

The Politics of Mines and Indigenous Rights

A Case Study of the Grasberg Mine in Indonesia's Papua Province

Patricia O'Brien

In the space of two days in July 2009, the mountain road leading to the Grasberg mine in the Indonesian province of Papua was the site of three murders.¹ These murders, carried out with military-issue bullets, claimed the lives of an Australian mine worker, an Indonesian policeman, and a mine security officer.² Over the next three months, there were twelve more attacks on vehicles on the road leading to the Grasberg mine. This latest spate of violence has drawn attention to this troubled Indonesian province and the Grasberg mine, which U.S. mining firm Freeport McMoRan operates. The 2009 attacks and the responses to them are reminiscent of attacks in 2002, when two U.S. citizens were murdered on the same road—an attack which likewise shone the international spotlight on this goliath of mines, the ongoing struggles of the indigenous Papuan peoples, and the Indonesian state.

For over four decades the Grasberg mine—the world's largest gold mine and most profitable copper deposit—has been linked to myriad problems between the Indonesian government, the Indonesian military (TNI), and the indigenous Melanesian Papuan population of Indonesia's New Guinea provinces. The Grasberg mine's financial success is evident

Patricia O'Brien is a professor at Georgetown University's Center of Australian and New Zealand Studies. Her research interests include gender and empire, Australian history and colonialism in Papua, the French imperial takeover of Tahiti, and the nexus between indigenous people and mining in Melanesia and Indonesia.

in its longtime status as the nation's largest taxpayer. However, this success lies in stark contrast to the poor standard of living of indigenous Papuans. They live in grinding poverty, which is the worst in the nation. Additionally, they lack adequate access to health and education and face increasing displacement by Indonesian internal migrants. Moreover, the region's Indonesian security and military forces, thought to be deeply involved in the lucrative resource extraction industry, have long been held responsible for the abuse of Papuans. The persecution of Papuans has existed since the Indonesian takeover in 1963, which some commentators have described as "genocidal."³ The mineral and timber resources of Papua are at the heart of Papuan mistreatment and dispossession.

slow. Special autonomy has not been implemented in a good way." He sought to issue "a presidential decree to accelerate development in the two Papuan provinces."⁵

Two years later, however, signs of substantive change are few. The famine that afflicted Papua in 2009 clearly demonstrates how meager any changes have been. Despite Papua's "special autonomy and [that] trillions of rupiah [have] been directed at the province for development and welfare programs for native Papuans," nearly one hundred people have died of starvation in the eight months before August 2009.⁶ The recent attacks on the Grasberg mine also speak to continuing discontent and lack of change. After the July attacks, ten Amungme tribesmen were immediately arrested. The Amungme are

The mineral and timber resources of Papua are at the heart of Papuan mistreatment and dispossession.

In addition, Papuan living standards continue to lag well behind those of the rest of Indonesia. A 2007 World Bank report notes that 40 percent of Papuans still live below the poverty line, more than double the national average. One-third of Papua's children do not go to school, and nine out of ten villages do not have basic health services.⁴ Indonesia President Susilo Bambang Yudhoyono acknowledged that acute problems in Papua remain, despite the special autonomy legal framework of 2001. In February 2007 he stated, "The improvement of peoples' prosperity in the two Papua provinces is

the traditional owners of the Grasberg site and are currently suing Freeport McMoRan for "\$30 billion dollars for the 42-year exploitation of more than 2 million hectares of land."⁷ The government response to the attacks—to arrest locals as they did in the 2002 attacks—inflamed suspicions that the government is using locals with legitimate grievances as "scapegoats" rather than targeting the actual perpetrators, whose identities remain unclear.⁸ Papuans have therefore taken their demands to another level. On 1 October 2009 thousands of Papuans rallied in three cities, calling for international sup-

port for dialogue between Jakarta and a new "so-called West Papua Transitional Authority."⁹ These proposed dialogues would be based on the ones that took place in Aceh in the wake of the 2004 tsunami's devastation, which brought about significant reductions in long-standing tensions there. While there are limits to which parallels can be drawn with the Aceh case, such talks present a critical opportunity for progress in Papua.

