

Management of Mining Business in Perspective of Local Governance

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Abstract

Coal mining business is one of economic sector which has important role in the economy of Tanah Bumbu Regency. The mining location mainly concentrated in Satui Sub-district. Mining and Energy Office of Tanah Bumbu Regency recorded that 65 companies/KUD hold the permits to mine coal. Coal mining employ 14% of workforces and give contributions to Regional Revenue for more than 30% each year, so that coal mining sector generates biggest Regional Revenue. Therefore, management of mining business become serious interests of local government by increasing of government role, entrepreneur and people, minimalize negative effect and conflict caused by mining exploitation.

Keywords: coal mining, local governance

1. Introduction

Since instalment of Law Number 32 of Year 2004 on Local Governance, then in regional area there are awakening of local autonomy spirit, so that the changes almost happened in all of governance structure. Muluk (2006:41) stated: "Local government has strong role and active in deciding of the future of economy in their region. It is viewed as coordination and key planning institution for development of regional economy, by make available mechanism and incentive so that the economic activity is able to flourish".

Tanah Bumbu Regency, South Kalimantan Province is one of the regions which have potency and rich in natural resources. Viewed from economical growth in Tanah Bumbu Regency, the potency of natural resources gives the chance to the region to accelerate the economic growth, and right and obligation in implementing of local autonomy. This is supported by fiscal decentralization policy to the local government by issuing of Law Number 22 of Year 1999 which was renewed by Law Number 32 of Year 2004 on Local Government, and Law Number 25 of Year 1999 which was renewed by Law Number 33 of Year 2004 on The Balance of Budget of Central Government and Local Government.

Coal mining venture is one of sector which has big role in economy of Tanah Bumbu Regency. The mining locations are concentrated in Satui and Simpang Empat Sub-districts. The other ones are in Mantewe, Sungai Loban, Angsana, Kusan Hulu and Karang Bintang Sub-districts. Contribution of the mining sector (Tax of Mining Category) in this Regency give contribution to Regional Revenue more than 30% per year, so that mining sector of coal is the source of biggest Regional Revenue compare to the other revenue in Tanah Bumbu Regency.

Management of coal mining venture in Tanah Bumbu Regency instead of giving positive effect also has negative effects in form of environmental destruction of mining site, high level of air pollution, decreasing of clean water reservoir, and damage of physical facility such as the road passing by overloaded trucks transporting coal. Also, the vertical and horizontal conflict occurs too.

According to Anderson (2003), the wealth which want to be achieved by the management of natural resources frequently only go into some people, especially the capital owner (mining owner) and elite official. Because of this, people and the entrepreneur (business sector) need to give intention to environment. Therefore, a policy that gives balance and control of ecosystem inside the environment needed by the people need to be established thru good policy.

In controlling of environment which related to natural resources management, normatively the regulation implemented by government of Tanah Bumbu Regency is the legal ones which are:

1. Law Number 4 of Year 2009 on Mineral and Coal Mining.
2. Government Regulation Number 22 of Year 2010 on Mining Area.
3. Government Regulation Number 23 of Year 2010 on Implementation of Business Activity on Mining of Mineral and Coal.
4. Regional Regulation of Tanah Bumbu Regency Number 12 of Year 2012 on Business of Local General Mining.

Based on the problem of the objective condition in the field, management of mining business in Satui Sub-district Tanah Bumbu Regency can be studied from the view of sound governance concept. In regard of coal mining sector in Satui Sub-district, Tanah Bumbu Regency other than a source of Regional Revenue which

become primadonna, mining sector also has negative effect to peoples lives, so that requires policy able to synchronize the public interest.

According to Muluk (2010:18) concept of governance which involve multi stakeholder (government, people and private sector) in public administration by endorsing the principles of accountability, transparency, responsive, participation and other has been acknowledged by wider community and event force-implemented by many international donor institutions especially to developing countries. Farazmand stated that "Governance is therefore inclusive and promotes participation and interaction in an increasingly complex, diverse, and dynamic national and international environment." In this condition, Farazmand (2004) in Muluk (2010:31) offered the new concept of public administration which is sound governance. Farazmand keep the concept of governance by based on involvement of potency from all stakeholders in public administration. The concept of good is changed into sound because in his view: "Soundness is used to characterize governance with superior qualities in functions, structures, process, values, dimensions, and elements that are necessary in governing and administration" (Farazmand, 2004:11).

Sound governance has many dimensions, include (1) process, (2) structure, (3) cognition and value, (4) constitution, (5) organization and institution, (6) management and performance, (7) policy, (8) sector, (9) international power or globalization, and (10) ethics, accountability dan transparency. Therefore, it requires special study on the natural resources in Tanah Bumbu Regency at the time, so that it can prove and awake Tanah Bumbu Regency to be a develop and prosper region when the bussiness of coal mining goes well and effective. The problem statements in the research were as follows:

1. How is local government role, bussinessman, and people in managing traditional mining bussiness in perspective of local governance?
2. How is conflict and partnership between actors in management of traditional coal mining bussines happening in perspective of local governance?
3. How is positive effects and negative effects in management of traditional coal mining bussines in perspectives of local governance?
4. How is model of management of traditional coal mining which environmetal friendly, humanist, and sytematic in perspectives of local governance?

