Social Impact of Mining on Women: Balochistan and Sangatta Compared

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Research aims:
This research conducted a social impact assessment of mining investment in Balochistan (Pakistan) and Sangatta (East Kalimantan, Indonesia) with a specific focus on women’s empowerment within a broader community context.

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Summary of Action Research Activity

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This research focused on the mining and community support activities undertaken by Tethyan Copper Company (TCC) in Balochistan in the Reko Diq area of Pakistan and by Kaltim Prima Coal (KPC) in Sangatta, East Kalimantan, Indonesia, and the perception among the recipients in the regions of their role in helping the communities.

The research included the following:

• focus group discussions with men and women in separate settings to assess the community views
• specifically designed qualitative questionnaires for women on the impact of mining on their lives, empowerment and ability to make purposive choices, within the framework of their understandings of purposive choices.
• interviews with decision-makers and stake-holders in national/regional/local government on the social impact of the investment on the community as a whole, and specifically the women in the region
• interviews with individuals involved in the mining companies in-country and in Perth to understand their motivations for community projects

The main findings are presented and the similarities and differences in the impacts for women compared between the two case studies.
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Introduction

Literature on the impact of mining has proliferated in the last few decades. Resource nationalism literature critiques the willingness of governments to offer their territories to external agents who use mining to benefit themselves and also in the process form linkages and alliances that benefit certain selective sections if the community. Often employing a neo-Marxist approach that views the mining activity in terms of centre-periphery relations and the benefits accrued to the national host bourgeois through mining activities of outsiders, these studies draw attention to the costs of mining to communities and states. Environmental costs of mining stand out in this context. Others tend to provide understanding of both positive and negative impacts on mining. Mishra, for example, analyses the diverse positive and negative impacts of coal mining on the livelihoods of local communities of the Ib Valley Coalfield in Orissa. Using the sustainable livelihoods framework, she shows that coal mining contributes to the enhancement of financial capital but has a mixed impact on physical and social capital and a negative impact on human and natural capital. In her opinion, while the benefits seem to be for the short term, the costs are borne over the long run.¹ Hilson et al. in The Socio-Economic Impacts of Artisanal and Small-Scale Mining in Developing Countries provide insights into both positive and negative socio-economic impacts of small-scale mining in developing countries.²

The literature on mining has also gradually incorporated a focus on the gender dimension, thus exploring the impact of mining on women, their employment in what is predominantly viewed as a male occupation and the impact on their socio-economic status linked to mining. As in the general literature on mining, critiques of the negative impact of mining on women abound. However, in her seminal work Lahiri-Dutt and her associates have drawn attention to the both positive and negative impacts of mining on women. This is combined with strong advocacy for including gender in discussion of mining and development.³

Meanwhile, the focus on Corporate Social Responsibility (CSR) has gained momentum, both as a process of facilitating mining, and also as a vehicle for engaging the communities and mitigating negative impacts of mining on them. Given the increased acceptance of CSR as an essential element of mining projects, the literature has also come to focus on what CSR aims to achieve and the extent to which the projects undertaken as part of CSR genuinely help the communities concerned, especially women. While sufficient literature is available on a number of

³ Lahiri - Dutt, K (ed.) 2011 Gendering the Field: Towards Sustainable Livelihoods for Mining Communities, ANU E Press http://epress.anu.edu.au/gendering_field_citation
countries, the role of mining companies in promoting women’s agency through CSR in Pakistan remains limited.

This report provides the findings of action research conducted with the help of a research grant from the International Mining for Development Centre (IM4DC) that explores the impact of CSR projects undertaken by Tethyan Copper Company (TCC) in Reko Diq area, Balochistan, Pakistan and compares it with the impact of CSR projects initiated by Kaltim Prima Coal (KPC) in Sangatta, East Kalimantan, Indonesia. The mining companies chosen have a historical connection with Australia and so could be identified as possessing an 'Australian identity' even though the links are no longer 'alive'. The institutional lineage of TTC in Balochistan and KPC in Sangatta can be traced to Rio Tinto. While the operations by TTC have already been suspended in Balochistan, in Sangatta the KPC is planning to close operations by 2021. The discussion in the report is premised on the notion that analysis of social impact on women is intricately and inextricably linked to the impact on the communities in general. It also distinguishes between direct and indirect benefits and costs of mining, as well as immediate and long-term limitations. The paper is divided into three parts: the first part focuses on TCC in Balochistan and the second deals with Sangatta, East Kalimantan. The third part provides some views on the similarities and differences in the impacts for women between Balochistan and East Kalimantan.

**Tethyan Copper Company (TCC) in Balochistan**

Balochistan is the westernmost province of Pakistan. It is bordered by Iran (west), Afghanistan (northwest), Khyber Pakhtunkhwa province (northeast), Punjab province (east), Sindh province (southeast) and the Arabian Sea in the south. Although largest of the four provinces in Pakistan constituting 40% of the country’s total landmass, Balochistan is home to less than 5% of the country’s population. The 1998 population consensus placed the estimate at, 6,565,885 of which only 1,568,780 lived in urban areas. More recent estimates place Balochistan’s total population to be approximately 10 million (2014) with a population density of 28 persons per sq.km. This is in marked contrast to Punjab, Khyber Pakhtunkhwa and Sindh with (358, 238, and 216 persons per sq km respectively).

The province has a unique physiography characterized by a mostly dry climate and rough terrain. It suffers from severe water shortage: with 80-250mm average annual rainfall, the people in Balochistan have limited access to water. According to Balochistan Government estimates “hardly 10 gallon water per capita is available to

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60% of the province’s population against the UN standards of 30 gallon of water per capita. So severe is the water shortage that some estimates predict that Quetta, the capital of Balochistan, may have to be relocated due to predicted water unavailability in future. In coastal areas such as Gwadar, people are forced to purchase water at exorbitant prices during long periods of drought.

