



MINING, GENDER AND SUSTAINABLE LIVELIHOODS

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*Undermining empowerment? Gendered employment and mining in Indonesia
(Extended Abstract)*

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- Abstract -

Title

Undermining empowerment? Gendered employment and mining in Indonesia

Abstract

Foreign direct investment (FDI) in Indonesian mining was the first type of capital attracted from abroad after Soeharto became Indonesia’s second president. A contract of work was signed by the US-American mining company Freeport-McMoran in 1967, its copper mine in remote West Papua still being the largest single foreign investment in Indonesia. As with other mining investments on the archipelago, they are not only economically important, but socially highly disputed due to their environmental impact and conflicts over land rights (Hafild, 2002).

Mining accounted for 14 percent of Indonesia’s gross domestic product (GDP) in 2001, the oil and gas sector alone contributing ten percentage points to this figure, and 22 percent of the country’s export earnings (BPS, 2002c). Relative to its large contribution to Indonesia’s national product, employment creation through the sector is minimal. In 1999, 15,163 people were directly employed in oil and gas and 45,594 in non-oil & gas mining (BPS, 2001b and 2001c). Approximately 7,500 additional workers were employed as contract workers in oil & gas mining and 5,400 in non-oil & gas mining that year. The largest shares of the workforce in non-oil & gas mining is employment in the coal, tin, gold and silver sub-sectors.

Other than for other economic sectors, no gender-disaggregated data about mining employment are available from the mining surveys, although more than one fifth of the sector’s workforce is female (BPS, 2001a). This as well as, for example, Indonesian labour legislation prohibiting the employment of women in underground mining, mirrors the perception of mining being a “naturally” male sector (Robinson, 1999).

This paper investigates gendered labour markets in Indonesian large-scale mining. It looks into employment generation and earnings and tries to assess whether such gendered industrial relations differ between foreign and domestic mining companies. More generally, it raises the question whether involvement in a male-typed sector enhances prospects for women’s economic and wider empowerment. It is based on quantitative data derived from the 2001 Indonesian National Socio-Economic Survey (SUSENAS) and focus group discussions (FGDs) with mining workers conducted in East Kalimantan in 2002.

Not surprisingly, the majority of workers in mining companies are male. In the foreign company studied, in 2001, five percent of the workforce were female (KPC, 2001), whereas the share in the domestic company was even smaller. Also, relatively more female workers are recruited for production tasks in foreign-owned mining companies.

Entry into mining employment is influenced by gender role perceptions. The FGDs' participants explain the higher percentage of male compared to female workers by women's roles as secondary income earners and by the greater physical strength of men. Men often prefer their wives to stay at home rather than to participate in the labour market. The stated motivation for this is their concern for either their children's or their wife's well-being. Similarly, "voluntary" labour turnover for women in the foreign mine is caused by marriage and childbirth. Female mining employment is also associated with negative images of the respective workers' femininity. Single women workers in a foreign-owned mine report to be victims of rumours about their sexual morals. They are assumed to establish sexual relationships with their male colleagues, especially when working night shifts. This appears to influence female labour supply.

Mineworkers report education to be relevant in determining access to mining employment. With education as an entry requirement, women are disadvantaged for two reasons. On the one hand, the gender gap in education in rural Indonesia is larger than in urban parts of the country. On the other hand, women's mobility is more constrained than men's. This discourages labour migration of educated women to regionally highly concentrated jobs in large mines.

Despite the perception of mining as being a high pay sector, this seems to be closer to myth than to reality. Particularly female wages are very low and the gender wage differential of 41 percent is highest among all main sectors in rural Indonesia. The quantitative analysis identifies higher wages paid to both women and men in foreign firms for Indonesia's mining sector.

A range of factors sustains gender-related wage differentials, though. Upward mobility is one of them. It is low for female production workers in foreign mines even if their job experience is comparable to male. It may be linked to the fact that the foreign company is reported to invest differently in female and male training, with few female workers attending professional training. Besides, the higher labour turnover of female workers due to marriage and childbirth influences seniority payments to them negatively. As another aspect of wage inequality, labour input in terms of hours worked per week appears to matter for both female and male mineworkers. For them, longer hours worked imply higher earnings. Female and male mineworkers work different average hours. A main factor restricting females' working time in the market is their responsibility in the reproductive economy.

These results emphasise the role of non-economic factors in the determination of gendered labour market results and – thus – the potential for women's economic empowerment through employment in Indonesia's mining sector. Especially the sector's capital- and technology-intensity forms a barrier to women's employment and reduces wage premia available to them, should they enter mining employment. Gender norms related to women's role in the domestic sphere channel and accentuate these economic factors. The results is a small space that is available to women's labour market participation in mining and thus for female economic empowerment.

Author

Karin Astrid Siegmann joined the Institute of Social Studies (ISS), The Hague as a lecturer in Labour and Gender Economics. During the past years, she has investigated gender dynamics of labour markets influenced by global restructuring. The regional focus of her work has been on South and Southeast Asia. Gender dimensions of liberalisation in the textile value chain, the effects of technological innovation in the soccer ball industry on the availability and conditions of gendered employment, the role of foreign direct investment on gendered labour markets in agriculture, mining, manufacturing and the tourism industry as well as gender dimensions of transnational migration have been some examples of her research. She has conducted empirical studies in countries as diverse as Pakistan, Indonesia, Niger, and Bangladesh.

Before joining the ISS, she worked as a research fellow at the Sustainable Development Policy Institute (SDPI) in Islamabad, Pakistan, the Center for Development Research (ZEF) at the University of Bonn, Germany, and at the Südwind Institute for Economics and Ecumenism in Siegburg, Germany. The concern with the translation of development research into policy advice and capacity building has resulted in a number of policy briefs, trainings and other tools for change agents. Further interests include innovative economics methodology, especially the combination of quantitative and qualitative methods.

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