

**EFFECTIVENESS OF EVALUATION OF MINING VENTURE LICENSING
POLICY IN SOUTH SUMATERA PROVINCE
(A STUDY ON COAL MINING IN MUARA ENIM REGENCY)**

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ABSTRACT: *The subject matter of this research is effectiveness of evaluation of coal mining venture licensing policy in Muara Enim Regency, South Sumatera Province, which had not yet succeed in realizing its goals to produce a maximum outcomes or benefit for local population as referred to the conditions stipulated in the Constitution and also a number of policies related to the activities of exploitation of natural resources in Indonesia. Meanwhile, method and research approach adopted here was qualitative research with descriptive approach which, in collecting the data, conducted direct observation in field and in-depth interview with the research subjects or resource persons, and informant and key informants. In order to determine reliability level of the data obtained from the research or significance level of this research, validity testing steps such as data credibility test (internal validity) with source triangulation model, were conducted. Findings from this research revealed that nonfundamental, noncomprehensive changes in the mining licensing policy caused the principal goals of this policy could not be realized. Although several improvement in the licensing processes had been made, as indicated by higher responsiveness and efficiency in relation to the requirements defined, these improvement did not guarantee that the policy was more appropriate when seen from the fairness or equity perspective and the results expected from the policy's goal or target. Likewise, the more decentralized policy regarding mining venture license did not result in higher efficiency and effectiveness of mine management.*

KEYWORDS: Effectiveness, Policy Evaluation, Venture License, Coal Mining.

INTRODUCTION

Indonesia is one of those countries bestowed with abundant natural resources – one of these natural resources is coal. Data from the Coal Directorate of the Energy and Mineral Resources Department has identified 38,768 millions metric ton coal reserves in Indonesia, where 70% of this or 27,136 millions metric ton were found in Sumatera and 30% in Kalimantan. In Sumatera, 24,423 millions metric ton were found in South Sumatera; whereas in Kalimantan, most of the deposits were found in East Kalimantan, followed by South Kalimantan. These facts put South Sumatera in a distinctive position in relation with the coal mining activities, although it does not mean unique or special as compared with other areas in Indonesia which have only insignificant coal reserves. In order to manage and regulate large-scale mining activities, policy had been made a juridical instrument which was frequently used by the government as a tool

for influencing residents or people to adopt the ways stipulated or merely suggested by in order to achieve the policy's goals.

In general, policies regarding authorization agency had involve every form and types of mining venture. These sufficiently comprehensive regulations implied that license or authorization is an important aspect in public administration. Although license was not demanded everyday, it plays an important role in local community's life. Through these regulation instruments the government attempted to control people, including the license terms and conditions which stipulates relevant prohibitions and obligations. One of those activities that should be based on governmental license is the coal mining activities. It was predicted that these activities will continuously be increasing in Indonesia, especially in South Sumatera Province.

The problem occurring in certification of mining license is the orientation background of licensing which was often not concordant with the rationale of the goals of policy as regulated in Constitution and Act No. 4 year 2009. Normatively, for the Regional Government, it is expected that the presence and operation of mining venture and activities performed by large foreign or domestic firms will contribute to the regional development, generally, and local residents, specifically. In this respect, the Regional Government had made efforts to find alternative sources of regional revenues through issuance of mining license or authorization. Unfortunately, these efforts were frequently motivated by the want to increase local genuine revenue (PAD) in order to finance the increasingly broader activities caused by delegation of authority from central to local government, but it give insufficient attention to other aspect such as environmental and socioeconomic impacts of authorization on community, especially the community living around the mining area.

License policy is an increasingly important activity in accordance with the increased development of coal mining venture in South Sumatera Province conducted by state-owned, private and community-owned firms. These activities shall be regulated through, among others, an appropriate and accurate license and authorization system, so that roles and function of nonrenewable natural resources (coal, among others) could optimally be managed and could be exploited for the maximum benefit for and welfare of people. Some of the facts and phenomena described above were derived from the evaluation conducted by governmental and also non-governmental agencies (ESDM: 2006, Walhi). In accordance with the facts and actual phenomena mentioned previously, it was very clear that, as a governmental instrument for regulating and controlling mining activities, the mining license policy adopted so far could not be implemented as expected. In this context, this research had attempted to reveal more deeply the things related to the evaluation result, especially in the domain of coal mining venture license policy in South Sumatera.

