



Responsible Raw Material Conference

The Formalization Trap: Paradoxes in Indonesia's ASM Governance

Presented by :

Dian Anggraeni

Co-Founder Women in Mining and Energy Indonesia



Introduction

WIME is a **strategic hub** that aims to initiate a partnership with companies, government and other relevant stakeholders through education and knowledge management to benefit advocacy effort on gender in mining and energy sector.



7 Years of impact

- 6 Batch
Female STEM Mentorship Program
- Ruang Leluasa
6 Mental Health Discussion Session
- Ruang XY
16 Discussion spaces for Gender issues
- **ASM Networking platform was established**
Livelihood Training on ASM communities at West Sumatera and West Java
- **STEM Girls for Energy Transition Mentorship Program 2024/2025**
- **Femmine Global Mentoring 2025**



ASM regulation in Indonesia

- 1 Indonesia has rich natural resources especially **minerals, coal, gas, and oil**. The mining industry has involved large scale, medium scale, and small-scale. The main regulation on small-scale mining is Law **No. 4 of 2009** concerning Mineral and Coal Mining (Minerba Law), which has been amended to **Law No. 2 of 2025**. This law provides a legal framework for the management of minerals and coal, **including** artisanal or small-scale mining, and establishes **sanctions** for mining activities without a permit.
- 2 Law Number **2 of 2025** is the Fourth Amendment to Law Number 4 of 2009 concerning Mineral and Coal Mining. This regulation amends the previous Minerba Law and regulates mineral and coal mining in Indonesia.

ASM regulation in Indonesia

- The current implementation of the Mineral and Coal Mining Law focuses on prioritizing Mining Business Permits (IUP) for cooperatives, MSMEs, and religious community organizations, as well as funding for universities from mining management to increase added value and economic equity. This implementation also involves transferring supervisory authority from regional to central governments, focusing on downstream industrialization, and addressing legal uncertainty in overlapping areas. The goal is to realize more equitable natural resource management and provide economic benefits to communities.
- Priority is given to cooperatives, MSMEs, and religious community organizations in the mining of metal minerals and coal. This aims to enable local communities and small businesses to participate in managing natural resources, in line with Article 33 of the 1945 Constitution's mandate on equitable distribution.



ASM Governance in Indonesia

The demand for minerals and metals continues to grow, driven by technology and green energy transitions. However, traditional mining practices often result in deforestation, water pollution, and habitat destruction. Sustainable practices are essential to address these challenges and gain public trust.

New regulation and its amendment is aimed at improving the ASM governance with focus to:

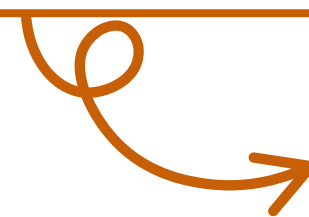
1. Devolution of Authority

Oversight of mining activities is transferred from regional to central governments.

2. Compliance and Transparency

The goal is to achieve better, more transparent, and accountable mining governance. One of the tools is: Online Self Submission

3. Open access to more stakeholders' groups in ASM business



**Create New Challenges and The
Illegal Mining Remain Unsolved**

REGULATORY PARADOX



1 Increased administrative requirements leading to decrease compliance

2 Weak Regulation and Oversight/Inadequate Regulation: There are no effective implementing regulations at the regional level, so artisanal mining activities are often unmanaged and considered illegal.

