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## Government Policies and Regulations in Natural Resource Management

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### Abstract

This study examines Indonesian government policies and regulations on natural resource management, focusing on challenges in law enforcement and conflicts of interest between business actors, local communities, and the government. Although Indonesia has a relatively comprehensive legal framework, the implementation of natural resource policies often faces various obstacles, including corruption, lack of resources, and bureaucratic complexity that undermines law enforcement. Conflicts of interest between stakeholders also often lead to unfairness in the distribution of natural resource benefits, which triggers social and environmental conflicts. This study identifies the need for comprehensive reforms in law enforcement and a more inclusive approach to resolving conflicts of interest, in order to achieve more equitable, sustainable, and efficient natural resource management. Through in-depth analysis, this study provides policy recommendations to improve the effectiveness of government regulations in natural resource management in Indonesia.

**Keywords:** *Natural Resources, Law Enforcement, Conflict of Interest, Environmental Management, Government Regulation.*

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### INTRODUCTION

Natural resource management (SDA) in Indonesia is one of the important issues that has a major impact on economic development, community welfare, and environmental sustainability. Indonesia is known as a country rich in natural resources, ranging from forests, minerals, gas, oil, to marine wealth. However, improper management can cause various problems, including environmental damage, social conflict, and injustice in the distribution of benefits from the use of SDA.

Since the colonial era, natural resources in Indonesia have been the object of major exploitation by foreign powers. During the Dutch colonial period, natural resource management policies were highly focused on colonial interests, where existing resources were exploited to meet the economic needs of the colonial country. Resources such as mines, plantations, and forests were exploited on a large scale without considering sustainability and their impact on local communities. As a result, many productive lands were controlled by foreign companies, while local communities lost access to land and resources that were previously the mainstay of their lives (Soetandyo, 2007).

Post-independence, Indonesia faced major challenges in managing natural resources for national interests. Various efforts have been made by the government to reform natural resource management policies with the aim of returning control and benefits of natural resources to the Indonesian people. One of the important milestones in the history of natural resource management in Indonesia was the enactment of the Basic Agrarian Law (UUPA) Number 5 of 1960. UUPA is a legal basis that aims to regulate the use of land, water, and other natural resources in a fair and sustainable

manner. However, the implementation of UUPA is often faced with various obstacles, including agrarian conflicts, legal uncertainty, and complicated bureaucracy (Lubis, 2019).

In recent decades, government policies and regulations in the management of natural resources have increasingly developed along with the demands of globalization and technological developments. The Indonesian government has issued various regulations governing the management of forests, mining, fisheries, and energy resources. For example, Law Number 41 of 1999 concerning Forestry, Law Number 4 of 2009 concerning Mineral and Coal Mining, and Law Number 22 of 2001 concerning Oil and Natural Gas are some of the regulations that form the basis for the management of natural resources in Indonesia (Sutedi, 2020).

However, even though the existing regulations are quite comprehensive, the challenges in their implementation are still very large. One of the main issues that often arises is the weak law enforcement and supervision of the use of natural resources. There are many cases where companies or individuals exploit natural resources illegally or violate existing provisions without being subject to strict sanctions. This not only causes losses to the state, but also results in severe environmental damage and has a negative impact on local communities, especially those who depend on natural resources for their livelihoods (Rahmawati, 2020).

In addition, conflicts of interest between business actors, local communities, and the government often become obstacles to sustainable natural resource management. On the one hand, the government seeks to attract foreign investment to support economic development, while on the other hand, local communities demand protection of their rights to land and natural resources. Inequity in the distribution of benefits from the use of natural resources is also a source of tension that can trigger social conflict. For example, many indigenous peoples feel that their rights to customary land are not recognized or respected by the government or companies (Afiff, 2021).

In the global context, Indonesia also faces pressure to adjust its natural resource management policies to international standards, especially in relation to climate change and environmental sustainability. Indonesia's commitment to reducing greenhouse gas emissions and protecting tropical forests as part of global efforts to address climate change has brought new challenges to natural resource management. The Indonesian government must find a way to balance economic interests and the need to preserve the environment, which is often difficult to achieve (Suryani, 2018).

This research will focus on two main issues in the management of natural resources in Indonesia. First, this research will explore the challenges in law enforcement and supervision of the utilization of natural resources, with a focus on cases of illegal logging, illegal mining, and exploitation of fishery resources. Second, this research will examine the conflict of interest between business actors, local communities, and the government in the management of natural resources, as well as the efforts that have been made to resolve these conflicts, including approaches based on the principles of social justice and environmental sustainability.

