

FROM GRUBS TO GOLD AND GEOPOLITICS:

The Many Layers of Violence at Grasberg

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WHY THIS EXAMPLE?

- A major project
- Very substantial level of violence
- With at least some of the information available
- Has many features that are, sadly, typical

THE QUESTION

- We don't know if OEF would ever take on peace building at a site like this.
- But for the moment let us assume that we do, and ask "how could this be done?"

Grasberg Gold Mine

- World's most productive gold mine and largest recoverable copper reserve
- Produces 60 million tons of ore a year
 - 1 billion lbs copper
 - 2 million oz gold
- Owned by PT Freeport McMoRan Gold and Copper. Rio Tinto is minority nonoperating partner



Introduction:

Grasberg, Violence, and Natural Resource Development

Grasberg is an extremely productive mine, but gold, silver and copper are not all it produces.

The conflict surrounding the Grasberg Gold Mine is large and complex

Many players in the conflict:

- Freeport
- Indonesian Government
- Military
- US Government
- NGOs and Civil Society
- Local Peoples

Many levels to the problem:

- Very Local
- Regional
- National
- Global

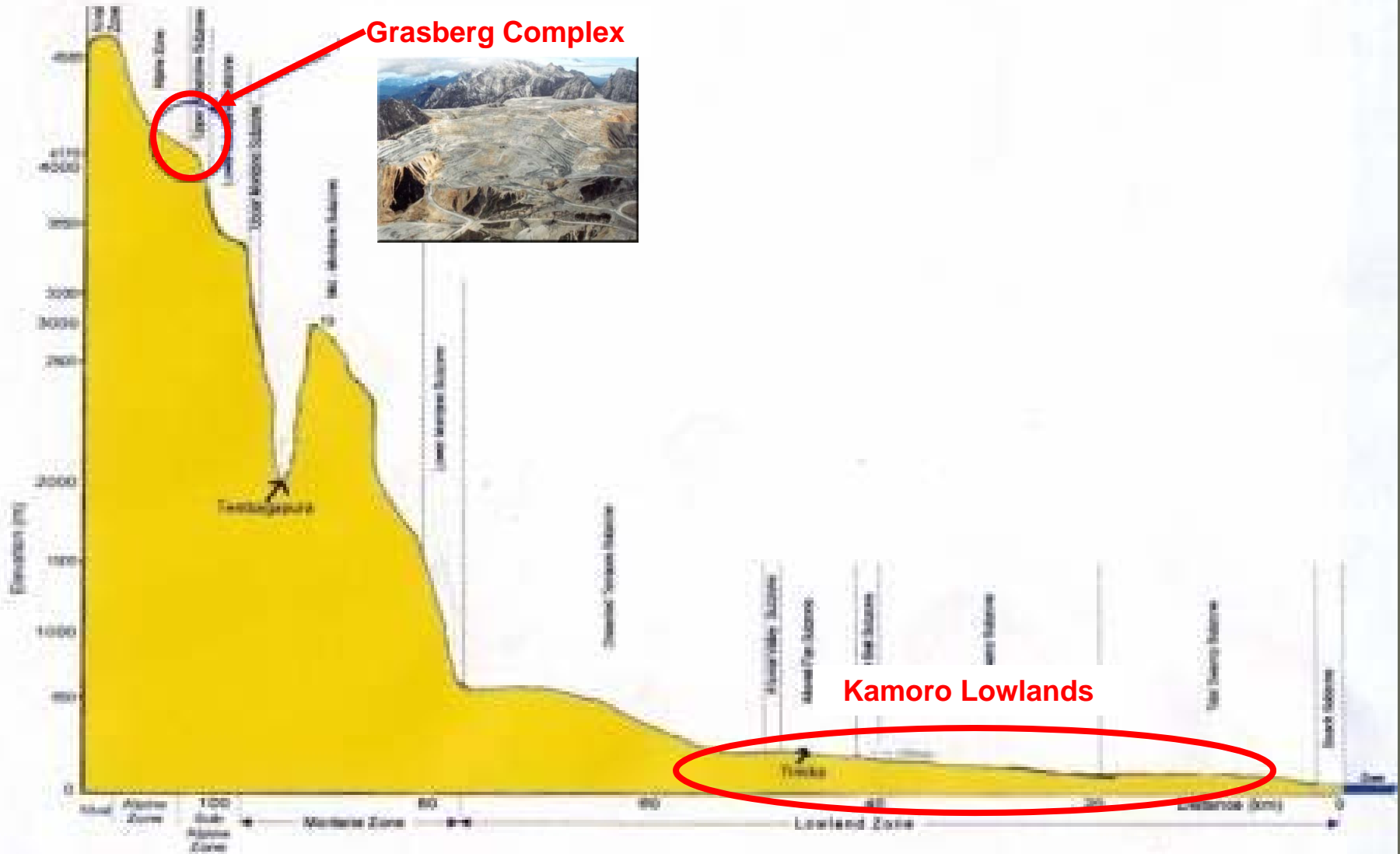
The Local Level: The Kamoro Tribe

and their Experience with the Mine



Geographical Condition

Grasberg Complex

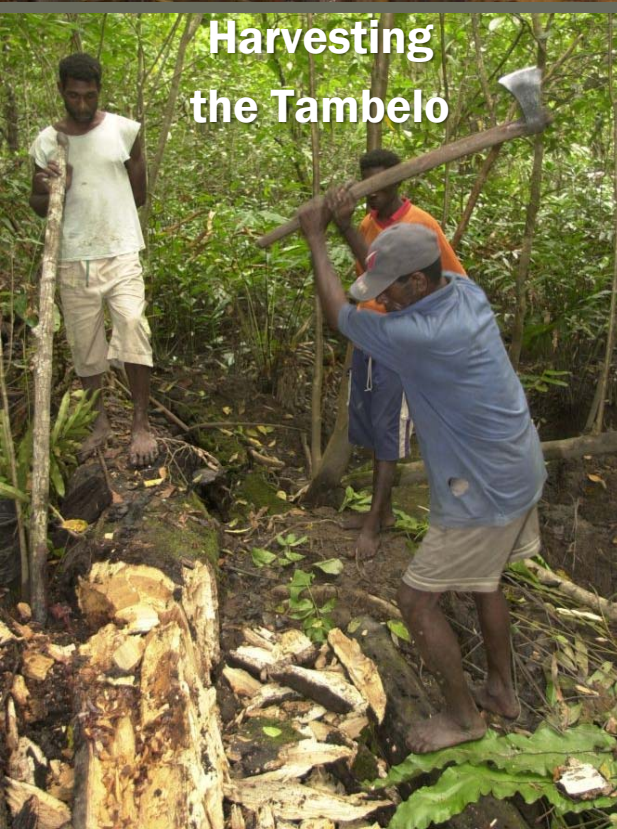


A Kamoro Drum Ceremony



Kamoro Art

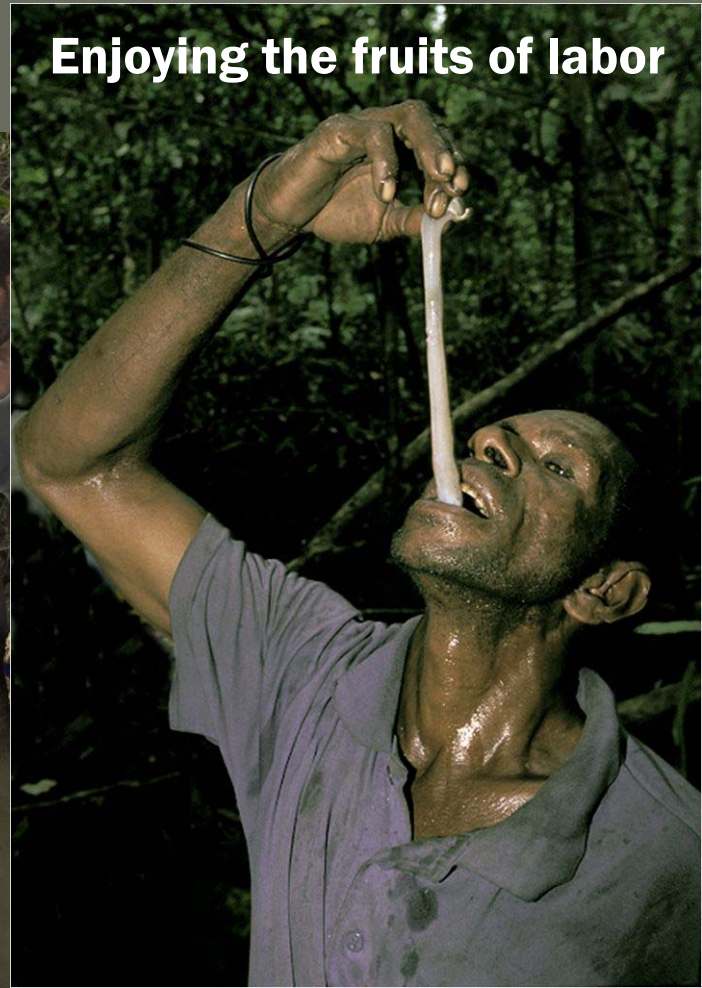
The Tambelo



**Harvesting
the Tambelo**

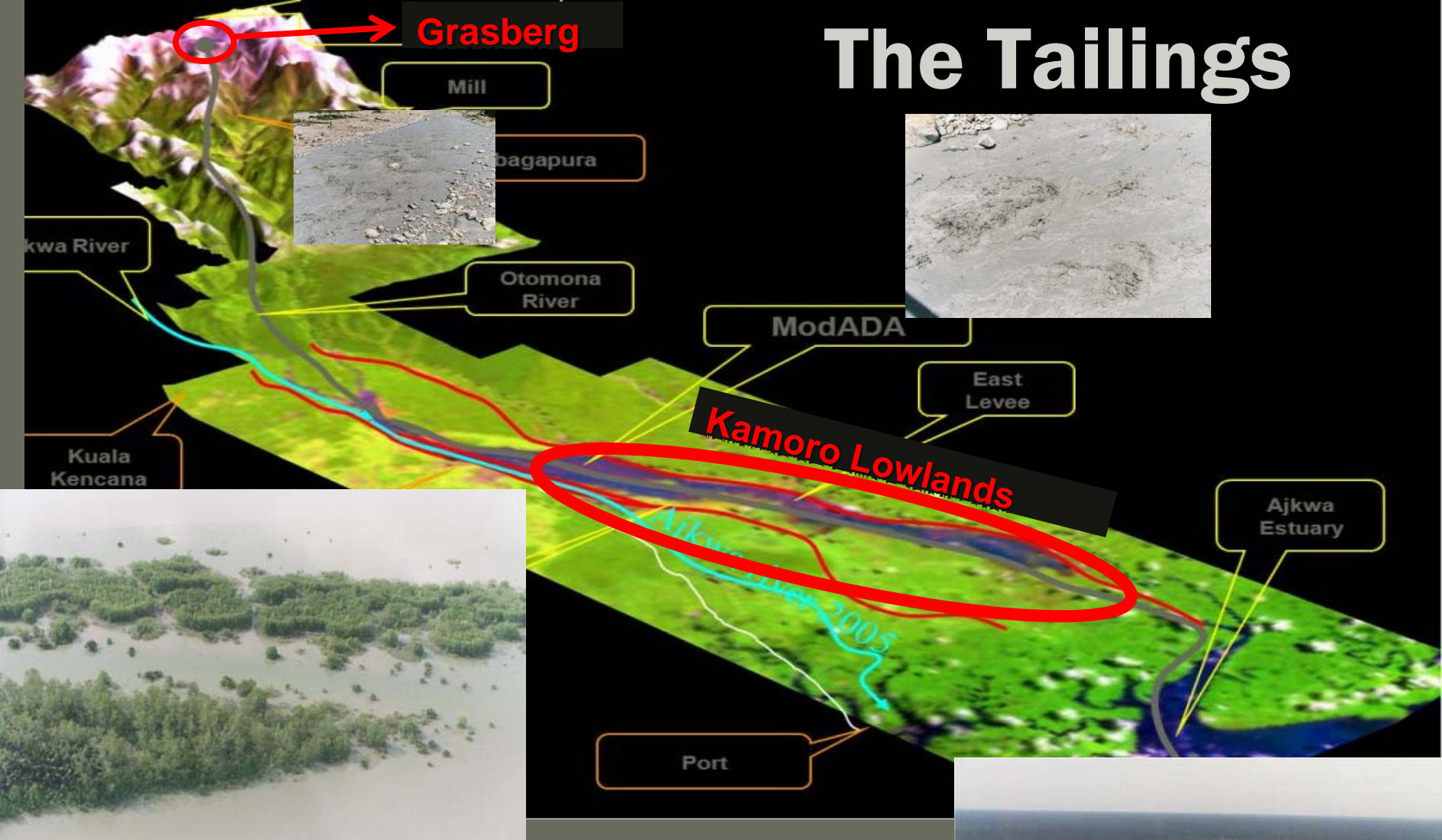


**Bringing the
harvest home**



