

# **Laporan Penelitian**



## **The Local Economy and Rural Development in Berambai Hamlet, East Kalimantan**

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**Juli 2020**

## **Abstract**

*The role of the local economy gets eroded due to the inclusion of capitalization in rural areas. This research examines the coal mining industry's influence on the local economy's existence in Berambai Hamlet, Bukit Pariaman Village, Tenggara Seberang Sub-district, Kutai Kartanegara Regency, East Kalimantan Province, Indonesia. This research uses qualitative research methods; meanwhile, data collection methods use field observation and in-depth interviews. Interviews were conducted in stages through a snowball sampling to strengthen the observations' results. The results show that the local economy and livelihood in Berambai Hamlet are under pressure and eroded due to coal mining activities. Livelihood products shrank drastically, especially fish and rice, due to mining waste polluting rivers and agricultural land conversion to mining areas. Furthermore, other sources of income from farmworkers are not enough to fulfill the needs. The government needs to protect their livelihoods as a driving force for the local economy by integrating nature-based life. The government needs to develop local economic potentials, such as tourism areas, crafts, and artworks. The government also needs to strengthen village institutions. It must be carried out together with mining companies seriously. Furthermore, the government needs to maintain the unity of rural spatial and spatial planning..*

*Keywords: Environment; Livelihood; Local Economy; Mining Area; Rural Development.*

## **Introduction**

The activity of the coal mines mostly influences east Kalimantan's economy. The mining sector's output from 2011 to 2014 exceeded half of the other sectors' contribution, namely 56.69%, 57.11%, 55.21%, and 50.11% (Badan Pusat Statistik Provinsi Kalimantan Timur, 2016). It showed how dependent the economy of the region to the mining sector, mainly coal.

A small number of people feel the economic benefit from mining for themselves and their surroundings. Their income as mining workers doubled. They get health insurance and other luxurious facilities from the company, which almost any other companies could not give. At the same time, the government sees this as an opportunity to increase local revenue, employment, and community income.

However, coal mining companies only boost macroeconomic performance but have not yet reached significantly at the community level. East Kalimantan's Gini Ratio Index in 2011-2014 has increased from 0.32 to 0.36 (Badan Pusat Statistik Provinsi Kalimantan Timur, 2014). The index value increase indicates that economic performance is experiencing a trade-off with people's income. Mining sector activities boost regional performance but are not strongly correlated with income distribution.

Moreover, the mining sector has many “bad records” regarding environmental degradation, depletion of community livelihoods, the fragility of culture and social value systems, and the reduction of mutual trust between peoples. The main problem is conflict and weakness of social ties. This situation makes the community alienates from cultural values due to social estrangement. It reflects and happens in Berambai Hamlet, Bukit Pariaman Village, Tenggara Seberang Sub-district, Kutai Kartanegara Regency, especially in Dayak Kenyah Lepoq tribe.

The total population of Tenggara Seberang Sub-district, according to the 2010 population census, was 61,144 people, spread over 18 villages (Badan Pusat Statistik Kabupaten Kutai Karta Negara, 2014). Seventeen mining companies have mining business licenses for production operations, and seven companies have mining business licenses for exploration. The area controlled by mining companies with IUP production operations is 21,862.15 hectares (equivalent to 47.1%) of the total area of Tenggara Seberang Sub-district (Gandi & Sunito, 2015). Land controlled by mining companies has converted the Dayak Kenyah community's agricultural land, affecting their livelihood system, which relies on shifting agriculture (Maunati, 2003). Space for them to cultivate the land will be isolated because mining companies already control the land. The company's existence does not fully accommodate the Dayak Kenyah Lepoq Tribe's collective needs in Berambai Hamlet. A small proportion of them is manual labor in the company.

Farming communities face new problems that are not equivalent to the labor absorbed in mining activities. The company's waste disposal in the Separi River ruins the source of livelihood for the people of Barambai Hamlet, which comes from the river. Separi River is an essential source of livelihood and protein needs for the Dayak Kenyah people in Berambai Hamlet. Every day they consume fish from the river and sell some of it to the market.

