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## [Indonesia: How the Pandemic Strengthens Immunity for Mining Corporate-Oligarchy and Paves the Way to a New Dictatorship](#)

*This article highlights four trends that evidence how the mining industry continues to benefit from the Covid-19 pandemic while continuing its destruction throughout the archipelago. While corporate-oligarchs are hijacking democracy by perpetuating emergencies, a new dictatorship is being installed under the flag of mining capitalism.*

[\(This article is also available in Bahasa-Indonesia\)](#)

As each person struggles to take care of his or her own health, many businesses are taking advantage of the government's measures taken supposedly to confront the Covid-19 outbreak, in particular, mining companies.

In Indonesia, as of 2018, there are 8.588 mining permits. The six biggest provinces for these mining activities are South and East Kalimantan and South Sumatra -dominated by coalmine permits-, and South and Central Sulawesi and Bangka Belitung -dominated by other minerals extraction such as tin, cobalt and nickel-. Mining has become one of the main causes of deforestation in the country, and it is entering into more and more territories, including so-called Protected Areas. Mining expansion is also related to the increasing demands worldwide for a transition to a "clean" and "green" economy, including industrial zones for battery production and other related technology. Mining is also a source of constant and often violent social conflicts and devastation.

For mining tycoons in Indonesia, the Covid-19 pandemic has provided ample opportunity to make profits and to push for destructive regulation for their own benefit. These represent bigger risks for the defenders of the Earth—who were already constantly dealing with threats—, through more forceful tactics that escape the (public) eyes.

***First, mining companies expose workers and communities deliberately to the dangers of the pandemic by continuing business operations under the label of "essential business".***

The communities who live around and/or near the mines are restless. PT. Dairi Prima Mineral (PT. DPM) in Dairi, North Sumatra, continues to work, bringing workers from outside the region, provoking anxiety in communities living nearby. Likewise, in Banyuwangi, East Java, despite persistent protests from communities, the gold mining operation of PT. Bumi Suksesindo (PT. BSI) is still active. As a matter of fact, after having mined and destroyed Mount Tumpang Pitu, PT. BSI is now targeting the (still) preserved Mount Salakan.

Similarly, the operations of the industrial zone for battery production in Morowali, Central Sulawesi, and the Indonesia Morowali Industrial Park (IMIP) and Indonesia Weda Bay Industrial Park (IWIP) in Halmahera, North Maluku, continues despite controversies. The Coordinating Minister for Maritime and Investment, Luhut Binsar Panjaitan, keeps facilitating the entry of workers from China to enter and work in Indonesia.

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But not only nearby residents and communities are affected, the working class as a whole has also become a victim of this policy. Infected workers have been found in, for example, the Bangka ships of PT Timah's tin extraction activities in Bangka Belitung Province; the mining complex of giant coal company Kaltim Prima Coal (PT. KPC); the Indo Muro Kencana large-scale gold mining operation in East Kutai, Central Kalimantan; and in the "mining province" of North Maluku, one of the centres of nickel mining and where one of the main industrial complexes of electric vehicles' batteries in Indonesia is located. (1)

In Mimika, Papua, the situation of the PT Freeport Indonesia (FI)'s gold and copper mining workers is even more worrisome. On record, as much as 150 positive cases of Covid-19 (2) have been identified, including workers' families. (3)

The regional government through the Mimika Regent, the Chemical and Energy Mining Workers Union (SP-KEP) and the All Indonesia Workers Union (SPSI), demanded from the beginning of the outbreak that mining operations must be suspended. They argue that forcing workers to stay in the mining area under unhealthy working conditions is a type of slavery and an act of blatant indifference towards workers' life and safety.

In 2018, PT FI recorded US\$ 1.28 billion (Rp 18 trillion) in profits alone. Thirteen PT FI's commissioners and directors have total salaries of US\$ 4.9 million (Rp 70 billion). Meanwhile, the total budget of the Tangerang Regency government in Java for handling the Covid-19 pandemic is the same amount: US\$ 4.9 million (Rp 70 billion).

The clause 113 of the Coal Mining and Mineral Law (Minerba Law), which regulates the possibility of temporarily stopping operations due to emergencies, including epidemic emergencies, has until now not been applied to protect communities and mining workers.

Land, Water, Air, Forests and Health are essential. Mining is not.

