Reform Policy of Mineral and Coal Mining Management in the Era of Regional Autonomy

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Abstract
This article discusses the reform policy of mineral and coal mining management took place in the era of regional autonomy. This evaluation is necessary to be conducted since there is a tendency of mineral and coal mining management in the era of regional autonomy mainly by local governments now has an impact on the environment malfunctions and conflicts in society. As the result, it can be seen that (policy) normative management of mineral and coal mining in the era of regional autonomy is better to be compared with the previous period. However, they encountered problems related to the perspective and orientation towards the implementation of regional autonomy that is more focused on the matter of their existing local government authority and revenue to be earned income, so mining is happening very exploitative. Therefore, in order make it better, the perspectives need to be balanced with a policy on public participation, transparency of activities, as well as public accountability (especially at the local level) to the public.

Keywords: Mineral and Coal Mining, Policy Reformation, Regional Autonomy

A. Introduction
Indonesian governance reformation after 1998 has changed the pattern of central and local government relations, including in the management of mining. Management of mining goods, whether petroleum, natural gas, minerals, and coal, no longer monopolized by the central government, but partly also the local authorities.

Therefore, local authorities management of Mining, is correlated with earned income areas, it has prompted many local governments to maximize excavation goods of the mines in the region. In the perspective of regional autonomy governments, such a tendency is not really a problem, because the system of regional autonomy with its decentralization does require creativity and activeness of local governments to maximize the resource potential of the region; so through revenue sharing derived from extracting the natural resources are expected to increase the income of local government.

However, the active role of local governments in maximizing mine excavation goods it would be problematic when it triggers the occurrence of environmental damage and conflicts function in society. This phenomenon is now happening in many areas, although mining has partly been equipped with license. In Jambi, mining activities are rampant, even in the river, had caused flash floods in Suo-Suo village, Sumay district, Tebo.1

Management of mineral and coal mining currently has problems, such as mineral and coal mining activity is increasing, and mining activities are likely to have an impact on the environment malfunctions and conflicts in society. Therefore, the government (state) as the stakeholder that controls the natural resources of the archipelago, including those still buried in the earth, it is necessary to manage on the excavation and use it responsibly. This is necessary because of mined materials are natural resources whose existence buried in the earth and its sustainability cannot be updated (non-renewable).

One effort that can and should be made to the implementation of better management of mining and responsible is by inventory, describe, interpret, systematize, and evaluate overall positive laws or policies relating to the mineral and coal mining.

B. Discuss
1. Arrangements of Mineral and Coal Mining Management
Mining or quarrying, is an attempt to explore the potential of mining goods contained in the earth.2 Thus, mining is an activity undertaken to optimize the use of natural resources mines or minerals contained in the earth. In the mineral and coal mining, the potential to be optimized include radioactive minerals, metallic minerals, nonmetallic minerals, rocks, and coal. Bauxite, nickel, gold, silver, granite, iron ore, tin concentrate and copper concentrate, and coal, are optimized as well.

In order to find out the settings management of mineral and coal, the first is given limitations on fundamental matters of a management of mineral and coal. In this study, fundamental things are limited in the issues, (1) the activities of mineral and coal mining, (2) the authority in conducting the management activities of

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1 Kompas, March 29, 2012, “Praktik Penambangan: Batubara di Sungai Sekalo”.
mineral and coal, and (3) the realization of management.
First is on the scope of the mineral and coal mining activities. In the Mining Law (Law No. 4 of 2009) mentioned, mining is:

"Some or all phases of activities in the research, management and exploitation of mineral or coal that includes general investigation, exploration, feasibility, construction, mining, processing and refining, transportation and sales, as well as post-mining activities".

Therefore, the mining activities include eight stages, namely general investigation, exploration, feasibility, construction, mining, processing and refining, transportation and sales, as well as post-mining activities. It is obviously seen that mining activities are not only the process of extracting and processing, but also the activities before and after the excavation is done. Hence, the eight stages can be grouped into three phases, namely pre-mining stage, stages of mining and post-mining stages.

The activities which carry out during the pre-mining in studying the availability of coal and mineral potential and feasibility to do the excavation can be called as the exploration stage. In the mining stage, where the activity is digging up the potential mineral and coal available, this stage may be cited as the exploitation stage. While, at the post-mining stage is done to recovery the function of the natural environment, and can be referred as reclamation stages.

