

ELIMINATING ILLEGAL MINING – STRONG WORDS BUT UNCERTAIN ACTION¹²³⁴⁵

INTRODUCTION

Illegal mining has long been a serious problem in Indonesia and something which successive Governments have been unable or unwilling to take resolute action against.

The loss of Government revenue and, perhaps more importantly, the environmental and other damage that results from illegal mining is unquestionably very great.

The President has recently signalled that his Government finally intends to “tackle” the problem of illegal mining. However, what is lacking at this time is much detail about precisely how the Government will go about trying to eliminate illegal mining. That said, there seem to be at least two proposals currently under active consideration by the Government for the purpose of addressing the illegal mining problem.

In this article, the writer will review the existing legal avenues for dealing with illegal mining before considering each of the proposals that the Government is known to be considering as possible new strategies for this purpose. This review and consideration must necessarily touch on the politically sensitive issue of why it has proved so difficult for previous Governments to take resolute action against illegal mining. Inevitably, that leads to the very practical question of what, if anything, is different about the current Government which is likely to make it more or less likely that the current Government will be able to achieve meaningful progress in dealing with illegal mining when such progress has largely eluded previous Governments.

BACKGROUND

“Illegal mining” is often euphemistically referred to, in Indonesia, as “artisanal mining” or “small scale mining”. The use of these descriptors encourages a tolerant attitude to “illegal mining” by, deliberately or otherwise, downplaying the negative consequences of “illegal mining”.

“Illegal Mining” is not defined, as such, in the 2009 Minerals & Coal Mining Law (as subsequently amended on several occasions and most recently by Law No. 2 of 2025 re Fourth Amendment of Law No. 4 of 2009) (**Mining Law**) or in the numerous implementing regulations of the Mining Law (together, **ML Implementing Regulations**). However, “illegal mining” is described by the

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Directorate General of Law Enforcement (**GAKKUM**), at the Ministry of Energy & Mineral Resources (**ESDM**), as being the carrying out of “unregistered” mining activities. This is to be understood as meaning the carrying out of mining activities (i) without a special mining business license (**IUPK**), a mining business license (**IUP**), a rock mining license (**SIPB**) or a community mining license (**IPR**) (together, **Mining Licenses**) or (ii) with a Mining License that has not been recorded or registered in Minerba One Data Indonesia (**MODI**) or (iii) in an area that has not yet been declared/determined by ESDM to be a mining business license area (together, **Illegal Mining**).

Carrying out mining activities with a Mining License that is recorded/registered in MODI but in a manner which is not compliant with the conditions of the relevant Mining License or which constitutes a breach of the Mining Law and/or the ML Implementing Regulations is **not** Illegal Mining.

It is very difficult to determine, with any degree of accuracy, just how widespread is Illegal Mining in Indonesia. However, the available evidence indicates it is, in fact, a huge problem – indeed such a huge problem that it is now receiving the President’s personal attention. During the course of his State address to the annual session of the People’s Consultative Assembly (**MPR**) on 15 August 2025 (**15 August MPR Address**), the President said that there were “1,063 illegal mines” in Indonesia that had the “*potential*” to cause State losses of “*up to IDR300 trillion*” (approximately, US\$18.25 billion). The President’s number of “1,063 illegal mines” may well be very much a considerable understatement of just how widespread Illegal Mining really is in Indonesia although a lot depends upon whether the President was referring to 1,063 distinct geographic areas where Illegal Mining is taking place and which may involve multiple individual Illegal Mining operations or 1,063 individual Illegal Mining operations. The former, rather than the latter, seems more consistent with the available anecdotal evidence as well as with existing studies of Illegal Mining in Indonesia. In this regard, a 2022 press release by ESDM (No. 259.Pers/04/SJI/2022) referred to there being more than 2,700 Illegal Mining operations in Indonesia, with South Sumatera supposedly having the largest number of Illegal Mining operations.

