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## **Governing Resources, Governing People: From Timber to Coal in Indonesia**

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# Governing Resources, Governing People:

## From Timber to Coal in Indonesia

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### Abstract

*The extraction of natural resources is inevitably bound to specific patterns of governance, usually centering on access control regulations. Thus, these governance efforts not only target the resources themselves or the land in which they are located, but also the lives of people living in and around extraction sites. Building on Political Ecology approaches and James Scott's work on state strategies of rule and control, this paper looks at how governance is exercised in the field of resource extraction in Indonesia today. To this end, it compares historical patterns of governance in the Indonesian timber industry to current practices connected to coal mining in East Kalimantan. The author argues that while the specific approaches to controlling people and land have changed, basic patterns of access control remain intact.*

### Key words:

*natural resources, coal mining, timber, governance, state, Political Ecology, Indonesia, Borneo, Kalimantan*

## 1. Introduction

The extensive extraction of natural resources is not a recent phenomenon in the Indonesian archipelago. Rather, exploitation activities have shifted between different resources due to technological developments and the changing demands of international markets. However, all kinds of large-scale resource extraction activities share the common trait that they are based on the appropriation of land by either state institutions or private companies. In Indonesia, this has been the case since large-scale extraction schemes commenced during Dutch colonial rule – then mainly targeting Javanese forest produce. Since then, extraction activities have been successively expanded to the so-called “outer islands” of Indonesia such as Sumatra and Kalimantan/Borneo. This is due to the fact that these regions are perceived to contain large areas of sparsely populated land. Furthermore, the appropriation of land in these areas was facilitated by the absence of formally recognized land titles and weak state institutions (McCarthy, Vel & Afiff 2012).

In my case study region Samarinda, the capital of East Kalimantan, it is large-scale coal mining that has especially far-reaching and alarming effects upon environmental and societal change. Particularly the last decade has witnessed a massive expansion in both the production and export of coal in East Kalimantan, where the majority of Indonesian coal is extracted. While this has significantly contributed to Indonesia’s current standing as one of the world’s largest exporters of coal (EIA 2014), local mining areas, such as the rural outskirts of East Kalimantan’s capital Samarinda, suffer from the negative environmental and socio-economic effects of strip mining activities. These not only cause the extensive transformation of landscapes, but also often severely impinge upon local livelihoods, thereby inducing conflicts over access and distribution between different societal groups.

Moreover, besides their ecological and socio-economic impacts, coal mining activities in East Kalimantan have also altered “the political” on an everyday basis. This includes matters related to basic democratic citizenship rights, such as participation and representation, but also the erosion of the rule of law through bribery and the establishment of privatized “security” forces. Altogether, the practices of various actor groups connected to resource extraction broadly influence the everyday “enactment” and “de-enactment” of basic political and social patterns, notably on the local level (Fünfgeld 2016a; Fünfgeld 2016b).

In this article I argue that while international and national frameworks as well as modes and types of resource extraction in Indonesia may have changed over time, attempts to govern natural resources always implicitly target the people living in and around the extraction sites. This means that they not only cause the extensive transformation of landscapes, but also significantly alter livelihoods and modes of access control on the local level.

In academic discourse, it is the studies conducted within the sub-discipline of Political Ecology that have most prominently pointed to and diligently elaborated on the political dimensions of seemingly environmental matters. Emphasizing the tenet that “politics is inevitably ecological and ecology is inherently political” (Robbins 2012: 3), Political Ecology approaches are generally dedicated to “unravel[ing] the political forces at work in environmental access, management, and transformation” (ibid.).

Building on this general assumption, this article aims to assess how schemes primarily dedicated to governing natural resources also simultaneously alter the governance of people

living in and around the extraction sites. I claim that especially through a broader understanding of the impacts of large-scale resource extraction on questions of access and distribution, we may better understand the underlying patterns of this phenomenon. That is, how exactly practices of control carried out in order to gain and maintain access to natural resources are based upon various types of exclusion that in turn influence the lives of people living around mining sites.

How state governance significantly rests on attempts to make a society and the environment legible, and thereby transform it into an object of control, is probably best described by Southeast Asianist James C. Scott in *Seeing Like a State* (1998). Drawing on various historical examples from around the globe, Scott describes how measures of “state simplification” such as scientific forestry, mappings and measurements of space, the creation of spatial units, standardization efforts, and censuses contribute to the reduction of the complexity of nature and society in order to make them legible for central institutions such as the state. State simplifications imply a schematic, authority-based, and centralized view of society (Scott 1998). While he observes that techniques of governance have become more sophisticated over time, Scott states that the political motives behind them have hardly changed, leaving quests for appropriation and control as the most important driving factors (ibid.).

