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JURIDICAL ANALYSIS OF THE ROLE OF CENTRAL GOVERNMENT OVERSIGHT IN MINING LICENSING

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Abstract

This study examines the role of the Central Government in supervising mining licensing under Law Number 3 of 2020 concerning Mineral and Coal Mining. The research is motivated by the gap between legal norms requiring comprehensive supervision and their practical implementation, which continues to face violations, weak coordination, and ineffective law enforcement. The centralization of mining licensing authority in the Central Government is intended to ensure legal certainty, simplify licensing procedures, strengthen supervision, and promote integrated and sustainable mining governance. Normatively, the Central Government has broad authority to issue Business Licenses, conduct guidance, supervision, and evaluation, and impose sanctions on mining license holders who violate applicable laws and regulations. However, the implementation of supervisory functions remains suboptimal due to the persistence of illegal mining activities, inadequate supervision of reclamation and post-mining obligations, limited availability of Mine Inspectors, insufficient utilization of supervisory technology, and weak coordination among the Central Government, regional governments, and law enforcement agencies. These circumstances reflect the gap between the law as it should be (*das sollen*) and the law as it is implemented (*das sein*). The legal implications of government supervision extend beyond enforcing compliance with licensing requirements to ensuring legal certainty, environmental protection, state revenue optimization, and the protection of community rights. Violations of mining regulations may result in administrative, civil, or criminal sanctions, particularly under Articles 158 and 161 concerning illegal mining activities and the possession or trading of unlawfully obtained mining products. Ineffective supervision may lead to environmental degradation, state revenue losses, social conflicts, and legal uncertainty. Therefore, strengthening supervisory mechanisms, improving institutional coordination, increasing the capacity of Mine Inspectors, and utilizing modern monitoring technology are essential to ensuring effective, accountable, and sustainable mining governance in accordance with Article 33 Paragraph (3) of the 1945 Constitution of the Republic of Indonesia.

Keywords: Oversight, Government, Mining

INTRODUCTION

Indonesia is a country blessed with abundant natural mineral and coal resources. This wealth is one of the main assets in realizing the state's goals as mandated in the Preamble to the 1945 Constitution of the Republic of Indonesia, namely to advance public welfare. Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia expressly stipulates that the land and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. This provision implies that the state has the right to control the state (right to control by the state) which includes the functions of regulation (regelendaad), administration (bestuursdaad), management (beheersdaad), and supervision (toezichthoudensdaad) regarding the use of natural resources.

From the perspective of a state based on the rule of law (rechtstaat), the exercise of the state's right to control is not only interpreted as the authority to grant mining business permits, but also includes the obligation to supervise all mining activities to ensure they comply with statutory provisions. This supervision is a crucial instrument to ensure that mining activities are not solely oriented toward economic profit but also consider aspects of environmental protection, legal certainty, social justice, and the sustainability of national development (Hadjon, 2011).

The mineral and coal mining sector contributes significantly to state revenue, increased investment, employment, and regional development. However, this significant economic potential is also accompanied by various legal issues, including rampant illegal mining (PETI), overlapping permits, weak oversight of mining business permit (IUP) holders, low compliance with reclamation and post-mining obligations, and high levels of environmental damage caused by mining activities. These issues indicate that the monitoring system for the implementation of mining permits still faces various challenges, both normative and implementative (Salim, 2021).

Prior to the enactment of Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining, the authority to grant mining business permits largely rested with regional governments based on Law Number 23 of 2014 concerning Regional Government. In practice, this decentralization of authority gave rise to various problems, such as the issuance of permits that did not comply with spatial planning, overlapping mining business permit areas, poor coordination between the central and regional governments, and weak oversight of the implementation of permit holders' obligations. These conditions have implications for increasing legal conflicts, land disputes, and environmental damage that is difficult to control (Ridwan, 2020).

In an effort to address these various problems, the government amended Law Number 4 of 2009 through Law Number 3 of 2020. One of the fundamental changes in this law is the centralization of mining licensing authority to the central government. Article 4 paragraph (2) of Law Number 3 of 2020 emphasizes that control of minerals and coal by the state is carried out by the Central Government in accordance with the provisions of the law. Furthermore, Article 35 paragraph (1) states that mining businesses are carried out based on Business Licensing from the Central Government. This policy change indicates a shift in the mining management paradigm from a decentralized system to a more centralized system (centralized licensing system).

This centralization of authority means that the central government is not only responsible for issuing mining business permits, but also has the obligation to provide guidance and supervision over all mining activities in Indonesia. This supervision is an integral part of governance, as stipulated in the general principles of good governance, namely the principles of legal certainty, benefit, transparency, professionalism, proportionality, and accountability. Without effective oversight, the granting of mining business permits has the potential to lead to abuse of power, administrative irregularities, corrupt practices, and violations of environmental regulations.

Theoretically, supervision is a function of government management that aims to ensure that policy implementation is in accordance with predetermined objectives. According to George R. Terry (1977), supervision (controlling) is the process of determining what has been achieved, evaluating the implementation of activities, and taking corrective action if deviations are found. In the context of government, supervision is an instrument to ensure the effectiveness of government administration and prevent abuse of authority by state officials. Meanwhile, Bagir Manan (2004)

argues that supervision in a state based on the rule of law is a logical consequence of the principle of limiting power, so that every government action must be legally accountable.

Although licensing authority has been centralized in the central government, in practice, various issues remain, indicating suboptimal oversight. According to data from the Ministry of Energy and Mineral Resources (ESDM), thousands of illegal mining operations (PETI) remain across Indonesia. These activities not only result in the loss of potential state revenue, but also lead to river pollution, forest destruction, landslides, social conflict, and the loss of conservation areas. Furthermore, companies holding IUPs (Mining Business Licenses) are still found to be failing to implement reclamation and post-mining activities in accordance with statutory regulations, leaving behind mine pits that endanger communities and the environment.

Another issue of concern is the suboptimal coordination between the central and regional governments in implementing their oversight functions. Although the authority to grant permits rests with the central government, regional governments still have a vested interest in the social, economic, and environmental impacts of mining activities in their jurisdictions. In practice, delays in information delivery, weak field oversight, and a limited number of mining inspectors often occur, resulting in various violations not being promptly addressed. This situation indicates a gap between legal norms (das sollen), which require effective oversight, and empirical reality (das sein), which still demonstrates various weaknesses in the implementation of oversight.

Central government oversight of mining permits is also closely related to environmental protection as stipulated in Law Number 32 of 2009 concerning Environmental Protection and Management as amended by Law Number 6 of 2023. Every mining activity is required to meet environmental requirements, carry out reclamation, manage waste, and ensure the sustainability of environmental functions. If oversight of these obligations is not implemented optimally, the goal of sustainable development will be difficult to achieve because mining activities tend to lead to excessive exploitation of natural resources without regard for environmental carrying capacity.

Law Number 3 of 2020 provides sufficient legal basis for the central government to exercise oversight over all mining activities. However, regulations regarding oversight mechanisms, inter-agency coordination, the effectiveness of administrative sanctions, and oversight of permit holders' compliance with their obligations still require further study. This is crucial because the success of the mining licensing system is determined not only by the permit issuance process but also by the effectiveness of post-licensing supervision.