The fact that it is difficult to accurately determine how many Illegal Mining operations there are in Indonesia also necessarily means that it is difficult to determine what is the real cost to Indonesia of Illegal Mining. The real cost to Indonesia includes, in part only, the loss of Government revenue as a result of those parties, which carry on Illegal Mining operations, not paying the various taxes and other charges/fees that holders of Mining Licenses, carrying on their mining operations more or less in accordance with the Mining Law and the ML Implementing Regulations, must pay.

The foregone taxes and other charges/fees resulting from Illegal Mining include, most importantly, “non-tax state revenue” (**PNBP**) which the Government levies in connection with various activities, including mining related activities. More particularly, mining activity-related PNBP is in the form of revenue collected by the Government from (i) the “utilization” of natural resources, including the sale of mineral products (colloquially known as the **Production Royalty**), (ii) the provision of services in the mineral resources sector, (iii) the use of mining-related facilities and infrastructure, (iv) the imposition of administrative fines in respect of non-compliant mining industry activity and (v) the mandatory placement/provision of guarantees in connection with certain mining and post-mining activities. PNBP is a hugely important source of revenue for the Government. In 2024, the Government collected a total of IDR269.5 trillion (or the equivalent of about US\$15.8 billion) in PNBP from energy and mineral resources activities only. The mining industry contributed IDR140.5 trillion (or the equivalent of about US\$8.24 billion) or 52% of the Government’s 2024 PNBP collections from energy and mineral resources activities. In addition to foregone PNBP,

there is also foregone income tax on the net profits of parties carrying on Illegal Mining operations as well as foregone value added tax, withholding tax and various regional government charges.

The claimed State losses from Illegal Mining of “*up to IDR300 trillion*”, referenced by the President in his 15 August MPR Address, are at odds with other sources which suggest the real number may be either much higher or much lower than Rp300 trillion. Notably, as reported by on-line news portal Bloomberg Technoz on 26 June 2025, statements by the head of the Financial & Developmental Supervisory Agency (**BPKP**) (being a Government financial matters supervisory agency directly under and responsible to the President) put the State losses associated with Illegal Mining in forest areas as being IDR700 trillion or more than twice the number referenced by the President in his 15 August MPR Address. However, as reported by on-line news portal CNN Indonesia on 22 March 2023, ESDM put the estimated State losses from Illegal Mining much lower at approximately IDR1.6 trillion in 2019 and as much as IDR3.5 trillion in 2022. What all these references to the claimed State losses from Illegal Mining lack, of course, is any clarity as to precisely how they are calculated; that is, what they include and what they don’t include. More particularly, are these the claimed State losses from Illegal Mining on an annual basis or on an estimated “life of mine” basis? Do these claimed State losses cover all of Indonesia or just select areas of Indonesia? Are these claimed State losses from Illegal Mining on land over which no party holds a Mining License or do they also include State losses from Illegal Mining by third parties on land which is the subject of a Mining License held by someone else? Without this information, it is impossible to attempt any reconciliation of the vastly different numbers quoted by different sources for the State losses from Illegal Mining. Perhaps, however, it matters little which number is actually correct because, whatever is the actual State loss from Illegal Mining, it is clearly a loss that Indonesia can ill-afford.

Of course, the real cost to Indonesia of Illegal Mining extends far beyond the financial loss incurred by the State. More particularly, the real cost to Indonesia of Illegal Mining also includes (i) environmental damage and pollution caused by Illegal Mining (which often involves the destruction of forest areas and the use of toxic chemicals), (ii) death and personal injury suffered by miners (working in the dangerous and inherently unsafe conditions that often typify Illegal Mining operations), (iii) exacerbation of social conflicts and (iv) encouraging corruption. It is not possible to put a meaningful IDR/US\$ figure on the cost to Indonesia of these other undesirable aspects of Illegal Mining but, if it was possible to do so, the resulting IDR/US\$ figure might well exceed that of the associated State revenue losses from Illegal Mining.

