

**5Ps Strategy for Coal Mining Governance in the  
Perspective of SDGs in South Malinau, North Kalimantan**

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**Abstract**

The objective of the study is to construct 5Ps strategy for coal mining governance using the perspective of SDGs in the Malinau District of North Kalimantan, Indonesia. The study was conducted using qualitative method. Data was collected through field observations and in-depth interviews, and secondary data of official published documents. Data was analyzed using the interactive analysis Model of Mile, Huberman, and Saldana. This research concluded that the 5Ps strategy for coal mining productions in the Malinau District of North Kalimantan is very useful for governing all stakeholders in the District in respect to environmental, social and economic aspects. The 5Ps strategy is 1) People, this means communities should be involved in the coal mining governance, 2) Planet, environmental awareness, 3) Profit, economic aspects should be well calculated and managed, 4) Peace, justice and equality are also the spirit to manage the coal productions and collaborations among the stakeholders are important to make the success of production.

**Keywords:** Coal Mining Governance, Sustainable Development Goals, 5Ps Strategy

**1. Introduction**

North Kalimantan Province is an area with abundant potential of natural resources. The wealth of natural resources is a fundamental capital in managing and building areas. Although it can not be denied that there are various problems in managing these natural resources that have become dynamic in the implementation of governance. Natural resource problems are crucial when associated with the implementation of regional autonomy. Why not, the local government's ability to manage and utilize natural resources will have an impact on regional financial management. The potential of natural

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resources owned by the province of North Kalimantan is strategic when it can be managed and developed optimally in support of government wheels and development in the region.

The authority of natural resource governance has been impressed to ignore coordination between levels of government into an empirical fact for the Government in realizing sustainable environmental development. The role of the provincial government is expected to be central in natural resource governance in the region has not been able to be realized in accordance with expectations. The cooperation between the Government and stakeholders in the region has not materialized properly. The efforts of the stakeholders engagement as mandated in the Constitution 1945 that states that the country is conducting control over natural resources (Earth and water and its contents) to maximum prosperity of the people need to obtain More attention than the provincial government.

The limitations of the provincial government's authority require hard work to gain greater authority in natural resource governance in the region. The authority of natural resource governance owned by the provincial government needs to be synd with the stakeholders in the region. The involvement of all stakeholders in natural resource governance has become so important as the implementation of regional autonomy in the past decade.

Determining the proper space allocation should be the main reference in natural resource governance in the region in order to create regional utilization in accordance with the expected. It is in line with the direction of regional autonomy, where the government's role in the decentralized context emphasizes on regional autonomy widest and is responsible for demanding the role and creativity of the local government in managing and develop the region. The provincial government's authority in natural resource governance needs to be maximised by keeping an eye on the coordination pattern and the breadth of authority that is owned. Similarly, with the role of local governments also need to be maximized in the governance and utilization of the mining potential in the region.

In this regard, the provincial government of North Kalimantan has a very strategic role in the framework of natural resource governance, as well as the role of local governments, especially in this case is the government Malinau County. In order to

maximize the potential of natural resources owned then it takes serious efforts of the provincial government in particular SKPD within the scope of the province related to natural resource governance to do not only as an executive, but Also as policy framing (Santoso, 2003).

A number of contract signing of forest governance, mines, etc. is a regional government area with capacity as a policy determinant that will automatically change the state of natural resources that all provide pressure on environmental damage. (Santoso, 2003). Therefore, the management and utilization of mining results, especially new stones must be done in the context of sustainable development, so that the process does not damage the ecosystem and endanger the survival of the generations that will come.

The apparent impact of natural resource governance that does not respect environmental conditions results in the destruction of the environmental ecosystem. Accordingly, the need for a regulatory device that expressly regulates the governance of natural resources in the region. In the arrangement of natural resources governance in the region must also involve stakeholders who have obligations and responsibilities to the natural resources. Synergy between the legislation and RTRWP North Kalimantan in natural resource governance should be a concern from the provincial government in order to realize sustainable natural resource governance. The provincial government as a basic implementing deconcentration is required to be able to translate and implement central government policies related to natural resource governance. It relates to the inter-regional coordination function in managing and utilizing the resources it possesses.