Policy evaluation was conducted to give estimation or evaluation of mining venture license policy, especially those regulated in Act No. 4 Year 2009 which involved policy substances and implementation. In this respect, policy evaluation was seen as a functional activity. It means that policy evaluation is conducted not only during the final stage, but also conducted on the policy content and persons working within the organization as the policy implementers

Dunn (2003: 610) described that there are two types of formal evaluation, that are (1) summative evaluation, including attempt to monitor realization of formal goals and formal targets after implementing a policy or program for a certain period of time. Summative evaluation was used to evaluate products of policy and stable and steady public program; (2) formative evaluation, including attempts to monitor continuously realization of formal goals and targets.

In relation with this research, one of those evaluation criteria used to describe the problem was proposed by William N. Dunn (2003: 610), that is, effectiveness of problem statement facing the Government of South Sumatera Province – there was an incompatibility between results of evaluation of coal mining venture license policy in South Sumatera Province on one hand, and the field facts and goals of coal mining venture license policy that is to offer contribution for regional development, generally, and local community, specifically, had not been achieved. Based on the problem statement given above, a research question has been proposed: How effective was the evaluation of coal mining venture license policy in South Sumatera Province ?

LITERATURE REVIEW

In general it can be said that policy evaluation is an activity involving estimation or evaluation of policy, including substances, implementation and results of policy. In this respect, policy evaluation is seen as a functional activity. It means that evaluation shall be conducted not only in the final step (Winarno, 2002: 166). Based on this statement, policy evaluation contains at least two elements: (1) evaluation is an action directed to a policy; (2) evaluation is intended for valuing a program or policy. The action intended here is an action done by an evaluator regarding an event or occasion. This action is intended to identify meaning of the event or occasion so that it can be processed further. This action shall be based on objectivity and integrity. Likewise, the results obtained are capable of creating satisfaction for all parties. Furthermore, this evaluation is conducted upon a program or policy.

Product of an evaluation is advice or recommendation directed to policy stakeholders, especially policy implementer and maker. Based on the evaluation result we can determine whether a program or policy has a value parallel or compatible with the goals of policy or not. Thus, an action called evaluation was able to reveal the qualities of a policy. In this respect, evaluation is a process of making valuation of a program or policy. The evaluation make several degree of success such as 'good' or 'bad', 'successful or failed' etc, upon a program or policy that has been implemented. In the policy processes or cycle, evaluation plays several important functions. According to Dunn (2003: 609-611), functions of evaluation are: (1) to provide valid information about policy's, program's or activity's performance, that is about the extent to which needs, values, and opportunity have been achieved. By evaluation we can reveal realization of an goals, target or goal; (2) to make contribution for clarification and criticism. Evaluation give contribution for clarification and criticism upon the values underlying the goals and targets. Values are clarified by defining and operationalizing goals and targets; (3) to make contribution on application of policy method of analysis, including problem statement and

recommendation. Information concerning inadequacy of performance of a policy, program, or activity make contribution for re-statement of policy, program, or activity; (4) Evaluation can also contribute recommendations for defining alternative policies; (5) Evaluation has a central goal, that is to determine gaps between expectation upon and realization of an activity or program. Evaluation was not directed to merely find faults or deficiency but to decrease or diminish the gaps.

Furthermore, Dunn (2003: 613-614) proposed that there are several approaches in evaluating policy: (1) *pseude evaluation*, that is an evaluation based on specific, self-evident, uncontroversial parameters. Results of this evaluation can easily be accepted by public and are not too complicated. Its evaluation ranges between failed and successful. *Pseudo evaluation* was frequently adopted to be a monitoring method.; (2) *Decision theoretical evaluation*, that is evaluation based on parameter(s) agreed upon by related or conflicting parties. Its value system was also based on agreement between the conflicting parties – usually ranges between right and wrong.; (3) *formal evaluation*, that is evaluation based on parameters presented in formal documents (such as goals and targets stated in the document of spatial planning policy, constitutional regulations, and so on. Formal evaluations are categorized into two types: summative and formative evaluations. *Summative evaluation* is an attempt to evaluating achievement of goals or targets of a program/policy that had stated previously for certain period. *Formative evaluation* is an attempt to evaluating continuously implementation of program/activity, because this program/activity was relatively new and its indicators is changeable,

In evaluating a policy, Dunn (2003: 610) proposed six criteria which influence evaluation, that are: (1) *Effectiveness*, aimed at answering timeliness of realization of results/goals. Its parameter is timeliness. (2) *Efficiency*, aimed at answering minimum sacrifice (efforts) deployed to achieve maximum result. Its parameters are cost, ratio, profit and benefit. (3) *Adequacy*, aimed at seeing the extent to which the degree of realization can solve the problem. (4) *Equity*, aimed at measuring the benefits and costs of activities distributed in proportion for actors involved. (5) *Responsiveness*, aimed at determining results of plan/activity/policy in accordance with the needs of targeted groups. (6) *Appropriateness*, aimed at determining whether the policy give results/advantages and benefits for the targeted groups.