Based on the above description, there is an interesting legal issue to be studied, namely whether the centralization of licensing authority through Law Number 3 of 2020 has been followed by an effective central government oversight system in ensuring compliance of mining business permit holders with applicable legal provisions. In addition, there are still indications of a gap between legal norms that require comprehensive supervision and the reality of implementation in the field which still shows various violations, weak coordination, and low effectiveness of law enforcement. Therefore, the study entitled "Juridical Analysis of the Role of Central Government Supervision in Mining Licensing Based on Law Number 3 of 2020 concerning Mineral and Coal Mining" is important to be conducted in order to comprehensively analyze the legal regulations regarding central government supervision, the implementation of supervisory authority in the mining licensing system, and find the ideal supervision concept in realizing mining governance that is just, sustainable, and provides legal certainty. Formulation of the problem: 1. What is the Legal Analysis of the Central Government's Supervisory Role in Mining Licensing Based on Law Number 03 of 2020 Concerning Mineral and Coal Mining? 2. What are the legal consequences of the central government's supervisory role in mining licensing based on Law Number 03 of 2020 concerning Mineral and Coal Mining?

RESEARCH METHODS

The type of research in this paper is Normative Legal Research, namely a research approach that studies the influence of society on law, the extent to which the symptoms that exist in society can influence the law and vice versa and departs from the empirical science paradigm. This research uses a normative legal research method with a statute approach, a conceptual approach, and an

analytical approach, so it does not focus on respondents as in empirical research, but rather on legal materials, documents, and literature sources relevant to the object of study.

RESULT AND DISCUSSION

A. Legal Analysis of the Role of Central Government Supervision in Mining Licensing Based on Law Number 03 of 2020 Concerning Mineral and Coal Mining

Supervision is one of the fundamental functions in the administration of government which aims to ensure that every state administrative action is carried out in accordance with legal provisions, general principles of good governance, and the objectives of state administration as mandated in the constitution. In the perspective of state administrative law, supervision is not only understood as an activity of examining the implementation of an authority, but also a legal instrument used to ensure that all actions of the government and legal subjects who receive authority from the state remain within the corridor of legality (rechtmatigheid) and benefit (doelmatigheid). Therefore, supervision is an inseparable element of government administration, including in the implementation of permits in the mineral and coal mining sector which has a high level of risk to the environment, public safety, and the sustainability of natural resource utilization (Atmosudirdjo, 1994).

In the concept of a state based on the rule of law (rechtstaat), every authority granted to the government must be accompanied by a monitoring mechanism to prevent abuse of authority (detournement de pouvoir) or arbitrary action (willekeur). Oversight serves to ensure that the use of public authority is always carried out based on the principles of legality, proportionality, accountability, transparency, and protection of public interests. Thus, oversight not only functions to detect violations after an action has been taken (repressive), but also functions to prevent deviations through guidance, monitoring, evaluation, and providing technical guidance to government administrators and business actors (preventive) (Hadjon, 2011).

A significant paradigm shift in mining supervision occurred following the enactment of Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining. This law brought fundamental changes to the mining management system in Indonesia, particularly regarding the division of authority between the central government and regional governments. Prior to the amendment, the majority of authority to grant mining business permits rested with regional governments, as stipulated in Law Number 23 of 2014 concerning Regional Government. However, following the enactment of Law Number 3 of 2020, almost all strategic authority in the field of mining permits was centralized under the Central Government through the Minister of Energy and Mineral Resources. This policy simultaneously transformed the previously dispersed supervision system into a more integrated one under the control of the central government.

This supervision is not only intended to guarantee the administrative compliance of mining business permit holders, but also serves as an instrument to realize environmental protection, maintain state revenues, provide investment certainty, and protect the rights of communities living around mining areas. Thus, the supervisory function cannot be understood merely as an administrative inspection activity, but rather as a form of state control over the entire mining activity cycle from the planning stage, licensing, business implementation, to post-mining. The authority of the Central Government in granting mining permits is affirmed in Article 35 paragraph (1) of Law Number 3 of 2020, which states that mining businesses are carried out based on Business Permits from the Central Government. This provision indicates that since the enactment of Law Number 3 of 2020, all forms of Business Permits in the mining sector have become the authority of the Central Government. Thus, regional governments no longer have the authority to issue Mining Business Permits as was the case under the previous legal regime. This regulation represents a form of reconstruction of the national licensing system that aims to eliminate overlapping permits, reduce the practice of abuse of authority, and increase the effectiveness of supervision of mining activities.

When examined using the Theory of Authority, the Central Government's authority is a form of attribution authority, namely authority granted directly by law to government organs. Philipus M. Hadjon (2015) explains that attribution is the granting of original authority by the legislator to a state organ so that the organ obtains legal legitimacy to carry out government actions. HD Stout also

states that every use of government authority must fulfill three main elements, namely having a legal basis (rechtmatigheid), being used according to the purpose for which it was granted (doelmatigheid), and being implemented in accordance with the general principles of good governance. Thus, the authority of the Central Government in granting mining business permits is not only administrative in nature, but also contains legal responsibility to provide guidance and supervision of the implementation of the permit.

Centralizing licensing authority offers the advantage of establishing national standards for issuing mining business permits, thereby reducing policy disparities between regions. Prior to the legal amendment, there were numerous overlapping permits, both between mining permits and forest areas and community land rights. This situation resulted in high rates of land conflicts, environmental disputes, and investment uncertainty. Now that authority rests with the central government, the evaluation process for mining business permit areas is more integrated through a national information system, thereby minimizing the potential for overlapping permits. However, research also shows that centralization of authority has not been fully accompanied by effective oversight on the ground. While the central government has extensive administrative authority, it faces limitations in the number of mining inspectors, Indonesia's vast territory, and the large number of companies holding mining permits. Consequently, direct oversight of permit holders' obligations has not been optimal. In many cases, violations are only discovered after environmental damage, social conflict, or the emergence of illegal mining activities.

When analyzed based on the Theory of Legal Certainty, this condition shows that legal certainty is not sufficient to be achieved simply through the establishment of clear legal norms, but must also be supported by consistent implementation. Gustav Radbruch stated that the law must fulfill three basic values, namely justice, utility, and legal certainty. Legal certainty can only be realized if legal norms are implemented consistently by government officials without any differential treatment of the same legal subjects. Hans Kelsen (1945) also explained that legal effectiveness is a requirement for legal norms to truly have binding power in society. Thus, the success of Article 35 of Law Number 3 of 2020 is not only measured by the authority of the Central Government to issue permits, but also by the government's ability to effectively supervise all mining business permit holders. With some companies having obtained Business Permits but not yet fully fulfilling their obligations regarding reclamation, post-mining, environmental protection, production reporting, or payment of financial obligations to the state, this situation indicates that administrative oversight mechanisms still need to be strengthened through an increase in the number of mine inspectors, the use of information technology, national data integration, and more effective coordination between the central government and regional governments, as the government's representative in the region.

Article 35 of Law Number 3 of 2020 has provided a strong legal basis for the Central Government to control the mining licensing system nationally. This regulation is in line with the principles of the rule of law because every permit is granted based on the authority granted by law. In addition, this provision is also in accordance with the theory of authority because the Central Government obtains original attribution authority to regulate, foster, supervise, and evaluate the implementation of mining businesses. However, from the perspective of the theory of legal certainty, the effectiveness of this norm still faces various implementation obstacles so that the objective of establishing Law Number 3 of 2020 to create orderly, transparent, and equitable mining governance has not been fully achieved. Therefore, it is necessary to strengthen the supervisory system that is not only based on regulations, but also supported by institutional capacity, human resources, and the integrated use of supervisory technology so that mining management is truly able to realize the prosperity of the people as mandated by Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia.