The local economy, socio-culture, and strong cultural values were "damaged" due to the Separi River's pollution from corporate waste. The exploitation of natural resources in coal mining, intended initially as part of rural development, creates economic, environmental, social, and cultural problems.

Before the coal mining company entered and operated in Berambai Hamlet, Kenyah Lepoq tribe's life was stable following norms and cultural rules. Social cohesion between communities is quite strong, especially during marriage ceremonies, other celebrations, agricultural land exploitation, house renovations, and cooperation throughout Berambai Hamlet activities.

When the coal mining companies were already operating in 2005, communities had started to feel the impact of the company's waste. Mining activities that pollute the river are slowly eroding people's livelihoods. On the other hand, mining companies' expansion of mining areas has narrowed the space for agricultural activities that threaten agriculture and fisheries of Dayak Kenyah Lepoq tribe livelihoods in Berambai Hamlet. Moreover, capitalization and massive mines exploitation eroded culture, local economy, and mutual trust elements. The government's role in protecting livelihoods, local economy, and tourism potential from mining companies' activities has not been optimal. The government needs to maintain and make the livelihood and tourism potential into new hamlets' economic values.

Furthermore, the cultural products of the Dayak Kenyah tribe experienced a decline due to changes in lifestyle as the impact of mining activities. Cultural rituals, such as marriage, planting, and other rituals, have gradually decreased, which is a new problem that the community does not realize besides mining activities disrupted their livelihoods. The existence of mining activities further alienates cultural elements and community values. The presence of mining companies impacts the source of livelihood and cultural preservation, such as cooperation and cultural rituals.

The Dayak Kenyah community has artistic and cultural potential that will be a livelihood and cultural preservation source if adequately managed. Gong, Kulintang, and Long Drums are traditional musical instruments used in the music and dances of the Dayak Kenyah community as entertainment performances for tourists ([Haryanto, 2015](#)). Pampang Cultural Village is a manifestation of Dayak Kenyah culture preservation as part of tourism development. Sampek music, the traditional Dayak Kenyah music, is a show for tourists ([Hadibrata, 2016](#)). Cultural preservation can be an alternative way to maintain culture as well as a new source of livelihood. Cultural preservation is also an effort to modernize the Dayak Kenyah tribe who reside in Berambai Hamlet.

Mining can exist in harmony and integrate with the pattern of life and culture. Furthermore, companies can help disseminate culture by introducing Dayak Kenyah culture as a tourism product. Agritourism-based village development can develop local economies and livelihood sources, as happened in South Africa that develops villages using the agritourism method. Agritourism is of particular significance for small-town economic development in the tourism space in South Africa. The policy offered is to strengthen agritourism as a driver for Local Economic Development (LED) in South Africa ([Rogerson & Rogerson, 2014](#)).

The tourism sector has an essential role in the context of local economic development. Public institutions should be aware of an area's capacity and try to help develop that area. A local tourism policy towards sustainability is indispensable for the future development of an area (Pedrana, 2013). Further preservation of culture and the arts can strengthen local economies. The results show that the arts of Jaranan (artistic name of an area) have great appeal in the Kediri city community. Every show, many small traders who sell equipment and the increasing number of artisans living of appeal Jaranan art ([Dewandaru & Purnamaningsih, 2017](#)).

## **Research Methodology**

The research method used a qualitative approach. The data collection techniques used Rapid Rural Approach (RRA), interviews, direct observation, and interpretation. RRA is a way of retrieving data quickly using the five senses' capabilities (Chambers, 1992; Freudenberger, 1999). Interviews were conducted in stages through a snowball sampling to strengthen the observations' results (Onwuegbuzie et al., 2009). The chosen community leaders are the hamlet head, the Dayak tribe community, and key informants. Furthermore, conducting direct field observations, especially observing polluted rivers, occupied land, and preserved tributaries.