In addition, the integration of the policy between the provincial government and the Regency/city government in natural resource governance in the region is absolutely necessary, given that not all governance rights are only owned by the provincial government. There are some authority of natural resource governance that is submitted to the district/city government that places the provincial government only as a stamp giver or approving party without having authority to cancel or refuse The policy.

The greater authority of natural resource governance in the district/city government puts the provincial government as a large element administratively, but it is very weak in terms of authority. The debate over the authority of natural resource governance in North Kalimantan Province is a central issue because with the potential of

natural resources that have been found to be not directly proportional to the welfare of the people. Even that happens is the environmental damage in the area that became the mining site.

Environmental damage in the past decade has impacted the lives of people in the region. The provincial government as a holder of authority in the coordination between regions in natural resource governance has not yet demonstrated its existence. While environmental damage as the impact of natural resource governance is increasingly evident. It is in line with ecocentric understanding as a form of natural resource governance approach.

Mining activities as an activity related to the ecosystem, can be seen the perspective of ecocentrism (the Deep Ecology), which sees that it should awaken a deeper relationship between humans and the environment. There are two main ideas of deep ecology's approach to environmental governance, namely: first, man and importance is no longer the size of something else. It not only sees human species, but also looks at other species. This statement also demonstrates that Ekosentrisme does not agree with the Denominative value brought by Anthroposentrisme. Secondly, the view of the environment should be practical. This means that this ethics occurs in the province of North Kalimantan generally and Malinau Regency in particular, demanding a new understanding, because there are phenomena that demonstrate the real impact of natural resource governance in the region, namely the disruption Ethical Relationships in the universe (especially between humans and other beings) accompanied by principles that can be translated into environmental movements. (Susilo, 2008:113-114).

In line with the aforementioned conditions so far the governance of coal mining has not been carried out optimally in accordance with the principle of sustainable development. This can be identified from contaminated river basin conditions, low community involvement in managing coal mining, and the emergence of social conflicts in the community. Given that the authority of the mining governance is withdrawn to the province, the role of the district government in this area of Malinau district is reduced. This condition gives the impression to the community that the local government is committing to the mining governance that has a negative impact on both the economic and social dimension.

Based on the background it is important to undertake a comprehensive study on the Governance strategy of coal mining in an understanding of sustainable development. This study was carried out in the Malinau district of North Kalimantan province, where the coal mining activities in this area have continued to increase year by year. During 2014, coal production was 4,027,947.84 tonnes with a value of 203,008,571,136 US \$, and year 2015 increased to 5,790,650.10 metric tonnes. The purpose of this study is to develop a coal mining governance strategy 5P in the perspective of Sustainable Development Goal (SDGs).

## **2. Method**

The study examines strategies for the utilization and management of coal mining results, the extent to which mining results can increase the revenue of Malinau Regency in North Kalimantan province. The focus of this research is the regional government's strategy to utilize and manage coal mining results in an effort to increase regional revenues, factors that impede these efforts, and the utilization and mining management model Coal that can increase regional revenue. This study did not take quantitative measurements of this focus, and therefore researchers felt more precise and better suited to using a qualitative research approach rather than a quantitative approach. Through the use of a qualitative research approach, researchers are expected to describe a fully researched and comprehensive phenomenon in Malinau district, where the coal mining activities take place, so that it can eventually to answer the problem that has been formulated. And thus research objectives can be achieved. The collection of research data is conducted in several sources, namely events or phenomena, informant, and documents. The process of collecting data in each source uses the "direction" of the research focus, so that it can be separated between the data that is really needed and relevant (meeting the criteria of inclusion) and data to be set aside because it is irrelevant (meets the criteria Exclusion)). The analysis of this research data uses the Data analysis Model of Miles and Huberman (2014), called Interactive Data Model analysis, which includes: data condensation, data rendering, and withdrawal of conclusions. The whole step is directed at establishing a data-driven theory (Grounded Theory), which is a theory gained through the study of the phenomenon representing it. Based on this, then in this research the research measures

began by collecting information before developing a theory or comparing patterns found with previous theories. The results of this study were subsequently enhanced by the preparation of the proposition as part of the final outcome of this research activity. Propositions are constructed based on data and analysis results and data discussion.

