

The Governance of Mineral and Coal in Indonesia: The Theory U Approach

Lely Indah MINDARTI¹, Sujono SUJONO², Soesilo ZAUHAR³, Hermawan HERMAWAN⁴

Received: September 30, 2020 Revised: February 01, 2021 Accepted: February 16, 2021

Abstract

The purpose of this study is to map mineral and coal (Minerba) policies by analyzing the law and producing research novelty on mineral and coal governance policies in Indonesia with the Theory U approach. This study uses a qualitative research with the U theory approach. The results of the SNA analysis indicate that good mineral and coal governance must be carried out at various levels, from micro to macro. First, related to regulations on mineral and coal governance at the macro level. Regulations regarding the management of mineral and coal need to be carried out with a deeper evaluation related to the tax system, licensing system, increased value added and downstreaming and mineral and coal funds. The second is related to the regulation of mining management in the meso level. Third, related to the management of mineral and coal at the micro level, it is necessary to conduct more stringent supervision of the impacts caused by the mining sector of the Minerba. In addition, surveillance is also carried out as per law in order to avoid harmful behavior for both the company and the state. The originality of this research is the theory of U in the Mining Law research.

Keywords: Theory U, Sustainable Mining Governance, Indonesia

JEL Classification Code: I131, I139, I129, K23

1. Introduction

Indonesia is a country rich in natural resources (“SDA” or Sumber Daya Alam), both biological and non-biological. Therefore, the contribution of natural resources in the mineral and coal sectors (“Minerba” or Mineral dan batubara) in realizing a welfare state is necessary. Excellent governance of mineral and coal will support economic growth and equity.

Mineral and coal mining activities in Indonesia traditionally began during the archipelago kingdom/ sultanate and continued in the Dutch and Japanese colonial era. Conditions changed when Indonesia proclaimed independence on August 17, 1945. The organization of natural resources for people’s prosperity was constitutionally stipulated in Article 33 paragraph 3 of the 1945 Constitution; it states that the earth, water, and natural resources contained therein are controlled by the state and used to provide benefits to the people of the country and serve national interests. It can also be seen from the evaluation of mining arrangements that existed before Indonesia’s independence in the form of Indische Mijnwet Staatsblad’s colonial legacy No. 214 of 1899.

Regarding the regulation of mineral and coal governance, this policy was only issued in 2009, in the form of Law No. 4 of 2009 concerning Mineral and Coal Mining. Thus, since the reformation began in 1999 until 2009, the mining sector did not get clear regulatory guidelines. By utilizing the regulatory vacuum, mining producing regions provide mining business licenses without guidance from the Central Government. Regulatory vacuum in mining and regional

¹First Author and Corresponding Author. Lecturer, Public Administration, Faculty of Administrative Sciences, Brawijaya University, Indonesia [Postal Address: Veteran street, Lowokwaru, Malang City, East Java, 65145, Indonesia] Email: lelyfia@ub.ac.id

²Public Administration, Faculty of Administrative Sciences, Brawijaya University, Indonesia. Email: sujono@student.ub.ac.id

³Lecturer, Public Administration, Faculty of Administrative Sciences, Brawijaya University, Indonesia. Email: soesilo.ub.fia@gmail.com

⁴Lecturer, Public Administration, Faculty of Administrative Sciences, Brawijaya University, Indonesia. Email: hermawanfia@ub.ac.id

© Copyright: The Author(s)

This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<https://creativecommons.org/licenses/by-nc/4.0/>) which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

autonomy's strong flow in the early days of reformation were the forerunner in the emergence of various mining problems in most regions in Indonesia.

Without clear regulatory guidelines, mining activities have become a double-edged knife. On the one hand, mining activities provide income for the region; on the other hand, it has various negative impacts: from environmental damage to triggering conflicts between residents around the mine and mining investors. People in the mining area do not feel any improvement/increase in welfare. Lack of budget transparency in the regions results in unclear information about the amount of profit and where it is spent. Regional heads often easily give / issue licenses for mining businesses under the pretext of wanting to increase local own-source revenue (PAD - Pendapatan Asli Daerah).

Besides bringing forth several positive things, the era of decentralization has triggered corrupt practices in a larger area with a different pattern. In areas rich in natural resources, corruption is mostly a matter of mining licensing and land-use change, while areas that are not rich in natural resources, corruption is mostly related to regional spending on goods and services procurement, as well as the sale and purchase of positions. The lack of public control also causes corruption.