Central Government oversight of mining licensing implementation is the government's ability to prevent and prosecute illegal mining activities (PETI). Although the licensing system has been centralized through Law Number 3 of 2020, the practice of illegal mining remains a growing problem in various regions of Indonesia. This phenomenon indicates that changes in licensing authority have not been fully accompanied by effective oversight of mining activities in the field. As a result, mineral and coal exploration and exploitation activities are still being conducted without

obtaining a Business License from the Central Government as required by law. Legally, Article 158 of Law Number 3 of 2020 is a repressive instrument designed to provide protection for the national mining licensing system. This provision imposes criminal consequences on anyone who carries out mining activities without obtaining a permit from the Central Government. Thus, the existence of criminal sanctions not only aims to punish perpetrators but also serves as a means of maintaining the authority of state administrative law in the implementation of mining businesses.

Article 158 of Law Number 3 of 2020 stipulates that any person who carries out mining without a permit as referred to in Article 35 shall be subject to a maximum imprisonment of 5 (five) years and a maximum fine of IDR 100,000,000,000.00 (one hundred billion rupiah). Based on this formulation, there are several important elements that must be met for a person to be held criminally responsible. First, there is the existence of a legal subject in the form of "any person", which includes both individuals and legal entities. Second, there is an act of carrying out mining activities. Third, the activity is carried out without a Business Permit from the Central Government as required by Article 35 of Law Number 3 of 2020. Thus, Article 158 is a criminal provision that is directly related to the mining business licensing system. Central Government supervision has a very close relationship with the effectiveness of the implementation of Article 158. The more effective the supervision mechanism carried out in mining business permit areas, the smaller the chance of the emergence of unauthorized mining activities. Conversely, weak administrative oversight will allow illegal mining activities to flourish, ultimately harming the state, the community, and the environment. Therefore, the oversight function cannot be separated from the criminal law enforcement function, as both are integral to the national mining management system.

One relevant case in this research is the alleged corruption in the governance of the Mining Business Permit (IUP) of PT Quality Sukses Sejahtera (PT QSS) in West Kalimantan Province. This case illustrates that although the authority to issue and supervise mining permits has been centralized to the Central Government through Law Number 3 of 2020 concerning Mineral and Coal Mining, oversight still faces various weaknesses. Based on the results of the Attorney General's Office investigation, PT QSS allegedly obtained a Production Operation IUP despite not meeting administrative and technical requirements. After obtaining the permit, the company instead sold and exported bauxite originating from outside the IUP area using official PT QSS documents. Furthermore, investigators found alleged involvement of state officials in the process of issuing permit documents and export approvals, resulting in state financial losses. This case demonstrates that the centralization of licensing authority does not automatically guarantee the implementation of good mining governance. The Central Government, through the Ministry of Energy and Mineral Resources, is not only tasked with issuing permits but is also obliged to supervise the fulfillment of permit requirements, the implementation of mining activities, and the compliance of IUP holders with statutory provisions. Weak supervision has led to misuse of permits, manipulation of documents, and mining activities outside permitted areas that can continue for quite a long time.

In practice, illegal mining is not only carried out by traditional communities, but also involves business groups with capital, heavy equipment, and organized distribution networks. This situation results in increasing state losses because minerals and coal are exploited without contributing to non-tax state revenue (PNBP), royalty payments, or tax obligations. In addition to economic losses, these activities also cause environmental damage, river pollution, loss of forest areas, damage to watersheds, landslides, and social conflict with surrounding communities.

From a governmental administration perspective, central government oversight should have been implemented from the mining area planning stage, the determination of Mining Business Permit Areas (WIUP), the granting of permits, the guidance of permit holders, and the oversight of company operations. However, research shows that oversight remains limited due to the vastness of Indonesia's mining areas, the limited number of Mining Inspectors, the suboptimal technology-based oversight system, and the lack of data integration between ministries, local governments, law enforcement officials, and other technical agencies. These conditions often result in unlicensed mining activities only being discovered after they have been ongoing for a considerable period.

The existence of unlicensed mining also demonstrates the gap between legal norms (das sollen) and the reality of implementation (das sein). Normatively, every mining activity is required

to obtain a Business Permit from the Central Government. However, empirically, thousands of unlicensed mining sites remain operating in various regions. This fact demonstrates that the success of the licensing system is not solely determined by the existence of legal norms, but also depends on effective oversight, inter-agency coordination, and consistent law enforcement.

When linked to the Central Government's role as the holder of mining management authority, the government's responsibility extends beyond issuing permits. The government is also obligated to ensure that no mining activities occur outside the areas for which permits have been granted. In this context, supervision is a form of administrative control aimed at early detection of any deviations from licensing provisions. If violations are discovered, the Central Government is obligated to take administrative action in the form of written warnings, temporary suspension of activities, revocation of permits if the violation is committed by the permit holder, and coordination with law enforcement officials if activities are carried out without a permit as referred to in Article 158.

From a law enforcement perspective, the application of Article 158 cannot be carried out partially. Criminal law enforcement must be supported by accurate administrative data regarding the status of mining areas, permit ownership, coordinate boundaries of permit areas, and permit documents issued by the Central Government. Without an orderly administrative system, the process of proving the "without a permit" element in Article 158 will be hampered, especially in the event of a dispute regarding permit boundaries or the legal status of a mining area. Although the authority to issue permits has been transferred to the Central Government, regional governments still have faster information regarding mining activities developing in their regions. Therefore, supervision will be more effective if it is established through an integrated coordination system between the ministry that handles government affairs in the mining sector, the governor as the representative of the Central Government in the region, law enforcement officials, and agencies responsible for environmental protection and management. Such synergy is necessary so that any unauthorized mining activity can be immediately identified and acted upon before causing wider environmental damage.

Article 158 holds a crucial position as a law enforcement instrument against unauthorized mining activities. However, the effectiveness of its implementation depends heavily on the quality of oversight conducted by the Central Government. The better the oversight system, established through administrative oversight, the use of information technology, the strengthening of the Mining Inspectorate, coordination with local governments, and consistent law enforcement, the easier it will be to achieve the objective of Law Number 3 of 2020 to create orderly, equitable, and sustainable mining governance. Conversely, if oversight remains reactive and is not supported by a comprehensive control system, the criminal sanctions in Article 158 will only serve as a normative threat without being able to provide an optimal deterrent effect against unauthorized mining practices.

Unlike Article 158, which stipulates criminal liability for anyone conducting mining activities without a Business Permit, Article 161 of Law Number 3 of 2020 places greater emphasis on law enforcement against business actors who engage in certain activities related to minerals or coal originating from illegal mining activities. Therefore, Article 161 not only aims to break the chain of unlicensed mining activities but also closes the space for the development of trading, transportation, processing, refining, development, utilization, sale, or control of mining products that do not originate from legally valid mining business activities. This regulation demonstrates that the legislators are not only focusing supervision on the exploitation of mineral and coal resources, but also on the entire chain of mining product trade. Article 161 of Law Number 3 of 2020 stipulates that any person who accommodates, utilizes, carries out Processing and/or Refining, Development and/or Utilization, Transportation, Sales of Minerals and/or Coal that do not originate from the holder of a Business License or permit as referred to in this Law shall be subject to a maximum imprisonment of 5 (five) years and a maximum fine of IDR 100,000,000,000.00 (one hundred billion rupiah).

The wording of this article demonstrates that the law not only sanctions the main perpetrators of illegal mining but also anyone who derives economic benefit from illegal mining. In other words, lawmakers are attempting to eliminate demand for illegal mining. As long as there are companies,

businesses, or individuals willing to purchase, store, process, or trade minerals and coal from unlicensed mining, illegal mining practices will continue to thrive due to the promising market. Therefore, Article 161 serves a strategic role as a legal instrument that complements the provisions of Article 158.

