



A Legal Analysis of Mining Industry Licence and Mining Impact for the Community in Bungku Pesisir Subdistrict, Morowali Regency

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Abstract. The goal of the ratification of Law No. 3 of 2020 regarding Amendments to Law No. 4 of 2009 regarding Mineral and Coal Mining is to maximise state revenue and protect ecosystems from uncontrolled environmental damage. This is essential in the mining management process so that this industry can contribute to the prosperity of people while also being environmentally responsible and sustainable. This research aimed to analyse the implementation of Law No. 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining and Government Regulation (PP) No. 5 of 2021 concerning Management of Mining Licence and to elaborate on the impacts of the mining industry in Bungku Pesisir Subdistrict, Morowali Regency. A type of quantitative observational research was used in this study. The study's population consisted of 219 family heads, and the 64 samples came from the mining-affected village of Laroenai. A "time series" analysis (before and after the mining industry) was used to figure out the direction of social change. The findings of this research indicated that the implementation of the mining industry licence policy is inconsistent with government regulation number 5 of 2021 concerning licencing guidelines for mining industry licence management. The implementation of the mining industry licence policy is not optimal. Mining companies have disregarded the provisions of Law No. 3 of 2020 regarding minerals and coal and Government Regulation (PP) No. 5 of 2021 regarding the management of mining licences. The existence of mining in Bungku Pesisir Subdistrict, Morowali Regency, has negatively affected the livelihoods of the local population.

Keywords: Mining license; Implementation; Mining Impact

1 Background

The 1945 Constitution states in Article 33, paragraph 3, that "earth, water, and the natural resources contained therein are under the control of the state and used for the greatest prosperity of the people." The government has the responsibility and authority to execute state policies that maximise the management and utilisation of natural resources for the prosperity of the people. The government has a responsibility to carry out its responsibilities regarding the sustainable utilization of natural resources optimally, and their utilization must be maximized for the benefit of the people by taking multiple factors into account. Therefore, management must provide added value to the national economy in order to accomplish the prosperity and well-being of the nation's citizens. Law number 3 of 2020 regarding Mineral and Coal Mining as a replacement for and repeal of Law number 4 of 2009 regarding basic mining terms and conditions. To conduct a mining industry, one must have a Mining Industry Licence (IUP) granted by the central government and regional governments in accordance with authority.

Morowali Regency, Central Sulawesi Province (Central Sulawesi), is one of the regencies in Indonesia that has the potential for natural prosperity. Currently, investors in the mining industry are interested in Morowali Regency. Every mining company that wishes to conduct mining operations must obtain a mining industry licence (IUP) from the competent authority. This is to ensure that every mining company understands the government-issued regulations to prevent excessive exploitation of nature.

The issuance of a Mining Industry Licence (IUP) is intended to regulate and supervise state mining corporations as the highest entity in mining management. The data from the Ministry of Energy and Mineral Resources shows that since the ratification of Government Regulation (PP) number 5 of 2021 concerning Mineral and Coal Mining activities from January to April 2021, the government has issued industry licences for six mining companies in Bungku Pesisir Subdistrict, Morowali Regency.

The neighbourhood has suffered greatly as a result of the numerous mining licences that have been obtained. The extensive use of community property for mining caused environmental harm because there was no reclamation after mining activities. In addition, the confiscation of forest areas has made things worse. How many issues are caused by the numerous regulations that mining entrepreneurs have disregarded, such as the absence of reclamation following mining operations that ought to be piled up to protect the environment. This demonstrated that the monitoring and mining agreements implemented in Bungku Pesisir Subdistrict, Loraenai Village, and Buleleng Village did not adhere to the rules. This is evident from the environmental harm and the numerous disputes that have developed between the community and the company as a result of the latter's lack of a mining licence. Conflicts with the community come from companies determined to conduct excavations in the area without mining permissions, given the environmental damage to those areas Nugraha (2013).

In the Regional Regulation (Perda) Number 2 of 2018 of Central Sulawesi Province concerning the management of the mineral and coal mining industry in Central Sulawesi, article 1 states that every mining company is required to fulfil requirements

such as area maps, complete exploration reports, feasibility study reports, reclamation plans after mining, work plans and cost budgets, plans for the construction of facilities and infrastructure to support production operations, and the availability of experienced mining or geological experts.