## METHOD

This study uses a doctrinal research method, which focuses on the analysis of primary and secondary legal materials to understand and evaluate the application of criminal law to children for legal reform that better supports justice and the best interests of children.

This study uses a normative legal method with a descriptive-analytical approach to analyze government policies and regulations in the management of natural resources (SDA) in Indonesia. The normative legal method was chosen because this study focuses on legal analysis of applicable laws and regulations and their application in the practice of SDA management. The descriptive-analytical approach is used to describe existing conditions, identify emerging problems, and analyze the legal implications of the policies implemented.

The data used in this study consists of secondary data obtained from various legal sources, including laws, government regulations, presidential decrees, and ministerial regulations governing the management of natural resources in Indonesia. Some of the main regulations analyzed include Law Number 5 of 1960 concerning Basic Agrarian Principles, Law Number 41 of 1999 concerning Forestry, Law Number 4 of 2009 concerning Mineral and Coal Mining, and Law Number 22 of 2001 concerning Oil and Natural Gas. In addition, this study also uses academic literature, journal articles, and related research reports as reference materials to understand the context and development of laws governing the management of natural resources (Lubis, 2019).

A historical approach is also used in this study to examine the development of natural resource management policies from time to time, from the colonial era to the modern era. By examining the history of existing policies and regulations, this study seeks to understand how the social, political, and economic contexts have influenced the formation and evolution of natural resource laws in Indonesia. This historical approach will help identify patterns of change and continuity in natural resource management policies, as well as understand the impact of these policy changes on society and the environment (Sutedi, 2020).

To complement the legal analysis, this study also uses a comparative approach by comparing natural resource management policies and regulations in Indonesia with other countries with similar characteristics, such as Malaysia and Brazil. Through this comparative analysis, the study seeks to identify best practices that can be adopted by Indonesia to improve the natural resource management system, especially in terms of law enforcement and conflict of interest management (Rahmawati, 2020).

The data obtained will be analyzed qualitatively, where this study will evaluate the effectiveness of existing policies, identify weaknesses in law enforcement, and provide recommendations for improvement. The results of this analysis are expected to provide a significant contribution to the development of more equitable, sustainable, and efficient natural resource management policies in Indonesia.

## **RESULTS AND DISCUSSION**

### **Challenges in Law Enforcement and Supervision of Natural Resource Utilization**

Law enforcement and supervision are two key components in natural resource management (SDA) which aim to ensure that the utilization of SDA is carried out legally, fairly, and sustainably. However, in Indonesia, law enforcement and supervision of SDA utilization often face various complex challenges, which cause extensive environmental damage, loss of potential state revenue, and the emergence of social conflict. This discussion will outline some of the main challenges faced in law

enforcement and supervision of SDA utilization, as well as the impact of weak law enforcement on environmental sustainability and community welfare.

One of the biggest challenges in managing natural resources in Indonesia is weak law enforcement. Although Indonesia has a relatively comprehensive legal framework to regulate the use of natural resources, such as Law Number 41 of 1999 concerning Forestry and Law Number 4 of 2009 concerning Mineral and Coal Mining, law enforcement is often inconsistent and ineffective. This is due to several factors, including corruption, lack of human resources and technology, and bureaucratic complexity (Suryani, 2018).

Corruption is one of the main causes of weak law enforcement in the natural resources sector. Law enforcement, which should be a tool to maintain order and compliance with regulations, often falls victim to corrupt practices. Authorized officials, both at the central and regional levels, are often involved in corrupt practices, such as accepting bribes to issue permits for natural resource exploitation or ignoring legal violations committed by companies. These corrupt practices not only harm the state financially but also result in uncontrolled environmental damage because natural resource exploitation is carried out without complying with applicable provisions (Lubis, 2019).

Lack of human resources and technology is also an obstacle to law enforcement in the natural resources sector. Many government agencies responsible for supervision and law enforcement in the natural resources sector lack trained and competent personnel, as well as adequate technological equipment to carry out effective supervision. For example, in the case of illegal logging, although the government has issued various policies to eradicate this practice, the lack of forestry officers equipped with modern surveillance technology such as satellites or drones makes law enforcement difficult (Afiff, 2021).

