



Form of Local Government Supervision on The Implementation of The Responsibilities of Companies Holding Oil and Gas Business Licenses to The Community

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Abstract

Introduction: This community service activity focuses on local government supervision of the implementation of social responsibility of oil and gas companies in East Seram Regency. This area is rich in natural resources, but its management is not optimal and causes socio-environmental conflicts due to weak supervision and the absence of regional regulations governing the implementation and evaluation of corporate CSR.

Purposes of The Devotion: This service is carried out in order to provide knowledge and understanding of the form of Local Government Supervision on the implementation of the responsibilities of oil and gas license holders to the community against the Regional Government of East Seram Regency which is a finding in previous research.

Method of The Devotion: Community Service (PKM), impact on improving the quality of higher education, as well as the results of PKM will provide legal education for the community. Therefore, community service activities are carried out through legal consultation, it is considered important to do in order to provide understanding and knowledge and legal awareness for the Regional Government of East Seram Regency about the implementation and supervision of the implementation of social responsibility that is integrated and coordinated between OPD related agencies, so that social Responsibility funds from companies are maximized for development in East Seram Regency.

Results Main Findings of the Devotion: the absence of supervision from the local government on the implementation of Corporate social Responsibility both by companies holding oil and gas business licenses but also to any company that runs its business in East Seram Regency, because there is no regulation on the basis of the implementation of such supervision at the regional level. The form of integrated supervision between institutions is one of the important indicators that must be regulated in the regulation. The absence of a basis for government action on the implementation of Corporate social Responsibility and coordination between local government organizations led to the results of the implementation of Corporate social Responsibility can not be maximized to support development in the region. This service activity uses the method of legal counseling, where resource persons provide material, then discussions and questions and answers are carried out. This service activity was carried out in East Seram Regency, Maluku province, which involved several related East Seram Regional Government Organizations.

Keywords: Legal Counseling; Local Government Supervision; Corporate Social Responsibility.

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INTRODUCTION

This community service activity is a series of research and community service activities in East Seram Regency, which involves the Regional Government of East Seram Regency as a partner. The eastern part of Seram is a maritime Regency with a sea area of 14,877.771 km², consisting of 15 districts, and consisting of 50 islands in Maluku province. East Seram Regency is located between Seram Sea, Banda Sea, Central Maluku regency, and Arafuru

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Sea. The results showed that in terms of investment in energy and natural resources in East Seram Regency, the mining and excavation sector is a base sector that has a significant comparative advantage in the area, and is expected to be an important pillar supporting the economy in the region. Although the mining and excavation sector is a base sector that is expected to be a pillar of economic support in the area, the slow growth shows that the sector has not maximized its potential.

Moving on from the results of research that found that related to the utilization of natural resources, especially mining, there are differences in viewpoints and treatment of the region and the absence of legal arrangements that specifically regulate the responsibility of companies holding oil and gas exploration business licenses to trigger conflicts over natural resources, where the Bati tribe people view the land or , while the company views the area on which there are natural resources that will be processed so that environmental damage as a result of exploration activities is not considered the responsibility of exploration business license holders. On the other hand, related to mining management in Indonesia, the linkage of the right to control the state over mining with the greatest prosperity of the people will realize the state's obligations¹: 1) All forms of utilization of Natural Resources mining and the results obtained in it (natural wealth), should significantly increase the prosperity and welfare of society; 2) Protect and guarantee all the rights of the people contained in and above the earth that can be produced directly or enjoyed directly by the people; 3) Prevent any action from any party that will cause the people have no opportunity or loss of rights that exist in and on Earth.

The government is the control holder in the state administration system, which has the responsibility to implement the mandate of the objectives of the state and society, as stipulated in the Preamble to the Constitution of the Republic of Indonesia year 1945 (preamble to the 1945 Constitution). The purpose of the state and society as set out in the Preamble to the Constitution of 1945, stipulates that; "... to establish an Indonesian government that protects all Indonesians and to soothe the general welfare ..." Furthermore, in Article 33 paragraph (3) of the Indonesian constitution of 1945 also regulates that;" Earth and water and Natural Resources contained therein are controlled by the state and used for the greatest prosperity of the people". Thus, the governance system in Indonesia aims to ensure the protection of people's rights, so that it is in line with the state's goal to create the greatest welfare and prosperity for the community.

Therefore, the government has a role and function to organize, regulate, control and supervise the state administration system, to be able to accelerate and articulate the interests and needs of the community holistically and systematically, and continuously or sustainably (sustainable) development activities, so that the goals of the state and society can be realized in accordance with the provisions in the Preamble of the 1945 Indonesian constitution. One of the most important parts in the system of organizing the state, is to carry out development activities. Development is the driving force for the implementation of the state to achieve the goals of the state and society. The process of development activities requires various supports and actions of various parties as a manifestation of rights and obligations.

