# Understanding the Complexity of Corruption and Anti-Corruption in Indonesia's Mining Industry: Challenges and Opportunities

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**Abstract :** Indonesia is blessed with rich natural resources and frequently dubbed as the 6th richest country in the world in terms of mining resources, including minerals and coal. Mining can contribute to the socio-economic development by generating state revenue for development, elevating poverty through employment, opening and developing remote areas, putting in basic infrastructure and creating new centres of developments. However, favouritism and rent-seeking behaviour committed by government officials, politicians, and business players in licensing and permit giving in mining and forestry sectors have resisted reforms. Even though Indonesia's Corruption Eradication Commission (KPK) successfully targeted untouchable actors, public criticism continues to focus on questions of why corruption apparently remains systemic in mining industry in the country? This paper revealed that structural anomalies, as well as legacies of the Soeharto era's power inequities, have severely inhibited Indonesia's bureaucratic arrangements that continue to influence adversely the elements of transparency and accountability in mining industry governance. In the more liberalized and decentralized political system, the deficiencies have gradually assisted vested interest groups to band together, thus creating a coalition that can challenge, resist, and contain anti-graft actions. Therefore, Indonesia needs much more serious anti-corruption actions that would require eliminating the monopoly over power, enhancing competition, limiting discretion, and clarifying the rules of business and political competition in the mining sector in the country.

**Keywords :** anti-corruption, public integrity, private integrity, mining industry, democratization

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