

# Benefits & Issues of Open-Cut Coal Mining on the Socio-Economic Environment – The Iban Community in Mukah, Sarawak, Malaysia

Edward Lim

**Abstract**—This paper deals principally with the socio-economic impact on the local Iban community in Mukah Division, Sarawak; with the commencement of the open-cut coal mining industry since 2003. To-date there are no actual studies being carried out by either the public or private sector to truly analyze how the Iban community is coping with the advent of a large influx of cash into their society. The Iban community has traditionally been practicing shifting cultivation and farming of domesticated animals; with a portion of the younger generation working as laborers and professional.

This paper represents the views and observations of the author supported by some statistical facts extracted from published articles and non-published reports. The paper deals primarily in the following areas:

- Background of the coal mining industry in Mukah Division, Sarawak;
- Benefits of the coal mining industry towards the Iban community;
- Issues / Problems arise in the Iban community because of the presence of the coal mining industry; and
- Possible actions that need to be taken to overcome these issues/problems.

**Keywords**—Coal Mining, Iban Community, Malaysia, Sub-Bituminous Coal.

## I. INTRODUCTION

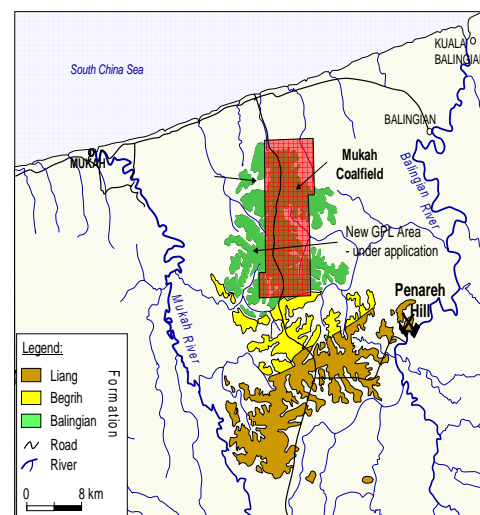
GENESIS Force Sdn Bhd (GFSB), a company incorporate in Malaysia, was granted a General Prospecting License (GPL) to prospect for coal in Mukah Division, Sarawak, Malaysia in 2005; and to-date, GFSB has successfully identified (through their intensive exploration) a proven mineable reserves of **48.24 million** metric tonnes of coal, generally classified as **Sub-Bituminous “B”** (NCGB, 2005, pp 27 – 30). The said proven coalfield (known as Mukah Coalfield) is located over an area of approximately 9,400 hectares of secondary jungle and shifting agriculture land. The company practices the open-cut coal mining system.

Edward Lim, PhD, General Manager is with CA(Malaysia), CPA(Australia), Genesis Force Sdn Bhd, 126F, 2nd Floor, Green Heights Commercial Center, Jalan Lapangan Terbang, 93250, Kuching, Sarawak, Malaysia (phone: 6-082 - 461 097 (o); mobile: 012 – 886 0968; fax: 6-082 - 462 098 (o); e-mail: dcwebsite\_swak@yahoo.co.uk).

## II. GEOGRAPHICAL LOCATION

The Mukah Coalfield is bounded by Batang Mukah on the west and Batang Balingian on the east and is situated on the low-lying coastal plain of Mukah Division. The coalfield is located approximately 20km to the southeast of Mukah town with a geographical position of 112° 20' E and 2° 45' N. (NCGB, 2005, p. 2).

### Geology of Mukah – Balingian District



Source: Genesis Force Sdn Bhd, 2006

## III. TOPOGRAPHY & DRAINAGE

The area is drained by six main river systems. They are upper part of Sungai Penipah at the west, Sungai Belian Mati and upper part of Sungai Bedengan Kanan at the north, Sungai Bakau at the east, Sungai Bawan at the southeast and Sungai Nyatau at the southwest. Sungai Teres, Sungai Megau and Sungai Temusu are the three main tributaries of Sungai Bawan drain the area to the south which is covered by the Begrih Formation. The tributaries of the upper part of Sungai Penipah and Sungai Nyatau drain the areas to the west and southwest respectively. These rivers are usually grown with mangroves trees, reeds or marshes.

#### IV. CLIMATE

The tropical climate of the Mukah Coalfield is characterized by high temperatures and rainfall. Mukah has recorded annual rainfall averaging 3508 mm (12 years average) and rainy season is from September to March and dry season is from April to August. The precipitation is highest in December and January (510mm) and lowest in July (140mm). The climate is typically tropical; characterized by hot, humid and wet situation. The average day and night temperature is 33.9° and 29.4° respectively (*NCGB, 2005, p 6*).

#### V. VEGETATION AND LAND USE

Due to intense logging activities in the last decade only small part of Mukah-Balingian area (general location of the Coalfield) is still covered with primary forest. Peat swamp is typical of the lower parts located mostly in the north, and lowland secondary forest in the higher parts. The arable lands are farmed and planted with rice, pepper, corn and fruits. Two large oil palm plantations covering a total of 54 km<sup>2</sup> can be found in the southern part of the Mukah Coalfield.

