

# Supporting and Inhibiting Factors in the Management of Coal Mining in the SDGs Perspective in South Malinau, North Kalimantan

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**Abstract:** Mining companies can contribute to the welfare of society, the economy through the provision of employment, services, funds for regional development. Domestic and domestic coal needs are very large, prices are increasing, of course coal companies continue to increase coal production. Increased coal production has an impact on state revenues from taxes and non-taxes for countries / regions. There are two focuses examined through this research, namely: (1) coal mining management which includes policies as a basis for coal management, authority in coal management, and the role of the community in managing new stones; (2) factors that support and hinder the management of coal mining in the perspective of sustainable development goals (SDGs) which include: aspects of policy, mine management, and the condition of mining land (environment), communities around mining. Data that has been collected through field observations and in-depth interviews, and documentation studies, then tested the validity and reliability. After that, it was analyzed using the data analysis technique of the Interactive Analysis Model, which is the analytical method used for analysis of qualitative data obtained in the field and continuous reciprocity during the research. The factors that support the management of coal mining can be identified as follows: (a) the existence of policies and legislation can be used as a guideline or reference for mining activities, (b) Positive appreciation from the community around mining is something important to support management mining, including the private sector, which has been granted permits, has completed the AMDAL documents needed for mining management, and (c) supervision of the local government of Malinau Regency related to the post-mining impact. The factors that hinder the management of coal mining include (a) lack of coordination between the government in this case the provincial government and local government, private sector, and society, (b) there have not been consistent implementation of several regulations, for example giving CSR, and (c) changing conditions of land or mining environment (aspects of environmental recovery).

**Keywords:** Management of Mining, Coal, Sustainable Development

## 1. Introduction

North Kalimantan Province is an area with abundant natural resource potential. The wealth of natural resources is the basic capital in managing and building the area. Although it is undeniable that there are various problems in managing these natural resources that have become a dynamic in the implementation of government. The issue of natural resources is very important when associated with the implementation of regional autonomy. Why not, the ability of local governments to manage and utilize natural resources will have an impact on regional financial management. The potential of natural resources owned by North Kalimantan Province is a strategic thing when it is able to be managed and developed to the maximum in supporting the wheels of government and development in the region.

The authority over natural resource management which has so far ignored coordination between levels of government has become an empirical fact for the government in realizing sustainable environmental development. The role of the provincial government which has been expected to be central in the management of natural resources in the region has not been able to be realized in accordance with expectations. Collaboration between the government and stakeholders in the region has not been realized as it should. The effort to involve stakeholders as mandated in the 1945 Constitution which states that the state controls the natural resources (earth and water and its contents) for the greatest prosperity of the people needs more attention from the Provincial Government.

The real impact of natural resource management that does

not pay attention to environmental conditions results in the destruction of the environmental ecosystem. As such, there is a need for a set of legislation that explicitly regulates the management of natural resources in the region. In regulating the management of natural resources in the region, of course, it must also involve stakeholders who have obligations and responsibilities for these natural resources.

The synergy between laws and regulations and the North Kalimantan RTRWP in natural resource management should be a concern of the Provincial Government in order to realize sustainable natural resource management. The Provincial Government as the executor of the deconcentration principle is required to be able to translate and implement central government policies related to natural resource management. This is related to the function of coordination between regions in managing and utilizing the resources they have.

In addition, the integration of policies between the Provincial Government and Regency / City Governments in managing natural resources in the regions is absolutely necessary, considering that not all management rights are only owned by the Provincial Government. There are several authorities to manage natural resources that are handed over to district / city governments that place the Provincial Government only as the stamp giver or the party that approves it without having the authority to cancel or reject the policy.

Greater authority over natural resource management in the district / city government places the provincial government as a large administrative element, but is very weak in terms of authority. The debate over the authority of natural

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resource management in North Kalimantan Province is a central issue because the potential of natural resources possessed is not directly proportional to the level of welfare of the people. Even what happened was environmental damage in the area that became the mining location.

