

**GENDER EQUALITY AND CORPORATE SOCIAL
RESPONSIBILITY IN MINING:
AN INVESTIGATION OF THE POTENTIAL FOR
CHANGE AT KALTIM PRIMA COAL, INDONESIA**

By

Petra Mahy

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Australian
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ANU COLLEGE OF ASIA AND THE PACIFIC
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Declaration

I, Petra Mahy, declare that this thesis, submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in the Resource Management in Asia Pacific Program, Crawford School of Economics and Government, College of Asia and the Pacific, Australian National University, is wholly my own work unless otherwise referenced or acknowledged. This thesis has not been submitted for qualifications at any other academic institution.

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Abstract

This thesis presents an evaluation of the potential for gender equality to be promoted through Corporate Social Responsibility (CSR) in mining. Research was conducted at Kaltim Prima Coal (KPC), a major coal mining company located in East Kalimantan, Indonesia. Since the fall of President Suharto in 1998, Indonesia has increasingly embraced the concept of CSR as meaning the delivery of community development programs by large companies. Indonesia has also become decentralised and district governments and local communities have increased their demands for greater benefits from resource exploitation. Companies such as KPC have had to become active agents of development.

Large-scale mining companies tend to employ majority male workforces and may have a series of gendered ‘impacts’ on local communities. Where mining companies act as development agencies their programs may also cause further social change. This thesis presents an evaluation of the potential for mitigating gendered impacts and striving for gender equality through CSR specific to KPC. It also looks outwards from this one specific case study of KPC to evaluate the recently developed guidelines on gender in mining by the World Bank, Rio Tinto and Oxfam Australia.

This thesis is divided into three parts. Part I considers the various drivers of the CSR agenda and argues that due to the role of the male-dominated district government and local interest groups in driving the CSR agenda, women’s voices are marginalised from CSR debates. Part II presents an analysis of the gendered impacts of KPC’s mining operations taking the literature on the ‘impacts of mining on women’ as a starting point. Particular attention is paid to how female sex workers are depicted in this literature. The

thesis demonstrates that while there is certainly a strong case for needing to mitigate the gendered impacts of mining, the ‘impacts of mining on women’ approach tends to exaggerate ‘impacts’ and emphasise ‘victimhood’ and to assume that all women have similar experiences of living in mine-affected communities. The evidence from KPC shows that in fact women’s experiences of mining are very diverse. Part III investigates the gendered aspects of community development policy and implementation. An analysis of KPC’s livelihoods and HIV prevention programs reveals that there are a number of inherent limitations within the CSR paradigm that inhibit the achievement of gender equal outcomes, including the propensity for the company to place business objectives ahead of development aims and to use CSR benefits as a way of pacifying vocal groups. As these vocal groups are usually male, women tend to be overlooked as CSR beneficiaries.

This thesis argues that the guidelines by the World Bank, Rio Tinto and Oxfam, while they do make some positive contributions to the discourse on mining and gender, all assume the existence of homogeneous women victims of mining. They also fail to recognise the inherent political and gendered limitations within CSR, and thus need to be re-evaluated in order to be more effective tools for change.

Acronyms and Glossary

ABC	HIV prevention campaign slogan
<i>adat</i>	custom, tradition
AIDS	Acquired Immune Deficiency Syndrome
AMDAL	<i>Analisa Mengenai Dampak Lingkungan</i> . Indonesia's Environmental Impact Assessment
APBI	<i>Asosiasi Pertambangan Batubara Indonesia</i> . Indonesian Coal Miners Association
ARC	Australian Research Council
<i>arisan</i>	revolving credit groups
ART	Anti-Retroviral Treatment
ASM	Artisanal and Small-Scale Mining
AUD	Australian Dollars
AusAID	Australian Government Overseas Aid Agency
<i>Badan</i>	Local level government department
Bappeda	<i>Badan Perencanaan Pembangunan Daerah</i> . District Development Planning Office
<i>barang baru</i>	new goods
BP	British Petroleum
BPD	<i>Badan Perwakilan Desa</i> . Village Representative Body
BPPUTK	<i>Bumi Pelatihan dan Percontohan Usaha Tani Konservasi</i> . KPC's Farming and Conservation Training and Demonstration Centre
BR	Bumi Resources. A resources company within the Bakrie Group which own a majority share in KPC
BRI	Bank Rakyat Indonesia
<i>Camat</i>	Head of a subdistrict (<i>kecamatan</i>)
CCI	Corporate Community Involvement
CD	Community Development
CE	Community Empowerment (a division within the External and Sustainable Affairs Department at KPC)
CEDAW	Convention on the Elimination of All forms of Discrimination Against Women
CoW	Contract of Work. Indonesian mining licence under the 1967 mining law
Comdev	Community Development
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
<i>bapak</i>	father, Mr.
<i>Bupati</i>	District Head
Darma Henwa	Contractor company operating KPC's Bengalon Operations
Dayak Basaf	An indigenous ethnic group in East Kalimantan
Dharma Wanita	Wives of civil servants group
<i>Dinas</i>	A local level government department
DPD	<i>Dewan Perwakilan Daerah</i> . Regional Representative Council
DPRD	District Legislature
DWP	<i>Dharma Wanita Persatuan</i> . United Dharma Wanita
ECR	External and Community Relations Department, a former KPC department
EIA	Environmental Impact Assessment

ESD	External Affairs and Sustainable Development Department at KPC
ESDM	National Department of Energy and Mineral Resources
GAD	Gender and Development
<i>Gerdabangagri</i>	<i>Gerakan Daerah Pengembangan Agribusiness</i> (Regional Agribusiness Development Movement). Slogan of East Kutai Government
Gerwani	Women's branch of the Indonesian Communist Party
GIA	Gender Impact Assessment
Golkar	Functional Groups. The ruling political party during Suharto's New Order era
GOW	<i>Gabungan Organisasi Wanita</i> . Umbrella organisation for district women's groups
GM	General Manager (of a Department at KPC)
GMI	Global Mining Initiative
GRDP	Gross Regional Domestic Product
GRI	Global Reporting Initiative
GTZ	German Aid Agency
<i>Hari Ibu</i>	Annual Indonesian Women's Day/Mother's Day on 22 December
HIV	Human Immunodeficiency Virus
IBL	Indonesia Business Links
<i>Ibu</i>	Mother, wife of
ICMM	International Council on Mining and Metals
IDR	Indonesian Rupiah. The Indonesian currency
IFC	International Finance Corporation
<i>ikut suami</i>	follow one's husband
ILO	International Labour Organisation
<i>imam shalat</i>	prayer leader (Islam)
IMS	<i>Infeksi Menular Seksual</i> . Sexually Transmitted Infections
<i>Inpres</i>	<i>Instruksi Presiden</i> . Presidential Instruction
<i>Inpres Desa</i>	Presidential Instruction on Isolated Villages
<i>Tertinggal (IDT)</i>	
ISO	International Organisation for Standardisation
ISRA	Indonesia Sustainability Reporting Awards
<i>izin usaha</i>	mining licences under the 2009 Mining Law
<i>pertambangan</i>	
JAMSOSTEK	<i>Jaminan Sosial Tenaga Kerja</i> . Workers' Social Insurance Scheme
<i>jamu</i>	traditional herbal medicines
<i>janda</i>	widow, female divorcee
JATAM	<i>Jaringan Advokasi Tambang</i> . Network of Mining Advocates
<i>jatropa</i>	castor oil plant
<i>Kabara</i>	KPC's in-house magazine
<i>Kabupaten</i>	District level administrative area in Indonesia
Kaltim	Kalimantan Timur. Province of East Kalimantan in Indonesia
Kartini	Indonesia's first feminist and national heroine
<i>Kecamatan</i>	Subdistrict. The government administrative area below a district
<i>kelompok tani</i>	farmers' group
<i>kemitrasejajaran</i>	equal partnership between men and women
<i>kepala keluarga</i>	head of family, head of household
<i>kerja begini</i>	work like this, euphemism for working as a sex worker

<i>Ketua RT</i>	Neighbourhood head
<i>kodrat wanita</i>	women's God-given nature
<i>Komnas Perempuan</i>	National Commission on Violence Against Women
<i>Kowani</i>	<i>Kongres Wanita Indonesia</i> . Indonesian Women's Congress
KPC	Kaltim Prima Coal
<i>kuntilanak</i>	a type of female ghost
Kutai	A former district in East Kalimantan and also an indigenous ethnic group in that province
Kutim	Kutai Timur. District of East Kutai
<i>lahan</i>	land
<i>lokalisasi</i>	semi-legal prostitution complex
LM	Land Management (a division within the External and Sustainable Affairs Department at KPC)
<i>maksiat</i>	sinful behaviour according to Islam
<i>Mami</i>	Female brothel manager
<i>masyarakat</i>	community, the people of a community
<i>masyarakat terasing</i>	isolated peoples – a popular term during the New Order
MDGs	Millennium Development Goals
MMSD	Mining, Minerals and Sustainable Development Project
MSH-CSR	Corporate Social Responsibility Multi-Stakeholder Forum
<i>nasib</i>	fate, bad luck
New Order	Government regime under President Suharto
NGO	Non-Government Organisation
<i>ojek</i>	motorcycle taxi
<i>Obvitnas</i>	<i>Obyek Vital Nasional</i> . National Vital Object
<i>Otonomi Daerah</i>	Regional Autonomy
PADMA Awards	Community Development Awards, associated with Indonesian Department of Social Affairs
<i>Panca Dharma</i>	Five guiding principles of the women's group Dharma Wanita
<i>Pak</i>	Mr.
<i>Pancasila</i>	The five official philosophical principles of the Indonesian state
<i>payau</i>	deer
PDKT	<i>Persekutuan Dayak Kalimantan Timur</i> . East Kalimantan Dayak Association
<i>pendamping suami</i>	husband's helpmeet
<i>pengajian</i>	Qu'ran reading groups
<i>pembangunan</i>	development
<i>Pemda</i>	<i>Pemerintah Daerah</i> . District Government
<i>perda</i>	<i>Peraturan Daerah</i> . Local laws
<i>Perek</i>	<i>Perempuan Eksperimental</i> . Experimental Women
Periska	Women's organisation at Kaltim Prima Coal
Pertamina	Indonesian state oil company
<i>Pilkada</i>	<i>Pemilihan Kepala Daerah</i> . Direct elections of district heads.
PKI	<i>Partai Komunis Indonesia</i> . Indonesian Communist Party
PKK	<i>Pembinaan Kesejahteraan Keluarga</i> . Family Welfare Guidance (old)/ <i>Pemberdayaan dan Kesejahteraan Keluarga</i> . Family Welfare Empowerment Movement (current).
Porodisa	A logging company
<i>preman</i>	gangster
<i>priyayi</i>	Javanese noble class
PROPER Awards	Environmental Management Awards in Indonesia
PSK	<i>Pekerja Seks Komersial</i> . Commercial Sex Worker

PT	<i>Perseroan Terbatas</i> . An Indonesian Limited Liability Company
<i>puskesmas</i>	Local community health centre
<i>putra daerah</i>	native son, a person with ancestral roots in a particular region of Indonesia
PW	<i>Pendamping Wilayah</i> . KPC's fieldworkers
<i>Qanun</i>	Local laws passed in Aceh
<i>razia</i>	Police raid
<i>Reformasi</i>	Era of Reform in Indonesia following the fall of President Suharto in May 1998
<i>rejeki</i>	good luck, a windfall
RIMM	International Women in Mining Network
RT	<i>Rukun Tetangga</i> . Neighbourhood
<i>sablon</i>	screen printing
<i>sakinah</i>	harmonious and pious
SD	<i>Sekolah Dasar</i> . Primary School
<i>Sekkab</i>	<i>Sekretaris Kabupaten</i> . District Secretary
SIA	Social Impact Assessment
SLA	Sustainable Livelihoods Approaches
SP	<i>Satuan Permukiman</i> . Settlement unit in transmigration areas
SP3KT	<i>Solidaritas Perempuan Peduli Pembangunan Kutai Timur</i> . Women's Solidarity for Development in East Kutai
<i>spanduk</i>	banner
<i>staf ahli</i>	expert advisor
STAIN	<i>Sekolah Tinggi Agama Islam Negeri</i> . State Islamic University
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
STIPER	<i>Sekolah Tinggi Ilmu Pertanian Kutai Timur</i> . Agricultural Institute in Sangatta
<i>Suara Ibu Peduli</i>	Voices of Concerned Mothers
Tata Power	an Indian resources company which owns a part share in KPC
Tator	<i>Tana Toraja</i> . Land of the Torajans, an upland area in Sulawesi
TB	Tuberculosis
TKI	<i>Tenaga Kerja Indonesia</i> . Indonesian overseas migrant workers
<i>Toga Tomas</i>	periodic meeting between KPC and community leaders
<i>tokoh masyarakat</i>	community leader
UN	United Nations
USD	US Dollars
VCT	Voluntary Counselling and Testing (for HIV)
WALHI	<i>Wahana Lingkungan Hidup Indonesia</i> . Indonesian Friends of the Earth
<i>Walikota</i>	Mayor, District Head of a municipality
<i>wanita karier</i>	career woman
<i>wanita nakal</i>	naughty woman, euphemism for a sex worker
<i>wanita tuna susila</i>	woman without morals, euphemism for a sex worker
<i>Warta Prima</i>	KPC's community development monthly newsletter
<i>warung(an)</i>	small café, kiosk
WB	World Bank
WED	Women, Environment and Development
WID	Women in Development
<i>wisma</i>	a small hotel, a brothel/bar in a prostitution complex

Exchange Rates

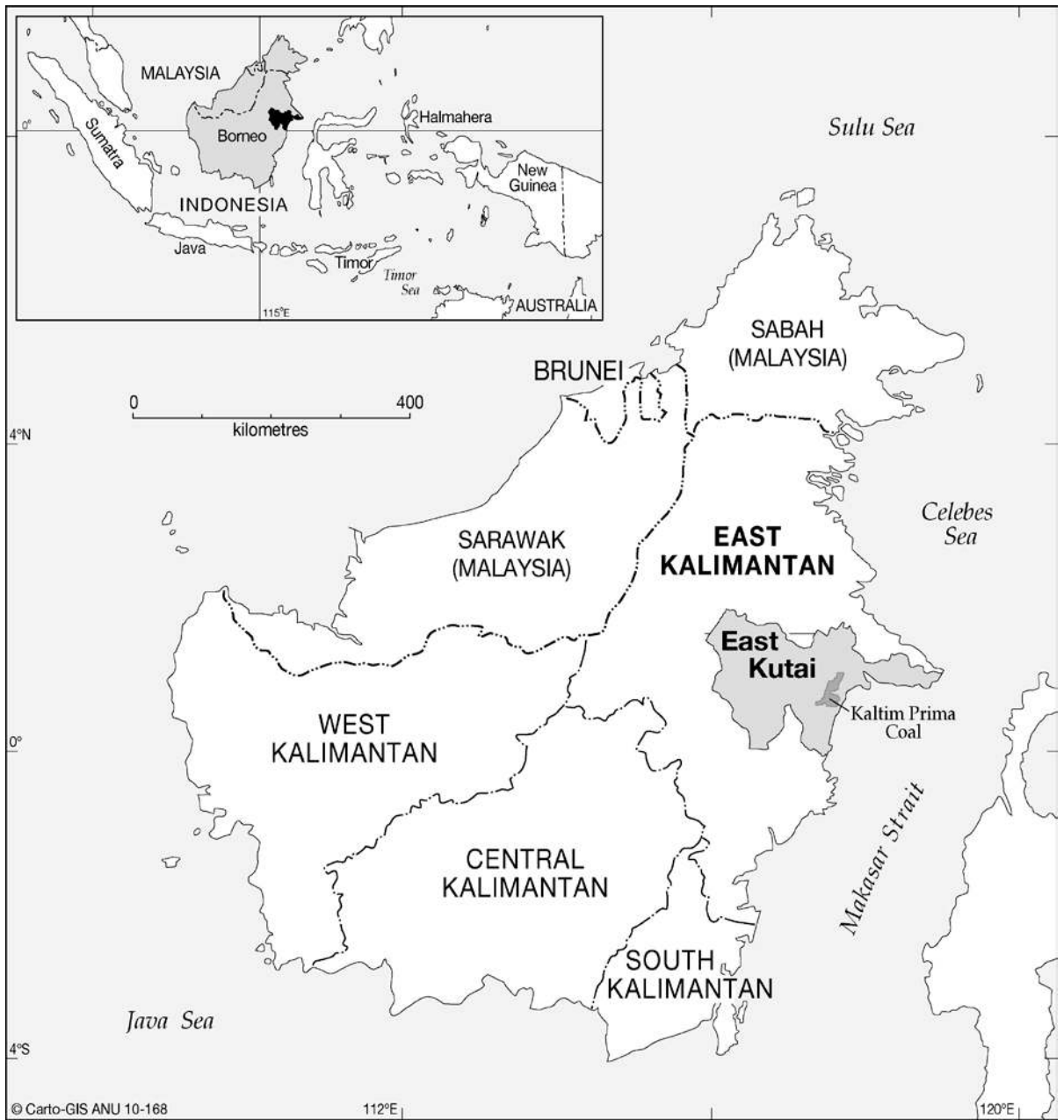
Exchange Rates as at 31 December 2007:

1 USD = IDR 9 394

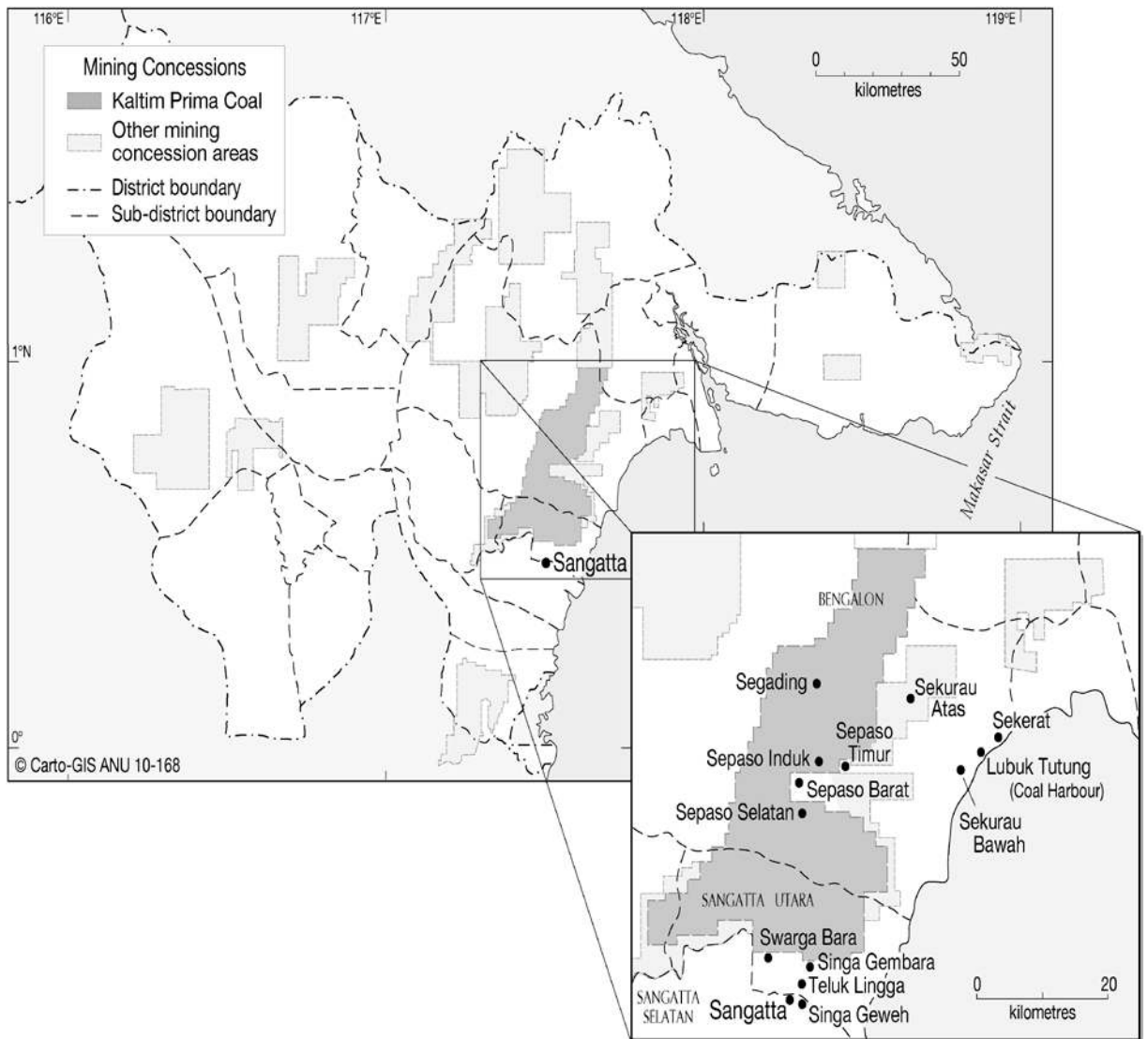
1 AUD = IDR 8 282

1 AUD = USD 0.8816

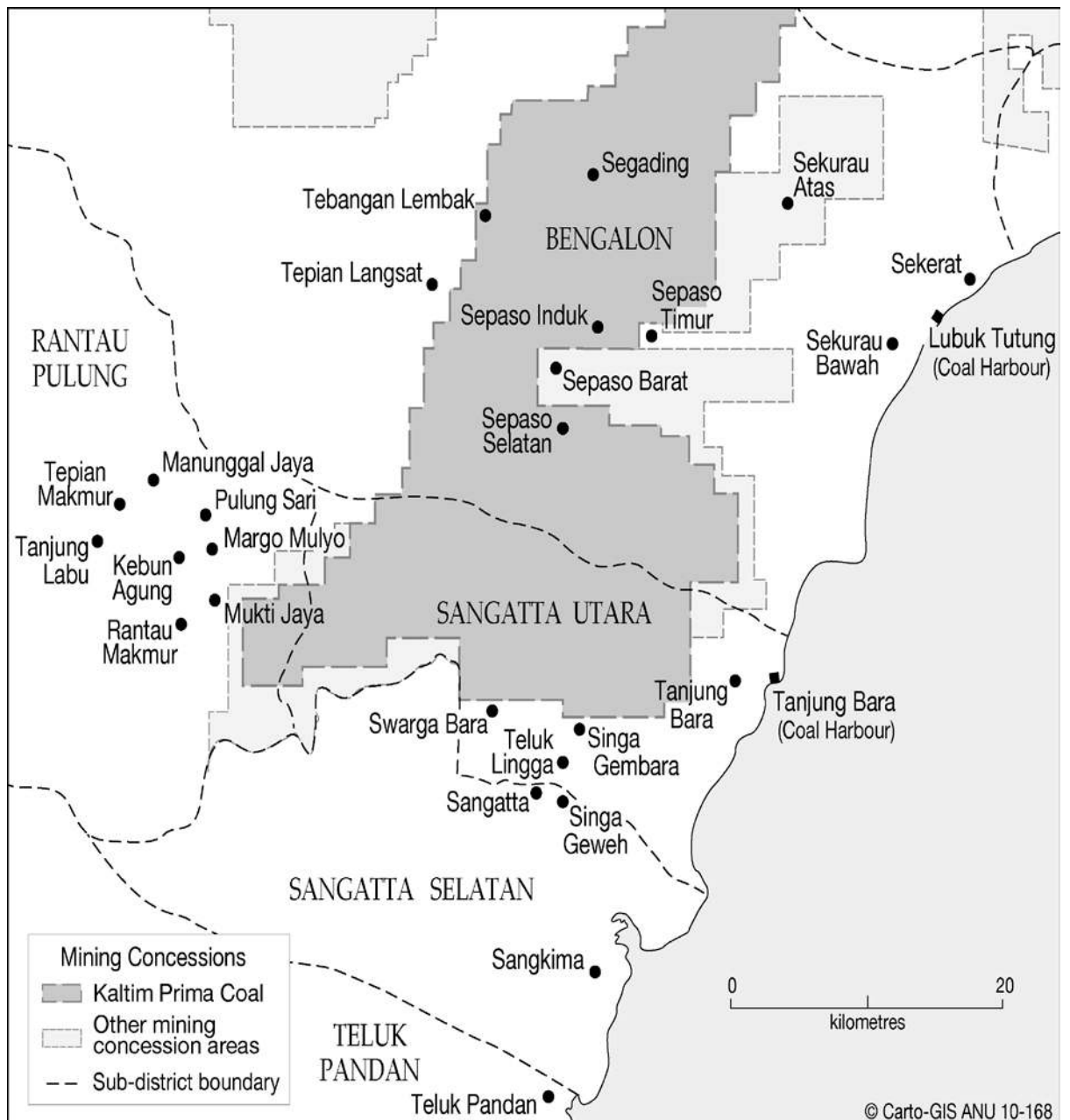
Maps



Map 1: Kaltim Prima Coal and the District of East Kutai, East Kalimantan, Indonesia



Map 2: Kaltim Prima Coal Concession Area and Sangatta Utara, Sangatta Selatan and Bengalon Subdistricts



Map 3: Villages Adjacent to the Kaltim Prima Coal Concession Area

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Chapter 1

Introduction

1.1 Research Context and Thesis Aims

The large-scale coal mining company Kaltim Prima Coal (KPC) has operated in East Kalimantan, Indonesia, since 1991 (see Map 1). KPC is one of the major miners in Indonesia. The company mined 36 million tonnes of coal in 2007 and 38.3 million tonnes in 2010. It sells mainly to the international market. It has fully mechanised operations spread across a number of open-cut pits within an overall concession area of some 90,000 hectares. Some of the pit operations are contracted to other companies including Thiess Indonesia and Darma Henwa. KPC was originally a joint venture by BP and Rio Tinto, but since 2003 has been majority owned by Indonesian company Bumi Resources. The Indian Tata Group purchased a 30% stake in 2007.

The advent of the reform era in Indonesia in 1998, the momentous transformations brought by decentralisation, and the growth of the notion of Corporate Social Responsibility (CSR) have all resulted in significant changes to the ways that KPC interacts with local communities. KPC is a company which now promotes its many CSR-related achievements. It is a participant in the United Nations Global Compact, has ISO 14001¹ accreditation and has received many national level CSR awards for its community programs in health, agribusiness and small business development. At the time of my field research in 2006–2007, KPC was also beginning to take some notice of ‘gender’² as an issue within community development practice. This was mainly taking

¹ KPC first achieved this Environmental Management Standard in 2004.

² Gender may be defined as the roles and ideal attributes and behaviour differently allocated by society to men and women. Gender equality is understood in this thesis to mean equal opportunities, equal rights, equal voice and equal access to resources between men and women.

the form of increasing the numbers of women participants in some community development programs.

KPC's adoption of CSR policies has occurred in the context of growing global expectations of corporate involvement in development. CSR was originally a response by companies to the critique by increasingly vocal networks of activists, NGOs and local peoples of corporate practices and the negative impacts and inequality caused by the single-minded pursuit of profit. The 'business case' for CSR links these additional corporate activities with long-term company profit through the enhancement of reputation and approval from local stakeholders. However, expectations of what CSR can achieve have arguably greatly expanded beyond the 'business case' into the development realm (Frynas 2005:582). CSR is now often promoted by the United Nations, the World Bank and other key international aid agencies as one alternative solution to poverty in developing countries.

The international mining industry has faced well-publicised accounts of the environmental and social costs of mining operations, including environmental damage caused by the disposal of tailings and the dispossession of local peoples' land rights. Extractive industry companies have large amounts of capital invested in any one place and are hence also vulnerable to local community unrest. Many large-scale³ mining companies and their industry bodies have responded to these critiques and CSR in mining has evolved not only as a promise to minimise harm, but also to actively benefit local communities and maintain a 'social licence to operate'. Dependent on mineral deposits and access to land, large-scale mines are usually established in more remote

³ 'Large-scale' is usually used to denote modern mechanised mining operations and is distinguished from artisanal and small-scale mining (ASM). However, it should be noted that medium-scale mining companies are far less likely to have sophisticated CSR programs than the largest, most prominent mining companies.

areas of the world, often among poor and marginalised peoples. Particularly in developing countries where government services may be deficient, mining companies, such as KPC, are under increasing local pressure to act as agents of development and provide community development programs for the people living within the vicinity of the mine. This has resulted in the evolution of a new form of development agency: the large-scale mining company.

In many cases, CSR in mining has now moved far beyond the occasional philanthropy of the past, where donations or the building of infrastructure had required only minimal interaction with local communities. Many large-scale mining companies now have departments dedicated to community development and sophisticated policies for community engagement and development programs. A support industry of CSR specialists, consultants and auditors has rapidly developed. There has been an increase in company reporting of their social impacts and activities, as endorsed by the Global Reporting Initiative (GRI), and also the emergence of international and national level CSR awards. The mining industry, particularly through the International Council on Mining and Metals (ICMM), is continually producing guidelines and toolkits on various aspects of community development for its member companies.

Alongside this increase in CSR activities, there have been many critiques of the potential and reality of CSR in the development field (see Sections 1.2 and 1.3 below). Among these critiques, some have noted the absence of gender perspectives in CSR debates and initiatives (Prieto-Carrón et al. 2006:979; Dovey 2009). Only very recently have some CSR guidelines been released which aim to promote equal gender

representation and outcomes.⁴ Companies have also generally underreported on gender issues (Grosser and Moon 2005a). Kilgour (2007) argues that there has been a lack of concrete efforts to realise gender equality in international CSR initiatives such as the UN Global Compact. Marshall (2007) examined the gendering of leadership in CSR debates and practices and found that the voices being heard in CSR are more often men's voices than women's voices. The one area where there has been some attention paid to gender in CSR is the promotion of women's rights as workers in companies, especially in Europe (Grosser 2009; Schultz 2009), although there is arguably still a long way to go to incorporate a gendered dimension into the notion of CSR on this issue (Pearson 2007).

There is some debate as to the potential of CSR as a new arena for promoting gender equality beyond government and the not-for-profit sector. Sceptics may see corporations as being essentially gendered and to have little inclination to implement gender equality policies. Corporations also do business within male-dominated market systems which may underpin gender inequality, and hence may have little incentive to, or real possibility of, working to change those systems. Nevertheless, as Grosser and Moon (2005b) argue, as CSR is now being driven by a range of new factors that have pushed company activities beyond business into social, government and development realms, CSR may provide an opportunity for the expansion of efforts towards gender equality.

Large-scale mining is one industry where gendered perspectives are now beginning to attract some attention within CSR. This has come about, not as an *a priori* acknowledgement of an opportunity for promoting gender equality in CSR, but as a

⁴In 2009, the Global Reporting Initiative produced *Embedding Gender in Sustainability Reporting: A Practitioner's Guide* as a supplement to its G3 Sustainability Reporting Framework (See Chapter 7.7 for a discussion of this framework in relation to KPC). Also, the Calvert Women's Principles, formulated by Calvert Investments and UNIFEM in June 2004, were relaunched in March 2010 by the UN Global Compact and UNIFEM as the Women's Empowerment Principles.

result of feminists' and activists' strong critiques of the gendered impacts of mining. Feminist academic critics and women activists from mining communities have campaigned for a gendered understanding of large-scale mines as being male-dominated domains and as having a series of gendered impacts. They have exposed how employment in mines is seen as being naturally and unquestionably men's work and the exaggerated forms of masculinity which develop in and around mine-sites (Robinson 1996; Lahiri-Dutt and Macintyre 2006). This bias towards male workers tends to exclude women from consideration for employment and causes women's roles in mining, if they are thought about at all, to be perceived as being essentially domestic and supportive of worker husbands and other male family members. The critique also presents evidence of local women bearing greater burdens from the social, economic and environmental changes wrought by mining and of being systematically excluded from community engagement with the company (Emberson-Bain 1994; Macdonald 2002; Gibson and Kemp 2008). It also raises the problem of companies implementing their CSR programs using gender-blind lenses and conflating the diverse interests of community members (Lahiri-Dutt and Macintyre 2006:2; Lahiri-Dutt 2011).

To a limited extent this feminist critique of mining has been accepted and in turn promoted by some important actors in the international mining industry including the World Bank. The World Bank has sponsored a series of conferences on the issue,⁵ and in 2009 released a paired report and guidance note on mainstreaming gender in extractive industries projects (Eftimie et al. 2009a, 2009b). The critique also appears to be beginning to inform CSR and development practices in some companies, such as Rio Tinto, which released a resource guide on gender in its communities work in 2009. Other agencies also offer some tools for change. Oxfam Australia (2009), which has a

⁵ These conferences are detailed in Section 1.4 below.

long history of activism on mining and women issues, has also produced a guide for gender impact assessment in mining. These three guides are referred to collectively in this thesis as the ‘mining and gender guidelines’. They are separately analysed in detail in Section 1.7 below.

It is within this interface of mining, CSR, development and gender that this research is located. It is evident that large-scale mines produce or exacerbate gender inequalities and hence change is clearly needed to redress this imbalance. As companies move into the development realm, further issues of gender equality also arise. The combination of the expansion in CSR discourses and practices and the new interest in promoting gender equality in mining makes this research particularly timely. While there have been a number of studies of the gender impacts of large-scale mines, this research combines gender impacts with an analysis of CSR as a potential vehicle for promoting gender equality in mining. A study of mine impacts alone fails to identify further gender inequalities that may be produced through CSR practice or the institutional impediments to change within the company. It is also the case at KPC that development programs are not directly aimed at impact mitigation, hence they require separate analysis. This is also a first study to produce a sustained analysis of the recently released ‘mining and gender guidelines’.

This thesis has two main objectives. The first aim is to provide an evaluation of the potential for change for mitigating gendered impacts and striving for gender equality through CSR specific to KPC. This is research based on ethnographic methodology that is part of a larger action-research project conducted in partnership with a company that

is well into the operations phase of its project.⁶ Although this is a case study of only one particular mine (and the specific context is very important), the findings in this thesis have wider implications for these new international approaches to gender in mining.

Thus, the second major aim of this thesis is to look outwards from this one specific case study of KPC, towards the three recent ‘mining and gender guidelines’. Using my findings on KPC, this thesis recognises the contributions made by these guidelines but also interrogates both the assumptions underpinning them and the practicalities of achieving their recommendations. I am aware that this critique is a difficult one as the recognition of the importance of gender equality in mining has taken a long time to take hold and these guidelines are much-needed attempts at positive action. Nonetheless, I consider that the drawbacks of these approaches need to be uncovered and the guidelines re-evaluated accordingly.

Gender needs to be considered at all levels of company operations and interactions with local communities. I arrange my analysis of CSR and gender at KPC into three main areas of inquiry as reflected in the three parts of this thesis; the institutional drivers of the CSR agenda (Part I), gendered impacts of mining (Part II) and CSR and community development policy and implementation (Part III). Each of the three parts of the thesis presents sub-arguments about the scope for mitigating gendered impacts and striving for gender equality through CSR specific to KPC, and evaluates the solutions offered by the ‘gender and mining guidelines’.

⁶ The details of this research project are set out in Section 1.8 below. See also Lahiri-Dutt (2004a and 2004b) for some preliminary reports on gender at KPC, and also Dowling (2008 and 2009) for gender analysis guides prepared for KPC.

In Part I, this thesis demonstrates that, due to the role of the district government and local interest groups in driving the CSR agenda, KPC is partially constrained in how it can set its own CSR agenda and hence its priorities on gender. Chapter 2 traces the history of KPC and the recent pressures put on it by the district government to provide community development programs. Chapter 3 discusses the gender and development context in which KPC is situated, finding that although many advances have been made for gender equality in Indonesia since the reform era, local resource politics are still very much male-dominated which in turn affects gender equality of voice in CSR debates. In Chapter 4, I describe the influence of local interest groups on company practice through a case study of a particular village, Singa Gembara, where the residents protested the impacts of blasting and succeeded in gaining development programs as compensation. I demonstrate how these pressures on the company tend to be male-dominated and hence exclude women's voices and specific consideration of women's interests in the formulation of the CSR agenda. All three 'mining and gender guidelines' have failed to recognise the role of local politics and interests in determining the scope of CSR and its potential to respond to gender inequalities.

Part II of this thesis focuses on 'impacts' and takes the 'impacts of mining on women' literature as its starting point. I demonstrate that while there is certainly a strong case for needing to mitigate the gendered impacts of mining, the 'impacts of mining on women' approach promoted by various activists and academics has a number of drawbacks including the creation of a homogeneous category of 'women victims impacted by mining'. This approach tends to exaggerate 'impacts' and emphasise 'victimhood' and to assume that all women have similar experiences of living in mine-affected communities. This approach underpins the 'mining and gender guidelines', and there is a risk in this categorisation being taken as the foundation for change towards a more

gender sensitive approach in mining company practice as it may in turn lead to misguided mitigation efforts. Chapter 5 sets out the results of a gendered impacts study of KPC's operations, finding diverse positive and negative impacts on different groups of women, with the main factor of difference being whether women were pre-mining residents or post-mining migrants. It also considers the likelihood of effective gender impact mitigation within the CSR paradigm. Chapter 6 considers the specific case of sex work as an impact of mining on women, and argues that sex workers tend to be excluded from consideration in the discussions of impacts on women and posited as less worthy of assistance than other 'good' women of the community.

Finally, in Part III, this thesis analyses a number of inherent obstacles to achieving gender equal outcomes through CSR community development project implementation at KPC. In Chapter 7, I explore the gaps and dynamics between CSR policy, practice and publicity and the unofficial priority often given to immediate business objectives over long-term development aims. Hidden modes of beneficiary selection tend to favour males as they are more likely to be perceived as risks to the company. This argument is continued through Chapter 8 which provides a gendered analysis of KPC's livelihood development programs and the factors affecting beneficiary selection. In Chapter 9, in the context of KPC's HIV prevention program, I discuss the inherent limits of CSR projects to take up best practice in the development industry such as promoting empowerment of sex workers and to affect wider determinants of gender inequality as they impact on the spread of HIV.

In the Conclusion, Chapter 10, I draw together my analysis of the potential for change towards gender equality in mining companies through the vehicle of CSR. While surface changes such as efforts to include more women in programs are certainly

possible, overall, I am pessimistic about the potential for fundamental change towards gender equality in mining within the CSR framework as it is currently defined and practiced.

In the remaining sections of this introductory chapter, I discuss the relevant literature and approaches to mining, CSR, development and gender and my views on the applicability of the arguments presented to the goal of promoting gender equality at KPC. In particular, I discuss the limits of CSR as a tool for community development, the recognition and construction of the social impacts of mining on women and the practical difficulties of incorporating gender into CSR. I also analyse the underlying assumptions in the different recommendations for incorporating gender into mining company activities made by the World Bank, Rio Tinto and Oxfam Australia. In the final part of this chapter, I describe the period of time spent conducting field research and my methodologies. I also reflect on my research as being part of a ‘linkage’ research project with the company and on my positionality as a Western female researcher.

1.2 Mining and Corporate Social Responsibility

Before asking what CSR in mining can achieve for gender equality, it is crucial to recognise the limits of what can be accomplished through CSR in development more generally. This is a hotly contested issue from a number of different perspectives. Activist critics have argued that CSR is merely ‘greenwash’ or a strategy for diverting attention from the real effects of business or as a means for corporate control of local populations. More moderate approaches cast doubt on the ability of companies to reconcile both business and development objectives or to actually overcome the

inequalities inherent in the market system that they operate within. In this thesis, I do not regard CSR as merely 'greenwash' but do follow the latter approach in exposing how conflicting business and development objectives in mining CSR tend to decrease the possibilities for gender equal outcomes.

The international mining industry is one of the key industries where CSR is being developed and contested. In the past, large-scale mining companies tended to consider themselves as only needing to comply with national government regulations which have often been pro-investment and silent on mine impacts and local benefits. The industry has since become a large target for the proponents of sustainable development and local peoples' rights. It was the Mining, Minerals and Sustainable Development (MMSD) Project which really triggered the CSR movement in mining. Filer et al. (2008) identify the Bougainville rebellion and the forced closure of the Panguna copper mine in 1989 as a strong causal factor that eventually led to the MMSD project and subsequent initiatives. They argue that the closure of Panguna destabilised Papua New Guinea's (PNG) mining industry and opened up space for threats to other large-scale operations in that country. This then caused mining executives to rethink the security of their mining operations and eventually to see reorienting community relations to CSR as a solution.

In 1998, nine of the largest mining companies in the world established the Global Mining Initiative in order to deal with the poor reputation of the industry (Filer 2002), which in turn designed the MMSD Project – a large study conducted by independent researchers on the problems in the mining industry around the world. The project's final report *Breaking New Ground* (2002) acknowledged human rights abuses and violence, the environmental, social and gendered impacts of mining, and set out a case for

sustainable development in mining. The International Council on Mining and Metals (ICMM) was established in 2001 to act on the MMSD report and promote the social and environmental responsibilities of its member companies.

Beyond the obvious link between poor practice and the risk of dramatic mine disruptions or closures, a mining company's reputation also has consequences for company competitiveness from the local project level right up to the international level due to the influence of reputation on access to mining concessions and finances (Hamann 2003:242). This is essentially the 'business case' for CSR in mining; that being responsible to stakeholders will enhance reputation which is in turn good for profits and will prevent local disruption to operations. A further 'business case' argument links local sustainable development back to company profit through greater efficiency and productivity, improved education and skills of local workforce and improved employee retention (ICMM 2005:8). However, as Hamann (2004) argues, the 'business case' for CSR is often circumscribed by the political and institutional context that companies operate within, that is, CSR is often driven by political pressures rather than being merely a rational cost-benefit evaluation on the part of the company. As I demonstrate in Chapters 2 and 4, local government and local communities are exploiting KPC's vulnerabilities to disruptions to operations and are part of the driving factors behind CSR in this context.

The approach to community development in mining, as advocated by the ICMM, the World Bank and others, is one with 'technical' solutions. There has been a proliferation of toolkits and good practice guides, most notably the ICMM/World Bank Community Development Toolkit released in 2005. This toolkit is located squarely within the 'business case' paradigm and causally links local poverty reduction to business success.

The toolkit gives guidance tailored to different stages of the mine cycle, including stakeholder identification, social baseline and social impact assessment and the formulation of action plans. It has borrowed from international development practice and includes key concepts of participation and consultation. It is notable, however, despite including a final tool on conflict management, that the toolkit is premised on an ideal where the company defines problems and solutions for a passive and apolitical community. For example, there is no mention of politics within the community affecting the recommended participatory development tools, or of the company being put in a position of needing to be responsive to demands made by groups or individuals in the mine-affected community.

Reports by industry networks and individual companies tend to portray the successes and benefits of CSR. However, there are ongoing debates about how well mining (and other) companies can combine their commercial profit-seeking activities with development objectives. Many NGOs, such as Friends of the Earth and Corpwatch, are sceptical of mining companies' claims to have truly changed their ways. They see CSR as a public relations exercise or 'greenwash' designed to deflect attention from the real effects of their operations. Others point to the voluntary character of CSR and consider it to be merely a result of calculation of costs and profits that does not prevent companies from side-stepping CSR responsibilities or selling out of their operations when the political climate becomes less conducive (for example, Filer et al. 2008). CSR can also be seen as a distraction from the real need to build public sector capabilities and accountable political institutions in developing countries (Bond 2008). Further problems arise in the definition of CSR as local community development project delivery, as is discussed in the following section.

1.3 CSR in Mining as Community Development Delivery

There is a tendency for CSR in mining to be defined narrowly as only meaning company-implemented community development programs rather than also encompassing concepts of corporate citizenship, labour, human rights and the environment. This more narrow definition of CSR tends to position social problems as being ‘out there’ in the community and hence not as originating within the company itself. While CSR may be framed as both impact mitigation and as community development delivery, arguably recognition of negative impacts is often subsumed by poverty reduction discourse. Fig (2005) argues that in South Africa, mining companies have preferred the terms Corporate Community Involvement (CCI) or Corporate Social Investment (CSI), rather than CSR, as those terms ask no questions about history, justice or wider understandings of ethical responsibility. Similarly, a narrower definition has taken hold in Indonesia, although this seems to have occurred through popular demand and political point scoring. Rosser and Edwin (2010) in their analysis of national parliamentary debates demonstrate that the delivery of community development programs, as an addition to core corporate practice rather than a radical re-evaluation of how business is conducted, has become the dominant public understanding of CSR in Indonesia (see also Chapter 2.5).

This focus on local community development has implications for the development approach used by mining companies. The international development industry has at least partly moved on from purely local interventions, recognising the influence of institutions and wider macro policies on the wellbeing of individuals and therefore that purely local efforts are unlikely to bring about deep and lasting change. Sustainable Livelihoods Approaches (SLA) aim to link localised participatory action with a broader

analysis of policy and institutional contexts (Arce 2003; Brocklesby and Fisher 2003). Good governance, with its aims of improving state institutions and strengthening of civil society, has also emerged as a core theme for international development agencies. As CSR in mining is narrowly defined as local community development, this necessarily precludes any attempt by the company to affect macro social policies and the inequalities they may produce. Companies would also usually have no mandate to interfere in government social policy.

Also, often excluded from company discourses of CSR as a success, are questions of effectiveness that have long been debated within development theory (Michael 2003:126) and further questions of whether mining companies can successfully act in the same ways as other development agencies. To what extent are companies in control of setting their CSR policies and programs? Are they structurally able to perform as a development agency? Is sustainable development possible given the finite nature of mineral resources and eventual mine closure? Will they encounter all the same problems that 'development' has faced earlier in history, such as dependency and technical approaches failing to find solutions to social problems? Does corporate aid work in the same way as NGO or other programs for improvement? Do they actually deliver socially responsible outcomes, or do they 'simply create mechanisms of dependency that can be used to control communities?' (Jenkins 2004:32). How are company programs implemented at the ground level? And, what happens when business and community objectives do not match? There is also the wider ongoing debate about whether resource extraction itself can contribute to poverty alleviation or merely add to a country's 'resource curse'.⁷

⁷ The resource curse theory asserts that countries which rely on natural resources for a substantial part of their national product are susceptible to the erosion of institutions and corruption, lack innovation and hence experience a reduction in manufacturing leading to long-term economic problems. Given the focus here on local community development and gender, the wider economic resource curse argument is

Kemp (2010) notes that in general there is limited knowledge of how mining company CSR is implemented in practice at the ground level. She calls for studies which move away from high-level structural analysis of CSR and examine how local-level practitioners deal with a mining company's dual commercial and development objectives. She advocates a healthy scepticism of CSR such that its limitations can be diagnosed and where possible transcended. While this thesis includes a structural level analysis of CSR, in Part I, it also takes up Kemp's call for a local-level analysis of how mining companies implement community development programs in Part III.

Those who have researched questions of the effectiveness of CSR have tended to uncover some benefits from mining company programs, but are sceptical of the ability of companies to provide a lasting solution to poverty through CSR due to their position within market economy frameworks. That is, any development programs implemented by a mining company will necessarily be unable to fundamentally change market forces – the very market forces which the company relies on (and creates) and which are also likely to be the root causes of local social and economic inequalities. This is also a question of the extent of control a company has over the social and economic processes in its area of operations and hence its ability to find remedies (Banks 2006:263).

Hamann and Kapelus (2004) in their study of CSR in mining companies in South Africa found that programs in education, health, welfare or small business development have had little impact on the root causes of social problems surrounding the mines. For this reason they conclude that companies' CSR-related claims, and particularly the reference to a business case for voluntary CSR, need to be treated with caution. However, they do

beyond the scope of this thesis. For coverage of the resource curse debate, see for example: Pegg (2006) and Bebbington et al. (2008a).

not conclude that CSR is necessarily only ‘greenwash’, as CSR has also made important development contributions in some cases (2004:87). Similarly, Blowfield (2005) argues that CSR has fostered some changes, but none of these actually challenge the non-negotiable value of profit or even acknowledge structural dimensions to the business-poverty relationship. For example, the right of a mining company to own and dispose of land is not questioned within CSR (Ibid.:520).

Other authors have extended earlier versions of dependency theory to CSR in mining – dependence being particularly a problem given that mines have a finite lifespan and communities will eventually need to do without their assistance. Frynas (2005) describes witnessing many non-functioning community development programs in the extractive industry sector. In other cases he found limited participation in CSR programs and the fostering of a dependency mentality as projects are seen as gifts from outsiders which results in a lack of community ownership of the project. Rajak (2008) has also argued that this sort of dependency is created by platinum mining companies in South Africa through their community development programs. There, the corporate ‘gift’ made in the name of CSR and empowerment, such as scholarships and funding of NGOs, acts in similarly patrimonial ways as corporate philanthropy did in the past. She finds that CSR gifts inspire ‘deference and dependence’ rather than ‘autonomy and empowerment’ on the part of the recipients (Ibid.:300).

A related argument refers to the danger of basing CSR on the business case as this creates an implicit alignment of CSR with business objectives. This approach uses communities as a means to profit maximisation and therefore necessarily requires a ‘top-down’ approach to project implementation. Here, dependency would be deliberately created in order to control local communities. In contrast, a truly

empowering community development approach would possibly create more problems for the company by producing a more politically active local population who might then challenge the company. In addition, a business approach to development might require quantifiable results at odds with less easily measured empowerment objectives.⁸

In my research at KPC, I also found that the focus on CSR as local community development, a tendency towards top-down development delivery, and business objectives trumping development outcomes inherently limit the potential for CSR to produce good development, and especially gender equal, outcomes. CSR has some fundamentally different challenges to those encountered by more conventional aid agencies. I do not, however, take the ‘greenwash’ view of CSR. Local communities are not necessarily duped or dependent victims and may take active roles in contesting CSR policies. Development success is always open to contestation, and a myriad of unintended dynamics can occur in the reception of development by beneficiaries, such as elite capture of development funding or beneficiaries deciding to oppose program delivery.⁹ As will be illustrated in Part I, the meaning and content of CSR at KPC is being worked out in the spaces of conflict and negotiation between various institutions and individual parties.

This thesis also supports the observation that the economic impacts (both positive and negative) of the mining company and its non-CSR related activities are far greater, and more profound, than the influence of CSR programs as they are currently practiced.

⁸ See Kilby (2004) on the tension between empowerment objectives and quantifiable managerial outcomes in development projects more generally. See also Macintyre, Mee and Solomon (2008) who, while conducting a social review for a mining company, encountered an audit culture that emphasised rigid standards and gave priority to quantitative data.

⁹ See the arguments about the complex agency and political motivations of actors in development by Mosse (2005), Tsing (2000) and Li (1999). These approaches are a reaction to earlier poststructuralist critics who argued that development discourses act as a hegemonic force that works to expand or entrench bureaucratic state power and acts as an ‘anti-politics machine’ that obscures political realities (Ferguson 1994; Escobar 1995).

Nonetheless, CSR in mining has expanded corporate activities into the social and community development realms and CSR programs do have important effects and often bring changes that people want (Newell and Frynas 2007). At KPC, I found that, although social impact mitigation is one part of its stated CSR objectives, in practice its programs usually have wider community development objectives and beneficiary selection tends to either reflect these wider objectives or respond to the most vocal groups or individuals in the community. I argue that this greatly limits both a response to gendered impacts of mining and the likelihood of less politically active women gaining benefits from KPC's programs.

1.4 Mining, Social 'Impacts' and Gender

Since the 1980s, there has been growing international recognition of the rights of indigenous communities. International anti-mining campaigners have fought for the recognition of the environmental and social 'impacts' of mining on indigenous and local peoples and for their rights of self-determination. These social impacts of mining have included the introduction of waged labour, a decline in subsistence agriculture, in-migration of mineworkers and others attracted by new business opportunities, and new social hierarchies based on mine employment status (O'Faircheallaigh 1992). Environmental and Social Impact Assessment (EIA and SIA) in large-scale mining operations have become institutionalised if not always effective (Joyce and McFarlane 2001; Ballard and Banks 2003).

In their critique of the activist-driven 'impacts' discourse, many academic commentators have pointed out that a designation as 'indigenous' is not necessarily natural or inevitable. Rather, it is an articulation of identity designed to fit a set of characteristics recognised by allies and the media (Li 2000:157) or to fit an imposed

category of landowners for the purposes of gaining mining compensation or royalties (Filer 1997a). The portrayal of indigenous or local people in this context is often romanticised and framed to capture Western neo-colonial nostalgia for unspoilt, culturally unchanging groups living harmoniously with nature. Many researchers have also demonstrated that local peoples are by no means merely the romanticised passive victims of mining and the natural environmentalists that they may figure as in anti-mining campaigns (Jackson 1991; Filer 1997b; Macintyre and Foale 2004; Rumsey and Weiner 2004; Banks 2006; Welker 2009). These authors argue that attributing all social problems to the mining company is to miss the agency and highly politicised strategies of local peoples living in mine-affected communities and to oversimplify contestations over resource benefits.

While there have been sustained critiques of activist approaches to large-scale mining and ‘impacts’ on local peoples, most of the women and mining activist literature continues to be framed in terms of ‘impacts’ on homogeneous ‘women’ victims without attracting much comment (although see Bainton 2010:131). This set of ‘impacts of mining on women’ literature, and how it has been taken up by international institutions such as the World Bank, is discussed here.

Mining, perhaps more than any other industry in the world, is associated with masculine images. The quintessential miner performs his tough, dirty, heroic and risky work. The industry is so ‘naturally’ masculine that both industry insiders and outside observers rarely think to question its invisible gender effects (Robinson 1996). This masculine image of mining is also connected to the romanticised view of miners and their historical role in labour unions, fighting for workers’ rights and creating a ‘proletarian solidarity’. Miners have been at the frontiers of migration and gold rushes and are

enduring images in the popular history of many countries. Contemporary large-scale mining workforces are overwhelmingly male, in both industrialised and developing nations.

It has been persuasively argued that this prevailing view of mining as masculine is an historical construction that renders invisible the roles of women, as miners themselves and as the wives/sisters/daughters of male mineworkers. Feminist historians have been writing women back into mining history (see, for example, Gier and Mercier 2006). Burke (2006) gives historical examples of women underground miners from the Inca gold mines and coal mines in Japan to the ‘pit brow lasses’ who worked at the surface in British collieries. She documents how, with industrialisation, ideas developed about mining being unsuitable for women, and women being only suited to domestic work, and laws were passed in many places prohibiting women’s work underground. Similarly, Lahiri-Dutt (2006) notes that in 1901, 48 per cent of total coal mineworkers in India were women. Women’s employment was significant until the 1930s but decreased substantially in post-colonial India and even more so in recent decades with state ownership of mines. Lahiri-Dutt argues that explanations for this change need to look beyond economics to the development of a gendered division of work, the role of the International Labour Organisation (ILO) in promoting the idea that women need to be protected from hazardous work in mines and the process of technology replacing women’s work (Ibid.:75).

Others have taken a feminist/Marxist approach (particularly to mining in the Western world) decrying the position of miners’ wives as unacknowledged and unpaid workers supporting the paid work of male family members and reproducing the next generation of mine employees. A woman’s access to company housing is through her marriage to a

company employee and having a home is dependent on staying with her husband (Gibson 1992, 1993). In a study of a mining town in Queensland, Williams (1981) found that despite any personal views on gendered divisions of labour, due to the lack of employment for women in mining towns and the demands on men for shift work and overtime, there was rigid task sharing where the man is the earner and the woman is the housekeeper and child-carer (Ibid.:146). Women's unpaid work includes expectations that wives will cater for social occasions and keep their husband fit and ready to work and hence arrange their own lives around mine shifts. A miner's wife is also expected to follow him wherever his career takes him which can be a very isolating and dislocating experience (Rhodes 2005).

There is also a set of literature on mining and gender which describes the effects of large-scale mining on gender relations in developing countries or within indigenous populations in the developed world. There are studies that trace transformations caused by mining to family organisation, particularly the breakdown of the extended family and rise of the modern nuclear family structure with the father as breadwinner (Nash 1979). Mining causes changes in the means of production and loss of agricultural land. It also introduces wage earnings mostly for men, and consequently causes changes to gender identities and sexual relations (Robinson 1986). Parpart (1988, 2001) has documented how many rural women were attracted to the urban centres created on the Zambian Copperbelt and their strategies of survival through marriage, prostitution and brewing beer. The colonial and company authorities responded by trying to curb the activities of 'wicked women' and Parpart highlights women's resistance to these policies of control. Ferguson (1999:170), also researching the Zambian Copperbelt, documents how mining companies there attempted to turn women into respectable Christian wives to fit the expectation of the creation of the modern nuclear family.

There is also now a chain of academic and activist reports and conference presentations that identify the ‘impacts of mining on women’. These argue that women have consistently reaped fewer rewards from large-scale mining and borne the brunt of the dislocating and alienating aspects of it (Emberson-Bain 1994; Macdonald 2002). These include both direct and indirect effects of mining. Direct effects described include loss of land resulting in women having to travel further to reach productive land (Macintyre 1993; Robinson 1991). There has often been an erosion of women’s land rights with men taking compensation for land acquired for mining (Emberson-Bain 1994). Gender inequalities in local communities and lack of responsiveness on part of companies have led to women being excluded from negotiations with the company and therefore missing out on benefits (Musvoto 2001; Kopusar 2002; Byford 2003; Gibson and Kemp 2008). Environmental damage from mining can undermine women’s ability to provide food for their families (Emberson-Bain 1994; Carino 2002; Simatauw 2002; Parthasarathy 2004). Displacement caused by mining can be more disruptive to women’s livelihoods (Ahmad and Lahiri-Dutt 2006).

With men taking up waged labour in the mines, women are often left to cope with agricultural production on their own and there is a resultant loss of status for women’s products (Macintyre 1993; Emberson-Bain 1994; Byford 2003). In closed mining communities, women have access to fewer means of earning money, such as urban agriculture (Musvoto 2001). The increase in men’s wages is said to lead to a host of indirect social ills from mining including increases in alcoholism, domestic violence, extramarital sex, teenage pregnancy and prostitution (Emberson Bain 1994:100; Byford 2003; Gibson and Kemp 2008). Prostitution in particular is a recurring theme in this body of literature on the negative impacts of mining on women (see Chapter 6).

On the topic of CSR and community development, it is also argued that the ‘naturalness’ of the male-dominated gender order within the mining company leads to the potential danger of community development staff interacting with the community through a gender-blind lens (Lahiri-Dutt and Macintyre 2006:2; Lahiri-Dutt 2011). Failing to understand gender dynamics in mining communities can lead to the conflating of differing interests into one ‘community’ and hence also failing to mitigate any gendered impacts of mining and to integrate gender into development programs.

Only a couple of writers on this topic remark on women’s agency in the face of mining. Pollock (1996) argued that Nauruan women had been able to maintain their control over land, resources and Nauruan identity through matrilineal ties and that they were able to question the government over its phosphate mining decisions, albeit covertly. While Macintyre (2002) acknowledged that discourse surrounding mining in developing countries often fails to recognise the agency of local community members, she did not extend this analysis to indigenous women in her study of the mine on Misima, PNG, due to local men’s dominance and cultural constraints making women reluctant to be publicly seen as involved in men’s business. There are many historical instances of women playing important roles in mining labour strikes (Stead 1987; Kingsolver 1989; Beckwith 1996; Merithew 2006) and in community protests (Ukeje 2004) around the world. In the women and mining literature the involvement of women in protesting the impacts of mining and labour action has only been briefly acknowledged by a few (Emberson-Bain 1994; Carino 2002; Rondon 2009).

The somewhat paradoxical approach within the women and mining activism, whereby women are portrayed as victims of mining without agency yet their own activism seems

to belie this, is reflected in Carino's (2002) short essay. In it she lists both negative impacts on women (thereby implying victimisation) and also a proud history of activism. She relates how the emergence of activism on issues of women and mining can be traced back to a Women and Mining project organised by Minewatch in London in 1991. The 'First International Conference on Women and Mining' was held in Baguio City, Philippines, in January 1997. This was followed by the 'Second International Conference on Women and Mining' in Bolivia in September 2000. It was at this conference that the International Women in Mining Network (RIMM) was established as a worldwide solidarity of women committed to struggling for the rights of women affected by large-scale mining. Carino's essay was one part of Oxfam's *Tunnel Vision* workshop on women's experiences of mining in the Asia-Pacific region held in Melbourne in 2002 (see Macdonald and Rowland 2002).

Meanwhile, the World Bank was sponsoring a series of mining and communities conferences in PNG and decided that the 2003 conference in Madang should follow Oxfam's *Tunnel Vision* agenda on women and mining.¹⁰ The conference outcomes cited common themes of negative impacts on mining on women in PNG, listing land clearing, rise in obesity, spread of HIV, jobs going to men, large increases in cash and new people in the communities surrounding the project sites resulting in increases in alcohol and drug use, gambling, violence against women, prostitution, polygamy and general lawlessness. Some few positive impacts were also listed (better health and education facilities, some companies beginning to respond to women's needs). There have since been more follow-up conferences including that in Madang, PNG in 2005 and the Oxfam-sponsored 'Pacific Women in Mining Conference' in PNG in 2007. The 2005

¹⁰ It is also probable that the Oil, Gas and Mining Unit at the World Bank had to be brought into line with the World Bank's general policy on gender equality. The mining sector was comparatively slow, as for example, the rural development sector had had gender equality policies since 1997.

Madang conference led to the formulation of the PNG government's 'Women in Mining National Action Plan 2007–2012' with key goals including improving education, health and livelihood opportunities for women living in mining communities.

While some of the studies mentioned above confined their comments on mining and women to particular case studies, others, often associated with the International Women and Mining Network (RIMM), Oxfam and the World Bank, make claims that generalise about the 'impacts' of mining on women wherever they are located (Macdonald 2002, 2006; Women in Mining Conference 2003, Hill 2008; Eftimie 2008; Oxfam Australia 2009). These often adopt the impacts described in the case studies and use these to list 'impacts on women' without differentiating between different mines or different groups of women. I argue that these lists imply that there are homogeneous groups of women victims across mine sites that are similarly disadvantaged in relation to all men.

The influence of the literature on mining and women on the policies of large institutions, such as the ICMM and the World Bank, has been slow but increasing. The MMSD *Breaking New Ground* (2002:205) report acknowledged that women have tended to bear a disproportionate share of the social costs and receive an inadequate share of the benefits of mining. The report makes recommendations for acknowledging women as stakeholders in mining projects and including them in dialogue with companies. However, the ICMM/World Bank Community Development Toolkit (2005) only has some brief remarks on the importance of gender and inclusion. Although the toolkit does not assume that the 'community' is homogeneous and does provide checklists of possible stakeholders, it does assume that benefits would automatically reach women (Lahiri-Dutt and Macintyre 2006:3; Lahiri-Dutt 2011). As noted in

Section 1.2 above, there is almost no mention of power dynamics in the community, such as gender, affecting the outcomes of the recommended participatory tools.

Following the conferences in PNG, the World Bank established an 'Extractive Industries and Gender' Initiative with a team based within the Oil, Gas and Mining Policy Division which aims to promote understanding of the unique impacts of mining on men and women. In 2009, it released a paired report and guidance note on mainstreaming gender in extractive industries projects (these are evaluated in Section 1.7 below). The Global Reporting Initiative has also released a guide for embedding gender into corporate sustainability reports (GRI and IFC 2009).

In this thesis I argue, based on my research at KPC, that the impacts of large-scale mining on women literature is valid to a certain extent, but generally downplays the agency of women. It also creates a homogeneous category of women which ignores diversity, particularly by focusing on local/indigenous women and overlooking the role of migrant women in mining towns. There are problems particularly with its approach to female sex workers. My critique of this 'impacts on women' approach (which underpins the 'mining and gender guidelines'), and the potential dangers in these approaches underpinning CSR practice, is taken up in Chapters 5 and 6 (Part II).

CSR in mining is not only concerned with impact mitigation but is also framed as community development delivery and poverty reduction. The next section considers the evolution of approaches to gendering development and the difficulties encountered, while the subsequent section discusses the additional problems inherent in CSR.

1.5 Gender and Development: Conceptual and Practical Problems

Over time, 'gender' has been given a clear status within mainstream development discourse and practice, although with mixed outcomes. This section sets out some of the main changes over time to approaches to gendering development and the conceptual and practical problems posed by the different approaches. This will lead to a discussion in the following section of the specific challenges involved in the adoption of gender equality aims in CSR for mining companies.

The change in focus from 'women' to 'gender' is well-documented. In the early 1970s, liberal feminists began to argue that the benefits of development were not trickling down to women. This movement to make women relevant to development policy, known as Women in Development (WID), was inspired by Boserup's (1970) work that pointed out that women were just as productive as men and yet were often being ignored by development programs. The WID movement often packaged its ideas to development agencies as being an economically efficient way of delivering development rather than arguing for women's rights or gender equality as a value in itself (Razavi and Miller 1995:7).