Even though there is a Central Sulawesi Regional Regulation Number 2 of 2018, mining problems in Bungku Pesisir Subdistrict still occur frequently because many mining companies do not comply with this regulation. Mining problems in Morowali Regency are due to the non-fulfilment of several administrative, technical, and environmental requirements. Companies like this allegedly did not follow the laws and regulations that have been set. These violations include, for example, changes in the landscape and pollution of rivers on the coast along the Bungku Pesisir subdistrict, deforestation, conflicts between companies and local communities, the loss of agricultural land and plantations in Laroenai Village due to environmental pollution, and a lack of attention to communities around mining.

Based on the background above, the researcher is interested in analysing the implementation of mining industry licences and the impact of mining activities on the community in Bungku Pesisir Subdistrict, Morowali Regency through a study entitled "A Legal Analysis Of Mining Industry Licence And Mining Impact For The Community In Bungku Pesisir Subdistrict, Morowali Regency"

2 Result and Finding

Geographical Conditions of Morowali Regency

Morowali Regency is an administrative unit within the Indonesian province of Central Sulawesi. Bungku City is the district capital as well as the administrative center. In 2020, this region has an area of 3,037.000 km² and a population of 158,510. The name Morowali is derived from the Wana language, which means "bellow". Central Sulawesi's tenth largest, ninth most populous, and twelfth most populous district is Morowali. There are 9 sub-districts, and 126 villages in Morowali Regency. Morowali is bordered by North Morowali, South Sulawesi, and Southeast Sulawesi. The primary source of income for the residents of this district is agriculture. Morowali Regency is geographically located between 01o31 12 and 03o46 48 South Latitude and between 121o02 and 123o15 36 East Longitude. Morowali Regency is a district created by the division of Poso Regency, Central Sulawesi Province, in accordance with RI Law No. 51 of 1999.

The Implementation of Mining Industry Licence in Bungku Pesisir Subdistrict, Morowali Regency

Regional Regulation (Perda) of Central Sulawesi Province Number 2 of 2018 concerning the Management of Mining Industry Licences emphasizes that local governments are required to carry out the management of mining industry licences for mine owners. Therefore, the regional government of Central Sulawesi Province plays an important role in realizing government policies. The regional government of Central Sulawesi Province, in this case the Department of Energy, Mineral, and Coal Re-

sources, emphasized that the management of mining industry licences in Morowali Regency has not gone well enough. Even so, the local government will continue to make improvements. This is very important to overcome the problems that arise in implementing government policies for issuing and managing mining industry licences.

Based on the results of field observations and information from interviews, it is known that in terms of technical requirements, for example, feasibility study reports, post-mining reclamation plans, facilities and infrastructure development plans, and the availability of experienced experts, there are still several mining companies that have not completed the technical requirements, for example, not having established management factories and not carrying out post-mining reclamation, so that it is still hampered by the implementation of the mining industry license policy, which is an obligation that must be obeyed.

The Impact of Mining on Community Welfare in Bungku Pesisir Subdistrict, Morowali Regency.

From a social perspective, mining activities have had an impact not only at the micro level, such as individuals and families, but also at the macro level, such as communities, organizations and groups, institutions, and social systems. Mining activities in Bungku Pesisir Subdistrict make rivers and sea water in the villages of Laroenai Torete and Buleleng look dark and dirty. The positions of the three villages are surrounded by the activities of nickel mining companies, which are dredging the land in the hilly areas around Laroenai. Paving activities on the wharves along the coast as well as the emergence of modern settlements in places that used to be rural areas and the influx of migrants from other regions and countries to work in the mines have made the situation worse. This case amply demonstrates the significance of social planning in an industrial growth plan. In addition to having a positive effect on the socioeconomic well-being of the community, the presence of an industrial project may also have a detrimental effect by changing the fundamental social and economic values of the neighborhood.

Shifting these values requires management projections and planning, so that the negative impact can be minimized. The presence of mining projects is able to improve the welfare of the community, especially the surrounding community. The increase in people's welfare can be seen through indicators of their socio-economic lives. Based on this, it is considered necessary to carry out scientific research and studies on the socio-economic life of the community as a result of the presence of mining.

This research used a type of quantitative descriptive research. The populations in this study were 219 heads of households while the samples were 64 who experienced the effects of the mining industry. To find out the trend of social change, a "time series" analysis (before and after the existence of the mining industry) was used.

The samples used were those who domiciled in a village near the mining site in Bungku Pesisir Subdistrict, namely Laroenai and Torete village, Morowali Regency, Central Sulawesi. The research focus was the directed at patterns of social change such as factory activities that affect family socio-economic life and social interaction, social stratification, urban areas, social cohesion, values and norms, deviant behavior,

and environmental health. The social interaction of coastal communities with their traditional patterns, especially in rural areas, had very strong social relations and interactions. This could be seen in their daily lives through various joint activities, such as mutual cooperation, friendship, and selfless help.