Enjoying the fruits of labor

The Tailings



Now the Kamoro say the tambelo tastes bad, and they no longer venture into their traditional harvest areas





The Never-ending Story

There are bigger issues than bad flavor:

The mangrove forests, and the sago grubs that live there, are heavily stressed



Further Loss and Disruption

- Kamoro have lost their lands
 - Law does not recognize traditional hunting grounds
 - They received no compensation for these lands
 - Law recognizes (occasionally) fixed villages and cleared land
- As a result, they are losing their semi-nomadic way of life
- Losing traditional foods
- Disruption of the very fabric of their lives



The Kamoro Today

- Have not been made whole for their losses
- Are mostly unable to take advantage of any opportunities the mine might present because:
 - There are no jobs for the majority
 - They cannot get to places where there are jobs
 - They do not speak the national language
 - They cannot read or write
- The government does very little to remedy this
 - The few schools that do exist are not taught in their native language

Kamoro School for Men



Kamoro School for Girls



Summary: Local Sources of Conflict

- Loss of traditional livelihoods
- Loss of lands they have lived on for generations
- Lack of adequate compensation
- Institutionalized racism and discrimination
 - Government “Transmigration Program”
- Gold Panners mining the tailings
- Environmental degradation
- The success of a few creates social conflict within the tribe
- There is considerable violence for local reasons and causes