**Second, mining companies continue to inflict organized violence upon communities and defenders of the Earth, who are at the front of the resistance despite the pandemic.**

Every year, the curve of violence against communities and Earth defenders in Indonesia continues to increase. According to data recorded by the Indonesian Mining Advocacy Network (JATAM), there were 71 mining conflicts from 2014 to 2019, and 40 cases of criminalization of citizens and environmental defenders, which included 210 people being criminalized. (4)

Death, assault, criminalization, intimidation and terror are part of the organized violence that occurs in the mining sector and are carried out by a variety of players, including official security forces, company officials or corporate paid actors, such as thugs.

This violence continues during the lockdown in Indonesia, with a number of recorded incidents. In Banyuwangi, East Java, community protesters against PT BSI, from Mount Tumpang Pitu to Mount Salakan, set up protest tents since the end of 2019 until the Covid-19 pandemic took place. They suffered two consecutive physical attacks to disperse their tents by corporate mercenaries, police, and the Indonesian National Army, using the pandemic emergency measures as an excuse. This happened while mining operations were still taking place without any complication.

In Kendeng's karst mountains, in Pati and Rembang Regencies, Central Java, Kendeng women organizing peaceful protests against eleven illegal limestone mining operations were intimidated by

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men who work for the mine. It is known that the operations of these mines are connected to the controversial cement supply chain, namely PT Semen Indonesia (PT SI). PT SI's operations are located in the groundwater basin and karst ecosystems, threatening agricultural water and food for local residents.

The same thing happened in Samboja, Kutai Kartanegara, East Kalimantan. Angry residents burnt coal-mining excavators to stop operations. (5) This was done because the machines reached the edge of the Samboja Reservoir, which is the main source of agricultural irrigation for the residents of Kutai Kartanegara. Residents were intimidated by thugs who were suspected of being backed and protected by police.

Ironically, these things happened exactly when president Jokowi made an appeal to the mass media requesting that people ensure their respective food security in various regions, in order to anticipate food deficits due to weather changes and the pandemic. What a pseudo and contradictory appeal.

This organized violence also affects the working class. A number of workers who protested against the IWIP industrial complex in Halmahera, during the International Workers' Day celebration (May 1, 2020) were arrested. Those arrests ignited a wave of solidarity around the country until today. (6)

A series of harmful and threatening tactics have emerged in the context of this "civil emergency" around the Covid-19 pandemic. *Kapolri* (head of national police chiefs) issued a Telegram Letter enforcing cyber and physical security, including the mobilization of hundreds of thousands of police and army personnel for the "new-normal." This represents enormous threats to freedom, civil democracy and even environmental struggles.

The perpetuation of an emergency can pave the way to a dictatorship that will expand organized violence against society.

***Third, mining companies shamelessly frame themselves as heroes during the pandemic. Donations, medical logistics and medical devices attempt to cover up their dirty mining practices.***

At the end of March 2020, the Indonesian Coal Mining Association (APBI) donated Rp 540 billion (over US\$38 million) - which they collected from coal mining companies within the APBI, such as Adaro and corporate conglomerate Bakrie Group (PT Kaltim Prima Coal & PT Arutmin Indonesia). At the same time however, these same coal companies have a record of abandoning the most poisonous mining pits, appearing as epicentres of conflicts with nearby residents and indigenous peoples, and even having various money and tax flow scandals.

Almost all well-known mining companies run corporate social responsibility (CSR) programs and have given assistance and money to help residents during the pandemic, including personal protective equipment, basic food, hand washing installations, swab test kits, among others. (7)

Yet, some of these same mining and electric batteries companies, namely PT Huayue Cobalt Co. Ltd, PT HPAL, PT Tsing Shan and Brunp Recycling Technology, are since before the pandemic, submitting a permit process for the disposal of tailings or mining waste into deep sea waters. These companies plan to dispose their mining waste in Obi Island waters, North Maluku Province, and Morowali waters, Central Sulawesi Province. (8) This will sacrifice the livelihoods of coastal residents, fishermen and indigenous peoples on small islands, as well as the diverse coral triangle area.

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The Maritime Coordinating Ministry, which supervises the planning of this activity, presented these mining industries as heroes that stood up to help Indonesia in this difficult time of the Covid-19 pandemic, in order to promote the mining industry.

These are political marketing strategies.

