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## The Impact of Nickel Management on Community Socio-Economic Conditions in Morosi District Konawe Regency

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### ABSTRACT

This study aims to discover the impact of ore nickel management by PT. VDNI (Virtue Dragon Nickel Industry) on the socio-economic conditions of the community in Morosi Village, Morosi District, Konawe Regency. Methodologically, the decision of research informants was used as a purposive sampling technique. The results showed that the impacts of nickel management in Morosi Village included social and economic impacts. Social impacts include increasing education continuity, free health services for workers, making social solidarity between workers, land conflicts between citizens and companies, and decreasing interest in young people to farm. While the impact on the economic condition of the community includes opening up employment opportunities, increasing income, and improving the housing conditions of the workers.

### INTRODUCTION

Family is a mining problem in Indonesia, as it is endless from the initial stages, such as exploration to the post-mining stage; of course, it will greatly affect the environment. Because when an area is opened into a mining location it will damage the existing ecosystem. The research results of Upe et al. (2019) show that mining activities have caused large impacts, including social, economic, and ecological impacts. However, when looking at the environmentally sustainable development side, when post-mining, the lost environmental value should be returned to normal. Moreover, mining goods are non-renewable natural resources. As a non-renewable natural resource, one-day mineral/coal fields cannot be exploited further, either because the reserves have been exhausted or for technical or economic reasons.

Besides mining issues, it is very closely related to environmental law because every general mining business, as well as oil and gas mining, is required to maintain the sustainability of the carrying capacity and the carrying capacity of the environment, every company engaged in various fields of activity, particularly in the mining sector is

required to pay attention social and environmental aspects.

All obligations must be fulfilled by the company and the prohibition must be heeded. As we know that nickel mining companies that process nickel ore usually have an important impact on the socio-economic conditions of the local community, as well as on the physical and social environment. Therefore, every mining company must consider this as a serious problem which is sure to be long-term when the mining area is considered exhausted and will be closed. Mine closure is not new; so far thousands of mines in the world have been closed. However, with the development of thinking about sustainable development, the demands are higher so that the issue of mine closure becomes an important issue of mining activities. Demands so that the socio-economic conditions of the region will not go down after the mine is closed (the issue of sustainability) even if it might increase.

In modern mining practices, the reclamation activities are inseparable and are an integrated part of the mining activity stage Hartman & Mutmanky states that the best time to start the reclamation/mine closure process is before the first excavation is carried out and the thought of the

post-mining picture must have become an integrated part since the exploration stage.

The current regulation regarding post-mining reclamation is governed by Government Regulation No. 78 of 2010 concerning reclamation and post-mining. This regulation is the implementation of Law No. 4 of 2009 concerning mineral and coal mining. Reclamation is an activity carried out throughout the stages of the mining business to organize, restore, and improve the quality of the environment and ecosystem so that it can function again according to its purpose (article 1 number 26 of Law No. 4 of 2009 concerning mineral and coal mining).

Post-mining activities, hereinafter referred to as post-mining, are planned, systematic, and continuing activities after the end of part or all of the mining business activities to restore the function of the natural environment and social functions according to local conditions throughout the mining area.

Reclamation and post-mining are very important in mining practices. The failure to do these two things has a bad impact on the environment which ultimately impacts society and the use of state money to overcome them. But until now, the coordination and attention of the government are still weak in ensuring business actors meet the reclamation and post-mining.

Good management and utilization of natural resources become a determining factor for the continuity of a living environment and human life activities going forward. The mining area managed by the company in the area of Morosi Village reaches thousands of hectares. At first, the company only mined and then transported the land to China. The process has been going on since 2008 where the company arrived in the village of Morosi processing a nickel mine. In 2017 the company changed the nickel mining processing system, namely the company has established a nickel ore processing plant by PT. VDNI (Virtue Dragon Nickel Industry) in Morosi Village. Directly the impact of the existence of the nickel processing plant, especially the Morosi village community who do not have permanent work, especially teenage children has entered as permanent employees at the nickel processing plant. Based on data in the Morosi Village office in the pre-research phase 30 people

worked as permanent employees at the factory with varying salaries according to the field of work.

Another provision for nickel ore as one of the natural resources in the mining industry is because it is seen as providing higher regional own-source revenue so that it can improve the economy and development, as well as creating jobs for local communities and communities outside the mining location. Besides, because some industries have capital in the form of high technology, it is expected to be able to manage mineral resources properly and efficiently. But in its implementation, the management of mineral resources by the industry does not always run well, for example, the nickel mine in the village of Morosi Konawe Regency.

Based on the description from the background above, the purpose of this study is to determine the impact of nickel ore management by PT. VDNI (Virtue Dragon Nickel Industry) on the socio-economic conditions of the community in Morosi Village, Morosi District, Konawe Regency.