Balochistan’s rich mineral resources balance the water and population deficits. Metallic minerals include copper, gold, chromite, iron, lead-zinc, titanium, manganese and antimony. Of these, the province is estimated to be site to the second largest deposits of copper. In non-metallic minerals, Balochistan has coal, fluorite, barite, gypsum, anhydrite, limestone and dolomite, magnetite, onyx, marble, sand and gravel and sulphur. These mineral resources have attracted international companies that are keen to mine and benefit from these mineral deposits. The district Chagai occupies a special place in this respect. As the largest district in the province (50,545 sq. km) and the country, and with an approximate population density of 4 persons per sq.km, Chagai is the site of numerous minerals and is referred to as the "museum of minerals". Major deposits and discoveries found in this district include Copper, Gold, Silver, Molybdenum, Sulphide, Iron Ore, Chromite, Manganese, Tungsten, Barite, Gypsum, Pumice, Onyx Marble, Sulphur, and Vermiculite. The Government Support Project (GSP) in Balochistan identified a

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number of world class Porphyry type deposits which may contain a huge quantity of Gold along with Copper and Silver in Chaghai district.\(^9\)

![Map of Chaghai District]

Source: Balochistan.gov.pk.

The investment by TCC in Reko Diq area of Chagai, Balochistan, needs to be understood within this general context. The Geological Survey of Pakistan had discovered huge reserves of gold and copper in Chagai and surrounding areas. As the site of part of “the Tethyan belt—a global geological trend extending from Europe to Asia” Reko Diq and adjoining areas attracted attention from those international investors who were not deterred by the remoteness of the region. In 1993, BHP signed the Chagai Hills Exploration Joint Venture Agreement (CHEJVA) with the Government of Balochistan, and “discovered significant copper-gold deposit at RekoDiq” during the 1994-1997 period. Mincor Resources NL took over the project from BHP and in 2000 established TCC: originating from Perth, TCC initiated operations in Pakistan. Under the terms of the agreement that enabled TCC to operate in Pakistan, TCC owned 75% interest “in the exploration license (EL-5) for copper-gold prospects at RekoDiq in district Chagai of Balochistan” with the Government of Balochistan holding the remaining 25% share. With an initial investment of $100 million, TCC began the work to produce a feasibility report that would use engineering analysis and studies of infrastructure alternatives such as rail, road, power, port and water supplies to evaluate the overall technical and economic viability of the project. While the work on the feasibility study was underway, the TCC (Australia) sold its 100% shares to the Chilean based Antofagasta PLC and Barrick Gold Corporation of Canada. By virtue of this sale, all mining rights in Reko Diq were transferred to the TCC subsidiary in Pakistan (TCCP). TCCP continued work on the feasibility report at added costs and submitted it to the Balochistan Government in August 2010 followed by a Mining Lease Application in

\(^9\) Ibid.
February 2011, along with an Environmental and Social Impact Assessment (ESIA) report. The TCCP assumed that the approval of the Application for Mining Lease was a routine matter and that it would soon enter the mining phase.

A combination of political and legal issues resulted in the Balochistan government terminating the contract. The termination took place against the backdrop of allegations that TCC had not provided for genuine development in the area and was instead interested in merely “taking the gold” out. These allegations were linked to the estimates that the Reko Diq mine holds reserves of 2.2 billion tons of gold and copper and that it would produce 200,000 tons of copper and 250,000 ounces of gold annually over a period of 56 years. Since TCCP was not planning to set up a refinery within Balochistan, it gave rise to the argument that Balochistan was being deprived of the benefits of its resources. Arguments of resource nationalism were combined with questioning the legality of TCC (Australia) transferring its shares to the Chilean and Canadian partners. This was despite the fact that when the transfer had taken over, this was not queried or objected to by the Balochistan Government or the Federal Government of Pakistan.

Since 2011, the question of mining rights in Reko Diq area has been the subject of legal disputation. Within Pakistan, the question engaged the Balochistan High Court and later the Supreme Court of Pakistan. In January 2013, the Supreme Court declared the Reko Diq contract between the Balochistan and TCC void. TCC has also engaged international arbitration: at the International Centre for Settlement of Investment Disputes (ICSID), it has alleged that the Government of Pakistan has breached the Bilateral Investment Treaty between Australia (where TCC is incorporated) and Pakistan. It has also alleged at the International Chamber of Commerce (ICC) that the Government of Balochistan has breached the CHEJVA which had formed the basis for the subsequent feasibility study and prospects of

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mining. Currently, TCCP has been seeking damages from Pakistan and Balochistan Governments while parallel efforts are underway to find alternative investors who could cover the cost of the damages and re-start the work in the Reko Diq area.

Throughout the period lasting from 2000 onwards, the TCC has initiated a number of projects to engage and help the community in the Chagai area, especially from Nokkundi to Reko Diq. As part of its Corporate Social Responsibility (CSR), TCC has provided educational, health and training to members of the community. In addition to employing local people to work for TCC in Nokkundi and Reko Diq area, the company has also initiated projects specifically aimed at helping women of the region. Even though the international arbitration and failure to find a resolution of the dispute has halted the work of TCC in Reko Diq area, the shareholders and the CEO of TCC has opted for continuing “base level community support projects” even though it does not have any obligation to do so.\textsuperscript{11} This is being done with the help of a network of existing NGOs in Nokkundi who have been helping the TCC to implement the projects for community support.

\textbf{Assessing the Social Impact on Women in Chagai, Balochistan}

The efficacy of these and earlier programs with a special focus on women was assessed through a series of interviews with members of the company (current and previous employees), political leaders involved in the decision making at different stages, and community members. This was supplemented with focus group discussions on site. The interviews were arranged using purposive sampling: we contacted the Chief Minister’s Policy Reform Unit (CMPRU), Government of Balochistan, for help with understanding the governmental viewpoint. In addition to sharing their ideas, the officials also put us in touch with other possible respondents who had been previously engaged in the Reko Diq area. In parallel, we contacted senior officials of Tethyan Copper Company (TCC) for assistance with interviews: they arranged the focus group discussions at the sites identified below and also helped us talk to previous and current employees of the Company. The participants in these discussions were invited by the TCC and they attended the meetings voluntarily. The interviews were conducted based on a list of themes for which approval had been secured from the Human Ethics Office at UWA (Appendix A). Though the approval also included a Participant Consent form (Appendix B), the participants agreed to the discussions without signing the forms; something that was expected given the social norms and practices regarding engagement with visitors and guests.

