

**Techniques of Mining and Land Grabbing:  
Destruction of Agricultural Activities in Kerta Buana Village, East  
Kalimantan - Indonesia**

**Abstract**

*Land grabbing is a big problem in developing countries because a land-large acquisition as an act of land grabbing that made small-farmers had lost their access to the land. The small-farmers as the dwellers in Kerta Buana village who were invaded by the government through transmigration project in 1980 had got negative impacts of the land grabbing. On the one side, some farmers had lost their farm land because it was bought by coal mining companies. They did not have an ability to reject company's persuasions to take off their land with some money. On the other side, some other farmers had left their farm lands because they could not cultivate them properly due to the environmental ecosystem surrounding them had already damaged. The presence of two coal mining companies is the main factor in making the farm cultivation uncondusive. Through this paper, we would like to explain how the land grabbing by coal mining companies work, and how method change of coal mining have accelerated the destroy of agriculture activity in Kerta Buana village.*

**Keywords:** *Land grabbing, Coal mining, Transmigration, Farmland, Open pit mining, and Underground pit mining.*

**Background**

This paper aims to describe the process of land acquisition by coal mining companies in a very large area and the negative impact caused by the existence of agricultural activities in Kerta Buana village and its surroundings. The control of land by coal mining companies in the village is a big problem for the sustainability of agriculture and the existence of the people who live there. Such control of land by mining companies has resulted in many farmers losing their agricultural land, because their ownership rights have been transferred to employers. In fact, land for a farmer with agricultural activities is a very essential asset (Babalola and Olayemi 2013), and is the main resource for the livelihoods of the poor (Raufu and Adetunji 2012) which usually also operate in agriculture. This resulted in many farmers becoming farm laborers in their own farm land or renting land owned by other farmers to work on. In addition, mining activities damage the surrounding ecosystem so that the agricultural products from the remaining fields are not optimal.

43 The problem of farmers losing land is because the controls have shifted to companies that  
44 have bought it with various mechanisms, not only in the Kerta Buana village, but also in various  
45 places in Indonesia, even throughout the world such as Kenya (Klopp and Lumumba 2014),  
46 Tanzania (Abdallah , Engström, Havnevik, and Salomonsson 2014), Argentina (Goldfarb and  
47 Zoomers 2014), Malawi (2013), and Cambodia (Nuijen, Prachvuthy, and Westen 2014) to  
48 mention several countries. The use of land resulting from land grabbing is for the development of  
49 large-scale agricultural activities such as tea plantations and also the development of plants to  
50 produce biofuels. This resulted in a drastic reduction in the composition of the world population  
51 working in the agricultural sector. In 1970 for example, the population engaged in the  
52 agricultural sector was still around 2 billion and not agriculture as much as 1.7 billion. The  
53 composition changed with a very large ratio in 2010, because the population working in the  
54 agricultural sector was only 2.6 billion, while non-agricultural people reached 4.2 billion (Borras  
55 and Franco 2012: 36). In other words, the agricultural sector is no longer an attractive field of  
56 work so many are abandoned, even though agricultural products are very important for the  
57 survival of humans who inhabit this earth.

58 Indonesia is one of the countries that convert agricultural land functions into other  
59 functions, including coal mining concessions. For example, during 1979-2002, the extent of  
60 conversion of agricultural land in Indonesia reached 3,247,737.5 hectares, equivalent to  
61 141,205.98 hectares per year. Agricultural land conversion is one of the factors causing the food  
62 crisis (Handoyo 2010: 118). The government tried to replace the converted land by printing new  
63 paddy fields, but the effort was unsuccessful due to various factors. The results of Siburian'  
64 study (2018) in Sei Kayu village, Kapuas District, for example, show that the 50 hectares of rice  
65 fields printed by the government in 2017 and 200 hectares in 2016 have not produced results  
66 until 2018, especially with the prohibition of land clearing with how to burn. The newly printed  
67 rice fields, the cultivation is done by not burning. Land that has been opened if it is not burned,  
68 local people term the land still 'crude', so it is not good/fertile if it has to be planted with rice.  
69 The process so that the land is still 'crude' and newly printed that can produce optimally takes a  
70 long time and must be treated specifically.

71 The method of extracting coal from the ground is divided into two, namely: underground  
72 pit mine and open pit mine. The selection of mining methods carried out by a company correlates  
73 with the volume of production obtained, the cost of production that must be spent by the  
74 company, and the environmental impact it causes. If the mine in the production process is done  
75 manually (underground pit mine) so that the human power needs are preferred, it is different  
76 from the inner mine which uses mechanization and automation (open pit mine), so that the heavy  
77 equipment that is operated by skilled and specialized personnel is used. Therefore, the  
78 production volume produced by open pit mining is much greater than the underground pit mining  
79 method. Example of coal production by PT. Kitadin from 1983 to 2003, the volume of coal  
80 production from open-pit mining tended to be above the volume of mine production, and even in  
81 1995, open mining production volumes continued to increase, while underground pit production  
82 tended to decline (PT Kitadin 2015 quoted by Siburian 2017: 156). In fact, the explanation from  
83 Bambang, the external part of PT. Kitadin, said that in those days coal production from open-pit  
84 mining was not concentrated or still in certain points and the area was relatively small which was  
85 termed the turtle system. If from 2001 to 2006, the production volume of open pit mining was  
86 above one million metric tons per year, the volume of mining production was still below 300  
87 noisy metric tons per year (PT. Kitadin 2013: I-2).