Environmental damage in the past decade has had an impact on people's lives in the area. The Provincial Government as the authority holder in terms of coordination between regions in natural resource management has not shown its existence. While environmental damage as a result of natural resource management is increasingly evident. This is in line with ecocentrism as a form of natural resource management approach.

In line with the aforementioned conditions, so far the management of coal mining has not been implemented

optimally in accordance with the principles of sustainable development. This can be identified from the condition of polluted watersheds (DAS), low community involvement in managing coal mining, and the emergence of social conflicts in the community. Considering the authority of mining management to be withdrawn to the provinces, the role of the district government in this case Malinau District has diminished. This condition gives an impression to the public that the regional government is omitting the management of mining which has a negative impact both in the economic and social dimensions. The purpose of this study is to identify and analyze the supporting and inhibiting factors of coal management in the perspective of Sustainable Development Goal (SDG's).

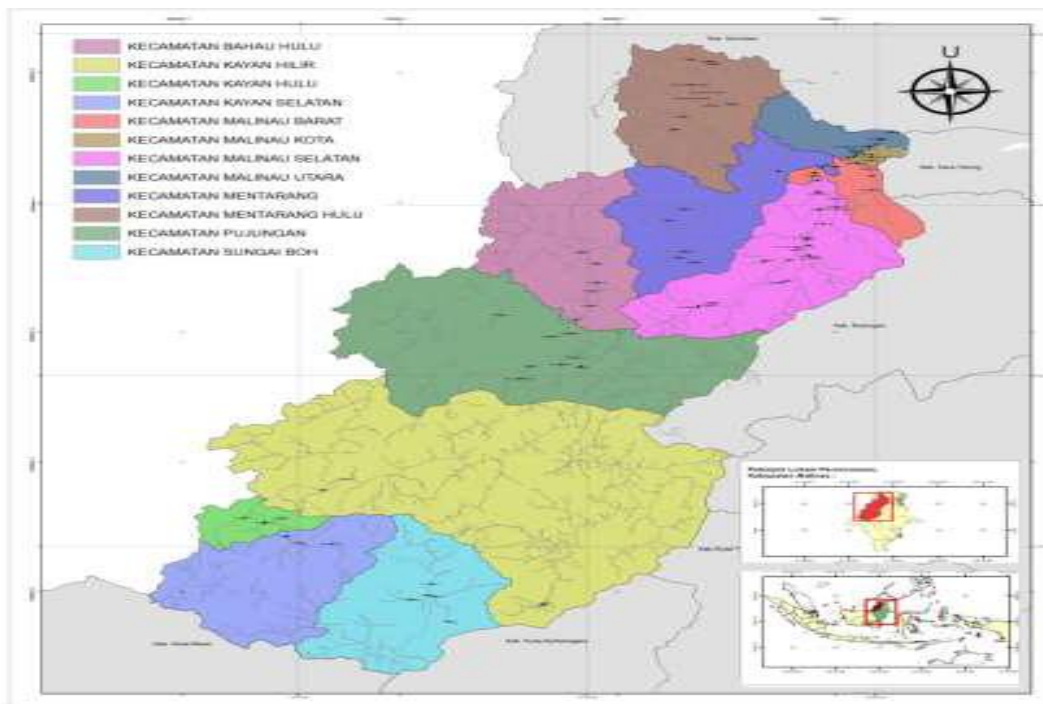


Figure 1: Location Map of the Malinau District Area

## 2. Methods

This study reviews the strategies for the utilization and management of coal mining results, the extent to which the mining results can increase the revenue of the Malinau Regency in North Kalimantan Province. The focus of this research is the strategy of the Regional Government to utilize and manage the results of coal mining in an effort to increase regional revenues, factors that hinder these efforts, and models of coal mining utilization and management that can increase regional revenues. This study does not take quantitative measurements of these focuses, and therefore researchers feel more appropriate and more suitable to use qualitative research approaches rather than quantitative approaches. Through the use of a qualitative research approach, researchers are expected to be able to fully and comprehensively describe the phenomenon under study in the Malinau District, where coal mining activities take place, so that in the end it can answer the problems that have been formulated and thus the research objectives can be achieved.