By the late 1970s, the WID 'add women and stir' approach began to be questioned. Gender had become more firmly conceptualised as being socio-cultural in origin rather than biologically determined. Enthusiasm for 'gender' rather than 'women' led to the shift from WID to the Gender and Development (GAD) paradigm. Very broadly, GAD assumes that social relations are gendered and that this should be factored into development projects. It also assumes that policy and interventions can and should transform socially constructed gender roles and relations and address women's

‘strategic’ interests (McIlwaine and Datta 2003:370). GAD thinking also exposed the fact that development organisations themselves are often gendered, and hence have gendered output, and that institutional change is needed to counter this. GAD continues to be the main paradigm in which gendered development initiatives are situated, although GAD takes a variety of forms, and struggles with a number of conceptual and practical difficulties.

Within GAD approaches, as a reaction to the failures of top-down development, participatory development has been a favourite mode for both including and empowering women in development projects. ‘Empowerment’ is usually only vaguely defined but may mean attempts to expand an individual’s ability to make choices, to overcome internalisation of the status quo and to generate a sense of effective agency (Kabeer 1999; Sharp et al. 2003). The problem with the focus on participation and empowerment at the local level is that it underplays or ignores the wider institutional forces that affect women’s lives (Parpart et al. 2002). In practice involving women may be harder than it first appears. Women are often constrained from attending meetings by their work roles and by gender ideologies (Mosse 2005:85), or women may simply not have the time available to become involved (Sharp et al. 2003:282). Also, as Cornwall (2003) notes, when women’s voices are heard, there is always the feminist dilemma of what to do when women articulate needs that reinforce their roles as wives and mothers rather than showing a desire for gender role change. That is, women may prefer to rely on the ‘patriarchal bargain’ (Kandiyoti 1988) if it fulfills their subjective needs.

Another potent critique of GAD discourse and practice is that, although conceived as corrections to gender-blind practices, it often creates and relies on a number of ‘gender myths’ or essentialisms and generalisations, particularly about women. Cornwall et al.

(2007a; 2007b) describe how women often appear in these myths as either victims of patriarchy or as heroines struggling bravely on under these conditions. These sorts of representations have the power to mobilise action, but are very different from the real complexity of women's lives (Cornwall et al. 2007a:3). Prevalent myths about women that have been debunked include that they are inherently more peaceful (El-Bushra 2007), less corrupt (Goetz 2007), naturally more caring and generous towards their family than men and hence more efficient distributors of aid (O'Laughlin 2007), closer to the environment (Leach 2007), and naturally form solidarities with other women (Cornwall 2007). Such myths may have power in development discourses, although it is worth remembering that they may be received by participants in diverse ways (see Klenk 2004).

GAD also continues to struggle with the need to balance the desire to recognise diversity among women, particularly of intersections of race and class, without falling back on the idea of cultural relativism which lessens the political power of arguments about gender inequality (Sharp et al. 2003:283). This issue continues to arise in the debate around the imposition of (white middle-class) Western values on gender in non-Western contexts and accusations of post-colonial arrogance. Earlier critiques of WID, as having misrepresented the women of the Third World according to a universalised Eurocentric vision (for example, Mohanty 1988), have also been extended to GAD (White 2006). For example, critics have questioned empowerment as being a Western concept of 'power over' (power at the expense of men) that may not have relevance in non-Western contexts (Parpart et al. 2002; Sharp et al. 2003).

The shift from WID to GAD has occurred more fully at the discursive level than in practice and many argue that there is still a continuing tendency to equate 'gender' with

'women'. Lack of engagement with men in so-called GAD programs may lead to indifference or hostility among male community members and within institutions, and backlashes against successful women's empowerment programs. Ignoring men also overlooks men as a gendered category, men's needs and unequal power relations between men (Chant and Gutmann 2002).

There is increasing disquiet that gender in development has become an institutionalised set of tools and techniques that have removed gender from its original critical and politicised feminist concept (Elmhirst and Resurreccion 2008:1). This is particularly a critique of 'gender mainstreaming' as having become a depoliticised technical fix. Adopted by the Beijing Platform for Action in 1995, gender mainstreaming requires the integration of men's and women's concerns into all stages of policy-making and project implementation. It is not just aimed at local empowerment interventions but also as affecting wider policy. Gender mainstreaming is also often extended to include the institutionalisation of gender concerns within development organisations themselves (Moser 2005a:577). Gender mainstreaming has been very successful at the discourse level and the majority of governments and international NGOs have adopted the terminology of gender equality and gender mainstreaming. However, in practice gender mainstreaming has been uneven, and has arguably produced more rhetoric than substantive gender equality (Rao and Kelleher 2005).

There is persuasive evidence that gender mainstreaming has failed in the effort to transform development agencies themselves. Tiessen's (2007) study of gender mainstreaming practices in NGOs in Malawi found that gender mainstreaming has the appearance of happening everywhere, but really is happening nowhere. Gender focal officers are often sidelined and gender training sessions are often a technocratic strategy

(or quick fix) rather than a political commitment for change (Ibid.:80). She argues that the major challenge for NGO staff is to hold a mirror up to themselves, recognise that their organisation is not gender neutral, and then to change gender relations within the organisation as a most urgent priority (Ibid.:173). As I will argue throughout this thesis, a mirror also needs to be held up to mining companies to expose the gendered nature of the company and their CSR practices, but due to gendered exigencies within CSR this is likely to be even more difficult than in more conventional development agencies.

1.6 The Challenges of Gendering CSR in Mining

As described in the section above, there continue to be many conceptual and practical challenges inherent in promoting gender equality in the development industry generally. It can be assumed that these challenges would also carry over into corporate-led development projects, but the nature of the mining industry and CSR present an additional set of problems that may further limit the potential for the transformation of gender relations in mine-affected communities.

Firstly, the company is not necessarily an agent free to set its own CSR agenda relating to gender equality. In many cases mining companies must accommodate the demands of other players who may not necessarily be in favour of gender equality in CSR outcomes. At KPC, it is the male-dominated local government (Chapters 2–3) and local conflicts (Chapter 4) that are partially driving the CSR agenda.

The second factor is the definition of CSR as community development implementation, where community problems tend to be positioned as being ‘out there’ in isolation from the company. Gendered impacts of mining are primarily caused by internal employment

policies and institutional culture. Gender mainstreaming demands that gender is problematised both within the organisation itself, and at multiple sites of interaction with communities. In mining this would include the sites of employment, policy formulation, mine impacts, community engagement and development programs and mine closure planning. The limiting of the scope of CSR to community development seems to allow little prospect of actions being taken to fundamentally affect business operations. This factor flows through to the community development departments being given primary responsibility for CSR and the low probability of such departments being able to push change in operations divisions of the company.

Thirdly, the scope of CSR as being geographically limited to the local area is such that CSR is unlikely to be able to affect wider determinants of gender inequality, such as state policies that may perpetuate male dominance. Macintyre (2011) points out that the lack of women employees in mining companies in PNG is due to a myriad of intersecting factors including disadvantages for women in education, difficulties juggling home, family and garden, hostility from male co-workers and jealous husbands, lack of childcare facilities and problems gaining promotion where it would result in men working under women's authority. Macintyre argues that female disadvantage in mining communities in PNG mainly derives from local customs and economic and political conditions that are exogenous to mining. Hence, she argues, there is a need for ground-breaking policies for overcoming women's disadvantages, with political will and support, which go far beyond the scope of corporate social responsibility. Chapter 9 takes up this issue in relation to HIV prevention and gender.

A fourth important limiting factor is the likelihood of resistance to gender transformative policies from local communities and the risk to the company of being

accused of corporate imperialism or paternalism. The company may find that local people, particularly men but also sometimes women, may be hostile to company policies on gender equality, for example in the distribution of compensation money where the company usually has no mandate to determine how the money is used within the community or within the family (Macintyre 2011). These issues of compensation money use (see Chapter 5.8) or resistance to more women being included in program implementation (see Chapter 4.7) are certainly obstacles that KPC has so far been unable to counter. As the aim of CSR is a ‘social licence to operate’ then the company is unlikely to push unpopular policies very hard.

A fifth factor arises in the probable preference of mining companies for efficiency rather than empowerment objectives in the event that it did adopt gender equality aims.¹¹ The business case for CSR and use of community development to maintain a social licence to operate would necessarily prefer a top-down approach to development and an approach to gender as a technical fix, rather than as a transformational project. It is also possible that a company could take an instrumental view of women’s participation, where for example, as a solution to community unrest, the company targets women as beneficiaries in the hope that they will then put pressure on male family members to cease their opposition to the company. There is also the potential problem of women’s projects being seen as good publicity for the company, where substantial action might be sacrificed for good photo opportunities.

Kemp (2010) also asks what happens when empowering women might mean more demands from women for more benefits from CSR or more opposition to mining?

¹¹ Another efficiency-based argument for gender in mining states that female employees, particularly truck operators, are safer and more productive or efficient than their male counterparts. There is little evidence for this, and this ‘nimble-fingers’ argument does not, in any case, seem to override general preferences for male employees in mining.

Kemp observed a situation where a mining community development worker was working with women's groups on economic empowerment initiatives. When the mine planned to expand, some of the women involved in the program mobilised to block the proposal. The mine manager then asked why the women in this area were so strong and was told that one of the community development workers had helped them (Ibid.:208). Here, we see a very possible conflict between business and development objectives, particularly where women have been less involved in making demands on the company.

Finally, there are a number of flow-on effects from the tendency for companies to give immediate business objectives priority over development aims. As is explained in Chapter 7, at KPC much of the External Affairs and Sustainable Development (ESD) Department's work involves dealing with complaints and protests and often those who pose a risk to the company's operations are pacified with promises of benefits from development programs. Where protestors are more often men, as is usually the case in places like Indonesia where women are more often identified with the domestic sphere and have comparatively little political voice, then women may be overlooked as stakeholders and CSR beneficiaries.

There are, then, a host of challenges both generic to incorporating an understanding of gender into development and challenges specific to mining companies and CSR. While it is certainly possible for companies to make improvements to gender equality in their CSR programs by increasing numbers of women beneficiaries, I argue in this thesis that underlying tensions within CSR, as it is currently understood, inhibit fundamental changes to corporate practice. I do not consider that any of the three 'mining and gender guidelines' provide all the necessary answers to these problems inherent in CSR, as discussed below.

1.7 Analysis of Current Guidelines for Integrating Gender in Large-Scale Mining

In this section I present an analysis of the underlying assumptions made by the recent (all released in 2009) prescriptions for promoting gender equality in mining projects, by the World Bank, Rio Tinto and Oxfam Australia.¹² As well as being the leading guides on mining and gender to date, they make interesting comparisons given their varying institutional authorship. Where possible, for each of these guides I ask: What evidence base on mining and gender issues do they use? Are women positioned as homogeneous ‘victims’ of mining? Is a business case and/or a development case for integrating gender established, and is this based on efficiency or human rights? Where do these guides draw the limits of CSR responsibility over gender relations in the community? What changes or programs do they advocate? In particular, do they advocate increasing women’s employment in mining and change to workplace culture and practices as the main solution? Or is it a gender in community development approach? Is women’s empowerment highlighted? Do they address any of the challenges and contradictions within CSR raised in Section 1.6 above, particularly the necessity for institutional change? And, where do the guidelines stand in relation to current gender and development thinking?

¹² The Australian Government Office for Women and the Minerals Council of Australia also released a report *Unearthing New Resources: Attracting and Retaining Women in the Australian Minerals Industry* in 2007. This report presents a set of recommendations for increasing women’s employment in mining in Australia through targeted recruitment and creating a work environment more conducive to women’s employment. It recommends addressing the strong masculine culture within mining companies and suggests awareness-raising and effective leadership as solutions. This report is not evaluated in this thesis as it is silent on the issues of gender impacts and mitigation and on community development, although its recommendations on workplace culture should not be discounted.

The World Bank (WB)

The WB's 'Extractive Industries and Gender Initiative' has released a paired report '*Gender Dimensions of the Extractive Industries*' and guidance note '*Mainstreaming Gender into Extractive Industries*' (Eftimie et al. 2009a and 2009b). These are grounded in those impacts on women studies and conferences outlined in Section 1.4 above, although they tend to present a somewhat more balanced analysis with both negative and positive impacts of mining mentioned. These guides tend to refer to 'women' as a homogeneous group, and at only at one point is diversity among women in relation to mining briefly acknowledged (Eftimie et al. 2009a:21-22). As I explain in Chapter 6.1, I also find some specific problems with categorisation in these guides, such as the implied exclusion of sex workers from the category of 'women', which suggests a view of 'women' as only being local 'good' women of the community.

The WB's frameworks and indicators for change advocate gender mainstreaming in all stages of the mining project, and includes both employment and workplace policies and community development. They do not define gender mainstreaming or explain why this is the preferred approach. The guides recommend integrating gender into project design and preparation including social impact studies, designing projects to enhance benefits and mitigate risks of the project for women and conducting monitoring and evaluation from a gender perspective. Concrete suggestions for change include creating jobs for women and an enabling workplace culture with companies setting targets for female employees in all levels of the company. There are also recommendations for addressing gendered impacts of changing environment and land use and ensuring that women land users are properly compensated, and recommendations for the inclusion of women in community consultations. Further, the guide suggests the incorporation of gender in

livelihoods, health and education projects. Conspicuously absent are any recommendations for fundamental institutional change, as required by gender mainstreaming principles, or any attempt to counter feminist academic critiques of gender mainstreaming as having become merely a technical fix.

Although these WB guides make a development case for intervention on gender, this is always linked to the business case. The link repeatedly made is that gender is critical to development which is in turn good for the company. And, although they mention women's human rights as a motive, the focus is more on efficiency and instrumental arguments for including women in development. These arguments made include that 'women are safer and more efficient workers', that 'women make more sustainable development decisions when given the chance' and that 'women are more likely to spend on education, health and nutrition for their families'. These efficiency arguments are somewhat suspect not only for their reliance on what are arguably gender 'myths' (see Cornwall et al. 2007a, 2007b), but because gender equality as an end in itself is lost.

It is notable that these WB guides do not use the term 'CSR' directly but prefer to examine extractive industry projects as a whole. This may be a way of circumventing any narrower interpretations of 'CSR' as only meaning community development delivery, although this is not explained. These guides also include recommendations for governments and other stakeholders thus they extend responsibility for gender equality beyond the company. The guides explicitly draw the ideal boundary between government and company, where the government provides health and education, and the company provides a safe place to work, although the authors acknowledge that the ideal is not always achieved in practice (Eftimie et al. 2009b:12).

Like other WB and ICMM guides, these guidelines neglect to mention political pressure on the company, that is, community engagement is posed in terms of the company freely choosing which community members to include. They also have perhaps an idealistic picture of the possibility of government-company cooperation on matters of CSR and gender – premised on an ideal split between government and company responsibilities which may not reflect reality. There is no mention of when the company may be put in the position of needing to bow to community wishes, or the gendered implications of this. That is, community engagement is portrayed as the company holding dignified, apolitical meetings with locals.

The WB guides contain no discussion of what might happen should the business case clash with development objectives or with the objectives of politically mobilised women. The guides tend to apportion responsibility for women's political empowerment to the local government and civil society rather than the company, while suggesting the company run programs for women's economic empowerment and readiness for work. This may be part of the effort to delineate CSR responsibility between company and government, but may also be implicitly recognising that more politically active women may pose a threat to companies.

Rio Tinto

Also in 2009, Rio Tinto¹³ (in collaboration with the Centre for Social Responsibility in Mining at the University of Queensland) released *Why Gender Matters: A Resource*

¹³ Rio Tinto is one of largest mining groups in the world with operations in many countries. Rio Tinto was a founding member of the Global Mining Initiative and the ICMM. Along with BP, Rio Tinto was one of the original part owners of KPC until the company was sold in 2003.

Guide for Integrating Gender Considerations into Communities Work at Rio Tinto.

Framed as a community engagement and project planning guide, it advocates integrating gender at different stages of the community development cycle (arranged under the headings: know and understand, plan and implement, monitor and evaluate, report and communicate).

This resource guide is a combination of gender toolkit and typical mining company publication. It mostly depicts the success of its gender and development approaches at different mine-sites around the world and the guide contains many colour photographs of women engaged in various positive activities. This guide does, however, acknowledge that ‘gender is a key area where Rio Tinto’s community programmes can be improved’ (Rio Tinto 2009:5). While accepting that more needs to be done, the guide is explicitly limited to discussion of gender in community issues. While potential mine impacts on women are mentioned, this guide places more emphasis on widely defined development aims and the inclusion of women in corporate programs.

Somewhat surprisingly given the company authorship, there is no explicit mention of the business case as a motivation for change. Rio Tinto’s new interest in gender is justified primarily by efficiency (women’s participation leads to more sustainable outcomes) although human rights and equal opportunity arguments are also made for targeting gender. The guide does acknowledge diversity among women in ‘that not all women as a group are more disadvantaged than men’ (Rio Tinto 2009:26), but this principle is not well-integrated into its case studies.

This guide is aimed at community development practitioners, and hence has a community development focus where social problems are posited as ‘out there’ in the

community, rather than as also existing within the company. There is no analysis of gender in the company itself or of institutional issues. The opening sentence of the foreword by Rio Tinto Global Practice Leader, Bruce Harvey, also implies that gender is an issue in the ‘community’ and thus independent of the company:

There is growing recognition of the critical role that gender plays in the social dynamics of local communities. These social dynamics can impact on the quality and effectiveness of community engagement programmes and the legacy of Rio Tinto’s operations (Rio Tinto 2009:4).

Most of the tools and examples mentioned in the guide are aimed at community development interventions, although the final Case Studies 10 and 11 on mines in the United States and Australia do consider the introduction of family friendly human resources policies. These are framed as human resources issues, to be dealt with separately by human resources departments.

Rio Tinto claims that its guide is applicable to both stable and politically volatile environments, although little is subsequently said about the potential for local politics to determine community development and gender outcomes. There is also little critical reflection on the institutional impediments to taking a gender approach, or on Rio Tinto’s history (there is some admission of historical wrongs in the Argyle case, although the anthropologist involved is blamed for this rather than the company).

This guide explicitly draws the limits of corporate responsibility for wider gender relations, arguing that Rio Tinto cannot be ‘expected to change deeply entrenched gender inequalities alone’ but ‘we do have a responsibility to ensure that our actions do not exacerbate or distort existing inequalities or create new issues in the communities in which we operate’ (Rio Tinto 2009:14). Further, ‘Rio Tinto does not always operate in environments that are enabling of gender mainstreaming, and must therefore ensure that

it does not exacerbate existing gender inequalities where the enabling environment is less than ideal' (Ibid.:80).

Oxfam Australia

Oxfam Australia's¹⁴ (2009) '*Women, Communities and Mining: The Gender Impacts of Mining and the Role of Gender Impact Assessment*' provides a gender impact assessment framework for mining. This framework takes a human rights approach, which is then linked to the ability of a company to maintain a social licence to operate (Ibid.:6). It draws on a similar evidence base of 'impacts' on women as the WB and Rio Tinto guidelines, and states that it represents the grievances voiced by women in mine-affected communities. Aimed at mining company staff, it advocates the collection of data on gender relations in the community and state, on the market and community context, the identification of issues introduced by the mining project, understanding women's needs and the development of a gender strategy in response.

This guide emphasises that data should reflect diversity in the community and among different groups. This framework does not make any specific recommendations beyond the linking of program planning to the findings in data collection in order to prevent or mitigate gendered impacts of mining. This framework is focused outwards on gender issues in the community and on community development rather than advocating for institutional change within companies, and omits any mention of data collection about the gendered nature of the company itself. Oxfam recommends the combination of data collection on both 'impacts' and on women's needs, and hence suggests a role for

¹⁴ Oxfam Australia (the result of a merger between Community Aid Abroad and Australian Freedom from Hunger Campaign in 1992) has a longstanding interest in mining, communities and gender issues. It works with a number of mine-affected communities. As described in Section 1.4 above, it organised the *Tunnel Vision* workshop and subsequent publication on mining and women in 2002.

companies in both impact mitigation and the wider promotion of gender equality. There is no explicit mention of the term CSR in this guide. Like the other two guides, it does not include any discussion of possible institutional impediments to program implementation.

These three guides on integrating gender concerns in mining all make positive contributions but have some critically important drawbacks. The WB's guidelines take the most holistic approach to gender in mining by advocating gender mainstreaming at all stages and aspects of the project, rather than just in community development. Oxfam and Rio Tinto are helpful for explaining the importance of information gathering and subsequent planning and evaluation. The WB is explicit on the importance of promoting women's employment in mining. There is generally more acknowledgement of diversity among women and their relationships to mining in the WB, Oxfam and Rio Tinto guides than in the 'impacts on women literature' that originally informed them. However, these acknowledgements of diversity appear to be add-ons only and an understanding of diversity could be better integrated into measuring impacts, planning and programs. As yet, there is little evidence on the take up of these guides in mining companies (although presumably Rio Tinto's guide has been distributed to its various community development departments around the world), and they are certainly yet to inform practice at KPC. I argue that the underlying assumptions in these guidelines and failure to adequately respond to CSR realities will undermine their effectiveness as tools for change. I expand this critique throughout the thesis in relation to my findings at KPC.

1.8 Fieldwork, Methodology and Ethics

This research is one part of an Australian Research Council Linkage Project titled ‘Creating Empowered Communities: Gender and Sustainable Livelihoods in a Coal Mining Region in Indonesia’. The Linkage partnership for this research project was between the Australian National University (ANU) and KPC. The Chief Investigator for the project, Dr Kuntala Lahiri-Dutt, had initiated a prior consulting relationship with the company¹⁵ and subsequently arranged the linkage project. She was able to persuade the company of the benefits of supporting a gender-focused research project as she found that the company management had a genuine interest in usable improvements to its programs.¹⁶ KPC provided research funds and in-kind assistance to the project and also funded one of its own staff members, Mr Wijayono Sarosa, to undertake a PhD on mine closure issues at the ANU. The benefits to KPC from the project included interim reports on our research findings, copies of completed theses including this one, some staff capacity building and the reputational advantage of having a link with the ANU.

I had a background in law, development studies and Indonesian studies and was drawn to this project due to its location in Indonesia and the emphasis on gender. I have had a commitment to principles of gender equality in my own personal life and was attracted by the opportunity to expand my understanding of gender and development issues. I held no pre-existing position on mining save for a sense of sympathy for those treated unjustly by mining projects and a general suspicion of mining companies’ environmental credentials. I joined the project and commenced my PhD candidature in

¹⁵ This initial project was part of the impetus for KPC’s introduction of the women-only projects described in Chapter 8.

¹⁶ Note that changes to company management personnel during the course of the project did mean that support for the linkage project waxed and waned and that new office holders had to be persuaded as to the benefits of the project.

March 2006. I made a preliminary trip to KPC in July 2006 spending approximately two weeks there. I returned in November 2006 and spent three weeks collecting data for a World Bank-funded project titled ‘The Impacts of Mining on Women and Youth’ (Lahiri-Dutt and Mahy 2006). The contents of this report have been modified and partially incorporated into this thesis, particularly in Chapter 5. Then, from January to December 2007, I lived in the KPC area and completed the main data collection for this thesis.

The nature of the linkage project and the direct funding relationship with the mining company also had important implications for my research methodologies and ethics. The methodology for this thesis is partly inspired by Mosse’s (2005) approach of a new ethnography of development being multi-positioned as well as multi-sited. This requires writing from inside development communities as well as from outside them, as it is very hard to see the real processes of development only from the outside (Ibid.:11). Mosse worked as an anthropologist-consultant over many years for the development project that was the subject of his ethnography. His analysis drew on his experiences of being involved in project planning and delivery, on a series of reports and studies that he completed for the project, interviews with project workers and a personal analytical account of his own position as a participant-insider. This allowed Mosse to move beyond both instrumental and critical perspectives on development to reveal on the ground interactions between policy and practice. Although I did not replicate Mosse’s approach in full,¹⁷ the linkage partnership with KPC facilitated my adoption of a ‘quasi-consultant’ role. Particularly in Part III of this thesis which analyses KPC’s development programs, I was able to draw on my experience in compiling consultant reports in order to make wider conclusions about CSR processes. Mosse’s insights into

¹⁷ Due to practical considerations, I did not, for instance, undertake fieldwork for such an extended period as Mosse, and also did not follow his final process of checking his arguments with other project workers.

how development works, and the uncertain links between policy and practice, are also drawn on in Chapter 7.

The Linkage Project arrangement allowed this extraordinary access to the company that would have been very difficult to obtain otherwise. This has given me a unique perspective on activities within the company and of company-community interactions. This has meant that I have been able to look within the ‘black box’ of the company to some extent, although this access was generally only to the community development department, and the operations side of the company remains largely a mystery to me. This access has allowed this thesis, at least in part, to avoid having the company lurking ‘monolithically’ in the background of an examination of local communities (Ballard and Banks 2003:290).

While conducting research, I kept a diary of my observations of KPC’s community development implementation processes. Data collection also included semi-structured interviews conducted in Indonesian, and qualitative surveys of ‘impacts’ and gendered evaluation of programs.¹⁸ Some interviews were with focus groups mainly as part of the surveys conducted, but the majority were informal interviews with individuals or small groups. In addition, I collected documentary sources including news articles, company publications and demographics data. While the research was grounded in part by the geographical location of the mine, the selection of sites and positions of interest was affected by both company and local perceptions of where the influence of the mine extended to, particularly through the company’s setting of limits around its responsibilities (see Chapter 7.2).

¹⁸ The methodologies used in these surveys are explained in more detail in those chapters that deal with the data collected.

While my PhD scholarship was funded by the Australian Research Council, my travel funds were contributed by the company. My accommodation was also provided. While in the field, I chose to live in one of the women's barracks in the 'Senior Camp' in Sangatta¹⁹, the camp where single mid-level Indonesian office staff and engineers and mine planners are accommodated. I had stayed briefly in Tanjung Bara, the upper-level accommodation complex, but found it restricting and too far removed from the local communities. I attended the company safety induction process and obtained a KPC staff badge allowing me access to the main office areas and also had a desk allocated to me in one of the community development offices. When necessary I also obtained lifts in KPC vehicles particularly when travelling outside Sangatta to Bengalon and Rantau Pulung, although I also often travelled by local minibus where possible. KPC staff members were generally accommodating and allowed me to attend significant events and to accompany staff on their trips to meet with community development beneficiaries.

Due to the linkage project and the long length of time spent with the company, I occupied an ambiguous position. I was not a staff member but also not completely an outsider. While I was certainly not privy to all that occurred in KPC's community development department, I was able to observe many everyday processes by attending meetings and events. Also, although not employed by the company, I nonetheless occasionally contributed my time on small tasks where requested, usually involving English translation or editing and photography. I was also asked to compile a submission¹⁹ for the Asian CSR Awards in 2007. As the data collection for this coincided with my research interests, I agreed and put quite some time and effort into preparing

¹⁹ In late 2006, the District Government of East Kutai officially changed the spelling of 'Sangatta' to 'Sengata', allegedly in order to reinstate the proper spelling after having being misconstrued by KPC expatriates in the past. For the sake of consistency (as I refer to the town both pre and post 2006 in different parts of this thesis), I will continue to use the 'Sangatta' spelling throughout this thesis.

the submission, and as a result gained some valuable insights into CSR Awards processes (see Chapter 7.6).

The linkage nature of the project, and the expectation from the company that it would receive the benefit of our research project, affected the content of this thesis to a certain extent. In particular, there was an expectation that the company would be able to use our results rather than just receive ‘academic’ arguments. During my PhD, I produced two further reports for the company; the first an analysis of its HIV prevention program (Mahy 2009) and the second, a gender analysis of its agribusiness and small business development programs (Mahy 2010). The content of these reports have been partially incorporated and expanded on in this thesis, and in fact facilitated the application of Mosse’s (2005) methodology of self-reflection on consultant activities.

Despite the funding arrangements and my partial dependence on the company for mobility in the area, I was nonetheless free to independently direct the scope of my research. The production of the reports on these particular topics was our own project initiative rather than being directly requested by the company, although again, we were influenced by the company’s expectation that the project would produce practical results.

While researching, I was conscious that I was often gaining a company-dominated perspective through accompanying community development staff, becoming friends with them, and sometimes sympathising with their frustrations in dealing with the community. I tried to counterbalance that tendency by also spending as much time as possible outside the company and speaking with local residents. My survey and

interview material was also generally aimed at gaining community perspectives on the company.

Nonetheless, the question of this sort of engagement as a 'quasi-consultant' with the company must be problematised here. It has been suggested that the proper role of an anthropologist in a mining situation is to work exclusively with local people and assist them in their struggles against the company (for example, Kirsch 1996, 2002). However, as Filer (1999) argues, we should be wary of assuming that local communities have collective interests which are necessarily opposed to those of the mining companies. Local people are not downtrodden romantic heroes (Ibid.:98), but have varying motivations and interests connected to the existence of the company. This point is illustrated in respect to KPC in Chapter 4, which examines a particular community conflict.

The research and funding relationship with the company also raised particular ethical questions. Human research ethics requires the protection of informants' confidentiality, interests and safety. There was also the theoretical risk that through my identification with the company that development program beneficiaries would feel obliged to speak with me for fear of being excluded from the program. However, in my experience, KPC has not generally interacted with local communities on this sort of vindictive level. Beneficiaries were accustomed to monitoring and evaluation activities, were usually not reticent to voice their criticism, and were often in a position to demand more from the company rather than fear that programs would be discontinued.

I was always upfront about my research aims and the funding connection to the company, and my living within the KPC camp and travelling with staff members

contributed to this image. At times I was aware that the information I was being given was being tailored or strategically framed in order to take advantage of my perceived link to the company and this was only to be expected. I relied on participant observation and my fluent Indonesian skills to overcome this challenge and seek varying perspectives on events.²⁰ This thesis, and the earlier reports, conceals the identities of informants, including individual KPC staff members, save for where informants were interviewed in their capacity as public figures.

In this research I tend to take women and men as valid and pre-existing categories, that is, I do not capture gender as being an ongoing and performative process. I also tend to take a 'women' focus rather than a balanced 'gender' approach to this research in that the interviews conducted were more often with women. This was in conformity with how 'gender' is often understood in mainstream Indonesia, as well as with the women focus in the mining impacts literature, but was also influenced by my own gender and hence easier access to women's spaces.

As an Australian woman conducting research in Indonesia, there are issues to be addressed in the politics of a Western woman representing women in a developing country. Western feminists have been accused of producing static categories of women, reinforcing attitudes of difference and only allowing third world women to speak through the conventions of the Western feminist's world view (Mohanty 1988; Radcliffe 1994). More recently, it has been acknowledged that while ideally the researched should speak for themselves, this is not always possible and that the authenticity of the researcher is always open to interpretation (McIlwaine and Datta 2003). This thesis is aimed at reframing the women and mining debate away from using

²⁰ All translations of interviews, survey responses and documentary sources throughout this thesis are my own.

a homogeneous category of women. However, the issue of authority and speaking on behalf of others remains, and I acknowledge that this thesis contains subjective choices about representation, particularly in the translation and repackaging of interview material and the characterisation of interviewees and their stories.

I am also conscious of my own impact while researching in the field. It was well known that I was researching gender and mining. Through my status as an educated Westerner, my interest in gender appeared to give the topic more importance than it may have had previously both for KPC staff and in the community. The Linkage Project more generally has also given 'gender' a higher level of importance amongst KPC community development staff, and in the end this may be most enduring legacy of the project at KPC.

Part I

Part I of this thesis (consisting of Chapters 2–4) discusses the gendered context in which CSR is being defined at KPC. This part demonstrates that, due to the role of the district government and local interest groups in driving the CSR agenda, KPC is partially constrained in how it can set its own CSR agenda and priorities on gender. Chapter 2 traces the history of KPC and the recent pressures put on it by the district government to provide community development programs and other benefits. Chapter 3 discusses the gender and development context in which KPC is situated, finding that although many advances have been made for gender equality in Indonesia since the reform era, local resource politics are still very much male-dominated which in turn affects CSR debates and outcomes. In Chapter 4, I describe the influence of local interest groups through a case study of a particular village, Singa Gembara, where the residents protested the impacts of blasting and succeeded in gaining development programs as compensation. I demonstrate how these pressures on the company tend to be male-dominated and hence exclude women's voices and specific consideration of women's interests in the formulation of the CSR agenda. Part I draws on a variety of data sources including documentary and news articles, interviews and observations.

Chapter 2

Kaltim Prima Coal and CSR: Meeting the Changing Demands of Government

‘The implementation of KPC’s community development programs should keep referring to the grand strategy of the Government of East Kutai District’
(Awang Faroek Ishak, Bupati of East Kutai, 2006).²¹

2.1 Introduction

The shaping of the CSR agenda in the context of large-scale mining is an ongoing process, being negotiated and renegotiated in the interactions between mining companies, international sentiment, different levels of government and the interests of different people living in the vicinity of mining projects. While international CSR and industry bodies may produce best practice manuals and encourage companies to respond to issues such as gender equality, in practice strong local driving factors may limit companies’ ability to determine their own CSR priorities. Recently, KPC’s CSR policies have been at least partly driven by local government and local people’s demands. This chapter addresses the issue of the local government as being a driver of CSR, while Chapter 4 describes the outcomes of local groups’ demands.

The ways in which KPC has interacted with Indonesian governments and local communities and interpreted its corporate social responsibilities has changed markedly over time. This chapter traces the history of KPC within the Indonesian political and historical context and changes in government approaches to natural resource exploitation. In particular, it highlights the effects on the company of the change from the repressive, centralised New Order regime under President Suharto to the reform era

²¹ Cited in *Kabara* (August 2006) “Arti Penting KPC Bagi Kutai Timur” (The Significance of KPC for East Kutai), pp 2-3.

since 1998, and the radical transformations brought about by the implementation of decentralisation in Indonesia. Decentralisation has dramatically altered the relationship between government and natural resource extraction industries in Indonesia by shifting the power to local governments to demand more benefits from companies. Simultaneously, the principles and the discourse of CSR have gained far greater credence in Indonesia since the fall of Suharto. KPC must now negotiate through a far more complex relationship with multiple levels of government.

This chapter also traces the significance of the sale of KPC by former owners Rio Tinto and BP to Indonesian company Bumi Resources in 2003. While it might be logically expected that the transfer of the company from international to Indonesian owners would have decreased international scrutiny of the company and hence reduced the pressure for CSR, in fact national and local dynamics have filled any resulting gap and the impetus for CSR is greater than ever before. KPC has had an annual community development budget of USD 5 million²² since 2003, and the district government has been partially successful in gaining the power to determine how that money is allocated.

While the importance of gender equality has been increasingly recognised by the Indonesian national government and to a lesser extent by district governments, gender equality continues to be marginal to mainstream political concerns. I argue in Chapter 3 that, notwithstanding any commitment on the part of the company to address gender issues, its ability to do so through CSR is at least partially circumscribed by the local government's increasing power over CSR issues.²³

²² By way of comparison, in 2008, KPC's net sales were worth USD 1 766.58 million. The company spent USD 18 771 896 on environmental costs, USD 78.13 million on employee salaries and paid USD 349.15 million in royalties (Kaltim Prima Coal 2008).

²³ While a similar argument might also be made for other marginalised issues such as indigenous rights or the environment being excluded from CSR debates through the local government's efforts to gain control of the allocation of CSR funding, I restrict my comments here to gender.

In outline, this chapter presents the history of state approaches to natural resource exploitation in Indonesia and the establishment of KPC and then the changes triggered by the reform era and decentralisation. It examines the founding of the new district government of East Kutai and how the district government has been increasing pressure on the company with particular reference to four important issues of contention: share divestment, management and use of community development funding, the partial closure of company operations in mid-2008, and the Sangatta-Rantau Pulung road. These accounts draw on previous research on KPC by Kunanayagam (1994), Garza (2003) and others, collected news clippings and some observations made during the course of my fieldwork.

2.2 Natural Resources and Development in Indonesia

Indonesia is rich in natural resources including agricultural lands, timber, gas, oil and mineral deposits. After the Second World War and the revolution for independence in Indonesia, the brief period of parliamentary democracy in the 1950s gave way to President Sukarno's autocratic Guided Democracy era. This era was strongly socialist-nationalist in orientation and the Indonesian Communist Party (PKI) grew in power. Formerly Dutch operated concerns such as the Ombilin mine were nationalised and run as state-owned enterprises but generally went into decline alongside the weak economy (Erwiza 1999). During the Sukarno era, Indonesia was part of the non-aligned movement and was anti-foreign investment and hence no major mining or resource extraction projects were initiated. During the 1960s some specific areas were declared as 'People's Mining' areas, particularly diamond fields in South and Central Kalimantan, and commercial-scale mining was banned there (Aspinall 2001:6).

Rapid change occurred once Sukarno lost his grip on power after the so-called attempted communist coup of late 1965 and his successor, Suharto, became President. Suharto's New Order regime 'built an extensive edifice of state surveillance and control to ensure that central government policies and directions were enforced right down to the village level' (Aspinall and Fealy 2003:2). This control over Indonesian society was ensured through an autocratic and hierarchical political and administrative structure, a corrupt and inept judiciary and a ruthless military that focused on combating internal threats to the regime (Ballard 2001:9). McLeod (2000) has characterised this hierarchy as a 'franchise' where Suharto had the power to tax economic activity for his own and his family members' benefits. Those bureaucrats willing to play Suharto's game were also given shares in this franchise and were able to take their own slices of the pie. Suharto successfully promoted sustained macro-economic growth in Indonesia in order to ensure his own rent-seeking opportunities. One of the main ways that was done was through the exploitation of Indonesia's vast natural resources, the majority of which are located on Indonesia's outer islands, particularly Papua, Kalimantan and Sumatra.

When Suharto's New Order came to power it quickly implemented measures to support large-scale foreign investment for natural resource exploitation. In the first year of Suharto's Presidency, three important laws were passed; Law no.1/1967 on Foreign Investment, Law no.5/1967 on Forestry, and Law no.11/1967 on Mining. These combined measures successfully attracted foreign investment and throughout the 1970s natural resources revenues, particularly from oil, were the main engine for Indonesian economic growth (Resosudarmo 2005:2).

The New Order's resources laws and practices were all skewed towards central government domination of natural resources (and hence domination by the Suharto related elite). Article 1 of the 1967 Mining Law, for example, read: 'All deposits are national assets to be controlled and used by the state for the common national good'. This law prioritised large mining operations over small community mining. Advocates of local peoples' rights have argued that the mining law was the most strident of all the resource laws in prioritising commercial extraction in that it specifically required local peoples to relinquish their property rights to commercial operations (Ballard 2001; Lynch and Harwell 2002:38–9). Having taken advantage of these freedoms granted by the government in its drive for foreign investment, many large-scale mining companies operating during the New Order (and after) have since been accused of human rights abuses and environmental degradation.

Up until 2009, the mining industry was regulated by the 1967 mining law and individual Contracts of Work (CoWs) that were the result of a direct transaction between the central government and investors. There were various generations of CoWs (the first, with very generous terms for the investor, being that of the Freeport gold and copper mine in West Papua). The mining industry enjoyed central government protection, although, as in the notorious case of Freeport, security was something mining companies had to pay the military for.

The centralised nature of the New Order regime, and the majority flow of resource revenues from the resource-rich regions to the centre, created great economic disparity between the regions and Java. Extraction rights were given to those close to President Suharto, and were not based on considerations of sustainability or fair return of benefits to locals (Resosudarmo 2005:2–3). The Mining Law and CoWs rarely provided for

explicit contractual benefits to the regions. While some companies did provide development assistance to their local area, it was usually only done as a gesture of goodwill. Further, few productive investments were encouraged in outer Indonesia and products such as rubber, rattan and coconut were mainly processed in Java and not in the original production areas. Consequently, the outer regions lacked modern employment opportunities and tended to lose their human resources to the centre (Charras 2005:90).

It is little surprise that within this system of resource extraction, feelings of alienation and deprivation ran very high among local peoples and elites (Sukma 2003:65; Fox et al. 2005:104). These centre-region conflicts manifested at the end of the New Order in 1998 with the breakdown of the centre's authoritarian hold over the regions. Many regions, particularly those rich in natural resources, began to demand more autonomy and recognition of the democratic right of local peoples to control local resources. Economic jealousies have, at least partly, driven the separatist and autonomy movements in East Timor, Aceh and Papua particularly, but also in Riau and East Kalimantan (Schwarz 1999:62–3). Decentralisation was implemented in 2001 in order to assuage the dissatisfaction of resource-rich regions and avoid any further disintegration of Indonesian national unity after the secession of East Timor.

During the New Order, Indonesia adopted the development paradigm as the answer to poverty and the proper path for the nation. New Order development was top-down, reliant on foreign investment and planned and controlled by the elites in the central government. The New Order development paradigm was marked by the rise of the neologism '*pembangunan*' or development. The word *pembangunan*, which encompasses ideas of economic growth and of the building of physical structures,

indicated ‘the espousal of controlled or approved processes of social interaction, in thought and behaviour, which are conducive to maintaining or reproducing the status quo’ (Heryanto 1995:10). Big resource projects like mines were seen as *pembangunan* in and of themselves, signifying modernity and growth. Protestors against companies were seen as rejecting *pembangunan* and therefore opposing the government (Gunawan et al. 1998:162).

Nonetheless, the legitimation supplied by ‘development’ and supported by political authority and military strength in the New Order was always fragile. The frustrations and anger of those whose livelihoods and cultural identities were appropriated by the state could not always be suppressed (Guinness 1994; Li 1999). The Freeport mine is a case in point. Freeport was able to operate in West Papua with relative impunity for much of the New Order period because it had a close, multifaceted and mutually beneficial relationship with the government, the military, and in the later years, the Suharto elite (Leith 2003:84). In 1995, a report titled *Trouble at Freeport*, written by local indigenous peoples with the help of NGOs in Jayapura, was smuggled out to the international media. The report documented systematic human rights abuses and focused international attention on the company. Riots also broke out in March 1996 in which three people died. In April 1996 the company announced that it would implement a new era of community relations (Ibid.:103). However, it was not until after 1998 and the fall of Suharto, that the company has been more willing to concede mistakes and now publicly acknowledges that traditional landowners are both the victims and the beneficiaries of its operations (Ibid.:92).

2.3 Kaltim Prima Coal during the New Order

While not so internationally well known (or notorious) as Freeport, Kaltim Prima Coal is one of the major miners operating in Indonesia and also has a similar history of having had a high degree of control and one-sided encounter with local peoples under Suharto and has had far more pressure to provide community benefits in the post-*Reformasi* era.

Kaltim Prima Coal came into existence in the mid-1970s when an equal partnership between Rio Tinto (CRA Limited) and British Petroleum (BP) was formed in order to jointly explore for coal in Indonesia. It successfully bid for a mining concession area on the coast of East Kalimantan covering a total area of 90,000 hectares. In April 1982, the company registered as PT Kaltim Prima Coal and entered into a Contract of Work (CoW) with the Indonesian state-owned company Perusahaan Negara Tambang Batubara,²⁴ giving it the right to explore, produce and market coal within the designated areas for 30 years from the date of commencement of the operations period (until 2021).²⁵ The CoW set out clauses on taxation and for KPC to deliver 13.5 per cent of its annual coal production to the state-owned company as royalties. It also required that KPC prevent pollution and environmental damage, increasingly employ Indonesian workers rather than foreign workers, and that shares should be progressively offered to the Indonesian government or Indonesian nationals beginning in the fifth year of production until 51 per cent of the shares had been divested. The only reference to community benefits was in the clause that required KPC, in order to enhance the social

²⁴ Coal Contract Agreement (*Perjanjian Kontrak Karya Perusahaan Pertambangan Batubara*) between Perusahaan Negara Tambang Batubara and PT Kaltim Prima Coal, No. /Ji.D4/16/82. Note that Perusahaan Negara Tambang Batubara is now known as PT Tambang Batubara Bukit Asam.

²⁵ These basic historical data about KPC are found on its website (www.kpc.co.id) and in its annual sustainable development reports.

and economic benefits of the region, to coordinate with the government on infrastructure development.²⁶

Mine construction began in the Sangatta area in January 1989 and was completed on schedule on 1 September 1991 with a total cost of USD 550 million. The first full year of production occurred in 1992. Sangatta, the main town in the area, is located 50 kilometres north of the equator in what is now the district of East Kutai,²⁷ in the province of East Kalimantan. In June 2005, KPC also commenced operations in the Bengalon subdistrict, approximately 25 kilometres to the north of Sangatta. Operations have also been expanding inland towards the transmigration²⁸ settlement of Rantau Pulung (see Map 3). The numerous mine pits operate 24 hours per day, 7 days per week. It is a high-tech operation, with GPS controlled trucks, excavators and blasting. KPC's annual production has been continually increasing; it produced around 28 million tonnes of coal in 2005 and 36 million tonnes in 2007. In 1992, KPC employed 2276 people, including 123 expatriates, plus a further 2397 people employed by contractors providing various services to KPC including catering, medical, and town services (Klinger 1993:182). In 2007, there were 3730 Indonesian employees and 14 expatriates directly employed by KPC, but over 8000 in total associated with the company and its contractors (Kaltim Prima Coal 2007).

Prior to KPC's operations, the Sangatta area was sparsely populated by a few Banjarese migrant farmers (Kunanayagam 1994:17). Porodisa and other logging companies had already logged through the area and Pertamina, the Indonesian state oil company, also

²⁶ An original copy of the CoW was consulted for this information.

²⁷ In the Indonesian, this district is *Kabupaten Kutai Timur* or abbreviated to *Kutim*.

²⁸ The Indonesian government 'transmigration' program resettles families from the more densely populated islands of Java, Bali and Eastern Indonesian islands to more sparsely populated areas of Sumatra, Kalimantan and Papua.

had operations and a small company town south of the Sangatta River. KPC built its offices, coal harbour, the coal conveyor belt, an airstrip, roads and two housing complexes. The secure complex for expatriate workers and Indonesian managers (Tanjung Bara) includes a golf course, swimming pools, mess hall, family homes, singles' barracks and an international primary school. It also built a complex closer to Sangatta which included housing, a school, sports ground and hospital. Originally called Sangatta Baru (New Sangatta), the name of this area was eventually changed to Swarga Bara (Coal Sanctuary) as Sangatta residents objected to the implication that their Sangatta was 'Old Sangatta' (Garza 2003:86–9). Swarga Bara was originally closed off behind a security block, however, this area now has open access to the rest of the town and houses can be bought, sold and renovated.

Sangatta spreads along approximately seven kilometres of now sealed road running south of the mine site and Swarga Bara. The entire settlement along the main road near the market was once known as Teluk Lingga (see Kunanayagam 1994), but Teluk Lingga is now merely an administrative village area within the larger town of Sangatta. In addition to building Swarga Bara and all its facilities, KPC has also assisted with basic services in the area such as roads, drainage, drinking water, a medical clinic and school buildings (Garza 2003:237). The population has grown significantly due to immigration, changing from a small village in the late 1980s to a bustling town of around 65 000 people in 2007.²⁹

The Bengalon subdistrict was also logged by Porodisa before the company became bankrupt in 2000. Bengalon has a larger indigenous presence compared to Sangatta, with Kutai and Dayak Basaf residents, as well as longer term migrants who had been

²⁹ More detailed population statistics are provided in Chapter 5.

attracted by Porodisa and other timber companies, and now has a rapidly growing migrant population associated with the mine. KPC has built a coal loading harbour at Lubuk Tutung with a 22 km coal hauling road leading to the pits. KPC's Bengalon operations are contracted to PT Darma Henwa.³⁰ Two smaller companies, PT Perkasa Inaka Kerta (PIK) and PT Damanka Prima, also mine coal adjacent to KPC in Bengalon, and the district government has been issuing more smaller coal-mining licences in the area.

Rantau Pulung, also now with subdistrict status, is located inland to the east of the KPC areas. It consists of eight transmigration villages and has a population of mainly Javanese and other Eastern Indonesian transmigrants. Subsistence and cash-crop agriculture are the main livelihoods there. KPC's mining operations are slowly moving towards this area.

In 1990, Sangatta was upgraded from being part of the *kecamatan* (subdistrict) of Bontang, to being its own *kecamatan*. However, the local government remained weak and lacked credibility with the local population and it was KPC that was the most powerful symbol in the area and the focal point of local identities (Garza 2003:4). Part of Kutai District at the time, Sangatta was far removed from the administrative centre of Tenggarong (now the capital of Kutai Kartanegara District). Researchers have characterised the relationship between company and community as one of dependence or of patron-client relations, where the community was closely integrated with and highly dependent on the policies and activities of KPC (Kunanayagam 1994; Kunanayagam and Young 1998:142).

³⁰ This company was formerly called Henry Welker Eltin.

Various sources provide a spectrum of perspectives on KPC's impacts on the community and environment, ranging from the positive image presented by the company itself (with its ISO14001 accreditation) through to anti-mining activists. Academic researchers, Kunanayagam and Young (1998), reported that there were no major disputes over land in Teluk Lingga. McMahon et al. (2000:9) commend KPC for its land reclamation program and the millions of dollars it has spent on environmental efforts to rehabilitate the individual pits through replanting native trees. In contrast, Moody (1999) describes allegations of considerable problems caused for local people living around KPC. This included the appropriation of land and other resources, deterioration in water quality, social problems caused by the many migrant workers, increased commodity prices, and that KPC had built the mine without any concept of there being stakeholders, and only later (1991) did it begin social impact studies. WALHI (Indonesian Friends of the Earth) and JATAM (Indonesian Mining Advocacy Network) also claim that KPC has a long history of land appropriation without proper procedures and compensation (WALHI 2003:27; Susmiyati 2003). WALHI's report also doubts KPC's claims that it is adequately minimising its impact on the local environment, citing acid mine drainage and the contamination of the Sangatta River, which prevents locals from fishing in it (WALHI 2003:27).

Based on comments made by gender impact survey respondents and discussions with KPC staff, it appears that in the early years of KPC in Sangatta (and possibly also in Bengalon) there was indeed displacement of land users without proper compensation, although evidence for this is sketchy due to the passage of time. The situation has certainly changed since the end of the New Order with land acquisition and compensation now taking up much of the External Affairs and Sustainable Development (ESD) Department's time and energy, particularly in Bengalon. I

observed that the company is under considerable pressure to provide land compensation and land speculation is common. On the environment, certainly many residents expressed concern about river water and air quality in the surveys I conducted. However, this thesis does not address KPC's environmental management directly, and I am unqualified to comment on the validity of these NGO claims about environmental degradation.

Before 1995, KPC's community programs focused on the more obvious physical and infrastructural needs of the local communities. It was more easily attracted to projects that utilised its engineering skills, and to highly visible projects such as a school, mosque or sealed road, which had the additional benefit of pleasing visiting officials from Jakarta as well as the local authorities (Kunanayagam and Young 1998:151). The company had a policy of wishing to avoid becoming the de facto local government, arguing 'this was largely accomplished by setting up local community cooperatives to run the school and distribute water etc' (Klinger 1993:183). However, Kunanayagam and Young (1998:142) argued that, 'Almost without exception, residents of Teluk Lingga look upon the company as the source of reliable facilities and welfare measures – in spite of KPC management trying to avoid an open-ended welfare role'. As examples, company medical facilities were primarily provided for employees, but were available to local residents in an emergency, and a large percentage of the population was obtaining its drinking water from Swarga Bara.

Reportedly, in 1995–1996 KPC moved to a policy that followed initiatives identified by community members themselves as valuable. The company began to work with consultants employing participatory action research methods and it reoriented community development efforts around three foci: those who had been marginalised by

KPC (especially subsistence peasants along the Sangatta River), the rapid unplanned expansion of Sangatta, and the risk of STDs and HIV/AIDS (Kahn et al. 1998). There were also programs aimed at the central government-designated 'backward' villages (*Inpres Desa Tertinggal*) in the Bengalon area. By 2002, KPC's programs had expanded to include health, education and economic programs. However, Garza (2003:7), a PhD researcher, saw these programs as only being the outcome of an 'unofficial good neighbour policy' rather than constituting a coherent corporate scheme. During fieldwork in 2007, I found that in fact the HIV prevention program had really only gained momentum in 2005 (see Chapter 9), and there was no longer (if indeed there ever had been) any particular emphasis on displaced farmers along the Sangatta River. At the time of my research in 2007, KPC had a far more sophisticated community development portfolio of programs which will be explored in more depth in Chapter 7.

2.4 Reformasi, Decentralisation and Natural Resources in Indonesia

Decentralisation has occurred in an overwhelming majority of developing countries in some form or another, as countries abandon the centralised systems of governance thought to have been important after struggles for independence from colonial rule (McCarney 1996). Broadly, the term decentralisation encompasses the devolution of political and economic powers from central to lower level regional governments. The decentralised model of government administration is frequently promoted as being more democratic by bringing government closer to the people and as a poverty alleviation and development strategy that allows for more efficient mobilisation of local resources (MacLean 2003). As the case of Indonesia shows, how decentralisation plays out in practice, and whether it achieves these aims, can vary widely.

The Asian economic crisis triggered the fall of President Suharto and the end of his authoritarian New Order regime in May 1998. In the years that followed, Indonesia embarked on a period of rapid political and legal reform (*Reformasi*). Overcoming entrenched corruption and instituting a more democratic mode of government have been the main concerns of the *Reformasi* period. Reforms have included media freedom, direct elections of the President and reforming the structure of the National Legislature. The reform with the most wide-ranging impact has been that of decentralisation, or regional autonomy, which came into effect in 2001. Indonesia's decentralisation policy is considered to be 'the most radical in the world in the last 50 years' (Antlov 2005: xi). As mentioned in Section 2.2 above, the broad regional autonomy program was introduced as a means to pacify regional disappointments against the central government. It was also aimed at boosting regional economic performance (Sukma 2003:68–9).

Decentralisation in Indonesia has involved the devolution of considerable political and economic powers from the central government to the regional levels.³¹ The centre now only retains power over foreign policy, defense, security, the legal system, monetary policy and religious affairs. Responsibility for local development, agriculture, industry, trade and investment, education, health and resource management is all formally now in the hands of local governments. The power of the President to appoint Governors, *Bupati* (District Heads) and *Walikota* (Mayors) was abolished, and these officials are now all directly elected. The first round of district elections was held in 2005. Numerous new administrative districts have also been created, from new provinces right down to new village and neighbourhood areas. Village heads are now also elected. This

³¹ Government powers were devolved to the equivalent *kabupaten* (district) and *kota* (municipality) levels. The decentralisation policy deliberately passed over the provincial level of government as it was thought that districts would be too small to ever contemplate secession from Indonesia, and hence devolving power to the districts was seen as the safer option.

has significantly increased the size of local bureaucracies in Indonesia, with local political elements often seeking to establish new administrative areas in order to take advantage of associated budgets and income producing opportunities.

Decentralisation has affected almost every aspect of Indonesia's politics, economy and society. It has involved a wide range of actors, institutions and levels of government, and has caused a highly uneven process of change across Indonesia (McCarthy 2004:1200). Indonesia's legal system has become increasingly heterogeneous, with national and district laws interacting and often contradicting each other. This has allowed local actors to pick and choose from different socio-legal orders in order to support their positions and struggles over power and resources (Ibid.:1215). There are indications that corruption too has been decentralised, following the movement of administrative power and money from the centre out to the newly empowered regions, and there has been a wave of corruption cases involving local-level parliamentarians and executives (Nordholt 2003; Davidson 2007). In addition, '*preman*' or gangster activities have increased at local levels where government contracts are now more readily available (Wilson 2006).

The new political environment has created both opportunities and challenges for natural resource management in Indonesia. There are increased opportunities for governments to pass better laws and regulations that are more suited to local conditions and for local communities to have greater say in the management of natural resources in their areas (Resosudarmo 2005:6). Many new NGOs have been established that are concerned with local community rights to resources. The challenges include the continuing prevalence of corruption at the local level and an increase in disputes between the centre and regions and between local governments over natural resources. The fiscal balancing

legislation establishes that 80 per cent of revenues from mining, oil and natural gas should return to the regions that produced them, with the remaining 20 per cent to the central government. The revenue for the producing region is further divided with 16 per cent to the province, 32 per cent to the producing district and 32 per cent to be shared between the other districts in the same province.³² One result of this revenue distribution is considerable disparity between the budgets of resource-rich and resource-poor regions across Indonesia.

Decentralisation has had particular effects on the mining industry. The decentralisation legislation created a number of uncertainties about the existing regulatory framework on mining. The exact relationship between the regional autonomy laws and the centralistic Mining Law of 1967 became unclear, creating confusion for mining companies. The impact of decentralisation on investment rules and procedures, such as the regional authority on taxation, also caused new investment approval criteria and licensing to become unclear. Between 1999 and 2001, mining investment in Indonesia plunged from USD 2.167 billion to USD 203 million due to all these new uncertainties (PricewaterhouseCoopers 2002). Law no. 41/1999 on Forestry created another clash as it prohibited open-cast mining in protected forest areas. This caused great uproar among about 150 mining companies in Indonesia that relied on their New Order era permission to operate in protected forests (Marr 2008). After threats of international arbitration and a downturn in mining investment due to legal uncertainties, many companies managed to have their operations 'rezoned' out of protected forests or otherwise obtained exceptions to this rule. Law no. 41/2004 later gave exceptions to 13 companies to be allowed to continue operating in protected forests thereby nullifying the effect of the Forestry Law. This issue continues to be contested.

³² Law no 25/1999 on fiscal balancing, Art. 6(5); Law no 33/2004 Art. 14(c) and Art. 17(3).

In some areas the pressure to raise revenues has encouraged local governments to engage in rent-seeking activities by issuing new permits and taxes on natural resource extraction (Boulan-Smit 2002; Barr et al. 2006). I have also observed that some regional governments, particularly in East Kalimantan, have also attempted to address their budgetary difficulties by running media campaigns to pressure companies into funding regional development projects or contributing more revenue through CSR. The implications of this for KPC will be discussed in more detail below in Section 2.7.

In 2009, a new mining law was introduced to replace the 1967 law. Drafted mainly by the Ministry of Energy and Mineral Resources and other related departments, it provides an updated regulatory framework that recognises the changing role of government, especially in relation to regional autonomy, fiscal decentralisation and environmental concerns. This long-awaited legislation had been held up in the drafting process for many years in part due to intense lobbying from both the mining industry and NGOs. Industry players and the Indonesian Mining Association (IMA) worked together in 2004 to evaluate the draft bill and submit recommendations and amendments (PricewaterhouseCoopers 2005). The legislation (Law no. 4/2009) was eventually passed by the National Legislature in December 2008 and assented to by the President in January 2009.

The new mining law is the biggest change to the mining regulatory framework in 40 years. It abolishes the Contract of Work (CoW) system and replaces it with mining business licenses (*izin usaha pertambangan*). These licences represent a loss of long term security of tenure for new miners compared to the typical CoW conditions. Investors now need to apply for separate exploration and production licenses and there

are new restrictions on the size of exploration areas. There are transitional clauses allowing existing CoWs to continue, but uncertainty as to what amendments may be required to CoW clauses. There is mandatory share divestment for foreign investment within five years and a requirement to process metals and minerals locally. Implementing regulations for this law have only been passed recently.³³ The mining industry is still undecided as to whether the law will provide the necessary impetus for increased investment in the Indonesian mining sector (PricewaterhouseCoopers 2008; OCallaghan 2010).

The new mining law, in compliance with regional autonomy, also divides control over mining licenses between the central and district governments. Permits for small miners will be issued by district governments. It is expected that under this law, small and medium sized mining enterprises will increase. This raises questions around the capacity of these smaller companies to manage their environmental and social impacts, let alone implement community development programs through CSR. The capacity of district governments to apply the new mining law and its licence system also remains to be seen, and in some cases has resulted in unscrupulous mining practices (Gandataruna and Haymon 2011:225).

2.5 The Rise of Corporate Social Responsibility in Indonesia

There was a world-wide growth in ideas around corporate social responsibility during the 1990s. The movement took longer to take hold in Indonesia mainly due to the pro-investment policies of the New Order regime. Some companies did have philanthropic activities during the New Order, but these activities were often used to simply pay off

³³ Government Regulation No. 22/2010 on Mining Areas and Government Regulation No. 23/2010 on Mineral and Coal Mining Business Activities were issued on February 12, 2010.

military and government officials (Rosser and Edwin 2010:4) or were in response to sharp international criticism and threats to corporate image (Leith 2003). The rise of CSR in Indonesia is associated with the fall of President Suharto and the *Reformasi* movement which opened up space for NGOs and local communities to openly criticise companies.

The term 'CSR' was rarely used in public discourse in Indonesia until the mid-2000s (Rosser and Edwin 2010:4). In 1999, a consortium of companies formed Indonesia Business Links (IBL),³⁴ a foundation which has since played an important role in promoting the discourse and practice of CSR by organising conferences, workshops and corporate services (Ibid.:5). The new popularity of the term CSR amongst some prominent politicians and increasing pressure from activists has led to companies beginning to present themselves as being proponents of CSR (Ibid.:4). At the same time, the effectiveness of Indonesia's environmental impact analysis (AMDAL) requirements has also been increasing (Purnama 2003). The AMDAL also includes social, economic and cultural impact requirements and company commitments on community development.

Critics have argued that CSR in Indonesia is merely cosmetic, or fashionable with little substance, and that the driving force for CSR comes from outside Indonesia due to international activism (Kemp 2001). However, some of the recent moves in the field of CSR have been very much home grown and based around domestic political motives. In 2007, Indonesia became the first country in the world to make CSR a legislative mandatory requirement rather than being based solely around voluntarist principles. The new Limited Liability Companies Law (Law no. 40/2007) mandates that natural

³⁴ Noke Kiroyan, a founder of Indonesia Business links, was a President Director of KPC during the Rio Tinto/BP era.

resources companies carry out their social and environmental responsibilities (Art. 74(1)) and that this should be paid for out of a specific budget according to principles of ‘appropriateness and genuineness’ (Art. 74(2)). Companies which fail to do so will be sanctioned. Social and environmental responsibilities are defined in the elucidation to the law as ensuring sustainable economic development that raises the quality of life and environment for local communities. Article 66 further makes it mandatory for companies to report on the implementation of CSR in their annual reports.

CSR in developing countries is often understood as primarily meaning the provision of community development programs rather than other possible wider understandings of corporate citizenship (see Frynas 2005 and the discussion in Chapter 1.3). Rosser and Edwin (2010) argue that this is indeed the dominant understanding of CSR in Indonesia and that this understanding was an important factor behind the drafting of the 2007 law. This understanding is also reflected in the linguistic evolution of the terms ‘CD’ (community development) and the contraction ‘*comdev*’ into CSR. Companies in Indonesia that have prominent CSR programs include Freeport and other resources companies, the state oil and gas company Pertamina, cigarette giant Sampoerna, Coca-Cola, Unilever, Bank Central Asia, Microsoft, Nokia and the Astra Group. A survey of these companies’ websites and publications on CSR reveals an overwhelming focus on corporate philanthropy and program delivery ranging from scholarships and establishing schools to disaster relief, health initiatives and sponsorship of cultural events.³⁵

CSR as community development program delivery can be re-conceptualised as a redistribution of economic resources similar to taxes and royalties. Hence, the 2007 law was probably promoted by predatory political elements wanting CSR funds to flow to

³⁵ As examples see: www.sampoerafoundation.org (Sampoerna) and <http://www.astra.co.id/csr.asp?id=1000279> (Astra International).

them, along with other elements that wanted to embarrass businessman and politician Aburizal Bakrie³⁶ and his party Golkar due to his business connections to the Sidoarjo mudflow disaster (Rosser and Edwin 2010:12).

Once the mandatory CSR article in the draft law was made public, IBL and many other companies opposed the move arguing that it amounted to another tax which could trigger capital removal from the country and that it would also create more opportunities for corruption (*Gatra* 8 August 2007:102; Rosser and Edwin 2010:6). Others, such as NGOs who stood to receive company grants, supported the move to mandatory CSR. Once the law was passed, business interests lodged an appeal in the Constitutional Court to have Article 74 declared unconstitutional, but lost the case. The law still stands, however, as of mid-2011, there are no implementing regulations, and the existing draft of these is a very watered down version of the law. This means that there is still a de facto voluntary CSR system in Indonesia and this is likely to continue (Rosser and Edwin 2010:17). I observed that KPC management's reaction to the law on compulsory CSR in 2007 was the firm view that even without implementing provisions it would still provide an additional discursive weapon in the hands of the local government to be used against the company.³⁷

There are also community development obligations under the new mining legislation (Law no. 4/2009). In the legislation, community empowerment is defined as raising the capacity of the community, individuals and collectively, to achieve a higher quality of life. Articles 2 and 3 of the law declare that mining must provide as large economic and

³⁶ Aburizal Bakrie was appointed Chief Economic Minister of Indonesia in 2004, and Coordinating Minister for People's Welfare in 2005. Topping Indonesia's rich list, he also heads the Bakrie Group – a large conglomerate which includes Bumi Resources which in turn has owned a majority share in KPC since 2003. PT Lapindo Brantas, also part of the Bakrie Group, was the company widely considered to be responsible for the Sidoarjo mud eruption in East Java which began in 2006.

³⁷ I was present when the new law was discussed between some KPC managers and a visiting consultant.

social benefits as possible for the prosperity of the people of the Indonesia. The law stipulates that in creating sustainable development, mining activities must be carried out by adhering to principles of environmental sustainability, transparency and community participation. Mining exploration and operations licence holders are obliged to formulate plans for development and local community empowerment programs in consultation with the local government, and then to implement those programs (articles 95d and 108). Sanctions for failing to do so are not yet set out in the law.