COMMENTARY

1. Perplexing Failure of Successive Governments to Deal with Illegal Mining

- 1.1 **No Lack of Legal Basis for Dealing Effectively with Illegal Mining:** The reason for the failure of successive Governments to take serious and effective action in combatting Illegal Mining is most definitely **not** to be found in the lack of adequate laws and regulations for dealing with Illegal Mining and even though “Illegal Mining” is not a term that appears anywhere in the Mining Law or in the ML Implementing Regulations. There are, in fact, multiple provisions of the Mining Law that criminalize various aspects of Illegal Mining. More particularly, Article 158 of the Mining Law (**ML Article 158**) provides that:

*“Any party **who conducts Mining without a permit** as referred to in Article 35 may be imprisoned for a maximum of 5 years and fined a maximum of IDR 100,000,000,000.”*

ML Article 158 provides the most obvious legal basis for prosecuting parties carrying on Illegal Mining as ESDM's definition of Illegal Mining is very much focused on parties carrying out mining activities without having a Mining License that is recorded or registered in MODI – see the Background section above. However, there are various other provisions of the Mining Law that could also be effectively used to impose significant penalties on holders or former holders of Mining Licenses engaged in activities closely related to Illegal Mining. In this regard, specific reference should be made to Article 159 and Article 161B of the Mining Law (**ML Article 159** and **ML Article 161**) which provide as follows:

ML Article 159

“Holders of an IUP, IUPK, IPR or SIPB who intentionally submit reports as referred to in Article 70 letter e, Article 105 paragraph (4), Article 110, or Article 111 paragraph (1) incorrectly or provide false information shall be subject to a maximum imprisonment of 5 years and a maximum fine of IDR 100,000,000,000.00.”

ML Article 161B

“(1) Any person whose Mining Permit (IUP) or Special Mining Permit (IUPK) is revoked or expired and who fails to carry out:

- a. Reclamation and/or Post-mining; and/or*
- b. placement of Reclamation and/or Post-mining guarantee funds,*

shall be punished with a maximum imprisonment of 5 years and a maximum fine of IDR100,000,000,000.00.

(2) In addition to the criminal sanctions referred to in paragraph (1), former Mining Permit (IUP) or Special Mining Permit (IUPK) holders may be subject to additional penalties in the form of payment of funds to fulfil their Reclamation and/or Post-mining obligations.”

As an Illegal Mining operation is likely to involve multiple criminal offences, recent changes to Indonesia's Law No. 1 of 2023 re the Criminal Code (**Criminal Law**) should, in theory if perhaps not in practice, facilitate the prosecution of parties engaged in Illegal Mining and otherwise increase the likelihood of them receiving serious punishment for their wrongdoing. More particularly, Article 126 of the Criminal Law provides that, where a particular course of action involves multiple, inter-connected criminal offences, each carrying different penalties/sanctions of varying severity, the convicted party is to receive that penalty/sanction which is most severe.

- 1.2 **Special ESDM Directorate General for Dealing with Law Enforcement:** In 2024, ESDM was reorganized to include a new directorate general for dealing with law enforcement. To this end, Presidential Regulation No. 169 of 2024 re ESDM (**PR 169/2024**) established GAKKUM (**i.e.**, the Directorate General of Law Enforcement).

GAKKUM was established for the express purpose of eliminating the exploitation of Indonesia's energy and mineral resources by parties not having the required business licenses to do so. It was anticipated that GAKKUM would also be able to address

previously identified institutional weaknesses in the role of ESDM's special investigators (PPNS), being civil servants who have been granted the authority to investigate crimes in the energy and mineral resources sector. These institutional weaknesses are believed to hinder the effective enforcement of the criminal provisions of the Mining Law relevant to Illegal Mining, which provisions are summarized in Part 1.1 above. These previously identified institutional weaknesses are discussed at length in a 2024 law, criminology and criminal justice article by Arif Rohman, Hartiwiningsih & Muhammad Rustamaji, "*Illegal Mining in Indonesia: Need for Robust Legislation & Enforcement*", citing earlier studies by Nonet, P., Selznick, P., & Kagan, R.A. in 2021 and by Wardhani, S. in 2022

Article 25 of PR 169/2024 provides that the functions of GAKKUM include, among other things, the formulation, coordination, synchronization and implementation of:

".....policies in the field of prevention, complaint handling, legal compliance monitoring, investigation, imposition of administrative sanctions, and implementation of criminal law, as well as operational support for law enforcement in respect of energy and mineral resources."