The results of the study shown that, as described in the frequency of community visits to their neighbors' homes prior to mining, the majority stated that it was always (70.64%). While only a small proportion said sometimes (15.64%). Respondents who never answered (10.94%) This reality shown that the community had very strong kinship ties before the existence of mining. The reasons for respondents visiting neighbors before the construction of a mine were if neighbors held events (46.88%), if neighbors grieved (21.87%), and for hospitality (31.25%).

Along with the entry of mining, the social interaction of the community, which is characterized by a very thick kinship system, begins to erode. Communities that used to have a tendency as a whole seem to be more focused on daily routines. They put more emphasis on hard work as a consequence of a factory area that demands competency. Likewise, the reasons for people to visit their neighbors have also experienced a shift. Communities that work as fishermen previously prioritized togetherness and mutual cooperation before the existence of the industry began to change. Every activity carried out that is individual in nature, such as wedding ceremonies, road repairs, and building places of worship, is always carried out together, and in an atmosphere of selfless kinship now, it is very rare to find. Drastic changes in the tendency to work together with the community appeared after mining activities.

Based on the results of research and observations in the field, it shows that there has been no significant change in the respondent's job transfer as a result of the existence of a mine development in Bungku Pesisir. There are only as many as 6.26% of employees and construction workers in mining companies.

Bungku Pesisir was different from the community before there was mining development. Those who are still seen as a system of people who live in mining development areas have been segmented into various fields of work as a determining factor for position and status. Requirements that must be met to engage in higher status jobs are education and skills.

If it is returned to the respondent's education, it seems that this criterion is sufficiently met by the respondent's educational qualifications. There are even people among them who have a bachelor's degree. The reality of the research shows that only 9.38% of people are moving towards jobs with a higher status, so they are less likely to move to jobs at a higher level. Based on the results of research and interviews with the community, it is known that the most ideal and coveted job by the community is that of a mining employee. This work is considered to have a fairly high status in society, especially when viewed from a material perspective.

Ideally, the company's response to the orientation of the work of the community around the mining area can be considered and realized, but what happens is that there are still very few people who are empowered for this. Communities around the mining area are partly still in their jobs as fishermen. This reality is, of course, a blurry portrait in the midst of a community that actually has a social and economic function that it carries out.

One of the characteristics of a mining area is the soaring price of daily necessities. This incident will certainly have an impact on the level of difficulty the community faces in trying to make ends meet. Most of the people still have the status of fishermen with a deficient income, coupled with a large number of family dependents. This made it even more difficult for them to meet the needs of their families. Mine development at Bungku Pesisir does not involve the surrounding community in the company's operational activities, while the price of goods becomes expensive. If analyzed further, the community's income in the period before the mine development relatively did not really affect their lives, especially because the level of consumption in the community had not yet reached a high level. In addition, the needs of daily life are still quite affordable given their economic capabilities.

Along with the construction of the Bungku Pesisir Mine and its existing complexity, the mindset of the community is also slowly starting to change. They are no longer simple in dealing with their lives, but are starting to be at a high consumptive level.

Based on the results of interviews with the community, most of them thought that the level of difficulty in life after the entry of mining development was increasingly felt, such as the soaring prices of daily necessities while the income for this was insufficient. The above facts show that the concept of development that pursues economic growth does not in fact guarantee an improvement in the standard of living of most of the lower strata of society. The concept of development like this is actually increasingly causing concentration and marginalization, disorientation and cultural alienation, and disruption to the ecological balance. Some of the negative impacts of mining development on the socio-economic life of the community are exacerbated by the company's impact on the geophysical environment, such as air pollution, water pollution, and noise. Air pollution caused by mining activities has an impact on public health, while water pollution from mining waste is quite a cause for concern.

Some people have a good perception because they are employees of a mining company that has a industry relationship with a mining company, while those who have a bad perception are those who only get environmental impacts, such as air pollution and polluted water waste.

The existence of a company will certainly affect the socio-economic conditions of society. As befits a company, its presence at least has a social and economic function. Proportionally, a company has social relations and is able to increase the income of the surrounding community. Unfortunately, this did not turn out as expected, so the people of Bungku Pesisir did not respond well to the existence of the company. This is because there have been no significant changes to the conditions before and after the existence of a mining company. Most of the people of Bungku Pesisir think that there is no positive influence from the company on their social lives. Only a portion of the community has received an increase in income, for example, traders, civil servants, employees, and laborers of mining companies, while those who have not experienced an increase in income are those who work as fishermen.