Furthermore, the effectiveness, as intended in this research, is an achievement wanted to be made by an organization. In order to derive effectiveness theory, the author can use concepts of management and organization theory, especially those related to effectiveness theory. Effectiveness shall not be confused with efficiency. Each of these terms has different meaning, although, in various usages, the word efficiency is often accompanied by the word effectiveness. Efficiency contain the meaning of comparison between costs and benefits; whereas effectiveness is directly connected with the realization or achievement of goals. Atmosoeparto (2002: 139) stated that effectiveness is about doing the right things, whereas efficiency is about doing things rightly; or effectiveness is about the extent that we reach the goal, and efficiency is about how we mix all resources carefully.

Effectiveness has three levels, according to Ivancevich and Donnely (2003 : 25 – 26), that is: (1) individual effectiveness based on individualized perception which emphasizes the works of employees or members of an organization; (2) group or team effectiveness, seeing that, in reality, individuals work together within groups. Thus, group effectiveness is equal to the sum of contributions made by all members of the group; (3) organizational effectiveness, consisting of individual effectiveness and group effectiveness. Through synergic influences, organization is capable of achieving working results which are higher than the sum of each working result of each part.

Effectiveness in organizational activities can be stated as the level of realization of goals which reveal the extent to which the goals have been realized or achieved. In his book “Efektivitas Implementasi Kebijakan Otonomi Daerah”, Nugraha (2009: 105) suggested that an organization is said effective if the organization have achieved completely its goals previously defined. Usually, effectiveness is perceived as level of realization (achievement) of operative and operational goals. Therefore, effectiveness is essentially a level or degree of realization of organizational goals or target as defined in prior. Effectiveness is about how good a task was done, the extent to which someone produced output as expected. Therefore, when a job can be performed as planned previously, the work can be said effective, regardless of time, efforts, etc.

Within the research domain of social sciences, effectiveness is explained with findings or productivity, where by some social scholars, effectiveness is frequently seen from quality of task or program. Based on the opinion of the experts mentioned above we can formulate meaning of effectiveness, that is degree of success of an activity in achieving goals (targets) defined previously.

METHODOLOGY

This research is a descriptive and explorative research using qualitative approach. Because of numerous data/information that should be collected and complex problems (multiple cases) of evaluation of mining business license policy in South Sumatera Province, then the data should be obtained from multiple sources with complex time-series. Collection of data and information in this research was conducted using in-field observations, production of image/portrait or video, written proofs/verbal explanations (recorded interviews/event), data, location map, information and other documents. All the data will be combined flexibly into one unit, making easier for the author to conduct its exploration and development, so that its number can be decreased or increased depending on situation and conditions and results of data, information, and fact exploration. Phenomenon or case selected to be the object of this research was effectiveness of evaluation of the coal mining venture license policy, especially coal mining venture in South Sumatera Province. Whereas the focus of this research was on results of evaluation of coal mining venture license policy, so that a study or research regarding

effectiveness of evaluation was demanded. Locus or location of this research is administrative region of South Sumatera Province, especially in the area or regency where the greatest coal mining site in South Sumatera Province is found, that is Muara Enim Regency. Subject or key informants in this research are parties involved directly in implementing policy concerning mining venture license. It includes parties originated not only from governmental division which offer license services, but also the parties who actually doing mining activities, and parties who have no license and other parties related to the coal mining process. The key informants in this research are members of DPRD Muara Enim Regency, evaluator (Mining Office, Transportation Office, Forestry Office of Muara Enim Regency), mining entrepreneurs, and societal leaders.

Testing of data/information validity in this research was done based on several criteria, that are: credibility, transferability, dependability and confirmability, with references from, among others, Bogdan & Baiklen (1982); Garna (1999); Lincoln & Guba (1985); Nasution (1983); Moleong (2005); Bungin (2009). Data/information validity was examined by giving attention to the judgment of Moleong (2005: 319 – 345). In examining credibility, the author declared his inquiry by proposing questions such ways that credibility level of the meeting can be reached; (2) show degree of credibility of research findings and proving methods by author for double facts being researched. This validity testing or examination demanded prolonged participation, persevere observations, triangulation, peer checking, reference sufficiency, reviews on negative cases, member checking.