And yet, over recent decades, resource governance in Indonesia has changed significantly. While the quest for resource control and appropriation was initially geared towards centralized management structures controlled by the colonial government or the Indonesian state, private companies have successively gained control over certain resources and land. These changes in actor constellations were initiated through the New Order’s neoliberal investment policies and were later fostered by the democratization and decentralization reforms after the fall of Suharto in 1998. Today, in cases such as coal mining in Samarinda it is not only state actors, but also non-state actors that partake in governance processes. This not only makes it more difficult to identify governance efforts, but also brings up the question of how governance in the resource sector actually influences society when it is not controlled by a central entity but shaped by a multitude of private and public actors.

As Scott is mainly interested in understanding the functioning of state forms of simplification (and why they have so often failed) the governance efforts exhibited by private actors do not figure in his research. Only a brief passage refers to large-scale capitalism as “just as much an agency of homogenization, uniformity, grids, and heroic simplification as the state is, with the difference being that, for capitalists, simplification must pay. (...) Today, global capitalism is perhaps the most powerful force for homogenization, whereas the state may in some instances be the defender of local difference and variety” (Scott 1998: 8).

Based on these general assumptions of Scott’s research on state forms of simplification and Political Ecology studies, the article poses the question of how far these changes in actor constellations may also have altered the ways in which governance over people is exercised through the governance of natural resources.

In order to assess continuities and changes in resource governance and their effects on local communities on and around extraction sites, I will first briefly summarize previous research conducted on earlier modes of resource governance in Indonesia. Nancy Lee Peluso’s writings are an especially valuable source for understanding how resource governance has worked in the past and how it has affected the local population. In *Rich Forests, Poor People. Resource*

*Control and Resistance in Java* (1992), Peluso closely describes how state control over forests affected the access rights of the local population. Her focus on the historical trajectories of land appropriation and access control furthermore helped me to identify meaningful categories for analyzing resource governance, namely access control over people and lands. Chapter three discusses these categories in relation to current patterns, actor constellations, and conflicts in the context of coal mining in Samarinda.<sup>1</sup> A summary of my findings and a comparison aiming to identify continuities and changes in resource governance constitute the final chapter.

## 2. Governance through Land Appropriation and Access Control in Indonesia

Governance – understood here as the means of political regulation by state and non-state actors alike – can take on very different forms. When looking at how people may be governed implicitly through the governance of natural resources, it is especially formal and informal regulations over the appropriation and distribution of and access to resources that are central to understanding how these processes work. As resource policy usually entails rules of behavior for villagers and workers in certain areas, the exercise of control over people is based on decisions over the inclusion and exclusion of certain societal groups. In Indonesia – like in many other parts of the world – this is especially relevant to inhabitants of rural areas, whose living and working conditions are directly affected by their ability to access natural resources, such as agricultural land.

According to Ribot and Peluso, “access” can be generally defined as “the ability to derive benefits from things – including material objects, persons, institutions, and symbols” (Ribot & Peluso 2003: 153).<sup>2</sup> Resource access is not only determined by formal or informal law, but furthermore always depends on societal power relations (ibid.: 156). Some institutions or people might directly control access to resources, while others must find ways to maintain access through those in control (ibid.: 154). The control of access can be understood as the “ability to mediate others’ access” (ibid.: 158), while maintenance of control “requires expending resources or powers to keep a particular sort of resource access open” (ibid.: 159). Both aspects are therefore complementary and equally important for actor relations in this field (ibid.).

Throughout Indonesian history, questions of access to and distribution of land have played a pivotal role in control over people. While attempts to establish centralized control over natural resources had likely already taken place in pre-colonial societies, a more systematic appropriation of land was initiated during colonial times (Poffenberger 1990b; Peluso 1990, 1992).<sup>3</sup> Centralized control, initially only of teak production in Javanese forest areas, was

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<sup>1</sup> This article is based on an empirical field study in Samarinda between October and December 2011. It included participant observation, qualitative interviews, group discussions, and informal conversations. Altogether, I conducted twenty-eight qualitative interviews with inhabitants of Samarinda, the sub-district (kelurahan) Makroman, NGO representatives, people working in and around coal mines, local academics, local government staff, parliamentarians and a representative of a coal mining company. A more detailed study on the topic was published by the author in 2016 in the Southeast Asian Modernities series of LIT Verlag under the title *Staatlichkeit als lokale Praxis: Kohleabbau und Widerstand in Indonesien*.

