

Striking a Balance: Streamlining Environmental Licensing for Business Growth and Environmental Protection in Indonesia

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Abstract

Indonesia's environmental licensing process is critical for regulating business activities and safeguarding the environment. This analysis explores the interaction between this process and the government's recent efforts to enhance "ease of doing business." Before streamlining measures, obtaining environmental permits was a complex and time-consuming ordeal. Businesses faced difficulties meeting stringent requirements and navigating a bureaucratic labyrinth. The "ease of doing business" provisions aim to simplify procedures and expedite permit acquisition, ideally without compromising environmental protection. The paper emphasizes the importance of achieving a balance between efficiency and environmental protection. While streamlining can improve business competitiveness, a decline in environmental impact assessment quality could have negative consequences. The discussion also explores the various obstacles hindering the current licensing process, including complex bureaucracy, high costs, and limited interagency coordination. To overcome these challenges, the paper suggests measures to simplify procedures, improve communication between government agencies, and raise environmental awareness among businesses. By effectively integrating ease of doing business with environmental considerations, Indonesia can create a more efficient licensing system that fosters sustainable economic growth.

Keywords: Environmental Licensing, Ease of Doing Business, Indonesia, Sustainability.

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A. INTRODUCTION

The government uses permits to regulate citizens' actions, manage resources, and safeguard specific areas. While each country might have a different approach, permits essentially grant exceptions to general restrictions when certain criteria are fulfilled. However, tensions arise when the need for progress clashes with the limitations imposed by licensing. This conflict has been detrimental in cases like the reclamation projects in Lampung Bay, Jakarta Bay, and Benoa Bay, and the environmental issues caused by the Rembang cement factory in the Watu Putih Basin. Protecting Indonesia's natural environment, especially its rainforests, is a global responsibility. We must treat the environment as a gift deserving of our care. Neglecting our duty towards it is simply unacceptable. In this endeavour, intellectuals have a vital role to play in ensuring a sustainable future

for our environment. The task of scientists, especially in the field of law, is to investigate the extent to which existing laws support environmental sustainability efforts. The question arises as to whether the Indonesian constitution, namely UUDNRI 1945¹, has provided guarantees for environmental sustainability. In this context, the discourse on a "green constitution" and "ecocracy" is being discussed. Jimly argues that this discourse is reflected in Article 28H paragraph (1), which regulates sustainable development, and Article 33 paragraph (4), which regulates environmental insight. However, a constitution based on the principle of a sustainable environment must be supported by consistent regulations and policies. Science arises from concern, which drives humans towards goodness, and every

¹ UUDNRI 1945 stands for "Undang-Undang Dasar Negara Republik Indonesia Tahun 1945" which translates to "The Constitution of the Republic of

Indonesia of the Year 1945". It's also sometimes referred to simply as the Indonesian Constitution.

human being tends to prioritize goodness.²

However, a concerning issue persists: the potential for permit-issuing authorities, at both national and local levels, to exploit their power for personal gain. This can lead to environmental damage. Regional autonomy, intended to empower local resource management, can exacerbate this problem. While the business sector ideally fuels regional development, it can sometimes be used solely to boost competitiveness and improve living standards, even if this comes at the expense of the environment. Permits are then granted without proper evaluation of their environmental impact.³

Investment plays a critical role in boosting regional competitiveness. To attract investors, regions compete by offering investment-friendly policies and attractive incentives. In this context, PTSP (One-Stop Integrated Services) acts as a key tool to simplify the licensing process. Established through the Regulation of the Minister of Home Affairs Number 24 of 2006, PTSP aims to provide a more streamlined, efficient, and transparent service for obtaining permits. This not only benefits investors by making it faster, easier, and cheaper to invest, but also fosters economic growth and investment, with a particular focus on supporting micro, small, and medium enterprises.⁴

Despite its intended efficiency, PTSP can face challenges. Local governments may prioritize permits as a source of local revenue (known in Indonesia as "Pendapatan Asli Daerah" or PAD) while businesses seek a streamlined investment process. This creates a conflict: the oversight role of permits clashes with the goal of simplification. Ideally, licensing hurdles should be minimized to encourage business investment, while still ensuring robust environmental monitoring is maintained.