RESULT AND DISCUSSION

Reviewing the instruction by President SBY for Minister of Energy and Mineral Resources, governors, and regents/mayors to improve effectiveness of management and inspection of coal mining activities based on coal mining venture license and Contract Agreement on Coal Mining quoted by the Sumatera Express newspaper, 23 November 2013, revealed a problem related to effectivity in evaluation of coal mining venture license policy in Indonesia, including the coal mining found in South Sumatera Province. This is a response to the increasing occurrence of coal mining practice in accordance with the increasing number of mining venture license issued by regional government. This statement became a very important indication when related to the goals of issuance of mining venture license which, in addition to meeting a number of technical and administrative requirements stipulated, shall also be subjected to the principles or codes of good mining practices which is environmentally friendly and development and empowerment of communities settled around the mining area. These aspects were frequently forgotten by mining venture licensee after the license had been issued by the government.

President's statement as quoted above is an emphasis on a number of policies concerning good mining practices issued previously by the government. That in 2012 central government had issued policy in the form of Presidential Instruction contained in the Presidential Instruction No. 1 Year 2012 regarding Implementations and Inspections related to Coal Mining Venture Activities, dated 10 January 2012. In this instruction, President Susilo Bambang Yudhoyono

as head of government also instructed the Minister of Domestic Affairs to accelerate implementation of evaluation of local regulations related to mining sector which were not concordant with constitutional regulations.

In relation to the explanation given above, informant from Mining Service, Muara Enim Regency, recognized that many mining licenses were overlapped. Cross-sectoral synchronization could not realized as expected. These, among others, relate to the policies in the form PP No.27 year 2012 regarding environmental permission. In the terms and conditions of this PP there are paragraphs which offer clear prosedures, mechanism and coordination between departments related to issuance of mining license; however, in fact, it was very difficult to evade policy overlaps.

Especially for coal mining which, in fact, large portions of its area are forest, and several of its portions are owned by local residents, then permission from minister of forestry is a must, before mining activities could be initiated. It's true when informant coming from forestry agency said that many parties were related in processing land use license for mining activity. When mining activities propagate into forest area, then it enter the domain of authority of Ministry of Forestry to preserve natural resources existing in the forest area. It means that, although license from other authorities, such as Ministry of Energy and Mineral Resources and local government, had been obtained, when mining activities enter forest area then license from minister of forestry should be obtained.

As stipulated in the Article 38, paragraph (3) Act No. 41 Year 1999 concerning Forestry, the use of forest area for mining activities shall be based on the borrow-use license certified by Ministry of Forestry. The Minister must take area limitations, time periods, and environmental preservations into account. It means that in order to obtain license for explorative and exploitative activities for a mine located within forest area, we must follow the procedures formulated and decided by Ministry of Forestry. These procedures are stipulated in Government Regulation No. 24 Year 2010 jo Number 61 Year 2012 regarding Use of Forest Area, and Decree of Minister of Forestry Number 38 Year 2012 regarding Guidelines of Borrow and Use of Forest Area.

From the regulations discussed above it is clear that mining activities are an activity which involves many parties or mutisectors, although it is often perceived as a sectoral activity within the domain of Ministry of Energy and Mineral Resources and local government where the activity takes place. Even within the local government itself there are many offices and governmental levels that should be involved in accordance with their authorities. There are many cases in which provincial government put into powerlessness because their decisions were nullified by the licenses issued by regent/municipal government or central government and related ministries.

Existence of environmental permit, for example, in several cases was perceived by informants, who were entrepreneurs of mining activities, as a difficult stage of factor and often impeded

their mining activities. For other offices or agencies, existence of environmental permit is a condition that should be considered by Ministry of Forestry before issuing license. This permit should be an integral part of the Study of Environmental Impacts. All these legal prerequisites require intense and integrated coordination by all stakeholders related, because mining activities within forest area will be endorsed with cross-sector authority domains. The clarity of its regulation implementation will be mostly influenced by harmonization with other offices in order to prevent *overlappings*, including overlapping with local government inside.