These interviews were supplemented with visits to the site in January 2015 to gain a deeper understanding of the terrain (both geographical and sociological) in which the CSR projects were run. The visit to the base camp in Nokkundi and to the Reko Diq area was facilitated by TCC whose members met me at Karachi Airport. We

\textsuperscript{11} Interview with an official of TCC, December 2014.
travelled to Dalbandin by air and then by road to Nokkundi. After focus group discussions with community groups in Nokkundi and interviews with individual respondents, we also traveled to Humai village, Reko Diq main camp and the airstrip built by TCC. During this trip, we interviewed members of the community to gauge their views on the value of TCC projects run as part of the CSR agenda. Given that the visit to the region was facilitated by TCC, the complete objectivity of the results cannot be guaranteed. However, every effort was made to ensure that the respondents and participants of focus group discussions were free to share their ideas in the absence of TCC employees except in the case of focus group discussions where no interpreter was available.

Based on these interviews and observations, it can be argued that TCC projects initiated in Chagai have helped women both directly and indirectly. To appreciate this, it is essential to understand the demographic nature of the region: Chagai district is inhabited by tribes of Sanjarani, Notezai, Mohammad Hassani, Sumalani, Reki, Gogarji, Mengal and Baraich. Though the instability in Afghanistan has resulted in some migration of Pashtuns to this region, the region remains predominantly Baloch. The customs and traditions of Baloch societies, therefore, dominate the social and political dynamics. Baloch society is essentially patriarchal in nature: men are the breadwinners and women rely upon men in the family to both provide for them and enable them to operate within the family sphere. This sits parallel to the centuries old tradition of respecting women to the extent that historically conflicts would cease if women chose to come out in the open.

Against the backdrop of this patriarchal nature of society and related expectation of men as the providers, the presence of TCC in Chagai district, especially in Nokkundi and Reko Diq area, has helped the local communities by increasing their access to employment opportunities. Initially the TCC employed 50 persons in the company, and later increased it to 200. Though it is not possible to ascertain the exact proportion of men employed from the local community, the focus group discussions with women only gatherings suggest that sufficient number of men in the households were employed for the women to benefit from their employment. According to the media briefings provided by TCC earlier, a significant number of employees from Chagai (76% of the first batch) were sent to the Descon Technical Institute in Lahore for vocational training. The enhanced economic capacity along with the training of male members in the family enabled women to feel more comfortable than was the case before. This observation, it is important to note, may not apply to the families of tribal leaders who generally enjoy higher income levels.

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than the ordinary citizens in the region. It could, therefore, be argued that the TCC operations and their preference for engaging local population helped increase the economic options available to lower income households that had previously relied on alternative means of income generation.

The focus on safety and security in the workplace provided another indirect source of positive impact on women’s lives due to TCC presence in the region. The visits to the Nokkundi base camp and the main camp at Reko Diq clearly reflected the focus on security and safety for all employees. The drivers, for instance, would refuse to drive until all passengers had put the seatbelts on. Given the pervasive neglect of such significant safety precautions, it was obvious that the company attached high value to training its employees the basics of operating safely. The initial briefing given to all upon arriving in Nokkundi of the gathering place in case of some emergency was another indication of the basic safety procedures followed and communicated to others at the operation site. If we extrapolate the experience to what could be considered a limited number of locals being employed at the TCC, it could be argued that the company’s presence and focus on safety enhanced the family’s safety indirectly.

The projects initiated in the educational sphere also provided indirect positive benefits for women within the framework of traditional family relationships. TCC had financially supported and provided small grants to middle and high schools in Nokkundi, Dalbandin and Chagai to address their basic needs. In Humai, enroute to the Reko Diq mining site, TCC ‘provided the students (both boys and girls) with reading and writing materials, course book, uniforms, two extra class rooms, English language teacher, toilets, and pick and drop facilities’. When located within the broader context of inadequate facilities for schools across Pakistan, and particularly in Balochistan, the value of this assistance can be understood. According to the Chief Minister Policy Reform Unit for the Balochistan Government, Chagai ranks as one of the districts with the lowest number of primary and high schools, and one of the highest student-teacher ratios. Significantly, 59 schools in the district are shelter less and 120 schools have only 1-2 classrooms. Only 21 schools have 3-4 rooms for students. At the Primary School level only 41.2% and 6.2% of those tested were able to read a sentence in Urdu and English respectively. The support provided to even a limited number of schools, it could be argued, helped the local community. The educational opportunities for both girls and boys are likely to have better long term impact on the families. The boys would be able to compete with others in major towns and hopefully gain employment with positive economic benefits for the family. The education for girls will also improve the knowledge deficit present in women of many Baloch (and other Pakistani) families. This carries the long term prospect of them being more capable of seeking ideas and knowledge that could

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help improve the quality of family lives.

The projects initiated by TCC in health provision also supported the general community thus indirectly helping women by improving the general wellbeing of family members. The provision of health services by TCC in the form of dispensary and regular visits to inaccessible areas close to the main campsite also helped the community in general, including women. During the focus group discussions, some respondents referred to the help provided by the TCC in emergency situations by transporting the patients to nearby hospitals for treatment. The regular visits by a doctor employed by TCC also ensured that inhabitants in these areas were able to receive medical treatment.

Equally significant was the role played by TCC in providing drinking water for the nearby communities. At the main campsite in Reko Diq, the provision of safe drinking water for those working and the nearby communities partly explains the migration of a number of families close to the Reko Diq camp. It turned into a complete village with houses built in the line of sight from the camp. Given that this area has suffered due to water scarcity, the value of this provision could hardly be overstated.