Data collection of this research was conducted at several sources, namely events or phenomena, informants, and documents. The process of collecting data at each source uses the "direction" of the research focus, so that it can be separated between truly needed and relevant data (fulfilling inclusion criteria) and data that must be set aside because it is irrelevant (fulfilling exclusion criteria).

The analysis of this research data uses the Data Analysis Model from Miles and Huberman (2014), which is called the Interactive Model Data Analysis, which includes: data condensation, data presentation, and conclusion or conclusion (conclusion: drawing / verifying).

The whole step is directed at building a theory based on data (Grounded Theory), which is a theory obtained through a study of the phenomena that represent it. Based on this, then in this study the steps of research begin with gathering information before developing a theory or comparing patterns found with theories that existed before. The results

of this study were then refined by the preparation of propositions as part of the final results of this research activity. Propositions are built based on data and results of data analysis and discussion.

### 3. Results

#### 3.1 The Role of the Community in Coal Management

Coal mining has a large role in creating jobs and increasing people's living standards. In addition, the involvement of the surrounding community in managing coal mining can reduce social conflicts between communities and managers. Communities around the mining area in Malinau District participated in coal management by becoming employees in mining companies and through mining services businesses such as catering providers, providers of vehicle rentals, and logistics supplies. Coal management activities do not get rejection from community organizations as long as good cooperation is established.

So that the refusal of community organizations in the management of coal mining cannot be avoided if the mining party is considered unable to cope with the waste from its production process which can pollute the environment and not provide field or employment opportunities for the community around the mining area. Whereas the apparatus of the Langap Village, PunanRian Village, Mirau Village, and Long Rat Village did not know whether there had been participation or rejection from the community regarding the management of coal mining.

#### 3.2 Supporting and Inhibiting Factors in the Management of Coal Mining in the SDG's Perspective

##### a) Mining Land Conditions (Environment)

The real impact of natural resource management that does not pay attention to environmental conditions results in the destruction of the environmental ecosystem. As such, it is necessary to have a set of legislation that explicitly regulates the management of natural resources in the region. In the regulation regarding the management of natural resources in the regions, especially the consideration of environmental conditions after coal management, it must involve stakeholders who have obligations and responsibilities towards these natural resources.

The regional government has supervised the post-mining environmental management process, after previously conducting an in-depth evaluation of environmental documents that must be fulfilled by the mine permit holder. The lack of facilities and infrastructure as well as competent Human Resources (HR) to guide and supervise the implementation of management and monitoring activities, will affect the post-mining environmental conditions so that the local government involves the private sector and the community in its implementation and always coordinates with the relevant agencies.

The activity of utilizing ex-mine holes that have not been implemented and ex-mine waste that has not yet been stockpiled is also an obstacle faced by the local government regarding the management of coal mining in maintaining the

post-mining environment balance while some people, delivered by each village official, claimed not to know this. Among them are the people of PunanRian Village, Langap Village, Mirau Village, Laban Nyarit Village, Long Adiu Village, Pelencau Village, Long Loreh Village, BilaBekayuk Village, Seturan Village.

##### b) Community around Mining

Coal production has a large role in supporting national and regional development through state revenues and job creation and increasing living standards for the people. Mining companies can contribute to the welfare of society, the economy through the provision of employment, services, funds for regional development. The company pays the factor of production in one way to provide labor costs or wages that are income for the household. Exports from production increase national income and economic welfare through payments in foreign exchange.

Contributions to regional development and community welfare are provided through CSR funds in the fields of health, education, economy and socio-culture. Educational assistance is provided at the level of Elementary School (SDN) and to support health, the community is given free treatment. Whereas in the economic field, the existence of mining management can increase people's purchasing power and Regional Original Income (PAD), job opportunities and business also increase. Assistance for land use for the construction of traditional halls and churches, generators and equipment for young people is also provided as a contribution to the social and cultural fields.