Referring to a number of problems and informant statements, it is clear that effectiveness of evaluation of coal mining venture license policy in Mura Enim Regency, either in the issuance process or its implementation, involved closely various parties or governmental offices, in central and also local or regional levels. In this context, coordination became a very important matter and a key of success in evaluating mining venture license policy in achieving their goals. It means that, in the process of implementation of mineral and coal mining venture activities, it is necessary to consider effects of local autonomy on license system and also its relationship with environmental permit as defined in the Act of Development and Environmental Inspection as a new trend and also new trend of decentralization of Analysis of Environmental Impact and other policies relevant to mining activities.

In the more decentralized system of administration, a certain portion of the decision processes regarding license in mineral and coal sectors rest within the domain of local government. Nevertheless, decisions made by central government should not be neglected and, in some instances, had become a decisive and crucial factor because, without license from central government through related ministries, the license given by local government could not be implemented because it should be endorsed priorly by central government, for example in regards of environmental permits and clear and clean statement made by Ministry of Energy and Mineral Resources. Even in recent years, there was a proposal to add the word *green* to the *clear and clean* statement.

From these facts it should not be concluded that process of issuance of mining venture activities is a complicated and complex process because, indeed, all the procedures and requirements were needed to guarantee that mining activities can be performed in accordance with its mission to create profit and benefits for investor or company, but also cause positive, maximum impacts on people's wealth and welfare. A number of technical, administrative matters related to procedures and requirements that should be met and frequently perceived as a problem which impede issuance of mining venture license, actually was a managerial problem of the existing government in their efforts to create synchronization and coordination where all the procedures and requirements mentioned above, as seen from managerial point of view, can be simplified. For example, by performing one-stop services that will improve effectiveness and efficiency of services as viewed from time and cost aspects and quality of services.

According to informants who are also entrepreneur of mining venture, indeed a number of requirements related to ministry of energy and mineral resources found no relatively serious

obstacles, but the requirements such as Analysis of Environmental Impacts or environmental license and also Ministry of Forestry before issuing license from ministry of forestry were perceived as serious impediments for miners (entrepreneurs) because it consumed longer time and needed higher costs. Nevertheless, they so far found no serious trouble related to legality of mining venture license they have obtained. The same statement was also proposed by medium-size mining entrepreneur, that the processes for obtaining mining venture license are relatively easy; the trouble just exactly came after issuance of the license, because entrepreneur should negotiate land clearing with local community.

It can be said that attempts to get mining venture license were relatively easy to do; the trouble just exactly came after issuance mining venture license. Indeed, some constraints such as those relating to Analysis of Environmental Impacts (environmental permit) and IPPKH from ministry of forestry because coal mines are usually in the form open-pit, rarely in the form of underground mines which require tunnel and excavation. However, in general, the procedures for getting mining venture license were relatively easy and simple, especially if related to the potential profit that will be obtained when coal price is high; then a number of costs that should be spent will be in proportion with the possible yield to be received.

It was said that, nowadays, what were complained are just exactly large number of mining venture licenses issued by local government, so that there was an impression that these mining venture licenses were sold cheaply anyone whoever want to buy it at certain price. As a consequence of broad authority awarded to autonomous area, the corresponding local government demanded greater funds and increases of local genuine revenues through fast and quick methods and in sufficiently large sums during a relative short period of time. Within this context, coal mining activities conducted in its region promises such possibility, regardless of its possible risks and negative impacts, which were in proportion with or greater than it.

In reaction to such conditions, a number of observer and also member of legislative boards declared their concerns. They were apprehensive about oversale of mining venture licenses by local government because number of owners of mining ventures have increased fast during the reform era which give broader authority to the autonomous local administration. Parallel with them, it was suspected that a number of deviating cases related to issuance of mining venture license had occurred, and it cause a number of problems, either during mining activities or after-mining activities.

These phenomena was seen in Tanjung Enim, where coal mining activities had been conducted by PT Batubara Bukit Asam for several decades, so that the local community had felt its positive and negative impacts. The same things were also evident in Lahat regency, Musi Banyuasin, and Ogan Komering Ulu where coal mining activities were started just recently; these activities had caused a number socioeconomic problems, for example the problems relating to transportation and environmental pollution such dust and respiratory illness suffered by members of community.

Recognizing these facts, the informants who are members of legislative board stated that, in general management of natural resources, especially coal, did not obey the principles of justice and equality yet, so that it bring about unwanted impacts, both by government and adjacent community. There was a strong indication of excessive environmental exploitation which brought about natural damages and health troubles for the adjacent community. The same statements were also made by management of citizenry coal mining organizations in Lahat regency by showing the facts and evidence related to negative sosioeconomic and environmental impacts of coal mining activities which, allegedly, did not favour the community adjacent the mining sites.

