



Implementation of Mining Affairs in Palu City from a Political Economy Perspective

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Abstract

The detrimental impacts of mining include habitat degradation, contamination of the water, human rights abuses and the denying of the nature of common property. Several countries' experience indicates that natural-resource production, which is only exploitable, often ends in disappointment, both economically and environmentally. Although the mining industry still has the potential to improve welfare. Government regulations have indicated the division of authority to regions to be able to regulate themselves autonomously. So that way the people's wishes should be well appreciated with provisions that are not detrimental to society at large but still maintain environmental security, both politically and geographically. Since the mineral resources which is held is properly and wisely handled and can be a resource for enhancing the community's wellbeing.

Keywords: *Mining; Government Affairs; Community Welfare*

Introduction

Indonesia is a country rich in gold, silver, copper and other mining materials. The resources are State-controlled. State control rights contain the authority to regulate, administer and supervise the management or exploitation of minerals and include the obligation to use them for the welfare of the people as much as possible. In general, the constitution provides the basis for the regulation and policy of mining management of mining materials, the constitution states that "the land and water and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people". In addition, it was specified in the 1960 government regulation (UUPA) that the enforcement of State control over the ground, water and natural resources found therein can be empowered for the regions. Although this clause requires regions to engage in the practice of State control rights over property, water and natural resources therein, it is not very explicit, especially as to the sense of "being activated". Is it empowered in the sense that it is handed over as a regional household affair or as an aid task or a task of deconcentration [1].

The central government 's relationship with regional governments is essentially the division of authority within government administration. This separation of authority was governed in the numerous regional government laws and regulations. At least nine laws and regulations apply to local government

[2]. In addition to gaining the power to perform some public activities autonomously, as a result of the central government's transition of foreign relations, the effect of introducing decentralization lets local government often have jurisdictional limits that separate it from other local governments. In the Metal and Carbon Mining Regulations of 2009 it states: (a) Implementing and regulating the implementation of Class C mining materials by the Provincial Government; (b) Minerals from category b can be sent to the Local Government. The term denotes (1) Class c mining materials are fully delegated to the provincial level for the regulation, management and utilization. (2) Class b minerals may be regulated, managed and utilized by the central government or regional governments. Regional councils are based on policies of the central government [3]. The conflict between the local government and the Poboja miners could not arise because of the negligence of the local government in responding to community demands. State regulations in the form of government regulations on major mining issues in 1967 and then replaced by mineral and coal regulations in 2009, which wanted an equal distribution of regulations for the welfare of the community. The state law also advises municipalities to separate jurisdictions so that they can govern themselves autonomously. Thus, the wishes of the people will be well received by laws that do not harm civilization as a whole but also uphold environmental stability, both politically and geographically.

The adoption of the decentralization concept is crucial for joining the age of national autonomy. Philipus M. Hadjon said that decentralization implies that the power to administer and handle policy relations is exerted not only by the central government but also by lower states, both in the form of administrative units and functional ones. The lower units of government were delegated and left to organise and administer themselves as relations of government [4]. The pattern of relations between the central government and the regional governments can be translated as follows on the basis of the provisions of the 2014 government regulation: decentralization is the transfer of part of the executive authority from the central government to the regional government, where it is stated in the regulation that this concurrent governmental affairs is the basis of the regional Au The Governmental relations sent at the same time contain Obligatory and Elective Relations [5].

District / city collaboration and communication are very critical issues in the execution of compulsory functions. This is perhaps attributed to the more concurrent existence of the relations being conducted, including policy relations that can be done collectively by the federal government, regional governments, and district / city governments. Theoretically, simple structural features occur in the structures of local government. To order for local councils to be able to carry out their sovereignty optimally, namely as an instrument for establishing a mechanism of democratization and a resource for providing healthcare at the local level, it must be philosophically grasped on the fundamental elements that make up municipal governance as a political body [6].

Besides that, mineral and coal legislation often allow the government to assess the national geographical structure with adequate geological protection for mining areas. It ensures that as long as the stipulation has not been enforced, there will be no issuance by the regional government of mining licenses and that there should be a moratorium on mining before the national spatial mining program is established. It also is a issue with its application with relation to the awarding of permits in the mining industry, as the issuing of such permits frequently overlaps, creating issues that contribute to disputes [7].

The Poboja mining region has become a national focus after it has been sparked by a backlash to the community's intensified gold mining operations since 2007, while conventional mining has persisted since 2003 until only utilizing drum machines. Most citizens see the practice as not being well regulated and coordinated because it is believed it could pollute the atmosphere. Poboja is also in the city of Palu, about 7 km from the center of town. The Poboja mining site is also situated in the region of the Palu Forest Reserve, which is a catchment area and the only water buffer in Palu Region.