The contribution of the management of coal mining in Malinau District related to the welfare of the community around the mining area in detail can be seen in Table 1 as follows:

**Table 1:** Contribution of Mining Management by Region

<i>Region</i>	<i>Contribution</i>
South Malinau District	1. Open employment 2. Business opportunities
Masehu District	1. Land assistance for the construction of traditional halls and churches 2. Genset assistance 3. Equipment for young children 4. Health costs
Masehi District	Profit sharing from mining processing revenue
Langap village	1. Assistance in the field of education in elementary schools 2. Free treatment
Laban Nyarit village	1. Open employment 2. Clean water (river water) 3. Transportation facilities for school children
Long Adiu village	1. The help of Yanmar machines for agriculture 2. Pipes and clean water tanks 3. Other assistance if there is a proposal (christmas celebration)
PunanRian village	1. Distribution of clean water 2. 24 hour electricity (sometimes only at night) 3. Other assistance if there is a proposal
Long Loreh village	Distribution of diesel fuel for Diesel

Region	Contribution
	Power Plants every month
Seturan village	1. Distribution of clean water 2. Distribution of 300 liters of diesel/month
BilaBekayuk village	Electricity is obtained only at night
Long Rat village	No contribution
Mirau village	No contribution

Source: interview (data processed), 2018.

In addition to the limited capacity of the company to accommodate workers and carry out economic empowerment, the weak rules and authorities of local government and the lack of an effective system in managing CSR funds also make the contribution of mining management insignificant. Communities around the mining area say that what is an obstacle is the use of non-transparent aid funds and a lack of revenue-sharing funds between the community and mining managers.

Indicators for measuring improvement in community welfare vary for each region, looking at the general conditions that occur in the area around the mine, both in terms of economic, social and cultural. However, the purchasing power of people who get incentives from mining companies and the number of small and medium enterprises that grow as a result of company presence can be used as indicators. Whereas village officials from Long Adiu Village, Long Loreh Village, PunanRian Village, Mirau Village, Laban Nyarit Village, Pelencau Village, Langap Village, and Seturan Village did not understand the obstacles faced by the government regarding the contribution of mining management to the welfare of the community and local government as well as indicators to measure the improvement of the welfare of the community.

### c) Management of Coal Mining Policy Aspects

Along with the expansion of coal mining in Indonesia, the Indonesian government has set a priority plan for the mining sector. First, improve mining governance to ensure all companies pay full financial obligations to the state. At present significant government revenues are lost due to poor governance in issuing licenses and weak monitoring of mining activities. Second, enforce laws and regulations fairly and evenly for the mining sector that does not carry out mining activities by damaging the environment and social issues resulting from the illegal issuance of mining permits (IUPs).

In order to spur reclamation to be comparable to the pace of mining activities and to optimize efforts to restore ex-mining environment through a reclamation program in accordance with Law Number 5 of 1990 concerning Conservation of Biological Resources and their Ecosystems, conservation measures such as Biological Natural Conservation and its Ecosystem, soil conservation, water conservation and air conservation. Local governments provide support for improving the pattern of reclamation in the post-coal mine area. Cross-sectoral cooperation to comply with the reclamation model framework agreed upon in the regional regulations regarding the obligation to support the reclamation and rehabilitation efforts of post-coal mining land.

### d) Supporting and Inhibiting Factors in the Management of Coal Mining in the SDG's Perspective

Based on interviews conducted in the mining environment in Malinau District. There are several factors that can hinder the management of coal mining. One of them is the lack of coordination between the government, the private sector and the community. According to Suhadi, et al. (2013), there are 3 groups that play an important role in development; namely the government, the community, and the private sector. These three groups are the key to the concept of sustainable development. Each stage of development requires organizing economic and social spatial plans that will provide regional policies. A lot of dialogue is needed between the government and other parties to achieve development goals.