<sup>2</sup> In their “theory of access,” the authors distinguish the term from “property,” which they mainly view as a rights-based concept and as “the right to benefit from things” (Ribot & Peluso 2003: 153). In contrast, “access” is oriented towards the idea of “ability” and seen as “a bundle of powers” (ibid.: 154). To Ribot & Peluso, this specification is important as they view property as a specific type of access relationship.

<sup>3</sup> Pre-colonial rulers were in general mainly concerned with the expansion of their territory as a matter of prestige, resource security, expansion of production, and hedging of their economic and political power. However, it is

already fostered by the United East India Company (VOC) from the mid-seventeenth century until 1799 and was intensified by the Dutch colonial state between 1814 and 1940 (Peluso 1990, 1992). The VOC, founded by Dutch merchants in 1602, was primarily interested in monopolizing access to spices and forest produce. They sought contracts with local rulers in order to gain access to natural resources and labor, which was leased to them along with the right to harvest teak (Poffenberger 1990b; Peluso 1990, 1992).

The Dutch colonial government (1799/1816 – 1941), which succeeded the VOC, built on these territorial acquisitions and initiated a further step in the appropriation of land by focusing on law-based control of access rights. This included the bureaucratic administration of nature, based on its categorization through mapping (Peluso 1992). Through the initiation of scientific forestry and central state control, it was the formal Dutch colonial rule that was critical to the development resource governance in the archipelago. This resource governance generally includes three different, albeit interwoven, purposes: control over land, commercial control over species and control of forest labor (Peluso 1990). New legislations over land, resources, and labor, as well as the enforcement of laws by state authority were established and replaced contracts with Javanese rulers, thereby establishing a “highly organized, semi-autonomous, field-oriented bureaucracy” (ibid.: 31). This included the legal definition of rights and obligations of use and tenure (especially in relation to teak) (Poffenberger 1990b; Peluso 1990). Within just a few decades, access rights to forests and forest produce were taken from local communities and vested in the hands of the state (Peluso 1990).

Fundamental to state control over natural resources and people was the implementation of a forest management system in the nineteenth century. It was based on the establishment of a parcel system designating forest areas for the cutting and replanting of teak trees. This step also included the creation of a government forest service responsible for administering land, trees, and labor. The first forestry laws soon complemented the professionalization of forest management.<sup>4</sup> They significantly extended the colonial state’s claims to land by narrowing the definition of private and communal lands to those under permanent cultivation. This led to the formal appropriation of vast areas, as temporarily fallow lands and forests used for hunting and gathering were also officially claimed as state land (Poffenberger 1990b; Poffenberger 1997; Peluso 1992). Clear rules on forest use were established, guaranteeing the state’s ownership, which in turn facilitated the taxation of teak transportation and sales. The colonial laws specified who had access to what kinds of forest produce, what they could be used for (home use or trade), and under what circumstances they could be gathered and where. Thereby, the villagers’ access to forests and their produce was effectively restricted, and customary forest

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unlikely that these kingdoms effectively ruled much of the land they claimed. In fact, they were hardly able to enforce restrictions on land use in regions far from the seat of government. As a result, most communities at the periphery of such pre-colonial states were probably living relatively autonomously (Poffenberger 1990b; Peluso 1990). This constitution of pre-colonial states is probably best described by the term *mandala* (applied to kingdoms like Majapahit, Mataram, or Sriwijaya since the twentieth century). The term points to the differing relationship between power and territory. Whereas modern states are usually associated with more or less consistent control over their territory, the *mandala* concept rests on the assumption that in pre-modern Southeast Asian states, boundaries were not fixed and often overlapped with neighboring kingdoms, with the power of the ruler decreasing as distance from the center of the kingdom increased (Wolters 1982: 27f).

<sup>4</sup> Major regulations were passed in 1875, 1897, 1913, 1927, 1928, 1931, and 1934, when the policing of forests, forms of access control, and penalties for forest-related crimes were also further specified (Peluso 1990). For example, since the 1920s villagers have had to purchase forest entry permits to collect firewood (Peluso 1990). State authority over the production and sale of timber was thus gradually developed (ibid.).

use was criminalized (Peluso 1990). The enactment of laws was guaranteed through regular police controls, resulting in punishment and confiscation of wood in cases of violation (ibid.).<sup>5</sup>

