Community Leaders and Community Relations Practitioners as Agents for Corporate Interests: A Case Study of Indonesian Mining

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Rizaldi Parani

Bachelor of Sociology (Universitas Indonesia), Master of Industrial Relations (The University of Sydney)

School of Media and Communication
College of Design and Social Context
RMIT University

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

Rizaldi Parani

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"I glorified You on the earth, having accomplished the work which You have given Me to do."

John 17:4

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Abstract

Community Leaders and Community Relations Practitioners as Agents for Corporate Interests: A Case Study of Indonesian Mining

Bangka-Belitung, one of the newest provinces in Indonesia, has a low rate of mining conflict, compared to other provinces in Indonesia. An interesting phenomenon in Badau district is the apparently harmonious social relations between the kaolin mining companies and the community, including community leaders, Islamic religious leaders, prominent members and other members. This study investigated the role played by community leaders and community relations practitioners in their efforts to undertake community development activities as part of relationship building strategies.

This study examined how community relations practitioners and community leaders create and maintain mutually beneficial relations in a mining community in Badau Village. Through a qualitative approach using case study design, the research employed a combination of ethnography, document analysis and interviews with representatives of two kaolin mining companies, community leaders and residents of Badau village.

This study critically contributes to the agency theory by adding a new dimension of the relationship between agent and principal. It was previously contended that agent adheres to only its official principal. However, the study findings demonstrate that an agent may adhere to more than one principal. This flexibility depends on how each principal is able to strategize its usage of sources of power, such as money and knowledge.

The study revealed that religion underpinned the cordial relationship between the two mining companies and community stakeholders. Both religious and community leaders played significant roles in providing companies’ the social license to operate. While they enacted agency roles, both community leaders and company representatives tended to work for the benefit of the company, and not the community. Efforts to integrate community development into community relations activities were found to privilege company interests. Implications for community relations practitioners, especially those working in contexts such as Indonesia, are recommended.

Key words: community relations, community leaders, community relations practitioners, community development, agents, power, mining companies
Chapter One: Introduction

The involvement of national and foreign companies in mining for various materials in Indonesia has a long history. This history has not been without its tensions and discord in their companies’ relationships with surrounding communities. However, there are instances in which their involvement seems to be peaceful and mutually beneficial. This dissertation investigates the relationships between mining companies and local communities in the Bangka-Belitung region. In particular, the study examines how community leaders enact agency in negotiating the competing interests of companies and local communities. This study contends that the relationships built by the companies with the communities through their leaders would determine the existence of the company in the community, with financial incentive that the community leaders receive from the companies serving as the relationship's determining factor. This proposition was created from a case study carried out on kaolin mining companies and their relations with the local community in Bangka-Belitung, a province of Indonesia in South Sumatra - to investigate how competing interests may be balanced.

This chapter focuses on providing a background and understanding of the role of mining companies’ community relations practitioners in building relations with the community. Mining activities are closely associated with the natural environment, and are related to exhaustible resources. Article 74 of Law No. 40 enacted 2007, emphasises on the corporate social responsibilities (CSR) of Limited Liability Companies in Indonesia. However, the obligations of the mining companies to practice CSR in the community are provided for in the Government Regulation 47/2012.

The Government Regulation No 47 of 2012\(^1\) clearly states the social and environmental responsibilities of the companies. It contends that companies that are either associated with natural environment, use natural resources, or are engaged in activities that exhaust resources are obliged to undertake environmental and social responsibilities. The new regulations in mining, which decentralises the process of obtaining a license, make it necessary for the companies to

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\(^1\) Government Regulation No 47 of 2012 is an implementation of Law 40/2007 which provides stipulations and policies for Limited Liability Companies in Indonesia.
address the needs of the community. Their responsibilities include community development as specified in Mining Law no. 4/2009. Therefore, the need for the companies to actively engage with the representatives of the community is also explained.

Companies engaged in the management of natural resources often require a social license to operate from the communities in which they are located. The social license involves establishing relationships with local community leaders as a way of building trust, enabling connections and minimising disruption to business. Community leaders, both formal and informal, are expected to represent the interest of community residents. However, questions remain regarding whose interests the community leaders actually represent.

Corporate attention and responsibilities are no longer limited to the companies' internal activities or their employees, but also include external stakeholders. Companies are also no longer valued solely on their profitability but also on their relationships with communities. According to Heath and Ni (2010), community relations focuses on managing all kinds of communication, both existing and potential communication, as well as other interactions between the companies and the public. Community relations is one area of public relations practice that is responsible for building and cultivating relationships with local community actors in areas where companies operate. This is performed to ensure benefit to all groups involved. Fitch (2009) asserts that nowadays public relations practitioners are aware of the companies' social impact, and that they therefore need to work together with the public. Due to legislative changes, investing more effort into understanding the interests of the communities has become necessary for the companies to carry out their business.

To develop relations with the surrounding communities, companies need the support of community leaders, either formal (local government) or informal such as religious leaders (Boehm 2002). These community leaders act as agents whose function is to represent the community in their relations with the companies. The expected role of community leaders is to provide an understanding of the characteristics of the community, especially concerning the social and cultural environment, such as recognizing local values and belief systems regarding

2 Resources management and the policy regulations with regard to mining are discussed in Mining Law No. 4/2009.
knowledge as well as the occupation of the community members. Jewkes and Murcott's (1998) emphasise that the reason for involving community leaders is to ease the work of professionals and ensure the support of the community. Good relationships between community leaders and companies help companies to understand the characteristics of communities and enable them to work for their mutual benefit.

However, community interests are not always necessarily represented by the community leaders/representatives. Jewkes and Murcott (1998) say that many representatives are appointed and selected to be members of the elite group based on their power and interests. Representatives with their own personal interests and minimal interest for the society or community fail to perform the duties expected of community representatives. Communities need to select representatives who have an understanding of the needs and interests of the community while negotiating with the company (Jewkes & Murcott 1998).

In developing countries such as Indonesia, with 34 provinces, more than 300 ethnic groups and abundant natural resources, local companies or multinational corporations (MNCs) face big challenges in developing environment-related businesses. Community relations practitioners are expected to have the ability to recognise and understand not only the natural environment but also the social environment. The challenges they face with such a diverse population are also recognized by Calvano (2008), who explained that voicing communities' support or opposition to the activities of a corporation is difficult because there is little unanimity among the local communities. There will always be competing interest from people due to their personal beliefs, even if they reside within the same geographic.

Many mining companies in Indonesia, both multinational corporations (MNCs) and national corporations, regularly experience obstacles and challenges in developing relationships with local communities, even if the companies run community relations programs. In the context of community relations, mining companies often encounter problems in meeting their responsibilities (such as low participation from community members), especially in several Indonesian provinces. Issues can occur at the planning, implementation and outcome stages.

In many Indonesian experiences, the relationships between mining companies and communities often do not meet each other's expectations and in fact, often lead to conflict. Based on data from
the Agrarian Reform Consortium, the number of agrarian conflicts has increased from 198 cases in 2012 to 369 cases in the year 2013 (KonsorsiumPembaruanAgraria 2013). In 2011, the number of agrarian conflicts due to mining and dissent in the surrounding communities was 107, and increased to 118 in 2012 (Bandu 2013). These data indicate that community relations remains a major challenge to companies, especially mining companies in Indonesia. Thus, every community relations practitioner is required to possess a comprehensive knowledge of the culture and life of the surrounding communities in order to develop and maintain good relations.

Social science scholars argue that the usual causes of conflict between companies and the surrounding communities are related to economic sources or livelihoods, declining environmental quality, land ownership and clearance, human rights violations, and unfair distribution of profits (Owen & Kemp 2014). The causes of the problem range from discrepancies in economic benefits to lack of respect for local culture.

Ineffective community relations programs run by mining companies in Indonesia raise many issues, which can lead to business closures and even loss of life. For instance, in 2011 Tiaka fishermen in Morowali regency, Central Sulawesi, protested against PT. Medco and demanded Corporate Social Responsibility funds that they had promised. The fishermen of Tiaka felt that the presence of offshore oil exploration conducted by PT. Medco was damaging the coral reef. The fishermen refused to become entrepreneurs as expected by PT. Medco, and insisted that fishing was the most suitable job for them. The protest resulted in the death of two civilians and the wounding of six others and escalated into a riot. PT Medco had to cease operations for an unspecified period (Margianto 2011).

Another example is an incident at PT. Freeport Indonesia, which operates in Mimika regency in Papua province. Disturbances in the region halted the operations of the company for almost a month. This incident happened in April 2011, and culminated in the death of two Freeport employees. The unrest in Freeport started with the desire of workers, the majority of whom are indigenous Papuans and are unionized, to meet with the leadership of the company and demand a higher salary. Because the security forces (police) prohibited the demand, a riot occurred. The workers demanded that the management and the police conduct an investigation into the shooting incident (Hitipeuw 2011). There were eight cases of violence that occurred between
April 2011 and August 2011, resulting in 25 deaths, of which 24 were community members and one was a military personnel (Munawwaroh 2011).

Government involvement, through military intervention or otherwise, is not generally sufficient to resolve these kinds of problem and, even if it does, there is no guarantee that the root of the problem is solved, and so the potential for future conflicts still exists. The Freeport case clearly shows that the involvement of the Indonesian government, including the role of the military was an effort to protect the company's interests in terms of security, and ignored the interests of the community.

A rather different form of conflict occurred with Newmont Mining Corporation, located in the southwest of Sumbawa island in June 2002. This was not a case of conflict between the company and local community members, but rather between the company employing local community members as security and environmental activists holding a workshop in Tongo village, near Newmont’s operational area. The conflict occurred when a group of community members blocked a group of activists who had organized the workshop. They tried to seize and destroy films, journals, important notes, laptops and documents resulting from the workshop. They also threatened and intimidated activists to prevent them from delivering negative reports on Newmont. The company claimed that they and the community had agreed on a commitment to contribute to the development of the community. The pattern of relations between Newmont and community elites and members show a patron-client form of relations. During the incident, two policemen were present, but they did not take any measures (Welker 2009).

Conflicts between corporations and communities results from failure to engage and involve community members in various activities. In some instances, conflicts emerge due to the exclusion of some members of the community. It is thus important to ensure that these conflicts are averted. Fanany, Fanany and Kenny (2010) analyse the role of corporate companies in the recovery process in post-tsunami Aceh, where the decisions representing the interests of the community in the aspect of needs, priorities and strategies lacked the involvement of the community. As a result, the activities listed in the planned programs failed to obtain support, and even resulted in conflict. Yoon (1996) asserts that conflicts are common among people and sometimes this causes a rift within the communities too and they are split into factions due to
disagreements arising from goals, way of doing things or even from involving or excluding certain community members in the process of making decisions or carrying out their activities.

In other instances, the experience of PT Berau Coal also shows that while communication practitioners have tried to engage community members, this may not necessarily be a success. In June 2010, PT Berau Coal was awarded the title of 'Best Mining Company' under the community development category for their involvement in developing communities through their CSR program. This award was presented for the company’s success in empowering the local communities by creating cooperatives and successfully encouraging employee participation in their surrounding communities (Paru 2010). Unfortunately, in April 2013, the performance of PT Berau Coal encountered a major challenge due to the demands of the citizens in Tanjung Redeb, a district in the Berau regency in East Kalimantan province, as community groups felt that the development only benefitted the communities surrounding the mines, and that there was a lack of transparency in the allocation of funds in the implementation of PT. Berau Coal’s CSR programs (Mayasanto 2013).

Indonesian scholars have discussed some of these issues that emerges from conflicts between corporations and communities. Prayogo (2008) found that one of the causes for conflict is related to the exploration of exhaustible natural resources by corporations in situations where these natural resources play a significant role in the life of local communities. For example, when the resources in question are part of local livelihoods, their domination by some people can cause jealousy due to increased economic inequality and the loss of sources of livelihood. On the other hand, Ngadisah (2002) found that the weak role of the government in creating policies to support community development programs and its failure to encourage the involvement of the local community in the developmental processes to be the main problems that caused conflicts. Meanwhile, a study by Yudarwati (2011), analysed the relationship between mining companies and the communities surrounding the mines with regard to the implementation of CSR. Yudarwati found that the sources of conflict include compensation over land acquisition undertaken by a company and community objections over the use of their ancestral lands. However, these three writers do not focus on the steps that could be taken by stakeholders in fulfilling each other's interest while maintaining harmonious relationships with other stakeholders.
Although the presence of mining corporations can indeed provide economic benefits such as employment and increasing the income of surrounding communities, the change in residents' occupation to a job that does not require their pre-existing skills or local knowledge does not always have a positive impact for communities. Indeed, it can even give rise to conflict, as has occurred in several regions in Indonesia. These conflicts are usually related to sources of income, such as declining environmental quality, land ownership and clearance, human rights violations, and unfair distribution of profits (Owen & Kemp 2014). So far, many companies regard creating jobs and increasing income as sufficient measures to increase the wellbeing of surrounding communities, and they ignore the social and cultural factors that are critical causes of conflicts.

Concern for the social environment is an important responsibility that needs to be considered and also fostered by the companies in order to avoid conflict that will ultimately affect the existence of the company itself (Bird & Smucker 2007; Humphreys 2000; Waddock & Boyle 1995). Companies also tend to use their power with arrogance and display an insensitive attitude, especially while negotiating with communities (Newell 2005). Conflicts therefore often occur due to an imbalance of power between the company and the community whenever the company ignores the interests of the community.

Companies must realize that they are also a part of the society or community, and that they are required to be more sensitive, especially with respect to the social environment. Humphreys (2000) underlines that business will be affected if companies fail to notice or respond to the needs of the communities, as their neglect will cause more stress, either by disrupting production, creating tensions and conflicts, causing time delays or even leading to the closure of business units. The logic behind the study of conflict between communities and MNCs is based on the assumption that conflict is the result of companies ignoring or minimising their non-financial obligations to the community (Calvano 2008). Therefore, corporations have to change their paradigm to be more environmentally oriented, and can no longer be solely concerned with business interests, because support from the community largely determines the existence of their business.

Community relations practitioners play a very important role in fostering relations with the social environment. They can not only promote the company's interests but also be advocates for the community. They need to create a dialogue that is both balanced and place the interests of the
community at centre stage. However, a dialogue or a two-way communication alone cannot help the companies to bridge the differences or create a beneficial relationship if they do not value the norms of the community. Therefore, the aim of community relations practitioners need to be directed towards understanding and appreciating the uniqueness of communities rather than creating a consensus (Stoker & Tusinski 2006).

The introduction, knowledge and understanding of values and characteristics of the community are very important in planning, designing and implementing community relations programs. Therefore, community relations practitioners are required to have not only experience, but also the perspective and ability to understand the social dimension, especially concerned with the physical, economic and cultural elements (Solomon, Katz & Lovel 2008).

A community relations program is one of the efforts that has to be implemented by corporations to develop relationship with local communities. However, not all community relations programs represent the interests of the community and not all programs invite the involvement and participation of community members. The role of community relations practitioners often only represents the interests of the company. Waddock and Boyle (1995) reinforce this fact in their critical comments on how management teams tend to view corporate community relations as a buffer between a community and their organisation, whereas in actuality it should function to integrate the interests of stakeholders, especially those of communities and employees. Communities also need to trust the community relations practitioners who act on the behalf of the companies, so that the business activities can be sustained.

Corporations try to build trust through community relations practitioners by creating an opportunity for open conversation with a community. Dialogue, based on the principle of transparency, is the basis for establishing trust. It can be executed using the following steps: questioning, listening and then exploring the possibilities by interacting in a mutually respectful environment (Bird & Smucker 2007). Using transparency and dialogic communication, stakeholders should demonstrate a genuine concern for one another in order to complete their respective interests (Botan 1997). Each step of the approach requires the corporations to show their seriousness, especially in creating improvements to the social environment.
In principle, the implementation of community relations programs creates long-term benefits, especially in creating mutual trust and loyalty with the community and thereby gaining their support. Community involvement and participation contribute to a good public image for the company, and can stimulate cooperation between the community and the company (Desatnik 2000). For a company, implementing community relations programs will not only create a positive image for the corporation, but also ensure its existence and establish the company's reputation as a good corporate citizen.

For corporations engaged in the mining business, there is a need for a more comprehensive approach than for other companies, because mining business activities are likely to have a much stronger effect on the environment surrounding the community. This is important due to the nature of their work, which relates directly to the environment in terms of extraction, exploration and exploitation of the work sites. The mining process is highly likely to raise problems in the future, not only in terms of environmental degradation and the exhaustion of natural resources but also social problems. Waddock and Boyle (1995) also indicate that most companies have explicitly started developing environmental policies and strategies as the public have become more aware of environmental degradation issues.

Companies must develop a comprehensive understanding of communities' knowledge of the natural environment and their livelihoods or sources of income. The environment is highly important, especially for communities whose dependent on the surrounding natural resources. These communities generally have been there for generations, and the environment is part of their cultural beliefs and traditions. Environmental degradation as a result of the mining process can significantly disturb the pattern of life of local communities.

The perspective of corporations is often different from that of the community and creates a gulf between them and the community. The ideological differences and power imbalances in economic resource extraction are the general driving force for the corporations, while communities always consider themselves as being exploited (Kellert et al. 2000). Calvano (2008) reinforces that it is a common practice for mining corporations to view communities as critical of the companies and to see them as ungrateful for the developments and economic benefits they have brought, while the communities themselves feel that they are being forced or imposed upon
to accept the views of the corporations. This is due to a diversity of perspectives in the social dimension, especially in the negotiation of issues, approaches and priorities.

While community relations is a key practice area of communication practitioners, not many companies have given it the priority it deserves (Kemp et al. 2011). This occurs because many communication practitioners, especially in mining companies are still fixated on the old method of community relations in which the interests and needs of companies are prioritised. Today’s communication practitioners are responsible not only for promoting the interests of the company, but also those of other stakeholders. Communication practitioners in the more traditional approaches are considered simply to be a means to connect with the community, especially to reduce pressure from the community, and not to focus on the interests or needs of the community.

Community relations cannot be defined narrowly or understood as mere charity, but must be shaped with the participation and engagement of the community. Head (2007) notes that an increase in awareness of the complexity and inter-relation of problems has resulted in more participatory approaches. According to him, it is necessary to share the responsibility of solving the complex issues pertaining to environment and society. There is also an impetus to assist communities in identifying strategies that lead to social and economic developments as well as enhancing their capacity for self-management.

In the Indonesian context, communities need to be involved in the process of creating strategies that involve the management of natural resources to ensure development within the communities. The management process of using natural resources is no longer being controlled by state government but by the local government, and it also requires the involvement of the communities. Therefore, the new laws and regulations governing mining in the post-New Order era³ in Indonesia have been formulated with an attempt to increase the corporations' responsibilities for the environment and community.

3 'New Order' is the term used by General Suharto to distinguish his government from the previous Sukarno government. When Suharto came to power, he introduced many liberalisation policies. He therefore, referred his government as 'New Order' and labelled Sukarno's government as 'Old Order' to imply the out-dated inefficiency of the former system.
President Suharto's successor, BJ Habibie, changed the rules regarding the management of mining by replacing Law No.11 of 1967 with Law No. 22 of 1999 to develop the economic and social characteristics of communities. This new law is concerned with changes in natural resource management as stated in Mining Law no. 4/2009, shifting mining processes from the centralized system of the New Order era towards a decentralized system, especially in the mining of non-strategic and vital minerals such as kaolin, granite and sand. The local governments are provided with the authority to manage and oversee such mining activities. Meanwhile, for mining strategic materials such as petroleum, coal and gold, the authority of management is given to local governments, but the central government is in charge of their supervision. The purpose of this Law is to provide local governments with the authority to manage and organize local finances. Dasgupta and Beard (2007) argue that the decentralized system will provide many benefits for regions with abundant natural resources. However, legislation regarding mining cannot cope with issues related to conflict between corporations and communities, although some changes have been made.

In fact, what occurred in post-New Order Indonesia created more problems and conflicts. The regional government issued around 8000 mining licenses in the year 2009 to 2010 in order to continue the exploitation of mineral resources, since it is an easy means of generating regional income for development. It is also a way of countering the inefficiency of regional governments' policies and administration, as well as illegal mining resulting from a lack of inter-department coordination. Moreover, despite the merits of issuing licenses on the basis of tenders, the system in Indonesia is plagued by corruption and nepotism (Gandataruna & Haymon 2011).

Bangka-Belitung is one interesting example, since the implementation of Law No.22 of 1999 did not have a significant impact on the progress of the region. The province has a wealth of natural resources, not only from agriculture but also from plantation, forestry and mining. The mining potential in this province mostly arises from the presence of tin, kaolin, granite and sand (Lubis 2004). In addition, the inhabitants of Bangka-Belitung province seem to have a high level of internal harmony and tolerance, despite the diversity in ethnicity and religion of its people.

4 Article 12 of this law stipulates government regulations on central and provisional authorities as autonomous regions and thereby provides more authority to regional bodies.
However, the province is also included among the ten provinces with the highest poverty rate, based on data from the Central Bureau of Statistics in 2010 (Susanto 2010).

The natural resources owned by the province of Bangka Belitung are not well managed by local authorities, although Belitung is well known for its mineral riches (Erman 2007). The management of mineral mining in Bangka Belitung province often brings problems, and mining has not been able to raise the standard of living of local communities. There are various problems faced by the province, namely a lack of understanding of the regulations, inconsistent law enforcement, graft, environmental degradation and weak human resources leading to underdevelopment (Nuh 2010). The community participation in mining in this region is also minimal.

Many mining companies in Bangka Belitung have not implemented community relations programs, and there is also lack of initiative and effort from the mining corporations operating in the region to include local communities in the development context. Community relations programs implemented by the companies in the context of community development depend on the active involvement and participation of community members. Thus, the development paradigm has to be constructive and based on equality. This constructiveness will only result from mutual understanding.

**Focus of the Study**

Bangka-Belitung is one of the youngest provinces in Indonesia. It has a great wealth of natural minerals and has been explored since the Dutch colonial era to the present, but the level of prosperity of the people is still low. The province, which consists of the two main islands of Bangka and Belitung, boasts a diverse community in terms of race, ethnicity and religion; however, the level of harmony and tolerance shown by members of the community appears to be relatively high.

The province has historically been known for tin mining, which began in the Dutch colonial era and was continued until the 1980s. Due to depletion of tin deposits, however, mineral exploitation is no longer focused on tin, but on non-metallic ores such as kaolin, sand and quartz. Non-metallic minerals are not considered as strategic by the central government, and therefore the authority to manage such mining is given to the local government of Bangka-Belitung. Law
no. 22 of 1999 on the management of natural resources in decentralization also encourages the local authority of Bangka-Belitung to give an opportunity to investors to carry out non-metallic mineral mining. Kaolin mining is one of these non-metallic mineral mining activities, attracting many investors, particularly in Belitung. One of the largest kaolin mining regions on the island is in the village of Badau.

Although relations between the villagers and mining companies in Badau appear to be amicable, in reality this seems to be a misconception. Few problems have been recorded in the context of relations between the two parties, despite the fact that mining activities cause significant damage to the natural environment of Badau village, which is not renewable. Most villagers in Badau work as miners in the kaolin mining companies that operate in the village, while others work in the farming sector. The natural environment is an important part of the community, particularly in relation to livelihood.

The mining companies can exist only with the support of the community. Therefore, they look to form relationships with the leaders of the community to ensure social stability and the continuing existence of their business. Questions remain, however, as to how community leaders are able to negotiate and balance the interests of the community who they are meant to represent, against those of mining communities who provide employment and livelihood opportunities.

This study discusses and analyses the role played by the community leaders of Badau village in creating a mutually beneficial relationship with companies. This will be analysed by exploring answers to the questions:

- How do the community relations practitioners and community leaders negotiate the competing interests of their stakeholders?
- How is the relationship between the community leaders and the mining companies significant in determining the activities of the companies, particularly to gain social license?
- How do community relations practitioners' understandings of the community's social and cultural values (particularly in regard to local knowledge) affect the working system of the companies?
• How does the community's involvement and participation determine the implementation of the community relations program of the company?

Objectives of the Study
This study examines the role of community leaders as community representatives in seeking and maintaining the rights and interests of the community, especially in negotiations with mining companies. The role of community leaders is not limited to liaison; they are also responsible for developing trust in the context of building a relationship.

In addition, this study exposes the dynamics of the relationship between the community and community relations practitioners representing mining companies in an effort to understand the social and cultural characteristics prevailing in the community for development purposes. Community development is a necessary responsibility for every company, located in the community.

Finally, this study uncovers the efforts conducted by community relations practitioners in trying to motivate community members to participate in community relations programs.

Significance of the Study
This study significantly contributes to critical understanding of agency and power in the context of community relations as it identifies the role played by agents representing community and mining companies in negotiating both the interests of the community as well as that of the mining companies. This study shows how dynamic interactions among the agents determine the transformation or reproduction of the social structure.

This study identifies the importance of creating trust, given that the dynamics of the relations created by the kaolin mining companies with the community leaders play a significant role in gaining the community's approval. How trust is created in this context however is a critical factor that will assist community relations practitioners in understanding the social context in which the relationship is built upon.

This study provides a comprehensive understanding of the importance of the cultural characteristics of the community, such as belief systems (religion) and local knowledge (livelihoods), and how these become crucial factors in building relationships between the
companies and the surrounding communities. The results of this study may guide community relations practitioners in engendering trust and developing mutually beneficial community-corporate relationships.

This study also contributes to understanding the importance of the involvement and participation of community members both in the negotiation process undertaken by mining companies and in the implementation process of community relations programs. This also demonstrates how development cannot be done without the participation of the community.

**Structure of the Thesis**

This thesis has been organised into seven chapters, which are briefly described as follows:

Chapter 1, the introduction chapter, provides the background, problem statement and subsidiary questions. The objectives and significance of the study are also clarified.

Chapter 2 explains some key concepts that are considered relevant and useful for the study's analysis. These include public relations, community relations, agency, power, negotiation, culture, community development, community building, capacity building, and community participation.

Chapter 3 describes the context of mining in Bangka-Belitung province, which is made up of two islands (Bangka and Belitung) that are famous for their mineral wealth. This chapter begins with a brief explanation of the history of tin mining on these two islands, and then describes the decentralisation process that shifted mining-related governance from the central government to local governments and which included the establishment of the province of Bangka-Belitung. It also discusses issues relating to the decentralisation in this province. At the end of this chapter, the dynamics of social relationships are described. The population of this province exhibits a high level of diversity that includes indigenous peoples as well as significant numbers of migrants.

How this study was conducted is explained in *Chapter 4: The Methodology*. This chapter explains the qualitative approach and use of the case study method as a way to understand the phenomena studied. This chapter also describes the steps taken in this qualitative approach as a preparation prior to data collection.
Chapter 5: Research Finding discusses the findings of the field study conducted in Badau village in Bangka-Belitung province. This includes the characteristics of the Badau community and how relationships were built between the community and the kaolin mining companies that are operating in that area.

In Chapter 6, Discussion, relevant concepts in this study are employed to examine the findings in more analytical detail. The discussion provides clear insight into the efforts made by the community and the kaolin mining companies in building relationships and the implications of this relationship-building process to the development of the community.

Finally, in Chapter 7, Conclusion, I summarize the study's major findings and their implications for Badau community and the mining companies that operate in the area. The chapter also offers recommendations for future research.
Chapter Two: Literature Review

Introduction

A range of conceptual fields can be employed to understand the maintenance of good relations between companies and communities. In this chapter, the concept of community relations as a function of public relations is critically reviewed. Community relations is a basic concept used in this study, to describe and analyse the nature of the relationship between the organisations/mining companies and the surrounding environment. The orientation of the implementation of community relations programs undertaken by companies in Indonesia is generally directed to community development. Therefore, the implementation of community development is an obligation of the companies, and to be able to carry out this process, this study considers the importance of the concept of participation, especially for the community as a form of involvement in the development process.

The relations formed with the community are usually strongly influenced by the closeness of the relationship between community relations practitioners representing the company and the community leaders. Therefore, the concept of agents and agency are important in this study, especially in discussing the relationship between community relations practitioners and community leaders. In this study, community leaders as agents will be examined as they initiate the community building process among the members. The role of community leaders as representatives of the community is also critically evaluated.

I begin by exploring the community relations approach. Then, the role of community leaders and community relations practitioners as agents is explored. In the following section, theories of agency and social capital are discussed by analysing the impact of power and negotiation processes in the Indonesian mining context.

In addition to emphasising the importance of understanding the social context in building relationships, this study also looks at the importance of understanding culture. The topics raised in this study observe culture as one of the highly influential factors for the communities both in shaping the collectivism as well as in daily activities concerning the livelihood system. The concept of local knowledge is considered particularly relevant in this study, especially in relation to the context of mining employment relationship between the company and the community.
With knowledge having been passed from generation to generation, mining is one of the oldest occupations of the community residents in the study apart from plantation and fishery.

A Community Relations Approach

Communities often play a significant role in providing companies the social license to operate. As such companies need to build relationships with the communities where they operate, and employ public relations strategies. Grunig and Hunt (1984) state that public relations have helped organizations to be responsive to the public as they are successful in channelling public feedback to the management. This clearly shows the importance of public relations for a company. Practitioners have the function of connecting the company with the surrounding community, and thus must have a clear understanding of the meaning of community before delving into details of public or community relations.

There are many interpretations of the term 'community', as it is contextual and used by social scientists of various disciplines. However, echoing the point of view of many scholars, Lee and Newby (1983) states that geography, interaction and identity are the main characteristics of a community. Bowen, Newenham-Kahindi and Herremans (2010, p. 302) expands on this definition, stating that "communities characterized by geography as representation of people who reside in same geographic location without any reference to the interaction among them whereas communities that are classified by interaction represent a set of social relationships that might or might not be based in same place." Meanwhile, communities that are characterized by identity represent a group that shares a sense of belonging, one that is generally built upon a set of beliefs, values or experiences that are shared among the community's members.

In public relations, community is defined as a group of people who live in the same area or have the same interests, religion, race, etc. (Webster, 2006). Grunig and Hunt (1984) classify community as pertaining to locality, in that people are either grouped by geographic location or by their common interests or problems. According to them, community will consist of many publics and not just a single public. However, Taylor (2002) points out that a definition of community based on people bonding is an 'oversimplification of complex ideas,' as internal conflicts within the group are not considered. Fitch (2009) remarks that community also has a negative impact as there is a possibility of bonding among a group of people who have common beliefs or values, which may even be of 'negative or antisocial consequences'. However, the
definition of community in this study is not only based on common identities, but also on the sharing of a geography and the practice of group interactions on regular basis.

Any approach used by management to engage with a community is referred to as public or community relations. It is therefore necessary to understand the meaning of public relations. There are a number of definitions used to define public relations. Vasquez and Taylor (2000) adopt a definition that refers to strategic relations. They state that "many different definitions of public relations have been offered, but it is generally accepted that public relations is strategic communication between an organization and its public." (Vasquez & Taylor 2000, p. 324). This definition suggests that the role of public relations practitioners is to engage in effective communication with a community. They use community relations programs as a strategy to build relations with communities.

Community relations has become the main focus for many organisations’ public relations department. Altman (1999, p. 46) explains this tendency, stating that "corporate community relations is a management function that is charged to interact with the local communities." As community relations becomes the main focus, public relations practitioners take on the responsibility of maintaining relations with the surrounding community.

The focus of community relations is quite broad; it is not only limited to opening up avenues for communication, but also includes the need to understand the characteristic of a community. Fitch (2009) points out that the focus of community relations has shifted towards social and cultural contexts, placing more emphasis on communities and community relations rather than the sole interest of the company. Community relations practitioners are therefore expected to have sufficient knowledge and understanding of the surrounding social and cultural environment.

The meaning of community relations has especially developed with regard to the context of relations between corporations and communities, and thus there has been a redefinition of the concept of community relations with respect to their specific content and form. Boston College for Corporate Community Relations redefines community relations as:

...the state of relations between the company and the communities (local, national, or global) in which it has presence or impact. It encompasses programs which advance the interest of both the company and its communities, such as: donations and contributions of all kinds, employee volunteerism, community-based programs, relationships with civic, professional,
and non-profit organizations and corporate citizenship activities (Waddock & Boyle 1995, p. 135).

Community relations is more than just a program run by corporations through community relations practitioners with an aim to strengthen the relations with the community. Therefore, actions undertaken by the company should pay attention to ethical, reputational, and political dimensions as well as philosophical ones (Young & Burlingame 1996).

The implementation of community relations programs is very important for the company and is usually done by a special division within the company. Altman (1999, p. 46) underlines this by stating that “Community relations is most often structured as a department or a division within a public affairs or corporate relations department.” Then, it is essential that the company is also responsible for its implementation, in terms of both programming and implementation strategies.

Based on various scholars’ definitions, this study refers to community relations as a management function undertaken by a unit within an organisation whose specific strategy is to understand the social and cultural contexts necessary to build relationships with communities around which the organisation operates. Thus, community relations is not a program in itself, rather it refers to a set of activities that are undertaken by the organisation/company to pay more attention to the interests of the surrounding community with the aim of maintaining the existence of the organisation/company.

Companies become involved in community-related activities to build their reputation as well as relationships with communities. Grunig and Hunt (1984) categorise community relation activities as expressive or instrumental depending on the intended aim of the organisation. When companies use community relations activities as tools to promote themselves and their goodwill to the community, it is called expressive whereas when companies use community relations activities either to improve or change the community to make it easier for their organisations to work, it is called instrumental. In the present scenario, it is essential that the community relations activities of the organisations include instrumental activities along with expressive activities, since it is also their responsibility to develop the community.

The main purpose for the company in building a relationship with the surrounding community is to create corporate citizenship. The concept of corporate citizenship suggests that corporations
will act ethically, socially responsible and proactively in order to combine its stakeholders' interests (Altman 1999). Such a comprehensive approach can assist with the maintenance of relationships with stakeholders and can also help to prevent conflict.

Communities are comprised of both the local environment and the more complex environment, especially if they exhibit a high level of globalisation. Waddock and Boyle (1995) reinforce this point when they say community actually becomes communities; that is, they no longer represent the local community, but rather multiple and scattered group in which ever sites the company operates in. It is therefore important to discuss not only the current understanding of the concept of community relations, but also the role of the community relations practitioners in complex environments.

The role of community relations practitioners is to help determine the contribution of community relationships in attaining the goals of their organisations (Ledingham 2003). Fitch (2009) also points out that, as community relations practitioners are aware of the social impact created by their organisations, they need to work in tandem with the public. Moreover, there is an increased involvement of companies’ community-related activities, either due to external influence, stewardship, or being aware of their social responsibility (Leeper 1996).

Community relations practitioners have a function not only as a buffer between the organisation/company and its environment, but also in giving more emphasis to efforts to integrate the interests of stakeholders, which in this particular case refers to the surrounding community (Waddock & Boyle 1995). Therefore, the community relations practitioners are change agents who transform corporate community relations (Altman 1998).

The interests of companies and communities are bridged by community relations practitioners. According to Altman (1999), activities that are usually included in community relations programs include employee volunteerism, community-based programs, donations or contributions made to a community, events organised in a community and relationships with non-profit organizations. Public/community relations practitioners play a strategic role in a corporations, determining the activities carried out in its surrounding environment. Community relations practitioners, in carrying out their functions, try to be proactive, especially in understanding needs and requests from stakeholders.
The psychological conditions prevailing in a community, especially regarding their implicit or explicit expectations, must be understood thoroughly by community relations practitioners in order for them to build relationships with surrounding communities (Burke 1999). In dealing with surrounding communities, companies usually rely on the capabilities of existing community relations practitioners, particularly in the case of companies whose business is directly related to the environment, whether it is a company engaged in the mining of oil and minerals, or plantation.

The characteristics of communities need to be better understood by community relations practitioners. Community relations practitioners could be more democratic and ethical in their approach by interacting with community members. Open dialogues and focussing on the interests of the community are forms of being democratic and ethical in their approach (Falkheimer & Heide 2010).

Community relations practitioners need to approach communities by interacting and conducting open dialogues to develop transparency. The relations they create with the social environment should be transparent and mutual. This is important so that information can represent the interests of both parties and prevent misunderstanding. Forest (1997) argue that open communication helps to enhance and deepen relationships, and also to build trust and credibility. Most corporations, especially those whose work is directly related to the physical and social environment, have to develop commitment to the environment, and the role of public relations practitioners has to be flexible and sensitive to this environment. Open communication and relations will build strong community relations.

Open and transparent communication between a company and a community usually revolves around the issues occurring in the community, and therefore dialogue often gives rise to debate. This debate could happen because the communication is of a symmetrical, two-way kind, aimed at a better understanding of various aspects that appear in the dialogue. According to Kent and Taylor (2002, p. 24), although dialogues are vulnerable to collapse and involve trust and risk, they can be easily manipulated by organisations and publics. During dialogues, community relations practitioners are required to be more sensitive and capable of bridging the interests of each party.
Community relations practitioners must create relations based on dialogue with communities located near the company. This dialogue needs to be in the form of symmetrical communication. Community relations practitioners must therefore have a wide vision and understanding not only of similarities between the point of views of the company and communities, but also of existing differences, to create change. Roper (2005) emphasises the same point when she states that the main characteristic of symmetrical communication is the willingness of an organisation to listen and respond to the interests and concerns of its key stakeholders. However, the dialogic relations also has the potential to cause conflict, besides bringing expected changes to the social structure (Durham 2005).