Referring to the Public What You Pay (PWYP) Mining Study Institute (12/24/2017), mining activities hold several potentially severe problems. Structuring the mining sector will face a list of issues that must be resolved immediately and a series of challenges faced by all stakeholders. The Perominer study (12/05/20) states that the Republic of Indonesia's House of Representatives (DPR RI) and the Government are more representative of the interests of mineral and coal investors rather than listening to the aspirations of the people as victims of the mining industry by continuing the discussion and ratification of the revised Minerba Law No. 4 of 2009.

The decentralization of mineral and coal, whose primary purpose is to improve the region's welfare through equality, has not yet been achieved. The number of economic disparities between regions has increased. If decentralization is still done this way, the potential for a conflict will be challenging to avoid, especially in mineral and natural resources. It will become more apparent in the future and disrupt the balance of the role of the state, market, and people.

Moreover, the need for the range of regulation of the Mineral and Coal Act inevitably arises, accommodating current and future legal needs, in line with the implementation of the Constitutional Court's Decision on the material testing of several substances therein. Mineral and Coal Law No. 4 of 2009 is considered unable to answer the development, problems, and legal needs in the implementation of mining activities adjusted to the latest conditions so that its governance can support the realization of a prosperous

nation. Decentralization is one of the essential agendas in mineral and coal policy. Law No. 32 of 2004, which has been changed to Law No. 23 of 2014 concerning Regional Government, should also be a policy tool to strengthen national integration and the Republic of Indonesia's existence through regional progress to increase prosperity for its citizens.

The ratification of Law No. 23 the Year 2014 concerning the Regional Government affects the changes to the existing Mineral and Coal Law. It has immense consequences because the mineral and coal affairs are the authority of the provincial region and are no longer the authority of the regency/city area. Besides, Law No. 4 of 2009 concerning mineral and coal has caused severe problems at the central level, among which stand out are the problems of changing the KK/PKP2B regime and the export of processed mineral materials. The government and business operators have consciously violated the Law by continuing to operate KK/PKP2B without changes and the ongoing export of concentrates that violates the Law.

The researcher applies the Theory U methodology (Scharmer, 2009) to reveal the role of transformational change that enables actors in all segments of society. To achieve this opportunity, actors need to learn how to operate in the future and not be trapped in past-experience patterns in implementing mineral and coal governance.

2. Literature Review

2.1. Public Administration, Decentralization and Economic Growth, Decentralization Mineral and Coal Governance

Public policy generally adheres to the constitution, legislative actions, and judicial decisions. Dye (1987) defines public policy as what is done by the government, how to do it, why it needs to be done, and what differences are made. Easton (1965) explained that public policy is often said to be the impact of government activities.

Public policy-making can be characterized as a dynamic, complex, and interactive system in which common problems are identified and countered by creating new public policies or reforming existing public policies. Public policy-making is a continuous process that has much feedback. Verification and evaluation are crucial for the functioning of this system. Common problems can originate from endless causes and require different policy responses at the local, national, or international level.

Geurts (2014) also revealed that society has changed in the last decade, which also changed the public policy-making system. Today, public policy-making is increasingly goal-oriented, aiming at measurable results and objectives. It is decision-centric and focuses on decisions that must be taken immediately. Lester and Stewart (2000) explain the