Second is the authority in the management of mineral and coal mining. Under the Mining Law, which is authorized to conduct the management of mineral and coal is the (central) government, provincial government and district / city governments.¹ The authority to conduct mining management in government, provincial government and district / city governments do not mean as the owners of mineral and coal in Indonesia. Based on the Article 33 Section (3) of the 1945 Constitution, mineral and coal as the natural resources contained within the earth is a natural resources controlled by the state. Connecting with the state's control of the natural resources is the government (central and local) as the subject of law which was formed to organize the administration in an effort to realize the purpose of the state to get a basic justification for managing assets or riches controlled by the state. The government, thus not the owner of the mineral resources and coal, but as the party that only runs functions of the state in control of these resources.

It is also in line with the provisions in Article 4 Section (2) Mining Law, that "Mastery of minerals and coal by the state referred to paragraph (1) hosted by the Government and / or regional governments". Thus, the position of government (central and local) in managing the actual mining is just as an organizer over control of the country to its natural wealth. As organizers over control of the country, the government, as mandated in Article 33 Section (3) of the 1945 Constitution, shall use the coal and mineral wealth for the prosperity and welfare of the people.

Relating to the co-competent local governments (provincial and district / city) in conducting mining management, this is one of a realization in implementing the regional autonomy, which began in 1999. However, in 1999 the local government still has not been authorized in managing mining, because based on the Local Government Act at the time, Law No. 22, 1999, the authority in the utilization of natural resources, including the "authority of the other fields" which are excluded given to local governments.² In the next Local Government, Article No. 32 of 2004, authorizes the use of natural resources are classified as partially granted authority to local governments.³ However, in 2001, through Regulation in Lieu of Law No. 75 Year 2001 regarding the Second Amendment to Regulation in Lieu of Law 32 of 1969 on the implementation of Law No. 11 of 1967, local governments also had mining management authority, in the form of the issuance of the Decree of the Mining Authority. Based on the Regulation in Lieu of Law No. 75, the issuance of the Mining Authority's decision may be made by ministers, governors, regents / mayors, which is adjusted to the mining authority area.

Third is regarding the form of management of mineral and coal. Based on the Mining Law, the management of mineral and coal include the establishment of policies, creation of legislation, the granting of mining permits, as well as guidance and supervision of post-mining reclamation. The various authorities are definitely different between the government, provincial government and district / city governments.

All those matters under the authority of the central government and local governments in the management of mineral and coal mining, has been clearly stated in the Mining Law. In such authority, the most fundamental difference, in the sense of the availability an authority on one of the central government, provincial governments, and municipal / district that is not owned by one or two of them, is in terms of setting the national policy; setting the national standards, guidelines and criteria; determination of Mines Field (WP); Mining Business License (IUP) in the The Area for State Reserve (WPN), namely Special Mining Business License (IUPK); determination of production policies, marketing, use and conservation; setting policy cooperation, partnerships, and community empowerment; formulation and determination of non-tax revenue from the mineral

¹ Article 6, 7, and 8 Law of Mining mineral and coal.
² Article 7 Law No. 22 Year 1999 about Local Regulation.
³ Article 17 Law No. 32 Year 2004 about Local Regulation.
and coal mining business; and the provision of Public Mining License (IPR). Besides, the authority is only had by central government; while the authority in giving Public Mining License (IPR) is in the city / district.

Historically, mining management arrangements based on the Law No. 4 of 2009 (and its derivatives regulation) have differences with the Regulation in Lieu of Law applied before. The differences can be found both in terms of coverage of mineral and coal mining activities that the authorities carry out the management of mineral and coal mining activities, as well as other forms of management.

2. Mineral and Coal Mining Business License in Jambi Province

In Jambi Province, many potential minerals are available: metallic minerals, nonmetallic minerals, coal, oil and gas. Coal is almost totally available in all regions, except the Kerinci regency, East Tanjung Jabung district, and Jambi city. For now, Bungo is the largest coal producer in Jambi province. However, most of the coal turns classified as low-quality coal with a calorific value from 4,800 s / d 5,300 Kcal / kg. The potential of other minerals, which are gold, iron ore, tin, mercury, non-metallic minerals and rocks, also found in Jambi province.