In relation with the impacts it caused and the impacts caused by mining venture license issued in relation with the goals to be achieved, then the informants who were mining observers and environmentalists said: the government must tighten issuance of mining license in order to avoid excessive exploration which will cause damages for future generations. Nowadays Indonesia was entering mining emergency status. If mining licenses are continuously sold cheaply, reclamations are not conducted, and renewable energy resources are not performed, it is very possible that in the near future Indonesia will be pitch-dark.

In this perspective, an effective policy – the policy with precise goals so that creation of wealth and welfare of community both in local and national context will be easier, is needed. If the policy was oriented to creating local wealth by issuing licenses as much as possible, it may cause negative consequences, not only for local community but also in national context as related to maintenance and sustainability of energy supply.

Effectiveness of mining licenses should be perceived in this perspective, that its orientation were not only local and short-term from certain points of view such improvement of local revenues, but also national or even global because coal is a nonrenewable energy sources and create a broad impact on preservation of natural environment. It means that coal mining licensing policy shall pay attention to other policy(-ies) such as the national energy policy issued through the Decree of Minister of Energy and Mineral Resources No. 0983 K/16/MEM/2004 regarding composition of blueprint of National Energy Management (BP-PEN) 2006 – 2025 stipulated by the President Decree No. 5, 2006, that it is necessary to adopt a policy which treat nonrenewable resources not only to create income for the state, but just shifted for meeting energy demand.

Therefore, great number of license issued by government that increased fast as if there was not significant constraints as related to process and also the money spent by license applicants is not a primary indication that determine effectiveness of license. Cost and benefit ratio must be the primary consideration of mining venture license applicants, that is measure of potential or profit that will be obtained from these extractive activities, primarily when coal price in international markets is so high, although today coal price is decreasing significantly. With high potential or profitability, many parties compete for such license and, on one hand, local government with broad and great authority and a demand to increase local genuine revenues

also gave large space for issuing mining venture license at various scales to investors or mining entrepreneurs.

If, in general, the concept 'effectiveness' reveal how far a goal defined priorly can be realized, then magnitude and number of mining venture license issued are not automatically parallel to the realization of the goal stated before. According to Siagian (2001: 24), effectivity is to take advantage of resources, facilities and infrastructures with specific amounts which were consciously determined previously in order to produce a certain amount of goods (products) or services it provides. Therefore, effectiveness represents degree of success from the aspect of realization of the goal(s) stated previously; if activities get closer to the goals then its effectiveness is higher. Sumaryadi (2005: 105) stated that "effectiveness is about how good a job is conducted, how close a worker produce output to the target expected." Thus, effectiveness is, basically, the degree of achievement or realization of organizational goals or targets defined previously. Effectiveness is about how good a job was done, how far someone produce output which meets expectation. It means that effectiveness of evaluation of coal mining venture license policy in Muara Enim regency is measured not only by increase of number of mining venture licenses issued as related to processes and speed and costs of issuance, but also related mostly to realization of goals. When the goals defined could not be realized or even caused new troubles which directly or indirectly keep it farther from realization of goals, then it can be said that effectiveness of coal mining venture license policy in Muara Enim Regency failed to achieve its goals.

CONCLUSION

Technical, administrative problems related to procedures and prerequisites that should be met and often perceived as troubles that impede issuance of mining venture license are, actually, a related governmental, managerial problem in their attempts to synchronization and coordination where all these problems can be simplified, so that their procedures and prerequisites can also be simplified. Effectiveness was seen not only from the increasing number of licenses issued means its processes were increasingly effective just because the greater number of license applicants could be served at higher speed. Possibly, the greater number of licenses issued caused the opposite impacts if related to the goals to be realized from existence of mining venture license which has intention to not only regulate but also limit them with a number of criteria and prerequisites.

The change in more decentralized mining licensing policy did not result in higher effectiveness of mine management. Responsivity, appropriateness, and justice in the policy must be perceived on more fundamental perspective, that is, it should always be related and compared to the basic goals of "the maximum wealth of people."

Success in increasing revenues and mining productivity, which is increasing in proportion to greater number of mining venture licenses issued by local government is really an initial indicator of success of implementation of a license policy. The more authentic and fundamental indicator of realization of a goal is the birth of effective and efficient licensing process which

is capable of creating benefits for the maximum wealth of people as stipulated in Article 33 UUD 1945.

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