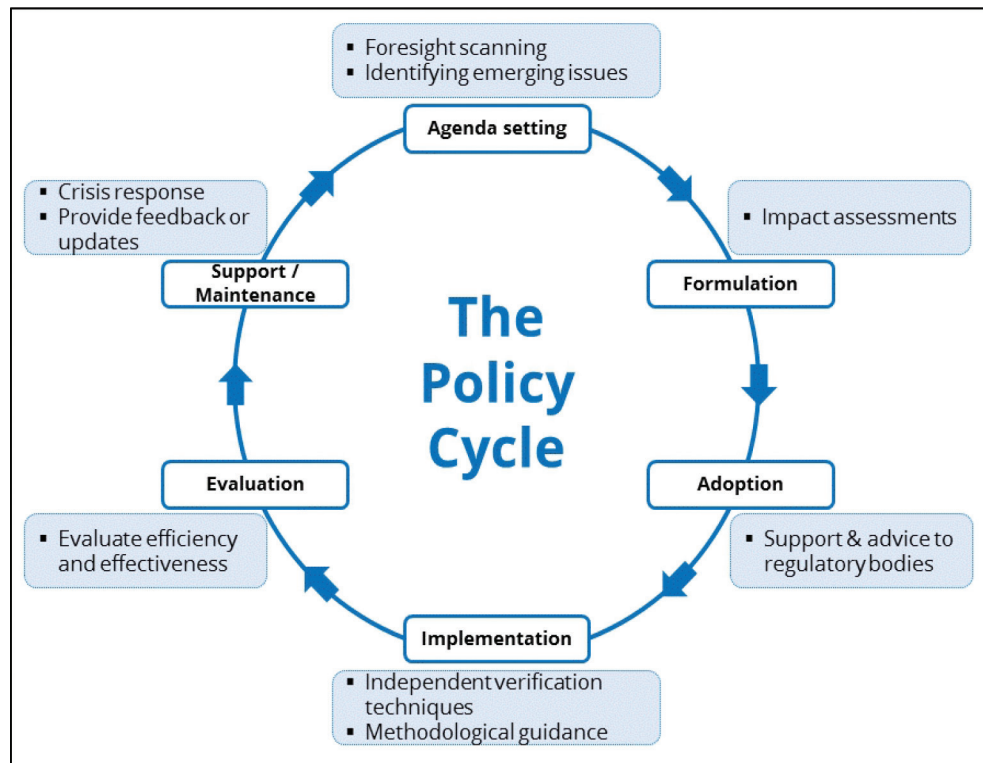


Figure 1: Public Policy Cycle

six steps in the formulation of policy: agenda setting, policy formulation, policy implementation, policy evaluation, policy change, and policy termination. Dunn (2015) formulated five stages in making policies: preparing the policy agenda, formulating policy formulas, implementing policies, evaluating processes, and evaluating policies.

Rondinelli et al. (1983) define decentralization as the “transfer of political power.” This transfer of authority or distribution of power occurs in government planning, decision making, and administration from the central government to its organizational field units, regional government units, semi-autonomous organizations, regional governments, and non-regional governments.

According to Rondinelli et al. (1983), four decentralization models are commonly found in practice. They are deconcentration, devolution, delegation, and privatization.

They are used to describe the transfer of some administrative power to regional offices from central government departments. This model only involves the transfer of administrative functions, not political power. This type is the weakest form of decentralization. It is a form of decentralization that has been most often applied in developing countries since the 1970s.

It is a policy to form or strengthen the sub-national level government. Usually, at the subnational level, it has a clear

legal status, has strict geographical restrictions, several functions that must be carried out, and the authority to seek income and spend it.

Decentralization is the transfer of managerial responsibility for certain tasks to organizations outside the structure of the central government and is only indirectly controlled by the central government.

Decentralization is the transfer of tasks and management to voluntary organizations or private companies that make a profit or not. Many governments in developing countries have already relied on voluntary organizations in the provision of public services. Since often, the government cannot bear the development costs, financing alternatives are sought to ensure the delivery of public services. Over time and the development of knowledge, the reasons, objectives, and forms of decentralization have changed significantly with the expansion of the scope of development and governance concepts.

In the concept of governance, decentralization can be categorized into at least four forms: administrative, political, fiscal, and economical. Administrative decentralization includes the structure and bureaucracy of the central government, delegation of authority and responsibility from the central government to semi-autonomous government institutions, and government

institutions' cooperation in carrying out similar functions. Political decentralization includes various organizations and procedures to increase citizen participation in selecting political officials and public policy-making, as well as changes in government structures through the devolution of power and authority to local government units. Fiscal decentralization includes various means and mechanisms related to cooperation, delegation, and fiscal autonomy. In contrast, decentralization in the economy includes market liberalization, deregulation, privatization of state-owned enterprises (Indonesian: Badan Usaha Milik Negara (BUMN)) / provincially or municipally-owned corporations (Indonesian: Badan Usaha Milik Daerah (BUMD)), and the adoption of public-private partnership patterns.

The transfer of authority's consequence in decision making and supervision to local governments is to empower regional capabilities. If the regional government is responsible for resources, the ability to develop its authority will increase. Conversely, if the regional government is only assigned to follow the central policy, it will result in the low participation of regional elites and citizens.

In Indonesia, since 2001, the fundamentals of the political economy have shifted from a centralized government to a decentralized one. Pepinski, in his study of Indonesia, stated that decentralization having improved national economic performance is difficult to understand. The fact states that the rate of national growth since decentralization still lags what was achieved under the New Order regime, which was very centralized before the Asian financial crisis. Furthermore, Pepinski and Wihardja (2011) concluded that the real effect of decentralization on Indonesia's economic performance, so far, is unclear. "We found no positive effects of decentralization on Indonesian development, but no negative effects either."