TCC also initiated special projects that directly helped women in Nokkundi and the Reko Diq area. This included training program for Lady Health Visitors (LHVs), provision of health services and information sessions on health and hygiene specifically for women. As part of this program, TCC trained five women over a period of two years at Bolan Medical College Hospital and Civil Hospital (Quetta), Rural Health Centre (Nokkundi) and TCC Community Hospital (Humai). They formed part of the team providing health facilities specifically for women in the villages of Humai, Siah Reg, Nokchah, Durboncha and Mashkicha. Given the extreme paucity of these facilities in the distant regions of Chagai, the women specific health program helped a number of women. Operating against the strict norms of segregation, the female health visitors became a source of needed medical attention during childbirths. The training of the health workers itself was a source of empowerment for the women chosen to serve in this capacity. When interviewing these young women, I was struck by their enthusiasm and happiness at receiving the training in Quetta (the capital city of Balochistan). They mentioned that they had been able to acquire the knowledge and experience that had helped them even when TCC chose to cease the program due to the dispute over mining lease. Though no longer employed by the TCC, the knowledge has enabled them to continue earning some money independently. The capacity building has also provided them with the option of choosing between earning or just serving the community. Essentially, the trained LHVs were proud to have received the training that had elevated their status and usefulness in the community, especially for women in the area.

The LHVs, when employed by the TCC, also shouldered the responsibility of carrying out 84 health and hygiene sessions at Humai, Siah Reg, Nokchah, Durboncha and Mashkicha villages. These consisted of simple lessons on how to keep the house
clean, washing hands and utensils before cooking, and health needs of children. The LHV were of the view that though apparently very simple lessons, they had enabled the otherwise totally illiterate women, who were unaware of hygiene rules, to learn how best to take care of their families.

The direct positive impact on women through the projects initiated by TCC was also apparent with respect to the learning and sewing classes offered by TCC for women. I met a number of these women in a small mud house where they assembled to share the benefits of these TCC run projects for women. The literacy classes, they told me, had enabled them to learn to read. When I asked specifically what they had learnt, one woman responded: all the six Kalimas. The reference to learning the Islamic prayers carries special significance in a community that is proudly Muslim but where women may not be fully aware of the teachings of Islam and instead learn of their religious obligations combined with the verbal transfer of cultural norms.

Equally significant were the sewing classes to build women’s capacity that occurred during 2010 and 2011 in four groups at Nokkundi and Humai. According to the information provided by TCC, ‘of the 104 enrolled in the sewing classes, 80 had successfully completed the training and were provided sewing machines and Tailoring Kits’. The TCC had planned to engage women in the activities of the mine: they hoped to train the women sufficiently to give them contract for stitching uniforms for school students and for the mine workers. But the termination of the contract ended these plans as well. However, during the focus group discussions, it was clear that the women were proud to have learnt enough to be able to make clothes for their family members. A few of them also had chosen to do so on payment. The average amount charged for their sewing was Rs300 which is little compared to even the main towns in Pakistan where tailors would charge more than Rs1,000 per suit. But the amount gave them a sense of independence and pride. This, in my assessment, contributed to them acquiring the capacity to make purposive choices in terms of how to use the training long after it had ceased.

Some analysts may question this positive assessment of direct and indirect benefits of mining activities in Chagai. There is criticism of projects primarily addressing women’s practical rather than strategic gender needs and interests through women-only projects and organizations. McIntyre also complains that gender equality is not specifically institutionalised by embedding gender sensitive practices and norms in policy structures, processes and environment. She is critical that the projects initiated under corporate social responsibility ‘carry with them the principle of non-intervention in the social and cultural lives of local communities. ... [hence] it remains implicit [in the activities of the mining companies] that cultural practices would neither be impinged upon, nor would the values that sustain customary sociality be eroded’. Such attitudes and practices, in her opinion, exclude

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and disenfranchise women even before a mining project is embarked upon.\textsuperscript{16} However, it is important to note that in areas like Balochistan such upfront mainstreaming runs the risk of derailing the projects by giving rise to feeling among male leaders that the companies are aiming to engage and change the cultural landscape. Policies that indirectly achieve this aim carry better promise of success than if directly mentioned and articulated. Therefore, projects solely focusing on women and meeting their needs provide the entree for women into economic space with some possibility of independent agency and ability to make purposive choices even if they were not the intention of the planned CSR. This could be equated with a form of gender mainstreaming that takes into account women’s agency and provides them with a voice in community participation.

Despite what could be identified as positive direct and indirect benefits to women due to TCC projects, it is important to draw attention to some negative aspects of the program. This assessment needs to be located within the context of prevailing cultural and economic conditions. The termination of the lease by the Balochistan Government resulted in TCC halting its operations. This directly impacted on the employment opportunities for local people. A number of men employed from Nokkundi and Humai area lost their jobs in the company. In addition to the general economic downturn in the area, it contributed to drug usage among some male members of the community which directly and indirectly affected the family space in which women operate. There was also reported increase in the incidence of crimes. While it cannot be directly blamed on the sudden closure of TCC operations, it did affect the environment in which women have been living their lives. During the focus group sessions, therefore, they consistently urged that the Company be re-opened. Only when told that the meetings were not held at the behest of the Balochistan Government would the women share their problems linked to increased use of drugs by some male members and the crime in the area.

The focus group discussions also indicated another disadvantage linked to the projects. These could be termed as unintended consequences of the CSR related projects: the women receiving free medicines appeared to have developed an assumption that the doctor’s refusal to prescribe medicines meant that they were not being treated. This expectation for medication could set dangerous trends in future unless checked. More significantly, though trained to sew, the women were not enabled to develop a capacity to earn independent of the support from the TCC on a long term basis. Nor was there an indication that the trainers paid attention to help women develop capacity to capitalize on their already existing advantage, i.e. their expertise in Balochi embroidery. Their distinct style, if combined with the capacity to sew dresses could have enabled them to earn more significantly even after the TCC entered a ‘static’ phase. Given that the operations of mining companies are subject to unexpected closures or suspensions, it is essential that in future basic training for women is combined with some lessons on entrepreneurship. In other

\textsuperscript{16}Ibid., 4-8.
words, from help to self-help needs to be the underlying philosophy of training for women in areas such as Balochistan if the benefits of CSR related projects are to have long-term and significant impact.