The time is more than ripe to pursue this issue diplomatically. Events indicate that neither the platitudes of advocates nor the false promises of the government have done much to help the plight of the Papuans suffering from resource exploitation. A pragmatic approach that realizes that little can be accomplished for Papuans if the Indonesian government feels threatened would be well-advised. The ongoing opening of the bilateral relationship between Indonesia and the United States, which has gained momentum due to U.S. President Barack Obama's personal connections to the nation, presents an opportunity for quiet diplomacy with the potential to improve the situation on the ground for Papuans. Officials can press for the full implementation of existing Indonesian special autonomy measures. If fully implemented, these measures could greatly improve the lives of Papuans. Australia also has a role to play, owing to its proximity to Papua and its historic links to the region. Nevertheless, Australia must tread carefully; it played a leading role in facilitating East Timor independence in 1999, and public opinion in Australia is biased in favor of supporting the Papuans. These factors complicate its

perceived neutrality in negotiations between Papuans and Jakarta. Yet, all parties would probably acknowledge at this juncture that it is the peace in Aceh and the diplomatic roadmap it provides—rather than the traumatic independence of East Timor—that is most likely to yield a result that will improve living standards for Papuans.

This article contextualizes the current crisis through a brief exploration of the history of Indonesia and Papua, and the role the Grasberg mine has played in escalating tensions between the state and indigenes from the beginning of mine operations in the early 1970s to the present day. It analyzes the implications of the current violence surrounding the mine on local, national, and international levels. It concludes with policy recommendations to ameliorate the deteriorating situation on the ground in Papua.

Papuan History. An understanding of the deep historical roots of the conflict in West Papua is critical to grasp the current situation. Papuan advocates constantly evoke Papua's history and the method of its integration into Indonesia as a reminder to the international community that one can implicate all parties, especially the United States, Australia, and the United Nations (UN). The roles they played during the 1950s and 1960s denied West Papua independence and instead assured Papuan incorporation into Indonesia without a transparent and democratic plebiscite, which advocates characterize as an international "betrayal" of Papuans.¹⁰

When Indonesia gained its independence from the Netherlands in

1950, all of the former Dutch East Indies became part of the Republic of Indonesia except for Papua, which the Dutch sought to eventually set on the path to independence. From the outset of his presidency, Sukarno, Indonesia's independence leader and first president, steadfastly believed that Papua must "reunify" with Indonesia. Diplomatically, Sukarno argued that his vision rested upon the doctrine of *uti possidetis juris*—the belief that the "territorial boundaries of a post-colonial state should match those of the colonial territories they replaced."¹¹ Sukarno reinforced this position with small military incursions into Papua from 1959 until the Indonesian handover in 1963; these resulted in skirmishes between Dutch and Indonesian forces. However, Sukarno's arguments for reunification resonated more with numerous newly independent African nations than they did with Australia and the Netherlands, both of which called for Papuan self-determination.¹²

While U.S. President Dwight Eisenhower sought to maintain American neutrality in negotiations between Indonesia and Papua, Cold War politics led the United States under the John F. Kennedy administration to begin supporting a Papuan handover to Indonesia. Australia also suddenly shifted its support away from Papuan independence.¹³ Within the context of this drastically altered international climate, talks ensued through 1962 without any Papuan representation.¹⁴ The 1962 New York Agreement outlined an arrangement in which the Netherlands would initially transfer control of West Papua to the UN Temporary Executive Authority (UNTEA), and then to

Indonesia in 1963. While the UN was to continue to monitor the area and ensure compliance with the Agreement, it failed to do so.

After Jakarta took control of Papua, President Suharto stepped up Indonesia's military presence to meet the rising number of Papuan rebellions staged by the pro-independence Organisasi Papua Merdeka (OPM), or Free Papua Movement. Jakarta also wanted to assure its success through the "Indonesian-organized act of Papuan self-determination," known as the Act of Free Choice. It subsequently staged a "plebiscite" in 1969, in which the government selected 1,022 tribal elders—less than one percent of the population—to vote on the question of independence or integration into Indonesia.¹⁵ Despite vigorous Papuan protests, the UN endorsed the predetermined result—to integrate with Indonesia—which has served as the basis for assertions that Indonesia's control over the vast territory is illegitimate.¹⁶