After the attainment of independence, an open conflict over appropriate forest management emerged. The decision was mainly between long term-oriented scientific forestry and people's immediate needs for construction, fuel, and agricultural land. Nonetheless, basic patterns of colonial forest management were retained as Dutch laws were often literally translated and the execution of pre-independence law continued.<sup>6</sup> For the (forest) villagers this meant continued exclusion from forest produce and lands, as practices such as forest squatting or firewood collection were designated "criminal" and "illegal" acts (Peluso 1990, 1992).<sup>7</sup> As many people suffered from a lack of income opportunities due to land shortage and the restriction of access to forests and their produce, forest villagers, peasants, and workers increasingly became politically active (Peluso 1990, 1992). Formations such as the Indonesian Peasants Front (BTI) or the Forestry Workers Union (SARBUKSI) seeking to overcome inequality in land distribution and access, were inspired by leftist thought and later became associated with communist organizations (Peluso 1990; Peluso 1992). However, the ascension of leftwing organizations was cruelly thwarted with the mass murders of alleged communists and the following rise to power of General Suharto. These killings, alongside the emergence of the authoritarian New Order regime, deterred many villagers from demanding an extension of access rights over the ensuing decades (Peluso 1990).

The Suharto New Order era (1966-1998) led to a strengthening of state authority over land and resources in general, while basic principles of forest management were retained. It was still oriented towards exports and exercised policies excluding locals from forest lands (Peluso 1992). Nevertheless, the systematic expansion of commercial forestry in Indonesia, in combination with the militarization of forest protection, was peculiar to the New Order regime (ibid.). Most of the areas under logging concessions were located on Sumatra and in East Kalimantan, and often reached staggering sizes (from 100,000 up to several million hectares) (Poffenberger 1997). In East Kalimantan, large-scale commercial forestry was initiated in the 1960s. The prime driving forces were the expansion of world timber markets and the development of new technologies along with the export-oriented developmental model fostered by the Suharto regime, meant to attract foreign companies by creating an amenable investment

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<sup>5</sup> However, it was mainly the teak plantations on Java that were under proper state control, while especially on "outer islands," capacities for effective law enforcement were significantly lower (Poffenberger 1990b; Peluso 1990; Poffenberger 1997). Although effective control of forest areas was initially implemented only on Java, the influence of this development was huge, as many of the connected ideas survived the colonial era and still shape resource governance today (Peluso 1992: 44).

<sup>6</sup> Ten-year plans (RPKH) for planting, harvesting, and maintaining forests were introduced. The demarcation of valuable forest lands on Java and former tenure models of forest lands were continued. People had to prove their ownership of land in order to be allowed to stay on the land they were farming. This led to resettlements in exchange for formerly occupied lands in forest areas (Peluso 1990).

<sup>7</sup> There were some attempts to transfer land rights back to local communities (Poffenberger 1990b). Reacting to growing unrest on Java and Bali, in 1960 the government passed the Basic Agrarian Law (BAL). Under BAL, customary land rights under traditional law (*adat*) were acknowledged as a basis for land claims. However, implementation of the law was rather poor and it was primarily designed to favor the needs of Javanese people. Therefore, the indigenous population on the "outer islands," many of whom were swidden cultivators, did not receive the same support. According to Poffenberger, by 1983 no Dayak village had yet received land titles (Poffenberger 1990b).

environment (ibid.).<sup>8</sup> Similar to other economic sectors under the New Order, the logging business was controlled by a handful of powerful families and conglomerates (McCarthy 2000; Poffenberger 1997). Particularly in “outer island” regions, such as East Kalimantan, the growing number of logging concessions had far-reaching impacts on daily life.<sup>9</sup> The mapping of concession areas usually ignored existing boundaries, such as those defining community lands and different parts of the forest where hunting, gathering and shifting cultivation were practiced (Poffenberger 1997). Timber extraction led, furthermore, to displacement and forced resettlement of local populations. In East Kalimantan, about 2.5 million Dayak were affected by this policy (Poffenberger 1990b).<sup>10</sup>

All in all, Peluso identifies three forms of access control that were established under Dutch colonial rule by the end of the nineteenth century: access control over forest produce, over labor, and over land. The control over access to land extends to the determination of land use and especially affects temporary subsistence farming. Similarly, control over access to forest produce also restricts their usage and thereby holds the potential to deeply interfere in daily life and work cycles by affecting practices such as the collection of firewood. Control over forest labor is especially important to the controlling entity as it ensures profitable exploitation (Peluso 1990, 1992).<sup>11</sup> After independence, these trajectories continued and were specifically fostered by the Suharto regime, which also facilitated the growing importance of the private sector. However, no historical stage of resource governance went uncontested. Rather, there have been many acts of disobedience and resistance aiming at the reclamation of access to forests, forest produce, and forest lands (Peluso 1992). The same is true for current governance efforts related to coal mining in East Kalimantan, which are the subject of the following chapter.

