

Monopoly Supervision and Competition Law Enforcement in the Natural Resources Sector

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ABSTRACT

The management of natural resources and extractive industries in Indonesia is at a crossroads between the state's constitutional obligation to prioritise the prosperity of its people and the need to create healthy business competition. This study provides a normative legal analysis of the regulation and enforcement of competition law against monopolies in these sectors. The regulations are based on Article 33 of the 1945 Constitution, Law No. 5 of 1999, and sectoral laws such as the Mineral and Coal Mining Law and the Oil and Gas Law. The main obstacles arise from the dominance of large business actors, overlapping regulations, and the limited authority of supervisors. However, opportunities for strengthening exist through transparency, accountability, regulatory harmonisation, and adaptation to global extractive industry governance standards. Effective enforcement of competition law is considered to strengthen national economic growth, create justice, and ensure the management of national resources for the welfare of all people.

INTRODUCTION

The issue of business competition and monopoly in the natural resources and extractive industries sector has become an important issue in the development of modern business law. The management of natural resources essentially has enormous economic, social and legal consequences. In various countries, this sector is often a breeding ground for monopolistic practices that affect market structures and the welfare of the wider community. In Indonesia, the government's attention to the regulation of business competition began with the enactment of Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition, which aimed to reorganize national economic governance in a fair manner in all sectors, including natural resources. The establishment of business competition regulations was driven by the need to prevent the dominance of giant business players who, during the previous era, tended to perpetuate cartel practices, extreme vertical integration, and tender collusion in natural resource projects (Nugroho, 2014).

Historically, the pattern of ownership and control of natural resources in Indonesia has been closely correlated with power relations, licensing,

and a centralized system of natural resource management. The New Order era brought about a tendency towards centralized monopolies through the assignment of state-owned enterprises or exclusive concessions to large private capital. Legal reforms since 1998 have opened up opportunities for a transition towards economic democratization, making the role of business competition regulation a new urgency. Extractive industries such as mining, oil and gas, and forestry require a competition oversight system to prevent dominant practices, market control, and price fixing that are detrimental to consumers and the state. Appropriate regulation also avoids state losses due to economic rent piracy by cartels and business conglomerates, as studied by Redi (2014).

Regulations on monopoly restrictions in natural resource and extractive industries are also closely related to investment policies, licensing systems, and decentralization that have been implemented since the reform era. Often, differences in interests between the central and regional governments create vulnerabilities to monopolistic practices through the accumulation of management rights, licensing abuse, or collusion between

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officials and business actors. The importance of understanding and capacity in managing the licensing system, including at the level of small businesses, is relevant in this context. As shown in the research by Mardikaningsih & Arifin (2021), the level of education and knowledge about licensing can affect business participation in the formal economy and ultimately contribute to the prevention of monopolies through the diversification of economic actors. This dynamic emphasizes the need to strengthen supervision and enforcement of business competition law so that natural resource governance can guarantee access, equitable distribution, and prevent excessive exploitation. In addition, the non-transparent use of natural resources will open up opportunities for information asymmetry and pseudo-competition that hinders the creation of a healthy market (Muttaqin & Ratnawati, 2023).

As a result of weak supervision and the prevalence of monopolistic practices in this sector, small to medium-sized businesses often face obstacles to competing on an equal footing. Capital-intensive natural resource industries require affirmative regulation to ensure that the distribution of benefits does not accrue solely to large businesses or those with close ties to those in power. Cases of market dominance abuse are often found in the practice of controlling coal, oil and forest concessions, which have an impact on environmental damage and economic inequality between regions. The transformation of business competition policy is vital to ensure that the added value of natural resource management is not merely rhetorical caution, but is actually implemented at the industry level (Absori et al., 2022).

The increasing complexity of modern business through technological integration, global market consolidation, and cross-border expansion in the extractive industry adds to the challenges of monopoly supervision (Jusmadi, 2023). The existence of multinational companies poses regulatory dilemmas, particularly in the relationship between market control at the local level and global capital power. This has implications for the need to update legal instruments, collaboration between competition authorities across countries, and the development of new approaches that are appropriate to the characteristics of non-renewable natural resources that are vulnerable to overexploitation (Redi, 2014).