Equally significant is the need to ensure that unexpected termination or suspension of activities does not impact relatively more on projects for women. This appeared to be the case with the remaining project being run by TCC: the computer literacy program, though successful, is now only restricted to boys. Apparently, similar classes were introduced for girls but at the time of my visit, there was no female teacher available for girl students. While a valid explanation, it did raise a question as to why the TCC, with its NGO network was not able to convince the village elders that male teachers could teach the girls as well. In similarly strictly segregated societies, such as in Kuwait, male teachers have found creative solutions to teach female students while abiding by cultural norms.

But the efforts did not address other hidden inequalities such as domestic violence perpetrated by members of the family (not necessarily the husbands). Though this was not stated categorically in the interviews, some information came to light that even educated women were not safe from abuse from their extended family members. There appears to have been no effort to introduce concepts such as countering violence against women. It could be argued that the Baloch traditions would have made it difficult for any external actors (even if mediated through local NGOs) to introduce such ideas. There is, however, an argument for at least using literacy classes to promote positive messages of Islam that enjoin upon family members to be compassionate towards each other as a route to countering abuse of women.

**Kaltim Prima Coal in Sangatta, East Kalimantan, Indonesia**

The Kaltim Prima Coal (KPC) operates in Sangatta, in the Kutai Timur Regency of East Kalimantan. The province of East Kalimantan is endowed with mineral resources including oil, natural gas, coal and gold and has thus attracted national and international mining companies for decades. Kutai Timur, one of the autonomous Regency, is the site of significant coal reserves that have benefited from this interest. Located between 115°58'37" to 118°59'31.37" east longitude and 1°50'42" north latitude to 0°0'32" south latitude the Regency occupies 35,747.50 km² land area or around 17% of Kalimantan Timur province and consists of 18 subdistricts and 135 villages. The largest number of people resides in northern Sangatta followed by Bengalon. According to the June 2014 Census Kutai Timur population has a total population of 412,459 people that consists of 226,539 males.

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and 185,920 females.\textsuperscript{19} The coal reserves in this region are estimated to be in the vicinity of 5.35 billion tonnes.\textsuperscript{20} The process of exploration in this area started in 1982, and the exploitation started in 1989 with coal production reaching 55 million tonnes annually until 2008.\textsuperscript{21}

The PT Kaltim Prima Coal (KPC) is managing the biggest coal mining operation in Kutai Timur. It was established in 1982, based on deed No. 28 dated March 9, 1982 and received ratification from the Ministry of Law of Republic of Indonesia based in the Decree No. Y.A.5/208/25 dated March 16, 1982. As the owner of the mine, BP and Rio Tinto started its first activity in 1982 in Sangatta which was just a village with a population of 4,000. After operating the largest open cut coalmine, in July 2003, BP and Rio Tinto sold the company to Indonesia's Bumi Resources—a publicly listed member of the country's Bakrie group.\textsuperscript{22} In 2007, Tata Power (India) acquired 30\% equity stakes in KPC.\textsuperscript{23} In 2014, China Investment Corporation (CIC), a sovereign wealth fund, acquired a 19 per cent stake in Kaltim Prima Coal. Though Bumi Resources have faced problems and tried to sell it to other Indonesian buyers, the Bakrie Group is still a major owner of the Coal Company. KPC conducts coal exploration, production, and marketing in an area of 90,938 ha in Kutai Timur, according to PKP2B.\textsuperscript{24} It manages 18 pits of which 5 pits are managed directly by KPC and 13 other pits by its contractors, including: PT Darma Henwa, PT Pama Persada, PT Thiess, and PT Bukit Makmur Mandiri Utama. Approximately 67\% of the coal mined is destined for China, Japan and India.\textsuperscript{25} In 2013, KPC has 5,041

\begin{itemize}
  \item \textsuperscript{19} Op.cit.
  \item \textsuperscript{20} Kajian Efektivitas Belanja dan Kinerja Pelayanan Dasar Publik Pemerintah Daerah Kabupaten Kutai Timur dalam Sektor Pendidikan, Kesehatan, dan Infrastruktur, Bappeda Kabupaten Kutai Timur and LPPM UGM, 2014, p. 43
  \item \textsuperscript{22} Donnan Sand, Hidyat T BP, \textit{Rio Tinto may face dollars 40m payout to workers, Financial Times} 4 September 2003 Retrieved from \url{http://search.proquest.com/docview/249502457?accountid=14681}
  \item \textsuperscript{24} PKP2B: Perjanjian Karya Pengusahaan Pertambangan Batubara (Coal Contracts of Work)
\end{itemize}
employees with more than 74% of them recruited locally from Sangatta and Bengalon areas. There are 357 females out of total employees; 5 are managerial level, 11 superintendents, 105 supervisors and specialists, 58 technicians and officers, and 177 tradespersons and administrative officers.

The coal exploration and its export have directly impacted on the region. Sangatta, which was initially a small sub-district of Kutai Kartanegara Regency, has grown from a population base of 4,000 into the capital of Kutai Timur with a population of more than 125,000 people in 2013. Of the total population 65% of them include KPC employees, its contractor’s employees, and their families. As part of the CSR projects, KPC has been actively assisting the local communities with an annual allocation of US$ 5.02 million for these programs.