Currently the effort of mineral and coal in Jambi province conducted by 3 PKP2B and 370 IUP. Most of magnitude, ie 225 Mining Business License (IUP), is still in the exploration phase, and 145 IUP has been granted an operating license production. Of the 145 Mining Business License (IUP), only about 40 companies that currently have to produce, while the rest is still under construction. As for PKP2B, of three PKP2B only one which has reached the production stage, namely by PT. Nusantara Thermo Coal in Bungo; whereas by PT Karya Bumi Baratama in Sarolangun and PT Sarwa Sembada Karya Bumi in Sarolangun and Batanghari still in the exploratory stage.6

Mining Business License (IUP) as mentioned above spread throughout the regency, except Tanjung Jabung Timur, Kerinci, Jambi and Sungai Penuh. In Batanghari are 95 Mining Business License (IUP); in Muaro Jambi there are 41 Mining Business License (IUP); in Tanjung Jabung Barat there are 26 Mining Business License (IUP); in Tebo are 66 Mining Business License (IUP); in Bungo there are 69 Mining Business License (IUP); in Merangin district there are 16 Mining Business License (IUP); in Sarolangun there are 57 Mining Business License (IUP).7

3. Government policy in the Managing Mineral and Coal Mining: Jambi province, Merangin, and Bungo district

In this section, we want to see what kind of policies issued by local governments in Jambi province in response to the authority in managing mineral and coal mining. Local government policies which are reviewed here include Mining Business License and policies related to mining activities.

First, related to Mining Business License (IUP), it turns out mining permits that exist today is an adjustment of mining rights granted based on Regulation in Lieu of Law 75 of 2001 and before the enactment of Law No. 4 Year 2009. After the enactment of Law No. 4 of 2009, practically no Mining Business License by the local government in the Jambi province, unless the nature of giving priority for other types of minerals found in mining regions that have been obtained. The new Mining Business License for the discovery of other types of minerals in the mining area owned was held in the Merangin, namely iron ore mining by PT Sahabat Baru Century discovered coal in its development. For the coal mining, published Mining Business License (IUP) given to Sahabat Baru Century but with the new enterprise, PT Merangin Energi Mandiri.4

The absence of a new Mining Business License (IUP) is understandable considering the Law No. 4 of 2009 Mining Business License (IUP) can be assigned through the auction, while the auction can be given after the government set mining area. So far the mining area has not been set by the central government, so that the auction process also cannot be done.5 Thus, current time is ongoing sort of moratorium on granting of mineral and coal mining.

Second, related to policies regarding mining activities, this time there is actually a local Regulation in Lieu of Laws, whether issued by the provincial government and district government. However, most of these regulations were issued a further adjustment of settings based on Law No. 4 Year 2009. Policies in Jambi

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5 Remarks delivered by Novaizal Top Varia, S.T., Section Head of Mining Supervision Jambi Province General Office of Energy and Mineral Resources (Interviewed in September 10th, 2013) states that the process is currently synchronization process of mining area by the central government. The local government has actually proposed mining area since long.
Province are not as setting executor of Law No. 4 of 2009, are:

1. Local Regulation of Jambi Province No. 8 Year 2009 on the Implementation of the Road to Transport Mining, Crops and Other Goods Transport;
2. Local Regulation of Jambi Province No. 10 of 2011 on the Amendment of Local Regulation No. 8 Year 2009;
3. Local Regulation of Jambi Province No. 13 Year 2012 on setting the Transportation of Coal in Jambi province;
4. Jambi Governor Regulation No. 13 of 2012 on Supervision and Control of Goods Transport on Weigh Bridges;
5. Jambi Governor Regulation No. 18 Year 2013 on Procedures of Transportation of Coal;

Local Regulation of Jambi Province No. 13 in 2012 stipulates that any transport of coal in Jambi province must go through a special road or waterway. Special road is meant here is the road built by businesses that were used for the transportation of coal from the mine to the port of the coal terminal. The obligation to use a particular street or waterway must be implemented not later than January 2014. However, such measures are applicable after the specially built road. If the special road has not been built or cannot be used then haulage can be done through public roads imposed by the Regional Head.

Local Regulation of Jambi Province No. 13 in 2012 also regulates pathways that must be passed by the mineral and coal mining companies. For transporting coal mine sites in Bungo and Tebo can be through a public road, namely roads Simpang Niam - Lubuk Kambing – Pelabuhan Taman Rajo, Tanjung Jabung Barat. While, specific to the transports in Merangin, Sarolangun, Batang, and Muaro Jambi are through the river contained in the district.

Local Regulation of Jambi Province No. 13 in 2012, state that if the regulation is disobeyed, they will get administrative sanctions in the form of a written reprimand, reduction in production plans for next year, and the revocation of Mining Business License (IUP). Even for violations beyond the deadline in January 2014, businesses will get administrative sanction of license revocation.

