Legal Politics of Environmental Licensing Governance After Job Creation Law

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Article Abstract

The validation of the Job Creation Law in Indonesia brought many fundamental changes in economic policy, including environmental licensing. It is because of a fundamental legal political changes that more directed to the ease of doing business and investing compared to the environmental conservation, by changing the terminology of environmental licensing to environmental approval. This paper aims to analyze the legal politics of environmental licensing governance after the Job Creation Act. The results of this study indicated that there are changes in legal politics in environmental licensing governance after the Job Creation Law which had implications for the business licensing system. So, a legal mapping is needed regarding to the concept of environmental licensing in the Job Creation Act. The findings of this paper are the ideal concept of environmental licensing based on the 1945 Constitution of the Republic of Indonesia.

Introduction

The Republic of Indonesia, in accordance with the Constitution, is a welfare state based on Pancasila, as stated in the Preamble of the Indonesian Constitution 1945, the fourth paragraph which stated: "...to protect the entire Indonesian nation, and the entire homeland of Indonesia, promote public welfare, educate the nation's life, and participate in carrying out world order based on independence, eternal peace and social justice...". The ideals of the state contained in the Preamble to the Indonesian Constitution 1945 shows that the ideals of Indonesia as a Welfare State, which is a characteristic of a modern democratic state (Dimyati, et.al., 2021). Thus, the Constitution has mandated the State to be responsible for the welfare of the people,

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which is then embodied in the body of the Indonesian Constitution 1945 Article 33 which is the foundation of the Indonesian economy which stated: “(2) Production branches which are important to the state and which affect to the livelihood of the people are controlled by the state; (3) The earth, water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people; (4) The national economy is organized based on economic democracy with the principles of togetherness, efficiency, justice, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity” (Rahmadi, 2019).

The existence of this article shows that Indonesia has adhered to the constitutionality of the environmental and economic norms in the Indonesian Constitution (Faiz, 2016). This means that in carrying out all public policies related to the economy, we must still pay attention to the balance of the environment. Thus, all development should remain measurable and avoid the on-going development that doing everything in achieve it, because the right to the environment is one of the fundamental rights that must be protected (Bailey, 2015). The existence of this formulation also implies that economic and environmental constitutionalism cannot be viewed as partial, but as integral provisions (Cobb, 1992). Equilibrium economic development is directly proportional to environmental insight and sustainable principles. This is reinforced by the formulation of Article 28H paragraph (1) of the Indonesian Constitution 1945 which stated: "Everyone has the right to live in physical and spiritual prosperity, to have a place to live, and to have a good and healthy living environment and have the right to obtain health services”.

The Indonesian Constitution 1945 which is still in the form of basic law is embodied in the legal product of the law. In the process of making laws, the role of legal politics is very important because it includes 3 (three) main things; first, the law is an official state policy regarding laws that will be enforced or not enforced in the context of achieving state goals. Second, legal politics can describe the political, economic, social and cultural background for the birth of a legal product; third, law enforcement in the field reality can be more clearly implemented (Mahfud, 2014). Likewise, the Indonesian people are currently facing a number of challenges in the economic and environmental fields. To answer these problems, the Government and the legislators are legalized the Law Number 11 of 2020 concerning Job Creation (hereinafter referred to the Job Creation Law).

The Job Creation Law itself is a law which made using the Omnibus Law method, a form of simplifying regulations by revising and revoking several laws at once, to overcome the overlapping regulations (Massicotte, 2013). In the content of material, there are arrangements related to the environmental management contained in Articles 21 to 112 of the Job Creation Law, and what the author will discuss is regarding to the Environmental Licensing. These provisions are further regulated in Government Regulation Number 22 of 2021 concerning the Implementation of Environmental Protection and Management. Before discussing the substance of the problem, the author will describe what is legal politics of the Job Creation Act briefly (Saraswati, Fasha, 2020). The legal politics of the Job Creation Law began when there was political will from the Government to simplify and deregulate laws that hinder investment, so as to
create more job opportunities. Therefore, the legal politics of the Job Creation Law in the environmental sector should ideally have a holistic view with various economic, social and environmental impacts (Wahyu Nugroho, 2021). However, instead of achieving its goal, in the Job Creation Law, there are several regulations regarding the management of environmental permits that can threaten environmental sustainability.