88 With the occurrence of land grabbing in Kerta Buana village, this paper wants to answer  
89 several questions: 1). How does the land grabbing process take place in the village of Kerta  
90 Buana?; 2). What is the impact of land grabbing that is happening to local communities,  
91 especially farmers who are in the village?; and 3) What is the role of the government in the  
92 process of transferring land functions from agricultural land, including settlements, to mining  
93 areas?  
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### 95 **Concepts and Methods**

96 Land grabbing is defined as the power to control the land in a very large area by the  
97 company (trans) nationally as a form of capital accumulation. This was done in response to the  
98 food crisis, the impact of climate change in the short and long term, and the global financial  
99 crisis. Land grabbing that leads to the purchase or acquisition of large areas of land is intended to  
100 produce food, biofuels and animal feed (Batterbury and Ndi 2018: 573). Referring to Cotula,  
101 Vermeulen, Leonard, and Keeley (2009: 7), the purchase transactions labeled "large scale", the  
102 extent reached between 1,000 and 500,000 hectares.

103 The control of land by the company in a large area is intended to increase food  
104 production. Therefore, Batterbury and Ndi (2018, quoted from Allan et al., 2013) further explain  
105 that the definition of land grabbing does not include the acquisition or purchase of large areas of  
106 land for mining activities or the construction of underground infrastructure, because the activity  
107 often gets benefits in the form of adequate water supply. Franco *et. al* (2013: 5) added that land  
108 grabbing as written on paper was carried out in 'empty', 'marginal', 'unemployed' or 'degraded'  
109 lands, mostly uninhabited, unused, unproductive, and impossible to compete with local food  
110 production. In short, land grabbing is done to increase land productivity so that it is more optimal  
111 in responding to the ongoing food crisis.

112 In the context of this paper, the definition of land grabbing uses a broader understanding,  
113 not just the acquisition or purchase of land which is solely aimed at producing food, biofuel, and  
114 animal feed, but rather the impact caused by acquisition, both on society farmers and overall  
115 food production. Therefore, land grab in this context refers to Batterbury and Ndi (2018: 574)  
116 which states that in land grabbing cases, the signal at the place where land acquisition takes place  
117 leads to the loss of farmers' access to their agricultural land. The loss of access to land resulted in  
118 the community experiencing a process of impoverishment and marginalization. Or also the  
119 definition of Twomey (2014: 4) that land grabbing is a form of transfer of use rights or control  
120 over land, traditionally used by the community, to foreign investors for commercial purposes,  
121 often in the agricultural sector. Entrepreneurs are often facilitated by strong domestic  
122 partnerships, justified by the investments they bring, for example opening employment and  
123 improving the regional economy. In other words, the investment brought by entrepreneurs can  
124 convince the local government that the investments made are beneficial, at least in the interests  
125 of the region. When farmers are no longer able to carry out their activities as farmers because  
126 they no longer have proper agricultural land, one day they may be uprooted from the land and  
127 social landscape that has made it a place to express social, cultural and religious life freely. They  
128 get satisfaction from expressing that social, cultural and religious life. When the social landscape  
129 is gone, the condition will make farmers suffer even more.

130 In addition, the benefits obtained from mining activities and the construction of  
131 underground infrastructure that allow these activities not to be categorized as land grabbing in  
132 the above definition do not occur. It is possible that when the definition of land grabbing was  
133 made by Batterbury and Ndi, the underground mining activities carried out still use underground

134 pit mining methods. The mining method that has occurred recently, especially for coal mining, is  
135 open pit mining by dismantling the land above the coal to be extracted. The method not only  
136 damages the soil surface, but also the underground layer containing water (aquifer) in certain  
137 places.

138 In line with Batterbury and Ndi, Cochrane (2016) also defines land grabbing in a broader  
139 scope, namely: "selling or renting land that is used permanently, seasonally, or based on cycles  
140 carried out by individuals who actually have not agreed to the transfer of land owned, regardless  
141 of whether the land was taken illegally, with or without violence". That is, the process of  
142 transferring land tenure is important to see, because even though the sales process is carried out  
143 in a normal and reasonable manner, including at a high price, if the release of land is forced, it  
144 also becomes part of land grabbing. Because, according to the Cochrane, land grabbing occurs in  
145 various contexts, and results in a variety of negative results. Consequences usually include  
146 displacement, loss of income and livelihoods, increasing vulnerability, occurrence of food  
147 insecurity and malnutrition, loss of biodiversity, and environmental damage including air, soil  
148 and water. Based on these consequences, referring to Onoja (2015: 174) farmers will be the first  
149 victims of the land grabbing action. The existence of land grabbing causes farmers to lose their  
150 farmland as well as their livelihoods (Brink et al 2017: 18), even his identity as a farmer is also  
151 eroded.

152 The method of data collection in Kerta Buana village is a combination of various  
153 approaches, including: in-depth interviews with various informants such as farmers, landowners,  
154 government staff, heads of community organizations, company staff, and village officials. The  
155 questions asked were not the same for all informants, but related to the position of the informant  
156 itself. Then, we also conducted some observations on the activities of the daily life of the village  
157 community, including observing the environmental conditions in the village. Written data from  
158 various agencies were also collected to support the results of the in-depth interviews.

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## 160 **Site of Study**

161 Kerta Buana village which is the location of this study is part of the Tenggara  
162 Seberang Sub-district, Kutai Kartanegara Regency, East Kalimantan Province (See the Map).  
163 Kerta Buana village was originally the location of transmigration with three other villages known  
164 as the Teluk Dalam Transmigration Settlement Unit (*Unit Permukiman Transmigrasi-UPT*)  
165 which was occupied in 1980. Three other villages before was split as an autonomous village  
166 were Bukit Raya (UPT Teluk Dalam I), Manunggal Jaya (UPT Teluk In II),<sup>1</sup> and Bangun Rejo  
167 (Teluk Dalam III). Kerta Buana village itself is the UPT Teluk Dalam IV.

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<sup>1</sup> In 2004, Karang Tunggal village as a village as a result of the division of Manunggal Jaya Village based on the Decree of the Regent of Kutai Kartanegara Number: 140/290/PD-III/SK/VI/2004.