The government has a role and function to realize the rights and obligations in the implementation of development through government authority. The form of government

¹ Abrar Saleng, *Hukum Pertambangan* (Yogyakarta: Yogyakarta: UII Press, 2004). 54-55.

authority is carried out through decisions or decrees (*beschikking*). Realization of decisions or resolutions through regulatory arrangements. The purpose is to prepare mechanisms and ensure the implementation of development activities for the purpose as stipulated in the Preamble to the 1945 Indonesian constitution. This will lead to government action to establish various policies in the implementation of development activities, bringing consequences to the legal consequences of the emergence of rights and obligations that must be obeyed. One form of government action as a manifestation of government authority, is to establish policies in the form of legislation as a legal instrument in the implementation of development activities. One form of legislation in the field of oil and gas mining, as a natural resource owned by the Indonesian nation as a gift of natural wealth from God. Oil and gas mining is one of the excellent natural resources of the Indonesian nation that needs serious attention by the government in setting related policies and rules. Therefore, the government enacted Law Nomor 21 of 2001 on oil and Gas (*Undang-Undang Migas*). However, the management of oil and gas mining not only contributes to the opinion of the state, but also has a risk to people's lives and the surrounding environment².

Considering the purpose of natural wealth management controlled by the state, used for the greatest prosperity and welfare of the people of Indonesia, this has implications for the management of mineral and natural gas which is a non-renewable strategic natural resources, controlled by the state for the improvement of the national economy and welfare of the people. Based on Law Number 21 of 2001 on oil and Gas (oil and Gas Law), oil and gas exploration and exploitation companies are required to carry out community development (Community Development). In addition, for mining and oil and gas management companies attached the responsibility to perform good corporate governance (GCG) and corporate social responsibility (CSR), based on the rules of law as stipulated in Law Nomor 40 of 2007 on limited liability companies (UUPT), in Article 47 and Law Nomor 25 of 2007 on investment (UUPM), in Article 15 letter (b) and Government Regulation Nomor 47 of 2012 on social and environmental responsibility of Limited Liability Companies.

However, the presence of mining companies for oil and gas exploration and exploitation, it raises various legal, social, economic and environmental problems, so that potential disputes with community rights, social and environmental problems and land use problems for oil and gas mining businesses. The fact is that in every oil and gas mining business, it does not optimally provide an impact on the welfare of the people who live around the oil and gas mining business environment. It is very sad the existence of people who inhabit the area around the area of exploration and exploitation of oil and gas mining management activities.³

Seeing the reality of the implementation of oil and gas mining management activities so far, it is necessary to supervise by the government as a party with authority, especially the Provincial, District and city governments, as a form of service to the community. This is due to the position of the Provincial, District and city governments as an intermediate government, which functions as a representative of the government in the region in terms of supervision and guidance, so that the implementation of each policy in the form of the rule of law as stipulated in the legislation, in order to run efficiently and effectively.

² HS Salim, *Hukum Penyelesaian Sengketa Pertambangan Di Indonesia* (Bandung: Pustaka Reka Cipta, 2018).

³ Nancy Haliwela and et. al., "Tanggung Jawab Pemegang Izin Usaha Pertambangan Bagi Masyarakat Suku Bati Di Kabupaten Seram Bagian Timur" (Ambon, 2023).

Supervision is not only aimed at the realization of the implementation of legislation, but supervision has substance for the realization of enforcement of the implementation of the rule of law in legislation. As already specified in the UUPM, legal risks for companies that do not implement GCG and CSR are regulated in Article 34 of the UUPM, namely sanctions in the form of written warnings, restrictions on business activities, freezing of business activities and/or investment facilities or revocation of business activities and/or investment facilities.

Government supervision, through local governments will provide an optimal impact for the realization of efforts to improve public welfare, so it will not be a trigger for community disputes with oil and gas mining companies in the region, due to the neglected fulfillment of the rights of the surrounding community, due to the management of oil and gas mining. So far, the surrounding community can only receive direct damage, but does not receive the fulfillment of community rights as stipulated in the UUPT and UUPM regarding the responsibility of oil and gas management companies to carry out Community Empowerment actions through CSR and GCG. Supervision of local governments over the management of oil and gas companies in the region, it is also important to do as a form of implementation of the responsibilities of local governments to their communities and regions.

However, the results showed that there are several obstacles so that the supervisory function can not be implemented, among others, that there is no authority of the local government on mining investment as incorporated in the Mining Act that the mining business license issued by the minister based on the recommendation of the governor this means that the district does not have authority, on the other hand, there are no local regulations at the district level related to the implementation and supervision of the implementation of Corporate social Responsibility so that there is no legal basis as a basis for local government action in this case the relevant OPD to conduct supervision.

METHOD OF THE DEVOTION

Community service (PKM), has an impact on improving the quality of higher education, as well as the results of PKM will provide legal education for the community. Therefore, community service activities are carried out through legal consultation, it is considered important to do in order to provide understanding and knowledge and legal awareness for the Regional Government of East Seram Regency about the implementation and supervision of the implementation of social responsibility that is integrated and coordinated between OPD related agencies, so that social Responsibility funds from companies are maximized for development in East Seram Regency.