**Fourth, during the pandemic, mining companies have received benefits that ensure their safety and comfort, remove public control and facilitate mining investment licensing.**

Saving the mining companies began with extending incentives through the Minister of Finance Regulation (PMK) No. 23/2020 Tax Incentive for Tax Payers Affected By Coronavirus Outbreak, in March 2020, which includes the various commodities along the mining production chain. The regulation was then expanded from eleven sectors to nineteen sectors through PMK No. 44/2020, in April 2020.

The expansion of incentives provided by Sri Mulyani, the Minister of Finance, included benefits regarding export and import taxes, facilities for import-export destinations (KITE) to incentives for corporate tax instalments. Through these incentives, as much as Rp 35 trillion (near US\$2.5 billion) (9) of public money is being channelled to mining companies.

Using the Covid-19 pandemic as an excuse, from February to March 2020, several institutions, such as the Indonesian Chamber of Commerce and Industry (KADIN), Coal Mining Associations as ICMA and APBI as well as the Minister of Energy and Mineral Resources (ESDM), attempted to revoke the obligation to use national vessels for coal exports in order to encourage exports. Even though the obligation is regulated by the Ministry of Trade (*Permendag*) No. 82/2017, it is in effect since May 1, 2020. (10)

Then, from March to April 2020, the Indonesian Nickel Mining Association (APNI) also urged the government to facilitate low-grade nickel exports, even though it had been banned since January 2020 because nickel exports were obliged to follow the downstream mining industry regulation by processing the mineral domestically. (11)

By the end of May 2020, the Indonesian Coal Mining Association (APBI)'s Executive Director, Hendra Sinadia, even dared to submit a request for relaxing coal royalty payments to the government, on the grounds that the pandemic had made commodity prices depressed due to market oversupply. APBI asked the government to change its regulations for the safety of coal entrepreneurs. (12)

On top of this, this de-regulation for the mining and coal industry, re-packaged with the name of the Draft Employment Bill (Ciptaker Bill) and the Revision of the Mineral and Coal Mining Act (Minerba Law), is the most deranged opportunism. Both benefit the mining and lethal coal energy industries with several incentives. The discussion has sparked protests, which despite the pandemic, continue.

The revised Minerba Law also abolishes article 165 regarding criminal acts and corruption sanctions of officials. They propose a definition of a legal mining territory that allows the size of the mining area to be unlimited, with automatic extension - without any auction or possibility to reduce the area of ??a giant coal company. The automatic extension refers to several coal companies whose permits will expire soon, such as PT Kaltim Prima Coal (KPC), Arutmin, Adaro, Kideco Jaya Agung, Berau Coal and Multi Harapan Utama (MHU). The de-regulation of the mining industry is being discussed as policies that ensure the safety and comfort of the industry, without any consideration for the safety

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and rights of people and/or nature.

These four trends and patterns show how the mining industry continues to benefit from the pandemic while destroying ecological social immunity throughout the Indonesian archipelago.

### ***Oligarchy Immunity and New Dictatorship***

Behind this mining business is the control and accumulation of profits that will concentrate more wealth and power for the mining oligarchs. It is their immunity that is increasingly thickened.

Behind a row of coal mining giant companies that benefited from the Mineral and Coal Act (Minerba Law), such as PT Adaro Indonesia, are the names of the Thohir, Garibaldi or Boy Thohir families, which control the companies. Meanwhile, Erick Thohir became Minister of State-owned Enterprises. The silence of Minister Erick Thohir regarding the automatic extension of companies' concessions, which is connected to his family's business, has left an alleged conflict of interest that involve the last election rounds in the country. Likewise, PT Arutmin and PT Kaltim Prima Coal (KPC) got new fresh blood and immunity through the revised Minerba Law. And like this, the list of revolved doors and corruption goes on.

Public money is not been used to strengthen ecological and social immunity at various mining sites, but on the contrary, to strengthen corporate-oligarchy's immunity by giving subsidies, incentives and bailouts to mining companies. In the end, it is the social and ecological immunity that will decline very much, and conversely, the immunity of corporate oligarchies that will increase rapidly. **This immunity includes mobilizing organized violence in the name of combating the effects of the Covid-19 pandemic and the "new normal" discourse.**

If the situation gets to that point, we should all be wary of the corporate-oligarchs hijacking democracy by perpetuating emergencies. Such a situation will provide a way for a new dictatorship to install itself— **a dictatorship under the flag of mining capitalism.**

*This article was written in commemoration to the Anti-Mining Day (Hari Anti-Tambang) May 29, 2020, and the Environmental Day, June 5, 2020.*

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