The dialogic approach was, however, criticised by Gunson and Collins (1997), who argue that dialogic communication between a company and its public can be done on a moral or immoral basis. The dialogic process can be based on the basic manipulative nature of the company or the community. Kent and Taylor (2002) give a description of the manipulations that exist in the dialogic process, which is that if one party subverts the dialogic process, either by manipulation, disconfirmation, or exclusion, then the final result will also not be dialogic. This practice, of course, will only benefit one party and harm the other because it is not based on openness and trust.

It is important for community relations practitioners to obtain adequate information on the agendas and interests of the corporation and surrounding communities before performing its work. As stated by Eade (1997), to bring about sustainable change, they may have to spend time and work through the problems rather than trying to resolve issues using money. Sometimes they may have to take several steps backwards before progressing in finding a solution to the problem. This decision-making process is also referred as strategic planning.

Strategic planning in public relations is nothing but identifying important publics, goals and objectives for the program as well as defining the policies or rules that help in determining and selecting strategies (Cutlip, Center & Broom 2006). Each process has to be related to the others in order to achieve the expected outcomes. However, when problems occur that do not allow programs to be implemented as planned, then planning will have to be opened for discussion and reconsideration. Johnston and Zawawi (2009, p. 299) provide an illustration of what public relations (PR) practitioners should do when approaching surrounding communities:
Consultation: Develop symmetrical two-way communications between the corporation and the community. PR practitioners must recognize community leaders and other stakeholders, and attempt to open fora of communication to receive any possible complaints.

Scanning the environment: Attempts by PR practitioners to know and understand stakeholders, namely their thoughts, feelings and actions. The mass media can provide much of the necessary information required by PR practitioners to recognize social and cultural characteristics of the surrounding communities in order to formulate a program.

Collaborations with community groups: PR practitioners to encourage involvement and invite participation from community members. It is important to involve the community through their leaders.

Negotiation: PR practitioners are to create mutual gains for local communities. Relationships between parties should be based on mutual respect, humility, trust and interdependence to obtain solutions to any possible problems.

These processes assist community relations practitioners not only in identifying and understanding the existing problems in a community, but also in formulating community relations programs. The skill of community relations practitioners in analysing the physical, cultural, social and economic environment of surrounding communities is of high importance for the corporation. Thus community relations practitioners could potentially identify which parties support or oppose the programs implemented by the company.

One way in which community relations practitioners can create conflict is in the issue of truth in the message delivered to the community. Often community relations practitioners seek to withhold particular information in an attempt to represent the interests or agenda of their company. This can result in frequent occurrence of lies, erosion of trust, and make it impossible for the company and community to ever reach an agreement or common understanding. This scenario can present a dilemma for public/community relations practitioners because on one hand the company demands that they represent the interests of the company, while on the other hand such lying can destroy the credibility of the company and become a source of conflict (Cutlip 1994).

Community relations practitioners need to be committed not only to the company but also to the community in order to avoid conflicts. According to Martinson (1996), a major challenge for public relations practitioners is emphasising their commitment to ethics while communicating, especially when it comes to conveying correct and complete information. One of the main keys for good communication ethics is truthfulness. This is important to create genuine understanding.
Relations between a corporation and a community allow the former to become a part of the community due to its existence in the area. A mutually beneficial and interdependent relationship between the two creates harmonious conditions, allowing the corporation to operate on an optimal basis, especially in relation to the utilization of resources. In turn, surrounding communities can benefit from a rising standard of living due to assistance from the corporation. The sustainability of life in the surrounding communities needs to be considered by companies, especially when they use natural resources.

Extractive and explorative undertakings such as mining are especially dependent on relations with the surrounding communities, and thus it is the corporation’s social responsibility to develop these communities, such as through development programs. According to Forrest (1997), community relations practitioners must pay attention to identifying existing issues related to the physical and social environment; such as which cultural values and characteristics of surrounding communities will impact the corporation, the agendas of each stakeholder, their perceptions and behaviour as stakeholders, and the dynamics of decision-making and power distribution in the community. These are all important forms of information that can be obtained through community relations practitioners.

Community relations practitioners also need to develop and identify channels of communication that can be used in their relations with stakeholders. This is important to facilitate the delivery and receipt of information. The process of collecting information about environmental conditions can enhance understanding, not only in developing relations with the community, but also in recognising existing potentials that can be used to formulate plans.

Similar to Forest's statement on the important aspects to note, Plummer (2000, p. 30) presents a guideline for information to be noted in relation to the capacity of a community, namely:

- Availability of natural resources and materials in the community and level of utilisation; availability of human resources and their occupation; quality of community members; existence of organisations of groups having interest in the community such as NGOs; norms and social patterns bounding the community, existing social structure and communication patterns and power relations between community members; previous experience of development process in the community.

These efforts are important to be implemented in such a way that community relations can be adequately developed and maintained. Obtaining knowledge and comprehensive information is a
first step in exploring the potential possessed by a community. In addition, good recognition of
the environment will be beneficial in the formulation of a community relations program and in
minimising the potential for conflict.

Once they understand the conditions of the physical and social environment, community
relations practitioners can then begin to formulate community relations programs. According to
Burke (1999), there are several factors that are important to consider in the preparation of
community relations programs. They can be summarised thus: building sustainable and ongoing
relationships with key community individuals, groups and organizations; proactively creating
practices and procedures that meet the expectations, concerns and issues of the community; and
focusing on community support programs to build relationships, respond to community concerns
and strengthen the community's quality of life (Burke 1999). These factors when considered
thoroughly in the design process of a community relations program will then lead to activities
aimed to develop and build the community.

Community Development and Community Capacity Building
As discussed in an earlier section, community can be defined in multiple ways depending on the
context in which it is used. Definitions also vary according to a wide range of disciplines. The
understanding of community in the context of community development has been clearly defined
by Brennan, Barnett and Lesmeister (2007) as a process of interrelated activities through which
different sections of local society convey their common interests and needs. Thus the two
phrases most relevant to community are the patterns of action of each of its interrelated members
and common goals to be achieved. Both of these key phrases should provide guidelines for
individuals and social groups in the community to look after each other and maintain mutually
beneficial relationships. Therefore, in order to understand a community in the context of
community development, there is a need to adapt and maintain a good relationship among the
members of community.

The concept of community development is often used to describe the development process
conducted in a location, whose goal is to promote the welfare of the community. In many
occasions, community development is considered to be part of the responsibilities of
corporations and organisations. This responsibility is an obligation of a corporation due to their
form of entrepreneurship undertaken in a particular region or a community. However, the
process of development that occurs does not always result in an increase in the standard of living, nor does it necessarily fulfil the expectations of the community's members, and can even potentially lead to conflict.

Christenson, Fenley and Robinson (1989) define community development as involving initiatives from people living in a particular location toward social actions that might or might not include social, cultural, political, economic or environmental changes. Based on this definition, the manner in which the study utilizes the concept of community development is in its standpoint that there are several aspects that can be used as a basis for understanding community development, namely that the community has a say in determining external involvement in the development process, and that the community has the initiative to become involved in the process. As a community need to be involved in the development process, it is probably better if social and cultural aspects of the society are also included in the approach.

The process of community development adopted by the companies follows the bottom-up approach if there is a willingness of an external party to get involved. Another aspect is that in the stage of community development, the community will have a certain level of independence. Hence, community development is not an early stage in building a community; it is actually an advanced stage, because all the decisions derive from that community.

Companies follow a basic strategy in the implementation of community development. They consider funds and charity as ideal options for engaging with a community and its development programs. There are several fundamental errors made in the implementation of community development that are prevalent in developing countries such as Indonesia. According to Kenny and Clarke (2010), during implementation the initiative often comes from the company, not from the community, so it tends to be top-down rather than bottom-up. Emphasis is usually given only in the form of charity and funds, which are often at odds with the community's needs.

Another weakness of the efforts of a company or certain institutions in identifying the character and potentials that exist in a community is the adoption of a deficit-based approach. Such an approach emphasizes the deficiencies and needs existing in a community, without regard to its advantages and strengths (Kenny & Clarke 2010). The outcome of this lack of understanding of the characteristics and capacities in the society tends to come in the form of charity that is
unsustainable, and in some areas even leads to conflict, such as in the case of PT. Medco (Morowali, Central Sulawesi) in which the community relations program failed to represent the needs and interests of the surrounding community. This lack of understanding between the company and community residents created conflict.

Nindita (2008) provides a typology based on the relationship existing between a company/institution with a community to provide a better understanding of community development. She classifies community development into three types:

*Development for community.* The initiative of community development comes from the corporation, which has the status of a donor, while the target community is positioned as an object of the community development activity. This characteristic of the program is oriented towards the corporation.

*Development with community.* Activities in the program are formulated by the corporation and community together. The corporation has the position of an agent of development while the community acts as both subject and object of the community development program. The characteristic of the program is oriented to fulfil both community needs and corporate goals.

*Development of community.* The main program characteristic of being oriented towards the fulfilment of community needs. This initiative comes from the community itself, in which the community identifies its needs and creates programs while the corporation acts as an agent of development.

This development typology is prevalent in many developing countries, particularly in the era of globalisation in which corporations are key actors. Currently, almost all corporations operating in developing countries (including Indonesia) that deal directly with communities are driven by profit motives more so than moral interests in carrying out community development programs. According to Munturi et al. (2012, p. 362), there are two compelling reasons that underlie the motivation of corporations in community development: "to build a strong moral commitments to the share holders and also due to the strong pragmatic interest to do so.” Ideally, the first motive has a greater value of sustainability in the context of a relationship with the community, compared to the second pragmatic motive that only represents the interests of the corporation.

Community development is focussed more in the relationship between the community and the company, while community-building is more focussed on better relationships among community members and efforts made towards the development of the community. Tesoriero and Ife (2010, p. 176) also explains that the "building of a community involves creating a social capital, strengthen the social interactions within the community for better understanding of the society,
bringing people together, helping them to effectively communicate with each other to foster genuine dialogue for better understanding and social action.” It is clear that Tesoriero and Ife (2010) emphasizes community building as a way of maintaining and strengthening the relationships between stakeholders in a community. Therefore, in his view, community development is a process towards community building.

In community building, development is comprehensive and does not only cover all aspects of life in the community, but also the context of the relationship between humans and institution. It therefore requires strong social capital in the community as a cornerstone of the process. Furthermore, it takes effort from the community members and relevant stakeholders in their respective capacities to maintain and strengthen these relationships.

Community-building activities, according to Bill Traynor (2007, pp. 209-10), involve some processes such as:

- An ongoing process where members of a community share skills, talents, knowledge and experiences that strengthen or develop themselves and the community;
- Continuous, self-renewing efforts by residents, community leaders, and professionals engaged in collective action aimed at problem solving and enrichment that results in improved lives and greater equity and produces new or strengthened institutions, organizations, relationships and new standards and expectations for life in community;
- Community building has come to refer to a variety of intentional efforts to organize and strengthen social connections or build common values that collective goal (or both).

The activities suggested by Traynor suggest that the primary purpose of community building is not only to increase the capacity of community members, but also to allow them and associated institutions to create and reinforce a sense of interconnectedness and complementarity.

Kenny and Clarke (2010) state that the first step in community building should be an asset-based approach, namely understanding the assets possessed by the community in the form of resources, skills, knowledge and networks. An asset-based approach is classified as a bottom-up approach. Assets such as the capacity of the community concerning cultural, structural and political contexts are recognised.

The assets of the community play a significant role in the lives of people in the community. When companies use the assets of the community it also becomes necessary for the companies to
make programs that are recognised and accepted by the community to ensure the development of the community. Community development programs should, in principle, be able to encourage the creation of capacity building among specific community members and the community as a whole. It is clearly stipulated in the 'Principles of Good Practice' issued by the Community Development Society that community development should be able to build the capacity of community members, influence the improvement of life, bind community members, help them to understand issues and questions concerning the community and support the role of leadership in the community (O'Faircheallaigh 2012).

A strong corporate commitment to improving the welfare of the community and to understanding the community's character will receive a positive response from community members. It is important for companies to know the character of its communities, as this opens up the possibilities of optimizing its capacities. Social science scholars Kretzmann and Knight provide several steps that can be undertaken by corporations to work together with community members, mobilise assets owned by the community and develop the local economy, namely:

Mapping the entire assets owned by the community, either individually or as a whole. The corporation should perform this mapping continually, in order to keep its understanding of the community up to date.
Developing a strong relationship with each asset in the community. The community will be stronger and more independent when all of the stakeholders within it are connected with each other.
Mobilising for economic development, especially for the local economy, in which all assets belonging to the community and stakeholders are mobilised for economic development purposes. In the mobilisation effort, it is also necessary to exchange information to bind the stakeholders together.
Convening the community to develop a vision and a plan. It is very useful for the corporation to involve the community to determine the direction and purpose of development to be achieved, and also develop strategies that will be used to achieve the purpose. However, the formulation of the direction and purpose should be based on consensus and commitment.
Leveraging external resources to encourage local development. This is done generally when the community has very limited potentials and assets (1993, p. 345).

Developments in the community can be achieved only through investing in education and training. Low levels of education produce community members with a weak level of participation in the economic, social and political spheres, and this marginalizes the community. Most companies working in developing countries feel that education is the responsibility of the government and consider it to be a structural problem in the society, hence requiring a
fundamental change to advance the society as a whole. Therefore, education in developing
countries is more focused on primary education.

As an alternative method of supporting education, training is considered to be one of the best
ways to improve the skills so that community members can participate, especially in the
economic field. Economic improvement is regarded as an answer to all kinds of problems and as
a way to improve welfare. However, in many cases, training programs that are associated with
skills improvement often do not correspond to the needs and characteristics of the surrounding
communities. Eade (1997) emphasises that not all training programs that are held in the name of
capacity building significantly help or enable people to overcome the hardships that oppress
them. Therefore, the provision of training with the purpose of capacity building must be
appropriate and well-targeted to meet short or long-term needs. Active participation from
community members in the form of their rights and obligations will determine the success of a
program.

Community development cannot be achieved without community building as a basis for
strengthening the relations of each individual in the community, either in skills, knowledge or
experience. However, community development also need to take into account about the capacity
building, which in this stage focuses on process of understanding and creating skills, knowledge
and experiences. Acknowledgement of how important capacity building at the individual and
community level affects the participation of community members in the development process.

Community Participation
For a community relations practitioner, the most fundamental task in carrying out the process of
community development is to elicit the engagement of all members of a community to improve
the quality of their life. Community engagement in the context of development is a form of
relations involving the extensive cooperation of various parties to create processes of change.
Tindana et.al (2007, p. 1452) give a description of the cooperation undertaken in community
engagement as "involving in building authentic partnerships including mutual respect and active
participation; power sharing and equity; gaining mutual benefit by the 'win-win' possibility in the
collaborative initiative."
Community engagement can be manifested by community participation and involvement. Participation in community activities creates mutual understanding. An understanding of community engagement is not only concerned with basic values that are the foundation for building consent, but also with the implementation of development, especially stressing the importance of the participation of the community and promoting also a picture of the final result to be obtained from the engagement process for each party involved in it.

To begin the process of development and to engage members of the community, it is necessary to build consent within the community. Potapchuk (1991) argues that it is important to involve elites, especially the more influential members, in building consent in communities so that there is greater participation by community members and also emphasis on engagement with representatives of groups that exist in the community. Only after obtaining consent can the initial processes of development planning begin, such as mapping problems, education and understanding, the creation of problem-solving alternatives, and the determination of consensus in the implementation process. Therefore, in order to bring about support and participation, relations should be based on positive and open understanding.

Positive and open communication with community members helps to garner better involvement and participation from the community. Participation has a much broader meaning than just encouraging mobilization or the involvement of community members. 'Mobilization' refers to getting the masses to participate in an activity, without regard to providing an explanation of the substance of the activity. This means that the participants are passive, and that mobilization places more emphasis on quantity, while there is only limited information about the activity that is communicated to the participants. In general, they are provided with some explanation of the activities and actions performed in the engagement process, but these are sometimes not comprehensive.

Comprehensive explanations at certain instances might augment commitment and lead to better integration. Participation involves the negotiation of values, actions and responsibilities of the members of the community as well as of the company, because the final outcome of any development process must be beneficial to all parties. It is an activity of the stakeholders involved in the community. This view is also supported by Midgley (1986), who argues that
participation helps to create a sense of community, giving meaning to human existence and fostering social integration.

Participation can be observed from two perspectives. The first concerns how participation can utilize the basic knowledge possessed by members of the community, which will assist in knowing the character of the environment and community, and assist greatly in the early stages of the formulation and planning of a project. The second aspect is the involvement of community members in the process in order that they benefit from the results. The liberal view is reinforced by the radical view, which holds that participation is an attempt to obtain equity. As such, community members should be involved in this process because it concerns their democratic rights, especially in decision-making, and determines their future. Participation has a close connection with the upholding of human rights when it comes to the final outcome of the process of community development. It strengthens human capacity as well as a community's capacity to mobilize and help themselves (Swanepoel & De Beer 2006).

Thus, it is important for community relations practitioners to facilitate the participation of all members of the community, from the beginning of the planning to the evaluation of development programs. According to Tesoriero and Ife (2010, p. 145), participation can be classified into participation as a means and participation as an end. Participation as a means has the following characteristics:

- Participation is intended to achieve a specified goal or objective; as an effort to utilize available resources to achieve the objectives of programs/projects; gives more emphasis on the objective to be achieved and not so much attention to the action of participation itself; more typically found in government programs that put more emphasis on mobilization and involvement; usually done in a short period of time; more passive as a means.

Participation as an end has the following characteristics:

- Participation is intended to empower people in the development of their community and is more meaningful; it is an effort to enhance the role of community members in the development process; gives more attention on improving the ability of community members to be able to participate; lesser role of the government; usually done in the long term; as an end tends to be more active and dynamic.

In fact, participation as an end is considered to give greater added value to community development and is also relatively more sustainable. This is because it gives more support and encouragement in providing empowerment to community members.
Empowering community members can result in improving their way of life and should therefore encourage better participation. According to Plummer (2000, p. 33), there are a number of key factors that influence the level of community participation, namely:

*Cultural Beliefs and Practices*: Traditional values influencing the community in its activities, such as decision making. In order to invite and secure participation, a corporation has to first understand a community's values.

*Education and Literacy*: The fundamental structural issue of understanding the importance of participation as a form of embeddedness in the development process.

*Skills and Knowledge*: The skills and knowledge of community members, which influence the level of participation. Thus, in order to increase participation, skills and knowledge must also be improved.

*Employment*: The level of income and job stability in the community. Participation of community members will be greater when the economic level is adequate, and thus it is important to create employment to increase participation.

*Gender*: Involvement in decision-making and daily activities, which are male-dominated. In certain areas, women do daily chores, but decision making remain in the hand of males. Equality will affect the level of participation given.

*Social and Political Marginalisation*: The existence of social strata in the society, which will affect levels of participation.

Differing slightly from Tesoriero and Ife (2010), who classifies participation as means and end, Plummer (2000) tends to place emphasis on the forms of participation. Plummer does not view participation as a form of means and goals, but rather gives emphasis to participation as the use of power by either party in fulfilling their interests, in which one of the forms is the process of decision making.

The above points play a significant role in encouraging community members to participate in development processes. Plummer indirectly shows that these factors are key elements in the creation of community capacity building.

The International Association for Public Participation/IAP2 (2000) also emphasises an understanding of community participation that relates to the public participation spectrum. They describe the stages in the process of participation as follows:

*Inform*: A one-way process of delivering to the public regarding the issues faced. This helps to provide an understanding and also offers alternative solutions to the issues faced.

*Consult*: A two-way form of communication whose purpose is to receive and listen to inputs from the public and facilitate the exchange of ideas and views.
**Involve:** A process of interaction in the form of discussion, dialogue and cooperation with the public, which aims to ensure that issues are understandable and also to consider resolution efforts.

**Collaborate:** A cooperative process involving all relevant stakeholders as a singular unit of work to formulate and make the final decision regarding the selection of the best solution.

**Empower:** A determination of the final decision that rests in the hands of the public, but which remaining mutual. At this stage, every party is committed to implement the final decision, and is also responsible for the result to be achieved.

In fact, the participation approach also leads to criticism regarding the use of power, especially in the context of development. Participation becomes a means or a goal depending on the interests of the power holder. Sinwell (2008, p. 247) illustrates this fact in his research on participation in the Alexandra Renewal Project in South Africa, in which he explains that "the participation is considered by the companies only as a means to achieve the desired end and the benefits received by the oppressed is only a 'false generosity'." This occurs because the power holder tends to act as the oppressor and the beneficiary as the oppressed. Therefore, participation will never change development for the better.

Participation will be effective if based on adequate knowledge, and so education is required to socialize basic values oriented towards participation. Knowledge of these basic values of participation will shape engagement. Sinwell (2008, p. 247) confirms that there cannot be any engagement with the structure if education is without any critical consciousness. Therefore education is an important process of socialization that must occur before initiating participation.

Education is one of the key factors that helps in building community members' consciousness and creating social awareness. Freire (1974), in his analysis of education, suggests that education is needed to awaken the desire to participate and also to understand whether the participation was more 'liberating' or 'domesticating'. Thus education is important to raise awareness and create engagement. Sinwell (2008) strengthens Freire’s analysis by asserting that if participation will lead to liberation, then educators must not consider people as passive objects who respond to the structure of the society, but instead as active agents who have the ability to transform structures as well as society.

Participation is an important process in building a community because it directly empowers members and the community to achieve the desired goals. However, creating it is not easy, because the participation process does not guarantee that the participants know the intent and
purpose of engagement, and it also does not guarantee that all member interests will be represented by participating. This is a challenge for community relations practitioners to provide an understanding of all relevant information in the development process as well as to understand the community's interests.

The process of communication is important as it encourages participation, especially in the process of delivering a message as well as in providing an understanding, and therefore communications can be used as an instrument of approach. Good communication can be used as an attempt to engage in development, especially when it bestows freedom in conveying messages and is ‘genuine’ and ‘authentic’ (Huesca 2002). This helps the interests of the people to be put forward.

Participatory communication is a form of communication that can be used to encourage people in participation as it is dialogic and uses the horizontal approach (Tufte & Mefalopulos 2009), or even, in the view of some, 'multilogic' (Van de Fliert 2010). Participatory communication can provide a basis for inviting the participation of community members or groups, because it prioritises the principles of dialogue and equality. Both of these can be used by community relations practitioners to discover the interests of the society.

However, communication using the participatory approach can also be used as both a means and an end, where its use will be adapted to the goals of the participation. According to Cleaver as quoted by Van de Fliert (2010, p. 96) "communication-participation, as a means, is a method that helps to increase the effectiveness of a program that is introduced externally by involving local people." Emphasis is given to improving skills to achieve predetermined goals. In addition, the role of communication-participation as an end in Huesca (2002, p. 16) is "for projects aimed at organizing movements, transforming social relations and empowering individuals." The emphasis here is more on the sustainable long-term goal and the interactions tend to be more fluid and loose.

The use of participatory communication as a means or an end invites much debate in terms of implementation, involvement and the principle of representation of interests. According to Ven de Fliert (2010), an open sharing of information with suggestions that help in identifying as well as assessing the possible area of conflicting interests is expected in participatory communication.
The range of opinions among stakeholders also needs to be explored before a company capitalises on opportunities or compromises on conflicts. This positions participatory communication not only as a form of participation, but also as one that requires a process of mutual understanding between the two or more parties involved, between members or groups within the community, and with the facilitator role adopted by community relations practitioners.

In the context of Indonesian mining, participatory communication used by mining companies through community relations practitioners is more like a means to achieving their business goals. Companies are not generally open to the implementation of a participatory communication approach in the fullest sense. Although the process of participatory communication involves community members, conflict still arises as the interests and needs of the community are not represented adequately. However, the scenario in Bangka-Belitung province, where many mining companies exist, is quite different, since few conflicts are reported.

There are several factors that are important to be considered in enforcing a sustainable community participation. Culture, which consists of local knowledge and religion, is the basic value that underlies the running of a community. Community relations practitioners need to pay attention on the concerns surrounding this aspect as it is essential in enabling participation and involvement in activities between the company and communities.

**The Role of Culture in Community Relations**

Culture is considered to be one of the most important aspects in this study, as it is a dominant factor in structuring the relationship between mining companies and communities. The term “culture” has been defined by multiple scholars, who bestow it with different connotations. The term is complex to explain as it is defined from multiple perspectives. Public relations scholar Sriramesh and Verčič (2012, p. 11) considers culture to be a "complex whole that includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man as a member of society."

Culture encompasses all aspects of life and it is not easy to understand, let alone measure. From Sriramesh and Verčič’s definition, it appears that knowledge and belief are important elements in creating the life of a community. The concept of culture is dynamic, however, especially since culture can change rapidly due to transformations in economical and political conditions,
especially due to the impact of globalisation. According to Casmir and Asunción-Lande (1989, p. 288): "Culture has been defined in many different ways by many different people, ... can initially be identified as a process involving relations between human beings in a given environment for purpose of interaction, adaptation, and survival."

An understanding of culture is important in building good relations at the individual and societal levels. Hall (1997) stresses that culture is a constitutive condition that underlies every activity and social practice in a community. Understanding culture presents a significant challenge for community relations practitioners in a company, particularly with regard to their duty to forge relationships with surrounding communities that are directly related to the activities carried out by the company.

This understanding of culture encompasses comprehension of the social environment. Public relations practitioners, before commencing a relationship with a community, must understand the culture of the community. This can be achieved through becoming acquainted with the patterns of thought and behaviour that exist in the community. The implementation of community relations can be done properly if public/community relations practitioners can understand the mindset and behaviour displayed by members of the community. An understanding of knowledge and culture that includes a good recognition of the patterns of thought and behaviour will form a solid foundation for community relations.

Culture can be understood from various perspectives. The point from which this study employs culture is for it to serve as an underlying system that guides the thinking and behaviour of a society. Thus, culture is a system that consists of belief, knowledge, livelihood and also language that appears in the process of interaction of members of the community/society. This study considers it important to discuss culture, especially in understanding the characteristics of a community/society.

The challenges faced by community relations practitioners in carrying out their functions are many, and they may attract significant criticism, especially if they fail to understand a community's social and cultural values. According to Curtin and Gaither (2005), disagreements and conflicts between community relations practitioners and a community are frequent. It is not possible to reduce such conflicts to zero; rather conflict is a condition that must be recognized
and interpreted as a source of information for the determination of the future practice. Hence, relating to communities requires comprehensive knowledge and understanding not only of the cultural aspect of a social system, but also of the social, political and economic aspects. The more complex a social system, the more knowledge and understanding must be acquired by public relations practitioners. Such complexity will produce greater challenges as well as increasing the risks that needs to be faced. Holtzhausen (2000), a postmodern theorist, argues that the best way to understand community relations is by analysing the ways in which they are practiced in a particular environment at a particular time. His argument places emphasis on environmental and temporal aspects as measures of community relations practitioners’ success in understanding and implementing community relations.

Environmental differences cause communities to have different knowledge systems and this affects the thought patterns of the community. Public relations practitioners face a challenge in balancing the knowledge and technology used in mining against local knowledge in order to prevent conflict.

**Local Knowledge for Community Sustenance**

As a social entity, a community is heavily influenced by its culture system as a way to maintain its existence. One particularly important part of the cultural systemic knowledge, as it is the basis of thinking and behaving. Livelihood patterns existing within a community are mainly influenced by the characteristics of the natural environment. Generally speaking, livelihood, which is also a part of knowledge in cultural system, is passed from one generation to the next. The system of knowledge related to livelihood is commonly known referred to as 'local knowledge.'

Local knowledge can essentially be any form of knowledge derived from socio-cultural values existing in a particular community. According to Taylor and de Loe (2012), local knowledge can also be understood as knowledge that is held by non-scientists based on their local experience, wisdom and practices and that is adapted to the local the ecosystem, for example, the knowledge to detect the content of soil. This definition, demonstrated by anthropologist Sillitoe (1998), in the context of development, holds that local knowledge is usually associated with natural resource management activities. Local knowledge is also related to the management of natural resources and can be interpreted as all activities related to livelihood, including skill and
knowledge that is required in the course of people's day-to-day lives. The concept of local knowledge is thus employed in this study to provide a better understanding of relations between communities and their natural resources.

Local knowledge is part of the original culture of indigenous peoples. It pertains to the relationship between knowledge systems and livelihood systems, and is inherited from generation to generation. Agrawal (1995, p. 416), a political and environmental scientist, asserts that local knowledge is "a knowledge that is unique to a given culture or society and this knowledge is passed down from generation to generation, in many societies by word of mouth. "Due to its hereditary nature, and also because it is part of culture, a livelihood system is not easily changed in a drastic manner. Changes coming from outside may destabilize economic and social contexts, but effecting large and lasting impacts is not so straightforward.

Knowledge possessed by one community might differ from the knowledge of another community, and possibly also from normative scientific knowledge. According to Sillitoe (1998), this distinction arises for several reasons, including differences in experiences and interests, and the influence of different cultures and environment. Thus, in the context of community development, such differences often cause debates and even lead to conflict between local communities and related parties. There is therefore a need for understanding between the parties to be established in order to reach consensus on how living conditions can be improved.

According to Ife (2013), local knowledge is essential for any work related to community development as 'the community knows best' meaning that the members of the community have more experience and understanding of the community, its needs, problems, strengths, positive attributes, and also its unique characteristics. Anyone who engages in community development processes must possess such local knowledge. Only people who have been part of the community for a long time would possess the wisdom and expertise of the local community. Ife (2013) therefore emphasises that people outside a community must first listen and then learn from the local people as they have better expertise and more relevant local knowledge.

Local knowledge related to the utilisation of natural resources is susceptible to change. For companies whose business activities are extractive, exploratory and exploitative, it is essential to understand the characteristics of the local people's livelihood and its dependence on natural
resources, because not all natural resources are renewable, at least not in the short term. Failing, Gregory and Harstone (2007) link local knowledge with the context of the social and physical environment, stating that local knowledge is as a 'way of life' for a local community and that it is therefore necessary to understand local cultural values and identify social and environmental conditions, processes and practices existing in a local community.

It is important to understand the main characteristics of local knowledge. Failing, Gregory and Harstone (2007) state that there are three characteristics of experience-based local knowledge: it relies on personal observation, tends to be expressed in holistic ways, and it is usually rooted firmly in the experience of a place, and tends to deal with particular things. It is important for mining companies to understand local knowledge that is related to the surrounding environment. This is particularly the case with respect to the importance of the natural environment in providing people with an economic livelihood.

Organisations that follow a top-down approach often devalue local knowledge. These organisations value universal knowledge more highly than local knowledge and give more power to people who determine policies and procedures (Ife 2013). However, it is the local people, who actually do the lower-level work, who possess the local knowledge. In contrast, people with universal knowledge tend to assume that they understand the needs of the community. In most instances, people at the management level only posses universal knowledge and are often unwilling to listen to or consider the opinion of the local people. They ignore local knowledge and this can lead to conflict in the community.

Conflicts often occur during the process of implementation, as local knowledge clashes with the scientific knowledge brought by outsiders. According to Sillitoe (1998), such conflicts are commonly caused by differences in perspectives in managing, developing and preserving or exploiting natural resources. Local knowledge needs to be given attention, especially in understanding the cultural context within a community. It also requires consideration in an effort to integrate with scientific knowledge, especially with regard to livelihoods associated with natural resources such as mining, agriculture, forestry and plantations.

With regard to the relationship between local knowledge and mining, there is a need for knowledge about the environment, especially regarding the soil. Hereditary mining communities
generally have knowledge of the land in the natural environment and the skills to manage it. The ability to detect natural properties is known as local soil knowledge. According to environmental scientist Winklerprins (1999), local soil knowledge is the reflection of in-depth knowledge of an environment, its soil properties and its management, which is possessed by people living in a particular environment over period of time. It is a part of local knowledge and it is therefore also very important to pay attention to the environmental aspect as well as the cultural aspects. It is also vital for mining companies to work with the local community with regard to the activities undertaken, ranging from planning to implementation.

Hence, mining companies should be able to maintain the economic sustainability of the local community and create a balance in the ecosystem. Changes should be made in conformity with the existing values of the prevailing culture, beginning with the needs and interests of local communities. This effort is important not only to prevent conflicts but also to lay the groundwork for sustainable development.

The understanding and the use of local knowledge in communities in many developing countries such as Indonesia is still strongly associated with the surrounding ecology and even leads to dependence in the livelihood system. German anthropologist Antweiler (1998) also states that local knowledge in sense is the knowledge being culturally and ecologically integrated. Therefore, any process of change that occurs in the environment will greatly influence the culture and lives of the people, because of their interdependence. The lives of people in the community are also greatly influenced by their religious beliefs.

*Religion as the Basis of Community*

Religion plays a significant role in the life of local communities as it is a culturally inherited belief system. The role of religion is not only to shape the character of the community, but also to bind members in social relations and even in political activities, especially in decision-making processes. Compliance, discipline, the regulation of role and status and the participation of community members are highly influenced by religious perspectives. Religion is a guide for behaviour and action, and is absolutely binding every member of the community.

In general, according to social development researchers Deneulin and Rakodi (2011, p. 47), religion is "an institutionalized belief system which unites a group of believers around social
practices instead of spirituality that concerns the individual possibly in socially and historically isolated way." Religion does not only have a role of shaping the attitudes, behaviours and perspectives of society; it also includes the basic principles governing how to implement them in the context of a social system.

Religion strongly determines the outlook and behaviour of individuals in the context of building relationships with others as well as in understanding social life. According to Lim and Putnam (2010), religion determines the nature of an individual's relationships with other individuals; religion also enforces the maintenance of relations and social bonding between individuals bound by such religion. The closeness of the relationship is key to the creation of a positive social network based on a shared religious identity. Social networks formed because of the proximity of relationships based on religion will affect an individual's understanding of the meaning and purpose of life, which will in turn affect development processes.

The role of religion in development is often contentious, especially between the perspective of development practitioners and the religious standpoint. According to Rakodi (2012), secular groups tend to regard religion as a barrier to development and opine that religion is strongly opposed to equality. This perspective widely found in developed countries is also confirmed by Deneulin and Rakodi (2011), who view secularisation as a universal, desirable and irreversible trend. On the other hand, religious groups tend to view religion as supporting the development process by providing a strong foundation of moral conviction, creating order in communities and facilitating the achievement of development goals. Therefore, according to Deneulin and Rakodi (2011), religious groups hold that development processes must take into account public interpretations that hold that social progress and political economy must be based on their belief system. Values existing in the belief system held by the public will be integrated in the form of ideas of how development can and should occur.

It is important for people working in the context of development recognise that even though religion tends to be conservative, it does not mean that all religious actors oppose the development process. Rakodi (2012) emphasises that there are two important aspects, namely: how the two groups understand the contextual conditions existing in the society; and their background knowledge and experiences of the political and social development.
In Indonesia religion is a part of cultural and social life. According to a 2010 statistical report from the Central Agency on Statistics, Indonesia, 207 million out of 238 million people, or around 87% of Indonesia’s population, cite Islam as their religion (Yusuf 2015). Therefore Islamic values dominate Indonesian society. In many countries where the majority of people are Muslims, Islam dominates their social life.

As a Muslim majority country, Indonesia is an interesting example of the correlation between religion and development, especially after the post-New Order decentralisation policy gave more opportunity to the regions to develop. The reduced involvement of the central government allowed local governments and other relevant institutions to increase their role in promoting social progress. Institutions that are considered closest to the people are religious and educational ones, and therefore these two institutions play an important role in engaging and encouraging community participation in development.

Permani (2011), a researcher in welfare studies, discusses the roles of religious institutions/organisations in developing Indonesian society, finding that pesantren (Islamic boarding schools) act as agents of change. They are especially important in encouraging social progress (through education) and also political organization in surrounding communities. Local governments work together with boarding schools in empowering communities. The role played by boarding schools as religious as well as education institutions is to teach the Islamic values that underlie people's lives, as well as encouraging involvement and participation of community members in development. Thus the presence of boarding schools provides many benefits, not only to local governments but also to local communities. This shows a very strong relationship between religion and development in Indonesia.

Islam also plays an important role in development that is not confined to the social context, but is also significant in the economic context. This is apparent from the results of research conducted by Von der Mehden (1980), a political scientist. Von der Mehden indicates that, in several Southeast Asian countries with a Muslim majority, there is a belief and expectation within the community that the richer a person is, the higher their donations to religious causes should be. Even in relation to Islam, Von der Mehden (1980) states that there exist a similar pressure to utilise wealth for purposes that are related to religion, and that these include feasts, ceremonials, alms and construction building. In fact, Islam also teaches followers to have a habit of saving,
the purpose of which is not only to help others and contribute to the construction of the worship facilities, but also to go to the Hajj.

