PT. NEWMONT’S INVESTMENTS IN INDONESIA
2010-2018
(INVESTASI PT. NEWMONT DI INDONESIA)

WRITTEN BY:
SOLIHAN MUCHLIS
20130510298

INTERNATIONAL PROGRAM OF INTERNATIONAL RELATIONS
FACULTY OF SOCIAL AND POLITICAL SCIENCE
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2018

“Education does not change the world. Education changes people. People changes the world.” -Paulo Freire-
EXTENDED GRATITUDE

Praise and Gratitude again dedicated to Allah SWT for His blessings and mercy and also to Prophet Muhammad SAW. Appreciation is also dedicated to those who have been there to support the writer in finishing this undergraduate thesis, such as:

1. Dr. Ir. Gunawan Budiyanto, M.P as the rector of the University of Muhammadiyah Yogyakarta, which has provided opportunities for writers to be able to demand knowledge at this university.

2. My family, especially my queen and king, my beloved queen Hj. Rauhan and my king Drs. H. Muchlis Ibrahim. As well as my brothers and sister in-law Farhan Muchlis, hasmi. Sulhan Muchlis, Bq. Temi. Nursehan, M. sukri. Subhan Muchlis, Nana riana. Who never stop praying and supporting me and my beautiful future wife i love you very much

3. Special dedication for my big family TGH. Muchlis Ibrahim, who always supports me. I love you.

4. My Consultant lecturer Drs. Jumadi M. anwar, M.Si. And my language lecturer Siti Nurjanah, M.Pd.


7. IPERELIANS 2013

8. Those who have contributed much that cannot be mentioned one by one.
ACKNOWLEDGEMENT

The highest praise and gratitude dedicated to Allah subhanahu wa ta’ala who always give His endless kindness and bless that make the writer possible to complete this undergraduate thesis entitled: “PT. NEWMONT’S INVESTMENTS IN INDONESIA 2010-2018”.

This undergraduate thesis is submitted in order to fulfill the requirement for achieving S-1 Degree of International Relations Department, Faculty of Social and Political Science, Universitas Muhammadiyah Yogyakarta as well as the application of the theories and knowledge that the author had already obtained during the undergraduate study. The author also would like to express her sincere gratitude to all those who have contributed in the process of writing this undergraduate thesis especially for the advisor of this undergraduate thesis, Mr. Djumadi, Drs., M.A. also to all the board of examiners, Mr. Tulus Warsito, Prof. Dr., M.Si and Mr. Surwando, Dr., M.Si. The author realizes that there are still rooms for improvement for this undergraduate thesis. The author hopes that this undergraduate thesis could be useful for international relations study.

Yogyakarta, 12 December 2018

SOLIHAN MUCHLIS
# TABLE OF CONTENT

TITLE PAGE ................................................................. i
ENDORSMENT PAGE ...................................................... ii
STATEMENT OF ORIGINALITY ........................................ iii
QUOTATION ........................................................................ iv
EXTENDED GRATITUDE ..................................................... v
ACKNOWLEDGEMENT ....................................................... vi
ABSTRACT ......................................................................... vii
TABLE OF CONTENT ........................................................ viii
TABLE OF FIGURES .......................................................... x
LIST OF TABLES ............................................................... xi

**CHAPTER I INTRODUCTION** .............................................. 1
  A. Background ................................................................... 1
  B. Research Question ...................................................... 6
  C. The Framework of The Theory .................................... 6
  D. Hypothesis ................................................................. 9
  E. Scope of Research ...................................................... 10
  F. Methodology ............................................................. 10
  G. Purpose of Writing and Research ............................... 11
  H. Systematic of Writing ............................................... 11

**CHAPTER II INDONESIA-US BILATERAL RELATIONSHIP** ............ 13
  A. Foreign Investment (PMA) ........................................... 15
     1. PDRB ......................................................................... 17
     2. PMDN ......................................................................... 18
     3. PMA ......................................................................... 18
B. Economic Bilateral of Indonesia-America .................. 19
C. Forms of Foreign Capital Investment ..................... 24

CHAPTER III PROFILE OF PT NEWMONT .......... 29
A. Program of PT. Newmont .................................. 31
   1. Support the Human Resource Development (DPSDM) ......................................................... 31
   2. Support Community Development .................. 33
B. Strategic Plan of PT Newmont Nusa Tenggara ...... 38
   1. The Responsibility of PT. Newmont Through CSR 40
   2. Sustainable Development for Post Closure .......... 44

CHAPTER IV PT. NEWMONT’S INFLUENCES TOWARD INDONESIA ............................................. 55
A. Contribution of the PT Newmont in investments ...... 56
   1. Gold ................................................................. 58
   2. Silver ............................................................... 58
   3. Bronze .............................................................. 58
B. Bargaining Power of PT. Newmont to Indonesia ...... 59
   1. Power of The Mine Ceased Operations .............. 60
   2. International Court of Justice ............................ 61
C. Benefits of Working contract PT. Newmont-Indonesia 63
   1. The Position of Indonesia-PT. Newmont In World Trade System ............................................. 67
   2. Interdependence Between Indonesia-PT Newmont69

CHAPTER V CONCLUSION ........................................ 71
REFERENCES .......................................................... 75
TABLE OF FIGURES

Figure 1. Diagram of World System Theory..........................6
Figure 2. Implementation of the Model World System Theory9
Figure 3. The Influence of PMDN and PMA towards PDRB in Indonesia .................................................................17
Figure 4. The Framework of Indonesia and America Economic Cooperation.................................................................21
Figure 5. Corporate Sustainability & Responsibility ............41
Figure 6. Survey of Mining Companies 2012/2013..............66

LIST OF TABLES

Table 1. Scholarship Program of PT Newmont For SMP, SMA, D3, S1, S2, And S3.........................................................44
Table 2. The Percentage of The Most Prioritized Fields Among The Corporate World In CSR Programs .............46
Table 3. Proportions, Numbers and the Growth of Tree Species Planted in Mine Rehabilitation Area....................61