Power Relation and Cooperation between Actors: Issue of Nickel Mining Business Licenses in Konawe Regency

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Abstract
Natural resource management (SDA) such as nickel has become a logical choice for local governments to achieve results for regional development achievement. This is because nickel is one of the trade and business commodities between countries. However, a permit is required for the management of these natural resources. Meanwhile, the government cannot be separated from the cooperation between actors in the context of social situations regarding decisions about issuing permits for mining companies (IUP). Therefore, this paper aims to interpret the context of the social situation in nickel mining permit decision-making. In this paper, the data were obtained based on interviews with 26 informants, observations, and a review of documents. The study's results, in a review of the theory of manifestation of power relations, show that there is cooperation among regional heads, businesses, brokers, and village government officials. On the other hand, in the examination of the three-dimensional theory of power, the context of the social situation is that there is no latent conflict between the actors. The finding in this paper is the neglect of the role of local NGOs in the nickel IUP issuance process, particularly in defending the interests of local communities in the pre-mining phase. Keywords: Power Relations, Decision-Making, Mining Permit, Social Situation

Abstrak


Kata Kunci: Relasi Kekuasaan, Pengambilan Keputusan, Izin Pertambangan, Situasi Sosial

INTRODUCTION

The presence of nickel mining in Indonesia is expected to boost economic growth. In addition, the massive push to accelerate the electric car industry has pushed global nickel demand estimated to reach 4.6% in 2025, and the annual growth rate of global nickel ore production is estimated to reach 4.1% in 2025, especially in two nickel-producing countries in Asia, namely Indonesia and the Philippines (Budiarte, 2019). Meanwhile, the central government has offered opportunities to local governments from the aspect of government power to enact policies in the form of decisions by regional heads (Marthen., Raegen & Yulion, 2022). Based on this, local governments have the power in the form of power to make decisions in a decentralized manner (Fikri, 2018). The form of regional Director's decision in this regard is the granting of a Nickel Mining Business License (IUP) to companies, cooperatives, and individuals or corporations. The issuance of IUDs in Indonesia in 2011 was 3,902 IUDs. Then, in 2016, 10,331 IUDs were registered for operation and 6,365 IUDs with Clear and Clean (CnC) status, but 179 IUDs were de-licensed (Fauzi et al., 2016)

Contextualizing the birth of several regional managerial decisions related to natural resource management, consistent with the case study of status in Konawe Regency as one of the nickel-producing regions in Indonesia and there were 46 nickel IUDs by 2015 (Jhonnerie et al., 2015) and 2019 there were 25 IUDs with production operation status (Do & Nicholson, 2015). Therefore, Konawe Regency is one of the National Strategic Areas (KSN) of a total of 12 Regencies/Municipalities established based on Government Regulation No. 26 of 2008 on National Spatial Planning (RTRW).

Empirical evidence of local government policies in issuing nickel mining permits in the decentralized management of natural resources, it is possible that the presence of local elites confirmed the position of only a few actors in decision-making (Callicott & Frodeman, 2009; Ducarme & Couvet, 2020; Rolston, 2020). Others argue that there is an aspect of power relations in the context of decision-making in the application of resource control (Allen, 2009; Hathaway, 2016; Peek at all., 2009). In addition, power is predominantly operationalized by an actor, especially from an institutional or institutional perspective (Andreason et al., 2018; Johansson et al., 2017; J. Rogers, 2012; Z. Rogers & Bragg, 2012). While in the context of social situations conflicts can be seen through mining policy power relations, local conflict
management institutions are subtly manipulated by international and local actors to maintain and enhance existing power relations (Millar, 2017; Vattinnen et al., 2019). Viewed from the theory of the natural resource curse, the micro-motivations underlying the curse require real lessons for future mining policy (Geenen et al., 2021; Stoop & Verpoorten, 2021). From another perspective, structural power becomes a tool of resistance to government power through macro narratives and public stories constructed by NGOs (Baker & Wigan, 2017; Morgan, 2019).

Although this paper discusses the context of the societal situation (conflict), it describes the decision-making process in mining policy in the number of existing mining permits. This is because the study of decision-making in multilevel governance can be seen from a power perspective (Ceddia et al., 2014; Di Gregorio et al., 2019; Marquardt, 2017; Sapiains et al., 2021). It is therefore important to look at decision-making at other local levels, for example in the case of nickel mining.

