules can organize the distribution of economic benefits and create incentives for collective participation. The allocation of auction proceeds to community facilities provides a visible benefit that may strengthen social acceptance of customary regulations and reinforce institutional legitimacy.

The relationship between Sasi and collective economic benefits can also be understood through the concept of social capital. Bebbington (1999) emphasizes that social relationships and collective capabilities influence how communities access, combine, and transform available resources. In Negeri Seith, the distribution of auction proceeds creates a connection between agricultural production, customary cooperation, and communal infrastructure. Furthermore, the potential allocation of funds to KUD represents an opportunity to transform collective proceeds into productive financial capital. Instead of being used exclusively for physical infrastructure, these funds may also support cooperative economic activities while maintaining an obligation to provide resources for mosque-related needs.

However, the sustainability of this arrangement depends on transparent financial management, systematic income and expenditure records, clearly defined institutional responsibilities, and effective accountability mechanisms. These requirements are particularly important because the legitimacy of collective resource governance depends not only on the existence of customary rules but also on the community's confidence that economic benefits are distributed and managed appropriately.

The findings therefore demonstrate that Sasi pala functions beyond individual resource protection. It provides an institutional mechanism through which the economic value generated from natural resources can be transformed into collective facilities and potentially productive financial resources. This connection between private and collective benefits represents an important dimension of the contribution of customary institutions to local economic development.

DISCUSSION

Sasi as an Institutional Architecture for Livelihoods

The findings of this study suggest that *Sasi* can be understood as an institutional architecture connecting natural resources, households, customary organizations, and communal

facilities. At the micro level, its rules protect nutmeg plantations and reduce the risk of premature harvesting. At the meso level, the *Sasi* committee and kewang undertake monitoring, auction administration, and enforcement. At the community level, the proceeds generated through *Sasi* help support mosques and cooperatives. Thus, *Sasi* operates across multiple levels, and its benefits cannot be reduced to individual household income alone.

This interpretation extends the application of the sustainable livelihood framework. Although livelihood analysis is often used to identify the assets available to households, the case of Negeri Seith demonstrates the importance of examining the institutions that regulate access to and protection of those assets. Nutmeg plantations, as a form of natural capital, do not automatically generate sustainable livelihoods. Without rules, monitoring, and compliance, their yields may be harvested prematurely. Through *Sasi*, these assets are incorporated into a management system that constrains individual actions and organizes the distribution of benefits. Institutions thus provide a mechanism linking asset ownership or control to livelihood outcomes.

From an institutional economics perspective, *Sasi* reduces uncertainty through recognizable rules and procedures. The establishment of a minimum auction price and the auction process provide an organized framework for transactions. Monitoring by kewang reduces opportunities for violations, while recordkeeping and sanctions strengthen accountability. The distribution of proceeds, in turn, creates incentives for both those responsible for implementing the rules and the wider community. These findings are consistent with North (1990) and Hahury (2022)who stated that institutions shape incentives and structures of interaction.

Furthermore, *Sasi* also exhibits characteristics of collective resource management that can be examined through Victor (2003) principles, particularly those concerning resource-use rules, monitoring, and sanctions. However, this study does not claim that the *Sasi* system in Negeri Seith fully conforms to all of Victor (2003) design principles. Certain aspects, including conflict-resolution mechanisms and external recognition of the community's right to organize, require further investigation.

The strength of *Sasi* also derives from the embeddedness of its rules in local norms and identity. Sani (2026) and Arthur (2025), for example, argued that formal institutions often secure compliance through regulations and state-imposed sanctions, whereas informal institutions may operate through customary legitimacy, a sense of belonging, reputation, and social obligations. In Negeri Seith, the public announcement of violations illustrates how reputation functions as an instrument of enforcement. This helps explain why orally transmitted rules can remain influential as long as they are accepted by the community and the actors responsible for enforcing them are trusted. Nevertheless, as interactions with external parties increase, internal reputation-based mechanisms may become insufficient to ensure compliance among all resource users.

This study also finds that *Sasi* also demonstrates the interconnectedness of private and public benefits. Plantation owners benefit from the protection of their harvests, while auction proceeds contribute to the development of mosques and cooperatives. This relationship is important because it can strengthen collective support for the institution. In institutional economics terms, the distribution of benefits helps create incentives for maintaining the rules. Its effectiveness, however, depends on financial governance that is transparent and open to scrutiny (Muhammad Azizi et al., 2025; Prestianawati et al., 2025). Strengthening documentation is therefore not merely an administrative requirement; it is also a means of maintaining public trust and institutional legitimacy.