RESULTS AND DISCUSSION

A. Implementation of Corporate Responsibility (CSR) of Oil and Gas Mining License Holders to The Community in East Seram Regency

Government policies related to investment activities by oil and gas mining companies in Indonesia are required to have responsibility, as stipulated in the legislation. Corporate responsibility mining business license holders are encouraged to not only pursue profit/profit, but attached to the obligation of mining business license holders to carry out responsibilities on the implementation of good corporate governance (good corporate

governance) and social and environmental responsibility to the community and the environment (corporate social responsibility/CSR). The company's responsibility is a provision stipulated in the legislation as a form of legal obligation for the company, based on various actual facts that occur, and harm the community and the environment due to the impact of mining company management activities, either directly or indirectly. Various problems occur as a result of the impact of losses on the company's activities, such as; legal, economic, social, and environmental problems, become a source of conflict, to disputes between the surrounding community and the company.

Indonesia has regulated Corporate Responsibility / CSR in legislation. The regulation in the law has obliged every investment company, to carry out corporate social responsibility, as stipulated in Law Number 25 of 2007 on capital investment (UUPM) and obligations for Limited Liability Companies. A limited liability company, hereinafter referred to as the company, is a legal entity that is a capital partnership, established under an agreement, conducts business activities with an authorized capital that is entirely divided into shares and meets the requirements stipulated in Law Number 40 of 2007 concerning Limited Liability Companies and its Implementing Regulations. Regulation on corporate responsibility in law Number 25 of 2007 on capital investment (UUPM), in Article 15 (b) known as the concept of Corporate Social Responsibility. Article 15 (b) of Law Nomor 25 of 2007 provides that; "every investor is obliged to carry out corporate social responsibility".

Companies that do not carry out social and environmental responsibilities, in accordance with the rules in Article 34 paragraph 1 u PM, regulate that; business entities or individual businesses as referred to in Article 5 UUPM, which do not fulfill the obligations as specified in Article 15 UUPM may be subject to administrative sanctions in the form of: 1) written warning; 2) restrictions on business activities; 3) freezing of business activities and / or investment facilities/or 4) revocation of business activities and/or investment facilities.

Corporate responsibility in Law No. 40 of 2007 on Limited Liability Companies (UUPT), is defined as social and environmental responsibility. Based on the provisions of Article 1 of the Constitution, defines that; "Social and environmental responsibility is the company's commitment to participate in sustainable economic development in order to improve the quality of life and beneficial environment, both for the company itself, the local community and the community in general “.

Furthermore, Article 74 of the company law specifically regulates social and environmental responsibility by Limited Liability Companies in Indonesia, stipulating that; Paragraph (1): the company carrying out its business activities in the field of and or related to natural resources shall carry out social and environmental responsibility. Paragraph (2): social and environmental responsibility as referred to is an obligation of the company which is budgeted and calculated as the cost of the company, the implementation of which is carried out with due regard to propriety and fairness. Paragraph (3): the company that does not carry out the obligations as meant in Paragraph (1) shall be sanctioned in accordance with the laws and regulations. Paragraph (4): further provisions on social and Environmental Responsibility shall be governed by a government regulation.

Further provisions related to the implementation of social and Environmental Responsibility / CSR are stipulated by Government Regulation Number. 47 of 2012 on social and environmental responsibility of Limited Liability Companies. This Implementing Regulation (PP) is a PP that is stipulated as an implementing regulation of Article 74 of the

PT Law, which regulates the implementation of social and Environmental Responsibility/CSR in Indonesia. That to implement the provisions of Article 74 paragraph (4) of Law No.40 of 2007 concerning Limited Liability Companies, it is necessary to establish a government regulation on social and environmental responsibility of limited liability companies / CSR.

The implementation of CSR by a Limited Liability Company is based on PP 47 of 2012 on social and environmental responsibility of Limited Liability Companies. Article 1 PP Number 12 of 2012 provides an understanding of a Limited Liability Company, as a legal entity that has the obligation to implement CSR. In Article 2 of Regulation 47 of 2012, regulates that; each company as a subject of law has a social and Environmental Responsibility/CSR. The provisions for Limited Liability Companies related to CSR are regulated in Article 3 of government regulation Nomor 12 of 2012. Article 3 of regulation 12 of 2012 stipulates that: Paragraph (1): social and environmental responsibility as meant in Article 2 shall be an obligation for the company conducting its business activities in the field of and/or relating to natural resources under the law. Paragraph (2): The obligation as meant in Paragraph (1) shall be carried out both within and outside the company.

Based on the regulation of the rules of law on Corporate Responsibility / CSR, has not been optimally applied by the company for the community and the surrounding environment. Precisely based on the results of research conducted on companies holding mining business licenses in East Seram Regency, both those conducting exploration and oil and gas exploitation stages. Cases encountered during previous research conducted by PT. Balam Energy Limited and PT. Bureu Geophysical Prospecting (BGP), this company has been active in exploration activities, including various actions to perforate the soil using dynamite, felling trees in the sacred forest area of the Bati tribe for helipad construction activities and Camp construction. The presence of the company is not known by the surrounding community, because there is no approval from the community. This became a trigger for conflict until there was a rejection of the company's activities in the territory of the Bati Tribe.