2. Literature Review

2.1. Local Autonomy

Hoessein, (2000:12) stated that local autonomy is formalization of implementation of government bussiness base on decentralization basis. Bagirmanan (2004:18) mention the term of autonomy has freedom meaning and self managing, but not independence, so that autonomous region is given the freedom or self managing as form of giving opportunity in managing their own government need to give responsibility. Mahfud (2003:11) stated that autonomy give freedom in self governing, without take aside the position of local government as apparatus of central government in implementing the tasks given to them. Therefore, the efforts to develop balance are need to be given attention in context of relationship between central and local. In general, the relationship between central and local based on three bases in which decentralization, deconsentration, and aiding basis. Nugroho (2007:19), in principe there are two things embedded in autonomy which are right and authority to manage the region.

Local autonomy according to Law Number 32 of Year 2004 on Local Government is right, authority and obligation of autonomous region to manage and taking care their own governance issues and interest of their own people as written by laws. Wasistiono, (2003:82) implementation of local autonomy is influenced by factors consisted of capability of the executor, budget capability, availablity of tool and material, and capability in organization.

So, local autonomy is right, authority, and obligation to implement interest of group of people which live in certain region which consisted of take care, manage, control, and develop several things needed by people living by obeying the law. Local autonomy is one of the forms of governmental decentralization, so that it will establish peoples dream to be better, more justice and prosper.

Bagirmanan (2004:57-58) stated that study on autonomy by scholar was identified into three basis, in which Formal Autonomy Basis, Material Autonomy Basis, and Real Autonomy Basis.

To establish the local autonomy, it need to prepare the related things and its implications, such as capability and readiness of the region to execute their adequate task to grab every open chances in their region so that it can fill in continuosuly the dynamics of the local autonomy. Theoretically, there are six main elements which formed the local government. According to Suwandi (2000:10), they are: availability of autonomy affair, organizational, personnel, budget sources, representative element, and management of autonomy affair.

2.2. Sound Governance

The concept of Sound Governance is a new concept which more comprehensive and reliable in answering the

ephistomologist failure and solution on main wave of misuse of good governance.

Sound Governance has vision which more comprehensive in four actors, in which three actors already known in concept of good governance in which inclusivity of political relation between state, civil society, bussiness domestically and one more factor which is international power. International power here includes global corporation, organization and internasional treaty.

Sound Governance is more concerned on the process to achieve objective. Eventough, in sound governance still stress on universal basic prerequisites related to democracy, transparency, and accountability. Therefore, point of stress of sound governance is flexibility and it needs “inovation” which become the spirit of implementation of sound governance in practice of governance. Farazmand (2004:46) on the importance of innovation in Sound Governance,

“Innovation is key to sound governance, and innovation in policy and administration is central to sound governance as well. Without policy and administrative innovations, governance falls into decay and ineffectiveness, loses capacity to govern, and becomes a target of criticism and failure”.

According to Muluk (2009:17), different from good governance concept which involve three main actors in governance, which is infamous as the concept of golden triangle (which are government, people, and private sector), so the sound governance adding of fourth actor which is international element. The fourth actor may be consists of multi-national corporation, international institution, international non governmental organization, international treaty, bilateral or multilateral cooperation, etc.

In this context Farazmand (2004:12) stated that: *“Sound governance is used to denote a system of government that is not only domestically sound and virtually flawless economically/financially, politically, democratically, but is also sound internationally in its interaction with other nation-states and their governments in an independent and self-determining fashion.”*

According to Faried (2011:8), sound governance, in principe, is giving room for tradition or local innovation in governance structure (pattern of relation between government, private sector and people) by reopening the chance of absent variables which is local wisdom and how state and governance should be managed, according to the tradition, culture and local context.

2.3. Local Governance

According to Indradi, (2008:13) conceptually and empirically in some countries, the term “local” is related to local governance and local auotonomy cannot be understood as local only, but also include the local people.

Anwar Shah (2006:2) stated: *Local governance, therefore, includes the diverse objectives of vibrant, living, working, and environmentally preserved self-governing communities. Good local governance is not just about providing a range of local services but also about preserving the life and liberty of residents, creating space for democratic participation and civic dialogue, supporting market-led and environmentally sustainable local development, and facilitating outcomes that enrich the quality of life of residents.*

Muluk, (2005:127) mentioned that local government are Governor, Regent, or Mayor, and Local Office as element of implementing of local governance. Governor, Regent and Mayor each as Head of Local Government of Province, Regency and Municipality elected democratically. Local government implement the autonomy widely, except for governance affair which according to law should be determined by Central Government. Task and authorithy of Governor as Central Government representative are; 1). Mentoring and monitoring of implementation of local governance of Regency/Municipality, 2). Coordination on implementation of governance affair in province and regency/municipality, 3). Coordination on mentoring and monitoring of aiding task in province and regency/municipality.