- 1.3 **Real Causes of Illegal Mining Problem:** As should be readily apparent from Parts 1.1 and 1.2 above, the explanation for how and why Illegal Mining has been allowed to become such a big problem in Indonesia and over such a long period of time needs to be sought elsewhere than in the Mining Law, the ML Implementing Regulations and the structure of ESDM. While the Mining Law, the ML Implementing Regulations and the structure of ESDM undoubtedly fall well short of providing an ideal legal and institutional basis for dealing with Illegal Mining, they would seem to be at least modestly sufficient for that task if only they were being properly utilized.

The real causes of the prevalence of Illegal Mining in Indonesia and its longevity are, inevitably, both complicated and numerous. As such, they are not capable of adequate treatment in this article. However, the explanation can surely be found in some combination of (i) reduced central Government control of the mining industry following the move to greater regional autonomy in 1998, (ii) institutional weaknesses in and inadequate Government budgetary allocations for the armed forces, the police and the courts, (iii) poverty associated with lack of alternative legal income sources typically resulting from high levels of unemployment and underemployment in regional areas of Indonesia, (iv) lack of education and environmental awareness and (v) corruption in one form or another. With regard to this last factor, an opinion piece by Tenggara Strategies, which appeared in the 4 September 2025 edition of The Jakarta Post under the heading "*Illegal mining in Indonesia isn't hidden, its protected*", described the supposed reality of Illegal Mining in Indonesia as being:

"Illegal mining networks [in Indonesia] operate at every level of society and governance. They involve miners, financiers, landowners, middlemen, government officials and law enforcement officials who act as "backers.""

Tenggara Strategies goes on to reference alleged testimony by former PT Timah executives about the Illegal Mining of tin in Bangka Belitung to the effect that:

"illegal tin mining was unstoppable because it enjoyed police protection."

Citing various other egregious recent examples of claimed involvement by the police and the military in protecting Illegal Mining operations, Tenggara Strategies remarks that:

*“These cases underscore that illegal mining in Indonesia is not merely the result of weak licensing enforcement, it is a deep governance crisis. **Institutions tasked with upholding the law, including the police, military and regulatory bodies are themselves implicated in shielding, facilitating and profiting from illegal mining.**”*

While the author is not in a position to confirm the correctness or otherwise of what Tenggara Strategies says about the protection of Illegal Mining, it is certainly entirely consistent with much other anecdotal evidence that can be found from even a cursory review of mainstream news reporting and investigative journalism in Indonesia. As such and at the very least, the views expressed by Tenggara Strategies may be said to reflect the widely held public perception of what is an important contributing factor to the prevalence of Illegal Mining in Indonesia and its longevity.

2. **Strong Words of 15 August MPR Address**

More important than the numbers cited by the President, in his 15 August MPR Address, as to the extent of Illegal Mining and the State losses resulting from Illegal Mining, is what the President had to say about the parties alleged to be involved in and protecting Illegal Mining. In his characteristically blunt and direct manner, the President was quoted by various news sources (including on-line news portal nasional.kompas.com) as having said in his 15 August MPR Address that:

*“I warn you, whether these are **important figures, powerful figures, generals from anywhere, whether they are generals from the Indonesian National Armed Forces (TNI), the Indonesian National Police (Polri), or former generals, there is no excuse.** We will act in the name of the people.”*

The President then went on to warn members of his own political party, Gerindra, to report the involvement of Gerindra members in Illegal Mining, saying:

*“**Just report it,** because even if you’re Gerindra, I won’t protect you.”*

The President’s explicit references to the possible involvement, in Illegal Mining, of senior army and police officers, as well as his more oblique references to possible political party involvement in Illegal Mining, are of interest for at least a couple of reasons. First, the President’s references may be seen as providing indirect confirmation of the substantial correctness of the numerous reports, in mainstream news reports and investigative journalism magazines over the years, of involvement by the army, the police and political parties in Illegal Mining. Second, taken at face value, the President’s references strongly suggest that the State losses from Illegal Mining have now become so great as to make it no longer possible for the Government to continue to “turn a blind eye” to the possible involvement of the security forces and political parties in Illegal Mining. Third, the President seems to be clearly signalling that, out of financial necessity if not out of moral conviction, the Government now intends to make a concerted effort to eliminate or, at least, substantially reduce Illegal Mining.