In the practice of mining operations in Indonesia, the success of central government oversight is measured not only by the ability to prevent the emergence of illegal mining activities, but also by the effectiveness of oversight of the distribution of mining products. Many illegal mining activities can continue because the mining products are easily marketed to processing companies, certain permit holders, collectors, and other parties who do not verify the origin of the minerals or coal they receive. This situation results in illegal mining activities reaping significant economic benefits, making it difficult to eradicate solely through action against mining perpetrators in the field.

In this context, Central Government supervision must be understood as a comprehensive control system (integrated supervision system), namely supervision that is not limited to the issuance of Business Permits, but also encompasses oversight of production, transportation, processing, refining, marketing, exports, and reporting of mineral and coal sales. If supervision is focused solely on the permit issuance stage, while the distribution of mining products is not optimally monitored, then the opportunity for illegal mining products to enter the official trade chain will remain open. Consequently, the objective of establishing Law Number 3 of 2020 to create orderly, transparent, and accountable mining governance will be difficult to achieve (Sutedi, 2022).

Administratively, the Central Government, through the ministry responsible for energy and mineral resources, is obligated to provide guidance and supervision to all Business Permit holders. This supervision includes checking the legality of production, ensuring production volumes are consistent with reporting documents, complying with state revenue payment obligations, implementing reclamation and post-mining activities, and verifying the origin of traded minerals and coal. Therefore, every company purchasing or processing minerals and coal is required to ensure that the commodities originate from legitimate permit holders. This obligation is a logical consequence of a licensing system built on the principle of legality.

One weakness in central government oversight remains the mechanism for verifying the origin of minerals and coal. In practice, illegal mining products are still found to be mixed with those produced by licensed companies, making it difficult to distinguish them during distribution and sales. This practice not only eliminates potential state revenue in the form of royalties and non-tax state revenue (PNBP) but also creates unfair business competition, as legally compliant companies must compete with businesses profiting from illegal activities. This phenomenon demonstrates that weak oversight of the mining distribution chain can undermine the effectiveness of the licensing system established by the central government (Salim, 2021).

On the other hand, oversight of the implementation of Article 161 is also closely related to environmental protection efforts. Mining products originating from illegal mining activities are generally obtained through activities that ignore reclamation obligations, lack environmental documentation, fail to implement waste management, and fail to meet mining safety standards as stipulated in laws and regulations. Therefore, any party purchasing or trading illegal mining products indirectly contributes to the continuation of mining activities that have the potential to cause environmental damage. From this perspective, Article 161 not only has an economic function, but also serves as an instrument for environmental protection and sustainable development.

Beyond environmental aspects, oversight of the implementation of Article 161 also has a dimension of protecting community rights. In various regions, illegal mining activities often give rise to agrarian conflicts, land ownership disputes, water source pollution, damage to public roads due to the mobilization of mining vehicles, and disruption to the economic activities of surrounding communities. If illegal mining products continue to be freely marketed, these conflicts will continue to recur due to the significant economic incentives for the perpetrators. Therefore, oversight of mining product distribution channels is an integral part of the Central Government's constitutional responsibility to protect community interests.

Fundamental changes regarding the authority to issue mining permits occurred following the

enactment of Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining. This law changed the system of division of authority, which previously involved regional governments, to one that places the central government as the primary authority holder in administering mining permits. This policy is based on the consideration that mining management requires uniform national standards, strong legal certainty, and more effective oversight of mining activities that have cross-regional impacts and are of strategic value to the national interest.

Normatively, the central government's authority is affirmed in Article 4 paragraph (2) of Law Number 3 of 2020, which states that control of minerals and coal by the state is carried out by the Central Government in accordance with the provisions of this Law. This provision confirms the shift in authority from previously dispersed to centralized authority in the central government. Through this norm, the central government obtains legal legitimacy to determine mining areas, establish national policies, issue business permits, provide guidance, carry out supervision, and even impose administrative sanctions on permit holders who violate the provisions of laws and regulations.

This authority is further elaborated in Article 35 paragraph (1) of Law Number 3 of 2020, which states that mining businesses are carried out based on Business Permits from the Central Government. This provision means that all forms of mining business legality, whether in the form of Mining Business Permits (IUP), Special Mining Business Permits (IUPK), Rock Mining Permits (SIPB), or other forms of permits, are in principle issued by the central government through the Minister of Energy and Mineral Resources or officials who have received delegation of authority in accordance with the provisions of laws and regulations. Thus, regional governments no longer have attribution authority in issuing mining business permits as previously regulated.

The central government's authority in issuing mining permits is not limited to issuing administrative documents, but also includes assessments of technical feasibility, environmental feasibility, the applicant's financial capacity, compliance with spatial planning, and compliance with national mining policies. Therefore, permit issuance is the result of an integrated administrative, technical, environmental, and legal evaluation process. Through this mechanism, the central government ensures that only business entities that meet all requirements can obtain the right to carry out mining activities (Pudyatmoko, 2009).

In the practice of governance, the Minister of Energy and Mineral Resources acts as a state administrative official who carries out the authority of the central government in the mining sector. The Minister has the authority to determine Mining Business Permit Areas (WIUP), determine Special Mining Business Permit Areas (WIUPK), issue business permits, evaluate the compliance of permit holders, extend the validity period of permits, make changes to permits, and even revoke permits if the permit holder does not fulfill the obligations stipulated by laws and regulations. All of these authorities are a form of implementation of government functions in the field of mineral and coal resource management which is nationally strategic.

The strengthening of central government authority is also in line with the Risk-Based Business Licensing policy (Risk-Based Approach) as stipulated in Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation as Law and Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing. Under this system, the central government classifies the risk level of business activities as the basis for determining the type of permit, business requirements, and intensity of supervision. Mining activities are categorized as high-risk businesses and therefore require stricter supervision than other business sectors. This policy demonstrates that the centralization of authority aims not only to accelerate investment but also to strengthen state control over business activities that have the potential to have significant impacts on the environment and public safety.

Although the authority to issue permits has been centralized, regional governments still have a role in supporting the implementation of mining permits, particularly through the provision of spatial planning data, monitoring of social and environmental impacts in the region, facilitating conflict resolution with communities, and coordinating field supervision. Thus, the relationship between the central and regional governments is no longer one of sharing authority over permit

issuance, but rather a coordinative relationship to ensure the effectiveness of mining activities. This model is expected to eliminate the dualism of authority that has been one of the causes of licensing conflicts in the mining sector.

From a state administrative law perspective, the centralization of authority to issue mining permits also strengthens the implementation of the General Principles of Good Governance (AUPB) as stipulated in Law Number 30 of 2014 concerning State Administration. Every decision to issue a permit must be based on the principles of legal certainty, benefit, accuracy, non-abuse of authority, transparency, public interest, and good service. Thus, the central government's authority is not absolute, but rather limited by law, subject to review through state administrative court mechanisms, and subject to administrative and judicial accountability. This demonstrates that the centralization of authority in issuing mining permits is an instrument to strengthen national mining governance that is effective, accountable, and oriented towards protecting the public interest and environmental sustainability.

The research also revealed that the implementation of Article 161 in law enforcement practices still faces various obstacles. One of the main obstacles is proving the origin of traded minerals or coal. Law enforcement officials must be able to prove that the commodity truly originates from mining activities that do not have a Business License. This proof requires accurate administrative data regarding the mining business permit area, transportation documents, production reports, sales documents, and an integrated mining information system. If this administrative data is incomplete or not synchronized between agencies, the law enforcement process under Article 161 will face difficulties in providing evidence, potentially reducing the effectiveness of criminal sanctions (Ridwan, 2021).