However, Von der Mehden also agrees with Rakodi (2012) that some religious groups are unfavourable towards development and modernization. He explains that religious leaders are often 'bulwarks' for traditional values, since they have to try to protect themselves as well as their faith. Hence, according to Von der Mehden (1980), it is no wonder that modernisation offers a variety of threats towards Islamic religion. Such an antipathy towards development commonly occurs in developing countries, especially in rural areas that have a traditional understanding of religion and a fear of change.

The findings of the research by Von der Mehden are different from those of Permani, who not only offers a critical view of the role of Islamic leaders in preventing development, but also criticises the role of Islamic institutions, which he views as inhibiting processes of modernization. According to Von der Mehden the inhibition has resulted in a strong decline in the number of students who study in the Islamic educational institutions known as pesantren. Von der Mehden (1980) confirms in his analysis that numerous scholars view the educational efforts of traditional religious institutions as lacking in the necessary elements that allow the student to compete in the modern world. This situation is somewhat ameliorated by the fact that there is a decline in the number of pupils in traditional Pondok and monastery schools, and also that modern subjects are included in many religious schools. Mistakes made by both Islamic leaders and institutions (pesantren) are due to lack of understanding of the importance of the process of development and its benefits.

As a result of the ignorance of religious leaders and institutions, the process of change runs slower. Ragab (1980), a social welfare scholar, expresses the opinion that this uncertainty arises because many Islamic institutions feel that there is no guarantee of achieving a better life. Ragab (1980) emphasises this perspective in stating that the religious requirement for these institutions is to develop according to the guidance of certain general principles that will guarantee justice for everyone. Muslim leaders and faithful followers feel that they do not live the 'right' life and they also feel alienated from the process of modernization. A lack of understanding results in a low capacity to participate. It is then up to religious and community leaders' participation in the
development process to bring about the interest of the community. This is attained through the building of agency relationship with the community relations practitioners.

**Agency and Social Capital**

Agency plays a central key in the context of social relations, especially in building a network between an organisation/company/firm and a community. Social relations between companies and communities are crucial not only for the existence of the companies but also for the well-being of the communities. Therefore, they need to build strong network among themselves either directly or indirectly through agents who represent their respective interests. According to Newman and Dale (2005), the function of agents in building networks is to act as a bridge connecting principals with stakeholders, although it should be acknowledged that the network connections are not always equal. Hill and Jones (1992) added that stakeholders include local communities, the general public, suppliers, employees, customers, managers, stockholders and creditors. The local community is one of the most important stakeholders and can potentially affect the existence of the company/organisation.

The importance of agency relationships in the context of the relations between the company and the surrounding community is clear, since trust is a foundation for strengthening relations, engagement and cooperation between the involved parties. Onyx and Bullen (2000) explains that trust in cohesive order is based on familiarity, friendship as well as common faith and values. In contrast, trust in collaborative order is a device for coping with others' freedom. This view is supported by Helliwell and Putnam (1995), who observe that social capital is a set of horizontal association within a group of people, which includes a network of civic engagement and can impact the productivity of community. Trust facilitates the social life of the community.

Trust is not the only tool to sustain a community's foundation of social capital. There are basic values existing in communities that become the foundation of trust and life knowledge for its members. These are known as cultural and human capital. Values underlying way of life and the characteristics of community members form cultural capital, while human capital places more emphasis on the ability of community members to meet the needs of life (Silverman 2004). Cultural, human and social capitals form the basic foundation of community relationships. The capital owned by a relatively poor community will be different from that of a wealthy
counterpart, since one community boasts significant human capital but may not have fundamental cultural capital, and vice versa.

When relationships become stronger, a community will also have stronger social capital and become better developed. The Michigan State University Social Capital Interest gives a clear picture of the fundamental distinction between the different understandings of capital forms in the society, namely:

An important feature of social capital, compared with other forms of capital, is that it is social in origin. Financial capital originates in financial markets. Human capital originates in educational training settings in which human skills and talents are taught and learned. Physical capital originates in the employment of physical goods crafted to produces services. Social capital originates from social relations (Silverman 2004, p. 54).

An understanding of social capital is very important for companies, primarily as a bridge to facilitate companies’ activities. According to Putnam (1995), social capital refers to social connections that are based on trust and applicable norms, where these connections give benefits not only to companies but also to communities and individuals within a community. Putnam uses the term 'civic engagement' to refer to the connections formed between the related parties. The definition of civic engagement can be seen not only in the political dimension but also in the social, cultural and economic dimensions.

Trust formed in community and civic engagement are related to each other, and become capital in the development process. Putnam (1995, p. 665) asserts that "the more we connect with other people, the more we trust them and vice versa so social trust and civic engagement are strongly correlated." According to Eade (1997), this relationship is only based on trust. The existence of trust will then lead to the formulation of strategies, which serve as a respond to areas that are in need of development. Only if the basis of a relationship between community relations practitioners and community leaders is built with a view to recognizing their mutual obligations, expectations, and trustworthiness, can the social structure and relations that occur between a corporation and its stakeholders be an important social capital (Dasgupta & Serageldin 2000).

Relations based on obligations, expectations and trustworthiness will form a strong network because each party involved can adjust their interests. Dale and Onyx (2005) assert that networks are a powerful means of distributing knowledge, as they can lead to the reconciliation of
competing interests, information and agendas. In general, the existence of social capital in the context of social relations is closely related to networks, reciprocity, trust, social norms and agency (Onyx and Bullen 2000).

Awareness of the importance of obligations, expectations and trustworthiness is a fundamental feature of relations between agents, and is also the basic guideline for agents in carrying out their work in order to create trust. These guidelines are used not only in the context of relations with the principal only, but also in building networks with relevant stakeholders. In other words, trust must be created in the context of relations that are both internal and external.

Community relations programs do not only serve as a tool to establish good social relation with surrounding communities, but even more so, it is responsible to assist the development of those communities. Therefore, the relationship that is built must be based on understanding of the obligations, expectations and trustworthiness that represent the interests of the community and also the company/organisation (Coleman 1988).

Community relations and development can be implemented if guided by trust. The establishment of trust is very important for companies, especially to guarantee the smooth implementation of activities and to maintain their presence. Meanwhile, for the community, trust is especially important in terms of building relations and to invite the involvement and participation of community members in all activities and programs implemented by the company.

This understanding of capital forms in the context of community relations and community development places more emphasis on social capital, especially concerning the relationship formed between community relations practitioners and community leaders as agents. Social capital is needed for sustainable development, because it can create collective action and active participation formed from the network of cooperation among the agents.

**Community Leaders and Practitioners as Agents**

Good relations between the community relations practitioners, who represent the company, and the community leaders of the village, who act as community representatives, eases the process of achieving deals and agreements. The role of community leaders is very important, especially in representing the interests of the surrounding community. However, the interests should be those of the general public, not only those of the community leaders.
Within the relationships between community relations practitioners and community representatives, each party has agency (Giddens 1984), with community relations practitioners and community representatives being the agents. According to Kaspersen (2000), the term agency refers only to people’s capability of doing things and not their intentions in doing so. The intentions of agents; that is, community relations practitioners and community representatives, are based on the interests of the principals they represent, for example the company and community respectively.

The concept of agency relations places emphasis on actions taken by the agents and surveillance carried out by the principal. Shapiro (2005) agrees with Mitnick's (1992) interpretation of agency relations as encompassing two perspectives: activities undertaken by the agent 'acting for,' and direction and supervision carried out by the principal. In actuality, however, this combination cannot operate perfectly, and thus this study contends that each party, both principals and agents, must tolerate one another.

Agency is indispensable in a complex environment. It serves as a bridge between the interests of each principal (Dale, 2013). As the environment becomes more complex, the number of interests increases. This then pose a greater challenge for the agent to accommodate these increasing interests. In the process of tackling such challenge, agency is expected to initiate actions that can create a middle ground for any conflicting interests that may ensue.

The agency relationship or 'acting for,' according to Shapiro (2005, p. 275), emerged from a number of perspectives, such as:

The division of labour, as the tasks are more complex and can only be handled by more than one person; the access to specialised knowledge, that is the agent must be able to communicate and understand the specific knowledge; and the physical and social barriers need to be bridged either by brokering or intermediation.

An agent can perform tasks allocated by multiple principals, and vice versa. An agent who receives a lot of messages and instructions from multiple principals can be prone to conflict of interest, while a principal who has multiple agents may find it difficult to direct them and achieve the desired goal. Agency is multidimensional and its definition also depends on the discipline and knowledge of the multiple agents and principals involved.
Scholarly understanding of agency was initially more focused on the economic dimension, especially with regard to the relations between principals and agents (Eisenhardt 1989; Jensen & Meckling 1976; Mitnick 1992). However, in its implementation, this understanding of the agency was expanded to also refer to other dimensions, such as politics and social life (Krishna 2001; Newman and Dale 2005; Onyx and Bullen 2000) and even to encompass a multidimensional perspective (Shapiro 2005; Steinberg 2002). Similarly, the common definition of agency also varies depending on the discipline creating the knowledge. The general definition of agency, according to Hill and Jones (1992, p. 132), is "one or more persons (the principal(s)) engages another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent." In the social sciences, especially in relation to community, Onyx and Bullen (2000, p. 29) define agency "as the capacity and ability of the individual to plan and initiate action." Therefore, there is a broad discussion of agency which can occur in any context of relations that exist in the society and it is also multi-dimensional.

There are several definitions of the concept of agency, however, this study gives a greater emphasis on human agency. Human agency gives more emphasis on the changes in the form of empowerment. According to Harvey (2002, p. 173) agency is “the capacity of persons to transform the existing state of affairs.” Agency is usually shown through actions, in which agents should have the ability to make choices and monitor the effects that arise from the process of agency (Dietz and Burns 1992).

Shilling's (1992) understanding of human agency emphasises three important aspects: capability, knowledgeability and motivation. Capability refers to the capacity of individuals in relation to utilising power; knowledgeability refers to the knowledge of human agents in understanding the social and cultural system in the society, in order to facilitate agreements; and motivation refers to the attempts of agents to develop the consciousness of relevant parties so that they participate to create change. Agents are not only required to have the intentions and capabilities to commit social action, but must have the capability to intervene in practice.

Problems that arise with agency usually involve contracts between the principals and the agents. Bergen, Dutta and Walker (1992) presents two such problems: (1) pre-contractual problems that relate to the process of selecting an agent, and (2) post-contractual problems related to the
process after the principal engages an agent. The first problem often occurs because of a lack of information held by principals with respect to the capacity and capability possessed by the agents in performing a given task. With the second problem, the issue is in the relation itself, such as when agents are in dispute with principals over the meeting of their obligations. It is possible, however, that agents who represent different principals can work together to achieve the objectives that have been agreed.

**Agency and Power in the Indonesian Mining Context**

Every social relationship built in a society is inseparable from process of interaction, and within these processes a form of exchange will inevitably arise. The exchange process occurring between two or more agents has a material form, namely resources. As a result of this exchange process, one or more agents will be placed in a higher position than the other agents, and thus a power differential power arises due to efforts to control and maintain the relationship and achieve the objectives of the respective actors involved. Rabinow (1997, pp. 291-2) emphasises this in his explanation of power:

> In human relationships, whether they involve verbal communication such as we are engaged in at this moment, or institutional, or economic relationship, power is always present: I mean a relationship in which one person tries to control the conduct of the other...and these power relations are mobile, they can be modified, they are not fixed once and for all.

It is necessary for agents to communicate effectively with communities for building relationships. Communication plays a significant role in conveying messages appropriately to community members. Flood and Carson (2013) state that people, hierarchies and relations in a society add complexity to the communication process. Communication skills are crucial for agents in building relationship with communities to interact and influence other members.

The power wielded by agents in this case relates to access and ownership of resources and the right to use them. Power in the case of resources can be used to influence the interactions that occur in the social structure (Giddens 1984). According to Cohen (1989), resources consist of two categories, namely *authoritative resources*, which refers to the ability to give commands to others, and *allocative resources*, which refers to the ability to give a command in the form of the division of labour, the establishment of the means of production and command over the production processes. Thus, in the social structure, agents use power in the form of ownership of
resources to build relationships with other individuals and also to perform the process of transformation of the existing social structure.

An understanding of power generally focuses on the dominance of one actor over other actors as constituted by an imbalance of resources, so that the relationships formed tend to be asymmetrical. Serrano-Garcia (1994) defines power as a social relationship in which two agents are present in an asymmetrical material base, where one group controls the resources and another group tries to covet the same. However, definitions of power do not always give emphasis to a particular form of authority or the nature of actors involved. It can be in the relationship built by the actors.

Power in the context of relations does not have a permanent nature, and often changes depending on the situation faced by the actors. Thus there are situations where actor A has greater power than actor B, but other situations in which the power arrangement is reversed. Power in the context of social relationships has several prerequisites, according to Serrano-Garcia (1994, p. 15), namely: "need, aspirations, interests, consciousness of asymmetry of resource distribution and control" and also "identification of resources and their sources." All of these can lead to an imbalanced and non-permanent relationship between actors, which can even bring conflict to a particular community.

In an effort to obtain a clear picture of the concept of power, Prilleltensky (2008, p. 119) postulates that:

> Power refers to the capacity and opportunity to fulfil or obstruct personal, relational or collective needs; power has psychological and political sources, manifestations and consequences; we can distinguish among power to strive for wellness, power to oppress, power to resist oppression and strive for liberation; due to structural factors such as: class, gender, ability and race, people may enjoy differential levels of power; and degrees of power are also affected by personal and social constructs such as beauty, intelligence and assertiveness; and construct that enjoy variable status within different cultures.

On this basis, our understanding of the concept of power becomes more comprehensive in terms of its characteristics, shapes, influences and uses. Power relationships begin when agents express an interest in controlling the resources that exist in a particular society or community with the goal of providing benefits and changing society (Serrano-García 1994).
Changes made by agents can result in both positive and negative outcomes for a community. They will also have an impact on the relationships formed between the actors and the community members. Giddens (1979), in his writings on action in social theory, also emphasises that in the relation between power and social change, there is a transformative process towards both human agency and social structure. He explains that it is the capability of particular actors to make others comply with their wants and at times to require their actions. In this sense, power is often exercised through the control of resources and facilities, which can even include the threat of sanctions (Crawford 2003). Therefore, there should be an awareness that power relationships will bring inequality related to the utilisation of resources in the production process. In developing countries, where there is more emphasis on the production sector, including Indonesia, power is determined by the ownership of resources and control over the means of production. Serrano-Garcia (1994, p. 10) also defines resources as "all the elements that are available in society to satisfy human needs and aspirations."

Community relations practitioners have to be sensitive and flexible in reading and understanding the context of the environment, especially in creating social change. Serrano Garcia (1994, p. 16) define social change as "any planned or accidental alteration of the prerequisites or even elements that are necessary to initiate or maintain the power relationships." The ability to recognise and read the social environment allows public relations practitioners to understand the power possessed by each relevant stakeholder, as well as making it easier for them to play their roles and wield power. Prilleltensky (2008, p. 119) provides an insight into the use of power by practitioners, observing that "power is a combination of ability and opportunity to influence a course of event and this definition merges elements of agency, or volitional activity on one hand, and structure or external determinants on the other hand." This view is also reinforced by Holtzhausen (2000), who contends that public relations must be comprehended and examined in terms of an exhaustive social, cultural and political setting rather than in terms of a narrow hierarchical organizational structure.

This study considers power as an important factor in influencing the relationship between the community and mining companies. Each party has the resources and opportunity to suppress and control other parties, however, the ability to manage power often puts one party in a stronger position than the other. Superiority in managing power within the context of relationships
emerges from different abilities and intelligence, especially in financial terms, which in this case is possessed by the mining companies. Community relations practitioners employed by mining companies are more efficient in managing power, especially in dealing with representatives of the community.

In the context of mining in Indonesia, many mining companies face highly diverse environmental conditions, and so the approaches taken by each company differ from case to case. The Indonesian government imposes clear regulations and requirements for companies intending to carry out mining in Indonesia. The main objective of the Indonesian government in imposing these regulations and requirements is to ensure the creation of good relations with the surrounding communities and also to undertake community development. According to O’Callaghan (2010), there are several important factors that must be attended to by mining companies undertaking exploration in Indonesia, namely that the mining companies can obtain a permit for only one stage of the mining process, and they need to apply for separate permits in each phase. Moreover, the development of the communities in the areas near the mining sites becomes the responsibility of the permit holders.

The main aspect that should be a concern for mining companies prior to the mining process is the importance of considering the rights of the surrounding communities. This becomes necessary because all mining activities are related to the environment in which the communities live, and they will also affect their social environment. In relation to rights, Johnson and Forsyth (2002) add that rights can be understood as a claim to a benefit, such as education, employment, healthcare or freedom, that either governments or other authority forms have agreed to uphold. They add that the ability to negotiate community rights is highly dependent on their ability to make a claim. Employment, income distribution and the impact of any production activities of the company will greatly affect the relationship formed with the community. It is clear that before starting the mining process, the company must negotiate and reach an agreement regarding community rights that need to be considered by the companies, and vice versa.

Such an agreement leads to the creation of a social license for the mining process. Stern and Holder, as quoted by O’Callaghan (2010), suggest that the first stage in obtaining a license is that is necessary for a good regulatory regime to have a legislative body that is clearly defined, a set of objectives that are mandatory and the ability to implement those objectives. Therefore, the
contents of the agreement must contain clear and detailed obligations and responsibilities that have been mandated and must be executed. The understanding of the regulations put forward by each of the parties must expressly provide restrictions that must be adhered to and not be violated. The power of each parties in agreeing to the restrictions in the agreement is called 'negotiation.'

**Negotiation Process**

Negotiation is a mechanism in the process of decision-making which involves the power exercised by each of the parties. The ideal state in this process would be that the distribution of power between the parties are balanced, yet such state is hardly attained as one party would be of better resources than the other. In negotiation process, power imbalances can easily be identified and are often related to the resources at hand. In most instances, the negotiating parties have different interests and goals. According to Vasquez (1996, p. 57), negotiation is defined as "a type of social interaction distinguished by goals, relationships and normative practices." Four main factors in determining successful negotiations are the incompatibility of goals, social interaction, interdependence of parties and the offers and counter-offers made (Putnam & Roloff 1992). The process of negotiation is greatly influenced by the communication skills of the negotiators, since effective communication results in better bargaining for the concerned party (Mircica 2014). Parties with equal power relations understand each other better as they realise that their goals could be achieved only if the goals of the other party are also achieved.

Negotiations can be effective if the negotiators take into account the concerns of the bargainers on the other side and are able to identify themselves with their skills in bargaining and negotiating. Such negotiations result in effective transactions as the outcome can be beneficial and constructive for both the parties involved. The negotiation process also provides an opportunity for the negotiators to understand the intentions and interests of the bargainers (Mircica 2014).

During negotiation process, parties that require a beneficial outcome have lesser bargaining power (Rinehart & Page Jr 1992). However, in many instances companies appear to be more dominant as they have far greater economic resources and are in a better position to provide financial benefits. In reality, communities have less bargaining power as they are dependent on the companies for benefits.
It is not easy to provide benefits for all community members and to meet the community's interests. Jewkes and Murcott (1998) provide a critical view of community representatives, viewing them as individuals who have not been elected, but rather are appointed on the basis of implicit criteria that are weighed tacitly and unevenly. Community representatives, besides the village head, are usually those who are considered 'respectable', i.e., more influential and powerful in society. This can lead to problems, because these representatives do not necessarily have a good understanding of the social and economic conditions of the surrounding environment. Jewkes and Murcott (1998, pp. 854-5), in their research on community representatives in the context of participation in health promotion in several cities in the United Kingdom, observe that:

They are drawn from people of higher income, education level and occupational group than average; the elites of society and many of the community representatives perceived their role as being a very 'difficult' one and some of them regarded themselves as not very closely in touch with their supposed 'constituency'.

It is therefore of even greater importance that community representatives understand the economic issues and the distribution of income within their communities, so that they can gain the participation of community members.

In the Indonesian mining context, mining companies need to develop an equitable partnership with the surrounding community. Mining companies should prevent damage to the environment or try to restore the natural function to the highest possible level in order to allow reutilisation of the land, although it is quite impossible to restore the land to its previous condition.

The community also has a role and duty to oversee the agreement between the community and the company, and also the implementation of the mining process undertaken by the mining companies, namely whether it has been implemented in accordance with government regulations. According to Johnson and Forsyth (2002), communities need to understand the three main issues that are related to resources: information about resources, with whom resources are shared and the regulations that focuses on resources. By understanding these three basic issues, it is expected that community members can obtain the knowledge, information, and willingness to take charge of, manage, monitor and maintain their resources.
Mining exploration conducted in Indonesia is not centralized; rather, there are several procedures whose supervision is done by local governments through the Regional Mining Office. These are associated with local revenue. However, in practice, this division of governmental labour can lead to problems. Spiegel (2011) in his research in Kalimantan Island in Indonesia, found that this decentralised system results in bribery and cronyism. He illustrates how local governments failed to perform their responsibility of managing their mineral resources efficiently. Spiegel’s opinion is also backed up by Tsing (2005), who asserts that the decentralization of natural resource permits in 2000 has opened up possibilities for corruption. One of the weaknesses of the decentralised system in Indonesia is lack of human resources and a divergent work ethic in communities surrounding mine sites.

In connection with these issues, there is a need for greater supervision, not only by the community and local government, but also by the central government, as the impact of the mining processes is related to the natural environment and social interests of the surrounding communities. It is important for the local government to issue bylaws intended to create social and economic stability in order to improve people's lives. O’Callaghan (2010, p. 219) cites several important criteria that should be noted by local/regional governments when making regulations:

**Participation:** A good regulatory regime is one in which all interested parties are able to contribute to effectiveness and development. This includes stakeholders such as local communities, investors and consumers. Participation is necessary for the regime to be credible.

**Accountability:** A mechanism for controlling resources and ensuring that they are used appropriately.

**Transparency:** A set of standards or principles that ensure that subjects of regulatory decisions are able to understand the decision-making process and reasons for particular decisions, and have mechanisms available to challenge unfavourable rulings.

**Predictability:** The local government and regulatory regime must be stable and predictable, as this can greatly affect the profit of, and investment by, both foreign and local investors.

These are the important criteria, and are also the guidelines for local government in doing their duties as well as monitoring the activities in their area. The concerns of local government are that they need to focus on the implementation of laws related to the use of natural resources and also on the interest of the community.
Issues related to problems of economic stability, and also quality of life improvement, are often a major challenge faced by companies. For example, the mining process in developing countries such as Indonesia raises various questions about the dynamics of community relationships, especially concerning economic and social relations. This is due to the characteristics of cultural, social and economic values existing in the surrounding community. Companies located in a well-established neighbourhood certainly face fewer challenges compared to companies located in a growing community (Veiga, Scoble & McAllister 2001). Companies in growing communities need to address the cultural and economical values of the people.

Communities located in mining areas and people working in the mining sector will have different cultures and characteristics compared to other communities and in turn these tend to shape their knowledge in different ways. This knowledge tends to be unique and difficult to change without first understanding it. To create conducive relations, mining companies must be responsible and understand the knowledge underpinning the cultural values of the community.

**Summary of the Literature Review**

This chapter illustrates that the relationship between the organisation/company with the surrounding community is essential, therefore community relations practitioners must be able to understand not only the interests of the company but also those of the surrounding community. One form of the company’s attachment to the community is the community relations programs, which is a strategy of community relations practitioners to interact and build positive relations with their social environment.

In building positive relationships, one strategic implementation run by community relations practitioners is through open dialogue that emphasises the participatory form of communication. Participatory communications is expected to invite the involvement of members of the community to participate in community relations programs run by the company. This study contends that this form of open dialogue is practiced by the companies. However, the relation occurring between the companies and surrounding communities is more likely to be unsymmetrical due to the power imbalance held by each party.
In the Indonesian context, community relations programs are more directed to community capacity building and development, in which community members should experience the benefits of the change toward improving the quality of life by participating in the programs. In order to create sustainable participation, apart from social factors, community relations practitioners also need to consider cultural factors, especially concerning religion and the livelihood system. In the cultural system, local knowledge and religion are the two main elements that need to be examined prior to establishing community relations programs. This is even more so due to Indonesia's contextual background in which Islam is the predominant religion in the country.

Lastly, in this endeavour, religious and community leaders take up a crucial position as agents to the community in working together with community relations practitioners. In their interaction, power and negotiation serve as important factors to be utilized in order for both agents to put forth the interests of parties they represent. This study emphasises the importance of using the Agency theory, especially in assessing the role played by community leaders in representing the interests of the community and community relations practitioners who bring the interests of the company. The relationship between these agents needs to be based on trust as the foundation of social capital in order to mitigate conflict in the process. This study argues that in the context of Indonesia, instead of only representing the community's interest, the community leaders seem to also act as an unofficial agent for the company. This is due to the financial incentives provided by the company for the community leaders to prioritize accommodating the company's interest.

The next chapter will describe in general the Bangka-Belitung province, where the research site of the Badau village is located. The aim of the chapter is to provide an understanding of the social, political and economic histories relevant to the context of mining in Bangka-Belitung province. This general description will be very useful especially in providing an understanding of the social and cultural conditions that exist in the province.

In addition, the chapter will briefly explain the regulations related to the authority of natural resource management and the issues faced. This will also provide an overview of the history of mining process in this province as well as patterns of social and formal relationships in work related to mining. This chapter's observations on the existing community dynamics of this
province will make it easier to understand the special characteristics of the community in Badau, of which it is a part.
Chapter Three: The Context of Mining in Bangka-Belitung

Introduction
In this chapter I describe the history of mining in Bangka-Belitung, including the regulation and management of mining conducted by the local government of the province as well as the history of social relations between the community members and mining companies. The aim of the chapter is to provide an understanding of the social, political and economic histories relevant to the context of mining in Bangka-Belitung province, where the research is based. In addition, the chapter will briefly explain the regulations related to natural resource management and the issues faced. This chapter's observations on existing community dynamics in this province will make it easier to understand the special characteristics of the community of Badau, which is a part therein.

Overview of Bangka-Belitung Province
Bangka-Belitung province is one of the youngest provinces in Indonesia. It consists of two main islands, Bangka and Belitung. The city of Pangkal Pinang, located on Bangka Island, is the capital city of the province. This province was formerly administered by the province of South Sumatra. Geographically, the Bangka Strait separates this province from the island of Sumatra, and the Karimata strait separates it from Borneo (Figure 1). The province has six districts, namely: Bangka, Central Bangka, South Bangka and West Bangka on the island of Bangka, and Belitung and East Belitung on the island of Belitung. Both these islands are known for their mineral deposits of tin, which were explored from the Dutch colonial era up to the 1980s. Tin exploration activities on the island persist today, but they are undertaken on an individual basis. The management and supervision of mining in this province is not under the authority of the central government, but rather under the local government.
The province has mineral wealth, both metallic and non-metallic. In addition to their richness and diversity of minerals, Bangka-Belitung province also has an ethnically diverse population. The population of the province in 2011 was around 1.262 million.

The History of Mineral Mining in Bangka and Belitung
Mining in Indonesia began more than a millennium ago, with gold mining dating back to the eighth century. Mining activities were in line with the introduction of Hinduism to Indonesia, and the area that was richest in gold was Sumatra (Sigit 1973). During that time, mining was done by the local population with permission from local rulers, such as kings or sultans. However, the main occupation of the people at that time was agriculture: food crops and plantations.

During the Dutch colonial era, the Dutch introduced the East India Company, better known as initial V.O.C. (Vereenigde Oost-Indische Compagnie), in 1602. One of the main goals of the V.O.C. was to monopolise the spice trade, especially in nutmeg and pepper, which were the main trading commodities in Europe during that era. However, the V.O.C. was not merely a trading company, but became a coloniser, especially in resource-rich areas. Besides spices, the V.O.C. also considered minerals to be key commodities. This became further apparent when tin was discovered in Bangka in 1710. As Bangka was then a part of the sultanate of Palembang, the V.O.C. began to develop relations with the sultanate. In 1722, the sultan of Palembang awarded a monopoly on the tin trade to V.O.C.(Kaur & Diehl 1996).
Bangka, Belitung and Singkep (the latter two located in Karimata Strait) are three islands that are rich in tin (Kaur & Diehl 1996). The exploration of tin started in Bangka and there is no historical evidence that shows mining of tin in Indonesia occurred prior to that (Erman 2007). However, the mineral riches of Bangka were not enjoyed by the local people during the V.O.C. era. Erman (2007, p. 4) observes that:

Even though people in Bangka had access to tin mining, they did not have the right to trade tin in the free market. This was because of the business agreement signed with V.O.C. by the Sultan of Palembang over Bangka and did not allow the Bangka people to make profit by trading tin.

Tin was a form of a tribute for the Sultan, who then sold it to the Dutch. The Dutch at that time were the middleman, bringing and selling the tin in the international market.

On 1 January 1800, V.O.C. was declared bankrupt, and administration was taken over by the Dutch East Indies colonial government. In 1812, the Dutch colonial rule was temporarily taken over by the British for a four-year period, before being returned to the Dutch in 1816 through the 1814 Treaty of London (Kaur & Diehl 1996). During British rule, Bangka obtained autonomy for administration and production of tin (Erman 2007).

Following the transfer of authority, the Dutch colonial authority obtained control of tin mining for 126 years, from 1816 to 1942. In 1819, the Dutch colonial rulers introduced tin mining regulations, which included: "(1) Exploitation of tin mines in Bangka was under the authority of and control of the resident; (2) Tin was fully monopolised by the Dutch government; 3) Private tin mines were completely prohibited (Erman 2007, p. 8)." With the introduction of the law, the Dutch colonial government had full authority over the ownership and management of resources in Bangka island. This resulted in conflict between the elites of the island and the Dutch colonial government, which continued until 1850 (Erman 2007).

Belitung has a different mining history. Belitung was planned by the British to be a port for the shipment of natural resources obtained from its colonies in Southeast Asia, especially around the Malayan Peninsula. However, Singapore was then chosen as their port in 1819, and Belitung was returned to the Dutch in 1824.

When the Dutch suspected, based on geological similarities, that Belitung had similar tin deposits as Bangka, tin mining began following the same exploration methods as that had been
used in Bangka. According to Kaur and Diehl (1996), there is no reliable information as to when tin mining began exactly in Belitung. However, Heidhues (2007) claims that mining in Belitung began after the Dutch colonial government sent its geological expert team for the second time to check tin deposits, in 1851. One year earlier, the team was unable to find any tin in Belitung, but the later team, under the leadership of John Loudon, found the deposits. In 1852, the Dutch started to explore tin in Belitung.

There were differences in management between the tin mining enterprises in Bangka and Belitung. In Bangka, tin mining was entirely controlled by state enterprise, while in Belitung, tin mining was done by Billiton Maatschappij, a public shareholding Dutch company (Heidhues 2007). The company had the sole rights to explore tin in Belitung until 1928, when the concession was transferred to a new corporation, the Billiton Joint Mining Company (Kaur & Diehl 1996).

In Bangka, tin mining was managed by the state-owned Banka Tin Winning (BTW), founded in 1913 (Heidhues 2007). Banka Tin Winning introduced mechanical processes in tin mining to the island, and when Indonesia became independent in 1945, the role of BTW was taken over by the Indonesian government.

After taking over BTW, the Indonesian government renamed it PN Timah, and then to PT Timah during the New Order era. After 1967, the exploration and management of mining in Indonesia were maximised, resulting in Indonesia becoming the largest exporter of tin, nickel, copper and coal in Asia (Aspinall 2001).

Tin mining began to decline in the early 1980s and the smuggling of tin in Bangka and Belitung is the result of the government’s inability to monitor all the activities efficiently. Smuggling activities have occurred since the Dutch colonial period, and for the people of Bangka and Belitung, being involved in smuggling activities is a form of expression of their dissatisfaction and resistance to state power. These activities have also increased due to the declining price of pepper and rubber (Erman 2007).

The economic crisis that affected Indonesia in 1997, and the transfer of power from Soeharto’s New Order to the reform era, forced the incoming Habibie government to enact new policies leading to decentralisation. These policies were generally directed at providing the local
government with more authority and responsibility to manage their resource potential (Kurniawan 2005). The new policies also affected the islands of Bangka and Belitung, which at that time were part of South Sumatra province.

With the enactment of Laws No. 22 and 25 in 1999, Bangka-Belitung officially became Indonesia’s 31st province in January 2001, and gained full autonomy in the management of its economy. One of the reasons for giving it the status of a province, according to Kurniawan (2005), was the rich mineral wealth of the region, which would equip them to develop the region's industry as well as to manage the economy on their own. In addition, its maritime and territorial characteristics are different from the other regions of South Sumatra.

In an attempt to provide authority to the local government of Bangka-Belitung, in 1999 the Minister of Industry and Trade declared that tin was no longer an export commodity under the monitoring of the state. This gave people the opportunity to mine tin (Erman 2007). Such a form of mining is known as “unconventional mining.” This policy increased the population’s income, as people could then sell tin sand to anyone without the interference of PT. Timah. However, in 2002 the export of tin sand was banned again, and tin was only allowed to be exported in the form of ingots, which negatively affected people’s income (Erman 2007).

Besides tin, Bangka-Belitung is also rich in other minerals, such as kaolin, granite and quartz. However, unlike tin, the mining of these minerals is only done on a small scale. These minerals are replacing the dominance of tin, whose deposits are depleting. The islands also have resources for plantations and fisheries, which are also the main occupations of the people of Bangka-Belitung. This is confirmed by Aspinall (2001), who states that the small-scale miners of Indonesia could be of great potential if the government or similar bodies could organise and manage them.

However, not all potential resources in the province of Bangka-Belitung have been able to elevate the prosperity of the people. Gandataruna and Haymon (2011) attribute this to the inefficiency of institutional capacity at the lower strata of government, which has resulted in legal uncertainties, lack of coordination among different government departments and poor administrative practices. Aspinall (2001) and Erman (2007) also confirm this viewpoint, stating that the local government does not have the skills and experience necessary to manage natural
resources. These weaknesses cause the province to be one of the ten poorest provinces in Indonesia, according to the Bureau of Statistics census in 2012.

This study considers the importance of knowledge of the history of mining in an effort to understand the management of mining of minerals, especially tin, and also to comprehend the importance of tin mining activities during Dutch colonial governance. This overview of the history of the management of tin mining in Bangka-Belitung provides a strong basis for this study to understand the regulations and strategic policies made by the Indonesian government regarding the future of Bangka-Belitung.

The Effects of the Decentralisation of Government on Bangka-Belitung
Bangka-Belitung has experienced changes in government from the colonial era (18th century) until the present day, undergoing centralisation and decentralisation at various times. During the reform era, Bangka-Belitung became a province that was no longer part of South Sumatra. At the time, the central government gave autonomy to all of the provinces in Indonesia to manage their own economies.

Bangka-Belitung was made a province through Law No. 27 of 2000, which is the operationalisation of Law No. 22 of 1999 on regional government. Article 8 of Law No. 27 of 2000 details the authority of the local government, namely, autonomy in the field of administration of the regencies and cities in the province. Erman (2007, p. 20) clearly states that the introduction of Law No.22 of 1999 provided greater authority to the regency of Bangka-Belitung as it obtained authority from the central government to manage the entire region, including the mining sector, and the law also released Bangka-Belitung from the domination of South Sumatra. Bangka-Belitung province has the authority to manage its natural resources as a form of local revenue that can be used to increase the prosperity of its people.

It is clearly stipulated in Article 4 of Law No. 25 of 1999 that regional income can be obtained from regional companies and management of regional resources. The purpose of this Law, according to Kamaluddin (2011), is to encourage society to be more involved in the development process by reducing the inequality they feel and by fostering local initiatives in development. The law is expected to provide an opportunity for regions to democratically manage their needs and fund necessary for development. The impact of this law is beneficial, especially for
provinces like Bangka-Belitung that are rich in natural resources but were formerly unable to benefit from them because the riches flowed to the centre (in this case, to mainland South Sumatra).

In an effort to support and strengthen local income, the Bangka-Belitung province also issued Regional Ordinance no. 21 of 2001 containing regulations on the implementation of mining, and also Regional Ordinance no. 2 of 2001 on licensing the export of tin sand. These two regional ordinances, according to Erman (2007), strategically aimed to increase the local revenue from the tin business, in part also by permitting tin sand export. Another impact arising from these regulations is the development of informal mining, also known as the unconventional mining of tin. Mining provides significant additional income to people who are out of work due to the closure of PT Timah, and also for locals who cannot rely on the sale of pepper due to unstable prices.

The enactment of Law No. 27 of 2000 and Law No. 25 of 1999 impacts the implementation of mining, since the formerly central role played by the state government in inviting, protecting, and providing convenience for foreign investors has been replaced by the local government, which makes no distinction in terms of treatment for foreign investors and local investors (Gandataruna & Haymon 2011). Before starting mining activities, investors must have a license. Gandataruna and Haymon (2011) explain that there is an requirement of two licenses, one for an initial phase that includes exploration and feasibility options, and a second for an operation phase that includes the production process. The local government holds the authority to issue both permits.