According to (Wasistiono, 2003:107) in order to implement local governance, it needs administration system of local governance. Administration system of local governance is activity processes in local governance which include input, output, objective, environment, and feed back. All the process started from political processes, governance process, and public administration process. Political process produce regulations, governance process produce public policy, and public administration process produce public service. All the process occurs in activity statement, administration of task implementation, and use of administration dynamics.

2.4. Management of Mining Affair

According to Bisinu (2004:45), availability of natural resource (i.e. coal) deposits has role in giving comparable significant contribution to development of the region. Many assume than the abundance natural resources deposit in one country make the growth rate of developmment is higher rate and vice versa. This asumption based on the thinking that natural resource is one of primary capital for sustainability of development in one country.

According data from World Energy Council (2007), Indonesia has coal deposit of 4.3 billions tonnes, and based on data from Department of Energi and Mineral Resources the proven deposit of coal of Indonesia is 5.3 miliar tonnes, while estimated deposit is 13.411 billions tonnes. From the side of management of natural resources (coal) also has negative effect which may result on decrease of output. This may be in the form of

conflict or dispute of possession of natural resources or other environmental damage caused by exploration. The condition, at the end require significant cost to restore or other cost regarding environmental damage in exploitation area which sometimes spread out to other area in form of other disaster such as flood, landslide, etc. According to Bambang (2007:52), the inability in managing natural resources (coal) continuously was caused by using too economical approach. Environmental economics was too confident in planning of policy measurement of natural resources management to protects environment and prosperity of the people by using effective and efficient measurement, but when facing actual policy, the measuring and its institution cannot be implemented according to its basic frame, so that it is obviously a political failure.

Anderson, in Bambang (2007:68) stated that the problem related to weakness of keeping of environmental quality and marginalisation of local people and occurrence of political failure in management of natural resources management can be understood better by viewing at the relation between state (central government, local government), private sector (bussinessman) and civil society (people) in managing of natural resources.

Some of policy which become basis in managing mineral and coal in Tanah Bumbu Regency are: Government Regulation Number 22 of Year 2010 on Area of Mining, Law Number 11 of Year 1967 on Principle Rule on Mining (State Chronicle of Republic of Indonesia No. 22, addendum on State Chronicle of Republic of Indonesia No. 2831), Law Number 32 of Year 2004 on Local Government, Regulation of Minister of Energy and Mineral Resources Number 27 of Year 2009 on Structured Education and Training, Regent Regulation Number 20 of Year 2008 on Organization of Regional Institution of Office of Energy, Mineral and Natural Resources Tanah Bumbu Regency.

2.5. Conflict and Partnership in Coal Mining

Many definition on conflict was given by mangement expert, some of them are:

... *the condition of objective incompatibility between values or goals, as the behavior of deliberately interfering with another's goal achievement, and emotional in terms of hostility (Luthans, 1985:386).*

A process in which an effort is purposely made by A to offset the efforts of B by some form of blocking that will result in frustrating B in attaining his or her goals or furthering his or her interests (Robbins, 1996:428).

... *disagreement between individuals or groups within the organization stemming from the need to share scarce resources or engage in interdependent work activities, or from differences in status, goals, or cultures (Stoner dan Freeman, 1989:391).2*

All kinds of opposition or antagonistic interaction. It based on scarcity of power, resources or social position, and differing value systems (Kreitner dan Kinicki, 1995:283).

Such that, then the conflict will bring benefit to group or organization. Stoner and Freeman named the such conflict as organizational conflict.

The antagonistic opinion by Robbins (1996:431) was called as the Conflict Paradox, which is a view which consider the conflict may increase the prformance of the group, but in other side most of group and organization try to minimalize the conflict.

There are several type of conflict, depending on the basic to classify. Robbins (1996) which divide the conflict based on its basic function (*Functional Conflict* and *Dysfunctional Conflict*), there are division based on the parties involved in conflict (conflict within the individual, conflict between individuals, conflict between individuals and groups, conflict between groups in the same organization, conflict between organizations, conflict between individuals in different organizations), Winardi (1992:174)stated that conflict can be viewed from one position in organizational structure (vertical conflict, horizontal conflict, line-staff conflict garis-staf, conflict between line employee) and etc.

2.6. Partnership in coal mining

On partnership in General Rule Article 1 verse (8) Law Number 9 of Year 1995 mentioned it as "Business partnership between small venture and medium venture or with big venture followed by continuous mentoring and developing by medium or big venture with considering of principles of needing each other, strengthening each other and take benefit from each other".

Linton in (Hafsah, 2010) give meaning of partnership as: a way to do bussiness where the supplier and consumer trade each other to achieve business objective together. Partnership principle can be based on strengthening each other with the objective to increase income of small venture and people, increase added value for partnership actor, increasing of people's prosperity and empowerment and small venture, increasing of economical growth of the rural area, region and national, and increase national economy resilience.

Partnership also a cooperation of venture which has legal basis which based on regulation of Law No. 9 of Year 1995, Government Regulation No. 44 of Year 1997 and Presidential Decision No. 99 of Year 1998.

Bussiness relationship which is not only to seek profit, but the ooperation based on principles of

needing each other, mentoring, development and social responsibility. The occurrence of awareness and implementation of principle of partnership and need each other, strengthening each other and take benefit from each other based on equality of legal state to support each other.