The results also showed that PT. Balam Energy and PT Bureu Geophysical Prospecting (BGP), as holders of oil and gas mining exploration permits, do not carry out social and Environmental Responsibility/CSR, as stipulated in the provisions of Article 15 letter b of the UUPM and Article 74 of the UUPT, and PP 12 of 2012 as a form of obligation for the company. Under this provision, PT. Balam Energy and PT Bureu Geophysical Prospecting (BGP), as holders of oil and gas exploration permits, carry out social and Environmental Responsibility/CSR obligations for the Bati Tribe. CSR obligations must be carried out since the company conducts exploration activities, as specified in Article 15 letter b of the UUPM, stipulates that "every investor is obliged to carry out corporate social responsibility". Similarly, in Article 74 paragraph (1) of the Company Law regulates that "companies that carry out their business activities in the field of and or related to natural resources must carry out social and environmental responsibilities."

Based on this provision, PT. Balam Energy and PT Bureu Geophysical Prospecting (BGP), as holders of oil and gas mining exploration licenses, when conducting exploration, they have an obligation to carry out social and Environmental Responsibility/CSR. Although the company obtained the grant of mining permits carried out by the central government, but the obligation to implement social and environmental responsibility by the company

holding the exploration license is still mandatory by PT. Balam Energy and PT Bureu Geophysical Prospecting (BGP) to the community and the environment in the exploration area conducted. Implementation of social and Environmental Responsibility by the company, is not determined or limited by the granting of permits from the central government. In accordance with the provisions in Article 15 letter b of the Company Law and Article 74 paragraph (1) the Company Law has determined that the implementation of social and environmental responsibility by the company/ CSR as a corporate obligation, and not an obligation based on the granting of permits by the government. However, the obligation for the company when the company carries out the company's operational activities, even before the company makes a profit/profit, because the company is obliged to budget as stipulated in Article 74 paragraph (2) of the Company Law, stipulates that "social and environmental responsibility as referred to is an obligation of the company that is budgeted and calculated as the cost of the company whose implementation is carried out with due regard to propriety and fairness." Thus, the obligation of social and Environmental Responsibility / CSR has been budgeted, before the company conducts its operations and before obtaining profit/profit.



Gambar 1: Penyuluhan tentang Pengawasan Pemerintah Daerah terhadap Pelaksanaan Tanggung Jawab Perusahaan Pemegang Izin Usaha Pertambangan Minyak dan Gas Bagi Masyarakat

B. Essence of Supervision of The Implementation of Social and Environmental Responsibility of a Limited Liability Company

Essence is the real reality, that is, the essence or essence of the most important thing of reality or reality. The meaning of the essence follows the concept of its use or the field under study. Based on this understanding, the supervision of local governments in the implementation of social and environmental responsibility by limited liability companies, in essence, is a reality or reality and is the most important thing because of the governance system in Indonesia which is based on the values contained in the 5th precept of Pancasila, namely "social justice for all Indonesian people". These values are further elaborated in the fourth paragraph of the Preamble of the Indonesian constitution of 1945, stipulating that one of the objectives of the Republic of Indonesia is to promote the general welfare and social justice. Therefore, to realize the general welfare and social justice, the implementation of economic development is based on the provisions of Article 33 of the 1945 Indonesian

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constitution, providing the legitimacy of the authority for the government to regulate and organize economic development to realize the greatest prosperity for all the people of Indonesia.⁴

The term supervision in general has the same meaning as “control”. In the Indonesian general dictionary, the meaning of the word control is supervision, examination, control is to supervise, examine.⁵ In the perspective of constitutionalism, government supervision is a basic objective of the Constitution, which can be carried out by the government as well as by institutions outside the organs of government. After the autonomous region is given to the regions by the central government and implemented by the Provincial, District and city governments. The goal is to develop regional initiatives and creativity to build regional competence with other autonomous regions. Thus, supervision becomes one of the instruments that can be used to minimize negative impacts, in the implementation of Local Government.

Supervision by local governments on the implementation of social and environmental responsibility by Limited Liability Companies, of course, is an important factor to supervise and control the implementation of CSR by companies that are legal entities of limited liability companies. The essence of local government supervision in the implementation of social and Environmental Responsibility/CSR, essentially because it involves the implementation of Local Government to provide protection and fulfillment of the rights of the community, the protection of the environment and maintain a balance between rights and obligations.⁶

Juridical Environmental Protection is the responsibility of the central government and local governments that can be realized through various forms of supervision. This is in accordance with Article 71 of Law Number 32 of 2009 on Environmental Protection and management (UU PPLH), provides that the authority to: a) the Central Government, B) provincial and district/city governments. Supervision is carried out based on authority as an effort to protect and manage the environment. Supervision is also carried out based on the company's activities to behave morally and ethically towards the community and the surrounding environment.

Apart from the above, the essence of local government supervision in the implementation of CSR, also contains the principal value or thing (fundamental) in realizing the ideals of national development. In this position, Local Government is an extension of the central government in accordance with the state administration system carried out with the principle of regional autonomy, as regulated under Article 18 of the Indonesian constitution of 1945 after amendments to Local Government and Law Number 9 of 2015 on the Second Amendment to law Number 23 of 2014 on Local Government. Regional governance system based on regional autonomy, provides flexibility for local governments to organize their own government on the basis of initiative, creativity and active participation of the community in order to develop and advance their regions. Therefore, the granting of authority to local governments to regulate and conduct government affairs according to the principle of autonomy and co-administration becomes a necessity in the concept of regional autonomy. The goal is to accelerate the realization of public welfare by taking into account

⁴ Haliwela and et. al.