Local Regulation of Jambi Province No. 13 Year 2012 has been strengthened by the Governor Regulation No. Jambi 18 Year 2013. Governor Regulation is confirmed that the transport of coal to go through a special road or waterway. The uses of public roads are not yet available due to special road can only be made up to 31 December 2013. Special road used for transportation of coal was built by entrepreneurs.

The businessmen do not mind regarding to these policies, along a specific path or lane adequate river. PT Nan Riang that conduct mining activities in Muara Tembesi, Batanghari regency for example, during a portion of the mine has been transported by the river path, but is constrained not to do at any time due to river conditions. The road is commonly used also due to PT Nan Riang see other businesses are also allowed to use the public road. As for the district government, the use of public roads is not too problematic. For example Bungo district government, the settings do not cause problems because the results of coal mining mostly transported using a special road contained in land WKS, and partly transported to a relative of West Sumatra has no problem related to road conditions commonly used.

3. Some Problems in the Management of Mineral and Coal Mining under regional autonomy

The above description shows that, normatively the mining of mineral and coal have been set up relatively better in the current regulations, both at national and local level. It is seen among others in the form of instruments changes in the mining rights instruments into a Mining Business License, the stages of mining activities more clearly than before and as well as post-mining, and mining procedures that must go through the auction after the

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1 Article 5 Section (1).
2 Article 5 Section (2).
3 Article 6 Section (1).
4 Article 7 and 8.
5 Article 12 Section (1).
6 Article 12 Section (2).
7 Article 3 Section (1) and (2).
8 Article 5.
9 Results of interviews with Muhammad Ridho, S.P., The Head of Technical Mining PT Nan Riang, October 20th, 2013.
first set of the mining area. Likewise at the local level (Jambi), rules requiring employers to build a special road in transporting coal or use the path of the river, indicating an intention that the transportation of mining products do not actually cause damage to public roads, as long as this happens.

However, the problem, as alluded to in the beginning of the article, is along with the regional autonomy that affect the co-competent local authorities in managing mining, is the increasing environmental damage and conflicts function in society. Wondering is preference of environmental damage due to mining function that happens it has associated with the management authority of mining activities on local government, is still in question until now.

If used as his study material is normative provisions in the Law, the functions of the current environmental damage should not have happened. The reason is, every mining must be accompanied by a Mining Business License, part of which was issued by local governments. In fact, referring to the Environmental Management Act, because of mining activities likely to enter as a major and significant impacts on the environment, the action plan should also be accompanied by an environmental impact assessment. In addition, also set national standards, which should be a guide in any mining activities.

Regarding to the normative provisions, the environmental damage caused by mining functions can be prevented, unless the mine is not illegal and not accompanied by Mining Business License. During the issuance of Mining Business License through the correct processes and stages, and the employer is also conducting its business in accordance with permits and regulations applied, hence the damage of environment functions can be avoided.

Nevertheless, until now, misperceptions about decentralization and regional autonomy - which then pushes the need for partial authority in the management of mineral and coal exist in local government - still often encountered. For instance, the perception of the potential availability of natural resources is often recognized as "belonging to the people of the area". As a result, the exploitation of natural resources that exist in the regions, including mineral resources and coal, are becoming more frequent, thus causing damage to the environment functions.¹

Such circumstances are also compounded by the fact that the exploration and exploitation of natural resources, particularly mining, is still much influenced by the paradigm that natural resources is as a source of income rather than a modal. Mutual needs that should take place in order to create a balance of higher quality of life, in the end is dominated by the human desire to dominate nature.² It thus compounded also by their political economic transactions in decision making about the allowance of activities, so that the process of environmental impact assessment and activities license is only a formality and does not serve as the basis of objective decision making.³

Moreover, it also happens "bias" in the autonomy areas today, where policy autonomy tend to be oriented on the economy, problems of distribution of wealth, income distribution, the percentage of revenue share-regional center, and so on.⁴ With such a perspective, as if the issue of central-local relations will be completed if the regions for the results of natural resources has been given and the money is divided. As a result, the urgency of the problems of community participation, community supervision, and also the importance of the institutionalization of public accountability at the local level tend to be ignored in the policy.⁵

Such a policy orientation autonomy it also shows that the reform of decentralization and regional autonomy that goes more to character institutional reform (state institutional reform) rather than build the capacity of the state (state capacity). The implication, decentralization and regional autonomy that is present

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¹ Such a situation is actually understandable, because since the new order of government can be said of the people did not enjoy the natural resources area. With regional autonomy is emerging attitude of 'revenge' society that makes local natural resources as "sovereign" people of the area. Tri Ratnawati, et al., Authority Relationship between Central and Local Governments in the Regional Autonomy in Indonesia: Opportunities, Constraints, and Implications, (Jakarta: LIPI Political Research Center, 2003), p. 25.