A noteworthy example of effective business licensing practices comes from the Lampung Province Investment and PTSP Service (DPMPTSP) in 2023. They achieved a high satisfaction rating of 81 (98.78%) for their licensing services, while investment saw a significant increase of 14.29 trillion rupiah (204.14%),

exceeding the target of 7 trillion rupiah and falling into the "very high" category. This success is attributed in part to the SiCantik application, which integrates seamlessly with the Online Single Submission (OSS) system. This application streamlines the licensing process for the public, ensuring a secure and nationally integrated experience. To further improve investment and simplify business licensing procedures in the region, it is recommended to establish a Regional Regulation for the Province of Lampung specifically concerning the Implementation of Business Licensing in the Regions.

While business licensing practices have improved, the business community has raised concerns about the complexity of environmental permitting since the enactment of Government Regulation Number 22 of 2021 on Implementing Environmental Protection and Management. This complexity is compounded by the lack of clear implementing regulations, such as Ministerial decrees, to guide the evaluation of environmental documents. Consequently, local authorities often struggle to navigate the revised AMDAL⁵ Commission's working mechanism. Overcoming these obstacles is crucial for authorities to maintain efficiency in environmental permitting while prioritizing vital aspects of environmental protection.⁶

This article tackles the inherent tension in Indonesia between stringent environmental permits and fostering a business-friendly environment. Finding a solution requires a delicate balancing act: ensuring robust environmental protection while simultaneously encouraging economic development. The paper explores the rationale behind implementing a "prophetic paradigm" within Indonesia's investment licensing system. This approach aims to achieve environmental justice, a concept where economic growth and ecological sustainability coexist in harmony. The research will propose a model for this new licensing system. This model will prioritize environmental sustainability while streamlining the process for businesses. Additionally, the research will develop clear guidelines that ensure the system aligns with the core principle of the prophetic paradigm – the preservation of the environment.

² Jimly Asshiddiqie, *Green Constitution: Nuansa Hijau Undang-Undang Dasar Republik Indonesia Tahun 1945* (Jakarta: Rajawali Press, 2009).

³ Leo Jimmi Agustinus, F.X. Adji Samekto, and Budi Ispriyarso, 'Towards a Fairer Future: Examining Environmental Permits in Indonesia and Sweden Through the Lens of Sustainable Development and Equity', *Journal of Law and Sustainable Development*, 11.2 (2023), e284 <<https://doi.org/10.55908/sdgs.v11i2.284>>.

⁴ Nuria Siswi Enggarani, 'Kualitas Pelayanan Publik Dalam Perizinan Di Pelayanan Terpadu Satu Pintu (PTSP) Kantor Badan Penanaman Modal Dan Pelayanan

Perizinan Terpadu (BPMP2T) Kabupaten Boyolali', *Law and Justice*, 2016 <<https://doi.org/10.23917/laj.v1i1.2702>>.

⁵ AMDAL stands for "Analisis Mengenai Dampak Lingkungan Hidup", which translates to Environmental Impact Assessment in English. It's a mandatory process in Indonesia for certain types of projects and activities that have the potential to significantly impact the environment.

⁶PKKP-HAM Faculty of Law, University of Lampung, Academic Paper for Drafting Regional Regulations of Lampung Province concerning Business Licensing in the Regions, Bandar Lampung: 2021, not published

B. DISCUSSION

1. Deep Ecology concept

Arne Naess, in his 1973 article "The Shallow and the Deep, Long-Range Ecology Movement: A Summary," introduced the concept of deep ecology. This philosophy challenged the prevalent anthropocentric worldview in Western societies, which prioritizes human needs and often leads to environmental degradation. Naess proposed a new paradigm based on two core principles: (1) Biocentric egalitarianism: This principle emphasizes the inherent value of all living things, rejecting human dominance over nature; (2) Ontological interconnectedness: This concept highlights the web of relationships that connect all beings within the natural world.⁷

While Deep Ecology offers valuable insights, it has also faced criticism. One key critic is Muhammad Akib, who introduced the concept of environmental justice (ecojustice). Akib argues that the environment itself has intrinsic rights, and human responsibility lies in managing it for a sustainable future ("green future"). He proposes utilizing legal instruments to support environmental protection. However, Akib emphasizes that a legal approach should go beyond formalities and procedures. It should also address the values and principles of justice when dealing with environmental issues.⁸

2. The Concept of Permits in Indonesia

This section explores the concept of permits within the Indonesian legal framework. Indonesia, as a constitutional state, prioritizes the rule of law. This principle empowers the government and regional authorities to manage public services and issue licenses based on established laws. Permits act as exceptions to general prohibitions, allowing deviations under specific circumstances.⁹ While the precise definition remains debated among legal experts, the importance of permits in government processes and policies is undeniable.