⁵ W.J.S. Poerwadarminta, *Kamus Umum Bahasa Indonesia* (Jakarta: Balai Pustaka: Amirko, 1984),p. 521.

⁶ Haliwela and et. al., “Tanggung Jawab Pemegang Izin Usaha Pertambangan Bagi Masyarakat Suku Bati Di Kabupaten Seram Bagian Timur.” p. 20

the principles of democracy, equity, justice, privilege and specificity of a region in the Unitary State System of The Republic of Indonesia.

Regional heads in order to organize local government and co-administration tasks are given the authority to formulate regional regulations with the DPRD in accordance with the provisions of Article 236 of law Number 23 of 2014 on Local Government has been amended through Law Number 9 of 2015 on the Second Amendment to law Number 23 of 2014 on Local Government. Regional Regulations is a further elaboration of higher legislation. The regulation on social and Environmental Responsibility by Limited Liability Companies (Regional Regulations TJSL), is an elaboration of the regulation on social and Environmental Responsibility (TJSL), as stipulated in law Number 25 of 2007 on capital investment (PM Law), Law Number 40 of 2007 concerning Limited Liability Company (UUPT) and Government Regulation Number 47 of 2012 on social and environmental responsibility of Limited Liability Companies (Government Regulations CSR).

Meanwhile, the company's failure in implementing CSR can cause serious social impacts, such as conflict between the community and the company, rejection of exploration activities, and public distrust of the business world. The case occurred in the eastern part of Seram Regency, as in PT. Balam Energy and PT. Bureu Geophysical Prospecting (BGP), shows that the absence of CSR implementation has the potential to trigger horizontal conflicts with Indigenous Peoples. The Bati people, for example, view their land and territory as part of their identity and spiritual life, so that any form of environmental damage caused by exploration activities without social compensation is considered a violation of customary and moral values.⁷ In such a situation, the role of CSR becomes very important to bridge the relationship between business interests and the social sustainability of Indigenous Peoples.

In addition to providing direct benefits, CSR also serves as an instrument of long-term development. Companies that consistently carry out their social responsibilities will contribute to sustainable development. CSR can be a catalyst in achieving the Sustainable Development Goals (SDGs), especially the 8th goal on decent work and economic growth, as well as the 11th goal on sustainable cities and communities. Effective CSR implementation allows the community around the company to enjoy the results of development in a fair and sustainable manner. Thus, CSR not only fulfills legal obligations, but also strengthens the company's social legitimacy in running its business.

The company also has an important role in strengthening the institutional capacity of the community. Through CSR programs, companies can provide training, technical assistance, and financial support to local communities so that they are able to independently manage the potential of their area. For example, in the mining sector, companies may form community cooperatives or small business groups based on local resource management. This not only reduces the community's dependence on the company, but also fosters a sense of belonging to the results of development in its own area.

However, the effectiveness of CSR implementation is highly dependent on the supervision of local governments. Local governments have the authority to ensure that each CSR program is carried out in accordance with the needs and priorities of regional development. Weak supervision can cause the implementation of CSR is not right on target or even become a mere formality. Therefore, regional regulations, such as local regulations

⁷ Pieter J Pelupessy, *Esuriem Orang Bati* (Salatiga: Universitas Satya Wacana, 2012), p. 83.

(Perda) on CSR, are needed to provide a strong legal basis for the implementation and evaluation of Corporate Social Responsibility. With the Perda, the local government can assess the extent to which the company has contributed to the welfare of the community, as well as provide sanctions against companies that ignore their social obligations.

From a social perspective, the implementation of sustainable CSR is able to create a social bond between the company and the community. Relationships based on trust and mutual respect will strengthen social stability in the operational areas of the company. The success of CSR is not only measured from the amount of funds distributed, but from the extent to which the program is able to increase the capacity and independence of the community. CSR programs that are oriented to education, health, and the environment will have a long-term impact on improving the quality of life of the community.

Thus, the role of the company in carrying out its social responsibility has broad legal, economic, social, and environmental dimensions. Companies should view CSR as a long-term social investment, not just a legal obligation or public image. The resulting positive impact will provide reciprocal benefits for the company itself, such as increased public confidence, smooth business activities, and business sustainability. In the context of regional development such as East Seram Regency, a good CSR implementation will strengthen collaboration between companies, local governments, and communities, to jointly realize equitable social welfare.

C. Benefits of Local Government Supervision on The Implementation of Corporate Responsibility/ CSR

If examined from the implementation of CSR supervision by a Limited Liability Company for the community and the environment, the implementation of supervision by local governments on the implementation of CSR supervision, has several benefits, including:

1. Supervision of permits granted

The essence of local government supervision in the implementation of social and Environmental Responsibility / CSR, also has the nature of controlling the activities of limited liability companies, especially control in contributing and benefiting local communities and the general public. This is relevant to the licensing instruments granted by the government for investment activities for limited liability companies. The nature of supervision of licensing as an act of control and control over an activity carried out, as well as evaluating, in order to comply with the permission granted. Permits are one of the instruments used by the government to control investment activities. Therefore, the essence of supervision is a reality or reality that is applied to prevent the emergence of irregularities and arbitrary attitudes towards permits given so that they have a bad impact on society and the environment.