### **3. Result**

#### **Sustainable coal mining governance strategy**

Coal mining activities are always followed by declining environmental quality that will have an impact on the community. Therefore, the company should conduct an activity that not only seeks profit, but more attention to environmental sustainability and socio-economic condition of the community around the mine. Monitoring and environmental governance in mining activities is also required in waste control. In an environmentally-sustainable effort, a sustainable development is required among stakeholders, namely people, Governments and mining entrepreneurs. The Association of Social, economic and environmental aspects in sustainable development is geared towards resolving environmental concerns so that the strategy is formulated in a sustainable mining policy. Indeed, achieving sustainable development is not easy. Therefore, it takes a commitment and cooperation by all parties to make it happen. There are many aspects that must be met to realize sustainable development. These aspects start from education, water quality and awake air, food, and the balance of natural resources. Here are the strategic steps to realize sustainable coal mining are:

#### **Strengthening the enforcement of laws and their**

The coal mining industry in Malinau District is the main source of regional indigenous revenue. Natural resource utilization should be able to support the welfare of the community around mining. In fact, people feel not prosperous with mining, tends to have only negative impact. The legal policy relating to mining governance is sufficient, but in its implementation and supervision has not gained a sincere attention and has not been optimally disseminate to the community. Therefore, the government as a regulator must strengthen the law enforcement in order to be used as a reference of sustainable mining governance. The weak rule of law is increasingly making

environmental deterioration due to the massive exploitation of SDA without regard to environmental aspects.

The government needs to restrict companies who want to get Mining business license (IUP) by considering other sectors in land utilization. Licensing as environmental law serves as an act of preventing pollution and environmental damage. Strict sanctions for those in violation of the provisions that have been made and agreed to also need to be done, this aims to make the owners of IUP not to conduct irregularities in the field and responsible for the post-mine land reclamation program. Social and environmental costs should be integrated into the regulations. This is done so that the community that will be impacted by mining has a mechanism to force the company to pay the losses.

### **Hold a discussion forum regularly**

Regular Forum meetings provide opportunities for various parties to exchange information and experience, conduct socialization of policies, improve understanding, and related perception of mining policy. Forums can be attended by communities, Governments, corporate parties, and environmental practitioners to exchange opinions on how coal mining governance can have a positive impact on society and the environment. Communication and coordination of important parties is conducted to discuss the conservation and rehabilitation of a former mine.

In addition, the company needs to implement the concept of CSR (Corporate Social Responsibility). CSR is the application of sustainable development in the business world. The implementation of CSR concept aims to avoid conflict between citizens and companies and governments (Rodriguez and LeMaster, 2007). Companies need to provide special means of communication to get information from corporate CSR activities. The facilities provided must be easily accessible and understood by the community. All corporate CSR activities must be transparent so that people can know the process of implementing CSR activities. Companies are required to be transparent with the community to all activities undertaken in mining. According to Nur'ainy, et al., (2013), transparency is a form of assurance that the company has carried out its obligations on the Community in accordance with the rules or plans that have been

agreed. Communities need to be involved in the planning and implementation process to understand community expectations. The alignment of public expectations with CSR strategies will increase the effectiveness of the activities.

### **Multi-stakeholder monitoring**

Mining activities often result in cumulative impacts that could harm the community around mining or communities away from mining. Monitoring is one of the efforts that can be done to help solve problems that will arise as a result of the governance of coal mines. Monitoring can be performed by the Government, Companies and communities. The government as an environmental permit is responsible for mining activities that damage the environment. Governments have an important role to find solutions to mining impacts. The Government has a duty to regulate environmental sustainability.