The term "permit" (*izin* in Indonesian) can be understood in several ways:

- a. Agreement: A permit represents an agreement granted by authorities, based on laws and regulations, to undertake actions that might otherwise be prohibited.

- b. Dispensation or Exemption: Permits can also be interpreted as a form of dispensation or exemption from existing restrictions.
 - c. Regulation and Control: Philipus Hadjon emphasizes the role of permits in directing and controlling activities, protecting specific objects, and regulating access to scarce resources or selection processes.
- Balancing Freedom and Control.

While permits inherently restrict individual freedoms, they are essential for maintaining a lawful society. The principle of legality ensures that permit issuance follows established laws and regulations, preventing arbitrary decisions and promoting fairness.¹⁰

3. A Paradox of Control and Investment

A potential paradox exists between the control function of permits and the desire for a business-friendly environment. This research delves into the legal frameworks of licensing and investment within the context of regional autonomy in Indonesia. The concept of permits is analyzed as a core principle ("thesa") in contrast to the ease of investment ("antithesis"). Through legal hermeneutics, a synthesis of these concepts is sought. This approach combines hermeneutic philosophy with critical legal theory, enriching the qualitative research methodology. Additionally, it underscores the interconnectedness of legal philosophy, legal science, and legal theory.¹¹

4. Environmental Permits

Environmental permits stand as a specific type of license granted by authorities. Based on relevant laws and regulations, they allow businesses or activities to operate legally, particularly in contexts with potential environmental impact. Prior to issuing such permits, environmental impact and feasibility are carefully considered. The core function of environmental permits is to ensure compliance with established environmental standards and contribute to overall environmental sustainability.

5. The Purpose of the Permit System in Indonesia

In Indonesia, the government issues permit through a collaboration between central and regional authorities. This aligns with the nation's emphasis on decentralization, where regional governments have the autonomy to manage their finances and grant permits for

⁷George Sessions, *Deep Ecology for The Twenty-First Century* (Boston: Shambhala, 1995).

⁸Muhammad Akib, F. X. Sumarja, and Heryandi, 'Environmental Law Policy as an Approach to Achieve Sustainable Development and Prosperity in an Era of Regional Autonomy', *Environmental Policy and Law*, 2019 <<https://doi.org/10.3233/EPL-190130>>.

⁹PE Lotulung and Indonesia. Supreme Court, Bagir Manan, Scientist & Law Enforcement: Memories of a Service (RI Supreme Court, 2008), p. 12

<<https://books.google.co.id/books?id=XIWmgEACAAJ>>.

¹⁰J.B.J.M. ten Berge and N.M. Spelt, *Pengantar Hukum Perizinan*, ed. by Philipus M. Hadjon (Surabaya: Yuridika, 1993).

¹¹Jazim Hamidi and Bambang Winarno, 'The Law Political Setting of Strict Liability Principles for Polluters in Environmental Law to Realize Ecological Justice', 30 (2014), 105–13 (pp. 42–43).

specific businesses or activities. The concept of a permit, in its broadest sense, can be understood as an official agreement granted by authorities based on existing laws and regulations. In certain situations, permits allow individuals to deviate from legal restrictions. In essence, a permit functions as a legal exception, granting permission for activities that would otherwise be prohibited. This creates an authorized deviation from the general rule.

However, it's important to note that permits often come with conditions. The permit holder may have specific obligations to fulfill, and the activity itself might still be subject to regulations. So, it's not simply "permission to do something that should be prohibited" without any limitations. In essence, a permit grants legal permission for an activity that would normally be restricted. This concept extends to various forms of government approvals, including permits, exemptions, licenses, concessions, and recommendations.

In Indonesia, permits act as legal instruments with a dual function. Firstly, they serve a preventative role, allowing the government to regulate and control citizen activities. This is evident in the permit documents themselves, which often detail specific instructions and obligations that permit holders must follow.¹² Secondly, permits go beyond prevention and act as a corrective tool. They function as instruments to lessen potential environmental problems caused by human activities. This corrective function is a core reason why permits are required in the first place.

