

Juridical Study on the Negligence of Coal Mining Companies on Corporate Social Responsibility for the Community Affected by Mining Activities

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ABSTRACT

Coal mining activities in Indonesia have a significant social and environmental impact on the communities surrounding mining areas. In this context, Corporate Social Responsibility (CSR) functions as a legal and social instrument that must be fulfilled by companies as a form of accountability to affected communities. This study aims to juridically analyze the forms of negligence committed by mining companies in implementing CSR, as well as to evaluate the effectiveness of the regulations governing these obligations. Using a normative juridical approach and case studies, this research identifies legal loopholes, weak supervision, and a lack of community participation in CSR implementation. The findings indicate that CSR negligence by coal mining companies manifests in various forms, ranging from the absence of relevant CSR programs to manipulative and unsustainable implementations. The impacts include economic losses, environmental degradation, social conflicts, and human rights violations. Legally, such negligence may be categorized as an unlawful act (PMH), giving rise to both civil and criminal liability. However, law enforcement remains weak due to the absence of standardized CSR implementation guidelines and limited public access to legal remedies. This study recommends reforming CSR regulations by strengthening legal sanctions, establishing independent supervisory bodies, and adopting rights-based approaches in CSR implementation. Through these measures, it is expected that the negligence of mining companies can be minimized, ensuring that affected communities receive fairer and more sustainable legal protection.

INTRODUCTION

Coal mining activities in Indonesia have become a strategic sector in national economic development. However, behind its contribution to state revenue and energy supply, there is a significant social and environmental impact on the communities around the mining area. Affected communities often experience a decline in quality of life due to air pollution, land damage, health problems, and social conflicts (Rante et al., 2020; Rohman et al., 2024; Setiawan & Handayani, 2024). In this context, Corporate Social Responsibility (CSR) is an important instrument that should be carried out by mining companies as a form of social and legal responsibility to the community. Unfortunately, the implementation of CSR is often a mere formality, not oriented to the real needs of the community, and even completely ignored (Setyadi, 2024; Veiga et al., 2001; Vitró et al., 2014).

Juridically, CSR obligations have been regulated in various national regulations, such as Law Number 40 of 2007 concerning Limited Liability Companies, Law Number 32 of 2009

concerning Environmental Protection and Management, and Regulation of the Minister of Energy and Mineral Resources which regulates environmental management and community empowerment. In the PT Law, Article 74 explicitly states that companies engaged in the field of natural resources are obliged to carry out social and environmental responsibilities. However, the implementation of these norms is often ineffective due to weak supervision, lack of sanctions, and the absence of a transparent evaluation mechanism. As a result, the negligence of mining companies in carrying out CSR has become a structural problem that has a direct impact on the rights of the affected communities (Owen & Kemp, 2013; Prno & Slocombe, 2012).

Juridical studies of these omissions are important to identify legal loopholes, assess the effectiveness of existing regulations, and formulate a more progressive legal approach. The study focuses not only on normative aspects, but also on legal practice and case studies that reflect systemic failures in community protection. With an interdisciplinary approach that combines environmental law, corporate law, and human rights, this analysis aims to provide concrete recommendations for more equitable and sustainable policy and law enforcement reform (Moffat & Zhang, 2014; Nodangala, 2025; Nugraha et al., 2025).

Previous research has examined the role of Corporate Social Responsibility (CSR) in the mining sector, focusing on its legal and social implications. For instance, Syamsuddin (2020) explored the legal framework surrounding CSR in the mining industry, highlighting the inadequacy of regulations and enforcement mechanisms. However, this study predominantly focused on the theoretical aspects of CSR and did not deeply analyze the practical implementation and its effects on communities directly impacted by mining activities. Similarly, Puspitasari & Setiawan (2021) discussed CSR as a corporate strategy to mitigate environmental damage but failed to adequately address how legal loopholes and regulatory weaknesses allow companies to bypass their obligations, leaving communities vulnerable to social and environmental harm. Both studies touch on critical issues but do not fully capture the systemic failures in CSR implementation that affect communities, particularly in terms of legal accountability and the direct impact of CSR neglect on community welfare.

This study aims to juridically analyze the forms of negligence of coal mining companies in the implementation of CSR, as well as their impact on the affected communities. With an interdisciplinary approach that combines corporate law, environmental law, and human rights, this study is expected to contribute to strengthening regulations and law enforcement that is more equitable and sustainable. The main focus of this study is on identifying legal loopholes, evaluating the effectiveness of existing regulations, and formulating policy recommendations that can strengthen community protection in the context of mining activities. The findings are expected to offer valuable policy recommendations that can enhance community protection, leading to a more sustainable and just mining industry.

RESEARCH METHOD

This study employed a normative juridical approach with a qualitative analysis method. The approach was used to examine the legal norms governing CSR and the responsibilities of mining companies toward affected communities. The primary data were drawn from relevant laws and regulations, policy documents, and court decisions. A conceptual approach was also applied to analyze the meaning of CSR within legal and ethical contexts, along with a comparative approach to review CSR practices in Indonesia and other countries with stricter regulations (Basil, 2025).

Secondary data were obtained through literature studies of legal journals, academic books, non-governmental organization reports, and scientific articles discussing CSR, mining, and social impacts. The analysis was carried out systematically by identifying relevant legal principles, assessing the alignment between norms and practices, and evaluating the effectiveness of legal instruments in addressing company negligence. The techniques used included legal interpretation, content analysis, and case studies.

The case study method provided an empirical overview of CSR negligence by coal mining companies. The cases analyzed involved social conflicts in East Kalimantan, environmental pollution in South Sumatra, and violations of indigenous peoples' rights in Sulawesi. The selected cases were based on their relevance, legal complexity, and social impact. Through this method, the study aimed to produce an in-depth analysis and practical recommendations for policymakers and law enforcement.

RESULTS AND DISCUSSION

A. CSR Legal Obligations and Regulatory Loopholes

Corporate Social Responsibility in Indonesian law has been recognized as a legal obligation, not just business ethics. Article 74 of the PT Law states that companies engaged in the field of natural resources are obliged to carry out social and environmental responsibility. However, this provision is not accompanied by strict sanctions if the company neglects to implement it. This creates a legal loophole that allows companies to ignore CSR without meaningful legal consequences. In addition, the absence of operational standards for the implementation of CSR causes the programs carried out to be symbolic and do not have a real impact on the community.

The Environment Law and the Mineral and Mineral Law also regulate the company's responsibility to the community and the environment, but their implementation is often out of sync. For example, the obligation to prepare an EIA that includes a CSR plan often does not involve the community in a participatory manner. Companies tend to draft documents formally to meet administrative requirements, with no commitment to the sustainable implementation of the program. Weak supervision from government agencies and lack of transparency in CSR reporting exacerbate this situation.

From the perspective of international law, the principles of the UN Global Compact and ISO 26000 provide ethical and operational standards that can be used as a reference. While not legally binding, the principles emphasize the importance of accountability, participation, and sustainability in CSR implementation. In a juridical context, negligence towards CSR can be categorized as an unlawful act (PMH) if it causes real harm to the community. Therefore, there needs to be regulatory reform that strengthens sanctions and supervision mechanisms for the implementation of CSR by mining companies.

B. Forms of Negligence and Its Impact on Society

The negligence of coal mining companies in the implementation of CSR can be classified in several forms, ranging from the absence of CSR programs at all, non-participatory implementation, to manipulation of CSR reports for the sake of corporate image. This negligence is often systemic, where the company does not involve the affected communities in the planning and implementation of programs, so that the real needs of the community are not met. In many cases, CSR is only realized in the form of temporary assistance such as basic necessities or the construction of unsustainable public facilities, without impact evaluation or accountability mechanisms.

The impact of such negligence is vast and multidimensional. Socially, society experiences marginalization, horizontal conflict, and distrust of legal institutions. Economically, there has been a decline in land productivity, loss of livelihoods, and an inequality in the distribution of economic benefits from mining activities. Environmentally, CSR negligence contributes to water and air pollution, deforestation, and ecosystem damage that has a direct impact on public health. In the context of human rights, this negligence can be categorized as a violation of the right to a healthy environment and the right to inclusive development.