### 3. Coal Mining in Samarinda<sup>12</sup>

The history of coal mining in Indonesia dates back to colonial times, even though the amounts of coal extracted by the Dutch between 1849 and 1945 remained small. Indonesia’s major coal producers began serious exploration work only in the early 1980s, with commercial production commencing around 1988. Large-scale extraction was fostered by the Suharto regime through the implementation of new mining and foreign investment laws from the end of the 1960s. However, due to low oil prices and limited foreign investments in the sector, the take-off period of the Indonesian coal mining industry did not commence until the late 1980s (Lucarelli 2010). On top of this, Indonesia has exhibited an exponential increase in coal production since the introduction of democratization and regional autonomy reforms in 1998/9 (DTE 2010).

All laws and regulations on mining activities are based on the Indonesian Constitution, which states that “*Indonesia’s natural resources are to be controlled by the state and must be used*

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<sup>8</sup> This included low taxes, long-term concessions, and good trade opportunities (Poffenberger 1997). The initial boom period of commercial forestry took place between 1967 and 1975 when the number of concessions rose rapidly, leading to Indonesia becoming the largest tropical hardwood exporter (Poffenberger 1997).

<sup>9</sup> In East Kalimantan, during the 1970s there were more than 100 forest logging concessions issued, covering around 50 percent of the province’s area (Poffenberger 1997).

<sup>10</sup> Conflicts over land were also stimulated by other development projects (very often related to resource extraction) such as *transmigrasi* projects or road building (Poffenberger 1990b).

<sup>11</sup> These developments towards state resource control have been backed by conservationist ideologies, endowing them with moral legitimation since colonial rule (Peluso 1992).

<sup>12</sup> The data used in this chapter draws on two earlier publications, namely *Staatlichkeit als lokale Praxis: Kohleabbau und Widerstand in Indonesien* (Fünfgeld 2016a) and *The State of Coal Mining in East Kalimantan: Towards a Political Ecology of Local Stateness* (Fünfgeld 2016b).

*for the maximum benefit of the Indonesian people.*"<sup>13</sup> Today, the central regulation for coal mining activities is Mining Law No. 4/2009,<sup>14</sup> which was implemented in 2010. It is currently under revision in the Indonesian parliament, which had initially aimed to pass a new mining law in mid-2016. However, this has been delayed, and in the meantime the Indonesian Ministry for Energy and Mineral Resources has promulgated a new regulation<sup>15</sup> on issuing mining concessions.<sup>16</sup> Before the implementation of the new Regional Autonomy Law No. 23/2014,<sup>17</sup> district and municipality governments had been responsible for licensing the mid-sized mining permits, which accounted for mining production areas up to 15,000 ha.<sup>18</sup> Depending on the location, it was either the district head or the city mayor who was responsible for issuing the concessions.<sup>19</sup> This empowerment of local government leaders who then exercised effective control over the issuance of mining concessions during this time led to an extreme proliferation of coal mining concessions in Indonesia in the period following the issuance of Law No. 4/2009 and before local governments' competence to issue licenses was revoked by Law No. 23/2014.<sup>20</sup> This is because these arrangements left space for various practices of self-enrichment amongst local authorities. For example, many government officials, parliamentarians, and administrative workers are directly involved in the coal mining business in one way or another, taking advantage of their political positions. Furthermore, widespread practices of bribery over mining concessions had been established on various political and administrative levels.<sup>21</sup>

Therefore, there has been a significant rise in the issuance of coal mining concessions, especially in East Kalimantan where most of Indonesia's coal is extracted. As most of the coal production is done via strip mining, this leads to a massive transformation of landscapes: entire hills and mountains are ablated and changed into lunar landscapes. In Samarinda, the capital of East Kalimantan, mining concessions covered nearly three-quarters of the total municipal area in 2011/12. Today, most of the city's outskirts are shaped by mining sites, very often in immediate proximity to settlements and agricultural land (Fünfgeld 2016a; Fünfgeld 2016b).

While the mining companies' access to mining sites formally rested on the legal basis of concessions obtained from the district and municipal authorities, the sheer number of concessions issued in fact has only been made possible by illegal practices related to bribery and self-enrichment. The close entanglement of business and state power undermines basic

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<sup>13</sup> Article 33 (3) of the Fourth Amendment of the Indonesian Constitution (UUD 1945).

<sup>14</sup> Undang Undang 4/2009 tentang Pertambangan Mineral dan Batubara (UU 4/2009).