The marginalization of the Papuans in their own lands continued after the 1969 Act of Free Choice, as indicated by an upsurge in violence between the OPM and the TNI. In an effort to stem rebel violence, the TNI targeted villages to "sweep" for rebels, leaving a trail of dead, injured, and sexually assaulted Papuans in their wake. A considerable number of Papuan refugees have fled the conflict, across the border into Papua New Guinea; it is estimated that as many as 20,000 have sought asylum there.¹⁷ Commentators who charge Indonesia with genocide cite estimates that, under Indonesian rule, the government is responsible for the deaths of over 100,000 Papuans.¹⁸ However,

others claim that this number is greatly exaggerated. They argue that it is extremely difficult to procure accurate data, due in part to the remoteness of the region as well as the travel restrictions placed upon foreign journalists, researchers, and other international observers.

President Suharto's era.²⁰ Though the details of the nexus among resource extraction, corrupt military practices, and endemic human rights abuses in Papua are murky, the net effect on the indigenous population's quality of life is clearly detrimental. The "direct involvement of senior members of the

The significant role played by multinational mining interests shapes [Papua's] history.

The Grasberg Mine at the Local and National Levels. The increased repression of the Papuans since 1969 was accompanied by a dramatic upsurge in natural resource exploitation in Papua. The Dutch identified Papua's mineral riches as early as the 1930s, but exploitation did not commence in earnest until after World War II. Under Indonesian rule, however, interest in tapping the natural wealth of the region grew rapidly, as did the revenues from oil, forestry, and mineral extraction.¹⁹ The history of Papuan natural resource extraction is therefore intimately connected with the expansion of Indonesian government and military control, affected by the TNI and other Indonesian security forces.

The significant role played by multinational mining interests also shapes the region's history. While Freeport McMoRan is just one of a number of corporate players in Papua, its operation in the Grasberg deposit had a colossal impact upon the region since 1967. The mine and its operators were deeply implicated in the vast political and financial corruption that marred

police and army in resource extraction . . . combined with the lucrative taxes which flow to the Indonesian state, provide powerful motives for the state to retain tight control."²¹ In fact, control remains so tight that West Papua is the most militarized region in the nation. By the end of 2009, Indonesian President Yudhoyono sought to rein in the practice of the military acting as agents and profiteers of resource-extracting companies. However, this decision has sparked a power struggle that may partly explain the July attacks near the Grasberg mine.²²

For decades, Freeport McMoRan paid the TNI to provide security for the mine. Despite new government regulations that banned this practice and ostensibly replaced the TNI with other security personnel, some assert that the mine continues to make payments to the TNI.²³ The military's large presence around the mine has long exacerbated conflict with the local population.²⁴ A 2007 Human Rights Watch report found that security forces "continue to engage in largely indiscriminate sweeping operations in pursuit of suspect-

ed [Papuan] militants, using excessive, often brutal, and at times lethal force against civilians."²⁵ Apparently, the modus operandi of the security forces in Papua has remained largely unchanged since the reform period began. Following the 2002 attacks on the Grasberg mine, international attention has had a seemingly limited effect on the practices of security forces operating in the province. Since the spate of recent attacks, TNI troopers have joined the local police taskforce to enhance security in the area.²⁶

many migrants, they constitute only 20 to 26 percent of workers at the mine. They therefore receive limited economic benefits from its continued presence. Along with the social and political dimensions of Freeport McMoRan's operations, the mine has caused massive degradation of highland ecosystems, river systems, and distant coastal areas where it pipes tailings. The company's favored status with the TNI and the Indonesian government has resulted in accusations that the company circumvents

The company's favored status with the TNI and the Indonesian government has resulted in accusations that the company circumvents Indonesia's already weak environmental protection laws.