In the model of partnership between government – businessman and people, Syahrir (2004) show that the partnership is tied because each parties will have some benefit. Also, as a whole the three partit relation also give benefit for regional economy development. The middle box of Figure 1 shows the three-party partnership, Syahrir shows the local benefit of economy produces from partnersip of government, private and community (peoples).

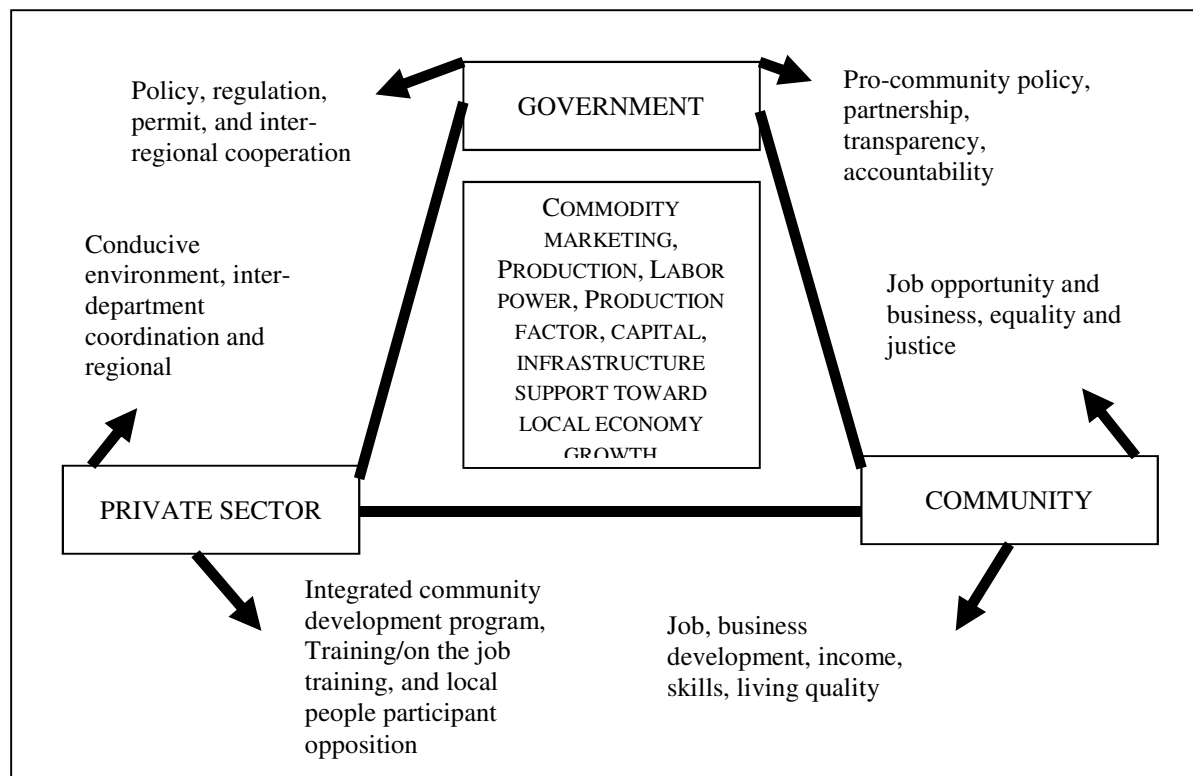


Figure 1. Organizational pattern of partnership between local government, people, and private
 Source : Syahrir, (In Module of Technical Mentoring on Partnership of Local Autonomy, Dept.of Interior Affair and JICA, 2004), translated

In the partnership relation above, each party has their own roles and benefits:

- a. In partnership relation of government and private sector then government has role to make policy and rule of the game and provide permit service, and develop cooperation between regions in which make possible for bussiness actor in their own region to develop investation. From the side of private sector, the partnership will push the private sector role to give conducives environment as objective place of investment, involvement of related departments (industries, work forces, and etc), and the need of transparency in permit and added value from local economy activity.
- b. In relation to partnership of government and community (people) then the government has role in setting policy which take side on people interest and doing transparency and public accountability. Meanwhile, for the people themselves, partnership becomes a chance for the people to get bussiness opportunity, get room to make negotiation to the government in getting of justice and equity.

2.7. Theoretical Framework

Theoretical framework in the research was based on the relation between those concept and theory which become implementation of management of natural resources (coal).