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## Map of Kutai Kartanegara District

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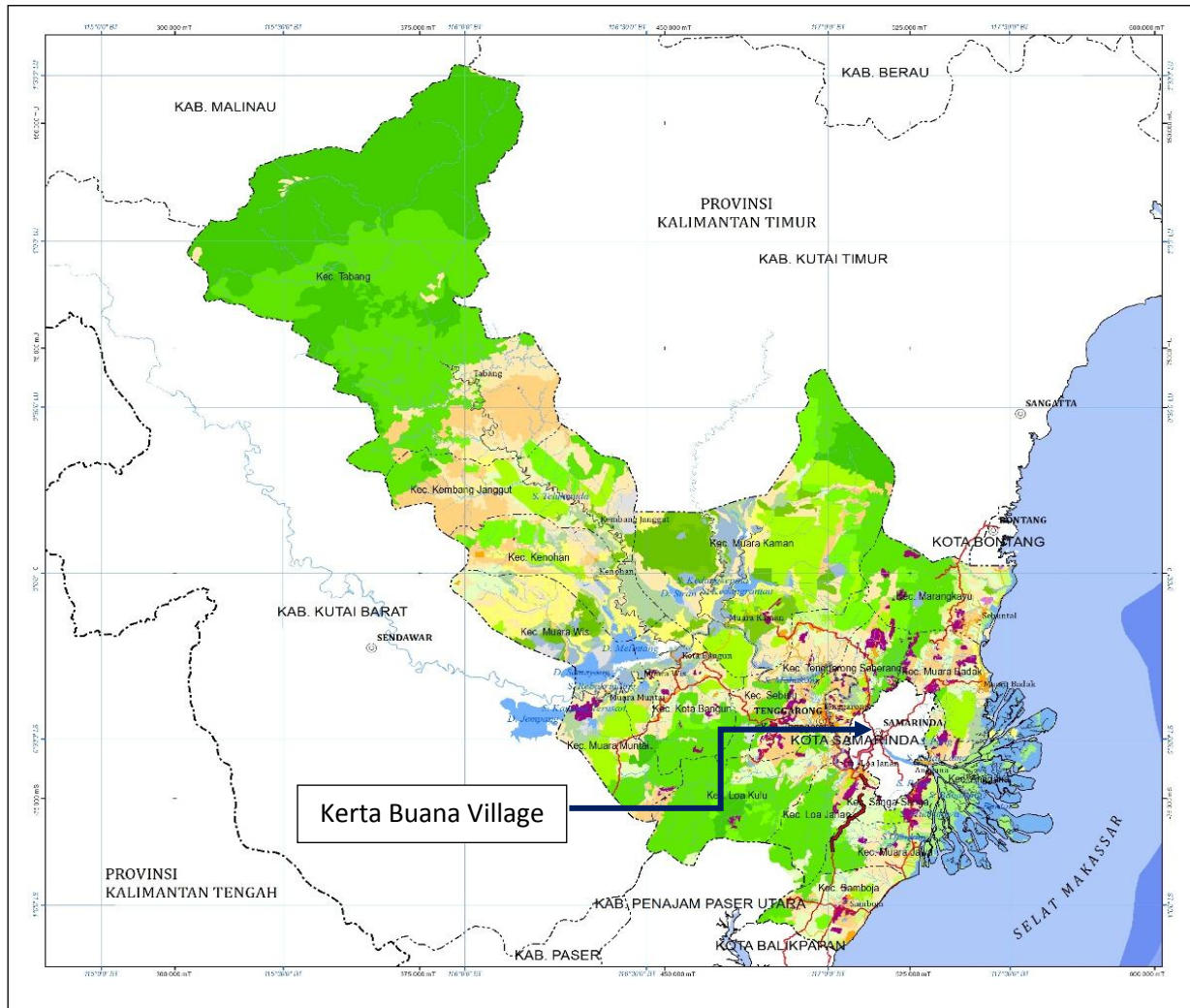
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Source: <https://www.google.com>

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(Access on February 18<sup>th</sup>, 2019)

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The government sent transmigrants to Kerta Buana village in 1980. The transmigrants came from two islands, namely Bali and Lombok. Nevertheless, there were three ethnic groups of the transmigrants, namely Bali, Sasak (by the people in the Kerta Buana village who know him better than Lombok), and Java. The Javanese sent to Bali were those who have long lived on the island of Bali as nomads. While the religion adopted by the transmigrants was automatically identified according to their ethnic groups, such as the religion adhered to from the origin of the transmigrants. Transmigrants with Balinese ethnic groups embrace Hinduism and transmigrants with Sasak and Javanese ethnic groups are Muslim.

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In addition to bringing transmigrants from Bali and Lombok Island, the government also accommodates local people as transmigration participants, referred to as local transmigrants through the Allocation of Transmigration Regional Settlements (*Alokasi Penempatan Permukiman Daerah Transmigrasi-APPDT*) programs, totaling of them around 20% of the total transmigration participants placed in an area. The large of the land was received, both general

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224 transmigration participants and local transmigrants in the APPDT program, was the same,  
225 namely 2 hectares. The difference of land was in determining the location of the land received. If  
226 general transmigration participants receive land parcels based on the lottery results, the parcels of  
227 land received by local transmigrants are based on their own choice without drawing, so that the  
228 transmigrants may choose land that has been previously worked on or land in other places as  
229 desired (Siburian 2017: 280- 281).