<sup>15</sup> Permen 34/2017 tentang Perizinan di Bidang Pertambangan Mineral dan Batubara (Permen ESDM 34/2017). Inter alia, this regulation has extended the time frames for mining exploration and production.

<sup>16</sup> Conversation with Jatam representative, 15 September 2017.

<sup>17</sup> Undang Undang 23/2014 tentang Pemerintahan Daerah.

<sup>18</sup> According to Mining Law No. 4/2009, the central government is responsible for the issuance of large-scale special mining permits (up to 50,000 ha) and local governments for small-scale mining permits (up to 10 ha) (UU 4/2009).

<sup>19</sup> The new Local Government Law No. 23/2014 has shifted all competences from district and municipal authorities to the central and provincial governments (UU 23/2014).

<sup>20</sup> According to the anti-mining NGO Jaringan Advokasi Tambang (Jatam), in 2008 there were around 4,000 mineral and coal mining licenses. However, this number increased rapidly after the enactment of UU 4/2009 and had already risen to 10,936 licenses by 2013 – translating into almost 7,000 new licenses in 2009-2013. Among these, half were issued for coal mining (3,492 until August 2016). This is also connected to an increase in foreign investment in the sector due to government policies providing for a safer investment environment (conversation with Jatam representatives, October 2016).

<sup>21</sup> Interview with NGO representatives, 25 October 2011; interview with NGO representative, 24 October 2011; interview with anonymous, 13 November 2011.

patterns of the rule of law. This has also been the case for the prerequisites for mining activities as established by the directives requiring environmental and social impact assessments and regarding the mining operations and reclamation requirements, which are poorly supervised by local government authorities (Fünfgeld 2016a; Fünfgeld 2016b).<sup>22</sup>

Access to information on mining activities, which is provided for in several government regulations, has rarely been granted. Before starting new mining activities, companies are formally obliged to present an environmental impact assessment to affected communities. Yet they reportedly use the same impact assessments for different mining sites, thereby lacking a context-specific evaluation. Very often, there was no presentation at all for the locals, or information was provided in technical language difficult for many to understand. Similarly, the requirement to present a working plan to the mining department containing the details of the company's intended commitment to community development was often not met. In general, all of these processes are very opaque and, despite promising provisions in the mining law, many companies thoroughly neglect(ed) their responsibilities.<sup>23</sup>

For the inhabitants of the rural outskirts of Samarinda municipality this has resulted in tremendous transformations of their living environment. Among these are the contamination of water, air, and soil, as well as the destruction of landscapes through forest clearance, general clearing, and mining work. In my field research site, the sub-district (*kelurahan*) of Makroman,<sup>24</sup> a rural area of Samarinda located about 15 km from the city center, most of the approximately 7,000 inhabitants make a living from agriculture and fish farming. Yet many inhabitants of Makroman report that their rice, fruit, and fish harvests have been reduced by up to 50 percent because of the accumulation of mud in rice paddies and fish farms. Additionally, water that had formerly been used for watering, drinking, and washing is now contaminated, and fresh water has to be purchased.<sup>25</sup> These problems exist both in active and abandoned mining sites, as only a minority of the latter have been restored after the end of extraction activities (Satriastanti 2011).<sup>26</sup> While restoration and reclamation are supervised by local mining departments in theory, in practice they lack funding and trained personnel, inhibiting effective enforcement of regulations (Susmiyati & Kotijah 2007; Faizal 2011). Insufficient funding also renders the department's control of the mining sites vulnerable to a lack of objectivity, as the companies often not only provide transportation and accommodation for the controllers, but also "little presents."<sup>27</sup>

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<sup>22</sup> Companies acquiring concessions are obliged to define development activities for the neighboring communities, assess the possible environmental impacts (Analisis Mengenai Dampak Lingkungan, AMDAL), and set up a special fund for restoration after the closure of the mine (UU 4/2009). Furthermore, UU 4/2009 lists several other obligations concerning health and security at the workplace, waste disposal, and community empowerment. All government levels are responsible for ensuring adherence to social and ecological standards, as well as those concerning public participation, but the respective passages remain vague and the distribution of tasks is often unclear despite further regulations and technical directives (UU 4/2009).

<sup>23</sup> Interview with a university professor, 19 November 2011; interview with anonymous, 13 November 2011; interview with a university professor, 14 November 2011.

<sup>24</sup> Makroman was established as a transmigrant community in the 1950s and is still predominantly inhabited by ethnic Javanese.