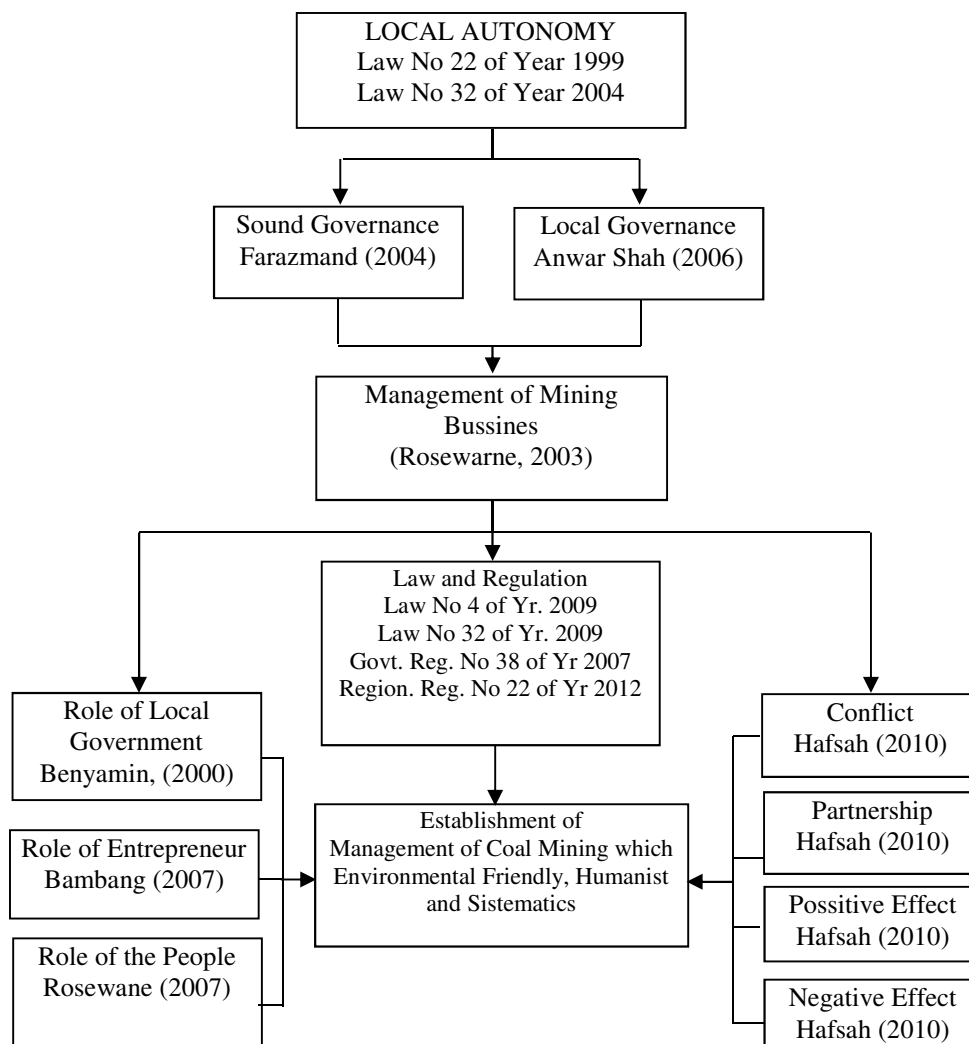


Figure 2. Model of Research Thinking Framework
 Source: From theoretical review (2014)

3. Location and Method of Research

Satui Sub-district is one of sub-districts in Tanah Bumbu Regency, South Kalimantan Province, geographically it is situated in 2°52'- 3°47' South Latitude and 115°15'- 116°04' East Longitude. Satui Sub-district has area of 876.58Km² or 17.30% of area of Tanah Bumbu Regency. Tanah Bumbu Regency, South Kalimantan Province is one of biggest coal producer in Indonesia. The coal deposit is almost 9.5 billion tonnes (about 24.6% from total coal production in Indonesia), by founding of 1.2 billion tonnes ready to be exploited. Development of coal production in Tanah Bumbu Regeny since 2010 has already increased every year.

The research is qualitative one with the focus of management of natural mineral resources especially coal. The source of data in the research is: informant, event and document as secondary data. Data collection techniques are: observation, interview and documentation. Data analysis by interactive one and by using the technique proposed by Milles and Hubberman (1992) in which: data collection, data reduction, data presentation and drawing conclusion.

4. Results of Research and Discussion

4.1. Role of local government, entrepreneur and people in management of traditional coal mining in perspective of local governance

Vision of Mining and Energy Office of Tanah Bumbu Regency: Establishment of Continuous Development of Mining and Energy in Tanah Bumbu Regency and has environmental vision toward prosperity of the people.

In accordance with these vission, management of traditional coal mining in Satui Sub-district, Tanah Bumbu regency was conducted as written in Regional Regulation Number 10 of Year 2007 by mechanisms of top down. In these affair, permit issued to the entrepreneur to manage coal are one issued by Head of Regency (Regent) of Tanah Bumbu, in which the permit at first need to be forwarded to Mining and Energy Office.

Activity of traditional coal business which is conducted in Satui Sub-district Tanah Bumbu Regency based on Regional Regulation Number 10 of Year 2007 on Venture on Regional General Mining, which are;

1. Permit of Mining is the authority given to corporate or private to conduct mining activity in form of Kuasa Pertambangan (KP) or Authorization of Mining, Kontrak Karya (KK) or Work Contract and Perjanjian Karya Pengusaha Pertambangan Batubara (PKP2B) Agreement for Coal Mining Entrepreneur and Surat Izin Pertambangan Daerah (SIPD) or Letter of Permit for Regional Mining and also Surat Izin Pertambangan Rakyat (SIPR) or Letter of Permit for Traditional Mining.
2. Letter of Permit for Traditional Mining (SIPR) is authorization of mining awarded by Regent to the local people to conduct small scale mining activity with restricted mining area consisted of general inspection, exploration, exploitation, treatment, purification, and transportation for selling activities.
3. Traditional mining is general mining venture owned and run by local people using simple tool and has the objectives to give opportunity to the local people in venturing in mining and participating in regional development in general mining activity.