If decentralization does not produce better economic growth, the question is, why is decentralization implemented? If so, what is the reason for decentralization not or has not been able to encourage economic growth? In the case of developing countries, such as in Indonesia, more detailed studies need to be done further. In theory, there should be a positive correlation between decentralization and economic growth. Related studies focus on such decentralization beyond the scope of this dissertation: decentralization of mineral and coal governance. Under Law No. 23 of 2014 concerning Regional Government, it has been regulated that outside of the six government affairs, which are the affairs of the central government, the regional government can hold functions within its authority. The six matters are foreign policy, defense, security, justice, national monetary and fiscal, and religion, while mining, energy, and mineral resources are decentralized. In carrying out the functions under its authority, the regional government carries out as much autonomy as possible to regulate and manage its

government affairs based on the principle of autonomy and duty of assistance.

2.2. Public Administration, Decentralization and Economic Growth, Decentralization Mineral and Coal Governance

According to Scharmer (2009), Theory U is a change management method principally obtained from learning and interviews conducted with Friedrich (Fritz) Glasl (Sange et al., 2009). This basic principle has been used by Scharmer in this method and he makes it a learning and management theory, which he calls Theory U (Scharmer, 2009). The principles of Theory U are suggested to help political leaders, civil servants, and managers breaking through unproductive patterns of past behavior that prevent them from empathizing with their clients' perspectives and often trap them into ineffective decision-making patterns (Léautier, 2007; Scharmer, 2009; Léautier, 2014).

In describing Theory U, Scharmer laid the foundation that a person dares to "accept" and "answer" a situation. It is achieved not only by getting it, but also by fully seeing (open mind), understanding (open heart), accepting (open will), and it leads to developing decisions based on the results of acceptance. Scharmer was aware that conventional thinking systems construction has been successful in getting people to open their minds (through understanding *attache*, patterns, and structure) and open their hearts (through understanding mental models). However, it has not yet fully explored how our most in-depth resources can clearly see and accept the situation through an open will.

Scharmer (2009) asserted:

"Moving to the left side of U is about opening up and facing obstacles of thought, emotion, and will; moving to the right side is intentionally reintegrating the intelligence of the head, heart, and hands in the context of practical applications".

Scharmer (2009) also revealed the importance of leadership capacity in carrying out the model of Theory U. A value created by traveling through "U" is to develop seven essential leadership capacities, namely:

- Holding the space: listen to what life calls you to do (listen to yourself and others) and ensure that there is a space where people can talk.
- Observing: Present with your mind wide open (observe without your judgment voice, basically means getting rid of past cognitive schemes).
- Sensing: Connect with your heart (facilitating the opening process, i.e., seeing the interconnected whole).
- Presence: Connect to your most in-depth source of self and will (acting based on the whole sources that emerge).

