

Mineral Governance, Conflicts, and Rights: Case Studies of Informal Mining of Gold in Pongkor Indonesia

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Abstract

Mining has been ongoing in Indonesia long even before the nation came into being. Mineral resources form part of the nation's diverse livelihood bases to local communities. However, the globalised and capital intensive operations have assumed legitimacy with the government as the strategic sector to attract big investments from abroad. Consequently, it tends to protect mainly the big players, often at the cost of undermining – or even illegalising – the presence of informal miners.

The informality in Indonesian economy extends into mineral industries, beginning from extraction through digging, processing, transportation and marketing. On an average, these activities employ nearly ten times of formal mining employment. In Indonesia, all people's mining are required to have permit from the authority, although most informal miners choose to operate secretly and fall into the category of 'any mining activity without permit from government institutions according to the laws.' The stance regarding informal mining also involves local politics of resource governance; for example, the 1999 Autonomy Law enables regency heads (bupati) to regulate and issue mining permit to individuals, groups, or cooperatives without obligation to inform the provincial government. Consequently groups of miners claim to be operating with this permit, but are still regarded as illegal by the provincial and state government. This often contradicts with the existing large mining companies who receive permits from the state government.

The present study is part of my ongoing work in West Bangka and Pongkor, Indonesia. Besides thrashing out the gaps and inconsistencies in the legal structure of mineral resource governance, I have used field-based methodologies in the study to track the informal 'gold and tin cycle' – from mining to marketing. The paper will also throw light on the operation of the informal networks, the demand and supply responses, and above all, an enumeration of the informal mining economy of the region.