2. Protecting People's Rights

The right is a claim of action to receive what is the part determined under the provisions of the law to be carried out by the subject of law; the person who is required to carry out has the obligation to fulfill it and the party who receives it has the right to receive from the party who has the obligation to carry out. Relevant to this study, the conception of society can be stated that society is a fellowship or association of people who are in a community area based on interaction relationships and have rights and obligations in carrying out activities

to meet their interests. Society undergoes formation through the stages of the process of social relations, which occurs continuously between individuals, individuals with groups and between groups with groups. Interactions that occur over a long period of time cause a feeling of togetherness, kinship and have tribal values. Likewise, the social interactions that are established also produce patterns of life that have a value that is recognized together as a social institution. The social interaction and the values that grow in common life become instruments for the creation of a more orderly common life. The life that is formed certainly has a purpose to achieve the level of welfare.⁸

The state has the responsibility and authority, towards the fulfillment of the rights of society as its citizens. Based on various existing provisions, the government has an obligation to create social welfare, as an embodiment of the purpose of the formation of the Unitary State of the Republic of Indonesia. In accordance with the mandate in the fourth paragraph of the Preamble to the 1945 Constitution of the Republic of Indonesia, confirms that: "Furthermore, to establish an Indonesian government that protects the entire Indonesian nation and all Indonesian bloodshed and to promote the general welfare, educate the life of the nation and participate in implementing world order based on independence, lasting peace and social justice."

3. Protecting Natural Resources

The government is responsible for regulating and managing the allocation of Natural Resources (SDA) for the welfare of the community, in accordance with the development goals as stated in the preamble to the 1945 Indonesian constitution. Likewise, the purpose of controlling the management of natural resources by the state is to improve the welfare of the people. This is explained explicitly in Article 33 paragraph (3) of the 1945 Indonesian constitution that, "the earth, water and Natural Resources contained therein are controlled by the state and used for the greatest prosperity of the people". This provision confirms the recognition of the right of the state to control natural resources and used for the maximum prosperity of the people, and its regulation is determined by the government. Thus, the exploitation of natural resources must be managed wisely, planned so that environmental conservation can be harmonious and balanced, to support sustainable development for improving the social welfare of the community, both now and future generations. Social welfare is the condition of the fulfillment of the material, spiritual and social needs of citizens, in order to live a decent life and be able to develop themselves, so that they can carry out their social functions.⁹

4. Perseroan Maintain a balance between the interests of the community and the company

To achieve the objectives of economic development, the government regulates policies on investment activities, in order to create a balance between the interests of the community and the interests of investment (companies). One form of policy with the implementation of the principles of social and environmental responsibility by a Limited Liability Company to be carried out by a Limited Liability Company. Its application becomes important to regulate, when facts of social and environmental problems occur that harm society and the environment. The occurrence of social and environmental problems in the midst of

⁸ Nancy Silvana Haliwela, "Esensi Pengawasan Pemerintah Daerah Pada Pelaksanaan Tanggung Jawab Sosial Dan Lingkungan Perseroan Terbatas" (Hukum Fakultas Hukum Universitas Hasanuddin, 2021), p.157.

⁹ Edi Suharto, *Membangun Masyarakat Memberdayakan Rakyat* (Bandung: Refika Aditama, 2014), p. 154.

investment activities is caused by frequent imbalances between the interests of society and the interests of investment (companies), thus justice and equity are not met as determining factors for the achievement of welfare for the community as well as for the interests of the company.¹⁰

The state has the responsibility to regulate the relationship between the interests of society and the interests of investments (companies), in order to realize the awareness of rights and obligations through the rule of law. Therefore, the regulations and policies that are made are based on the goal of being able to accommodate the interests of the community and investment (companies) in a balanced and fair manner. The goal is to create awareness and law enforcement by all parties in its application.

Referring to the benefits of the implementation of CSR by a Limited Liability Company, there is a need for supervision by local governments. So that the implementation of CSR can be realized effectively, optimally and on target. Therefore, the research team based on the results of research that has been done, and based on the results of research last year by the research team, the research team proposed to the Local Government scheme or flow as a form of supervision of social and Environmental Responsibility /CSR, which will involve local government agencies in East Seram Regency cross-cutting, and also involve the community and companies.