#### VI. POPULATION

Mukah Division has an estimated population of 50,000 with the Iban (native) community settling in most part of the division but in scattered and isolated longhouses. There are twenty-two (22) longhouses in the area with most of them concentrated along the Mukah-Selangau trunk road that connects Mukah Division by land to Sibu (the third largest town in Sarawak). The Iban are mostly small-scale farmers and practice shifting cultivation.

The Chinese community is mainly concentrated at Mukah, Balingian and Selangau town areas. They are mainly traders and oil palm plantation workers. The Melanau community, being the third largest group in Mukah Division mainly settled along the town and coastal areas, and is principally involved in the coastal fishing industry.

#### VII. FOCUS OF DISCUSSION

It is no surprise to note that the Mukah Coalfield is located principally on land that traditionally belongs to the Iban community, known as Native Customary Rights (NCR) land. Such land is without titles but is recognized by the authorities as land handed down from generations. With the commencement of the coal mining operations by GFSB, the Iban community owning land on the said Mukah Coalfield stands to gain financially. This is because GFSB compensated a standard amount of RM3,000 (approximately USD817) (*GFSB, 2006*) per acre to acquire the rights to extract coal from their land and thereafter to rehabilitate the said land before returning them to the NCR landowners. Further, where possible, GFSB will employ the NCR landowners to work for the Company as mining crew and watchmen.

#### VIII. BENEFITS

The existence of the open-cut coal mine in Mukah have proven to be a blessing to the Iban community because:

- 1) They benefited directly from the land compensation given by the said mining company for rights to mine on their land. Evidence can be seen from the fact that many of the longhouses locating on the Mukah Coalfield have utilized the monies to upgrade their longhouses and to purchase other necessities to enjoy the comfort of modern living;
- 2) Through employment received from the said mining company, the community can supplement their shifting cultivation income by the more consistent monthly wages earned working as mining crew; and
- 3) As they are exposed to the usage of modern equipment, they are able to accelerate their assimilation into the modern world of the 21<sup>st</sup> century and this will augur well for the Iban community in general especially for the younger generation.

#### IX. ISSUES

The Iban community in general is driven by the instinct to live a simple life of a shifting cultivation farmer and rearing of domesticated animals for consumption. The advent of the mining industry and the influx of excessive cash into the community have resulted in the emergent of two damaging social ills for the said community. These two damaging social ills are:

- 1) Given the readily accessibility of cash, many of the male members of the community have indulged themselves in excessive habitual drinking, especially in the consumption of the locally brewed alcohol popularly known as "langkau" or the equivalent of the "moonshine" in United States of America. This potentially health damaging habit has resulted in many of the men being too intoxicated to work resulting in disciplinary actions being taken against them and the lost of their daily wages; and
- 2) Driven by their desire to enjoy the trappings of modern living, many of the Iban families will go to great length to ensure that their homes are equipped with the latest modern conveniences (such as hot water system, home theatre system, new cars, etc) to the point where they are heavily in debt. The negative situation arises when the breadwinner loosed his employment resulting in the inability to meet their monthly liability payments. In most cases the products are repossessed and the families are left with a huge debt to pay. Such situations have resulted in severe hardship being experienced by the Iban community, and they are left at a more precarious position than they were before the advent of "convenient" money gained from the coal mining industry.

#### X. WHAT TO DO?

The issues facing the Iban community are not going to disappear if we were to close a “blind-eye” to it. Sweeping it “under the carpet” is also not going to solve the problem as it will only delay the inevitable situation where the issues will explode on the communities in Mukah, in particular, and Sarawak in general. What we need to do are:

- a) That the leaders of the Iban community must work closely with the Government to formulate an education program for their community to assist them to acquire the skills of living in the modern world of the 21<sup>st</sup> century, where attractions are unlimited whilst financial resources are limited. Such concept of modern living must be taught to them to ensure that the trappings of modern living will not become an anchor that will drag them down. Moving from a simple life of shifting cultivation to earning and living in a modern community will not only add pressure and stress to their emotion, it will also cause them to be disoriented. Given the fact that the Iban community forms nearly a third of the population of Sarawak, it will be a waste of valuable human resources to the State if the community is to degenerate because of the inability to manage the stress of modern living.
- b) That the various non-governmental organizations (NGOs) affiliated to the Iban community must play a more active part in assisting the community to cope with the challenges of modern living. Paying lips service and blaming the Government and the private sector for improving the standard of living of the community, through more financial benefits, which have been abused by the community and led to their degeneration of the social and economical performances, will not solve the problem, only concrete and positive actions can.
- c) That the local Iban community leaders must be given the correct training and support so as to be able to use their influence to educate their community in the art of modern living. This is to assist the community to avoid the pitfalls of the 21<sup>st</sup> century.

#### XI. CONCLUSION

The open-cut coal mining project in Mukah have brought about substantial benefits to the local community and the State of Sarawak, through such contribution as Royalties to the State for the extraction of the coal, a better standard of living for the local community through direct and indirect employment, and a general increase in business for the local businesses in Mukah Division.

As in any new industry there is bound to be issues relating to socio-economic factors and where possible, Genesis Force Sdn Bhd have given its full cooperation to the local and State authorities to ensure that the coal mining industry in Mukah is managed using sustainable coal mining principle where responsibilities are emphasized on “*minimum disruption to the environment during extraction and total land rehabilitation*

*(including planting crop cover) after closure of a particular mining site”.*

#### REFERENCES

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