However, improvements in local revenue are not guaranteed by the enactment of the decentralised system (which authorises the local government to regulate and manage the economic potentials), coupled with the enactment of new laws and a wide range of local regulations to strengthen the implementation process relating to the mining process. All of these are not only related to natural resources, but also human resources. Many areas do not have adequate human resources with sufficient skills in terms of management, supervision and development of the region (Gandataruna & Haymon 2011). Bangka-Belitung is one such province with this weakness.
The difficulties inherent in improving the capacity of human resources in general and also the ethos of work is not only a problem faced by the local government of Bangka-Belitung, but also by almost all of the provinces in Indonesia. The failure to improve human resource capacity is strongly influenced by the practices of collusion, nepotism and corruption that often occur in the licensing and project tenders undertaken by local governments with investors (Erman 2007). Decentralisation cannot encourage the regional economy because it is not supported by the capacity and working mentality of human resources.

Other barriers experienced by the local government of Bangka-Belitung are in the management and supervision of mining. One of the problems with mining that often inhibits the growth of local revenue in this province is smuggling. This activity has been taking place for generations, since the Dutch colonial era, and it is prevalent in tin mining. Erman (2007, p. 32) emphasises that:

Based on the preliminary findings in Bangka show that illegal economy such as: smuggling is not a new phenomenon, nut is already embedded in the history of political economy of tin in Bangka island from 18th century to 21st century, crossing different regimes from pre-colonial, to colonial and post-colonial.

Tin continues to be smuggled today because it is considered to be more profitable to sell it directly to Singapore and Malaysia than to the local government.

The change from centralisation to decentralisation also raised additional problems. The implementation of the Laws and other regulations was not supported by a level of ability in terms of planning, management and good supervision. The natural environment began to worsen due to mining without any reclamation of land, and the regional economic condition did not improve due to illegal economic practices.

The weak work morale and the lack of skilled human resources in Bangka-Belitung have been present since the Dutch colonial era. The situation seems to be highly affected by the inability of the local government to manage the economy of the community in order to obtain a measure of prosperity. This study considers it necessary to understand the history of social relations in Bangka-Belitung, especially regarding employment, in order to explain the present situation.
The History of Social Relations in Mineral Mining in Bangka-Belitung

Mineral mining on the islands of Bangka and Belitung during the colonial era was not the principal livelihood for the indigenous people, who at that time relied on plantations. When the Dutch colonial government intended to begin tin mining, they ran into difficulties due to the limited availability of labour. Kaur and Diehl (1996) state that, apart from Java, labour was scarce on islands with tin minerals, and that this was a common feature of most other regions in Southeast Asia. In addition, as the livelihood of the natives was not mining, they did not have the technical capability necessary to mine tin (Erman 2007). The Dutch colonial government therefore used a contract system to import workers from China who already had the technical ability to work in tin mining. This consequently affected the composition of the population in Bangka and Belitung (Heidhues 1991).

Chinese imported labour indirectly affected the local population of Bangka and Belitung. Local people were not involved in mining activities as they were farmers and planters, and this resulted in the marginalisation of the natives. Around the world, native people are often viewed to lack skills and to exhibit reluctance toward developments. In Indonesia, local people were marginalised from mining activities because they had neither the tradition of working under contract, nor was their main source of income the mines (Erman 2007). Moreover, the local people who worked in the mines were considered to be lazy by the colonial government. However, this situation did not create conflicts between the migrant workers from China and the local people, since the two groups had different sources of income for their livelihood.

Based on census data obtained in 1920, the number of Chinese miners working in Belitung was about 21,000 from a total of 29,000 Chinese migrants. This amounted to 42.2% of the total population in Belitung at the time. Between 1933 and 1934, the Dutch colonial government stopped the immigration of Chinese miners. However, until 1940, 98% of miners were Chinese, 75% of them were recent immigrants from China, and there was no intention of the colonial government to use natives (Heidhues 1991).

The decline in the number of Chinese miners in Bangka and Belitung was influenced by several factors. First, the selling price of tin declined in the world market. Second, during the Japanese occupation, mining was done by a Japanese company without the need to involve Chinese miners. Third, a growing national awareness of the population of Belitung motivated them to
safeguard the interests of natural resource utilisation (Heidhues 1991). In the aftermath of independence in 1945, the Indonesian government gained full control over tin mining in Bangka and Belitung. In the late 1960s, the Indonesian government handed over the management of tin mining to PN Timah in Belitung, and during this time there was a change in the composition of the mining workforce. Kaur and Diehl (1996, p. 120) describes the change:

There was a major change in the composition of the labour force. While previously the labour market was predominated by Chinese labour whereas the indigenous workers now became the labour force. Hence there was no ethnic differentiation between management and miners on the islands of Bangka and Belitung.

At this time, technical mining skills were no longer a problem for the natives of Bangka and Belitung because most had mastered the necessary skills, assisted by machines. Heidhues (1991) stresses that substituting Chinese workers with native people became a possibility only when physical activities such as digging, lifting and carrying were replaced by machines.

Although the process of tin mining during the colonial period was dominated by Chinese miners and natives of Bangka-Belitung were often marginalised, the relationship that formed between the natives and immigrant Chinese mine workers brought few problems or social conflicts. Heidhues (1992) echoes common sentiment that the presence of a large Chinese minority quickly became a normal factor in Bangka. The level of conflict between the indigenous peoples of Bangka Belitung and the Chinese immigrants can also be said to be low, although there were differences in terms of level of income and welfare (Kurniawan 2005). This is due to the fact that their primary sources of income came from different jobs, as during colonial times more natives worked in plantation and cultivation, while migrant workers from China worked as miners.

Until the present, then, Bangka-Belitung is one of the provinces with the strongest religious and ethnic harmony, and it also has low levels of social conflict. Basuri Tjahaja Purnama, the regent of Belitung, comments, "I notice the existence of unity and diversity in Belitung and this is very clear. People in Belitung never consider diversity in religion as a crucial issue. We respect and tolerate to each other (BBC 2015)." This harmony can be nurtured through the participation of the police, who can assist to establish good relations with the department of mining, agriculture, plantation and forestry as well as with the religious leaders from the Bangka-Belitung Forum for Religious Harmony. This cooperation is undertaken in the form of coordination and supervision by the authorities to quell potential conflicts (Respisiusleba 2012).
Summary of the Context of Mining in Bangka-Belitung

In this chapter, an overview of the history of tin mining in Bangka-Belitung provinces, the decentralisation of mining policy and the issues that appeared in relation to the decentralisation policy has been provided. The dynamics of social relationships were also described. In nutshell, this chapter provides the background of the context and setting for the research study.

The methodology used for this study is explained in detail in the following chapter.
Chapter Four: Research Method

Introduction

The method used to address the research questions is detailed in this chapter. The present study adopted a qualitative approach to answer the research question in the previous chapter on the phenomenon of the mutually beneficial relationship between the community of Badau village and kaolin mining companies. The approach was considered to be appropriate to illustrate the process of integration occurring in Badau village.

The qualitative approach was applied to describe the relationship between the kaolin mining companies and their stakeholders regarding processes of mutual influence and participation on each side, and also of the impacts of mining on the community. This approach is also used to obtain an overview of how community leaders, who represent the Badau community, attempt to meet their community's interests by interacting with the community relations practitioners, who represent the mining companies. The data collection for this study was done using a purposive sampling method and conducting in-depth interviews with informants. The data was also complemented by the results of observations made during the study. Documents obtained during the study are used as secondary data.

In this study, data processing and analysis were also performed in accordance with qualitative research guidelines, such as grouping and categorisation via a coding process. The researcher then attempted to see how the codes related to each other, and analysed them in relation to the theories and concepts used in this study. To guarantee the validity of the data, a process of triangulation as deployed in qualitative research was implemented. Finally, the limitations of the research are also discussed in this chapter.

Research Design

This study employed a qualitative research approach. The qualitative approach is often used in studies discussing community development and corporate social responsibility. Several existing studies use a qualitative approach to analyze the issues occurring between communities and mining companies, including ones by Prayogo (2008), Ngadisah (2002) and Yudarwati (2011). This approach was considered to be the most appropriate as it provided the opportunity to examine the social life of individuals within the community through social processes and cases in
their context. Qualitative methods allow for an examination of social life from multiple points of view to understand how people construct identities (Neuman 2011, p.74). The emphasis in these studies is on relationships among stakeholders and the social processes occurring between kaolin mining companies and local communities on the island of Belitung, in relation to capacity building and sustainability.

According to Denzin and Lincoln (2008, p. 14), the qualitative method “implies an emphasis on the qualities of entities and on processes and meanings....Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the researcher and what is studied and the situational constraints that shape inquiry.” Thus, in qualitative research, there needs to be a closeness between the researcher and the object. This can be gained through building relationships with local people and by experiencing and observing local life. These are the basic materials for analysis. Interviews were procured through personal introduction by a gatekeeper or through making direct contact. I attempted to approach the subject by understanding the social conditions experienced by the participant. Once the researcher had created rapport with the subject, the actual interview began.

The qualitative approach uses an inductive thinking pattern, which allows for the creation of new ideas based on obtained data and information, thus making the interview process open and unpredictable. Interpretations and observations made by the researcher are important in shaping thoughts, thus the researcher's subjectivity affects the process of analysis. Daymon and Holloway (2010) confirm that being involved in the field helps the researcher to conceptualise reality in a similar way to those who are present in the field. In other words, what the researcher discovers in the field is not formulated by the models or theories that one finds in the literature. Before performing interviews, I made observations about the exploration and production processes done by the company, and about the context of relations between the company and community members or stakeholders. The interviews and observation were beneficial in providing an illustration of the actual conditions, and assisted data analysis.

During fieldwork, it was necessary for me to capture the exact and appropriate meaning of the message communicated by the participants. As a researcher, my embeddedness in the community and the topic was sufficiently deep that I could feel and understand the meaning of the activities performed by the participants. In a qualitative study, it is necessary for a researcher to understand
and interpret the meaning of activities from the participants' perspectives. As the emphasis was given on collecting clear and comprehensive data, the interviews were not restricted by any specific or pre-set time limit.

During my initial research, I realised that all Badau inhabitants are Muslim, and work mostly either in mines and plantations. As a researcher, it was essential for me to be flexible and adaptable to understand the cultural, social and economic background of the society. Changing empirical conditions present during interviews also emphasised the need to be able to adapt to the wishes of the participants, including flexibility to respond to requests for interviews via appointment or spontaneously.

To obtain information from informants and facilitate the process of observation of the environment, this study used the ethnography research strategy. This strategy is considered appropriate because it is used by the anthropology discipline to describe not only the social environment but also the cultural environment such as beliefs, values, and attitudes that shape the behaviour of a society (Denzin & Lincoln 2000). Furthermore, ethnography does not emphasise the process of how data and information are collected but rather it focuses on how to interpret the data. This process certainly provides flexibility for the researcher to observe before interpreting the data obtained (Merriam, 2002). The main purpose of using ethnography is "to provide rich, holistic insight into people's views and actions, as well as the nature of the location they inhabit, through the collection of detailed observations and interview" (Reeves, Kuper, Hodges, p. 512).

In this study, this ethnographic approach to the research object is utilized mainly to illustrate the social and cultural characteristics of the community pertaining to the location of the study.

To describe the process of the relationship, the researcher obtained data on the dynamics of relationships and phenomena that occurred, using the case study strategy. Thus this study used a combination of two research approaches: ethnography and case study. This differentiates this study from previous research.

This study used case study research design for two reasons. First, there is a strong relationship between the social and cultural influence of the environment in the research location and the mining done by a number of companies. Second, this relationship has existed for a long time and with a low rate conflict. In the Indonesian context this is a rare phenomenon due to the large
number of conflicts between local and foreign companies and their surrounding communities. Daymon and Holloway (2010) state that case study research uses intensive and holistic examination, and that multiple source will be used to investigate even a single phenomenon within a particular social context. Case study research is therefore often associated with a location or a group of people, such as a community organisation.

Yin (2003) also provides an illustration of the appropriateness of using case study research for the analysis of how a corporation succeeded in overcoming the most negative aspects of a corporate closure. One of the definitions of a case study's aims, according to Schramm, is that "it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented and with what result (Yin 2003, p. 12).” This definition suggests that it places emphasis on process, and that is not incidental in nature.

Yin (2003, p. 13) adds the technical definition of a case study:

A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident; the case study inquiry that relies on multiple sources of evidence, with data needing to converge in a triangulation fashion, and as another result.

Thus, case studies provide a comprehensive understanding at each stage of a study. Five components of a research design that are used in the case study method are: the questions of the study, the propositions (if any), the logic that links the data to the propositions, unit(s) that is (are) analysed, and also the criteria that is used for interpreting the findings (Yin 2003, p. 21).

This study also used the case study method to examine a phenomenon occurring in kaolin mining in Belitung. Due to the extractive, explorative and exploitative nature of the mining process, it raises problems in the future, not only in terms of environmental degradation and the exhaustion of natural resources, but also social problems. Potential social problems have not been observed at this point, as community members are usually directly employed by mining corporations. However, considering that the nature of work is related to non-renewable resources, mining corporations need to be aware of the risks and undertake efforts to develop the social environment. Therefore, I intend to analyse the role played by the community leaders of Badau village in creating a mutually beneficial relationship with companies.
Case Study Design

Yin (2003, p. 39) proposes four designs for case studies in a 2 x 2 matrix, explaining that "the matrix first shows that every type of design will include the desire to analyse contextual conditions in relations to the ‘case’ and then the matrix shows that the case can be also a unitary unit or multiple units of analysis." These designs are: single case design-single unit of analysis (type 1), single case design-multiple units of analysis (type 2), multiple case designs-single unit of analysis (type 3), and multiple case designs-multiple units of analysis (type 4).

This study used type 2 as the research design. The reason was that the unit of analysis was not limited to the companies, but also included the community. The focus of the research was the dynamic relationship processes formed between the community, the mining companies and the stakeholders, and the mutually influencing characteristics of that relationship in the context of mining communities.

Researcher Roles

The data were determined and obtained by me, namely through key informants who were considered to have adequate knowledge regarding the issues and could provide much-needed information. My data collection techniques included in-depth and semi-structured interviews with key informants. As Rubin and Rubin (1995) remind us, the design of a qualitative interviewing design is flexible, iterative, and continuous, and so they are not rigid like a structured interview schedule that is prepared in advance. Qualitative researchers benefit from flexibility, especially in their relations and involvement with the social milieu of the research. However, they must keep their research objectives in mind.

I should also be able to adjust my presence when dealing with research subjects to prevent a change in their attitude and information provided. As I am not a native of Badau village, I tried to build conversations with the participants by introducing myself and my intentions in engaging them in my research. I engaged myself in casual conversation to understand their lives and in order to know them better. Moreover, according to Babbie (2007), in contrast to survey interviewing, the qualitative interview is not based on a standard set of questions but on a set of topics that need to be discussed. This is important to prevent bias or invalidating the data. Interview guidelines and research ethics are therefore important for researchers to keep in mind,
especially during field research (Babbie 2011). In my study, I prepared ethics forms and asked participants for consent before conducting interviews.

My observations were focused on the relationship between kaolin mining companies in Badau village and the society in the social, cultural and economic aspects as well as their participation in relationship-building processes. Special attention was paid to the role of community leaders in building the relationships with the mining companies and how they try to balance the interest of the community against that of the companies. I also observed the activities of capacity building programs conducted by companies, primarily those involving skill-building by individuals and communities. In addition, I attempted to analyse regulations underlying kaolin mining and agreements formed within the relationships between the companies and their stakeholders, both internally with employees, and externally with the local government and local officials at the district and sub-district levels.

In this study, I compared data derived from multiple sources such as in-depth interviews, observations and documentation studies to minimize any bias in the data. In-depth interviews were employed to obtain the views and opinions of participants, while observation was used to describe actual behaviour and also existing conditions in the field (Maxwell 2005). In addition, data obtained from documentation studies were very useful in providing an overview of the village background, policies and procedures applicable to the research location. The data gathered from various sources were actually complementary, and this assisted me to conduct an empirical analysis of the existing conditions in the field. In addition, data from different sources and observations assisted in checking the validity of the data.

**Unit of Analysis and Sampling Method**

The unit of analysis in this study was two kaolin mining companies, namely A and B, both of which are located in Badau village, Bangka-Belitung province and also the Badau community. There were several reasons for selecting the two companies. First, both of them are located in the same area, have undertaken mining activities for more than 7 years in Badau village, and have good relations with the community. Second, companies A and B have sub-contracted production to community members. Third, there are differences in their activities, in which company A does extraction, exploration and production, while company B has only performed kaolin production for the last two years. Companies A and B are two major kaolin companies in Badau, and they
employ more than 150 workers from the village. Their relations with surrounding communities have been positive, and the owners of the companies are well known in Badau society. Based on these characteristics, the two companies were selected to be the unit of analysis. The reasons for selecting the Badau community is due to the location of the research carried out in the village, and also the Badau community being directly related to and affected by the mining process done by companies A and B. The impact is directly felt by the Badau community in the social, cultural and economic aspects.

Qualitative research uses various sampling techniques that are less strict and definite compared to quantitative research. The sampling method used is non-probability purposive, as there are no comprehensive data on the number of mining corporations actively operating in Belitung, especially in Badau area. Purposive sampling is defined by Del Balso (2005, p. 92) as "...selecting for the sample whoever or whatever the researcher judges has characteristics that meet the purpose of the study." I selected two corporations, and so I used the purposive sampling method to compare the efforts made by the two corporations in engaging and inviting the participation of stakeholders. I chose these two companies because they had been present for more than 7 years in the same location and are considered to be close to the society, although the two companies engage in somewhat different activities.

I also had limited data on the surrounding community members, especially those with knowledge of and employment in kaolin mining, and a direct relationship with either mining corporation. I therefore decided to use a snowball sampling method to obtain information about the corporation's relationship with the surrounding communities. This method was used to obtain participants from the community. Snowball sampling, according to Babbie (2007), is a non-probability sampling method that is often used in field research. It involves the researcher asking each participant to suggest additional people for interviewing.

The two sampling techniques were appropriate for data collection. Neither types of non-probability sampling could represent the entire population of Belitung, and the results cannot be generalized, but they can give an overview of the actual conditions that occur.

I planned the collection of data and information from participants by dividing them into several groups. This was intended to be comprehensive, representative, and facilitate the analysis
process. The group of participants representing company employees was identified based on data obtained from the personnel manager of the companies. Selection was done using the purposive sampling method. This was intended to prevent data bias, and to obtain information from the perspective of the workers regarding the company's attention towards employees, especially in the matter of increasing skills and knowledge.

The group of participants representing community members was identified based on data obtained from Badau village office. Their selection was based on whether they had adequate knowledge about their environs, and direct or indirect relations with kaolin quarrying. Within this group, I used both sampling methods, namely purposive and snowball. The data from the Badau village office was incomplete, especially regarding the occupations of community members, and so I used the snowball method for a group of the participants. This group includes leaders, religious leaders, teachers and housewives. This final group of participants or informants was identified based on their involvement with government institutions, either regional or national. I used the snowball method to interview participants from the group with the help of one of the kaolin company owners and workers.

Data Collection
In qualitative research, the interview is a key tool in data collection, in addition to observation. However, during an interview, I must be able to situate myself not as a researcher but as something more akin to a colleague in order to make the interview as normal as possible. Babbie (2011) observes that the researcher should present themselves as someone who needs helps in grasping even the most obvious and basic scenario of the situation. The interview process should therefore be integrated in the process of field research. I performed interviews in the informants’ leisure time, without the presence of other persons during the interview. Before interviewing, I informed them of the goals and purposes of the research and asked the participant to sign the Participant Informed Consent Form (PICF) and invitation letter as part of the ethics procedure (Appendix 1 and 2). As a researcher, I also recorded the interviews. The interviews lasted for about 45 to 60 minutes. During the interviews, I also observed and noted their mannerisms and expressions while responding to the questions.

As a researcher undertaking in field work, I visited Badau village many times before I conducted the actual study. During the process of data collection in November 2013, I stayed in the village
for more than two weeks. Initially, I stayed in Badau village with the Director of company A in his house as a guest for three days for the purpose of observation and getting used to the local surroundings and life of the people. This helped me to observe their normal behaviour in their daily lives. Later, when I started the interview process, I moved to a hotel in Tanjung Pandan, the capital city of Belitung regency. This was important as the participants needed to be comfortable in sharing their opinions and should not be under the impression that I was an acquaintance of the director.

The study included 29 participants who I deemed able to provide data and information and to represent not only the corporations, but also other community members and relevant stakeholders. The profile of the participants are given in Figures 2, 3 and 4:

<table>
<thead>
<tr>
<th>Levels</th>
<th>Head Level</th>
<th>Managerial Level</th>
<th>Operational Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
</tr>
<tr>
<td>Company A</td>
<td>1</td>
<td></td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Company B</td>
<td>1</td>
<td></td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Figure 2: The Number of Participants from the Companies (Parani, 2016)
<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residents</td>
<td>6</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>The Head Village</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Community Figures</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Local Government / Belitung Mining Office</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

Figure 3: The Number of Participants from the Community (Parani, 2016)

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Community</th>
<th>Loc. Gov.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sutanto, director</td>
<td>Tris, director</td>
<td>Zuly, a com. figure</td>
<td>Syakur</td>
</tr>
<tr>
<td>Sudarmanto, head of operat.</td>
<td>Sami, head of prod.</td>
<td>Neti, a com. figure</td>
<td>Usy</td>
</tr>
<tr>
<td>Tamani, head of personnel</td>
<td>Herman, head of admin.</td>
<td>Zula, a com. figure</td>
<td>Sarmin</td>
</tr>
<tr>
<td>Elis, head of administration</td>
<td>Sri, head of finance</td>
<td>Sumi, a housewife</td>
<td></td>
</tr>
<tr>
<td>Juma, head of mechanic</td>
<td>Edo, head of laboratory</td>
<td>Hendy, drying own.</td>
<td></td>
</tr>
<tr>
<td>Rahadian, a mine worker</td>
<td>Arma, a mine worker</td>
<td>Amor, drying own.</td>
<td></td>
</tr>
<tr>
<td>Jazi, a mine worker</td>
<td>Mas, a mine worker</td>
<td>Sali, a worker</td>
<td></td>
</tr>
<tr>
<td>Amri, a mine worker</td>
<td>Muli, a mine worker</td>
<td>Wari, a worker</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Juli, a worker</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Taro, ex mine work.</td>
</tr>
</tbody>
</table>

Figure 4: List of Participants (Pseudonyms) (Parani, 2016)
Despite the classification by gender (Figure 2 and 3) carried out in this list of participants, the data analysis conducted is not a gender-focused analysis. However, this study would like to highlight the implication of having this classification. The study demonstrates that while formal leadership roles in Indonesia companies are still predominantly male, females occupy managerial roles in the organisation. Female participants from the companies were working at administrative level while the one from the community was a teacher, and was regarded as a community figure.

The other reason for including the gender classification is to highlight the possibility that women may have a more future-oriented outlook on the education of children in the community. Due to women having direct involvement in child-rearing, they have a stronger affinity for their children attaining betterment of livelihoods that is not dependent on the mining industry; due to the non-sustainable nature of kaolin mining. However, this exposition does not negate the fact that the males still comprise dominant decision-making body in the entirely Muslim Badau community.

Data were complemented by direct observations by the researcher. To provide for more accurate results, I used a camera to record observations or made short notes during fieldwork, so that my interpretation of an event were clearer and more comprehensive. Every piece of information obtained from fieldwork was immediately recorded with no delay, so no information was lost. As an ethical practice, consent was sought with the relevant interview participant or authority whenever audio and camera recorders were used to record interviews and other observations.

**Data Processing**

There were a number of initial steps performed in data processing, including listening to the interviews, translating them to English, and later transcribing them. After the process was completed, each transcript was read alongside the field observation results and related documents. Qualitative data obtained from in-depth interviews, observations and secondary data tend to be overwhelming, unstructured and disordered. To streamline the process of analysis, I wrote notes to make sense of how the elements of the data were related to each other, and I compiled categorisations. It was therefore necessary to sort the data and information by means of coding. According to Babbie (2011), coding is the classification or categorisation of individual data to assist its retrieval later.
The purpose of coding was to collect and classify all data, information, events, processes and interactions found in the fieldwork by grouping and categorising them. This process was important because it makes it easier to identify important concepts, which in turn facilitates data analysis. Maxwell (2005, p.96) describes this process as follows: "In qualitative research, the goal of coding is not to count things, but to ‘fracture’ the data and rearrange them into categories that facilitate comparison between things in the same category and that aid in the development of theoretical concepts." Maxwell (2005) also classifies data coding into three major categories, namely: organisational coding that is intended to classify data in a broad manner to simplify the formulation of chapters; substantive coding that is intended to classify data based on explanations by participants to clarify concepts beliefs, and theories used by the researcher to perform in-depth analysis.

All the interviews were conducted in the Indonesian language (Bahasa Indonesia) and needed to be translated to English. The interviews were transcribed. As I am a native of Indonesia and proficient in Bahasa Indonesia, the interviews were translated into English for further data analysis. The translated data were then sorted and grouped. The researcher grouped the data into different categories before analysing the data. From these categories, similarities and differences in participants’ opinions could be seen.

Data Analysis
In qualitative research, the initial step in analysing data is to look for patterns of similarities and dissimilarities (Babbie 2007). This process is also the reason why coding is the first step in analysis. Yin (2010, pp. 177-8) states that there are five steps in data analysis, namely:

- **Compiling**: Collecting all data from interview transcripts or secondary data and bringing them into a database
- **Disassembling**: Dividing the data based on the variable groups used in the research, assigning them into categories and giving codes to each.
- **Reassembling**: Rechecking and beginning to understand the patterns obtained from the research.
- **Interpreting**: Understanding and explaining the relationship and the phenomenon.
- **Concluding**: The last stage in which the results of the findings are explained briefly.

In this research, during the compiling stage, all the data from interview transcripts or secondary data were collected, sorted and classified according to the classification of participants defined
beforehand. In the following stage, disassembling, I divided the data based on the variable groups and the primary and subsidiary research questions, and assigned them to groups by giving codes to each of categories. The next stage was the reassembling stage, in which I rechecked the data, which helped me to begin to understand the unique patterns present in the phenomena, such as the particular strategies performed by the two mining companies to maintain their relationships with the head of Badau village. Then, in the interpreting stage, I tried to comprehensively understand and explain the range of opinions and the context of the relations. In the final, concluding stage, the results of the findings were explained briefly.

Yin (2010) lists a number of data analysis techniques usable in case studies, namely pattern matching, explanation building, time-series analysis, logic models and cross-case synthesis. In this study, the researcher decided to use the pattern matching technique, since the research was only done once. I implemented the pattern matching technique in order to compare empirical data obtained from fieldwork with what were predicted by the propositions developed previously. Yin (2003) also had emphasises that this process of comparison of an empirically based pattern with one or several predicted alternatives as the result can help to strengthen the internal validity of a case study if a coincidence of patterns occurs.

In the technical stage of data analysis, I undertook a similar procedure, looking for patterns of special relations between kaolin mining companies and stakeholders. I found unique aspects resulting from these relationships. This is clearly seen in the context of the relationship between mining companies and the village head of Badau especially in the effort to obtain social license. A similar pattern was also found when the researcher tried to analyse the relationship between mining companies with Belitung Mining Office in an effort to get a mining license, as well as when mining companies build relationships with religious leaders in an effort to get closer to the surrounding community. All of these show the companies’ ability to manage and maintain relationships with their stakeholders, especially to promote their interests. These became the findings of the research, which then formed the basis of the next stage of analysis.

I use the term ‘frequency’ to examine often corporations engage and invite the participation of community members to develop and enhance their capacity through information sessions and trainings. To understand the magnitude of this frequency, I focused on the extent of a company’s attention to all aspects of community life and the importance of the community to the company.
The relationship patterns formed between stakeholders were classified as the 'structure.' The analyses of the involvement and participation of each group, from the beginning to the end, was classified as 'processes.' The impact of the relationships and benefits felt by both parties were analysed and classified as “causes,” and finally, whether the efforts made by the corporation can increase the capacity of surrounding communities in forming a strong social capital for their lives was analysed and classified as 'consequences.'

**Validity and Reliability**

The quality of research is determined by how empirical data obtained from fieldwork can be tested rationally and logically. Yin (2003) suggests three ways to test validity, namely:

- **Construct validity:** Using multiple source of evidence and the chain of evidence, and using informants to check data obtained in the field.
- **Internal validity:** Used in an explanatory study and to discover causal relationships. This is useful in analyzing data, especially in performing pattern matching based on the results of interviews.
- **External validity:** Used to determine whether results can be generalised.

This study focused on construct and internal validities, given that only one case was being studied and that the study does not aim to generalize. I used various sources, such as observations and secondary data, to check the validity of data and information obtained from interview results. I also performed pattern matching based on the interview results to discover the relations developed by the two kaolin companies with community members in Badau village, and with internal or external stakeholders. As the scope of research is limited to Badau village, I did not use external validity.

One technique used to ensuring validity of the data is triangulation, which is a way to minimize bias and provide broader insights and understanding. Maxwell (2005) comments that the triangulation of observations and interviews helps to provide complete and accurate details, and is better than using either source in isolation.

In analysing data, I also used the triangulation technique in which data from interviews were combined and compared with data resulting from observations. This was done to ensure the validity and reliability of the data.
Research results should be reliable, primarily to reduce the error rate and also minimising bias. Therefore, all the procedures performed and the research objectives must be clear, complete and documented. While it is difficult to measure the reliability of qualitative research, the reliability for this study was increased by documenting the entire process, including research questions, data collection procedures, question guidelines, report writing, and the final result.

**Limitations of the Research**

The research was conducted in the Indonesian language, Bahasa Indonesia. It is possible that some meaning has been lost in the translation of the interviews from Bahasa Indonesia to English. Another limitation of this research is that both the companies (company A and company B) involved do not have a separate department for community relations. The activities of community relations were overlooked by the director and head of the mining division in both the companies.

**Summary of the Methodology**

This chapter explained the methodology used for this study. Research design, the role of the researcher, the unit analysed, the sampling method that was used for data collection, the processing of data as well as the method of analysis have been discussed. The chapter also explains some limitations of this research.

The following chapter discusses the research findings. The chapter describes the characteristics of the Badau community, including the conditions of the physical environment and the social community, the local culture and the importance of religion. These serve as the foundation for the understanding of the community by the kaolin mining communities. The significant role played by Badau community leaders will be discussed. The factors that create a mutual understanding between the Badau community, kaolin mining companies and stakeholders will also be addressed. The attempts made by both kaolin mining companies (A and B) in implementing their community relations programs, inviting the participation of community members, and building the capacity of community members are also analysed.
Chapter Five: Research Findings

Introduction

As explained in the previous chapter, this study adopts a qualitative approach using the case study research method. The unit of analysis of the study is the community of Badau village, which refers to the population, and the kaolin mining companies. The purpose of the study is to understand the role played by the community leaders of Badau village in creating a mutually beneficial relationship with the companies. Thus, this chapter will describe the characteristics of the Badau community, including the conditions of the physical environment and the social community, and attempts by each party to maintain relations that continue to be beneficial. In this study, the researcher also analysed efforts made by both kaolin mining companies (company A and B) in implementing their community relations programs. The efforts made by the community relations practitioners in building beneficial relationships with the community leaders are also analysed.

This chapter also reports on the result of the interviews undertaken with various participants, namely representatives from the two kaolin mining companies, the community of Badau, the village head and representatives from the Belitung Mining Office. Further, the efforts made by the two kaolin mining companies in building the capacity of Badau community members and their responsibility towards the sustainability of the development process will be discussed.

This chapter is structured in the following order: I describe Badau village, Badau community leaders, the works and the local knowledge of the Badau people, the relationship between the kaolin mining companies and its stakeholders, the relationship between the community and the kaolin mining companies, and the relationship between the kaolin mining companies and its workers who come from the community as well as the community members who own the kaolin drying facilities.

Badau Village and Community Life

Based on demographic data obtained from the Badau village office, at the end of 2012, the population of the village was 3,131, consisting of 1,582 males and 1,549 females. There are 968 families, with 892 male heads of families and 76 female heads of families. There are 1,339 unmarried persons in the village, and the population density is 34.46 people/sq km. All
inhabitants of the village are Muslims. Most of the male population work as labourers in mining companies (505 persons), plantation workers (51) and in their own plots (151) or as industrial workers (48). There are 823 housewives and 542 students.

In order to develop the village, in 2012 Badau obtained a grant from the Village Funds Allocation, from the regency of Belitung, to the amount of IDR 376,861,000, and also IDR 33,435,000 from the province. This was on top of the village’s own income from its potentials and taxation of the companies operating in the region, which amounted to IDR 83,600,000. The minimum wage in Belitung province in 2013 was IDR 1,784,000.

Through my observations of the physical environment of Badau village, including its hamlets, the village is considered to exhibit healthy living conditions. The state of the of public facilities, especially the main roads in the village are asphalted; the village is well-lit, the environment is clean, and the houses have spacious yards. Electricity as a source of illumination is limited to the main road, and is not extended to all houses in the village. Most houses still use generators and oil lamps as power sources. As a result, there is a great need for diesel fuel for the generators. It was planned in 2015 that more electricity in the village will be installed because the government is building a sub-station there.

The distance between the main road of Badau village and company A’s mining location is about 4 km, and the connecting road is rather poor. The area of the mining location is about 50 hectares, with a license lasting 50 years, beginning with the company’s foundation in 2007. The mining process in company A uses two kaolin exploration holes (called kolong) with a daily production capacity of about 5 tons. The company employs 87 workers. Meanwhile, company B is located closer to the main road, about 1.5 km, with an area of 20 hectares. Their mining license will expire in 2020, and due to the poor quality of kaolin, they only perform production. Their production capacity is also smaller, about 3 tons per day, and they only employ 48 workers. Company B is indeed smaller than company A.

The average size of houses is around 150 m2 to 200 m2, and if the yard area is included, the land owned by each family is a minimum of 1000 m2. Almost every family has a motorcycle and also a large garden in which a variety of staples are planted (as shown in Figure 5). This observation was also confirmed by Sumi, the wife of one of the mining workers in company A, who said that
"Yes, at least we have 2 motorbikes, and our own house, although very simple." The village head of Badau, Syakur, also confirmed this, commenting, "For example, many have motorcycles, and there are often two motorbikes in each house." The ownership of a large yard used for gardening is also recognized by Sami, the head of the production division of company B, who told me, "I think that the workers usually have large plots of gardens, where they plant pepper, cassava and rubber." Houses are not fenced, and plants function as separators. The contents of the houses are usually very simple, consisting of basic furniture, simple dining tables, usually 2 bedrooms, and also a bathroom with a toilet. Ownership of entertainment media such as TV and radio is still very limited, with probably only 1 out of 5 homes owning a TV. No other entertainment media is used by residents in addition to TV and radio.

![Figure 5: Illustration of Badau Village (Parani, 2016)](image)

However, Badau does not have adequate health facilities or personnel. There are only two midwives in the village and three nurses working in a hospital in Buluh Tumbang village. There are a number of educational facilities in Badau, including one early childhood school, one kindergarten, three public primary schools, one public intermediate school and one public trade school. Based on monograph data collected in 2012 by the head of Badau village, there are 493 children who are being educated in all these facilities, and only 6 who are not. The number of
people in the village who have graduated from primary school is 1,157; with 453 have graduated from intermediate schools, and 508 from high schools. There are 42 teachers in the village. Only 57 villagers have obtained university degrees.

Education is deemed to be necessary by the community in Badau, although the village has insufficient educational institutions. Sri, the head of the Finance division in company B, also acknowledged that "The number of university graduates here is very low, and many only finished high school, even intermediate school, and they work as miners of tin, kaolin and sand, or in oil palm plantations. While their income is adequate, the low education slows the rate of development in Badau." Zula, a community figure, also said a same thing, "I just think that there is a lack of construction of formal schools, which still depends on the regional budget, which is small. Worse, there has been no initiative from mining companies to build schools in this area."

Based on the observations of the researcher, there are indeed limited educational institutions available; in particular there is no high school in the whole district. Students have to travel to Buluh Tumbang district, a ten minute trip by motorbike.

Each morning, the men would usually go to work at 6:30 am, and the women would take the children to school (some walk, and others ride motorbikes). After dropping off the children, the wives return home and do routine activities in the house and at 12.00 noon pick up the children. Usually after lunch the children take a nap (it is not possible to do other activities because the weather is generally hot), and the wives resume household activities while waiting for their husbands to come home from work, usually at 3:30 pm. After a brief rest, at approximately 4.00 pm husbands usually work in their gardens while children play in the yard. Herman, the head of the administration division in company B, also confirmed that this daily schedule of activities is common, saying that, "Usually, the workers, having finished working at the plant at 15.00, return home and work in their own yards, and some continued mining for tin."

Every Monday, Wednesday and Friday, from 16.30 until 18.00, the children go to Koran recitation classes held in various facilities, mainly in the mosques. After finishing evening prayers, families usually eat dinner and then the children study until 21.00, after which they retire for the day. I also observed that Islamic religious values are cultivated early among the children, with visible participation from the entire Badau community. Sumi, a wife of a company
A mining worker, commented that "Mosque and Koran education facilities are important here, not only for worship, but also for education of children and meeting place for community members, to catch up. Not only the females, but also males, especially in the evenings and weekends." This occurs not only in Badau, but also in other villages, as described by Elis, the head of administration division of in company A, "In Belitung, everyone is like a family member, with people from the same village or from other villages and we are educated by our religion to give respect to each other."