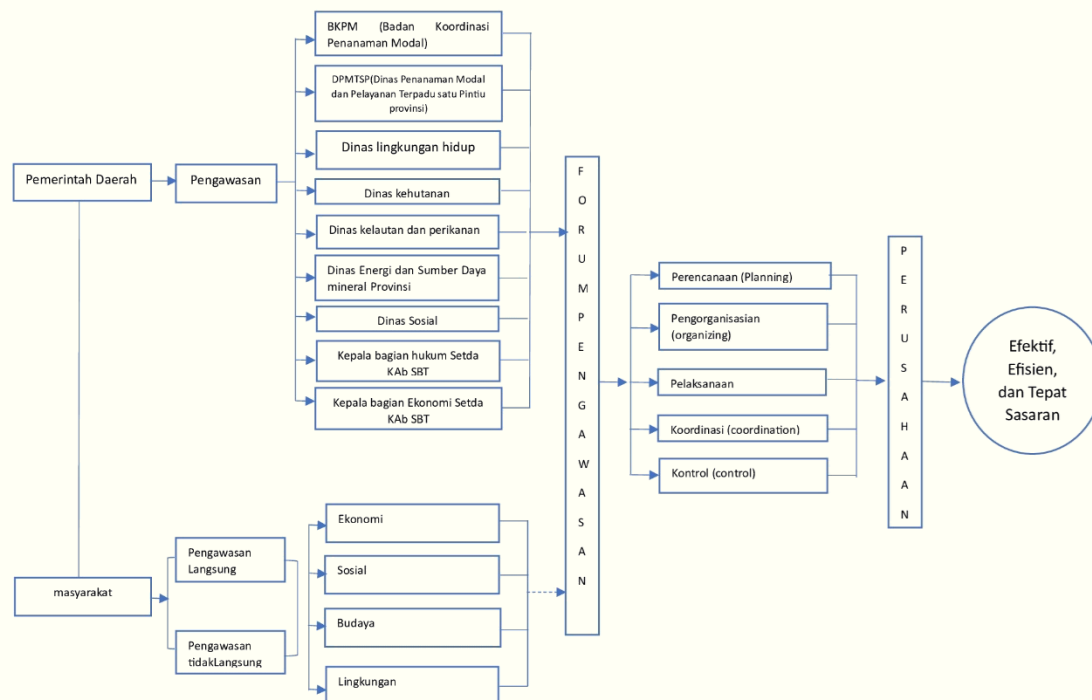
Implementation and forms of effective supervision, optimal and right on target can be done by optimizing the role of Related Agencies and OPD and their staff. The role and synergy of Related Agencies is important to create effective CSR supervision. The monitoring Model can optimize the authority of Related Agencies and OPD and their staff to be mutually segmented and coordinated. The implementation of CSR is carried out according to the programs needed by the community and the surrounding environment, so that the implementation of CSR is more effective, optimal and on target. Based on the results of research conducted areas related to the needs of the community for their rights include; fulfillment of economic, social, cultural and environmental, legal and educational.

Based on the results of the study, which has been conducted by a team of researchers, since 2023, and continued in 2024. It was found that the implementation of social and Environmental Responsibility/CSR has not been carried out by companies that carry out investment activities in the regions. Instead, the community has received the impact of damage to the environment, and the rights of the community are neglected. This then leads to conflict, because there is no harmonious relationship between society and the company. The investment climate is disrupted, and of course companies also experience obstacles in carrying out their activities, and also have an impact on income for the country and region.

Based on the fact that the results of the study, the research team proposed the idea for the Regional Government of East Seram Regency, Maluku province, to immediately recommend the formation of CSR regulations to be able to oversee the implementation of CSR by the company to the community and the surrounding environment. Considering that CSR has become an obligation for limited liability companies regulated in laws and regulations to be regulated by the Maluku provincial government in the form of local regulations.

¹⁰ Haliwela, "Esensi Pengawasan Pemerintah Daerah Pada Pelaksanaan Tanggung Jawab Sosial Dan Lingkungan Perseroan Terbatas." p. 159

Ideas related to the form of supervision that can be made by The Local Government of East Seram Regency, Maluku province, then made a legal product as the basis for the legitimacy of the implementation and supervision of CSR. For the form of pengasawan CSR, the research team proposed a scheme and flow of supervision of the implementation of CSR by local governments in East Seram Regency, Maluku province, as illustrated in the chart below:



Gambar 1: CSR monitoring chart by Local Government

The chart above shows the ideal scheme and flow of supervision in realizing a beneficial CSR implementation. Ideal supervision should involve two main supervisory subjects, namely Local Governments and surrounding communities, which are carried out in an integrated and coordinated manner. Local governments must involve relevant cross-sectoral in conducting supervision. The involvement of related agencies can be realized through a "supervisory Forum" filled by Related Agencies in order to supervise the implementation of CSR. On the other hand, the community must provide information and input to the Supervisory Forum about the importance and implementation of CSR, especially in the economic, social, cultural, and environmental fields, which are currently needed by local communities.

These two supervision subjects must work together initiated by the supervision Forum in conducting idel supervision mapping. In this case, the concept of supervision introduced by Hendry Fayol needs to be considered in the flow and mechanism of CSR implementation by a Limited Liability Company, including; (1) Planning, (2) organizing, (3) actuating, (4) coordinating, and (5) controlling. Through this scheme and monitoring flow, it is expected to create a CSR monitoring system by a limited liability company that is effective, optimal

and on target. So that in the end it will realize the protection of community rights, enforcement of justice for the community, and the protection of environmental functions.

