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All That Glitters

Fool's Gold Illegal mining is leaving a swath of environmental destruction and social conflicts in its wake >8-9



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All That Glitters Legitimate companies face double jeopardy of conflicts and blame because of the actions of illegal operators

Miners Risk Lives, Environment in Pursuit of Gold

Nivell Rayda & Vento Saudale

Ciguha, West Java. The village of Ciguha in Bogor is less than 100 kilometers from Jakarta, but the two places are worlds apart.

The village buzzes with the roar from thousands of rock-crushing machines operating 24 hours a day. Occasionally, a strong breeze whips up clouds of blinding dust from the beaten dirt roads, which are packed with weary-faced young men covered in mud.

The men are illegal miners, known locally as *gurandil*. In search of gold, they walk barefoot, marching like ants into nearby quarries in the belly of a dome-shaped hill called Pongkor.

They go in carrying empty sacks, bamboo poles, chisels and hammers, and emerge hoisting 40 to 50 kilograms of dirt in the sacks slung over their shoulders.

There are only a handful of permanent structures in Ciguha — a humble market and concrete houses adorned with classical-style columns and wrought-iron gates painted flashy bronze or glaring bright red. The rest of the village, as far as the eye can see, consists of thousands of semi-permanent workshops built from plywood boards and orange and blue tarpaulin tents.

Inside the workshops, the men break up rocks into smaller pieces, while others feed the freshly crushed ore into diesel-powered, drum-shaped grinders, mixing them with water and mercury, which binds the gold in the rocks to form an amalgam.

In one corner, a worker heats the newly formed amalgam over an open flame, vaporizing the mercury. Another worker scoops up the toxic waste sludge and puts it into sacks to be processed later in the same grinders. "Sometime we find more gold from the mud," says Triyanto, the owner of one of the workshops.

Six months ago, this 70-year-old retiree moved to Ciguha, in Nanggung subdistrict, from his hometown in East Java, lured by the promise of hefty returns for his investment.

"The landowners here are tricksters. I bought a plot of land after the owner showed me gold nuggets that he said came from his property. But it was empty. There was no gold. Or so my workers told me. Who knows, maybe they were the ones lying," he says with a bitter laugh.

But Triyanto remains undeterred. With gold prices soaring to as high as \$1,700 per ounce, finding pinprick-sized flakes of gold in the dirt each day still puts him on track to recover his investment.

"I now buy ore from the miners at Rp 100,000 [\$10] a sack. It works out better for them than to spend the same amount of money renting my machine, with no guarantee of finding any gold at all," he says.

A hazardous place

Fresh water is scarce in Ciguha. Much of the groundwater has been contaminated with mercury and cyanide, a telltale sign of the extent of the illegal gold mining operation taking place in the village. The local police station, a 30-minute drive downhill, is littered with posters and signs warning that illegal mining is punishable by up to 10 years in jail.

Despite its proximity to the capital and the threat of a lengthy jail term, the illegal mining operations in Ciguha have reached an industrial scale.

The local population has ballooned from a few hundred 11 years ago to around

3,000 according to a recent police estimate — at one point police even put the figure at 9,000 — turning this once sleepy farming village into a boomtown.

But Ciguha is no place for the faint of heart. There are no children in this village, nor are there old people. The only young women walking the streets are said to be prostitutes, while the older ones are either their *mamasans* or food vendors.

The nearby quarries have become mass graves for countless *gurandils*, with cave-ins and mudslides a real threat even when the sky is clear. The last official death toll was 214, back in 2004.

The miners know that each incident brings questions, investigations and scrutiny from the authorities, so a large number of accidents and deaths have likely gone unreported.

According to police, 16 illegal miners were killed in accidents over the past 12 months. The latest incident was in May in the neighboring village of Pangradin, in Leuwiliang subdistrict, where eight *gurandils* were killed in a landslide.

"What's strange is that the area has no proven gold reserves," says Uba Subandi, the Leuwiliang subdistrict police chief.

The incident brought the media swarming to the area. Not wanting their operations exposed, the *gurandils* tried to shoo away the reporters, threatening them with machetes and pickaxes, while others even vandalized the visitors' cars.