In Indonesia, permits are powerful instruments used by the government to guide and regulate society towards fairness and prosperity. These legal tools serve several key purposes: (1) Directing Activities: Permits provide clear instructions for specific activities, like building construction permits that ensure projects follow established rules; (2) Environmental Protection: Environmental permits are crucial for preventing harm to the environment by mitigating the negative impacts of businesses and activities; (3) Object Protection: Permits act as a safeguard for designated objects, like those required for flying or demolishing historical monuments; (4) Resource Management: Permits regulate the distribution of limited resources, such as residence permits in densely populated areas, ensuring fair allocation; and (5) Participant Selection: Permits function as a selection tool, guaranteeing that individuals and activities meet specific qualifications. An example of this is the "drank en horecawet" permit, where only qualified managers can obtain a license to operate a

business. The government has a critical role in regulating the issuance of permits. This ensures licenses are granted in line with desired objectives and prevents misuse. Ultimately, the permit system strengthens the government's ability to regulate society and promote a well-functioning system.¹³

In Indonesia, permits are key for citizen involvement in activities. They're not one-time things, but part of a bigger system of rules. The government uses permits because it's their job to regulate, and these regulations often include things citizens can't do and things they must do. Permits act like tools to guide, control, and supervise citizen behavior, offering direction and making sure people follow the rules. By issuing permits, the government influences how citizens participate and helps them achieve specific goals.

Environmental permits are vital for responsible business development in Indonesia. These permits guarantee that any business with the potential to harm the environment follows established environmental regulations. Through this system, the government monitors and controls the environmental impact of businesses. Environmental permits also go beyond control. They act as an incentive for businesses to adopt eco-friendly practices and operate sustainably. Ultimately, these permits give the public confidence that businesses are committed to environmental responsibility, promoting sustainable business growth overall.

6. Environmental Licensing Process before the Ease of Doing Business Provisions Come into force

Obtaining environmental permits in Indonesia used to be a complex and time-consuming process for businesses. This pre-streamlining era involved stringent requirements, such as environmental impact studies and various permits (AMDAL, UKL-UPL, SPPL) along with additional environmentally related approvals. These documents and procedures were resource-intensive for businesses.

The introduction of "ease of doing business" provisions aims to simplify and expedite the environmental licensing process. The government is formulating policies to allow businesses with low or medium environmental impact to acquire permits faster, without compromising crucial environmental considerations.¹⁴ Ideally, these streamlined criteria and procedures will prioritize facilitating businesses that implement environmentally sound practices. Previously, obtaining environmental permits required navigating a

¹² N H T Siahaan, *Hukum Lingkungan Dan Ekologi Pembangunan* (Erlangga, 2004), p. 239 <<https://books.google.co.id/books?id=ae7qLHtmcW4C>>.

¹³ Adrian Sutedi, *Hukum Perizinan Dalam Sektor Pelayanan Publik* (Jakarta: Sinar Grafika, 2010), p. 193.

¹⁴ Rizkian Adiyudha/, 'Omnibus Law Dituntut Miliki Kajian Akademik Yang Jelas', *Republika.Co.Id* (Jakarta, 2020)

<<https://republika.co.id/berita/q7g421428/omnibus-law-dituntut-miliki-kajian-akademik-yang-jelas>>.

maze of government agencies with environmental oversight.¹⁵

Business actors must prepare various documents and detailed environmental studies to meet licensing requirements. In addition, the licensing process also often requires consultation and coordination with the surrounding community and other related parties. With the ease of doing business, it is hoped that the environmental licensing process will become more efficient, transparent and less complicated, so that business actors can obtain environmental permits more quickly and develop their business more smoothly. Regulations regarding ease of doing business and environmental permitting processes may vary by country or region. In Indonesia, there are several regulations governing the ease of doing business and environmental permits, including:

1. Law Number 32 of 2009 concerning Environmental Protection and Management: This law is the main legal basis governing environmental protection and management in Indonesia. This law also regulates the environmental licensing process for activities that have the potential to negatively impact the environment.
2. Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services (Online Single Submission/OSS): This regulation aims to simplify the process of licensing and obtaining business permits through an electronically integrated OSS system. With the OSS system, business actors can apply for and manage company permits online, thereby speeding up the licensing process.
3. Government Regulation Number 47 of 2019 concerning Implementation of Risk-Based Business Licensing: This regulation aims to reduce obstacles and bureaucracy in obtaining business licensing. Implementation of risk-based business licensing allows business actors with small or medium risks to obtain permits with a more concise procedure.
4. Government Regulation Number 43 of 2014 concerning Procedures for Granting Business Permits Based on the Principles of Environmental Permits: This regulation regulates the procedures for granting business licenses based on the principles of environmental permits. Business licenses will be granted by considering the environmental impacts that may arise from these business activities.
5. Government Regulation Number 61 of 2021 concerning Implementation of Electronic-