The issuance of a policy of the Palu Mayor's Circular regarding the prohibition of gold mining activities was based on a request that the mining community was located in the concession area of PT. Citra Palu Mineral (CPM) as the holder of the Contract of Work and is a subsidiary of the Trans National Corporation, PT. Bumi Resources with a 99.9% share ownership composition. Bumi Resources is an alliance of capital from a number of giant companies, namely PT Samuel Sekuritas Indonesia 3.69%, JPMorgan Chase Bank Na Re Nominees Ltd. 1.95%, Bank of New York 1.89% and bourgeois company PT Bakrie and Brothers Tbk 14.28%, and Jupiter Asia No. 1 Pte. LTD 4.30% [8].

It triggered conflict between miners and the government with the issuance of this policy, and even claimed lives. It turned out, however, that the strategy did not address the fundamental question at the level of the Poboja culture. At the other side, the key option of group workers that substitute their former employment is challenged. There are actually around 2,000 ha of shared property in the shape of paddy fields and unused crops, although citizens tend to mine. If, you might guess, PT. The CPM submitted that the challenge of losing the source of life for the Poboja group may also occur because, while the 2010 Palu Mayor's Regulation on the Control and Management of Gold Mining and the Group Mining Permit Regulations were released and the presence of the Perwali was currently annulled in conjunction with the presence of a district-wide mining position.

PT CPM momentarily recognizes the presence of conventional miners so long as they are not disrupted by their mining practices. PT CPM, however, denied part of the Poboja gold mining concession to community miners, although the firm also allowed them to mine before a certain timetable for extraction had been established. Seeing these circumstances, Poboja mining represents the extension of natural resource sector capitalization by way of the state's dedication to mutual collaboration in the context of a contract of employment. Zone of mining concession held by PT. The CPM is 138,889 ha of the overall mining district, comprising of six (6) independent blocks and the Poboja-Palu block itself covering a region of 37,020 ha, which forms an economically viable resource with a gross inventory of 2 million units.

This study aims to describe which actors have an interest in managing the Poboja Gold mine, as well as to see what kind of role the state plays in managing the gold mine.

Research Methods

For this analysis the approach is qualitative. Qualitative analysis the researcher draws up a detailed, comprehensive overview, records the informants' details in depth and performs the analysis in a natural environment [9]. Some of qualitative analysis 's features is the need for constraints dictated by the purpose of the study. Research focus in field research is likely to develop or change according to developments and findings in the field. Nonetheless, it is meant to narrow the study scope before moving out to the field so that participants will not get mixed up with issues beyond the challenges and research objectives that were already conceived.

The venue of this work was undertaken in Palu City, primarily at Palu City's Public Works Department of Power and Mineral Resources, on the grounds that it is quite important to study the growth of mining concerns as it includes facets of mining relations where opposition frequently exists in policy taking. Depending on the nature of the analysis, this study's data sources provide witnesses, incidents and documents.

Throughout this report, the data collection process was carried out utilizing many methods, including observations, assessment and recording, as well as data processing strategies relating to Mc Nabb 's theory (2002), which grouped the sample data acquisition processes into six phases of operation, as follows: 1). Data organising; 2). Determination of the categories, themes and topics of research; 3)

Data Encoding; 4). Idea application, themes and categorization; 5). Finding Alternative Explanations; 6). Writing and Reporting [10].

Results and Discussion

The role of the State in managing the Poboja Mine

Writing by Jeannette Graulau (2008) which asks "Is Mining Good for Development?" suggests that there are advantages and disadvantages to whether or not a country's mining industry is successful. Adherents with a progressive vision with capitalism in the context of classical political economy and prioritizing economic growth usually accept mining production, but theories vital to the capitalist order such as structuralism, dependencies, global structures, feminism and philosophy of debate condemn the presence of mining production which would further marginalize the position of society and further marginalize it. Since the State is essentially established to exert control or influence over all who reside in community and provide facilities and funding. Of this purpose, the state usually has the roles of selection, delivery and stabilization. Nevertheless, the government's position tends to undergo ups and downs [11]. Neoliberalism strongly supports individual freedom, particularly in achieving material benefit, the inference being that the role of government, especially in the economic sector, is quite limited, as described by Chilcote (2000: 153): "Neoliberalism, as the traditional style of populism, stresses equality as regards human liberty and the promotion of economic benefit on the marketplace. Neoliberals are in favor of banishing government from the business arena. We will privatize the country, loosen financial markets, and open the national economy to external commerce and foreign competition to cut government benefits and social services initiatives. They would actually favor the market over the State [12], [13].