D. Commitment of the Regional Government of East Seram Regency to Prepare the Draft of The CSR Regulation as A Proposed Product of The Regional Regulation

In accordance with research conducted by a team of researchers at the Local Government of East Seram Bagin Regency, Maluku province. Starting from the DPRD of East Seram Regency, Maluku province, the results showed that related to the implementation of social and Environmental Responsibility/CSR by the company, the DPRD has not set a legal product in the form of Perda CSR to be a legal umbrella, so that supervision can be carried out to control and evaluate the implementation of CSR by the company, both by PT. Balam Energy and PT Bureu Geophysical Prospecting (BGP), also by other companies that conduct investment activities in East Seram Bagin Regency, Maluku province. Through DPRD institutions that will be formed to carry out tasks in the period 2024-2029. By the chairman of DPRD, representatives of DPRD and members of DPRD who have been elected, have expressed their desire to plan the agenda for the formation of Perda CSR through the initiative rights of DPRD. The goal is to speed up the process of forming a CSR regulation to be published. This is done because CSR has become a legal obligation by a Limited Liability Company, and has been stipulated by legal provisions in laws and regulations. Similarly, it has been established by the Maluku provincial government through Perda No. 9 of 2015 on guidelines for the implementation of social and Environmental Responsibility in Maluku province, thus it will be a source of legal basis for the formation of CSR regulations in East Seram Bagain Regency, Maluku province.

The research was also conducted on the Local Government of Seram Bagin Timur regency, Maluku province. As presented by Mr. J. Salampessy as Pjs. The Regent of East Seram Regency, Maluku province gave a response related to the proposal of the research team to initiate the Local Government to carry out pengasawan on the implementation of CSR by a Limited Liability Company in the East Seram Regency, Maluku province, so that it will provide effective, optimal and targeted CSR implementation. According To Pjs.Buapti, usulan is very beneficial for the East Seram Bagain Regency, Maluku province. Given the potential of natural resources (natural resources, both mining and oil and gas, banking, and other investments have carried out their activities. However, the contribution of CSR by the company has not been optimally obtained by the community and the environment around the area of the company's activities. This is also a source of conflict between the company and the surrounding community, as happened to the Bati Tribe and PT. Balam Energy and PT Bureu Geophysical Prospecting (BGP). The community received the impact of damage, due to exploration activities by the company, but the contribution from the implementation of CSR by the company was not accepted at all. With the establishment of Perda CSR, it will be the basis of legitimacy for local governments to conduct CSR supervision, to evaluate the implementation of CSR. This needs to be done considering the potential of Natural Resources in the eastern part of Seram Regency, Maluku province, which is potential, it will be the purpose of investment activities by the company.

The research was also conducted on the heads of Related Agencies and a number of leaders of the East Seram district OPD scope, such as; the Inspectorate, law Bureau, PMPTSP Office, Environment Office, Bapeda, Education Office, Economic Section. The aim is to

initiate and contribute ideas based on the results of the previous year's research, and convey the contribution of ideas related to the essence of social and Environmental Responsibility/CSR supervision by Limited Liability Companies, through the creation of local regulations, as a legal umbrella, and provide input regarding the flow and mechanism of supervision forms of supervision that can be formed through the "CSR Forum" consisting of local governments, communities and companies. This proposal received a very good response, for the Local Government in East Seram Regency, Maluku province together with the DPRD set a CSR regulation, to be used as a legal basis for the implementation of CSR by the company. Local governments can establish a "CSR Forum" as a body for coordination and synergy. Through the CSR Forum can develop programs that can not be financed by the APBD budget, can be programs from the implementation of CSR activities by the company. These programs will certainly be proposed by each of the relevant cross-sectoral agencies, taking into account the needs of the community, especially the community and the surrounding environment, which are close to the company's area of activity.

CSR programs will be carried out on an ongoing basis, so that their implementation will be optimal, and the community and the environment can directly receive contributions from the CSR. Thus, the implementation of CSR by the company will be the right target, because it is in accordance with the needs of the community and the surrounding environment. Through CSR activities by the company to the community and the surrounding environment, will create a harmonious relationship between the community and the company. This relationship is created, because the community directly receives the benefits and contributions of CSR implementation from the company. The community will also be involved either directly or indirectly as CSR supervision, local governments will receive various inputs from the community regarding the implementation of CSR by the company

CONCLUSION

Implementation of the responsibilities of mining and oil and gas companies maupun companies incorporated PT to the community in East Seram district is not implemented. This is motivated by several things, among others, the absence of regulation at the district level as a legal basis that regulates the mechanism of CSR implementation, the authority to grant mining business licenses that have been withdrawn to the central government, causing the loss of authority to supervise companies including oil and gas mining business license holders. The form of supervision of the Regional Government of East Seram Regency, towards the implementation of the responsibilities of mining and oil and gas companies for the community must be integrated and holistic involving various related fields, in this case the Department of Environment, Social Services, Forestry Services, Fisheries and Marine Services, the legal section of the Secretariat of East Seram Regency, The Economic section of East Seram Regency, the supervision also involves the community in order to realize the implementation of CSR that is effective, efficient, and on target by the company. The readiness of the Regional Government of East Seram Regency to prepare regional regulations to supervise oil and gas mining management activities in the region is marked by initiating meetings with various companies in East Seram Regency and establishing the preparation of East Seram Regency local regulations on CSR as a priority agenda that will be proposed in the regional draft regulation in December.

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