The President is, of course, to be commended for speaking so plainly about the problem of Illegal Mining and the need for the Government to take firm action in respect of the same. The President's words and their directness are also very much consistent with what he said about the problem of corruption and its deleterious effect on the Indonesian people in his 2023 book "*Strategic Ideas – Prabowo Subianto – National Transformation Strategy towards a Golden Indonesia 2045 – Indonesia is Becoming a Developed and Prosperous Country*". Once again and **if the 15 August MPR Address is followed by real action**, the President may be seen to be actually "following through" on his campaign promises re corruption – surely a wholly novel and refreshing development for Indonesian politics and politicians in general!!

3. **Uncertain Action following 15 August MPR Address**

- 3.1 **What is Lacking in the 15 August MPR Address:** Notwithstanding the highly commendable content of the 15 August MPR Address and what the President had to say about Illegal Mining, there is one "glaring" omission in the 15 August MPR Address; namely, the absence of any details as to precisely how the Government will go about eliminating or at least substantially reducing Illegal Mining and the associated State losses, not to mention all the other negative externalities associated with Illegal Mining. Although the President did request the support of the MPR and the House of Representatives (**DPR**) in overseeing the elimination of Illegal Mining, no detail at all is to be found in the President's quoted statement:

*"You, the people's representatives, know the true situation. I have been an Indonesian for a long time and I'm a former soldier. So as a junior, **don't mess around**."*

Neither the President's exhortation to the MPR and the DPR to "*don't mess around*" nor his earlier call to Gerindra members to "*just report it*" are particularly helpful in trying to discern any actual plan of action for eliminating or, at least, substantially reducing Illegal Mining.

- 3.2 **At Least Two Proposals under Consideration:** Notwithstanding the lack of any detail in the 15 August MPR Address as to how the Government plans to go about dealing with Illegal Mining, there seem to be at least two proposals under active consideration by the Government. These two proposals are (i) granting IPRs (**i.e.**, community mining licenses) to parties carrying on Illegal Mining operations and thereby "legalizing" their activities and (ii) giving State-owned enterprises (**SOEs/BUMNs**) control of forest areas that are the subject of Illegal Mining operations. These proposals are considered, in detail, in Parts 3.3 and 3.4 below.
- 3.3 **Legalisation of Illegal Mining through Grant of IPRs:** The rationale for the proposal that Illegal Mining be "legalized" by giving parties, carrying on Illegal Mining operations, IPRs is nowhere clearly articulated. However, it presumably reflects the idea that the people carrying on Illegal Mining operations are, typically, individuals who are severely disadvantaged economically and have no other viable means of supporting their families and themselves. Accordingly, the already hard lives of these unfortunate individuals should not be made even worse by prosecuting them for criminal offences associated with Illegal Mining but, rather, a way should be found to enable them to carry on their livelihood activities in a way that is legal. It may also be the case that Government proponents (of

giving IPRs to parties carrying on Illegal Mining operations) hope that, once they receive IPRs, these parties will be willing and able to pay PNBP and the various other charges and taxes which holders of Mining Licenses are expected to pay, thereby reducing the State losses associated with rampant Illegal Mining.

There would seem to be numerous practical and technical issues with the proposal to deal with the problem of Illegal Mining by giving IPRs to parties carrying on Illegal Mining operations. This is quite apart from the inherent contradiction or inappropriateness of “rewarding” parties, engaged in Illegal Mining, by giving them IPRs.

First, to the extent that much Illegal Mining activity is actually carried on by “big players”, with the covert protection of the security services, it may well **not** be the case that most of the parties engaged in Illegal Mining are individuals who are severely disadvantaged economically and have no other viable means of supporting their families and themselves. Accordingly, the argument that “legalizing” Illegal Mining will avoid imposing further hardship, on unfortunate individuals whose lives are already intolerably miserable, is difficult to substantiate. The problematic nature of this argument has been clearly recognized by at least some members of the DPR’s Commission XII (formerly Commission VII) which is responsible for overseeing parliamentary matters related to energy and mining. In this regard, Commission XII member Beniyanto Tamoreka was quoted in the 21 August 2025 on-line edition of Kompas as having said:

“If law enforcement is not strengthened, mining mafia may just “change clothes” to become legal.”