Bureaucratic complexity also exacerbates the problem of law enforcement in the natural resources sector. The complicated and overlapping administrative processes between various government agencies often lead to confusion and legal uncertainty. This not only hinders the law enforcement process but also provides opportunities for environmental criminals to exploit existing legal loopholes. For example, the long and complicated licensing process often makes companies prefer to take shortcuts through illegal means rather than following established procedures (Rahmawati, 2020).

Weak law enforcement in the natural resources sector has a very detrimental impact, both on the environment and society. One of the most obvious impacts is the increasingly widespread environmental damage. Illegal logging, illegal mining, and uncontrolled exploitation of natural resources have led to deforestation, land degradation, water and air pollution, and loss of biodiversity. According to data from the Ministry of Environment and Forestry, Indonesia loses around 684,000 hectares of forest each year due to deforestation, mostly due to illegal logging and illegal expansion of oil palm plantations (KLHK, 2020).

This environmental damage also has a direct impact on the community, especially those living around the affected areas. Indigenous peoples and local communities that depend on forests and other natural resources for their livelihoods are often victims of irresponsible exploitation practices. The loss of forests, for example, not only eliminates their sources of livelihood but also destroys the ecosystems they live in, causing natural disasters such as floods and landslides to occur more frequently (Suryani, 2018).

In addition, weak law enforcement also has an impact on social and economic injustice. Many communities lose access to natural resources that are their rights because their land is taken over by large companies through illegal or unfair means. In many cases, communities do not receive adequate compensation or are not involved in the decision-making process regarding the use of natural

resources in their area. This causes dissatisfaction and social tension that often leads to conflict between communities and companies or the government (Afiff, 2021).

Recognizing these challenges, the Indonesian government has made various efforts to improve law enforcement and supervision of natural resource utilization. One important step that has been taken is strengthening the regulatory framework by introducing new, stricter and more specific regulations. For example, the government has issued Presidential Regulation Number 44 of 2020 concerning Strengthening Supervision and Law Enforcement in the Natural Resources Sector, which aims to improve coordination between law enforcement agencies and tighten supervision of natural resource exploitation activities (Rahmawati, 2020).

In addition, the government is also trying to eradicate corruption in the natural resources sector by strengthening the Corruption Eradication Commission (KPK) and involving civil society in supervision. The KPK, for example, has handled various corruption cases related to natural resources management, including bribery cases in the granting of mining and forestry permits. Community participation in supervision is also encouraged through initiatives such as the formation of community groups that are trained to conduct independent monitoring of natural resources exploitation activities in their areas (Lubis, 2019).

However, while these efforts show some progress, the challenges in law enforcement and oversight in the natural resources sector remain significant. The government needs to continue to strengthen institutional capacity, improve transparency and accountability, and ensure that laws are enforced impartially. Only then can Indonesia ensure that natural resources are managed sustainably and provide equitable benefits to all parties involved.

### **Conflict of Interest between Business Actors, Local Communities, and Government in Natural Resource Management**

Natural resource management in Indonesia is inseparable from various conflicts of interest between business actors, local communities, and the government. These conflicts often arise due to differences in goals, needs, and expectations of each party involved. Business actors, especially large companies, usually have economic interests that are oriented towards maximum profit through the exploitation of natural resources. Meanwhile, local communities, including indigenous communities, tend to prioritize access to and sustainability of the resources that are the mainstay of their lives. On the other hand, the government has a responsibility to manage natural resources for the national interest, but is often caught in a dilemma between encouraging economic growth and protecting the rights of the community and the environment. This discussion will explore various aspects of this conflict of interest and how it affects the management of natural resources in Indonesia.

Conflicts of interest in natural resource management are often triggered by differences in objectives between business actors, local communities, and the government. Companies, especially those operating in the mining, plantation, and forestry sectors, tend to have an interest in maximizing production and profits. They often view natural resources as economic assets that must be utilized optimally. This can conflict with the interests of local communities who depend on natural resources for their basic needs, such as food, water, and shelter. Local communities often view natural resources as an integral part of their lives that must be preserved and passed on to the next generation (Suryani, 2018).

These differences often trigger conflicts when companies obtain permits to manage or exploit natural resources in areas that are also claimed or used by local communities. For example, in the case of oil palm plantations, companies often obtain large land concessions to open plantations, but

the land may be customary areas or land cultivated by local communities. When companies begin to exploit, communities who feel their rights are threatened or ignored often protest or even take violent action to defend their rights (Afiff, 2021).

