The Reconstruction of Energy Management Law
Based on Indonesia Legal System

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Abstract

Two things become an important part of studies in Indonesian law related to energy management. The first, related to the management of natural resources. Second, the energy sector is also related to other sectors, that is forestry, water resources, marine and fisheries, agriculture and plantations, as well as land. Ideally, all of the energy management law must reflect the state ideology, as natural resources energy must be managed for the greater prosperity of the people. Energy should not be administered arbitrarily because, in addition to the utilization, the existence of natural resources should not be separated from the philosophical orientation of Indonesian legislation, Pancasila, and The 1945 Constitution. However, the reality of energy legislation indicates of the authority competes between sectors and alignments to society which is not optimal. It is due to the legal nature of the energy sector which is liberal and still-exploitation oriented and pro-capitalist. By using a socio-legal approach, this paper describes the reconstruction of law-oriented to the Indonesian legal system in energy management based on Pancasila and the 1945 Constitution as the foundation and soul of the energy sector law.

Keywords: Reconstruction of Law, Energy Management, the Indonesian Legal System.

DOI: https://doi.org/10.25041/fiatjustisia.v12no1.1146

A. Introduction

The energy that discussed in this article is not limited to energy stipulated in the Law 30/2007 on Energy, but broader, encompassing the sectors of Energy and Mineral Resources. In addition to the Energy Act, this energy context contains Law 22/2001 on Oil and Gas, Law 21/2014 on Geothermal, Law 4/2009 on Energy and Coal Mining, and Law 30/2009 on Electricity. All of the laws are that the energy sector is a gift from the Creator as well as a resource that can be harnessed for development.

The discussion in energy context above is possible, given that the concept offered by Article 1 paragraph 1, 2, 3, and 17 of Energy Act itself widely portrayed. The energy that is meant is "the ability to do work that can be heat, light, mechanical, chemical, and electromagnetic." The energy source itself is "something that can generate energy, either directly or through the conversion or the transformation process." Also, energy resource is "a natural resource that can be used either as a source of energy." Energy management itself is determined as "the organization of the provision, the exploitation and the utilization of the energy and the provision of strategic reserves and the conservation of energy resources."

Based on the description above, it means that the energy includes the energy sector. When speaking about the sector, the association with other sectors may not be neglect. Associated with the presence of energy as a power source, then there are at least six interrelated sectors namely, forestry, water resources, marine and fisheries, agriculture and farming, land, and energy and mineral resources.¹

Understanding the energy in the context of resources, then two things are directly related. First, about how the resource was discovered, exploited and utilized. Second, the traffic control resource relationship was discovered, exploited and utilized. The second thing is the very important thing to do the first thing. The existence of the energy as a natural resource in this context, and then discovered the settings through Article 33 of the Constitution of the Republic of Indonesia Year 1945 (Indonesia Constitution of 1945).

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Three things specified in Article 33. First, Indonesia’s economy is based on familial and economic democracy (paragraph (1) and paragraph (4)). Second, the production branch concerning the livelihood of the people controlled by the state (paragraph (2)). Third, natural resources controlled by the state for the welfare of the people (paragraph (3)).  

The third paragraph, confirming the position of the utilization of natural resources, which in the context of Indonesia known as the state right to control the management of natural resources. This setting can be read in the context of the desire of state that wants to care for the people. This text can be called "moral reading," which confirms the heart of the constitution.  

The assertion is the desire of achieving the goals of the welfare state, which is responsible for economic and prosperity. This arrangement is called an affirmation of human-oriented economic system by Mubyarto.  

Imperatively is then contained in the law of the energy sector and mineral resources, but in fact, the law is too liberal, shows the competition between sectors and therefore cause a conflict of authority overlaps with the regulations and licensing, pull authorities and regional governments, as well as the exploitative character and alignments on financiers.  

Based on the description, this article would like to answer the state right to control the natural resources. Associated with energy management

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must be social justice, offered legal reforms within the framework of the Indonesian legal system. Thus, legal reforms would establish social justice orientation in energy management.