Second, it is hard to believe that parties knowingly involved in various criminal activities associated with Illegal Mining will, merely because they are given IPRs, suddenly become law abiding citizens committed to paying PNBP and other charges and taxes on their mining production and the income they derive from the same. Again, Commission XII’s Beniyanto Tamoreka seems to have been “right on point” when he said (as quoted in the same on-line edition of Kompas) that:

*“Legalisation of community mining [**i.e.**, giving people IPRs] cannot be done carelessly. If everything is legalised without a monitoring, this may just become a “time bomb” for the coal and mineral sectors. Legalisation of community mining may become a solution for regional economy only if management and law enforcement is implemented in a disciplined manner.”*

The President also seems to understand this issue as he has been quoted as having said, during the 15 August MPR Address, that:

“If the local people are the ones doing the mining, we can form a cooperative (Koperasi) and legalised this, we will legalise but do not smuggle hundreds of trillion.”

It may be that the President’s idea is to grant IPRs **not** to existing parties carrying on Illegal Mining operations but, rather, to the so-called “Red & White Cooperatives” which he is proposing to “roll out” across Indonesia as the new force for economic development at the village level. While this could well be a somewhat better version of the IPR proposal, it does not seem to offer any solution to the other issues addressed below.

Third, as highlighted in the Background section above, the real cost to Indonesia of Illegal Mining goes far beyond the associated economic loss to the State of foregone PNPB and other changes and taxes levied on Mining License holders and includes the environmental damage and pollution that so often is associated with Illegal Mining operations. Giving IPRs to parties, carrying on Illegal Mining operations, will **not** in any way overcome the reality that these parties will almost always lack the capital and the technical expertise/knowledge needed to minimize the environmental damage and pollution otherwise associated with mining operations, whether they be legal or illegal mining operations. As IPRs may only be granted in respect of areas not exceeding 5 HA for individuals and 10 HA for cooperatives, the reality is that mining operations, carried out on the basis of IPRs, are never going to have the scale needed to attract the capital and technical expertise required for professional and well-run mining operations that are capable of minimizing the associated environmental damage and pollution.

Fourth, much Illegal Mining takes place on the mining concessions of other parties holding Mining Licenses that have been validly issued and included in MODI. Giving IPRs to the parties carrying on these types of Illegal Mining operations would effectively mean reducing the mining concession areas of Mining License holders otherwise carrying on legal mining operations. It is very difficult to see how this further penalizing of holders of valid Mining Licenses can be justified on any rational and fair-minded basis.

- 3.4 **Giving SOEs/BUMNs Control of Forest Areas Used for Illegal Mining:** Perhaps because there are so many obvious issues with the proposal to give IPRs to parties carrying on Illegal Mining operations, a second proposal for addressing the problem of Illegal Mining has recently been put forward; namely, giving control to the State of forest areas being used for Illegal Mining activities.

As reported by on-line news portal Bloomberg Technoz on 26 June 2025, the head of BPKP was recently quoted as saying that BPKP plans to take control of some 300,000 HA of forest areas being used for Illegal Mining operations, which forest areas will then be given to the State to manage. A related report appeared in the 28 August 2025 edition of on-line news portal Merdeka.com which gives 1 September 2025 as being the date for the first takeover of forest areas used for Illegal Mining operations. This related report also refers to forest areas, that have been “taken over” by the State, being given to SOEs/BUMNs to manage on a “temporary” basis

The seizure or takeover of forest areas, being used for Illegal Mining operations, may have been obliquely referred to by the President in his 15 August MPR Address when he was quoted as having said:

*“I assure you that to any company that dares to manipulate and violate, we will take legal actions and according to constitutional authority vested in President of the Republic of Indonesia, **we will seize whatever can be seized**.”*