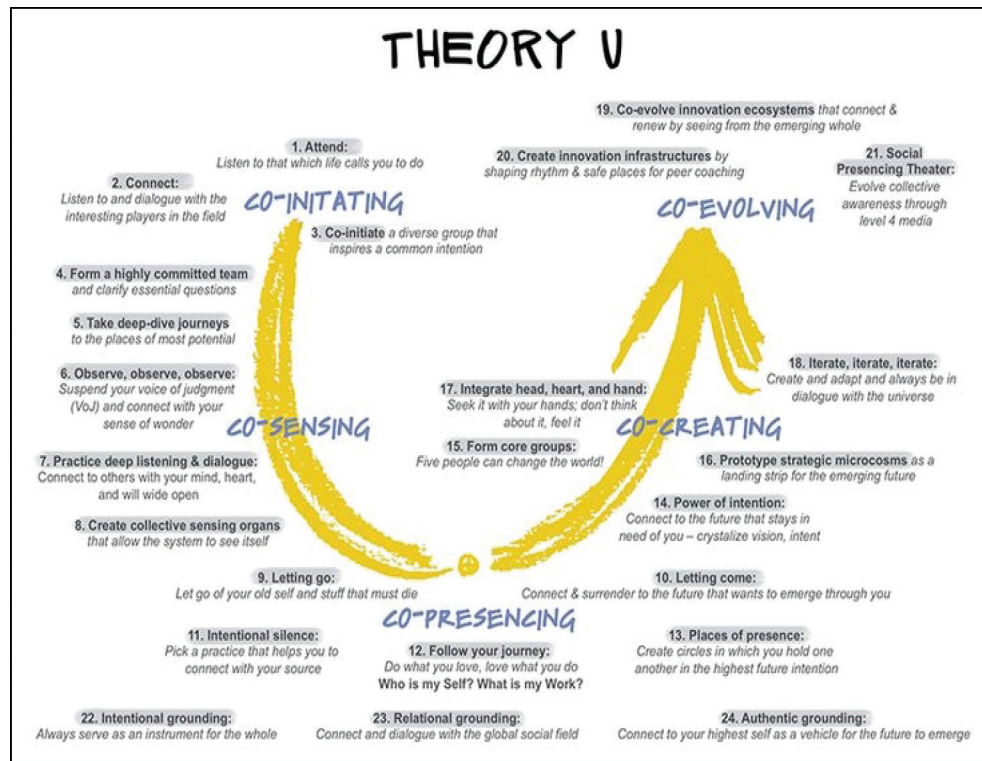


Figure 2: Theory U

- Crystallizing: Accessing the power of intention (for example, ensuring a small group of key people commits to the goals and outcomes of a project).
- Prototyping: Integrating the head, heart, and hands (basically, it means one must act and not allow various sources of paralysis such as reactive actions, too much analysis, and so on to interfere).
- Performing: Playing conditions in harmony. (For example, find the right leader, find good social technology to get multi-stakeholder projects).

3. Research Methodology

This is qualitative research. Bodan and Taylor (1975) and Moleong (2002), define “qualitative methods” as research procedures that produce descriptive data in the form of written or oral words from people and observable behavior. This study uses the U theory approach. U theory is a learning and management theory. The sample used in this study is on mineral and coal governance policies in Indonesia. The purpose of this study is to map mineral and coal policies by analyzing the law and producing a novel research on the subject. This approach is directed at the background and individual holistically (a wholeness); in this case, it should not isolate individuals or organizations into certain variables

or hypotheses. Qualitative research is considered more able to study phenomena logically and reveal something behind unknown phenomena (noumena)—data collection and analysis for each stage of the application of Theory U.

Scharmer (2009) designed the theory of U on the basis of 5 (five) elements that a person must go through if he wants to manage a problem. The five elements are:

1. **Co-initiating**, stopping and listening to other people and what life calls you to do;
2. **Co-sensing**, going to the most potential place and listening with your mind and heart wide open;
3. **Presenting**, going to the threshold and letting the inner knowledge emerge;
4. **Co-creating**, creating an ecosystem that makes it easy to see and act from the whole;
5. **Co-evolving**, bringing forth a new prototype to explore the future by doing.

4. Results and Discussion

In uncovering problems, we need to reflect on the limitations in capturing highly complex, problematic, and mysterious problems characterized by a battle of points of view (Checkland & Poulter, 2016).

4.1. Co-Initiating

Co-initiating is the first stage of U theory which is done by stopping and listening to others and doing what is supposed to be done in life. In this study, the indicators used in Co-Initiating are Globalization, Economic Growth, Mining Law, Resource Curse, Competition, Natural Resources, Local Government, Decentralization, Civil Society, Poverty, National Policy, Energy Policy, Nation's Welfare, Open Mind, and Mining Reserves associated with problems in this study.

4.2. Co-Sensing

Co-Sensing is the second stage of U theory which is done by connecting with people and places with a wide open heart and mind. In this study, the indicators used in Co-Sensing are Open Heart, Holistic and Pluralism, Rule; Norm; Values, Political Environments, Complex Systems, People Development, Institutions, Structured Problems, Change Organizations, Good Governments, Leadership, and Empathic Listening associated with problems in this study.

4.3. Presenting

Presence is the third stage of U theory which is done by allowing inner knowledge to emerge. In this study, the indicators used in Presenting Thinking Systems, Human Activity Systems, Conceptual Model Buildings, Root Definition, Relevant Systems, Retreat and Reflect, Source of Inspiration and Will, and Actuality, that are associated with problems in this study.

4.4. Co-Creating

Co-Creating is the fourth stage of U theory which is done by creating an ecosystem for future exploration. In this study, the indicators used in Co-Creating are New and Old Comparing, New Model Testing, Prototype the New, Culturally Feasible, Crystalizing, Revised Mining Act, Resolution, and Situation, and Structural Debate associated with problems in this study.

