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# THE IMPACT OF ILLEGAL MINING (PETI) ON THE ECONOMY OF MINING WORKERS IN LALAR LIANG VILLAGE, TALIWANG DISTRICT, WEST SUMBAWA REGENCY

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#### **Abstract**

This study examines the economic impact of illegal gold mining (PETI) in Lalar Liang Village, Taliwang District, West Sumbawa Regency. Since the discovery of gold reserves in 2015, the people of Lalar Liang Village have been involved in illegal gold mining activities that are carried out traditionally and without official permission from the government. The purpose of this study is to analyze the influence of illegal gold mining on the economic welfare of mining workers and the surrounding community. The research method used is a qualitative approach with case studies, involving interviews with local communities. The results of the study show that illegal mining has a positive impact in the form of increased income, job opening, and economic progress of the community. The presence of illegal mining helps improve the welfare of the local community, with many residents earning income from the mining sector. This research suggests that governments provide sustainable long-term solutions to address people's dependence on illegal mining while maintaining their economic well-being.

Key Words: Illegal Mining, Economy, Miner's Income

#### INTRODUCTION

Mining, according to Law Number 4 of 2009 concerning Mineral and Coal Mining is part or all of the stages of activities in the context of research, management and exploitation of minerals or coal which include general investigation, exploration, feasibility studies, construction, mining, processing and refining, transportation and sales, as well as post-mining activities. Mining on a national scale is divided into 3 levels, namely large-scale mining, medium-scale mining, and small-scale mining. In Indonesia, the form of mining activities that is currently rampant is people's mining activities. (Sudiyarti et al., 2021) stated that smallscale mining is carried out in the form of people's mining. People's mining activities are a category of small-scale mining, which is traditionally pursued. People's Mining activities are usually carried out by local communities with business actors who are not balanced with equipment, facilities, knowledge, and capital. In addition to these limitations, regulatory constraints also exacerbate the situation and conditions, so that people's mining tends to be carried out without a permit or commonly known as PETI (Unlicensed Gold Mining), so it is vulnerable to accidents and work safety, and sometimes causes uncontrolled pollution and environmental damage.

There are two types of mining legally, namely official mining and unofficial mining. Official mining is mining that has a permit and has a special mining site and pays attention to its impact on the community, while unofficial mining is mining that does not have a permit from the government and does not have a special place and does not care about its impact on humans.

Illegal Mining is one of the unofficial mining that is now a threat to all parties, both from the government of Lalar Liang Village in general and the community who are directly affected by illegal mining in the form of environmental damage and disease due to the community consuming water and the water has been polluted by mercury substances, through this the community feels anxious since the operation of gold mining and people who are not mining actors It is worried that if this illegal mining activity continues to be allowed then it is likely to have a greater impact on Lagı and all the environment around the mining will be polluted and can no longer be used and the groundwater absorption will also be polluted and automatically the water in the Lalar Liang Village area cannot be consumed carelessly as before.

Lalar Liang Village is one of the areas in West Sumbawa Regency that has the potential for natural resources in the mining sector, one of these mining produces mining commodities that are classified as group A mining materials. They are trying to dig mountains and manage gold mining illegally, the government really appreciates this because the government also thinks about the welfare of its people.

Prior to the discovery of gold mining in Lalar Liang Village, Taliwang District, West Sumbawa Regency, where the Lalar Liang community, which initially before the existence of gold mining, had a livelihood as farmers, gardeners, and construction workers. Then when the gold mine was discovered, the Lalar Liang community began to flock to the mining site to make a living, but there were also people who continued to work as construction workers and their farmers also worked as miners. This gold mining is very fast to bear fruit compared to other jobs and the results obtained are very promising and able to meet the family economy. Over time, the work of the Lalar Liang community has also increased with the existence of mining, namely as a miner.

Illegal gold mining activities in Lalar Liang Village are carried out by the community on the basis of economic pressure that is increasingly difficult to fulfill, so the community takes shortcuts to find new livelihoods by mining gold illegally and without following the applicable rules.

This mining can cause both positive and negative impacts. The positive impact of mining is that it can reduce poverty, especially for mining entrepreneurs because of the increase in income according to the amount of gold they get, but it can be negative for the local ecosystem, it can be seen from all productive crops, such as coconuts and areca nuts, that have been cut down. Likewise, rice fields and residential areas are damaged because they are used as mining areas. The emergence of positive and negative impacts from the mining business occurs at the exploration stage. Exploration includes finding or locating golden spots.