Based Environmental Management: This regulation aims to speed up and simplify the processing of environmental permits by implementing an electronic-based system. Submission and management of environmental permits is carried out online through an integrated platform.

These laws and regulations aim to create a more conducive and friendly business environment for business actors, while still paying attention to aspects of environmental protection. With this regulation, it is hoped that the environmental licensing process will become more efficient and transparent and can encourage sustainable economic growth.

After the enactment of Law Number 11 of 2020 concerning Job Creation, which was last enforced by Law Number 6 of 2023, and the promulgation of Government Regulation Number 22 of 2021 concerning Implementation of Environmental Protection and Management, the preparation of environmental documents has also undergone changes. These changes, in the perspective of initiators, consultants and the government, have become more complex than before the enactment of laws and implementing regulations regarding work copyright related to the environment.

7. Analysis of the Impact of Implementing Ease of Doing Business on Environmental Permits

The application of ease of doing business has a significant impact on the environmental licensing process with several aspects that need to be considered. The expected positive impact is the acceleration and simplification of the environmental licensing process for business actors. The integration of environmental licensing procedures with efforts to reduce convoluted bureaucracy is expected to accelerate the issuance of permits required by business actors. In addition, the ease of doing business also has the potential to increase efficiency in the environmental licensing process. With a faster licensing process, business actors can be more efficient in starting or developing their business activities.

This efficiency can make a positive contribution to increasing the productivity and competitiveness of business actors in a competitive market. However, the application of ease of doing business must be balanced with serious attention to aspects of environmental protection. To simplify the licensing process, ease of doing business must not come at the expense of important environmental protections. The integration of the environmental licensing process with the ease of doing business must be done carefully to ensure that every business activity complies with applicable

¹⁵ "Legal Practitioners: Ideally There Is an Academic Study Before the Omnibus Law Bill is Made," *Independensi.Com* (Jakarta, 2019)

<<https://independensi.com/2019/12/30/praktisi-Hukum-idealnya-ada-kajian-akademis-before-ruu-omnibus-law-made/>>.

environmental standards and regulations.¹⁶

In addition to the positive impacts, there are potential negative impacts from implementing ease of doing business on environmental permits. One of them is the risk of decreasing the quality of environmental impact evaluation of business activities.¹⁷In an effort to speed up the licensing process, environmental impact evaluations may be neglected or carried out in less depth. This can cause business activities that have a negative impact on the environment to operate without adequate supervision.

Therefore, an analysis of the impact of implementing ease of doing business on environmental permits must consider the balance between accelerating the licensing process and protecting the environment. A thorough study is needed to ensure that ease of doing business does not sacrifice important environmental aspects and continues to ensure environmental sustainability for future generations. The integration between ease of doing business and environmental permits must be directed at achieving a good balance between promoting economic growth and protecting the environment.

The increasingly complicated and expensive environmental permitting process can pose a serious challenge to business actors and entrepreneurs, among others, due to:

1. The complexity of the environmental licensing process is caused by the various requirements and documents that must be met. Business actors must prepare various environmental studies, such as Environmental Impact Assessment (AMDAL, UKL-UPL, or SPPL), which require considerable time, effort and resources. In addition, the licensing process also often involves various government agencies authorized in environmental monitoring, so that intensive coordination and consultation are required.
2. The complexity of the environmental licensing process also has an impact on the costs that must be incurred by business actors. Issuance of environmental permits can involve significant costs to meet administrative and technical requirements, including consulting fees required to prepare environmental studies. This can be a heavy financial burden, especially for small and medium enterprises which may have limited resources; And

3. Complicated and expensive environmental licensing processes can impact on barriers to investment and business development. Business actors may be constrained in starting or developing their business due to the time-consuming and costly licensing process. This can hinder economic growth and investment in an area, thereby potentially causing missed business opportunities and negative impacts on the overall economy.