Religion serves as an important basis for kaolin mining companies in building relationships with the community, as expressed by Sutanto, director of company A, who stated that "We always help provide the needs of the villagers, such as construction of a mosque, Koran study facilities. We also invite surrounding community members for certain Islam big celebrations such as company Eid celebration (halal bihalal)."

Based on observations conducted by the researcher of the expressions and comments provided by Sutanto, it appears that he has understood the cultural characteristics of the Badau community, especially in terms of religious devotion. This makes it easier for company A to be better known and closer to the community, which aims to guarantee the existence of the company. Zula, a community figure, admits this fact by stating that, “We are very happy with the construction of religious facilities, because all the villagers are Moslems. Generally the migrant population, including mining companies that exist in the village, respect our religion and support existing religious activities.”

Each Sunday afternoon, residents usually gather in the neighbourhood mosque while chatting leisurely. The topic of conversation can be varied, but usually concerns work or news from local residents. Once every two weeks, the villagers do voluntary work, but usually not everyone participates because the environment is generally clean anyway. The collectiveness level of the residents is good because they know each other well and they are willing to help each other. Fostering good relationships with other people is also a cornerstone of Islamic values, highly respected by Badau villagers. The villagers believe in the virtue of establishing a relationship among the people or with outsiders on the basis of common Islamic values being held by all the parties. They view that the goodness of the person is determined on the degree of religious adherence, which consists of implementing Islamic world-view and practices.
In general, social life in Badau still relies heavily on the high level of connectivity among members of the community. The standard of living is already adequate, even though the level of understanding of information and technology is still low. The village's high level of collectiveness is largely due to the role that religion plays, as it dominates the lives of the people in terms of understanding, education and activities.

**Badau Community Leaders and Residents**

In Badau, it appears that villagers have a very high level of trust for their leaders, both formal (the village head) and also informal (religious leaders and teachers). The leaders of this village are a dominant elite group because they must be involved in any decision-making processes regarding local issues and rural development. The village leaders are also from different social-economic status, and this difference often positions them higher and more powerful than other villagers.

In Badau village, Islam has become a moral foundation and guideline of conduct for its citizens, and religious leaders have always been role models in the village alongside the village head. For the Badau community, the role of religious leaders is very important and not just limited to the religious context, but also shapes social relations among fellow citizens. **Zuly**, an Islamic religious leader who is also a community leader, explained that:

> I am often visited by people who have problems to be asked for my advice, usually about family problems. Usually I give advices based on Islamic values. But sometimes the residents come to me when they are need of funding both for feasts and customary celebrations, or sometimes also to repair roads or mosques. Usually I try to ask for these funds from mining companies around the village.

The residents consider religious leaders to be very wise men, role models who citizens feel ‘comfortable’ telling a wide variety of problems. In addition, residents are also convinced that religious leaders can provide the best solutions for any problems encountered.

Religious leaders are also considered to contribute a great deal, especially in helping to encourage development concerning social facilities, such as mosques and Koran education facilities. Citizens believe that the development of these facilities can increase their religiosity. **Sri**, the chief financial officer of company B, illustrated his by saying, “We are glad with the number of mosque in this village because it indirectly encourages people to be religious.” The
development of social facilities is funded by donations given by mining companies operating around Badau village. However, proposals to request funding to establish socio-religious facilities come from deliberations between citizens and religious leaders. After reaching an agreement on the amount of funds needed, religious leaders submit proposals to the mining companies. **Zuly**, a religious leader, stressed that “I follow up to the needs of citizens to the companies, and then just wait for the approval of the application for funds from the company.”

The residents appreciate the efforts made by religious leaders and the construction process is usually carried out by the citizens themselves.

Other figures who play an important role in the lives of the villagers of Badau are the teachers. For the villagers, a teacher is considered to be a trustworthy person, especially in terms of developing the mindset of citizens. **Neti**, a teacher and community figure, made a telling point about the mindset of the people of Badau with respect to education when she said:

> Education is needed by the residents to develop the village, because they do not want their children to become miners or plantation workers. Only education can change them, but unfortunately there is a lack of educational facilities here, especially for middle schools.

In addition, Neti is also often needed by the village head to help carry out the socialization of the citizens, especially concerning social issues such as health and education. Villagers, especially housewives, are generally very obedient to the advice given by Neti.

Besides the two informal leaders, the village head is a central figure who plays a particularly important role in bringing progress to the village. **Syakur**, the village head, was a former miner who worked at company A. He quit to run for the position of village head in 2010 and he was selected. Armed with his experience as a miner, Syakur has extensive relations with all of the kaolin mining companies in the village. Due to these extensive relations and strong financial support from mining companies, and also to being also a native son of the region, the community encouraged Syakur to run for village head at the time. His success was also ensured by his experience and ties to the business community.

Based on the observations of the researcher, the efforts made by community figures such as Zuly, Neti, Zula, and particularly Syakur as the head of Badau village, had positioned them as higher in social status and honour in the community. This privilege over the community trust that the figures hold let a few of these people to decide on the villagers' living circumstance. This is
apparent in how Syakur received and handled his position. Syakur’s role as the head of the village very dominant, especially as an intermediary in the context of the companies' relations with the community. Sutanto, director of company A, also admitted this when he said, "Mr. Syakur used to work in this company and I am glad he is now the head of the village as he really helps us in many ways.” Meanwhile, Syakur also reinforces this statement by adding that "I help mining companies here, especially in terms of licensing and also in relation to the citizens.”

My observation results show that, in general, residents are familiar with the mining companies operating in the region, and many of the residents, especially males, have also worked for the companies. In addition, according to observations and statements by residents, several mosques in the village are identified as the result of donations from companies. Syakur explained that “All the companies here are very concerned about construction of religious facilities, because it is the demand of the citizens, in addition to employment.” Additionally, this effort is indeed a part of the approach taken by the company to be well-received by the Badau community. The establishment of a close relationship with community figures as the 'leaders' is one of the strategies carried out by mining companies to be accepted in the community. They act as liaisons between the mining companies and the Badau community, especially concerning the needs of each party.

Observations also show that community leaders generally have the advantage not only of social status but also of economic status. Zuly, other than being a religious leader, also works as an influential political party official. He has a house with a large yard, a car and motorbike, and sent his eldest child to school in Jakarta. Meanwhile, Neti has a house that is not as big as Zuly’s, but has a larger yard planted with various crops of fruits and pepper. Neti is a high school teacher and also serves as secretary of the All Indonesian Workers Union (SPSI) of Belitung regency. Both of these people are informal leaders with a great deal of influence in the village. The community places trust in them and respects them, as well as the village head of Badau.

The Occupations and Local Knowledge of the Badau People
According to the 2012 village monograph, the economy of Badau is driven by nine medium scale enterprises, consisting of five kaolin quarrying companies, one transport company, one tin processing company and two asphalt processing company. These companies employ 597
workers. Badau also has 36 shops employing 41 workers, 61 food stalls, two co-operatives and one marketplace.

Mining and plantation are two main types of work performed by members of the Belitung community that are related to the natural environment conditions. Tin mining was the first to start in Belitung, arriving in 1851, during the Dutch colonial era. Tin was discovered in Belitung by Baron van Tuyll and John Francis Loudon, the founders of Billiton Maatschappij, the forerunner of BHP Billiton, which is now based in Australia. The oldest plantations in Belitung are pineapple and pepper plantations, which also began in the same period.

This history of plantations in Belitung is also backed up by Sutanto, the director of company A, who told me that, "The people of Belitung, besides working in mines, have been working in the plantations for generations, so they are already skilled in the occupation." The centre for pineapple and pepper plantations in Belitung is also located in Badau, where this study takes place. The community uses traditional plantation techniques, and Sami, the head of the production division of company B, noted that "Their system of plantation is also traditional, according to what they believe to be the best." It was only in the early 2000s that oil palm plantations began to be developed by several private companies that purchased land from the local community.

Land in Belitung is rich in both mineral and plantation reserves, as well as resources from the seas. Most people's livelihood is dependent on these natural resources. Syakur, the head of Badau Village, argued that "they believe in the wealth of nature."

Kaolin mining in Belitung started in 1950, and kaolin is one of the oldest non-mineral mined resources in Belitung, second only to tin mining. Usy, the head of the business section of Belitung Mining Office, stated:

Mining of non-metals, especially kaolin, began in the mid-1950s, using simple tools implements such as hoes, firewood, water and sunlight for drying. Kaolin mining was pioneered by the Chinese, and the first company operating in Belitung is PT Aneka Kaolin Utama, which is still in operation. Kaolin is the first non-metal mineral to be mined.

As with plantation work, kaolin processing techniques have been passed down by previous generations. Rahadian, a mine worker in company A, said that "It was my parents who taught
me mining and the only skills I have are mining and planting." Even today, all kaolin mining companies continue to use traditional equipment, and employ sunlight for the drying process.

The people of Belitung, especially in Badau, depend on mining and planting for their livelihood. In fact, Jazi, a mine worker in company A, also emphasised, "I have a plot of pepper and rubber, about 3000m². The pepper yield can reach hundreds of kilograms, even more than one ton, but I can only harvest it once a year. The price is about Rp. 90-100.000 per kg, so I can finance my children’s education to university level." Zuly, a community figure in Badau, commented that "The people of Belitung have a strong character as miners and plantation workers, and they are more comfortable working as miners, instead of entrepreneurs." Even if they were to have an additional income, the jobs that they would do would be limited to shopkeeping, running food stalls and other secondary living needs.

These description of the types of work undertaken in Badau show that community members are still heavily dependent on natural resources existing in the region, whether they are mining or planting. The income generated from these jobs not only meets basic needs, but also other needs, especially education. In many ways, the methods used have not evolved, and people continue to rely on local knowledge that involves dependency on sunlight for drying and water to dissolve kaolin, and they continue to use simple equipment to work. Kaolin mining companies also follow local methods, and if they purchase more advanced equipment, it is simply to speed up production without abandoning the local knowledge of the community.

**Building and Negotiating Corporate-Community Relationships**

Kaolin mining companies operating in Badau Village need permission and support from the community. Companies have to obtain two types of licenses, social license and mining license for commencing their operations in the village. The interest of the community is the main agenda that needs to be fulfilled for obtaining the social license. Therefore, companies need to negotiate and build relations with the community. The companies negotiate with the communities through agents who represent the community; community leaders play the role of community representatives. According to Tris, the director of company B, "the process of social license is not limited only to kaolin mining companies, but applicable to all the companies that are involved any kind of mining activity in any Indonesian province." Syakur, the head of Badau Village also supports this statement and added that "as a village leader it is my responsibility to
negotiate with the company to ensure the interests of our community”. The negotiation process can be performed formally as well as informally.

**The Formal Relationships Between the Kaolin Mining Companies and Their Stakeholders**

The initial work to be done by a kaolin mining company, after finding an area identified as having a good kaolin content, is to obtain a social license from the village head. The village head needs to first conduct a meeting with representatives of the community, usually the community leaders and heads of hamlets. *Sutanto*, the director of company A, admitted that:

> We gained permission by holding a number of meetings with village leaders. From the meetings, we agreed on the expectations of the villagers to be fulfilled by the company, and the company asked for support from the villagers. The agreement included employment and retribution to be paid by the company. These are the important points.

His statement is complemented by a statement by *Usy*, the head of the business section of Belitung Mining Office, who says:

> According to Law No. 4 of 2009, the company should request a permit from the Regional Mining Office and the Regent. However, it needs to first obtain a recommendation from the village head and the officials [heads of hamlets and village figures]. They also have to guarantee that 60-70% of the employees will come from the surrounding village, and then the recommendation goes to the district level, and forwarded to the Regional Mining Office. The office will then create a technical team consisting of the Regional Development Planning Office, Regional Agriculture Office, Regional Forestry Office, Environmental Office, representatives of villages and districts, and mining experts to evaluate the feasibility of the mining potentials and location. The results are summarised and written as a report, returned to the Regional Mining Office, which will forward it to the regent. When it is written clearly, the permit will be given soon. So, there are many parties involved in the process."

From this description, it is clear that the community plays a decisive role in the presence of companies, especially regarding licensing and obtaining permission to operate, as companies must go through several stages to prove their feasibility. In addition, the company is also required to provide jobs, of which 60-70% must be absorbed by the local community. Other obligations to be performed by the company include paying taxes to the local government and paying a levy of two percent to the village head that will be used for village development. Companies are also asked to actively volunteer in any development processes implemented in the village where the mining site is located. *Syakur*, the head of the village, confirmed this as follows, "The company is obliged to pay a levy to the regional government and expected to give donations to every development project in the village."
The issue of licensing requires kaolin mining companies to establish a good relationship with the surrounding community and other stakeholders. These efforts are not only relevant for the issuance of licenses, but also for the implementation process. Usy, the head of the business section of Belitung Mining Office, explained that, "The Regional Mining Office have to monitor the process, doing so every three months, with the assistance of the Environmental Office. The results are utilised for evaluation of the company and improvement whenever needed."

Based on this observation, every company has what is called 'insiders' in the Belitung Mining Office. Usy, for example, assists a great deal in managing tax administration, licensing for export shipment and also in business regulations. At least once every two weeks, representatives of companies report to Usy on various issues.

As I was waiting for my interview with Usy to commence, he was talking to a representative of company A, and I observed that they behaved more like friends rather than official colleagues. Usy, who is originally from Belitung, was very cautious about the interview, especially regarding questions about company activities related to the physical and social environment. However, he managed to answer all questions tactfully.

Besides Usy, Sarmin, the head of the supervision division of the Belitung Mining Office, was also interviewed. He was even more cautious during the interview, and was suspicious of the researcher. He even asked me for my identity document and took a picture of me as a backup in case his opinions were misused, although I had explained the purpose and objectives of this study. Sarmin also avoided questions related to company activities, especially regarding the negative impacts of mining activities. He was very careful in commenting and tended to be very protective of the interests of companies.

Both of kaolin companies, A and B, need to maintain good relations with their stakeholders, especially with local government institutions, namely the head of the village and the Belitung Mining Office. Relationships built by each of the parties here have lasted for a long time and are fundamentally concerned with the operational processes executed by both companies and the authority possessed by the institutions.

Observations conducted by the researcher during the interviews with Usy and Sarmin as representatives of the Belitung Mining Office show that there were indications of mutually
beneficial cronyistic and collusive relations between the mining companies and the local
government institutions. The Belitung Mining Office has a tendency of being 'closed' (visible
from Sarmin’s cautious expression in answering questions and being suspicious of the presence
of the researcher).

The context of the relationship maintained by the kaolin mining companies is related to the
reporting of activities, licensing and other procedures, while the Belitung Mining Office usually
conducts the monitoring and evaluation of activities. This means that there must be a degree of
'compliance' by the kaolin mining companies with regulations and policies established by the
relevant local government institutions. Sutanto, the director of company A, recognised that "We
always maintain good relations with other companies and the mining office, as if it were paternal
relations between father and son. We have to obey them, and generally we ask for opinions or
suggestions from the mining office." What is interesting is the way both by kaolin mining
companies and local government institutions build relationships, which can be formal and
informal.

Based on the observations of the researcher, the level of compliance by companies was limited to
matters related to business activities, and avoided environmental damage as a result of their
business activities, especially reclamation, which is actually a duty of all companies. This duty is
also recognized by Syakur, the head of Badau village, who said that:

   Regarding the physical condition, there are indeed impacts of mining, as we can see
environmental damage. However, there are regulations that oblige companies to perform
reclamation. The reclamation process is part of the relations between companies and the
regional government, represented by the Mining Office.

The Belitung Mining Office, represented by Sarmin as the head of supervision division, also
said the same thing, namely "As far as I know, things have been going well, although for
reclamation, several companies have not fulfilled their obligation. We will still force them to
fulfil their obligation, and there will be a legal process." But until now there has been no action
taken by the local government on the companies who have not begun reclamation.

The Informal Relationships Between the Surrounding Communities and the Kaolin Mining
Companies
The relationship between the community and the kaolin mining companies appears to be
mutually beneficial. Based on observations, both parties try to maintain the relationship well and
are dependent on each other. These observations are supported by the opinions gathered from both the sides. For example, it is apparent from the statement presented by the representatives of the two mining companies located in Badau village, namely Sudarmanto, head of operations division of company A, who said that:

We have good relations, because we maintain good communications with them. Usually we come when we are invited for formal and informal meetings, such as independence day celebrations or village meetings. Whatever the invitation, by the community or institutions, we always honour the invitation.

Herman, the head of the administration division of company B, also added that, "So far we have a good relation with the community. We consider the relation to be important, as the company was founded in Badau, and is a part of the community." Tamani, the head of the personnel division of company A explained the company's position about being a part of the community as follows:

Very important, as the company cannot operate without support from the community. This is not only about workers, but also moral support from the community. Especially since PN Timah ceased operating in Belitung, changing the scene into individual tin mining, kaolin quarries, which use locations close to tin mines, need to maintain good relations with tin miners, who are part of the surrounding communities.

At the same time, for the Badau community, the presence of both of the kaolin mining companies also provides benefits. This is explained by Sali, a community member, who also works in a kaolin dryer facility, who told me, "The relationship is good, as the company has been very helpful in reducing unemployment and providing income. I see that the relationship has been harmonious and without conflict. The company has been attentive to the community." Neti, a community figure, supported this viewpoint and described relations with each other as being mutually beneficial. She did not express dissatisfaction or point to any problems. She added that the company also pays a lot of attention to the welfare of the workers, including paying them well above the minimum wage limit and providing them with health subsidies. Thus it appears that a relationship of mutual need and mutual trust has already been established.

However, based on the observation, the mutually beneficial relationship is caused by the economic motive, especially regarding the provision of jobs by the mining companies, which provide either principal or additional income for residents of Badau, who work for the mining
companies. This fact is reinforced by the role played by community figures, who are also more oriented to meeting basic needs and preventing unemployment.

The most important thing for the two kaolin companies is to strictly adhere to the agreement signed earlier before the recommendation was issued by the head of the village. This was also confirmed by the opinion of Zuly, a community leader in Badau, who stated that "The community also accepts the presence of the companies, in so far they do their work according to the procedures that are decided jointly, and the needs of the surrounding communities are respected." Company A, through Sudarmanto, the head of the operational division, also recognized the importance of maintaining a relationship with the surrounding community. He commented, "It is very important so we can work in peace, and nurturing mutual trust, as in principle, we need each other. Thus we maintain the relations as much as possible." A similar statement was also released by the director of company B, Tris, who emphasised that, "I expect that the community, both workers and others, have a feeling of ownership, and also as an important part of the company, so they develop cooperation with us."

Both companies maintain their relations with the community through monetary donations for activities related to community celebrations as well as for the development and improvement of social facilities in the village. The commitment to contribute financially is clearly stated by Sutanto, Director of company A:

We always strive that the company's presence in Badau is to always improve the livelihood of the people in the village. Thus, we always help provide the needs of the villagers, such as construction of a mosque, Koran study centre, and community activities such as independence day celebrations. The nature of our assistance is voluntary.

Tris, the director of company B, supported this statement, commenting, "We have good relations with them, and we provide them with their needs such as construction of a mosque, and community activities. Usually they come to us to ask for direct help, and we provide the aid in the form of money."

However, almost all initiatives come from the community, which usually produces proposals requesting funding from the company. In general, the company provides financial assistance, while the community does the actual implementation. As stated by Zula, a community figure, "The community takes the initiative by requesting for donations from the company. The
company provides the funds, and the community the work. An example is the Koran education facilities (TPA) which the community manages, and the company funds." However, the company is also very careful in giving donations because usually a proposal must be approved in advance by the village head. Sri, the head of the financial division of company B, confirmed this when he stated, "What is most important is that the proposal is signed by the village head and district head, and we will then be given the contribution directly. Usually the committee will go to the company. In the implementation, there is no direct company involvement."

Interestingly, the amount of the donation is not specified, and there is no demand from the community for specific figures. The village head, Syakur, explained, "Usually for monetary assistance, community members make the request, but the amount is voluntary and the amount is not large, and voluntary in nature, as the company is already obliged to pay a levy to the regional government." Thus, it seems that the community has sufficient understanding regarding this matter.

The most significant involvement of both companies in the community arises in the form of donations to social facilities in the village, whether in the construction or maintenance of mosques, Koran schools, or sports facilities such as a volleyball court or a soccer field. The emphasis on helping religious and social facilities arises because the entire population of Badau is Muslim.

However, the corporations' methods of building informal social relationships with village leaders is similar to the strategies deployed to build relationships with the officials of Belitung Mining Office using both formal and informal approaches. An interesting observation was gleaned when the researcher conducted an interview with Sutanto (the director of company A). During the middle of the interview process, Sutanto received a call from the head of the village. The village head said that he would be travelling out of town and instructed him that if he needed anything he should contact the vice-head. Later, after the talk, Sutanto took an envelope and filled it with an amount of money, and sent one of the workers to deliver the envelope to the head of the village before leaving the office at 4 pm. Smiling, Sutanto glanced at me and said, "The usual stuff, for the village head, because he’s leaving town tomorrow." Sutanto also told me that the village head was a former employee of company A and was one of the model employees, so the
relationship was very relaxed. As a result, no aspect of the administration and management of documents concerning the licensing issues has ever encountered bureaucratic obstacles.

It turns out that the close relationship between the head of the village and the leaders of mining companies is not only limited to company A, but also with Tris, the head of company B. This was apparent when the researcher finished interviewing Tris and he commented that he was about to have lunch with the head of the village. According to Tris, this is a regular occurrence and is done to maintain cordial relations.

In carrying out its work, companies A and B need to build relationship with the workers who are from the surrounding areas. In fact, relations with workers can be said to be the most important kind of relationship because of the formal and daily nature of their relations. Conducive relations will certainly affect the performance of the mining companies.

Almost all employee in the mining companies are locals, so they generally already know each other, and many of them even have family ties. When one or more of them quit working in one mining company, then through word of mouth they will seek employment in other companies around the village. Information about vacancies usually spreads quickly among them and they will also be happy to help one another. As a result, they generally exhibit a high level of collectivism. While vacancies are disseminated through word of mouth, each prospective employee must still fill in a job application. This is corroborated by all mine workers at both companies. Arma, a mine worker in company B, explained that "I applied here because I heard of a job opportunity from a friend, who has already worked here. I wrote an application, and one week later I was called to be an electrician." The same thing was also expressed by Jumi, the head of the mechanical division of company A, who said, "I found out about the employment opportunity from a friend who used to work for Nippindo. I applied to the mechanical department, in accordance to my previous work. I submitted an application and on the following day I was called to work." Not all potential workers who apply are directly accepted. Jazi, a mine worker in company A, reported that "I heard about the employment opportunity from a friend who has worked here. When I was called, there were about 10 persons. It took about one year before I was called to work here, probably the worker quota has already been fulfilled." This shows how the company builds a positive relationship with the people in the surrounding areas and upholds any agreements that are signed before recommendations are issued.
I also observed that the two companies were very careful in the recruitment process, because they have to give priority to the people from Badau. The exception is when they need a certain skill that is not readily available among the villagers, and then they recruit from other villages or districts.

The leaders, managers and workers in both mining companies always maintain cordial relations with others, especially with regard to formal employment. All parties pay attention to their respective rights and obligations. All issues related to employment can be discussed and solved collectively, although the two companies do not have unions. Sami, the head of the production division of company B, admitted that "It is quite good, either vertical or horizontal. I can listen to suggestions from the employees, and I can also deliver suggestions to the superiors easily. Although we don’t have a workers’ union, everything has gone well here." This is also supported by Jumi, the head of the mechanical division of company A, who observed, "I think it is running well, as the climate here is supportive between the workers and also with the superiors. The management is always open for us to talk about any issues, whether issues among workers or issues related to the management. All can be done directly and spontaneously." Workers also give similar responses regarding the employment relationship, as seen in the opinion of Mas, a mine worker in company B, who said that:

I think that in the personal level it is good, the management knows us personally, is willing to mingle and the leader is willing to talk and listen to us, so there is no rigid boundary. When we want to talk to them we can do so directly. Sometimes they even work with us, such as when repairing machinery."

This impression is reinforced by Amri, a mine worker in company A, who also commented that "So far, we have good relations, and there have not been any problems. We have good relations among workers, and also with superiors. They have cared about us, although not all our requests have been fulfilled." However, the researcher observed that the director of company B, Tris, has closer personal relations with the workers in the field, compared to Sutanto, the director of company A, who works more in the office.

The most sensitive issue in the context of employment relationship is the issue of wages, which often leads to conflict and general dissatisfaction, particularly regarding adequate wages for workers. Jazi, a mine worker in company A, explained that "We sometime feel that our wages are inadequate compared to what we have done. We are often regarded as provocateurs if we
request wage increases, so it is better to keep quiet about it. We do get our rights, but often our wages are paid quite late.” However, even then this delay does not transform into open conflict. As Jazi explains, "As long as it is not too delayed, we generally can understand that."

One reason for the lack of conflict is that a sense of brotherhood exists. Arma, a mine worker in company B, explains that "We feel like brothers with the fellow workers; a feeling of being in the same boat. We have never had a conflict with the company." At the same time, the companies feel that the wages given are in accordance with the rules; indeed, the amount of wages paid by both companies exceeded IDR 2 million per month, well above the minimum wage in Bangka Belitung province.

Another important observation I recorded concerns the weak regulations adopted by the companies with respect to the workers and the lack of awareness by almost all workers about the importance of workplace safety and health. This has not been given adequate attention by either party. While the accident rate is still relatively low, the slippery work environment and the impact of kaolin dust will sooner or later affect safety and health. Even Muli, a mine worker in company B, refuses to use safety and health equipment because, according to him, "I have worked for 12 years and I am still healthy; there has been no suggestions for us to wear masks."

The use of safety equipment and attention to health is very important. Usy, the head of the business division of Belitung Mining Office, stated that:

We always try to remind the company. However, we also note that the community members tend to be unwilling to wear such equipment. I think that kaolin dust can affect health, although as for now no one has suffered from respiratory infections. So, we and the company need to give more emphasis on OSH, so the workers will change their behaviour.

This reluctance exists despite the fact that several workers are aware of the importance of the use of health and safety equipment, as disclosed by Rahadian, a mine worker in company A:

It is absolutely necessary, for example, when working in the filtering section, in which the floor is slippery, it is necessary to wear boots. In the grinding section, masks and gloves are necessary due to the amount of kaolin dust, which can negatively affect the respiratory system. So it depends in which section a person works, but equipment such as boots, masks, gloves and helmets have to be worn at work. The company only provides masks on a daily basis.
However, the companies rejected the notion that they have been negligent in warning workers about safety and health. Sutanto, the director of company A, contends that "We always remind them to prevent mishaps by putting occupational safety boards." This indicates that companies do not undertake efforts that would involve additional expenses for them. They do not, therefore, try to increase the level of consciousness of the employees. Even though several workers are aware of the importance of using safety equipment they do not insist that the companies to provide them.

Aside from supporting employees through generous employee benefits, companies also support the communities in the form of grants. Company B has so far been only involved in giving aid, while company A, in addition to providing financial assistance, also runs a capacity building program.

Company A has provided an opportunity for people who have the capital and land to open kaolin dryer facilities, with the aim of providing additional skills, expanding employment and giving income benefits to the owner of the drying place. Sutanto, the director of company A, explained: "We began with an invitation for them to become involved in the drying activity done by our targeted community members. We provide understanding on the benefits of building drying place. We also involve the village head."

Several persons with access to capital and land responded positively to the offer. Hendi, an owner of a dryer facility, stated that:

At the beginning, the offer came from company A, and I responded to the offer. The company wanted to provide a wider employment for the community, and also increase their production capacity. So, the initiative came from the company. I have done this for more than 3 years. This business has given benefit not only in the form of profits for me, but also for the community, as it provides employment and additional skills. Company A does the marketing, and I only assist them in the production process. We are also helped by company A in obtaining machineries and materials, so we only provide the land and buildings."

Amor, another dryer facility owner, expressed a similar opinion, saying that "I own this dryer to help increase community income, and they have no problems, in fact they have been very helpful. They have helped in construction of the facility, and in the day to day running of the process."
The drying process itself is part of the processing of kaolin. It is offered by both companies to members of the village because it is not capital intensive and it can be absorbed by additional labour force outside the company. Therefore company A provides training to community members who want to establish a kaolin drying businesses. Sutanto, the director of company A, confirmed this as follows, "After they understand and are willing to be involved, we provide them with occupational training such as making trays and pans used for drying and using and maintaining all of it. We will also provide machineries and understanding the level of kaolin dryness we want."

Based on the observations of the researcher, the response from the community members has been quite positive, although not many were involved. Generally, workers in these drying establishments obtain their main livelihood from farming, and they spend time at the drying business after the completion of planting, so the kaolin work does not interfere with their existing plantation work.

Training provided by company A primarily aims to provide additional knowledge for workers and does not take a long time. Sali, who works at a drying facility owned by Hen, said "From company A, I got a three-day training, and obtained quite a large amount of knowledge, which is appropriate to my job description now." Wari, who also works in the same drying business, expressed a similar opinion that "We were taught by company A, from which we got additional skills and knowledge, including for kaolin drying."

However, the additional skills given are limited to the processing and drying of kaolin only, and increase capacity of community only for the benefit of the kaolin companies. The skills provided are in the interests of the company. The relationship established between the two companies with the owners of the drying businesses have been positive. However, the continuity of the business is also highly dependent on the sustainability of the mining operations undertaken by both companies. Therefore, for the people of Badau, there is no guarantee of sustainability of development when the two companies cease operations or the operations' expiration date is met as stipulated in their contracts.

Figure 6 shows the relationships between Badau community, the kaolin mining companies and the Belitung Mining Office. The role of the head of the village is important as he acts as the
center point connecting all of the relationships between the parties. The head of the village plays a significant role in determining both the social and mining licenses. The companies provide an opportunity for the community members with land as well as capital to open kaolin drying facilities. This helps the community by reducing unemployment and also providing an opportunity to increase their income. The relationship between the Belitung Mining Office and the community is more concerned with surveillance as the community can monitor the activities of the mining companies and report any unethical practices to the Belitung Mining Office. This relationship is illustrated with a dotted line because of its unofficial nature.

**Figure 6: The Relationships (Parani, 2016)**

1: The process of obtaining a social license  
2: The process of obtaining a mining license  
3: The monitoring and evaluating processes  
4: The process of empowering the community

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**Summary of the Research Findings**

Relations between the Badau community, represented by the village head and religious leaders, and the kaolin mining companies, exhibit relatively few problems. Similarly, relations between the kaolin mining companies and the Belitung Mining Office are also positive. This is due to the ability of the kaolin mining companies to develop and maintain relationships with village elites, such as the village head, religious leaders and other influential people. The kaolin mining
companies are also able to understand the cultural characteristics of the Badau community, especially in terms of their livelihood and knowledge.

Nevertheless, the positive relations does not push the development process within the community. This is apparent in the capacity building program undertaken by company A, which facilitates the establishment of kaolin dryer facilities, and which is only likely to have a positive impact on company profit and also for the owners of the facilities. The program also has low participation rates by community members because it is limited to people who have capital and because company A does not put sufficient effort into making community members aware of the process. Moreover, the training provided only dealt with the kaolin drying process, and did not provide additional skills and capacity for the community members. The findings discussed in this chapter are analysed in depth in next chapter.
Chapter Six: Discussion

Introduction
This chapter analyses the results of the study discussed in the previous chapter. This chapter is structured according to the following themes: The Role of Religion in Building Relations Between the Companies and the Community; Negotiations Between the Companies and Badau Community and Relations with Belitung Mining Office on Permits; Local Knowledge and Working Time Arrangements of the Companies; and The Process of Community Capacity Building and Participation in Badau Village Community. The main reason for dividing this chapter into four sections is to discuss each question in depth and to provide distinct answers to them. This will also provide a clear understanding of the main problem that is emphasised in this study.

Culture and Religion Underpin Company-Community Relationships
This research found that social relations formed among community members in Badau village are very close and that they are strongly determined by the following factors: a relatively low population density, low occupational diversification, a strong role and influence of religion and its centrality to activities undertaken by members of the community, and a strong sense of collectiveness among community members. Of all these, however, the most influential aspect in determining the strength of the relations in Badau community is religion. The entire community of Badau follows Islam. As a result, Islamic religious leaders play a central role, especially in the decision-making processes concerning the interests of Badau village.

Religion provides an important basis for the establishment of the character of the community. It therefore plays an important role in the dynamics of social life, especially in the context of social relations. According to Deneulin and Rakodi (2011), religion is an institutionalized system of beliefs that unites a group of people. It is not based on their individual spiritual beliefs, but around social practices that are detached socially and historically. From this definition it appears that religion plays an important role in influencing the attitudes and behaviours of followers.

Islamic values are imparted among people from an early age through Koran education facilities in the neighbourhoods. Every hamlet in the village has more than one Koran education facility, so it is easy for every citizen to have their children learn about their religion. This is the culture...
of the community and has become a habit and a responsibility of every parent towards their children. The fact that Islamic values are very important in the formation of character of the Badau community, introduced at an early age, is clearly stated by Sumi, the wife of a miner in company A, who said that "Mosque and Koran education facilities are important here, not only for worship but also for education of children and meeting place for community members to catch up." Islamic values underlie the social life of the Badau community, and act as a fundamental guideline for establishing basic laws and regulating the behaviour of each member of the community.

The research also found that, besides Islamic religious education from an early age, obedience and discipline in following Islam are also apparent in the habit of worshipping and the large number of facilities such as musholases and mosques in the village. In general, the people of Badau are very obedient and disciplined in their five times daily prayers, whether they are at work or at home. At work, worship facilities are provided for employees to perform their prayers. It is also a form of responsibility of a company to its employees, and was observed in the two kaolin mining companies.

The strength of the character formation of the Badau community, in terms of behaviour, social interaction and efforts to mutually cultivate a sense of friendship, is inseparable from the role of Islam, which is implemented by the religious leaders or institutions, such as through Koran education facilities and religious teaching conducted in the mosques. The influence of religion in forming a close family relationship appears not only in Badau village, but also in the whole society of Belitung. Elis, head of administration of company A illustrates this situation "In Belitung, everyone is like a family member, with the people from the same village or from other villages and we are educated by our religion to give respect to each other." Islam provides an understanding of the meaning and purpose of life in order to create tranquillity.

Even though this study did not utilize gender analysis, it is worth to mention the strategic role women holds in the development of the Badau community as demonstrated by answers given by the female respondents. Being an entirely muslim population, the Badau villagers did display to employ a male-dominated decision-making body in their social life. Women are assigned as housewives, or if they do work outside of the home, the highest job level is administrative position. The community also did employ muslim teaching in the formal and non-formal
education of children. Although seemingly placing women as secondary to the running of the community, these conditions, however, do not negate the importance of women's role in the community. This is because women hold the control over education of children and their future prospects, which will then diversify the options these children have for their occupation and increase the family income.

This contention is supported by a statement from Neti, a teacher who is regarded in the community as one of the female figures of Badau that "By working in the mines, many families can afford to educate their children to higher levels, and it can be seen that all children in Badau go to school. It is expected that these children will finish high school as well." It is important to note that the women of Badau are informed of the unsustainable nature of kaolin mining. Their understanding of this shaped their outlook towards education. It is believed that having their children complete higher education will provide them with greater opportunity to work in other fields aside from mining and plantation. Thus, this view places education as integral to the families' attainment of financial betterment, which at large will further develop the Badau community.

Social cohesion among Badau community members is the key to the creation of a positive social network based on their religious identity. Islam is the ‘glue’ of all social activities. According to Lim and Putnam (2010), the social networks that are formed due to their affinity to religion will influence the individual in their understanding of meaning and purpose of life and will lead to self-development. Nevertheless, development in the community is still viewed only in terms of religious facilities, and has not touched on the overall development of public and social facilities that are needed by the community. This is due to the perspective of community, which places a high value on the construction of religious facilities compared to the construction of other facilities.

Given that Islam is the religion professed by the whole community, and the level of compliance of individuals in Badau is very high, the development and provision of social amenities, in this case mosques, musholas and Koran education facilities, is a top priority for most companies, including kaolin mining companies. Priority is also given to donations to fund the celebration of Islamic religious holidays such as Eid, as well as regional and national cultural days such as Meras Tahun and Independence Day.
Alms-giving is one of the values of Islam. Participation in the form of donations or in the form of volunteering, especially in conducting religious and cultural activities, has become a habit in the Badau community. Von der Mehden’s research (1980) showed that, in several Southeast Asian countries with a Muslim majority, there is a belief that the richer a person is, the higher the expectation that they will donate their property for religious causes. Even in relation to Islam, Von der Mehden (1980, p. 548) states that "this is because there is a pressure on people to utilize their wealth for religious purposes in Islam as feasts, ceremonials, alms and buildings." In fact, Islam also teaches followers to have a habit of saving, not only to help others and to contribute to the construction of the worship facilities, but also to perform the Hajj. This philosophy of life is also embraced by the entire community in Badau.