230 The population of Kerta Buana village transmigration participants stationed in the village  
231 in 1980 was around 430 family heads (KK) or about 1,913 people, with areas from West Nusa  
232 Tenggara 76 families or 314 people, Bali 300 families or 1,333 people, and local transmigrants  
233 54 KK or 266 peoples (Siburian 2017: 447). The ethnic groups that inhabited the area in 1980  
234 were Java, Bali, Sasak (Lombok), and Kutai. Thirty-five years later or in 2015, as a comparison,  
235 the population inhabiting the village has increased dramatically, to 5,411 people. The ethnic  
236 groups that inhabit that region have also increased, namely Kutai, Dayak, Java, Sasak (Lombok),  
237 Bali, Bugis, Batak, Manado, Banjar, Flores, Sunda, Sumbawa, Bali-Lombok, Madura, and  
238 Chinese. The dominant population remained in the four tribes who were transmigration  
239 participants in 1980, namely Bali, Sasak (Lombok), Java, and Kutai (Siburian 2017: 85). The  
240 population increase of around 306% is inseparable from the presence of coal mining companies  
241 in the villages of Kerta Buana and surrounding villages.

242 Kerta Buana village with an area of around 23.25 km<sup>2</sup> borders the village of Brambai  
243 (Sempaja village, North Samarinda District) in the east, Separi village in the west, Bukit  
244 Pariaman village in the north, and Bangun Rejao village and Embalut village in the south. The  
245 village with 26 neighborhoods (rukun tetangga-RT) is further divided into 4 hamlets, namely  
246 Rapak Rejo (7 RT), Rinjani Indah (6 RT), Sida Karya (7 RT), and Budi Daya (6 RT).  
247 Nevertheless, the division of village areas based on blocks which are inherited from the  
248 Transmigration Settlement Unit (UPT) is better known by villagers than based on hamlets and  
249 RTs. In other words, the identification of villages divided by blocks is more familiar to villagers  
250 and it is easier for them to designate their existence. Kerta Buana village is divided into 5 blocks,  
251 namely Block A, Block B, Block C1, Block C2, and Blok D. The villagers in Block A and Block  
252 B are more populated by Javanese and Sasak (Lombok) with the religion adopted by Islam.  
253 Blocks C1 and Block C2 are mostly inhabited by Balinese with Hinduism. While residents living  
254 in Block D, the numbers are balanced between Balinese and Javanese and Lombok people.

### 255 256 **Kerta Buana Village: from the Location of Transmigration, Agriculture, to Mining**

257 The Kerta Buana village is currently used for three functions at once, namely settlement,  
258 agriculture, and mining. The village as a settlement location began in 1980 as the location was  
259 made as a transmigration settlement. The transmigrants after arriving in the village of Kerta  
260 Buana received a land area of 2 hectares, divided into three fields. Land with an area of ¼  
261 hectares is residential and yard land, and on that land houses have been built to be occupied by  
262 transmigrants. One hectare of land known as one business land is wet land, intended as a place to  
263 plant rice. Another land area of ¾ hectare is dry land in the form of a garden which is used to  
264 grow *palawija* crops.

265 When the transmigrants arrived in Kertaa Buana village, initially the land in the village  
266 consisted of deep peatland. The land is rarely dry, making it difficult to be used as agricultural  
267 land. The shelter for transmigrant settlements built by the government, at that time stood on peat.  
268 For transmigrant houses stand on peat swamps, transmigrants often fish in the peat swamps from  
269 inside their homes. The first two years when the transmigrants were stationed there, it was

270 difficult to carry out agricultural activities. Food eaten to enable them to survive is a guarantee of  
271 life provided by the government, such as rice and side dishes. If usually the life insurance  
272 provided lasts for only a year, but for transmigrants in the Kerta Buana Village, the provision of  
273 life insurance lasts for 1.5 years because agricultural businesses such as crops are carried out by  
274 transmigrants in the first year that no one can grow in their grounds are always wet.

275 Capitalizing on farming skills brought from their home areas (Bali and Lombok) and  
276 patience to keep on working on it, they can 'magic' the peatland into agricultural land. Until  
277 2000, the area of rice fields that were successfully printed by transmigrants in the village of  
278 Kerta Buana was approximately 1,000 hectares. Almost all of the peatland in the village became  
279 rice fields at that time. Given the land provided by the government in the form of peat and  
280 swamp, the efforts made by the transmigrants to make it as fertile rice fields have not been easy.  
281 There needs to be a hard struggle and patience, because with such land types there is no hope of  
282 success in agriculture. This condition resulted in many transmigrants who then returned to their  
283 hometowns or scattered households because on the one hand the wife did not want to live in the  
284 location of the transmigrants while on the other hand, the husband tried to stay afloat, so what  
285 happened was divorce due to no meeting point between husband and wife.

286 The remaining rice fields can still be found on either side of the axis road in Block D.  
287 The success of the Kerta Buana village and other transmigration villages in Tenggara  
288 Seberang District built rice fields, so that the rice fields from the sub-district contribute  
289 significantly to the supply of paddy for Kutai Kartanegara Regency, while making it a rice barn  
290 for the district. The Mulawarman District Government appreciated the farmers in the sub-district  
291 by establishing a rice processing unit (RPU) in Manunggal Jaya village in 2001. Although in its  
292 later journey, the existence of the RPU was not welcomed by farmers because of the business  
293 mechanism implemented by regional companies it is considered not to benefit farmers (Siburian  
294 2017).

295 When rice production from paddy fields in the Kerta Buana village is at its peak, the  
296 government actually presents a coal mining company with an open pit method. The Kerta Buana  
297 village includes the area of rice fields inside it ikan pawned 'on mining companies by making it a  
298 mining concession, especially for two mining companies, namely PT. Kitadin and PT Mahakam  
299 Sumber Jaya. PT. Kitadin has actually been operating in the village of Kerta Buana since 1978  
300 (exploration) and 1982 (exploitation), but the method of mining that is applied is better known as  
301 inner mining, although at the same time open mining has also been operating but its area is  
302 relatively small so it is less significant to damage the environment.