The mine has also spurred transmigration to Papua, mostly from Java. Indigenous Papuans currently comprise an extremely slim majority of the population in comparison to incoming peoples from elsewhere in Indonesia (1.2 million indigenous Papuans versus 1.1 million internal migrants). In addition to the injurious impact of this migration upon native Papuan rights, the Grasberg mine also has an impact upon the spread of HIV/AIDS. The nearby town of Timika, a service town for the mine and residence for some 12,000 male employees, has the second highest rate of HIV/AIDS in Papua. The province itself has by far the highest infection rate in the nation.²⁷ Given that indigenous Papuans are less educated than

Indonesia's already weak environmental protection laws.²⁸

Since 2001, however, the Indonesian government has made significant progress in acknowledging the problems of Papua and their causes. As in East Timor and Aceh, conditions in Papua gained increasing international attention during Reformasi. For Papuans, the period of Reformasi from 1998 to 2001 resulted in recognition of "the need for special autonomy" for the region, "given the diversity of Papua and the dictates of participatory democracy in the newly emerging Indonesia."²⁹ In 2001, Law No. 21 on the Special Autonomy of Papua—which granted greater autonomy to the Papuan Province—acknowledged that Indonesian-run development has

not benefitted the people through economic advancement, supported the rule of law, or shown respect for Papuans' human rights. In addition, it acknowledged that Indonesian attempts at resource management had "not been optimally utilized for improving the standards of living of the native community," causing a "gap between the Papuan province" and the nation's other provinces.³⁰

The Law on Special Autonomy made generous concessions in terms of governance; political, religious, and cultural protections; freedoms and human rights for Papuans; and an immense redistribution of the wealth generated from the exploitation of natural resources back into the province. For instance, it stipulated that authorities should channel 80 percent of forestry, fishing, and general mining, as well as 70 percent of oil and gas revenue, back into provincial revenues for 25 years, after which point authorities would reduce these revenues to 50 percent.³¹ Thus, one could argue that, despite the passage of this law, Papuans' continuing problems stem from poor implementation by Indonesian-backed leaders.

The Mine and the International Community. Papua's situation has attracted international attention due to its conspicuous humanitarian dimensions, although perhaps not as much as it deserves. The currently deteriorating situation in Papua has the potential to derail the very promising circumstances that the election of President Obama has created for furthering the U.S.-Indonesian bilateral relationship, should an inci-

dent prompt increased or renewed interest by key human rights advocates in Congress. U.S. Congressman Eni Faleomavaega of American Samoa continues to champion the Papuan cause by pressuring the Indonesian government to honor its pledge to grant autonomy to the two provinces under the Special Autonomy legislation. However, Faleomavaega incurred criticism in June 2009 when he voted to remove a provision in a bill requiring the U.S. State Department to report human rights abuses in Indonesia to Congress. In his defense, Faleomavaega claimed he dropped the provision to ensure that Papua did not turn into "an issue that might affect the Indonesian elections."³²

In Australia's case, Papua presents the most sensitive aspect of current bilateral relations. Given Australia's history with the East Timorese independence movement, Jakarta distrusts Canberra's involvement with the Papuan cause. In fact, in 2006 the Australian government granted forty-two Papuan refugees Temporary Protection Visas. Indonesia responded by withdrawing its ambassador to Canberra. President Yudhoyono also directly called then Australian Prime Minister John Howard, demanding that Canberra return the asylum-seekers to Indonesia.³³ In an unanticipated twist, in 2008 the leader of these asylum seekers, Yunus Waingai, opted to return to Papua "voluntarily" in a move touted by the Indonesian government as proof that there exists no basis for refugee claims.

Yet, the July 2009 murder of Australian native Drew Grant on the Grasberg mine road has forced

Australia to once again reengage Papua, albeit reluctantly. The Australian government grew far more silent over Papua since the refugee incident. Nevertheless, the death of an Australian citizen has drawn the attention of both Australian officials and the public. Some Australian parliamentarians have called on their government to urge Indonesia to allow the International Red Cross into Papua so that the organization can make an independent assessment of the situation. Indonesian authorities are likely to resist such demands—given the stringent travel restrictions that the government already places upon the press and foreign aid agencies in the province—“citing fears they will agitate over issues such as human rights abuses.”³⁴

Recommendations. The international community must act swiftly to contain the volatile situation in Papua, which stems from continued violence around the Grasberg mine, recent political rallies, and the effects of famine. In particular, the United States and Australia should encourage Indonesian officials to promptly initiate Aceh-style talks with Papuan leaders. In addition, they should urge Indonesia to fully implement its Special Autonomy laws to ensure both greater adherence to the rule of law and the flow of funds promised under those laws to Papuan peoples.