This paper fills this gap by examining cooperation between actors in the context of power relations focused on social situations. So far there is no explicit description of power relations, especially in the context of social situations, as an effect of issuing the nickel IUP. Where the social situation is a latent conflict (actor-interest conflict) than a conflict that cannot be observed among fellow actors (Askey, 2017; Lorenzi, 2006; Lukes, 2005b). Meanwhile, when describing the balance of power between decision-makers, it does not exclude that from a political point of view, problems arise regarding the number of nickel IUDs in local government.

This paper contributes to the theoretical-empirical debate in case studies on the IUP emission of nickel. Because this does not only mean the submission of a single power such as the governor (regent) as the holder of the decision-making power. But there are other issues of power in this context. There is an actor relationship based on the source of power as the basis for the relationship and the realization of the actor's decision-making power. Power relations have an impact on viewing social situations as realities of power, which gives rise to latent conflicts due to different actor preferences. This a reflection of Lukes (2005) view that preference refers to what an actor should do.

Then it is also analyzed through the theory of “horizontal” power relations, which has several parts that can provide theoretical-empirical meaning (Avelino, 2011; Avelino & Wittmayer, 2016). Part of the relationship is a collaboration and cooperation based on more or less power to act together. So that this article has relevance to the importance of decision-making in the construction of power relations between actors, especially when considering the context of the social situation, which is part of the political implications as a goal of this research. Therefore, the behaviour of the actor as a unit of analysis in the research conducted becomes the basis for determining research informants in interview, observation, and document review techniques.

**RESEARCH METHOD**

This study was conducted to answer the question of how the power relations between the actors in issuing permits for nickel mining (IUP) in Konawe Regency one of the autonomous regions of Indonesia. Using a qualitative approach, the unravelling of theoretical-empirical meaning from the perspective of power is obtained from data drawn from interviews, observations, and documentary studies (Creswell & Poth, 2016). The analyzes and findings of this study come from in-depth interviews with whistleblowers previously identified using the snowball method (Taylor et al., 2015).
The informants in this study included: local government (5 people), particularly local bureaucratic apparatus, elements of the business (3), local politicians (3), academics (2), village government officials (2), local village community Leaders (3), civil society organizations (4) and local communities (4). The interview guide was used as a guide to digging up information with the informants, ranging from general questions such as the stakeholder's understanding of mining company permits to specific questions about the stakeholder's preferences or priorities when considering mining. In addition, official documents in the form of regulations, provincial governor decrees, and other protocols are viewed and checked. Implementation of the observations within the framework of ensuring the social conditions and situation through the decision to issue nickel IUDs.

In addition, the collected qualitative data were analyzed using an interactive approach according to the model developed by Miles et al., (2018). Data analysis begins with the collection of primary data from in-depth interviews with informants, the results of which are in the form of transcripts of interview results accompanied by observations. The data from interviews and observations are then summarized and sorted, and irrelevant data are discarded (Sirozi & Yenrizal, 2020).

Likewise, secondary data is aggregated as a source of supporting information that strengthens primary data such as documents for mining license decisions, etc. In addition, compiling and explaining parts of the overall data through data clarification (Freid & Raegen, 2022; Mislawaty et al., 2022). After the presentation and reduction of the data, the relevant data are compiled into information that can be inferred. Therefore, the data described in this article is data that has been interpreted (Chandra, 2018; Zalpa, 2019).

**RESULTS AND DISCUSSION**

**Nickel Mining Policy**

Policies related to natural resource management (SDA) have been pursued by many local governments. Based on the powers of Indonesian law, each regional head at the governor and regent level exercises the authority to issue mining enterprise permits (IUP) for various commodities including nickel. Several IUP publications have provided a conceptual framework for interpreting the guideline as part of decision-making (Apriliany, 2020; Luhukay & Dewi, 2020; Supriatin & Akhmaddhian, 2017). Decisions are made by one person, namely the Regional Director (Regent).

<table>
<thead>
<tr>
<th>No</th>
<th>Publisher</th>
<th>Company</th>
<th>SK Number</th>
<th>Activity Step</th>
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<td>4</td>
<td>Regent</td>
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<td>506 TAHUN 2009</td>
<td>Operasi Produksi</td>
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<td>5</td>
<td>Regent</td>
<td>Dachtraco Sultra Tambang</td>
<td>393 TAHUN 2013</td>
<td>Operasi Produksi</td>
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Konawe Regency is one of the autonomous regions in Southeast Sulawesi Province with an area of 579,894 hectares and a population of 244,324 divided into 28 sub-districts (BPS Kabupaten Konawe, 2018). As for the development program in Konawe Regency, it cannot be separated from the framework of the Regional Medium Term Development Plan 2008-2013 (RPJMD) with the vision of “Creating a Prosperous and Prosperous Konawe Community in 2013”. With the hope of realizing the desires and mission of the people of Konawe Regency while pointing to the achievement of the national goals prescribed in the opening of the State Constitution. As a benchmark for the performance of the affluent and affluent Konawe community, the nickel mining sector is one of the leading potentials. Mining nickel for prosperity and well-being is certainly inseparable from the interests of those involved. As well as stakeholder collaboration to create a framework for shared decision-making through multi-stakeholder engagement (Saito & Ruhanen, 2017).