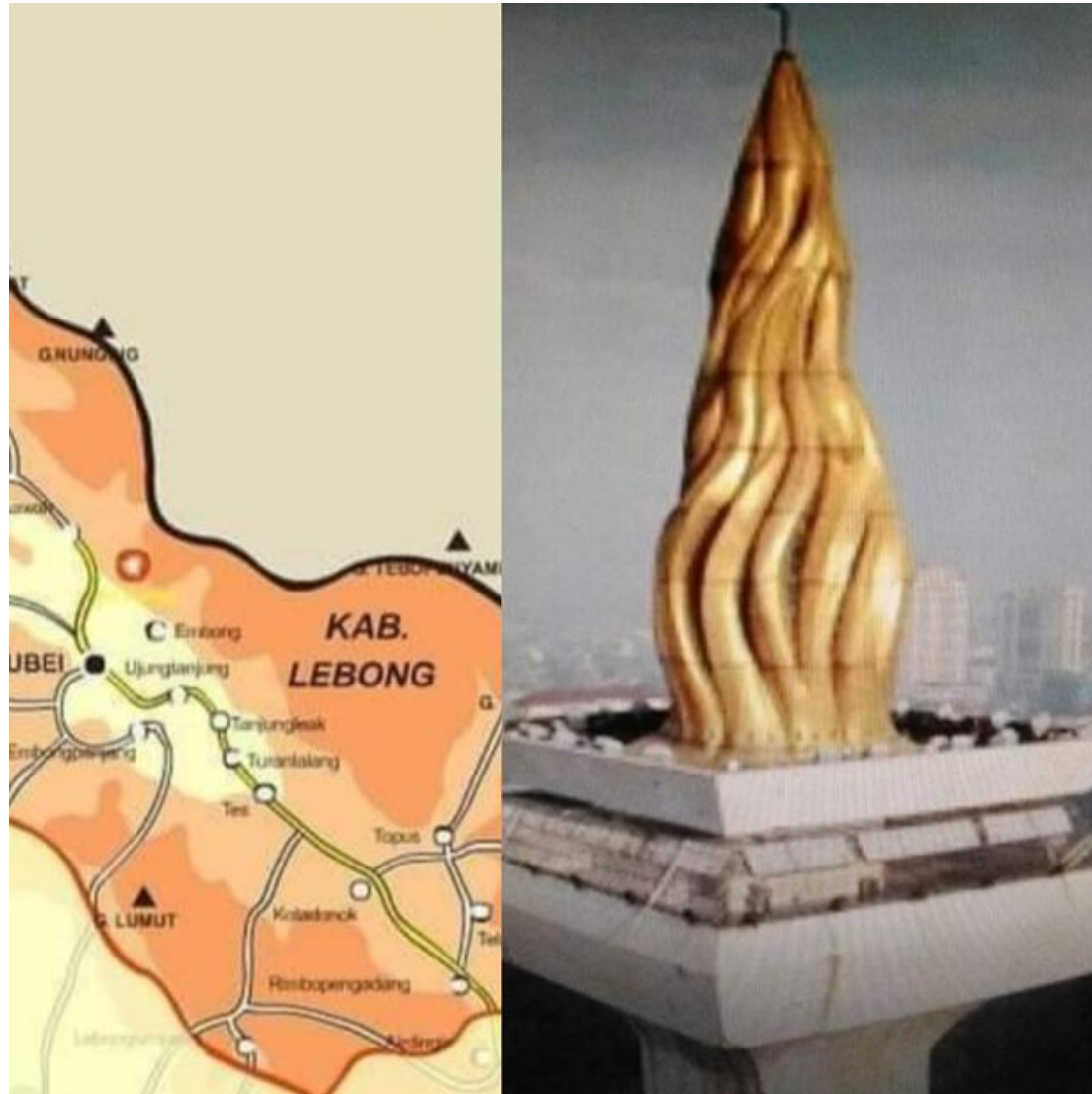
4 Legal Gray Area: This situation creates legal confusion and burdens for local communities because their activities lack a strong legal basis

3 Difficulties in Establishing WPR/IPR: The government's process for establishing People's Mining Areas (WPR) and People's Mining Permits (IPR) is slow, with stringent technical requirements, forcing many artisanal miners to continue operating without legal standing.

5 Lack of Community Participation: Communities are often not optimally involved in decision-making processes related to mining policies, leading to conflict.



CONTRIBUTION OF ILLEGAL MINERS TO THE NATIONAL MONUMENT



Melia, Gold Miner from Lebong- Bengkulu

Photo source:



- Wealthy natural resources coexisting with low welfare for local miners
- Resource-rich regions in Indonesia often experience the "resource curse," where high-activity, small-scale mining (ASM) generates intense local economic activity but fails to create long-term prosperity. This paradox is driven by poor resource management, reliance on unprocessed raw commodity exports, environmental degradation that destroys alternative livelihoods (like farming), and low local human capital
- Women at risk due to uncertainty of the ASM business. Thus, they have more than just double burden for income generating. Sometimes, they have to leave their children/family to work abroad or other regions or living in poverty.

ECONOMIC PARADOX



FUN FACT ABOUT MANGANESE



Photo source: Adeng S, manganese miner, tasikmalaya

GOVERNANCE PARADOX

Centralization of authority limiting local management effectiveness

Local Wisdom Not Accommodated: Local wisdom values, such as caution and prohibitions against overexploitation, are not integrated into existing artisanal mining management

Most of artisanal miners do not understand how to access formalization process, lack of facilitators and lack of direct assistance from government

Law enforcement are still weak in many places



ASM IN DEMOCRATIC GOVERNANCE

- Bung Hatta emphasized that democracy is not only political but must also encompass economic democracy. According to him, political democracy without economic democracy will only result in inequality, not prosperity for all people.
- He said that democracy must be taught. Therefore, the government is obligated to educate its people about democracy. The question is, how can the miners learn and practice good democracy? if most of the ASM locations are remain illegal especially for the ones that relevant to be legalize with the consideration of our national constitution.



DR Mohammad Hatta – 1st Vice President
Indonesia co-founding father

Conclusion



- The new regulation and power relation in ASM governance tend to be an anti-thesis to its initial objectives.
- Many problems arise when the government open opportunity to religious organization etc to be involved in ASM business, meanwhile the current miners who numbers approx. millions of people are still struggling for recognition and waiting for so long to get permit.
- The advocacy for better governance of artisanal and small-scale mining to be fully formalized is still on going.



TERIMA KASIH