Islam plays an important role in the Badau community, not only as a mould for the character and the basis of conduct for members of the community, but also as a binder and a driver of the community's sense of collectiveness. The Badau community is comprised not only of indigenous peoples, but also of migrants who also Islam, which guarantees the tranquillity of life for the villagers. Conflicts between community members are rarely found. Therefore, everything related to the social needs of Islam in the form of celebrations or construction of religious or social facilities has always been a priority for the villagers.

The values of Islam and the role of religious leaders also strengthen the relationship between mining companies (A and B) and the Badau community. This condition makes the relationship created since the colonial era in the 17th century to the present tending to be low in terms of conflict. The working relationship that is created is always based on mutual dependence. Although the companies receive more profit from the relationship, the Badau community still feels that the presence of the company is still needed, especially to create jobs and provide income.

Islam is also the basis for the formation of social capital in the community because it can foster trust and create a social connection with the villagers. Civic engagement in the form of involvement and participation are instrumental in the development of the village, although so far it has been limited to needs oriented towards religion. Residents are highly enthusiastic to participate in activities associated with the construction of religious facilities, because they feel that this is an effort to develop religion and glorify God, but they are less enthusiastic in the
construction of social facilities such as schools and hospitals/clinics, even though these facilities were lacking in the village.

The findings of this research also indicated that the involvement of local religious leaders plays a major role in encouraging not only community participation, but also company participation in the form of contributing funds. Their participation is evident during religious celebrations and regional and national cultural feast days, which generally involve fund-raising and other means of involvement in the celebration of these events. The role of religious leaders has been clearly recognised by Zuly, a prominent Islamic religious and community leader in Badau, who explained that

I am often visited by people who have problems to be asked for my advice, usually about family problems. Usually I give advices based on Islamic values. But sometimes the residents come to me when they are need of funding both for feasts and customary celebrations, or sometimes also to repair roads or mosques. Usually I try to ask for these funds from mining companies around the village.

In addition, the mining companies do not hesitate to give donations, although in practice the companies are only involved as guests in the events. Religious leaders are regarded by the companies as important actors due to their interactions with the community as a whole, especially when concerning the interests of the companies. Therefore everything connected with religion, which in this case refers to Islam, whether in the form of social facilities such as the construction of houses of worship and Koran education facilities, or concerning individual relations with religious leaders, is important for the agendas of the mining companies.

This indicates that religious leaders play an important role in the development process, especially in creating awareness of the importance of development to producing progress. Deneulin and Rakodi (2011) explain that, according to religious groups, the study of development needs to be related to the interpretation of the public who believe that economic and social progress, including politics, should be based on their belief system. Values existing in the belief held by the public will be integrated in the form of ideas and thoughts about development.

Religious leaders encourage the participation of community members not only in spiritual and social activities, but also in development activities. They can be regarded as important agents of change because they have the greatest understanding of the values existing in a society. There is
a high level of consensus in the Badau community that everything taught by religious leaders is basically good and right, and therefore needs to be obeyed and followed. Rakodi (2012, p. 644) also asserts:

Because the teaching of all religions suggest principles for the right ordering of society (relating to, for example, social justice, the family, and the gender relations), they embody ideas about what characteristics a good society should have, what development aims should be, and how best to achieve change. Sometimes the principles and social rules derived from the teachings fit with mainstream ideas about development. In other words, religious leaders play the function of agents, especially in orienting the community toward change. Onyx and Bullen (2000, p. 29) define agency "as the capacity and ability of the individual in planning and initiating action." In this context, Badau religious leaders play a highly significant role in engaging the participation of citizens, especially in the construction of religious facilities, and other community members already place a great deal of trust in religious leaders. Potapchuck (1991) also emphasises the importance of the involvement of religious leaders as representatives of the community in providing awareness to the community, especially regarding participation in development. The Badau community has generally upheld the notion that any initiatives coming from religious leaders will bring changes, especially in terms of the development of Islam in the village.

However, Von der Mehden (1980) found that, in an attempt to protect themselves as well as their faith, religious leaders often become the bulwark for traditional values. Therefore, it is no wonder that they are threatened by modernization as there are wide range of factors that will challenge their interpretation and practice of Islam. This is a reality that is still commonly found in developing countries, coupled with the idea of secular groups who are often opposed to the traditional mindset that always puts religion as central in life. Rakodi (2012) also recognised that in communities there are often conflicts between secular and religious groups with respect to their views about the value and direction of development. However, Rakodi (2012) still has a positive view of religious groups in the context of development, in which he argues that although religion is mostly socially conservative, we should not assume that all religious actors oppose change.

Von der Mehden (1980) also argues that not only do traditional Muslim groups often hinder the process of change, but also that Islamic educational institutions fail to recognise the significance
of change in society. These groups also receive external pressure to put forth modernisation, which they are not open towards. However, these arguments are contradicted by Pernani (2011), in her research on Islamic organisations in Indonesia. She found that the role played by pesantren (Islamic boarding schools) as religious as well as educational institutions is to teach and spread Islamic values that underlie people's lives. Furthermore, religion encourages the involvement and participation of community members in development. Therefore the presence of boarding schools provides many benefits to the surrounding community and this shows a very strong relationship between religion and development in Indonesia.

Within the spectrum of arguments on Islamic religious education being against development as put forth by Von der Mehden (1980), or for development as found by Pernani (2011), the findings of this study in Badau village neither contradict nor prove both camps. The findings of this study present that neither extremities are apparent in the practice of Badau village, but rather that Badau village rests at a middle ground between these two opposing arguments. The teaching of Islam in the village is not specifically directed at a development context that leads to modernization, although it also does not reject an understanding of social change. Religious leaders and teachers of Islam in the village do not attempt to bridge the values of Islam and the importance of social change to promote development. The teaching of Islam in the village tends only to strengthen the presence of Islam as the sole religion professed by the community.

Islam, which is embraced by the entire community of Badau, establishes basic values in residents' lives and acts as a guideline for every member of society. This is why the approach taken by kaolin mining companies through community relations practitioners towards the community starts from understanding the values existing in the community, approaching religious leaders who also act as informal leaders, as well as trying to fulfil the needs for social facilities, especially concerning religion both in terms of physical development and funding.

This occurs as a part of the efforts of religious leaders to obtain complete trust so that they can represent the interests of the community, and also to enable them to create a pattern of dependency. The condition of Badau village, in which all citizens embrace Islam, also indirectly strengthens the role of religious leaders. This role distinguishes the social status of religious leaders compared to other villagers.
Islamic values underlying Badau community life are essential factors that need to be understood by kaolin mining companies operating in the region. One important point relating to this is that the benefits of development should be perceivable by the local community, and that there is a need to guarantee equality for all members. As Ragab (1980) asserts, the religious requirement for such institutions is to develop the community according to the guidance of certain general principles that will guarantee justice for everyone. In reality it is difficult to provide equal justice for all members of the community, however it is important that the benefit of change needs to be felt in a positive way by all the members. This has led to the creation of high social stability in Badau, where all members felt that positive changes had occurred, despite still not reaching the modern stage.

Both kaolin mining companies, A and B, are already very familiar with the character of the Badau community. Hence both companies are trying to meet the needs of the community, both in terms of religious and social activities, as well as establishing relations with the religious leaders by giving alms, donations for local and national celebrations, and contributing to the construction of social facilities as a form of social responsibility.

Religious leaders are considered to be the primary figures with the ability to act as a liaison between the companies and the community in addition to the village head. They usually participate during meetings between the company and other community representatives to discuss important matters that may affect the company’s or community's interests. The use of religious leaders for liaison is deemed important by the kaolin mining companies, not only for the process of socialization, but also to diminish conflicts with the community.

Religious leaders have gained the full confidence of the community in dealing with the companies, especially in the form of application for financial aid for the construction of social facilities such as mosques and Koran education facilities. Usually religious leaders in Badau village only provide signatures as a form of recognition for any request for financial aid. Religious leaders play an important role in the construction of social religious facilities, such as mosques and Koran education facilities. In addition, their role is very important in maintaining social stability, especially in preventing conflict.
The central role held by religious leaders, especially in applying for funding for the construction of religious facilities and channelling funds, provides them with additional authority, especially in terms of financial management for funds provided to the villagers. The process of financial management is very weak in terms of supervision because the citizens completely trust the religious leaders. In addition, villagers face limitations in terms of capacity and ability to oversee finances. A result of this weak oversight is the emergence of inequalities in economic status between religious leaders and the citizens in general.

The Badau community and kaolin mining companies therefore bestow religious leaders with a dominant and central role and a substantial amount of trust. This could potentially prove useful for the development of education in the village. The management of funds obtained from kaolin mining companies could presumably also be directed not only towards religious purposes, but also towards other interests and social needs. However, religious leaders tend not to work to meet the community's needs for formal education and health facilities. This is evident in the very limited number of schools and the lack of medical facilities available in Badau.

Islamic values are deeply rooted in the life of the Badau community and it should be recognised that they provide a substantial amount of positive value, especially in the context of social relations and social physical development of a religious nature. However, this has not improved the overall welfare of the community, because the goal of development is limited to the construction of religious facilities. Other social facilities, such as formal schools and markets that could lead to progress and well-being, are still lacking. Formal education facilities in Badau are limited to the high school level, and there is only one of those; there are no colleges or other higher education facilities. In addition, trading activity is also very low, considering that there is only one marketplace and that it operates only on certain days. Health facilities, such as clinics or hospitals, are virtually non-existent, and inhabitants must travel to Buluh Tumbang district, located about 10 km from the Badau village centre, for treatment. This situation indicates inequality in the development of the Badau community, which can be said to be religiously advanced, but has not improved the way in which individuals view and experience progress.

According to Deneulin and Rakodi (2011), religion is integral to social, economic and political life as it shapes people's values, that is, their perception of what is valuable and worthwhile. This leads some people to attach too much importance to religion. Wilber and Jameson (1980)
also acknowledge that development should be based on people's values and fully integrated into their thinking. Based on these two statements, it is clear that the process of community development should be based on values that exist in the community, and in this case, 'values' refers primarily to religion.

Although the social role of religious leaders can facilitate the creation of high levels of social stability and the fulfilment of the need for social and religious facilities, in fact, in the implementation, religious leaders tend to prioritise the interests of mining companies rather than the interests of the community. The construction of religious facilities is more of an attempt to create a positive image of religious leaders and to obtain sympathy from the community. In fact, the number of religious facilities available in the village exceeds the needs of the community. This occurs as a form of strategy used by religious leaders to gain trust from the community and bestow them with a respectable social status.

The success of religious leaders in creating social stability also provides assurance for mining companies to continue the mining process and the production of kaolin. This is the expectation of the company as well. Syakur, the village head of Badau, also admitted about his function, which has benefited the needs of mining companies, stating clearly that "I help mining companies here, especially in terms of licensing and also in relation to the citizens." The company therefore considers it important to maintain this relationship through community relations practitioners working for the company. The companies attempt to meet the needs of religious leaders, especially in financial terms, and this is visible from the economic and social status of the religious leaders, which are different from that of the other residents.

The religious leaders do not fully act as agents representing the Badau community because they have close relations with the kaolin mining companies. Even in terms of interests, religious leaders seem to have more commonalities with the companies. Social stability is used as an excuse to bridge the relations between the companies and the community, and to open up opportunities to gain personal benefit, rather than making changes for community development.

In the entirely muslim Badau community, religious values are fundamental to their everyday life. Awareness of this is used by the companies as a key point to gain the community's approval. In order to establish a good relationship with the community, the companies have to approach the
religious leaders who have direct influence on the people. In this context, religion does not work as a mechanism of control where the religious system is used by the companies to dictate the villagers' action. Religion is treated as a **gateway** by the companies; which led the relations built with the community—either with the religious leaders, village head or informal village leaders—merely serve the company's business purposes, and not in the context of community development. This is demonstrated in how the development programs provided by the companies are only mosque construction and Koran education facilities.

The role of religious leaders as mediator between the Badau community and the kaolin mining companies is represented in Figure 7. The needs and the interests of the companies as well as those of the communities are mediated through the religious leaders. The religious leaders take advantage of their mediating role to request donations to improve religious facilities. In certain instances, this also extends to gaining benefits for their personal interests.

![Figure 7: The Role of Religion in Building Relationships (Parani, 2016)](image)

In Figure 7 it is clear that the role of religious leaders is crucial, especially in bridging the interests/needs of the Badau community and the mining companies. The role of religious leaders is indispensable to the community, because the entire population is Muslim, and they put trust to
the leaders. Similarly, companies A and B were very understanding about this, and used their financial power to provide donations to the community and also 'maintain' good relations with religious leaders, especially in securing its interests.

This study's remark on the Badau community religious leaders' positioning is one of self interest. Although it is theoretically sound to have the religious leaders act as an agent of the community to represent their interest when facing the company, in the Badau context this did not occur. In the effort to attain benefit from the companies on behalf of the community, the decisions made by religious leaders of Badau were not necessarily based on creating social development, but merely to promote religious teaching for the religious leaders themselves to gain social standing in the community. By doing so, the religious leaders disregarded the actual needs of the community in the attempt to accumulate personal wealth, and the development they achieved was of superficial nature. In the end, the religious leaders' actions were not done for the sake of the community, but rather for personal interest. And in attaining so, the religious leaders acted on behalf of the companies because they have the power in terms of access to financial resource.

**Negotiating Processes and Power Relationships: Obtainment of Permits**

As I have explained, kaolin mining companies, before starting their businesses, must obtain permission from the Badau village community, known as a social license, related to the mining location, in addition to the formal mining license from the Belitung Mining Office. This process occurs in stages, beginning from creating relations with the community, negotiating, and ending with the agreement for the location permit, which is a requirement from the village community through its representatives. This stage is also required before going to the next stage, namely obtaining permits from the Belitung Mining Office. The next stage after obtaining community approval is filing for a mining license. This stage demands that the companies deal with formal governmental institutions and also requires kaolin mining companies to go through formal procedures (O'Callaghan 2010).

The first step taken by the companies is to search for locations with potential for kaolin content. In general, every company has at least one mining expert who works closely with community members to find kaolin deposits, which are usually located close to former tin mining sites. After locating these deposits, they drill the soil to about 10-20 meters deep to ensure the kaolin content
is in the location. The next step is to purchase the land, and after agreements have been reached and before exploitation begins, the companies have to negotiate with parties representing the interests of the Badau community, namely the village head, religious leaders and village elders or informal leaders.

This study found that the negotiation process generally proceeds without any major issues, under the tutelage of the village head. There is usually more than one meeting in which the company clearly states its intent and the purpose of kaolin mining in the village, and when the community representatives give their approval, they also clearly state their demands. Everything must be clearly stated by both parties in the negotiation process.

Usually the demands presented by the community's representatives include employment, with about 70-80% of employees expected to come from surrounding communities to provide increased income for community members; the obligation of the company to pay an annual levy of 2% of the total profit for social development and public facilities; the company's commitment to participate in celebrations of cultural and national holidays; and the company's obligation to perform reclamation after completion of mining activities. Sudarmanto, the head of mining of company A, emphasised, "About 2% of all profits are donated to the community for regional development and the funds are collected by the Mining Office, which allocates them to the projects." On the other hand, the company also has its own demands, namely that labour absorbed from the community must have at least a high school or equivalent education, and the company expects the community to provide positive support for the existence of the company. Hill and Jones (1992) have also emphasised the two-way nature of the exchange process, explaining that the local communities provide the location and sometimes even favourable tax benefits to the firm with an expectation that their corporate citizenship enhances their quality of life.

The demands put forward by each of the parties must expressly provide restrictions that must be adhered to and not to be violated. Therefore, the contents of the letter of agreement must contain clear and detailed obligations and responsibilities that have been mandated and must be executed. The village head needs witnesses and signs the agreement by both parties. O'Callaghan (2010) has listed several steps in obtaining licenses, in which the first stage is that the agreement should include a clear set of objectives that are mandatory and the company also
possesses the ability to implement these objectives. Therefore, it appears that the main purpose of building relations between the kaolin mining companies and the religious leaders is the corporate interest to preserve the social license in order to maintain business operations. The steps in stage one of obtaining the social license is illustrated in Figure 8.

![Figure 8: The Process of Obtaining a Social License (Parani, 2016)](image)

Figure 8 illustrates that the negotiation process to produce a social license to conduct mining exploration should be attended by representatives of the communities: village chief, community figures and religious leaders; as well as representatives of the company consisting of: directors/community relations practitioners and the company's head of mining. In the process of negotiation, the power is ideally held by representatives of the community because they have the right to approve or reject the companies' proposal to conduct kaolin exploration. In reality, the negotiation process is not complicated because the company dominates and decisions tend to approve giving the social license to the company. Therefore, the above figure is only treated as procedural steps by the companies to gain social license, which is an easily-obtained written
paper certificate, and the standing that the community representatives have in this negotiation process is artificial.

Company A and company B, as well as other kaolin mining companies in Badau, need to obtain agreement from the community as the first step, and then obtain a mining permit (stage two, shown in Figure 9) issued by the Belitung Mining Office. This is because mining companies are required to seek permits separately during each phase of mining process, and also because the mining permit holders are entrusted with the responsibility of ensuring the development of community in the areas that are adjacent to the mine site (O’Callaghan 2010). Another interesting point is the requirement for mining companies that have obtained a mining permit to perform community development in the surrounding community, which is intended to create progress and sustainability of livelihoods.

The letter of agreement must be signed by both parties, namely the village head and the mining company, and lay out the rights and obligations as well as the role played by each party and the objectives to be achieved. Sutanto, the director of company A, explains how relations can be carried out smoothly and interdependently, stating that "From the meetings, we agreed on the expectation of the villagers to be fulfilled by the company, and the company asked for support from the villagers. The agreement included employment and retribution to be paid by the company." Then, the village head must write a recommendation attached to the signed letter of agreement to be submitted to the head of the permits department of Belitung Mining Office.

The concept of rights is important for the community because it concerns everything that can provide advantages, comfort and convenience for the community in connection with the signing of the letter of agreement. According to Johnson and Forsyth (2002, p. 1592), rights are defined as "a claim for their benefit such as education, healthcare freedom which either the authority of the states or regions have agreed to uphold and the ability of the community to negotiate their rights is also highly dependent on their ability to claim." This understanding of rights concerns universal values and is not limited to one particular area. Therefore these benefits must be felt by all the members of Badau community.

In practice, it should be recognised that the ease of achieving deals and agreements is largely brought about by the positive relations that already existed between the company's management
and the village's formal and informal leaders. Both parties seem to be mutually dependent, with kaolin mining companies depending on the village head for issues such as licensing and bureaucratic relations (cronyism) with the local government institution. The process of gaining the mining license in Figure 9 shows how mining companies give recommendation letter to the Belitung Mining Office, containing the written social license granted from the community to conduct mining (1) and then Belitung Mining Office formed a technical task-force team to perform due diligence (2). After getting the results, the technical task-force team reported back to Belitung Mining Office as basis for issuing the mining license (3), which is generally not too difficult for mining companies to obtain (4) because they usually have an 'insider' to simplify the process (cronyism). After getting permission to mine, then the mining companies recruit workers from the Badau community before starting the process of mining (5).

This study's concluding outlook on the village head's agency is that their role is only to convince other leaders to be involved in the negotiation process. The intention is for these leaders to act as representative of the community when facing the companies, although in actuality, the action is merely a superficial agency. This places the village head's positioning as similar to the religious leaders where they are representing community interest in theory, yet in actuality, the interest being fulfilled is the companies', and the village head receives financial gain in this engagement.
Kaolin mining companies provide financial assistance, not only for the development of social and public facilities in the village, but also in the form of donations to other existing community activities. Neti, a teacher and community leader, explained to me that "The companies also actively participate in each event held by the community, by building mosques, providing donations, materials or in the events, such as Independence Day celebration, Meras Tahun etc." Donations are usually given through the village head, who will allocate and distribute them to community members in need.

During the negotiations that occurs between the community and the kaolin mining companies, a process of exchange appears. The exchange process should bring out the interdependent and mutually beneficial nature of the relations; however, one of the parties will generally continue to dominate.

**Power Relations in the Badau Mining Context**

As a result of this exchange process, one or more actors/parties will be placed in a higher position than the other actors. This creates a power imbalance, due to efforts to control, influence and maintain the relationship and achieve the objectives of the respective actors involved. As Rabinow (1997, pp. 291-2) notes:

> In human relationships, whether they involve verbal communication such as we are engaged in at this moment, or institutional, or economic relationship, power is always present: I mean a relationship in which one person tries to control the conduct of the other...and these power relations are mobile, they can be modified, they are not fixed once and for all.

A scholarly understanding of power generally focuses on the dominance of one actor over other actors, as constituted by an imbalance of resources, so that the relationships formed tend to be asymmetrical. Serrano-Garcia (1994) defines power as a social relationship that is characterized by the presence of two individuals, who are in a historically asymmetrical material base and are in conflict with each other over who controls or covets resources.

In the context of Badau village, at the beginning of the negotiation process, the relations between the companies and the village representatives seems to be imbalanced, with the village appearing to be more dominant, especially in filing demands and requests to increase the prosperity of the village as well as corporate responsibility towards the natural environment. In reality, however, because the kaolin mining companies have a strong financial capability in providing and
fulfilling the needs of the villagers, in the end the kaolin mining companies become more dominant.

Community leaders and community relations practitioners representing kaolin mining companies in the negotiation process are unlikely to bargain for the interests and agendas of the community, and seem to reach agreements easily. This is because community leaders place more emphasis on the provision of funds for the construction of religious facilities in the village, compared to other issues related to community development. Community leaders, as agents who represent the community, often fail to defend the interests of the community.

The ownership of power can never be said to be balanced because of the context of relations, in which kaolin mining companies have greater control over sources of power. This is apparent from the ease in obtaining a social license, since community leaders who should represent interests of the community and the environment can be influenced by the company and reach agreements easily. It was observed during the field study that the head of Badau village received money for his travel expenses, which the director of Company A described as usual practice. The community leader also happened to be a former employee of the company, which assists them in the negotiation process. The community leader therefore appeared to be 'friendlier' with the company than with the community. This was observed during the interview process with the director of Company A, who was willing to support the community leaders financially on regular basis. In the context of the Badau community, community leaders, who should act as agents representing the community's interests, in fact act to the contrary; they tend to perform actions that are under the control of the mining companies.

The influence of the company’s power, especially in financial matters, plays an important role in controlling community leaders. Shapiro (2005) describes this agency relationship in two ways, namely as a kind of activity performed by the agent in the form of 'acting for', and direction and supervision carried out by the principal. In this context, Badau community as a principal already hands full authorization to their leaders due to their trust. This leads the community to not have any directive control over the practices done on the leaders' part.

The opposite appears to be true when considering the roles and strategies undertaken by community relations practitioners representing the interests of companies, since they can easily
identify key community figures, who can be directed later according to the needs and interests of the companies. This approach tends not to be oppressive; rather, it takes place through meetings in which each party is represented.

The strategies implemented by community relations practitioners to facilitate the negotiation processes are generally amenable to community representatives. Shilling (1992) states that the ability of agents to build relationships is influenced by three factors: capability, knowledgeability and motivation. Capability refers to the capacity of individuals in relation to utilising power; knowledgeability refers to the knowledge of human agents in understanding the social and cultural system in the society, in order to facilitate agreements; and motivation refers to the attempts of the agents to develop consciousness of relevant parties in participating to create change.

Community relations practitioners as agents have the capability to approach both community leaders and the community in general through the use of appropriate language and an ethical and courteous delivery process. Similarly, they possess high level of knowledge as well as a strong motivation to advance the company. This increases the power of community practitioners, which facilitates the task of engagement. These three factors reflect the power of community relations practitioners’ ability to reach and persuade communities.

In other words, this study summarizes that the utilization of capability, knowledgeability and motivation is a determining factor for the companies to gain community confidence. These skills are not possessed by the community representatives namely the leaders because they do not have access to such resource. In addition, the community relies on the companies to provide them with funding. Therefore, their condition places the companies as superior in terms of the power being held.

Sutanto, as the director of company A, also plays a role as community relations practitioner who represents company A in approaching the community. This role could be played well by Sutanto, because Syakur, the village head of Badau, is a former employee of company A. Clearly Sutanto confirmed this “Mr. Syakur used to work in this company and I am glad he is now the head of the village as he really helps us in many ways.” So this does not only facilitate relationships with the community, but also facilitates company A in carrying out its activities, especially
regarding licensing issues. It is worth to note that company A funded Syakur's campaign to become the village head. This funding is one of the strategic moves from the company to utilize power in attaining its interest.

The companies also need to take into account the role of religious leaders, especially if they wish to interact closely with community members. Companies require this proximity in order to promote their corporate agendas, and also to mitigate potential conflict with the community due to the community's trust on religious leaders. Sutanto, director of company A, recognised this need, saying to me that "I have a very good relationship with Pak Zuly because he is an imam and a community leader as well, so if we hold events or face certain problems with the community, we always involve him." The importance of the role of religious leaders was also felt by company A when there was a conflict with community members regarding an access road to the location of the company, and religious leaders helped to resolve the conflict. The company also provides financial compensation to religious leaders for their participation.

Community relations practitioners, as part of the management functions of the company, have carried out their role well, especially in building relations with the community. Fitch (2009) points out that community relations practitioners are aware of the social impact created by their organisations, and that they need to function in accordance with the community.

Community relations practitioners need to be democratic and ethical in their approach in building community relations. They need to initiate activities that contribute to open dialogues and better interaction with community members. Open dialogues and focussing on the interests of the community are forms of being democratic and ethical in their approach (Falkheimer & Heide 2010). One way of achieving this is by involving religious leaders from the community.

The ability to build relations with religious leaders, manage them for the benefit of companies and anticipate conflict is an illustration of how management functions desired by the company have been run very well. Motion and Weaver (2005) also confirm that the activities run by community relations practitioners are a form of struggle or negotiation for power and that the role of community relations practitioners could be regarded as a legitimate strategy. However, these do not bring about a change in the context of the development of the community, other than in areas relating to the interests of religion.
Altman (1999) stressed that, in addition to a management function, community relations practitioners should also be able to adjust company interests to the interests of the stakeholders, one of which is the community, to build corporate citizenship. In this context, it appears that the companies have a tendency to influence rather than adjust, because of their ability to influence community leaders. It also shows that the companies, through their community relations practitioners, have more power, especially in terms of community control.

The strategic steps undertaken by company A are part of strengthening the power domination towards the Badau community, which is undertaken to ensure that the business can function well. Prilleltensky (2008), in his understanding of power, also emphasizes this point, that power should refer to the greater capacity to build a relationship due to structural factors such as greater capability. This capability can be linked to the ownership of skills and financial capital that exceeds that of the surrounding communities.

Moreover, company A’s efforts to foster good relations with religious leaders and community leaders are a way of strengthening the power that they can use as a 'bumper' for the company when dealing with the public. Prilletensky (2008) adds that people who hold official positions in the society due to their skill and knowledge can exercise their power in terms of influence. Such a strategy is undertaken by company A, which utilizes the role of Islamic religious leaders and community leaders in an effort to reach agreements and also in the resolution of problems or conflicts.

It is questionable whether the agreements reached at meetings are based on negotiations that represent the interests of the community as a whole, individuals, or the company. It is not easy to provide benefits for all community members and to meet the community's interests. Jewkes and Murcott (1998) provide a critical view of community representatives claiming that community representatives are not selected using the process of election but are appointed and the decisions on whom to be included are based on wide range of implicit criteria, each weighed differently and tacitly.

The findings of this study also suggest that this also occurs among the community representatives who know each other well, and that the process is usually determined by agreement between the village head and the kaolin mining companies. Sutanto, the director of
company A, admitted that, "We typically invite those who we know well already familiar with us in our meetings, for example: Syakur (village head), Pak Zuly (religious leader), Pak Zula (head of hamlet) and several others who we consider to be village elders." Syakur, the head of the village, formerly worked in company A, and the process of election as the head of the village was supported by company A. Having Syakur as village chief is, of course, a part of the strategy undertaken by company A to facilitate its work.

The selection of community representatives is usually not based on the principle of equitable representation of the community, and so decisions taken are not necessarily always able to protect and represent the interests of the whole community. The tendency in Badau is to appoint community representatives based on their socio-economic status, such as level of education, type of job and social position. Usually they hold a status that is higher than that of other community members. Jewkes and Murcott (1998) found the same phenomenon in their research on community representatives in the context of participation in health promotion in several cities in the United Kingdom. They contend that the representatives in their study were selected based on criteria such as higher income, level of education and the nature of their occupation. They were usually of a higher status than average, and sometimes even belonged to the group that is considered to be the elites of the society.

Ironically, this is likely to occur if representatives of the community do not have a close relationship with the community they are supposed to represent, and thus the agendas and interests of the community cannot be channelled properly. This occurs due to the ignorance of the community representatives about what they are supposed to represent. This was also noticed in a study conducted by Jewkes and Murcott (1998, p. 854) in which they assert that "However, most of the community representatives consider their role as community representatives to be very 'difficult' position and some of them even regarded themselves as not very close to their supposed constituency."

Difference in education levels is also one compelling factor in the community representatives’ ability to maintain company interests. Differences in education level refers particularly to the use of the language spoken during negotiations, and so the representatives of the community tend to be the elites, who are considered to more easily understand the language used. Involving the entire community as a whole would take a long time and run into considerable difficulties in the
process of interpretation because of inequalities in the use of language. This is confirmed by MacDonald (1990) who contends that language is the most important element of communication, especially in relation to the understanding the messages that are delivered by the sender, which can result in the receiver interpreting them differently to what was intended.

In addition, education levels can have an impact on the communications used in the negotiation process, which can be misused for the benefit of certain parties. Gunson and Collins (1997) assert that dialogic communication established between the company and the public can be moral or immoral. The onus is on the community representatives to genuinely represent the interests of the community, or to satisfy the desire to manipulate the collective interests of the community for the sake of the individual's own benefit.

Negotiation processes in Badau generally run smoothly because of the close relationships that already exist among the representatives. As a result, decisions and agreements may not necessarily represent the agendas and interests of the entire community; however, they are certain to represent the interests of the company, especially in obtaining exploration permits. In other words, the negotiation process seems to run smoothly, agreements can be easily reached without going through a lengthy and complex process, and there are few real debates as all parties involved in the meeting already know each other. All of this makes the negotiations little more than a formality rather than a real concern and responsibility towards the social and natural environment.

This is certainly not going to provide a significant impact to the overall development of the community of Badau because only the interests of the company and an elite group within the community are emphasised. Social conflict is mitigated by the roles played by village elites, and indeed, physical development can be felt in the village, but community participation, especially in decision making related to the public interest, is still very low. In addition, 'community development' tends to be limited to being a metaphorical statement, rather than being a real commitment deserving attention and actual implementation.

According to Johnson and Forsyth (2002, p. 1593) it is important for communities to understand these three main issues to achieve their objectives: "(i) information about the resource system; (ii) information about those with whom they share the resource; and (iii) rules that would
regulate the ways in which they use the resource." By understanding these three basic issues, it is expected that community members can obtain the knowledge, information, and willingness to participate, be in charge, manage and maintain their resources. The community is informed and it can also oversee, directly and indirectly, the company's using of the resources that exist around them.

The Role of the Belitung Mining Office in Monitoring Mining Processes
The Badau community has a mechanism for monitoring mining activities through the Belitung Mining Office, the government institution that represent the interests of the community in terms of regulation and supervision of activities related to mining. As a government institution, the Belitung Mining Office holds power due to its access to information on natural resources in the surrounding areas and also as the creator of a number of regulations on the use and management of such resources. To be able to run their activities, mining companies should submit a letter of approval (social license) that has been agreed upon by the community and the company.

After the letter of agreement is signed by both parties, the village head writes a letter of recommendation, which the company submits to the Belitung Mining Office when applying for a feasibility check of the kaolin mining operations. Usy, the head of business/venture at Belitung Mining Office, explained that all the steps carried out by the mining companies are set out clearly through laws. Usy asserted:

According to Law No. 4 of 2009, the company should request a permit from the Regional Mining Office and the Regent. However, it needs to first obtain recommendation from the village head and the officials (heads of hamlets and village figures) and then the recommendation forwarded to the Regional Mining Office. The office will then create a technical team consisting of the Regional Development Planning Office, Regional Agriculture Office, Regional Forestry Office, Environmental Office, representatives of villages and districts, and mining experts to evaluate the feasibility of the mining potentials and location. The results are summarised and written as a report, returned to the Regional Mining Office, which will forward it to the regent. When it is written clearly, the permit will be given soon. So, there are many parties involved in the process.

From this description it seems that Belitung Mining Office involves various institutions to review the feasibility of kaolin mining operations before issuing a permit. It is not only concerned with environmental aspects, but also with the social aspects of the communities surrounding the mining area.
Usy also explained that "the Belitung Mining Office has full authority to issue permits as well as to conduct oversight of the implementation of the mining." The process of mining licensing for category C minerals (which includes kaolin) is no longer implemented by the central government through the Ministry of Energy and Mineral Resources (ESDM), but lies with the authority of the local government through the Regional Mining Office.

In making regulations, the Belitung Mining Office has several tasks to perform in order to maintain the interests of stakeholders. Using O'Callaghan's (2010) important criteria to be noted by the local/regional government in making regulations, which are participation, accountability, transparency and predictability. This study pinpointed the factors covered by Belitung Mining Office in controlling the mining processes.

**Participation:** Belitung Mining Office makes regulations involving the interests of the relevant parties, especially in contributing to improvement and effectiveness. The involved parties include community members, local governments and representatives of the company/investors.

**Accountability:** Belitung Mining Office participates in the form of listening to complaints and input from stakeholders, doing consultations and conducting surveys for the common good as well as supervision. Belitung Mining Office should ensure that resources are used appropriately and that stakeholders are treated fairly.

**Transparency:** The Belitung Mining Office should create a good mechanism for decision making and provide reasons for decisions in order to prevent adverse decisions or ones which violate rules.

**Predictability:** The local government and regulations must be stable and predictable, as this can greatly affect the profit and investment of both foreign and local investors.

The Belitung Mining Office does not exercise their monitoring function properly and does not comply with existing regulations. This is apparent in the low levels of accountability and transparency that exist, a situation that is detrimental to the interests of the community. The less than optimal reclamation process undertaken by many mining companies after the end of mining contracts, and the close relationships between mining companies and the officials of Belitung Mining Office, are evidence of the failure of the supervision process.

The process of the transfer of authority for licensing issues from the central government to the regional government began in 1999. Spiegel (2011), in his research on the role of the government in regulation of mineral mining in Indonesia after 1999, confirms that the process is reinforced by Government Regulation No. 75 of 2000, which clearly gives authority to the
regional government at the district level to issue licenses for small-to medium-scale mineral mining.

This study also finds that the process of granting mining permits seem very easy and fast, despite the fact that there is a series of procedures and stages of feasibility study conducted by the Belitung Mining Office and the local examiner/task force team. Observation has shown that there are close and personal contacts between representatives of company A and company B, with officials from the Belitung Mining Office such as Usy, the head of the business, and also Sarmin, the head of supervision. These factors lead to the inefficient management of mineral resources by the local government. Spiegel (2011), in his research in Kalimantan, found that the prevalence of bribery and cronyism in the decentralization era is an example of how local governments have failed to perform efficiently in managing mineral resources. Spiegel’s opinion is also confirmed by Tsing (2005), who also asserts that the decentralization of natural resource permits in 2000 increased the possibilities for corruption. This is the case for Badau village.

However, such decentralized authority, especially in the context of mining, often brings problems, especially in many regions with group C minerals, including Badau. The observations made in this study show that the Belitung Mining Office has weak supervisory powers, especially with regard to reclamation. The leniency occurring in Badau confirms Spiegel and Tsing's contention. This is because bribery and nepotism did occur in the many processes done by the companies, namely in obtaining mining license as well as the Belitung Mining Office supervision. As a result, not only did the action became a disservice to the community, but the environment was also harmed.

![Image of Mining Land Without Reclamation After Exploration in Badau](image_url)

Figure 10: Images of Mining Land Without Reclamation After Exploration in Badau
Observations show that many holes in the ground are left open after tin and kaolin mining, with no attempt to reclaim the land made (as shown in Figure 10). This results in the soil being unavailable for agricultural use. In fact, the life of the Badau community depends on plantations as much as mining. Due to the absence of reclamation, soil fertility levels are also reduced. Both kaolin mining companies, A and B, have so far not performed reclamation, and Sutanto, the director of company A, stated that "The kaolin content in the area is of high quantity and quality, and our mining permit will expire in about 60 years, so we have not done any reclamation of the mined area." Tris, the director of company B, further clarified this reluctance, asserting, "Our permit will expire in 2020 and we have not thought about the reclamation, but we intend to provide our employees with a compensation pay that is much larger than required by the government." At present, no kaolin mining company has done any reclaiming in Badau. This is also admitted by Tamani, the personnel manager of company A, who told me that "but to this moment, no kaolin mining company has begun to reclaim land. In my opinion the government is also responsible, as the company has paid mining levies to the government." There is an impression that, in the case of reclamation, the company does not want to shoulder the blame, as it considers itself to have fulfilled its obligations related to the payment of levies to the local government, in this case the Belitung Mining Office, and therefore views reclamation as part of the responsibility of Belitung Mining Office.