The regional medium-term development plan, will not only affect the quantitative aspect of issuing operating permits for nickel mining (IUP) issued by local governments but also increase regional income. To date, development of the nickel mining potential at Konawe Regency has been undertaken by several companies operating a range of nickel mining activities in various sub-districts such as Puriala, Routa, Amonggedo, Meluhu, and Pondidaha districts.

Furthermore, these superior potentials are currently being explored and some of them have already completed the phase of exploitation activities (manufacturing operations). These minerals have a fairly wide distribution as found in the Puriala, Routa, and Pondidaha sub-districts. In these three subdistricts, the potential for nickel ore at Konawe Regency is 529.9 million tonnes, with a resource value of 460.57 million tonnes and reserves of 69.3 million tonnes, with Ni grades projected at approximately 0.6-2% lies.
In addition, it was determined that there are 25 nickel IUDs in the Konawe Regency, spread across multiple nickel mining business license (WIUP) areas. Based on the mining data obtained, there are several points to be mentioned. First, the current total area of WIUP is 60,064 hectares. This means that 11.04% of the Konawe Regency land is used as a mining area. Second, the status of WIUP in the 1 subdistrict area is not only monopolized by certain companies but there are several other companies conducting mining activities based on IUP ownership. Third, there are 2 (two) nickel IUDs issued by the Minister, 9 (nine) issued by the Governor, and 14 (fourteen) issued by the Regent. Fourth, all nickel IUDs are currently in the production run phase.

To support the nickel mining production process in Konawe Regency, the government has built and inaugurated an industry where nickel processing and refining (smelter) is valued at USD 1 billion and is currently operating.

**Picture I. Smelters PT. VDNI in Konawe District**

The nickel-based smelter industry is growing in line with the increase in investment entering Indonesia. Moreover, the smelter industry is considered to have an important role in supporting national economic growth because it is considered in line with the program to increase the added value of natural resources. However, behind the construction of the smelter, it has an impact on the pollution of the water condition, which changes coloured and has an impact on the fishpond business of the residents around the road traversed by the construction of the smelter. The road that was built crosses the community's pond area in several villages in Morosi District, Konawe Regency.

In addition, the widening of the road has resulted in the narrowing of large rivers which have been used by the local community. With this impact, the community’s pond yields have decreased crop yields. So with such conditions, the community must indirectly offer their ponds to the corporation. Communities living around the industrial circle have experienced other adverse effects, ranging from respiratory infections (ARI) due to coal dust from power plants, to the loss of community livelihoods because their ponds are polluted by hazardous and toxic waste (B3).

The negative impact of course is still influenced by political aspects. Multi-stakeholder involvement in decision-making aspects can erode the interests of local communities. This is because socioeconomic arrangements in mining areas currently have restrictions on the community to benefit (Rodrigues, 2017). Although currently the natural resource management
system in Indonesia still relies on community development in the form of Corporate Social Responsibility (CSR) as a form of corporate contribution to the sustainability of the lives of the people around the project, both socially, economically and environmentally.

However, the active role of the community through civil society organizations is needed to hold the private sector (corporations) accountable. In this context, CSR, demands political accountability because this role affects the lives of the wider community (Edi, 2020: 79). Therefore, the development of communities around the mining industry circle through CSR programs requires strict supervision so that the community can receive benefits from the management of natural resources by actors in the political aspect.

**Actor's Power in Issuing IUP Nickel**

Power and actor are two basic concepts in the study of the issuance of nickel IUPs. The basic conception of power in this context is not limited to Lukes (2005), namely power as something that is up for grabs. Power is not only contested by individuals, actors, or groups because each subject has the potential power to the actualization of power itself. Each actor may have a source of power (Blois & Hopkinson, 2013; Saito & Ruhanen, 2017b; Winters, 2011). So contextually, the issuance of nickel IUP provides opportunities for the presence and existence of actors in a decision-making process. Meanwhile, analyzing decision-making is part of the focus of the study of power relations (Lorenzi, 2006).