2.6 East Kutai: A New District with a ‘Grand Development’ Strategy

Decentralisation in Indonesia has shifted the focus on development from the central government to the districts. Those districts with greatly enhanced budgets are now formulating their development policies on a rather grand scale. These policies are often bound up with the political aspirations of local leaders. In East Kutai, the development vision has been formulated primarily by former Bupati, and current Governor of East Kalimantan, Awang Faroek Ishak.

The District of East Kutai was created in 1999 with an area that encompasses KPC’s mining concession (see Map 1). The former district of Kutai had one of the largest land areas of any district in Indonesia, and represented three quarters of the total land area of the island of Java, which was itself organised into four provinces and 82 districts (Charras 2005:95). In many ways this was unworkable as areas such as Sangatta were located too far from the administrative capital of Tenggarong to have much contact with district level government officials. In 1999, during the first wave of enthusiasm under decentralisation for creating new administrative districts in Indonesia, Kutai was split into five new districts; Kutai Kartanegara, Malinau, Nunukan, East Kutai (*Kutai Timur*)

and West Kutai (*Kutai Barat*) and one municipality, Bontang.³⁸ Kutai Kartanegara retains Tenggarong as its capital.

East Kutai was officially recognised for the first time on 12 October 1999. It has an area of 35 747 km² or 17 per cent of the total area of East Kalimantan Province. The district currently has 18 subdistricts and 135 villages. Sangatta was the obvious choice as the capital of East Kutai. In 2006, East Kutai had an official population of just over 200 000 people, and a population density of 4 per square kilometre (BPS Kutai Timur 2007). The region is generally resource-rich but has poor infrastructure. Roads, such as the main road linking Sangatta to Bontang, are often in poor condition and can become impassable after heavy rain.

KPC is the single largest contributor to the East Kutai economy, both directly through royalties and taxes returning to the district government budget and indirectly through employment and business. Due to the fiscal balancing legislation and the presence of KPC and other resources companies, East Kutai is one of the wealthiest districts in Indonesia. Regional statistics show that in 2007 mining activities contributed 84.23 per cent of Gross Regional Domestic Product (GRDP). KPC, as the largest mining company in the district, contributes a large proportion of this amount. The next most significant sectors were agriculture which accounted for 4.87 per cent while trade, hotels and restaurants produced 3.63 per cent of GRDP (BPS Kutai Timur 2008). In 2007, KPC paid coal royalties of USD 228.95 million and taxes of USD 160.57 million to the Indonesian Government (Kaltim Prima Coal 2007).

³⁸ As set out in Law no. 47/1999. This was revised slightly in Law no. 7/2000.

Since 1999, three people have held office as District Head (*Bupati*) of East Kutai. Awang Faroek Ishak was appointed as the first Bupati of East Kutai for the 1999–2001 transitional period. He was re-elected by the District Parliament for the 2001–2003 period with Mahyudin as his Deputy. In 2003, Awang Faroek resigned as Bupati in his failed bid to run for office as Governor of East Kalimantan, and Mahyudin was Bupati until Awang Faroek was re-elected in the first direct elections of regional heads (*Pilkada*) held in East Kutai. He was inaugurated on 13 February 2006 for the 2006–2011 electoral period. In 2008, Awang Faroek again ran for Governor of East Kalimantan and was successful after a run-off election in December that year. His Deputy, Isran Noor, has replaced him as Bupati of East Kutai.

The policies of the East Kutai district government have been focused squarely on a form of ‘development’ or *pembangunan* that is very reminiscent of New Order style understandings of the term. It is development based around ‘a grand strategy’ and monumental infrastructure projects such as the grand district government offices built at Bukit Pelangi outside Sangatta, a very large mosque in the same complex and the planned Malay agro-industry harbour and surrounding production areas. The ‘grand strategy’ is framed around the ‘*Gerdabangagri*’ (*Gerakan Daerah Pengembangan Agribusiness* – Regional Agribusiness Development Movement)³⁹ slogan, a plan to make East Kutai a centre for agro-industry and to eventually overcome its dependence on non-renewable resources, particularly coal, by turning to palm oil, cocoa, rubber, castor oil, prawns and other crops (Ishak 2002, 2003a). The plan is to attract foreign investment in agriculture (*Kaltim Post*, 20 July 2006) and to provide the fastest system in Indonesia for giving permission for investment through an e-government system (Kuncoro 2002). The *Gerdabangagri* policy has also included wide-scale land

³⁹ This slogan is similar in style and effect to former Bupati Syaokani’s ‘Gerbang Dayaku’ district policy slogan in Kutai Kartanegara, East Kalimantan. See Mahy (2005).

allocation to farmers and the opening up of isolated interior areas. An additional policy has been the '*Kutim Cemerlang*' (Bright East Kutai) policy under which the government has promised to spend 20 per cent of the district budget on education.⁴⁰ While I found that many residents of the district have expressed their satisfaction with government policies, there is also widespread criticism of the heavy spending on luxurious office spaces and lack of effective service delivery.

The *Gerdabangagri* grand strategy has been centred on the personality of Awang Faroek Ishak or 'AFI' as his name is often shortened to. Regional autonomy has been noted for creating 'little kings' in resource-rich regions and Awang Faroek appears to fit this description well. Born in the area, and thus able to style himself as a '*putra daerah*' or 'regional son', Awang Faroek was a career public servant and a member of the National Legislature (DPR) for ten years (1987–1997) before becoming Bupati of East Kutai in 1999. He is the author of a number of books outlining his thinking on decentralisation, regional rights and development for East Kutai (Ishak 2002, 2003a, 2003b, 2003c). Awang Faroek is also the focus of various 'infotorials' in glossy magazines about him and his 'development visions',⁴¹ which appear to be personally financed. His political persona and development visions were carried through to his successful campaign for Governor of East Kalimantan in 2008. Chapter 4 will discuss the gendered aspects of Awang Faroek's development visions.

⁴⁰ See also the East Kutai District government website at www.kutaitimur.go.id for more explanation of its development policies.

⁴¹ See, for example: *Eksekutif* (October 2006), *D'Maestro* (15 December 2006–15 January 2007) and *Retno* (2006).

2.7 Stakeholders and Shareholders: Redistributing Mining Benefits

As a result of decentralisation, since 1999, there has been a far more powerful government in the KPC area. Coupled with the new political landscape of *Reformasi* and its enhanced freedoms to advance local concerns, and the policies and personalities of local leaders, new dynamics have arisen between company, regional government and the people of East Kutai. The relationship between KPC and local government has grown in complexity, is multi-issued, and oftentimes strained. As for most large mining companies in Indonesia, KPC had much more independence under the strong central authority of the Suharto New Order government.

The relationship between KPC and the district government is characterised by increasing demands for the company to redistribute its profits to local interests. This has been framed in terms of local rights and correcting the uneven power balance between company and community and also in terms of CSR. Arguably, this can also be understood as a political strategy designed to force the company to fill deficiencies in district government service delivery, and perhaps to divert voters' attention away from such deficiencies.⁴²

The issues in contention have ranged from share ownership, the amount and use of CSR funding through to more specific local government demands. These specific demands have included demands for the company to build a tourist lookout over Pit J, to give mining tours to government guests, to provide free coal and to build a coal-fired power

⁴² It is also worth noting here that despite all the official level disputes between company and government about CSR, actually at the ground level there is quite a lot of cooperation between KPC program staff and local government workers. For example, the government agricultural development officers are often included in and help with KPC agribusiness programs, and they know KPC staff very well. Many of KPC's health programs are implemented in partnership with the district government and KPC health staff members are on good terms with many of the health professionals in the area.

station in the area and to allocate reclaimed mining land for local government use. It is also common for district government officials to demand free use of the company plane and, if an event is being held, accommodation, catering and travel for visiting officials (Yudarwati 2008). While this district government stance has gained support from many community elements, many company staff members privately see at least some of these demands made of KPC as being preposterous and acceding to them as pandering to political interests rather than promoting local welfare.⁴³

Four of the most important issues that have characterised the relationship between KPC and the East Kutai District government; share divestment, distribution of community development funding, the partial mine closure in August-September 2008 and the Sangatta-Rantau Pulung road are discussed in more detail below. Each of these issues highlights the dynamics between company and local government in Indonesia since decentralisation and evolving ideas around local resource rights and CSR. My accounts of these issues are largely constructed from news coverage together with some observations made while interacting with KPC staff on a daily basis.

KPC Share Divestment and International Arbitration

The issue of the compulsory divestment and ownership of KPC's shares is an example of distributional conflicts between different levels of government that have manifested after decentralisation. The issue was grounded in the requirement in the original CoW of 1982 that KPC was to divest at least 51 per cent of its shares to Indonesian owners before 2001. Requirements to divest smaller proportions of the shares during the New

⁴³ These comments were made spontaneously by staff members during the course of program implementation.

Order period had been successfully postponed by Rio Tinto and BP without any great issue being raised publicly.

In 2002, the central government, East Kalimantan provincial government and East Kutai district government all entered the fray in deciding who the shares should go to and for what price. Former East Kalimantan Governor Suwarna began a series of complicated business and political deals in order to raise the funds to buy the 51 per cent stake in KPC. Suwarna was able to persuade Awang Faroek Ishak and Syaukani, then Bupati of Kutai Kartanegara, to support his bid for the shares (Prasetyawan 2005:172). In July 2002, the central Indonesian government, however, decided that only 31 per cent should go to the local governments of East Kalimantan, and the remaining 20 per cent should be bought by PT Bukit Asam, the state-owned mining company. Governor Suwarna then brought various legal actions against the central government and KPC in order to try to force the full sale of the shares to the East Kalimantan government instead. In the run-up to the June 2003 gubernatorial election in East Kalimantan, incumbent Governor Suwarna promoted himself as the champion of local resource rights, trying to take local assets (KPC shares) back for their rightful owners. Suwarna was successfully re-elected, although was later convicted of corruption charges in an unrelated palm oil deal, and replaced by Yurnalis Ngayoh.

The disputes and negotiations continued until July 2003, when Rio Tinto and BP suddenly announced the sale of 100 per cent of KPC's shares to PT Bumi Resources for USD 500 million, a much lower price than expected (Fitzgerald 2003; Guerin 2003). BP and Rio Tinto had apparently grown tired of managing the forced divestment, and the threats and legal action from the East Kalimantan Provincial Government (*Tempo*, 3 August 2003), and probably also did not trust the Provincial Government to run the

company profitably if it obtained a controlling share. Hickman (2010:19), from the UK-based advocacy group 'Down To Earth', has suggested that the sale was in fact forced by 'political and power arrangements' involving the new owner. Bumi Resources is a company partly listed on the Jakarta Stock Exchange that has also owned the Arutmin coal mine in South Kalimantan since 2001.⁴⁴ It is a subsidiary of the Bakrie Group, a family conglomerate headed by Aburizal Bakrie, who became Coordinating Minister for Social Welfare in 2005 and the Chairman of the Golkar Party in 2009. The acquisition of both Arutmin and KPC triggered a great improvement in the financial position of Bumi Resources and the Bakrie Group following a slump during the Asian Economic Crisis (Guerin 2006a).

As part of the purchase deal, Bumi Resources allocated 5 per cent of its shares to a company fully owned by the East Kutai district government. Bumi Resources also promised that it would build a new district hospital and a new campus for the agricultural institute (STIPER) in Sangatta.⁴⁵ Before the sale to Bumi Resources was finalised, labour unions at KPC also went on strike for about 40 days in total demanding a good will payment from Rio Tinto and BP for employees arguing that they had contributed to KPC's success and share price. The company did not cave into demands but once the strike was settled it substituted the 'good will' demands with a salary bonus.

The divestment issue re-emerged in January 2007 when the East Kalimantan government listed a case against KPC, BP, Rio Tinto and other related parties at the

⁴⁴ It was alleged that Bumi Resources used funds from the state enterprise workers' insurance scheme JAMSOSTEK held on deposit in Bank Mandiri to finance the purchase of Arutmin. See Guerin (2003).

⁴⁵ Bumi Resources provided the funds for the hospital and STIPER directly to the district government. The foundations were laid and then the remainder of the money disappeared triggering a corruption case. When I was in Sangatta in 2007, the hospital site was an abandoned mess of concrete pylons with metal reinforcement sticking up into the sky and bushes growing within the foundations. KPC has since completed the hospital and STIPER buildings under its own project management.

International Centre for Settlement of Investment Disputes arguing that divestment had not actually taken place in 2003 according to the CoW. Hearings were held in Singapore in February 2008. There was much controversy surrounding the IDR 5 billion cost of the arbitration process, including lawyers' fees, and some members of the East Kalimantan provincial parliament blocked the move to have these fees come from the provincial budget. The funds were eventually donated by a mysterious unnamed 'community' donor or donors.

No decision had been handed down by mid-2008, and in June 2008 Acting Governor of East Kalimantan, Yurnalis Ngayoh, withdrew the case from the arbitration process just one day before leaving office, arguing that the provincial government stood to lose the case and the costs due to a problem of jurisdiction, that is, that only the central government as party to the CoW had the right to contest the divestment. In addition, the East Kutai government had since sold its 5 per cent share indicating that it considered that divestment had taken place.⁴⁶ In response to the closing of the case, it was announced that KPC would give IDR 300 billion as compensation to the East Kalimantan provincial government for taking the peaceful way out of the arbitration process (*Tribun Kaltim*, 4 July 2008). Awang Faroek Ishak became Governor of East Kalimantan in December 2008. As of February 2009, KPC had not paid the IDR 300 billion as promised. Awang Faroek Ishak and Bupati Isran Noor were still apparently supporting the case against KPC which would be nullified if they accepted the money (*Kaltim Post*, 9 February 2009). As of 2011, the divestment issue was still being occasionally raised by some East Kalimantan politicians.

⁴⁶ The Indonesian Attorney General's Office has been investigating the complicated series of transactions involving this five per cent share for evidence of graft. Awang Faroek Ishak has been named as a suspect (*Jakarta Post*, 13 April 2010; *Jakarta Post*, 9 July 2010).

Other share sales have also occurred during this period. PT Sitrade Nusa Globus, a mining-service company with rumoured links to the Bakrie Group (Guerin 2006b), held 32.4 per cent of shares in 2005 and Bumi Resources later repurchased these shares so that it again held 100 per cent of the company. The proposed sale of KPC's entire equity to PT Borneo Lumbung Energy fell through in 2006. Then in 2007, 30 per cent of the company (as well as 30 per cent of Bumi Resources' other coal mining subsidiaries) was sold to the Tata Group, an Indian manufacturing and resources giant. This sale allowed KPC to expand mining in Bengalon and the Melawan area towards Rantau Pulung.

Distribution of Community Development Funding

KPC's use of its community development funding is also an intense and multilevel issue in East Kutai. There have been many calls from the regional government, local NGOs and community groups for transparency in the use of the USD 5 million per year that Bumi Resources has allocated to community development projects (*Kaltim Post*, 2 October 2006). 'Transparency' (in the English) has become a catch cry in the district. Various alliances have occurred between government and community groups in the calls for transparency, with government officials stating their support for community initiatives including demonstrations and threats to blockade the mine and the coal ships.

In 2005–2006 there was a major campaign led by some district government politicians in East Kalimantan to try to force companies to deposit their CSR funds directly into district government budgets. District government leaders in East Kalimantan, including Awang Faroek in East Kutai, cited the need for collective control of the funds (together with the community and NGOs) as their motive. This would, it was argued,

automatically create transparency and good governance. On 30 November 2006, KPC responded by organising a workshop with other resource companies including members of the Indonesian Coal Miners Association (APBI)⁴⁷ in Samarinda. I attended this workshop and made the following observations. The workshop included speakers from the APBI and the Central Departments for Social Affairs, Energy and Minerals, and Internal Affairs. The speeches on the day set out concepts of CSR for mining companies. Company speakers described themselves as being sandwiched between community complaints and district government demands and further complained that they were being held to accountability by local governments, who themselves have little accountability. KPC and other companies' management staff argued that if the money were given directly to district governments then it could be used for purposes other than the welfare of people living around mines. The outcome of the workshop was a declaration that KPC and other companies would not be putting their CSR funds into district government budgets. This was followed by a press release and TV appearance.

While KPC avoided conceding to these particular demands, it nonetheless agreed to the establishment of a district government initiative dubbed the Corporate Social Responsibility Multi-Stakeholder Forum (MSH-CSR). The MSH-CSR was established in 2006. The concept was developed by an NGO based in Samarinda (C-FORCE) and the 'Partnership for Governance Reform' which received funding from the European Union. It was framed in terms of good governance, sustainable development and transparency in CSR through a 'multi-stakeholder' approach, but has arguably acted to reallocate control of the CSR funds away from the company to the district government. KPC now pays USD 1.5 million out of its USD 5 million community development budget to the MSH-CSR. The MSH-CSR, acting like a small government department,

⁴⁷ The Indonesian title of this body is *Asosiasi Pertambangan Batubara Indonesia* (APBI).

allocates KPC's funds, and other smaller contributions from other companies operating in the district, to community development and infrastructure projects in East Kutai.⁴⁸ The forum's budget reached IDR 91 billion in 2006 and IDR 94 billion in 2007. It began with only a small staff of about seven members – far smaller than KPC's own community development department. The MSH-CSR has been hailed by the district government as a ground-breaking new institution that will help guarantee that the implementation of CSR will be participative, accountable and transparent. It has also been promoted as a benchmark for other resource-rich regions of Indonesia. The success of the forum in achieving its objectives is debatable and even the then Vice-Bupati Isran Noor has acknowledged that many operational matters still need to be improved (*Kaltim Post*, 1 October 2007).

This situation is in many ways contradictory to what one would expect in relation to external pressure on companies to implement CSR. The district government wanted to reduce KPC's CSR to a cash injection to the local budget and hence to take away its role as an active agent of development (and was in fact partially successful at achieving this). In response, KPC was defending its role arguing that it needed to continue administering to the people within 'mine affected communities'. This argument perhaps exposes the underlying motive of the company in its CSR programs, which is to keep local populations happy in order to protect its business interests. However, there also appeared to me to be genuine concern among community development staff that the company is better placed to improve the lives of mine-affected people and that these people would not benefit from local government control of CSR funding.

⁴⁸ As the MSH-CSR was essentially acting as a small district government department, its inner workings were unfortunately mostly outside the scope of my field research, which was predominately spent with KPC's External Affairs and Sustainable Development Department and KPC project beneficiaries. Hence, I am also unable to comment on its approach towards development objectives and gender equality.

The Partial Closure of KPC Operations in 2008

The partial closure of KPC operations in mid-2008 was a dramatic indicator of the dynamics between company and local government. The issue hit the local and national news, and as it occurred after my fieldwork was completed in 2007, the following account is reconstructed solely from these news articles.

On 11 July 2008, then Vice-Bupati Isran Noor (and acting Bupati while Awang Faroek campaigned for Governor of East Kalimantan), issued a decree ordering KPC to stop its operations in certain areas on the basis that they were mining without permission in timber concession areas belonging to Porodisa Trading in both Sangatta and Bengalon. Porodisa, which had operated throughout the region for decades before becoming bankrupt in 2000, had overlapping logging concession areas with KPC. Porodisa had been mysteriously revived and its logging licence renewed that year. Isran Noor said that he was only acting on findings by the Department of Forestry that there was an overlap and that his objective was to improve legal certainty for investors (*Tribun Kaltim*, 29 July 2008). The move to stop KPC's operations was supported by diverse interests including the East Kalimantan branch of JATAM and by a Porodisa spokesman.

In response to the decree, KPC argued that it had the correct permission from the central Department of Energy and Mineral Resources (ESDM) and the Department of Forestry for the particular forest designation areas, that KPC is a National Vital Object⁴⁹ and

⁴⁹ KPC was designated as a National Vital Object (*Objek Vital Nasional*) in 2004 (Minister of Energy and Mineral Resources Decree no. 1610 of 2004). KPC is one of 252 companies from the energy and mineral resources sector to be classified as National Vital Objects.

hence should not be closed, and that in any case the district government did not have the authority to order closure as its CoW is with the national government (*Kaltim Post*, 28 July 2008). The ESDM also announced that it regretted that the East Kutai district government had not coordinated with the central government before acting. KPC CEO Endang Ruchijat, in a press conference in Jakarta on 27 July 2008, argued that Isran Noor's actions were illegal and against the national interest as 'it will set a bad precedent for other regions in Indonesia and directly impact on current and prospective investors' (*Tribun Kaltim*, 29 July 2008). The KPC position was supported by ESDM, trade unions that feared job losses and an organisation called Forum Bersama (Forbes) which reportedly demonstrated with 700 people at the Bupati's office in Sangatta (*Tribun Kaltim*, 5 August 2008).

A combined team of East Kalimantan police and forestry and mining officials was then established to investigate the case. This team found that KPC had indeed been mining in Porodisa areas. The police began to confiscate KPC's coal barges and then, on 8 August 2008, closed the coal hauling road to the Bengalon harbour, confiscated trucks and closed six pits, including the large Melawan and Pelikan pits contracted to Thiess and Pama. The police also announced that it would investigate KPC managers to decide if criminal charges could be laid.

Unions then began to occupy the government offices at Bukit Pelangi demanding that the police line be removed. In response, Bupati Awang Faroek Ishak warned KPC not to lay off workers. He announced that the mine had not been closed, only part of it closed temporarily, and that Pelikan and Melawan workers could be shifted to other sites within the mine (*Tribun Kaltim*, 13 August 2008). Fires broke out in the pits behind police lines as a result of spontaneous combustion from coal being left in the open.

Eventually on 2 September 2008, the police agreed to reopen the six pits and the legal procedures for formally confiscating the heavy vehicles were dropped, and then were denied to have occurred at all. The stoppage had gone on for 26 days (8 August – 2 September) in six pits. KPC management claimed that it lost 78 thousand tonnes of production per day during the closure and that this in turn caused the state to lose IDR 7.9 billion per day in royalties (*Kaltim Post*, 4 September 2008). Interest groups such as JATAM found the sudden police back-down suspicious – a charge which was in turn denied by the police. The police investigations into the case continued slowly, and by May 2009 there had still been no decision on whether KPC had indeed broken the law by mining in a forest concession area without permission. No further action was taken against KPC.

The connection between the closure of KPC and the share divestment issue was raised only briefly in the news articles. It was argued that the East Kutai district government wanted to demonstrate to the world, especially the international arbitration tribunal, that it had authority, and therefore legal standing, to contest the case. Isran Noor was said to have confirmed this motive (*Tribun Kaltim*, 18 August 2008). A link can also be drawn to Awang Faroek's campaign for Governor of East Kalimantan, which was successful in December 2008.

The Sangatta-Rantau Pulung Road

The condition of the approximately 30 km road linking Sangatta to the transmigration settlement of Rantau Pulung has been another issue of contention between local government officials, residents and KPC. Officially, the track was created and owned by

the bankrupt Porodisa logging company, and this legal ownership was blocking moves to repair it. The road runs past KPC's Melawan and Pelikan pits and through long logged out bush and swidden farmland before reaching Rantau Pulung. In 2006–2007, I observed that the track was in very poor repair with deep wheel ruts and puddles in the road. After rain, vehicles often became stuck in the mud until they could be winched out. KPC staff members only ventured onto the road using four-wheel drive vehicles. Rantau Pulung residents told of people sleeping by the side of the road when they became stuck in the mud, and one extreme case of a woman in labour trying to travel to Sangatta for medical assistance becoming stuck in the mud and dying from excessive bleeding. There were rumours in the community that KPC was refusing to fix the road because it planned to mine that area. The state of the road was also causing headaches for KPC field staff who were trying to promote their citrus agribusiness program in Rantau Pulung despite problems with market access (see also Chapter 8).

At least as early as 2006, the Camat of Rantau Pulung, Didi Herdiansyah, and other Rantau Pulung leaders were protesting the state of the road and demanding that KPC repair it. The Camat was concurrently accusing KPC of not being transparent in its use of CSR funds in programs in Rantau Pulung. In late June 2007, Bupati Awang Faroek announced that KPC would rebuild the road apparently on the agreement of a KPC staff member who did not have the authority to make the decision. In late September 2007, KPC management was playing down the promise and dealing with threats of blockades. By early 2008, an agreement was reached whereby KPC would employ local contractors to build the road and reports suggest that the road was graded and gravelled, although responsibility for its upkeep is an ongoing issue.

2.8 Conclusion

In Indonesia the move to a more open political environment since the end of the Suharto era has coincided with the emergence of a narrow interpretation of CSR as predominately meaning community development delivery. This interpretation of CSR has been formed through national public discourse, legislation and corporate practice. Beyond this, at the local level, much of the shaping of the CSR agenda and the defining of what it can and ought to achieve, is occurring within specific contests between local government and company. Decentralisation in Indonesia has encouraged local governments to seek ways to increase their revenue and in many cases to make increasing demands on the corporate sector for direct funding or delivery of infrastructure projects. Mining companies, with high profits and immovable capital, have become far more vulnerable to district government politics.

As a consequence of the growth in the concept of CSR and local government pressure, KPC has had to become a much more active agent for local development. However, it is not entirely free to set its own agenda and independently obtain a social licence to operate from mine-affected communities. As the Bupati was quoted as saying at the beginning of this chapter, 'The implementation of KPC community development programs should keep referring to the grand strategy of the Government of East Kutai District'. Hence, for example, KPC has developed a focus on agribusiness programs to accord with the local government's *Gerdabangagri* policy and has been forced to give over some of its CSR funding to government control through the MSH-CSR. As noted in Chapter 1, the mining industry toolkits and guidelines (including the 'mining and gender guidelines') tend to be premised on an ideal where politics plays no part in

shaping companies' CSR policy – a false premise that is clearly exposed by the circumstances described in this chapter.

This chapter has discussed the local government's efforts to obtain greater benefits from the existence of KPC and the increased importance of the concept of CSR. Chapter 3 will introduce the gendered political context in which these contests over CSR have been occurring, and argue that due to male-domination of local politics women's voices are excluded from debates around CSR in the KPC context. Local communities, too, have been instrumental in driving the CSR agenda in East Kutai. Chapter 4 will close out Part I of the thesis and examine a case where community members, elites, NGOs and the local government were all involved in making demands on KPC.

Chapter 3

Gender Equality of Voice in CSR: The Construction of Women's Roles in Development in Indonesia and East Kutai

'Dengan semangat Kartini kita satukan tekad perempuan untuk berperan aktif dalam pembangunan'

(In the spirit of Kartini we unite women's resolve to take an active role in development)
(Slogan used by East Kutai District Government on Kartini Day, 2007).

3.1 Introduction

Gender equality requires the achievement of equality of rights, access to resources and opportunities and equality of voice. This chapter is primarily concerned with equality of voice in CSR. Equality of voice in CSR may not necessarily lead to gender equal development outcomes, however, it should be considered as an end in itself. Many commentators within the 'impacts of mining on women' literature have noted the lack of mining company engagement with women living in local communities (for example, Emberson-Bain 1994; Gibson and Kemp 2008). While some of the blame for women's exclusion can certainly be attributed to mining company management culture, I argue that wider gender relations affecting political leadership are highly determinative of gendered engagement with the company where CSR is being influenced by outside actors.

As outlined in Chapter 2, the CSR agenda at KPC is being partly shaped through conflict between the company and local government. Strong community groups and their leaders are also playing a part in making demands on the company (see Chapter 4). Thus, the company is not in a position to wholly choose which community members it engages with most closely. It is apparent that the public clashes between district and local government officials and KPC management have been almost entirely male-

dominated. It has been men who wield authority on these issues and men's names in the news as politicians, police chiefs, lawyers, trade union leaders and NGO spokesmen. Company management is also male-dominated. I argue that while there is increasing rhetoric on gender equality at the district level in Indonesia, it is still treated as a side issue to the mainstream local political agenda, and hence women's voices are marginalised from the public debates on mining and CSR. This represents a major constraint on the potential for CSR to produce gender equal outcomes. Even assuming that the company does have a commitment to gender equality and giving women voice in CSR, it has no mandate to insist that women are included in public negotiations led by elected government representatives.

This male dominance in CSR debates can be connected to wider patterns of gendered political leadership in Indonesia and its local manifestations since decentralisation. Gender relations, and hence also gender inequalities, can be reproduced across a range of institutions including the state, market, companies, community and family. In Indonesia, particularly during the New Order era, the state has been the dominant institution in constructing ideal roles for men and women. Its policies reached down to impose particular gendered norms on household composition and division of labour. This chapter presents an institutional and discursive analysis of gender relations and roles in development in Indonesia generally and then more specifically in the district of East Kutai since decentralisation, and an analysis of how this relates to CSR at KPC. The discussion in this chapter also provides context for the analysis of the gendered impacts of mining in Part II, and of the analysis of KPC's CSR implementation in Part III.

In this chapter, drawing on the rich body of academic literature on the topic, I trace the evolution of state policies on gender in Indonesia. During the New Order, the state positioned the ideal woman as being primarily a mother and housewife without economic contributions of her own. In the reform era since 1998, there have been significant moves to promote gender equality in state laws and policies which reflect the growing strength of the national women's movement and their demands for change. However, overturning entrenched gender ideology is a slow process and many institutional and discursive continuities with the New Order remain. I then move to consider the effects of decentralisation on gender policies in districts across Indonesia. In particular, based on news clippings and field observations, I outline the competing visions of women's roles in development held by different leading actors in the district of East Kutai. Despite some glimmers of change towards more gender-equal considerations in politics and development policy at the district level, I found much continuity with the New Order past and its construction of femininity, with women's issues placed firmly to the side of main government priorities. I also consider how wider gender norms have affected internal culture at KPC.

The three 'mining and gender guidelines', by the WB, Rio Tinto and Oxfam, all concur that a situation gender analysis is necessary to determine the legal, cultural, social and economic conditions that might influence the impacts of mining on men and women and determine the effectiveness of local community development delivery. However, all three guidelines fail to point out how wider gender norms may influence the gendered nature of the company itself and may undermine efforts to ensure gender equality of voice in CSR.

3.2 The Evolution of State Gender Ideologies in Indonesia

Indonesia has great ethnic diversity across its thousands of islands and a wide variety of gendered patterns of kinship, inheritance, marriage, property ownership, and work roles (Robinson 2009). Indonesian women and men do not necessarily constitute homogeneous groups, with differences encompassing ethnicity, religion, class, age and sexuality (Blackburn 2004). However, in the dominant view of the Indonesian state, male and female are clearly demarcated and heterosexual (Boellstorff 2005, 2007). The construction of women's roles in the nation-state as being wives and mothers is deeply ingrained in Indonesian political and cultural life. This state gender and sexual ideology has changed over time from the Dutch colonial era through to the present, with the New Order period having been the most strongly restrictive of women's roles. Of course, beyond the state, religious and local versions of prescribed gender roles may reinforce or modify state hegemonic discourses.

Dutch colonial perceptions of 'native' women followed existing class divisions within Javanese/Indonesian society (Locher-Scholten 2000:28). Colonial policies relating to higher or *priyayi* class women followed western patterns of the time where education for women, when it was provided, was geared to a model of women as housewives. In contrast, colonial authorities thought that women of the rural masses should be left in their own cultural environment. This policy was informed by both class and economic imperatives as the colonial regime relied heavily on female labour in agriculture. The colonial government passed legislation prohibiting night work for women⁵⁰ only due to the Netherlands' obligations as a member of the International Labour Organisation (ILO). There was little interest in the actual working conditions of Indonesian women,

⁵⁰ Regulation Limiting the Employment of Children and Women at Night, *Staatsblad* 1925 – 647.

and the law allowed four more hours of night work than was permissible in Europe at the time (Elliot 1997:133).

The Indonesian women's movement began in the pre-independence era mostly among elite educated women. The movement was inspired by Raden Adjeng Kartini (1879-1904), a young Javanese noblewoman who became famous after her death when a collection of her letters was published. These letters outlined her thinking on a number of issues including oppressive feudal traditions, the tragedy of forced marriage and polygamy for upper-class Javanese women, and the importance of education for girls. The letters inspired later generations of feminists and nationalists. A number of elite women's groups and women's branches of nationalist groups were formed in the early twentieth century. The First Indonesian Women's Congress was held in 1928 in Yogyakarta and led to the formation of *Kowani*, the first federation of women's groups.

During the revolution for Independence, President-to-be Sukarno proclaimed that women of all classes should take part in the struggle (Utomo 2005:73-4). Women's roles in society broadened as rules of social behaviour became more open and some women joined revolutionary struggle groups (Lucas and Cribb 1997). In the early years the new Republic was weak, but it had a clear, democratic and egalitarian stance on gender, as was manifested in a number of decrees and in the 1945 Constitution, which proclaimed that all citizens are equal before the law. The nationalist leaders at the time were largely democrats and socialists who were strongly influenced by the West (Blackburn 2004:21). Early post-independence labour legislation tended to follow international trends of the time by being protective rather than enabling of women workers including prohibitions on working underground, in mines and at night (Elliot 1997).

The Parliamentary Democracy era of the 1950s then saw a general commitment to equality but no particular state gender ideology (Blackburn 2004:23). However, few women were elected to Parliament during that early experiment with democracy and the weak economy meant that little was achieved for women's well-being. During the 1950s, the Indonesian women's movement was largely preoccupied with marriage law reform (Utomo 2005:74). The ILO Convention on equal remuneration for men and women was ratified in 1957 although enforcement of this law has remained weak ever since.

In 1959, Sukarno reinstated the 1945 Constitution changing his role from that of a figurehead to all-powerful President. He later extolled his views on women in his treatise titled *Sarinah* (1963) supposedly named after his childhood nanny. In his view, women were to devote themselves to the state and national unity took precedence over women's issues (Blackburn 2004:24). Women's groups of the time were generally forced to give priority to nationalist ideals or to the wider political parties and interest groups that they were attached to, for example, anti-polygamy groups continued to support Sukarno even after he became a polygamist himself (Ibid.) and Gerwani, the women's arm of the Indonesian Communist Party (PKI), had to give precedence to the PKI agenda (Wieringa 2002).

The New Order, wrote Wieringa (2002:337), was

born steeped in blood, accompanied by the myth of sexual perversion, and by the sexual torture and gang-rape of women. It died in a similar fashion, in riots, mass killings (though fortunately on a smaller scale) and the sexual torture and gang-rape of women.

The New Order promulgated the myth that members of Gerwani had mutilated the bodies of the six generals murdered at Lubang Buaya in Jakarta on 1 October 1965 and danced around naked with the generals' amputated genitals. The subsequent propaganda campaign linked communism with the fear of women's potential sexual powers should they be unleashed (Wieringa 2002:75; Leclerc 1997). After 1965, 'woman' was no longer defined as a comrade in revolutionary struggle but as a submissive wife and devoted mother (Wieringa 2002:70–2). President Suharto was explicit in his view that the disappearance of differences between men and women during the Sukarno years was one of the main causes of its political and social instability (Sen 2002:53). Much of New Order ideology was aimed at defining the *kodrat wanita*, that is, women's moral code and God-given biological nature, as being meek, submissive and politically passive. For instance, Kartini Day and Women's Day (*Hari Ibu*) were used by the New Order state to promote domesticity and tradition rather than the more emancipatory ideals that originally inspired the designation of these days as annual commemorative events (Robinson 2009:72). This New Order construction of gender roles has been termed 'State *Ibuism*'⁵¹ (Suryakusuma 1996, 2004), critiquing the emphasis on government constructions of womanhood as primarily meaning wife and mother (*Ibu*).

New Order programs for development and modernity brought the household under ideological and bureaucratic control. Government policies almost always assumed the existence of a modern nuclear family that had a male head of household who was the main wage earner.⁵² The state itself was also modelled on these patriarchal family principles and President Suharto styled himself as the 'father of *pembangunan*' or the super-patriarch of Indonesia (Brenner 1998:227). Women were located as *pendamping*

⁵¹ *Ibu* is the Indonesian word for mother and is also used in the sense of the English term 'Mrs', for example, Ibu Parto might be the wife of Parto.

⁵² Policy planning for the Indonesian Government transmigration programs has tended to have a particularly pronounced bias towards assuming the existence of nuclear families with a male household head. See Chapter 8.4 in relation to the discussion of the transmigration settlement of Rantau Pulung.

suami, or husband's helpmeet. Where women were earning money, it was assumed that this was merely as a supplement to their husband's income, and that their primary tasks were tending to their husband's needs, nurturing the family and educating their children to become loyal and obedient citizens who would in turn promote development (1998:240). This was a very middle to upper-class view that ignored the majority of working women in agriculture and manufacturing.

While towards the end of the New Order, there were some movements towards new ideals of gender equity and new media images of *wanita karier*, the 'career woman' (Sen 1998, cf. Ford 2003), the middle-class housewife was, and mostly still is, idealised as the model Indonesian woman. *Wanita karier* ambiguously signified women who were admired for their ability to participate in the modern economy, but who were at the same time fundamentally suspect for their presumed selfishness and lack of attention to husband and children (Brenner 1998:242).

The New Order's macro-economic success and development policies did bring easier access to primary health care, education and formal employment for women (Utomo 2005:83). Family planning and the state provision of contraception improved the health of many rural and urban women (Parawansa 2002:72). Higher growth and economic stability (prior to the Asian Economic Crisis in 1997) raised living standards and decreased poverty levels. However, Parawansa (Ibid.:71) argues that men were the direct beneficiaries of most general development programs while the budgets allocated specifically to women very small. The New Order did ratify the UN Convention on the Political Rights of Women,⁵³ and the Convention on the Elimination of all Forms of

⁵³ Ratified in Law no. 68/1968.

Discrimination Against Women (CEDAW),⁵⁴ however, these international principles did not greatly affect the fundamentals of state gender ideology.

The 'ideal' New Order woman was also one who bolstered her husband's career by joining organisations like Dharma Wanita and furthered development programs by accepting family planning and supporting the work of the Family Welfare Movement (PKK). It has been widely argued that these two women's organisations in particular were entrusted with the task of keeping women in their proper place (Wieringa 2002: 343). Both of these organisations demanded mandatory membership and participation from the wives of civil servants and the military, and leaders of these organisations obtained their positions by being married to a top echelon man. Both of these organisations have been critiqued by feminist activists as representing setbacks for the women's movement.

Dharma Wanita was established in 1974 as a government initiative. There was obligatory membership for wives of civil servants (Buchori and Soenario 2000:141). The objective of the organisation was to ensure support for government, based on the idea that civil servants and their wives should share the same ideology, particularly support for Suharto's ruling party Golkar. The five guiding principles of Dharma Wanita (*Panca Dharma*) for members were: a wife's role is to support her husband, provide offspring, care for and rear the children, be a good housekeeper, and be the guardian of the community. The leadership structure of the organisation mirrored each civil servant department with the head of department's wife designated as the leader of the particular Dharma Wanita branch. Dharma Wanita events included literacy programs, meetings, fundraising, and cooking, sewing and beauty skills workshops.

⁵⁴ Ratified in Law no. 7/1984.

Many members have said Dharma Wanita provided opportunities to socialise with peers and a sense of belonging along with acquisition of new skills and self-confidence. However, for women already with their own career, Dharma Wanita was a burden sometimes even leading to members having to quit their own job. It was also painful and stressful for those women who were expected to lead but did not have the confidence to do so (Ibid.:144).

While Dharma Wanita was essentially a middle class group that mainly organised activities for its members, it was the Family Welfare Movement (*Pembinaan Kesejahteraan Keluarga* (PKK)) which reached down to the local level. PKK was established in the early 1970s in Central Java under the leadership of the wife of the Governor, Ny Munadi, and her successor Kardinah Soepardjo Rustam whose husband was Governor from 1974 to 1982. It was envisaged as a volunteer organisation that would reach down to village and neighbourhood levels with programs focusing on maternal and child health, nutrition and children's immunisation. PKK was adopted by the central government and spread across Indonesia with an organisational structure that mirrored the hierarchical government levels of administration.

PKK leadership positions were automatically filled by the wives of government officials at the different levels, from the President's wife downwards. PKK also follows the *Panca Dharma Wanita*. Officially its members are volunteers but in effect they perform the work of unpaid government civil servants (Wieringa 1992:104). It has been argued that although PKK did reach out to Indonesian women in need, its ultimate purpose was to integrate Indonesian families into the government development process. It did not take women's rights or concerns as a starting point, but stressed women's duties as obedient wife and loyal citizen (Ibid.:106). PKK was very much a middle-class

organisation which tended to attempt to impose its vision on the poor. However, as with all hegemonic discourses, it is important to realise that PKK members could turn the organisation to their own ends to a certain extent (Blackwood 1995).

Why did the New Order regime bother creating and sustaining this ideology on women's role? Lev (1996:168) suggested that the answer lies with the nature of the masculinised military and bureaucratic leadership of the New Order.

What counts more than the military ethos, perhaps is the bureaucratic one, justified by economic success and supported by an ideological traditionalism whose 'traditions' are selectively interpreted and enforced by the regime. In this light alone, who bears more responsibility for being 'traditional' than women, and what could be more uncomfortable, even destabilising, than women redefining themselves as something other than the wives and mothers they had always been?

On the extent of the effects of the New Order's gender ideology, Brenner (1998:252) contended that,

It would be naively deterministic – and simply wrong – to argue that the gender ideologies of the New Order have been able to completely supplant local, alternative constructions of gender...at the same time it would be naïve to deny the power of New Order ideologies, which are constantly circulating in the public (and private) domain, to bring about changes in people's thoughts and actions as gendered subjects.

Robinson (2009:30) also concurs that lived experience was often very different to the ideological gender agenda of the New Order. State discourses cannot be seen as totally hegemonic but are often resisted and reworked at the ground level. Blackwood (2008), for example, describes how Minangkabau farming women contended with national images of the ideal middle-class housewife by reworking the concept of housewife to incorporate their own productive activities into it, that is, they did not just reproduce the category, but made sense of it in relation to their labour as rice farmers. In reality Indonesian women perform many different kinds of work in agriculture and plantations, in business, as civil servants, teachers and, as this thesis shows, sometimes in mining or

as sex workers. Indonesia has also seen significant feminisation of the manufacturing sector and the overseas migrant labour force (Ford 2003).

Towards the end of the New Order some changes were occurring in its gender policies. From 1993, the government made a new commitment to gender equity, defined as '*kemitrasejajaran*' or equal partnership. This ideal was to be achieved by subjecting government policy to 'gender analysis'. This policy shift was the consequence of Indonesia's engagement with multilateral organisations, in particular the UN system's agendas for women (Robinson 1998). However, whether this indicated a true change to the New Order's gender ideology is unclear given that the regime ended in 1998 (Robinson 1999).

Women did play an important role in the toppling of President Suharto in 1998. A small group of women calling themselves *Suara Ibu Peduli*, the Voices of Concerned Mothers, famously demonstrated at the Hotel Indonesia roundabout in Jakarta calling for awareness of the basic gender realities, such as the price of milk for children, caused by the Asian economic crisis. Their campaign carried over into political support for the students calling for Suharto's resignation (Kolibonso 1999; Bianpoen 2000). Despite its conservatism and allegiance to the state, surprisingly it was a Dharma Wanita unit that launched one of the first political statements to urge President Soeharto to step down, using Kartini Day celebrations for effect (Budianta 2002:36; Allen 2009). The significant role of some women's groups during this period probably gave momentum to the gender sensitive policy changes made during the reform era, as discussed in the following section.

3.3 The Reform Era and Changes to Women's Legal Status in Indonesia

As was outlined in Chapter 2 of this thesis, Indonesia underwent an intensive period of change following the fall of President Suharto in May 1998, including a spate of legal reforms such as electoral reorganisation and the devolution of many central government powers to the regions through the decentralisation legislation. There have also been a number of moves to improve gender equality at the national level through national development strategies, legal reforms and some discourse change. *Reformasi* and decentralisation have brought both opportunities and challenges for women in Indonesia. The national level changes are discussed in this section, and the effect at the local level in the subsequent sections.

At the national level, positive changes since the fall of Suharto have included the founding of a National Commission on Violence against Women (*Komnas Perempuan*) in October 2008. This was established after women's groups successfully pressured the government to acknowledge the rapes and beatings of Chinese women during the May 1998 riots. There has also been a symbolic Ministry name change from the 'Ministry of Women's Affairs' to the 'Ministry for Women's Empowerment' representing a new state approach to women's issues. National development policies of 1999 and 2000-2004 also contained a new definition of the position and role of women with importance placed on gender equality. Other anti-discriminatory laws that have been passed include the 1999 law on human rights, the 2004 Law on Domestic Violence and the 2007 Law on Human Trafficking. In 2000, the President issued an Instruction on Gender Mainstreaming (*Inpres* no. 9/2000) instructing all government institutions, including at the regional levels, to mainstream gender in all their activities. Schech and Mustafa (2010) argue that this instruction was a reflection of the new prominence and

power of women's groups and feminist activists on the political landscape of the nation.

Reformasi has allowed more freedom for all Indonesians to organise independently, and there has been a flourishing of NGOs, including organisations aimed at achieving women's equality and empowerment. There have been some changes made to Dharma Wanita and PKK partly in response to the strong criticism of their role during the New Order. Formally, membership of Dharma Wanita and PKK has become voluntary (Blackburn 2004:29) although much of the social pressure to get involved remains. Dharma Wanita leaders are now elected. Although PKK briefly followed suit, it soon reverted to its policy of wives of top government officials having to take a leading role. Both organisations have altered their official names; Dharma Wanita to *Dharma Wanita Persatuan* (United Dharma Wanita) and PKK has retained its acronym but in 2000 was officially changed to *Gerakan Pemberdayaan dan Kesejahteraan Keluarga* (Family Empowerment and Welfare Movement) (Minister for Internal Affairs Decision no. 53/2000). PKK now also has official policies of striving for gender equality and gender justice.

Electoral rules have been the subject of affirmative action with the goal of increasing the numbers of women in Parliament. In 2003, the law on general elections (Law no. 12/2003) established a 30 per cent quota for women in the 2004 election. This was found to be ineffective as parties tended to place their female candidates too low on the ballot papers to ensure election. The system was further refined in Law no.10/2008 which established a zipper system, where there must be one woman for every three candidates on party lists. The 2007 law on political parties also requires new political parties to have at least 30 per cent women members and leadership. Female

representation at the national level has indeed risen as a result, from 9 per cent in the 1999–2004 period, 10.7 per cent in 2004–2009 and a jump to 17.6 per cent in the 2009–2014 electoral period. Female representation in the Regional Representative Council (*DPD*) (the new upper house with representatives from each province) is still patchy. Bessell (2010) argues that there is cause for optimism from the increase, but still many serious obstacles to greater numerical equality for women in the National Legislature.

The 2003 labour legislation⁵⁵ which was passed with much support from the ILO and the international community is generally quite protective of labour rights. For women, it also provides for maternity leave, menstruation leave, and time and space for mothers to breastfeed babies at work. Although there is no longer a blanket prohibition on employing women at night, there are still special stipulations for employing women at night including that the employer must provide transport to and from work, a healthy meal and ensure harmony and safety in the workplace. The prohibition on women working underground or in mines has now disappeared, although companies must still obtain special approval for women to work at night in mines (Lahiri-Dutt and Robinson 2008).⁵⁶

However, other remaining laws are still criticised for being biased against women. These include the 1974 Marriage Law which states that the husband is automatically the head of the family, the Criminal Code, the 1991 Health Law and the 1992 Population and Family-Planning Law (Katjasungkana 2008:489). In 2006, the draft bill on ‘Anti-Pornography and Porno-Action’ triggered heated public debate. The bill, designed to

⁵⁵ Law no. 13/2003.

⁵⁶ There is an ongoing debate about the effect of protective labour legislation for women. Some argue that women’s bodily difference requires special protection in the workplace, while others see protective legislation as merely serving to exclude women from the workforce and therefore as a threat to women’s wellbeing. Women’s labour movement leaders in Indonesia recognise this contradiction but argue that it would be counterproductive to let go of gender specific benefits, such as menstruation leave, which were hard fought for (Lahiri-Dutt and Robinson 2008).

'prevent further moral degradation', included bans on public kissing and exposing the body in public, and was protested by both feminists and by regions such as Bali and Batam that were afraid of losing tourist trade and the loss of traditional artistic expression (Asmarani 2006). Suryakusuma and Lindsey (2006) argue that the anti-pornography bill was aimed at denying the presence of women and sexuality in public space. It uses pornography as an excuse, equating expression of sexuality outside the marriage bed and even the very presence of women outside the home with obscenity and criminality. The bill was passed into legislation in October 2008, and many are continuing their protests about its implications for women's rights (Allen 2009).

Since the end of the New Order, there have been many reforms that promote policies of gender equality at the national level in Indonesia. These have been hard fought changes which have sometimes been opposed by more conservative political groups. While these reforms are certainly significant, many attitudes and practices from the New Order remain, such as continued assumptions about male heads of households. Due to decentralisation, it is the district government's policies that have the most direct effect on the KPC areas. These are discussed below.

3.4 Decentralisation and Women in Indonesia

Decentralisation is frequently promoted as being good for women by encouraging greater political participation of women at the local level. These arguments make some inherent gender assumptions about women being less mobile, more involved in local issues and more able to combine a political role with their reproductive roles (Mukhopadhyay 2005). However, the ideal has not been found to necessarily work in practice. The success of decentralisation in achieving its goals depends on the political,

economic and cultural context in which it is carried out. Vulnerable and marginalised groups in local communities, including women, can be harmed through processes that fail to take account of their relatively disadvantaged positions (MacLean 2003:12). Decentralisation has often led to the transfer of power from elites in the central government to elites at the local level, without much improvement in transparency, accountability or participation (Byrne and Schnyder 2005:2).

Beall (2005), in her study of decentralisation in South Africa, found a number of factors that limited women's political participation and the potential for addressing gender issues. These included the entrenchment of local relationships and power structures into the processes of local government. Despite decentralisation, competing interests remained clustered around power and resources at the local government level in ways that excluded women. Beall's study found that development agendas were being pursued largely at the expense of an engendered local democracy, and that where the impulse for decentralisation is efficiency rather than equality, gender issues are unlikely to be addressed (Ibid.:254).

In Indonesia, the decentralisation process that began in 1999 was driven by a perceived need to prevent the secession of disaffected regions from the unified state, and hence bringing government closer to women was not a primary concern. Just as decentralisation created a highly uneven process of change across Indonesia in other fields (see Chapter 2.4), it has resulted in a wide variety of approaches to gender equality across the regions. Some regions have been taking more initiatives to promote gender equality than others. A study by the Indonesian Women's Research Institute identified a number of regional laws that give space for female political representation (Noerdin et al. 2005:16) while others marginalise women from political participation

(Budianta 2006:916). Overall, decentralisation in Indonesia is said to have indirectly decreased women's participation in policy making due to higher pre-existing levels of gender imbalance at the district levels which allowed more men to take advantage of the government powers transferred to these levels (Buchori and Cameron 2006).

Women's representation in local legislatures did increase to 11.3 per cent after the 2004 elections. However, women are still only marginally represented and are generally underrepresented in the drafting of local laws and budgets (ADB 2006:38). In East Kalimantan, for instance, half of all districts had no women elected to their local legislatures. Although there are laws promoting affirmative action for parliamentary members, there is no such requirement for the direct election of district heads and mayors. In 2001 there were no female governors and only 5 out of 331 *Bupati/Walikota* were female (Noerdin et al. 2005:15). By 2009, only nine women had been elected as regional heads in direct elections, seven as *Bupati*, one as *Walikota* and one Governor. Satriyo (2010) argues that elite party officials who can choose candidates are more likely to hold the view that women are not fit for public office than the general public and are hence one of the main obstacles for women running in local elections.

There are also various restrictions on women's leadership at village levels. For example, in Aceh candidates for village head must be able to lead prayers (as *imam shalat*) effectively excluding women according to Islamic law and local tradition (Noerdin et al. 2005:2). There are also local laws in Jakarta, Banda Aceh and Kendal (Central Java) where only a (male) 'head of household' can chair the Village Representative Body (*Badan Perwakilan Desa, BPD*) (Ibid.:4).

Since decentralisation there has been an increase in local government departments and institutions devoted to women's empowerment, although again this has been uneven depending on political will in the particular region. In Aceh, due at least in part to support from international bodies following the Indian Ocean tsunami in December 2004, *Qanun* no. 5/2007 was passed raising the status of Aceh's then provincial Women's Empowerment Bureau to a new Women's Empowerment and Child Protection Body (*Badan Pemberdayaan Perempuan dan Perlindungan Anak*). There are only two such *Badan* level agencies in Indonesia, in Aceh and in Papua. The *Badan* has the same status as a full District Department (*Dinas*) and can make policy and has its own budget unlike the earlier Bureau. It has a coordinative relationship with the Ministry for Women's Empowerment in Jakarta, but is autonomous with most activities not tied to national level funding.⁵⁷ Aceh also now has a law on women's empowerment (*Qanun* no. 6/2009).

Decentralisation has also created wide regional disparities in service delivery. Health program implementation and budgeting has passed to the district (*kabupaten*) levels causing wide differences in maternal health delivery across Indonesia. In many instances, district governments have lacked the technical capacity to address the welfare and economic needs of their communities, such as drafting substantive legislation on health insurance schemes for the poor, or to effectively manage budgets (Bush 2007). At the same time there has been a decline in national health initiatives, such as the 'safe motherhood' program which ran between 1987 and 1997 (*Jakarta Post*, 13 January 2010).

⁵⁷ Interview with Raihan Putry Ali Muhammad, Head of the Aceh Women's Empowerment and Child Protection Body, 28 August 2008. See also UNORC (2008).

The most widely cited effect of decentralisation on women in Indonesia has been the revival of *adat* (traditional laws and institutions) and Islamic consciousness in some regions, which has tended to result in a revival or reinforcement of patriarchal values. In many cases new local leaders have wanted to differentiate themselves from the past and to strengthen their local support by adopting agendas sponsored by conservative social groups, often religious in nature (Suryakusuma and Lindsey 2006). These revivals of tradition have been very contentious in areas that have high ethnic diversity and large migrant populations (Budianta 2006:920). Some *adat* laws do not recognise the right of women to own property, receive even a small share of inheritance, earn an independent income, or aspire to higher levels of education (ADB 2006).

Some regions have passed local laws that entrench the idea that women are the source of social problems (Siahaan 2002) often couched in terms of '*Perda Maksiat*' or local laws against sinful (anti-Islamic) behaviour (Utomo 2006). In early 2001, for example, the West Sumatra provincial legislature proposed a curfew for women between 10:00pm and 6:00am as a way of curbing immoral activities, although the bill was eventually dropped (Budianta 2002). Local laws that have been implemented include requirements that women wear Islamic dress in public places (in West Sumatra, Bengkulu, Batam, Aceh and Tasikmalaya). In South Sulawesi female civil servants must wear Islamic attire, female high school students must wear long skirts, and government employees must be able to read and write Arabic (Allen 2009). These laws effectively mark out non-Muslim students as being different (Bush 2007). Muslim women also often feel affronted by the laws, as the decision to wear a head-scarf has often traditionally been an individual decision and a signifier of personal piety and stage in life.

One of the most publicised cases of abrogation of women's rights under local laws occurred in Tangerang, outside Jakarta, in 2006. Lilis Lindawati was waiting by the side of the road at night for public transport to take her home, when she was arrested by a group of public order officials and accused of being a prostitute because she was out alone at night and had make-up in her handbag. She was subsequently denied due legal process, was not even allowed to contact her family and was fined. A subsequent appeal case against this prostitution law at the Supreme Court failed as the court held that the law's subject matter fell outside the Court's jurisdiction (Butt 2010).

Since decentralisation, the Indonesian women's movement has also become more fragmented. During the New Order women activists had to unite to face state-centralised power, but since that time they have had to disperse to engage with local power struggles across different levels of administration in Indonesia (Budianta 2006: 920). Past struggles were often portrayed as NGOs against the state, but the forms of organising in the *post-Reformasi* period have become more fluid and mixed (Budianta 2002:41).

While decentralisation in Indonesia has attracted a great number of studies on various aspects of its effects (for example, Aspinall and Fealy 2003; Erb et al. 2005; Klinken 2007), the gendered aspects of decentralisation have been less thoroughly documented (although see: Siahaan 2002; Utomo 2006, Noerdin et al. 2005). For example, to my knowledge, there are no studies of Dharma Wanita or PKK at the district level since decentralisation and this appears to be a promising area for future research. While studying the effects of decentralisation on women is not the main focus of this thesis, I am able to comment on some aspects of change and continuity in the district of East Kutai on issues of gender and the activities of women's organisations. This discussion

provides a picture of the gendered political context in which KPC operates and emphasises the background to the marginalisation of women's voices in the CSR agenda.

3.5 Competing Views of Women's Roles in Development in East Kutai

In the Province of East Kalimantan there have not been the same moves towards traditionalism or religious conservatism at local government levels as has occurred in some other parts of Indonesia. The foremost political issues at government levels in this province have been natural resource management and development strategies. The existence of large migrant populations in the province has prevented the dominance of ethnocultural politics, although there are some active indigenous groups such as the East Kalimantan Dayak Association (see Schiller 2007). Thus, the East Kutai District has not passed any *adat* or religious-based local laws specifically restricting women's activities.

Nevertheless, East Kalimantan has very low women's representation in the district and provincial governments. In 2007, there was just one female member of the East Kutai Regional Legislature (DPRD) and one female Camat in Teluk Pandan subdistrict. I met only two women who held, or had formerly held, official village-level leadership positions while conducting fieldwork in the KPC areas. One was the former village head of Sepaso in Bengalon, and the other the only female head of neighbourhood in Singa Gembara (see also Chapter 4.5).

In East Kutai there was less recognition of women's interests at the government departmental level than in some other parts of Indonesia. The district government had a

women's empowerment section within the Social Affairs Department, and an Office for Youth, Sport and Women's Empowerment was only being planned during 2007 (*Tribun Kaltim*, 22 August 2007).

Competing discourses of women's empowerment and women's roles in development were evident while I was researching in East Kutai. Bupati Awang Faroek Ishak indicated that he was in favour of women's empowerment. On accepting an award for his work for the people of East Kutai, the Bupati claimed that the award was partly due to his concern for women's empowerment especially through his education programs. The appointment of a *staf ahli* (expert advisor) for Women's Empowerment and Religious Affairs and a small number of women officials, including the woman Camat in Teluk Pandan subdistrict, and two heads of departmental divisions, have also been hailed as proof of Awang Faroek's commitment to gender equality (*Kaltim Post*, 6 February 2007).

The position of *staf ahli* for Women's Empowerment and Religious Affairs has been held since early 2006 by Professor Siti Muri'ah, a well known figure in East Kalimantan. She is a Professor of Islamic Studies, the author of several studies on women and Islam (Muri'ah 2004, 2007) and once ran unsuccessfully for Vice-Mayor of Samarinda on the same ticket as Awang Ferdian (Awang Faroek Ishak's son). She was the former rector of the STAIN Islamic Higher Education Institute in Samarinda, and has since established a campus in Sangatta. Through her position as expert advisor, she had made connections with the Ministry for Women's Empowerment in Jakarta and attended some of their workshops on gender mainstreaming.⁵⁸

⁵⁸ Interview with Siti Muri'ah, 1 September 2006, Bukit Pelangi, Sangatta.

Siti Muri'ah, who often writes articles in the local papers, gives presentations, and has her many activities reported on, has promoted more of a partnership ideal for men and women in development. Her approach is informed by her previous work as an Islamic studies and feminist academic. She often joins various women's events organised by PKK and *Gabungan Organisasi Wanita (GOW)* (an umbrella organisation that brings together all the different official level women's organisations in the district). Siti Muri'ah was quoted as saying:

Understanding gender equality must be continuously promoted so that the community understands their existence in this life. Women were created from the same spirit, not from the head to be placed above, and not from the feet so that they can be left behind. Equality means living in harmony and balance in the family, community, people, and nation. Therefore men and women can be partners in development activities (*Kaltim Post*, 18 August 2006).

Speaking on the topic of domestic violence on a PKK 'roadshow' around the subdistricts of East Kutai she is reported to have told the audience:

Women are often the victims of violence. Therefore an understanding of gender equality from the perspective of religion, society and culture needs to be spread. We can't ignore the fact that there are men who are the victims of women, but a greater number of women are the victims of men. Understanding gender equality needs serious attention from those in authority to ensure that development and women's empowerment, is systematic, planned and sustainable and increases the quality of life of women in the family, community and nation. The point is we want to give equal opportunities to women to take an equal role with men in carrying out development of the family and the nation. Yes, women have a womb, but that does not mean that women only have functions in the kitchen, at the well and in bed...We need to eradicate all forms of violence against women and uphold women's human rights (*Kaltim Post*, 24 December 2006).

The East Kutai district government's short to medium term planning strategy for 2006-2010 briefly acknowledged women's empowerment as a planning goal. It mentioned the importance of women's education and skills, strengthening of government, higher education and other institutions that have a vision for women's empowerment,

opportunities for women including in civil service recruitment, and improving women's participation in decision-making in the household and in wider institutions.

However, alongside these small changes and positive discourse on gender equality, there were many signs of a New Order-like mentality regarding women's roles in development in Bupati Awang Faroek Ishak's speeches. One notable example is, when installing his wife Amelia Faroek as the Chair of GOW for the 2001–2005 period, he told the women present at the ceremony to take an active role in the policy of *Gerdabangagri* and to follow their husbands when they 'go down to the subdistricts' to tell the women there about the policy. On the same occasion he was also quoted as saying '*Jangan hanya ngerumpi dan membicarakan yang jelek, namun bicarakan kehebatan orang lain*' (Don't just gossip and backstab, but talk about the greatness of other people) (*Kaltim Post*, 10 January 2003). These pronouncements suggest both a co-optation of women's efforts (in traditionally women's realms) for political aims but also a particular perspective on women's activities outside those government policy aims as being trivial. I observed that Awang Faroek Ishak also used district government Kartini Day celebrations in 2007 to call on women to take an active role in his policies on development. In other words, women are called on to implement some policies, but are not expected to have a strong voice in policy formulation.

The role of women was also restricted in the minds of some other local leaders to that of housewife, mother and member of women's groups. For example, the District Secretary (*Sekkab*), Syaffrudin Achmad, on Women's Day (*Hari Ibu*) celebrations in 2006 gave a speech with the following elements:

Women have a big role in making development in East Kutai a success. The role of women in the future needs to support and promote development in all the policy focus sectors. Women have an important role in the family, that is, to educate children so that they don't fall

headfirst into using drugs. Women have a role in infrastructure development through women's groups like GOW, Dharma Wanita, PKK and others. The success of men is thanks to the support from women. Women can also plant plants with economic value in their house yards (*Kaltim Post*, 23 December 2006).

This theme of women's groups such as PKK being required to make *Gerdabangagri* a success (despite having their own working program and agenda which comes from hierarchical national and provincial levels of PKK) continued through much of the discourse around PKK activities, partly due to the Bupati's wife's role as head of PKK and hence supporter of her husband's policies. For example, one news article in early 2008 advertised Amelia Faroek's intention to go on radio to discuss the extent of the role of women in East Kutai in making the *Gerdabangagri* program a success (*Kaltim Post*, 2 January 2008). On a separate occasion, Idrus Yunus, a top-level government official, gave a speech at the investiture of subdistrict level PKK leaders. He said:

Although PKK volunteers do not get paid a wage, they are asked to be continuously proactive, especially in the promotion of *sakinah* (harmonious and religious) families. PKK is allocated funding from the East Kutai District Budget to be managed for improving family welfare. Therefore, the active role of PKK must continue to exist and cadres should act with devotion and sincerity in empowering the people in their respective work regions. PKK are one of the partners of government in actualising *Gerdabangagri* (*Kaltim Post*, 7 June 2007).

PKK also provides a convenient organisational structure for direct policy implementation. For example, Awang Faroek once ordered all PKK leaders in each subdistrict to plant castor oil plants (*jatropha*) (*Kaltim Post*, 16 February 2007).

Religious conservatism on gender issues is sometimes apparent in the local media. For example, at the opening of an orphanage for girls in Sangatta, an article quotes a religious leader as saying that the orphanage would help to form morals in females because 'I have seen much that is damaged in women, not like in men'. According to him, the talk about gender equality that had been going around lately will have negative

impacts on the mental development of his followers. 'That is Western thinking, so education for females based on Islam needs to be put first' (*Kaltim Post*, 10 July 2006).

Competing gender ideology was also evident in a series of seminars and workshops on gender or women's empowerment that I attended while conducting fieldwork in East Kutai in 2007.⁵⁹ All were held in district government buildings. They were all organised by, or triggered by, national branches of Dharma Wanita or the Ministry for Women's Empowerment. The topics discussed included women's leadership and Islam, domestic violence, gender mainstreaming and gender budgeting. The opening speeches at these workshops were often used by the Bupati and other (usually male) district government officials to promote East Kutai to the visitors from Jakarta and to call on the women present to make district government policies a success. While the material itself was usually received with positive rhetoric, it was clear that these seminars did not yet represent a deep political commitment to change at the district level. These workshops were mainly attended by elite women members of district level PKK and Dharma Wanita, although some civil servants and NGO members were also sometimes present. Hierarchy and class differences were characteristic of these seminars with unwritten rules about seating arrangements and dress codes strongly enforced.