From the government's perspective, there is pressure to attract investment and utilize natural resources as a source of state revenue. The government often grants natural resource exploitation permits to companies as part of an economic development strategy. However, this policy often ignores or marginalizes the rights of local and indigenous communities. The government may not have an effective mechanism to ensure that the licensing process is carried out in a transparent and participatory manner, involving all stakeholders. As a result, the government is often seen as being more in favor of corporate interests than protecting community rights (Sutedi, 2020).

This conflict of interest often leads to prolonged social and environmental conflicts. Communities who feel their rights are being ignored or violated often fight back, either through legal channels or direct action in the field. This conflict can lead to violence, detention, and even death in some cases. In addition, this conflict also causes environmental damage that not only harms local communities but also threatens the sustainability of the ecosystem in the area (Rahmawati, 2020).

Conflicts between local communities and companies are also often exacerbated by injustice in the distribution of benefits from natural resource management. In many cases, the large profits from natural resource exploitation are only enjoyed by a handful of parties, especially companies and officials involved in the licensing process, while local communities only experience negative impacts, such as environmental pollution, land loss, and reduced access to natural resources. This injustice not only causes dissatisfaction but also deepens community distrust of the government and companies (Lubis, 2019).

In addition, this conflict of interest also often involves complex legal aspects. For example, there are many cases where natural resource exploitation permits granted to companies overlap with customary rights or customary rights recognized by local communities. In some cases, local communities may have rights to land or natural resources based on customary law, but these rights are not recognized by the state because they are not officially registered. This legal uncertainty is often exploited by companies to claim natural resources with government support, while local communities do not have adequate access to fight for their rights through legal channels (Sutedi, 2020).

Recognizing the complexity of conflicts of interest in natural resource management, various efforts have been made to address this issue. One approach that is widely discussed is strengthening the rights of indigenous and local communities through clearer legal and regulatory recognition. Recognition of indigenous peoples' rights to land and natural resources is expected to provide legal certainty and reduce conflicts between communities and companies. For example, the Indonesian Constitutional Court has issued several important decisions recognizing indigenous peoples' rights to land and customary forests, which provide a legal basis for communities to defend their rights (Soetandyo, 2007).

In addition, the government also seeks to encourage community participation in the decision-making process related to natural resource management. This process includes public consultation and social and environmental feasibility tests before exploitation permits are granted. By involving the community in this process, it is hoped that conflicts can be prevented or minimized because the decisions taken take into account the interests of all parties involved (Rahmawati, 2020).

However, while these efforts are important, the challenges in their implementation remain significant. Many companies are still reluctant to involve communities in the decision-making process

or conduct consultations only as a formality. In addition, the government also still needs to strengthen monitoring and law enforcement mechanisms to ensure that community rights are protected and that companies that violate the rules receive appropriate sanctions (Afiff, 2021).

In a global context, Indonesia also needs to pay attention to how natural resource management policies interact with international trade agreements and global standards on sustainability. Globalization has brought new challenges to natural resource management, where multinational companies often have greater power than local countries or communities. Therefore, Indonesia needs to balance the need to attract foreign investment and maintain sovereignty and justice in natural resource management (Sutedi, 2020).

### **CONCLUSION**

Natural resource management (SDA) in Indonesia is a complex issue that requires a holistic and fair approach. This study has explored two main issues in SDA management in Indonesia: challenges in law enforcement and supervision, and conflicts of interest between business actors, local communities, and the government.

Weak law enforcement and inadequate oversight have become significant obstacles to efforts to sustainably manage natural resources. Corruption, lack of resources, and bureaucratic complexity have made law enforcement ineffective, ultimately resulting in widespread environmental damage and social injustice for communities that depend on natural resources for their livelihoods. Addressing these issues requires increased institutional capacity, the use of more sophisticated technology, and increased transparency and accountability in law enforcement. Conflicts of interest between business actors, local communities, and the government also affect the success of natural resource management in Indonesia. Inequity in the distribution of benefits from natural resources, legal uncertainty, and lack of community participation in decision-making have fueled prolonged social and environmental conflicts. Efforts to strengthen the rights of indigenous and local communities, increase their participation in decision-making processes, and balance national interests with the demands of globalization are important steps that need to be taken to create more equitable and sustainable natural resource management.

Thus, this study concludes that in order to achieve effective and sustainable natural resource management in Indonesia, comprehensive reforms in law enforcement and supervision are needed, as well as a more inclusive approach in resolving conflicts of interest. Through these steps, it is hoped that natural resource management in Indonesia can provide fair benefits to all parties involved and maintain environmental sustainability for future generations.

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