303 At the beginning of PT. Kitadin operates in Kertas Buana village, exploited land is land  
304 that has not been certified. The position of the land is on the edge of the village, outside the yard,  
305 business area one, and business land two. The area of non-certified land is wider than certified  
306 land. If the area of Kerta Buana village is 23.25 Km<sup>2</sup> or 2,325 hectares, after deducting certified  
307 land as part of the 2 hectares transmigration package for 430 family heads, then the non-certified  
308 land reaches 1,465 hectares. The non-certified land includes restoration land, reserve land and  
309 land for public facilities such as fields, roads and village roads, village head offices, schools,  
310 mosques, and public temples. Reserved land is the most extensive, and mining companies  
311 initially operated in these lands. In 1994, the company began to release certified land owned by  
312 transmigrants, as stated by Yusuf,<sup>2</sup> as follows:

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<sup>2</sup> Yusuf (not his real name), was a Javanese who became a transmigration participant with the origin of the island of Bali. The interview was conducted on the terrace of his house in the village of Kerta Buana on August 31, 2015.

313 *"In the beginning, the company still (worked on) land that had not been certified.*  
314 *(At) in 1994, (the company) began to enter transmigration land. In the past, the*  
315 *company compensated farmers. What is compensated by the company is the plants*  
316 *grown on it and their management. Land area itself. However, when compared to*  
317 *the price of land which is a compensation, the compensation value is far below.*  
318 *The price of land per hectare is IDR 8 million. Land is valued at a low value*  
319 *because transmigrants consider the presence of the company as a government*  
320 *program ".*

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322 Massive demolition of land began in 2005, as PT. Mahakam Sumber Jaya, and is intensifying  
323 with the return of PT. Kitadin in 2009. Since 2005, the process of demolition of land in Kerta  
324 Buana village took place in a certain way, resulting in agricultural activities continue to  
325 experience disruption due to the negative impact it caused. Rice fields that have been planted  
326 with rice and then submerged in mud-filled water in the rainy season, have often happened. On  
327 the other hand, rice fields experience drought during the dry season because the forest in the  
328 upstream part of the rice fields has been damaged so that the natural water storage area during  
329 the rainy season is also damaged.

330 As more and more of the land belonging to transmigrants has been freed and has also  
331 been exploited by mining companies, this has resulted in mining activities no longer far from  
332 residential settlements. This condition actually violates the applicable regulations, namely the  
333 Regulation of the Minister of Environment of the Republic of Indonesia Number 04 of 2012  
334 concerning Environmentally Friendly Indicators for Business and / or Open Coal Mining  
335 Activities, in the Attachment of the mining stage in mining material extraction and extraction  
336 which states that "Distance the edge of the excavation is at least 500 (five hundred) meters from  
337 the boundary of the IUP (initial hue adjacent to the settlement)". While the conditions that occur,  
338 the distance between the IUP and the residential areas in the Kerta Buana village is less than 500  
339 meters. Mining activities at several points are located right next to people's homes. Therefore, the  
340 Kerta Buana village is now better known as coal mining than its agricultural activities, because  
341 the remaining agricultural land, especially rice fields, is no longer so extensive. The results  
342 obtained by farmers are no longer as long as they were when mining was still carried out with  
343 deep mines. In other words, farmers in Kerta Buana village are no longer able to rely solely on  
344 agriculture as a livelihood. The village economy has also been very dependent on mining  
345 activities, so when in 2015-2016 coal prices declined in the international market which resulted  
346 in many employees being laid off, people who did not work in mining companies complained  
347 about the condition. Many of the economic activities of the community were disrupted because  
348 layoffs made some employees leave Kerta Buana village, even though they were consumers of  
349 economic activities carried out by the village community.

### 350 351 **Mining Methods and Their Impact on Farmers**

352 As long as mining is present in the village of Kerta Buana, officially started in 1980 as the  
353 mining business permit was issued in the village, there are two types of mining methods that  
354 have ever operated. The first company operating in the village was PT. Kitadin, with an  
355 exploration permit from the Director General of Indonesian General Mining with Decree (SK)  
356 No. 1562/SK-DJ/213/DUP dated May 28, 1980, and exploitation permits based on Decree No.  
357 25 K/231/030000/1984 dated June 28, 1984. The land area that became the company's  
358 concession at that time was only 973.6 hectares. Because the area of the concession is still below



359 1,000 hectares, it means that land ownership by the mining company does not include land  
360 grabbing activities if it refers to the definition proposed by Cotula, Vermeulen, Leonard, and  
361 Keeley (2009: 7) above. However, since 2000, the concession area of PT. Kitadin added 2,000  
362 hectares so that the total concession area of the company to 2,973.6 hectares was spread in four  
363 villages in Tenggara Seberang District, namely Kerta Buana, Bangun Rejo, Embalut, and  
364 Separi.

365 When the company started operations, the well-known mining method was underground  
366 pit mining, even though the actual method of open mining had been carried out in small areas  
367 (only a few points). With the underground pit mining method, the company does not damage the  
368 land surface. Land that is damaged is actually the interior of the land by building underground  
369 tunnels as access to take and lift coal to the surface. Therefore, the land surface with the  
370 underground pit mining method can still be used by farmers for agricultural activities. Mining  
371 activities that take place underground do not interfere with agricultural activities on it, even  
372 farmers themselves do not know whether the tunnels made by the company have arrived at their  
373 farm or not.

374 Changes in mining technology to a better direction will directly lead to a reduction in the  
375 workforce that will be recruited (Basu 2007: 12). In fact, what often happens is the dismissal of  
376 special unskilled workers. Such conditions occur due to changes in mining methods from deep  
377 mines which are considered simpler to be more modern open pit mines. If the mine is relying on  
378 large numbers of human power, then the open-pit mining method of the company prioritizes the  
379 skills of the workers themselves with a smaller amount. If human power in the inner mine is used  
380 to dig the soil so that coal can be extracted from the ground, while in the open pit the skill is used  
381 to operate heavy-duty vehicles that are all mechanical and automatic.