Another problem identified in the research is the suboptimal coordination between the central government, regional governments, the police, the prosecutor's office, the Directorate General of Minerals and Coal, and agencies responsible for trade oversight. This is despite the fact that the criminal offenses described in Article 161 involve a long distribution chain, from the mining site, storage, transportation, processing, and sale to the final consumer or exporter. Therefore, sectoral oversight will make it difficult to detect the entire chain of activities. An integrated oversight system is needed that integrates the functions of government administration, technical mining oversight, trade oversight, environmental oversight, and criminal law enforcement.

From a state administrative law perspective, the Central Government's oversight of the implementation of Article 161 should not stop at imposing criminal sanctions after a violation occurs. Ideal oversight is preventive oversight that can prevent the entry of illegal mining products into the legal trade chain early on. This prevention can be achieved through the digitization of mineral and coal transportation documents, the implementation of a tracking system for the origin of mining commodities, the integration of national production data, and increased frequency of inspections of processing and refining companies. With this system, the legal origins of every mineral and coal marketed can be traced, thereby narrowing the scope for illegal mining operators.

Based on the overall description, it can be analyzed that Article 161 of Law Number 3 of 2020 is a legal instrument that has a strategic function in supporting the effectiveness of the Central Government's supervision of the mining licensing system. This provision not only protects the authority of the Business Licensing system, but also maintains state revenue, protects the environment, creates healthy business competition, and prevents the development of illegal mining trade networks. However, research results show that the effectiveness of the implementation of Article 161 is still influenced by various obstacles, including suboptimal supervision of the mineral and coal distribution chain, limitations in the commodity origin verification system, weak data integration between agencies, and less than optimal coordination between the Central Government and law enforcement officials and local governments. Therefore, strengthening the technology-based supervision system, increasing institutional capacity, and integrating the national mining information system are urgent steps to realize the goal of orderly, equitable, and sustainable mining management as mandated by Law Number 3 of 2020.

B. Legal Consequences of the Central Government's Supervisory Role in Mining Licensing Based on Law Number 03 of 2020 Concerning Mineral and Coal Mining

This centralization of authority is not without reason. Lawmakers believe that the decentralization of mining management over the years has given rise to various legal issues, including overlapping permit issuances, permits that do not comply with spatial planning, weak oversight of reclamation and post-mining obligations, increased illegal mining practices, and low compliance with environmental protection regulations. As a result of this weak oversight, many mining activities have resulted in water pollution, forest destruction, unreclaimed mine pits, social conflicts, and even state financial losses. Therefore, the amendments to Law Number 3 of 2020 are aimed at strengthening the state's role in regulating, guiding, and supervising all mining activities (Salim, 2021).

The constitutional basis for central government supervision of mining activities is based on Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, which stipulates that "The land, water, and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people." This constitutional norm legitimizes the state to control natural resources through its regulatory (regelen), management (besturen), administration (beheren), supervision (toezichthouden), and policy-making (beleid) functions. Thus, supervision of mining activities is not merely an administrative authority, but rather a constitutional order that must be implemented by the government as the holder of the mandate to manage natural resources for the benefit of the people.

In the context of state administrative law, the central government's supervisory authority over mining permits is a consequence of the granting of attribution authority by lawmakers. According to the theory of authority, attribution is the granting of authority directly derived from law to government organs to carry out certain functions. Therefore, while Law Number 3 of 2020 grants the Central Government the authority to issue mining business permits, it also simultaneously grants the Central Government the authority to conduct guidance, inspections, evaluations, administrative law enforcement, and revoke permits if permit holders violate statutory provisions (Ridwan, 2020).

Supervision of mining permits is not only directed at administrative aspects in the form of compliance with licensing requirements, but also includes supervision of technical aspects of mining, occupational safety, mineral and coal conservation, environmental protection, reclamation, post-mining, use of forest areas, utilization of space, to the implementation of financial obligations to the state. Thus, the object of central government supervision has a very broad scope because it covers all stages of mining business activities from exploration, production operations, processing and refining, transportation and sales, until the end of post-mining activities.

The strengthening of this supervisory function is also evident in Article 140 of Law Number 3 of 2020, which essentially authorizes the Central Government to provide guidance and supervision over the management of mineral and coal mining businesses. This supervision is carried out through evaluations of permit holder compliance, field inspections, verification of activity reports, supervision of reclamation and post-mining activities, and supervision of compliance with environmental protection and management provisions. With these provisions, the government plays a role not only as a permit issuer but also as an active supervisor responsible for ensuring that all mining activities are carried out in accordance with applicable laws.

Central government oversight in the mining sector is essentially an instrument for realizing the principles of good mining governance, namely mining governance that prioritizes legal certainty, transparency, accountability, efficiency, environmental protection, and public welfare. Through effective oversight, the government can prevent permit abuse, reduce illegal mining practices, improve company compliance with reclamation and post-mining obligations, and ensure that the utilization of mineral and coal resources truly provides the greatest benefits for the prosperity of the people as desired by the constitution. Therefore, the effectiveness of central government oversight is one indicator of the successful implementation of Law Number 3 of 2020 in creating equitable and sustainable mining governance.

The enactment of Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining has fundamentally changed the mining management

system in Indonesia, particularly regarding the division of authority in the implementation of mining business permits. This change is marked by the transfer of most of the authority previously held by regional governments to the Central Government, both in the aspects of granting Business Permits, guidance, supervision, evaluation and administrative law enforcement of mining business activities. This centralization of authority not only brings about institutional changes, but also has very broad legal consequences for the responsibilities of the Central Government as the administrator of government in the field of mineral and coal mining.

Legally, the transfer of authority results in the Central Government becoming a public legal subject fully responsible for the legality of the entire mining permit process. Consequently, all administrative actions related to the issuance, amendment, extension, evaluation, development, or revocation of mining business permits must be carried out in accordance with statutory provisions and general principles of good governance. Therefore, if there is an abuse of authority, negligence in supervision, or errors in the issuance of permits that result in state losses, environmental damage, or violations of community rights, the Central Government cannot absolve itself of legal responsibility on the grounds that the mining activities are carried out by a business entity as the permit holder.(Hadjon, 2015).

The first legal consequence of this centralization of authority is the emergence of administrative responsibility of the Central Government for the entire process of implementing mining permits. This administrative responsibility is a consequence of the granting of attribution authority by law to the Central Government to control mining business activities nationally. Therefore, every administrative decision in the form of issuing a Business Permit must meet the requirements for a valid state administrative decision, namely the existence of authority, correct procedures, substance in accordance with legal provisions, and objectives that do not conflict with the public interest. If any of these elements are not met, the decision to grant a permit has the potential to be declared legally flawed and can be revoked through administrative law mechanisms or state administrative courts.

In the practice of governance, the legal consequences indicate that the Central Government no longer functions solely as a regulator, but also as an institution that bears responsibility for the success or failure of the national mining supervision system. The results of the study indicate that the success of supervision is not solely measured by the number of permits issued, but must also be measured by the government's ability to ensure that all permit holders carry out their legal obligations in accordance with the provisions of the laws and regulations. Therefore, if companies are still found mining outside their permit areas, failing to carry out reclamation, failing to fulfill post-mining obligations, making false production reports, or even trading illegal mining products, then these conditions are indicators that the supervisory function is not functioning optimally.