In the context of this study, the presence and existence of actors are not in terms of fighting for power. Field studies provide meaning about the existence of actors who tend to cooperate rather than maintain the ideals of each other's preferences so that it is easier to make a decision. Furthermore, the fact is that alliances are formed in the form of power relations between actors to create stable conditions. As is known, the interaction between actors involves regional heads, corporations, brokers, and village government officials in the issuance of nickel IUPs, based on the power possessed by each actor (Dahl in Avelino, 2011). Each actor has a source of power in influencing decision making which is interpreted as the use of power (exercise of power). Like the issuance of a nickel mining business permit (IUP), it is a decision made by the regional head that involves the presence and existence of other actors as already mentioned.

If power is an actor's ability to achieve or at least influence the outcome of a decision (Marquardt, 2017), then actors tend to form cooperative relationships in decision-making. Furthermore, the existence of facts about the nature of power relations between actors creates a more stable condition by building joint alliances from the use of power based on the source of the power of each actor. ‘Alliance’ is the relationship between regional heads, corporations, brokers, and village government officials. In the context of the issuance of nickel mining business permits (IUP), there are 3 (three) sources of power owned by actors, such as power based on reward power, legitimate power, and expert power (French & Raven in Blois and Hopkinson, 2013). The source of power is the basis for the involvement of actors in deciding to play a role in the perspective of power as a decision-making entity. In the context of the study conducted, the power of each actor causes the issuance of nickel IUPs to be relatively easy to issue.

Actors that include regional heads, corporations, brokers, and village government officials have a wedge of interest in the issuance of nickel IUPs. The presence of several elements of actors indicates that most of them are influenced by their relationships. Based on field data that the relationship is formed based on capacity, in this case, there is a source of power factor which can be seen in the following description.
1. The regional head, his position as a decision maker, has the power from the existence of a legitimate entity, and as a consequence has the power to exert pressure, coercion, or threat (coercive) on his apparatus within the organizational structure of the regional government.

2. Brokers have direct access to regional heads and corporations. In addition, having the power of expertise as a representative actor in mining activities is based on the capacity to obtain and manage information and build communication to build trust and confidence in other actors. The actor approaches potential investors who want to carry out nickel mining activities or activities; and

3. Village government officials, like the local government bureaucratic apparatus, these actors have the capacity in the form of expertise to coordinate and mobilize local communities to attend a face-to-face meeting as a 'pseudo' socialization attended by the corporation and the village government alone. In this case, these actors get a reward or kickback from the corporation.

The existence of different sources of power for each actor is a factor that forms a cooperative power relationship. This is certainly different when looking at the form of vertical relations which tend to focus on a single factor, namely structural coercion by the system, as well as the legitimacy of actors who use their authority legally to influence actions (Saito and Ruhanen, 2017: 193). Horizontal power relations manifest themselves in different ways for each actor so that a cooperative relationship occurs (Avelino, 2011; Avelino & Wittmayer, 2016).

Furthermore, from the identification and role of each actor, there was no involvement of local non-governmental organizations (NGOs), both those concerned with environmental issues and those related to other public policies. This fact is of course different conceptually in that the role of NGOs as organizations whose function is to advocate for the interests of the community to change policies (Hond, 2010) or prevent policies that are considered counter-productive to the interests of the community. Therefore, apart from the cooperation of actors in decision-making for the issuance of nickel IUPs, field findings confirm that there is no role for civil society organizations such as local NGOs in advocating for the interests of local communities during pre-nickel mining activities. Advocacy only occurs when a nickel mining business permit (IUP) has been issued by the local government. This is different from local NGOs in other areas, where they can mobilize international NGOs to suppress and exert influence on the government (Sinaga & Putranti, 2021: 168).

**Power Relations between Actor and Social Situation**

The actual power in making these decisions has an impact on the social situation which is the impact of power relations between actors in the context of the issuance of nickel IUPs. Terminology about social situations is latent conflict. Latent conflict among actors because each actor uses and actualizes his power to produce something that can provide benefits (outcome power). And vice versa, which results in losses to other parties/actors in the issuance of nickel IUPs. Therefore, in the context of power relations, it is decision-making in the form of the issuance of an IUP nickel issued by the regional head. According to Lukes (2005), it is important to study decision-making in a political context, because it will have an impact on latent conflict. The existence of conflict (conflict) is contextualized as an implication of the phenomenon of power relations in this study. Relationships which of course involve interests as the preferences of the actors. A relationship is a relationship between actors or the connection of two or more actors.