B. Method

The approach used in this paper is a socio-legal, which concepcting law is not limited to the norm, but also as a behavior. The conception of law as behavior that appears in reality have consequence that the law is seen not just as a suitable concrete, written, contains the sanctions and issued by competent authorities that in operation is influenced by many other factors such as economics, politics, culture, religion, etc.\textsuperscript{12}

The use of this approach is important to bring it to a more thorough understanding of the law, intact and not text only. Also want to find out whether the regulation is effective, positive, productive, or even disturb and ruin.\textsuperscript{13} Some data are obtained through the newspapers. The data is combined with an overview of the legislation. The analysis was performed by using a descriptive-qualitative method.

C. Discussion

1. Questioning the State Right to Control

There is a difference between Article 33 before and after the amendment. Additional of two paragraphs focused on the national economy that is organized based on the economic democracy. This article has hope to reinforce the direction of life idealized form of the prosperity based on the family principles. The initial concept of Article 33 was discussed on July 16, 1945, proposal initiated by Muhammad Hatta on social welfare.\textsuperscript{14}

This article is intended to make the natural resources are not controlled arbitrarily, and the state must protect and manage carefully. This article contains the rules or general principles -what is called a moral text, among others: earth, water, natural resources utilized for the benefit of the people, the economy is based on family principles, and state dominates the production for the lives of many people.\textsuperscript{15}

Through this article, the state has the rights to control doctrine which is known. The interpretation of this doctrine continues to be debated. It is caused partly because too abstract and in various laws there are differences. Indeed, through the Constitutional Court Decision No. 022/PUU-I/2003, "controlled by the state" cannot be interpreted as in the sense of private ownership by the state. "controlled by the state" should be interpreted to include the meaning of mastery in a broad sense sourced and originates from the conception of the sovereignty of the people of Indonesia over all sources of wealth "earth and water and natural resources contained therein", also including public ownership by the people collectively sources intended natural-source. That is related to the goal of "the greatest welfare of the people," as the mandate to "promote the general welfare" and "creating social justice for all Indonesian people." People collectively, constructed by the 1945 Constitution mandates the state to create a policy (beleid), make arrangements (regelendaad), maintains (bestuursdaad), managing (beheersdaad), and control (toezichthoudensdaad), for the large prosperity.

Also, in Decision No. 72/PUU-VIII/2010 regarding judicial review of Law No. 41 of 1999 on Forestry, the Constitutional Court confirms that natural resource management planning should be based on the principle of the efficiency of justice, sustainable, and environmentally sound, so that need of the comprehensive planning. Decision No. 45/PUU-IX/2011 regarding the testing of the Forestry Law, the Constitutional Court stated that administration officials should not be done arbitrarily.

Through Decision No. 3/PUU-VIII/2010 regarding judicial review of Law No. 27 Year 2007 on the Management of Coastal Areas and Small Islands, the Constitutional Court also defines four benchmarks "for the greatest welfare of the people", namely: (a) their natural resources for the benefit of the people; (B) the level of equitable distribution of the benefits of natural resources for the people; (C) the level of people's participation in determining the benefits of natural resources; (D) respect for the rights of the people from generation to generation in utilizing natural resources. Destination "for the greatest welfare of the people" cannot be separated by the authority of state control.

The above decision of the Constitutional Court should be the basis for energy management in Indonesia. Energy management should represent the lofty ideals as in the Preamble of the Constitution 1945. Thus, in the context of development, natural resources are not only economic-oriented.

Since 1976, Mochtar Kusumaatmadja has reminded, the development of which only economic oriented carried the negative implications to the efficiency and the environmental functions. Development is efforts to realize the quality of life.

Indonesia opened the neo-capitalist ideology since the 1970s, with the birth of Law No. 1/1967 on foreign investment and Law No. 6/1968 on domestic investment. Three decades later the state realized, among others, with the birth of the People's Consultative Assembly Decree No. IX/MPR/2001 on Agrarian Reform and Natural Resources Management.