The rights and obligations to be performed by mining companies is often a matter of contention. This study finds two roots causes for these problems. The first is the weakness of the local government in overseeing the mining and post-mining process, and the second is the very lenient process of granting mining licenses to local mining companies.

Despite the importance of supervision in the mining and post-mining processes, the local government, in this case the Belitung Mining Office, often cannot perform this function well, especially when it comes to protecting the interests of communities. In fact, there is often confusion in the enforcement of regulations that have been agreed between the company, community and the institution itself. This corroborates with Spiegel’s (2011) findings in Kalimantan, which clearly shows that there is a murky link between right to be protected from the negative impacts of mining and the right to enjoy the direct benefits of local resources.
While the level of conflict in the village is low, the level of environmental damage in Badau is alarming, despite community members depending on the natural environment for their livelihood. There is a need for a better operationalisation of the oversight functions of the Belitung Mining Office and also implementation of the agreed rules, especially concerning the treatment of the company of the environment, both natural and social.

The imbalance of power that exists in every context of social relations facilitates the party with the power to influence other parties to follow and adjust to their wishes (Giddens 1979). The management and use of power in social relations can lead to compatibility or conflict. One of the forms of management and use of power that aims to create compliance can lead to bribery, corruptions and cronyism. This is apparent in the ease of obtaining a mining license, and also in the lack of supervision conducted by the Belitung Mining Office of all the activities of the companies. Companies tend to use monetary resources to build close relationships with local government officials in order to expedite their efforts and activities. Problems related to corruption, bribery and cronyism are a structural problem that occur often in nearly all parts of Indonesia, but especially in those with a wealth of natural resources.

**Integrating Local Knowledge through Dialogue**

Mining and plantation agriculture are the main occupations of Badau community's members. Both occupations have been passed down for generations and are closely linked with the surrounding natural environment. Both are carried out using traditional knowledge.

Local knowledge is part of culture, in that there are aspects of knowledge and livelihood that are embraced and possessed by the community. Based on the findings from this study about local knowledge possessed by the people of Belitung in general and Badau in particular, two forms of knowledge can be identified, namely local soil knowledge and knowledge concerning mine techniques and plantation techniques.

This study also finds that plantation activities are done on a daily basis, as well as working in the mining sector as a mine owner or a mine worker. In addition to meeting the basic food needs of community members, plantations can also provide additional income. Similar to mine work, plantation work has been done for generations, and also done with traditional methods. Plantation work has become a side job to earn extra income for the miners. This fact is reinforced
by the Sami, the head of production of company B who added that "Their system of plantation is also traditional, according to what they believe to be the best." Most kaolin mining companies try to acknowledge this need by developing a working time arrangement with the workers that permits them to continue to work in their own gardens.

I also show that kaolin mining companies, during the mining process, pay a lot of attention to traditional work processes used by community members since ancient times. In addition, companies still depend significantly on the knowledge of Badau villagers, especially regarding natural resources relating to soil. This fact is reinforced by Sutanto, the director of company A, who says, "The people of Belitung, besides working in mines, have been working in plantations for generations, so they are already skilled in the occupation."

Mining work is one of the oldest forms of occupations other than farming that is undertaken by the members of the Belitung community, including the people of Badau. Tin mining began in the 19th century, and was initially done by Chinese migrants, assisted by the local community. An interesting aspect of Belitung is that the island has an abundance of minerals for quarrying and mining (mainly non metallic) other than tin mining.

Mining continues to be conducted relying on simple, traditional tools (generally made of wood) and is dependent on natural processes. In kaolin mining, the equipment used is all made of wood, such as racks and frames for drying, and also the process of drying the kaolin uses heat from the sunlight. The people of Belitung and Badau understand how to select strong wood to be used in the manufacture of equipment and also understand the requirements of the manufacturing process.

Knowledge and techniques concerning the mining process are well known by Badau community members. They are based on hereditary knowledge and the experience of previous generations. This was clearly stated by Rahadian, a mine worker in company A, who said, "It was my parents who taught me mining and the only skills I have are mining and planting." This knowledge, according to Agrawal (1995, p. 416), is indigenous knowledge. He asserts, "indigenous knowledge is also known as local knowledge, the unique knowledge possessed by a given culture or society and this knowledge is not gained by formal education but passed down from one generation to next generation, and also mostly through mouth to mouth." Local
knowledge can be understood also as "knowledge possessed by non-scientists and is based on practices that have been adapted to suit local ecosystem, local wisdom and experience (Taylor & de Loë 2012, p. 1208)." This knowledge is part of culture and becomes a way of life for the people who believe in it, hence labelling it as local knowledge.

In the context of kaolin mining in Badau, most community members adhere to the knowledge they have gained from their experience in mining, especially relating to the natural environment. Mining is a staple job for their livelihood, and they have worked as miners or mine workers for generations. This is similar to Failing, Gregory and Harstone's (2007) identification of the three characteristics of local knowledge: first, it relies on observations made by persons and based on experience; second, it tends to be better expressed in more holistic ways; third, as it deals with specific things, it is generally firmly anchored to the place of experience.

Besides being closely related to culture, local knowledge is also significantly affected by the natural environmental conditions that exist in an area. The condition of the natural environment plays a very important role in shaping the character of the livelihood of the community living nearby. This is evident, according to Antweiler (1998, p. 477), "in the way that knowledge is integrated culturally and ecologically." Mineral deposits were identified as existing in Badau and Belitung more than two centuries ago, and since then they has always directly affected the livelihood of the surrounding communities. Mining work has become people's principal livelihood and an important part of the life of every member of the community.

Both company A and B have introduced few changes to working methods, especially in the kaolin production process. However, kaolin mining exhibits several differences to tin mining in terms of the exploration process. The exploration process of kaolin mining is more complicated and cannot be done individually. Moreover, kaolin mining requires a large capacity water pump and must also undergo through several stages of processing. Meanwhile, tin mining can be done individually and with a simple pump. Therefore, in addition to local knowledge, kaolin mining must also use scientific knowledge.

Local knowledge is required by the companies, especially in terms of the kaolin drying process. The mechanism and equipment used in the drying process still relies on local knowledge possessed by the surrounding community. An example is the following statement by Sutanto,
the director of company A, who said, "We could use a dryer to accelerate the drying process, but the quality of the results obtained is not as good as kaolin dried naturally using stacks made by the workers." This statement shows that the natural drying method using sunlight and the use of traditional working equipment gives much better results.

However, because kaolin products are highly in demand as basic materials for industries such as ceramics, cosmetics and chemicals, some form of standardisation is required, such as the use and maintenance of production equipment to produce quality output. Sudarmanto, the head of mining of company A, said:

We do not change the way they normally do because we also feel it's the best. So we just give a little bit of input for the manufacture of drying equipment such as we teach them how to make the drying stacks, how to arrange the pans and how to maintain these equipment. Also, we teach them how to get a good quality of kaolin.

So far, no inputs and changes related to improving the production process done by the company have provoked negative or contradictory responses from the workers. The workers accept the changes and additional knowledge offered by the company. This is apparent from the opinion expressed by Mas, a mine worker in company B:

I feel there is no problem because it is an additional knowledge for me and it gives benefits as well as the working process becomes more regular. I was taught to make pans for drying and also the stacks. I was told about the sizes of the pans and stacks, and how to fit the screens so they don't get damaged.

Most of the land on the island of Belitung has been pockmarked by former tin mining excavation. Currently, the State Tin Mining Company (PN Timah) is defunct, and the existing tin mining is only operationalised by individuals in what is known as the ‘non-conventional mines.’ However, the mineral content in the soil in Belitung is rich in various quarry materials, especially non-metals such as kaolin, quartz and sand. The opportunity to mine them is now widely utilized by the majority of mining companies, which exploit other minerals as well, especially kaolin. Kaolin mining sites are usually located close to former tin mining areas; however, not all of these sites contain abundant kaolin of good quality. It therefore takes considerable knowledge and skills to be able to detect kaolin deposits.

Several Badau community members have the knowledge and the ability to detect the location of kaolin deposits of a high quality. This capability is unique, as it is only owned and understood by
Badau villagers who have extensive experience in mining. Sudarmanto, the head of mining of company A, explained:

This location was previously a former tin mining location and to ensure that this site contains a lot of high quality kaolin, we ask the help of community members who have the ability to detect using supernatural abilities and their experience, indeed it has a good deposit of tin and kaolin. When we checked the location, we drilled pits in 100 m intervals, and then in 50 m intervals, and the result still showed to be good.

Later on, exploration in the area began.

A different experience is felt by company B. Their mining location has a lot of kaolin, but it is low quality. Raw materials are purchased from companies that conduct exploration. Ultimately, company B decided to stop the exploration process and only performs the production process (drying, milling and packaging). This decision was explained by Tris, the director of company B, who said:

We bought this location from the previous company because the company cancelled its operation. We also did not ask for help from people who have the ability and knowledge to detect the content and quality of existing kaolin deposits. After drilling, it turned out that the quality (brightness) of our kaolin was not so good.

The ability to detect kaolin is part of local soil knowledge. Winklerprins (1999, pp. 151-52) defines "local soil knowledge as knowledge about properties of the soil and its management possessed by the people who live in any particular environment for a certain period of time."

This knowledge reflects an in-depth understanding of the environment by the people living in it. Local soil knowledge is part of local knowledge and therefore it is also very important to pay attention to the environmental aspect. It is important for mining companies to work with the local community with regard to activities undertaken in mining, ranging from planning to implementation.

The Supplementary Livelihoods of Badau Villagers
Another primary occupation of the Belitung community is gardening and farming. There are various staple crops commonly grown in Belitung, such as white pepper, cassava, rubber and pineapple. In the last few years, several companies have opened oil palm plantations in several villages in Belitung. Oil palm plantations are generally managed by the companies, and are different from white pepper, cassava, rubber and pineapple plantations, which are generally individually owned.
White pepper is the most common crop found in Belitung. Its production has been taking place since the late 19th and early 20th centuries. Pepper plantations originally appeared around mining sites and were constructed by people of Chinese descent who could not work in the mines (Mada 2012). Based on this study's observations, the most widely planted crops are white pepper, cassava and vegetables. These crops fulfil people's daily needs for food stuffs. Their importance is reinforced by Zuly, a Badau community leader, who stated, "Community members can plant crops, so they can fulfil their daily needs from their crops, in addition to their main occupation in the mines."

This study's findings also indicate that garden yields are not only able to meet the daily needs, but can also meet longer-term needs such as education. This is apparent in a description by Jazi, a mine worker in company A, who comments, "I have a plot of pepper and rubber, about 3000 m2. The pepper yield can reach hundreds of kilograms, even more than 1 ton, but I can only harvest it once a year. The price is about Rp. 90.000-100.000 per kilogram, so I can finance my children's education to university level." Rahadian, another mining worker in company A, supported Jazi's claim in telling me that "I get some money from my garden, which is quite large. I plant pepper, whose yield I can sell to finance my children's education to university level." This indicates that gardening/planting can provide a significant income. Syakur, the head of Badau village, explains this by saying that "They believe in the wealth of the nature."

The fact that the miners are earning additional income from their own crops in plantations located near their homes shows that Badau community are not poor. Despite only having their harvest once in a year, the yield is profitable enough to meet their extra needs other than for basic sustenance. Moreover, the income they receive from working as miners also already exceeds the minimum wage in the regency. For mining companies A and B, the additional income received by the miners from their plantations provide relief for both companies, especially in terms of obligation to meet the needs of their workers. Both companies only adjust the wage increase each year to conform to the regency's minimum wage. This strategy alleviates the companies from the requirement to provide any additional employee benefits such as overtime fee.
In Badau, the kaolin mining companies create work arrangements with their workers who live in the village based on mutual agreement. This agreement has a sound basis that was clearly expressed by Sami, the head of production of company B, who asserted that:

Working hours started from 7.00 to 15.00, which also applies in other kaolin companies in Belitung. There are two reasons, first, a kaolin quarry has stifling heat, so the work has to begin as early as possible, that’s why 7.00 was chosen as the start of the working day. Second, the end of the working day was decided to be 15.00, to give chance to workers to work in their own garden.

Meanwhile, from the standpoint of workers, the working hour arrangement ranging from 7.00 am to 3.00 pm provides an opportunity for workers to work in their gardens. Mul, a mine worker in company B, agreed with this, saying, "We indeed want this working time arrangement, so that we still have time to work in the garden and can meet the needs of our life. It is not enough for us to rely on the salary we received."

This working time arrangement is applied by all kaolin mining companies in Badau village. The goal is to encourage entrepreneurial activities to supplement people's income and also to preserve local knowledge available in the Badau community. Local knowledge is not confined to knowledge and skill in producing, but also takes on other roles in the broader dimension. This is confirmed by Antweiler (1998), who says that it is necessary to describe the relevance of social, cultural, economic and ecological processes as these provide a holistic orientation, which is one of the important characteristics of local knowledge. The working hour arrangements of kaolin mining companies in Badau are affected by habits arising from the social and economic relations prevailing in the Badau community.

The companies have tried to adapt to the characteristics of the existing local knowledge on Badau community in various ways. These include understanding the nature of work that exists in the local community, receiving and adopting local knowledge on the processes used in the production process, and also adjusting working hours to provide an opportunity for villagers to be able to tend crops beside working in the mine.

Working hour arrangements also provides benefits for the kaolin mining companies (both company A and B), especially in terms of increasing the productivity of the workers and also the remuneration of additional work (overtime). Working hours, which begin at 7:00 and ends at
15:00, are considered to be appropriate as sunlight is required for drying kaolin. In addition, kaolin mining companies rarely impose additional overtime in the production process due to the lack of sunlight in the afternoons and workers' reluctance to do additional work. Thus the companies are spared from having to pay additional wages.

The willingness of both companies to adjust mine operating hours as desired by the mine workers shows that workers also have bargaining power. In addition companies A and B quite understand this issue, because plantation work is a traditional occupation, similar to mining, and therefore the two companies did not impose strict working hours because such a policy will potentially result in conflict. Moreover, this flexibility in working hours is a strategic decision of the companies to avoid having to pay more wage for the workers. In this strategy, the company holds the power to manage and control the sources at their disposal to benefit their interest.

This study also concludes that the working hours arrangement as a form of appreciation of local knowledge in fact is a strategic move. The companies conduct cost-saving and attain efficiency of work processes from the outcome of such policy. On the surface, it seemed as though the community that are represented by the workers are bestowed power to decide on their livelihood. However, the companies are able to maintain their dominance because of this managerial decision.

For the people of Badau, mining and gardening complement each other. They are confident that the land can provide not only life but also prosperity, and therefore they depend upon nature. However, according to the present study's observations, until now there has been no effort from them to preserve the surrounding natural environment. This indicates that they will require additional knowledge and skills to provide a decent living in the future.

As mentioned earlier, the processing of kaolin is not simple. It requires care in determining the quality of the kaolin (brightness and level of moisture present in the kaolin) as well as a fairly large production volume. This is because many large industries such as ceramic, chemical and paper use kaolin as a raw material for their industries. In the process of kaolin production, it is therefore not enough to simply rely on local knowledge possessed by local people, as scientific evidence regarding quality needs to be provided, and is also necessary to accelerate the process of production to meet market demand. Sutanto, the director of company A, explained, "We
continue to rely on the ability of locals, especially to the locations containing kaolin deposits, however, we also have to perform scientific testing through our lab, and we also have a standard for brightness and water content." **Tris**, the director of company B, confirmed, "While it is best to use the sunlight for drying, however, if the weather is rainy and there is an urgent client request, inevitably we have to use a drying machine." This statement indicates that the use of local knowledge must be supported by scientific knowledge.

The process of integration of both local and scientific knowledge receives positive responses from the workers. **Sami**, a mine worker in company B, explained, "Especially for working in the lab, I need knowledge and skills in using the equipment used there, for example to find out the brightness and residue content of the kaolin. I learned about them from my former superior." Although local knowledge and scientific knowledge are different in both treatment and methods, in the Badau context it appears that there is no contradiction, and scientific knowledge complements the existing knowledge and skills of workers. According to Failing, Gregory and Harstone (2007), the concerns of the society should be the guiding principle for any public decision that is made, rather than the personal preference that influence individual decisions. However, in the decision making process, these can complement each other.

Kaolin mining companies' efforts to integrate the local knowledge of their workers with their production process has to pass through several stages. **Sutanto**, the director of company A, explained, "The working skills and knowledge about kaolin of the workers, are initially studied, and then it turned out that some of them are beneficial in the production process." This shows that the company is taking due care in making decisions. Raymond et al. (2010), in their study of the integration of local and scientific knowledge, also suggest that integration passes through several stages, such as "identifying existing knowledge, engaging different knowledges, evaluating different knowledges, and applying integrated knowledges (2010, p. 1771)." Most kaolin mining companies in Badau also implement these stages, especially in decision making during the production process, to prevent the possibility of conflict. Figure 11 shows how local knowledge of mining could be integrated with scientific knowledge in the kaolin production process and how kaolin companies act to integrate workers' interest in gardening and farming.
Constructive dialogue is the key to the success of the integration of these knowledges in mining communities in Badau. The kaolin mining companies seek to engage workers who are also community members to explain the need for scientific knowledge in the production process. The workers respond positively, and so the decision-making process runs smoothly. Blaikie et al. (1997) also emphasizes the importance of the negotiation process through referencing a constructive dialogue approach, stating that a more balanced dialogue occurs between external and local actors to produce an output when they attempt to combine their respective knowledge through focusing not only on sharing facts or evidence they have from observation or experience, but also on methodology and epistemology. The consequence of this approach is that any decision made is a shared responsibility. In the case of Badau, this dialogic approach exists in the principal, yet the communication that occurs is one of an unsymmetrical form. This is again, due to the underlying power imbalance operating under the dialogues.

Other than that companies A and B are also highly dependent on local knowledge held by the community involving skills in the production process of kaolin and soil knowledge. These cause unwillingness of both companies to impose the application of scientific knowledge. Even in the production process, both companies are more likely to integrate the knowledge regarding the use of both scientific and traditional knowledge. This is done in an effort to prevent conflicts that could cause the company to suffer from losses.
Good relations between the kaolin mining companies and Badau village as a mining community indicate that there is a high level of interdependence between them. The process of mining occurring in the village has gone well so far, and has not created conflicts that disrupt the existence of either party. This has occurred because both parties and other relevant stakeholders work to instill a strong sense of trust that forms the foundation of a strong social capital as well. Social capital, according to Dasgupta and Serageldin, is "a set of horizontal association among people who have an effect on the productivity of community and include network of civic engagement and social norms (2000, p. 20)." Based on this understanding, it can be inferred that social capital can foster a strong bond in the community.

The creation of a strong relationship with stakeholders, according to Coleman (1988), should be based on an understanding of the obligations, expectations and trustworthiness of each party towards the other. This is evident in the context of kaolin mining in Badau village. On the one hand, the existence of the kaolin mining companies creates jobs for villagers to earn a living and does not significantly alter the characteristics of the knowledge or work of the local community, namely as miners. On the other hand, Badau community members feel that the presence of the kaolin mining companies are in line with their culture and, so far, provide a better standard of living. The impact of this relationship is seen in the integration of the local knowledge held by villagers with scientific knowledge introduced by the kaolin mining companies. In fact, both parties understand each other, trust each other and work together well.

Trust is formed by awareness of the conditions governing each of the parties in the communication. The trust then, in turn, clarifies the obligations and expectations held by each of the parties. However, in the context of Badau, the effort to build strong social capital is motivated by the need to fulfill the companies' interest. This places the trust build as superficial in nature.

From the perspective of the company, the strategies that are implemented by community relations practitioners as agents representing the mining companies can be said to be appropriate and successful for their efforts to recognise the cultural character of the Badau community, mainly in relation to their livelihood. In connection with the strategies of community relations practitioners, Johnston and Zawawi (2009) propose several steps that are carried out by mining companies, namely:
Consultation: Community relations practitioners approach community leaders to identify and understand the occupational character of the Badau community, both in terms of mining and farming.

Scanning the environment: In addition to consultation, community relations practitioners also seek to identify the environment, especially in terms of finding the best locations to explore and start business. The mining companies also learn about current regulations concerning the rights and obligations.

Collaborations with community: Cooperation is shown by the ability to integrate local knowledge with scientific knowledge. This cooperation has to be done as mining companies are dependent on their workers, especially in terms of the exploration and management of kaolin.

Negotiations: Visible in the ability of community relations practitioners to provide working time arrangements as demanded by the community. This strategy provides an opportunity for workers to be able to undertake other work, such as farming and gardening, which can provide them with additional income.

There are several reasons why the companies are tolerant, besides a desire to maintain the smooth running of their operations: to obtain the best quality production; the dependence of the company on the skills and knowledge possessed by the workers; and the benefit of employing workers with extra sources of income, especially in terms of farming that can provide extra income for them, since this eases the pressure on the company to provide a wage increase.

Building Community Capacity through Community Participation

This study found that the people of Badau have a very low perception of the need for capacity building processes due to low levels of unemployment in the village. In addition, the level of income of the people, resulting from working in mines and plantations, is also regarded to be sufficient. Syakur, the village head of Badau, also explained that, "So far, the community is not interested with the training. They believe in the wealth of the nature. Besides, the people are employed only in mining and plantation."

Syakur’s statement is emblematic of the weak desire of a majority of villagers to participate in trainings aimed at increasing their capacity and skills. This results in many mining companies making few initiatives to hold trainings, other than those related to the needs of the company.

Community capacity building is a part of community development, which in practice requires a strong commitment from the parties involved. The importance of commitment in every process of community development is noted by Christenson, Fenley and Robinson (1989), who emphasise that it is a process that involves people taking initiative in committing to social
actions that may or may not lead to changes within social, cultural, economic or environmental situations. Therefore, capacity building should be perceived as important in the process of community development not only by the community, but also by anyone who has an interest in it and is living in the same location.

Belitung Mining Office, as the authority of all mining activities in Belitung, advocates for the importance of capacity building as a process of improving skills that can benefit the community in the future. This is clear in an explanation by Sarmin, the head of mining supervision, who said that:

The companies should also provide trainings for plantation and agriculture, which will help former workers who want to work in plantations, because the character of mine work is different from plantation work; they need not only to have the energy, but also understanding of the soil and plants.

This opinion is also reinforced by Usy, the head of the business section of Belitung Mining Office, who said that, "I still think it is important to provide plantation training, especially to change their mindset from mining to plantation." Trainings to increase skills pertaining to agriculture and plantation work are still needed, especially for workers, even though they are already very knowledgeable about the natural environment.

In the context of mining in Badau village, the implementation of capacity building as part of community development is still not perceived as important by either the local community or mining companies operating in the area. Commitments were only made on the basis of economic interests, especially concerning employment and income. The members of the village community do not feel the need for the improvement of skills or for trainings in preparation for future work because they are very confident that the natural environment will continue to provide them with sources of livelihood. Neti, a community leader, also confirmed this viewpoint, explaining "In fact, the people are well versed in plantation activities, so they require no training." A similar opinion was also expressed by Tamani, the head of personnel in company A, who stated, "The Belitung society, in my opinion, needs no other skills, as they tend to depend on mining and plantation."

Community members still have confidence that they can continue to count on the natural resources and the land around them. In addition, they are convinced that, at the end of their
operations, mining companies have a good intention and will perform their obligation to reclaim mined lands. **Zula**, the head of a hamlet in the village, believes this to be the case, saying that, "We expect that the company performs its obligation to reclaim lands, so that the land can be reused for plantations. Because the land will have to be returned to the community." Most villagers in Badau believe that the ex-mining lands will still provide them with a livelihood. This opinion is supported by **Zuly**, a community leader, who emphasizes that "The company also needs to provide community members with skills in working with critical soil."

However, many community members have different ideas and expectations. The first group are those who depend on the natural wealth of the land and who do not need skills training, but expect that the compensation pay will be adequate working capital. The second group are those who desire to continue working for other mining companies, and the last group is those who oppose any cash severance provision. Representing the thoughts of the first group, **Mas**, a mine worker in company B said "I cannot expect much from the company as I think that it won’t be willing to do something for us. At most we can only hope for the compensation pay, which hopefully will be adequate." Meanwhile, a different opinion was given by **Muli**, a mine worker in company B, who commented, "I hope that I can work again, in another quarry or in a plantation." The third way of thinking was exemplified by **Sri**, the chief financial officer of company B, who asserted that "Money should not be provided as the people do not know how to utilise money optimally." According to her, skills improvement is indispensable, not only in working but also in financial management skills.

This study also found that not all kaolin mining companies are interested in providing their employees with new skills. Company B feels there is no need to provide additional skills to the workers because they have sufficient skills already, and also because the character of the work is limited to mining and agriculture. This is apparent in a description by **Tris**, the director of company B, who said, "I think that they do not need additional skill already, because they already have them. What they need is capital to sustain their livelihood." Tris’s statement is also reinforced by **Amri**, a miner in company A, who said, "I don’t expect to get any additional skills, because I think the company is reluctant to do so." However, this statement differs from the view of **Sudarmanto**, the head of mining of company A, who clearly stated, "We also plan to provide
trainings for oil palm plantation and rubber, because plantations can provide income in the long run."

The diversity of opinions and thoughts as to whether additional skills are needed by community members who work and rely on the existence of mining companies in Badau makes it difficult for all parties concerned to reach a satisfactory agreement Tar, a former miner and now a proprietor of a kiosk, commented, "it depends on the workers, and if they think that it is necessary, they can request the company to provide trainings, and I am sure they are willing to do so. This may happen because they have good relations." A strong impetus to empower and equip themselves with skills must come from the workers and the villagers, because it involves the interests of their future life.

The diversity in opinions about training is caused by several factors. The first is workers' confidence that they will continue to be able to live off the natural resources contained in the soil on which they live. The second is the low level of education possessed by workers, which makes it difficult to push for change. Community leaders in the village found that the mindset of its citizens as a status quo that does not require any transformation.

This is shown in their reluctance to view that post-secondary education as preparation for a post-mining economy is a necessary part in developing the community. Instead, their primary concern is merely on the absence of unemployment in the village of Badau. Hence, their focus is on demanding for jobs, and not on improving skills. Syakur, the village head, confirm that "Our concern is to prevent unemployment in this village and we believe the presence of mining companies in the village is very helpful in providing jobs." Therefore, no initiative has emerged from community leaders to promote development.

The lack of concern to build and develop the village indirectly reduces the responsibilities of community relations practitioners. They feel no need to push the development process because of a perceived lack of demand from the community. This has encouraged community relations practitioners to only pay attention to the interests and needs of the companies, with consideration for the needs of the community limited to employment. Even where it is felt to be necessary to conduct training to increase skills, this is only done according to the interests and needs of the company.
However, mining companies also have an obligation to be responsible for the sustainability of rural communities, particularly with respect to soil restoration. Zuly, the village leader, asserted, "The companies are responsible in restoring fertility of such soil." Soil fertility is important for the people because it involves their livelihood. However, until now, the mining companies that operate in Badau have not implemented the process of soil restoration.

In connection with the process of land reclamation and skills improvement, Zuly proposed that Belitung Mining Office formulate some measures that act as a guideline for companies before implementing the process of capacity building for the villagers. The steps to be taken by the mining companies are that they "provide training on how to restore fertility of such soil, and they have to cooperate with institutions capable of doing so. Afterwards, they can provide technical skills on plantation and growing cash crops." From this, it appears that the mining companies can cooperate with other institutions that could be helpful for the process of capacity building.

The proposal put forward by Zuly seems to be in line with the thinking of Sutanto, the director of company A, who was pondering how to collaborate with other institutions. Sutanto confirmed that:

We are planning to cooperate with a vocational institution in Bandung to send our potential workers to obtain additional skills, which is to be adapted to the company's financial condition. We expect that when they have finished their education, they can spread their knowledge to other workers.

However, this statement shows that the initiative lies with the company, and therefore the interests of the company are advanced. It is apparent from the knowledge and skills to be bestowed that they relate to the needs of the company, and also that the implementation of the training in collaboration with other institutions is dependent on the financial condition of the company.

The fact is that trainings, either for education or practical skills, are never provided by company A or B. Both companies emphasize economic reasons for this, such as that trainings are expensive and that the community does not need knowledge or practical skills other than in mining. Both companies should develop a vision for a better future for the Badau community, especially in terms of sustainable development, as the soil in the village holds economic promise, and the community also has good knowledge of the potential of mining and farming.
There is an absence of collective action, either among members of the community, in the mining companies operating in Badau, or among community leaders. Although company A seeks to increase its workers' skills, members of the community do not fully participate in these efforts, and in fact they are not done by the company purely for the benefit of the community. This reflects the dynamics of community relations with the mining companies.

Moreover, the weakness of community building is also caused by a lack of understanding of the members of the community. To find successful solutions, mining companies must first understand the assets owned by the community, whether they are assets owned by individuals, or environmental assets.

Kretzmann and Knight (1993) provide several steps to be done by companies to work together with community members. These include mobilising assets owned by the community, developing the local economy by mapping the assets owned by the community, and using external resources. However, not all mining companies operating in Badau perform the steps proposed by Kretzmann and Knight, and if there are those that do them, they do not start from creating a mutual vision, especially in determining the direction, goal and development strategies to be implemented. The mining companies do provide trainings during the two initial stages, but not at the third stage. The companies play a major role in determining the capacity building program to be conducted in the absence of consensus in the surrounding community, and the community accepts this because the program is expected to deliver economic benefits. This confirms that the company is still oriented towards business interests only, and does not favour the concerns of the society. This shows that the community relations practitioners who represent the mining companies have the ability to use power for their interests and maintain the community's economic dependence on the company.

This study also found that company A, in its effort to increase the capacity of the community, does not only cooperate with other institutions, but also with villagers, especially those possessing capital and land. Company A increases capacity in the form of developing kaolin dryer facilities, which is intended to provide additional skills and create jobs, as well as to increase the prosperity of the owner. This is recognized by Hen, the owner of a kaolin drying facility, who told me that:
I was invited to the company premises to observe and learn the drying process, so I know the moisture content they expect. I only needed 3 days to learn that, including how to make shelves for drying and the drying pans. They also helped me design the building for the drying facilities, based on their experience and knowledge.

On the one hand, Hen's statement indicates that company A offers opportunities and provides training in order to equip villagers with additional skills specific to the processing of kaolin and also provide financial benefits for the owner of the drying facilities. On the other hand, the skills provided by the company are limited to the management and production of kaolin, in which the company has an interest, especially to increase production capacity to meet market needs. However, the owner and workers of the drying facilities do not have access to the market or buyer directly. This scenario is addressed by Amor, another kaolin drying facility owner, who said, "What we are doing in this kiln depends on company A. We do the drying process when there is a kaolin delivery from company A and we get the payment based on our productivity."

This situation describes the condition of rural development in Badau, namely that there is a high level of community dependence on mining companies. So far, the development processes carried out in the village only lead to improvements in the facilities used for religious purposes, and not for other facilities or infrastructures related to community development.

Returning to Nindita's (2008) classification of development types, the community development process carried out in the village places more emphasis on the first type (development for community). This is apparent from the fact that development cannot be separated from the interests of the company. These conditions lead to a high level of dependence on mining companies, where the company acts as a donor rather than as an agent of change. The community in this case is situated as an object of development controlled by the company, while the company acts as the subject and has the power to dominate, especially in terms of decision making.

The Role of Community Relations Practitioners in Capacity Building Processes
Relationships between mining companies and communities are usually dependent on a company's communication practitioners to establish communication. In the process of community building, community relations practitioners need to be collaborative in their approach. Gould, Grein and Lerman (1999, p. 14) emphasise the importance of collaborative communication in the agency process as follows: "collaborative communication between an
agency and its client helps to integrate these two parties in terms of strategies, policies and implementation. Therefore, communication is important in both the formulation of planning and the implementation of processes of development in a community. The development processes carried out by companies A and B in the Badau community tend not to be based on an open communication process.

Forrest (1997) also claim that open communication helps to enhance and deepen the relationships and also to build trust and credibility. Most corporations, especially those whose work is directly related to the physical and social environment, they have to develop commitment to the environment, and the role of community relations practitioners has to be flexible and sensitive to the environment.

Company A implement their capacity building programs through their community relations practitioners as their representative in building relations with the Badau community. The practitioners are expected to bring significant changes. During my field study, Sutanto, the director of company A, was happy to inform me that, as a community relations practitioner, he was successful in implementing the company's capacity building program, which provided an opportunity for the community to build kaolin dryer facilities (as shown in Figure 12). Even though capacity building programs are aimed at developing and empowering communities, the mining companies of Badau consider the opportunity for additional income to be a way to improve the life of the community's members.

Figure 12: Dryer Facilities in Badau
According to Eade (1997, p. 35), in process of capacity building the relationship between the company and the community can be categorised to three different types: capacity building as means, which strengthens skill/capacity for the purpose and interest of the company; capacity building as process, which fosters communication through building relationships with the community; and capacity building as ends, which strengthens the skills/capacity of the community for the purpose and interests of the community as well as for the company.

The implementation of the capacity building program run by company A shows that it is more of a means to benefit the company. The founding of kaolin dryer facilities offered to members of the community, as well as all of the activities that occur therein, and apparently aimed at improving their quality of life, is no more than a hidden agenda by company A in an effort to meet market demands. The company has not tried to think about the future interests of Badau, especially concerning the empowerment of human resources in order to create sustainable development. It was noted that company B does not have a capacity building program.

From observations in Badau village it is also clear that the community relations practitioners usually represent the views of the companies. Hence, they are not independent as emphasised by Giddens (1984). According to Giddens, the role of agents is to be independent, especially in bringing about change through the process of transformation (Giddens as quoted by Kaspersen 2000). In the context of Badau village, such independence cannot be achieved by the community relations practitioners as they are hired by the companies. Thus, their position is not as an agent for the community but for the companies. The capacity building programs of the companies created by these practitioners do not make the community independent as the community is still dependent on the companies for their livelihood. There is even an impression that the company plays with its power to maintain its interests. In other words, companies A and B indeed have been integrated and become part of the community; however, their existence does not encourage change, especially in capacity building. The changes that do exist in the village tend to be focused on physical development.

Each form of change is the result of the communication process run by the community relations practitioners of the company. Cozier and Witmer (2003) provide an overview of some of the roles that need to be performed by community or public relations practitioners, such as sharing the community's interests and supporting the implementation of a community-based approach,
that help in bringing the companies closer to the communities. In the context of Badau village, these roles are conducted by the community relations practitioners in the sense that community interests are delivered to the company, and community-based programs were run by them, which then did create closer proximity between the companies and community. However, community development that was produced out of this relation remained insignificant compared to the idealized notion of such relationship.

The impact of physical development, especially with regard to the existing infrastructure in the village, has indeed been felt by residents, especially in the improvement of livelihood. However, the development of human capacity is still very low. The skills possessed by the villagers are generally inherited from previous generations and still tied to the natural resources, lacking diversification. Mining companies are more likely to take advantage of the natural environment and the physical environment in the village for business interests rather than continue development for the sake of social responsibility. Capacity building is an important part of community development, especially efforts to create sustainable development and to build a positive relationship between the mining company and surrounding communities, specifically the Badau village.

According to Warburton (2009) there are two approaches to capacity building. The first approach focuses on training and other methods that help people to develop necessary skills and confidence that would help them to achieve their purpose (2009). Thus, the emphasis of capacity building is to provide additional skills, which can be obtained either informally or formally through training. This would promote the primary goal of developing the ability of the individual/community members and to create confidence. Capacity building is ultimately expected to provide rewards in the form of achieving the desired goal. The second approach emphasizes capacity building as a strategy to encourage and strengthen the formation of social capital in the community. Thus, here it is regarded as a tool to build trust and loyalty and eliminate isolation and alienation. Returning to the two approaches proposed by Warburton (2009), it appears that, in this case, mining company A places greater emphasis on the first approach for the capacity building process. The process of capacity building that occurs has created trust between the company and the community, but has not led to the formation of strong social capital.
One of the most important parts of the process of community capacity building, and also the goal of capacity building, is empowerment. In the practice of community relations, there is a strong link between capacity building and empowerment. Empowerment can create independence and also strengthen social power in the community as it focuses on building human capital. However, the process of implementation of empowerment is associated with the organizations existing in the community. Thus, in development, empowerment will be closely related to power, and will be associated with the organisations in the community and, in the end, with the community itself (Speer & Hughey 1995).

However, empowerment in Badau village is still not able to increase the capacity of villagers, especially in terms of skill and independence. The capacity building program undertaken by company A in establishing kaolin dryer facilities is yet to invite the full involvement and participation of the Badau villagers. Instead, capacity building is only possible for people who possess adequate capital and land. The existence of these dryer facilities is still very dependent on the business of company A, and the skills acquired by the workers relate solely to the kaolin drying process. Hence, in this case, there is no significant variation of skills to empower the community and foster its independence.