Although discourse around gender equality and women's empowerment has certainly been increasing in popularity in East Kutai, women's empowerment is still a side issue

⁵⁹ The first was titled 'Women's Empowerment Policies and Gender Responsive Implementation in Development' organised by GOW in connection to Kartini Day (16 April 2007). The second was 'The Role of Women in the Environment (Waste Management and Family Medicinal Plants)' initiated by Dharma Wanita from the central Ministry of Environment and sponsored by KPC and Indominco (30 July 2007). The third was a three-day workshop on 'Institutional Capacity Building for Gender Responsive Planning in East Kutai'. This was a joint effort by the central Ministry for Women's Empowerment together with the East Kutai Social Department (19-21 Nov 2007). A fourth gender workshop was also organised with the district government as part of the Linkage Research Project with KPC where I also presented some of my preliminary research findings (8 August 2007).

in district development strategies. Local political leadership continues to be male dominated with women's energies marginalised in women's auxiliary groups. While these groups take part in many worthwhile activities, they do play very little part in district government resources politics or engagement with KPC and the formulation of CSR priorities. Further details are provided in the section below.

3.6 Women's Organisations and Leadership in East Kutai

Women's energies at the district government level in East Kutai continued to be channelled through official organisations. Dharma Wanita Persatuan (DWP), PKK and *Gabungan Organisasi Wanita* (GOW) are active at the East Kutai district level, as well as in some subdistricts and villages according to the level of energy and commitment of the particular Camat's wife or village head's wife.

The most active women's organisations at the district level in East Kutai; PKK, DWP and GOW, each have their own agendas and working plans relating to their mandates for service to the community. PKK, for example, has working groups dedicated to upholding *Pancasila*⁶⁰ and promoting understanding of the law, education and skills, food and nutrition, maternal and child health and environmental preservation. PKK's five-year working plan was determined at the provincial level and thus is the same province wide. Officially there is a commitment to realising pious, healthy, prosperous families with gender equality and gender justice (PKK Kalimantan Timur 2005:6).

⁶⁰ Pancasila is the philosophical foundation of the Indonesian state based on five principles. These are belief in one God, just and civilised humanity, state unity, decision-making through deliberation to reach consensus and social justice.

While they have their own agendas, activities are often held jointly, involving many of the same leaders and members (who often have been involved in the other organisations as well). These joint activities in East Kutai have included: cooking competitions, choir and sport competitions, handicraft exhibitions, support of government education policies, campaigns to eradicate tuberculosis, free medical treatment, maternal mortality prevention programs, promotion of contraception use, flood and other natural disaster aid, seminars on household waste management, parenting, fun runs/walks, organising Kartini Day and Hari Ibu events, and Islamic celebration events and many others. PKK members sometimes joke that PKK could stand for *Perempuan Kurang Kerjaan* (women with not enough work) or *Perempuan Kesini Kemari* (women who go here and go there). Many of the news reports on their activities emphasise the leaders' tenacity in travelling 'down' to the subdistricts and dealing with the difficulties in road access to these areas. In contrast, I observed that NGO staff are sometimes disparaging of PKK's women's empowerment projects with their tendency to arrive in a village, give a speech and then leave again.

The leaders of these groups constantly reiterate that women must find a balance between being a cadre and their roles as housewives. 'It is most important that women can carry out their tasks and responsibilities, both as housewives and as DWP functionaries,' said Amelia Faroek, wife of Bupati Awang Faroek Ishak, on one occasion (*Kaltim Post*, 14 June 2007). Another local news article on Amelia Faroek emphasised that although busy with her many organisational commitments, she still carries out her activities as a housewife, such as cooking her husband's favourite foods and preparing clothes for her husband to wear. To quote the article, 'The loyalty and love of Amelia for East Kutai is the same as her loyalty and love for her husband' (*Kaltim Post*, 11 December 2006).

I was also aware of one active women's NGO in Sangatta, called *Solidaritas Perempuan Peduli Pembangunan Kutai Timur* (Women's Solidarity for Development in East Kutai) (SP3KT). Its leader is Ana Wulandari Agiel, the wife of a prominent local politician. She claimed that her organisation had around 570 registered members, mostly women of middle to lower class, although probably far fewer were actually active members. The organisation was new in 2006 and was still receiving the majority of its funding from the local government (through the leader's husband), from KPC and from event ticket sales. The group's activities have included a mass circumcision for boys, 'clean-up Sangatta' events, Independence Day activities, children's entertainment day, beauty tips workshops, and a Kartini Day competition (see Section 4.9 below). Members often say that they like these kinds of activities as they provide the chance to catch up with friends, make contacts and learn new things.⁶¹ Like the more formal government linked women's groups, this NGO has a uniform for its members. SP3KT is also connected to the Kartini Foundation which planned to build a kindergarten in Singa Gembara, and the first stone for this was placed in November 2007.

Other less formal women's groups in East Kutai include women's cooperatives, *arisan* (revolving credit groups), groups based on ethnicity (such as the South Sulawesi Women's Network) and religious membership such as *pengajian* (Qur'an reading) groups.

Although many women living in the KPC areas take part in women's organisations, they tend to organise around social welfare and charitable works rather than political engagement. Women's issues are still seen as marginal to the politics of local

⁶¹ Interview with Ana Wulandari Agiel, December 2006.

government. As noted, this leads to a lack of women's voices within the debates around KPC and its corporate social responsibilities. Women are also less likely to promote their own interests in conflicts with the company, and hence there have been fewer women beneficiaries of KPC's programs.

3.7 KPC and State Constructions of Gender in Indonesia

KPC was established during the New Order and in the beginning was a wholly international concern being equally owned by Rio Tinto and BP, with a mix of expatriate and Indonesian workers. Attempting to separate out the continuing influence of international mining culture and the Indonesian state on the gendered culture within the company is probably futile, and in any case these two factors mostly coincide around similar ideas of male employment and women's roles in the home. For example, an expatriate manager, Klinger (1993:181), justified the lack of women employees in KPC by referring both to gendered notions of mining work and to Indonesian society:

While the company is an equal opportunity employer, the work is dominated by the operation of heavy equipment, an occupation not conducive to the employment of women, particularly in Indonesian society.

One parallel within KPC and the New Order ideas about appropriate women's organisations is found in KPC women's group Periska. Periska has a similar structure and outlook to PKK and Dharma Wanita. Periska was established in December 1992. Its charter states that the aims of the organisation are to support KPC employees in making the company a success, to improve the welfare of KPC employees' families, and that

this should all be done according to the *kodrat* and position of Indonesian women as ‘wives and housewives’.⁶²

Periska’s primary members are the Indonesian wives of employees, with secondary members being female employees of KPC or the Indonesian wives of expatriate employees who may apply for membership. Leadership positions are allocated through selection by members.⁶³ Although formally leaders need not necessarily be the wives of KPC managers, historically there have been no wives of operators acting in leadership positions. In 2007, Periska claimed more than 400 active members. The divisions within Periska depend on the department where a member’s husband works, but the activities are much the same across the group. The large majority of its members are ‘housewives’.⁶⁴ While some members are operators’ wives, many other operators’ wives choose not to participate as they find Periska to be too much of a middle to upper class organisation.⁶⁵ Periska’s activities include community service, social occasions including ‘*arisan*’, and occasionally organising mine tours of the pits for wives to improve their knowledge of their husbands’ workplace and their need for rest at home to avoid fatigue related accidents. One KPC employee within an operations branch once commented to me that the women in Periska are easy to control, while unaffiliated operators’ wives are sometimes hard to handle and it is difficult to get them to learn about their husbands’ safety needs. In other words, Periska sometimes acts as a channel for furthering company aims.

⁶² These aims are found in Periska’s founding charter titled ‘*Anggaran Dasar & Anggaran Rumah Tangga Periska, PT Kaltim Prima Coal*’ (1994 and updated in 2003).

⁶³ Leadership selection procedures were also outlined in Periska’s founding charter, see footnote above.

⁶⁴ Information provided in an interview with a former leader of Periska, 17 June 2007. Interview conducted in her home in a higher level KPC housing complex.

⁶⁵ Many of the operators’ wives that I interviewed in Singa Gembara, for example, said that they had no interest in being involved in Periska.

There are no expatriate women members of Periska, but there is the small Tanjung Bara Women's Association, established when mining first began in Sangatta. The Association once had 50 members, but membership had dropped to 10 in 2007 due to the general decrease in expatriate employment. This is a social group which occasionally makes charitable donations (*Kabara* September–October 2007).

3.8 Engagement with Local Leaders

Community engagement has become a key concept within CSR, designed to counter accusations of ignoring community interests. The term tends to denote official-level meetings with community leaders. The 'impacts of mining on women literature' has critiqued mining companies' general lack of engagement with women, although the literature has generally not problematised the existence of different levels of official and unofficial engagement. I demonstrate in this section that an analysis of different levels of official and unofficial engagement provides a fuller picture of gender inequality of voice in CSR. This approach also reveals limits to the potential for change towards promoting gender equality of voice in mining.

KPC's engagement with the community occurs on a number of different hierarchical levels, from high level relations with the Bupati and district government officials, down to the Camat, village heads, *adat* and other group leaders, landowners, protesters and development program beneficiaries. Gender inequality in voice is evident at many different levels. This section is concerned with company engagement with local leaders, while ground level engagement with program beneficiaries will be examined in Chapter 7.5.

In the conflicts between KPC and the district politicians described in Chapter 2, it has been men who wield authority on these issues and almost always only men's names in the news as politicians, bureaucrats, police chiefs, lawyers, trade union leaders, NGO spokesmen and KPC managers. PKK and other women's groups have not been involved at all. While it is conceivable that women may wield power behind the scenes, it is leaders who are given attention by the company in conflict issues.

This is also true of more periodic company-led engagement with the community where the potential risk of future conflict with the company tends to dictate which groups are invited to engage with company management. As women's groups are not perceived as threats it is not unusual to have no women involved at all. For example, I attended a periodic large public meeting held by KPC about every four months (*Toga Tomas*) in May 2007, where community leaders, including representatives from *adat* and religious groups, the police, NGOs and cooperatives, were invited to hear presentations from KPC and to air their views. At this meeting there was not one woman present in the hall except for one female KPC staff member (and myself). The female staff member was introduced to the audience as '*paling cantik*' (the prettiest) in the room – a common (sexist) joke when there is only one woman in a room full of men. She seemed surprised when afterwards I pointed out to her that she was the only woman in the room, which indicates that she was accustomed to such a situation and thought little of it.

The audience bombarded the company staff with questions about royalties and community development programs. Some argued for an increase in the USD 5 million community development budget, for better access to information about KPC's CSR, and for KPC and the District Government to stop blaming each other for deficiencies in budgets. One audience member protested that only some people get to speak at

meetings such as this. While he was probably not thinking of women as such, his point was a good one. When I mentioned my observations of the absence of women to the GM at the close of the meeting, he agreed that ESD should try to get women to come along, although I do not know if this occurred in subsequent *Toga Tomas* meetings. I doubt that such an easy answer would improve the influence of women's voice where the company does not perceive women as wielding political power or presenting a threat to operations.

3.9 Conclusion

KPC operates within the country gender context in Indonesia, and since decentralisation, also interacts with the gendered ideas of the now much more powerful district government. While the importance of gender equality is being increasingly recognised at both these levels of government, New Order constructions of the ideal household and ideal women's roles as primarily being wife and mother, continue to strongly influence gender relations in the KPC area. Gender equality and women's empowerment continue to be side issues to the central concerns of local politics and government. Women's social welfare continues to be seen as the concern of groups such as PKK and Dharma Wanita – groups which continue to be dominated by elite women, usually those married to upper echelon men. KPC's own women's group, Periska, follows the general pattern of PKK and Dharma Wanita.

As demonstrated in Chapter 2, KPC has been under increasing pressure from the district government to provide more benefits to the local communities. However, due to women's marginalisation from mainstream policy issues, women are not seen as risks to the company and hence women's voices tend not to be heard within the debates around

CSR. Male domination of regional politics is largely outside the influence of the company. The company is put in a position of dealing primarily with the most powerful local leaders when conflicts, such as those described in Chapter 2, arise. Similar dynamics can be seen in local community conflicts with the company and the tendency for community leaders to be men, as will be further demonstrated in Chapter 4. None of the current 'mining and gender guidelines' explicitly respond to this link between the national and local gendered political context analysis and the potential for gender equality of voice to be achieved in CSR.

This chapter has also provided a picture of the wider gendered context in Indonesia and East Kutai. This provides a background for the consideration of the gendered impacts of mining at KPC (in Part II) as social impacts do not occur in a vacuum but rather interact with wider social norms. It also provides the wider context for the discussion of the gendered nature of CSR practice and community development implementation at KPC and reliance on groups such as PKK to enable beneficiary selection (Part III). Specifically, in Chapter 8.6, I extend this discussion to consider some effects of wider gendered policies on households in the context of livelihood program evaluation. Further, this chapter has identified the institutional factors that strongly contribute to gender inequality in Indonesia as being located far beyond the scope of CSR as it is currently framed as local community development delivery. This inherent limit raises questions of project effectiveness, such as in the need to affect wider determinants of gender inequality in order to implement best practice in HIV prevention (see Chapter 9).

Chapter 4

Negotiating Development in a Mine-Affected Village: Company, Community and Local Government

‘We have a dilemma, because in general, we the community in Singa Gembara, and the whole of Sangatta, live from the company.’
(Village Head of Singa Gembara, 2007)

4.1 Introduction

In Chapter 2, I discussed the changing historical relations between company and state, the growing role of local government as a driver of CSR and, in Chapter 3, the gendered implications of this for CSR. This chapter takes a case study approach to also highlight the role of community members and other interest groups as drivers within the CSR agenda in Indonesia. In this case, KPC was forced to compromise with local leaders and amend its CSR priorities accordingly. The idea that one must protest to get the company’s attention has taken firm hold. Protest action and ensuing negotiations tend to be gendered with mostly men taking the lead. I demonstrate that such male domination in local community pressure is an additional factor in limiting the company’s ability to promote gender equality, particularly gender equality of voice, through CSR.

This chapter presents the case of Singa Gembara, a migrant-populated village located adjacent to one of KPC’s mine pits. The residents of Singa Gembara demonstrated and blockaded mine production on a number of occasions during 2005 and 2006 and demanded compensation for the blasting vibrations that they claimed were damaging their homes and causing personal trauma. The eventual outcome of the protests was an agreement for ‘development’ framed as CSR. The company promised to repair houses

and roads, build classrooms and provide clean piped water throughout the village. The East Kutai district government, which became involved in the negotiations, simultaneously extracted a promise from the company that it would build roads and flood prevention infrastructure in other locations some distance from Singa Gembara itself.

This case study also provides yet another example of a clash between company and local government within the context of *Reformasi* and decentralisation in Indonesia. Since *Reformasi* and decentralisation the company is now more vulnerable to blockades. The term CSR has become common parlance among politicians and community members alike and as such is used as a weapon against the company. The claims made by the migrant residents of Singa Gembara were framed in terms of proximity to the mine, damages from mine impacts and neglect of the company's CSR programs in their area.

Other resource conflicts in post-*Reformasi* Indonesia have been framed in terms of *adat* and ethnocentricity. Although not examined in detail in this thesis, the struggles between KPC and locals in the Bengalon area have been framed around indigeneity, land ownership, priority rights to company employment and CSR. Particular (usually separate) groups of Kutai and Dayak Basaf people, with mainly young male leadership and involvement, have also used blockading measures to hold up compulsory land acquisition and negotiate higher rates of land compensation. The procedures for determining indigenous or '*putra daerah*' status for employment in the mine have also often come under attack. Some other indigenous rights groups such as the East Kalimantan Dayak Association (PDKT) have also succeeded in forcing the company to give them some priority for community development funding and programs including

student scholarships. KPC's use of community development to pacify the community, sometimes, but not always, succeeds in diffusing demands. For example, KPC set up a nursery cooperative in Bengalon which serves the dual purpose of producing native trees for mine land reclamation and also of keeping its once politically active members from opposing the company.

As my fieldwork relating to the Singa Gembara case was conducted in 2007, after the main blockades at Pit J had occurred in 2006, the data in this chapter is based on a combination of news articles, historical sources, interviews with Singa Gembara community leaders and members and KPC staff, as well as informal observations of ongoing negotiations between company and community and progress in the implementation of the promised development measures. In outline, this chapter reflects on the power of local communities to challenge mining companies and the rise in local resource conflicts in Indonesia since the end of the Suharto era. It then provides the historical background to the Singa Gembara conflict and a gendered account of the demonstrations, negotiations and outcomes of the blasting issue.

4.2 Local Power: Forcing Companies to Provide Development

Mining companies have high stakes invested in keeping an 'orderly' local community, not only in preventing disruptions to production but also in attracting workers to the area and keeping them safe and content. The immovable nature of mining capital makes mining companies vulnerable to blockades and they stand to lose very large amounts of money for every day of lost production. There are, of course, notable cases of mining companies entirely losing their grip on order around their operations sites such as the Panguna mine on Bougainville Island in PNG (see Filer 1990).

The general impression of CSR in mining is that it is driven by voluntary international principles that were adopted due to negative press promoted by activist NGOs. In Chapter 1, this view was expanded to include the role of national and local politicians in driving CSR. In fact, drivers of change in CSR are not only the global CSR movement and the state, but local peoples as well (Banks 2006; Imbun 2007). Banks, writing about the evolution of corporate discourses on corporate responsibility at Porgera mine in PNG, describes a 'constant dialectic between local and global discourses that the company must traverse and negotiate' (2006:270). Numerous works on the anthropology of mining in PNG acknowledge that local communities have become 'smart' and astute negotiators with mining companies in their demand for projects and benefits (Imbun 2007:182). Often, local people's demands on companies are influenced by inadequate basic services provided by the government and the huge expectations on the part of communities for development and modernity (Ibid. 2007). Demands are usually for more community benefits rather than to try to close the mine altogether.

Mining companies are naturally reluctant to give in to community demands fearing that to do so once will encourage further blockades and demands in the future. The management of Freeport, for example, maintains that the company has to remain continually vigilant against creating a welfare society or a cargo culture, and that the company needs to take a middle road between maintaining its public relations image and being responsive to demands by local people (Leith 2003:97).

Local peoples' campaigns against companies can often be led by, or captured by, local elites for their own interests. For example, Welker (2009) describes how local village elites in Sumbawa, Indonesia, often orchestrated demonstrations and road blocks against

Newmont and incited social conflicts that they themselves were strategically placed to solve. They used blockades as a means of forcing Newmont to give development contracts to them and to channel its community development commitments through their local businesses. There are indications that elite capture of benefits was also a factor in the Singa Gembara case.

Negotiations with the company may also provoke internal conflicts in local communities, including over the key question of whom, if anyone, can represent the community (Kapelus 2002:281). Horowitz (2002) demonstrates that villagers living near the Koniambo Project in New Caledonia used negotiations with the company as a way of claiming or striving for status which came through recognition by the company of the right to negotiate. Claimants would raise their own moral standing by accusing their rivals of playing politics and having blatant money grabbing schemes. Banks (2008) also finds that disputes over resources in PNG are better understood as conflicts around identity rather than resources.

Gender identity is also at stake in community-company disputes. While there are certainly instances of women taking part in labour unrest and community protest, local men's dominance and cultural constraints may make women reluctant to be publicly involved in men's business (Macintyre 2002). This may preclude women from taking leadership roles in the conflict and hence are also likely to be excluded from peace negotiations with the company and to miss the chance to push for gender specific benefits from the outcomes. As will be explained below, while women were involved in the Singa Gembara protests, they were not considered to be the main actors in the conflict by either company or community leaders.

4.3 Contesting Community Resource Rights in Indonesia

While there was always some small space for protest movements during the New Order (Li 1999), the level of local peoples' struggles for resource rights in Indonesia has now increased significantly (Davidson and Henley 2007). These resource struggles are a result of decentralisation and the breakdown of central domination over the regions and an increase in localism (Peluso 2007). 'Local responses have included occupations, blockades, and destruction of company assets, all widely reported, with profound impacts on the investment climate and on the relative negotiating position of local and regional interests' (Lucas and Warren 2003:90). For example, von Benda-Beckmann (2007) describes the case of Sungai Tenang village in West Sumatra where the villagers cut the water pipes running from their land to the city and eventually succeeded in obtaining 6 per cent of the profits from the water once it was reconnected.

Agrarian disputes have also escalated since *Reformasi*, and there are many cases of local people taking back customary lands from mining and timber companies that were confiscated from them during the New Order (Lucas and Warren 2003). Benda-Beckmann writes, 'We now observe a revitalisation of *adat*⁶⁶ as legitimisation of rights to natural resources' (2007:269) and while the Indonesian government may view this new recognition of *adat* as being largely rhetorical, many groups of people are taking it seriously. They have recognised that access to economic resources and political power can be legitimated by reference to *adat*.

In response to articulations of *adat*, migrant groups around Indonesia have had to use non-indigenous framing to portray themselves primarily as citizens, who, according to

⁶⁶ *Adat* may be defined as the dynamic sets of rules, etiquette and law extant in 'traditional' societies in Indonesia.

national policy, have the right to live anywhere in Indonesia. Li (2007) describes how the Free Farmers' Forum occupying land in the Lore Lindu National Park in Central Sulawesi articulated their claims to the land in 'terms of their need for land and livelihood, and the failure of the many authorities who had intervened in their lives to deliver on their promises' (Ibid.:159). They 'had to present themselves as pure subjects, desiring only land to farm and exempt from the need or temptation of ready cash' (Ibid.:185). Similarly, Acciaioli (2001:101) documents how Bugis migrants in the same region framed their rights to land based on Indonesian citizenship and described themselves as being bearers of progress. As Singa Gembara has a migrant-populated and multicultural village population, village residents framed their arguments and justifications for their blockades around principles of prior occupancy, mine impacts and CSR. Chapter 5 will discuss the issue of indigenous and migrant status in relation to gendered mining impacts.

To my knowledge there have been no studies of local resource conflicts in Indonesia since decentralisation that pay specific attention to gender difference, involving either *adat* or migrant groups. This chapter hence fills a gap in research in this area – although the larger aim of the thesis is to assess the potential for gender equality to be promoted through CSR at KPC.

4.4 Singa Gembara and Pit J

The area that is now the village of Singa Gembara is the northernmost part of Sangatta and the closest to the KPC concession area and to the overland coal conveyor belt. The main residential area within the village was once designated by KPC as a 'buffer' or 'green' zone and is said to have been part of KPC's infrastructure lease. In fact, some of

the current outer neighbourhoods of Singa Gembara are well within the restricted operations areas and quite close to the manager and expatriate complex of Tanjung Bara. The central part of the village is often called Kampung Tator⁶⁷ due to the large numbers of Torajan migrants originally from highland South Sulawesi living there. Kampung Tator is located behind a number of contractor companies' workshop yards which face the main road of Sangatta. In 2004, a new pit, Pit J, began operations around a kilometre to the north of Kampung Tator.

The story of how this so-called buffer zone came to be populated is a confused one. Newly arrived migrants began to move into the Singa Gembara area in 1990–1991 in response to the new work and business opportunities created by KPC. Residents claim that the early arrivals legally purchased the land in the village from a few Banjarese migrant farmers. The legal procedures referred to were probably quite informal, with a signed document from the village head or neighbourhood head being sufficient for title to the land to pass to the new owners. Few, if any, bothered to register the land with the local Camat's office, or to make the long trip to Tenggarong to register the title there (Kunanayagam et al. 1993). People who bought land here said that they were not informed that it had been designated as a buffer zone. By 1992, a survey found that the area already had 295 residents, 139 of whom were employed and 34 of those people claiming employed status worked for KPC. There were four shops, five cafes, three bars, a hair dressing salon, billiard hall, tailoring shop, as well as 10 contract wives⁶⁸ and 10 farmers living in the area (Ibid.:100).

⁶⁷ 'Tator' is a contraction of 'Tana Toraja' - the land of the Torajan people.

⁶⁸ Contract wives were women who had contracted with male mineworkers (usually expatriates) to exchange sexual and social services for accommodation and other allowances and benefits. See also Chapter 6.3.

While there are some stories of people being chased out of the buffer zone in this early period, KPC did not expend much effort on keeping the zone free of housing. It did not, for example, build fences. There were tough discussions in the past between KPC's External Affairs Department led by Pak Usman and top management who were all expatriates. Pak Usman suggested installing a fence along the buffer zone and KPC lease, however, KPC top management refused to do so. This was apparently a deliberate policy to encourage good community relations.

In 1991, it was rumoured that KPC in cooperation with the local subdistrict administration planned to compulsorily reacquire the 15 hectares or so of the buffer strip of land from the settlers living there (Kunanayagam et al. 1993:93). This caused real anxiety and fears of economic loss among residents as many of the businesses built there had invested relatively large amounts of capital and business owners were also protective of their strategic location in relation to the company. According to researchers in the area at the time, in 1992, the plan was still awaiting implementation. When they asked why the land had not been acquired, they were told that the District Development Planning Office (*Bappeda*) had yet to survey the land and decide on a suitable place to relocate residents whose blocks of land were marked for reacquisition (Ibid.:94). These researchers reported that the only public information available on the acquisition was rumour and that neither KPC nor the *Camat* were able to give clear information on the matter. They argued that this demonstrated the shortcomings in the way that KPC was dealing with the community at the time. By late 1992, there were no signs of the plan coming into operation, and it was no longer a talking point. Most residents were content to continue living there until such time as they should be forced to leave. There were even more residents building there who thought they would be exempt.

One long-time resident of Singa Gembara told me in an interview that he was called up in the early 1990s to the KPC External Relations Department office to explain his presence in the buffer zone and what he intended to do with the land he had bought. He stated his case, and ever afterwards KPC did not prevent the settlement growing. His theory was that KPC wanted workers to be able to live close to their work, as when it rained the roads turned to mud and made transport difficult. He was one of the first to build a brick house in the area. Another resident I interviewed regarding the Singa Gembara issue claimed that when surveyors came from the then District capital of Tenggarong to measure out the buffer zone, he was instrumental in forcing them to leave and they never returned.

Once the acquisition issue was forgotten, the area developed quite quickly, without any formal town planning or service connections, with self-made tracks, churches, mosques and homes. Singa Gembara became a definitive new village in 2004, named after a figure in the Kutai sultanate genealogy.⁶⁹ The population in 2007 was officially 6083 (3314 males and 2769 females) (BPS 2007), although the true number may be more than twice this.⁷⁰ The largest ethnic groups in the village are Torajan and Buginese, with many other Indonesian ethnic groups also represented. Many mine and contractor workers, mostly of the operator level, live in the village. As one walks through the area, fluorescent coloured mineworker uniforms can be seen drying on many washing lines, and the men, and very occasional woman, can be seen going to or coming home from the mine on the shift changeover times. The houses are a mix of wooden homes on stilts

⁶⁹ The naming of this village, and others, with names taken from Kutai history is connected to the regional autonomy movement and the revival of the Kutai Sultanate in Tenggarong along with Kutai traditions and identities. There were few Kutai people actually living in Singa Gembara.

⁷⁰ The village head has claimed that there as many as 17 000 residents.

and brick houses with concrete floors. A few have the distinctive Toraja style roofs. Many houses have rooms added on to be leased to boarders.

Unlike the nearby KPC housing complexes that appear more orderly and restrained, Kampung Tator has a village atmosphere; it is far livelier and much of daily life is played out in the lanes and front yards. Popular gathering points are the clean water collection taps provided at the back of the contractor compounds at the behest of KPC. These are turned on by contractor security guards for a few hours each morning and afternoon, and residents, mostly women, place their jerry cans in line for water. These water taps were first provided in about 2001. These are sites of camaraderie and socialising, as well as occasional fierce disputes over preferential access to the water particularly when wells go dry after a few weeks of no rain. Often residents have to yell across the fence to contractor security guards to have the taps turned on and express their disappointment and frustration when the taps are turned off again. There have also been instances of some residents trying to monopolise the taps by connecting hoses to them or even trying to charge others for their use.

Unlike Kampung Tator, where the status of the land is now more or less settled and the buffer zone abandoned, the status of much of the land in the official Singa Gembara administrative areas is still unclear as it overlaps with KPC's concession. Many migrants, particularly former transmigrants, who have abandoned their government allocated land, have settled well within KPCs restricted areas and many live and farm close to the Tanjung Bara complex. Their vegetable produce represents a significant proportion of that sold in the Teluk Lingga market. KPC has taken various measures to remove these settlers but to little effect. The company also refuses to extend community

development programs to the people living in these areas, although many of the residents of Tanjung Bara provide occasional charity to the families there.

An illustration of the problems that this causes is a small primary school (SD 005) with very poor facilities (a dirt floor, no walls and no amenities) built by the families themselves who are living and farming close to Tanjung Bara. The school is seen as being a branch of another primary school in Singa Gembara and is sometimes staffed by a government paid teacher. The school was officially opened by the then Vice-Bupati, Isran Noor, in 2007. This caused the community there to question whether the government was acknowledging their right to live within the KPC restricted area, and to challenge KPC's care for local communities due to the sub-standard condition of the school. The Vice-Bupati avoided making an announcement on the status of the land on that day and the District Government was also not paying for any school upkeep costs (*Tribun Kaltim*, 24 December 2007).

Further south, on the edge of Kampung Tator and the coal conveyor belt, other settlers live and farm on land also without legal ownership. One family said that they dread having KPC officials turn up one day and force them to move on. They were trying to grow cash crops, but their crops were often ruined by viruses or flooding. They had a teenaged daughter with only one eye who had trouble attending the local junior high school. Again, due to their status as living on 'borrowed' land, they felt unable to access company community development programs.

It appears that KPC mine planning did not envision Pit J until around 1995, which may also be another reason why it did not prevent settlement of its declared buffer zone. The KPC External Affairs Department even gave permission in the early 1990s for a

Christian graveyard to be located on the site that is now Pit J and also permitted farmers' groups to plant crops in the general area. Before Pit J opened, the graveyard had to be relocated, at no small expense and trouble to KPC. (As a result, Pit J now has a reputation for being haunted and night shift workers tell stories of ghosts and pass around blurry photographs of something resembling a '*kuntilanak*' female ghost in Pit J.)

There were protracted negotiations with the community for the relocation of the graves. KPC apparently paid IDR 13 million for each grave to be relocated. Using this money, remains were sent home to Toraja or other places of origin, until there were ten graves still on the site. After more community demands and negotiations, eventually KPC agreed to allocate four hectares of land for a new cemetery in the Kabo village area; two hectares each for Muslims and Christians. Eventually, KPC paid IDR 27.5 million in compensation to each of the families of the final ten people, and the graves were relocated to the new site.

The two farmers' groups that were displaced from Pit J also demonstrated at the pit on a number of occasions during mid 2005 and January 2006 and took their case against KPC to court. Both groups won their cases in the Sangatta District Court and KPC was ordered to cease mining operations in the area and to pay compensation. However, KPC immediately appealed to the Samarinda Provincial Court and resumed its operations. The case then appears to have been settled out of court with the farmers being eventually compensated. Company staff members have often complained that many of these farmers have since moved back into the restricted area but in slightly different locations, creating headaches for KPC land management staff. The farmers' groups based their claims on having been in the area prior to KPC or on having gained

permission to farm there. One leader of the Pinang Raya farmers' group is quoted as saying: 'We have occupied the land since 1982. That was before KPC was even here. There was no notice, no invitations. Suddenly we were being sued in court. What is this? What sort of justice? It is one-sided. I don't want to be sued' (*Tribun Kaltim*, 3 May 2005).

Community discontent in Singa Gembara has also been evident in the issue of some pond fish farmers in a particular neighbourhood on the edge of the village (RT 05) suspecting that water pollution flowing out of Pit J killed farmed fish in separate incidents in 2005 and 2006. Fifty-five heads of families from three farmers' groups were said to have been affected. They complained to the East Kutai District Parliament blaming the acid content of the water for the death of their fish (*Tribun Kaltim*, 23 November 2006). Water samples were collected in the presence of the farmers and were sent to three separate laboratories (*Tribun Kaltim*, 27 November 2006) in an effort to satisfy demands for trustworthy results. The test results showed that the cause of the fish deaths was not in fact from Pit J. Some residents still suspect that the tests were taken too late or tampered with and have continued their quest for compensation without success. KPC has included some of these farmers in its aquaculture development programs.

Many residents of Singa Gembara told me (perhaps with perfect hindsight) that they would not have moved to the area if they had known that Pit J would be opened, perhaps choosing to live further away. It is clear that work and business opportunities especially along the main road between KPC and the rest of Sangatta, cheap land, as well as ethnic connections, particularly for Torajans, were pulling factors for people to choose to live in this particular area. The Torajan Protestant Church in Singa Gembara

was built quite early on and continues to be a focal point for the Torajan community. Many residents with brick houses also claimed that they would certainly not have built in brick if they had known that Pit J would produce blasting vibrations strong enough to cause cracks. In contrast, KPC's housing was all built from timber,⁷¹ and in the past their residents, all employees of KPC, did not complain when mining operations were actually much closer to these housing areas than Pit J currently is to Singa Gembara.

The development of Pit J coincided with the change over of KPC ownership from Rio Tinto and BP to Indonesian company Bumi Resources in 2003 and also with an increase in the world coal price. Previously Rio Tinto and BP were facing the uncertainty of pending share divestment and did not invest in any expansions of production in the preceding years. Bumi Resources immediately began to increase production after the takeover and established Pit J. Pit J has prima coal with an average 6500 calories per kilo. Pit J was contracted to PT Thiess Indonesia, employing around 370 people with a planned target of 4.7 million tonnes per year from the 2.5 km² pit (*Kabara* March–April 2007). As with all open-cut pits, Pit J uses blasting to shift overburden in order to expose the ore for excavation. Generally, the blast size is affected by many technical factors, most of which are under the control of the operation and there is a trade-off between blasting for optimal productivity and blasting for minimal vibration.

The first blasting in Pit J began in April 2004. Shortly before this, KPC and Thiess had commissioned a consultant report by explosives company, Dyno, on the possible effects of blasting on local residential areas. The report recognised the potential for community complaint and made recommendations including to maintain blast vibrations at minimum levels and blast during busy times of the day, to continuously monitor blast

⁷¹ Except for the newest housing complex of Munthe located a little further to the south.

vibrations and update stakeholders on the results, and to hold community education programs on the sources and effects of any blasting in Pit J (Dyno Consult 2004). The report also classified possible community complainants into three groups; concerned, cynical and crooks, and made suggestions on how to deal with each type of complainant. Minutes from internal company meetings on the blasting issue in March and April 2004 show resolutions to ‘Conduct public education programs on the real effects of blasting’ (as opposed to perceived effects) and that ‘KPC’s External Affairs and Sustainable Development (ESD) Department will socialise the issue of blasting in Pit J’. Singa Gembara community members have later claimed that they were never given any such information.

4.5 Blockades, Negotiations and Community Perceptions

Singa Gembara residents first began to complain of blasting impacts in October 2004. During my fieldwork, I did not meet any Singa Gembara resident, male and female, who said that they had not been bothered by the blasting. Some of the residents’ comments (recorded in 2007) include the following:

The blasting was like small earthquakes. If there had been a real earthquake we wouldn’t have known the difference.

The blasting could occur at any time. Everyone would be startled. Sleeping children and babies would be disturbed.

The blasting caused damage to many houses. Look at that broken window – it was caused by the blasting. My bathroom water tank came loose from the wall. And doors no longer close properly.

I have been here longer than everyone else. It was just a forest then, about 1990. I cleared the land and helped sell it in lots. There was almost no-one here in the beginning. The blasting was really frightening. We take risks living close to a mine, but we did not suspect that we would be close to blasting. Here we are still far enough away, what about those who live closer? I would be having an afternoon nap and then bang, bang, bang. Lots of my things were broken. Sometimes there could

be up to six explosions in a day. We are human. It's not just about a company's profits.

In response to the complaints, KPC commissioned a consultant report on the blasting impacts from the Bandung Institute of Technology (ITB) and Mulawarman University in Samarinda and they presented their findings on 17 March 2005 in the East Kutai District Parliament (DPRD) building. They found that the blasting impacts were not the main cause of damage to houses – that any damage had more to do with poor structure and was only in part exacerbated by the blasting. The findings also noted that the community (*masyarakat*) was still feeling upset by the blasting. KPC and Thiess apparently accepted this report as proof that their blasting activities were not to blame for any reported damage and blasting continued.

In September 2005, the village head of Singa Gembara, Pak Yulianus, began to threaten demonstrations. The village head is a Torajan economics graduate who, before being elected as village head with a 70 per cent majority, had previously worked for KPC as a security officer and mine operator for 14 years. He explained his position:

The main task of the village head is as the 'wheel of development'. From an economic perspective why would I leave my job at KPC to be a lowly paid village head? I was given a mandate. I have a responsibility to the community.

On 9 November 2005, he led the first demonstration and sit-in at Pit J that lasted for four days, complaining of mining noise, blasting vibrations and pollution, and demanding compensation for damaged homes. Pak Yulianus justified his actions:

I often explained that actually we have a dilemma, because in general, we the community in Singa Gembara, and the whole of Sangatta, live from the company...I often asked for help [from KPC] because of noise, blasting and disturbances that were quite upsetting for the community. Our houses, those made of brick, were being cracked when blasting occurred. Windows were broken and so on. We did not demonstrate to close down the mine but to make everyone happy. The company is welcome to go ahead but should not impact on the community. Actually

I don't agree with demonstrating. I told KPC management many times but nothing changed so there was only one choice. Even then we asked permission first. It was about finding solutions, not to close the mine, but a peaceful demonstration, a family demonstration.⁷²

During the demonstration, Pak Yulianus accused KPC and Thiess of throwing responsibility back and forth between the two companies. He also called on the Bupati to pay attention to the situation in the community and to find a solution (*Kaltim Post*, 13 November 2005).

An outcome of this first demonstration was the formation of an independent team led by the District Public Works Department (*Dinas Pekerjaan Umum*) to investigate the claims that the blasting in Pit J was damaging houses in Singa Gembara. The results were presented on 21 November 2005, and later, on 24 January 2006, Thiess agreed to repair damaged houses and an implementation plan was put in place.

One month later, 25 February 2006, a second demonstration was held, this time under the leadership of Dr Novel Tity Paembonan. Dr Novel is a young doctor of Torajan ethnicity who grew up in the Sangatta area and returned there after gaining his medical degree. He has some NGO background, now works in the Local Health Department, and has a private medical practice in Singa Gembara and a contracting business. He was also part of the 'success team' for Awang Faroek in the District Head elections.⁷³ Dr Novel explained his reasons for taking over:

The first demonstration was thick with politics, as it was held just before the District Head Elections. The original agreement was seen by many as unjust, those houses being repaired were just being glued up, plastered over. The financial reports were not transparent. Residents were disappointed.⁷⁴

⁷² Interview with Village Head of Singa Gembara, 10 October 2007.

⁷³ The patrimonial links between 'success teams' and local contractors in district elections in Indonesia has been noted in various electoral reports. Local contractors often financially support candidates and then expect lucrative contracts in return if the candidate is elected.

⁷⁴ Interview with Dr Novel, 2 November 2007.

Dr Novel said that he, along with long-time resident Pak John P. Werbetu (a former lawyer who used to represent KPC workers in unfair dismissal claims and also a member of one of the farmers' groups that had previously protested against Pit J), held a community meeting and there proposed holding a dialogue with KPC, but found that the community was already too emotional and disappointed. 'KPC and Thiess never came to the community to explain the blasting, to ask for forgiveness. If they had done so then maybe we would not have demonstrated,' Dr. Novel explained. To mobilise people for the demonstration they rode around the village on motorbikes with megaphones telling residents where they should meet for the demonstration. Trucks were used to transport those without private vehicles to Pit J.

Dr Novel and his fellow leaders refused to accept the Thiess agreement to repair houses and instead demanded compensation for housing damage, and in addition demanded a Health Centre (*Puskesmas*) with free medical care, further compensation for personal trauma (around IDR 50 million per family), health effects (IDR 30 million per person) and impacts on agriculture (IDR 25 million per family). The impacts on agriculture included claims that fruit trees and crops were being disturbed by the blasting vibrations. Another demonstration led by Dr Novel on 9 March 2006 occupied Pit J for 2 hours and 15 minutes with 'tens of residents' (*Tribun Kaltim*, 10 March 2006). The following day, a meeting held between Thiess and District Members of Parliament ended without an agreement. Thiess offered to honour the agreement made in January 2006 to fix houses, but refused to pay any compensation. Some NGO leaders called on the District Parliament not to be apathetic and to find a solution to the issue (*Kaltim Post*, 11 March 2006).

The village head, Pak Yulianus, is known to have different political leanings to Dr Novel. He commented to me:

I was the first demonstration leader, Dr Novel was the second. He says he is a representative. But I was chosen by the community. We had meetings first, three times. Six representatives were chosen to lead the demo. Then lately Dr Novel has appeared because there wasn't quick realisation. Who says that Dr Novel is a community leader (*tokoh masyarakat*)? Who voted for him and made him a community leader?⁷⁵

Other community members also told me that they suspected Dr Novel of having been paid off by KPC to keep quiet or to have profited from later building contracts – accusations that he vehemently denied. Others argued that Dr Novel was also a family doctor for Thiess, but was later fired for allegedly providing false medical certificates to workers, and thus was untrustworthy.

Bupati Awang Faroek Ishak has often positioned the District Government in the role of mediator between company and employees or between company and community. The blasting issue continued, and the Bupati's invitation to all parties to sit down and solve the Pit J blasting problems did not succeed, but did form yet another Independent Team. A KPC press release on 1 May 2006 announced that it highly valued the mediation role of the local government. On the same day, the final and biggest blockade of Pit J began involving 'hundreds of residents'. The blockade was to last for three days. An NGO, the *Gerakan Pemuda Asli Kalimantan (Gepak)* (Kalimantan Indigenous Youth Movement), was also involved in supporting the blockade. On 2 May 2006, Bupati Awang Faroek Ishak began facilitating a series of meetings between representatives of KPC, Thiess, police chiefs, Singa Gembara residents and Members of the District Parliament. KPC and Thiess refused to consider paying compensation in cash and stuck to the agreement

⁷⁵ Interview with Pak Yulianus, Singa Gembara Village Head, 10 October 2007.

signed on 24 January. Finally, on 8 May 2006, a new agreement was reached after a six hour marathon meeting in the local government office complex.

Some women residents of Singa Gembara were quite active in the demonstrations. One news article emphasised women's and children's participation in the final demonstrations (*Kaltim Post*, 14 March 2006). In 2007, I noted that the women residents of Singa Gembara I spoke to on the issue of blasting were mostly very articulate about the blasting impacts on their homes and well-informed about the demonstrations and its outcomes. The only female *Ketua RT* (neighbourhood head, one of 27), who also managed a small contracting business and was used to being the only female in male dominated environments, organised many of the women in her neighbourhood to participate. It was these women who mostly provided the food logistics for the demonstrations. The *Ketua RT* explained with pride how she was the first one to jump the fence into the Pit J restricted area. She said that she doubted that the other women would have taken part if she had not been there to organise them. As a contractor and occasional employer of many men in the village, she also felt that she had the power to make or break a demonstration. Later, Dr Novel insisted that a woman be included on the Singa Gembara negotiating team as this would make it more legitimate, and the female *Ketua RT* was the woman nominated due to her 'heart of steel', although it is unclear whether she specifically represented women during the negotiations. Later, I was to overhear one KPC staff member telling another that this *Ketua RT* should be included in a community development program being planned as 'she is very vocal'.

Despite demonstration leaders' claims that all Singa Gembara residents were involved, not everyone in the village took part in the demonstrations. Some were too busy

working or simply did not want to participate. The *Ketua RT* all played important roles in determining whether their constituents joined the demonstrations. One *Ketua RT*, of the neighbourhood closest to the coal conveyor belt, although upset with KPC, advised his constituents that they should not participate and should do their daily farming work instead as that was more likely to generate income than demonstrating would.

Some women in particular found themselves with conflicting interests and loyalties. One woman said she did not go as 'to demonstrate would be to demonstrate against my own husband, who worked for Thiess'. Another woman said: 'I demonstrated twice, but I just showed up briefly. I didn't want any trouble. Someone said to me "your son is a policeman, you are demonstrating against him". And so I went home again.'

The police have played a much more difficult and frustrating role for the company since decentralisation. For a demonstration to be legal, notice must be lodged three days beforehand with the police. However, the police often arrive a couple of hours after demonstrations begin, thus lengthening the time it takes for the company to resolve the situation. The police may take a conciliatory role trying to persuade demonstrators to lift a blockade. Only occasionally will they arrest anyone. They are keen not to be seen to be on the side of the company. It is also rumoured that before attending a demonstration, the police will send a request for money to the company, and only turn up in numbers once the fee has been paid. This money usually represents an unacknowledged silent expenditure for the company.

These examples of conflicting loyalties also show that in many cases the three-way fault lines between company, government and community are not always clear - people may often belong to more than one category or have family that work for company or

government. However, the demonstration leaders emphasised the community's separateness as '*masyarakat*' when framing their arguments about impacts and community development. Another important point about self-definition is that Singa Gembara is quite a new village (formed as part of regional autonomy and the proliferation of new administrative boundaries in Indonesia), and the boundary between it and the next village to the south is just an arbitrarily designated laneway rather than any significant geographical feature. Despite this, the blasting issue was framed as being exclusive to Singa Gembara and this has been important for village identity formation.

4.6 Agreeing to Provide Development: The Company Perspective

In the agreement of 8 May 2006, Thiess agreed to repair houses and two specified roads in Sangatta. These roads are not actually in the village and were not part of the Singa Gembara community demands, but had been included by the Bupati. KPC itself agreed to undertake road and drainage repairs, to build a Health Centre with supporting facilities, three primary school classrooms, a junior high school and clean piped water infrastructure in Singa Gembara. It also agreed to build a senior technical high school and flood prevention infrastructure elsewhere in Sangatta. In return for these promises, the community promised to cease blockading Pit J. On the blasting vibrations issue itself, the agreement stipulated only that the company would conduct blasting according to the existing regulations (which it maintained had always been met).

The KPC General Manager of the External and Sustainable Development (ESD) Department, Harry Miarsono, explained that,

Before the demonstrations we already had plans for programs, to build the Health Centre and various other programs, but before they could be carried out the community suddenly protested. KPC tries to avoid doing things because it is forced to. I always say that we did it because we

believe that the area needs help, not because we were forced. So we sped up those already planned programs and allowed a couple of new programs because of the protest.⁷⁶

He also gave the following explanations for the demonstrations, which appear to reflect a particular perception of the 'rational' company and the 'irrational' community, and also an adherence to regulatory standards rather than impact analysis:

There are three possible causes for the community complaints. Firstly, the explosives used were stronger than the standards, but we checked and this was not the case. More than 90 per cent were weaker than the standards. Secondly, the buildings are substandard and no matter how small the blasting they were being damaged. Thirdly, it could have been caused by just perceived impacts of blasting. The demands for compensation amounts were very high and that demonstrates that their demands were not pure. There must have been an agenda behind it all. Because it is impossible that so much money was needed, there was no reason for it. They even claimed that chickens were not laying eggs and that trees were not fruiting! I think they made up these myths in the hope of being believed. The demonstration leaders were capable of influencing the community. If there had been no provocation then perhaps the demonstrations would not have happened.

On a separate occasion the GM said that it was his experience that people always have self interests motivating their actions against the company. In addition, I found that individual ESD staff members had differences of opinion about whether particular community leaders were acting for their own individual interests or truly on behalf of the community, and this influenced the way staff members interacted with them.

The involvement of the local government in the agreement and the forced inclusion of the Bupati's extra demands were resented by the company. According to the GM,

It was a one-sided agreement driven by the Bupati. It is illogical that KPC should have to build roads a long way away. But eventually KPC agreed and the tasks were given to Thiess. *Gepak* is headed by Abraham Ingan, who lives in Samarinda. He was part of Awang Faroek's success team. So I was surprised to see him there. It could be that he was asked by the Bupati to help mobilise the masses. There was a political element here.

⁷⁶ Interview with Harry Miarsono, December 2007.

In the end, the funding for the KPC part of the Singa Gembara agreement came partly from the usual USD 5 million community development budget and was partly incurred as an extra cost to KPC. There were also extra costs for Thiess. Also at stake were company relations with its contractors, as contractor companies may seek short term profit without needing to foster long term community relations. KPC management maintained that,

Thiess did not have good community relations officers or a dedicated department to handle the community. Their approach was not like that of KPC. KPC is willing to send staff out to houses, even late at night, and communication is developed. So now it is quite peaceful. That is the key.

4.7 Development Program Implementation and Further Negotiations

In many ways, the final agreement returned ‘order’ to the situation. The community ceased their blockade of Pit J and mining operations resumed as normal. On 1 January 2007, KPC took over the running of Pit J from Thiess causing many Thiess workers (including many living in Singa Gembara) to either lose their jobs or to be reallocated to other pits. As a result of the changeover and also due to operations in the pit migrating northwards (away from Kampung Tator), the blasting returned to levels that did not bother residents. Although the original demands were mainly for individual compensation, the community generally appeared satisfied with the agreement and those parts of it that had so far been implemented. One woman commented to me, ‘Look at our village now. If we had not demonstrated then we would not have gotten development (*pembangunan*). We would not have these better roads and new classrooms.’

‘Order’, however, has only returned to a certain point. Expectations of further improvements to the village have risen, as has the perception that if one is not ‘noisy’ then one will be ignored by the company. The agreement has not put a stop to

community politics, and the implementation of the agreement has in fact created further arenas for conflict, particularly around which contractor companies were awarded projects, who they employed, and which parts of the village received attention first. While some of the promised projects, such as the classroom construction, were accomplished in a fairly straight-forward way, if not as quickly as the community wanted, the agreements for house repairs by Thiess and clean water by KPC were particularly contested.

Thiess' promise to repair homes was eventually converted to providing funds for road and ditch repairs when it was found that it was too difficult to determine which houses were to be repaired. A team of 12, led by Dr Novel and Pak John P. Werbetu, was appointed to organise the road and ditch projects, leading to further community suspicions that these two men and the other leaders were profiting from their position as demonstration leaders and working on the areas closest to their own homes first. This they deny, saying that in fact they did far more with the meagre funds than could be expected. House repairs were left to the individual home owner and this is a continuing source of community discontent. In response to these suspicions, all leaders in their interviews with me emphasised over and over that their actions were for the greater community good and not for themselves.

The clean water promised for the village by KPC has also been a contested issue, mainly for the slowness of the project's implementation and fears over the safety of the water source. In mid 2007, KPC commissioned a water treatment unit to treat pond water and began a pilot project in one of the neighbourhoods in Singa Gembara, again under the leadership of Dr Novel and Pak John P. Werbetu. The village head, Pak Yulianus, was also included by the company in the negotiations. Relying on principles

of participation and community empowerment, KPC determined that households must pay for their own pipes and connections to the water supply. The theory used was that if the community pays for something then they will have greater pride in the project, take better care of it and hence ensure sustainability. Not all residents were in agreement with this approach. Some were happy to pay, but others just wanted to be able to turn on the tap and obtain clean water, especially as, they argued, in the agreement it stated plainly that KPC would provide the water facilities.

KPC community development staff members have complained that the community did not adhere to the standards of plumbing that it advised for the project, and blames this fact for breakages and leaks that have occurred in the pilot project. KPC also advised the male community project leaders that they should involve more women in the project, and better inform women of developments, but the leaders generally ignored this suggestion. I found that women living in the pilot project area in particular were worried about the water source being used and had not been well-informed about the project. They were worried that the water was being pumped from a pond that they believed had household waste running into it and doubted whether the water was fit to use, particularly as the water was often yellowish in colour. Some were avoiding using the water and were still having to import it from elsewhere. This appeared to be a probable obstacle to project success given that women are often the major users of household water.

Jealousies were also rising, as many residents asked why one neighbourhood should get running water before all the rest, and some had gone so far as to threaten to cut pipes to show their anger. In mid 2008, Dr Novel and Pak John P. Werbetu again threatened

further blockades of Pit J if KPC did not extend its clean water to the whole of the village soon (*Tribun Kaltim*, 18 June 2008).

4.8 Conclusion

Clearly the New Order assumption that, 'whoever protests about the company rejects *pembangunan* (development) and therefore opposes the government' no longer applies in post-*Reformasi* and decentralised Indonesia. In East Kutai, KPC's role as the main employer and focus for local identities continues but there has also been a fundamental shift in community perception of the company's role to being seen as an agent of development. Community members are not afraid to voice their discontent and make further demands of the company.

The local government in the Singa Gembara blasting case was fulfilling community expectations that it would mediate the dispute, but also took advantage of the situation by making additional demands on the company. Locals, particularly migrants who could not rely on ethnocentricity based claims, were using CSR to frame their positions in respect to the company. This case shows that CSR is not merely the outcome of company management rationally weighing up the pros and cons of the business case for CSR; instead it is being manipulated by community interests.

The local politics in this case were very complex with often conflicting and overlapping individual and communal interests. The complexity of the negotiations that occurred and the power relations involved in this whole process of creating 'development', show that development or CSR cannot be simply imposed from above to create order but must be worked out in the 'contingent' spaces between community, development institutions and other parties. The 'greenwash' view of CSR with assumed 'duped victims' falls

apart at least at this level. Although denied by those leaders involved, elite capture of development project benefits and leadership status has also appeared to be an important issue in this case. The power of the vocal to affect company CSR is evident. While one might celebrate the awakening of a communities' sense of rights and powers in relation to mining, this process of pressuring companies for benefits also presents another challenge for integrating gender issues into CSR given the male bias in community leadership.

The case of the one female neighbourhood head shows that exceptional women can and have been publicly involved in company disputes. I also have no doubt that women residents of Singa Gembara were an integral part of behind the scenes discussions around the impacts of the blasting, and some of course did attend the demonstrations. However, it was the vocal male leaders who were most influential and the ones who had sustained public interaction with KPC staff. These male-dominated interactions can also be seen across other company-community conflicts such as those involving the Kutai groups in Bengalon. While the company might conceivably insist on having women representatives involved in negotiations, business imperatives demand that it deal with those leaders with the most influence over community sentiment as quickly as possible to avoid further disruptions to mining operations. Community leaders are also unlikely to accept company-imposed changes that may undermine their leadership positions.

Equality of voice in CSR may not necessarily lead to gender equal development outcomes, however, the lack of women's voices in the planning stages of projects may have gendered implications. While it is difficult to say whether the development outcomes from the Singa Gembara case such as roads and classrooms had particular gendered aspects, the clean water program did show signs of project failure due to the

exclusion of women beneficiaries from the planning and implementation of the program. The invisibility of women's interests may also preclude effective mitigation of the gendered impacts of mining – Part II of this thesis considers the gendered impacts of KPC's mining operations.

Part II

Part II of this thesis (Chapters 5–6) turns to the issue of gendered mine impacts and the overwhelming focus on ‘impacts on women’ that comes through in the literature and which forms the evidence base for the ‘mining and gender guidelines’. This part takes this literature as its starting point. I demonstrate that while there is certainly a strong case for needing to mitigate the gendered impacts of mining, the ‘impacts of mining on women’ approach has a number of drawbacks including the creation of a homogeneous category of ‘women victims’ impacted by mining. This approach tends to exaggerate ‘impacts’ and emphasise ‘victimhood’ and to assume that all women have similar experiences of living in mine-affected communities. Chapter 5 presents the results of a gendered impacts study of KPC’s operations, finding a range of impacts on diverse groups of women. This chapter also considers the likely limitations to gender impact mitigation within the CSR paradigm. Chapter 6 considers the specific case of sex work as an impact of mining on women and argues that sex workers tend to be excluded from consideration in the discussions of impacts on women and posited as less worthy of assistance than other ‘good’ women of the community. Part II primarily draws on survey and interview data collected in 2006–2007.

Chapter 5

Mining ‘Impacts’, Gender and Diversity at KPC

‘Life is easier since we moved here. My husband has a good job and we can afford to send our children to school’ (Sangatta, 2007).

‘I used to have to work hard in the fields but now I just stay home, do the housework and mind my children’ (Bengalon, 2007).

‘Farmers who are old are still farmers, and now the price of basic goods has gone up’ (Bengalon, 2007).

5.1 Introduction

It has now been well-demonstrated that large-scale mining can cause a series of economic and social changes in local communities, and that these changes often affect women and men in different ways. The gendered impacts of mining affect gender equality of rights, access to resource benefits and opportunities. As outlined in Chapter 1.4, the dominant activist and some academic literature on this issue has tended to be framed in terms of ‘impacts of mining on women’, listing, for example, loss of traditional livelihoods and women’s work status, lack of work opportunities for women in the mine, and a host of indirect social problems from the new consumerist economy where men have the primary buying power (see: Macintyre 1993; Emberson-Bain 1994; Musvoto 2001; Carino 2002; Kopusar 2002; Macdonald 2002, 2006; Simatauw 2002; Byford 2003; Women in Mining Conference 2003; Parthasarathy 2004; Eftimie 2008; Gibson and Kemp 2008; Hill 2008).

Prior to this research, KPC had yet to conduct a thorough gender impact assessment of its operations, and is also yet to attempt gender impact mitigation.⁷⁷ This chapter traces the gendered ‘impacts’ of KPC, as a mine, as a male-dominated workplace and the spill over of masculine-oriented culture into surrounding communities. The concluding part of this chapter also considers the ideological and practical considerations that may hamper the company from taking meaningful action to mitigate gendered impacts within the CSR paradigm.

The research for this chapter took the ‘impacts of mining on women’ literature as a guide, and sought to discover the particular gendered dynamics occurring in the communities around KPC. While many of the ‘impacts’ listed in the women and mining literature were also found in my study of KPC, at least to some extent, my research shows a number of shortcomings implicit in this ‘impacts of mining on women’ approach.

Firstly, there is the problem of determining the extent of mining impacts. While most of the ‘impacts of mining on women’ studies appear to assume a bounded mining community located close enough to the mine to be ‘impacted upon’, the geographical reality at KPC is far more complex. Secondly, there is a tendency in this literature to assume a unidirectional range of influences from the mine to the community (as the victims of the mine), without acknowledging that influence can run both ways or recognising the agency of local peoples, both men and women (as demonstrated in Chapter 4). Thirdly, the overwhelming focus on the negative effects of mining on women tends to obscure the many positive effects that many women may enjoy from

⁷⁷ KPC does conduct social impacts studies as part of its Environmental Impact Assessment (AMDAL) regulatory requirements, however, gender has not been an integral element of any previous environmental or social impact analysis at KPC. Further, KPC’s CSR programs tend to have wider community wellbeing aims rather than being directly aimed at impact mitigation.

the presence of the company, although these positive effects are often indirect due to women's general exclusion from employment in the mine. Fourthly, the emphasis on 'women' rather than gender tends to obscure gendered impacts on men.

Finally, and most importantly, these studies have tended to take 'women' to be a stable category of analysis and rendered invisible the reality that women are differentiated widely in their characteristics of class (based on relative incomes by self and family), race and ethnicity, social standing, education levels, age/generation, life history, relationships with family and community and other such factors. These factors make it very hard to generalise about 'women's experiences' of mining, yet much of the literature on this topic tends to assume the existence of a homogeneous group of women as the 'victims' of mining. This research shows that migrant women in particular are obscured by the impacts of mining on women literature. The impacts literature overlooks the positive benefits that women may obtain through migrating to a mining area, their contributions to the mining economy, that they too can experience negative effects from the mine, and that they are agents who can contribute to the marginalisation of pre-mining women inhabitants of the area. The experiences of (migrant) female sex workers are also rendered invisible in particular ways through this set of literature and its repeated accounts of mining as increasing the prevalence of prostitution. Chapter 6 discusses the issue of representations of female sex workers within this set of literature in more detail.

My findings demonstrate that there are indeed gendered impacts of mining that disadvantage some women and some men which need to be responded to by KPC. However, it is important to identify the shortcomings in the 'impacts of mining on women' literature because the current 'mining and gender guidelines' and their

recommendations for gender impact analysis, despite their differences (see Chapter 1.7), all stem from this base. The acknowledgements of diversity in these guides seem to be additions made under the influence of gender and development approaches more generally but remain poorly integrated with the original activist insights. The World Bank's guides only acknowledge diversity among women as a passing point (Eftimie et al. 2009a:21–2) and this understanding is not then well integrated into the recommendations. Oxfam Australia (2009) makes the point about the importance of taking account of diversity in gender impact data collection more clearly, but still follows the original literature in its listing of impacts on 'women' as opposed to 'men'. Data collection based on such assumptions may well miss documenting the plights of the most disadvantaged women and men in mine-affected communities.

This chapter is partially based on data I collected as part of a study on the impacts of mining on women and youth in November to December 2006 (Lahiri-Dutt and Mahy 2006). Data for that study was gathered using both individual and focus group discussion formats semi-structured around a questionnaire (see Appendix 1) with 120 respondents. This qualitative survey was designed to invite interviewees to reflect on changes in their lives since mining began or since they migrated to the area. Interviews were conducted with women as far as possible across different socio-economic groups, geographic areas, ethnicities and connections with the mining industry. In other words, it was based on a broad 'intersectionality' approach aimed at subverting the homogeneous category of 'women'. This original data has been expanded based on observations and interviews conducted during my longer fieldwork period in 2007. This analysis is set within the context of wider gender norms and politics in Indonesia and East Kutai as described in Chapter 3.

5.2 Defining the Extent of Mine Impacts

This research covered different geographical areas around KPC's minesites in Sangatta and Bengalon,⁷⁸ with specific attention paid to including villages with indigenous Dayak Basaf and Kutai residents as well as migrant-dominated villages (see Map 2). The village and neighbourhood areas where respondents lived include: in Sangatta, the areas of Singa Gembara, Swarga Bara (including the Kabo area), Sangatta Utara, Sangatta Selatan and Singa Geweh. In Bengalon, I conducted surveys in the main town of Sepaso (Sepaso Induk, Sepaso Barat, Sepaso Timur and Sepaso Selatan) and in the beach village of Sekerat which is close to the coal harbour and coal hauling road (including the Sekerat village administrative areas of Sekurau Bawah and Sekurau Atas), and Segading (also known as Keraitan), a village located within sight of one of the Bengalon Pits. Segading, Sekurau Atas and Sekurau Bawah all have Dayak Basaf residents, while Sepaso and Sekerat are home to the Bengalon Kutai group. There are also migrants from other parts of Indonesia living in these areas.

KPC is not a closed mining community (apart from the housing complex of Tanjung Bara which has definite securitised boundaries) and there is a fundamental difficulty in determining where the mine has social impacts and drawing a line as to where those impacts end.⁷⁹ This study is not an environmental study as such, and thus has no comment on scientifically measured environmental effects, but does deal with local people's perceptions of the physical effects of mining. These perceptions are related to

⁷⁸ The transmigration settlement of Rantau Pulung was not included in this study of 'impacts' in this chapter as mining operations were only beginning to move towards that area in 2007. Rantau Pulung is included in the discussion of CSR in later parts of this thesis as the company does run community development programs there.

⁷⁹ Note, that despite these difficulties in determining the extent of impacts, like other companies, KPC has tended to define its corporate responsibilities in terms of geographic rings around the company's operations – see Chapter 7.2.

geographical location and proximity to the mine. The physical effects of the blasting in Pit J, for example, were easily identified by residents of Singa Gembara as being impacts from the mine. Similarly, residents in Swarga Bara are very conscious of the amount of black dust that floats through the air and accumulates in their homes. Downstream effects on rivers, water quality and flooding were also identified as impacts by some residents.

Differences in perception are also caused by mine-cycle factors. Differences were evident between Sangatta, where mining began in the early 1990s, and before the majority of residents moved to the area, and Bengalon where mining operations began much more recently. In Sangatta, particularly for residents of areas in the southern end of town, where the mine is out of sight and out of mind, large parts of the population see little connection between themselves and the company, although might after some thought agree that the mine economy affects their lives. In Bengalon subdistrict, where mining operations began in 2004, the differences that the company was causing in the area were more evident to local residents. The influx of migrants, land acquisition and compensation were immediate issues of importance there.

Mining, and issues related to the mine, were not necessarily the main issues that respondents said were important in their daily lives. These problems were often associated with the frontier nature of the area and the failure of local government services, such as the conditions of local roads and public transport, availability of clean water and frequent power blackouts. In such cases company infrastructure projects, such as the new road built by the company in Sekerat, Bengalon or new power generators in Sangatta, were seen as positive impacts of the mine. The location of mineworkers' homes and areas of recruitment also serve to define the perceived reach of impacts.

KPC has a policy of employing as many locals as possible in the Bengalon mine. Statistics showed that no employees were living in Sepaso Barat, for example, and residents there said that they felt little impact from KPC and were more concerned by the government crackdown on illegal logging and its effect on their livelihoods.