"I was inside the pit mine at the time," says one *gurandil*, Adi, as he wipes the dirt from his eyes after returning from a day's digging at Pongkor.

"I was chipping rocks inside the pit [when the landslide occurred]. The hole was so small that I had to crawl. Suddenly I heard a loud rumbling sound. I thought I was a goner, but the landslide got those outside [the mine] and spared those inside. I crawled out of the hole and found a shop buried beneath thick layers of earth."

Nanggung subdistrict chief Rumambi says there is little he can do to stop the influx of *gurandils*, 70 percent of whom he says come from outside the subdistrict, including other parts of West Java, the neighboring province of Banten, and as far afield as Lampung, Bengkulu and Kalimantan.

Environmental damage

Dodi Susanto, an official with the Ciliwung, Cisadane and Citarum Rivers Monitoring Agency, says his office last conducted an assessment on the environmental impact in the Ciguha area in 2010, and the findings were worrying.

The agency found indications that the rivers around Ciguha, like the Cipangaten, the Cikadarak and the Cimarinten, had mercury levels of 60 to 400 milligrams per liter, far above the 0.01-milligram-per-liter limit tolerated by the government.

Mercury poisoning can be lethal in humans. The worst case in Indonesia occurred in 2004 in Buyat Bay, North Sulawesi, where Newmont Nusa Tenggara, the local subsidiary of US gold miner New-



The illegal miners never implement good mining practices. ... They don't have the slightest consideration for the environment or the well-being of the people.

Syahrir A.B., Indonesian Mining Association executive director



An illegal miner in Ciguha holds up a gold nugget made of bits and pieces accumulated over several days. JG Photo/Nivell Rayda

mont, had for years been dumping its mining tailings.

Although thousands of people fell ill, a court later declared that the bay was not polluted and that Newmont had complied with environmental regulations.

The risk of mercury poisoning doesn't seem to worry the illegal miners in Ciguha, most of whom handle the hazardous chemical without protective gloves, goggles or masks. Mercury is also readily available throughout the village, with nearly every foodstall and coffee shop selling the chemical in empty mineral water bottles or plastic containers.

The threat of Ciguha or even Jakarta becoming another Buyat Bay is very real, with mercury levels of 0.38 to 10 milligrams per liter detected 24 kilometers downstream, where the rivers join up to form the Cikaniki and the Cisadane rivers.

The Cisadane cuts through densely populated areas, including parts of Tangerang, and skirts past West Jakarta.

The Bogor Health Agency has already recorded one death associated with mercury poisoning, identifying the victim as 68-year-old Sahrudin from Cisarua village, in the same subdistrict as Ciguha.

Authorities found signs that Sahrudin, who died of an undisclosed illness last year, had been exposed to large quantities of mercury over the course of many years. The health agency sought to carry out an autopsy to confirm that mercury poisoning was the direct cause of his death, but was repeatedly denied by Sahrudin's family.

Illegal mining doesn't just pose threats to the environment or to public health. In Banten's Lebak district, unlicensed gold miners recently resumed tunneling directly beneath an elementary school building, putting the schoolhouse at serious risk of collapse, authorities say.

A teacher at the school, who declined to be identified, said the police closed 21 mining shafts in the area in 2009 when it became apparent that some of them were beginning to encroach on the school.

The teacher said the mining activities were halted at the time, but resumed again earlier this year. The teacher said the miners had broken into the sealed-off shafts and were continuing to dig at night.

Syahrir A.B., executive director of the Indonesian Mining Association, says the environmental damage wrought by illegal miners also threatens the operations of legitimate mining companies.

"Seven or eight years back, my company, Nusa Halmahera Mineral, was accused of polluting the water by using mercury, although we never used it," he says about his mining operation in North Maluku.

Syahrir adds that the company later conducted its own investigation and traced the environmental damage back to nearby illegal mining operations.

"These illegal miners never implement good mining practices, meaning that they don't have the slightest consideration for the environment or the well-being of the people," he says.