Government role (Mining and Energy Office) in management of traditional coal mining business are control, monitor, and direct the business activity of traditional coal mining. Their main activity in inspecting the business are identifying the location of coal mining, monitoring of coal mining production activity, and evaluating several activity and other operational issue in the coal mining area.

If there is something going off course from the regulation, government will give correcting until warning letter to the management of traditional coal mining.

The role of entrepreneur in management of coal mining is by conducting environment conservation and building of public facility programs in surrounding area of mining.

The role of people in management of coal mining, consist of; knowing the execution of management of coal mining business still low eventough in law Number 23 of Year 1997 on Management of Environment Article 6 vere (1) which stated that "Every people has equally right and obligation to take role in managing of environment. Also in Law Number 4 of Year 2009 on Mining of Mineral and Coal which stated "In order to established continuous development, the activity of mining venture should be conducted by taking care of principle of environment, transparency, and people participation".

So that, the right and obligation of every people as member of society to take role in activity of management of environment in scope of either planning or steps of planning and evaluation by involving the people.

The role of local government, entrepreneur and people in effort of management of coal mining venture still not maximal, so that the deviation such as, road damage, farming lands and plantation damage, and illegal mining were occurs.

4.2. Conflict and partnership between actors in management of traditional coal mining

The conflict occurred between coal mining and local people was caused by bad coordination in inter sector (institutions) of government.

The shifting of people social and culture, in which previously they were farmers and fishermen then changed into company workers. The shifting of living pattern to more consumptive, using of drugs and alcohol by young people and occurrence of prostitution, and etc as effect of existence of coal mining which take aside the rights, values and culture of local people.

Coal mining venture also occupy sacred land of Dayak Satui's people; they are prohibited to farm and do other productive activity in the land they used to do farming and cultural activity.

The others conflict in traditional coal mining business in Satui Sub-district are one-side policy from the government, not objective in recruiting employee, the loose fraternity, conflict with other business sector, shifting of culture and relocation of cultural people.

Meanwhile, the forms of partnership are giving aid to the people, planting tree in area of ex-mining exploitation, planting tree on the infertile land, roadwork on the damage ones etc.

In cooperation concept by partnership, the cooperation ties between big ventures and small one are based on equality in position or having similar level between two partners. This means that relation of cooperation between big business and small one has same level in the mutual right and obligation so that there is no one side lost something, there is no exploitation on the other, and they grow and develop in mutual confidential between two in develop their business.

4.3. Positive effect and negative effect in management of traditional coal mining business

Contribution of mining sector (tax of mining category) in his regency to the Regional Revenue is more than 30% a year, so that coal mining is one of the biggest sources of Regional Revenue compare to other sources in Regency of Tanah Bumbu. Besides as sources of Regional Revenue, it also has contributions in suppressing or decreasing of unemployed workforce, solving poverty, able to open the other business opportunity, and giving

benefit in form of stability of local safety, and speed up the development.

Coal mining bussiness beside has possitive impact, also gives negative impacts, they are:

- a. Because of transportation of coal products use public road, it causing many public roads get damage because of overloaded trucks. Policy to permit the coal tranported in public road also breaks the rule on Principle Regulations of Mining in which oblige the company to make available their own facility and infrastructure includes the roads. The traffics for coal transports reach 2.473 units per day in Tapin Regency, and not include from other neighbourhood Regency (Bpost, 2005), meanwhile base on research by WALHI South Kalimantan Banjar and Banjarbaru Regency the level of traffic is not less than 1.300 trucks. It can be imagined, the traffic in National Road since it mix with other vehicles, i.e. public transportation and private vehicle. Also, the complaints from people live nearby the road because of the activity of tranporting coals. .
- b. The not-inherent policy
High activity of illegal mining was caused by the weakness in the regulatios, the not-inherent policy, and inability from government and security apparatus in securing and managing the problems on the mining in this sector. This incapability in managing illegal mining's problem showed the weakness in law enforcement and government commitment in tackling the illegal mining in South Kalimantan. The other factors for high activity of illegal mining are: the coal is easy to be collected, market availability of illegal coal, and some of security apparatus and law enforcement officer were involved in illegal mining.
- c). Destroying, damaging and pollution of environment
Coal mining in South Kalimantan gives effects on serious damaging of environment. Big pits which impossible to be closed, eventhough if reclamation was done, the pits stills pose a danger because of very high concentration of acid. From the research of Bapedalda (Regional Control of Effect on Environment Agency) Tabalong (2001) stated that the water in ex-mining pits has several chemical compound, which are: Fe, Mn, SO₄, Hg and Pb. As known, Fe and Mn may poison the plants and causing it not breeds well. SO₄ is acid compound which influence the pH of soil and level of land fertility. Meanwhile Hg and Pb is heavy metal compound which caused skin problems in human. Beside of water in pits, the pollutants from washing process also pollute the soil and make the plant on the soil dead.
- d). Destroying of source of people's living
Activity of coal mining also destroyed the water resources and the river which used by the people for their daily needs.
Because of coal mining activity which not obeying environmental principles, makes many area of water catching become destroyed and make it prone to disaster.