4.5. Co-Evolving

Co-Evolving is the fifth stage of U theory which is done by creating a new ecosystem that facilitates the whole system. In this study, the indicators used in the Co-Evolving Welfare State, Sustainable Development, and Ecosystem Society associated with the problem in this study.

4.6. Integration and Challenges of Sustainable Mineral and Coal Policy Based on Quantitative Analysis Added Value of the Mining Law

In the previous regulation, it was stated that the government held the mastery of minerals. This article

attempts to control the misconception that mineral and coal are endeavored to obtain or increase state revenues regarding the Division of Mining Areas about permits. It is different from the permits in the previous Law in the form of Assignments, Mining Authorities, Regional Mining Permits, People Mining Permits, and Coal Contracts of Work / Work Agreement. The licensing terminology also has a strong basis for consideration.

Apart from Indonesia, no country has adopted a contract system for exploiting its mining assets. Industrial countries with advanced mining such as Australia, Canada, and the United States, apply a licensing system and no-contract system. It is deemed inappropriate when the government and the private sector have the contract. Regulators must be careful that PTFI (PT Freeport Indonesia) does not make mistakes. If a problem arises, it will be complicated as the government and the private sector stand on equal footing.

Moreover, in the event of arbitration, the government, as the organizer of the management of a nation's natural wealth, has a high risk of making mistakes that cause natural resources to be held hostage when losing in arbitration over private demands, which are the contract partners. Law no.4/2009, Article 112, state that after five years of production, business entities holding Mining License (Indonesian: Izin Usaha Pertambangan or IUP) and Exploration Special Mining Business License (Indonesian: Izin Usaha Pertambangan Khusus or IUPK whose shares are owned by foreigners are required to divest shares in the Government, Regional Government, BUMN, BUMD, or national private business entities. Divestment stipulated in Law no. 4/2009 is valid for the Indonesian people as a fully sovereign nation.

Law No. 4/2009, Article 112 also does not violate the rules because there is a *lex specialis* rule between one Act and another. *Lex specialis* can be applied to laws in different sectors and stand on equal footing, in this case, the Investment Law and the Mineral and Coal Act, which were enacted later. Law No.4/2009 has a strong and valid legal force. It is a step forward because even without shares, the state automatically receives a dividend of 10%, which is shared equitably with the government, the province, and all districts/cities where a company's mining location is located.

Law No.4/2009 is a regulation that Indonesia needs, even though it has been disclosed. There are still some other advantages from the Mineral and Coal Law. Nevertheless, the most important thing is the obligation to do the processing and purification.

4.7. Challenges for Mineral and Coal Governance

The hierarchy of laws in Indonesia is regulated and stipulated in Law No. 12 of 2011 concerning the Formation of Regulations. Law No. 4/2009 requires implementing regulations in the form of Government Regulations and

Indonesian Ministry of Energy and Mineral Resources' (Indonesian: Energi dan Sumber Daya Mineral or ESDM) Ministerial Regulations as operational regulations. The government and employers should immediately negotiate the contracts from 2010 onwards, all existing contracts must be settled by amendment. It is a big plan: amendments to KK and PKP2B permanently run until they expire, but their contents must be amended. The KK, which has been processed, has been obliged to purify its products no later than five years since Law no. 4/2009 promulgated.

The coal mining contract of work and work agreement as referred to in number 1 that has not yet obtained the first and/or second extension can be extended to an IUP extension without going through an auction. Its business activities are carried out following the provisions of this Government Regulation except for more favorable state revenues.

Thus, it is stated that KK and PKP2B, which have not yet received an extension, can be extended. Per Law No. 4/2009, the party required to carry out refinement within five years and after five years of the promulgation of the Mineral and Coal Law is KK, not Mining Authority. After the Law was enacted, a moratorium was conducted. According to the PP issuance period with the rules in it, the PP was issued in 2010 and only four years left.

If the IUP company is a conversion from a production KP, it is also not easy to fulfill this rule. Most of the companies do not have processing units. So far, the ore has been directly exported. The average is also not a large company. The area of the KP and its reserves are also not too large. If other investors build processing and refining units to take in the results of this IUP ore production, investors need a survey and study a few years beforehand to decide to build processing and refining units. IUPs should not be determined to purify within five years. The IUP is arguably still raw, so companies that have a strong KK economy and weak IUP economy cannot be compared. Their playing ground level is different. It is an unfair practice if the same financial burden is given to entities with different financial muscle strengths.

Besides, Article 84 and 85 PP No. 23/2010 contain implementing regulations that should support the rules above them. Articles 102 and 103 of Law No. 4/2009 discuss the obligation for IUP and IUPK Production Operations to process and refine domestic mining products.