5.3 In-migration to the KPC Areas

In-migration is a very visible effect of the KPC mine with particular gendered aspects. As was briefly mentioned in Chapter 2, the Sangatta area was originally sparsely populated by Banjarese subsistence farmers (originally from southern Kalimantan), while in Bengalon there were Kutai and Dayak Basaf local groups. Many of the Dayak villagers in Segading and Sekurau Atas had been part of the Indonesian government's 'isolated peoples' (*maryarakat terasing*) policies and were shifted closer to the coast (and hence closer to the later mine pits). Prior to KPC, Indonesian state oil company Pertamina, and the logging company Porodisa, had attracted workers into the area, but it was KPC that triggered sustained population growth. As the mine began construction and then full production, many migrants moved into the district seeking the resultant employment opportunities. Bengalon has also experienced substantial population growth since the early 2000s when mine construction began.

The exact reasons reported for migrating were varied, but most people came in search of a more comfortable lifestyle. A village head once explained to me, 'you have to understand that the people who have moved here were not wealthy or successful in their home towns, for if they were then they would never have left, and the ones who were ultimately unsuccessful here have probably gone elsewhere'. Many migrants used

kinship or ethnic ties to facilitate their move to the KPC areas once word was sent home of the opportunities available in the mining area.

Demographic data for the areas surrounding KPC is generally imprecise. The company itself does not appear to have conducted its own censuses although local district and village data have been recorded. As the population has grown, administrative boundaries have frequently changed making comparisons over time difficult. Nor is the data particularly gender sensitive.⁸⁰ Nevertheless, a general picture of demographic change in the KPC areas can be drawn from earlier academic studies of the area and the available census data.

In 1901, the official population of Sangatta was 175. This grew to 1082 by 1972 and then increased to 5000 once Pertamina began its oil operations. By 1991 (two years after KPC began construction) there was a total population of 17 816 (Kunanayagam 1994:14). An early survey (1992) in Teluk Lingga counted around 4000 people; 1890 males (57 per cent) and 1401 (43 per cent) females. Of the women, 46 per cent were single, 51 per cent married and 3 per cent separated. Of the men 58 per cent were single, 41 per cent married and 1 per cent separated (Ibid.:40–42). Many ethnic groups from around Indonesia were found in Sangatta at the time, with the highest proportion being of Javanese, Banjarese and Buginese origin. Kunanayagam reported that in this area in 1992 women who could not find employment with KPC or its contractors often worked as bar girls, domestic workers or as contract wives.⁸¹ Many housewives also operated informal businesses selling snacks, ice and other food. Contract wives were the highest

⁸⁰ The Indonesian National Census from the year 2000, for example, has no code for housekeeping as an occupation, meaning that there is a very high selection of 'other' for women respondents' occupations.

⁸¹ Contract wives was the term for women who contracted long-term arrangements with mostly expatriate mineworkers where the contract wife acted as a wife or mistress for the worker in return for accommodation, living costs and other benefits. Some couples even went so far as to hold contract wedding ceremonies.

earning women who could earn the equivalent wages of a Grade 10 supervisor at KPC (Ibid.:45).

During the construction phases more men travelling and living alone were attracted to the area, but as the mine moved to the operations phase, migration became more permanent and more family-oriented. The establishment of the district of East Kutai in 1999 has also contributed to population growth as the bureaucracy and related employment has grown significantly. The total population of East Kutai was officially just over 200 000 in 2006. Just over one quarter (54 000) of the population is located in the newly defined Sangatta Utara subdistrict, which includes the KPC housing complexes and villages closest to the mine such as Singa Gembara.

Census data from the year 2000 shows that in Sangatta Utara subdistrict there were residents born in each province of Indonesia, but the majority were born in East Java (20 per cent), East Kalimantan (27 per cent) and South Sulawesi (25 per cent). In Sangatta Utara the sex ratio of men to women is recorded as 121.07. This is the highest ratio in the district which has an overall average of 115.1. The Sangatta Utara subdistrict is also home to a significant number of former transmigrants who had moved to where there is a better market for their produce. Some of these former transmigrants have settled well within the KPC restricted area.

In Bengalon subdistrict, where mining began much more recently, the population rose rapidly from around 9000 in 2002 to over 20 000 in 2007 (BPS 2007). The sex ratio for the subdistrict is recorded as 129.64 (BPS 2007). The operations of the smaller coal mines in the Bengalon area and the significant downturn in legal and illegal logging have also affected population numbers.

In general, the demographic data shows that in the KPC mining areas there has been rapid population growth due to in-migration and that men consistently outnumber women in all geographical administrative areas. However, there have been significant numbers of women in-migrants, single and married, from many different Indonesian ethnic groups, since even the earliest years of the mine. While my interview data show that an overwhelming majority of married women cited their reason for migrating to the KPC areas as '*ikut suami*' or following their husbands' work opportunities, many migrant women have subsequently opened businesses or found other sources of income in the mining area. This contradicts the general stereotype of women migrants as being merely 'passive followers' or 'passive dependents'. Unfortunately, little more than this can be read into women's economic and social lives from available census data given its gender bias and other weaknesses. For many interviewees, their move to the KPC areas was a significant event in their life stories, for example:

T is a fifty-two year old divorcee living in Sangatta. She grew up in Makassar and moved to Balikpapan as a child. Her parents separated and she moved between her father's house and an aunt's house. As a child she was a tomboy and often worked with her father on fishing boats at night and attended school during the day. As a young woman she did a tailoring course but also spent a lot of time out in the forest making friends with foreign timber company workers and trading in gold. She was an attractive young woman and gained a reputation for being wild, but explains that she just enjoyed having foreign friends and there was nothing more than friendship between them. She first married at age twenty-eight to prevent people calling her an old maid. She had a baby, but her marriage did not last. Not long after her divorce she travelled alone to Sangatta looking for work. She came on a small boat from Samarinda. She had nowhere to stay and accepted an offer of accommodation in a men's barrack but that night had to protect herself from rape. She did not find work and returned to Balikpapan. Later in 1999 she moved to Sangatta permanently as her elderly mother had been living there for some time and a close relative had died leaving her four children in T's care. She moved into a rundown former barracks building and supports her family by tailoring and catering.

B is a widow who has lived in Sangatta since 1990. As a child she was a transmigrant from East Java to South Kalimantan. She married while still

quite young and moved to Sangatta so her husband could work on the construction of KPC's coal conveyor belt. At the time Sangatta was still sparsely populated and she helped to clear, divide and sell land in the village where she now lives. She also ran a small shop. Eventually she realised that her husband was irresponsible and they divorced. Later she met and married her second husband and created a blended family with her own children and stepchildren. In 2006, her husband and daughter were riding on a motorcycle, when they were hit by a mining vehicle driven by a drunken expatriate man. Her husband died instantly and their daughter was severely injured. The expatriate served three weeks in jail before returning to his home country. The company covered funeral costs, medical bills and offered her daughter an office job as compensation.

Migration to mining areas is not of course necessarily permanent given the finite nature of mineral resources. This research for this thesis was conducted at a time when the mine was in full production and coal prices were high. If, and when, the mine closes, significant out-migration may well occur and this is likely to be just as gendered a process as in-migration has been.

5.4 The Mine Economy: Prosperity for Many (But Not All)

In recent times, particularly in developing countries, large-scale mines have been more often established in out-of-the-way places among rural and marginalised peoples. A mine necessarily brings with it and spreads more advanced capitalist modes of economy. This has been the case in the KPC areas. The mine has caused a number of related economic effects. KPC has introduced a strong wage economy to the local area. A wage means regular payment and certainty that does not exist with a small business or in agriculture. Many people have found prosperity and report a higher standard of living in the KPC areas particularly through the earning of mine wages. Business opportunities have also increased and many men and women run small enterprises in the area, including as contractors, landlords, caterers and traders. Consumer buying power

has increased and many residents have cars, motorcycles and other modern lifestyle items.

Prices have also risen accordingly. The sustained migration into the area has put pressure on housing and driven up rental and land sale prices (some estimate that land has become as much as five to ten times more expensive in Bengalon since construction of the pits began there). Many respondents said that the cost of goods in Sangatta and Bengalon follows the buying power of people earning high wages and standards set by KPC. When mineworker wages are increased, or a bonus issued, everyone knows of it immediately and shop keepers and traders follow by putting up their prices. Those without capital and business skills miss out on these benefits and instead must cope with the higher cost of living.

The cost of living in Sangatta and Bengalon is high compared to other places in Indonesia. Most people blamed three factors for this; the presence of the mining company, the distance from major cities and the Indonesian Government's recent policy of reducing fuel subsidies. The last two factors combined make the cost of transporting goods to these areas high. The price of fresh food grown locally is also comparatively expensive. In the more remote areas this problem is compounded by the particularly poor state of the local roads.

Much of the infrastructure in Sangatta and Bengalon; roads, schools and medical facilities, were built by or at least funded by KPC. The best of these facilities are reserved for KPC staff and their families but others living in the area do benefit. The people of Sekerat, for example, are grateful for the road to their village, as they used to be only able to travel by boat. In particular, women there reported that they now travel

to town more often. Mobility has also increased in Segading, for example, as more people now own motorbikes.

The majority of women interviewed listed some of the negative effects of the mine (environmental and social) but said that they still felt positive about the existence of the company because of their improved economic situation. Most felt very thankful for the role that mining has played in their lives, in providing job and business opportunities for their families and communities, far better educational facilities and opportunities, better health facilities, opening up transport to remote areas and providing general economic well-being. Interviewees were generally positive about the benefits of development and modernity and expressed their desire for modernisation to continue. This pattern was evident in both Sangatta and Bengalon, among both migrants and original pre-mining residents, and amongst different class and socio-economic groups.

It was those women who are left out of the mining economy, either because no family member worked for the mine or they themselves were not engaged in business, who could see little economic benefit to them from the mining economy and instead felt the burden of increased costs. These women were more likely to be poor, with low education levels and to live in Bengalon.

Economic class is probably the most important factor in determining the impacts of mining on women. As in many other contexts, poverty accelerates and enhances inequalities in bearing impacts and reaping the benefits of change. Those who rely on subsistence production and environmental resources for their livelihoods are more vulnerable to any negative changes brought by mining than those people who have professional vocations or run businesses. There is also no guarantee that accessing the

mine-created local markets will bring prosperity. For example, subsistence and cash crop farmers living close to KPC are often not able to afford basic or emergency health care, although they did report that their situations were relatively better than living in the transmigration settlements. In other words, mining has created a class-differentiated economy.

Education levels often go hand in hand with economic class and determine one's employment prospects within the mining economy. The mining economy also appears to have improved educational opportunities especially for girls. Now families are seeing that girls have more chance of obtaining some form of employment if they are educated. Nevertheless in Bengalon, school principals reported that Dayak Basaf girls are still the most likely to drop out of school. Some respondents also commented on health improvements since mining began. For example, in Segading the observation was made that the children of the village are now looking heavier and healthier.

Due to the finite nature of mineral resources, a local economy based on non-renewable resources is not necessarily sustainable. There are salutary lessons to be learned from the partly abandoned old Pertamina housing complex to the south of Sangatta with its overgrown tennis courts and swimming pool full of fetid water. There are also the remains of the bankrupt Porodisa logging company's assets in Sepaso Selatan, with piles of abandoned tree trunks, rusting machinery and former employees long owed their back wages living in tumbledown barracks. The district government, through its *Gerdabangagri* policy, has identified the problem of limited natural resources and hopes to promote agribusiness as a way to overcome the district's dependence on non-renewable resources, although the success of this policy remains to be seen.

5.5 Direct Employment in the Mining Company

As mentioned in Chapter 2, in 2007, there were 3730 Indonesian employees and 14 expatriates directly employed by KPC, but over 8000 in total associated with the company (Kaltim Prima Coal 2007). KPC has an employment policy that gives some priority to local/indigenous peoples, however, the process for determining ‘localness’⁸² is fraught with difficulty, and is often a source of community discontent, particularly in Bengalon. It does not have an affirmative action policy for employing women.

In 2007, KPC’s workforce was approximately 96 per cent men, with the small numbers of women employed in office positions and some as truck operators and engineers. The proportion of women employees has fluctuated slightly over time from a high of about 7.5 per cent in 1993 (Lahiri-Dutt 2004a) to 5 per cent in 2006 and 6.45 per cent in 2008 (Kaltim Prima Coal 2008:78). Some wives of KPC management level employees of long residence in the area explained their perception that it was easier for wives to obtain work in the company in the earlier years of mine production when there was a smaller local labour supply. KPC’s contractor companies (such as Darma Henwa and Thiess) tend to have even fewer female employees.

As noted in Chapter 3.7, one expatriate manager gave an early explanation for the difference in employment of men and women at KPC:

While the company is an equal opportunity employer, the work is dominated by the operation of heavy equipment, an occupation not conducive to the employment of women, particularly in Indonesian society (Klinger 1993:181).

⁸² To determine ‘localness’, applicants are given an overall rank based mainly on birthplace and place of education with the highest ranking given to those born and educated in the KPC areas.

More recently, KPC managers have been quoted as saying that they prefer to employ women as operators as they are more patient than men and hence have a better safety record (Lahiri-Dutt and Robinson 2008:127). However, the numbers of women operators remain small and I was told reliably that many managers actually prefer not to employ women operators as once they marry and have children they stop work and hence represent a loss in training costs. Managers also expect that women engineers will want to be given nice office jobs and refuse to be out in the pits or work overtime or overnight shifts. Such attitudes represent real obstacles to women's employment in the company.⁸³

The male-dominated environment at KPC has been inscribed onto the landscape through naming. The miners name their work landscape and while some of the pits have gender neutral names like 'Pit J' or 'Pit Pelikan', others are called Pit Hatari, short for *hari-hari tanpa isteri* (days without wives)⁸⁴ or Pit Inul, named for the female Indonesian Dangdut singer known for provocatively gyrating while dancing and causing an uproar amongst conservative elements of Indonesian society.

Although small in number, some women work at KPC as administrators, secretaries, community development workers and as engineers and operators. Those few women mineworkers were very conscious of their difference in a male-dominated workplace (Lahiri-Dutt and Robinson 2008). Still, those women who do have work at KPC or its contractors often find it rewarding. For example:

S is a twenty-six year old single woman of Torajan ethnicity. A graduate of mining engineering, she is working as a supervisor engineer for one of KPC's main contractors. She earns about IDR 3.5 million per month plus

⁸³ Lahiri-Dutt (2004a) recommended that KPC improve its policies on hiring women but there has been no concrete response.

⁸⁴ Hatari AB was the first pit at KPC. It is said to have been named by a former General Manager, 'because at that time male employees dominated and at the time their wives could not be brought to the site' (*Kabara*, 15 December 2003-15 January 2004, p. 26).

accommodation and food allowance. She lives in the KPC barracks for single employees in Sangatta. Her father works for another major mine in Indonesia and she grew up there. She has been at KPC for two and half months. She is independent of her parents, and wants to prove her capabilities before perhaps eventually finding work at the same mine as her father. She is positive about mining and her career as a mining engineer. In the workplace, she says that she is not bothered by being a female among many males. She deliberately chose an unconventional career path with not many women. Sometimes, though, she is frustrated by her male subordinates who are reluctant to take orders from a young woman, and by the tendency for male co-workers to give her innocent comments sexualised meanings.

A female operator interviewed also expressed general satisfaction with her work:

R is a twenty-four year old Buginese woman. She is a high school graduate. She came with her husband to Bengalon four years ago from Sulawesi. She has worked as a mine operator for over a year and earns around IDR 4.5 million per month. Her husband is a high school teacher and earns IDR 1.5 million per month. They own their own house. She is one of only three women operators working for Darma Henwa and all of them work the day shift. She applied for the job because she was bored at home and wanted something to do. She works fifteen days and then has one day holiday. She has no time for any formal social activities. A family member helps with the housework. She is happy with her work and positive about mining. If she has a baby she might continue to work after using the three months maternity leave as there are plenty of family members around to help care for the baby while she works.

Men do dominate employment in the mine and so benefit most directly in terms of wages and status, however, the general improved economic situation of their wives and families should not be discounted. Most wives of men who have employment in the mine are thankful for their husband's employment. Their husband's wages usually mean a better standard of living for themselves and their children and the chance to send children to school to gain a higher standard of education than they themselves obtained.

Unemployment figures in the KPC areas are uncertain. Although the mine provides employment, more people are continually coming in search of work from transmigration areas and from elsewhere in Indonesia and it was not uncommon to

meet young men who had been living in the KPC areas for some time and were still searching for work.

Age is also an important factor in employment in the mine. Particularly for non-skilled positions, younger people are preferred over older people for new positions. It makes economic sense to train a younger person who can work for many years and the young are more likely to have higher levels of education. As a result, and especially in Bengalon, older people find it harder to integrate and benefit from the new economy. 'Farmers who are old are still farmers,' said one informant. The following story is about a woman from this demographic:

H is a Kutai woman aged about 40 and is a mother of six and grandmother of two. She lives in Sepaso Selatan. She only went to primary school until grade 2 as her farmer parents could not afford the cost. She was born in the interior of East Kalimantan and went in search of work in Malaysia when she was still single. Eventually she came to Bengalon in 1988 hoping to find work in the plywood industry. She married here and stayed. She works as a housewife and runs a small shop out of her house. She also helps cook for caterers and helps her husband in the field. She makes fishing nets in her spare time which she sells for IDR 200 000 each but each net takes a long time to make. Her husband has never applied to the mining company for work because one has to be young and have experience to do so. Her daughters look after most of the housework but she decides what must be done. Prices of goods have become very expensive in Bengalon. She feels that her life has not changed for the better since mining began as she has never received any help from KPC or the local government. Her daughters have applied for work at the company but have been unsuccessful, and given up, as a lot of money is needed for the application. She hopes her daughters will obtain work as it would ensure constant wages.

I interviewed quite a few women, mostly young, who expressed a desire to work for the mine, and were disappointed in their inability to obtain employment. Gender was not the only factor, with some finding that they could not fulfil the prerequisites as a '*putra daerah*' (locally born and raised) to help them secure employment. They were

also put off by the perception that to obtain employment one needs to know the right people or make a substantial payment to ensure selection.

As well as direct employment with the mining company and the generally better opportunities for business created by the mine, I also observed a number of people, particularly young people, working in indirect or periphery employment positions. These positions are not as well paid and quite gender segregated. Young women may work as maids in KPC housing complexes or shop assistants or in small catering businesses, while some young men work as caddies for golfers in Tanjung Bara. One catering manager explained to me that they had once tried to place male waiters in the Tanjung Bara bars and mess hall but patrons had immediately complained. She also explained that women cannot become chefs in the mess kitchens because the local Department of Labour will not provide the requisite permission for women to work during the night as it does for the women mine operators.⁸⁵

5.6 Changes to Household Patterns of Work and Family Life

As married men take up waged positions in the mines, the general pattern observed in Sangatta and Bengalon is that wives of mineworkers very often become housewives. When asked their occupation, many women answered, 'I don't do anything, I'm just a housewife,' indicating that household work is considered to be of low status and not necessarily seen as 'work' in the sense of going to an office or earning wages.⁸⁶ Many women running small businesses, such as small stores, also spoke about their activities

⁸⁵ Indonesia's current labour legislation (Law no. 13/2003) contains special provisions for employers wanting to employ women at night, including ensuring a safe and moral workplace, travel to and from home and provision of nutritious meals.

⁸⁶ The discussion in the chapters in Ford and Parker (2008) found similar patterns across Indonesia, where housework has been devalued as a result of New Order era policies on women and development. See also Chapter 4.

in ways that dismissed them as proper 'work' even when their earnings were clearly significant for the family economy. Women married to operators often have to schedule their productive activities and family life around their husband's shifts, particularly when they are on the night shift.

For many people, particularly those in the lower or 'operator' class, mine work is a dramatic change from their own or their parents' earlier roles as subsistence farmers where men and women would work together or had relatively equal responsibility for production. This pattern was reported by many local people in Bengalon who previously were subsistence farmers and also migrants such as the Torajans living in Singa Gembara. Some women who have primarily household tasks in the KPC areas had had waged work when they were younger, with many Torajan women having worked in plywood factories in Samarinda before marrying and accompanying their husbands to Sangatta.

There seems to be mixed feelings about these changes to role and status. Some women respondents were aware of their dependency on men and the consequences of this. A woman in Bengalon, whose husband worked in the mine, explained that men's work hours are such they often do not get to know their children or have enough time to spend with their wives. Other women enjoy their new role as housewives and their freedom from hard work in the fields and reliance on often undependable crops. For example:

S is a Dayak Basaf woman aged in her twenties. She lives in Sekurau Atas in Bengalon and has had four children but one has died. She has never been to school and cannot read. She came to Sekurau Atas 10 years ago looking for food. She was an orphan. She used to work in the fields but now her husband works for Darma Henwa. She is not sure how much her husband earns as she cannot read, maybe about IDR 3 million per month. They have about two hectares of inherited land but this is no longer used for agriculture. Her house is bigger and in better condition

than many others in the immediate neighbourhood. She is happy about the changes brought by the mine, because she used to have to work hard in the fields and now she can stay home and just do the housework and mind the children. Sometimes she cannot think of anything to do and just has a sleep in the afternoons. She hopes her children will go to school until they graduate.

Dependence on a husband's wages can have particularly negative effects should the husband lose his job,⁸⁷ divorce, take a second wife, squander his wages or treat his wife badly. A wife's bargaining power in such situations may be low. While this pattern of gendered dependence occurs in many other parts of Indonesia given the state construction of the ideal household, it seems to be a particularly prominent in the KPC areas. During one informal discussion in the Singa Gembara village office, village officials estimated that 90 per cent of women in the village are economically dependent on their husbands. The drawbacks of the dependency of women on their husband's wages were made clear in the following respondent's story:

L is a 30 year old Javanese woman. She is primary school graduate and lives in Kabo, Swarga Bara. She once worked as a housemaid, but is now a housewife. She has one child. She has lived in Sangatta since she was about 10 years old. She came with her parents who worked for Porodisa. Since the company folded, her parents have become farmers in Rantau Pulung. She married here. Her husband worked for KPC for 20 years but was fired for not reporting a minor accident. When her husband was working they had regular income but now have none. Her husband is away looking for work in Bengalon. She is generally happy about the mine but her husband feels that he was not treated justly by KPC. Her child attends the KPC junior high school. When her husband was fired their child was told to leave the school. They asked for a review of the decision and in the end their child was allowed to stay at the school. She said 'only KPC employees get their needs fulfilled, others can only watch.' She said that her future welfare depends on the ability of her husband to obtain work.

In contrast, a woman with her own skills is more capable of coping should her husband become unemployed:

K is forty-three years old, Buginese, and has three children. She has lived in Sangatta for the last four years. She is a junior high school

⁸⁷ Note that there is no state unemployment security system in Indonesia.

graduate. She is a tailor and supports her family with her income. Her husband used to work for a KPC contractor company but is now unemployed. Her husband insists that he is only temporarily unemployed but she is not relying on his finding work soon. She and her husband moved here in the hope of improving their lives. She is happy with the decision because here her children can go to school whereas back in Sulawesi education was much more difficult to afford. As well as earning a living, she also performs all the housework, minds the children and is a member of two women's groups. She is positive about the mine's effects.

Higher class married women, particularly in the Sangatta housing complexes where most managerial staff are based, also take on housewife roles more often than not. In contrast to lower class housewives they may do less housework, employ a maid or two and do not have to worry as much about the availability of water or electricity. They have more options available to them due to their usually higher levels of education but often find it difficult to find work in the mine dominated economy. General expectations are that women will provide a good home for husband and children and spend much of their time educating and seeing to their children's needs, and any paid work that they do should fit around these primary tasks. Women's degrees of satisfaction with roles as housekeeper and mother vary widely, as the following two anecdotes illustrate:

Y is a thirty-six year old Buginese woman. She lives in a KPC housing complex. Her husband works for KPC in a managerial position. She came to live in Sangatta in 1997 when her husband got work here. She is a university graduate. She worked briefly for KPC in an administrative role but quit when she became pregnant. She is a housewife but employs a maid. She uses her hobby of cooking cakes to run a successful home business to make extra money but the needs of her son always come first in priority. She is dominant in the household in financial matters and holds her husband's wages and decides how the money should be spent. She values her role as a housewife as she has control over her time and may choose what she does and when – unlike in an office. She is very busy and is a leader of Periska, the KPC wives' association. She complains that the mine makes the weather hot but is overall happy about her life living near the mine.

J is a woman in her thirties who runs a new building contractor business. She also owns a clothing boutique and has tried a few other business ideas. Her husband is a superintendent at KPC. He does not care one way

or another about her work and does not ask how things are going. Her husband gives her IDR 3 million per month to use for the family's needs and no more. She likes having her own money and her own car. Without it she would feel dissatisfied. She has to be careful to build trust with her husband so that he knows she is out working and not playing around. She has a babysitter to look after her three children when she's not home but feels guilty if she is gone for too long.

Single people taking up waged employment have also had effects on household composition. In Segading, for example, the young men with mine employment have left their village to live below in Sepaso and only return when they are on leave and may only contribute their labour on village farms during those times, having an effect on their families' agricultural production.

5.7 Loss of Agricultural Land and Traditional Livelihoods

The loss of agricultural land in mining areas usually affects only original (pre-mining) inhabitants and is normally a non-issue for newer migrants unless they have settled within the company's lease area (as occurred with the Pit J farmers' groups mentioned in Chapter 4).

According to those I spoke to, in the Sangatta area, the mine did not take up much land being used for agriculture and the main mine areas are said to have been unpopulated. Small numbers of people were practicing shifting cultivation along the Sangatta River in the pre-mining era. The mine certainly must have displaced some of these farmers and it is said that they were eventually (but not immediately) compensated, although the details of this are sketchy. This occurred quite some time ago now and no-one I spoke to knew exactly where these particular farmers had moved to. Two Kutai women living in Singa Geweh whose families are native to the area said that they were

happy with the mine. They said Sangatta used to be quiet and isolated and were positive about how the town is now much more developed.

In Bengalon, the mine has indeed taken over some agricultural land, however, I found few people who seemed overly upset about the loss of land and concern was generally more for the amount of compensation paid. In Sepaso, most people interviewed seemed pleased to have managed to get compensation for their land. The 'freeing up' of land and related compensation procedures are ongoing in the area, and many people said that they look forward to having their land taken by the mine and gaining compensation for it. Loss of land and decreasing production of remaining land does mean that women who once worked as farmers now must rely on their husband's wages for income and now must buy all their food. In Sekerat, a lot of land, particularly rice fields, still owned by the villagers is lying fallow as men take up waged positions in the mine.

In Sekerat two older women interviewed explained the effects of loss of their agricultural land:⁸⁸

Y is a forty-six year old Kutai woman living in Sekerat. She never went to school. She is married and has six children and three grandchildren. She used to be a farmer but now all her land, except one hectare of rice paddy, has been taken by KPC. The compensation money has been used up. Her husband is a fisherman but only fishes for their own consumption. Her children work and help support her financially. Financial decisions are made together with other family members. Her husband is too old to try to get work in the mine. She is positive about the new road to the village but negative about the loss of land. She is also annoyed by dust when the wind comes from the direction of the mine.

⁸⁸ A JATAM report on Sekerat also notes that much agricultural land was compulsorily acquired with inadequate compensation by KPC in 1993 long before the mine in Bengalon actually began operations. This caused men to seek waged work elsewhere leaving women to shoulder household tasks and depend on men's wages to buy the food that they would once have grown themselves. In 1999 villagers began to reoccupy the land, but the report does not follow developments once KPC's operations actually began in 2004 (Susmiyati 2003; Muhammad et al. 2005:192–8).

M is in her forties. She was born in Sekerat and lived there all her life. She went to school until second grade of primary school. She is a housewife. Her husband works as head of the neighbourhood association and also selling swallows' nests. He earns about IDR 800 000 per month. They have four children and one grandchild. Another grandchild died. Almost all of their land has been taken by the mining company – they only have one hectare left which they do not use. Life has become harder now that they have no land. They have to buy all their needs and going into town is expensive.

In the Dayak-dominated areas of Sekurau Atas and Segading, many people said that the mine had caused all the deer (*payau* in the local language) to move much further away. Deer meat sells for substantial amounts of money. Deer hunting is the traditional work of young Dayak men and while some have abandoned it anyway for work in the mines, others still lament the loss of the deer. In addition to mining, logging (both legal and illegal) has stripped away many forest products that these Dayak villagers once relied on. In Sekurau Bawah, I also met families who said that their palm sugar production had become more difficult since mining began as river water used in the process had become more turbid and muddy. In the past the whole village made sugar but that number had decreased to only ten people producing it because many people now work for wages.

5.8 Land Compensation

The issue of compensation is of course closely tied to that of loss of agricultural land and also has pronounced gendered implications. In an ideal world, compensation would be sufficient for, and effectively used for, securing an alternative and sustainable livelihood to replace the earlier dependence on the agricultural land. It should be sustainable such that younger generations also benefit. Typically compensation for loss of land to mining is handed over in cash and there is no attempt made to see that it is equitably distributed or sustainably managed, as any attempts to

interfere by the company would be resisted by landowners and attract allegations of paternalism (Banks 2006:268; Macintyre 2011:23).

In both Sangatta and Bengalon, many informants thought that the majority of compensation money had been quickly used and often wasted and that only very clever people had managed to use it for building long-term prosperity. Some astute people are using compensation money for longer term benefit, and along the main road in Bengalon houses and shops have been built with compensation money. Particularly in areas where people are unused to handling large amounts of money, the compensation money has quickly dissipated. KPC says that it brings along a representative of the Bank Rakyat Indonesia (BRI) when compensation monies are handed over, but admits that very few recipients actually place the money in the bank. Some informants in Bengalon mentioned that they were looking forward to the time when they receive compensation for their land and hope that it happens sooner rather than later. For example:

S is forty-five years old and has ten children. She was born in Bengalon and only completed one year of primary school. She is a housewife and her husband is the head of the village council and receives a small wage. They own their own home. Some of their children work, including one who works for Darma Henwa. They own about 50 hectares of land and are waiting for KPC to take the land and compensate them for it. They are hoping that the money will be used to start a business or to go on pilgrimage to Mecca. Her family has become more prosperous as the economy has grown and she says the future will be good once they get the compensation money.

Some enterprising people have also been buying up, or settling, land that they predict will one day be needed by the mine and hope to be compensated for it in the future. Naturally enough this sort of land speculation causes many headaches for company land management staff (see Chapter 7).

Men have been the direct beneficiaries of most compensation money, and where it has been wasted it seems to have been men who have more often done the wasting. While in most of the households of informants, it is the wife who manages day-to-day household financial affairs; matters of compensation have been seen as men's priority. This is at least partly due to the tendency for marital land to be registered in the man's name only as well as gendered norms around the use of larger sums of money. It is said that in Segading, for example, compensation was used up on buying motorbikes and 'buying wives' – a euphemism for visiting prostitutes. It is reasonable to assume in such cases that the benefits of compensation are not being directly felt by women and are not trickling down to the next generation.

In a consultant report, Lahiri-Dutt (2004b) noted that KPC does not tend to involve women in the process of land compensation and wives often do not know the exact amount that has been paid. She made recommendations to KPC that it should ensure that women are present during compensation transactions. It appears, however, that little has changed and a KPC land management staff member remarked that this was attempted but that male landowners have been refusing to allow compensation to be paid to both spouses, and that KPC has been unable to insist.⁸⁹

5.9 Environmental Impacts on Women

Large-scale mines are notorious for their environmental effects. KPC itself has quite a good reputation for its environmental management program, being an ISO certificate

⁸⁹ Note that a further study on compensation benefit streams, conducted for KPC in 2007 by a consultant team from Jakarta, found no differences between men and women's use of benefits from compensation. However, their findings do not accord with my interview data and other anecdotal evidence and my analysis of their methodology and access to women respondents showed some serious failings.

holder, and spends large amounts of money on land reclamation projects. Of course, it does have some environmental impacts. The problem is deciding whether these environmental impacts have gender differentiated effects. When do they affect women more than men? The myth that women are inherently 'closer to nature' as promoted by the 'Women, Environment, Development' (WED) approach has now been quite solidly debunked (Leach 2007). However, links between environmental impacts and activities more commonly carried out by women can be made.

There were two main complaints that the women surveyed made about the environmental effects of the mine. The first complaint was dust caused by the blasting operations in the pits. Women said that many children suffer from respiratory infections and asthma. Some women also commented that autism in children born in the area is also a problem, though agreed that the medical link between the mine and autism has not been proven. Some women felt that they have a higher burden of housework, as the interiors of houses quickly build up black grime from the dust (although it should be noted that this complaint was mainly made by women living in the Swarga Bara housing complex where many also have domestic help).

Water availability and quality comprise the second important environmental factor particularly affecting women. The water in rivers in Bengal is not as clear as it used to be and subject to flooding, although this is likely to be as much a result of deforestation and illegal logging as mining, as well as the increased population and resulting increased demand for water for washing and use of rivers as a sewerage outlet. The Sangatta River is reportedly affected by KPC mining and no longer supports the fish stocks that it once did. Rivers are the source of water for many households and water must be treated before use.

The problem of scarcity of clean and safe water throughout the towns around KPC's operations appears to be just as much a consequence of poor infrastructure and services, and inefficiency on the part of the District Government, as of environmental impacts from the mine. The company has implemented some clean water projects as part of its community development programs including digging wells and providing water taps, and the piped water project in Singa Gembara (see Chapter 4). While it was more common to see women in Singa Gembara queuing for water, men do so as well. It is often men's tasks to transport water if it is obtained from further away (especially if sourced through personal contacts from KPC).

5.10 Changes to Men's Behaviour and Effects on Women

A wife's dependence on a husband's income becomes particularly critical when it is spent on pursuits other than household welfare. The previous women and mining studies have noted that as wages are introduced or increase, then this in turn increases the incidence of prostitution,⁹⁰ alcoholism and domestic violence – all identified as having negative impacts on women. Although note that Banks (2006:263) has argued that to attribute all responsibility for alcoholism and other indirect effects of mining to the mining company is to miss the agency of local peoples in shaping the outcomes of mining development.

During my fieldwork, I found little evidence on the issue of domestic violence in Sangatta and Bengalon, and little evidence of an increase related to the existence of KPC. Domestic violence has come onto the legal and policy agenda in Indonesia since

⁹⁰ The issue of prostitution or sex work as an 'impact of mining on women' will be addressed in Chapter 6.

the national law on domestic violence was passed in 2004, and the district court judges in Sangatta were promoting the issue locally. However, I am not aware of any reliable statistics on the issue, and in any case, domestic violence often goes unreported or is dealt with locally. For example, I was present in a village office when a neighbourhood head was discussing a case of domestic violence in his neighbourhood. The woman affected had been knocked unconscious by her husband and neighbours reported that this happened quite often. The neighbourhood head was threatening the perpetrator that he could be reported to the police and jailed but it was clear that he was worried that the man would simply leave town if pressured. Other residents in the same village claimed that domestic violence rarely happens because of strong ethnic community ties. Only one woman respondent in Bengalon told of a case she knew of where a man who had never hit his wife during seven years of marriage suddenly began doing so after beginning work in the mine. Cases more commonly spoken about are of men who desert their wife and/or take more than one wife/partner.

One woman in Bengalon in particular was outspoken in her remarks about the effects of husbands' behaviour on their wives and children. She argued that the culture of the mine is such that men are encouraged to stray from their wives. 'They go out to drink coffee, and a child appears' she said. She explained that previously mineworkers' payslips were written in English and wives could not understand them properly. If the husband was truthful about his wages then there was no problem, but if not then he could deceive his wife about the amount he earned for the month and use the extra elsewhere. Payslips are now issued in Indonesian.

The mineworker husband of one of the women interviewed had recently married a younger second wife. Everyone in town was gossiping about it. She did not blame the

company for this and was generally positive about the benefits of mining. Her only comment was that it is difficult to ask for a divorce as she and her three daughters relied on her husband's income. Another interviewee pointed out that the government regulation preventing civil servants from taking a second wife without first getting permission from their superiors does not apply to company workers.⁹¹

Similarly an increase in alcoholism is also very difficult to measure. Certainly, at KPC, with the sharp increase in population and the popularity of bars and other places where alcohol is sold, there is a case to say that the mine has increased alcoholism. However, there is no strong evidence that there is more incidence of this in the KPC areas than other non-mining areas. Some informants did feel that young men with newly acquired wages were being unduly affected by outside (read: Western/modern) culture and were consuming alcohol.

Some respondents commented that consuming alcohol and gambling are common activities among particular migrant communities, particularly groups from Sulawesi. They felt that new migrants were drawn into a culture of drinking and gambling that family ties and social pressure in their place of origin would have prevented. For instance, cockfighting and gambling were apparently quite common in Singa Gembara. In 2007, in Singa Gembara, I attended the funeral of a young man newly migrated from Palopo in Sulawesi who had been killed in a late night knife fight related to a cockfight. One insightful respondent pointed out that in Sangatta if wages are wasted on gambling by a married man then his wife and children have nothing to fall back on. Back at home in Sulawesi, for example, it is still possible to gather fruit and vegetables to sell or to ask family members for help.

⁹¹ This is a reference to Government Regulation no.10/1983 which requires (male) civil servants to obtain their superior's permission before marrying a second wife.

5.11 Mitigation of Gendered Impacts of Mining through CSR?

Despite recognising diversity of mining impacts and the many positive effects of mining for local communities around KPC, there is certainly still a case to be made for seeking to mitigate negative gendered effects of mining and working towards achieving gender equality of rights and access to the benefits of resource exploitation. Responding adequately to an understanding of diversity in gendered mining impacts is likely to be much more complex, but ultimately more effective, than assuming the existence of a homogeneous group of ‘women’ victims.

A true commitment to mitigating gendered impacts at KPC might include: affirmative action to ensure a steady increase in the numbers of women employees (reflecting where possible the greatest need such as those women whose livelihoods have been lost to the mine); wider programs to overcome women’s disadvantages in the home, workplace and community; skills training and scholarships directed to girls and women; ensuring that supply chain business opportunities are offered equally to women; creation of livelihood opportunities specifically for men and women farmers who have lost land to the mine and not managed to obtain employment and for older and other vulnerable groups left out of the mine economy. KPC could also investigate the possibility of establishing a crisis and advocacy centre for women who experience domestic violence or are abandoned without financial support. The company could promote the titling of marital property in the names of both spouses and invest greater effort to encourage sustainable use of compensation payments, or even far more radically, reducing compulsory acquisition of land used for subsistence needs. The

company might also establish processes to allow marginalised groups more opportunity to voice any grievances against the company.

Beyond the obvious problem of obtaining actual company commitment to responding to gendered impacts, there are some other foreseeable practical obstacles in recognising diversity and targeting the marginalised and most impacted in this way. Firstly, there is the uncertain link between social impact studies and CSR programs. There are other imperatives at work, including district government pressure (Chapter 2) and use of CSR to assuage the demands of vocal groups who are not necessarily the ones most marginalised and negatively impacted on by the mine (Chapters 7 and 8). Secondly, there is a tendency to use geographical definitions of mine-impacted communities which can also work to obscure the situation of marginalised groups within the community.

And thirdly, the prevailing interpretation of CSR as community development delivery tends to exclude more politicised debates around corporate impacts and presents an inherent barrier to CSR triggering real change to business practices and institutional culture. Probably the most effective way to mitigate gendered impacts is through equal opportunity in employment which would require a radical rethinking of workplace practices, and this is most likely beyond the scope of CSR as it is predominantly defined as meaning community development program delivery.

5.12 Conclusion

My research at KPC partially supports the insights offered by the literature on the gendered impacts of mining. The gendered difference in employment opportunities

between men and women appears to be the most influential factor leading to a number of disadvantages for some women living in mine-affected communities. This study has shown, however, that there is wide diversity of experiences of mining at KPC, not only between men and women, but also between different groups of men and women. For example, indigenous or pre-mining women often face different sets of problems to newer women migrants. The emphasis on women in the literature may also overlook other gendered inequalities. Older men, for example, are also excluded from direct mine employment. In fact, this study of KPC which followed the ‘impacts on women approach’ only picked up on certain forms of male disadvantage by chance rather than design, which suggests that a starting point of ‘gender’ would have produced more inclusive results – a point long made by GAD proponents about the deficiencies of women-only approaches. Sex workers may also be excluded from consideration of impacts on women (see Chapter 6).

A failure to differentiate between different groups and classes of women and men may lead to data collection in gender impact analysis which overlooks the impacts of the mine on particularly marginalised groups. Mitigation efforts need to recognise diversity and not assume that gender impacts are uniform. This is not to deny that women may often have a greater stake in moves towards gender equal outcomes from mining. This, of course, considerably raises the level of complexity required in impact mitigation. These insights into mining and gender in this chapter should be used to re-evaluate the recommendations of the ‘mining and gender guidelines’ with their tendency to only give passing attention to the importance of understanding diversity.

This chapter has also identified a number of inherent limitations within the CSR paradigm for addressing the gendered impacts of mining. Many of the factors which

limit the ability of CSR to mitigate gendered impacts also limit the scope of CSR to achieve gender equality outcomes within wider developmental aims. These limitations of CSR are analysed further in Part III of this thesis.

Chapter 6

Sex Work and Livelihoods: Looking Beyond ‘Negative Impacts on Women’ at KPC

‘I didn’t come with a friend. I came by myself. All because I was annoyed with my husband who went to Malaysia and didn’t come back for five years. I found out he had married again. So I ran away. That’s all. I work.’
(A sex worker, Kampung Kajang, 2007)

6.1 Introduction

The almost inevitable growth of the sex industry in mining towns is often listed as a particularly insidious ‘impact of mining on women’. This chapter extends the argument made in Chapter 5, that gendered impacts of mining are diverse and do not necessarily fit the black and white portrayal of homogeneous women victims of mining, to the particular issue of sex work. I argue that the women and mining literature tends to present an overly simplistic picture of mining community women’s actual diverse relationships to the sex industry, whether as sex workers, miners’ wives, or as women otherwise living in a mining community. It also overlooks the capacity of women and men to protest and to act on issues related to sex work. The way that sex workers are viewed, and whether they are seen by the company as part of the ‘community’ for the purposes of CSR, has particular implications for CSR practice and how the company treats sex workers in community development programs.

Some scholars investigating social change in mining areas have described in detail the masculine cultures that promote sex industries in mining towns (Robinson 1996; Campbell 1997), and a small number of researchers have looked at the issue from sex workers’ own points of view by emphasising sex work as a means of independence for

some women (Campbell 2000; Kunanayagam 2003). In addition, Parpart (1988, 2001) has documented patriarchal attempts to restrain the increase in ‘wicked women’ on the Zambian Copperbelt as well as women’s resistance to these policies of control there.

However, the majority of more recent publications that refer to mining and sex work are by ‘women and mining’ activists, or are based on these activists’ arguments. In these writings, prostitution is often simply listed among other ‘impacts of mining on women’ as though it is self-evidently negative (for example see: Bhanumathi 2002; Byford 2003; Macdonald 2002, 2006; Women in Mining Conference Outcomes 2003; Eftimie 2008; Hill 2008). This approach is also reproduced in all three of the ‘gender and mining guidelines’ (Eftimie et al. 2009a:10; Rio Tinto 2009:45; Oxfam Australia 2009:7). It seems that prostitution has become an obligatory part of a list of impacts of mining that is reproduced from one publication to the next without much further explanation being regarded as necessary.

Undeniably negative consequences can certainly be traced or predicted from an increase in the sex sector in any particular area, such as a general increase in the risk of HIV transmission, or the reinforcement of the idea that women should only benefit indirectly from mining. However, by relying on moral reactions to prostitution and neglecting to explain exactly why it is that prostitution in mining areas is negative for women, this set of literature implies two alternative, yet equally problematic, categorisations of women living in mining towns.

The first alternative assumes that women, as one group, regardless of occupation or choice, are equally the victims of mining and its resultant market for commercial sex. This approach either neglects entirely to include sex workers in the category of ‘mining

community women', or, it includes them but assumes that selling sex is inherently violative of women's human rights regardless of a sex worker's choice or agency.

The second alternative distinctly divides women living in mining communities into two categories; (migrant) sex workers and (indigenous/local/pre-mining) community women. Community women are assumed to be the chaste, ignorant and powerless victims of their husband's sexuality and his presumed predilection for spending his mining wages on the services of prostitutes. If a local community woman should become a sex worker then she is seen as having been forced by the social and economic circumstances resulting from mining into a demeaning occupation (for example, see Hyndman 1987:32-3). On the other hand, migrant sex workers must necessarily be opportunistic 'bad' women who take advantage of 'good' women's husbands and are the blameworthy vectors of disease rather than being identified as individual women pursuing livelihood options. This second alternative brings the forced (innocent)/voluntary (guilty) dichotomy into the debate about sex work in mining towns.

Even those publications which attempt to do more than merely list impacts demonstrate this sort of exclusion of sex workers from the category of 'women who are impacted by mining'. The following quotes are taken from the World Bank's paired report and guidance note on mining and gender:

...with increased access to cash, men instead frequently spend more on luxury items, including alcohol, cigarettes, second wives, prostitution, and activities such as gambling (Eftimie et al. 2009a:10).

As noted, incidences of HIV/AIDS and other STDs often rise for workers who visit prostitutes, but then also affects *women* [my emphasis], typically, who become infected by husbands who engaged in extramarital sex (although this is frequently the direction of transmission, it can, of course, occur in both directions) (Ibid.:15).

While these quotes may be possibly dismissed as unfortunate wording (that is, equating second wives and sex workers with luxury ‘items’), the implication that second wives and sex workers are not ‘women’ when considering the impacts of mining on women is a serious one. Here, sex workers are being characterised as the vectors of disease who can negatively affect ‘good’ women.

The literature which implicitly or explicitly relies on these two alternative categorisations of mining and sex work may help to motivate change in mining policies and promote HIV prevention programs, however, it does not accord with many feminists’ rejection of the notion of women as necessarily being ‘victims’ without agency or with newer understandings of sex work. Nor is it reflective of the realities in the KPC areas.

This chapter aims to move beyond these problematic categorisations and to present a more balanced portrayal of the sex industry in the KPC area. While every mine is necessarily different and situated within a specific temporal, social and economic context, that this one mining area so evidently does not fit the straightforward ‘all women as victims of mining’ model, at least suggests that accounts of gender and sex work in other mine areas should be re-examined.

The link between certain characterisations of sex workers and the implementation of CSR programs, usually on HIV prevention, is an important one. Many large-scale mining companies now have HIV prevention programs of one sort or another, having recognised the health threat to workforces and local communities. Female sex workers are often the targets for these programs as a ‘high risk population’ that has direct links back to the male-dominated mining labour force. I argue that there is a danger in having

the assumptions made about sex workers in the ‘impacts of mining on women’ literature and the ‘mining and gender guidelines’ informing CSR program implementation that affects sex workers. This is particularly where they are designated as vectors of disease and not as ‘women’ themselves while other women are portrayed as the victims of their activities. There is the danger that sex workers could be seen not as CSR program beneficiaries themselves but only as a means to an end, that is, for HIV prevention in the wider community (see Chapter 9 for an analysis of KPC’s HIV prevention programs).

The research for this chapter is based on a series of in-depth interviews with female sex workers and others involved in the sex industry in both Sangatta and Bengalon. I also include information provided by many women and men otherwise living in the mining area from diverse economic and social backgrounds.

6.2 Victims or Heroines, Prostitutes or Sex Workers?

As outlined in Chapter 1, at the heart of this issue of causally linking mining with ‘negative impacts on women’ is the fundamental feminist dilemma of the tendency to portray women as being essentially similar in their ‘victimhood’. Beyond this one essential category, women also often feature in these narratives in dichotomous identities, for example, as either victims or heroines (Cornwall et al. 2007a). They are the victims of imposed economic development programs that interrupt their supposedly closer natural connection to the land and are afflicted by male oppression, alcoholism, violence and sexual urges. The heroines are the women bearing these burdens and yet struggling on bravely and opposing development. While these victim/heroine narratives have the power to initiate action and policy change (as evidenced by the women and

mining campaigners' success in gaining the attention of the World Bank and others), they fail to truly reflect gendered realities.

Both singular and dichotomous representations of women also run through the debates about prostitution/sex work and trafficking/migration of women for sex. Feminist analysis has shown that these debates have a tendency to fall into the trap of innocent/guilty and madonna/whore representations.

Some, often termed abolitionists, see prostitution as an extreme form of gender discrimination that is 'inherently violative of women's bodily integrity and freedom from violation, regardless of consent or choice' (Peach 2008:237). Abolitionists see female prostitutes as needing to be saved from commoditisation and a life of sexual slavery (for example, Barry 1995; Jeffreys 2009). On the opposing side of the prostitution and anti-trafficking debate are those 'reformists' and sex worker activists who argue that prostitution should be seen as 'sex work' – a legitimate form of labour, and not an inherently evil or immoral practice. Acknowledging that some women are indeed forced into selling sex and their human rights violated, the reformists (and UN anti-trafficking instruments) draw a distinction between forced and voluntary sex work. Critics of this approach have in turn argued that the forced/voluntary dichotomy creates a guilty/innocent division that reproduces the whore/Madonna division within the category of prostitute (Doezema 1998:47). The forced/voluntary approach has been shown not to reflect the reality of sex workers' multiple subjectivities and personal agency within the context of wider social, economic and personal factors (Kempadoo 1998; Sandy 2006).

It has also been argued that due to all the attention on trafficking, women who migrate for sex work have long been missing from migration studies thus preventing them from being seen as members of diasporas, as entrepreneurial women and as active agents participating in globalisation (Agustín 2006, 2007). Granting agency to individuals who migrate for sex does not mean denying the vast structural pressures that push and pull them (Agustín 2006:39), but rather allows acknowledgement that migration for the sex industry is often a way of ‘expanding life choices and livelihood strategies’ (Doezema 2000:26). It can also be a means of travel and seeking adventure (Bandyopadhyay et al. 2007:95). These arguments are supported by a study in Riau, Indonesia, which describes how becoming a migrant sex worker allows some women to make a living, to provide for family members, and, in some cases, to find their way into a more prosperous lifestyle (Ford and Lyons 2008).

My research in the KPC area shows that this line of feminist research on migration and sex work, that rejects the forced/voluntary division, should be incorporated into discussions of the gendered dynamics at work in mining communities. Female sex workers in mining areas should be acknowledged as women who are pursuing a livelihood opportunity within their wider socio-economic context. Sex workers are not necessarily victims or heroines, and nor are the women living in mining communities who pursue other means of economic support.

6.3 Changes over Time to the Sex Industry in the KPC Area

The sex sector in Indonesia is widespread. For less educated women working in services, paid household help and prostitution have been dominant forms of employment (Manning 1998:250). Poverty, early marriage and low levels of education

are typical of the women who become sex workers in Indonesia, although their backgrounds and reasons for entering the sex industry may vary (AusAID 2006:83). Although there are no definite figures on the numbers of female sex workers in Indonesia, based on 2004 data, it is estimated that 0.9 per cent of the female adult population in urban areas in Indonesia excluding Papua are sex workers, and in Papua the estimation is 1.6 per cent (Ibid.:16). The sex sector is spread across cities, towns, holiday destinations like Bali, Lombok and Batam, and is also found around mining, timber and military camps. The forms of sex work range from the quasi-official *lokalisasi* brothel complexes to massage parlours, discos and nightclubs where hostesses double as sex workers, call-girl operations and to places where *perek* (so-called 'experimental women') congregate (Hull et al. 1999).

Prostitution is not just a single or static practice and the sex industry in the KPC areas has changed in character over time according to the mine cycle and also in response to changes in the legal and illegal logging industries. It is generally agreed that the sex business was at its busiest during the mine construction phases when mine employment was dominated by single men working on short contracts. In the early 1990s, when the mine workforce included many male expatriates, there was a 'contract wives' system in place where bar girls would try to contract more regular services and payment with an expatriate worker. These arrangements would often create the illusion of romance with some even going so far as to hold contract wedding ceremonies (Kunanayagam 1994).

It is also reported that KPC was notorious as one of the easiest places for workers to institute contract arrangements, and that women were often allowed to live inside the housing compounds for long stretches of time and were given their own security passes. It was said amongst the expatriate mining community in Indonesia that at KPC

'everyone had a girl in their room' (Cannon 2002:214). This practice has now been prohibited by stricter security measures and tighter allocation of catering facilities. The sale of KPC to Indonesian owners in 2003 and the subsequent drop in numbers of expatriates has also had a significant effect, and the sex industry in the KPC areas is now dominated by Indonesian clientele.

The contract wife system has now mostly disappeared and many of the original bars in Teluk Lingga have either gone out of business or moved away from areas that are now more family-oriented. The main area where sex is sold in Sangatta is the *lokalisasi* at Kampung Kajang on the bank of the Sangatta River, which is said to have been built in 1979. The complex had been twice burned down and then rebuilt and is often subject to floods. The busiest times at Kampung Kajang were in the 1990s when KPC was beginning to be established and there were many short-term contractor employees in the area.

In 2007, there were around 150 resident female sex workers in Kampung Kajang occupying a number of different *wisma* or brothels on either side of a narrow lane. Each *wisma* also has a bar which serves beer and provides music and karaoke entertainment. The complex has a male coordinator who manages the young male security guards and other administrative matters (in fact he is the *Ketua RT* or neighbourhood head for the area). One survey in 2005 estimated that approximately 20 per cent of clients at Kampung Kajang are male mineworkers, with the remainder including civil servants, army personnel, private sector workers and students (*Tribun Kaltim*, 31 August 2005). There are also a number of separate bars, small hotels, massage parlours and *warung* cafes located elsewhere in Sangatta where sexual services are sold. Some of these are strategically located in relation to mineworker accommodation or are on the main roads

leading into and out of town to attract the business of those passing through. The *lokalisasi* is raided (*razia*) by the police about twice a month where identity cards of clients are checked and a search made for drugs.

In Bengalon, there is a similar sized *lokalisasi*, Segadur, located on an unsealed road outside the main town in Sepaso Barat. It also had around 150 sex workers living and working there. It is said that there has been prostitution in the Bengalon area since around 1986 with mainly logging clients, but the busiest years in Segadur were the early 2000s. Some of the brothel owners in Segadur had originally had businesses in Kampung Kajang in Sangatta.

Closer to the mine and coal port area there are also a number of bars which house sex workers (known as *Kilo 14* or *14 000*). Again, during the mine construction period, there was more business there when there were more short-term contract workers present. Two of the bars in this area used to operate in Segadur, but have moved in order to be closer to the mine in the hope of better business and less competition. At the time of data collection (late 2007) there were 20 female sex workers working in the three bars in this area.

The owner of one of the bars at Kilo 14, which is considerably more upmarket than the others with ceramic floors, wicker chairs and tables and has a licence to sell high strength alcohol, said that he had first opened his business at the request of expatriates who were working on the construction of the coal loading harbour. At least three of these expatriates arranged exclusive and expensive contracts with workers attached to his bar. Business has since been affected by the departure of the expatriates and the fact that the bar only has four women working there. He said that if a group of ten men want

to come by, they ring up first and ask how many girls there are. When they find out that there are not enough to go around then they go elsewhere. He said that when he gets new girls in, he doesn't need to advertise, the word gets around by itself, and the male clients flock in. Having girls in the bar is necessary for its business success, he explained.

Both *lokalisasi* and bars in Sangatta and Bengalon had been obviously affected by the government crackdown on the illegal logging industry. Most sex workers and brothel owners commented on how comparatively quiet business had been in the previous year or so.

A factor common to the *lokalisasi* and bars in Sangatta and Bengalon is their integration into the local economies. Many people depend vicariously on them for their livelihoods. These include *warung*/cafe owners, masseuses, parking attendants, laundry workers, security guards, clothing and cosmetics peddlers and motorcycle taxi drivers (*ojek*). Profits also flow to the police and local government in the form of administrative and security fees.

6.4 Choosing to Travel to East Kalimantan to Sell Sex

Most sex workers in the Sangatta and Bengalon *lokalisasi* and bars are of East Javanese and Madurese origins. Other ethnic identities encountered in smaller numbers include Sundanese, Buginese and Dayak. None of the sex workers interviewed claimed to have been born or to have grown up in the KPC areas, and, like the majority of adult residents in the area, can all be classed as in-migrants. Their ages range from teenage to above forty years old, with most of the women in their twenties and thirties. It was rumoured

that, particularly in Segadur, underage girls are available and are contracted to particular people especially illegal logging bosses. That is, they continue to live in the complex but have only one client who pays all their costs. Most of the sex workers come from poor rural or urban backgrounds and have low levels of education, although a small number had completed high school.

Those interviewed had complex and varied stories to explain the reasons they had chosen to work in the KPC areas. A majority of the sex workers interviewed were divorced or separated with children whom they support through their work in East Kalimantan. Their children tend to live with their grandparents in their home towns. A small number of the sex workers had never married and even fewer said that they were still married. The women from East Java and Madura in particular describe a pattern of early arranged marriages that did not last very long. Many have stories of desertion, their husband remarrying or his inability to support them or simply marital incompatibility. One woman was escaping her husband's creditors and was slowly paying off her husband's debts through her work as assistant brothel manager and bartender. A twenty year old woman had run away from home in Semarang in order to escape an arranged marriage. Another had brought her baby to Sangatta but fostered the child with a local farming family. Some interview extracts are provided:

C: Some of us have just passed primary school or junior high school. Our parents did not have the money to send us to school. We are trying to earn our own money so we don't need to ask our parents for it. So that our children will not become like us.

L: I'm from Malang in East Java. I'm divorced. I followed a friend here. I heard about Kalimantan from that friend. Java is far more developed, but it is easier to earn money here. I have two children. My ex-husband's parents look after them. They love my kids like I would, maybe more...Every month I send home money for my children, but the amount I send depends on the number of clients I get. Sometimes it is very quiet. I would like to work somewhere else one day, become a good person, but it is not yet possible.

Many of the sex workers had previously worked in various sectors including as building labourers, housemaids, and in fish and shrimp processing factories, and had made rational decisions about their likely higher earnings in the sex sector. Many of those interviewed said that they do not tell their families about the kind of work they now perform, instead informing them that they work in a shop, hotel, as domestic servants, or run small businesses. However, some family members, particularly those who collect remittances at the brothel manager's home in Java, are well aware of the type of work that these women do in Kalimantan, even if it is not spoken of openly:

S: I'm from East Java. I lived in Segadur for two years and I've now been in Kampung Kajang for three years. My family are very poor. I never went to school and cannot read or write. When the police come on a raid and ask me to sign something I just tell them I can't read or write. It's better to just admit it...My family make mattresses and I know how to make them. I've worked since I was young to support my family. I went to Bali when I was still a girl and worked as a labourer on different building sites, moving to wherever there was work. Sometimes Western tourists would take photos of me throwing pieces of tin around because they were amazed at how strong I was...I got married and had a baby. My husband went off to Malaysia and never came back. He never sent any money or word of where he was...Once someone came here and offered money for tickets for anyone who wanted to go home – but no-one took him up on the offer. It's better to earn money than accept it from a stranger. I tell my family that I work in a saw-mill. They believe this because they know I'm used to doing hard, rough work.

Y: I'm Javanese. I only went to primary school. I have three children, my husband left me. My eldest is eighteen and now works in Jakarta, the next one is already married and the youngest is still at school. He lives with my mother. My parents made me get married when I was only fifteen. It was their own fault, they married me off when I was still young, and now they are the ones who have to look after my children...I was working as a maid for a while earning IDR 350 000 per month. This was not enough to be able to send money home for my kids. I was talking one day to an *ojek* driver who suggested what other kind of work I could do. When I agreed, he brought me here to Kampung Kajang and decided which Wisma I should join. I send money home, but the amount is not certain every month. I lie to my family and say that I work in a shop.

While most cited their economic circumstances and lack of a male breadwinning partner as reasons for their decision to enter into the sex industry, a small number of the female

sex workers placed more emphasis on the fact that this lifestyle was less confining than being married and obeying one's husband. Others were escaping the lower social status associated with being a divorcee (*janda*) in their home towns, as the following stories illustrate:

V: I understood what it meant to be a housewife but my husband was authoritarian. I was young and wanted to sleep in until the afternoon every day. If I wanted to go somewhere I had to ask his permission. I was stressed and depressed. Now I'm divorced. On the other hand, now I'm free. If I compare now to when I had a husband, it is better now...I don't call my family as it would just make them sad. I can't tell them that I work like this, right.

I: I'm from a big family in Surabaya. I used to work in a shrimp factory in Balikpapan but the factory closed down. Life was difficult back home in Java. I was divorced with a child and couldn't leave the house much. I had divorcee status (*status janda*) so other women were afraid I would steal their husband.

While many of the sex workers feel isolated and sad about the circumstances of their lives, others quite enjoy breaking mainstream norms for Indonesian women and flaunt their ability to wear sexy clothing, to dance until late at night, drink alcohol, smoke cigarettes and have tattoos. 'I got it done when my husband left me,' said one woman about the tattoo of a rose on her shoulder. 'Come back and see us at night when we're all dressed up and dancing', others invited, suggesting a certain level of pride in their appearance and skill. Most of the sex workers use aliases either to hide their original identities or to assume a more sophisticated persona.

The sex workers most often spoke about their situation with the euphemism 'working like this' (*kerja begini*), while some would use the term 'PSK' – the Indonesian acronym for a commercial sex worker. Invariably they called themselves 'workers'.⁹² Others in the community would use PSK or '*wanita nakal*' (literally naughty/bad

⁹² This same pattern is described by Ford and Lyons (2008) in their study of sex workers in Riau, Indonesia.

women) or '*wanita tuna susila*' (women without morals) to refer to them. A small number of the sex workers described themselves as business women:

D: I want to earn my own money. To save money. After all there's no guarantee that I'll find a rich husband. When I was first here I was earning a lot of money. While my friends were sending money home to their families I was saving. Now I'm not earning quite as much. But I've been able to buy a house, and motorbikes for all my younger siblings, one by one, and started some transport businesses...I'm good at business. I've studied what my rich relatives in Jakarta do and copied them.

6.5 High Mobility in the Sex Industry

There are many areas where sex is sold in East Kalimantan, in urban centres, transport hubs and in rural districts where there is industry of some kind to support it. In the KPC areas, the sex workers had mostly come through informal recruiting networks. One common way is for current sex workers to go home for holidays and then return to East Kalimantan with friends who are seeking work. Ramadan and Idul Fitri are common times for these women to return home as business tends to be slower during the fasting month and it is the traditional time for migrant workers to visit their families. Often the cost of an airfare to East Kalimantan is borrowed from the brothel owner, and the sex worker must then pay off that debt and may not leave until they have done so. Some of the sex workers can thus fall into cycles of debt with the brothel owner. Other networks are more formal; brothel owners often recruit in their home regions and maintain a house there where women seeking work can contact them. The following extract (as also quoted in the beginning of this chapter) follows this pattern:

P: I didn't come with a friend. I came by myself. All because I was annoyed with my husband who went to Malaysia and didn't come back for five years. I found out he had married again. So I ran away. That's all. I work. My brother-in-law helped take me to a particular house and then I came here. My mother cried when I left. I've been home once and then I came back here. My father is old and cannot work. I'll stay here while my child is at school. I don't care if my husband brings his new wife home – the important thing is that my child isn't taken away.

Some of the women claimed that they were tricked into coming and expected shop or other employment. On finding that they were expected to be sex workers they accepted the change for lack of better choices. There was one documented case of trafficking in 2006 where a brothel owner in Kampung Kajang was imprisoned for 18 months for receiving a young woman who had been brought to Kalimantan with the expectation that she would work in a shop and then reported her situation to the police. That this one woman at least was able to protest suggests that the others who were tricked but stayed had made conscious decisions to do so.

There is a high level of mobility among the sex workers. Many, though not all, of the sex workers had worked elsewhere in East Kalimantan before coming to Sangatta or Bengalon, including complexes in Samarinda and Tarakan. While some stay for a number of years, others stay for only a week or two if they dislike the place and prefer to seek better opportunities elsewhere. Some have moved between Kampung Kajang and Segadur and other bars in the area. It is rumoured that brothel owners have agreements for moving sex workers around between brothels and areas to give the impression that the sex workers are 'new goods' (*barang baru*), however, those women interviewed stressed the fact that they had made their own choices:

T: I have been here [Segadur] for three years. It is better here than when I worked in Tarakan for eight months. It wasn't a city area. There were little rivers everywhere and they were the only places we had for bathing. If there were any disturbances then we had to run away ourselves, find our own safety. There was no security...Here, I used to be contracted to one man [an illegal logger], but it is better to find a client every night because that way I'm free.