In the letter consideration of MPR Preamble decree stated that the management of the agricultural/natural resource that has lasted for environmental degradation, inequality holding structure possession, use and utilization as well gives rise to various conflicts. So MPR confirmed a number of important principles, among others: (a) justice in the control, ownership, use, utilization, and maintenance of agrarian resources/natural resources; (b) maintain continuity with regard to capacity and carrying capacity; (c) carry out a social function, sustainability and ecological functions; (d) increase integration and coordination between sectors; (e) pursue the balance of rights and obligations of the state, the government, society and individuals; and (f) implement a decentralized form of the division of authority.

On this basis, the policy directions that have been outlined are: (a) reexamining the various legislations in order to synchronize policies; (b) resolving natural resource use conflicts arising during this time as well as to anticipate potential conflicts in the future to ensure the implementation of law enforcement to be based on the principles of natural resource management.

Thus, this MPR decree is a keeper of boundary natural resources management to conform to the constitution. This limit itself to achieve what is called by Jeremy Bentham as a guarantee of happiness for human beings as much as possible. Happiness is that in the context of Indonesia, is

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intended as a welfare state goal. Leading economic constitution that Indonesia adheres to the welfare state.

The Constitution of 1945 wants to realize and maximize the well-being and happiness. But unfortunately associated with the acquisition and utilization of natural resources, for over 60 years of independence, natural resource management arrangements, instead generates injustice. Nationally, the exploitation of natural resources has not also provided prosperity for the people. The phenomenon of exploitation of natural resources that never ended without any effect on the welfare of the community can be seen in a variety of optical, one of which is the incorporation of the principle of social justice in the legislation. On this basis, the legal reform of fair energy should be guided by the values of social justice as defined in the Indonesian legal system.

2. Energy Management Must be Oriented, Social Justice

The laws of energy sector include similar philosophical orientation. Law No. 22/2001 expressly mentions the achievement of public welfare orientation of the national development activities that should always rely on Pancasila and the Constitution of 1945. It is also confirmed in the Law No. 30/2009. In the same spirit, the Law No. 30/2007 calling as a wealth of energy resources for the greater prosperity of the people. While Law No. 4/2009 also mentioned are owned by the state, but did not call directly for the people's welfare, but the welfare of the people equitably pressure. While Law No. 21/2014 seem more loose.

All of the Energy Laws above, lists the three important principles in addition to other principles, that each justice, sustainability, and environmental sustainability. At the level of principle, it is to realize the benefit of these three things in the development. But it looks different in different settings. In Law No. 22/2001, the operationalization of the principle of justice is virtually invisible. Provisions are governing small businesses and cooperatives, but the setting was sunk by the dominance of business entities and licensing arrangements. It is just that this law is very concerned

with the number of areas, including sacred area, territories of indigenous peoples, and cultural heritage that cannot do the activities of oil and gas mining.

The dominance of licensing and terms of the authority also be dominant once in Law No. 21/2014. The exploitation and the division of the authority are very dominant. It also should be careful about the land and permits on the land, which in this case remains back to the land sector. The problem of this authority as well, it feels an attraction in Law No. 4/2009, it is just that this Act has been divided more detail in some authorities.  

The setting that is interesting from Law No. 30/2007, by arranging emergency conditions and prices, including the reserve and fair energy pricing. The disadvantage is the provision of subsidy funds for the group is not able to not be an obligation, so the discussion is dependent on policy. Another thing for the operationalization of this article is subject to other provisions, particularly in pricing, and it would be risky for the people below. About authority, the same thing can also be seen that each level has a certain authority and this authority issue back to the relevant laws.

The above conditions there is an awareness that justice becomes one of the important things of the Law on the energy sector. The orientation of this justice in the operationalization is not all open space, among others due to a variety of factors surrounding the Act itself. Furthermore, the orientation of justice by the actual operationalization reflects how attraction occurs. The Act causes this condition cannot be removed-associate of various factors, political, economic, and so on. These factors are then pressed on a waiver orientation of justice in the name of development.