382 When mining methods are carried out with deep mining, companies with farmers need  
383 each other. Farmers can work in companies as miners to get cash in the form of cash so they can  
384 buy their living needs. Instead, companies need large and inexpensive transmigrants to be  
385 employed in underground tunnels. The first two years after the transmigrants were placed in the  
386 village of Kerta Buana, there were no expected agricultural products so that the existence of  
387 mining companies by making them miners was very helpful. At that time, the company could  
388 easily and cheaply find workers who were willing to work under the ground without having to  
389 bring it from other regions with higher costs. The working mechanism applied by the company  
390 was very helpful for transmigrant farmers. When workers are needed more in agricultural  
391 activities, they can easily leave the mine work temporarily and come back again after agricultural  
392 activities are finished. Not only that, if there are workers who quit the company within a few  
393 months, it can easily be done. If the 'rest period' has finished and wants to go back to work, the  
394 worker can only communicate with the foreman to be accepted to work again. In addition, to get  
395 the cash, there were also transmigrants who became wood pickers from inside the forest to the  
396 shaft road. This is possible because the upstream part of the Kerta Buana Village is a forest area  
397 that is the concession of a company that owns a forest concession right (HPH).

398 The negative impacts experienced by farmers and agricultural activities have only  
399 emerged after mining technology has changed from mining into a fully open pit mine. Called  
400 thorough because the mine no longer operates in total. Some said the closure of the mine was  
401 triggered by a landslide that occurred at a deep mine site in 2005, leaving five miners dead (three  
402 people died at the shelter and two people died in the hospital) (Siburian 2017: 158). In other  
403 words, the security system in mining in those days was relatively low. In fact, the risk of  
404 workplace accidents in deep mines is greater than in open pit mining (World Coal Institute 2005:

405 10). Through an accident at the mine site in PT. Kitadin was added to other management  
406 problems, such as the absence of land to be exploited, eventually the mining of PT. Kitadin who  
407 was in Kitadin Village stopped operating completely in mid-2006.

408 When PT. Kitadin stopped operating and stopped the miners inside, a year before that  
409 (2005) open mining companies had operated, namely PT. Mahakam Sumber Jaya. Because the  
410 mining method between the inner mine and open pit is different, so the workers who are  
411 dismissed by PT. Kitadin cannot be employed or accommodated in the company PT. Mahakam  
412 Sumber Jaya. Finally, the dismissed workers returned to the farmland by working on their farms.  
413 At that time, PT. Mahakam Sumber Jaya has already bought part of the land of farmers in the  
414 mining area to be exploited. With the open pit method, the surface of the ground is peeled off  
415 and moved to another place. The goal is that coal which is below the surface to a certain depth  
416 can be taken using heavy equipment. The use of heavy equipment resulted in the mining  
417 concessions in Block D of Kerta Buana village being less than one years old turned into large  
418 ponds, so the impression that arose was that farming activities in the large ponds were gaping as  
419 if they had never existed. The area of PT. Mining concessions Mahakam Sumber Jaya reached  
420 20,380 hectares located in Tenggara Seberang District and Marangkayu District in Kutai  
421 Kartanegara Regency and North Samarinda District in Samarinda City.

422 Then in 2009, PT. Kitadin re-operated using the open pit method which had stopped in  
423 mid-2006. The return of PT. Kitadin operates meaning that at the same time, there are two open-  
424 pit mining companies that exploit coal in the Kerta Buana village and its surroundings. The  
425 presence of the two companies accelerated the destruction of the village environment and its  
426 surroundings, as well as the elimination of farmers' lands. Considering that the extraction of coal  
427 from the ground using the open pit method is relatively fast, this condition encourages the release  
428 of land owned by the farmers relatively quickly so that the availability of land to be exploited  
429 remains.

430 The process of land acquisition is carried out in various ways, including using third parties  
431 to negotiate with landowners. If negotiations are unsuccessful, intimidation of space - according  
432 to the term JATAM East Kalimantan, a NGO based in Samarinda East Kalimantan - to make  
433 farmers uncomfortable doing their activities, often becomes an alternative that is also mostly  
434 done by the company. Intimidation of the space was carried out by the company by dismantling  
435 the land in the upstream area which had been successfully freed with the intention that the water  
436 sources that would irrigate the rice fields were damaged so that the water flowing into the fields  
437 became dry. Anticipating the negative impact on agricultural activities if the upstream land has  
438 been exploited by the company, already carried out by the previous village head. However, when  
439 the village head has changed, the interests of each village head also change. Head of Kerta Buana  
440 village 1991-1999 period H. Abdul Wa'it<sup>3</sup> stated as follows:

441 *"The program that I run when I was head of the village, to free land owned by*  
442 *transmigrants in the village of Kerta Buana, do not free land from above*  
443 *(upstream), with the intention that agriculture is not damaged".*  
444

445 In addition, the land adjacent to the paddy fields that have not been released, is also exploited  
446 first without waiting for the land that has not been successfully acquired to be sold by the owner  
447 to the company. If the land next to it has been exploited, the surface of the paddy field is not  
448 strong enough to hold water because it seeps into the mining area that is being excavated because

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<sup>3</sup> Interview with H. Abdul Wa'it at his home in Kerta Buana village on March 3, 2016.