A: My parents arranged a marriage for me when I was twelve years old. Finally I ended up here. I didn't know about this area though I'd been past often. I just followed a friend. I'm half Kutai and half Dayak Kenyah. First I worked in Segadur for three weeks, then I came here. In Segadur there were lots of *wismas*, there was a lot of competition. Here [at a bar at Kilo 14] the owner is nice and so is the food. In Segadur the music has to be turned off at 12am. Here we can play music until

morning. There my earnings disappeared on electricity bills and food...Actually, I can't save money, it just slips through my fingers. I buy clothes. I give it to friends if I'm feeling sorry for them...before it was...well now I'm independent. I can travel far and have my own income.

Sex workers who leave the complexes either return home, sometimes get married and live in the community, or move on to other *lokalisasi* or bars within East Kalimantan. Some community members declared that if women of their ethnic group (for example Torajans) were found in the *lokalisasi* then that group would ensure that she was removed and sent home. Female bar owners are often former sex workers themselves. Those who do stay on in the community are often whispered about as being ex-prostitutes and they may try to hide that part of their lives as far as possible. I found that there were different levels of tolerance in the local communities towards former sex workers depending on the social circles that a particular person belonged to (for example, illegal loggers and their families appeared more accepting of former sex workers).

6.6 Making Choices about Work Conditions

The sex workers in the KPC area demonstrated that they were weighing up their options and making choices about where they would work, particularly whether they preferred to live in the *lokalisasi* or in individual bars. They make decisions based on the cut of their earnings that they must give their *wisma* owner and whether they must pay for electricity and water use, and whether they are required to buy their food from the *wisma* owner or if they are free to eat where they like. Unlike the bars, the sex workers in the *lokalisasi* must pay weekly and monthly fees to the complex coordinators to fund the security officers and to pay police and local government administration fees.

The *lokalisasi* are often sites of drunkenness and sometimes low level violence between men. The advantage of the *lokalisasi* is that it clearly provides a reliable security system for the sex workers. Should any of the women have any trouble with a client due to drunkenness, violence or, far more commonly, a refusal to pay, she shouts for help and the security officers will chase down the man and demand payment. In Kampung Kajang, truncheons are kept ready in the security booth. Police are called in more extreme cases. No-one can enter or leave the complexes without passing by the security post. None of the sex workers interviewed reported any cases of personal violence against them that the security officers could not handle. While it is possible to leave the complex at night with a client by paying an extra fee, most say that they would not do so unless the client was a trusted regular. The individual bars tend not to provide this kind of security, and in some the workers routinely leave with the client.

The *lokalisasi* security system does, however, represent a check on the sex workers' freedom of movement. In order to leave during the day, to go shopping, to the bank, doctor or other destination, they must first ask permission from their *wisma* owner and then report to the security post and pay a small fee before leaving. They are also usually required to use motorcycle taxis (*ojek*) that are affiliated with the complex. The security officers also check that the sex workers are dressed appropriately for appearing in public. The complex coordinators say that this system is required in case 'anything should happen' to the women while away. On one occasion, I was present when two sex workers had returned to the *lokalisasi* after having left without getting permission or paying the fee. They were being sternly spoken to by the complex manager, but shrugged and laughed afterwards. They had decided that it was worth risking the punishment to avoid paying the fee.

6.7 Magic as Agency

Many of the sex workers, particularly those from East Java, use fortune telling and magic in ways that can also be construed as a form of agency. Such activities seem to be used in ways which take back some of the power and control in the sex transaction to the women. Their belief in these methods appeared strong.

Many of the sex workers use cards to foretell their future, particularly for predicting details about their next client. For example, one woman demonstrated how she uses a normal pack of cards to foretell her own future. She went through a long process of shuffling, dealing and piling the cards in piles of three until she was left with three cards that would tell her whether her next client would have lots of money, whether he would come straight to her or walk around first and what body-shape he would have.

Another more potent set of cards with symbols rather than numbers is also used to foretell the future. No man is allowed to touch the cards. In Java (often in Banyuwangi in East Java which is renowned for its magic practitioners) these cards can be given magic – a woman goes naked to a graveyard and buries the cards and leaves them for a certain amount of time, maybe 40 days, then she comes back and digs them back up. A red card from the pack can be ground up and fed to a man in his coffee so that he will forget everything except the woman who gave it to him. I saw packets of these cards in both Kampung Kajang and Segadur.

Many sex workers also use magic (*ilmu*) to increase their physical attractiveness. Some use an amulet or a tiny sliver of metal or jewellery (*tusuk*) surgically implanted into her forehead or other places on her body, such as her breasts, depending on her aims. (More

prosaically, some have also had silicone injections in their lips and noses.) Cosmetics such as face powder are also often imbued with magical properties. This process is usually done at home in Java and the women bring plenty of supplies with them to Kalimantan. The makeup is applied while citing a charm. These charms are printed but to copy them would take away their magic properties. It seems that magic may also be used to attract a man more permanently, as the following interview extract suggests:

E: I'm from East Java. I worked in a fish processing factory for a while in Makassar. I was then contracted to an expatriate from Hawaii and we just communicated using hand signals. Later I got married but I was disappointed. I went back to Java for a while and sang in bars. A friend told me that I was embarrassing my parents and why shouldn't we go and try to make money a long way away. We ended up in Segadur. I worked for a while but was mainly entertaining rather than ahem...well you know what happens there. Then I met my current husband. He was an illegal logger who already had two wives. I got fed up with him rotating between the three of us. I went home to Java and found some magic and used it to make my husband forget about the other two. This was successful and now he only thinks about me. I've since stopped using the magic, though; it's not fair on him to see me as being so attractive all the time.

6.8 Community and Individual Responses to the Existence of the Sex Sector

Beyond the sex workers themselves, other groups in the KPC areas have shown agency in various ways on the issue of sex work, often as opposition to it. The District Government has periodically announced plans to shift the *lokalisasi* at Kampung Kajang to a more remote location in order to remove 'immoral practices' from the general population (*Kaltim Post*, 10 January 2007, 8 November 2007). No concrete steps have been taken as yet and where the budget would come from for the move is contentious. The coordinator of the complex pointed out that any relocation would be far more difficult than the government has bargained for. There would need to be buildings in the new location and a serviceable road and it would disrupt the livelihoods of not only the *wisma* owners and sex workers but all the other people who rely on the complex for

their incomes. The coordinator explained to me: 'The *lokalisasi* was here first, and all these others moved in to live around us, so trying to remove the complex from the general population is absurd'.

As described in Chapter 5, the economic dependency of many women on their husbands or other male relatives is a reality in the KPC areas given the larger labour market for men and mainstream norms about the nuclear family and child care. While one can find plenty of households with apparently high levels of trust, there are also those where wives expressed their concern that husbands were cheating on them or spending wages on alcohol, gambling and/or sex. In some cases increased income has allowed men to take on second wives or mistresses, often causing severe distress to their first wives, although second wives may well benefit from their marriages.

However, it is misleading to suppose that women are necessarily passive in the face of such pressures. In 2006, a group of women in a Bengalon village proudly narrated how they had banded together to successfully close down a nearby bar in response to their fears that the sex workers there would tempt their husbands away. They said that one village man had left his family in order to marry one of the sex workers in that bar. The women said that they were also worried about the young men from the village spending their wages on alcohol at the bar. This bar in fact did not close entirely but moved somewhat further away. The bar owner in question when I asked him about this, agreed that he had been forced to move.

Many wives are not necessarily going to passively allow their husbands to visit sex workers. In the *lokalisasi*, I was told that it is not uncommon for a wife to seek her husband out in the brothel complexes and to take him home. The complex management

does not interfere so long as there is no violence or disruption. They may even remove a man from the complex and deliver him to his wife if she waits outside the complex. In another example, a community informant, a business owner, confided that she had had some trouble with her husband being tempted by women and gambling in the past, but that she had made her feelings clear on the matter and he had changed his behaviour. It helped, she said, that she was the main income earner in the family and could determine how much money her husband had access to.

6.9 Conclusion

Large-scale mining certainly has gender differentiated effects particularly due to male-dominated waged labour. However, as argued in Chapter 5, the effects of mining for women are far more diverse than those usually depicted in the recent ‘impacts of mining on women’ literature. ‘Women’ in mine-affected communities are not necessarily one homogeneous category and should not be portrayed as such. They may experience diverse benefits and burdens from living in the vicinity of a mining project. This chapter has more specifically demonstrated that sex workers’ links to mining is far more complex than that indicated in the impacts literature.

This research shows that while negative consequences certainly exist, sex work should not be straightforwardly classified as a negative impact of mining on *all* women. In the absence of better choices, it often provides a livelihood and an escape from mainstream social constrictions for many migrant women. The sex workers’ stories related in this chapter are symptomatic of wider patterns of gender disadvantage in Indonesia – lack of secure well-paid jobs for undereducated women, early marriage, expectations of being a good housewife and lower social status for divorced women. Sex work is a low status

occupation – many sex workers would prefer other options if they were as well paid, but it is an option they have chosen based on an analysis of alternatives. The sex workers in the KPC area were clearly expressing the reasoning behind the choices they have made both in becoming a sex worker and concerning the conditions of their work. The victim/heroine and forced/voluntary dichotomies have very little meaning in this context.

Where sex workers' agency is acknowledged, so too is the capacity of miners' wives to protest and to act in ways that ensure their own economic survival and personal satisfaction. The picture of the chaste, ignorant and passive woman living in a mining community needs to be replaced with a far more real picture of diversity, opportunism and agency while also acknowledging that mining communities have specific gendered dynamics caused by the male dominated workplace and wider patriarchal traditions.

The 'impacts of mining on women' literature and the 'mining and gender guidelines' that it inspired, contain underlying assumptions about sex work being automatically a negative impact on women. Sex workers are either referred to as being in a different category to good community 'women' impacted by mining or are portrayed as necessarily being victims in need of rescue. It follows that if the guidelines as they stand are used to guide company practice then they may encourage the treatment of sex workers in ways that abrogate their human rights. Mine impact mitigation measures might, for example, only focus on 'good community women' or, to prevent the spread of HIV infection, may treat sex workers as vectors of disease, rather than as women pursuing livelihood options who might also want to take advantage of other benefits offered by CSR. I found that KPC, independently of any guidelines, exhibited this tendency to treat female sex workers as vectors of disease (see Chapter 9) and it is likely

the 'gender and mining guidelines' would reinforce this tendency if applied by the company. Hence, I argue that the 'mining and gender guidelines' should be reviewed in relation to their underlying assumptions made about sex workers in mining towns.

This Chapter concludes Part II of the thesis and the discussion of gendered mining impacts at KPC and my critique of assumptions made about 'women' in the impacts literature and the 'gender and mining guidelines'. As companies take on roles as agents of development, they have opened up further avenues of influence on gender equality, and Part III presents an analysis of KPC's community development program implementation from a gender perspective.

Part III

Progressing from considering ‘impacts’ and impact mitigation to CSR implementation and wider development aims, in Part III (Chapters 7–9), this thesis analyses a number of inherent obstacles to achieving gender equal outcomes through CSR practice at KPC. This part of the thesis particularly draws on the methodology and insights of Mosse (2005), where reflection on the actions taken as an insider consultant role allows for wider analysis of development processes. In Chapter 7, I explore the gaps and dynamics between CSR policy, practice and publicity and the unofficial priority often given to immediate business objectives over long-term development aims. Hidden modes of beneficiary selection tend to favour males as they are more likely to be perceived as risks to the company. This argument is continued through Chapter 8 which provides a gendered analysis of KPC’s livelihood development programs and the factors affecting beneficiary selection. In Chapter 9, in the context of KPC’s HIV prevention program, I discuss the inherent limits of CSR projects to take up best practice in the development industry such as promoting empowerment of sex workers and to affect wider determinants of gender inequality as they impact on the spread of HIV.

Chapter 7

Policy, Practice and Publicity in CSR at KPC: Gender Equality of Outcomes

‘The company must play the role of double agent, sometimes good to a particular community and sometimes strict. A lot of our work is just putting out spot fires. Also, a large portion of our time and budget is used for publicising programs rather than implementing them.’
(KPC community development staff member, 2007)

7.1 Introduction

Integrating gender considerations into mining company CSR policy is necessary but not sufficient to ensure gender equal outcomes. Ethnographers of development have demonstrated that it is futile or even dangerous to propose development policy prescriptions without taking institutional and local social contexts into account (Mosse 2005). CSR community development programs are particularly noted for the discrepancies between public transcripts of achievements and on-the-ground realities. Policy statements, sustainability reports, ceremonies and CSR awards all tend to present a picture of a company’s CSR as being logical, coherent and successful. What happens in practice, however, may be very different and is certainly far more complex. Recently, there have been persuasive calls for more research on how corporate community development programs work on the ground (Muthuri 2007; Kemp 2010). As Kemp (2010:200) argues, such research is necessary so that the ‘limitations of CSR can be diagnosed and where possible transcended’. I argue in this chapter that an analysis of the differences and interactions between CSR policy, practice and publicity, and the gendered implications of these processes, is needed for a fuller understanding of the potential for achieving gender equality through CSR. The need for this kind of in-depth

institutional analysis of mining company activities is entirely overlooked by the ‘mining and gender guidelines’ (see Chapter 1.7).

There has been a shift in the ethnography of development to a new interest in how development projects work and the relationship between policy and practice (Mosse 2005; Li 2007). This new approach moves beyond prevailing views of development policy as being a rational instrument for change, where better policy (and more effective implementation) will straight-forwardly lead to better development outcomes. The large critical literature on development effectiveness has demonstrated that policy-makers’ sense of being in control over social processes is often misplaced. The new ethnography of development also refutes post-structural arguments that view development policy only as a hegemonic discourse which has the true hidden aim and function of expanding state bureaucratic power and control over populations (for example, Ferguson 1994; Escobar 1995). New approaches to this question shed light on the actual reception of development discourse and practice by participants and finds that claims to success are always subject to various contingencies and possible failure and that the agency of the many players in development projects must be understood (Mosse 2005; Li 2007). As explained in Part I, I also find little evidence for the ‘greenwash’ view of CSR as producing unrestrained control over populations and have demonstrated that CSR actually provides an arena for interest contestations.

The uncertain links between policy and practice in development programs were the focus of Mosse’s (2005) ethnography of a British agricultural aid project in rural India. The central question for Mosse was not whether, but *how* development works. Mosse proposes that, ‘Policy primarily functions to mobilise and maintain political support, that is, to legitimise rather than to orientate practice’ (Ibid.:14). He describes how

development policy is constantly revised to remain politically and morally viable, while project workers and beneficiaries may interpret policies quite differently. The reputation of different actors within the development endeavour (donors, higher level project management, fieldworkers and beneficiaries) is always at stake and there is always the possibility of exposure and disgrace (Ibid.:7). Information is filtered, regulated and translated between these different actors. Those people working at lower levels of the project hierarchy put a lot of time and effort into showing the best aspects of the project to higher level managers and presenting it as a success to donors, and the project is in turn presented to the wider public.

While Mosse studied an international aid project, his insights have some quite clear parallels with my observations of KPC's CSR policies and development program implementation. There were distinct differences between the policy and attitudes of senior management compared to staff perspectives. I also observed, and participated in, many of the same sorts of processes that are used to convince various players and stakeholders in a particular project that it had been successful. However, while companies, like aid donors, have reputational issues at stake, there also appear to be heightened complexities and tensions within CSR in mining compared to more conventional donor project situations given companies' dual business and development objectives. These tensions appear to create a wider gap between the public transcripts and on-the-ground project implementation in CSR compared to NGO or international aid agency development programs.

Like Mosse, Kemp (2010) is also interested in a ground-level analysis of *how* development works, in this case in the context of CSR in mining. Kemp provides a framework for considering the differences between mining company-led community

development programs and the activities of other development agencies. Kemp identifies four types of challenges likely to be met in CSR in mining. The first challenge is the overarching conceptual framework which blends commercial and development agendas and the range of inherent contradictions and dilemmas which may occur when priorities collide. Secondly, there are organisational challenges in how the company deals with the blending of community relations, public relations and community development functions. Thirdly, there are political challenges inherent in the power inequities between company and community and how this informs CSR practice. Fourthly, there are temporal challenges related to the mine cycle and the ability of the company to conduct community development programs during, for example, the exploration phase or after mine closure. While Kemp's framework is very useful, it does not fully problematise interactions and translations between policy, practice and publicity. I propose here that Mosse's nuanced insights on development policy and practice, and processes of presentation of success, can be usefully considered alongside Kemp's (2010) framework for examining the types of challenges likely to be met in practice specific to corporate community development programs.⁹³ These two approaches provide the basis for the gendered analysis in this chapter.

The conceptual and organisational challenges within CSR, and in particular the priority usually given to immediate business objectives over longer term development aims, tend to be obscured in official transcripts of CSR. This is not to suggest that there are no development objectives in CSR, but they often do have less urgency. Conflicts between business and development objectives appears to be the crucial difference between

⁹³ This chapter will focus on the conceptual and organisational challenges identified in Kemp's framework. The political situation between government and company, and locals and company has already been explored in Part I of this thesis, and some consequences of this on CSR practice are also addressed in this chapter. This is a study of a mining company many years into its operational phase and hence the temporal challenges will also be set aside here, although eventual mine closure is, of course, a very important consideration.

mining industry CSR programs and the wider aid industry which in turn results in particular interactions between policy, practice and publicity in CSR. All the different levels of interactions between practitioners, community and the wider audience for CSR need to be identified as sites which can produce and maintain gender inequality. I argue that it is necessary to expose the relationships between policy, practice and publicity in CSR in order to understand and predict how gender equality policies might flow through into CSR practice.

This chapter begins by describing the official and unofficial modes used by KPC to identify stakeholders and how this tends to result in more male beneficiaries of CSR programs. KPC's CSR policies and programs are briefly outlined. I then discuss the organisational structure for community development within KPC and the gendered implications of how the company deals with the challenges of juggling both business and development goals. I present an analysis of gendered aspects of different levels of KPC's community engagement. Turning then to various ways that CSR programs are presented as a success, I analyse dynamics that occur in development ceremonies. Finally, I discuss commonly prescribed strategies of improving development outcomes through particular official transcripts of CSR – sustainability reporting and CSR awards – and argue that the prospect of these avenues affecting practice is generally low as the framing of reality to fit indicators or criteria tends to take precedence over real policy change.

Data collection for this chapter draws primarily on my fieldwork observations of KPC community development programs in practice and the workings of its External Affairs and Sustainable Development (ESD) Department and my experience compiling a submission for a CSR award on behalf of KPC. That is, it particularly draws on my

quasi-consultant position which facilitated access to insider information on CSR processes.

7.2 Rings of Responsibility and Stakeholder Identification at KPC

Despite a couple of recent programs aimed specifically at women, KPC has had a noticeable bias in its community development programs in favour of male beneficiaries (Lahiri-Dutt 2004b). Arguably, homogeneous and geographical definitions of the ‘community’ in official policy statements that delineate a company’s social responsibility are a major source of this gender bias. However, as Mosse (2005:15) argues, while terms such as ‘community’ can be used strategically in policy statements to conceal ideological differences and generate political legitimacy, but may have little direct link back to actual practice. At KPC, broad policy statements about the ‘community’ are common and may serve to set the outer limits of corporate responsibility, but in practice hidden mechanisms for identifying ‘stakeholders’⁹⁴ and selecting program beneficiaries seemed to be the most influential. Mine impacts have tended to be downplayed in CSR policy at KPC and social impact analysis did not appear to me to directly result in specific beneficiary selection. Rather, the company selects many of its beneficiaries through company risk assessment and community mapping as a way of pre-empting community discontent and is also sometimes forced to ‘buy-off’ particular pressure groups with promises of development programs. Where women are less politically active, and hence appear to present less of a risk to the company, then they are overlooked as stakeholders/beneficiaries.

⁹⁴ A ‘stakeholder’ is a term used in particular ways in CSR. While more generally it might mean anyone who has an interest in the future of a company, in CSR it tends to be used to denote persons whom the company has actively decided it has some responsibility towards. There is some overlap between the terms ‘stakeholder’ and ‘beneficiary’ which mirrors the blurring of impact mitigation and wider community development aims within CSR. I also tend to use the terms interchangeably.

The mining industry has tended to define communities, and their responsibilities towards them, in geographic and homogeneous terms (Kemp 2010). From the company's point of view, determining the extent of responsibility is needed in order to operationalise its programs, as it gives grounds for excluding claimants living outside those boundaries. Rajak (2010:567) argues that mining companies' desire for mapping and dividing of areas into 'discrete, manageable zones' deliberately conceals complex social relations and diverse interests in the community. This is certainly true of policy statements and the role of policy in securing political legitimacy and demarcating the limits of corporate responsibility in general terms, however, actual stakeholder selection in CSR seems to occur through entirely different processes without much reference to broad policy formulations.

The tendency towards geographical and homogeneous definition of community is evident in KPC's policy statements.⁹⁵ While KPC's policy statements on CSR have become more detailed over time and somewhat more accepting of an active role for the

⁹⁵ In 2002, while still under Rio Tinto/BP ownership, and when it was beginning to increase its community development commitments, the company released a brief pamphlet titled 'More than Mining'. In English and Indonesian, this was a brief description of the company's human resources, safety, environmental management and social policies. Under the heading 'social' it simply stated 'Local community welfare is one of the main concerns of PT KPC'. In KPC's official Code of Conduct from the same era, Article 56 stated:

KPC will exist in harmony with the local community and in all dealings with them promote a Code of Conduct based on self-reliance, dignity, self-worth and self-empowerment. KPC will work in partnership with community leaders and government and where appropriate facilitate community development plans.

Since 2006, the section of KPC's 'Health, Safety, Environmental and Sustainable Development Policy' on sustainable development has read:

KPC actively participates in sustainable development (*pembangunan berkesinambungan*) initiatives which are based on the integration and balance of economic, environmental and social priorities. To achieve this KPC will: Remain the supplier of affordable energy and a contributor to the alleviation of poverty, improved health, and better quality of life, perform community empowerment programs to encourage regional economic development based on local potential, and, build and maintain partnerships with local communities, governments and other stakeholders using mutual trust and mutual respect principles.

company in development, 'the community' is left largely undefined and amorphous. These aspirational statements are aimed at an audience of outside observers and would be rarely, if ever, referred to in practice.

The company also now draws concentric 'rings of responsibility' around its operations. These denote both an implicit acknowledgement of mine impacts, but more explicitly a delineation of corporate responsibility for development. Ring 1 encompasses the subdistricts of Sangatta Utara, Sangatta Selatan, Bengalon and Rantau Pulung (a total of 27 villages) with additional priority given to villages particularly close to KPC's pits (the target areas in Figure 1). Ring 1 also corresponds to the impacts areas identified in KPC's 2005 Environmental Impact Analysis (AMDAL). Ring 2 is defined as the remaining parts of East Kutai District, Ring 3 as the Province of East Kalimantan and Ring 4 as Indonesia as a whole (see Figure 1).

Priority of Program Area

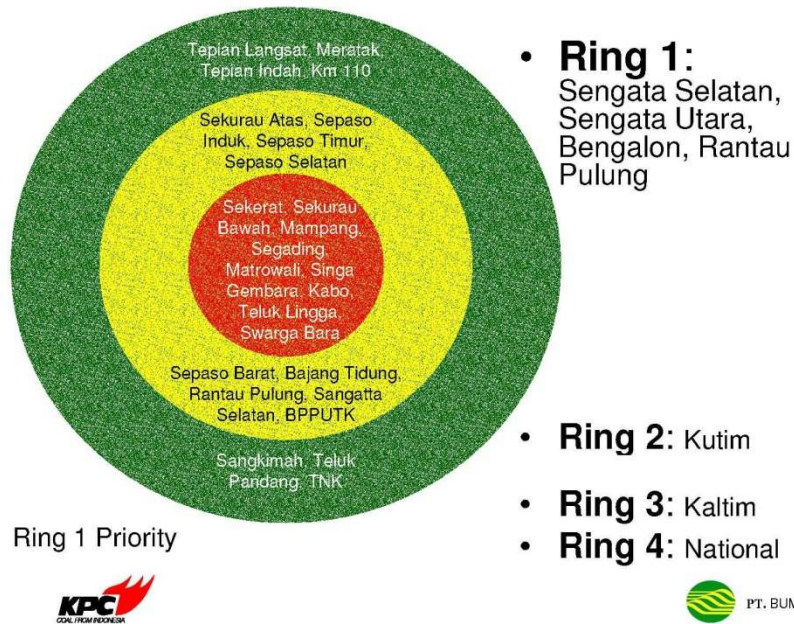


Figure 1: KPC's Rings of Responsibility (excerpt from Kaltim Prima Coal CSR Review Materials 2007).

The majority of KPC's community development program beneficiaries live within Ring 1. The main exception being that beneficiaries for the annual 'Smiles and Hopes'⁹⁶ plastic surgery program held in Balikpapan are sometimes drawn from other districts in East Kalimantan as well. The MSH-CSR funds are distributed to projects at the East Kutai district level (Ring 2). KPC's activities in the two outer rings tend to be confined to occasional sponsorship of particular events or donations to natural disasters. The national ring is intended to be symbolic of KPC's adherence to national laws and commitment to paying royalties and taxes. Given that Ring 1 is so large, KPC makes

⁹⁶ The 'Smiles and Hopes' program is an annual event funded and organised by KPC in Balikpapan. It is part of the Interplast program where international plastic surgeons come to provide free corrective surgery particularly to burns victims and harelip sufferers.

no real attempt to reach all the people in need living within this geographically defined boundary. Rather, it selects particular groups and individuals for attention.

Although not evident in official-level CSR policy statements, in practice there are some specifically excluded groups of people living within Ring 1, and those are the people who have illegally settled within KPC's lease area, such as those living and farming very close to Tanjung Bara or to the coal conveyor belt (see Chapter 4.4). The company considers that to provide community development assistance to them would be interpreted as encouraging illegal settlements.

In KPC's homogeneous definition of community, there is no official acknowledgement of gender difference among community members. Although in 2007 the company had begun some projects aimed solely at women, there was no felt need to reflect this change in higher level policy statements about 'the community'. The geographical definition of CSR responsibilities not only overlooks women's interests, but also diversity among women (the importance of properly recognising gender diversity and some specific groups such as sex workers in the context of mining was demonstrated in Part II).

The indigenous/migrant distinction is also difficult to detect in KPC's geographical and homogeneous definition of community. Indigenous Dayak Basaf and Kutai groups mostly live within Ring 1 in Bengalon, and in some cases live quite close to the mine pits. They are given some priority in employment and some recognition through particular community development programs, however, there is no official policy of

according indigenous groups more attention than migrants living in the same areas.⁹⁷ Some indigenous groups (mainly men) have at times exercised their power to blockade operations and hence force more company recognition, but again this is rarely acknowledged officially.

Actual selection of many stakeholders occurs within Ring 1 at much less publicly acknowledged levels through risk assessment mapping, acceding to interest group demands and sometimes through relationship maintenance with influential local leaders. Mapping exercises are often carried out by consultants, although their methods may exclude particular interest groups such as women. For example, in August 2006, consulting company Golder Associates was engaged to map NGO stakeholders in Sangatta. With only one day's notice, the consultants contacted various groups including veterans, *adat* leaders, environmental NGOs and youth groups, and invited representatives to a meeting where participants were asked to explain their group objectives and map out their funding sources and how they interact with each other. I observed that there were no women present. Some women's groups were said to have been invited, but no representatives came to the meeting. The data collected was not made public and was intended for use in CSR planning.

As in the case of Singa Gembara and other brief examples presented in Chapter 4, KPC on occasion directs its community development programs towards 'disruptive' elements in the community, either by creating a special program for them or even occasionally taking them on as staff members themselves. Even when women are involved in protests, such as during the Singa Gembara blasting issue, they may still be largely excluded from further negotiations with the company. While company responses to

⁹⁷ Note that in the past, the Dayak Basaf villages came under the *Inpres Desa Tertinggal* (Presidential Instruction on 'Backward Villages') Programs, but this designation no longer exists.

community pressure may be covered by the local media, or provoke company management staff to make public statements, such issues are acknowledged as little as possible in the 'official transcripts' of CSR in order to maintain reputation and to avoid encouraging other community members to take similar action. As these 'disruptive' elements are more often men, then it is not surprising that there are more male CSR program participants than female. A significant proportion of KPC's project beneficiaries have been involved in protest action against the company. In other cases, as will be explained in Chapter 8, beneficiary selection also often follows pre-existing gendered groups such as all-male farmers' groups in agribusiness programs.

KPC presents geographic and homogeneous definitions of the community in its official policy statements which avoid acknowledgement of the many complexities of stakeholder identification in practice. These statements do not directly orientate practice save to set the outer limits of responsibility. In practice, through less public processes of risk assessment, mapping and acceding to interest group demands, women tend to be marginalised as stakeholders. Hence, it is likely that a policy change at the official discourse level, such as a specific acknowledgement of gendered interests in the community, would not automatically affect the unofficial gendered identification of stakeholders.

7.3 KPC's Portfolio of Community Development Programs

In 2003, Bumi Resources, as part of its deal to purchase KPC, announced that it would increase KPC's annual community development budget from around USD 1.5 million to USD 5 million. This annual budget has remained the same since then, despite

occasional government and community pressure for it to be raised or pinned as a percentage of profits rather than being a fixed amount.

KPC's community development commitment is divided into seven sectors. The breakdown with 2007 budget figures in USD is as follows: agribusiness development (\$275 165), community health (\$565 880), education and training (\$1 587 750), small-medium enterprises (\$167 010), community infrastructure enhancement (\$513 750), nature and culture conservation (\$191 070), government program and community capacity building (\$110 000), MSH-CSR (\$1 500 000) and operational costs (\$89 375). There were also unspecified so-called 'emergency demand' costs outside the USD 5 million budget, including for Singa Gembara (see Chapter 4). Although there are some programs aimed specifically at women, including sewing and tie dye handicraft training, there was yet to be any specific budgetary allocation for projects with gender equality aims.

The agribusiness programs have included oranges, cocoa and durian in Rantau Pulung, rice and other cash crops in Bengalon, donations of cows in Sekurau Atas, natural pesticides and fertiliser development in Sangatta, and the running of a nursery and demonstration plots.⁹⁸ The community health programs have included HIV (see Chapter 9), malaria and dengue fever prevention, TB awareness and treatment, child nutrition, cataract screening, community water projects, mass circumcisions, occasional free medical and dental treatment in Rantau Pulung and Bengalon, and the annual 'Smiles and Hopes' Interplast plastic surgery program. The education programs include job training, mechanic apprenticeships, scholarships, teacher incentive payments and sponsorship of school students' participation in the business simulation program *Prestasi Junior Indonesia*. The small-medium enterprises (SMEs) that KPC has

⁹⁸ These agribusiness programs will be discussed further in Chapter 8.

facilitated include a waste plastic recycling project, natural dyeing and sewing training, business training activities, and small business loans in conjunction with a national bank and assisting with the establishment of a microcredit provider in Bengalon.⁹⁹

Community infrastructure includes road repairs in various locations. The natural and cultural conservation sector covers KPC's membership of the *Mitra TNK* (Friends of the Kutai National Park) Association and the Farming and Conservation Centre (BPPUTK)¹⁰⁰. The Government and Community Capacity Sector appears to be a catch all term for KPC's intervention in local infrastructure at the behest of the district government, including town water and electricity supply, a feasibility study of building an airport at Sangkima, and the hospital and agricultural institute that Bumi Resources promised the local government. The emergency projects include the piped water in Singa Gembara, road improvements in Sekurau Atas, donations and emergency relief for flooding, and additional generators to prevent the rolling power blackouts that were occurring in Sangatta in early 2007 including in Swarga Bara where company employees live.

Although nominally related to mining impacts, KPC's community development programs tend to be framed in terms of community wellbeing and poverty reduction¹⁰¹ and there are few, if any, programs directed specifically at objectively measured impacts. As noted, some programs are aimed towards 'risk' groups in the community who may not necessarily be those 'impacted on'. There also does not appear to have been any attempt to specifically target KPC's programs to the poorest or neediest in the community.

⁹⁹ KPC's small business and microcredit programs will be discussed further in Chapter 8.

¹⁰⁰ *Bumi Pelatihan dan Percontohan Usaha Tani Konservasi* – Farming and Conservation Training and Demonstration Centre.

¹⁰¹ For instance, in 2007, ESD documents began referring to the Millennium Development Goals (MDGs) as an objective of its CSR programs.

There did appear to be a tendency towards service delivery and infrastructure in terms of the overall budget. However, the agribusiness, education and health programs are all people-centred development programs which naturally require overall more staff time. It is notable that there were no governance programs – the so-called government capacity program is actually an infrastructure fund. This probably reflects an inherent limitation within CSR as having no mandate to interfere in local or national government and a preference for economic rather than political empowerment objectives.

I observed little direct referral in policy or practice to any international mining toolkits for community development and there were no explicit policies on development approaches. KPC staff members did appear to be influenced in a general way by international development discourses and practices, and it was usual to hear mention of a ‘bottom-up approach’ and ‘participatory development’ although there was little real discussion as to the meaning of these terms and their influence on practice. The ‘bottom-up’ element was said to come through KPC’s process for accepting community proposals for funding or projects, which is now mostly administered through the MSH-CSR. In fact, it appeared to me that most programs were in fact top-down in orientation, with an emphasis on the introduction of outside technical expertise. Many of KPC’s programs revolved around bringing in experts in agribusiness, health and education to impart their knowledge to program participants. There was always the sense that these programs belonged to KPC rather than being community owned.

This top-down program delivery at KPC may be linked to ineffective adaptation of participatory principles, but also appeared to be a consequence of the corporate need to maintain control over their programs. To genuinely enable local people and

communities to take control of their own development, as participatory principles prescribe, might reduce corporate objectives to create a 'social licence to operate'. Mosse (2005:161) also found similar processes in the international aid project that he studied in India. He observed that due to the reputation of the agency being at stake, the delivery of programs was far too important to be left to participatory processes and strong vertical control of the project was maintained.

Do KPC's projects create deference and dependency rather than autonomy and empowerment (as Rajak (2008) argues) due to the emphasis on top-down delivery? This is a very difficult question to answer based on my observations of KPC's CSR programs in practice, and I remain undecided on this point. On the one hand, I have demonstrated that some local groups are quite capable of making demands on the company and protest and subversion is always possible. Program participants demonstrated that they were capable of deciding whether a program met their needs and acting accordingly. Nor was it likely that the company could simply withdraw a program as a form of discipline as protest would likely ensue. There were certainly attempts to create sustainability and self-sufficiency in KPC's programs, for example, the training of farmers in bud production and grafting in Rantau Pulung. On the other hand, many of the KPC's small business programs still greatly relied on the company to market produce – although community development staff were aware of the need to overcome this form of dependency.

Providing an assessment of the overall success of KPC's programs in alleviating poverty or otherwise fulfilling community need is also beyond the scope of this thesis. It is clear that KPC's programs do have some effects that local people want, although I found in my surveys (see Chapter 8) that overall benefits were certainly less than the

impression created in the presentation of CSR ‘success’. The economic impacts from the mine, through the wage economy and business opportunities, were far greater than the influence of the community development programs. Community members also tend to favourably compare KPC’s programs to the district government’s service delivery which is apparently often less innovative and more susceptible to being hurried through without proper planning as an element of its ‘grand development strategy’.

7.4 Conceptual and Organisational Challenges in CSR at KPC

This section, based on the conceptual and organisational challenges identified by Kemp (2010), describes KPC’s organisational structure for CSR and how the company deals with the blending of business (including publicity and reputation management) and development functions. Priority tends to be given to immediate problems that may affect mine production before more long-term development aims. These priorities are reflected in the different divisions within KPC’s External Affairs and Sustainable Development Department (ESD). The gendered composition of ESD staff also follows these divisions with males tending to be hired to deal with immediate community ‘risk’ problems, while more women work in the community empowerment division. This gendered division of labour represents a fundamental challenge for promoting gender equality through CSR.

KPC’s Community Development Department and Organisational Challenges

KPC has a dedicated department for community engagement and community development programs with its own staff, budget and, at least formally, the same standing as other mining operations departments. It is now common for mining

companies to have dedicated community development departments, although the community development function is also sometimes outsourced to government or NGOs through tri-sector partnerships (Kemp 2010:205). Since 2006, KPC's community development budget has been partly outsourced through the MSH-CSR government initiative (see Chapter 2).

The External and Community Relations (ECR) Department was established at KPC in March 2002. Previously, external relations functions were managed under the Human Resource Division (HRD). The new department was hailed as 'An important milestone in achieving KPC's vision of commitment to the social and economic welfare of the communities surrounding its mining operations in Sangatta' (Kaltim Prima Coal 2002).

The Department's title was changed to the current 'External Affairs and Sustainable Development Department' (ESD) in April 2003.¹⁰² ESD consists of a number of different divisions with different functions all under the leadership of a General Manager (GM) (see Figure 2). The Government Relations division is mainly located in Jakarta and Balikpapan. External Relations manages local and provincial government relations and communications. The Land Management (LM) division deals with land acquisition and compensation. Project Management and Evaluation (PME) manages infrastructure projects and tenders and also liaises with the MSH-CSR, and finally the Community Empowerment (CE) division implements health, education, agribusiness and small and medium enterprise development programs. There are also specialist

¹⁰² The other departments at KPC are Mining Development, Human Resources, Marketing, Contract Mining, Health Safety and Environment (HSE), Mining Operations, Processing and Infrastructure, Finance, and Supply Chain.

communications staff who produce newsletters and sustainability reports, as well as guest relations staff. There is no gender desk or gender focal point.¹⁰³

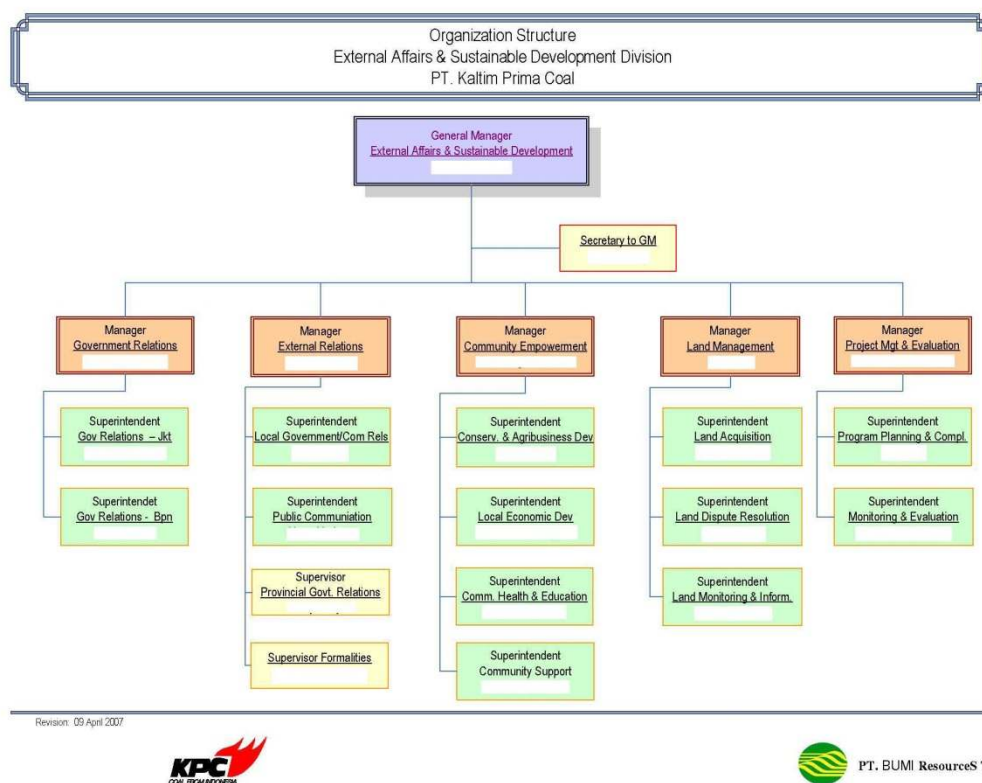


Figure 2: Organisation Structure of KPC's External Affairs and Sustainable Development Department (2007).

Staff Composition

In 2007, ESD had around 90 staff members. ESD has a hierarchical staff structure generally mirroring the wider company organisation, with the General Manager heading the department, Managers of each division, and then in descending order; Superintendents, Supervisors, Officers and Fieldworkers (*pendamping wilayah (PW)*). PW is a specific job description only existing in ESD. ESD also often uses outside

¹⁰³ A 'Gender Focal Point' has become a popular mechanism for promoting gender mainstreaming in development organisations. This is often a person or role designated to provide advice and ensure that gender issues are integrated into the policies and practices of other sections of the organisation.

consultants for large research projects, such as the planned relocation of residents in Bengalon, to map community perceptions of the company, for technical surveys and specialist advice for health and agribusiness programs. Consultants are used to fill gaps in staff technical expertise, but also appear to be used to overcome conceptual and organisational dilemmas for mapping exercises as they present less of a personal target for complainants than KPC staff as consultants have no authority to make promises to community members.¹⁰⁴

The different numbers of men and women staff members in ESD and the work that they do is reflective, firstly, of gendered work norms, and, secondly, of the organisational challenges between community relations (and dealing with problems) and community development. It was not unusual to hear the numbers of women employees in ESD being cited as proof of gender equality. However, while there is generally a higher percentage of women working in ESD (about 20 per cent) than KPC as a whole (about 5 per cent), the division of labour is notably gendered. Land Management usually had all male staff members¹⁰⁵ as a deliberate strategy to deal with male landowners. It was thought that LM staff needed to be able to work at night, sometimes sitting in bars and drinking and smoking, in order to build rapport with men who were causing problems for the company on land issues. This of course assumes that all landholders, or all troublesome landholders, are men. On a number of occasions, I noticed groups of male staff members piling into company cars to go out to deal with ‘troublemakers’. This is not to suggest that direct physical intimidation was used, but it did appear to be a

¹⁰⁴ In one case in 2007, a group of consultants acting on behalf of the company carried out social mapping of a group of residents who would probably need to be relocated for mine expansion. The consultants pretended to be government officials. The justification given for this was that the residents would not be truthful about their land holdings and economic situation if they knew they were being surveyed by the company for the purposes of compensation.

¹⁰⁵ This excludes the female secretary in LM who had little interaction with the community. There was briefly a woman manager of LM who had been moved there from mining operations as a way of finding her an alternative position, however, the GM was clear about his choice for her replacement needing to be male.

deliberate policy of sending men. There were also far more male fieldworkers than female, for example, all the staff members in the Bengalon office in 2007 were male. The secretaries in ESD were all female, and they found the idea of a male secretary to be laughable.

Anecdotes indicated that a small number of staff members in ESD had been employed as ways of diffusing local demands rather than based on an objective evaluation of their suitability for the position. These included at least one former agitator employed as a fieldworker in Bengalon, a union leader who did not appear to spend much time working for ESD aims, and a member of an East Kalimantan Dayak group who was appointed to appease that group's demands. These employees were all male. Their appointment had detrimental effects on staff moral, particularly if other staff members considered themselves to be more qualified and experienced for a role given to one of these 'political appointments'.

Conceptual Challenges and Competing Business and Development Aims

Kemp's (2010) conceptual challenges arise where business and development priorities do not match. ESD has a number of mandated tasks including fulfilling the company's social and economic responsibilities as defined in the AMDAL impact assessment, dealing with any social impediments to mine operations including the relocation of landowners and dealing with community protests and demands as well as community development objectives and planning for eventual mine closure.

Within the company, ESD has the same formal standing as other mining operations departments and has a mandate to spend its budget as required. However, ESD staff

often said they felt underappreciated by the rest of the company. They are seen as a 'cost centre' rather than a 'profit centre' like mining operations departments. When ESD does a good job, then no-one notices, but when things go wrong (such as when a demonstration occurs) then the rest of the company takes notice and complains. Top-level company management was also often more interested in quantifiable results as proof of effective use of ESD's budget, and was unlikely to value intangible outcomes such as empowerment. Management personnel (who usually live in the enclosed housing compound of Tanjung Bara) tended to have a very different perspective on the community compared to fieldworkers who interact with community members on a day to day basis. Social issues are seen as being solely the responsibility of ESD such that difficulties arise in involving other departments in ESD initiatives. This has included problems in overcoming reluctance to employ young uneducated Dayak Basaf men in the company, ensuring that environmental surveys are carried out in a socially acceptable manner or changing company safety inductions to include HIV awareness. It is also represents a potential problem should ESD attempt any gender equality initiatives, such as more employment of women or creating a more women-friendly work environment, that would require the cooperation and support of other departments.

Competing business and development objectives are also reflected in the different divisions within ESD itself. These divisions generally serve to separate those staff members whose job it was to deal with problems (land disputes, demonstrations) from those with more positive community development responsibilities. For example, LM employees were very rarely involved in community development projects, and conversely, health, education and agribusiness program staff were rarely directly involved in dealing with community-company disputes, although information on community dynamics is certainly shared between divisions. The immediacy of

potential disruptions tends to take priority over slower community development objectives, such as through preferential access to company vehicles and the importance given to items on departmental meeting agenda.

There were some exceptions to this division of labour around differing business and development objectives. The Manager of CE, for example, often dealt with both sets of issues,¹⁰⁶ and field staff, particularly those living in the community, would often be involved informally in diffusing any problems. Fieldworkers also sometimes have to deal with the immediacy of community complaints and serve as sources of information about the company due to community members having easier access to them than to senior management.

Competing Publicity and Development Objectives

Given both the 'business case' for CSR and the link to wider reputational benefits, and government and community pressure for CSR and transparency, it is not enough for a company to 'do CSR', it must also be seen to do it. CSR communications may be understood as one element in the process of presentation of development as a success (Mosse 2005) and, like policy, is part of the official transcript of CSR. It appears that due to the link to business success, companies have a larger stake in publicity, and the picture of success that it creates, than other aid agencies. The publicity of development programs at KPC was more closely aligned with business than development objectives. This tension was evident in the allocation of funds and staff time within ESD, with the need for publicity output often taking precedence over development objectives. All CSR publications require a particular framing of practice as being successful and there seems

¹⁰⁶ One of the people to hold this position while I was in the field was apparently employed because of their perceived personal links to the Bupati rather than any expertise in community development.

to be little influence from good reporting guidelines back on CSR practice. I also argue that publicity processes within CSR may inhibit good monitoring and evaluation processes which require frank appraisal of project shortcomings – something rarely admitted to in CSR publicity.

KPC communicates the success of its CSR programs through sustainability reports (see Section 7.7 below), posters, pamphlets, banners, noticeboards, a website¹⁰⁷ and company magazines. KPC's bilingual English and Indonesian company magazine *Kabara*, published every two months, is aimed primarily at employees with a mix of articles on health and safety issues, news about the company, and profiles of employees and their families. It also sometimes includes coverage of major community development programs. ESD also produces *Warta Prima*, a monthly newsletter in Indonesian on community development programs. The primary audience for *Warta Prima* are local communities and program beneficiaries themselves. It contains descriptions and photos of events such as official handshakes on the handing over of a particular program benefit and scholarship recipients posed with company officials. Usually it is events that gain publicity rather than say evaluations of welfare outcomes from programs. These magazines are produced by communications and desktop publishing specialists. I observed that these specialists were well aware of their role in framing practice to suit the image that the company wished to communicate.

KPC also puts a lot of time and effort into presenting the company and its CSR programs at expos. These occur both at the local level, for example the East Kutai Expo, and at the national level, such as the *Pekan Produk Nusantara* (Archipelago Product Week) held in Jakarta. KPC's involvement was said to serve the purpose of marketing

¹⁰⁷ www.kpc.co.id

the produce from its agribusiness and small enterprise programs. However, the primary motive was publicity for the company's CSR efforts. For these events, ESD staff would put together a visually pleasing booth with plenty of posters, pamphlets, copies of awards received, KPC's corporate video playing repetitively on a screen, and samples of colourful CSR program products such as naturally dyed shawls or recycled bags. Some program beneficiaries (who may be thought of as 'golden stakeholders', that is, those persons, usually a group leader, who are doing well from a project and have good social relations with project staff) are often invited to attend such exhibitions – arguably acting as exhibits themselves – although they said they enjoyed the novel experience of travel nonetheless.

The impetus for KPC's involvement in these expos comes from senior management, but not all staff members were as supportive of the idea. While senior management may come to believe in the success of their programs through their own publicity, fieldworkers often have very different perspectives. Some more junior level staff considered sending staff members and 'golden stakeholders' to exhibitions to be a waste of time and money that could be more creditably spent on local people with genuine needs. These staff members were resigned to this reality of working within a corporate framework and generally did not make their views public.

7.5 Different Levels of Gendered Engagement

As described in Chapter 3.8, most of the formal engagement between company, district government officials and local community leaders is very much male-dominated. It is the GM and ESD managers who mostly meet with high-level government officials, all of whom are men. The company tends to engage most closely with those groups who

pose risks to its mining operations. This can occur either formally or informally. For example, in March 2007, KPC hosted a badminton competition between high-ranking male police officers and male ESD staff. The prizes offered were a fridge, TV and washing machine. The police won all the matches. When I later ribbed one of the ESD players about having lost, he told me that this was deliberate. He said that the prizes were one way of giving out money to the police as a good relationship with the police is particularly important for breaking up demonstrations.

Community engagement also occurs at project implementation level. It is field staff who spend a far greater proportion of their time interacting with community members and program beneficiaries. At the ground level, engagement between field officers and program beneficiaries tends to be more informal and friendly. When staff visit beneficiaries' homes they are greeted with the hospitality given to all guests – drinks and snacks. However, these relations are still ordered by gendered rules. Male ESD staff members are more likely to interact with the men of a household or group, particularly in agribusiness projects where it is men who are the landowners and members of farmers' groups. Women are also quite likely to remain in private spaces in the house. It was not unusual for male ESD workers, when talking to male community members, to pull out their cigarettes and share a smoke together in all-male spaces. While male ESD workers will certainly greet and speak to women, this occurs far less often unless it is a project with all women participants. There were fewer female field staff to compare with, but the women fieldworkers did appear to have more personal relationships with women beneficiaries than did the male fieldworkers.

Uncovering these different official and unofficial versions of gendered corporate engagement with the community leads to the conclusion that merely making changes to

official level engagement, such as by inviting more women representatives to official meetings and ensuring they have the space to speak, would be a beginning but not sufficient for a true change towards gender equality. The reality of male-dominated local political leadership would preclude women's voice being given strong consideration, particularly where men continue to be seen as greater threats. Much more informal engagement occurs in practice, some of which, such as engagement with security forces, is still closely tied to business imperatives and would be unlikely to be affected by official level changes.

7.6 Special Events and Development Ceremonies

Development ceremonies also form part of CSR publicity at KPC. Although Mosse does not directly mention the use of special events and ceremonies in his analysis, I found that these events fulfilled important 'success-making' functions at KPC. These ceremonies, such as harvest ceremonies for agribusiness programs, and opening and closing ceremonies for training courses, are part of the presentation of success at the local level. The audience usually includes the participants or beneficiaries themselves, government officials and higher-level KPC management staff. These events are also always covered in company magazines, and articles written by an in-house journalist are sent to the local papers. Participants themselves have come to expect these sorts of events and would probably be disappointed if they were not held – it is a chance to catch sight of KPC management staff and government officials and feel themselves to be part of something bigger than just their own project.

I present here my observations of ceremonies held for three different programs by KPC during 2007. These examples show public and unofficial elements to the programs, and

different levels of interaction between company and program beneficiaries. While the company may use such events to present success, other players may attempt to use the opportunity to further their own interests. I am concerned here with how these events serve to further CSR objectives, moderate community expectations, how they confer status on participants, and the gendered aspects of these events.

First Harvest of Mandarins, 2 July 2007, Rantau Pulung

In July 2007, KPC organised a public event to celebrate the first harvest from the citrus agribusiness program in Rantau Pulung. The event was a little delayed due to VIPs changing the date, and in the days before it there was some chuckling among program participants about the idea of this being a 'first harvest' as the season's fruit had all already been mostly picked and sold. Nonetheless, the farmers were looking forward to the visit by the Vice-Bupati and KPC management. KPC fieldworkers spent a number of days organising food and banners and whipper-snipping the grass in the orchard closest to the village meeting hall.

To travel to the event, I shared a car from Sangatta to Rantau Pulung with an ESD manager and some other staff members. The manager, being new to the position, spent the trip finding out about the citrus project from a more junior staff member and preparing his speech. At the venue, local women were busy preparing the buffet lunch. The VIPs, including the Vice-Bupati and representatives from the District and Provincial Departments of Agriculture, all men, were seated at the head table of the open-air hall, with piles of oranges and coconuts arranged for them.

Eventually the formal proceedings got under way with speeches from the VIPs. A female KPC fieldworker compered the event. The KPC manager gave a very general positive overview of the program (he had only just learned about it), and then the Vice-Bupati used the opportunity to outline his vision for agricultural development in Rantau Pulung. After the formal speeches were made, three of the leading male citrus farmers (heads of farmers' groups) gave presentations to demonstrate their knowledge of citrus production to the VIPs. The general audience's attention wandered off somewhat during this segment, indicating that it was the officials they had come to see. Afterwards, some male Rantau Pulung residents, mainly village leaders, challenged the Government and KPC representatives about broken promises of corn and other agribusiness projects and the government's lack of communication with them.

The VIPs then walked to the nearby orchard to ceremonially pick some oranges (there were still some deliberately left on the trees there). The buffet lunch was then served with many women still busily organising food and plates for the crowd. The Vice-Bupati and the KPC manager then quickly departed, although the representative of the Provincial East Kalimantan agricultural department did stay for a tour of a KPC's bud-stock nursery. Afterwards, one of the fieldworkers mentioned to me that he and his colleagues had worked themselves half to death running the project and preparing for the first harvest event, and were disappointed by the lack of real interest from the VIPs. The public prestige of the event was very much male-dominated; it was the knowledge of male farmers that was celebrated while the work and involvement of women participants in the program was largely hidden and their contributions to the catering taken for granted.

Rice Harvest Ceremony in Sepaso Selatan, Bengalon, 5 July 2007

A rice harvest event was held in the village of Sepaso Selatan in Bengalon on 5 July 2007. It was held at an open-air meeting hall built with assistance from KPC and the local government. Two farmers' groups had gathered to celebrate the rice harvest that had been planted with seeds provided by KPC. An earlier harvest had failed due to flooding but this one had been a success. Along with the farmers' groups, in attendance were the KPC Bengalon field team, KPC superintendent, the Subdistrict Head (*Camat*) and his staff. The Manager of CE had pulled out at the last moment due to duties as acting GM.

Apart from myself, the KPC superintendent and a female subdistrict staff member, there were no women present in the pavilion for the speeches. The wives of the farmers' group members were in a nearby house preparing the lunch. They delivered and served the food and then only later returned to pick up the plates. Only one woman came to sit on the edge and listen in for a while. Some of the farmers read out an accounting of the program and their finances. One speaker said that this was the first time in his life he had ever held a microphone and raised a laugh from the audience. After the speeches and lunch, the attendees trooped over to a nearby field to symbolically harvest some of the rice; again here it was only the male farmers in attendance. The staff from Sangatta stayed chatting for a while before eventually travelling back to the office.

Some follow-up email discussions from this event showed that fieldworkers were disappointed that the Manager had been unable to attend as they felt the event was a chance for them to prove themselves and their work to senior staff. The fieldworkers were proud to have the Camat, village office staff and other local government officials

attend their event as it gave importance to their program. Program participants also like to have higher-level staff present as they would not ordinarily have the chance to meet them. As a matter of pride in their achievements, fieldworkers and program participants were also hoping that this event would be covered in *Warta Prima*, *Kabara* and the regional newspapers – perhaps indicating a different side to CSR publicity outside of the primary purpose of company reputation management.

Opening and Closing Ceremonies for Sewing Training, Singa Gembara, 23 April 2007 and 3 May 2007

This sewing training course was held in a private home in Singa Gembara. On the morning of the first day, a small opening ceremony was held. The leader of the women's group which had applied for the funding from KPC spoke briefly about the importance of women having their own skills and income so that they would not be afraid to ask for divorce if necessary. The Manager of CE then hastily replied saying that KPC had to ensure that its programs would not be blamed for lots of women asking for divorces. He went on to list the other programs that KPC had organised in Singa Gembara.

The Camat of Sangatta Utara then spoke about the importance of women being able to fix their husbands' ripped pocket themselves rather than having to take it to a tailor. He also promised that one sewing machine would be donated to the group. Breakfast was served, the official guests ate and then departed, and the lessons on measuring and making basic patterns began. An article written by a communications officer about the event was published in the *Tribun Kaltim* the following day. Later, I was to realise that many of the expected program participants had not actually turned up in time on the

first day, and so the organisers had run around to neighbouring houses gathering up extra participants for the opening ceremony so as not to lose face with KPC. These late-comers then joined the two-week program.

At the conclusion of the ten-day sewing course, a closing ceremony was held. Again, a couple of higher level ESD staff were in attendance, along with the village head, and the Camat's wife. The leader of the women's group gave another speech, thanking KPC and the staff member who had managed the program. She noted that as a result of the program women's skills have been increased. She proudly announced that none of the participants had dropped out of program, while many others in the village were disappointed not to have been included.

The village head then spoke about his pride in the improvement in human resources in his village through CSR. He expressed his hope that KPC has heard about all the others who want to take part in programs like this and requested follow-up programs or training in other skills. He said that he did not want the women of Singa Gembara to be left behind or outdone by other villages.

The ESD staff member then apologised for the absence of the manager who could not attend. He announced that he was quite happy with the outcome of the program, particularly with the cooperation between the village administration, the trainers, KPC, and the Camat. He noted that relations were currently harmonious between KPC and Singa Gembara and expressed his hope that this would not change. He assured the participants that there would be other programs, but warned them that KPC has to think about all the other women in other villages in its Ring 1.

These examples show that development ceremonies are important parts of program processes on a number of different levels. They announce ‘success’ to outside viewers such as government officials and higher level management. Ceremonies are expected by participants who can use them to present themselves as enthusiastic and grateful and to ask for more CSR benefits. Company staff members often try to reinforce the limits of its responsibility at these events. Ceremonies also confer or reinforce status, including the gendered status of program participants, and are an additional site for consideration in promoting gender equality ideals.

7.7 Sustainability Reporting and Gender Equality

One strategy promoted by the international community to improve transparency and outcomes in CSR is through sustainability reporting. The Global Reporting Initiative (GRI) has pioneered the most widely used reporting framework (the G3 guidelines) and provides principles on report content and quality. The G3 guidelines only contain three gender reporting indicators all of which are related to employee composition. Studies by Grosser and Moon (2005a; 2008) found consistent underreporting of gender issues and only rare use of gender disaggregated data. In 2009, the IFC and GRI released a supplement to the G3 guidelines, titled *Embedding Gender in Sustainability Reporting: A Practitioner’s Guide*, which provides a framework of gender indicators covering organisational governance and values, workplace, supply chain, community, consumers and investment. These are intended for use in reporting (that is, in an official transcript of CSR) and to in turn trigger improvements in gender management practices. I evaluate here the potential use and effect of this framework at KPC.

There is a large and growing set of literature, mostly within accounting journals, that discusses social and environmental reporting, managerial motivations and attitudes, and whether reporting mechanisms in turn trigger organisational change (Bebbington et al. 2008b; Adams and Whelan 2009; Parker 2011). It is beyond the scope of this thesis to engage deeply with this debate, however, I note that most research on mining companies' social reporting is sceptical of the claim that CSR reporting encourages change. For example, Jenkins (2004) argues that the sustainability report is a tool used by mining companies to construct their own 'social imagery', identity and its relationship with 'the community', rather than acting as a mechanism for policy change. Kemp (2010) notes that mining companies' sustainability reports largely describe in very general terms what companies do and how much money they spend, rather than the complexities involved in the implementation of community development programs. That is, they do not mention the challenges faced or the political environment that they operate within.

KPC has been producing social reports since 2000. Since 2003, these annual reports have been titled 'Sustainable Development Reports'. KPC's 2007 and 2008 Sustainable Development Reports received Indonesia Sustainability Reporting Awards (ISRA). These awards appear to have spurred the company to improve its reporting. KPC's most recent report (2009) measured its own previous annual reports to show improving compliance over time. These reports have indeed become more detailed and wide ranging and now include information on labour and wages and efforts to reduce carbon emissions. Sex-disaggregated data on overall employment numbers was included for the first time in 2008. On community development the reports still only very generally list the different projects. They are silent on any controversial issues such as community pressure for CSR or community politics. The closest the 2008 report comes to admitting

challenges is where it admits ‘the checking of sex workers at the IMS¹⁰⁸ clinic is regularly conducted although *facing some problems*’ [my emphasis]. There was no explanation of what those problems were.

At KPC, although there is increasing interest in producing good reports, I observed little evidence of sustainability reporting feeding back into practice. The reports are mainly produced by communications staff, who obtain field reports and summarise and frame the information to suit GRI requirements, but do not themselves have any role in informing CSR policy or practice. There is often a time lag of a year or more before reports are released, and the reports are rarely read by locals and are not used as a basis for local civil society action. There seems little prospect of feedback mechanisms between reporting and practice being directly created due to the prevailing role of sustainability reports as a medium for the presentation of success. While promoting gender reporting through the GRI gender supplement might encourage greater gender awareness, it would need accompanying institutional change (and to overcome other inherently gendered processes within CSR) to have real effect.

7.8 CSR Awards: A Means of Promoting Gender Equality in CSR?

CSR Awards are designed as incentives to encourage companies to voluntarily improve their CSR practices. Awards received can then be used as publicity for the company as proof of good CSR. KPC has won a number of national-level CSR Awards. There are some CSR Awards relating to gender equality and diversity in employment in Europe (particularly in the banking sector) (Grosser and Moon 2005a; Wolff et al. 2009:262), however, there are none that KPC is currently eligible for. Could awards be one

¹⁰⁸ IMS is the Indonesian acronym for sexually transmitted infections (*Infeksi Menular Seksual*).

potential means for promoting gender equality initiatives to companies? European examples aside, through my observations of CSR awards processes involving KPC, I am generally sceptical of the rigorousness of the judging processes as they exist in Indonesia and perhaps Asia more generally. CSR awards seem to merely provide another avenue for the framing of programs as a success, rather than a mechanism for improvement in practice. The awards criteria themselves, such as those of the Asian CSR Awards which impose short time limits on programs, do not always reflect good development practice. In the event that companies do extend their enthusiasm for winning awards to actually designing programs to meet awards criteria, they run the risk of sacrificing sustainable outcomes.

Here, I draw on my own experiences in evaluating two of KPC's community development programs and preparing an entry for the 2007 Asian CSR Awards. I argue that strategic translation is required to make development programs into a success and more likely to win awards, including by emphasising gender responsiveness and glossing over program realities. The Asian CSR awards also rely entirely on companies' own documentation and promotion and there is little to no verification process, but are still used as proof of good practice and support for the social license to operate.

CSR Awards are a world of gala dinners in five-star hotels, of certificates, photographs of handshakes and publicity for winning companies. The awards ceremonies are attended by CEOs or Managers while the field staff who do most of the work on the programs are left at home. They are located a long distance both geographically and socially from the conditions on the ground of most of the programs in question. These awards are often based only on cursory examinations of programs by judges in the field, or like the Asian CSR awards, on the secondary materials provided about the project by

the companies themselves. These awards are often organised and sponsored by the corporate sector itself, hence raising further doubts about the judging process.

In recent years, KPC has received a number of national awards for its CSR programs. These include a bundle of awards in the 2005 CSR Awards sponsored by various Indonesian companies and the Corporate Forum for Community Development (CFCD). KPC's awards included 'Outstanding Recognition in Social, Economic & Environmental Programs within Overall Industries', '1st Best Practice in Economic Program within Mining Industry' and '2nd Best Practice in Social Program Within Mining Industry'. These awards were said to be based on evaluation over five months by a jury of ten experts including from the Department of Social Affairs. The evaluation phases included having entrants filling in questionnaires about their vision, mission, policies and implementation of programs. Committee members then made field trips for verification (*Kaltim Post*, 23 December 2005). The ceremony was held in the Ballroom of the Four Seasons Hotel in Jakarta with a group of ESD managers and the then Bupati of East Kutai, Mahyudin, present to accept the awards (*Kaltim Post*, 24 December 2005).

There are particular offices in ESD where the walls are covered with certificates and photographs of awards ceremonies. Other Indonesia level awards KPC has received include PROPER (Indonesian environmental management) awards, PADMA Awards¹⁰⁹, a Metro TV MDGs award for HIV, TB and Malaria in 2007, and a Social Empowerment Award 2007. The Social Empowerment Award was organised by Latofi Enterprise and was also awarded at the Four Seasons Hotel in Jakarta as part of the CSR Expo 2007. These awards all usually attract some coverage in local newspapers

¹⁰⁹ Community development awards, associated with the Indonesian Department of Social Affairs.

(probably with company agency involved), and copies of the certificates are reproduced in company materials including sustainability reports.

CSR communications around awards seem to work in a self-replicating way, that is, company publicity materials about their own programs (which necessarily imply success) are in turn reused as evidence of successful community development programs for the sake of winning awards. If the award is won, then the award is then promoted as further proof of success. Through this process of replication, the reality of the project on the ground is rendered invisible.