Each group has its own task in managing coal mining. The government has the right to make policies to various parties that have been permitted to explore locations indicated to contain metal mineral elements. However, this policy must be accompanied by the development and empowerment of local communities in mining businesses by paying attention to the preservation of the surrounding environment. In accordance with the 1945 Constitution Article 33 paragraph 3 which states that the earth, water and natural wealth are controlled by the State and used as much as possible for the prosperity of the people. The government has the right to regulate and control the use of resources by national and foreign companies (Nalle, 2012).

Differences of opinion between parties related to coal management industry and lack of coordination greatly influence the course of coal mining management. Some parties stated that the management of coal mining involved the private sector, but other parties stated that no private sector was involved. On the other hand some parties also stated that there was no involvement of community organizations in mining management. Differences of opinion between various parties have the opportunity to cause social conflict. Harmonious social relations between the public, the private sector, and the government cause differences in access. This difference in access makes people feel neglected while the government and companies enjoy too much mining products (Usman, 2001). Based on the Decree of Mining and Energy Number 1211.K In 1995, every mining entrepreneur is required to submit an annual plan for environmental management. The purpose of annual planning is to prevent and anticipate the occurrence of pollution or environmental damage. Whereas based on the opinion of the Malinau District community organization that the company has not implemented good management and there is no communication with community organizations. Information disclosure to mining management is also felt to be less transparent. The community has begun to feel the effects of coal mining, the surrounding environment becomes dusty, dry, and reduces land fertility.

Other factors that can hamper mining management are changing land conditions or the mining environment. Communities around the mining area have already begun to feel the impact of mining activities, including air pollution originating from coal extraction and transportation operations, dust will be even greater during the dry season.

Watersheds (DAS) around community settlements have begun to be polluted. This situation can threaten public health. The community feels that a regulated policy is not participatory and does not fulfill community rights and environmental sustainability.

With the existence of these problems will lead to conflict between the community, the government, and the private company. The existence of conflict is influenced by several factors, namely differences of opinion, differences in interests and goals, lack of communication and clarification. Based on the 1945 Constitution Article 33 paragraph 4 states that the management of natural resources in Indonesia must be in accordance with the principles of environmentally sound and sustainable. In line with this principle, in Law Number 4 of 2009 concerning Mineral and Coal Mining in Article 2 point D, it is also explained that mineral and / or coal mining is managed based on a sustainable and environmentally sound manner that integrates economic, social, cultural and environmental dimensions.

In this case the local government and the community have different opinions. Based on information that has been obtained, the government has considered the impact of coal mining and has carried out close supervision in the coal management process. Local governments have been involved in managing post-mining environmental conditions. But the government's steps have obstacles, including the lack of adequate facilities and infrastructure and competent human resources to conduct environmental monitoring. The government has also taken steps to overcome this problem, namely coordinating with the private sector and the community related to taking strategic steps to tackle environmental damage in the form of forming a Coordination Team for Coordination and involving staff in technical training in mining management. Whereas according to the community, enforcement of regulations is not going well. Thus resulting in weak supervision of mining management that affects the post-mining environmental conditions. The community and the private sector have also never been involved in addressing post-mining environmental problems. The facts are that the former mining holes have not been ground. The ex-mine waste has also not been overcome, this greatly affects the environmental balance. Natural resource management must be utilized properly and consider its sustainability.

#### 4. Conclusion

The factors that support the management of coal mining can be identified as follows: (a) the existence of policies and legislation can be used as a guideline or reference for mining activities, (b) Positive appreciation from the community around mining is something important to support management mining, including the private sector, which has been granted permits, has completed the AMDAL documents needed for mining management, and (c) supervision of the local government of Malinau Regency related to the post-mining impact. The factors that hinder the management of coal mining include (a) lack of coordination between the government in this case the provincial government and local government, private sector, and society, (b) there have not been consistent implementation

of several regulations, for example giving CSR, and (c) changing conditions of land or mining environment (aspects of environmental recovery).

#### 5. Suggestion

The contribution of mining management can be felt both for the local government and the community surrounding the mining company. It is necessary to strengthen regulations that regulate this matter.

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