A likely legal basis for the seizure or “takeover” of forest areas, being used for Illegal Mining operations, is to be found in Presidential Regulation No. 5 of 2025 re Control of Forest Areas (**PR 5/2025**). PR 5/2025 makes provision for:

- (a) improving the “governance” of mining, plantation and other activities in forest areas and “optimizing” State revenue from these activities (Article 2 of PR 5/2025);

- (b) in the case of parties carrying out mining, plantation and other activities in forest areas without the necessary business licenses or in a manner that is not compliant with the terms of their business licenses (Article 4 of PR 5/2025); and
- (c) by having the Government take “forest area control”, in the form of “asset recovery” carried out through “criminal, civil and administrative mechanisms” (Article 5 of PR 5/2025).

A “task force” (**Satgas**) is to be established for the purpose of implementing “forest area control”, with the “directors” of Satgas comprising (i) the Minister of Defence, (ii) the Attorney General, (iii) **the Commander of the Indonesian Armed Forces** and (iv) **the Chief of the National Police** (Articles 8 to 10 of PR 5/2025).

The composition of the Satgas directors is, of course, consistent with the President’s appointment of TNI generals to fill multiple key Government administrative positions. This widely documented development no doubt reflects the President’s belief that, because of their rigorous military training and acceptance of personal accountability as well as of the need for harsh discipline, TNI generals are likely to be more effective, professional and reliable in carrying out key Government assignments than are civilian administrators and political party appointees.

It is too early to say how effective or otherwise the Government’s plan, to seize control of forest areas being used for Illegal Mining operations, is likely to be in dealing with the problem of Illegal Mining. However, the writer would point out a seemingly rather obvious potential “conflict of interest” inherent in having this novel forest area control plan managed by a Satgas which is under the direction of the heads of the security forces (among others). How well is this likely to work, in practice, if there is any truth in the widely held public perception that senior officers of the TNI and the Police are involved in protecting Illegal Mining operations – something that the President himself seemed to confirm in his 15 August MPR Address?

SUMMARY & CONCLUSIONS

Illegal Mining has long been a serious problem in Indonesia, imposing numerous costs on the country and its people, which costs go far beyond the loss of State revenue.

Despite the legal means to do so, successive Governments have failed to make any material progress in reducing Illegal Mining. This failure has, inevitably, resulted in public speculation as to which highly placed individuals and significant institutions may be benefiting from and protecting Illegal Mining.

In a noteworthy 15 August 2025 MPR Address, the President seemed to both confirm the correctness of much of the public speculation as to who/which institutions might be protecting Illegal Mining and, at the same time, promise uncompromising Government action to finally tackle the problem of Illegal Mining.

Mining License holders and the public are now waiting to see what form this promised uncompromising Government action will take.

It would, of course, be a “huge win” for Indonesia and its people if the President is able to deliver on his promise to, at last, have the Government deal effectively with the problem of Illegal Mining. It would also do much to cement the President’s reputation as a “can do” leader who is capable of overcoming endemic problems that the country faces but which problems have proved insurmountable for previous Governments. The question, though, is how likely is this laudable goal to be achieved?

The two proposals for tackling Illegal Mining, currently under consideration by the Government, give rise to a variety of concerns and issues that may well compromise their effectiveness.

It will be particularly interesting to see whether the President’s clear preference for senior security forces personnel fill key Government positions having, including as directors of Satgas, proves to be an asset or a liability in the fight against Illegal Mining. In this regard, some industry observers might recall the old saying about the questionable prospects of successful “poachers” becoming reliable “gamekeepers”.

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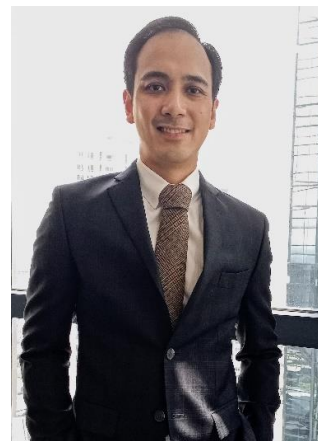
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