I was present on a number of different occasions when awards judges were shown around KPC's community development programs. They would be given an overview of the program(s) in question by staff. While they were usually taken for a field visit, these were short, and the judges were usually only introduced to the most successful of program beneficiaries ('golden stakeholders') where they tended to receive glowing reports of the programs. One program participant after one such visit once commented to me, 'Why does KPC always bring people to visit us? I'm sick of being asked invasive questions about my income and how much I spend'.¹¹⁰ Field staff were aware of this problem of monitoring fatigue, and some privately said that all these awards might be counterproductive with so many people asking questions and taking up beneficiaries' time. Staff also recognised company management's penchant for winning awards. 'To get funding for a project – we just need to mention that it might be awards worthy', drily commented one staff member.

¹¹⁰ Note that this sort of critique could also be applied to my own research activities. I myself had asked the same program participant many of the same questions. Perhaps this program participant felt the difference to lie in my more extended and social relationship with her.

The Asian CSR awards were first held in 2005. Convened in a different Asian city each year, the awards are coordinated by the Asian Forum on Corporate Social Responsibility based in the Philippines and sponsored by the Asian Institute of Management and an array of major corporations that work in Asia. In 2010 it was also sponsored by the German international development agency, GTZ.¹¹¹ The annual gala awards ceremony is part of a CSR expo and conference which is marketed as ‘The quickest and easiest way for you to meet and interact with CSR practitioners from business, civil society and government in Asia.’ And ‘Will YOU be There? The CSR All of Asia is Excited About. There’s no other CSR event in the region quite like the Asian Forum!’

While I was in Sangatta in 2007, the GM of ESD asked me to prepare KPC’s entry to the Asian CSR awards for that year. Due to the fact that my research was partly funded by KPC and as the program the GM wished to enter (the natural dyeing program) was one I was interested in anyway, I agreed. Although the entry was ultimately unsuccessful, the process of applying for the award allowed some insights into CSR awards processes and the presentation of a development project as a success more generally. I demonstrate here that the presentation and success-making of a development program relies heavily on processes of translation, both between hierarchies in the community development department and in fitting the program to the criteria for the Award.

The criteria for the Asian CSR Awards in 2007 were as follows: The project must have been implemented or significantly enhanced in the preceding year and first six months of the current year. That is, the awards are for the introduction of new projects or

¹¹¹ GTZ is also now known by the acronym GIZ.

significant improvements to existing programs. There should be objective, quantifiable and verifiable measurements as to the effectiveness of the project. Participating companies must be headquartered in the Asia-Pacific although non-Asian companies operating in the region are eligible. The five awards categories are: Best Workplace Practices, Concern for Health, Environmental Excellence, Poverty Alleviation, and Support and Improvement of Education. To enter, companies must prepare a 1000 word¹¹² summary of their project and its results and also submit supporting materials such as CD-ROMs, videos, audiotapes, and press coverage. All materials are to be presented in English or with an English translation.

There are some obvious problems with this set of criteria. The idea that a company can produce ‘poverty alleviation’ or other development outcomes in a sustainable and participatory manner with measurable results in 18 months is at odds with good development practice and the need for time. The Asian CSR awards are based solely on the written documents and supporting material sent to the judges. This immediately raises questions about the rigour of the judging. The awards process assumes that programs will naturally have videos and other promotional material made about them, and that these will serve as proof of program success – overlooking the gloss of ‘success’ that may already be included there.

KPC had entered its ‘Smiles and Hopes’ program to the Asian CSR awards once in the past but been unsuccessful. The GM thought that this might be because the program was too philanthropical, and that the company’s natural dyeing program would be unique enough to have a good chance of winning. During these discussions it was hinted that I should put a gloss of success on the program without actually lying. I set out to

¹¹² In subsequent Asian CSR Awards the word limit was increased to 2000 words.

complete the task as though I were a company employee and to produce a potentially winning entry. I gathered data about the program and prepared to frame it to fit the Asian CSR awards criteria.

Certainly on the surface the program looked interesting. It had a unique back story involving the discovery of ancient rock art in a remote cave in East Kutai. KPC had assisted with a film being made about the cave and this led to an expert on natural dyes proposing a training program to the company. There were plenty of photographs of women participants dyeing the colourful shawls in company publicity. It soon became apparent to me, however, that the natural dyeing program was at a very different stage of development than that envisioned by the GM. The use of natural dyes, but using cloth imported from Jakarta, did not lend itself to the 'environmental excellence' category. The category 'poverty alleviation' was a possibility, but it soon became clear to me that the women participants had not yet actually made much money from the project, the dyes were fading quickly as the fixing process had not yet been mastered, and that it was still very much dependent on supply of materials, marketing and sale by ESD staff.

I was put in the position of having to inform the GM that I did not think the program could be 'framed' to meet the Awards criteria. This took some persuasion and caused some embarrassment for program staff who also added their voices to mine. The GM appeared surprised by my critique, as though he had indeed believed the project to be one of KPC's best, suggesting that the realities of projects on the ground are even obscured from management and that those not directly involved in implementation may come to believe their own company publicity.

The GM then proposed that a different program be entered – the citrus agribusiness program in Rantau Pulung. I found this program to be more advanced and to have a better chance of winning under the category ‘poverty alleviation’. It was in fact initiated in 2003, and so I had to emphasise 2006-2007 enhancements. I collected all background reports on the project, all publicity including articles in *Kabara*, *Warta Prima* and local newspapers. I also isolated part of KPC’s company video that mentioned the program. I used photographs, cited numbers of trees planted, the development of the bud nursery, calculated probable future earnings and using interview data emphasised that the project was beginning to respond to women’s needs. I translated all the material into English, and the final presentation was professionally desktop published by ESD’s communication specialist. The submission was accepted by the Awards organisers, but did not win the award. There was no feedback provided and only very general descriptions of the winning programs were published.

CSR awards facilitate the presentation of corporate community development programs as successes. While ideas on CSR may well be shared at the associated conference, it is clear that the Asian CSR Awards conditions are at odds with principles of good development practice. The public relations function is evident in the recycling of the company’s own publicity as evidence of the benefits of the program. Much of the complexity and challenges faced in the field is lost in this process, hence probably having the effect of limiting the scope of genuine monitoring and evaluation. Winning companies then use such awards as evidence of good CSR practice. While CSR Awards for gender equality initiatives potentially could encourage companies to address gender issues in CSR, it is difficult to envision this doing much more than encouraging companies to frame their projects in new ways. There would certainly need to be better

developed criteria and improved judging process to make awards effective mechanisms for beneficial change.

7.9 Conclusion

This chapter has described and analysed the gaps and interactions between policy, practice and publicity in KPC's CSR activities, and explained some of the gendered implications of this. This chapter has been framed by the insights of Mosse (2005) on the likely dynamics to be found between policy and practice in development programs generally, and of Kemp (2010) on the specific characteristics of corporate led development programs, in particular, where immediate business aims are given priority over longer-term development aims.

This analysis has revealed a number of inherent impediments to change towards gender equality outcomes in CSR, where changes to the official policy and other transcripts of CSR may have little direct impact on practice. The most serious of these underlying practices is the identification of stakeholders according to pressure from interest groups who are most often male dominated. This is a strong contributing factor to the predominance of male beneficiaries in KPC's CSR programs and of more male staff members in ESD hired to deal with male troublemakers. Here, business objectives (avoiding disruptions to production) are given priority over good development outcomes.

It is very difficult to envision the company trying to empower women merely in order for them to be able to compete with men in making demands back on the company. Companies could attempt to give women more opportunity to air their views, include

more women in ceremonies and events, employ more female fieldstaff to ensure more interaction with female community members, and deliberately design programs for gender sensitivity to help overcome inequalities in access to CSR benefits. However, these measures are unlikely to affect the fundamental problem of the company tending to use CSR to assuage the demands of male protesters.

Further impediments to promoting gender equality through CSR include organisational difficulties within the company which impede initiatives of the community development department being taken seriously by other business-oriented parts of the company. CSR publicity is a further area where business imperatives may trump development outcomes, with much staff time and budget used for publicity events. Attempting to affect practice by integrating gender into publicity output, such as sustainability reporting and CSR awards, may have little effect on underlying practices that contribute to gender inequality, given the role of CSR publications as the translation of practice into success. I also suspect that the focus on publicity, which cannot admit to difficulties or failure, may hamper candid monitoring and evaluation of CSR activities.

None of the 'gender and mining guidelines' produced by the World Bank, Rio Tinto and Oxfam (as introduced in Chapter 1.7) pay any attention to these types of complexities within CSR policy and practice. In particular the business case promoted by the World Bank, where gender equality is good for development which is in turn good for business, ignores the fact that business objectives may not necessarily be good for gender equality outcomes in corporate led development. This suggests that the measures recommended by the guides may fail to affect unofficial CSR practices in mining companies. The guides also overlook the importance of turning the gender lens back on the company to expose the gendered composition of community development staff

members and then the many different levels of gendered engagement with the community.

The line of argument presented in this chapter is continued in Chapter 8 in relation to my gendered analysis of KPC's livelihood development programs, and in Chapter 9 with reference to KPC's HIV prevention program.

Chapter 8

A Gendered Analysis of KPC's Livelihood Development Programs in the Context of CSR

'I wasn't told how to make the fertiliser, only my husband knows.'
(Survey respondent, 2007)

'KPC should not always select certain people to participate in training.'
(Survey respondent, 2007)

8.1 Introduction

Large-scale mining companies are increasingly taking on roles as agents of development in the name of CSR. Their development programs can be framed as mine impact mitigation and/or have wider development objectives. Mining company community development programs create further avenues of influence on gender relations in local communities beyond mine impacts. While large-scale mining operations cause extensive economic change in local communities, and hence have greater overall impact than corporate development programs, programs may still play a significant role in local social relations. One element of the critique of the gendered nature of mining is the suspicion that the 'naturalness' of the male-dominated gender order within the mining company may result in community development staff interacting with the community and implementing programs through a gender-blind lens (Lahiri-Dutt and Macintyre 2006:2; Lahiri-Dutt 2011). Continuing the discussion in Chapter 7, I argue in this chapter that male domination in the company is only part of the story – the gendered exigencies of CSR in mining are also critically important to program outcomes.

It has long been accepted by the international aid industry that gender-blind development programs may either fail in their objectives and/or even exacerbate existing gender inequalities. On the other hand, gender-awareness and proper planning may make it possible to design community development programs that positively meet practical gender needs and promote women's 'strategic' interests and empowerment. It is possible to conceive of CSR programs as bringing about positive changes towards gender equality even if not directly aimed at, or framed as, gender impact mitigation. Community development programs hence must be taken into account in a holistic approach to gender in mining – both as a potential source of further gender inequality and as a potential means of striving for gender equality.

Economic livelihoods programs are common components in mining company CSR agendas. Such programs help to secure a 'social licence to operate' among local people not employed directly by the mine, and economic empowerment, rather than political empowerment, aims arguably also avoid the risk to the company of creating politically empowered opposition groups. KPC has been implementing a number of livelihood development programs aimed at increasing income and welfare in its designated Ring 1 communities. These have been mainly agribusiness and small and medium enterprise (SME) development programs along with some associated skills training. By 2007, the company had introduced two programs specifically for women participants; a natural dyeing and sewing program and a women's citrus agribusiness group. However, these were established on quite an ad hoc basis without being based on an analysis of how women-specific programs might contribute to gender equality.

This chapter presents a gendered analysis of KPC's livelihood programs based on a program gender impacts evaluation survey that I conducted in 2007 (see Section 8.5

below for details). I reported the findings of this survey and made a series of recommendations to KPC (Mahy 2010). I found that KPC's programs have been mostly planned and implemented without any particular gender-awareness. The programs have had majority male participants and hence men were benefitting most directly. I also found little evidence of benefits or empowerment for the participants in the newer women-only programs.

I have since re-evaluated my original survey approach in light of having gained further insights into the gendered institutional aspects of how CSR is implemented on the ground. Thus, in the subsequent sections of this chapter, I present a retrospective analysis of the likelihood of my earlier recommendations being implemented and the practical potential for change in KPC's community development programs towards gender equality. As outlined in Chapter 1.8, this strategy follows Mosse's (2005) methodological approach of reflecting critically on actions taken while in an insider consultant role to enable the drawing of wider conclusions about development processes.

On first appearances the prevailing interpretation of CSR as meaning community development delivery (in Indonesia and elsewhere) would seem to imply that community development programs would be the easiest site for making changes towards gender equality in mining. However, I have come to the realisation that this is not at all straightforward and that institutional factors in CSR implementation may inhibit change. The need for a gender perspective on development institutions themselves, and not just on program output, has been recognised by the gender mainstreaming and gender audit literature (for example, Moser 2005b). Further, as demonstrated in Chapter 7, CSR realities in mining produce some underlying gendered

effects in these programs that mere recommendations based on gender analysis outcomes are unlikely to affect. In particular, priority is given to business aims ahead of community development objectives and participant selection is often unofficially based on the perceived risk to the company of male-dominated local protest groups.

In outline, this chapter briefly describes KPC's livelihood programs and then discusses the gender issues that commonly arise in business and agricultural development programs. I review existing gender analysis frameworks and the methodology used in my survey at KPC. I present my findings from the program evaluation survey and then my retrospective reflections on the likelihood of my original recommendations being taken up by the company. Finally, in light of my findings at KPC, I reflect back on the 'mining and gender guidelines' of the World Bank, Rio Tinto and Oxfam Australia and their approaches towards the issues addressed in this chapter. I argue that these guides neglect institutional aspects to the gendered outcomes of CSR development projects, thus casting doubt on the efficacy of their recommendations to trigger fundamental change.

8.2 KPC's Livelihood Development Programs

KPC promotes its livelihood development programs, both agribusiness and small and medium enterprise (SME) development, as being successful parts of its CSR output. These are administered by the Community Empowerment (CE) section in the External Affairs and Sustainable Development (ESD) Department. Agriculture is one of the few livelihood options available in East Kutai outside mining, government services and business. KPC also has a special focus on agribusiness in keeping with the District Government's *Gerdabangagri* policy aimed at overcoming dependence on non-

renewable resources (that is, coal) by strengthening the agricultural sector. KPC has also supported a number of microfinance and SME programs including business skills and product training. These programs are spread throughout the three main areas around KPC; Sangatta, Bengalon and Rantau Pulung, with some differences in focus between the three areas. In 2007, the company had also initiated two women-only programs. This section briefly describes KPC's livelihood development programs and provides a general analysis of their achievements based on survey respondents' views and my own observations.

Sangatta, while being relatively urbanised, has quite a number of agricultural communities living on the town's outskirts, including in Kabo, Singa Gembara and Sangatta Selatan. KPC's agribusiness programs in these areas are quite diverse, including supporting cocoa orchards, market gardens and organic fertiliser production and fresh water fish aquaculture. KPC's activities include the provision of tree seedlings and fish stock as well as skills training (for example in fertiliser making, plant disease control and marketing), ongoing support for farmers' groups by fieldworkers, as well as comparative study trips for some participants. KPC's agricultural assistance is usually administered via farmers' groups rather than directly to individuals. A special feature of the program in Sangatta is the BPPUTK¹¹³ – an agricultural demonstration plot and field school. On the whole, beneficiaries of these agribusiness programs spoke positively about KPC's assistance, acknowledging that they had gained additional knowledge, improved soil fertility or some small extra income. There were a few exceptions including complaints that a pump supplied in one area created so much community conflict that residents eventually asked for it to be removed, and farmers

¹¹³ *Bumi Pelatihan dan Percontohan Usaha Tani Konservasi* – Agriculture and Conservation Training and Demonstration Centre. The buildings at BPPUTK are also often used for meetings, training programs and as a local primary school.

who said that, although they had been trained in fertiliser making, they did not have access to the raw materials to continue producing it.

Microcredit was offered by KPC in cooperation with Bank Rakyat Indonesia (BRI) in Sangatta between 1998 and 2002. The loans ranged between IDR 5 and 20 million. Survey respondents reported using the loans mainly to develop businesses such as mechanic garages, newspaper delivery, cafes and other retail shops. One respondent had also used the loan to build a commercial fish pond. As well as the BRI loans, KPC also ran mechanics training¹¹⁴ in 2002 with participants selected from existing garages. Other business development activities have included banner screen printing (*sablon*) training,¹¹⁵ general marketing and packaging training, provision of palm sugar refining equipment, recycled paper products training and a recycled plastic waste management program. In Sangatta, there was also natural dyeing and sewing training held for women (see below). The survey found quite positive responses to the BRI credit programs among survey respondents particularly those whose businesses were now doing well.¹¹⁶

In Bengalon, since 2004, KPC has run a mix of different agribusiness activities including support for fresh water fish farming, market gardens, durian, cocoa, and rice cultivation. KPC has also provided some support for home industry product development and marketing such as tofu, ginger syrup and powder, organic honey and palm sugar products. In Bengalon, KPC has tended to work primarily with farmers' groups and only occasionally with an individual farmer or household. Respondents

¹¹⁴ Technically this program was administered through the education and skills fund, but is also included here for its livelihood aspects.

¹¹⁵ Banners (*spanduk*) are a requisite element of most of KPC's community development program events. The banner, with KPC's name and logo, the title of the program and date, is hung on the wall behind the main speakers or trainers. This particular banner making business supplies KPC as well as other local government and business advertisers.

¹¹⁶ It should, however, be noted this survey in fact intended to survey those who had benefitted from the program, so as to measure gendered access to benefits, and so the survey results cannot be taken as being statistically significant regarding the overall success rate of this program.

reported some successes and some failures from these projects, including problems with mice and snails eating rice crops, cocoa trees dying in the heat from not being planted properly under shade trees, vegetable seedlings succumbing to fungus and fruit trees being eaten by pigs. The benefits noted included small increases in income, development of knowledge and skills and the opportunity to travel for those involved in study tours.

KPC's main approach to SME development in Bengalon was to help establish a microcredit provider¹¹⁷ in 2001 and then allow the provider to independently manage loans to local residents. Over time this credit provider has successfully increased its available capital. In Bengalon, KPC has also helped establish a nursery business which propagates and supplies KPC with post-mining land reclamation seedlings.¹¹⁸ A few participants from Bengalon were also included in the natural dyeing program and sewing training (see below). Respondents reported a range of different uses for the loans from establishing roadside food stalls, chicken-raising, a bottled water business to paying for a wedding and campaign costs for village head elections. Many respondents, however, reported that their business ventures had failed. Many also reported distrust of the microcredit provider due to all the employees being part of the one family, that interest rates were too high, a lack of transparency and lost data.

In Rantau Pulung, the transmigration area, KPC has focused almost exclusively on agribusiness, including citrus, cocoa and durian. The citrus program is the largest and began in 2003 with an initial distribution of tree seedlings followed by further distributions in 2006 and 2007. As of May 2007, 142.27 hectares had been planted with

¹¹⁷ *Lembaga Kredit Mikro Putra Bengalon Mandiri* – Autonomous Sons of Bengalon Micro-Credit Provider.

¹¹⁸ This was in response to pressure from this particular group of men – see also Chapter 3.

the citrus (mandarin *siam keprok*) trees. This program included the development of a budstock production nursery in April 2006 and the training of seven farmers as seedling breeders. The program has provided training in tree maintenance and established an ‘agroclinic’ field school in August 2006. Beginning with a chance discovery, a new variety of mandarin called Keprok Borneo Prima,¹¹⁹ is also being developed. KPC has a cooperative contract signed in 2005 with the Indonesian Citrus Research Institute (*Lolit Jeruk*) in East Java, for the provision of citrus specialist expertise and seedling breeding assistance.

In 2007, the Rantau Pulung program was celebrating its first harvest (see Chapter 7.6). Some of the farmers were just beginning to harvest and sell their produce, while others were yet to produce a viable crop. Some households reported not having anyone to maintain the trees or to having problems with grass fires and tree diseases. At that time the road from Rantau Pulung to Sangatta was in poor repair and often impassable after rain hence hampering transport of produce to market (as mentioned in Chapter 2.7). There was also a widespread problem of theft of fruit from the orchards and farmers were unable to secure their fields particularly those located some distance from their homes.¹²⁰ Those few households which had been able to produce a modest income from the citrus program by late 2007 (despite the problems with theft and transport to market) reported that the small additional income was either used to defray farming costs or for everyday consumption needs. KPC staff had just begun to initiate discussions with the company’s catering provider on the possibility of buying mandarins directly from Rantau Pulung.

¹¹⁹ The ‘Prima’ in the name is a direct reference to the company name Kaltim Prima Coal.

¹²⁰ Under the transmigration program, households are usually allocated a house with a yard (*lahan 1*) and two hectares of land further away (*lahan 2*).

The greater part of the citrus program in Rantau Pulung was being run through the male-dominated farmers' groups (*kelompok tani*), however, in 2007, a women's group in Tepian Makmur (SP 8) was established. There were ten members – all the wives of farmers already involved in the citrus program. The group was beginning to be given training in how to maintain the citrus trees and was also just beginning to expand into a small scale chicken-raising project. These women reported being quite pleased with the opportunity to increase their knowledge of citrus maintenance in order to be able to take a larger part in managing their households' orchards. The group was experiencing some problems with cohesion and managing schedules as some members missed meetings in order to work in the fields.

The other main women-only program involved training and business development in natural dying and sewing. As mentioned briefly in Chapter 7.8, the program began by chance rather than design with the discovery of ancient hand prints in a cave in East Kutai. KPC was involved in bringing in an expert on natural dyes to evaluate the discovery, and this expert and his wife then offered their services to the company to provide training in the use of natural dyes. The aim having been defined, and due to gendered assumptions about this kind of activity and possibly also due to influence from an earlier study (Lahiri-Dutt 2004b), some members of women's groups were invited to attend a number of training courses in dyeing and sewing during 2006 and 2007. A small group of participants continued to make some of the products for sale and reported some extra income as a result. As of 2007, KPC staff members were promoting those products in exhibitions both locally and in Jakarta and the company was the main source of orders. At that point, the program was still very much dependent on KPC support for both materials and market. There were also still some problems in getting the dyes to set correctly in order to be colour-fast during washing. Group cohesion was

also a major problem, with some of the women participants expressing resentment towards preferential treatment being given to others and that some group leaders were deliberately withholding knowledge and income from others.

Although KPC's programs have not tended to respond directly to objectively measured mine impacts, they do appear to fulfil some community needs by introducing livelihood alternatives or enhancements. They are certainly not a solution to all poverty and needs but KPC's livelihood development programs have delivered a number of benefits to beneficiaries including increased income or produce for own consumption, in some cases likely long-term livelihood solutions (for example, citrus cultivation in Rantau Pulung), increased knowledge and skills, and for some participants, increased social networks and the chance to travel. KPC has certainly shown that it has the organisational capacity to build linkages with outside expertise and to foster innovation. Community groups such as farmers' groups and cooperatives appear to have been strengthened through their participation in KPC's programs. KPC has tried in some cases to link its SME programs to company business needs (for example, banners used in KPC events, mandarins for miners' lunches, and training mechanics for company vehicle maintenance).

This survey showed that there are generally many complexities and problems on the ground, which are obscured by the framing of success in company publications. Some of these problems may be just the inevitable part of complex development program delivery (economic empowerment is a process and cannot happen immediately no matter what sort of development agency is involved), although it is arguably possible to link some failures to the corporate top-down approach and a tendency to create

programs that seem exciting (for example natural dyes) but have aims poorly related to community needs.

KPC has not implemented effective monitoring and evaluation of its livelihood programs generally (possibly due to the publicity drive within CSR as suggested in Chapter 7), and has not carried out gender monitoring and evaluation. My survey was intended to make a contribution to filling this gap. Before discussing the survey results, I first set out a discussion of the literature on the gendered nature of households, the effects of increasing women's incomes through microcredit and other initiatives, and the gender issues that often arise in agricultural development projects.

8.3 Increasing Women's Incomes and Empowerment

Development programs can be classified according to their degree of awareness of gender issues and whether they specifically aim to redress gender inequalities. Gender-blind projects may not simply fail in their developmental aims – they can also exacerbate existing gender inequalities. Development projects have often failed as a result of ignoring or making biased assumptions about the differing roles and livelihood activities of men and women. Gender-blindness can also be a failure to see diversity among women (Mohanty 1988; White 2006), or the interrelationship between men's and women's roles (Locke and Okali 1999) or the failure to recognise that gender relations are not just relations between men and women, but also relations among women and among men (Cornwall 2007).

Gender-blindness in development programs often occurs where the household is assumed to be a 'black box' where what occurs within the household has no

implications for the development project. In reality the household is a site of gender norm construction and often of hidden unequal distributions of labour and resources and the opportunities to fulfil preferences. Development policy-makers have come to realise that ignoring complex economic and social relations among household members and inequalities in 'intra-household resource allocation', whether it be according to gender, age or some other factor, will lead to project failure (Haddad et al. 1997; World Bank 2001). There is now a variety of models that try to represent the individuality of household members and to express how individual preferences lead to collective decisions. 'Bargaining' models usually assume that bargaining power is determined by individual fall-back positions should the household break up. Other models present more nuanced accounts of household decision-making processes and cooperation (for example, Holvoet 2005). An evaluation of particular intra-household models is beyond the scope of this thesis, but it is clear that gendered household dynamics will affect the success of both microfinance and agribusiness projects.

With the fame of the Grameen Bank in Bangladesh and other similar programs, microcredit, often accompanied by microcredit group membership and small business training, has become a very popular model for community development and poverty alleviation around the world. Generally the loans are very small, with no or little collateral required, and microcredit groups act as a source of social pressure to repay the debt. However, the link between microfinance and poverty reduction remains contentious. There is a voluminous literature which debates the effects of microfinance on wider causes of poverty and whether it is able to reach the poorest of the poor (for a recent survey of this literature see Hermes and Lensink 2011).

Also contested is the question of whether microfinance programs result in women's empowerment. The Grameen Bank and other similar organisations have primarily targeted women to take out small loans on the basis that women are considered to be more reliable at repaying debts, are more likely to use profits for family welfare and as a means of empowering poor women. Some researchers have argued that microfinance or increased income for women does not automatically lead to women's empowerment, but may still have the potential to do so (Mayoux 1998; Kabeer 2005). There continues to be mixed evidence on this issue. Recent positive examples include Rai and Ravi's (2011) study in India where women borrowers were more empowered in health seeking compared to wives of male borrowers. The research by Pitt et al. (2006) in Bangladesh found that credit programs lead to women taking a greater role in household decision-making and having greater access to economic and social resources and more mobility. Other researchers take a more critical approach and see microfinance as still operating within patriarchal structures. Karim (2011) argues that microcredit providers in Bangladesh draw on codes of honour and shame to ensure that women borrowers repay loans, and where women are borrowers in fact it is husbands who are often the users of the loan. Similarly, Strier (2010), in a study of microenterprise programs in Israel, found that women participants continue to be subject to systematic gendered constraints and their lived experience of microenterprise failed to identify it as a space for resistance to poverty and gender oppression.

Although the evidence linking microfinance to women's empowerment is inconclusive, it is clear that gender is a critical factor in any microcredit or microenterprise development project. This discussion on microfinance and gender sets the context for the analysis below of KPC's microcredit and small-scale business development programs.

8.4 Agriculture Development Projects and Gender

There is a strong emphasis on agribusiness in KPC's community development portfolio, hence, it is important here to identify the main gender issues that tend to arise in agricultural development projects. As so much of agricultural production in developing countries involves the household, the discussion in the section above about gender relations and intra-household work and resource allocation applies here as well. Failure to respond to different gender roles and statuses in rural communities can lead to misguided projects and failure of objectives, and intra-household power differences may result in unequal distribution of benefits from successful agricultural development (World Bank 2009). There is compelling evidence that gender inequalities in rural communities and lack of attention to gender in agricultural development contributes to lower productivity, lost income and higher levels of poverty (Ibid.).

Many studies have been conducted on the importance of gender in agricultural development projects. A key insight is that the design of agricultural development projects continues to incorrectly assume that farmers and rural workers are mainly men. In reality, women are often intimately involved in agricultural production although their exact roles may vary according to context specific gender norms (FAO et al. 2010). Women may have multiple roles as agricultural producers, labourers and marketers as well as perform reproductive and caring work, water and fuel collection and food preparation. Men and women may farm different crops or the same crops for different reasons (Ibid.).

The 'gender in agriculture' literature has uncovered many gender-specific constraints faced by poor female farmers. Women farmers are often constrained by more difficult

access to assets, such as formal ownership of land, product markets, skills, training and information, government services and policy-making forums. Women are often underrepresented in rural organisations such as farmers' groups and community networks. Women often have fewer opportunities than men to secure off-farm waged employment. However, as always, diversity among women must be recognised. Carr (2008) warns against assuming that the experiences of all 'women' in a particular area or community is the same, and it is not enough to address women's needs using a fixed monolithic category in agricultural programs, that is, different vulnerabilities within a population must also be understood.

Agricultural development projects often involve the introduction of new crop varieties or technology; however, these may fail to take account of women's needs, preferences and resources. As technology is often associated with assumptions about men's superior technical capabilities, women may be excluded from skills, information and access to the technology. New technologies introduced for men may devalue women's products, such as where men become the producers of cash-crops and women are left to grow the food for a household's own consumption. Innovation may change gendered work-loads, and it has been found that women may not be interested in investing in labour saving devices if they themselves do not control its produce or profits (Quisumbing and Pandolfelli 2010:584).

Research has shown that promising approaches to gender equality in agriculture include strengthening women's land rights, promotion of smaller input packages that are more affordable, adapting program design or service delivery to client needs, and consideration of interactions among inputs rather than treating each input in isolation. Context specific gender roles should be taken into account when designing and

implementing projects (Quisumbing and Pandolfelli 2010), and this should include taking account of diversity within ‘men’ and ‘women’ categorisations (Carr 2008). As I explain in Section 8.8 below, apart from the small beginning with the women’s citrus group in Rantau Pulung, KPC’s agribusiness programs have generally been gender-blind and not attempted any of these sorts of initiatives.

8.5 Gender Analysis Frameworks and Survey Methodology

The initial data presented in this chapter was collected using principles adapted from existing gender analysis frameworks and insights into particular gender issues in microfinance and agribusiness projects. The survey aimed to measure the gendered benefits and impacts from KPC’s livelihoods projects. As explained in Chapter 1, this research was part of a research project partly funded by KPC. The company expected to receive usable results and recommendations for program implementation from our research. Thus this survey was one attempt to fulfil expectations of the research project. As I argue below, a retrospective analysis shows that the project gender evaluation approach was only successful up to a certain point, as the institutional context and CSR realities also need to inform data collection. This institutional context is needed for an understanding of what changes are possible and likely to be adopted by the company to remove gender-blindness in CSR programs.

Various gender analysis frameworks have been developed by the development industry for the purposes of context analysis, program planning and monitoring and evaluation (for an overview see March et al. 1999). Frameworks necessarily select a limited number of factors (proxy measurements of reality) as important in the assessment of impacts a program may have on men and women and gendered social relations. These

gender analysis frameworks differ due to underlying assumptions about the aims of addressing gender in development, particularly whether the aim is efficiency or empowerment (Warren 2007). The Harvard Framework, for example, has an underlying efficiency aim and focuses principally on mapping the gendered division of labour, and also profiles access and control to resources and benefits. Moser's (1989, 1993) framework has more explicit transformational and empowerment aims. In this framework, analysis is arranged around categorising triple roles for women (reproductive, productive, community), the distinction between practical and strategic gender interests, and control of resources and decision-making in the household. Kabeer's (1994) Social Relations Approach places relations between men and women as the central focus of data collection. It also places emphasis on the interrelated institutions (state, market, community and family) that determine gender relations norms and inequalities.

While gender analysis frameworks have been able to provide various methods for assessing the social background to women's disempowerment, they have not leant themselves easily to the measurement of women's empowerment. Proxy measurements for empowerment in various studies have included the physical mobility of women, control over the use of a microfinance loan, domestic violence and contraceptive use (Rai and Ravi 2011:914). While such indicators may provide brief glimpses of decision-making in the household, they say little about subtle negotiations and power relations in men and women's private lives (Kabeer 1999; Locke and Okali 1999).

The survey (see Appendix 2) was designed to elicit both general and gendered feedback on KPC's livelihoods programs with empowerment as the main evaluation objective. This survey covered programs still in progress and some already finished. The survey

aimed to gain a picture of gendered divisions of labour and time use, decision-making within the household, usual household income distribution, experiences of being a part of KPC's development program and distribution of any program benefits. It is acknowledged that this survey also only used proxy measurements of empowerment and I do not claim any particular innovation in survey design. Empowerment proxy measurements included control of program benefits, participation in training and other special events associated with the program, whether the respondent had ever offered feedback to KPC staff about the program, and whether they had ever passed on any new skills and knowledge to others. The survey not only recognised income as a program benefit but also other less tangible benefits too; knowledge, status, opportunities to travel and enjoyment.

Where possible the same survey questions were separately asked of the main participant in a program and their spouse or other family member of the opposite sex. Male and female data collectors were employed, although practical considerations prevented always being able to match the gender of the surveyor to the gender of the participant. In total 236 respondents were surveyed, 120 males and 116 females, spread across the agribusiness (144 respondents) and SME programs (92 respondents) and across the three main areas surrounding KPC.¹²¹ Respondents were selected semi-randomly. Particular efforts were made to reach participants who were not usually surveyed (i.e. not just 'golden stakeholders') and there were also some practical considerations such as ease of access and respondent consent. The overall gender evenness among survey respondents was a result of survey design in seeking to interview the spouse or a

¹²¹ It was not possible at the time to accurately count all the past and present beneficiaries of KPC's programs, particularly of SMEs, however, it is likely that the survey reached around 10 per cent of agribusiness participants and their spouses.

member of the opposite sex for every KPC program participant, rather than being a reflection of gender equality in program participation.

The survey results were also supplemented by my observations of the implementation of KPC's community development programs, informal interviews conducted during the course of my fieldwork and the data collected while preparing an entry for the Asian CSR awards at the request of KPC management. I particularly spent time observing those programs aimed specifically at women including the natural dyeing handicraft program and associated sewing activities.

8.6 Women, Men and Households in the KPC Areas

In order to assess the gendered outcomes of livelihood development programs, a good understanding of gender relations and gendered needs at the household and community levels is essential. In Chapter 3, I presented an outline of state constructions of women's roles in development in Indonesia. In this section, I extend this analysis to include some data on the concrete effects of these policies on gender differences at the household and local community level. Although Indonesia-wide data can help to set the larger picture, every specific place and program will have different gender and other social dynamics that need to be taken into account, and I also present specific survey findings for Sangatta, Bengalon and Rantau Pulung. As has been pointed out in many parts of this thesis, gender diversity within communities is also very important. Although they have many similarities in gender relations, these three areas differ due to levels of industry and urbanisation, class and ethnic differences and, in Rantau Pulung, the effect of transmigration policies. The gender context questions in the survey related to gendered division of labour and time use, mobility, education levels, access to own bank account

and land ownership. This survey data has clear limitations as it was a survey of existing KPC project beneficiaries rather than a statistically reliable survey of the population, nonetheless it assisted with project evaluation.

In Indonesia, as discussed in Chapter 3, the New Order constructed the ideal Indonesian household as one where men are the main income earners and women care for children and manage the household. This construction is often reinforced by influence from Islam and local tradition (*adat*). State development programs have often been premised on this ideal division of labour despite the reality that Indonesian women often work outside the home. Transmigration settlement policies in particular have also been based on this vision.

State ideology has had clear impacts on women in a number of areas. Work patterns show that women are much more likely than men to be housekeepers and work in the informal sector. In the formal sector, women are more likely to perform caregiving roles such as teachers and health workers. Although by law and custom, property acquired through marriage in Indonesia is regarded as co-owned by both spouses, the majority of land titles are registered in the name of the household head (Brown 2003). Women are likely to lose land rights upon widowhood or divorce (ADB 2006:16). The number of women-headed household in Indonesia is formally estimated at around 13 per cent of households (Ibid.:2). There is little social security in Indonesia and weak legal enforcement of divorce settlements. With fewer employment opportunities for women, they are often at a far greater disadvantage than men in the event of household breakdown. As noted in Chapter 6, sex workers in Indonesia are often poorly educated women who had been through a divorce or separation and found themselves without support.

Women are also at a comparative disadvantage when accessing microfinance in Indonesia, mainly due to lack of collateral. Estimates from Bank Rakyat Indonesia, the largest microfinance provider, indicate that only 25 per cent of their microcredit borrowers and micro-savings customers are women (ADB 2006). In education, gendered differences are less pronounced. There is fairly even enrolment between girls and boys in Indonesia, although there are still higher levels of illiteracy among women than men. The main differences in education access lie between rich and poor rather than gender. As noted in Chapter 3, women are still generally underrepresented in government. Generally there are few female representatives in village and subdistrict (*kecamatan*) level administration. Women are also usually underrepresented in community level groups such as farmers' groups and on village councils. Avenues for women's voice and decision-making in local communities tend to be confined to PKK and to the activities that it runs such as maternal and child health programs.

Unfortunately, there is little sex-disaggregated data available for East Kutai district and even less that is specific to the subdistrict level. District statistics from 2007 show the primary activities for females aged 10 years and above, 26.53 per cent were economically active (working), 4.91 per cent were looking for work, and 47.37 per cent were housekeepers while 18.22 per cent were still at school. In contrast, for males aged 10 years and above, the data recorded 77.12 per cent as economically active (working), 4.3 per cent looking for work, none do housekeeping and 18.11 per cent were at school (BPS 2007). In any case, such wide-ranging statistical data is unlikely to give nuanced accounts of gendered division of labour in the household and other factors that might affect development project outcomes.

In the following paragraphs, I provide brief descriptions of gender difference in the three areas near KPC with a focus on land ownership, access to bank accounts, division of labour and time use and mobility.

Sangatta

Sangatta is the most urbanised and multiethnic of the three areas and thus the most diverse in terms of gendered difference. Mineworkers live in the KPC housing areas as well as throughout the town. Many (although not all) mineworkers' households follow the nuclear family model with a breadwinner husband and homemaker wife. There are parts of the town, mostly towards the south, where fewer mineworkers live. There are also a number of agricultural areas on the outskirts of the town and KPC runs agribusiness programs there. While Sangatta now has an asphalted main road and a public minibus system, many of the more outlying parts of the town still have difficult road access which can inhibit school access for children and market access for produce.

The survey found that respondents in the Sangatta area owned or had the use of relatively small plots of land of average 0.5 hectares, with the largest land area owned by a respondent at 6 hectares. Almost all of the land was registered in the male's name except for one female landholder who had inherited her block. About three-quarters of respondent households in agribusiness programs did not have bank accounts, and in those that did, there was a tendency for them to be held in the male's name. In contrast, almost all those households accessing SME or microcredit programs had bank accounts, with a few exceptions, these were also held in the male's name. Most households in Sangatta reported that it is women who manage day to day household finances although it is men who manage large unusual transactions such as sale of land.

The survey showed diversity in gendered divisions of household labour and time use in Sangatta. One area of particular interest for KPC's agribusiness programs, Kampung Jawa near Kabo, is populated by former transmigrants from Rantau Pulung who have moved to be closer to a market for cash-crop vegetables. Most are only borrowing the land that they live and farm on. The vegetable growing tasks tend to be shared with men taking responsibility for heavier tasks while women help with watering and harvesting and tying into bundles for sale. Women from this area travel almost every morning to the KPC housing in Swarga Bara and sell their produce door to door. They also contribute to deciding which vegetables to grow based on demand.

Bengalon

Bengalon, unlike Sangatta or Rantau Pulung, has a sizable indigenous population with both Dayak Basaf and Kutai groups living in the area as well as many migrants associated with logging and mining. Prior to KPC's operations beginning in 2004, the timber company Porodisa was active in Bengalon from around 1980 until it closed in 2003. It was a major employer of women in its plywood factory. The company became bankrupt in 2003 and left many residents without work and with pay owed to them. Many people living in the area have had to become farmers out of necessity once the waged work dried up. Illegal logging has also been a source of employment for many male residents of the area, however, since Susilo Bambang Yudhoyono became President there has been greater controls on illegal logging and as a consequence many are out of work, especially in Sepaso Barat. KPC's operations in Bengalon have also triggered greater migration flows into the area.

The respondents in the survey reported land holdings from fairly small blocks of 2 hectares or so to a couple of respondents who own large amounts of land including one man with 182 hectares of land to his name. The land was almost entirely registered in the name of the male, with one exception of an elderly widow. Although, as the landowner, this woman was technically the member of the farmers' group, she was usually represented in it by her nephew. Only a few women in the Bengalon survey reported having a bank account in their own or both spouses' names.

The respondents reported a range of income sources alongside their farming activities including small businesses, tempeh and tofu production, employment in local company and trading. Women's time use schedules covered a range of farming, small business and household activities. Many male respondents also reported working in the fields as well as having some having additional activities. No male respondents reported housework as a major daily activity.

Rantau Pulung

Rantau Pulung is a transmigration settlement, and some background to the gendered assumptions made by the Indonesian government in implementing its transmigration programs is needed here. The transmigration program has resettled millions of poor people from Java and Eastern Indonesia into the outer islands, mainly Sumatra, Kalimantan and Papua. The program has been an exercise in post-colonial nation-building with the aim of opening up and bringing more remote areas within the ambit of state control (Elmhirst 1999). They are allocated a plot of land, simple wooden house and supplies for the first year. They are then expected to subsist from farming, often a

difficult prospect on land with marginal fertility and away from extended family support.

Transmigration planning was based on the state's gender ideology where migration occurs as a nuclear family with the men as income earners and public representatives of the family (as head of household or *kepala keluarga*), and women are expected to take care of domestic matters. It is the male who is given land title and the authority to speak on behalf of his household in relation to development programs (Dawson 2008). This ideology does not always correspond to reality. Due to the difficulty of farming under these conditions, often men have to seek seasonal work away from the settlement, leaving many women-headed households who may be ignored for farming development projects. Although less common due to perceptions of women being more vulnerable if away from their families, women may also look for off-farm income producing opportunities in plantations, plywood, small business, or even, especially for young women, factories outside Jakarta (Elmhirst 2002).

Rantau Pulung was first settled through the Indonesian government transmigration program in 1996 with migrants mostly from Java and Eastern Indonesia. As per the usual transmigration policy, migration occurred in nuclear family units with the house and land registered in the name of the male head of household. Households were all given the basic land allocations of a house block plus two hectares of land further away and basic needs for the first year. The main sources of income and subsistence in the area are rice production, animal husbandry, fruit and vegetable growing, small kiosks (*warungan*). Many males also leave to do waged work including in the illegal logging industries. The government provides salaries for some subdistrict and village administration, school teachers and agriculture development fieldworkers. Farmers'

Group (*kelompok tani*) membership is based on land ownership and assumptions about the male head of household and hence is almost exclusively male. Few households reporting having a bank account.

There has been some failure rate with many families preferring to sell or abandon their house and land and move away, for example, to move to Sangatta where there is a better market for vegetable cash crops. Some other remaining households have been able to increase their basic land holdings over time. The largest landholding of those surveyed in Rantau Pulung was 16 hectares. Thus the originally classless settler society has become more stratified over time. This has tended to result in some households being able to afford for the wife to frequently remain at home and manage child care and housework, while in other households all members work in the fields. Cultural constraints may play a part in determining divisions of labour. For example, one respondent explained that she does not work planting vegetables while menstruating, and that in general she will plant anything that her husband does except for growing chillies as she has 'hot hands' and this affects the success of the plants.

Many women in Rantau Pulung earn extra income from selling fruit and vegetables or running small shops. Women also reported being primary child carers and performing domestic tasks and managing day to day household finances. Young children are often taken into the fields with their parents.

The survey showed that the difference in mobility between men and women in Rantau Pulung is significant. Women reported travel to Sangatta at much lower frequency than men. This is at least partly an effect of the poor roads and gendered nature of motorcycle use where dirt bikes are considered to be more suitable for use by men.

Summary

Gender difference is evident in many aspects of life in the KPC areas, although there is quite a high degree of diversity across areas, households and their economic means. This brief description of gendered differences in the three areas sets the scene for the gender analysis of KPC's programs in the following section.

8.7 Gender Analysis of KPC's Livelihoods Programs

My analysis of KPC's programs shows that those projects aimed generally at the community have been gender-blind and tended to focus most attention on male beneficiaries. In agribusiness, this tended to take the form of acting almost exclusively through male-dominated farmers' groups. In microfinance, this has occurred through lack of recognition of women's lower opportunities of accessing credit. While I found little evidence that any monetary benefits from these programs were being used for ends other than collective family welfare,¹²² less tangible benefits such as knowledge, experience, status and empowerment opportunities were certainly being disproportionately offered to men. The women-only programs have only represented small steps towards gender sensitivity and participant selection has tended to be ad hoc and not directly aimed at women's needs.

¹²² This may have been a result of one of two factors – a flaw in survey design, or simply the fact that additional income from these programs tended to be quite small (certainly smaller than I expected given KPC publicity of its programs). These small amounts tended not to be counted separately by respondents from their other sources of income.

Agribusiness

Agricultural labour usually involves both men and women in the household, although they may play different roles. However, consistently across all three areas KPC's agribusiness programs have been aimed primarily at the male members of farmers' groups, with the women members of their households involved only in marginal roles such as catering for meetings. As noted in Chapter 7.6, the public events associated with the agribusiness programs have been male-dominated. While some men pass on the new information and skills that they have gained to their wives, most of the women surveyed had only a vague idea about KPC's programs, the benefits to their households and the new knowledge gained. For example one woman in the Sangatta agribusiness program commented in the survey 'I wasn't told how to make the fertiliser, only my husband knows'. Other women respondents remarked that they did not know what the benefits of the program had been as they only prepared food for the training day. There has also been little attempt made to overcome women's often greater constraints to attend agribusiness training. One woman commented 'training is usually held far away, I'm ashamed to go. I don't have any education'.

KPC's reliance on farmers' groups for program delivery may have efficiency benefits in terms of ESD staff time and fit in with traditional community expectations of program delivery. However, this has marginalised women participants in the program. KPC distributes seedlings, fertiliser and information through the farmers' groups. In particular, women miss out on information and the survey clearly showed that they are marginalised from giving their opinions or feedback to KPC staff. None of the women respondents in any of KPC's agribusiness programs said they had ever given feedback to KPC about the program. It is possible here that everyday conversation around the

program was discounted by respondents as being formal feedback, yet, the gendered differences are clear. Sixty per cent of male survey respondents said they had given feedback. Those male respondents who said that they had not given feedback to KPC explained that they were happy with the assistance and so gave no feedback or that they felt that it was the task of the head of the farmers' group to give feedback.

KPC's lack of attention to women-headed households has resulted in at least partial program failure. Some women were part of the distribution of seedling trees (citrus, cocoa) etc, but due to absent husbands or having been divorced or widowed reported that the trees were going untended or had died due to lack of time and lack of training. The survey found cases of this in all three areas. Of course, not all women have the time or necessarily wish to be more closely involved in the program but some others expressed their frustrations. One widow described how she was struggling to take advantage of the citrus program. She had been allocated trees but was too busy running a small kiosk for her day to day income to look after the trees and in any case had not received any training. Two other married women respondents reported that their husbands were away working for wages in timber camps and said that they had similar difficulties looking after the citrus.

Two of the women surveyed in Sangatta, whose husbands had been participants in the fertiliser training program, had husbands who had been involved in motorcycle accidents. One of these women was obviously struggling to survive, as her household was no longer growing vegetables since the accident. She was buying vegetables from neighbours and selling them in Swarga Bara for a marginal profit. She commented, '[The male KPC fieldworker] often comes by but he only speaks to my husband. When [the female KPC fieldworker] and the female government agricultural outreach worker

come by they often chat with me'. The other woman mentioned was continuing to grow the vegetables but doing all the work herself. It can be seen here that imparting new knowledge only to men is insufficient particularly when women must perform all the agricultural labour themselves.

Microcredit

KPC has had no particular gender sensitivities in its policy for access to its microcredit programs. This has resulted in far more men than women taking loans, despite the fact that women often take leading roles in running small businesses in the area. Although both Bank Rakyat Indonesia in Sangatta and the micro-credit provider in Bengalon require both spouses to sign for a loan, the survey found that women's knowledge of the amounts and terms of the loans was low compared to the knowledge of their husbands. The male respondents knew the precise amounts of the loan and how they had become involved in the program and had the loan approved. However, their wives in general had only a vague picture of this.

There was one notable exception to this pattern in the Sangatta survey, and this was a female former university student who met and married her husband, a mechanic, in Sangatta. Her husband had been afraid to take out the loan, and so she decided to do it in her name. She now does all the business administration for the mechanics shop that she runs with her husband. They employ three young men in the garage and share the work in minding their young child.

Are KPC's microfinance programs fulfilling gender needs? The survey recorded quite a number of requests from women for sewing training, cake making skills, salon and

hairdressing skills, and more generally for access to credit and business training. This suggests that many women's needs and aspirations are going unfulfilled.

The Women-Only Projects

The women's citrus agribusiness group and the natural dyeing and sewing training were the two programs, or elements of programs, aimed solely at women in 2007. My survey found that these programs had some benefits in providing new skills, knowledge, income opportunities and enjoyment for participants. However, the increased income was small and irregular such that the respondents reported little overall change to their lives as a result. Many questions can be asked about KPC's approach to these programs, their aims and participant selection. These projects were either offshoots of existing programs, or in the case of tie dye, women were involved as a means to an ends (promoting use of natural dyes) rather than the program being aimed directly at women's livelihoods or empowerment. Participant selection was either ad hoc or relied on village or PKK administrations to appoint participants (for the tie dye project) or drew on wives of farmer's group members. That is, these programs did not attempt to work with the poorest (or most mine-impacted) women in the community. They are also very much WID type 'add-women' approaches rather than a true gender sensitising of its projects. The projects were focusing on economic outcomes and lacked any explicit empowerment objectives.

As mentioned, in the tie-dye program the aim of promoting the use of natural dyes came first and women were brought in as participants to fulfil that aim. The survey identified important issues relating to the identity of participants. KPC approached PKK and village offices and a women's cooperative to appoint participants. It is notable that the

PKK members involved were the wife of a village head and her friends as well as the leader of the cooperative and her friends. The initial training even included a couple of KPC staff and female relatives of staff. As noted in Chapter 7.6, the sewing training in Singa Gembara, which was proposed by a women's group also had troubles with participant selection. The group organised participants themselves. On the first day quite a number of registered participants did not turn up and organisers had to quickly find replacements from women in the neighbourhood. Later, I was to hear many complaints from women in Singa Gembara that they would have liked to have been involved but had missed out.

Despite the focus on women in the programs, gender-specific difficulties such as child-care responsibilities were not accommodated. One respondent remarked 'I would like to have been able to attend more of the training but I couldn't because I wasn't allowed to bring my child. I have learned something that I didn't know before, that is, natural dyeing.' This program also had some problems with group cohesion and some participants dominating over others – another symptom of the way participants were originally selected through existing hierarchical groups.

The women's citrus agribusiness group in Rantau Pulung was an add-on to the main agribusiness program. The ten members were happy to be receiving training and knowledge and the chance to meet up, although the group was yet to realise any monetary benefits from its planned chicken raising business. This group was also facing cohesion issues. The participants were all wives of members of a farmers' group and the leader of the women's group was the wife of the head of the farmers' group. This suggests that the group was structured similarly to other 'wives groups' like PKK where leadership falls 'naturally' to the wife of the male group leader and where it is assumed

that women are ‘housewives’ with plenty of spare time to participate. The cohesion issues arose when some group members missed meetings in order to work in the fields for the day. The KPC field-worker in charge of facilitating the group said that he felt out of his depth and in need of specific training.

Summary

This gender analysis has demonstrated that KPC’s programs have been mainly gender-blind leading to disproportionate benefits between men and women, reinforcement of gender inequalities, little women’s empowerment and sometimes partial program failure. The women-only programs, although they represent a small step towards recognising gender inequality, were yet to produce credible outcomes due to ad hoc participant selection. This gender-blindness may be attributed to the ‘naturalness’ of the gender order in mining, prevailing gender norms and their effect on decision-makers and program staff and lack of gender sensitisation among program staff. However, as I argue below, underlying business objectives in CSR implementation also significantly contribute to male bias in beneficiary selection.

8.8 Institutional Aspects of CSR: Prospects for Change in KPC’s Livelihood Programs

In the report I originally wrote for KPC, I made a series of recommendations based around the survey findings of gender-blindness in its agribusiness and microcredit programs as described above. Retrospective reflection on these recommendations has since revealed a number of underlying factors that are likely to inhibit those recommendations being fully acted upon. This includes the institutional culture within ESD and inherent limitations in CSR in mining and the tendency to use community

development programs to placate or ‘buy off’ certain vocal groups and maintain relationships with local leaders. I argue here, that merely conducting a gender impact analysis of existing projects will not adequately expose these dynamics. Gender analysis in CSR must go further to expose the underlying business objective of preventing disruption to mine production and how this affects participant/beneficiary selection. In other words, merely pointing out that women are not benefitting from programs will probably be insufficient to trigger fundamental change.

The importance of understanding and then changing development agency culture has been recognised in the literature on gender mainstreaming and gender audits. Gender mainstreaming requires that gender be considered not only in program output but within the implementing institution. Various gender audit methodologies have been increasingly used to focus on the role of internal organisational structure and culture in the design and delivery of development programs (Moser 2005a; 2005b). Although the need for gender audits and institutional change has been recognised academically, and has had some success in agencies such as DFID (Moser 2005b), it has proven difficult to successfully achieve in practice (Tiessen 2007; Rao and Kelleher 2005). In CSR, this problem of institutional inertia is exacerbated by underlying business objectives.

My original recommendations, based on the findings of the project evaluation survey, overlooked the institutional aspects of CSR and potential for change. I recommended that KPC undertake a series of changes to improve gender sensitivity in its existing livelihoods programs. In summary these included for agribusiness:

- reconsider how farmers’ groups are used as the sole conduit for program delivery in order to encourage the direct inclusion of women farmers in program benefits,

- keep and periodically review sex-disaggregated data on training program participation, increase agricultural training for women farmers and consider some of the structural and cultural obstacles involved in women's participation such as travel confidence and child care responsibilities,
- review current practices where women are only included in side roles such as catering for training events,
- implement participatory planning exercises that give greater opportunity for farming women to voice their needs, concerns and feedback on KPC's programs,
- consider women farmers' need for extension support and for more women fieldworkers to improve communications and,
- research and respond to the needs of women-headed households and how single women's needs from the program may be different.

For microcredit, my main recommendations were:

- KPC should take account of the likelihood that women have lower access to credit and consider offering credit opportunities specifically for women or to specifically market micro-credit loans and training opportunities towards women,
- offer business development, administration and market analysis training to women before they take out a loan,
- where micro-credit loans are made to a husband and wife, improve the quality of the less-dominant spouse's knowledge and understanding of the loan process, and

- consider promoting and training women staff at the microcredit provider who are sensitive to gender and cultural aspects of credit and business development might help to achieve this.

For the women-only projects I recommended:

- find ways of reaching the poorest women or women most in need when specifically targeting women participants rather than necessarily taking the easy option of working through existing groups,
- raise awareness among policy planners and field staff that operating through such groups as PKK will not always reach women most in need (and indeed more often will result in women in leadership positions, or women with powerful husbands, being more likely to take advantage of opportunities), and,
- ensure that less assertive or lower status women participants are not being exploited by more dominant leaders.

These recommendations were pragmatic ideas for redressing the quantity and quality of women's participation in KPC's existing programs and hence women's access to benefits. It was also clear that the ESD department was in need of staff capacity building and training on gender issues, procedures for developing gender sensitive indicators, possibly the appointment of a gender focal point and the appointment of more female fieldworkers able to interact more easily with women project participants. Such steps are often interpreted as preconditions or precursors to interventions at the operational level within a gender mainstreaming approach to development.

However, as discussed in Chapter 7, there are underlying business objectives within CSR that may preclude gender equal development being realised. The 'naturalness' of the gender order is part of overall original blindness in KPC's programs – but the

contingencies within CSR itself may be impediments to change. These can be linked to the outcomes and probability for change within livelihoods programs and the ability to increase numbers of women participants.

Livelihood development programs are the most susceptible to being used by companies to placate individuals or small groups in the community. They provide a direct and individually experienced benefit that is unlike community infrastructure or community health programs which have wider and less specific aims. As discussed in Chapter 7, the gaps between official policy and unofficial practice in beneficiary selection at KPC can be quite wide. Where business and development interests collide within CSR, short-term business interests tend to be given priority.

Certainly not all beneficiaries of KPC's livelihoods projects were selected on the basis of overt pressure from vocal groups. A variety of methods are used from self-selection to membership of farmers' groups to simply being in the right place at the right time to fill needs for numbers. It is clear that there is little true analysis of individual need and often ad hoc beneficiary selection. However, beyond this, there has been targeted beneficiary selection as well. There have been instances of particular business projects being given to vocal (and hence usually male) groups. There have also been instances of pre-emptive relationship maintenance such as allowing a village head to appoint his wife for inclusion in a training program. This propensity was recognised by some community members. As quoted at the beginning of this chapter, one survey respondent complained 'KPC should not always select certain people to participate in training' – certain people meaning both influential community members and 'golden stakeholders' with long term relationships with ESD staff.

As discussed in Chapter 7, gendered risk perception is also reflected in the organisational structure of ESD with men tending to be hired to deal with male troublemakers. This also represents an impediment to affirmative action in hiring more women fieldworkers in order to enhance the quality of interaction with women community members. Merely recommending that the company hire more women is unlikely to have the desired effect when this underlying dynamic exists.

Making changes to livelihoods projects in CSR faces these additional dynamics that would be far less evident in conventional donor project situations. It is not only a matter of being gender-blind, or agencies themselves being sites of gender inequality, but of programs being used for the purposeful objectives of keeping particular gendered groups happy and acquiring a 'social licence to operate' from the most politically active in the community.

8.9 The 'Gender and Mining Guidelines' and Institutional Aspects of CSR

The three 'gender and mining guidelines' by the World Bank, Rio Tinto and Oxfam Australia reviewed in this thesis all have the aim of improving gender equality outcomes in large-scale mining. As noted in Chapter 1.7, the three guides approach this in different ways; the WB advocates gender mainstreaming throughout the project cycle, Rio Tinto focuses on incorporating gender perspectives in communities work and Oxfam on gender impact analysis, but there are some underlying similarities as well in the evidence base on 'impacts of mining on women' used and their omission of institutional issues.

Although the World Bank's guide is explicitly titled 'Gender Mainstreaming in Extractive Industry Projects', it omits one of the major elements within gender mainstreaming, that is, the institution itself. There is mention of the need to create an enabling workplace culture for the employment of more women (as miners), but not of needing an enabling workplace culture for better program delivery. The guide has nothing to say about evaluating or changing the institutional gendered culture within the company itself and makes no reference to community development departments and how they work.

The Rio Tinto guide is similarly silent on any suggestion of the need for change to the institutional culture of the company itself. Gender problems are posited as being 'out there' in the community and hence not 'in here' in the company. This guide acknowledges the need to be 'gender sensitive' in communities work but does not link data collection methodologies to Rio Tinto companies' institutional cultures and there is no recognition of how underlying CSR realities may affect the gender of program beneficiaries.

Oxfam's guide contemplates the use of community development programs to mitigate the gendered impacts of mining, but its scope also does not specifically reflect back on corporate program delivery or institutional culture. This guide, with its focus on mine impacts, also falls short of explicitly acknowledging that corporate program delivery may also have gendered impacts.

The omission of the gendered complexities of CSR practice in these current prescriptions for change in mining company practice, means that at best, the guides are naïve and unlikely to be effective, or at worst, divert attention away from institutional

aspects of gender inequality and allow companies to get away with only making superficial alterations to the ways that they impact on the community.

8.10 Conclusion

Livelihood programs commonly feature in mining company CSR endeavours. They have the potential to reinforce existing gender inequalities in the community or possibly, if implemented with gender sensitivity and explicit equality aims, to meet women's practical and strategic needs. This study of KPC's program implementation revealed predominately gender-blind approaches and results. I have argued that a gender evaluation and related recommendations for change will only be useful up to a certain point if the institutional capacities of the company and its community development department and the exigencies of CSR program implementation are not also addressed. A gender evaluation of program output needs to be linked to an understanding of the gendered realities of CSR.

While KPC appears quite capable of making some superficial changes to improve gender equality and involve more women in its community development programs, ultimately it is far less likely that radical underlying change will be undertaken because of the business realities that underpin community development implementation as CSR.

In Chapter 9, I analyse another of KPC's programs, HIV prevention, and the potential for program expansion to incorporate best development practices. In that chapter, I continue the argument made here that change towards good development practices and gender equality outcomes is inhibited by the underlying business objectives of CSR.

Chapter 9

HIV Prevention, Gender and CSR: An Analysis of the Potential for Program Expansion at KPC

'KPC must avoid being seen to condone prostitution through its HIV programs.'
(KPC staff member, 2007)

9.1 Introduction

HIV/AIDS presents a serious global threat to individual and community health, social and economic stability and prospects for development. Where heterosexual transmission is a major mode of HIV infection, gender inequality between men and women has been shown to be a critical contributing factor to the epidemic (UNAIDS et al. 2004). Women are often socially and economically more susceptible to HIV infection through economic dependence on men, the effects of sexual double standards and having less control over their bodies and lives. Particular groups of men, such as mine workers, may also experience vulnerabilities to HIV infection. To be effective HIV/AIDS prevention efforts thus must take gender-based risk and vulnerabilities into account, and also seek wider societal changes towards gender equality.

While states, international aid agencies and the not-for-profit sector have been involved in HIV interventions almost since the disease was first identified as a major threat, corporations have only more recently begun to act on HIV (UNAIDS 2000). Mining companies in particular, with their high rates of male labour migration and concomitant increases in risk-taking behaviour such as unprotected paid sex, are now increasingly implementing HIV prevention and treatment programs as part of CSR. Mining companies may have a range of motivations for acting on HIV; these include business case calculations of potential threats to productivity, as a response to external pressures

from, for example, the state or trade unions, as one means of maintaining corporate reputation and, finally, as part of community development aims. Despite these new initiatives, fundamental questions remain about the willingness of mining companies to confront the gendered social conditions conducive to HIV transmission that they themselves create or exacerbate through their businesses, and also whether CSR projects are capable of extending corporate influence over wider gender inequalities in the community.

KPC's HIV prevention initiative has been neither a response to community or government pressure nor to overt business case calculations and thus may be distinguished from programs where benefits tend to flow to the most vocal. Rather, HIV has been framed as an external community issue with a corresponding program response within KPC's wider CSR agenda. KPC's HIV prevention program was initiated in 2005, after a health survey it commissioned found 2.6 per cent of local female sex workers surveyed to be HIV positive. As of 2007, KPC's activities included HIV awareness-raising events for the general community and interventions aimed specifically at female sex workers; the development of Sexually Transmitted Infections (STI) clinics in the two *lokalisasi* (Kampung Kajang and Segadur), HIV awareness-raising sessions for sex workers and condom distribution.

This chapter has two main parts. The first half of this chapter considers the epidemiology of HIV in Indonesia and East Kalimantan, and the links between mining, gender and HIV as well as the various options for acting on HIV available to mining companies. I consider the possibilities for extending KPC's HIV programs beyond its current community development focus in order to respond to gender inequalities that originate within the company itself. Following from the line of argument presented in

Chapter 7, this analysis includes the company's motives for intervention and the conceptual and organisational challenges (Kemp 2010) of blending business and development objectives in CSR that may inhibit such possibilities for change.

The second half of this chapter focuses on KPC's programs aimed at female sex workers. I present a review of lessons learned in HIV interventions with sex workers and an analysis of the sub-culture among sex workers as it affects condom use in the KPC areas. Based on this analysis, I also point out the shortcomings in KPC's approach to HIV prevention. I then discuss possibilities for the extension of the program towards 100 per cent condom use and the need for sex worker empowerment and collective mobilisation. There are a number of practical difficulties that would be faced by any development actor in implementing such an approach, but also some additional problems inherent in CSR and its need for reputation management and good publicity. Empowerment of sex workers would result in the company appearing to be condoning sex work as a legitimate field of work, and this would not lend itself well to CSR publicity. Finally, there are questions to be asked about the ability of CSR to respond to wider gender inequality issues that affect condom use in commercial sex.

The three 'gender and mining guidelines' by the World Bank, Rio Tinto and Oxfam Australia all recognise HIV as an important gender equality issue in the context of mining and recommend that companies establish gender sensitive HIV programs. However, none of the guides explicitly recognises the need for institutional analysis or questions the willingness and ability of companies to change the gendered way they do business in order to minimise HIV risk. The guidelines also omit any analysis of inherent tensions within CSR and the ability to run effective HIV prevention programs, particularly around issues such as empowerment for sex workers, or of the limits of

CSR to affect wider structural determinants of gender relations which may affect HIV transmission. Further, as was argued in Chapter 6, the World Bank guide, in particular, excludes sex workers from the category of worthy ‘women impacted by mining’, and hence runs the risk of being understood to place all the burden of HIV prevention on female sex workers.