He also cites a recent case involving the firm Sorikmas Mining in North Sumatra.

"[Illegal miners] organized a protest and burned the Sorikmas encampment, [forcing its] operations to be halted," Syahrir says.

Andrie S. Wijaya, coordinator of the Mining Advocacy Network (Jatam), denies the notion that the illegal miners are wholly to blame.

"That's one-sided information. Although illegal miners can also damage the environment, their impact is not as grave as from that caused by mining companies," he says.

He adds that in the Sorikmas case, the incident was triggered by "the accumulation of frustration" among local residents rather than by illegal miners.

Sparking conflict

Indonesia is the world's seventh-largest gold producer, with foreign-owned mines currently responsible for the majority of the country's annual output, which reached 111 tons in 2011.

And with 4.23 billion tons of primary gold reserves and 16.88 million tons of alluvial reserves, according to 2010 estimates by the Indonesian government, there is much money at stake, luring more and more illegal miners to start operations even at the risk of losing their lives and getting into confrontations with large companies and security officers.



being seriously enforced in cracking down on illegal mining, mining association director Syahrir responds curtly.

“Law enforcement? I think you know [the reality] for yourself,” he says.

Comr. Zulkarnaen, head of operations at the Bogor district police, denies that police are turning a blind eye on the flourishing illegal practice in Ciguha.

“The security around the Pongkor mining area is overseen by the West Java Police’s Mobile Brigade unit, he says, adding they have around 250 personnel there.

“[The Bogor Police] don’t routinely clear the area [of illegal miners] because there is no special task force dedicated to securing the Pongkor area.”

Karyawan Fathurachman, the Bogor deputy district head, says the government does not have the right policies in place to stop illegal mining, pointing out that most of the gurandils come from other areas.

Syahrir says legitimate mining companies have been very active in trying to come up with solutions to stem the emergence of illegal miners.

“We even offer the illegal miners jobs, but they refuse them, because they can make more money with no cost at all by continuing to mine illegally,” he says.

Newmont Nusa Tenggara spokesman Rubi Purnomo says his company has repeatedly warned the government about the environmental threat posed by illegal miners operating around its mine in West Nusa Tenggara.

“Illegal mining ... is rampant around [Newmont’s] mining sites. By using dangerous chemicals, [the illegal miners] are threatening the environment, the health of local residents and the miners themselves,” he says. “NNT has reported this to the authorities so we can monitor and guide [the illegal miners] together.”

Anton Alifandi, the Southeast Asia analyst at business risk consultancy Control Risks, told Reuters recently that the threat of conflicts and misplaced blame for environmental damage caused by illegal miners was putting off international mining companies from investing in Indonesia.

Pius Ginting, a mining and energy campaigner at the Indonesian Forum for the Environment (Walhi), says the authorities should embrace the illegal miners rather than crack down on them.

“The government can teach them how to safely dispose of hazardous materials, show them technologically advanced ways to mine safely and not damage the environment,” he says.

“If the government is only interested in shutting down illegal operations, what will happen is resistance and violence.”

In turn, government and law enforcement officials pin the blame on the governments of the regions that the illegal miners hail from, saying they should create more jobs to keep the would-be miners home.

Despite the threat of mercury poisoning and cave-ins, and the sacrifice he made in leaving his family hundreds of kilometers away, Adi in Ciguha says he will continue being a gurandil.

“It’s the difference between eating and not eating,” he says, tapping his belly.

He gives an embarrassed grin when asked how much he earns each month. “It depends on your luck really,” he says.

When asked whether the pay is worth the risk, he reveals that he makes on average Rp 2 million a month, roughly the same as what an unskilled, novice worker would get under the West Java minimum wage.

Such workers don’t have to worry about mercury poisoning or getting arrested. They also don’t have to worry about the high cost of living that the gurandils face each day in their remote isolation where food and cigarettes cost nearly twice as much as elsewhere.

But with residents of rural areas like Ciguha earning as little as Rp 650,000 a month, the illusory wealth promised by illegal mining is hard to resist, especially for those without proper education or skills.