First, it is about the changes in the terminology of environmental permits to environmental approvals. Prior to the Job Creation Law, normatively, Law Number 32 of 2009 concerning Environmental Protection and Management (hereinafter referred to as the PPLH Law) determined that environmental permits were conceptualized in an integrated manner, both internally and externally. Internally, environmental management permits including toxic and hazardous waste (B3) waste disposal permits are combined into environmental permits. Meanwhile, externally, environmental permits are integrated with business permits (Wibisana, 2018). However, the term environmental permit has now been replaced with the term environmental approval through Article 13 letter of the Job Creation Law. Furthermore, the phrase environmental approval is re-mentioned through Article 21 Job Creation Law which explicitly states that: "In order to provide convenience for everyone in obtaining environmental approval, this Law amends, deletes or stipulates new arrangements for several provisions relating to Business Licensing as regulated in the PPLH Law”.

Thus, the ecological paradigm in the regulation of the environmental sector has now shifted slightly to the concept of ease of doing business (Rafiqi, 2021a). Related to this, the definition of environmental approval is interpreted as an Environmental Feasibility Decision or a statement of Environmental Management Ability that has obtained approval from the central government or regional government (Baihaki, 2021). This implies that the Job Creation Law abolishes the provisions on rights and obligations for business actors previously attached to environmental permits. The change in terminology raises pessimism and concern about the systematic weakening of the permit function as the main instrument for controlling pollution and/or environmental damage, so that the threat to environmental degradation after the implementation of the Job Creation Law appears more obvious.

Politics Environmental law has a significant influence because it is related to the conflict of values between an economy that is oriented towards investment interests alone or with an economy that considers sustainability and environmental insight in the implementation of development (Wahyu Nugroho, 2021). From various conceptions of environmental law politics, it can be seen that legal policy can determine the direction and purpose of a law, including the Job Creation Law. Does it provide a balance and pattern of harmonious relationships in an ecosystem, or does it create an ecological disaster due to legal politics that were originally designed only for investment purposes?

Therefore, it can be seen that the legalized of the Job Creation Law brings a new paradigm in the management of environmental permits in Indonesia. The reason is that there are fundamental legal political changes regarding to the environmental protection, which leads to the ease of doing business and carrying out investments compared to conservation. For this reason, this article will examine how the problems and legal politics of environmental licensing management after the Job Creation Law are. The research results from this paper are expected to provide input regarding licensing governance in the future.
Method

This research used a normative juridical research method, also known as doctrinal legal research. In this study, the researchers focused on knowing, reviewing and analyzing the legal politics of environmental licensing management after the work creation law was legalized, whether there was a significant paradigm shift or not (Marzuki, 2009). The approach used is a statutory approach and a conceptual approach. These approaches to legislation are intended to examine specifically the rules in the Job of Creation Law, PPLH Law, and so on.

Result and Discussion

1. Legal Politics of Formation of Law

The definition of legal politics does not have anything in common between one legal expert and another. According to Mochtar Kusumaadmaja, legal politics is a policy of law and legislation in legal reform which is carried out through the law as an instrument (Kusumaadmaja, 2006). Moh. Mahfud MD said that legal politics is a legal policy or legal direction that will be enforced by the state to achieve state goals in the form of making new laws or replacing old laws (Mahfud, 2014). The footing that forms the basis of legal politics is to realize the goals of the state and the legal system of the country concerned, and in the context of Indonesia, those goals and legal systems are contained in the Preamble and the body of the Indonesia Constitution 1945. According to Padmo Wahjono, legal politics is the basic policy that determines direction, form, and content of the law to be formed (Wahjono, 1986). Bintan R. Saragih defines legal politics as a policy taken by the state through its institutions to determine which laws need to be replaced, changed, maintained or regarding what needs to be regulated so that with this policy state administrators and the government can take place properly and in an orderly manner, so that the goals of the state can be realized (Saragih, 2021). According to Satjipro Rahardjo, legal politics is an activity of choosing and using the methods to achieve certain social and legal goals in society, so that legal politics cannot be separated from the ideals of the welfare state and the Constitution (Rahardjo, 2006). According to Yudha Bhakti Ardiwisstra, legal politics contains 2 (two) inseparable sides, namely: (1) Legal politics as the direction of law making or legal policy of state institutions, in this case the House of Representatives and the President in making laws; (2) as a tool to assess and criticize whether a law made is in accordance with the legal policy framework to achieve state goals. Based on the description of the definition, the role of legal politics as the basis for the framework of thinking in making laws to achieve state goals has an important role that must be understood in an integrated and logical manner (Sharkansky, 1980).