## **MATERIALS AND METHODS**

This study uses a qualitative description method, in which the researcher tries to study, examine, explain and also be able to describe the data that has been obtained in the field about the socio-economic conditions of the Morosi Village community around the nickel ore (Smelter) factory management area at PT. VDNI (Virtue Dragon Nickel Industry).

The selection of informants in this study was to use a purposive technique consisting of 1 Head of Morosi Village, 1 company public relations company PT. VDNI (Virtue Dragon Nickel Industry), 8 people who work, and 8 people who do not work at the nickel ore processing plant (Smelter) of PT. VDNI (Virtue Dragon Nickel Industry) total 18 informants.

In this research, the data sources that will be used include qualitative data and quantitative data. Qualitative data in the form of the results of direct interviews by informants. While the quantitative data includes the monograph data of Morosi Village related to the population and the number of people working in the nickel ore processing plant (Smelter) of PT. VDNI (Virtue Dragon Nickel Industry).

## **RESULTS AND DISCUSSION**

### **1. Impact on Social Conditions**

#### *a. Education Improvement*

Education is an inseparable thing in human life. Education is a very important thing for someone in the acquisition of employment. The current era of education is a benchmark for a company to accept company employees.

#### *b. Health*

Health is one thing that is very important in a community's life, especially every family member so that each individual is obliged to maintain and improve the level of overall health and sustainability.

#### *c. Social Interaction*

Every human being in his life in the community is always connected or interacting with other humans to meet their socio-economic needs. This is because humans are known as social creatures where humans live in a society that is aware of or needs help from others.

#### *d. Potential Conflict*

Potential conflicts from the existence of a nickel ore processing plant in Morosi Village between residents and PT. VDNI (Virtue Dragon Nickel Industry) in Morosi Village, which processes nickel, creates a small conflict where the conflict is between several residents and the company.

#### *e. Lack of Interest in Farming*

The decline in community interest in gardening is apparent every month. The shift of their profession from farming/gardening to becoming employees of nickel ore processing (smelters) is getting more and more in number.

### **2. Impact on Economic Conditions**

#### *a. Job Opportunities and Business Opportunities*

High population growth that is not followed by employment in the informal sector will give birth to unemployment in an area in particular in Indonesia in general. Various diseases of the community will emerge when this happens. The government's scarcity in cooperating with or cooperating with investors investing their shares in regions now seems to bear fruit.

#### *b. Increased Family Economic Income*

The presence of nickel processing companies in Morosi Village has had an encouraging impact. This is seen from the level of income of people

who work in the company has increased compared to before they worked in the company.

#### *c. Better Housing Conditions*

Based on observations from several forms of community houses that work in the processing of ore nickel, the average form of a house is permanent.

## **CONCLUSION**

Nickel ore management by PT VDNI (Virtue Dragon Nickel Industry) has an impact on the socio-economic conditions of the community in Morosi Village, Morosi District, Konawe Regency. The social impacts felt by the community include:

1. Increased continuing education of family members, continuing education of children for employees who work in nickel processing plants in Morosi Village.
2. Health, in the process of treatment for employees who work in nickel processing plants, is all borne by the company, while for family members if experiencing health problems have chosen the cure medically, compared to before they worked preferring treatment to a shaman.
3. Social interaction, fellow employees who work at nickel processing companies have very close social solidarity, both local employees and those from outside the village of Morosi
4. Potential conflicts due to cultural contact, complaints from Morosi villagers who claim that part of their land is customary ownership, on the other hand, the company claims to have been released from the government.
5. Lack of local communities for gardening, this is because some of the plants have been contaminated with factory pollution.

While the impact on the economic condition of the community includes:

1. Job opportunities, with the opening of a nickel processing factory in Morosi Village, residents are not wasted entering as employees at a nickel processing plant (smelter).
2. The economic income of the family increases, in contrast to the income of employees before entering work in a nickel ore processing plant, when compared to their income after being employees at the factory can be said to have increased.

3. Housing Conditions. Housing conditions for employees who work in the factory are permanent.

Thus, there are several suggestions regarding the management of nickel by PT VDNI (Virtue Dragon Nickel Industry) in Morosi Village:

1. To the Morosi Subdistrict government, to always pay attention to public complaints and follow up, regarding negative social impacts and negative economic impacts arising from the existence of nickel mining, with the aim of the community not to be disadvantaged without looking at the benefits on one side only.
2. To the Morosi, Subdistrict Government to always work together with the issuing authority of the Konawe Regency AMDAL to always supervise and monitor the company so that the negative impact does not repeatedly occur so that the loss is felt by the community.
3. To the Morosi Village government with the village cash income obtained to always coordinate with the LPM, community leaders in the use of funds that are for the benefit of many people, not the interests of a person or group.

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