The data for this chapter is based on my observations of KPC’s HIV prevention programs during 2007 as well as a series of in-depth interviews conducted with various people involved in commercial sex work in the KPC areas, including sex workers and brothel and bar owners. This chapter draws on the report and recommendations I originally made for improvements to KPC’s HIV program (Mahy 2009), but extends the analysis to discussion of the potential for change within CSR. This analysis draws on KPC staff responses to that report¹²³ and my retrospective insights into CSR practice as presented in Chapters 7 and 8.

9.2 Mining, HIV/AIDS and CSR

Large-scale mining necessarily attracts major migration flows as workers seek employment and other economic opportunities created by the mine. Most, if not all, modern mining labour forces are male-dominated and labour migration is often characterised by males migrating alone. There is a considerable body of literature that draws a link between mining, migration and the spread of HIV/AIDS in southern Africa in particular (for example, Campbell 1997; Williams et al 2002; Smart 2004). These studies show that mining, with its dominant male workforces, creates exaggerated forms

¹²³ I particularly thank Yuliana Datubua, Superintendent for Health and Education, External Relations and Sustainable Development Department (ESD), for the insights she provided into KPC’s HIV prevention program.

of masculine identity that tend to encourage risk-taking behaviour such as unprotected sex and drug use. In South Africa it is estimated that between 25 and 50 per cent of the country's mine workers are HIV positive (Smart 2004).

One of the gender dimensions of large male workforces in mining towns is that women tend to depend on men for their livelihoods. While many women remain in their home towns and rely on remittances, others may follow male family members or migrate independently in search of other livelihood opportunities (Parpart 1988, 2001). It is also well-noted that large male workforces in mines tend to attract various forms of female prostitution. However, as demonstrated in Chapter 6, there are many dimensions to sex work, and it is not possible to straightforwardly classify it as a negative 'impact' of mining on all women. Sex workers are at higher risk of HIV infection where condom use is low compared to other sections of the community. Male mineworkers who have unprotected sex with sex workers also pose an infection risk back to their wives or regular sexual partners.

'Blue ribbon' interventions now being implemented by mining companies include both workplace and community outreach programs (Smart 2004). Common programs include Voluntary Counselling and Testing (VCT), 'Know your HIV Status' Campaigns, HIV awareness-raising, Anti-Retroviral Treatment (ART) and targeted wellness programs for HIV positive workers, support for community health care, condom distribution, STI testing and treatment and outreach programs with sex workers and other high risk groups in the community. Individual companies may also collaborate with the state and other corporate and non-profit actors in order to implement HIV initiatives.

While companies are now tending to show far more initiative in responding to HIV, researchers (mainly researching in South Africa) have shown that companies have had a chequered history of responding to HIV. Bond (2008) demonstrates that Anglo American, which now has one of the largest corporate HIV programs in the world, initially refused to provide treatment to HIV positive workers as cost analysis showed that it was cheaper to allow them to die early than to supply ART. It was only after threats from campaigners and its main trade union in 2002 that Anglo American reversed its decision to deny most workers medicines and to provide ART free of charge (Bond 2008:1040). Dickinson (2007) has also argued that a reputation to be doing something about HIV is important, but only relative to other companies, such that companies only have incentive to match other companies' initiatives.

Campbell and Williams (1999) demonstrate that companies need to respond to HIV as a social and development problem and particularly to acknowledge the social relationship between mining and HIV transmission. However, companies with HIV programs have arguably tended to view the company and the community as being separate entities, where social problems are externalised and HIV is framed as an issue 'out there' in the community (Dickinson 2007; Rajak 2010). This may allow a company to avoid needing to make fundamental changes to the links between the gendered ways it does business and resulting conditions conducive to the spread of HIV, such as the large numbers of male migrants, lack of work opportunities for women, single-sex housing and the creation of a hyper masculine identity among workers. This tendency is also evident in the existing guides on mining and HIV, which recognise the links between mining, gender inequality and HIV, and prescribe policy, workplace and community outreach programs, but fall short of advocating for fundamental changes to mining business

practices.¹²⁴ KPC's motives for implementing HIV prevention programs, and the limits that it places on its programs, will be discussed in Section 9.4 below.

9.3 HIV Transmission in Indonesia and East Kalimantan

The HIV epidemic in Asia has particular characteristics. In Asia, HIV infection rates tend to be highest among injecting drug users. The virus then spreads to female sex workers and their male clients, who can then pass the infection to wives and girlfriends. Double gender standards tend to apply in many parts of Asia where men are permitted multiple sexual partners while women are held to higher standards of faithfulness. Only female sex workers tend to have multiple partners. Male earning power is usually far higher compared to that of women. As the wives of male clients of sex workers generally tend not to have more than one sexual partner, HIV infection tends to stop with them and the risk of them passing it to other men is generally small, although they may pass the infection to their children. This means that HIV epidemics in Asia are unlikely to be sustained independently of drug injecting, commercial sex, and sex between men, meaning that prevention efforts among these most-at-risk populations will bring the HIV epidemics under control (UNAIDS 2008:3).

Indonesia has one of the fastest growing rates of HIV infection in Asia. Current estimations are that 0.1–0.2 per cent of the population of Indonesia is infected with HIV. It is predicted that without an increased response, the HIV epidemic in Indonesia will cross the 1 per cent threshold in the general adult population by 2025 (AusAID 2006). HIV prevalence in Indonesia is highest among injecting drug users, particularly

¹²⁴ See the ICMM (2008) *Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria* and Rose Smart (2004) *HIV AIDS Guide for the Mining Sector: A Resource for Developing Competency and Compliance in Mining Communities in Southern Africa*.

in Jakarta, West Java, East Java and Bali. Infection occurs to a lesser extent through unprotected paid sex and in smaller numbers through unprotected sex between men. Injecting drug users who buy or sell sex are a major source of the spread of HIV and significant increases in transmission through unprotected sex are being recorded. Condom use in Indonesia remains low (Republic of Indonesia 2006–2007). Clients of sex workers and the partners of clients of sex workers are the sub-populations projected to be at high risk in the future.

The rates are 15 times higher than the national average in Papua which has an HIV prevalence rate of 2.4 per cent among the general population (Republic of Indonesia 2006–2007). Papua is characterised by the rapid growth of in-migrants from other parts of Indonesia and ethnic tension between indigenous Papuans and migrants. There are many sex workers in mining, logging and fishing regions, particularly in Timika near the Freeport mine. The Indonesian military also has high numbers of personnel stationed in Papua. The epidemic in Papua and West Papua has become generalised (not confined to high-risk groups) and is associated with commercial sex, alcohol misuse, violence and poor knowledge of the infection and its prevention (AusAID 2009).

East Kalimantan, like Papua, has a high reliance on natural resources, high migration rates, as well as quite high poverty levels. The increase in industrial activity since the 1970s, with resulting employment opportunities has lured immigrants, particularly males travelling alone, from all corners of Indonesia and from overseas. High levels of mobility are also recorded as many Indonesian migrant workers (*Tenaga Kerja Indonesia* (TKI)) travel through East Kalimantan in order to reach Malaysia. Official data on HIV infection in East Kalimantan reports that the first case was detected in 1993 in Kutai. As of March 2008, the East Kalimantan Department of Health reports that

cumulatively there have been over 800 cases spread through the 13 districts and cities and as many as 48 have died of the disease. The cases have been increasing rapidly, with only 32 HIV infections recorded by 2002, and then 829 by March 2008. The areas with the highest infection rates are the cities of Samarinda, Balikpapan and Tarakan. Infections have not been confined to high-risk sub-populations (*Kaltim Post*, 15 June 2008; *Jakarta Post*, 25 November 2008).

With its resources industries, high population mobility and sex industries, East Kalimantan has the potential for HIV infection rates to develop in similar ways to the epidemic in Papua. The Indonesian Red Cross reports that East Kalimantan has one of the fastest growing HIV infection rates in Indonesia. HIV is thus an important issue to KPC whether it is seen through the lens of CSR as community development, as a mining impact on local communities, or from a business case perspective as a potential threat to the workforce and productivity. While the epidemiology of HIV in Indonesia indicates that high risk groups such as female sex workers are one of the most obvious target groups for intervention, the link back to the male dominated workforce is clear, and KPC has to consider wider interventions as well.¹²⁵

9.4 KPC's HIV Prevention Program and Prospects for Expansion in the Workplace

KPC's HIV program is still comparatively small. It has been focused on general community awareness-raising, the establishment of two STI clinics for female sex workers in the *lokalisasi* and, as of 2007, only some initial awareness-raising sessions

¹²⁵ There is little evidence of intravenous drug use, transvestite commercial sex, or men who have sex with men in the KPC areas. Laws and taboos associated with such practices may mean that they go undetected, unlike heterosexual commercial sex which, while technically illegal, is much more visible. I was not able to extend this research to include such issues, and so have no evidence to suggest that KPC should consider expanding its HIV programs into these areas.

had been held within the company itself. There are many possibilities for expansion of the program including the development of a clear company policy on HIV, introduction of Voluntary Counselling and Testing (VCT) facilities for employees and members of the community and 'Know your HIV Status' campaigns. There are also more radical possibilities that could aim to change gender inequalities relating to an increased risk of HIV such as affirmative action to employ more women and lessening the masculine culture of the workplace. In this section, I consider the history of the development of KPC's program and the conceptual, organisational and motivational challenges inherent in how CSR is implemented at KPC that may inhibit such program expansion.

Migration, types of housing and workplace culture have all been identified as significant factors affecting risk-taking behaviours in mining towns. The company has attracted migrants from all over Indonesia seeking job and other business opportunities. Over time, there has been a noticeable shift towards family housing at KPC since the early years of construction and operations when mostly single men travelled to the area. In 2007, KPC had a mix of family housing and some single sex barracks. Some contractor companies, such as Pama, also provide single sex barracks. Many mine workers also live in non-company housing throughout the town, either in family homes or boarding houses. There are some fly-in-fly-out type arrangements (or bus-in-bus-out) where workers, mostly male, have their families living elsewhere and travel home to see them on weekends or on leave breaks. As described in Chapter 5, KPC is, nonetheless, a focal point for a macho culture where men are encouraged to stray from their wives and surveys have shown that a large proportion of sex workers' clients in the KPC areas are mineworkers.

A number of earlier studies and consultant reports identified STIs and HIV as potential problems and recommended that KPC implement prevention programs. Kunanayagam et al. (1993:77) identified the propensity of KPC single status male employees to engage in casual sex as having the potential to spread STIs. Later, the 1996 Research Outcome, a report commissioned to form a basis for KPC's social programs, recommended that KPC assist in the provision of STI prevention measures through information, motivators, access to condoms and an outreach centre (cited in Kahn et al. 1998).

However, KPC did not act on the issue until after it received the results of a health survey it commissioned of the area in 2004 which included STIs and HIV/AIDS in its scope. The final report presented in 2005 report found 7 cases of HIV infection amongst the sex workers in Kampung Kajang and Segadur (2.6 per cent of the total number of sex workers surveyed). The survey team also interviewed 850 sex workers' clients at Kampung Kajang and Segadur and found that 30 per cent were civil servants and army officers, 41 per cent private sector workers, 22 per cent from KPC and 7 per cent students (Gadjah Mada University and International SOS 2005). These findings were used as a basis for KPC's current programs. Note that an earlier survey conducted by International SOS in 1999 had found no HIV cases but did find high levels of STIs. This slow evolution suggests that KPC was unwilling to act until it was given concrete evidence of a risk, although the timing also coincides with the sale of the company to Bumi Resources and the resulting expansion in its community development budget and programs.

KPC's HIV prevention initiative has been framed as an external community issue within its wider CSR health and welfare objectives. There has been little explicit link

drawn between the company and an increase in HIV risk in the area, that is, HIV is not generally framed as a mine impact, but rather as an external community issue of importance. Arguably, KPC is also keeping up with the trend of mining companies including an HIV program as part of a portfolio of development programs – in Indonesia, Freeport and Newmont also have HIV prevention programs. This is set within the wider conception of CSR as being community development delivery and the general downplaying of mine ‘impacts’ through CSR. This framing represents a hurdle for turning the focus onto the company itself and developing workplace HIV initiatives and thinking about wider changes to the gender order. It also means that any increase in HIV funding would most likely cut into the funding for other programs within the USD 5 million community development budget.

HIV programs do not lend themselves as easily to CSR publicity or exhibitions due to the taboos around the issue generally and it also compares unfavourably with other programs such as the ‘Smiles and Hopes’ plastic surgery program where photos and descriptions of beneficiaries immediately invokes public sympathy and praise. KPC has nonetheless tended to draw a link between its programs and the national and international HIV agendas and claimed a commitment to the MDGs and its Goal 6 on HIV and malaria prevention.

KPC was awarded a Metro TV Millennium Development Goals (MDGs) award for its HIV/AIDS, TB and malaria program in November 2007. It edged out Freeport and Newmont mines for the award, which is somewhat surprising given that Freeport has a far older and more expansive HIV program than KPC. In typical fashion for CSR awards (see Chapter 7.8) there was little explanation as to why KPC was selected as the winner of this award. I observed that the award also seemed to instil a sense of

validation in ESD management about the program, and this may prove to be a hindrance for further program development.

KPC's HIV program may be distinguished from KPC's livelihood or infrastructure programs, in that HIV is an issue on which the local government and local communities have had little interest in pressuring the company for benefits. Prior to KPC's introduction of a HIV prevention program, the district level government had not paid any attention to the issue.¹²⁶ When KPC presented the findings of the 2005 survey to the district government there was little initial reaction. Eventually, KPC invited the National AIDS Commission to socialise and present facts about HIV/AIDS in Indonesia, which helped to secure an agreement for handling HIV/AIDS for the 2006–2009 period with the national and district health departments. KPC health program staff report that there is a high level of stigma surrounding HIV in the district administration, even among district health staff. Many Health Centre (*Puskesmas*) medical staff members consider HIV to have low priority compared to, for example, diarrhoea, dengue fever and malaria, and see it as additional work where there is already a lack of human resources and limited budget. The limited public health facilities and expertise that could deal with HIV patients were also used as an excuse by KPC for not yet providing HIV testing.

The lack of district government and community pressure has a number of different implications. Firstly, all the initiative and motivation for the programs must come from the company itself. KPC has had to struggle to gain local government support which is essential both for the implementation and sustainability of the program beyond eventual

¹²⁶ Under the decentralisation framework, district governments are now responsible for planning, implementation and supervision of health services; although there are still problems in delineating responsibility between the central, provincial and district governments. Decentralisation has been identified as a factor behind difficulties in coordinating effective HIV interventions.

mine closure. On the other hand the lack of pressure may allow the company more freedom to pursue international best practice without needing to accommodate local demands affecting how the programs should best be run. Unlike in livelihood programs, which are greater targets for vocal (male) community groups due to their monetary benefits, the dynamics of beneficiary selection occurs quite differently. This means that beneficiaries, such as female sex workers and *lokalisasi* management, may not necessarily be grateful for, or supportive of, the program.

KPC's community HIV programs have been the responsibility of a small team within ESD, consisting of a superintendent and four staff members who also have responsibility for other health programs (including tuberculosis, malaria and child nutrition) and education programs including scholarship provision. The health team is sometimes assisted by other field staff where necessary. The staff members seem dedicated to the issue although their resources and time are stretched across programs. Those staff members who visit the *lokalisasi* as part of the program are sometimes made the brunt of colleagues' jokes and sexual innuendos.

The framing of HIV as being a community issue external to the company presents an obstacle for the establishment of workplace HIV programs. Further, the prevailing definition of CSR as community development delivery, rather than as a trigger for change to how business is done, poses a serious impediment to the need to expose and respond to the fact that business operations may increase the risk of HIV infection in the area. The assumption that ESD is the only department within the company with responsibility for social issues also increases the difficulties in attempting to trigger changes in practice in other departments (see also Chapter 7.4). Even a change as seemingly simple as introducing HIV awareness into the company safety induction

process for new employees would run into organisational inertia. This is particularly so if the ideas for change originate from lower level ESD staff or from external consultants' reports. The introduction of VCT in the workplace would also require the support of the workers' unions with the existence of contractor companies, thus adding further layers of complexity. The most radical of changes, the employment of more women and deliberate changes to workplace macho culture, would require the support of the mining operations departments across the company and a major shift in thinking on the behalf of many managers (see Chapter 5.5 for a description of attitudes towards the employment of women at KPC).

9.5 Female Sex Workers, HIV and CSR

Female sex workers represent a high risk population for HIV infection due to multiple sexual partners and often low levels of condom use. In Indonesia, female sex workers are a vulnerable group even in areas of low HIV prevalence and they often have higher HIV infection rates than other populations. As explained in Chapter 6, poverty, early marriage and low levels of education are typical of the women who become sex workers in Indonesia, although their backgrounds and reasons for entering the sex industry are varied (AusAID 2006). HIV knowledge and condom use is generally low among sex workers and many myths abound about the prevention of HIV and other STIs. Estimates of the male clients of sex workers in Indonesia range from 7 to 11 million men to half of all Indonesian men visiting sex workers each year (Ibid.:84). HIV prevalence among sex workers has been estimated to be 5.5 per cent in urban populations and 1.0 per cent in rural populations in Indonesia. In Papua, with its reliance on resources industries and the presence of the military, HIV prevalence among urban sex workers has been estimated to be 11 per cent (Ibid.:16).

In Chapter 6, I argued that there is a danger in having the assumptions made about sex workers in the ‘impacts of mining on women’ literature informing CSR program implementation that affects sex workers, particularly where they are designated as the vectors of disease and not as ‘women’ themselves while other women are portrayed as their victims. KPC has not been directly drawing on the impacts of mining on women literature or guides, nor is there a specific acknowledgement of HIV as an impact of its operations. Nonetheless, sex workers have been targeted as a high risk group for HIV and such targeting has tended to shift the burden of disease control onto sex workers while excluding all other actors in the commercial sex industry. The female sex workers are hence not treated as legitimate seekers of livelihood in the mining area.

The second half of this chapter presents an outline of KPC’s programs relating to female sex workers, a review of literature on HIV interventions with female sex workers, a description of the gendered and other social pressures at work within the subcultures in the *lokalisasi* and bars that hinder safe sex and, finally, an analysis of KPC’s intervention. This analysis is based around the insight that individual condom use behaviour needs to be understood within the wider social and gendered context and that targeting individual behavioural change is ineffective (Campbell 2000). This leads to two key questions about the scope of CSR to adequately implement HIV interventions. Firstly, can CSR cope with an empowerment approach for sex workers, which might contradict the corporate need for reputation management and good publicity? Secondly, is it possible to expect that CSR programs, with their inherent geographical and non-political limitations, can affect wider determinants of condom use including gender inequality?

9.6 Lessons Learned from HIV Prevention Programs for Female Sex Workers

Sex workers may be targeted for HIV prevention programs in order to prevent the virus from spreading to the general population, but also for their own personal protection from the virus. There have been many interventions with sex worker populations around the world, mainly designed to promote safe sex through consistent condom use. One of the downsides of this is a tendency to treat female sex workers as vectors of disease and to increase the already existing stigma associated with their work. It is widely recognised, however, that the attributions of shame and blame enhance sex workers' vulnerability, breach their human rights and impede HIV prevention efforts (Scambler and Paoli 2008). HIV prevention efforts thus need to avoid such attributions of shame and the human rights and health of sex workers must be treated as legitimate ends in themselves.

The approach towards HIV interventions has begun to shift from being based on individual biomedical change to having a focus on collective behavioural change. One study after another has shown that people often have unprotected sex with multiple partners despite having the necessary knowledge and skills to protect themselves; that is, awareness is rarely enough. Analyses of risk-taking behaviour, particularly low condom use in commercial sex transactions, need to look beyond the individual level to the community level for adequate explanations. This includes the routine organisation of people's everyday working lives, collectively negotiated social and gender norms that shape sexual behaviour, perceived levels of self-efficacy or control over one's life and social support systems (Campbell 2000). Campbell and Cornish (2003) argue that there is still much work to be done in developing understandings of how macro-social relations influence local relationships and undermine the likelihood of individual

behaviour change, and to successfully extend these understandings to HIV interventions.

Studies have identified many reasons for low condom use among sex workers in Indonesia. These reasons include client refusal on the grounds that while using a condom they cannot enjoy sexual intercourse, because they are acquainted with the sex workers, or consider themselves to be healthy. Sex workers may be reluctant to ask for a condom for fear that her client may then assume she has a disease or due to fear of losing clients who prefer unprotected sex. There is also a general belief that only foreigners need to use condoms while fellow Indonesians are seen as clean (Basuki et al. 2002). In addition, many sex workers believe in the efficacy of antibiotics and traditional medicines to prevent STIs (Ford et al. 2000; Ford et al. 2002).

One of the most well known and successful HIV prevention programs with sex workers has been the Sonagachi Project in Kolkata, India. This sex worker-led project has employed peer-education and collective action to promote 100 per cent condom use. The program dramatically increased rates of condom use and decreased incidence of STIs among female sex workers in the Sonagachi red light district. The project's initial activity was peer-education and this later expanded to include community development and intervening to resolve crises and conflicts faced by sex workers, such as disputes with madams, arrests by police, or violent clients. Project documentation describes its philosophy in terms of 3 R's: Respect for sex workers' profession, Recognition of their rights and Reliance on sex workers' own capabilities (Cornish and Ghosh 2007). This program concept has been replicated in many other places across Asia, and the 100 per cent condom use approach has been endorsed by the 2007–2010 Indonesian National HIV/AIDs strategy, although implementation has been slow.

The Sonagachi project approach relies on collective mobilisation of sex workers and community and individual level empowerment. There are, however, many practical difficulties in mobilising sex workers as social proximity does not necessarily translate into solidarity. Sex workers are often heterogeneous, come from a diverse range of ethnic and social backgrounds, and operate in a range of establishments which can be spread throughout a city rather than centred in a red light district like Sonagachi (Asthana and Oostvogels 1996). The project also has had little scope to attempt to change the wider existing gender inequalities in India where men have greater earning power and there are few options for uneducated women to earn a living.

Other practical obstacles to approaches based around peer-education and collective mobilisation of sex workers often include jealousy of peer educators, particularly if they are paid wages, the existence of a hard core of sex workers driven by fatalism or denial and who are unwilling to participate, and the use of alcohol and drugs which also undermines health enhancing behaviour change. A program may also meet with the refusal of men to cooperate, including clients and regular boyfriends (Campbell and Cornish 2003). There is also the problem of other interested parties' support for the program, with brothel managers in particular wielding a large degree of power over condom use. Cornish and Ghosh (2007) argue that the Sonagachi project was successful because it was able to compromise with non-sex worker groups, by taking into account the interests of men's clubs and of madams. That is, they argue the project compromised its sex worker-participation-only approach and would have failed if it had not done so. Sustaining a program beyond an initial flush of interest and fear of HIV can also be particularly challenging for a program.

9.7 The Organisation of Sex Work and Determinants of Low Condom Use in the KPC Areas

As was described in Chapter 6, the commercial sex sector in the KPC areas has been affected by the mine cycle, the general increase in population, and the vagaries of the logging industry. Downturns in the local economy, such as the crackdown on illegal logging, have affected sex workers' incomes. In Chapter 6, I also described the generally high levels of mobility of sex workers between different areas in East Kalimantan and the push and pull factors bringing sex workers to KPC areas. Most, but not all, sex workers were sending home remittances to support their parents and children and tended to be unable to save money for their own futures. Below, I continue my description and discussion of particular processes and sub-culture factors involved in the sale of sexual services in the KPC areas as are relevant to HIV and STI prevention and which contribute to an understanding of wider gender inequalities inhibiting safer sex practices.

Transactions with Clients

The female sex workers' earnings tend to come from two main sources; firstly tips from serving beer and accompanying male clients who drink in their bars, and secondly from sex transactions. Male clients, often in a group, tend to sit and drink beer and socialise with the sex workers before each accompanying a sex worker into her room. Sex may include all night accommodation or just 'short-time' or 'soft-time' (depending on the terminology used). In 2007, the going rate for all night was IDR 200 000 while short-time was IDR 100 000. Clients are sometimes more generous than this or others may talk the sex workers into accepting less than the going rate, especially when business is slow. Clients are expected to pay this rate once they have entered the sex worker's room

whether or not intercourse takes place. Clients may also buy the sex workers drinks, cigarettes and food.

Usually the sex workers receive clients in their own rooms in the *wisma*; however, some may leave the complex for the night with their client if there is a relationship of trust between them. Not all of the women living in the brothel complexes sell sex, a small minority take their earnings from tips only, provide massage services, or act as a deputy for the brothel owner by running the bar and organising the other women. Many of the sex workers have boyfriends or special clients whom they have sex with for no or deferred payment. In such deferred payment cases the sex workers must still pay the normal fee to their *wisma* owner and then hope that their client will pay at a later date.

Income very much depends on numbers of clients and may go through busy and quiet cycles. During Ramadan, for example, there are far fewer clients and as a result incomes are far smaller. Occasional large floods can also block roads and prevent clients from reaching the *lokalisasi*. Few of the sex workers were willing to calculate their average monthly earnings, preferring to speak about their incomes depending on their luck or fortune (*rejeki*) in attracting clients. In good times, the sex workers may send home between IDR 1 to 3 million per month, in hard times they struggle to pay for their own food let alone send any remittances. Other financial burdens include the fees paid to the brothel owner and to *lokalisasi* management and the costs of food, electricity and water. This dependence on day to day earnings and the need to send remittances home makes it economically difficult for most sex workers to turn clients away if they refuse to use a condom.

Wisma Managers

The brothel managers tend to work as a husband and wife team, and live in a special section at the back of the *wisma*. The *wisma* managers differ in their backgrounds and relationships with the women who work in their *wisma*. Some of the sex workers have very good relationships with their ‘*Mami*’ and see her as being in a position of elder sister or mother. The managers in turn tend to refer to the workers as ‘*anak-anak*’ or children. They look after the well-being of the women and often lend them money when they are in need. Other managers have a reputation for being money-grabbing and not caring about their workers. There is of course no enforcement of Indonesia’s labour protection legislation in this informal sector of the economy.

Life within the Lokalisasi and Collective Identity Issues

One of the defining characteristics of social life within the complexes is that the sex workers tend to stay within their *wisma* and have friends within the *wisma* that they belong to. At night there are specific rules that forbid a sex worker from entering a rival *wisma* for fear of competition. Although, during the day, it is technically permitted, it does not occur very often. Some of the *wisma* are mono-ethnic, such as Madurese or East Javanese, and this also contributes to enforcing social boundaries.

During the day, if there are no customers, the sex workers tend to socialise amongst themselves, nap, play cards or watch television if they have access to one. Fortune telling card games are also popular. Many of them find being in the *wisma* all day very boring but are confined by the costs of leaving. During the day, they tend to wear pyjamas and house dresses. In the late afternoons the women bathe, get dressed up and

made up in preparation for 7:00 pm when the complex officially opens and clients begin to arrive. They may sit in the bar area or on the verandah waiting for clients. Music and karaoke may be played and beer served until 12:00 am or 1:00 am according to neighbourhood rules.

Among colleagues there are rules about customers. If the client is a special friend/client of a particular sex worker then her colleagues should not take him into their rooms. Colleagues may also help their shy friends to get clients. It is said that the most successful sex workers are not necessarily the most physically attractive, but those who are entertaining, friendly and easy to talk to. If a sex worker spends some time entertaining a client and bringing him beer, but he chooses to have sex with one of her colleagues, then he should still give her a tip. Fights among colleagues sometimes occur, usually caused by a dispute over a client.

Individual Bars

The individual bars are less uniform in their rules and customs than the *lokalisasi*. The Monkey Bar, for example, has a billiards table and serves beer and spirits, and the sex workers, while they have their rooms behind the bar, always leave with their clients to their lodgings or hotels. If the sex worker leaves with a client then she pays IDR 50 000 to the owner, and it is none of the owner's business how much money she was paid by the client. Another bar is known to have strippers and karaoke and the women receive clients in small rooms behind the bar.

Knowledge of STIs and Health Seeking Behaviour among Female Sex Workers in the KPC Area

My interviews showed that among all of the female sex workers in both Bengalon and Sangatta, in bars and in *lokalisasi* alike, knowledge of STIs and HIV/AIDs is minimal at best. There were many myths surrounding these topics that had not been dispelled by KPC's HIV/AIDS awareness programs. Interviewees reported very low rates of condom use, and a uniform unwritten agreement, that condoms are only used at the client's request. Testing for HIV is rare. One sex worker claimed that she had independently sought out blood tests, but still did not use condoms regularly.

Only in the Monkey Bar, where the sex workers have mostly expatriate clients, did they report high levels of condom use. Two other interviewees claimed to always use condoms and these two appeared more assertive and presented less of a fatalistic attitude than the others. Some of the sex workers said that they may ask for condom use but will not turn away a client if he does not wish to use one.

Interview data indicated that there is a difference between young and older clients, with young men being out to prove themselves, being less likely to agree to use condoms and may have a penis piercing or penis ring. Older men are more likely to request conventional sex and are more likely to agree to condom use.

Myths mentioned in interviews included the idea that if the sex worker washes her vagina after intercourse then she will avoid becoming infected and that antibiotics or herbal medicines (*jamu*) can protect against STIs. About half of those interviewed demonstrated a resigned attitude towards their life generally and their health more particularly. They tended to speak about the possibility of disease in 'hopefully' terms,

as in ‘hopefully I will not get sick’. Others said ‘it hasn’t happened to me (or my friends) yet so I’m safe’. They often spoke in dichotomous terms between *nasib* (fate, bad luck) and *rejeki* (good luck, a windfall). Other interviewees showed more concern and willingness to seek out health information and medications, but admitted that risks to their health come after economics in priority. On the other hand contraceptive use is the norm amongst the sex workers, and most speak knowledgably about their choices of injections, implant or the contraceptive pill and will consult doctors regularly for this. Condom use was rarely associated with contraception.

Another reason why insisting on condoms is difficult is the superstition that if a client (especially the first for the evening) enters the sex workers’ room but does not have sex then it is bad luck for her continued business. As noted earlier, the sex workers must pay their brothel manager if the client enters her room, even if he leaves without having sex and without paying her. This results in additional pressure not to turn away a client even if he refuses to use a condom.

The interviews indicated that drug use in the complexes can sometimes be a problem. In Segadur there was a case of a *wisma* owner finding out that some of the sex workers were selling drugs, probably some form of ecstasy, to clients. He reported it to the police and the workers were evicted. One sex worker admitted that when working in Samarinda she was afraid of having her blood tested for fear that the authorities would detect drugs in her blood. There is evidence of low-level substance abuse of over-the-counter medicines mixed with high sugar and caffeine content drinks. One sex worker in particular talked about how she has to be drunk or taking drugs to have the confidence to approach customers. It is clear that such behaviour lowers a sex worker’s ability to make good decisions about her health and in particular to negotiate condom

use. No instances of intravenous drug use were mentioned during these interviews; however, the possibility should certainly not be ruled out.

A number of the female sex workers also showed signs of self-harming behaviour. Quite a few have slash mark scarring on their inner forearms. This practice of cutting one's arm with razor blades was also noted in Sedyaningsih-Mahamit's (1999) study of Jakarta sex workers, and the practice carries an additional HIV infection risk if razors are shared. It is also symptomatic of many of the sex workers' feelings of unhappiness and is a factor that should be addressed in any HIV prevention program. Most of the sex workers also smoke cigarettes and/or spend a lot of time in smoke-filled bars hence posing an additional but unrelated risk to their health.

9.8 Evaluation of KPC's HIV Prevention Programs Targeted at Female Sex Workers

KPC's HIV prevention programs targeted at female sex workers included HIV awareness-raising sessions in the *lokalisasi* and the establishment of two STI clinics. The clinic in Kampung Kajang was operating in 2007, while the clinic in Segadur had been built but was waiting on negotiations between the *lokalisasi* management and the local *Puskesmas* staff to begin. In the established clinic in Kampung Kajang, the sex workers were on a rotational roster for cervical swab tests and were provided with medications for any STIs detected and free condoms. The cost of this service for each visit was IDR 50 000 including any medications and follow-up examination. There was no HIV testing yet available. In this section, I provide an analysis of the effectiveness of the awareness-raising sessions and then the STI clinic in Kampung Kajang.

The HIV awareness sessions with the female sex workers in Kampung Kajang and Segadur were held two or three times per year. The sessions were facilitated by either KPC staff or guest facilitators from specialist HIV NGOs in Jakarta. For these sessions, the sex workers were gathered into the bar area of one of the larger *wisma*. Despite these information sessions, interview data showed that the sex workers' knowledge of STIs and HIV was sketchy and that condom use rates remained very low. I found a number of weaknesses in KPC's program that were most likely contributing to this outcome, as set out below.

The material presented on the occasion that I attended one of these sessions in 2007 was not particularly well tailored to sex workers. Mention of the 'ABC' campaign¹²⁷, for example, with its emphasis on abstinence and faithfulness is obviously not appropriate for the situation. The information was delivered by a male community development worker and was all 'one way' with little interaction with the sex workers, indicating a level of discomfort and disinterestedness among the audience. There was no discussion of the particular problems that sex workers face in negotiating condom use or of negotiation and assertiveness skills, nor was there any reference to the economic context (such as the downturn in illegal logging) and how this might be affecting sex workers' bargaining power in relation to condom use. There was no mention of the ways that alcohol and drugs might affect ability to negotiate condom use. The information sessions were focused entirely on HIV, and there was little to no discussion of other STIs, the relationship between other STIs and HIV, or any effort made to dispel the myth that cervical swab testing for STIs is also able to detect HIV.

¹²⁷ The 'ABC' HIV prevention campaign slogan stands for A for Abstinence, B for Be faithful, and C for condom use.

The method of gathering all the sex workers in the complex together for these sessions, while perhaps more time efficient for staff, does not take into account the fact that the sex workers rarely gather together in such a way (due to rules that discourage them from making friends among other *wisma* due to fears of competition). This affects the level of social comfort of the sex workers in these sessions and the likelihood of questions and discussions.

It was also noticeable that at these sessions that no *wisma* managers, *lokalisasi* coordinators or security staff were present. While this may help with creating a more comfortable atmosphere for the sex workers, it does mean that *wisma* managers and others are not being included as an integral part of HIV prevention, with all the emphasis (and blame) being placed on the female sex workers.

Given the high levels of sex worker mobility, these awareness-raising sessions held a few times per year are unlikely to reach all sex workers, and many of those interviewed claimed to have never attended any such session. There was no mechanism for providing HIV information to newly arrived sex workers.

Some of the sex workers were also invited to the larger community HIV awareness raising programs associated with World Aids Day, also organised by KPC. On these occasions, I noticed that the sex workers who attended appeared quite uncomfortable and that many people were nudging each other and pointing them out; consequently, the sex workers all left as soon as possible. There also appeared to be a small element of force in their attendance, with the complex coordinator having designated a sex worker from each *wisma* to attend. While it is positive that such events shift the onus of HIV prevention from sex workers to the general community, it is doubtful that such mixed

audience HIV awareness programs convey the specific information and skills needed by sex workers. A small number of the sex workers said they were reluctant to appear in public for fear of being recognised by relatives and so are very unlikely to attend such events.

It is clear that KPC's programs have been aimed at individual level change, based on the idea that providing information on the risks of HIV will bring about changes in individual behaviour particularly an increase in condom use. However, as the studies of HIV prevention noted in Section 9.6 above point out, people often have unprotected sex with multiple partners despite having the necessary knowledge and skills to protect themselves. The sex workers in the KPC area are under considerable economic pressure to comply with clients' wishes for unprotected sex and should they refuse unprotected sex then they run the risk of their client choosing another sex worker and forgoing their income. *Wisma* managers are also complicit in this with their policy of condom use only at client request. There are wider gendered processes at work where men are expected to take the initiative in sexual intercourse, and hence are responsible for condom use, while women are expected to be more passive. The awareness-raising programs aimed at sex workers are a useful start but are unlikely to cause major increases in condom use among female sex workers. At the time of research, there had been no attempts at peer education, collective mobilisation, or empowerment approaches in the KPC program.

The STI clinic in Kampung Kajang, and the clinic being developed in Segadur, obviously represent a positive step for both STI treatment and for HIV prevention, as other STIs can increase the risk of HIV infection. However, the lack of HIV testing for sex workers is an obvious area for potential improvement. The STI clinic and awareness-raising sessions have only been targeted at the two *lokalisasi*. This means

that many of the bars which also house sex workers are not being reached at all. These bars are often closer to the minesites and barracks so are more often frequented by mine workers and probably have a higher percentage of mineworker clients.

Due to time and staffing constraints, the clinic is able to test around 15–20 sex workers for STIs per week. With around 150 to 200 sex workers in the complex at any one time, assuming full participation this means a visit once every 10 weeks at full capacity.¹²⁸ In 2007, I observed a number of weeks where participation was as low as one or two sex workers, thus greatly extending the period between checkups. The clinic also tends not to be staffed during Ramadan.¹²⁹ While there is certainly a slowing of business during this time such that many sex workers use the time to visit home, business certainly does not cease altogether and closure of the clinic during this time may need rethinking.

While most of the sex workers interviewed appreciated that the STI clinic had good intentions there were many complaints made during interviews. The complaints seemed to stem primarily from the fact that the program is ‘top-down’ and had little to no participation by the sex workers in its planning or implementation. The complaints made related to the quality of the medications provided, the expense of attending the clinic, preference to visit a doctor who also prescribes contraception, some force used by the complex coordinator to make the sex workers attend the clinic, and the occasional invasion of privacy when non-health professionals were allowed into the examination room to observe the cervical swab tests being performed.

¹²⁸ The World Health Organisation (WHO) (2002) recommends monthly STI checks for female sex workers.

¹²⁹ During the fasting month of Ramadan Muslim adults are expected to abstain from food, drink, smoking and sexual activities during daylight hours.

9.9 Possibilities for Enhancing HIV Prevention Programs for Sex Workers at KPC

This research identifies a number of weaknesses and hence also raises a number of possibilities for improvement to KPC's programs that target female sex workers, particularly using empowerment and collective mobilisation as a means of promoting condom use. Such possibilities would inevitably face numerous hurdles that would be confronted by any agency attempting HIV interventions with sex workers. There are also a number of additional problems that arise within CSR due to the inherent conflicts between business and development objectives. Further, this research examines the limits of CSR in being able to take structural approaches to HIV prevention and effect wider changes to gender inequality.

The research on HIV interventions with female sex workers suggests that the most effective means of promoting condom use is through 100 per cent condom use programs. The 100 per cent condom use approach removes the option for clients who are refused unprotected sex by one sex worker being able to go to another sex worker. This approach requires empowerment and collective mobilisation of sex workers. Peer-education has also been shown to be far more effective for spreading knowledge of HIV than outsiders giving lectures. KPC has the option of reorienting its present ad hoc awareness-raising programs to peer education through the training of peer educators, perhaps even one within each *wisma*. These peer educators could promote condom negotiation skills which mere awareness-raising tends to neglect as well as providing advice to all newly arrived sex workers.

Empowerment measures could be extended to developing a sex worker management committee for the STI clinics in order to more effectively promote its services and deal

with any complaints with the way it is run. This committee might also serve as a forum for collective mobilisation. KPC's programs also need to reach out to other actors in the sex industry, including wisma owners, in order to change the unwritten policy that condoms are only used at client request. In fact, a negotiated written policy on 100% condom use for the *lokalisasi* might be helpful. There could also be a move to promote 'fun' brands of condoms rather than the standard medical brands.

There are a number of common difficulties faced by attempts to implement 100% condom use programs among female sex workers, regardless of the identity of the development agency. Foremost among these are the existing power relationships within the commercial sex industry. Sex worker collaboration must overcome competing interests between sex workers who are in competition for clients, between brothel owners and sex workers, and between brothel owners who are also in competition with each other (Busza and Schunter 2001:75). Sex workers do not necessarily naturally form a cohesive interest group due to diverse backgrounds, personal conflicts and often high levels of mobility. There also needs to be some way to link those women who work in the *lokalisasi* and the individual bars. Programs may also face opposition from local government and religious communities (Spratt 2007) and from medical practitioners who may prefer biomedical approaches. The threat of moving or closing down the *lokalisasi* by the government would also disrupt a program.

There are also particular tensions that would most likely arise within CSR in the attempt to shift an HIV prevention program to empowerment and collective mobilisation of sex workers. These would be caused by priority being given to short-term business objectives over long-term development aims. Empowerment generally presents a problem for company development workers where company management has a

preference for quantifiable outcomes, particularly outcomes that relate directly back to a reduction of risk to production. There is a preference within CSR for ‘top-down’ management of community development projects in order to maintain control, whereas collective mobilisation would take some of that control away from the company. There seems to be a preference for quick results within CSR in order to fulfil company management’s demands for outcomes. Empowerment and peer education would take more time to achieve than the current approach, and also require more funding, which may not be granted by higher management. Also, as has been noted in relation to empowerment of women through CSR more generally, it is possible that the company might consider empowering sex workers as a strategy that may in fact merely create yet another politically active group capable of making further demands on the company for CSR benefits.

Companies also demonstrate a preference for programs that more easily lend themselves to publicity. KPC’s ‘Smiles and Hopes’ plastic surgery program, for example, with its before and after pictures of disfigured children given a new start in life, is one that lends itself easily to good publicity. There is a clear difference between merely publicising a medical intervention with the establishment of STI clinics and publicising sex worker empowerment as a beneficial outcome of the company program. To do so, the company would risk opening itself to accusations of supporting the practice of prostitution as a legitimate field of work.

Finally, the scope of CSR HIV interventions to address wider causes of HIV transmission including gender inequality must be considered. It is clear from my analysis that condom use norms are not only made and reinforced within the *lokalisasi* and bars, but are linked to much wider constructions of gender and sexual norms and

differences in occupation opportunities for men and women in Indonesia. Leading international agencies have come to recognise that HIV prevention efforts must focus simultaneously on individual behaviour change and on wider social, cultural and economic change (UNAIDS et al. 2004:1). Structural approaches to addressing gender inequality and HIV risk can include national and lower level government policy and legal change, efforts to reduce women's economic dependence on men, efforts to reduce domestic violence, poverty reduction, and efforts to overcome taboos around the frank discussion of sexual behaviour. There are still some unsolved issues with structural approaches to HIV intervention, including limited data on its effectiveness and methodological challenges in the measurements of causal chains and HIV risk and the effect of interventions. However, combined individual and structural approaches have had promising outcomes (Gupta et al. 2008).

The question arises as to whether structural approaches to gender inequality as a method of HIV prevention is possible within the inherent constraints of CSR. Corporate-led community development programs tend to be confined to local areas, perhaps within concentric rings as at KPC, and companies usually have little scope or mandate for involvement in government policy or wider societal change. The focus on local community development also seems to preclude partnership or collaboration between companies in order to address wider social issues, although the sharing of information and strategies is common. For example, the Indonesia Business Coalition on AIDS is focused on promoting best workplace practices in its member companies rather than on developing a partnership for wider social change. Structural change also takes time and companies inevitably face the time limit of eventual mine closure. Budgetary constraints on community development are also possible further restraints on structural approaches to HIV. There are perhaps some possibilities for partnership with

government for structural approaches to gender inequality, provided that there are matching objectives.

9.10 Conclusion

In the context of KPC's HIV prevention programs, this chapter has demonstrated that, due to underlying business objectives and inherent limits within CSR as it is currently framed, mining company-led community development programs are inhibited from adopting many elements of best international development practice. This point has not been adequately recognised by the three 'mining and gender guidelines'. KPC has accepted HIV as an important community issue; however, its HIV prevention programs and its outcomes are modest. While there are many possibilities for improvement to KPC's programs in the workplace and to the interventions targeted at female sex workers, these are hampered by a number of factors specific to CSR.

Business aims preclude radical changes to the way the company operates and the dominance of male employees, and the gender inequalities that it produces, particularly as HIV does not pose a calculable threat to KPC's workforce productivity. The framing of HIV as an external community issue that is best approached through community development programs (which are the responsibility of one department only) also inhibits a shift in focus from the community to the workplace in relation to HIV prevention.

The most successful HIV interventions with sex workers revolve around peer education, empowerment and collective mobilisation. Here, female sex workers are treated not as vectors of disease, but as women pursuing livelihood opportunities. Empowerment and

100% condom use programs are not easy, but the difficulties are extenuated within CSR with its inherent preference for top-down programs and reluctance to promote political empowerment. Corporate HIV interventions are also unlikely to be able to aim for simultaneous structural changes to wider factors such as gender inequality that contribute to HIV risk.

Ultimately, my research experience at KPC indicates that small incremental HIV prevention program enhancements are quite possible given program staff members' pride in their work and belief in the importance of good outcomes. However, far more wide-ranging changes are unlikely while the current CSR framework remains in place and the threat of HIV to the company remains relatively low.

Chapter 10

Conclusions: Limited Potential for Gender Equality in Mining through CSR

10.1 Growing Expectations of the Mining Industry and CSR

Worldwide expectations of what CSR can achieve for development are continuing to grow, and large-scale mining companies in particular have been pushed firmly into the development realm. There is increasing interest in engaging with the mining sector among bilateral and international aid agencies in order to achieve development objectives. This interest is grounded in neo-liberal efficiency and development ‘effectiveness’ arguments and in reduced confidence in the role of the state as being the primary agent for development. The mining industry has also been offering support for partnership approaches for the sake of ‘effectiveness’ and promoting the social and economic benefits of mining. Such partnerships also arguably help to supply legitimacy for both mining operations and for CSR activities.

In July 2011, the Australian Government released the results of a major independent aid effectiveness review along with the Government’s response to the review’s recommendations (Australian Government 2011a, 2011b). The terms of reference of the review included an examination of the efficiency and effectiveness of Australia’s overseas aid programs and an analysis of appropriate future coordination with other donors and institutions. The review panel recommended that the Australian Aid Agency (AusAID) should engage with the growing focus on corporate social responsibility and philanthropic initiatives and to take advantage of increased opportunities to engage with

business in developing countries, particularly in the mining sector. The Australian Government's response was to largely endorse these recommendations declaring that new measures would include 'sharing our expertise to help our partners better manage the development of natural resources, particularly in the mining sector' (Australian Government 2011b:34). It is unclear, as yet, what form AusAID's new engagement with CSR and the mining sector in developing countries will take, but it will most likely be technical and regulatory assistance delivered from a distance rather than direct intervention in company practices or mining communities.

Also in July 2011, the ICMM released its '*Mining: Partnerships for Development Toolkit*' with the stated aim of helping companies, government and civil society to unlock the socio-economic benefits of mining. The toolkit, which seems to be primarily aimed at mapping the benefits of mining in order to negate the resource curse theory, also envisions partnerships between companies and other actors for poverty reduction and social investment. The toolkit continues the ICMM's vision for mining and development where mining companies are allocated the main roles as active agents of local community development while international organisations are expected to provide technical assistance and capacity building assistance, the national government to implement growth and poverty eradication strategies, and civil society to undertake accountability roles and to support local projects.

While there certainly may be some advantages to cooperation between mining companies and other development actors, these proposed partnerships appear to be reinforcing the existing conception of mining companies as local agents of development rather than attempting to redefine the meaning of CSR and how it is implemented. This thesis, and other research on CSR and mining (as outlined in Chapter 1.2 and 1.3), has

shown that there are a number of inherent limitations within mining company CSR as a vehicle for producing good local development outcomes. My research at KPC has highlighted these limitations in relation to gender equality outcomes. My research suggests that AusAID and other aid agencies, which have strong commitments to gender equality, need to consider very carefully whether partnerships with mining companies and engaging with CSR, as it is currently defined, will indeed generate effective development outcomes, particularly on gender issues.

10.2 CSR and Gender at KPC

At the time of my research in 2007, KPC had entered a new phase in its relationship with local communities. Indonesia has undergone an intense period of legal and political reform resulting in a far more robust democratic system that now allows communities to express their views on resource exploitation. The concept of CSR in Indonesia has grown exponentially such that it was not unusual to hear village residents discussing its scope and the implications for possible benefits to them. The concept has, however, coalesced around the dominant understanding as community development implementation rather than as requiring radical changes to how business is conducted. KPC has been under considerable pressure to prove its CSR credentials. The way it has done this has been through the establishment of a portfolio of local development programs covering infrastructure, environment, health, education, agribusiness and small business development.

As I demonstrated in Part I of this thesis, KPC has been partially limited in its ability to set its own CSR priorities. Pressure from the newly empowered district government has forced KPC to hand over one third of its community development budget to government

control. It has also had to comply with the district government's focus on agribusiness. Other community groups have also made their voices heard, such as in the Singa Gembara case where the company was forced to direct priority attention to that village. State construction of ideal femininity in Indonesia, and its local effects, has generally worked to limit women's participation in public politics with the result that women's voices have largely been missing from the contests over CSR benefits at KPC and, consequently, women have been less involved in resulting project implementation.

My research also found that gendered impacts of mining are indeed a reality at KPC, but far more diverse than depicted by the 'impacts of mining on women' set of literature. KPC, like other large mining companies, is a male-dominated realm with far fewer employment opportunities offered to women. While many women appreciate the advantages of living in a mining town and having relatives with steady employment and incomes, others have suffered the consequences of loss of land and livelihoods, increased prices and the effects of the wage economy and heightened masculinity on family life. This research particularly noted the discrepancies between the realities of sex work and the way prostitution has been portrayed by the 'impacts of mining on women' literature. I have argued that the conception of CSR as community development delivery means it is unlikely to have much effect on underlying business practices, particularly the exclusion of women from mine employment, that create gendered disparities in access to benefits and the bearing of the greater burdens from mining impacts.

At the time of my research, KPC was beginning to offer a couple of women-centred programs but was mostly gender-blind in its approach to community engagement and project implementation. Until this research project, there had been no gender impact

assessment or gendered evaluation of its programs. I found that this gender-blindness had resulted from a number of factors ranging from male-dominated company culture, lack of gender awareness among staff, a reliance on pre-existing gendered groups (such as farmers' groups) to facilitate beneficiary selection. But most fundamentally it resulted from the perception that men tend to pose greater risks to operations and hence are targeted for individual or group benefits through programs. This was illustrated in my analysis of KPC's livelihoods programs. Further, these CSR realities also inhibit the adoption of best international development practices such as the empowerment of sex workers and addressing wider gender inequalities for HIV prevention.

10.3 Multi-Positioned Ethnography and CSR

My research on KPC has been a process of learning and change as I became gradually more aware of the complexities of large-scale mining and its interrelationship with local communities. As mentioned in Chapter 1.8, I began the project with a personal commitment to gender equality but had no set stance towards mining and its effects on local peoples or more particularly on women. I had read the activist literature on mining impacts and women and expected to find a similar situation at KPC, but had to radically rethink my position on this once I conducted an impacts survey and was overwhelmingly informed of the benefits of living in a mining town, particularly for those able to take advantage of economic opportunities. Further, my first impressions of KPC's development programs were informed by glossy brochures and local publicity. The livelihood program evaluation survey outlined in Chapter 8 was originally based on the assumption that KPC's programs were substantially increasing beneficiaries' incomes and thus that it would be possible to measure the effects on gendered wellbeing in the household. Instead I found that few households reported significant increases in

income, although some of the programs were certainly laying a foundation for potential future livelihoods.

Then, it was only sometime after leaving the field, when I was removed from my personal involvement with KPC staff and their programs, that I was able to clearly reflect on my experiences and observations and begin to develop a clearer understanding of the dynamics of CSR in practice. It was this deeper analysis which has led to pessimism about the true potential for CSR, as it is currently defined, to make true changes towards gender equality and better development outcomes. This required a change in position and attitude from the 'quasi-consultant' role I had played in the field, with the pressure to produce usable recommendations to the company, to that of academic critic. This shift is particularly demonstrated in Chapters 8 and 9 where I re-evaluated the recommendations made in my original reports to KPC to include an assessment of the potential for achieving gender-sensitive outcomes through CSR.

Mosse's (2005) ethnographic methodology and insights into interactions between policy and practice inspired the analysis of CSR practices presented in Part III of this thesis. Mosse's 'multi-positioned' role as an anthropologist consultant allowed insider observation of development processes and later outsider self reflection on these activities. Similarly, I found that turning a critical lens on the work I had earlier done in a consultancy mode was most useful. Mosse's argument that it is impossible to grasp the processes within a development organisation without also being an insider holds particularly true for mining companies which tend to keep their internal processes hidden while presenting a very positive picture of their CSR activities. Those who argue that the only proper role of the anthropologist in mining is in assisting local people in

their claims against the company are excluding the importance of insider analysis and how it can facilitate a greater understanding of corporate development processes.

10.4 CSR as a Vehicle for Promoting Gender Equality in Mining

This thesis has combined a structural approach to understanding CSR and gender (Part I), together with studies of the gendered impacts of mining (Part II) and an analysis of CSR in practice (Part III). This research has thus moved beyond the almost exclusive focus on ‘impacts’ that has tended to characterise the literature and activism on women and mining. This approach has been effective in allowing me to draw wider conclusions about the potential for gender equality outcomes in mining and CSR.

It is true that the events described at KPC have largely been precipitated by the wider political changes in Indonesia that have empowered the district government and enabled local protest. It is possible that under more authoritarian regimes the dynamics described in this thesis as occurring at KPC may not arise for other mining companies. It is also possible to imagine that some other minesites around the world may well have much more empowered and active local women’s groups such that women may not necessarily be overlooked as posing potential risks to the company. However, the concept of CSR in mining seems to be coalescing around a uniform definition as community development delivery. It is very likely that the underlying tensions within KPC’s CSR implementation, and in particular the priority given to immediate business objectives, extend to other large-scale mining companies. Also, given the pervasiveness of gender inequality around the world, this case study at KPC has wider implications for considering mining, CSR, and the possibilities for achieving gender equality outcomes. That is, the same or similar fundamental issues are likely to arise elsewhere.

CSR tends to function in similar but more accentuated ways than more conventional aid programs, with the principal difference being the existence of competing business and development objectives. Gender equality outcomes are difficult to achieve by any development agency but this research has shown that CSR has some additional challenges. There is a tendency to use top-down delivery in order to maintain as much control over projects as possible. CSR approaches are likely to prefer efficiency rather than empowerment objectives and there is a tendency to give priority to economic empowerment over political empowerment objectives. There is a strong likelihood that political empowerment of women would be seen as merely creating an additional group of opponents to the company. CSR is often used to placate the most politically active groups in the community who are more often male dominated. Finally, the limiting of CSR to local community development objectives also means that there is little prospect of affecting wider determinants of gender inequality. These points were illustrated in my studies of KPC's livelihoods and HIV prevention programs.

These are all fundamental tensions within CSR as it is currently defined and practiced. Based on my research at KPC, it seems likely that to transcend these limitations a new conception of CSR will be needed – one that questions companies' dual business and development aims and incorporates the principles of gender mainstreaming which requires change at the institutional level as well as in program delivery. Gender mainstreaming and other GAD approaches have been shown to be generally difficult to implement in practice (see Chapter 1.5), but the difficulties appear to be compounded within mining and CSR.

10.5 Final Reflections on the ‘Gender and Mining Guidelines’

There are three major elements to my critique of the existing ‘gender and mining guidelines’ by the World Bank, Rio Tinto and Oxfam Australia. Although each guide advocates different approaches to gender in mining, the three guidelines have similar weaknesses. The first is the failure to take into account the local political drivers of CSR, the gendered nature of these, and their effect on company practice. The second is the reliance on the evidence base provided by the ‘impacts of mining on women’ literature and its use of images of homogeneous women victims that may not reflect reality in mining towns, particularly areas with diverse migrant populations such as the one in which KPC operates. This evidence base tends to exclude consideration of certain groups such as female sex workers from the category of ‘women’. The third weakness in the guidelines is their failure to consider institutional factors within the company including the constitution of the community development department and its effects on the gendered nature of CSR development program delivery.

The benefits of the guides lie in their attempts to bring gender and mining into the spotlight and some of their concrete suggestions for change. These guidelines may help companies to be more aware of gender issues in mining and achieve small improvements in outcomes such as encouraging more women participants or more acknowledgement of gender impacts, but I argue that due to their shortcomings the guidelines are unlikely to have significant effects on the root causes of gender inequality in mining towns. At best, the guides are naïve and unlikely to bring about fundamental change, or at worst, they may even work to shift attention away from institutional aspects of gender inequality in mining.

10.6 Possibilities for Further Research

There is wide scope for more case studies of mining company CSR implementation on the ground (as suggested by Kemp 2010). This research has argued that change to mining company practices needs to go far beyond mere superficial changes to policies and improved gender sensitivity in community development implementation. I have also suggested that the concept of CSR itself needs to be reconfigured to transcend the limitations identified in this thesis. This opens up a number of avenues for further action research, not only in existing companies but probably more profitably at the original stages of mine project conception where a mine's institutional culture may not be so deeply entrenched. Mechanisms for ensuring accountability and corporate partnerships with government and other aid agencies may also provide fruitful areas of research into reframing CSR and what it might potentially achieve. Further investigation into my observations that the focus on good publicity within CSR may inhibit effective monitoring and evaluation of development projects (see Chapter 7) might also be a useful future project. This research at KPC occurred when the company was many years into the operational phase and still many years away from mine closure. Mine closure is only beginning to be studied in any detail, and it is also a phase of mining that is yet to be adequately considered from a gender perspective.

This thesis has also touched on some side issues specific to Indonesia, particularly around decentralisation and gender, which are underresearched. Further studies might investigate gender in local resource conflicts in Indonesia, the effect of decentralisation on women's groups such as PKK and Dharma Wanita, and how district governments are incorporating national directives on gender mainstreaming.

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Appendix 1: Gendered Impacts of Mining Survey

The following survey was used as a guide for semi-structured interviews on gendered impacts of mining at KPC in Chapter 5.

Date and Time:

Location:

Part 1: General Information about Respondent

1. Name: (need not be noted if respondent prefers to be anonymous):
2. Sex: a) male b) female
3. Age:
4. Marital Status: a) married b) not yet married c) widow/widower d) divorcee
5. Number of children, number of grandchildren:
6. Ethnicity:
7. Religion:
8. Highest Education Level:
9. Employment/Main income source:
10. Have you ever been employed in a job with set wages? a) yes b) no
11. a) What is your approximate income per month?
b) How many other people in your household also have an income? (e.g. parents, spouse, child)? What is their approximate income per month?
12. Do you own your home? If not, who owns it (spouse, relative, rental property).
13. How many hectares of land do you (and your family who live with you) own?
14. What is your father's occupation (If he has retired or passed away, please state his previous occupation)?
15. What is your mother's occupation (If she has retired or passed away, please state her previous occupation)?
16. How long have you lived in this area?
17. Where were you born?
18. If you are a migrant to this area, why did you choose to move here? With the benefit of hindsight, was the decision to move a good one?
19. Where did you live before you moved here?

Part 2: Household Economy Before and After Mining

1. Who carries out the following activities in your household?
 - a) working/producing an income
 - b) shopping for everyday needs
 - c) housework and cleaning
 - d) caring for children
 - e) obtaining/fetching water
 - f) farming/gardening
 - g) other significant activity (please state):
2. Which of the following community activities are you involved in, if any?
 - a) member of an organisation (state name of organisation):
 - b) an official or office holder (please state position):
 - c) "gotong-royong" (community mutual assistance activities)
 - d) active in politics
 - e) active in religious affairs
 - f) none
 - g) other (please state):

3. Which family member(s) usually makes final decisions in your household?
 - a) on financial matters
 - b) on division of labour in the household/household tasks
 - c) on other matters

4. In your opinion, is the price of basic goods (rice, kerosene, cooking oil, soap etc) at the moment:
 - a) very expensive, too expensive
 - b) expensive
 - c) about right
 - d) cheap
 - e) don't know

5. Has the financial situation of your household changed since your moved here/since mining began here?
 - a) yes, it has become more difficult
 - b) yes, we are now better off
 - c) it has not changed
 - d) don't know

6. Please describe what it was like in this area before mining began? (or if you are a post-mining migrant, what it was like here when you first arrived?)

7. What is it like living in this area now?

8. In your estimation, do you expect that your household financial situation will change in the next two or three years?
 - a) Yes, it will become more difficult (income will decrease)
 - b) Yes, our situation will improve (income will increase)
 - c) The situation will probably stay the same.

9. In your opinion, which institutions will play the largest role in local development over the next two or three years?
 - a) local government
 - b) mining company
 - c) local business people
 - d) NGOs
 - e) other:

10. What are your feelings towards coal mining in this area? (and what are your reasons for this?)
 - a) very positive
 - b) positive
 - c) neutral
 - d) negative
 - e) very negative

11. What are your aspirations for yourself and your family in the future?

Possible Topics for Additional Discussion:

- * Health
- * Environment
- * Experiences of women in the mining area
- * Experiences of youth in the mining area
- * Differences in the lives of indigenous people and migrants to this area
- * Recommendations on how to increase positive influences and mitigate negative influences of the mine on local society.

- * Control of natural resources and land and compensation
- * Any other related topic as raised by the respondent

Appendix 2: Gendered Evaluation of KPC's Livelihood Programs Survey

The following is an English translation of the survey used in this investigation for women. A replica survey was used for men only without the additional questions under Part B on reproductive health.

- A. Household Date/Time:
1. Name:
 2. Address:
 3. Number of household members:
 4. Age, sex, and relationship to household head of these members:
 5. Is there anyone who is dependent on this household but does not live here?
 6. Main source of income for this household:
 7. No of household members with income sources -
 8. Their work - 1. _____ 2. _____ 3. _____
 9. Do all the children in the household go to school?
 10. Do you own this house? In whose name? If not, do you rent or live rent free?
 11. Household income per month –
 12. Household expenditure per month –
 - rent/house costs water
 - children's education electricity (or generator fuel)
 - basic food requirements phone/mobile phone credit
 - transport paying off loans/goods
 - cigarette money/snacks (for who?) other
 - money saved
 13. Do you have a bank account? 1. Yes 2. No In whose name?
 14. Have you ever borrowed money from a bank or other institution? 1. Yes 2.No
 15. If yes, what bank? How much? For what purpose? Has the loan been paid off?
 16. How many hectares of land do you own?
 17. Whose name is this land registered in?
 18. Type of house? 1. timber 2. brick 3. other
 19. House condition: (observation only) Is there a toilet?
 20. Source of drinking water?
 21. Source of water for other household needs?

B. Biodata

22. Age:

23. Religion:
24. Tribe/Ethnic Group:
25. Place of Origin:
26. How long have you lived here?
27. Reason for moving here?
28. Education level?
29. Can you read and write? 1. Yes 2. No
30. Do you have your own transport? 1. Yes 2. No (car/motorbike)
31. How often do you travel to: 1. Sangatta 2. Samarinda
32. In the last 2 or 3 years have you been sick?
33. If yes, what was the illness?
34. Where did you seek treatment?
35. Age at marriage?
36. Age at birth of first child?
37. Where were your children born? 1. hospital 2. health centre 3. At home (if at home, was there someone who assisted you – midwife or traditional healer?)
38. Who made the decision that it was time to have children? (*self, husband, together, no clear decision made*)
39. Have you had any children who died? At what age did they die?
40. Do you use a contraceptive method? If yes, what method?

How often are you the one in this household to make decisions regarding the following:	always	sometimes	never
Buying household goods			
Buying or selling land			
Paying for children's education			
Family medical treatment			
Buying clothing			
Buying basic food goods			

C. KPC Community Development Program

41. KPC program:
42. Who in this household has been involved in the program?
43. What year did this program begin?
44. How did the member(s) of this household get involved in this program?
45. Who decided that member(s) of this household should participate?
46. Are they still active participants? 1. yes 2. no

47. Do you have neighbours who are also involved in the program?
48. Do the household member(s) intend to participate until the program finishes?
49. Has this household ever received assistance from another source (*KPC/Local Government*)?

D. Since this household became involved in this program...

50. What have been the benefits of the program?
51. Have you received additional income from this program?
52. If yes, how has this income been used?
53. Do you yourself have any other sources of income?
54. Since you have been involved in this program have you purchased any particular goods? If yes, what did you buy?
55. How many hours per day do you spend on this program?
56. How many hours per day do you spend on work not related to this program?
57. Detail your everyday time use schedule:
58. Tell us about any special event that you have attended in relation to this program (for example, training, exhibition, harvest event etc). What was your role?
59. Do you have any spare time? 1.Yes 2.No
60. If yes, how do you use that spare time?
61. Does your spouse support your activities outside the household? 1.Yes 2.No
62. Does your spouse support your involvement in this KPC program?
63. Have you experienced any change in role in your household since this program began?
64. Have you ever given advice or feedback to KPC field staff regarding this program? If yes, what advice/feedback?
65. Have you told others about information you have gained from this program?
1.yes 2.No state reason:
66. What are your aspirations for the future?
67. Do you feel capable of achieving these aspirations? If no, what are the obstacles in your way?
68. Are you happy with the progress and benefits of the program - 1.Yes 2.No
69. Please state your reason for this:
70. Any further comments you wish to make about this program: