ANAYASA
(Journal of Legal Studies)
E-ISSN: 2987-9965
Vol.4, No. 1, Juli 2026

LEGAL AND POLITICAL ASPECTS OF GRANTING MINING BUSINESS LICENSES TO CIVIL SOCIETY ORGANIZATIONS UNDER GOVERNMENT REGULATION NO. 25 OF 2024

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Abstract
This study examines the legal policy underlying the issuance of Government Regulation No. 25 of 2024, which grants priority access to Special Mining Business Permit Areas to civil society organizations through their business entities. Using a normative legal methodology as well as legal, conceptual, and historical approaches, this study analyzes the policy's compliance with the hierarchy of laws, general principles of good governance, and principles of sustainable mining governance. The study's findings indicate that the legal policy underlying Government Regulation No. 25 of 2024 is heavily influenced by short-term political interests that override the principles of the rule of law. This policy not only violates the hierarchy of laws by preempting its legal foundation but also disregards the principles of legal certainty, prudence, and transparency. The failure to integrate robust transparency and accountability mechanisms creates opportunities for the misuse of permits, the buying and selling of permits, and conflicts of interest. The legal implications for natural resource management and public welfare are significant, as this policy has the potential to transform the function of civil society organizations from social entities into commercial entities, threatening the principles of distributive justice and undermining the state's right to control natural resources. This study recommends a comprehensive revision of GR 25/2024 by strengthening oversight, transparency, and clear boundaries so that civil society organizations can participate in the mining sector without sacrificing the principles of good governance and social justice.
Keywords: legal politics, mining business permits, community organizations

Abstrak
Studi ini meneliti politik hukum yang mendasari penerbitan Peraturan Pemerintah Nomor 25 Tahun 2024, yang memberikan akses prioritas ke Area Izin Usaha Pertambangan Khusus kepada organisasi masyarakat melalui badan usaha milik mereka. Dengan menggunakan metodologi yuridis normatif dengan pendekatan hukum, konseptual, dan historis, penelitian ini menganalisis kesesuaian kebijakan tersebut dengan hierarki perundang-undangan, prinsip-prinsip umum tata kelola yang baik, dan prinsip-prinsip tata kelola pertambangan berkelanjutan. Temuan menunjukkan bahwa politik hukum PPN 25/2024 sarat dengan kepentingan politik jangka pendek yang mengesampingkan prinsip-prinsip supremasi hukum. Kebijakan ini tidak hanya melanggar hierarki perundang-undangan dengan mendahului landasan hukumnya, tetapi juga mengabaikan prinsip-prinsip kepastian hukum, kehati-hatian, dan transparansi. Kegagalan untuk mengintegrasikan mekanisme transparansi dan

akuntabilitas yang kuat menciptakan peluang untuk penyalahgunaan izin, praktik perdagangan, dan konflik kepentingan. Implikasi hukum terhadap pengelolaan sumber daya alam dan kesejahteraan masyarakat sangat signifikan, karena kebijakan ini berpotensi menggeser fungsi organisasi masyarakat dari entitas sosial menjadi entitas komersial, mengancam prinsip-prinsip keadilan distributif, dan melemahkan hak negara untuk mengendalikan sumber daya alam. Studi ini merekomendasikan revisi komprehensif terhadap PP 25/2024 dengan memperkuat pengawasan, transparansi, dan batasan yang jelas untuk memungkinkan partisipasi organisasi masyarakat di sektor pertambangan tanpa mengorbankan prinsip-prinsip tata kelola yang baik dan keadilan sosial.
Kata kunci*: Politik Hukum, Izin Usaha Pertambangan, Organisasi Masyarakat*

INTRODUCTION

Mineral and coal resources constitute strategic natural assets that play a central role in Indonesia's economic development, energy security, and fiscal sustainability. As a country endowed with abundant mineral reserves, Indonesia has positioned the mining sector as one of the primary contributors to state revenue, export earnings, industrial downstream development, and regional economic growth. Nevertheless, mining activities simultaneously generate complex legal, environmental, social, and political issues that require comprehensive governance based on constitutional principles. Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia explicitly mandates that the earth, water, and natural resources contained therein shall be controlled by the State and utilized for the greatest prosperity of the people. This constitutional mandate establishes that natural resources are not merely economic commodities but public assets whose management must prioritize justice, sustainability, and public welfare rather than narrow political or economic interests (Mahfud MD, 2017; Abdulrahim, 2024).

The constitutional principle has subsequently been translated into a series of mining regulations that continue to evolve according to national political and economic dynamics. Beginning with Law Number 11 of 1967 concerning Basic Mining Provisions, Indonesia adopted a centralized licensing model emphasizing state control over strategic resources. The regulatory framework later shifted through Law Number 4 of 2009 concerning Mineral and Coal Mining, which introduced decentralization and a licensing regime replacing the Contract of Work (CoW) and Coal Contract of Work (CCoW). Further reforms were introduced through Law Number 3 of 2020, strengthening central government authority while promoting downstream mineral processing and increasing domestic value addition. Most recently, the enactment of Government Regulation Number 25 of 2024, followed by amendments to the Mining Law through Law Number 2 of 2025, introduced a significant legal innovation by allowing business entities owned by religious community organizations to receive priority offers for Special Mining Business Permit Areas (WIUPK). This development represents one of the most controversial shifts in Indonesia's mining legal framework because it expands the category of entities eligible to participate in strategic natural resource management (Bernike et al., 2024; Tandori & Murdiati, 2025).

Government Regulation Number 25 of 2024 introduced Article 83A, which allows business entities owned by religious community organizations to receive priority offers for WIUPK originating from former Coal Mining Concession Agreement (PKP2B) areas. The government justified this policy as part of efforts to improve community welfare, strengthen the economic independence of religious organizations, and optimize the utilization of mining resources for broader public benefit. However, the policy immediately generated significant legal and political debate because Law Number 3 of 2020 did not explicitly recognize community organizations as entities entitled to receive mining concessions through priority mechanisms. Consequently, questions emerged regarding the legal basis, hierarchy of legislation, and consistency of this policy with the principles governing mining permits under Indonesian administrative law (Bernike et al., 2024; Prasetyo, 2023).

The issuance of Government Regulation Number 25 of 2024 also cannot be separated from Indonesia's broader political context. Promulgated during the final months of President Joko Widodo's administration, the regulation attracted considerable public attention due to perceptions that it reflected political accommodation toward influential religious organizations. Although the government consistently argued that the policy was designed to improve public welfare and strengthen institutional economic capacity, critics questioned whether the regulation represented an instrument of distributive justice or a political compromise aimed at consolidating support from major religious constituencies. These contrasting interpretations illustrate that mining regulation is not merely an economic instrument but also a manifestation of legal politics, reflecting how legal norms are formulated to accommodate competing political, economic, and social interests (Mahfud MD, 2017; Abdulrahim, 2024).

From the perspective of legal politics, legislation is never politically neutral. Every legal product reflects particular policy preferences and ideological orientations adopted by state institutions. Mahfud MD (2017) argues that legal politics concerns the state's official policy in determining which laws should be enacted to achieve national objectives. Accordingly, the enactment of Government Regulation Number 25 of 2024 should not merely be examined from the perspective of statutory interpretation but also through an analysis of the political considerations underlying its formulation. Such an approach enables researchers to assess whether the regulation genuinely advances constitutional objectives of social welfare and equitable resource distribution or instead creates opportunities for regulatory capture, conflicts of interest, and weakened accountability (Mahfud MD, 2017; Bernike et al., 2024).

Another issue attracting scholarly attention concerns the legal identity of community organizations themselves. Under Law Number 17 of 2013 concerning Community Organizations, these institutions are established to pursue social, religious, humanitarian, and public-interest objectives rather than commercial profit. Their fundamental legal character differs substantially from corporations established to conduct commercial activities. Consequently, granting mining concessions to business entities affiliated with community organizations raises conceptual questions regarding institutional transformation, organizational accountability, and potential deviations from their original non-profit purposes. Several recent legal analyses argue that although Government Regulation Number 25 of 2024 requires community organizations to establish separate business entities for mining operations, such separation alone may not sufficiently prevent commercialization of organizational functions or ensure transparent governance (Hasibuan & Nasution, 2025; Tandori & Murdiati, 2025).

The issue becomes even more complex when viewed through the principles of good mining governance. Internationally, mining governance emphasizes transparency, accountability, participation, environmental sustainability, legal certainty, and equitable benefit-sharing. Effective governance requires not only clear licensing procedures but also adequate institutional capacity among permit holders to fulfill technical, financial, environmental, and social obligations. Numerous international studies demonstrate that mining concessions granted to institutions lacking sufficient managerial and financial capacity frequently result in environmental degradation, ineffective supervision, elite capture, and reduced public benefits. Hilson (2002) emphasized that institutional capacity remains one of the determining factors in achieving sustainable mining governance (Hilson, 2002).

Indonesia's own experience reinforces these concerns. Previous policies involving mining cooperatives and locally affiliated entities often encountered significant implementation challenges because many permit holders lacked adequate capital, technical expertise, and operational capability. In practice, permits were frequently transferred informally or managed by third-party investors despite legal restrictions. Such arrangements weakened regulatory oversight and reduced the state's ability to ensure compliance with environmental obligations and reclamation requirements. These historical experiences provide an important context for evaluating whether business entities affiliated with religious organizations possess sufficient institutional readiness to manage mining concessions independently (Tempo, 2022; Hasibuan & Nasution, 2025).

Environmental sustainability also constitutes an inseparable dimension of mining governance. Mining activities inevitably produce ecological impacts, including deforestation, biodiversity loss, water pollution, land degradation, greenhouse gas emissions, and social conflicts over land ownership. Indonesia has experienced numerous mining-related environmental disputes demonstrating that weak governance frequently results in significant ecological costs borne primarily by local communities. Consequently, expanding access to mining concessions should be accompanied by equally robust mechanisms for environmental monitoring, public accountability, and financial transparency. Without effective oversight, policies intended to promote community welfare may instead exacerbate ecological degradation and governance risks (Hilson, 2002; Abdulrahim, 2024).

The governance challenges are closely related to the General Principles of Good Governance (*Asas-Asas Umum Pemerintahan yang Baik*—AUPB), including legal certainty, proportionality, transparency, accountability, public participation, and prevention of abuse of power. The granting of priority mining concessions to business entities owned by community organizations raises important questions regarding compliance with these principles. While Government Regulation Number 25 of 2024 prohibits cooperation with former PKP2B holders and requires majority ownership by the affiliated organization, scholars continue to question whether these safeguards are sufficient to prevent indirect corporate control, political patronage, or conflicts of interest (Prasetyo, 2023; Bernike et al., 2024).

Recent developments further demonstrate that this issue remains highly relevant. In 2025, Indonesia amended its Mining Law to accommodate priority access mechanisms for religious organizations and other eligible entities as part of broader mining governance reform and downstream industrial policy. The legislative process illustrates that the debate surrounding organizational participation in mining is continuing rather than diminishing. Government representatives framed the amendment as a governance reform intended to improve economic participation, whereas critics maintained concerns regarding transparency, institutional capability, and constitutional consistency (Hasibuan & Nasution, 2025; Tandori & Murdiati, 2025).

Previous academic studies have generally focused on three major themes. The first group examines the normative consistency of Government Regulation Number 25 of 2024 within Indonesia's legislative hierarchy, emphasizing possible inconsistencies between the regulation and Law Number 3 of 2020 (Prasetyo, 2023). The second group analyzes constitutional and administrative law implications associated with granting mining permits to religious organizations (Bernike et al., 2024). The third group discusses ethical and governance concerns arising from the commercialization of non-profit organizations (Hasibuan & Nasution, 2025; Tandori & Murdiati, 2025). Although these studies contribute significantly to understanding the regulatory framework, most remain predominantly normative and descriptive. They generally assess statutory conformity without comprehensively examining the broader legal-political motivations underlying the policy or evaluating it systematically through the combined perspectives of legal politics, constitutional resource governance, and principles of good governance.

This limitation identifies an important research gap. Existing literature has not sufficiently explored how legal politics influenced the formulation of Government Regulation Number 25 of 2024, how constitutional principles interact with contemporary mining governance reforms, and whether priority access for community organizations genuinely advances the constitutional objective of achieving the greatest prosperity of the people. Furthermore, little attention has been devoted to assessing the compatibility between the regulation and internationally recognized principles of accountable natural resource governance (Mahfud MD, 2017; Hilson, 2002).

Accordingly, the novelty of this research lies in its integrated analytical framework. Unlike previous studies that primarily emphasize normative legal consistency, this research combines the theory of legal politics, the constitutional doctrine of state control over natural resources, and the General Principles of Good Governance (AUPB) to critically evaluate Government Regulation Number 25 of 2024. The study also places the regulation within Indonesia's evolving mining governance reforms and examines its broader implications for institutional accountability, environmental sustainability, and democratic governance of natural resources. This multidimensional perspective provides a more comprehensive understanding of the relationship between political decision-making and mining law reform (Mahfud MD, 2017; Hilson, 2002; Abdulrahim, 2024).

The research is also significant from both theoretical and practical perspectives. Theoretically, it contributes to the development of Indonesian legal scholarship concerning legal politics, mining law, constitutional law, and natural resource governance. Practically, the findings are expected to provide evidence-based recommendations for legislators, government agencies, religious community organizations, mining regulators, and civil society organizations in formulating a more transparent, accountable, constitutionally consistent, and sustainable regulatory framework. Strengthening governance mechanisms is essential to ensure that mining concessions genuinely contribute to public welfare while minimizing legal uncertainty, environmental degradation, and conflicts of interest (Hilson, 2002; Mahfud MD, 2017; Hasibuan & Nasution, 2025).

Based on these considerations, this research aims to analyze the legal politics underlying the granting of Special Mining Business Permit Areas to business entities owned by community organizations under Government Regulation Number 25 of 2024 and to evaluate its implications for natural resource governance in Indonesia. Through this analysis, the study seeks to determine whether the regulation reflects constitutional principles of social justice and public welfare or whether further legal and institutional reforms are required to strengthen accountability, transparency, and sustainable management of Indonesia's mineral and coal resources (Mahfud MD, 2017; Bernike et al., 2024; Abdulrahim, 2024).

METHOD

This study employs a normative legal research methodology focused on library research. As a normative legal study, this research examines library materials consisting of primary, secondary, and tertiary legal sources to obtain data relevant to the legal policy on granting mining business permits to community organizations based on Government Regulation No. 25 of 2024 (Soekanto & Mamudji, 2015). The approaches used include a juridical approach, a conceptual approach, and a historical approach. The juridical approach was conducted by examining various provisions in the 1945 Constitution, Law No. 4 of 2009 in conjunction with Law No. 3 of 2020 in conjunction with -Law No. 2 of 2025 on Mineral and Coal Mining, Government Regulation No. 96 of 2021 in conjunction with Government Regulation No. 25 of 2024, Law No. 17 of 2013 in conjunction with Law No. 16 of 2017 on Community Organizations, Law No. 12 of 2011 in conjunction with Law No. 13 of 2022 on the Formulation of Legislation, as well as Law No. 30 of 2014 on Government Administration. A conceptual approach was used to examine concepts of legal politics, the state’s right to control, mining business permits, civil society organizations, the hierarchy of legislation, and good mining governance. A historical approach was used to trace the development of legal regulations in Indonesia’s mining sector across various periods.

Data collection was conducted through literature review by examining relevant legal sources. Data sources consisted of primary legal materials in the form of laws and regulations as mentioned above; secondary legal materials in the form of legal textbooks, scholarly journals, legal articles, expert opinions, findings from previous research, and credible mass media articles; as well as tertiary legal materials in the form of legal dictionaries and legal encyclopedias as needed. The research subjects include: (a) the legal policies set forth in Government Regulation No. 25 of 2024, specifically Article 83A and related provisions regarding the granting of WIUPKs to civil society organizations; and (b) laws and regulations in the mining sector and regarding civil society organizations that serve as the legal basis for these policies, including an analysis of the hierarchy between Government Regulation No. 25 of 2024 and Law No. 3 of 2020 and Law No. 2 of 2025. The collected data was analyzed qualitatively and normatively through the interpretation and examination of legal materials based on legal rules, legal principles, legal systematics, the hierarchy of legislation, and comparative law. The results of the analysis are presented in a descriptive-analytical manner, that is, by systematically describing the legal facts identified and subsequently analyzing them based on the theoretical framework and applicable laws and regulations.

RESULT AND DISCUSSIONS

A. Legal Policy on the Granting of Mining Business Permits to Community Organizations Under Government Regulation No. 25 of 2024

The legal policy on the granting of Mining Business Permits to community organizations, as stipulated in Government Regulation No. 25 of 2024, cannot be understood merely as a technical change in the national mining permitting procedures. This policy embodies the government's political choice in determining the direction of natural resource management—particularly minerals and coal—through the expansion of legal entities granted access to Special Mining Business Permit Areas. From a legal-political perspective, every piece of legislation emerges as the result of the political configuration that developed during its drafting period. Therefore, an analysis of Government Regulation No. 25 of 2024 would be inadequate if conducted solely through a normative approach to the provisions of each article; it must also take into account the political background, the objectives of the policy's formulation, and the legal implications it entails for the national legal system (Mahfud MD, 2017).

When viewed through the lens of the political theory of law proposed by Mahfud MD, the character of a legal product is significantly influenced by the political configuration underpinning its formation process. Legal instruments are never created in a neutral space; rather, they result from the interaction between state interests, the dynamics of power, and various interest groups seeking to influence the direction of public policy. The issuance of GR 25/2024 toward the end of President Joko Widodo's term reflects a political-legal orientation that grants greater scope for religion-based civil society organizations to participate in the management of natural resources through their own business entities. The government positions this policy as part of efforts to promote economic equality and improve public welfare; however, it has simultaneously sparked debate regarding the compatibility of this mechanism with the principles of the rule of law and good mining governance (Hasibuan & Nasution, 2025).

Normatively, Law No. 3 of 2020 Amending Law No. 4 of 2009 on Mineral and Coal Mining has not yet recognized community organizations as legal entities entitled to priority in the granting of WIUPK or IUPK permits. Regulations governing legal entities in mining business activities remain oriented toward business entities, state-owned enterprises, regionally-owned enterprises, cooperatives, and private business entities that meet the requirements as stipulated in laws and regulations. Consequently, the provisions set forth in Article 83A of Government Regulation No. 25 of 2024 raise questions regarding the consistency between the substantive content of said Government Regulation and the norms contained in the law upon which its delegation is based (Bernike et al., 2024). This situation indicates a potential for vertical disharmony that could affect legal certainty in the conduct of mining business activities.

This issue becomes even more prominent when examined in light of the principle of legality and the principle of the hierarchy of laws as stipulated in Article 7(1) of Law No. 12 of 2011 on the Formation of Laws and its amendments. In the Indonesian legal system, Government Regulations serve as implementing regulations for laws; therefore, the substantive content they regulate must remain within the scope of the delegation granted by the law. Government Regulations are not intended to establish new norms that have not yet received legitimacy from the law-making body (Manan, 2018). If the government expands the scope of legal entities entitled to priority in the granting of WIUPKs without a clear legal basis, questions arise regarding the limits of the government's authority in exercising its regulatory power.

This analysis aligns with the theory of the hierarchy of norms proposed by Hans Kelsen. According to Kelsen (1945), the validity of a legal norm depends on the norm above it, such that every norm derives its legitimacy from a higher-ranking norm. This concept indicates that the validity of a Government Regulation is determined not only by its formation procedure but also by its conformity with the norms delegated by law. This line of thought was later developed by Hans Nawiasky (1948), who categorized legal norms into several levels, each of which serves a distinct function and cannot usurp the authority of the others. In the context of Government Regulation No. 25 of 2024, this theory provides a theoretical basis arguing that the expansion of eligible recipients for WIUPK should first be carried out through an amendment to the law, not through a Government Regulation.

From the perspective of general principles of good governance, a policy that prioritizes WIUPK for civil society organizations also raises several fundamental issues. The principle of legal certainty requires that every government policy be built on a clear legal foundation and not give rise to various interpretations in its implementation. When the legal basis regarding civil society organizations as priority recipients of WIUPKs had not yet received explicit legitimization from the law at the time of the GR's issuance, legal certainty for all stakeholders was diminished (Asshiddiqie, 2018). This situation affects not only community organizations as prospective permit recipients but also investors, local governments, communities surrounding mining areas, and other business entities that have previously obtained WIUPKs through different mechanisms.

In addition to legal certainty, the principle of prudence must also be considered. The management of mining operations is a high-risk activity, whether from technical, economic, social, or environmental perspectives. Therefore, every legal entity granted access to manage mineral and coal resources must possess adequate institutional capacity, managerial competence, operational experience, and financial capacity (Sutedi, 2019). GR 25/2024 does indeed require business entities to be owned by civil society organizations; however, this regulation has not yet provided comprehensive measures regarding indicators of institutional capacity or evaluation mechanisms to assess these entities' ability to conduct mining activities sustainably. The absence of detailed regulations has the potential to lead to inconsistencies in policy implementation at the administrative level.

The perspective of good mining governance indicates that the success of natural resource management is determined not only by who obtains a permit but also by the quality of oversight systems, transparency, accountability, and mechanisms for managing conflicts of interest. The literature on mining governance explains that weak oversight systems regarding concession holders often serve as the primary factor driving the emergence of abuse of authority, natural resource corruption, and social conflicts in mining areas (Owen & Kemp, 2018). Owen and Kemp emphasize that mining governance not supported by strong accountability mechanisms tends to increase the risk of conflict among permit holders, local communities, and the government due to weak controls over the distribution of economic benefits and the environmental impacts caused by mining activities.

Article 83A of GR 25/2024 does not yet provide detailed provisions regarding transparency mechanisms in the management of profits from business entities owned by community organizations, public reporting obligations, or an independent oversight system for the management of WIUPKs granted on a priority basis. Yet, transparency is one of the key indicators in achieving mining governance with integrity. The absence of such regulations creates opportunities for regulatory capture—a condition in which public policy accommodates the interests of specific groups rather than the broader public interest (McPhail, 2014). This risk becomes even greater when business entities granted priority WIUPKs have close ties to political actors or groups that influence the policy-making process.

The practice of buying and selling permits also poses a serious threat if civil society organizations lack adequate technical and financial capacity. The experience of granting permits to mining cooperatives during the reform era shows that, without strict oversight, mining permits are actually controlled by third parties with capital, while cooperative members do not receive commensurate benefits (Tempo, 2022). The same pattern could recur in community organizations if oversight mechanisms are not tightened. Therefore, this policy needs to be reevaluated by strengthening oversight and accountability.

From the perspective of the hierarchy of legislation, Government Regulation No. 25 of 2024 takes precedence over Law No. 2 of 2025, which only subsequently regulates community organizations as holders of mining permits (IUP). This raises legal issues because a Government Regulation is supposed to implement a law, not the other way around (Fakih, 2024). In Indonesian constitutional practice, such vertical inconsistencies often occur when the executive issues policies without first awaiting amendments to the law, which ultimately leads to legal uncertainty and the potential for judicial review (Manan, 2018). This policy also highlights the tension between short-term political interests—particularly accommodating large religious civil society organizations—and the principles of the rule of law, which demand hierarchical consistency.

B. Legal Implications and Their Impact on Natural Resource Management and Public Welfare

The granting of Mining Business Permits to civil society organizations through their own business entities raises legal implications that are far from straightforward within the framework of natural resource management in Indonesia. This policy not only addresses the administrative aspects of permitting but also alters the fundamental relationship between the state, civil society organizations, and the extractive industry. In the context of a constitutional state grounded in the constitutional principle of Article 33, paragraph (3) of the 1945 Constitution, any change in the natural resource management regime must remain focused on optimizing the broad public interest, rather than on the distribution of access that is sectoral in nature or limited to specific groups.

The most fundamental change brought about by this policy lies in the transformation of the functions of civil society organizations. Normatively, Law No. 17 of 2013 stipulates that civil society organizations are established to perform social functions, participate in development, and empower communities—not to engage in profit-oriented economic activities. When civil society organizations are subsequently granted access to own and manage business entities in the mining sector, a significant shift in institutional function occurs—from social entities to extractive economic entities (Tandori & Murdiati, 2025). This shift is not merely administrative but also structural, as it alters the orientation, decision-making mechanisms, and distribution of benefits within these organizations. Prasetyo's (2023) analysis indicates that regulations governing community organizations as legal entities in the mining business require clarity regarding their legal status and organizational capacity; however, GR 25/2024 has not yet provided such clarity adequately.

From an organizational governance perspective, this situation creates room for internal conflicts of interest. Organizational leaders may find themselves in a dual role—as managers of a social entity and as controllers of business activities with high economic value. The imbalance in the relationship between leaders and organizational members has the potential to create information asymmetry in the distribution of profits from mining operations (Franks et al., 2014). In such situations, the organization can become a formal instrument that legally represents collective interests but is, in practice, controlled by an internal elite with access to economic decision-making. This condition reinforces the argument that the expansion of civil society organizations' functions into the mining sector cannot be separated from the risk of a shift in objectives. The findings of Franks et al. (2014) are relevant in explaining that conflicts in natural resource management are often caused not only by resource constraints but also by a lack of clarity in the distribution of benefits among the actors involved. When institutional structures are not designed to be transparent and accountable, the distribution of benefits tends to be concentrated among certain groups, while other groups that are formally part of the organization do not receive proportional benefits.

From a constitutional law perspective, this policy also requires analysis within the framework of the principle of “the greatest possible prosperity for the people,” as stipulated in Article 33, paragraph (3) of the 1945 Constitution. The concept of state control over natural resources cannot be interpreted solely as administrative control but encompasses the state’s obligation to ensure that all natural resource management policies truly provide optimal benefits for the entire population (Asshiddiqie, 2018). In this context, granting priority access to certain civil society organizations raises the question of whether such policies truly reflect the principles of distributive justice or, conversely, create a new form of economic exclusivity in natural resource management.

The potential for inequality becomes increasingly apparent when linked to the sociopolitical dimensions of these policies. Religiously-based community organizations such as Nahdlatul Ulama and Muhammadiyah have a broad mass base and significant social influence in Indonesian society. When organizations with such characteristics are granted access to strategic economic resources such as mining, the potential for the politicization of natural resource policies emerges—both in the form of social legitimacy and in the context of electoral political interests (Abdulrahim, 2024). Empirical experience with granting permits to cooperatives or community-based entities in previous periods shows that, without strict oversight mechanisms, the management of concessions often does not truly rest in the hands of the organization’s members but is instead controlled by economic actors with close ties to the power structure (CNBC Indonesia, 2024).

Beyond the issue of benefit distribution, another equally important issue is the technical and institutional capacity of community organizations to manage mining activities. The mining industry is a highly complex sector that requires significant capital investment, advanced exploration and exploitation technologies, and a rigorous environmental risk management system (Hilson, 2002). Without such capacity, the involvement of civil society organizations in this sector risks creating a dependency on third parties, whether in the form of operational partnerships or the delegation of technical management to established mining companies. In practice, this situation often leads to the phenomenon of nominee arrangements, in which an organization serves merely as the formal license holder while operational activities and economic benefits are controlled by another party (Republika.co.id, 2024). This situation not only reduces the effectiveness of policies in achieving public welfare objectives but also has the potential to cause distortions in the mining sector’s economic structure, including increased transaction costs and uncertainty within the extractive industry’s value chain.