Therefore, it is important for the government to carry out reforms in the environmental licensing process to simplify and speed up the process. Ease of doing business can be a solution to overcome the problem of complexity and high costs in environmental licensing. Efforts to reduce red tape and provide incentives for environmentally friendly business practices can help create a more conducive environment for businesses and support sustainable economic growth.

8. Relationship between Ease of Doing Business and Environmental Licensing

The relationship between ease of doing business and environmental licensing is very closely related. Ease of doing business aims to simplify and accelerate the licensing process for business actors, including environmental licensing. With ease of doing business, environmental licensing procedures can be integrated with efforts to reduce convoluted bureaucracy, so that business actors can more quickly obtain the necessary permits. In addition, the ease of doing business can also encourage increased efficiency in business environmental licensing process, so that business actors can be more efficient in starting or developing their business activities.¹⁸ However, keep in mind that ease of doing business should not be at the expense of protecting the environment. Simplified and accelerated environmental licensing processes must ensure that every business activity complies with applicable environmental standards and regulations to maintain environmental sustainability for future generations. The relationship between the two will at least be related to the following things:

1. Impact Analysis of the Implementation of Ease of Doing Business on Environmental Licensing: The application of ease of doing business directly impacts the environmental licensing process. With the ease of doing business, the environmental licensing procedure is expected to be more efficient and faster. This can reduce complicated bureaucracy and accelerate the

¹⁶ Satria Sukananda and Danang Adi Nugraha, "The Urgency of Applying Environmental Impact Analysis (AMDAL) as Control of Impacts on the Environment in Indonesia," *Journal of Law Enforcement and Justice*, 2020 <<https://doi.org/10.18196/jphk.1207>>.

¹⁷ Ni Luh Putu Miarmi, "Environmentally Friendly Licensing Concepts in Realizing Sustainable

Development," *Udayana Master Law Journal*, 3.1 (2014), p. 8 <<https://doi.org/10.24843/jmhu.2014.v03.i01.p08>>.

¹⁸ Muhammad Insa Ansari, 'Omnibus Law Untuk Menatan Regulasi Penanaman Modal', *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, 2020 <<https://doi.org/10.33331/rechtsvinding.v9i1.378>>.

issuance of environmental permits for business actors. In addition, reducing administrative barriers to environmental licensing can encourage investment in sectors that have a lower environmental impact or are even environmentally friendly. However, further analysis is needed regarding the environmental impact of ease of doing business to ensure that changes in the licensing process do not have a negative impact on environmental protection efforts.

2. **Regulatory Changes in Environmental Licensing after Implementation of Ease of Doing Business:** Implementation of ease of doing business can lead to changes in environmental licensing regulations. Simplification and acceleration of the licensing process may require revision of rules that are more efficient and easier to understand. However, it should be noted that regulatory changes must not come at the expense of important environmental protection principles. More efficient regulation must continue to ensure that all business activities comply with environmental standards that have been set and prevent negative impacts on the environment.
3. **Challenges in Integrating Ease of Doing Business with Environmental Safeguards:** Integrating ease of doing business with

environmental safeguards can pose particular challenges. In an effort to simplify licensing and encourage investment, the government must still consider the balance between economic and environmental interests. One of the main challenges is how to ensure that changes in the licensing process do not compromise the principles of sustainability and environmental conservation. Synergy is needed between government agencies involved in granting permits and environmental protection to achieve the goal of ease of doing business without neglecting the responsibility to preserve the natural environment.

Overall, the ease of doing business can have a positive impact on environmental licensing and speed up the licensing process for business actors. However, there needs to be a careful approach in drafting regulations so that economic interests do not override environmental protection. Good integration between ease of doing business and environmental protection will be the key to achieving an optimal balance for sustainable economic growth and preservation of the natural environment. The relationship between the preparation of environmental documents, the initiator, the government, the consultant for preparing environmental documents, time and costs can be explained in the following table:

Table 1: The relationship between the preparation of environmental documents, the initiator, the government, consultants for drafting environmental documents, time and costs