The second legal consequence is the emergence of a legal obligation for the Central Government to provide continuous guidance and supervision. This obligation is expressly stipulated in Article 140 of Law Number 3 of 2020, which essentially states that the Central Government provides guidance on the implementation of mining business activities, including technical aspects of mining, mineral and coal conservation, mining safety, environmental management, reclamation, post-mining, utilization of domestic goods and services, workforce development, community development, technology mastery, and administrative and financial aspects. This provision indicates that the supervisory function granted to the Central Government is not only repressive in nature through the imposition of sanctions in the event of violations, but also preventive in nature through guidance aimed at preventing legal violations from the outset of mining business activities.(Salim, 2021).

With this guidance obligation, the Central Government has a responsibility to ensure that all Business Permit holders understand and comply with all obligations imposed by laws and regulations. Therefore, if repeated violations by permit holders occur that could have been prevented through guidance mechanisms, this legally indicates that the Central Government's oversight function is not yet optimal. In other words, weak guidance can be a factor that increases the potential for administrative violations and criminal acts in the mining sector.

The third legal consequence is the emergence of responsibility for controlling environmental

damage caused by mining activities. Central Government supervision is not only directed at the legal aspects of permits, but also includes company compliance with environmental protection and management obligations. This is in line with the provisions of Article 96 of Law Number 3 of 2020, which requires permit holders to implement good mining practices, including environmental management, mining safety, mineral and coal conservation, as well as reclamation and post-mining. Therefore, if the Central Government fails to carry out effective supervision, resulting in preventable pollution or environmental damage, the state is legally responsible for taking administrative action, suspending activities, revoking permits, and enforcing the law against business actors who commit violations (Sutedi, 2022).

One of the ongoing challenges in implementing oversight is the limited number of Mining Inspectors compared to the size of mining areas in Indonesia. This situation results in the frequency of field inspections not being able to reach all permit holders on a regular basis. As a result, some violations are only discovered after they have caused significant impacts on the environment and surrounding communities. This situation demonstrates that centralization of authority must be accompanied by strengthening institutional capacity to ensure the effective implementation of this extensive authority.

The next legal consequence is the emergence of the Central Government's responsibility to ensure legal certainty for the business world. One of the main objectives of licensing centralization is to create a simpler, more transparent, and integrated service system that can improve the national investment climate. Therefore, the Central Government is obliged to ensure that every permit issuance and supervision process is carried out based on clear, objective, non-discriminatory procedures, and is free from abuse of authority. If uncertainty arises regarding permit status, overlapping mining areas, or policy changes that lack a clear legal basis, these circumstances have the potential to give rise to administrative disputes, lawsuits in the State Administrative Court, and even demands for compensation from business actors.

In addition to providing legal certainty to investors, the Central Government is also obligated to provide legal protection to communities affected by mining activities. Effective oversight must ensure that mining activities do not diminish communities' rights to a healthy and good environment, land rights, the right to information, and the right to compensation for losses incurred as a result of mining activities. Therefore, the oversight function is not solely oriented toward investment interests but must also maintain a balance between economic interests, social interests, and environmental sustainability.

Another legal consequence is the possibility of state administrative accountability if, in the implementation of supervision, there are actions that contradict the provisions of government administrative law. For example, if an authorized official issues a permit without fulfilling the specified requirements, ignores the results of a technical evaluation, or fails to follow up on a known violation resulting in losses to the state or the public, then such actions can become the object of internal government supervision, inspection by supervisory officials, and even become the object of disputes in the State Administrative Court in accordance with the provisions of Law Number 30 of 2014 concerning Government Administration. This shows that the authority held by the Central Government is always accompanied by legal responsibility that must be accounted for administratively and juridically.

Based on the research results, there is still a gap between the conditions expected by legal norms (das sollen) and the reality on the ground (das sein). Normatively, the Central Government is given very broad authority to regulate, foster, and supervise all mining activities in Indonesia. However, in practice, there are still illegal mining, violations of reclamation obligations, sales of minerals that do not comply with regulations, conflicts in mining areas, and environmental damage, indicating that the supervisory function is not fully effective. These conditions have resulted in the objective of establishing Law Number 3 of 2020 to create orderly, transparent, equitable, and sustainable mining governance not being fully realized.

The legal consequences of the centralization of supervisory authority in Law Number 3 of 2020 not only grant the Central Government the right to control the mining licensing system, but also give rise to much greater legal obligations in the form of administrative responsibilities,

coaching responsibilities, supervisory responsibilities, environmental protection responsibilities, responsibility for ensuring legal certainty, and responsibility for protecting public interests and state revenues. The broader the authority granted by law to the Central Government, the greater the legal consequences that must be borne if the supervisory function is not implemented effectively in accordance with the principles of good governance.

The supervision carried out by the Central Government in the implementation of mining permits not only functions as an instrument of government administrative control, but also has direct legal consequences for holders of Mining Business Permits (IUP), Special Mining Business Permits (IUPK), People's Mining Permits (IPR), and other forms of Business Permits as regulated in Law Number 3 of 2020. These consequences arise because each permit issued by the Central Government not only grants the permit holder the right to conduct mining business activities, but also imposes various legal obligations that must be fulfilled during the validity period of the permit. Therefore, any violation of these obligations will result in legal consequences in the form of administrative sanctions, civil liability, or criminal liability according to the level of violation committed.

Conceptually, a mining permit is a constitutive state administrative decision, one that creates new rights for the recipient to engage in activities that are, in principle, prohibited without government approval. Therefore, the existence of an IUP or IUPK cannot be understood merely as an administrative document, but rather as a legal instrument that creates a legal relationship between the Central Government as the permit issuer and the business entity as the permit holder. In this legal relationship, the Central Government has the authority to provide guidance and supervision, while the permit holder is obliged to implement all provisions stipulated in the laws and regulations as well as the conditions attached to the granted permit. If these obligations are violated, legal consequences automatically arise for the permit holder in the form of restrictions on rights, the imposition of sanctions, and even the revocation of the legality of their business (Marbun, 2018).

The results of the study indicate that violations committed by IUP and IUPK holders are generally related to failure to fulfill administrative obligations, mining technical obligations, environmental obligations, state revenue payment obligations, and business activity reporting obligations. These violations include mining outside the Mining Business Permit Area (WIUP), failing to submit periodic activity reports, exceeding the approved work plan, failing to carry out reclamation and post-mining activities, failing to place reclamation guarantees, transporting and selling minerals without valid documents, and submitting production data that does not correspond to actual conditions. These violations constitute a form of non-compliance with the licensing system that directly reduces the effectiveness of Central Government supervision.

The first legal consequence for permit holders is the imposition of administrative sanctions. Law Number 3 of 2020 authorizes the Central Government to impose administrative sanctions on any permit holder who violates licensing provisions. Based on Article 151 paragraph (2), these administrative sanctions consist of written warnings, administrative fines, temporary suspension of some or all exploration or production operations, and revocation of IUP, IUPK, IPR, SIPB, or IUP for Sales. This regulation shows that the legislators place administrative sanctions as the main instrument in supervision because they aim to restore compliance of permit holders before criminal law enforcement mechanisms are taken. Further provisions regarding the types, amounts of fines, procedures, and mechanisms for imposing administrative sanctions are regulated through Government Regulations as mandated by Article 156.