The Indonesia Constitution 1945 through Law Number 13 of 2022 concerning the second Amendment to Law Number 12 of 2011 concerning the Establishment of Legislation (hereinafter referred to as the PPPU Law) describes 5 (five) stages in the process of making laws, namely: Submission, Discussion, Approval, Ratification and Promulgation (Mochtar, 2022). These five stages are very closely related to state legal politics in making a law. According to Mahfud MD, the conception of Legal Politics can be divided into 3 (three) things at least. First, the blueprint of the policies and regulations are aspired to. Second, the political tug of war is in the process in the room for discussion and approval of legislation. Third, the implementation that is expected and can be controlled by the policy (Mahfud, 2014).
The blueprint is a concept of legislation relating to the whole law and system that is expected to be developed in the future in the policies that will be made. Therefore, it contains a comprehensive view, both philosophically, sociologically and juridically on the formation of a law (Sopiani, 2020). At least, this is stated in the Academic Paper of the Job Creation Law. One of them is about Environmental Licensing Governance. In academic texts, there is not much to say about what buildings are expected in making the licensing concept going forward. Because the Act is not einmaleigh (one-time use), but he must be able to take a complete picture (forward looking) about what is expected in the future (Lanawaang, 2020). Indeed, in the blueprint, the possibility of tug-of-war political interests should be watched out for. The law itself is actually a result of political interests. However, that is where the function of the Constitution and laws and regulations provides space to not only fulfill political rules, but also fulfill the wishes of the public (Qurbani, Rafiqi, 2022). Thus, one of the functions of legal politics is to provide an outline or limitation that must be obeyed when forming a law. The use of legal political rules as a basis for problem identification is very important, because we can see the spirit of the formation of the Job Creation Law and its correlation with the state objectives (Putuhena, 2015).

2. General Environmental Licensing

Licensing in environmental management is classified as one of the embodiments of the command and control (CAC) instrument and is also one of the most interventionist forms of government intervention (Wibisana, 2019). Furthermore, licensing in the environmental sector has a very strategic function as an effort to control, regulate, foster, engineer development, and as a source of state revenue. Thus, the government's legal politics in economic activities and environmental conservation is through environmental permits (Nollkaemper, 2009). Permit itself is actually a prior approval or the biggest form of government intervention, because basically every individual or business entity is prohibited from carrying out activities, unless they have obtained permission from the government. The individual or business entity is required to fulfill various requirements which contain standards that must be met and various obligations that must be complied with (Ogus, 2004).

Conceptually, permits are correlated as an instrument of government intervention and the theory of public good which is closely related to the ideals and functions of the state in the doctrine of the welfare state (Ramadhan, Rafiqi, 2021). In the Indonesian context, the goal of the welfare state law state, which is explicitly stated in the Preamble to the Indonesia Constitution 1945, contains the principle that all legal products formed and made by legislators (politics of statutory law) must be linear with the objectives of the Preamble to the Indonesia Constitution 1945, especially with regard to the phrase “promoting the general welfare”. Thus, there is a great role and authority from the State to intervene in many businesses or activities related to natural resources and production branches that affect the livelihood of many people (Wibisana, 2017). However, even though government intervention is a necessity in the concept of the welfare state, accountability for every government action is also a must, so that in the concept of a state of law, indications of equilibrium between rights and obligations can be seen.

In the concept of environmental administration law, there is actually an incentive to facilitate licensing in the environmental sector and business permits, with the idea of integrating business permits and environmental permits (Rafiqi, 2021b). However, this effort is not without challenges, because it is considered to be intersect with various
political and economic interests (Muthmainnah, Mustansyir, 2020). In the development of environmental law politics, after the PPLH Law, there are efforts to integrate licensing through internal and external concepts. Internal integration, in the sense of various environmental management permits are combined into environmental permits. This is commonly known as permission integration. While external integration, namely the integration of permits in a chain (ketting verguning) between business permits and environmental permits (Wibisana, 2018). This means that the environmental permit is used as a condition of the business license, and if the environmental permit is revoked, the business license will also be revoked.

3. Changes in the Paradigm of Environmental Licensing Governance After the Job Creation Law

If examined based on the Academic Manuscript of the Job Creation Law, a clause was found which explained that: "Several provisions of the Law related to Environmental Permits were amended and removed for reasons of simplification of permits and simplification of business, as contained in the Attachment to the Academic Paper of this Bill." This statement shows that the Job Creation Law is intended to simplify the licensing process, one of which is regarding environmental permits. Article 23 Number 15 of the Job Creation Law abolishes Article 36 of the PPLH Law, as follows:

<table>
<thead>
<tr>
<th>Table 1. Comparison of Licensing Governance between PPLH Law and the Job Creation Law</th>
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<tbody>
<tr>
<td><strong>PPLH Law</strong></td>
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<tr>
<td>Article 36 PPLH Law</td>
</tr>
<tr>
<td>(1) Every business and/or activity that is required to have an Environmental Impact Assessment (AMDAL) or Environmental Management Efforts-Environmental Monitoring Efforts (UKL-UPL) must have an environmental permit</td>
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<tr>
<td>(2) The environmental permit as referred to in paragraph (1) is issued based on a decision on environmental feasibility as referred to in Article 31 or UKL-UPL recommendations</td>
</tr>
<tr>
<td>(3) The environmental permit as referred to in paragraph (1) must include the requirements contained in the environmental feasibility decision or UKL-UPL recommendation</td>
</tr>
<tr>
<td>(4) Environmental permits are issued by the Minister, governors, or regents/mayors in accordance with their respective authorities</td>
</tr>
</tbody>
</table>

| Article 40 PPLH Law | Removed |
| (1) Environmental permit is a requirement to obtain a business and/or activity permit |
| (2) In the event that the environmental permit is revoked, the business and/or activity permit is canceled |
| (3) in the event that the business and/or activity undergoes a change, the person in charge of the business and/or activity is obliged to renew the environmental permit |
In order to make it easier for everyone to obtain environmental approval, this Law amends, deletes, or stipulates new arrangements for several provisions related to Business Licensing as regulated in PPLH Law.

Environmental Approval is an Environmental Feasibility Decree (KKLH) or a Statement of Environmental Management Ability (PKPLH) that has obtained approval from the Central Government or Local Government.

With the abolition of Article 36 and Article 40 of the PPLH Law, the Job Creation Act intends to eliminate the provisions of environmental permits as a prerequisite for business permits (Salinding, 2017). The purpose of eliminating or simplifying this permit is also seen in the statement in the Academic Manuscript of the Job Creation Law, that: “Article 36 was deleted on the grounds that based on current experience, businesses/activities that require AMDAL or UKL-UPL require considerable time and money to complete the environmental documents. This is done to provide convenience in the completion of environmental permits as well as convenience in conducting supervision, without compromising the essence of the environmental permit itself. Article 40 is deleted on the grounds that environmental permits are not a prerequisite for the issuance of business permits. Thus, business activities can be carried out when the environmental permit has not been issued and is still being processed.

The Job Creation Law also replaces the term environmental permit in PPLH Law with the term Environmental Approval. Through this Environmental Approval, a Business Permit will be issued (Pambudhi, Ramadayanti, 2021). According to the Job Creation Law, Environmental Approval is KLLH for mandatory AMDAL activities or PKPLH for mandatory UKL-UPL activities (i.e. activities/businesses that do not require AMDAL). Thus, the AMDAL/UKL-UPL relationship scheme with a business license according to the Job Creation Law is:

![Diagram](attachment:diagram.png)

Meanwhile, the relationship scheme between AMDAL and Business License in PPLH Law is as follows:

![Diagram](attachment:diagram.png)

If you compare the two schemes above, it can be seen at a glance that the Job Creation Law offers a reduction in permits. In this case, the Environmental Permit and
Business Permit in PPLH Law are changed to only one permit, namely the Business Permit. However, through a more operational regulation, namely Government Regulation Number 22 of 2021, Environmental Approval is positioned as a prerequisite for the issuance of Business Licensing/Government Approval. The construction of such norms actually has relative similarities when PPLH Law describes the phrase environmental permit which is a prerequisite for obtaining a business and/or activity permit. However, this linkage is considered not to guarantee the integration between environmental approvals and business permits. This is because the job creation law abolishes Article 40 of the PPLH Law which means that business permits and environmental permits are in different regimes even though the process must be carried out through environmental approvals.

Then, in terms of licensing integration, still through PP No. 22 of 2021, the provision of technical approvals was introduced, which was segmented into various environmental issues. Such as: technical approval for compliance with quality standards and technical approval for B3 waste management. This means that each management of environmental media, whether water, soil or air, has a technical permit that is determined differently, according to its characteristics. This is natural because with the abolition of environmental permits by the Job Creation Law, permits related to environmental management and waste disposal, which were previously required to be integrated into environmental permits, become alive as separate permits. This time the permit appears under another name, namely “Central Government Approval.” Therefore, overall, the Job Creation Law produces at least 3 (three) types of permits, namely: (1) Business License; (2) Environmental approval as KLLH or PKPLH; and (3) approval for dumping activities.