Nationally, it is essential that Jakarta work with Freeport McMoRan and

other leading companies to ensure that Papuans benefit from commercial activities, in the form of greater employment opportunities and the expansion of health and education services, as outlined in the Special Autonomy legislation. In addition to channeling funds to areas that elevate Papuan living standards, Indonesia should relax its restrictions on political dissent and freedom of expression, as well as the travel restrictions placed on foreign media, researchers, and international aid organizations. Jakarta should also work to reduce the presence of the TNI in commercial activities. Finally, reducing transmigration would ameliorate the cultural, social, and economic plight of Papuans.

As Papuan well-being is also linked to the health of the environment, the Indonesian government should ensure that all resource extraction activities comply with Indonesian environmental protection laws. Where there is evidence of environmental damage, as in the case of the Grasberg mine, the Indonesian government must compel the operators to bear the costs of restoration. In short, concerned domestic and international actors should encourage Indonesia to implement its own laws quickly and effectively and to enter into dialogues with Papuan leaders. Only then can the government resolve this urgent challenge, which weakens President Yudhoyono's attempts to reform and democratize Indonesia.

NOTES

- 1 This article focuses upon the western half of the island of New Guinea, formerly known as Dutch New Guinea and then, after Indonesian takeover, as Irian Jaya. More recently, it was divided into two provinces, Papua and West Papua. The Grasberg mine is in the province of Papua. Numerous commentators use the term "West Papua" to refer to all of Indonesian-controlled New Guinea, a term that indicates empathy with the indigenous cause..
- 2 Australian Drew Grant was killed on 11 July 2009. The next day, a security worker and a policeman (both Indonesian) were killed, and twelve were wounded.
- 3 Greg Poulgrain, "A bloody Trail that leads straight to the Indonesian Army," *The Age*, 17 July 2009.
- 4 "World Bank—Public Finance Indonesia," Internet, www.publicfinanceindonesia.org (date accessed: 27 June 2007).
- 5 "Indonesian President Urges Faster Papua Development," *Reuters*, 16 February 2007, Internet, <http://uk.reuters.com/article/idUKJAK30943420070216> (date accessed: 7 December 2009).
- 6 Nethy Dharma, "Government blamed for failing to prevent deaths from starvation in Yahukimo regency," *Jakarta Post*, 4 September 2009.
- 7 Dicky Christanto, "Minister denies TNI played a role in Freeport attacks," *Jakarta Post*, 17 July 2009.
- 8 East Timor and Indonesia Action Network (ETAN), "West Papua Report October 2009," Internet, <http://etan.org/issues/wpapua> (date accessed: 16 October 2009).
- 9 "Indonesian Papuans rally to back new 'provisional government,'" *BBC News*, 1 October 2009.
- 10 ETAN, "West Papua Report October 2009."
- 11 John Saltford, *The United Nations and the Indonesian Takeover of West Papua, 1962-1969* (New York: Routledge, 2003), 8.
- 12 Saltford, *The United Nations and the Indonesian Takeover of West Papua, 1962-1969*, 9.
- 13 Saltford, *The United Nations and the Indonesian Takeover of West Papua, 1962-1969*, 14; David Palmer, "Between a Rock and a Hard Place: the Case of Papuan Asylum-Seekers," *Australian Journal of Politics and History* 52, no. 4 (December 2006): 577-578.
- 14 Saltford, *The United Nations and the Indonesian Takeover of West Papua, 1962-1969*, xix; The West Papua Network and Watch Indonesia, *Autonomy for Papua: Opportunity or Illusion?* (Berlin: Friedrich Ebert Foundation, 2003), 122.