From the perspective of state administrative law, administrative sanctions have a reparatory and preventive character, namely, the aim is to restore conditions to conformity with legal provisions while preventing the recurrence of similar violations. Therefore, if a company is late in submitting production reports or has not fulfilled some of its reclamation obligations, the Central Government can in principle first issue a written warning along with a deadline for fulfillment of the obligations. However, if the company continues to ignore its obligations, the Central Government has the authority to escalate the type of sanction to a temporary suspension of business activities or even revoke the permit that has been granted. With the revocation of the permit, all rights of the IUP or IUPK holder to conduct mining activities are terminated by law, so that any activity that continues after the permit revocation can be qualified as mining activities without rights.

The next legal consequence is the loss of the right to conduct mining business activities. Permit revocation not only removes the company's legal right to conduct exploration and production operations, but also eliminates the company's right to control the permit area previously granted by the state. From the moment the revocation takes effect, the company no longer has a legal basis to mine, transport, process, or sell minerals and coal. If the company continues to carry out these activities, its actions can be classified as unlicensed mining activities, which opens up the possibility of applying criminal provisions in Law Number 3 of 2020. Thus, permit revocation not only has administrative consequences but also has the potential to result in criminal consequences if the permit holder fails to comply (Simanjuntak, 2020).

In addition to administrative sanctions, permit holders may also be subject to civil liability if their violations result in losses to the state, the community, or the environment. In mining practice, these losses can include the destruction of forest areas, river pollution, loss of agricultural land, damage to public roads due to mining vehicle activity, or disruption of the rights of indigenous peoples and communities surrounding the mining area. In such circumstances, the company is not only obliged to stop the violation, but is also obliged to repair the damage caused and provide compensation if proven to have caused losses to other parties. This obligation is in line with the provisions of the Environmental Protection and Management Law, which stipulates that any party responsible for a business that causes environmental pollution or damage is obliged to carry out environmental restoration and compensate for the losses incurred.

An equally important legal consequence is the criminal liability of permit holders who commit certain violations as regulated in the Criminal Provisions Chapter of Law Number 3 of 2020. For example, Article 159 stipulates that IUP, IUPK, IPR, or SIPB holders who intentionally submit false reports or provide false information can be punished with a maximum imprisonment of five years and a maximum fine of IDR 100,000,000,000.00. This provision shows that the reporting obligation is not only an administrative obligation, but also a legal obligation whose violation can give rise to criminal liability if done intentionally.

Furthermore, permit holders are also obliged to implement good mining practices, including meeting mining safety standards, mineral and coal conservation, environmental protection, reclamation, and post-mining. Failure to fulfill these obligations not only results in administrative sanctions but can also give rise to legal liability if such negligence results in work accidents, environmental disasters, pollution, or harm to the community. Therefore, the existence of an IUP or IUPK does not provide absolute legal protection for companies, because every right granted by the state is always accompanied by obligations that must be consistently fulfilled throughout the course of business activities.

In some cases, violations persist for extended periods because field inspections are not conducted regularly or because company reporting has not been comprehensively verified. Consequently, discrepancies between production reports and actual conditions are only discovered after significant state losses or environmental damage have occurred. This situation demonstrates that the effectiveness of legal sanctions depends heavily on the quality of central government oversight. The sooner violations are discovered through oversight mechanisms, the greater the government's opportunity to take corrective action before the violations escalate into criminal acts or cause irreversible environmental damage.

Based on research findings, a gap remains between legal norms and their implementation in the field. Normatively, Law Number 3 of 2020 provides a comprehensive set of sanctions, ranging from administrative sanctions and civil liability to criminal sanctions. However, in practice, these sanctions are not always applied consistently to all business actors. In some cases, companies have been found to continue operating despite not fulfilling all reclamation obligations or still having outstanding financial obligations to the state. This situation has the potential to create legal injustice, as companies that comply with licensing requirements must compete with companies that profit by violating their legal obligations.

The Central Government's supervision of IUP and IUPK holders is not only in the form of imposing administrative sanctions, but also includes the loss of the right to conduct business activities, the emergence of recovery and compensation obligations, and criminal liability if the

violation has fulfilled the elements of a criminal act as regulated in Law Number 3 of 2020. Therefore, the effectiveness of the supervisory system is a very determining factor in realizing compliance from permit holders while ensuring that the management of mineral and coal resources is truly carried out for the greatest prosperity of the people in accordance with the mandate of the constitution.

Criminal consequences for any person or business entity that carries out mining activities without having a Business License as required by Law Number 3 of 2020. These provisions indicate that the supervisory system established by the legislators does not only rely on administrative mechanisms in the form of guidance and the provision of administrative sanctions, but is also strengthened through criminal law instruments as an ultimum remedium in order to maintain legal authority, protect natural resources, and provide a deterrent effect to any party that carries out mining activities unlawfully. Thus, the existence of criminal provisions in Law Number 3 of 2020 is a logical consequence of the existence of a supervisory system carried out by the Central Government.

Normatively, mining activities can only be carried out if a Business License has been obtained from the Central Government as stated in Article 35 paragraph (1) of Law Number 3 of 2020. This provision means that a permit is an absolute requirement (mandatory requirement) for every exploration activity and production operation of minerals and coal. Therefore, any mining activity carried out without a permit is an act that is against the law and has legal consequences in the form of criminal liability. In this context, Central Government supervision has a very strategic function because it is an instrument to ensure that all mining activities take place within the corridor of state administrative law and do not develop into illegal mining activities.

The legal consequences are stated in Article 158 of Law Number 3 of 2020, which states that anyone who carries out mining without a permit as referred to in Article 35 shall be subject to a maximum imprisonment of 5 (five) years and a maximum fine of IDR 100,000,000,000.00 (one hundred billion rupiah).

The formulation of this norm demonstrates that lawmakers impose quite severe criminal penalties on those involved in illegal mining. The threat of imprisonment and substantial fines demonstrates that illegal mining activities are categorized as highly dangerous, as they not only harm the state financially but also have the potential to cause environmental damage, agrarian conflicts, loss of occupational safety, and disruption of public order. Therefore, the application of Article 158 is not only intended to punish perpetrators but also serves as an instrument to protect the broader public interest (Harahap, 2016).

The research results show that the existence of Article 158 is closely related to the effectiveness of central government oversight. The more effective oversight of mining areas, the less likely it is that unauthorized mining activities will develop. Conversely, weak administrative oversight opens the door to the emergence of illegal mining activities that are difficult to detect because they occur in remote areas, forested areas, or areas far from the reach of regulatory authorities. In such circumstances, oversight is no longer preventive but instead becomes repressive after violations have persisted for a long time. As a result, state losses and environmental damage often occur before law enforcement action is taken.

The next legal consequence is the emergence of criminal liability for parties who profit from illegal mining. This regulation is set out in Article 161 of Law Number 3 of 2020, which states that any person who accommodates, utilizes, carries out Processing and/or Refining, Development and/or Utilization, Transportation, Sales of Minerals and/or Coal that do not originate from holders of Business Permits or permits as referred to in this Law shall be punished with imprisonment for a maximum of 5 (five) years and a maximum fine of IDR 100,000,000,000.00 (one hundred billion rupiah).

This provision broadens the scope of criminal liability. The lawmakers not only punish the main perpetrators of illegal mining but also encompass the entire distribution chain of illegal mining products. Therefore, anyone who purchases, transports, stores, processes, refines, or trades minerals and coal originating from unauthorized activities can also be held criminally liable. This policy is a form of criminal policy aimed at disrupting the economic network of illegal mining, thereby eliminating the market for these activities and no longer providing financial benefits to the

perpetrators.(Arief, 2017).