In public policy, there is a policy failure. By looking at the problems above, we can declare PP No. 23/2010 was unsuccessful in interpreting as well as supporting the agenda and strategic issues contained in Law No. 4/2009.

Because of this chaotic regulation, after Law No. 4/2009 was passed until January 2012, only a few S&R development proposals were submitted. While the holders of CoWs and IUPs have not completed the construction of purification facilities individually or in collaboration - which directly or indirectly is facilitated and supported by PP No.

23/2010, which gives many leeways – many export raw minerals. There is an impression that they are chasing the target before enacting the export ban in 2014. The mineral ore export trend, as of October 2011, is said to have reached an average of eight times compared to 2008, or before the issuance of Law No. 4/2009. Although there is Article 5 of the Mineral and Coal Law No. 4/2009, there is also Article 84 and Article 85 PP No. 23/2010, which should be able to control the amount of production and exports. The minister and governor must determine even the price as well as the district-city government according to their authority.

In response to this, on February 6, 2012, the Minister of Energy and Mineral Resources issued Ministerial Regulation No. 7 of 2012 concerning Increasing Mineral Value Added through Mineral Processing and Refining Activities. This Ministerial Regulation soon caused pros and cons because there were several articles which, according to some mineral industry entrepreneurs, were very burdensome.

4.8. Improvement of Sustainability Mining Policy

At present, we seem to have lost the momentum of maximizing the added value expected to be brought through Law No. 4 of 2009. However, it is worth considering that this decade's journey has not been going well. Experiences need to be evaluated. Now, as a nation, we need to look forward to the future. Nonetheless, moving forward cannot be done with many unfixable fundamental-issues, such as a review for the mineral and coal industry's advancement. Some of these things may be in the form of ideas, but some are in the form of recommendations for review.

The first discussion is related to the definition of "industry." Understanding the context of industry, the nomenclature of the "Ministry of Industry" as an institution regulating industries is not entirely correct. It is as if mining, agriculture, forestry, and so on are not included as 'industry., while the mining sector will have broad implications for efforts to provide added value as desired when Law No. 4/2009 was created.

The development of the industry is in the context of manufacturing and ignores the fact that mining is also an industry. In Article 6, paragraph 1, it is called a certain industrial field, but it is considered unclear because it regulates the Mining area. The regulation is increasingly visible with Law No. 3 of 2014, in article 30, paragraph 1, stating that "Natural resources are processed and utilized efficiently, and are environmentally friendly and sustainable."

The contrast was quite visible as the contents of the articles above seemed to be in the mining area. After Law No. 3 of 2014 was created, there were complaints from the people in the Department of Energy and Mineral Resources because of the arrangement. This attempt to regulate is strongly felt in the Industrial sector of mining.

After looking at the explanatory pages for these articles, it would be possible to position the problem more clearly. In the explanation article 30 paragraph (1), natural resources in this provision are natural resources utilized as raw materials, supporting materials, energy, and raw water for industry. These natural resources include natural resources that can be utilized directly from nature, including minerals and coal, oil and gas, wood, water, earth food, and other resources.

Unfortunately, amidst the many options that can be made, rumors say that if a state-owned enterprise manages the contract extension, it is feared that there will be a decline in state revenues; moreover, PT. Inalum has to provide trillions of rupiah to buy PI Rio Tinto. The PKP2B contract taking does not need to spend as much as it does to control 51% of PTFI since the contract time is expired. Besides, the technology in coal is not as complicated as in the Grasberg mine, so the management risk is relatively smaller.

Going forward, the legislative and judiciary parties, as well as other stakeholders, pay more attention to efforts to undermine the sovereignty of the nation and the state of its natural resources wealth. The mandate is in the hands of those who are in power now. It is time that plating around with natural resources are stopped. Think about what will be passed on to our children and grandchildren and how they will view us after we are gone. It is enough to learn from the past when the country was involved in several sectors of natural resources that left ironies, such as forests that had been cut down, or mines that were dug out abysmally. It is time that we sit together to strengthen the added value of natural resources that God has given to all of us, which not all nations get. Once we make the wrong move and arrangement, we cannot turn it as we initially hoped. Like this lost decade, there will never be a return. With the culture of being modest, we can improve the Future of Mineral and Coal Governance.