The main problem that arises in the field of competition law is closely related to the low effectiveness of law enforcement against monopolistic practices in the natural resource and extractive industries (Mezaya et al., 2021). The

challenge of effective law enforcement is not an issue limited to the extractive sector alone, but a common problem that arises in various industries as a result of the complexity of modern regulations and business structures. As revealed in research by Herman et al. (2023), the low effectiveness of law enforcement is also an obstacle to creating a healthy competitive climate in the creative and consumer industries. The complexity of regulatory design often complicates the process of detecting violations, especially when business actors protect their activities through layered corporate structures, cross-border affiliations, or political relations. Supervision by the Business Competition Supervisory Commission (KPPU) has so far faced constraints in terms of resources, as well as pressure from political actors and the business world, resulting in less-than-optimal case handling (Yazid, 2021).

The following issue lies in the inconsistency and overlap of regulations between sectors. Many sectoral regulations, such as the Mineral and Coal Law, the Oil and Gas Law, and the Forestry Law, regulate management rights and concession permits that often conflict with the principles of fair competition. The dynamics of overlapping regulations that require harmonization to support a fair market are not a unique phenomenon in the natural resources sector. Similar challenges are also encountered in other strategic economic sectors. A study by Purwanto et al. (2023) confirms that regulatory inconsistency and complexity can be a source of legal confusion and weaken the enforcement of business competition principles. This situation leads to legal confusion in the implementation of supervision, as there are legal loopholes that large businesses can exploit to strengthen their position in the market without having to go through equivalent compensation or control. As a result, opportunities for monopolistic practices remain wide open.

Another issue related to monopolies is the uneven legal protection for businesses that suffer losses due to the abuse of dominant positions. There are many cases where small businesses do not have the legal capacity and adequate access to resources to sue large businesses or the government. The need for a proactive legal framework to protect micro, small and medium enterprises (MSMEs) from these monopolistic practices is also the focus of the analysis by Indarto et al. (2023), which examines the effectiveness of regulations in creating a fair business environment for small businesses. As a result, corrective justice in the business competition system has not been effective, while the threat of

asymmetrical relations has grown stronger amid the volatility of the natural resource market (Yazid, 2021).

Research on competition law in the extractive industry is particularly significant at this time due to changes in the global economic structure and demands for increasingly transparent governance. Geopolitical dynamics and commodity price fluctuations have increased pressure on competition practices and the possibility of monopolies, requiring the strengthening of an adaptive business law system to respond to investment flows and protect domestic markets.

Changes in mining ownership patterns, nationalization policies for strategic assets, and the emergence of collaboration between private companies and the government further emphasize the need for proactive competition law governance. Thus, critical analysis is a real necessity in balancing business practices, while also serving as a bulwark against monopolies in the natural resources and extractive industries.

This study aims to critically analyse the legal regulation of business competition and monopoly in the natural resource and extractive industries in Indonesia, as well as to identify opportunities and challenges in law enforcement, in order to provide theoretical and practical recommendations for fair and competitive industry governance.

RESEARCH METHOD

This study uses a normative legal approach with qualitative analysis of various primary and secondary legal sources. Qualitative literature study is the main basis for exploring, understanding, and interpreting the patterns of regulation and dynamics of enforcement of competition law and monopoly in the natural resources and extractive industries in Indonesia. Various legal documents such as laws, government regulations, decisions of the Business Competition Supervisory Commission (KPPU), and academic literature from journals and books from the last two decades were analyzed to identify the characteristics, regulatory changes, and contemporary business legal discourse as practiced and applied at the national level.

The search for sources was conducted thematically and systematically by referring to a rigorous search strategy through national legal repositories, international and domestic scientific journal databases, and library catalogues from several leading universities in Indonesia. The inclusion criteria in this study included all relevant official legal documents, reputable peer-reviewed scientific journal articles, and academic books

published no more than 20 years ago. Exclusion criteria were applied to non-scientific sources, popular articles, and expired legal documents that had been revoked or were no longer valid. The selection process aimed to ensure that all information and data adopted had high validity and reliability and was scientifically accountable (Suyanto, 2023).