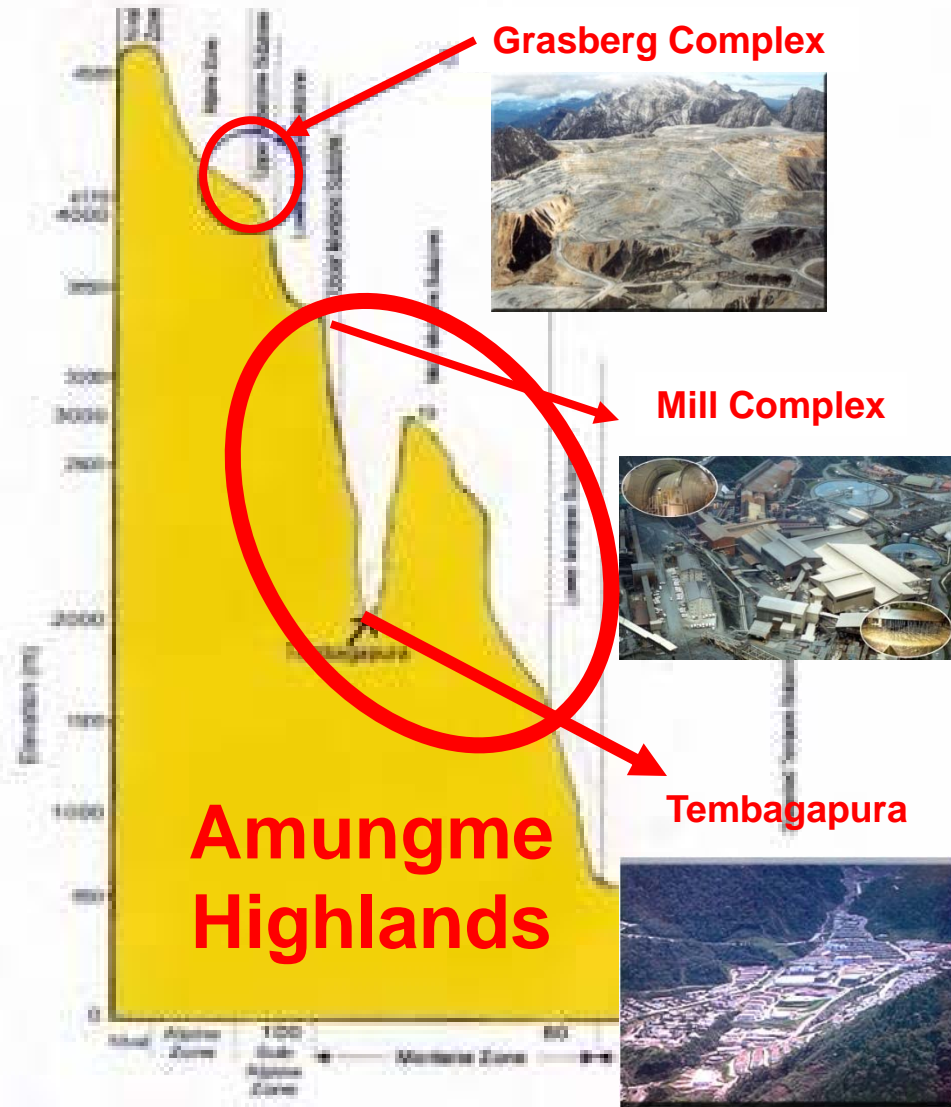
- How could an outside organization intervene constructively in these local issues?

The Regional Level: The Amungme Tribe

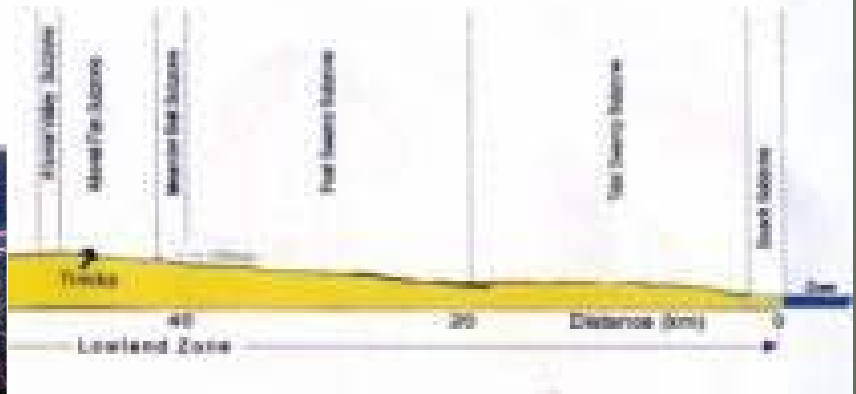
and the experience of other peoples in the region

A company town built for the Amungme

Geographical Condition



**The 'Highlander'
Amungme live in the
mountains, where the mine
and mill are located.**



The Amungme

For them, the mountain is the Great Mother, and the mining is an attack against their goddess.

Like the Kamoro, they do not receive compensation for the loss of their lands.

Several times they have interrupted mine production, throwing rocks from the ridges above the access roads.

They have suffered severely in violent clashes with the military, which is sent to protect the mine.