The impact of these projects on women’s empowerment was assessed through a series of interviews and group discussions conducted in Sangatta, Indonesia. The interviews took place in 3 sub districts of Kutai Timur: Sangatta Utara (capital of Kutai Timur Regency), Rantau Pulung, and Bengalon. These subdistricts were chosen due to the KPC’s inclusion of them, along with Sangatta Selatan sub district, as the inner core (identified as Ring 1) of the company’s CSR projects. These areas receive direct KPC assistance for community empowerment projects, whereas the areas in the second and third rings only receive donations. It is, however, important to note that of the three sub-districts, Sangatta Utara is inhabited by 31.21% of Kutai Timur population and consists of 4 villages occupying 1,262.59 km² land area (3.53% of Kutai Timur area).

The initial contact with the officials at Kutai Timur Regency was made through Mr Bambang Purwoko of the Gadjah Mada University staff who has considerable
experience of research into local government issues in Indonesia. The officials at the Kutai Timur Regency agreed to participate in small group discussions and arrange visits to various sites where KPC has been managing projects. This also enabled some KPC staff to participate in discussions on CSR projects established by their organisation. To ensure a diversity of views, the team also interviewed others in the community who were not selected by either the Kutai Timur Regency officials or the KPC staff. The interviewees included members of the local government, former employees of the local government, current employees of KPC, and women and men in the areas of research. These interviews were conducted in Bahasa Indonesia by a team of researchers from Gadjah Mada University, Yogyakarta and translated simultaneously to enable the chief researcher to ask supplementary questions.

The action research indicates that mining has both directly and indirectly impacted on women in Sangatta. As in Balochistan, the operations of KPC in Sangatta increased employment opportunities for people in the region resulting in people coming to the area from other parts of Indonesia. The internal migration supported by the Indonesian government also contributed to the process. The increase in the total population of Sangatta and Kutai Timur in general reflected the active role of KPC in employment generation: it employed locals (both indigenous and migrants) to support the mining activities which according to the available data included 4,684 men and 357 women with the largest majority from Sangatta (4,969) followed by Bengalon (40). In addition to direct employment of men (and proportionately fewer women in KPC), the mining activity also increased general economic development in Sangatta. This enabled others, not employed directly in the mining activity, to benefit from the process. This included small shopkeepers, transport and tourist services, and entertainment business. Interviews with numerous women and men indicate that this had beneficial effect for families in general, including women.

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26 I am grateful to Mr Bambang Purwoko, Ms Maulina Muzirwan and Ms Oktavi Andaresta for their help without which the interviews would not have been possible.

27 Ibid.
The interviews indicate a different route taken by KPC in delivering its CSR related projects than was the case in Balochistan. While in Reko Diq area, Tethyan Copper Company voluntarily initiated community projects and assumed independent agency often with active participation of non-governmental sector, KPC in Sangatta collaborated with local government in planning, designing, and implementing its CSR related projects. The process initially took the form of a Partnership Forum established in 2006, but it then transformed into a Multi Stakeholders Forum that provided the locale for collaborative efforts between the local government and KPC (as well as other mining companies in the region). Consequently, KPC played an active role in developing infrastructure including roads, schools, medical facilities, ecotourism sites, and cattle farming. The projects benefited the local communities and the newly established villages that had resulted in additional and rapid pressure on the system for educational and infrastructure support due to the increase in population numbers in Sangatta. KPC has also provided scholarships for children enrolled in schools and universities, and other training programmes that were appreciated by both men and women interviewed during the visit. The infrastructure development has also reduced the time needed for traveling within the area: a number of women reported that previously they would require 4-5 hours or even longer to travel, for example, from Rantau Pulung and Bengalon to Sangatta. But the time has been reduced and they can cover the same distance in 2-3 hours.

The vision statement of KPC identifies empowerment of women as a significant part of its overall priorities. The interviews with women employed in KPC suggest that it is correct with reference to the facilities provided to women within the company. However, proportionately, the number of projects specifically designated for women was rather small. There were references made to literacy and sewing lessons provided to women but not all the women were aware of them. Nor had they benefited from such projects. Noticeable in this context was a comment by a woman from an elite family in Bengalon that she had little knowledge of these projects. However, one example of women-specific project stands out for its positive and ever-increasing impact not just on women but also others in the community: the batik and tenun (weaving) training project.

The project was initiated in 2008 when the KPC staff contacted Masriati who had migrated to Rantau Pulung from Java. She has started doing batik in 2005 but then stopped due to economic constraints. Once contacted by KPC with the offer of financial support and encouragement, she restarted the process. Since then she has been designing material with batik designs that combine Cirebon style with Kutai Timur pattern, especially Dayak Basap motifs. More recently she has also ventured into adapting motifs from India after watching the popular television serial Jodha Akbar that details the relationship between the Mughal Emperor Akbar and his Hindu wife, Jodha. Whatever she produces is sold through an outlet managed by the KPC, Olsa bara. The process has helped her as local government bureaucrats purchase her products to wear as part of their tradition of donning batik shirts once a week at work. This has enabled her to earn money and she joyously reported
being able to spoil her grandchildren as a result of her income. The project, it could be argued, has assisted her in making purposive choices in life.

The batik project has helped more than one woman: once Masriati started her project, other women in the village also got interested and joined the batik training lessons. Later, the training was extended to other villages, and more recently schools have also organised batik training lessons for children. The batik project, therefore, carries the promise of enabling more than one woman to earn income, develop capacity and make choices in life. This promise is paralleled by concern expressed by a few women during the interviews that they expected support from the KPC at the same level as that extended to Masriati. They were frustrated that this had not been forthcoming. Though the KPC staff engaged with CSR suggested that the explanation resides in the requirements of the market for suitable quality of products rather than the choices made by the company, the fact remains that the batik project has also indirectly denied some women the capacity to explore their options. Equally noticeable was the limited experience provided to the women in entrepreneurship: though a useful outlet for women to sell their handicrafts, Olsabara appears to be the only outlet that could be used by these women to earn income. It would have been better if these women were encouraged to use alternative means of promoting their handicraft beyond the local market.