Speer et al (1995, p. 57) argue that community ownership of power should aim to be:

- a process that capitalizes on individual, organizational and community strengths with minimal control by external actors;
- a form of citizen participation that promotes indigenous leadership;
- embodies values of community, diversity and change for improvement of individual and collective well-being.

However, in the capacity building program undertaken by company A in Badau community, all decision-making relating to the drying of kaolin is determined and controlled by the company. There is minimal participation from the community, as only individuals with capital are included. The only change that occurs relate to the additional income for workers in the kaolin dryer facilities, but this has a minuscule impact on the welfare of the community as a whole.

According to Munturi (2012, p. 362), there are "two compelling reasons underlying corporate motivation in community capacity building, first, to build a strong moral commitment to the stakeholders and second, due to strong pragmatic interests to do so.” This opinion is consistent with the fact that the process of community capacity building undertaken by company A places greater emphasis on the company's interests rather than the interests of the community.
The interests shown by company A in creating kaolin dryer facilities indicates that the company is trying to build asymmetrical relations with Badau villagers in general and also with the owners of dryer. These owners want the independence in their business, but company A sought to create dependence, an act that is clearly visible in the lending of equipment and in their market dominance. Another limitation is that these dryers cannot receive work orders from other kaolin mining companies. Curtin and Gaither (2005) explain this relationship as one in which power is micro political and inherent within the relationship rather than in the entities in the relationship. Serrano-Garcia (1994) further defines power as a social relationship in which two agents are present in an asymmetrical material base where one group controls the resources and another group tries to covet the same. It is clear that what is done by company A in creating patterns of dependence is part of the use of power in building a relationship with the Badau community.

Agents and Power Relations in Community Participation
Community leaders, as agents representing the Badau community's interests, have failed to build collective strength. They also fail in the process of oversight of the programs and the work done by the mining companies. This occurs because of the proximity of existing relationships and the ability of the mining companies to manage their relationships with community leaders.

Company A has an asymmetrical relationship with community leaders as they are able to control the resources of the village, especially in terms of providing jobs. The soil in the village is fertile; however, the results obtained are not consistent and depend on the season. Therefore, in order to guarantee livelihood, citizens must inevitably rely on jobs offered by mining companies. Only residents with adequate capital can earn more by opening kaolin dryer facilities, but even they continue to be dependent on kaolin mining companies.

Giddens (1979) emphasises that in the relation between power and social change, there is a transformative process towards both human agency and social structure. The relationship between company A and the kaolin dryer owners and their workers does not bring about a transformative process or result in significant changes in skills; nor does it provide additional generating capacity. There is still a pattern of dependency relations. Company A does not bring about changes in social structures that exist in the community, and it does not provide a solid foundation that leads to sustainable development.
This situation is a consequence of the imbalance of power of company A relative to the kaolin dryer facilities, in which company A has strong capabilities in power play, especially in meeting their own needs. Giddens (as quoted by Crawford 2003, p. 145) also analysed imbalanced relationship patterns in connection with the use of power, saying that it, "is the capacity of transformation that involves the capability of particular actors to get others to comply with their wants, at times requiring actions by others." Power is often exercised through the control of resources and facilities, including the threat of sanctions. This imbalance in relations is due to company A’s ownership of resources, such as permission to explore, finances, equipment, technology and knowledge of the market. These are all limitations for the Badau community.

Company A’s interests are self-centred and do not demonstrate any desire to increase community capacity or any moral commitment of the company towards the community. Moral commitment is created when there is a good understanding among the parties involved. Therefore, in order to create a good moral commitment that will lead to a form of collective participation, adequate means of communication are necessary.

Communication also plays an important role in inviting participation. Good communication can place emphasis on the importance of participation and the ability to make the participants understand the reasons why they should participate. Boston College for Corporate Community Relations emphasizes the need for companies to build relationships with their surrounding communities:

..the state of relations between the company and the communities (local, national, or global) in which it has presence or impact. It encompasses programs which advance the interest of both company and its communities, such as: donations and contributions of all kinds, employee volunteerism, community-based programs, relationships with civic, professional, and non-profit organizations and corporate citizenship activities (Waddock & Boyle 1995, p. 135).

Based on this definition, the engagement of the interests of the company and the community is shown to be important, and therefore the participation of relevant stakeholders is required. In order to invite participation and involve stakeholders, participatory communication is an essential factor.

Participation in communication can be used as means as well as an end in itself. According to Van de Fliert (2010), participation as a means is a method to help increase the effectiveness of a
program that is introduced externally by involving the local people. On the other hand, the use of participation as an end is described by Huesca (2002, p. 16) as intended "for projects that are aimed to empower the individuals, organise movements, transforming social relations."

This study finds that both forms of participation in communication are used by company A and B in carrying out the kaolin production process. However, in the context of capacity building, the role of company A is more apparent. The process of community capacity building programs followed by company A is illustrated in Figure 13. In this figure, it appears that the first stage carried out by company A is inviting community members in Badau who have their own capital and land to join the community capacity building programs offered (1) and if community members are interested, company A will provide training (2). After completion of the training, the kaolin drying facilities are constructed, in which company A helps in the procurement of equipment and construction design of the buildings for the drying facility (3). The next stage after the completion of the construction of the drying facilities are recruitment of workers from the Badau community, and for workers who wish to participate, company A will provide training as well (5). Further, company A will control the drying process and also decide the production capacity (6) as well as give a share of the profit for the owners of drying facilities. The shared profit is further used by the owners of drying facilities to pay wages for their workers. The role of company A is highly decisive on the community capacity program, and also very dominant in terms of profit sharing.
The kaolin mining company, in this case company A, admitted that they invite the participation of the community in the production of kaolin, either through opening dryer facilities or becoming engaged as workers. Sudarmanto, the head of mining of company A, explained, "We invited them to increase their income by opening kaolin drying businesses, and this has worked well. We ask for their participation to help us drying the kaolin, and we pay them in accordance to their capacity. The more kaolin dried, the higher their payment." So far there are only three existing kaolin dryers, however, the response has been quite positive. This is confirmed by Hendi, the owner of a drying facility, who says:

The offer came from company A, and I responded to the offer. The company wanted to open a wider employment for the community, and also to increase their production capacity. So, the initiative came from the company. I have done this for more than 3 years. This business has given benefit not only in the form of profits for me, but also for the society, as it provides employment and additional skills.

A dryer facility indeed bestows advantages upon the owner, who provides the land and buildings, as well as creating jobs for local people. The implementation strategy for capacity building undertaken by company A is consistent with that proposed by Kenny and Clarke (2010), which is that, in most instances, organisations devise the strategies for community capacity building. As
they are not members of the community, they do not have a sense of belonging to the community.

In the context of relationships with the community, the community relations practitioners from company A do seem successful in mobilising and organising community members through the help of community leaders, but there is no intention to empower them. The creation of drying facilities is also little more than a business strategy. Even if there is participation by community members, such participation is limited and does not provide many advantages for the owner.

Before starting a capacity building program, it is important for the company to engage with the surrounding community. Johnston and Zawawi (2009) explain that the companies should undertake the following measures: consultation, that is, develop two-way symmetrical communication; scanning of the environment, that is, understand the social and physical environment; collaborate with the community groups, and negotiate with the community leaders.

Of the four measures proposed by Johnston and Zawawi (2009), it can be seen that company A already tries to establish communication and good relations within the social milieu of Badau village, with regard to the capacity building programs they offer. It is apparent from a description by Sutanto, the director of company A, that:

We began with an invitation for them to become involved in the drying activity done by our targeted community members. We provide understanding on the benefits of building drying place. We also involve the village head. After they understand and are willing to be involved, we provide them with occupational training such as making trays and pans used for drying and using and maintaining all of it. We will also provide machineries and understanding the level of kaolin dryness we want.

However, in the final stage, the role of company A becomes very dominant. It is apparent that company A has full authority to bestow the opportunity to open kaolin dryer facilities, which is only possible for those who have the capital and land. In addition, company A also controls the production process of drying, ranging from production capacity and marketing to pricing. This is confirmed by Hendi, the owner of a dryer facility who mentions that "Company A does the marketing, and I only assist them in the production process, so we only provide the land and buildings." All of these make the relationship imbalanced and create a high level of dependence. Company A has full authority in the production process, even providing an opportunity for exploitation, as company A has power over the ownership of the production equipment used in
drying facilities. Therefore, in other words, a kaolin drying business’s sustainability is dependent on the presence of company A. However, Badau villagers working in dryer facilities have limited basic skills in the production of kaolin and have no other additional skills.

**Sudarmanto**, the head of mining of company A, acknowledged this when he said, "However, not many in the community are interested and so far, we cooperate with three home industries to dry kaolin, and we hope that more will follow." This indicates that the members of the community will be involved in the process of capacity building if it provides benefits and income. It can therefore be said that this engagement is purely pragmatic, one that is done to meet the needs of daily life, and that will not result in greater participation by the people. This is also recognized by **Sri**, the head of the financial department in company B, who asserted, "The community has a weak level of participation, since they focus on fulfilling their immediate needs."

Lack of community participation is a form of critical awareness of the community, who feel that they are not receiving something significant that will improve their lives and build Badau village. Even if they want to participate, it is more for the purpose of having income and not for a greater change.

Education is key to community participation. In addition, the participatory communication strategies of companies A and B tend to be manipulative, even though they have the appearance of a dialogue. The low level of education of the villagers means that they are easily swayed by the various kinds of deals, packaged in the form of development programs, that are offered to them. This demonstrates that the power existing in the dialogic process of communication is imbalanced due to the villagers' low level of education. Kent and Taylor (2002) admit that manipulations exist in the dialogic process, in which if one of the party subverts the dialogic process either by disconfirmation or exclusion, then the final result will also not be dialogic. Weaknesses in education can lead to imbalances in the use of power, which provides a greater opportunity for the companies to influence the community. This practice, of course, will only benefit one party and harm the other because it is not based on openness and trust.

Analysis in this study demonstrates that education is an important factor in establishing community participation, especially for the community members. Absence of education hampers
the community in gaining power. This is due to education's influence in empowering one to gain critical consciousness of his or her community's development. Awareness of this will motivate the person to participate more in their community. As a result of this greater involvement, the community gains power from the developmental progress it undergoes.

Plummer (2000, p. 33) identifies several key factors that must be considered in order to raise the participation of the community. These key factors relate to the context of the Badau community. They are: education and literacy, which help in understanding the importance of participation in the process of development; and skills and knowledge, which needs to be improved to increase the level of participation. From the points mentioned above, it appears that education and literacy are important and provide a fundamental basis in eliciting participation. This is because education provides the basis to value participation, and these values must be embedded in the individuals involved. A basic understanding, then, determines the level of skills and knowledge needed in order to increase participation.

Sinwell (2008) also affirmed the same thing regarding his research on the Alexandra Renewal Project in South Africa, wherein he argued that if education is without critical consciousness, it is impossible to develop any engagement with the structure. Sinwell clearly emphasizes the importance of providing education in the form of knowledge of basic values of participation. Thus knowledge is not only used for increasing skills, but also to train critical thinking. This is not implemented by the companies (neither A nor B) in Badau community.

Inequalities in terms of education and skills are also likely to be taken advantage of by community relations practitioners to influence community leaders. Alongside money they are sources of power for the mining companies. A similar process occurs in the context of the relationship between community leaders and the Badau community as a whole. Given the education and skills possessed by community leaders, they can persuasively suppress the interests of the community and put the interests of the company first. For example, during the interview process, Rahadian comments:

It is absolutely necessary, for example, when working in the filtering section, in which the floor is slippery, it is necessary to wear boots. In the grinding section, masks and gloves are necessary due to the amount of kaolin dust, which can negatively affect the respiratory system. The company only provides masks on a daily basis.
It is evident that even though the community members work in situations which would be hazardous to their health, they do not use any safety equipment as the companies do not provide them. The companies consider the safety of workers to be the individual’s responsibility. It is clear that neither the community leaders nor the companies make an effort to educate the workers on the risks factors involved. Figure 14 shows the workers performing their day-to-day activities in kaolin processing in companies. We can see that most of the workers ignore basic safety as they do not wear a helmet, mask or boots, and one of the worker does not even cover his body. This also shows that community leaders put their individual interests, either financial or prestige, above the collective interests of the community that have placed their trust in them.

Figure 14: Workers in the Kaolin Production Process

The case of South Africa is repeated in Badau, in which the awareness of the importance of education is still relatively low. In the context of development, the contributions made by the mining companies place more emphasis on the economic dimension, especially in terms of income. Nevertheless, the social dimension, especially education, is still lacking, which is apparent from the low number of formal education facilities built by the companies (only one high school). Sri, the head of the finance department at company B, also felt the importance of education:

I think that it is important to create an understanding of the importance of education in development. There are more than adequate numbers of education institutions here, from elementary to high school, but the people seems to be reluctant to develop the region; they are
only concerned with fulfilling their immediate needs. They also lack skills, only having mining and planting skills, and do not want to increase their skills.

The lack of attention paid to education is one of the causes of villagers' low desire to increase their participation. Another factor that has an effect is the absence of awareness of the citizens regarding the behaviour of the mining companies towards the natural environment and the social environment of Badau village. Although both the mining companies are supposed to bring development to the Badau community, the situation in Badau shows that there is lack of attention to the needs of human development.

The lack of participation of community members in capacity building programs indicates a failure of company A in creating an understanding. The company also uses the capacity building programs as a means to achieve their goals rather than as an end. Sinwell (2008) emphasises a similar phenomenon in which, when participation is considered to be a means to achieve a desired end, then the benefits received by the oppressed are merely a 'false generosity.' The company invites people to participate, but it does not create an understanding, especially in terms of stating the reasons for engaging and inviting the participation of community members to run the program.

In this case, the company positions the community members more as an object than as a subject of relations. People should not be perceived as passive objects by the companies if their participation or response to the social structure would lead to liberation (Sinwell 2008). Instead, they need to be considered as active agents who have the ability to transform the structure of the society. Hence it seems that the form of social relations remains the same, and there is no change in the social structure of Badau society. In addition, mining companies in the village fail to create a balanced horizontal relationship, instead creating dependency with regard to the establishment of kaolin dryers.

Summary
An insight into the efforts made by the community and the kaolin mining companies in building relationships and their implications for the development of the community are clearly explained in this chapter. The role of religion, as well as that of religious leaders, in building relationships between the companies and the communities was analysed. In exercising their agency, religious leaders in Badau are found to favour their self interest over the community's. In attaining so, they
need to conform to the interest of the companies, which hold greater power due to their access to financial resources.

In my analysis of the negotiation process of the companies with the Badau community for obtaining a mining license, it is evident that a power imbalance exists in the Badau mining context. The role played by the Belitung Mining Office in issuing permits and monitoring activities was also explained. It was observed that both the community leaders and the Belitung Mining Office tend to be favourable toward the companies, which in turn are liberal in offering monetary benefits. This dynamics place the village head as similar to the religious leaders because of how they detracted from their supposed role as agents that uphold the community's interests.

Community relations practitioners are required to possess capability, knowledgeability and motivation, as these three factors are pivotal for their effort to establish good relations with the community. On the other hand, as agents that represent the community, the community leaders do not hold these skills due to the different access they have to resources, which then makes the companies hold power over the community.

The companies' efforts in building relations with the community are focused on integrating local knowledge and providing a feasible working schedule for workers, thus providing an opportunity for the workers to supplement their income. On the surface, this company policy makes it seem as though the workers were given the power to decide their working condition on their own terms. However, this was only a strategic decision of the companies to gain financial benefit and optimize their work processes. Thus, the companies are able to coax the workers while retaining their dominance.

As the companies acquire both social and mining licenses to establish their mining operation in Badau, dialogic approach was used to build relations with the community and Belitung Mining Office. The communication practiced was of an unsymmetrical nature where a power imbalance occured. This is evident in the bribery and nepotism practiced to accelerate the granting of the license.

Another evidence of this power imbalance is in the capacity building programs provided and initiated by the companies, which were not really focused on the development of the
community. The role of community relations practitioners in the capacity building process was also discussed. Companies develop relationships only with the community's leaders. Capacity building programs focus only on providing opportunities for additional income and do not encourage participation from the community members.

Participation of the community in the capacity building programs is also weak. This is because of the villagers' low level of consciousness towards community development, which is an effect of their low level of education. As a result, the people have less ability in exercising their power.

In next chapter, the focus of the study is summarised and opportunities for further research are discussed.
Chapter Seven: Conclusion

Introduction
Mining activities are closely associated with the natural environment, being related to exhaustible resources. In Indonesia, mining is regulated by Law No.40/2007, which obliges companies to develop the surrounding areas. The main purpose of this study was to understand the relation between kaolin mining companies in Badau, Bangka-Belitung, with the surrounding community. This study focussed on understanding the factors that affect this relation and also attempts made by the companies to engage with community leaders in order to maintain such the relations. In addition, this study sought to understand the attempts of mining companies to facilitate development, particularly with regard to community capacity building.

This study found that the relations created so far have not led to conflicts that affect the surrounding communities, and that these communities even tend to feel the benefits of the presence of the mining companies, especially in terms of employment. The kaolin mining companies studied are company A and B, which have been operating in Badau for more than 10 years, and have good relations with the surrounding environment.

Summary of the Key Findings
This study found that the role of Islam and muslim religious leaders in the village is important in creating productive and stable relations with mining companies in the village area. This is because the entire village is Muslim, and thus Islamic values underlie every thought and action of every member of the community. The role of local Islamic religious leaders is therefore important, especially as mediators between the company and the community.

In addition to the village head, the head of the hamlet, teachers and religious leaders can be regarded as agents representing the interests of the community in dealing with companies A and B. However, in terms of proximity to the community, religious leaders are considered more representative of the community because the villagers favour and trust them more than other leaders. This is due to the influence of Islam, which is dominant in the community and makes the religious leaders as the most central figures in the community. On the other hand, the village leaders, including village head and head of hamlet, take more of a bureaucratic role due to their
administrative position in the government and the community. This leads the companies to view their engagement with these leaders as only a procedural step in gaining social license.

Both companies A and B understand this, and in order to approach the community, the two companies develop good relations with the Muslim religious leaders in the village. One of the primary means to build relations is to contribute to the construction and provision of religious social needs. This is done through the construction of mosques, *mushollas*/prayer houses and Koran education facilities, as well as through providing donations for Islamic and national holidays.

The religious leaders are considered to be community leaders in the village and exhibit a cooperative attitude in conveying both the interests of the community and of the companies; however, all of these interests are limited to a religious context. The religious leaders, as community representatives, do not bring significant changes to the community, especially in terms of education and health, which are in fact the basis of human development. The lack of facilities is evident in the fact that there is only one high school in the environs. This has occurred not because religious leaders fear the influence of education on modernization, as was the case in a study by Von der Mehden (1980) on Islamic community groups in developing countries in Southeast Asia, but rather due to a lack of interest and understanding of the meaning of development. Moreover, most community leaders prioritise their individual interests and needs over the interests of the community.

Also apparent are the efforts of the mining companies in building and maintaining relations with stakeholders, for the purpose of either obtaining a social license or mining license. Efforts made by the kaolin mining companies to obtain a social license are negotiated at meetings initiated by the village head. The agreement resulting from the meeting is in the form of a letter of recommendation, which includes all forms of rights and obligations that must be complied with by the company and the community. It is signed by all parties concerned and then submitted to the Belitung Mining Office as one of the essential requirements in order to obtain a mining license.

However, in the implementation stage of the obligations performed by each party, it appears that the power relationship of kaolin mining is dominated by the companies. The companies have
always stressed their own interests, and tend to neglect their main obligations related to reclamation and community development. This can occur due to inadequate supervision by the community of the company's operations. The community representatives, consisting of the village head, community leaders and religious leaders, tend not to fight for the interests of the community; rather, they are more concerned with their own needs. The companies also tend to only focus on the needs of the community representatives, rather than on the community as a whole. Even though the community leaders perform the role of community representatives, they generally fail to understand the basic needs of the community.

The ability of companies A and B to control and regulate the community representatives who are supposed to act as agents for the community is derived from the greater power they have over resources, primarily in financial terms. The ability of both companies to meet the needs of community representatives, as well as indulging them, often results in collusion. It is indirectly aimed at providing benefits to the company alone. In contrast, for Badau community, community representatives expected to act as agents to bring about change are only focused on matters relating to religion and are not related to the context of the overall development.

In agency theory, agents usually represent one principal in the relation between companies and surrounding community. However, in the context of this study, it is apparent that an agent can serve more than one principal depending on which principal has more access to resources to grant the agents with financial incentives. In the case of Badau community, both religious leaders and head of village favour the company's interest over the supposed community's interest whom they are supposed to represent. This is a result of the company's strategy played by community relations practitioners to control the dynamics between the principals and agents.

The Belitung Mining Office plays an important role in the granting of licenses, supervision of the mining process and license renewal, especially in the decentralised system that exists specifically for category C quarry minerals, which includes kaolin. This makes the role of the Belitung Mining Office dominant. The kaolin mining companies, both A and B, have insiders in the Office who help them in these aspects. In granting permits for mining licenses, the Belitung Mining Office has a technical task-force team whose function is to assess the feasibility of mining enterprises that are about to commence their operations, the results of which are used as a reference for the mining license. However, in reality, the mining license is granted due to an
‘inside job.’ Supervision of the mining process is also not followed rigorously, as mining companies use their economic power to achieve their goals, which results in bribery and cronyism. This is one of the impacts of decentralization, which came into effect in the year 2000 for certain quarry minerals, and of weak supervision and a lack of trained personnel.

Another finding of the study was that there is a low level of conflict between the kaolin mining companies and the local people in the village due to the ability of the kaolin mining companies to accommodate local knowledge possessed by the villagers. Local knowledge is based on people's experience, practices and wisdom. One form of local knowledge that is important to understand is related to livelihood. Livelihood knowledge is important because it is a system of knowledge that has been part of the culture of the local people for generations. It is unique and influenced by the local culture. Changes in local knowledge concerning the livelihood of local communities have the potential to cause conflict, such as that which occurred in Morowali, Central Sulawesi, in 2011.

Mining is one of the oldest livelihoods in the village, apart from farming. Residents still hold on to their local knowledge of the mining process, especially with regard to soil. This is better known as local soil knowledge, and includes the ability to detect kaolin deposits and content in the soil. In addition, residents still rely on sunlight for the kaolin production process, especially drying, as it is considered better than using machinery. Traditional kaolin mining techniques and production processes are still maintained by both companies, and this result in a low potential for conflict in the village.

An understanding of local knowledge is also aligned with the use of scientific knowledge in the kaolin production process. Kaolin mining companies integrate various aspects of scientific knowledge, especially in terms of setting the drying process and several other processes that must be performed in laboratories, such as measuring moisture content and the brightness level of the kaolin.

Other forms of concessions that the kaolin mining companies make to local knowledge is in working hour arrangements, which provide the time and the opportunity for employees to work in their gardens and plots. Gardening and farming activities are very important for workers, who
are Badau natives, as in addition to preserving the culture related to livelihoods, also adds to their income.

In connection with the context of community participation in capacity building programs, this study also found that efforts made by the kaolin mining companies do not receive a significant response or participation level from the villagers. This weak response and participation level are associated with three factors: 1) a lack of understanding of the importance of community capacity building for the continuation of the process of rural development; 2) the presence of certain requirements to be able to participate in community capacity building programs held by the kaolin mining companies, and 3) additional skills bestowed through training do not guarantee the independence of the villagers, because these skills are closely related to the interests of the company.

The community capacity building program offered by company A does not guarantee the independence of the villagers. The programs offered are in the form of the establishment of kaolin dryer facilities, in which company A provides training and equipment to villagers who want to participate. However, not all villagers can participate because only those who have land and capital can become involved. There are therefore only three kaolin dryer facilities establishments in Badau. People who participate in the program do so for profit. The owners of drying facilities are highly dependent on the company because of their lack of control of the market. This results in the domination of company A, especially in terms of decision making. It is therefore clear that company A has greater power in the areas of knowledge of production and marketing.

Residents who do not have the necessary capital and who only want to work in kaolin dryer facilities are provided with skills training in the drying process and the production of kaolin by company A. However, the workers feel that the skills will not ensure their independence because these skills do not add value to them other than income. The number of the community members who want to work in dryer facilities is relatively low, as the dryers are only active when market demand increases. It is clear, then, that community capacity building activities undertaken by company A and their efforts to mobilize the participation of the residents are used more as a means to meet the interests of the company rather than as an obligation to carry out community development.
Overall, relations between the kaolin mining companies (both A and B) and the Badau community is good, and the level of conflict is very low. This is possible because of the approach taken by the companies, in which the companies always involve relevant stakeholders (community leaders) who hold important positions in the community, such as the head of the village, local religious leaders and community leaders, in any activity related to the business activities of the companies. In addition, the companies are also well adapted, especially concerning mining processes, which take into account local knowledge and adapt to the habits of local residents. This also benefits many people because they are able to have additional income from the farming activities that they are allowed to undertake.

However, these efforts do not bring about a significant development impact, especially in terms of increasing capacity building to create independence and sustainability of the development process in the future. Instead, it could be argued that they even create dependence. This is seen in the community capacity building program undertaken by company A, the establishment of kaolin dryer facilities, in which the community does not feel the benefits through development, such as in skill improvement or greater empowerment.

**Implications for Public Relations/Community Relations Practitioners**

Kaolin mining companies A and B, through their community relations practitioners, are required to bridge the relations with the surrounding communities, but also understand the cultural and social characteristics that exist in the community. Therefore, good relationships with community leaders need to be established. Both the community relations practitioners, as representation of the companies, and community leaders, which represent the community, cooperate in determining the changes to be made in the community. By doing so, both parties also act as agents in encouraging change.

This study highlighted the limitations of agency theory. The apparent social change that was presumed to be produced by agency relationship did not occur in the Badau context. This study contends that the failure was due to the power imbalance between the agents, namely community relations practitioners and community leaders. The agent representing the principal with greater power is able to control its counterpart to conform and protect the stronger principal's interests.
This study contributes to the development of skills and knowledge of the community relations practitioners, especially in analysing the relations between organisations/companies and their surrounding communities, where it is very important to prevent conflict. In the kaolin mining processes undertaken by the companies A and B in the village of Badau, it seems clear that the two companies have succeeded in building a good relationship with the community. Both the companies are very understanding, especially in developing relations with several major stakeholders, such as the village head; village informal leaders, such as religious leaders and teachers; and also with several people who occupy important positions in Belitung Mining Office. The relations created with stakeholders are also symmetrical despite the fact that the relations formed do not fully represent the interests of the community.

Furthermore, this study also shows that there is a positive approach by both of the mining companies as they seek to understand the character of the community, especially regarding employment. The two companies, during the implementation of their work, try to integrate the local knowledge possessed by the communities with the scientific knowledge they introduce. This has important implications for the relationships between public relations/communication practitioners and the community, since they must understand and use the assets of the community both for the interests of the company as well as for the community.

Implication contended in this research is important because it discusses the attempts carried out (mainly by company A) in empowering the community through its capacity building program. However, the capacity building program undertaken by company A results in a low level of participation from the local community due to the low-level socialisation conducted, mainly in terms of providing education for the community. This has important implications, especially for the public relations/communication practitioners, in terms of encouraging positive participation, which must begin by providing basic understanding of the importance of knowledge and education in capacity building programs for the community.

Clear guidelines for the approach that should be undertaken by mining companies in Indonesia are established, especially in building relations with communities. It is important for public relations/community relations practitioners to engage with parties that understand the characteristics of the community, as seen in the experiences of both the kaolin mining companies, A and B, in approaching the village head and informal leaders such as religious
leaders and teachers. It is particularly important to reach an agreement in terms of fostering understanding and also to ensure that no conflicts occur.

Moreover, public relations/community relations practitioners also have an obligation to understand the assets of the communities in which they operate in an effort to build and foster relations with the community. A good understanding of the cultural and social values of a community can strengthen relations between mining companies and the surrounding communities. This study also provides clear implications for understanding of local knowledge, as it forms part of the social and cultural values of communities and can be highly influential and beneficial for mining companies who wish to conduct their business successfully.

This study also contributes to the field of communication studies, including community relations, as it emphasises the importance of understanding the assets owned by a community. It is therefore important for lecturers of communication science in universities who wish to develop cross-disciplinary knowledge and increase their understanding of cultural values.

**Recommendations for Further Research**

The study focused on an analysis of how the role played by community leaders in Badau village contributes to creating beneficial relationships between the community and the companies operating in Badau, Belitung Island. This study therefore emphasises the context of the relations established by the kaolin mining companies, namely A and B, with the Badau community, which in this case involved the village head, informal village leaders, kaolin dryer facility owners and also the Belitung Mining Office. The results of the analysis showed that the companies’ attempts to develop and maintain relations with the Badau community have resulted in minimal conflicts. This is partly due to the character of the community members who work in mining and farming. Nevertheless, the empowerment program conducted by the company A through the capacity building programs can be said to be less successful as there was a lack of participation from the community members in the program.

Today, capacity building programs have been implemented by almost all the mining companies in Indonesia as a part of CSR, as this is required by law. Therefore, the researcher recommends that further research is undertaken that emphasises community participation in a different mining context. Such a comparison would be useful for understanding the emerging issues.
In addition, the researcher also noted that there is a low level of community participation in all the development programs undertaken by the mining companies operating in Indonesia. Therefore, the researcher recommends the involvement of researchers not only with a communication science background, but also those from other disciplinary sciences, such as sociology, anthropology, psychology and economics, to work together to find a way to encourage greater and more positive participation from the society.

Gender-based study on the implication of community relations to social development would be an area that requires further research in the future. The data acquired in this study lead to the supposition that women can play a role in spearheading development in terms of the implication of children's education. This is because of women's proximity to child rearing which enables them to evaluate the value of education in the betterment of family livelihood. Thus, it may be that women is the key to regaining balance in the power dynamics between mining companies and their surrounding communities.
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Appendix 1: Participant invitation letter

INVITATION TO PARTICIPATE IN A RESEARCH PROJECT

PARTICIPANT INFORMATION

Project Title: Community Leaders and Community Relations Practitioners as Agents for Corporate Interests: A Case Study of Indonesian Mining

Investigators:

Rizaldi Parani
PhD candidate
School of Media and Communication
RMIT University, Melbourne, Australia

Principal supervisor
Dr. Marianne Sison
Deputy Dean International, School of Media and Communication
RMIT University, Melbourne, Australia

Associate Supervisor
Assoc. Prof. Chris Hudson
School of Media and Communication
RMIT University

Dear .............,

You are invited to participate in a research project being conducted by RMIT University. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

Information about the research project

My name is Rizaldi Parani.

I am undertaking my PhD by research in the school of Media and Communication at RMIT University. The title of my research is: Community Leaders and Community Relations Practitioners as Agents for Corporate Interests: A Case Study of Indonesian Mining. I am the only researcher in this project and I am being supervised by Dr. Marianne Sison and Assoc. Prof. Chris Hudson.

My project has received clearance from the RMIT Higher Degree Research Ethics Committee.

You have been approached as a possible interviewee. I obtained your data from.........................

As a member of the community/ company/ local government in Belitung Island, you are considered
You have been approached as a possible interviewee. I obtained your data from..........................

As a member of the community/ company/ local government in Belitung Island, you are considered to be aware of the topic in this research. Your participation in this study will contribute positively to the development of the community in the island.

The project aims to examine how do the communities perceive the implementation of the community capacity building of the mining companies as a part of their community relations strategies. The research for this study takes place on Badau village at Belitung Island, and the two units of analysis are: two kaolin mining companies and the Badau community. This study aims to investigate the following research questions:

**Your participation**

Each interview will take about one up to two hours, depending on the amount of information that you will provide on the topic of discussion. Personal details such as: name, address, age, gender and education will be asked as part of the research data. You will be asked about your personal opinions, perspective, stories and examples with relation to the topic under study. You will also be expected to provide consent for audio and image recording and also provide consent for the revelation of their identity in related publications. All such data and willingness for identity to be revealed will only be done based on your consent.

The interview will be informal, in a relaxed and natural situation. The interview will begin with an introduction process to break the ice. You can select the location and time of the interview as convenient.

Your participation is expected to provide an understanding about the community’s views about kaolin mining in the island. I hope this knowledge will benefit the community in the long term.

**Privacy of information and data**

Your information, identity and privacy will remain confidential unless written consent has been given by you. You will not be identified as I will be using pseudonyms in the research project to refer to individual responses.

If you have to be identified as a participant in the study, only the researcher and the supervisor will have such knowledge.

The information collected for this study will only be accessible to my supervisors and me. During the study and for five years after, all information will be securely stored on a password protected computer and a locked filing cabinet. Reports from the research will be included as part of my PhD thesis and may contribute to academic conference presentations and other academic publications. My PhD thesis will also be archived on the RMIT University website location for PhD theses. The school is responsible for ensuring that appropriate archiving facilities with appropriate security provision - i.e. locked filing cabinet, locked office.

If you wish to take a detailed look at the report, a link to the website where the thesis will be archived will be made available to you.
Any information that you provide can be disclosed only if (1) it is to protect you or others from harm, (2) if specifically required or allowed by law, or (3) you provide the researchers with written permission.

**Your rights as a participant:**

- You have the right to withdraw your participation when you feel any inconvenience at any time.
- You also have the right to cease the recording process when you feel any inconvenience.
- You have the right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant.
- You have the right to be de-identified in any photographs intended for public publication, before the point of publication.
- You have the right to have any questions answered at any time.

If you have any questions, you can contact me with the following number: ........

Yours sincerely

(Rizaldi Param)

Date:
Appendix 2: Participant information consent form

SCHOOL OF: Media and Communication

Name of participant: 

Project: Title: Community Leaders and Community Relations Practitioners as Agents for Corporate Interests: A Case Study of Indonesian Mining

Name of investigator: Rizaldi Parani

1. I have received a statement explaining the interview/questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews or questionnaires - have been explained to me.
3. I authorise the investigator or his or her assistant to interview me or administer a questionnaire.
4. I give my permission to be audio taped □ Yes □ No
5. I give my permission for my image to be taken □ Yes □ No
6. I give my permission for my name or identity to be used □ Yes □ No
7. I acknowledge that:

   (a) I understand that my participation is voluntary and that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied (unless follow-up is needed for safety).
   (b) The project is for the purpose of research. It may not be of direct benefit to me.
   (c) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.
   (d) The security of the research data will be protected during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to RMIT University. Any information which will identify me will not be used.

Participant’s Consent

Name: ____________________________ Date: __________________________

[Participant]

Name: ____________________________ Date: __________________________

[Witness to signature]

Participants should be given a photocopy of this consent form after it has been signed.

Any complaints about your participation in this project may be directed to the Ethics Officer, RMIT Human Research Ethics Committee, Research & Innovation.
Appendix 3: Interview guide for kaolin mining companies
(owners or managers)

1. How long has this company performed kaolin mining in this location and why was the location selected?
2. How did you find information about the location?
3. How was the process of opening a mining operation in the location and which parties were involved, especially regarding permits?
4. How have you built relations with related parties in regards of permits?
5. What was the process of employee selection by the company and who did the recruitment process, and also how was it related to the surrounding communities?
6. How did you respond in representing the company towards the surrounding communities?
7. How important do you think is the relationship of the company to the surrounding communities?
8. To what extent the community was involved and participated in the mining process done by the company, and in which actions?
9. What was the contribution of the company to the community, and what contributions are expected by the company from the community?
10. Thus far, what are your experiences with the community, both positive and negative towards the company?
11. What are your future expectations towards the community?
12. What attempts have you done, and intend to do, towards the community?
Appendix 4: Interview guide for community members

1. How do you think about your current environment?
2. Has your living condition improved in the last 20 years, and what developments have you experienced?
3. How do you evaluate the presence of mining companies in the area, and do they bring benefits to the community?
4. Have mining companies always interacted with the community, and how was the process implemented?
5. Have mining companies in the area always performed activities related to the interests of the community?
6. Who suggested the activities and who are involved in the activities?
7. Do these activities involve community members, and what was the form of the involvement?
8. What is the evaluation of the community to the implementation of activities of the company towards the environment?
9. As a community member, do you feel any benefit from the company, and what is the extent of the benefit?
10. Will the presence of mining companies, in the location guarantee the wellfare of the community's future?
11. What do you will happen when in the future there is no longer a mining company operating here?
Appendix 5: Interview guide for workers

1. How did you work in the company in the first place, and how long have you been working here?
2. How is the working environment that you feel here?
3. Does your job require certain skills, and how did you learn those skills?
4. What are the rules and limits of your work in the company?
5. Does your employment result in an improvement of your life?
6. Do you think your superiors pay enough attention to you?
7. Can you state your opinions or suggestions about issues, and how do you deliver them?
8. How do you think about your relation with your superiors?
Appendix 6: Interview guide for community members

1. What is the history of non-metal minerals mining in Belitung?
2. What are the regulations on non-metal minerals mining in Belitung, and how is the implementation?
3. How is the process of obtaining mining permits of non-metal minerals in Belitung, and who are the actors involved in the process?
4. How does the local government monitor mining companies?
5. What are the social impacts of the mining process?
6. What do you think about the future of Belitung?