5.4 Model of Coal Mining Management in Perspective of Local Governance

Empirically, the model of traditional coal mining management in Satui Sub-district Tanah Bumbu Regency are as follows:

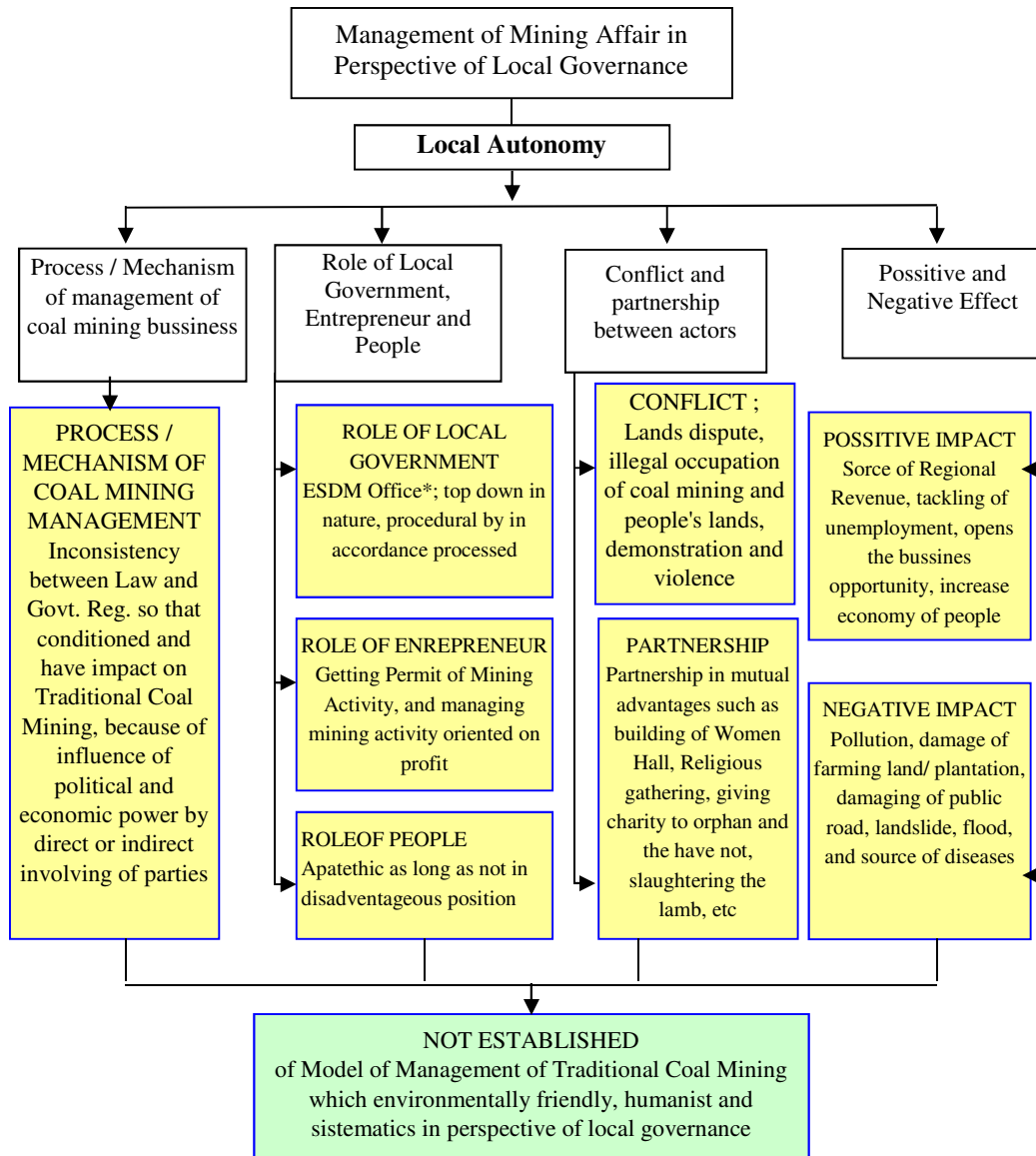


Figure3: Emperical finding of research in management of mining bussiness in perspective Local Governance

Source: Modified result of the research (2014)