No.	Types of Environmental Documents	Initiator	Government	Drafting Consultant	Time	Cost
1.	EIA	Businessmen	DLH/KLH, depending on authority	Environmental Consultant	Several months to a year	Expensive
2.	UKL-UPL	Businessmen	DLH	Environmental Consultant	Several weeks to several months	Medium
3.	SPPL	Businessmen	DLH	Environmental Consultant	few weeks	Inexpensive
4.	Environmental Feasibility Recommendations	Businessmen	DLH/KLH, depending on authority	Environmental Consultant	Several months	Expensive
5.	Environmental Approval	Businessmen	1. DPMPSTP 2. PTSP KLH Depends on authority	Environmental Consultant	1-3 weeks	Medium
6.	Technical Approval, Technical Details	Businessmen	1. DPMPSTP 2. PTSP KLH Depends on authority	Environmental Consultant	Several months	Medium
7.	Other Operational Certificate (LSO)	Businessmen	1. DPMPSTP 2. PTSP KLH Depends on authority	Environmental Consultant	Several months	Medium

Source: Primary Data, Processed 2023

Notes: This table is for illustrative purposes only and may vary depending on regional regulations and practice. Time and costs may vary depending on project complexity and applicable requirements.

Based on empirical data, several barriers and constraints hinder the efficiency and accessibility of Indonesia's environmental permitting process. These include:

- a. **Complex Bureaucracy:** The process often involves numerous government agencies with convoluted procedures. This slows down approvals and creates significant difficulties for businesses.
- b. **Strict Requirements:** Environmental documents, such as AMDAL, UKL-UPL, or SPPL, demand in-depth analysis and research, placing a heavy burden on businesses, especially for large projects.
- c. **High Costs:** Preparing environmental documents and completing administrative requirements can be financially taxing, particularly for small and medium enterprises (SMEs).
- d. **Lengthy Timeframes:** Obtaining permits takes a long time, especially when multiple stages and agencies are involved.
- e. **Limited Resources:** Government agencies responsible for environmental licensing may lack sufficient human and financial resources, impacting processing efficiency.
- f. **Interagency Coordination Gaps:** Poor coordination between agencies can lead to overlaps and confusion during the process.
- g. **Lack of Environmental Awareness:** Some businesses may not fully appreciate the importance of environmental considerations, potentially delaying licensing and increasing the risk of violations.
- h. **Legal Uncertainty:** Ambiguity and inconsistency in environmental regulations can leave businesses confused about applicable licensing requirements.
- i. **Policy Shifts:** Changes in environmental permit policies by the government can create uncertainty for businesses with ongoing projects.
- j. **Community and NGO Concerns:** Objections from communities or NGOs regarding environmental impacts can lead to delays or permit denials, hindering project progress.

Addressing these challenges will require efforts to:

- a. Simplify the licensing process;
- b. Enhance interagency coordination;
- c. Increase environmental awareness among businesses; and
- d. Strengthen government institutions and resources involved in environmental permitting.

By tackling these obstacles, Indonesia can create a more efficient and accessible system for obtaining environmental permits, fostering a business-

friendly environment while maintaining environmental protection.

C. CONCLUSION

This paper highlights five key conclusions regarding the environmental licensing process and its connection to business ease:

1. **Pre-Streamlining Complexities:** Before "ease of doing business" regulations, obtaining environmental permits was a lengthy and intricate process. Businesses faced stringent requirements like environmental impact studies and permits (AMDAL, UKL-UPL, SPPL). This resource-intensive process hindered business growth.
2. **Streamlining for Efficiency:** The "ease of doing business" provisions aim to positively impact environmental licensing by accelerating and simplifying procedures. Ideally, businesses will acquire permits faster without compromising environmental protection. This should enhance business efficiency and competitiveness.
3. **Balancing Speed and Protection:** Integrating ease of doing business with environmental permits requires a delicate balance. While speeding up the process is desirable, neglecting environmental protection is not an option. A potential negative outcome could be a decline in environmental impact assessment quality, allowing environmentally harmful businesses to operate unchecked.
4. **Obstacles in the System:** The current environmental licensing process faces several hurdles, including complex bureaucracy, stringent requirements, high costs, lengthy timelines, and poor interagency coordination. Environmental awareness, legal ambiguity, and community concerns also influence the process.
5. **Overcoming the Challenges:** To address these obstacles, efforts are needed to streamline the licensing process, improve interagency communication, enhance environmental awareness among businesses, and strengthen relevant government institutions and resources. These measures aim to create a more efficient licensing system that fosters environmentally responsible businesses while maintaining the balance between economic growth and environmental protection.

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