On the one hand, from the conditions in the field, the author finds symptoms or phenomena that occur such as; There are a series of uncontrolled illegal mining activities carried out by the community to meet their daily and long-term needs, environmental damage such as causing diseases due to environmental pollution from the unlicensed gold mining process, and the lack of effective solutions and strategies related to ways to deal with environmental pollution so that until now both in terms of the community, not the mining actors and the government local authorities are still making solutions that are not certain to be realized. Gold mining greatly affects workers' incomes and well-being, as well as to identify the economic challenges and opportunities facing local communities. In addition, it can provide insights into the long-term impact on the village economy, which is important for sustainable development and policy.

#### LITERATURE REVIEW

#### Mining

Mining in accordance with the Mineral and Mineral Law No. 4 of 2009 article 1, namely, Mining is part or all of the stages of activities in the context of research, management and exploitation of minerals and coal which include general investigation, exploration, feasibility studies, construction, mining, processing and refining, transportation and sales, as well as post-mining activities. Mining is an industry where mineral ore materials are processed and separated from unwanted follower materials. In the mineral industry, the process of obtaining economical minerals usually uses the extraction method, which is the process of separating minerals from rocks from the follower minerals that are not needed. Minerals that are not needed will become waste from the mining industry and have a significant contribution to pollution and environmental degradation. The mining industry as an upstream industry that produces mineral resources and is a source of raw materials for downstream industries needed by mankind around the world (Surokhim, 2017).

#### People's Mine

Smallholder mining activities have had a fairly wide impact on developing countries in recent decades. Research in several developing countries shows that smallholder mining activities have had a positive impact on the economy, namely by providing jobs, sources of income for rural residents and increasing taxes. In addition to these positive impacts, it turns out that people's mining also triggers environmental problems that are closely related to land degradation, especially in the location of mining pits that are not reclaimed, causing erosion. Degradation of mining land includes changes in landscapes, changes in physical, chemical and

biological conditions of soils, microclimates and changes in flora and fauna (Junaidi, 2022).

#### Mining Without a License

PETI is a mining business carried out by an individual, a group of people, or a legal entity foundation company that in its operation does not have a permit from a government agency in accordance with applicable laws and regulations (Kasworo, 2015).

#### Income

According to Sochib (2018) Revenue is an inflow of assets arising from the delivery of goods/services carried out by a business unit during a certain period. For a company, the income obtained from the principal operation will add to the value of the company's assets which will basically also increase the company's capital. However, for accounting purposes, the increase in capital as a result of the delivery of goods or services to other parties is recorded separately with the income account.

#### Workforce

Labor is an important aspect contained in the economic structure of a company or organization. Labor is the main resource for the continuity of production in a company and in the organizational structure. The existence of labor in a production activity is very necessary, especially for those whose level of productivity requires a level of efficiency in the process. The more workers in a production, the more things need to be considered in it, namely about their guarantee as workers (Aksin, 2018).

#### **RESEARCH METHODS**

#### Research Approach

This study uses qualitative research methods. Qualitative research methods are often called naturalistic research methods because the research is carried out in a natural setting. Qualitative research methods are research methods based on the philosophy of postpositivism, used to research on the conditions of natural objects, where the researcher is the key instrument, data collection techniques are carried out in triangulation (combined), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization. Meaning is actual data, definite data which is a value behind visible data (Sugiono, 2019).

#### Research Design

In this study, the researcher used a type of case study research. A case study is a series of scientific activities that are carried out intensively and in detail to gain knowledge about a program, event or activity at the level of an individual, group of people, institution, or organization. Usually, the event that is chosen next to be called a case is an actual thing (real-life event) that is taking place, not something that has passed (Rahardjo, 2017).