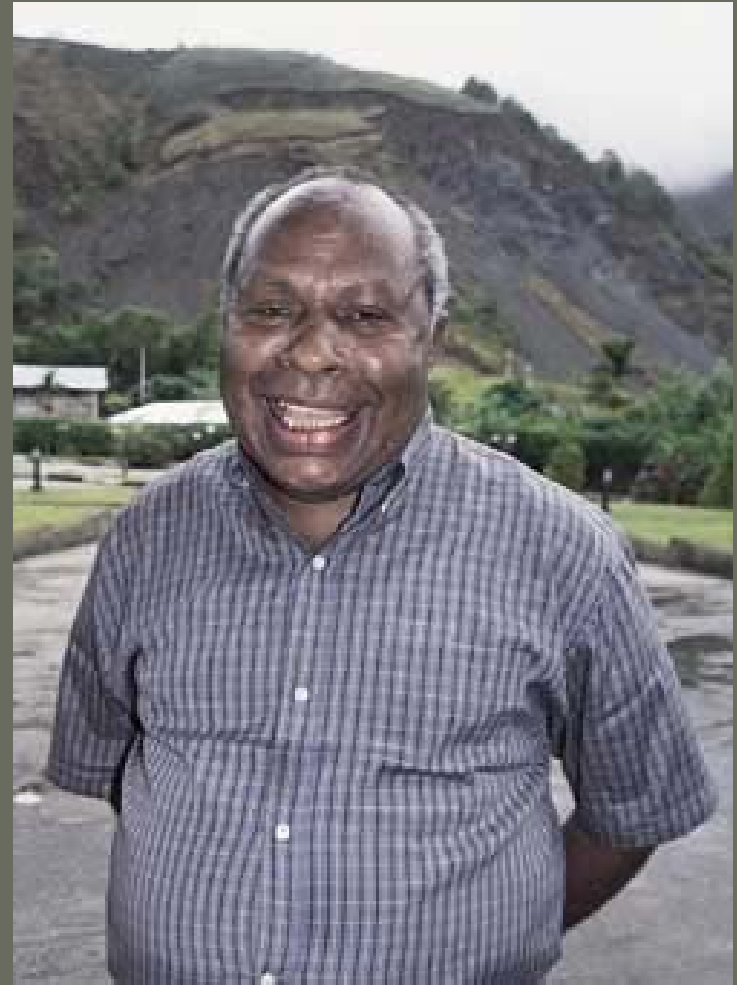


The Amungme, cont.

Unlike the Kamoro, they are much more fierce – they continue to fight the invaders in their lands.

They are more organized than the Kamoro: LEMASA, their tribal organization, acts as a concerted voice of resistance

As a result, while they have the same sources of conflict (and more) as the Kamoro, that conflict is intensified for the Amungme because of how fiercely they fight back.



Tom Beanal, an Amungme resistance leader and member of LEMASA

- This is the shared experience of many of the local tribes and has led to a considerable death toll
- In the view of some observers, the situation is worsening
- What could an outside organization do to manage or reduce the level of violence?

The National Level: Indonesia and West Papua



Indonesia: A Snapshot

- 6,000 inhabited islands, over 700 languages, multiple religions and cultures
- Its disparate islands were never unified before they were haphazardly colonized by the Dutch



More than half the population of Indonesia lives on one island: Java

A History of Invasions

- During WWII, the Japanese invaded
- After Japan's fall, the Dutch tried to take back 'their' islands
- The Independence movement, begun on Java and led by Sukarno, fought back
- Under pressure from the US, via the UN, the Dutch officially recognized Indonesian independence after 4 years of fighting
- West Papua remained under Dutch control and began to prepare for its own independence, despite vehement Indonesian insistence that WP belonged to Indonesia.

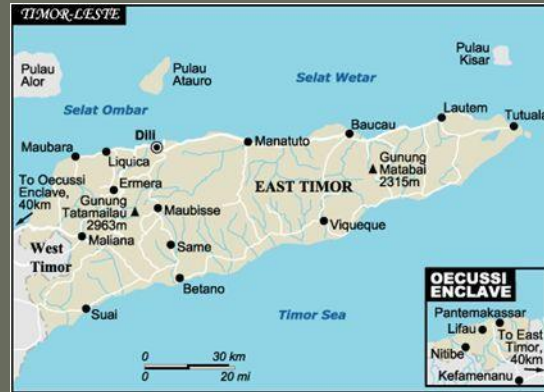


Sukarno was the President of Indonesia from 1948 a 1965.