The public's perception of environmental impact has also changed. The logical consequences that always exist with the company's existence include damage to public facilities, air pollution, sea water pollution, land degradation, noise pollution, and diseases that attack the community caused by water pollution. Communities that say

that the water condition remains good are those that have long lived in the vicinity of mining companies. On the other hand, people who say that water conditions have changed but are not dangerous are people whose education is elementary school, so they do not know the impact that might arise after consuming this water. People who say that water is changing and dangerous are those who have higher education and have broad insights.

The impacts of mining on the environment are as follows:

Damaged public facilities

The mining process can indeed have a negative impact on the environment and public facilities in an area. However, these negative impacts can be minimized by implementing and strictly monitoring the previously recommended prevention processes. One of the impacts is on the hauling process (transportation), especially in the distribution of processed materials to consumers or to cargo ships (shipment process). Dust pollution can cause respiratory problems. In addition, dust pollution can also interfere with the comfort of road users and reduce their visibility. This can lead to traffic accidents, as happened in the villages of Laroenai and Buleleng. Along approximately 1 km, there is an accumulation of material on the edge of the highway. During the rainy season, the road is damaged due to piles of material on the side of the road. If the dump truck used to transport minerals exceeds the ability of the road to support it over time, the road will become damaged, and the life of the road will be shorter than expected. Strict supervision is one of the best solutions to minimize the negative impact of the mining process.

2. Air Pollution

Air polluted by toxic and ozone-depleting gases has become a common problem in every industry in the world. Likewise, in the mining industry. The use of fossil fuels causes an increase in nitrogen dioxide (NO₂), sulfur dioxide (SO₂), carbon monoxide (CO), and others. All of these can cause various environmental problems. Acid rain, depletion of the ozone layer, global warming, and the emergence of respiratory diseases are the negative impacts of an increase in harmful gases in the air. The damage caused to nature will have direct or indirect impacts on all living things on earth. This is clearly what happened on the coast of Laroenai Village, which is in direct contact with the chimneys of the mining company PT PAM Mineral.

3. Water Pollution by Heavy Minerals.

The actual mining process makes the components in the soil unstable. Therefore, certain measures are needed to avoid the impact of this instability. Water becomes a scary thing in mining. The ability of water to enter every gap in the ground can carry toxic or hazardous substances. When contaminated with heavy minerals, water becomes toxic and can damage anything in its path. Soil, plants, and animals can be damaged and die. Wastes resulting from the processing of minerals that are disposed of carelessly without proper processing can damage the ecosystem. Special handling must be applied in the disposal of mineral processing wastes, such as the treatment of water around the mine site and laboratory tests of waste disposal. Strict supervision is needed from the management and government, as well as handling irresponsible illegal miners.

Land Degradation

Land degradation is a process in which biophysical environmental conditions change due to mining activities on land. Changes in environmental conditions tend to be destructive and undesirable. Natural disasters do not include factors that affect land degradation. Some natural disasters, such as floods, landslides, and forest fires, are the indirect results of human activities, so the impact can be referred to as land degradation. Land degradation has an impact on agricultural productivity, environmental quality, and food security. It is estimated that up to 40% of agricultural land in the Pomalaa sub-district is currently degraded. This is caused by the lack of action taken by the mining party after mining. This land degradation can be prevented with good reclamation planning and implementation. Changes in post-mining environmental conditions must be balanced with reclamation activities. This reclamation can create a conducive environment for the survival of flora and fauna. Top soil, which contains nutrients and has been stripped during the mining process, can be used to fertilize ex-mining land prior to reclamation.

Noise Pollution

Noise pollution is a nuisance to the environment caused by sounds that cause disquiet to living things in the vicinity. Noise pollution is caused by high-volume sounds that make the surrounding area noisy and unpleasant. Assessment of whether sound appears to be pollution or not is something that is subjective. The damage caused by noise pollution is local in nature, unlike air pollution or water pollution. The sound generated from blasting and the sound of heavy equipment can disturb the comfort of the community around the mining environment. Noise pollution also has a negative impact on workers, causing hearing loss. Noise pollution can only be avoided by staying away from the sound source. Miners may wear earplugs to reduce the effects of noise generated by machinery and explosives.

3 Conclusion

Based on the results of the researcher's discussion as described above, the researcher draws the conclusion that the implementation of the Mining Industry Licence policy is in accordance with government regulation number 5 of 2021 concerning licensing guidelines regarding the Management of Mining Industry Licences carried out by the government in implementing the mining industry licence policy has not been maximized. Technical requirements and environmental requirements have not been implemented. The presence of a mining company in Bungku Pesisir District, Morowali Regency has a negative impact on the lives of communities around the mining area.

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