<sup>25</sup> Focus group discussion with inhabitants of Makroman, 2 November 2011; interview with inhabitants of Makroman, 22 November 2011; interview with inhabitants of Makroman, 16 November 2011.

<sup>26</sup> Interview with a university professor, 19 November 2011; interview with coal mining workers, 22 November 2011; interview with an NGO representatives, 25 November 2011; focus group discussion with inhabitants of Makroman, 2 November 2011.

<sup>27</sup> Interview with anonymous, 13 November 2011.

As the overwhelming majority of Samarinda's territory has been converted into mining sites that will not be available for other forms of usage such as farming for decades to come, the local population has *de facto* been excluded from access. The process of land appropriation – just like the issuance of mining concessions – is formally based on legal procedures. However, some of the farmers did not have legal entitlements to the land they were cultivating and suddenly lost access to it, while others were persuaded to sell it without being fully aware of the impacts on their future economic situation (Fünfgeld 2016a).

Besides this loss of access to the land directly used for mining activities, opportunities to gain income from the farmland next to the mines have also been limited due to environmental impacts, as the example of Makroman demonstrates. Therefore, when assessing questions of access restrictions related to mining activities, our understanding of access should not be limited to the land directly used for mining activities, but should also include matters of access to basic income next to mining sites and the ways in which they have been altered.

While officials and mining company representatives often refer to the new job opportunities for locals that are assumed to be created by the mining business, few inhabitants of Makroman and the surrounding areas have actually gained new income opportunities. Only small numbers of people are directly employed by the mining companies, mainly as security staff or for public relations, while most of the coal miners and drivers are from Java. In addition, many of them suffer from bad working conditions with low wages (of which they send a fair amount home to their families) and a lack of health insurance. Women have even fewer job opportunities as a very limited number of them are employed as office workers or to fill smaller coal sacks. Some locals have gained new temporary income opportunities by renting out rooms to migrant contract workers, leasing land, or opening small food stalls near the mines. Some (mainly local authorities) reportedly also receive compensation payments from the company.<sup>28</sup>

In contrast to Peluso's findings on the modes of governance of Javanese forests in earlier times, coal mining governance in Indonesia today is less oriented towards controlling labor by means of directly employing the people living in the respective areas for resource extraction. Rather, control over labor is established through hiring workers from other parts of the archipelago who often move between different mining sites. This makes them less likely to participate in protests held by the local population.

In response to these developments, anti-mining protests have emerged in Makroman.<sup>29</sup> The protesters receive support from local NGOs, academics, and even parliamentarians and local government staff, who help them to gain nationwide recognition through media reports. Protest activities include street blockades, demonstrations, and inquiries made of the local government.<sup>30</sup> Protests are very often inhibited by threats, and sometimes even the use of violence on the part of private and public security forces. According to local activists, some local policemen/-women have been bribed by mining companies in order to suppress protests

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<sup>28</sup> Interview with anonymous, 13 November 2011; interview with a food stall owner and a driver, 21 November 2011; interview with several drivers, 22 November 2011; interview with a government official, 7 November 2011; interview with an NGO representative, 24 October 2011; interview with inhabitants of Makroman, 22 November 2011; focus group discussion with inhabitants of Makroman, 2 November 2011.

<sup>29</sup> The problems are not the same for all parts of Samarinda. Where people are employed by the mining company and where the share of farmers is minimal, the picture may be completely different.

<sup>30</sup> Interview with an NGO representative, 24 October 2011; interview with inhabitants of Makroman, 16 November 2011; interview with inhabitants of Makroman, 22 November 2011; interview with NGO representatives, 26 November 2011.

or detain activists (DTE, 2010).<sup>31</sup> However, companies have reportedly also increasingly employed private forces in order to “safeguard” their mining operations. These private forces include thugs (*preman*) and paramilitary groups often registered as civil society organizations. The paramilitary forces appear visually similar to the national army: they use military camouflage clothing along with jeeps and modern arms. Furthermore, they are often trained by retired or active army personnel.<sup>32</sup> This again demonstrates how coal mining governance in Indonesia fundamentally rests on a specific fusion of political and business power, which enables the intimidation and criminalization of local communities through the application of violence and threats.

While it is a primary function of coal mining businesses to maintain their access to mining sites and their operation through their access to state institutions and symbols, this consolidates the exclusion of local communities – from land, basic income opportunities, and citizenship rights. Control over mining sites as well as over the people living in and around these areas, exercised by various politico-business alliances, rests on a set of quasi-institutionalized – yet largely illegal – practices. They span the whole mining process from non-compliance with mining prerequisites (such as environmental and social assessments) and limited administrative oversight to the criminalization and intimidation of protests and the neglect of formally established post-mining activities in abandoned mining sites.