From the perspective of financial governance and transparency, the absence of strict reporting mechanisms in Regulation GR 25/2024 poses a serious risk to accountability in the management of mining sector revenues. In the literature on natural resource governance, financial transparency is one of the key pillars for preventing abuse of authority and corrupt practices in the extractive sector (McPhail, 2014). When civil society organizations with political or social affiliations gain access to high-value economic resources without adequate public audit mechanisms, the door is opened to political financing through the mining sector. Owen and Kemp (2018) emphasize that weak accountability in mining concessions often leads to protracted social conflicts and environmental damage. McPhail's (2014) study shows that weaknesses in the governance of mining concessions are often correlated with increased risks of environmental damage, social conflict, and a decline in the quality of local government institutions. In the Indonesian context, this is particularly relevant because the mining sector often operates in regions with a high level of economic dependence on natural resources, meaning that any disruption in governance directly impacts the lives of surrounding communities.

When analyzed more comprehensively, the policy of granting IUPs to civil society organizations through GR 25/2024 reveals a tension between short-term political objectives and the principles of sustainable natural resource governance. On the one hand, this policy can be understood as an effort to expand the participation of non-state actors in natural resource management. On the other hand, without a robust regulatory framework, this policy risks blurring the line between the social functions of civil society organizations and extractive economic interests, which could ultimately undermine the principles of the rule of law and social justice in natural resource management. The legal framework of GR 25/2024 reflects the dominance of short-term political interests over the principles of good governance. This policy is not only problematic from the perspective of the hierarchy of laws and general principles of good governance, but also has the potential to undermine sustainable natural resource management and public welfare.

Therefore, a reassessment of the normative design of GR 25/2024 is necessary, particularly regarding oversight mechanisms, financial transparency, and clear boundaries regarding the scope of civil society organizations' involvement in the mining sector. Strengthening these aspects is essential so that the policy is not merely a formal legal formality but is truly capable of ensuring the achievement of the constitutional goal of the greatest possible prosperity for the people in a sustainable manner. A revision of GR 25/2024 is necessary to include strict oversight mechanisms, transparency requirements, and clear boundaries so that civil society organizations can truly participate in development without compromising the principles of the rule of law and social justice.

CONCLUSIONS

This study reveals that Government Regulation No. 25 of 2024, which grants priority access to Special Mining Business Permit Areas for civil society organizations, is a political-legal product rife with short-term interests. This policy was enacted during a transitional period of government without an adequate legal basis, thereby violating the hierarchy of laws and the principle of legal certainty. Violations of the principles of prudence and transparency in its formulation further undermine the policy's legitimacy.

In terms of substance, Government Regulation No. 25 of 2024 has not yet incorporated the principles of good mining governance, particularly regarding transparency, accountability, and oversight. The absence of strict financial reporting mechanisms and clear measures of institutional capacity creates opportunities for the misuse of permits, internal conflicts of interest, and the politicization of natural resources. The shift in the function of civil society organizations from social entities to extractive economic entities has the potential to alter their objectives and reinforce inequality in the distribution of benefits. The legal implications and policy impacts of this regulation on natural resource management and public welfare are significant. The priority access granted to certain religion-based community organizations has the potential to create economic exclusivity and threaten the principle of distributive justice as mandated in Article 33, paragraph (3) of the 1945 Constitution. Without adequate technical and financial capacity, civil society organizations are vulnerable to being used as puppets by third parties, causing the expected benefits to fail to reach the organization's members or the broader public.

Therefore, a comprehensive revision of Government Regulation No. 25 of 2024 is necessary to strengthen independent oversight mechanisms, financial and operational transparency requirements, and clear boundaries regarding the scope of civil society organizations' involvement in the mining sector. Strengthening these aspects is a prerequisite for ensuring that this policy is not merely a formal legal formality, but is truly capable of realizing the constitutional goal of achieving the greatest possible prosperity for the people in a sustainable manner. Without firm corrective measures, concerns about a repeat of the pattern of failures in the management of community-based concessions—such as those that occurred with mining cooperatives during the reform era—are not unfounded.

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