Similarly, the company must conduct periodic monitoring of mining activities in order not to degrade environmental quality and harm the surrounding community. Followed by a former mine land reclamation. The company needs to hold a socialization about mine governance, the impact that will be incurred and the solutions offered to address the resulting impacts. The community also has an obligation to monitor the mining. Empowering communities by nurturing/educating communities around the post-coal mining area is able to serve as environmental supervisors so that implementation of the implementation of strict reclamation can be implemented. Community Empowerment is done not only in the form of environmental governance in the form of reclamation only, but by providing incentives to the community around the post-mining area if they are willing to replant land Area around the site and took part.

At coal mining in Malinau district, it can be focused on monitoring the watershed. Because the community has started to fret with the quality of the river water around the mine has decreased. It is suspected that atmosphere waste from mining activities are thrown away in the river. During this time the district of Malinau is used to fulfill daily life. In addition to routine consumption, to overcome the problem of the water contamination of the river should also be supported by a strict policy.

### **Community Empowerment and Development Program**

The policy of community development and improvement programs is conducted to help people who are harmed by mining activities and to prevent social problems after coal mining such as: agricultural land deficit, loss of Work opportunities, as well as income level gaps. As the government opens the area of economic pockets as much as possible that can support the life of a better society. Implementation of the concept of development is not only the responsibility of the Government, but the mining companies are also responsible.

Mining companies are required to develop community development programs. Community development programs can be small group Business development (PUKK). The real form of the PUKK program is to provide capital loans for small business groups. The PUKK Program is expected to train more independent communities, so that when the post-mining society remains prosperous (Fauzi and Sadono, 2006). The company has an obligation in realizing the sustainable development by ensuring the welfare of the communities around the mine, including improving the quality of education in Malinau District because some regions are still not adequate educational means. In addition to education, mining public health should also be considered, health facilities and infrastructure must also be adequate.

In addition, there needs to be construction facilities and infrastructure that can support the welfare of people's lives around the mines, one of which is road repairs. Damaged road segments affect the effect of the community and the economy because they do not run as they should. Community empowerment is also effective by conducting micro and small business coaching by providing business capital.

### **5P's Sustainable coal mining governance strategy**

Based on the strategic steps above, a sustainable coal mining governance strategy formulated with the 5P strategy is:

1. *People*, that is by involving communities in mining governance so that community welfare is increasing (community development). The reality is to set aside the company's profits for economic, social, and environmental

advancement. This needs to be poured out in the Regulation (local regulations) so that there is an aspect of compliance and punishment if it does not implement, the monitoring and evaluation, and the need to make regular reports related to the above.

2. *Planet*, in this case is done post-mining reclaiming post-mining by recovering the former mining land so that the environmental balance is maintained.
3. *Profit* i.e. the mining governance should be able to make a real contribution to the local original revenue (PAD).
4. *Peace* that manifested the existence of justice and equality in new stone mining governance that can be identified, among others, the percentage of CSR given must be significant so that economic effect can be well-coupled with environmental effects (sustainability).
5. *Partnership* that is the government of Malinau district must actively make cooperation and coordination with indigenous peoples in the governance of mining.

#### **4. Conclusion**

The study concluded that 1) mining coal management was conducted in South Malinau sub-district, Malinau District, North Kalimantan already in accordance with the regulations, although there are some who are inconsistent in fulfilling the regulations in The initial process of mining and during mining and post-mining operations. The management also involves the community in the form of supervision and some of the company's mining workforce comes from the local community. 2) Strategic measures to realize sustainable coal mining is increasingly strengthened by law enforcement along with sanctions, held regular discussion forums, multi-stakeholder monitoring, and development programmes and Community empowerment.

## **5. Suggestion**

The need for intensive coordination between the provincial government and the local governments in implementing existing regulations related to the governance of coal mining and strengthening community development in sustainable mining governance.

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