Courtesy of the Gordon Skene Sound Collection. All rights reserved./Archive Photos



Aceh



East Timor



West Papua

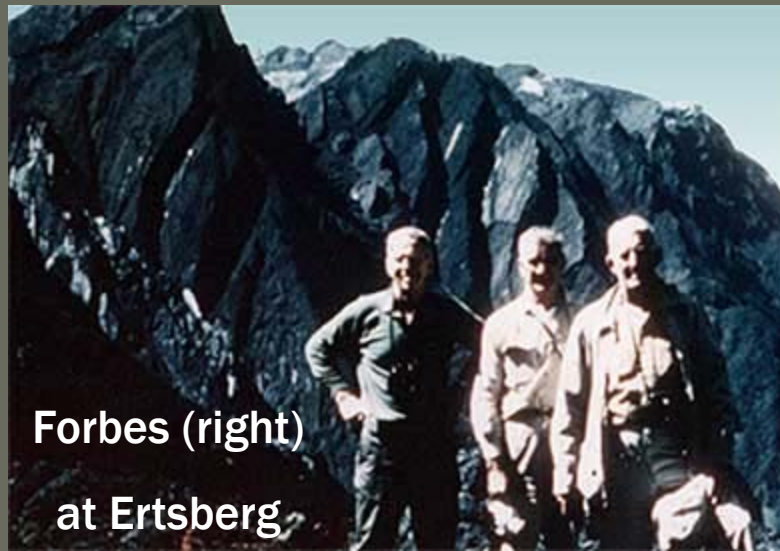


Several areas did not want to be part of the new Indonesian nation.

Invasions of a Different Sort

In 1936 Jean Jacques Dozy, a Dutch geologist, explored West Papua and discovered Ertsberg, a true 'Mountain of Copper'

In 1959 Forbes Wilson, the head of the minerals exploration for Freeport Minerals, rediscovered Dozy's forgotten report, and traveled to West Papua to see for himself.



Forbes (right)

at Ertsberg





Incorporation into Indonesia



General Suharto

- In 1961 the Indonesian military, under the command of General Suharto, invaded West Papua, following orders from President Sukarno
- After another round of negotiations, more pressure from the US, and a brief stint as a UN-controlled territory, West Papua became part of Indonesia in 1963.
- President Suharto immediately renamed the province Irian Jaya and outlawed all pro-independence symbols
- The UN promised self-determination – what the West Papuans got was the “Act of Free Choice”.
- Violence between the military and the ‘separatist’ movement, the OPM, has resulted in at least 100,000 deaths



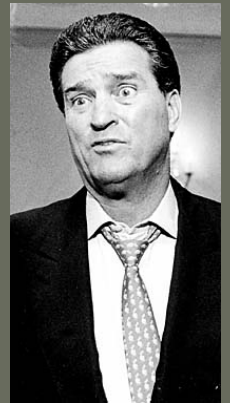
Quick Review: A Timeline

1936	Jean Jaques Dozy discovers Ertsberg
1939	His report is published in the Netherlands
1940-1945	Japanese invade West Papua and Indonesia and are defeated
1945-1949	Indonesian war for Independence
1949-1959	West Papau remains Dutch, prepares for independence
1959	Dozy report rediscovered by Forbes Wilson
1960	Wilson travels to sample Ertsberg himself, returns to report
1961	President Sukarno sends in General Suharto to invade WP
1962	WP becomes a UN territory
1963	WP is handed over to Indonesia. All signs of an independent nation are outlawed and brutally stamped out.
1965	General Suharto takes control in a military coup
1967	Freeport receives commission under new Foreign Investment Law
1969	“Act of Free Choice”
1988	Grasberg Discovered
1998	End of Suharto regime, return of ‘democracy’

For more than ten years the Dutch were relatively peacefully preparing West Papua for independence. Then, within a space of three years, the Dutch were forced to step down, the island became part of Indonesia, and violence became the norm.