⁴ Ni'matul Huda’s research on legal products in the area showed that most local regulations are problematic, and canceled, a legal product that is related to the economy. Within the years 2002-2006, in which there are 554 local regulations were canceled, 64 of which are in respect of taxes and levies related to the 461 (Ni'matul Huda, "Controlled Products Regional Legal Relations between the Government and Local Government in the Republic Indonesia ", Journal of Law, [Yogyakarta: Faculty of Law, University of Islam Indonesia, special edition, Vol. 16, 2009], pp. 72-94). This clearly shows the strong orientation with respect to the income of local revenue in decentralization and regional autonomy.

within the last a decade looks "very real" in the form of institutions, but "subtle" in function. In other words, decentralization has been present at the level of symbols, but the relevant public welfare goals - which is the reason underlying the implementation of decentralization, other than democratization itself - is still far from the realization.

In the field of management of mineral and coal, this is a meaningful implementation of decentralization and regional autonomy is more visible on the authority of local government and the revenue to be derived from the management. As a result, for the management of mineral and coal mining are more oriented efforts on how to make mineral resources and coal contained in the excavated area (read: exploitation) that will generate additional revenue for local government income. The issue of how public participation involved in the activities and supervision, as well as the public accountability of government to the public, as are other issues that tend to be overlooked.

Therefore, the post-coordination and supervision by Anti-Corruption Commission (KPK) in 2014 and then 536 Mining Business License (IUP) has been revoked as of November 2014. The revoked Mining Business License are 109 in Central Sulawesi, 17 in Southeast Sulawesi, 32 in North Maluku, 6 in South Sulawesi, 65 in the Riau Islands, 57 in South Sumatra, 153 in Jambi, 16 in Bangka Belitung, 19 in East Kalimantan, 18 in South Kalimantan, 3 in Central Kalimantan, and 34 in West Kalimantan. The coordination and supervision of the KPK also shows, of the total 10 543 Mining Business License (IUP), only 6,174 which has been declared clean and clear (CnC).

Hence in maintaining the sustainability of environmental functions, and to realize the direction of the constitution 'use of natural resources for the welfare of the people', then the government, especially local, need to change the way the field and orientation on the implementation of regional autonomy. From the previous outlook and orientation was more focused on the matter of their existing local government authority and the inclusion of revenue to be earned, must also be balanced with community engagement, transparency of activities, as well as public accountability to the public.

In addition, the implementation of the management of mineral and coal by local governments, however, still must be coordinated with the central government. The missing of information on the central government regarding mining business license that took place in the area, as presented in the first part of this paper, the implications of the arrogance of local government as if the scope of mining activities that the local district / city or province then just a matter for local authorities. In order for information and mining activities become more focused, reducing the regional arrogance would be necessary anyway pursued.

In addition, the involvement of the central government deemed still need to be involved in the management of mineral and coal mining, because the involvement of the central government will increase trust and security for investors. In the opening stages of mining, the central government is also considered to be more experienced and mastered in terms of technology. Beyond that, there are some foreign investment not only risking the reputation of the area, but also the image of Indonesia as a whole.

C. Conclusion

As a conclusion could be said that the management of mineral and coal mining in the era of regional autonomy normatively better than the previous period. This is partly reflected by changes in the mining of mining rights instruments into a mining license, the stages of mining activities more clearly than before and as well as post-mining, and mining procedures that must go through the auction after the first set of the mining area. Likewise, the rules at the local level (Jambi), which requires employers to build a special road in transporting coal or use the path of the river, indicating an intention that the mining activities more environmentally friendly, especially public roads. Only problem was encountered is the point of view and orientation towards the implementation of regional autonomy, which is more focused on the matter of their existing local government authority and revenue to be earned income, so it looks exploitative. Therefore, in order that the management of mining activities can be better, viewpoint needs to be balanced with community engagement policy, transparency of activities, as well as public accountability, especially at the local level to the community.

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