Data coding was performed using open coding techniques to identify the main themes, sub-themes, and causal relationships between legal variables that emerged in the literature findings. The quality of the synthesis was ensured through cross-source data triangulation and relevant expert discussions to ensure that the research results remained objective and accurate. All analyses were conducted repeatedly until consistent patterns and legal substance were found that addressed the research questions. The analysis was validated by reviewing the business law methodology literature and official KPPU reports that are academically accountable (Marzuki, 2017).

RESULT AND DISCUSSION

Regulation of Business Competition and Monopoly in the Natural Resources and Extractive Industries

The legal framework governing competition in Indonesia's natural resources and extractive sectors is based on constitutional and sectoral foundations. At the heart of this legal framework is the mandate of Article 33 of the 1945 Constitution, which stipulates that the earth, water and natural resources contained therein are controlled by the state. This control is not an end in itself, but rather a mandate to be directed as much as possible towards the prosperity of the entire population.

To fulfil this mandate amid global dynamics, natural resource sector governance is required to continuously renew and innovate in terms of policy and implementation. The principle of innovation is key, not only to increase competitiveness, but also to strengthen the state's institutional capacity. In line with this, Abdullah et al. (2021) emphasize that innovation in human resource management is a vital driver of organizational competitiveness in the era of globalization, a principle that is relevant to adopt in order to make natural resource management more effective, adaptive, and competitive.

The role of the state, therefore, includes the functions of regulation, management, and strict supervision of the utilization of natural resources. The aim is to prevent monopolies or the concentration of benefits among a handful of business actors, and to ensure that access and benefits are distributed fairly to the entire

community through various regulatory instruments (Matompo, 2017). Thus, the legal framework for business competition in this sector is essentially an operational instrument for realizing the economic justice mandated by the constitution.

Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition is the main instrument for monitoring monopolistic practices across all levels of industry, including the extractive sector. Through this regulation, excessive market control, collusion, unilateral price fixing, or abuse of a dominant position are strictly prohibited as they can distort market mechanisms and harm competitors and consumers (Agustinus, 2022). In its implementation, the commitment to creating fair business competition is also reflected in the supervision of business mergers and acquisitions that have the potential to create a dominant position for one of the business actors.

In the mining and energy sector, more detailed regulations are outlined in Law No. 4 of 2009 concerning Mineral and Coal Mining and its amendments, as well as Law No. 22 of 2001 concerning Oil and Gas. These two regulations complement competition law by requiring business actors to undergo a transparent and procedural licensing process, as well as promoting information disclosure in the determination of working areas and the awarding of cooperation contracts (Mezaya et al., 2021). This is expected to prevent the concentration of ownership in a handful of companies and ensure that strategic resources continue to be managed competitively and profitably for the state.

In practice, the Business Competition Supervisory Commission (KPPU) acts as an independent institution with the authority to investigate, examine, and resolve business competition disputes, including in the field of natural resources. The supervisory role of the KPPU continues to evolve, including in responding to increasingly complex and cross-border market dynamics. In this context, research by Firmansyah et al. (2023) reviews the KPPU's extraterritorial authority as a strategic instrument for creating a fair investment climate, which is also relevant in overseeing competition practices in the natural resources sector, which often involve multinational corporations. The KPPU can impose administrative sanctions on companies proven to have engaged in monopolistic practices or tender collusion in the mining, oil, or natural gas sectors. In addition, a study by Sudiruddin et al. (2023) also reviews the role and strategy of the KPPU in optimizing the principle of fair business competition to realize a just

economy. This supervisory function is in line with the spirit of the constitution to ensure that there is no abuse of market power, whether by private businesses, state-owned enterprises, or mixed business entities (Jusmadi, 2023).

Legal oversight of monopolies is also strengthened by a number of derivative regulations that strictly govern the mechanism for granting licenses for the exploitation and exploration of natural resources. The government implements a mining area auction system that requires business actors to meet certain technical, environmental and financial standards so that business opportunities are open and fair. This system also serves as a preventive control to ensure that ownership of natural resource assets is not centralized in certain economic groups that could create cartels or collusive pricing.

In addition, the management of natural resources by state-owned enterprises (SOEs) is also subject to competition law supervision. Although the state has a mandate to manage vital assets, there are still restrictions in place to prevent abuse of dominant position. The regulations explicitly emphasize that the privileges of SOEs must still comply with anti-monopoly principles and not close the door to other business actors to participate fairly, especially in the downstream phase or distribution of extractive products.