449 its position is far lower than the rice fields that are on the ground, so that the fields become dry.  
450 Rice fields that experience drought before time to dry, the growth becomes disrupted, even puso  
451 is likely to occur. Because the production costs of working on rice fields are greater than the  
452 results obtained, it is likely that the rice fields will be released for purchase by the company. The  
453 negative impact of open mining conducted by the company experienced by farmers, one of  
454 which was delivered by Kadek<sup>4</sup> as follows:

455 *"I often experience crop failure. Often planting rice seedlings is done twice*  
456 *because the first planting is submerged and buried by mud carried by water. After*  
457 *the flood recedes, rice fields are planted with new seeds. Therefore, the planting*  
458 *period in the same rice field can last two to three times. The thing that is even*  
459 *more detrimental, is that after the rice has issued a grain, in a few weeks it is*  
460 *ready to be planted. However, before the harvest day arrived it turned out that the*  
461 *paddy fields were flooded with water containing mud, as a result the rice plants*  
462 *fell down and some were buried in mud. Under these conditions, rice is harvested*  
463 *at a young age and the results are not optimal because the price is much cheaper*  
464 *if sold. "*  
465

466 The agricultural conditions experienced by Kadek, moreover the rice fields rented by the  
467 profit sharing system, rice allocated to the owners of rice fields as a rental fee is capital, became  
468 a dilemma for landowners and tenants themselves. Such a phenomenon arises because the  
469 process of agricultural activities carried out does not run optimally. On the one hand, paddy  
470 owners are more pleased if their fields are rented by people with a profit sharing system so that  
471 the owners of the rice fields can only receive profit sharing without having to pay any fees. On  
472 the other hand, farmers are reluctant to rent other people's fields with a profit sharing system  
473 because the likelihood that is divided is the capital spent to work on the leased paddy fields due  
474 to the negative impact of mining activities that make agricultural activities not optimal, even  
475 suffer losses. With that dilemma option, many rice fields in the Kerta Buana Village are left  
476 abandoned without any planting. Following the FAO definition, land grabbing or large  
477 acquisitions of land damaged food security in the country where the acquisition took place  
478 (Samranjit, without years) (Indonesia in general and Kutai Kartanegara District specifically)  
479 because agriculture in Tenggarong Seberang District, including in Kerta Buana village the  
480 district's rice barn has already taken place.

481 Environmental damage caused by open mining activities also eliminates the livelihoods  
482 of farmers who lost their land because they were released by the company. In other words, the

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<sup>4</sup> The interview with Kadek in the rice field hall he rented on July 15, 2015. Kadek was one of the transmigrant children who became farmers in the Kerta Buana Village. The rice fields he worked on were rented from other farmers with a profit sharing system, with a share of 1/3 for landowners and 2/3 for Kadek as cultivators. In this condition, the owners of rice fields only see the final results and do not want to know about the process and the losses experienced by farmers (tenants). Therefore, it is not uncommon for farmers in the village of Kerta Buana to work on other farmers' fields to divide their capital by 1/3 of the yield to the owners of rice fields. For example, with the planting period twice because the first planting was buried in mud, the total cost incurred from plowing to harvest was IDR 7 million. While the yield is only Rp. 6 million because rice is submerged before being harvested so the yield is not optimal and the selling price of rice is low. In this case, the owner of the rice field only saw the yield of Rp. 6 million, so that the part of the owner of the paddy field was 1/3 of that yield or around Rp. 2 million. In fact, the yield of Rp 6 million is not enough to cover the capital that has been spent by farmers as much as Rp 7 million.

483 presence of open mining has obscured their future, including the existence of the Kerta Buana  
484 village, because the village area that has been controlled by the company has been broader than  
485 the remaining ones. The remaining land is more settlements than rice fields and gardens, whereas  
486 community activities in the Kerta Buana village still work more as farmers. Data in 2015 for  
487 example, the number of farmers with their own land is only 690 people (24.23%) of the  
488 population of the village of Kerta Buana, about 2,847 people. While farm laborers are much  
489 larger, the number reaches 1,468 people (51.56%). Thus, the village of Kerta Buana can be said  
490 to be a village of agricultural laborers even though when agricultural activities are still excellent,  
491 every household almost owns agricultural land. On the contrary, those who work in the private  
492 sector, including workers, are very small, which is 268 people (9.41%) (Siburian 2017: 93). That  
493 is, mining companies do not significantly recruit villagers as workers. Villagers with their  
494 capacity can be recruited as miners when the company uses deep mining methods. But when  
495 mining methods turn into open-pit mining with large-scale companies, as stated by Cordes,  
496 Östensson, and Toledano (2016: 6), the expertise possessed by local residents to be employed in  
497 mining is not in accordance with the needs of companies experiencing mechanization and  
498 automation. Even if there are manually operated to accommodate workers from the local  
499 population, the number is very small.

500

### 501 **Role of the Government**

502 Land grabbing for plantation, mining and tourism interests greatly impacts communities  
503 with relatively small agricultural activities and community landowners in Southeast Asia (Hak,  
504 McAndrew, and Neef 2018), including in the Kerta Buana village, Indonesia. The impact that  
505 occurred in Kerta Buana village due to land grabbing carried out by mining companies in the  
506 village and surrounding villages was access to working on fertile land as agricultural activities  
507 became scarce. The government's involvement in land grabbing by a company is very large.

508 A company can operate somewhere when the owner of the company already has a permit  
509 issued by the government. This refers to the Republic of Indonesia Law No. 11 of 1967  
510 concerning Basic Provisions for Mining, which was later amended to become Law of the  
511 Republic of Indonesia No. 4 of 2009 concerning Mineral and Coal Mining. Mining business  
512 licenses are the basis for the company to operate, even 'move' the landowners from their own  
513 land with various requirements. Allowing a mining company that already has a mining business  
514 permit on an area to carry out its work is an 'obligation' for the land rights holder. This is  
515 contained in the Republic of Indonesia's Law No. 11 of 1967 Article 26, which reads as follows:  
516 "If a mining permit has been obtained for an area, or region according to the applicable law, then  
517 those who are entitled to land are permitted to allow the work of the mining authority holder on  
518 the land concerned on consensus to him: a. before work begins, with a mining authorization or a  
519 valid copy shown, notified of the purpose and place of work to be carried out; b. be compensated  
520 or guaranteed compensation in advance ". Based on the sound of Article 26, the position of the  
521 company that holds the permit is in the upper hand when dealing with the holders of the right.  
522 Thus, there is no reason for the holder of the right to land if the mining permit holder has wanted  
523 it, plus if the presence of a mining company is also stated as a government program as stated by  
524 Yusuf above. Farmers are certainly increasingly brave, as stated by Li (2012: 109), if those who  
525 reject the 'development program' are labeled as communists or traitors of the nation.