# RESEARCH RESULTS AND DISCUSSION

#### **Description of Informant**

The informants from this study are 20 people, namely 17 main informants, of which 5 are gold miners, 3 of them are log owners, 3 are stone grinders, 3 are stone transportation services, and 3 stone smelters. There were 2 supporting informants, namely swords around logs. And 1 key informant from the village government who knew about illegal gold mining in Lalar Liang Village. For more details, you can see the table below:

**Table 4.1 Informant Data** 

Table 4.1 Informant Data				
It	Work	Sum	Percentage	Information
1	Village Secretary	1	5%	Key Informant
2	Gold Miner	5	25%	Lead Informant
3	Owner of Logs	3	15%	Lead Informant
4	Log Workers	3	15%	Lead Informant
5	Stone transportation services	3	15%	Lead Informant
6	Stone Smelter Workers	3	15%	Lead Informant
7	Merchant	2	10%	Supporting Informant
Sum		20	100%	3

#### **Research Results**

Illegal Gold Mining in Lalar Liang Village has an economic impact on Mining Workers and also for the community. Among the impacts of illegal gold mining in Lalar Liang Village related to the economy are:

#### 1. Job Opening

The presence of illegal mining opens up jobs for the people of Lalar Liang Village. Although the gold mining in Lalar Liang Village is an illegal mine, the presence of illegal gold mining is a happiness in itself for the community because it can create jobs for the community. As a result, people can get jobs to help meet their daily needs. There are many people who work as gold miners. In addition to creating jobs, the presence of illegal gold mines in Lalar Liang Village can also boost the economy and the welfare of the community in general.

## 2. Impact on Community Welfare Seen from Income Factor

Illegal mining in Lalar Liang Village has a significant impact on the welfare of the community, especially in terms of income. Despite external factors such as drought and crop failure that affect the economy, illegal mining activities still have a positive impact on the economy of local communities. Illegal mining provides income opportunities for the community, be it miners, horse owners who transport stones, and mothers who smelt stones.

#### 3. Reviving MSMEs

The existence of illegal mining has a significant impact, especially on traders and micro, small, and medium enterprises (MSMEs). Based on observations, illegal mining activities greatly affect the economic turnaround in the region. Traders who are around the mine management area revealed that their income is highly dependent on the existence of illegal mining. When mining activities are busy, the demand for their merchandise increases rapidly.

#### 4. Factors affecting revenue

A person's income is affected by a variety of interrelated factors. There are three main factors that affect the income of mine workers. The first factor is education, which is one of the important

benchmarks for getting a job. The higher a person's education level, the greater the chances of getting a decent job with a higher income. The second factor is skills, which also play an important role in finding a job. A person who does not have certain skills or even masters certain techniques at work often has difficulty getting a job elsewhere. The third factor is age, where the average illegal mining worker is over 40 years old. Companies today tend to prioritize a young workforce that has new skills relevant to industry developments.

#### 5. Reasons for Mining Gold Without a Permit (PETI)

The miners continue to mine gold without a permit for three main reasons. First, because there are no other job options. Second, illegal gold mining is considered an easy and relatively affordable job, as it does not require any special skills or formal training. This makes it accessible to anyone, including those with no education or technical skills. Third, this activity offers great and fast earning potential, much higher than other jobs available in the area. Many miners feel that by engaging in illegal gold mining, they can make ends meet in a short period of time, even though they know the risks they face.

## 6. Suggestions and Inputs from the Community for Unlicensed Gold Mining (PETI)

There is hope from the community, especially illegal miners, that illegal mining in Lalar Liang Village will not be stopped immediately, because these activities have a positive economic impact on them. The community depends on the income derived from illegal mining, and if the mine is closed, the money circulation in the village will be lost. They cannot stop from these activities because there are no other jobs provided by the government. They hope that if the government wants to stop illegal mining, there must be other job guarantees that can replace their source of livelihood.

#### **CONCLUSION**

Illegal gold mining in Lalar Liang Village has a significant economic impact on the local community, both directly and indirectly. The presence of illegal mining opens up jobs such as housewives can become stone smelters, horse owners can open stone transportation services, miners, and log workers. These open jobs provide a fairly high income for the community, and this arrangement helps the community to help the daily household economy, be able to build houses, and send children to school. The existence of illegal mining is an option for employment because the existing jobs are very limited and the income is not enough for daily life. Because there are no other job options, people depend on illegal mining.

If the government is going to shut down these illegal mining, the community hopes that the government can provide a clear solution, such as other job guarantees, before stopping illegal gold mining activities, to avoid greater social and economic impacts.

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