Illegal mining practices do not occur in isolation, but generally involve a complex network of financiers, heavy equipment operators, transportation providers, collectors, processing companies, and end buyers. Therefore, if law enforcement focuses solely on miners in the field, while those who benefit from illegal activities are not prosecuted, eradicating illegal mining will not yield optimal results. In this context, central government oversight is crucial to ensure that the entire mineral and coal distribution chain is monitored through a transparent and integrated mining administration system.

Another legal consequence of weak oversight of unlicensed mining activities is the loss of potential state revenue. All legally conducted mining activities are required to fulfill their obligations to pay royalties, fixed fees, Non-Tax State Revenue (PNBP), taxes, and other financial obligations in accordance with statutory provisions. Conversely, unlicensed mining activities contribute nothing to the state because all production is obtained and traded outside of legal mechanisms. As a result, the state loses a source of revenue that could otherwise be used for national development, improving public welfare, and financing environmental protection programs. Therefore, weak oversight by the Central Government not only results in legal consequences in the criminal aspect but also has a direct impact on the state's finances (Ilmar, 2012; Prasetyo, 2019).

In addition to economic losses, illegal mining also causes significant ecological damage. Research shows that most illegal mining activities lack environmental documentation, do not conduct environmental impact analyses, do not provide reclamation guarantees, do not manage waste, and do not carry out post-mining activities. As a result, many former mining areas have turned into critical land, the formation of mine pits that endanger public safety, river sedimentation, water pollution due to the use of hazardous chemicals, and the loss of the ecological function of forest areas. This damage ultimately results in legal consequences in the form of environmental restoration obligations and the possibility of the application of environmental criminal provisions if they meet the elements of a criminal act as stipulated in laws and regulations on environmental protection and management.

Another legal consequence is increased social conflict and agrarian disputes. In various regions, illegal mining activities are often carried out in areas where land rights are already granted, in state forest areas, or in areas that serve as sources of livelihoods for communities. These activities trigger conflicts between mining operators and indigenous communities, land rights holders, local governments, and companies that already have official permits. These conflicts not only disrupt social stability but also cause economic losses for surrounding communities due to the destruction of agricultural land, the decline in clean water quality, and the disruption of community business activities. This situation demonstrates that weak central government oversight has legal consequences that go beyond administrative and criminal aspects, as it also affects the protection of community civil rights.

In practice, state financial losses are not only caused by unlicensed mining activities but can also arise from violations committed by permit-holding companies. For example, companies that report lower production volumes than actual levels will pay lower royalties. Similarly, if mining products are sold without proper reporting mechanisms, potential state revenues are significantly reduced. Therefore, the central government's oversight of mining production and marketing is crucial in maintaining optimal state revenue from the mining sector.

Weak oversight can lead to legal consequences in the form of increased legal disputes. These disputes can occur between communities and companies, between companies and the central government, between companies and local governments, or between companies with interests in the same mining area. These disputes are generally triggered by unclear permit boundaries, alleged violations of environmental documents, pollution, or conflicts over forest use. The large number of these disputes demonstrates that effective oversight should function as a preventative control mechanism so that potential conflicts can be resolved early through guidance and evaluation of permit holders.

Another equally important legal consequence is the decline in public trust in governance in the mining sector. In a state governed by the rule of law, every authority granted to the government

must be exercised transparently, accountably, and responsibly. If the public continues to witness rampant illegal mining activities, unrecovered environmental damage, or companies continuing to operate despite violating legal provisions, public trust in the effectiveness of government oversight will decline. This situation could ultimately impact the legitimacy of government policies in managing natural resources and hinder efforts to achieve good mining governance.

The research also reveals a gap between normative provisions and their implementation. Although the criminal penalties in Articles 158 and 161 are considered severe, illegal mining practices are still found in various regions of Indonesia. This is due to several factors, including the limited number of Mining Inspectors, the vastness of the supervised areas, limited technology-based monitoring facilities, weak inter-agency coordination, and the high economic value of mineral and coal commodities. Therefore, the threat of criminal penalties alone is not sufficient to eliminate illegal mining practices without the support of an effective, integrated, and sustainable monitoring system.

The legal consequences of the Central Government's oversight of illegal mining activities are far-reaching. From a criminal law perspective, both miners and those trading illegal mining products are subject to imprisonment and fines, as stipulated in Articles 158 and 161 of Law Number 3 of 2020. Administratively, these activities lack legal recognition, rendering all mining activities illegal. Financially, the state loses revenue in the form of royalties, non-tax state revenues (PNBP), and taxes. Environmentally, it imposes an obligation to remediate the damage caused. Socially, the proliferation of illegal mining increases the potential for agrarian conflict, security disturbances, and legal uncertainty within the community.

Based on the entire description of the Central Government's supervisory role in the implementation of mining permits as discussed in the previous subchapter, it can be understood that the changes in legal policy through Law Number 3 of 2020 not only alter the division of authority between the Central Government and Regional Governments, but also change the legal consequences for the entire implementation of national mining governance. The centralization of authority, which was originally intended to create legal certainty, simplify the licensing system, increase investment, and strengthen oversight, still faces various problems in its implementation. Thus, the resulting legal consequences are not only felt by mining business permit holders, but also by the Central Government as the authority holder, the community, the environment, and even the national mining legal system as a whole.

Thus, the results of this study indicate that the legal consequences of Central Government supervision in mining licensing not only result in consequences in the form of sanctions against violators, but also give rise to constitutional responsibility for the Central Government to ensure that all management of mineral and coal resources is carried out in accordance with the principles of legal certainty, justice, benefit, sustainability, and the greatest possible prosperity for the people. Therefore, the success of the implementation of Law Number 3 of 2020 is ultimately determined not only by the quality of the legal norms established, but also by the consistency of supervision, the effectiveness of law enforcement, institutional capacity, and the commitment of all stakeholders in realizing good mining governance in Indonesia.

CONCLUSIONS

Legal Analysis of the Role of Central Government Supervision in Mining Licensing Based on Law Number 03 of 2020 concerning Mineral and Coal Mining, the centralization of mining licensing authority to the Central Government is a legal policy aimed at creating legal certainty, simplifying the licensing system, increasing the effectiveness of supervision, and realizing more integrated mining governance. Normatively, the Central Government has broad authority in granting Business Licensing, conducting guidance, supervision, evaluation, and imposing sanctions on permit holders who violate the provisions of laws and regulations. However, the implementation of the supervisory function has not been running optimally due to the continued existence of illegal mining, weak supervision of reclamation and post-mining, limited number of Mining Inspectors, suboptimal utilization of supervision technology, and suboptimal coordination between the Central Government and regional governments and law enforcement officials. This condition indicates that there is still a

gap between the expected legal provisions (das sollen) and implementation in the field (das sein).

Legal Consequences of the Central Government's Supervisory Role in Mining Licensing Based on Law Number 03 of 2020 concerning Mineral and Coal Mining, which is not only aimed at IUP or IUPK holders who commit violations, but also has implications for the Central Government's responsibility in ensuring legal certainty, environmental protection, optimization of state revenues, and protection of community rights. Permit holders who violate licensing provisions may be subject to administrative, civil, or criminal sanctions in accordance with Law Number 3 of 2020, including the provisions of Article 158 and Article 161 concerning mining without a permit and control or trade in illegal mining products. Meanwhile, weak supervision has the potential to cause environmental damage, loss of state revenue, increased social conflict, and decreased legal certainty in the implementation of mining businesses. Therefore, the effectiveness of supervision is a major factor in realizing sustainable mining management and in accordance with the mandate of Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia.

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