Case studies in East Kalimantan show that mining companies that do not carry out CSR responsibly have led to prolonged conflicts between indigenous peoples and companies. People not only lose access to customary land, but also experience health problems due to poorly managed mining waste. In South Sumatra, public complaints about river pollution due to mining activities are not followed up by companies or local governments. These cases show that CSR negligence is not just an administrative offense, but also has an impact on the social structure and constitutional rights of the community (Amoah & Jibril, 2024; Ekasari et al., 2021; Esteves & Barclay, 2011).

C. Legal Responsibilities and Enforcement Mechanisms

Legally, the company's negligence in implementing CSR can be subject to civil or criminal liability. In the civil realm, such negligence can be qualified as an unlawful act (PMH) as stipulated in Article 1365 of the Civil Code, if proven to cause harm to the community. Lawsuits can be filed by affected individuals or community groups, with

demands for compensation and restoration of social-environmental conditions. In the criminal realm, if the negligence causes pollution or environmental damage, the company can be subject to sanctions based on Law No. 32 of 2009 concerning Environmental Protection and Management.

However, in practice, law enforcement against CSR negligence still faces various obstacles. First, the absence of standard standards regarding the form and indicators of CSR success makes it difficult to prove in court. Second, affected communities often lack access to legal aid, environmental data, and expert support to prove damages. Third, companies tend to take refuge behind formal legalities such as AMDAL documents or annual CSR reports, even if their implementation does not correspond to the reality on the ground. This shows the need for legal reform in terms of proof and the sharing of the burden of proof in CSR cases (Fraser & Hoath, 2023; Hidayat & Atmaja, 2020).

To strengthen the law enforcement mechanism, it is necessary to establish an independent supervisory agency that has the authority to conduct social and environmental audits on the implementation of CSR. This institution must have access to company data, involve the public in the evaluation process, and have the authority to recommend administrative and criminal sanctions. In addition, there needs to be harmonization of regulations between the PT Law, the Environment Law, and the Mineral and Mineral Law so that there is no overlap or legal vacuum in handling CSR negligence.

D. Policy Reform and Juridical Recommendations

To prevent CSR negligence in the future, comprehensive policy reform based on the principles of social justice and environmental sustainability is needed. First, there needs to be a revision to Article 74 of the PT Law to include strict sanctions for companies that do not carry out CSR. These sanctions can be in the form of administrative fines, freezing of business licenses, or socio-environmental recovery obligations. Second, it is necessary to establish national standards for CSR implementation that include success indicators, community participation mechanisms, and a reporting system that is transparent and accessible to the public.

Third, the government needs to encourage the integration of CSR into the mining licensing system, where the successful implementation of CSR is a condition for the extension of business licenses. This can be done through periodic evaluations by an independent team consisting of elements of government, academics, and civil society. Fourth, it is necessary to establish a public consultation forum in each mining area that functions as a forum for dialogue between companies and the community, as well as a mechanism for complaints against the implementation of CSR that is not appropriate. These forums must have legal legitimacy and be supported by clear regulations (Jenkins & Yakovleva, 2006; Kemp et al., 2012; Kumar et al., 2022).

Juridically, a *rights-based approach* needs to be applied in the implementation of CSR, where the community is not only positioned as a beneficiary, but also as a legal subject who has the right to demand corporate responsibility. This approach is in line with the principles of sustainable development and the protection of human rights. With comprehensive policy reforms and consistent law enforcement, CSR negligence by coal mining companies can be minimized, and affected communities can obtain fairer and more dignified legal protection.

CONCLUSION

Coal mining companies' negligence in implementing Corporate Social Responsibility (CSR) remains a significant problem, directly affecting community welfare and environmental sustainability. Despite comprehensive regulations, many companies fulfill CSR merely as a formality without genuine engagement or consideration for community needs, leading to social, economic, and ecological harm as well as a disconnect between legal norms and actual practices. Weak law enforcement, limited standards, inadequate supervision, and poor public access to legal remedies compound these issues. Addressing this requires regulatory reforms that establish clearer implementation standards, stronger sanctions, increased community participation, and a rights-based approach that empowers the public to hold companies accountable. Future research should explore innovative models for independent CSR supervision and effective community-based monitoring mechanisms to ensure sustained compliance and equitable benefits for affected communities.

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