5. Conclusion

With reference to the results of the analysis of Theory U, Good mining management must be done at various levels, from micro to macro. First, it is related to regulations on mineral and coal governance at the macro level. Regulation regarding the management of mineral and coal needs to perform a deeper evaluation related to the tax system, licensing system, increased value-added and downstream, and mineral and coal funds that are considered to be less relevant for reform. The second is related to the regulation of mining management at the meso-level. Minerba Governance prioritizes production and trade commodities. More effective regulation is needed so that mineral and coal mining results can be maximized. Third, it is related to the management of mineral and coal at the micro-level. It is necessary to conduct more stringent supervision of the impacts caused

by the mining sector of the mineral and coal. In addition to supervising the environment for micro actors, surveillance is also carried out on the Law to avoid harmful behavior of both the company and the state.

References

- Bogdan R., & Taylor, S. (1975). *Introduction to Qualitative Research Methods*. Hoboken, NJ: John Wiley & Sons.
- Checkland, P., & Poulter, J. (2006). *Learning for action: a short definitive account of soft systems methodology and its use for practitioner, teachers, and students* (Vol. 26). Chichester, UK: Wiley.
- Dunn, W. N. (2015). *Public policy analysis*. Routledge. <https://doi.org/10.4324/9781315181226>
- Dye, S. F. (1987). An evolutionary perspective of the knee. *The Journal of Bone and Joint Surgery*, 69(7), 976–983. <http://www.ejbs.org/cgi/content/abstract/69/7/976>
- Easton, D. (1965). *A Systems Analysis of Political Life*. Hoboken, NJ: John Wiley & Sons. <https://doi.org/10.1002/bs.3830130208>
- Geurts, T. (2014). *Public Policy Making: The 21st Century Perspective*. Apeldoorn: Be Informed.
- Lata, P. (2020). The Influences of Participatory Management and Corporate Governance on the Reduction of Financial Information Asymmetry: Evidence from Thailand. *The Journal of Asian Finance, Economics, and Business*, 7(11), 853–866. <https://doi.org/10.13106/JAFEB.2020.VOL7.NO11.853>
- Léautier, T. O. (2007). *Corporate Risk Management and Value Creation: a Guide to Real-life Applications*. London: Risk Books.
- Léautier, F. (2014). *Leadership and Governance*. In *Leadership in a Globalized World* (pp. 126–176). London: Palgrave Macmillan.
- Lester, J. P., & Stewart, J. (2000). *Policy Analysis: an Evolutionary Approach*. Toronto, ON: Nelson Education.
- Moleong, L. J. (2002). *Qualitative Method*. Bandung: Remaja Rosda Karya.
- Nugroho, S., Nimran, U., Al Musadieg, M., & Solimun, S. (2020). Ki Hadjar Dewantara Leadership Concept Development as a Sustainable Shareholder Value Driving Force. *The Journal of Asian Finance, Economics and Business*, 7(11), 563–573. <https://doi.org/10.13106/jafeb.2020.vol7.no11.563>
- Park, J. H., Ji, S.-W., Shin, H.-Y., Jo, H., & Ahn, J.-W. (2019). Recycling of Coal Ash and Related Environmental Issues in Australia. *Journal of the Korean Institute of Resources Recycling*, 28(4), 15–22. <https://doi.org/10.7844/KIRR.2019.28.4.15>
- Pepinsky, T. B., & Wihardja, M. M. (2011). Decentralization and Economic Performance In Indonesia. *Journal of East Asian Studies*, 11(3), 337–371. <https://doi.org/10.1017/S1598240800007372>

- Rondinelli, D., Nellis, J. R., & Cheema, G. S. (1983). *Decentralization In Developing Countries. A Review of Recent Experience. World Bank Working Paper*, No. 581, Washington DC.
- Scharmer, C. O. (2008). Uncovering The Blind Spot Of Leadership. *Leader to Leader*, (47), 52–59. <https://doi.org/10.1002/ltl.269>
- Scharmer, C. O. (2008). *Theory U: Learning from the future as it emerges*. San Francisco, CA: Berrett-Koehler Publishers.
- Senge, P. M. (1990). *The Art And Practice Of The Learning Organization*. New York: Doubleday/Currency. <https://doi.org/10.1002/hrm.3930290308>
- Xu, J., & Sim, J. (2020). Do Government Subsidies Crowd In or Crowd Out R&D Investment? Evidence from China's Animal Husbandry Companies. *The Journal of Business Economics and Environmental Studies*, 10(4), 5–13. <https://doi.org/10.13106/JBEES.2020.VOL10.NO4.5>