The interviews have also drawn attention to the mixed nature of the direct and indirect impact of mining related CSR projects on women. This can be elucidated with reference to two case studies. A family living close to a new pit opened a year ago has been operating a shop on the roadside. Both husband and wife who are involved in running the business revealed that the opening of the new pit had enhanced their earnings. While in the past they were earning on average IDR 80,000 per day, more recently these earnings had increased to approximately IDR 300,000 per day. They were not only selling more merchandise to customers but there was a stream of visitors who wished to take photographs from the hilltop at which their shop is located. This positive picture, however, was mixed with concerns about blasting and its environmental impact on the family and the near neighbours. The wife drew attention to the increased dust in the atmosphere and that it had been frightening her young boy who would often cry at the sound of blasting in the nearby pit. She pointed out that the local government had not briefed them about the risks of blasting in their area. The family also reported that the lack of attention to environmental concerns had resulted in water pollution which had resulted in skin diseases suffered by residents in the area. Though KPC had responded to it by providing medical support, the family was aware of the environmental and health risks to them. They would have preferred to move but were of the view that the KPC had not been forthcoming with the suggested compensation that would have made it worth their while to leave the area. The views regarding the failure of KPC to provide compensation may reflect the interviewee’s lack of clarity about what had transpired. But the dissatisfaction with the current situation around their home and
the negative experiences of their neighbours does indicate a negative impact on the household, including women.

In another case, a Dayak family had been resettled in the new Dayak Basap village in Bengalon built by KPC to accommodate those impacted upon by their mining activities. The wife indicated during her interview a degree of satisfaction with the resettlement process. She had been provided a new home, and was able to live comfortably. But during the interview, it transpired that she had not been very clear about the total set of support provided by KPC for residents of the village. Given the fact that the woman being interviewed was a ‘leader’, her lack of information reflected a problem with communication strategies being employed by the company. Further research into the issues being faced by the resettled Dayak families indicated that it had added an element of loneliness for women: they were traditionally used to live in households that were more open to other members of the extended family and friends. Being resettled in single family units had deprived them of this essential social context.

The mining activity in Sangatta and surrounding areas by KPC and other companies has also resulted in increased criminality in the region. Instructive in this respect was the innocent remark a young girl made that people around the area hypnotise women who have jewellery and rob them! The incidence of prostitution was also reported. This is in line with the research findings by Lahiri-Dutt. The respondents were concerned that there was no concerted and sustained effort to eradicate prostitution which kept on returning to the area despite occasional closures of brothels. The discothèques were identified as some of the sites where this presence was apparent. Two young female respondents also drew attention to the growing incidence of drug usage in the area. Given that these issues affect the whole
community, it could be argued that they have negatively impacted on women as well. However, the incidence of prostitution and drug trafficking\(^{28}\) cannot be solely attributed to the KPC mining operations as the respondents acknowledged that it had existed prior to the KPC becoming active in their villages.

**Women Empowerment Post KPC in Kutai Timur, Sangatta**

Having operated in Kutai Timur since 1992, KPC is planning to cease its operations in the next decade. This raises the question of the sustainability of the positive impact of the CSR related projects initiated by the company. The focus on eco-tourism by the KPC has already been initiated. If continued efficiently, it would provide livelihood to the local population. The increased emphasis on palm tree plantations would also provide alternative forms of income for the locals. However, those who could not be employed in the palm oil sector may have to move from Sangatta. The impending decline in the population and attendant economic downturn would cause problems for the families, including women. Concerns in this regard were expressed by respondents who feared that the closure would deny their capacity to earn, for example, through their shops. The extent to which this would also be apparent with respect to the batik project being supported by KPC would depend upon the training provided to women in independent entrepreneurship prior to the mine’s closure.

The impact on women’s empowerment would also be determined partly by the current re-centralisation legislations introduced in Indonesia (Law No 23/2014). While previously the regency and districts were responsible for dealing with mining operations (and hence held a stake in how the CSR funds were used), the upward shifting of the responsibility to the provinces would mean that the focus on women of Kutai Timur might decline. This entails a possible reduction in the support for women-specific CSR projects.

**Women of Chagai (Balochistan) and Kutai Timur (Sangatta) Districts: Comparing the Impact of CSR**

Comparing two mining operations and their impact on women in countries with different cultural and political traditions is always difficult. In the case of Pakistan and Indonesia, this is particularly challenging. Though Indonesia and Pakistan are the two largest Muslim states and are considered to be democratic states, the cultural ethos and the shape patriarchal customs take in these countries is different. Balochistan in Pakistan, for example, has more restrictive notions of women’s role in

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\(^{28}\) The respondents explained that drugs were initially used by the workers to help them perform effectively at work especially when working at night.
the public space compared to what is considered acceptable and the norm in Indonesia, including Sangatta.

The comparison is also rendered difficult by the fact that in Balochistan, TCC was not allowed to proceed beyond the preparation of a feasibility study whereas KPC has been in operation since 1992. Also, in Balochistan the TCC assumed independent agency in designing and delivering CSR related projects, whereas in Kutai Timur the collaborative efforts between the KPC and local government created a situation where the agency in the CSR space was shared with other stakeholders. Despite these differences, however, the two case studies allowed the following observations to be made:

- Women’s empowerment remains predominantly at the periphery of the concerns of companies. In TCC, the nature of CSR projects introduced suggest that there was proportionately more focus on women’s empowerment whereas in KPC the issue was noted but not fully supported.

- The projects aimed at providing women the ability to make purposive choices suffer from lack of attention to their sustainability. Nor are the women fully encouraged and trained to develop expertise in entrepreneurship. This inculcates a sense of dependence which if allowed to continue undermines the purpose of women-related projects.

- The active agency of mining companies in providing CSR-related support for the communities in Chagai and Kutai Timur also seems to introduce a sense of dependence on them for funds. For the sustainability of the projects and real impact, it is essential that the companies develop plans for independent operations of the projects. These steps need to be taken parallel to the introduction of projects and at the early stages of mining activity and not towards the end of the life of mining. Such a consideration would ensure that empowerment of communities and women persist beyond the life of the mining activity, irrespective of the stage at which it ceases.

