

## Public Discussion

### Fighting Corruption in the Natural Resources Sector

Friday, 25th January 2019 | 14.00 – 16.00 WIB | Anti-Corruption Learning Center

#### Speakers:

- **Laode M. Syarif, Deputy Commissioner of KPK**
- **Dr. Dino Patti Djalal, Founder of Foreign Policy Community of Indonesia**
- **Dr. Nirarta Samadhi, Director of WRI Indonesia**

#### Laode M. Syarif:

Environmental law in Indonesia has never been enforced because of the existence of corruption. This is why I chose to become an environmental and anti-corruption activist.

Indonesia has the world's largest palm oil industry, with more than 12,3 million hectares of land. However, there is still a large portion of natural resources that are being bought and sold for cheap by officials – and we can only arrest a small number of them. For example, in the mining industry, out of 10,000 licenses that are issued only 3,000 pay taxes.

There has been more than 12 corruption cases in the natural resources sector and more than 24 officials have been arrested i.e. Al Amin Nasution, Tengku Azmu Jaafar, Amran Batalipu, dan Siti Hartati Cakra Murdaya.

Corruption in the natural resources sector is not just about the loss of state funds, but also the failure of the government in managing the country's natural resources for the greater prosperity of its people.

#### Dr. Dino Patti Djalal:

Hong Kong had their own version of KPK that fought with the police and the justice department. It took them 15 years, but in the end they won because they had the strong political will to do it and Hong Kong became clean. So if KPK wins, Indonesia wins.

We have not been able to utilize and maximize our natural resources for the good of our people largely due to corruption. We must get that right in the next decade or two. It's called the "resource curse". We're rich with natural resources, but we're poor because of conflict, corruption and collusion.

There is a difference between a good ecosystem and a bad ecosystem. A good one is where the government, the industries, and the law work together to create transparency – one where the law is right, the government has the political will, and the industries play by the rules.

A bad ecosystem is one where “mafias” distort the system and the government can’t undo this issue. Even when the government succeeds, they come back in new forms. Industries need to understand that they need to play by the rules, but this isn’t easy because the system itself encourages you not to play by the rules. Licenses and permits are made so complicated and so long that they encourage businesses to take shortcuts. But even though the law is there, the political will is not there and the government is not clean and professional, we’re going to have a hard time fighting this. We have to break the backbone on corruption.

**Dr. Nirarta Samadhi:**

Poor management of natural resources has strong correlation with corruption. Examples of corruption in the natural resources sector are the issuing of permits in protected areas, exceeding beyond what is specified in the permit, and bribing to ease the issuing of permits. Unsustainable natural resource management and corruption worsen the intensity and the impact of natural disasters.

Information transparency is needed in order to empower, encourage, and expand participation. Open data allows for more effective monitoring and provides evidence in terms of problem detection.

Waiting is our enemy. We must start from now and push for the openness of data and information to the public. We need to monitor our natural resource management. If we can monitor our natural resources, we will thus be able to manage it well.