526 The control of land in a certain area to be converted into a mining area concession  
527 belonging to a company is determined by the government. The political economy interests of the  
528 government are very playful in granting mining business licenses. Making Kerta Buana village a

529 mining area, in fact is very contrary to the government's goal of placing transmigrants in the  
530 village. With a background as a farmer, the purpose of transmigrants joining the transmigration  
531 program is to farm on their own farms. Owning land itself is the motivation of transmigrants to  
532 participate in the transmigration program, because they do not have their own land to be  
533 processed in the area of origin. Through agricultural activities in their own land, transmigrants  
534 want to improve their welfare. The choice of farming is the main livelihood because the expertise  
535 they bring from their hometown is agricultural technology. The farming expertise is actually also  
536 expected by the government to be shared with local transmigrants who do not understand how to  
537 paddy.

538 Government involvement in land grabbing in Kerta Buana village is very reasonable. The  
539 government forced the village to be a transmigration location, even though in terms of land  
540 structure, Kerta Buana village was not suitable to be a settlement and agricultural area because  
541 the land consisted of peat swamps with a depth of more than 1.5 to 2 meters below the ground so  
542 it was categorized as peat is being The peat designation for the medium peat category is for the  
543 development of annual crops (horticulture and plantations) (Napitupulu and Mudiantoro 2015).  
544 This condition caused land in Kerta Buana village to be very difficult to be used as rice fields.  
545 However, not long after the transmigrants arrived in the village, mining companies were also  
546 invited to invest in the transmigration location in question. Not only that, in 2005 the government  
547 also invited other investors (PT. Mahakam Sumber Jaya) to invest waiting for PT. Kitadin, which  
548 previously operated the mine in operating again in 2009 with the method of open mining after  
549 previously the mining concession area was expanded by the government.

550 The presence of the two open-pit mining companies in the village of Kerta Buana and  
551 surrounding areas further accelerated the damage to agricultural land in the village. Not only  
552 that, the destruction process is getting longer. Because, along with the issuance of Law No. 4 of  
553 2009 concerning Mineral and Coal Mining, PT Kitadin, which should have the validity period of  
554 the mining exploitation permit for only 30 years, refers to RI Law No. 11/1967 concerning the  
555 Basic Provisions of Mining in the Explanation of Article 12, by the government requesting that  
556 the company's mining business permit be adjusted to Law No. 4/2009 to become 40 years,  
557 namely 20 years plus an extension period of 10 years x 2 times the opportunity to extend. If the  
558 initial mining permit expires in 2014 based on RI Law No. 11/1967 because the exploitation  
559 permit began in 1984, so with Law No. 4/2009 the operational permit expires in 2024. In fact, if  
560 the government wants to save the Kerta Buana Village and the agricultural activities in it, the  
561 company PT. Kitadin should not be asked to adjust its licensing with new legislation which  
562 results in the company's operating period getting longer.

563

## 564 **Conclusion**

565 Kerta Buana village is a residential and agricultural area allocated for transmigrants from  
566 Bali and Lombok. However, the village of Kerta Buana before being stable into a residential area  
567 especially agriculture, the government invited investors to invest in the village. The beginning of  
568 the presence of coal mining companies, can be seen to save the transmigrants placed there  
569 because the transmigrants took a long time to make the area successful in agriculture. Because  
570 the method used by companies to exploit coal in the region is in the inner mine, the activity is  
571 relatively unobtrusive to the existing agricultural activities, even the two activities can go hand in  
572 hand. The results obtained by transmigrants as part of mining activities, can support agricultural  
573 activities when they need other needs because agricultural products are experiencing  
574 disturbances for example.

575 Mining activities become problematic for agricultural businesses when mining methods  
576 turn into open pit mining. With open pit mining, the surface of the land being demolished is  
577 getting wider. In addition, the need for land surface to be dismantled is also extensive, including  
578 for temporary shelters to be peeled off, and the availability of land to be exploited must be as  
579 soon as possible because the process of extracting coal from the ground is so fast. Thus, the land  
580 acquisition in various ways was sought by the company, including using third parties and also in  
581 the form of room intimidation. Farmers are increasingly helpless to maintain their agricultural  
582 land because land is increasingly unproductive because agricultural ecosystems have been  
583 destroyed, including water sources on it.

584 The negative impact on the spread of agricultural activities is the more frequent farmers  
585 fail in their agricultural activities. This resulted in the production costs incurred by farmers  
586 greater than the results obtained. Therefore, agricultural activities are increasingly not  
587 encouraging farmers to do so so that the lands left abandoned without any planting are  
588 increasingly easy to find. If agricultural activities are carried out, it is probable that farmers will  
589 suffer losses due to failure, both during planting and harvesting, often occurring.

590 The government has a big stake in the process of taking over agricultural lands by  
591 making the transmigration location a mining area owned by companies through a mining  
592 business permit issued. The government's partiality to the transmigrants who had been placed in  
593 the village was relatively nonexistent. This was increasingly seen when companies were asked to  
594 adjust mining business licenses following the new legislation, which resulted in a longer period  
595 of validity of mining business licenses.

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