- 15 Saltford, *The United Nations and the Indonesian Takeover of West Papua, 1962-1969*, 2; Clive Moore, *New Guinea: Crossing Boundaries and History* (Honolulu: University of Hawaii Press, 2003), 200.
- 16 Rodd McGibbon, *Pitfalls of Papua: Understanding the Conflict and Its Place in Australian-Indonesia Relations* (Sydney, Australia: Lowy Institute Paper, 2006), 13: 1-12; Jason Macleod, "Gagged," *Arena Magazine* 68 (December 2003-January 2004): 30.
- 17 Palmer, "Between a Rock and a Hard Place: the Case of Papuan Asylum-Seekers," 597.
- 18 Palmer, "Between a Rock and a Hard Place: the Case of Papuan Asylum-Seekers," 584; McGibbon, *Pitfalls of Papua*, 95.
- 19 Jan Pouwer, "The Colonisation, Decolonisation and Recolonisation of West New Guinea," *Journal of Pacific History* 34, no. 2, (1999): 177-178; Denise Leith "Freeport and the Suharto Regime 1965-1998," *The Contemporary Pacific* 14, no. 1 (Spring 2002): 69-70.
- 20 Peter King, *West Papua and Indonesia since Suharto: Independence, Autonomy or Chaos?* (Sydney: University of New South Wales Press, 2004), 22-23.
- 21 International Crisis Group, *Indonesia: Resources and Conflict in Papua* (Brussels, Belgium: ICG, September 2002); Human Rights Watch, *Out of Sight: Endemic Abuse and Impunity in Papua's Central Highlands* (New York, NY: HRW, July 2007) 13.
- 22 Anthony Deutsch, "Experts say killings at Indonesia's gold mine likely to stem from rivalry between police, military," *Associated Press*, 15 July 2009.
- 23 Aubrey Belford, "Indonesia deaths spotlight murky history of gold mine," *Agence France Presse*, 14 July 2009. Another article claims that "a formal relationship between Freeport and the military ended in 2007." See Tom Allard, "Who Killed Drew Grant," *The Age*, 18 July 2009.
- 24 Denise Leith, *Politics of Power: Freeport in Suharto's Indonesia*, (Honolulu, HI: University of Hawaii Press, 2003); Damien Kingsbury, *Power, Politics and the Indonesian Military* (New York: Routledge Curzon, 2003), 195.
- 25 Human Rights Watch, *Out of Sight*.
- 26 "TNI Strengthening Freeport Security," Organisation of Asia-Pacific News Agencies, 8 September 2009.
- 27 Nurlan Silitonga, A. Ruddick, and FS Wignall, "Mining HIV/AIDS and Women - Timika, Papua Province, Indonesia" in *Tunnel Vision: Women, Mining and Communities*, eds. Ingrid MacDonald and Claire Rowland, (Melbourne: Oxfam Community Aid Abroad, 2002).
- 28 WALHI-Indonesian Forum for Environment. *The Environmental Impacts of Freeport-Rio Tinto's Copper Gold Mining operation in Papua* (Jakarta, Indonesia: Indonesian Forum for Environment, 2006); *Indonesia Commission: Peace and Progress in Papua* (New York, NY: Council on Foreign Relations, 2003): 52-53.
- 29 *Questioning the Unquestionable: An Overview of*

the Restoration of Papua into the Republic of Indonesia (New York: Permanent Mission of the Republic of Indonesia to the United Nations, 2004), 70.

30 Annex VIII, Law No.21 on the Special Autonomy of Papua granting greater autonomy to the Papuan Province, "considering" points f. and g. in *Questioning the Unquestionable*: 105.

31 Article 34 b) and c) Law No.21 on the Special Autonomy of Papua granting greater autonomy to the Papuan Province in *Questioning the Unquestionable*: 119.

32 "American Samoan Congressman defends

Papua stance," ABC Radio, 26 June 2009; Radio Australia. "Groups Disappointed by U.S. House of Representatives Removal of Provision Highlighting West Papua." Internet. <http://www.radiion-australia.net.au/pacbeat/stories> (date accessed: 24 July 2009).

33 Tom Allard and Craig Skehan, "Visa Ruling Puts Jakarta Ties at Risk." *Sydney Morning Herald*, 24 March 2006; "Jakarta Rage Over Visas," *The Age*, 24 March 2006; McGibbon, *Pitfalls of Papua*.

34 "Fifteen arrested over Indonesia Papua attack: Police," *Agence France Presse*, 21 July 2009.