## **Results and Discussion**

Bukit Pariaman Village consists of 5 hamlets: Sukamaju Hamlet, Sukarejo Hamlet, Sukasari Hamlet, Sukakarya Hamlet, and Berambai Hamlet. Dayak Kenyah Lepoq tribe is the dominant tribe in the village. In contrast with the other four hamlets in Bukit Pariaman Village, the dominant ethnic in Berambai Hamlet are Javanese and Kutai. There are numerous Javanese in the village due to the effect of transmigration in the 1980s.

According to [Maunati \(2003\)](#), the Dayak Kenyah tribe is part of Apokayan Dayak tribe families. The Dayak tribes belonging to Apokayan Dayak tribe families are Dayak Kenyah, Dayak Kayan,

and Dayak Bahau. Apokayan Dayak tribe families have migrated to several regions around the 1970s. According to Haryanto (2015), the Dayak Kenyah tribe inhabits East Kalimantan.

Agriculture and fisheries are the Dayak Kenyah Lepoq tribe's primary livelihoods, such as cultivating paddy fields, planting, fishing, and other livelihoods as a handyman for additional income. Cultivation of paddy fields uses rainfed agriculture technique where harvesting only happens one time in 1 year. On the other hand, they use irrigated agriculture techniques in four different hamlets where harvesting happens two times in 1 year. The varieties of paddy they use in Berambai Hamlet come from local varieties. The residents called the varieties are (1) Pada'i Kawan, (2) Pada'i Ubek, (3) Pada'i Bo'o, and (4) Pada'i Timur. The most favorite variety is Pada'i Bo'o.

The harvests from many local varieties are not sufficient for the needs of the farmer in 1 year. To get paddy/rice, they buy or receive assistance programs from the government through Raskin (Rice for the Poor) program. The harvests are sufficient to fulfill the production scale by making the new field, but they sold some of the harvests to meet their needs, such as education, health insurance, and other necessities.

When the harvest season finished, The Dayak Kenyah Lepoq tribe in Berambai Hamlet uses the field to grow some intercrops such as corn, banana, vegetable, and cassava or sometimes looking for fronds around the forest. Meanwhile, the need for fruits, they cultivate bananas, durian, langsung, rambutan, and mango. Most of the fruit source comes from the forest, just like durian, rambutan, and langsung.

However, their livelihoods are in danger of being lost due to the massive coal mining taking place in the hamlet. The river along their hamlet is polluted due to waste disposal by the company. The waste of coal production polluted the Separi River affects the livelihoods and subsistence of the Kenyah Lepoq tribe. The people of Berambai Hamlet can no longer use the river to meet their daily needs, such as drinking water sources, bathing, washing, latrines, and difficulty in catching fish.

## **Conclusion**

The local economy and livelihoods in the Berambai Hamlet under pressure and eroded by coal mining activity. Livelihood products shrank drastically, especially fish and rice, due to mining waste polluting rivers and converting agricultural land to mining areas. Furthermore, other sources of income of farmworkers are not enough to fulfill the needs. Dayak Kenyah Lepoq tribe in Berambai Hamlet threatened with disintegration from their land because most of them scattered in the migration process to survive. Only some of them remain to survive in their land to take advantage of the existing resources. The mining industry is the cause of the destruction of the local economy and creates poverty in Berambai Hamlet. Furthermore, social capital began to erode due to the waning of social relations' structure primarily associated with the waning of bonds, trust, and expectations.

The government needs and must protect their livelihoods as a driving force for the local economy by integrating nature-based life (Wahyudin, 1999) by rebuilding mutual trust through group

empowerment, education, health, and assistance. The government needs to develop local economic potential, such as tourism areas, crafts, artworks, and strengthening village institutions, with mining companies. Furthermore, the government needs to integrate mining activities side-by-side with mining exploitation by optimizing the community's local economy's empowerment.

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