There are more types of permits than those issued by PPLH Law, namely business permits and environmental permits. Thus, the conception of integration is only carried out with a limited amount of matching the terminology of Permit with Approval, but in practical terms, Permit objects are still segmented on various environmental mediums, each of which has the qualification of a permit. The description above also shows that the Job Creation Law has accommodated the re-centralization, where the authority in the PPLH Law by attribution has been distributed to the Ministers, Governors and Regents/Mayors to become centralized again in the hands of the Central Government authority.

4. Legal Politics of Environmental Licensing Governance After the Job Creation Law

The development of substances related to environmental governance in the 1945 Indonesia Constitution 1945 has become a new discourse during the IV amendment of the 1945 Constitution in 1999-2002. This shows that there has been a development of legal politics from before the amendment to add material on the environment to the Constitution (Siahaan, 2010). This is based on the emergence of the era of globalization and the industrial revolution, which resulted in a conflict between economic interests and ecological interests. This is due to the increasingly massive damage to the quality of the environment as a result of overexploitation of nature to pursue economic growth. Economic interests themselves tend to talk about how humans can achieve prosperity by regulating the availability of limited resources for the needs of human life. In running the economy, ecological interests will certainly have an impact, because ecological interests speak not only how to achieve prosperity, but how environmental
sustainability and the availability of natural resources will remain in the future (Qurbani, Rafiqi, 2022).

Based on the description above, there is an analysis of the condition of the shift in the government's legal politics in placing investment interests and the environment. Bearing in mind that the changes in the terminology of environmental permits to environmental approvals and the abolition of norms regarding environmental permits, is far from an economic paradigm that is environmentally sound. In the context of prevention, it is well known that the legal politics of the Job Creation Law is to increase investment to encourage the process of economic development. This can be investigated by the government's efforts to attract foreign investors with the lure of simplified environmental permits. Whereas at the practical level, it is prior to the enactment of environmental approvals, the environmental permits have been positioned as the most effective instrument to be the basis for imposing administrative sanctions on individuals/business entities that violate environmental rules. Furthermore, the legal politics used in environmental permits is more based on the ecological paradigm, so that individuals, business entities and communities are "forced" to comply with the standards that have been set to obtain environmental permits. As a result, as a chain license (ketting vergunning), business actors will be more concerned with environmental permits, considering that revocation of environmental permits can result in the cancellation of business permits. However, through the Job Creation Law, changes to the construction of the article make business actors tend to base their business license on technical requirements rather than environmental approvals, because of the economic paradigm.

Then, actually in the concept of Sustainable Development, environmental interests have an equal position with the interests of economic activities/businesses. This is reinforced by Article 33 Paragraph (4) of the Indonesian Constitution 1945 which reads: The national economy is organized based on economic democracy with the principles of togetherness, efficiency, justice, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity.

That is, the Constitution provides an affirmation that, the national economy must be based on environmental insight. Whereas, the state is responsible through the right to control the state to make regulations and policies for the use of natural resources as well as environmental-based and sustainable economic activities in the context of national economic development. The 1945 Constitution of the Republic of Indonesia has confirmed the proportional placement of environmental interests so that they are balanced with economic interests. This is also stated in Article 28H paragraph (1) of the 1945 Constitution of the Republic of Indonesia which reads: "Everyone has the right to live in physical and spiritual prosperity, to have a place to live, and to have a good and healthy living environment and have the right to obtain health services."

This means that the Constitution projects a balance of guaranteeing economic welfare while taking into account environmental sustainability, which cannot be sacrificed due to the implementation of economic activities or investments. This means that licensing governance in the environmental sector must be placed within the framework of recognizing, protecting and fulfilling the human rights of every citizen to a good and healthy environment. Thus, the legal politics of the Job Creation Law, especially in the environmental sector, should have a holistic view with various economic, social and environmental impacts. The centralized licensing process and changes in the terminology of environmental permits to environmental approvals have
the consequence of further exacerbating environmental pollution and damage due to the reduced control instruments from the Government for environmental protection and management.

Conclusion

The Copyright Law abolishes environmental permits and replaces them with environmental approvals. The presence of the Job Creation Law actually makes environmental permits and business permits not integrated. The Job Creation Law and its derivative regulations show a political shift in the environmental conservation law in the PPLH Law to one based on investment and economic growth in the Job Creation Act. Several efforts are needed to improve the content of the Job Creation Law, especially regarding the Management of Environmental Licensing so that it is in accordance with the legal politics of the Indonesian Constitution 1945 concerning the right to the environment. This is to ensure that investments encourage ease of doing business do not necessarily negate the interests of environmental conservation for mere exploitative interests. Furthermore, regarding the concept of permit integration, it is important to reconsider the integration of environmental permits or environmental approvals with business permits.

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