There are 2 (two) main actors who dominate the decision-making process in the case study of the nickel IUP issuance in Konawe Regency, namely brokers and village government
officials. The control factor of information related to nickel mining owned by brokers can be operationalized by regional heads and corporations so that there is cooperation between the two actors mentioned above. Brokers with individual strengths (experts) are a source of power in building good relations with regional heads and the ability to find and approach investors or nickel mining entrepreneurs in Southeast Sulawesi.

This individual advantage becomes the actor's innovative power in the sense that the broker has explicitly created an elite network or can create new resources to create communication at the lower level, namely to village government officials, especially in overseeing the status and conversion of community land and providing reports on the progress of activities corporations to regional heads. Therefore, it is difficult to say whether regional heads and corporations use more or less power over brokers. A more relevant question is whether and to what extent the broker cooperates with regional heads and corporations and other actors in the context of relations. The relevance of the question, indirectly confirms that no actor has greater power.

Regarding the question above, there are differences in the sources of power for each actor, especially to determine the reason for the cooperation of the three actors it is not because each actor fills each other’s shortcomings in a certain context. Nor in the sense that there are only one or two actors who have more power as in the formulation of the theory of power relations which is interpreted as the power to (Avelino & Wittmayer, 2016). However, due to differences or variations in the sources of power between actors. For more details, see the chart below.

**Figure 1. Schematic of Power Relation is Cooperation**

<table>
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<tr>
<th>Village government officials</th>
<th>Corporation</th>
<th>Brokers</th>
<th>The regional head</th>
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</table>

**Source: Compiled by the Author, 2022**

Based on this chart, it is possible to distinguish the sources of power between regional heads and corporations, and brokers. The difference is that brokers have an important role in the issuance of nickel IUPs because of the presence of brokers apart from their own will to be involved in the process, on the other hand, they are present because of requests from regional heads and corporations in the IUP issuance process. Therefore, there is a ‘cooperation’ relationship in the context of the nickel IUP issuance. Brokers in this dimension are actors whose presence aims to ‘connect’ public (government) and private (corporate) actors in the nickel mining sector in Konawe Regency.

Furthermore, even though it is factual (see chart 1), it seems that the village government seems to be dominated by the two actors (corporations and brokers) but more than that, the village government has bargaining power over what can be done, especially regarding roles that can be executed and have a direct relationship with the broker. This shows that due to the different sources of power between actors, each actor manifests his power differently. This is called a cooperative power relation. Because it refers to the analogy of (Avelino, 2011: 76) in
the context of power relations that if A and B mobilize resources for collective goals, or independent purposes because of the equality of power over each other, then the relationship becomes cooperation, not competition. The collective goal in question is to cooperate in the nickel IUP issuance process.

The cooperation that exists between brokers, regional heads, corporations, and village government officials has implications for the exploitation of community lands whose social status is transferred by issuing SKT (land power of attorney) which is then included in the concession area. This fact can be stated that power relations between actors are cooperative and can create exploitation of local communities. Therefore, this dimension has conceptually denied latent conflict in the three-dimensional perspective of power Lukes, because the main concept of latent conflict, is not found, namely aspects of different preferences of actors in decision making.

CONCLUSION

This paper answers questions about the balance of power between stakeholders in the decision-making process for issuing nickel mining (IUP) permits in the Konawe Regency. From the previous conceptual-empirical problem construction on power relations, the theoretical framework and the analysis of power relations still lack importance for decision-making aspects, especially in the context of local politics, not least in the construction of Natural Resource Management (SDA) politically. Some conceptual-empirical descriptions could contribute to the aspect of actor categorization.

The issuance of nickel IUD as a unit of power relations between actors consists of regional heads, companies, brokers, and village government officials. These actors have the source and power base to be operationalized so that a cooperative power relationship emerges. Cooperation is caused by mastering information and communication skills (expert power) with the corporate party carried out by the broker. The existence of the power factor as the research result is interpreted from the existence of the equal interest between the broker and the regional manager to receive a reward from society. So this is the reason for latent conflicts, despite the dominance of authority of the regional heads in deciding on the issuance of nickel IUDs. This differs, of course, from the view of Lukes (2005), who argues that power relations have implications for social situations as a reality of power, such as latent conflicts caused by different agent preferences.

Although actors have different sources and power bases, including corporations with their financial clout, the pattern of power relations between actors in issuing nickel IUDs is not only detrimental to the local community, corporations experience the same thing. The company is unable to make the most of its power by utilizing the Nickel IUD it received. Because another meaning is that corporations are just tools for regional leaders, brokers, and village government officials to get a kickback (reward) from the nickel IUP emission results. This can be seen from the license granted, which essentially deviates from the laws and regulations, such as the existence of illegal mining.

REFERENCES


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