As Ribot & Peluso suggest, matters of access control, understood as “the ability to derive benefits from things – including material objects, persons, institutions, and symbols” (p. 153), may therefore be regarded as a crucial category for understanding how resource governance implies governance over people. The present case is a case in point. It showcases the contestations between different actors – notably the politico-business alliances involved in mining and the local community and their supporters – and how this affects not only the appropriation of land but also the income opportunities of those living in and around coal mining sites.

#### **4. Change in and Continuity of Resource Governance in Indonesia**

While at first sight conflicts over natural resources essentially seem to be conflicts over access to land and the material commodities it contains, Peluso’s research on forest governance in colonial Java and my case study on coal mining in East Kalimantan both suggest that much more is at stake.

The quest for coal in East Kalimantan engenders significant transformations of the environment and connected livelihoods. Especially the inhabitants of rural areas, such as the farmers and fish farmers in Makroman, suffer from severe encroachments on their fundamental living and working conditions. Access restraints for the local population are induced by the coal mining companies’ rush for coal and state officials supporting the sell-off of land in exchange for financial benefits. In fact, in the coal mining sector private businesses and state officials are intertwined to such an extent that a clear distinction between their roles and practices becomes downright unfeasible. This is not an entirely new phenomenon, as the existence of influential groups controlling the state apparatus alongside the Indonesian economy dates back to the New

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<sup>31</sup> Interview with an NGO representative, 24 October 2011; Interview with inhabitants of Makroman, 22 November 2011; interview with NGO representatives, 25 November 2011.

<sup>32</sup> Interview with an NGO representative, 24 October 2011; interview with NGO representatives, 25 November 2011; own observations, October 2011.

Order era (Robison 1987). However, it was the decentralization reforms – generally viewed as tools for making governments more responsive to local needs – that fostered these entanglements at the local level. As a result, practices of corruption and nepotism have mushroomed there as well, to the detriment of the local population.

This does not contradict the fact that state control over natural resources has been continually strengthened through legal means and administrative reforms since colonial times. While in outer island regions such as East Kalimantan the implementation of governance mechanisms has long been only partially successful due to a lack of resources for nationwide law enforcement, it was foremost the decentralization reforms that fostered the extensive appropriation of land by the state and private companies alike. Therefore, while in the past control over access was exercised mainly by state officials and executed by state security forces, today it is rather a conglomerate of state and non-state actors that control the coal mining business. State officials in charge of issuing coal mining concessions, until recently the district heads and mayors, regulate access to resources. In turn, coal mining companies tend to ensure their own access through the financial benefits they often extend to those in charge of licensing. They further enforce their access either by bribing local police or by employing paramilitary troops and thugs that help to suppress protest. Access, therefore, depends upon both formal and informal practices and institutions. While state law sets the scope of formal control, its enforcement depends on the ability to make use of societal power relations, financial resources, and not least the threat or the exercise of violence. This demonstrates that, at least in the resource sector, democratization and decentralization reforms have not reached the goals they set out for. A more “democratic” governance of natural resources, e.g., better access to information, decision-making procedures, resources and benefits of resource exploitation for local people, has not yet been achieved.

Unlike the colonial government that strove for control over land, species, and labor, the current coal mining-related appropriation of land in East Kalimantan does not include the direct quest for labor control with respect to the local population. Rather, coal mining companies today rely on the mobility of workers, who are mainly hired from Java in order to work in the mines or as drivers. This leads to further socio-economic exclusion of the local population that not only suffers from the ecological effects of strip mining and limited access to agricultural land but also does not profit from these economic developments in their areas, as employment opportunities remain scarce. Moreover, control over resource extraction is maintained through acts of criminalization and intimidation targeting the local population that is struggling to secure basic income. This has been equally the case for firewood collection during the colonial era and for protest activities carried out by the farmers and fish farmers in Makroman. Therefore, access restrictions and connected problems for local people whose livelihoods highly depend on natural resources have not changed appreciably despite democratization reforms and the emergence of new actor constellations.

This demonstrates that Scott’s assumption – that governance in modern states under capitalist conditions closely resembles governance in pre-modern states – holds true for the field of natural resources. However, conditions have changed from the direct control over people in the sense of control over their work force and control over forest produce as identified by Peluso for colonial times and the New Order period. Today, it is the restriction of access to natural resources, such as agricultural land, basic income opportunities, and the exercise of citizenship rights that results from the processes connected to governance of resources in Indonesia.

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