From an ecological perspective, *Sasi* demonstrates that conservation practices are not

necessarily separate from economic livelihood strategies. Delaying harvesting and prohibiting the collection of immature fruit can help maintain the quality of a marketable commodity. This suggests that local knowledge may incorporate both economic and ecological considerations. Nevertheless, customary practices should not be romanticized. *Sasi* continues to face violations and economic pressures, meaning that its effectiveness depends on organizational capacity, equitable benefit distribution, and the ability to adapt to changing circumstances. Recognizing the value of *Sasi* must therefore go hand in hand with evaluating its actual implementation and outcomes.

CONCLUSION

This study demonstrates that Sasi pala in Negeri Seith functions as an informal institution that connects natural resource governance with sustainable household livelihoods and collective economic welfare. Its implementation extends beyond the customary prohibition of premature nutmeg harvesting, encompassing an integrated institutional arrangement involving customary rules, organizational structures, harvesting restrictions, auction mechanisms, collective monitoring, harvesting authorization, and sanctions. The interaction among soa leaders, Sasi committees, kewang, plantation owners, and auction participants establishes a governance mechanism that regulates resource access, defines responsibilities, and maintains compliance with customary regulations. These findings indicate that Sasi pala represents an important form of community-based institutional governance in which customary legitimacy and collective organization support the sustainable utilization of local natural resources.

At the household level, Sasi contributes to livelihood sustainability by protecting nutmeg plantations as productive natural assets and reducing the risks associated with premature harvesting and unauthorized collection. Collective monitoring by the kewang reduces the need for individual plantation owners to supervise their crops continuously, allowing them to allocate their time to other income-generating activities. Furthermore, seasonal nutmeg income provides opportunities for households to finance relatively substantial expenditures, including house construction or renovation and children's education. These findings demonstrate that the economic contribution of Sasi should not be understood solely in terms of agricultural production or immediate income generation, but also in relation to asset protection, livelihood diversification, and household economic resilience.

At the community level, Sasi generates collective economic benefits through the allocation of nutmeg auction proceeds to mosque development and maintenance, as well as the potential provision of capital for the Village Unit Cooperative (KUD). This arrangement demonstrates how the economic value generated from individually owned natural resources can be transformed into collective benefits through customary institutional mechanisms. The distribution of benefits also provides an economic incentive for maintaining community participation and supporting the continuity of customary governance. Thus, Sasi pala connects individual economic interests with broader community development objectives by linking productive resource utilization with communal infrastructure and local economic institutions.

Theoretically, this study contributes to the understanding of informal institutions by integrating institutional economics and the Sustainable Livelihoods Framework. It demonstrates that customary institutions do not merely regulate access to natural resources but also influence how productive assets are protected, responsibilities are distributed, economic incentives are established, and collective benefits are generated. The findings further suggest that the sustainability of Sasi depends on the interaction between customary legitimacy, organizational capacity, community participation, and the perceived economic and social benefits of collective governance. Nevertheless, its continuity faces challenges arising from household economic pressures, violations by external parties, changing social and cultural conditions, and the absence of comprehensive formal documentation of customary regulations. Strengthening institutional

documentation, clarifying organizational responsibilities, improving monitoring arrangements, and promoting transparent management of collective proceeds are therefore important measures for maintaining the resilience of Sasi without undermining its customary legitimacy and participatory character.

This study is limited to a qualitative examination of Sasi pala in one customary village, namely Negeri Seith. Consequently, its findings provide an in-depth understanding of the institutional mechanisms and livelihood implications of Sasi within this specific social and economic context, rather than establishing generalizable causal relationships between customary governance and household economic performance. Future research should therefore undertake comparative studies of Sasi practices across different villages in Maluku to identify variations in institutional arrangements, resource governance, benefit distribution, and institutional resilience. Further studies could also employ mixed-method approaches to examine the relationship between compliance with customary regulations, household income diversification, economic welfare, and livelihood security. Longitudinal research would be particularly valuable for assessing how customary institutions adapt to modernization, changing economic pressures, and interactions with formal governance systems. Such research would provide a broader understanding of how informal institutions can contribute to sustainable resource management and inclusive economic development in island communities

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