Term development in this context is another meaning of modernization. According to Mansour Fakih, interchangeable term modernization is as development to avoid any negative impression, especially a development process that is generally dominated the economic development orientation.  The orientation of this kind, called Myint classified as "In Looking Policy" (inward-looking policy) where a large intervention in the economic sphere that is associated with the allocation of natural resources in the context of development policy.  Andre Gorz calls this the term "looting reserves of natural resources."

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Based on the description above, it can be understood as the natural wealth of the existence of energy has a dual role, on the one hand as development capital, on the other hand as the support system of life. Achievement of both these roles simultaneously is often not realized. Though both are needed, especially related to the environmental sustainability.  

Both roles above, basically also related to the concept and functions of the state in protecting the welfare of its people. With the concept of the welfare state, social justice utilization of energy is expected to run optimally, at the same time the environmental issues are not left behind.

3. Reconstruction of Energy Management Law in Indonesia Legal System

Terminology reconstruction comes from the word construction that means "arrangement (style, layout) of a building." Construction is done by the constructor recycled into reconstruction, which tells us "to build a re-arrangement of the building." Reconstruction is not much different from so-called "legal reform" which means the law that makes the development of society as equitably as orientation. This concept is disclosed by Satjipto Rahardjo and Barda Nawawi Arief. Legal reform itself is also associated with the sustainable development of the activity of the scientific and philosophical thinking/basic ideas/intellectual conception. The study on this issue is certainly a study that "generations." Also, referring to the concept of "reform" itself should also improve the system. In the Oxford Dictionary is positioned update as to fix the system in a variety of changes, leading to a better direction than before. With such scheme, then the update finally strung in a system aimed at (purposive system), as well as destination countries in order to protect all

the people of Indonesia and to promote the general welfare based on Pancasila and the 1945 Constitution.

Efforts to legal reform itself has been started since the inception of the 1945 Constitution in this context, which became a paradigm that can be captured from 1945, among others: (a) Belief in God Almighty; (b) Humanitarian; (c) the Union; (d) Democracy; (e) Social Justice; (f) Kinship; (g) Harmony; (h) Council. 38 Thus, the legal reform called, in the context of the law of energy; basically want to differentiate from Western thinking patterns within the law. Indonesia puts Pancasila in 1945 Constitution opening as a philosophical foundation that underlies and animates the preparation of the provisions contained in the Constitution. This concept emphasizes that the preparation and the application of the rule of law in Indonesia must be based on and inspired by Pancasila. 39

In the concept of Pancasila, mediate what the West individually prominent and Socialist communal glorifies. 40 Understand Pancasila seated individual interests are balanced with the public interest. Within this scope, Pancasila is the outlook of the Indonesia nation which expresses the views of Indonesia concerning the relationship between man and God, man and fellow human beings, and human beings with the universe, with a core of beliefs about man’s place in society and the individual in the universe. By this, the context of the division of the authority and the exploitation of the energy sector, should not forget the values of Pancasila, particularly social justice that made the difference of the Indonesian legal system with the modern law.

D. Conclusion

Based on the previous section, it can be concluded that basically in Indonesia there are basic of state rights to control, in order to protect the management of energy wealth equitably, it is just right to run the country interpreted vary up to the Constitutional Court in several decisions has set a limit of public welfare-related social justice. Concretely, the state authorities create policies, regulation, maintenance, management, and supervision, for the people’s welfare.

In the laws of the energy sector, include similar philosophical orientation. That laws also lists three important principles in addition to other principles, that each justice, sustainability, and environmental sustainability. At the level of principle, it is done to realize the benefit of

39 Ibid.
these three things in the development. But it is different in the operationalization of the principles of justice are almost invisible. In the context of social justice, which caused due to other interests which are considered more important, that is the problem of exploitation, domination of licensing by financiers, and about the respective authority. Including the community’s access to energy is still not optimal.

Energy management law reform is to fully offer in the context of the laws of energy, into the values of Pancasila as the foundation and soul. The existence of this value is different from modern laws that are more reliant upon the individual’s freedom.

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