- A significant finding from the research was the positive contribution made by the two companies in introducing ideas of safety and CSR related projects. In case of TCC, its focus on safety and willingness to engage the local community reportedly prompted the Chinese investors in Saindak area to also engage the local community and provide them with drinking water. A similar impact was apparent with respect to the KPC with its CSR approach that consistently attracted awards and appreciation nationwide in Indonesia. This positive impact, though not directly relevant to women in the area, suggests that the scope exists for imparting training in safety procedures and engaging local community to mining companies operating in Pakistan. By extension, similar training could also be offered to mining companies in China that are operating outside China.
Acknowledgements
I am grateful to Bambang Purwoko, Zainab Syed, Waleed Bizenjo, Maulina Muzirwan and Oktavi Andaresta for their help with research on this report. Special thanks are also due to the Chief Minister Policy Reform Unit, Government of Balochistan, for their help with information. Without the help of the Tethyan Copper Company that assisted me with the visit to the remote areas of Balochistan, I would not have gained firsthand knowledge of the issues. Sincere thanks to Nasir Baloch for guiding me throughout this time. The assessment of the situation entirely represents my own understanding.

Selected Bibliography
Appendix A: Information Sheet for Interviews

Dear Participant,

We are seeking your voluntary participation in a face-to-face interview for our research project. Before we proceed, we would like to provide some basic information about the project for which we need your assistance.

1. The research entitled Social impact of mining on Women-Balochistan and Sangatta compared is currently being conducted at the Centre for Muslim States and Societies, the University of Western Australia. Professor Samina Yasmeen is the Chief Researcher for the Project.

2. The International Mining for Development Centre, at the University of Western Australia and University of Queensland, has funded the research.

3. The main aim of the project is to develop a fair and accurate picture of how mining impacts on women. We seek to develop appreciation of the social welfare projects initiated by different mining companies in the areas they operate in, how it affects the local community, and if the effect is different for women as compared to men. The topics to be covered are as follows:

   - Basic statistical information about yourself
   - How the mining in your area has changed your life
   - The impact of the change, if any, on your culture and values
   - Has the mining activity brought the community together
   - Facilities/services provided to your community by the mining groups
   - Changes in your family’s life due to mining in your area
   - Changes in your community’s life due to mining in your area
   - What has made life better for you
   - What are some of the issues you may have encountered as a result of the mining in your area
   - Any other information you may wish to share about the impact of mining on your community and families, especially women

4. The interviews, focus group discussion and other publicly available information will be used for preparation of articles that would be submitted for publications in scholarly journals or other academic publications.

5. If you are willing to participate in the focus group and/or interview to discuss these questions, it would take 1-2 hours. You may wish to complete the interview in one or two sittings.

6. A member of the team who has been trained to conduct such research will interview you.

3 December 2014
7. These interviews will be confidential in nature and the identities of those agreeing to participate in the interviews will not be disclosed unless required by law. The research will provide our understanding of the data collected in aggregate form and it will not be possible for others to identify you.

8. Please note that we are committed by law and the ethical guidelines adopted by the University of Western Australia to ensure that the Privacy Act is not breached. You will not be asked to reveal personal details without your consent and even if you do offer such information, it will remain strictly confidential: only the Interviewer and myself (as the Chief Researcher) will be aware of it. In order to ensure this, each questionnaire is assigned a number. The Interviewer will provide me with a record/transcript of your interview in terms of this number. This means that only the interviewer and myself may be aware of your identity. To further safeguard your identity, the Interviewer is required to ensure that they render all information non-identifiable, i.e. any information that may identify you will be kept separate from the questionnaire responses.

9. The information provided by you will be stored in a safe place in the University in a way that does not reveal your identity to anyone.

10. The participation in the project is voluntary and you are free to withdraw from the interview process without prejudice at any stage of the project, including after the interview has been completed. You need give no reason nor justification for such a decision. In case you decide to withdraw, the record of your interview will be destroyed unless you agree that we could use the data gathered prior to your withdrawal from the study.

11. If you wish to participate, we wish to draw your attention to the possibility that you may feel uncomfortable or uneasy while remembering some difficult experiences in your life. Please note that if you are concerned about the interview on these grounds, you are free to withdraw from the interview process without prejudice at any stage of the project.

12. Given the current role mining plays in the development of your region and country, we feel such research is essential as it may contribute to an understanding among all as to how mining companies could ensure that their activities help and support the communities, including women. We intend to use the research to prepare a report for the International Mining for Development Centre and also write articles.

13. We do hope that you can agree to participate in the research. You can either give verbal or written consent to your participation.

Yours sincerely

Samina Yasmeen

“Approval to conduct this research has been provided by the University of Western Australia, in accordance with its ethics review and approval procedures. Any person considering participation in this research project, or agreeing to participate, may raise any questions or issues with the researchers at any time.

In addition, any person not satisfied with the response of researchers may raise ethics issues or concerns, and may make any complaints about this research project by contacting the Human Ethics Office at the University of Western Australia on (08) 6488 3703 or by emailing to humanethics@uwa.edu.au

All research participants are entitled to retain a copy of any Participant Information Form and/or Participant Consent Form relating to this research project.”
Appendix B: Participant Consent Form

Participant Consent Form
Social impact of mining on Women-Balochistan and Sangatta compared

I, (the participant), have read the information provided and any questions I have asked have been answered to my satisfaction. I agree to participate in this activity, realising that I may withdraw at any time without reason and without prejudice.

I understand that all identifiable (attributable) information that I provide is treated as strictly confidential and will not be released by the investigator in any form that may identify me. The only exception to this principle of confidentiality is if documents are required by law.

I have been advised as to what data is being collected, the purpose for collecting the data, and what will be done with the data upon completion of the research.

I agree that research data gathered for the study may be published provided my name or other identifying information is not used.

__________________  __________________
Participant          Date