A Marriage of Mutual Convenience

- In 1965 pro-Communist President Sukarno was ousted in a coup led by General Suharto, the same general in control of West Papua
- In 1967 Freeport signed agreement with Suharto, and “Marriage of Mutual Convenience” begins:
 - Freeport financed Suharto government, becoming Indonesia’s largest taxpayer and its strongest advocate in the international arena
 - Suharto gave Freeport free reign for its operations and political and physical protection within West Papua
- With the Grasberg concession, the Indonesian government controlled $\approx 20\%$ of Freeport:
 - 9.36 % directly
 - 9.36% through PT Indocopper Investama, a company owned by a close friend of Suharto’s



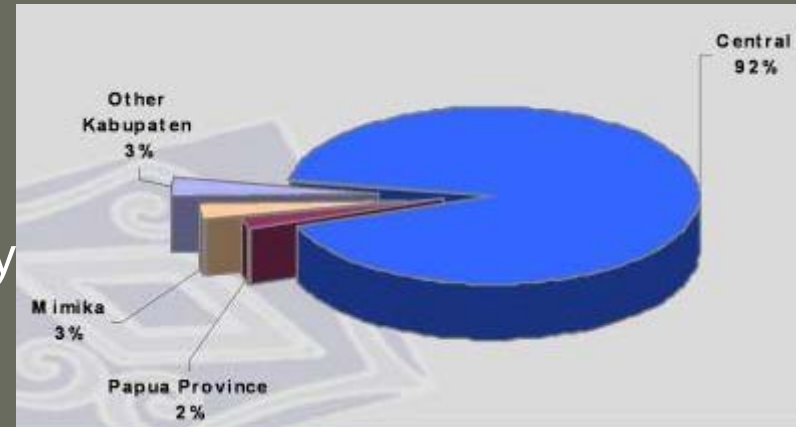
Jim Bob Moffett
Freeport CEO



Grasberg

Summary: National Sources of Conflict

- Unequal distribution of revenues from the mine
 - Only a small fraction of the billions received goes to West Papua, and very little of that goes to original inhabitants
 - The 1% Fund
- The local people were never consulted by either the mine or the national government
- The denial of promised independence
 - The OPM, the armed separatist movement
- Province is overrun by people from other islands (mainly Java) who regard the natives with contempt
- Heavy-handed military response in effort to ‘protect’ mine
 - Accusations of Genocide are beginning to be heard



The Global Level: Indonesia, the U.S., and the World



U.S. Pressures on Indonesia and Freeport

- U.S. supports a united Indonesia
 - Suppression of separatists movements like in West Papua are supported
 - Expresses this support with military training and aid
- U.S. justifications:
 - Stop the spread of communism
 - Stop Islamic terrorism
- U.S. feels international pressure, and then puts that pressure on Freeport and Indonesia

Other Pressures and Considerations

- International NGOs and NGO campaigns
 - Global Witness
 - Down to Earth
 - Publish What You Pay Campaign
- Significant environmental challenges
- International Standards
- Companies not held back by these constraints
 - The Chinese (or others) are ready to move in the minute Freeport moves out
 - Freeport can no longer just make demands on the government and expect to be listened to

Conclusions

Both the grievances and the violence that accompanies them occur at all levels and on all scales:

- ✓ **LOCAL:** Violence breaks out in disputes over food gathering, disputes over territory, intertribal conflict, and conflict between locals and emigrants
- ✓ **PROVINCE:** Organized violence occurs within the fight for independence from Indonesia
- ✓ **NATION:** The independence conflict is part of the national fight to maintain central authority and sovereignty, involving a skilled military, practiced guerrillas, and local outbursts
- ✓ **GLOBAL:** All of these conflicts are affected by international commercial and security concerns of a number of major powers in and out of Asia.



Conclusions, cont

The grievances and violence are all interconnected, so a solution must involve all levels of the scale.

All players are active on all levels, to a certain extent, so a solution must also involve all players.

- ✓ How do we deal constructively with problems like these?
 - Pros and cons of a 'Bottom-Up' approach?
 - Pros and cons of a 'Top-Down' approach?

- ✓ What are some of the elements of a strategy for success?
 - Must include all players
 - Must include all levels
 - What else?

Pitfalls and Possibilities

✓ Things to watch out for:

- Entrance of emerging countries like China
- Finger pointing between the actors
- What else?

✓ Possibilities:

- Capacity building: helping actors engage constructively
- Position: working with, working through, and working 'in the middle'
- What else?