“Back home, I’m just a poor farmer without even have an elementary school diploma,” Adi says. “At least here I can make a decent living.”

Additional reporting by Tito Summa Siahaan, Fitri & Aidi Yursal

Such confrontations are frequent in Ciguha. In 1999, state miner Aneka Tambang (Antam), which had a legal concession to operate there, tried to shut down several illegal mining operations there. With help from the local police and military, Antam closed off hundreds of shafts, each just wide enough to fit a small person and running hundreds of meters deep.

But a group of around 5,000 gurandils, armed with pickaxes and machetes, fought back, setting fire to dozens of homes, shops and cars in neighboring villages. An innocent bystander was killed in the violence.

Similar clashes have erupted across the country. In Paniai, a district in the resource-rich province of Papua, eight illegal miners were shot and killed by police for encroaching on a mining site belonging to Freeport McMoRan’s local subsidiary, Freeport Indonesia, in November 2011, according to Jakarta-based rights group the Commission for the Disappeared and Victims of Violence (Kontras).

Three months earlier, hundreds of illegal miners armed with machetes and sickles in West Lombok district, West Nusa Tenggara, attacked legal mining sites operated by Indotan Lombok Barat Bangkit over areas that the illegal miners claimed as their own.

As a consequence of the clashes in Ciguha, access into the village is now tightly restricted. The village can only be reached through the legal mining concession owned by Antam, which sees the illegal miners as a menacing problem. With numerous cases of gurandils trying to encroach into Antam’s underground gold deposits, the company’s security team tries to limit the number of visitors to Ciguha by imposing tighter screening.

But that hasn’t stopped the daily arrival of newcomers who hope to strike it rich. In fact, the tight screening process means that Ciguha’s legal, social and environmental problems remain largely unexposed.

“I have to admit, the best gold is located within Antam’s area, which is why a lot of gurandils try their luck and enter Antam’s mines,” says Triyanto, the workshop owner.

Other miners, like Hong Kong-based G-Resources, have managed to avoid getting

tangled up with illegal miners.

Katarina Siburian Hardono, the company’s spokeswoman, says illegal miners operate some 40 kilometers away from its mine in Martabe, North Sumatra, but have never encroached on the concession.

“Fortunately, to exploit our site requires advanced technology, and the resource is located very deep,” she adds.

But G-Resources, which has invested \$900 million in the venture, had to suspend its operations after locals around the mine protested over environmental concerns that have since been traced back to the nearby illegal mining operations.

Illegal miners have even clashed with one another. In July, four people were killed on Maluku’s Buru Island after hundreds clashed over an illegal gold mining operation there. In the incident, illegal miners from the local Ambalo and Buru communities stormed a site controlled by migrants from other provinces.

Antam president director Alwinsky Lubis denies that his company has problems with the gurandils of Ciguha, saying that they pose more of a threat to the environment than to Antam’s operations.

“These illegal miners damage the envi-

ronment. They use cyanide and mercury, which in turn pollutes the nearby Cikaniki River,” he says.

He adds that Antam has taken various approaches to stem the increase in illegal miners, including empowering the local community, but to no avail.

“These have had little success because most of the illegal miners are not locals and their prospecting culture means that they are in it for a quick profit,” he says.

Law enforcement

Una Farida Umasugy, a member of the Maluku provincial legislature, says outbreaks of violence are rife at illegal mining sites, with the authorities doing little to prevent them.

“The district government should take firm action and clear the premises of local and migrant [miners], because this is what it is authorized to do,” the legislator told state news agency Antara.

But the fact that illegal miners continue to operate just a few hours’ drive south of the nation’s capital gives an indication of just how little the authorities have done to stop the practice.

Asked whether he believes the law is

Clockwise from top left: The process of extracting gold from the ore dug up at the illegal mines, begins with workers breaking the rocks into smaller pieces; The rocks then go into drum-shaped grinders and mercury is added to bind the gold in an amalgam; Workers then pick out the pellet-like chunks; The mercury sludge, dumped into a pool, can be put through the grinders again to wring out more gold. JG Photo/ Nivell Rayda