The separation of authority will also be observed by the sale of mining goods / natural resources, as the legislation governs the exchange of the results obtained from the management of such natural resources, so that the results obtained from the management of the mining sector can be appreciated by all Indonesians and not only. The state benefits in the form of economic rent from taxes paid by companies for their exploitation in the eyes of regions that are found to have wealth of natural resources or with the presence of the mining industries. Because whether we realize it or not, the state's regional authority is a form of globalisation's influence. Globalization is a consequence of the capitalism [14] that we breathe every day (to borrow the term Muhammad SAW).

Throughout this respect, the tension between the Poboja government and mining groups could not have arisen because of the local government's negligence throughout reacting to community demands. State legislation in the form of regulations on major mining concerns in 1967, and then supplemented by the 2009 mineral and energy regulations, which pursued an equal allocation of regulations for the benefit of the population.

The statute also suggests the separation of power to be allowed to administer themselves autonomously to the state governments. Thus, the desires of the people will be well accepted with laws that are not harmful to civilization as a whole but yet also uphold environmental stability, both politically and geographically. As the Tanzanian government has done in an attempt to legalize conventional mining where the state organizes existing mines and seeks to bring them through the administrative and legal framework by structured statements that require mining companies to be formed in an arrangement with the private sector in order to create further mining companies [15].

Yet that's not the case in Gana, Tanzania. The Structural Adjustment Program (SAP), carried out with the rapid development of the mining industry, ultimately results in the lack of sustained economic growth that leads the community's cost of living to increase due to the reduction of conventional livelihood sources resulting in huge numbers of unemployed citizens [16].

The Homo Economicus Nurmi definition (2006) which states that law and institutions are provided in relation to the attitudes of the market participants. Because the policy is more involved in how to stimulate economic growth as high as possible with the expansion of the principles of globalization and socialism. Including the people collecting the maximum tax. In the meantime, the burden for dealing with social issues and providing social security is left entirely to the government. This can be seen in the government regulation on minerals and coal which says "Community mining permit, hereinafter referred to as IPR, is a permit to conduct mining business in community mining areas with a limited area and investment", this shows that there is flexibility in making regulations in the regency regional governments. In the interest of healthcare, which will of course have implications politically and economically for the right to levy taxes (PAD) [17].

Many countries' experience shows that development that is only exploitative based on natural resources always ends in failure, both economically and environmentally. For this reason it is necessary to assess the foreign ownership factor for its long-term benefits for the country [18].

In plain view, foreign investment in the exploitation of natural resources may create issues, which include: First; awarding job contracts helps to place the state in a poor position such that much of the profit-sharing goes to other countries / corporations since, as Wallerstein claimed in Lippit (2007), capitalism plays a central role as a social economy involving numerous partnerships, and the capitalist sector [19]. Second; There is still scope for natural resource explorers to exploit the outcomes of the operations carried out due to the government's lack of exposure to daily oversight in this regard De Soto (1992) saw that politicians have a history of utilizing legislation as a method to promote the development of established resources and not to encourage the production of new wealth [20].

The state often does not realize that wealth and resources can increase if there is an incentive to create them from an appropriate institutional system and that even the most marginalized members of society can generate wealth, so direct redistribution is the only way in which the government chooses and ignores the reality that a regulation can change the decisions taken to change economic opportunities Political protection of the economy of the people should be carried out wisely in its implementation, not to cause counter-productive impacts , for example distorting the mechanism of the market, even though this economic policy is one of the major political efforts to strengthen people from market forces [21].

Since it is quite relevant in the framework of the political economy, which consists of the context, activities, trends and models / forms of decisions / policies, as the political economy will center its attention on the fundamental study of decision-making [17] and take into account the opinion of Ghosh and Guv (2006) that "Globalization has contaminated expanded income disparity [14]." In order to escape the detrimental effects of globalization, propose a hybrid (mixed) macroeconomy between the private sector and policy planning focused on market regulation democratization and government interference (state) structured to avert market collapse.

Conclusion

The existence of a contract of employment, which was eventually replaced by a mined business license, was based on the legality of ownership of natural resources by the owner of property in compliance with the Constitution of 1945. This is where reliance has been generated politically. Where the capitalist spirit is very dominant in deciding natural resource management characteristics and modes, interpreted in an approach to economic growth in order to give maximum support to the market process, where every country is encouraged to agree to liberalize and privatize the natural resource sector, which is often defined as a bilateral collaboration.

Many countries have experienced a great number of negative effects on the mining industry, even though it can thus far play an important role in enhancing the prosperity of the government. Therefore, the benefits of Natural Resources (especially mining) for the state need to be studied carefully for the long term. Foreign ownership in the field of natural resources exploration must be minimized and economic rental practices, which put the State as its predator, must be stopped.

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