Note : Colured boxes are finding in the research

* ESDM Office : Energy and Mineral Resources Office

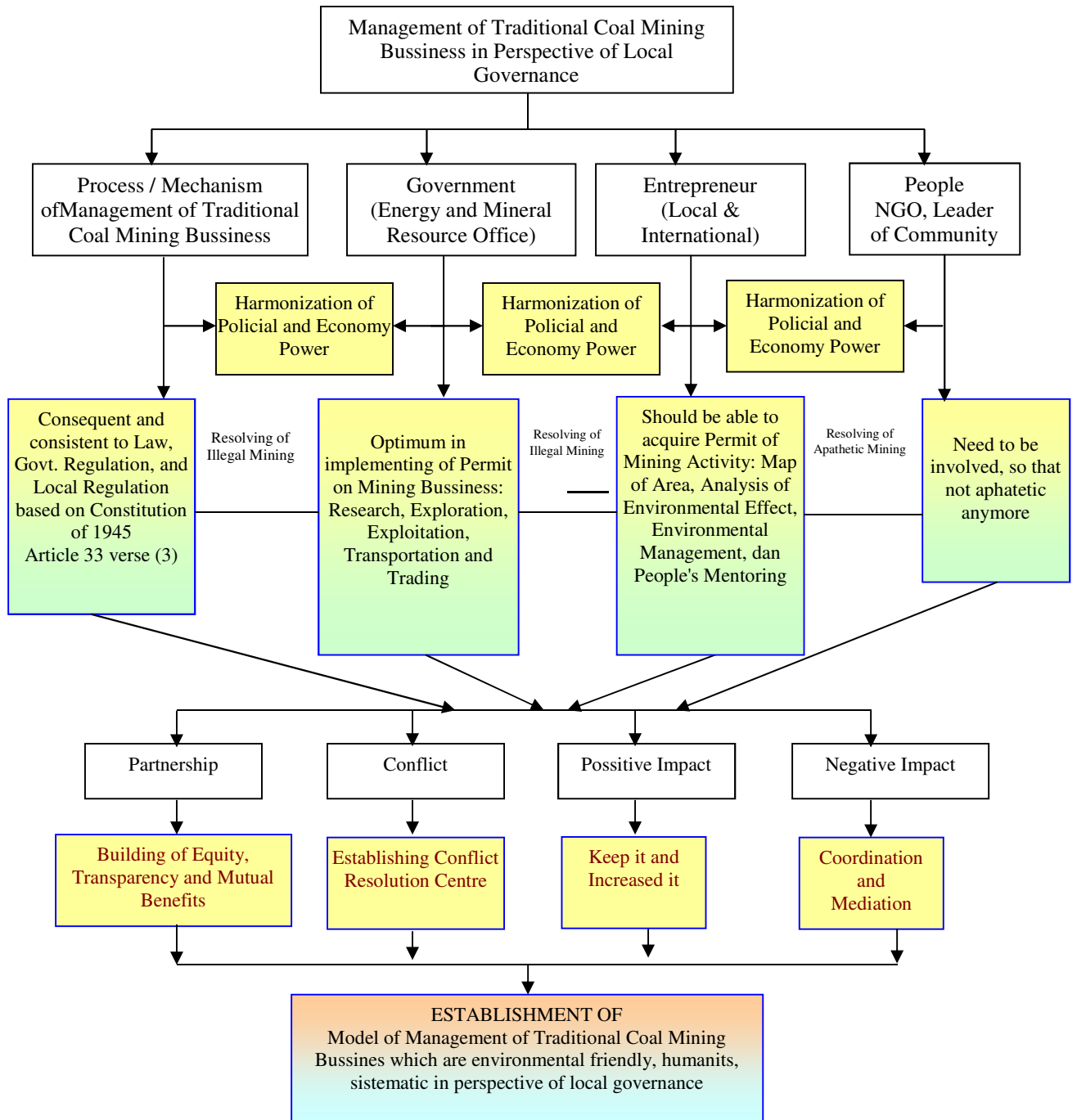


Figure4: Recommendation on Model of Management of Traditional Coal Mining Bussines in Perspective of Local Governance to establish Coal Mining Bussines which Environmentally Friendly, Humanist and Sistematic

Source: Modified Result of the research (2014)

Based on Figure 3 above, the process/mechanism of management of traditional coal mining bussines in perspective of local governance is not consistant yet with the Law and Government Regulation in effects, so that illegal mining occurs, beside that the political power (the in power side) and economy power (material) which influence the process/mechanism of management of traditional coal mining.

Local government role, entrepreneur, and people in management of traditional coal mining in perspective of local governance still cannot be conducted acording right and obligation of each party so that inconsistency of role especially between local government and entrepreneur, meanwhile the people is aphantetic as long as they are not in disadvantageous positiones.

Based on the realities above, it need to do improvement, one of them are reorientation of conducting of

traditional coal mining by management of coal mining business as regulated in order to increase people prosperity and recommend the model of management of coal mining in perspective of Local Governance (Study on Traditional Coal Mining Business in Satu Sub-district Tanah Bumbu Regency South Kalimantan Province), as depicted in the following Figure 4.

6. Conclusion

Management of traditional coal mining business (which environmentally friendly, harmonist, and systematic) are in accordance with Laws and Regulations in effect. Therefore, it need to increase the role of local government in monitoring of coal mining business, increase of people involvement, and increase of partnership. The management of traditional coal mining become better if able to face the problems and troubles such as: lowering the level of conflict, avoid and decreasing of environmental damage, and better CSR on coal mining company.

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