Another aspect that is regulated is the abuse of vertical integration. In the extractive industry, companies that control the supply chain from upstream to downstream have great potential to suppress prices, restrict market access, or discriminate against smaller competitors. The regulations aim to create an open system, provide fair access for other business actors, and ensure that the distribution channels for mining and energy products are not monopolized by a single entity.

The implementation of the principle of fair business competition in the natural resources and extractive industries sector is also aligned with the obligation of business actors to comply with environmental protection and community welfare standards. In the event of regulatory violations, such as collusion in mining project tenders or price cartels in the coal market, the KPPU can coordinate with technical ministries and other law enforcement agencies to impose penalties based on administrative, criminal, or civil law provisions in accordance with the severity of the violation.

However, its implementation in the field often faces a number of challenges, such as overlapping regulations between general competition laws and sectoral laws, as well as limitations in the KPPU's

supervisory and enforcement capacity. This problem sometimes creates weaknesses in supervision, where large-capital business actors are still able to manipulate ownership structures to avoid detection of monopolies and abuse of dominant positions (Saleh, 2019). Regulatory harmonization continues to be pursued between the central government, regional governments, and relevant law enforcement agencies.

Strengthening competition law regulations is very important in supporting the equitable distribution of natural resource management, maintaining fairness among business actors, and creating a transparent and integrity-based market. The focus of the regulations is not only on preventing the emergence of monopoly power, but also on efforts to encourage innovation and efficiency through healthy competition oriented towards public benefits and sustainable national development. This sustainable and inclusive development is in line with the principles examined by Mardikaningsih and Hariani (2022) regarding the integration of diversity and sustainability in organizations, which show that a fair and competitive business environment is the foundation for sustainable company performance and competitiveness.

The series of regulations that have been implemented by the Indonesian state to date demonstrate a high level of commitment to building a healthy business competition system in vital sectors. However, the successful implementation of all these regulations remains highly influenced by consistent law enforcement, public participation in oversight, and the integrity of stakeholders throughout the extractive industry value chain.

The formulation and implementation of regulations in the natural resources sector requires sensitivity to rapid socio-economic changes, technological innovation in the mining industry, and the capacity for interaction between business actors at both the national and global levels. The importance of adapting to technological innovation to build competitiveness, as analyzed in the context of MSMEs by Putra and Darmawan (2022), is also relevant in the extractive industry, where technology adoption can change the dynamics of competition and operational efficiency. Effective regulations need to provide flexibility in order to anticipate the disruptive impacts of digitalization, automation, and global supply chain integration so that national interests are maintained and market competition remains healthy. The development of business competition legal instruments must be adjusted periodically to remain relevant to structural

industrial transformations and increasingly complex patterns of international economic relations. Openness to best practices from various jurisdictions can enrich the substance of regulations and strengthen competitiveness without neglecting national characteristics. The success of regulations is measured by their ability to protect the public interest and encourage the productive participation of all actors in the natural resource ecosystem.

In addition, a continuous evaluation mechanism is needed to ensure that supervision and law enforcement practices remain responsive to external changes. Synergy between the government, supervisory agencies, and the business sector will strengthen the consistent application of competition principles. Targeted regulations also minimize opportunities for harmful monopolies and support the creation of transparent and equitable natural resource management. Transnational collaboration should be considered as a proactive step to address regional challenges while expanding socio-economic benefits for the Indonesian people.

Finally, effective competition law regulations will be able to prevent market domination by a handful of parties, open up the widest possible space for participation by new businesses, and direct all extractive industry activities for the benefit of the people. A proportionally designed and consistently implemented regulatory system will also encourage innovation, technology transfer, and equitable distribution of economic benefits at the national level. Legal certainty resulting from strict supervision will provide a stable foundation for investment oriented towards sustainable growth and the integration of business ethics in strategic sectors.

The implementation of the principles of transparency and accountability in every natural resource value chain close loophole for manipulative practices that have the potential to hinder equity. Cross-institutional synergy between business competition authorities, the government, and civil society is a key element in ensuring that natural resource management is always based on the principles of fairness and sustainability. In addition, strengthening the capacity of supervisory agencies and aligning legal instruments with global industry developments will ensure that control mechanisms remain relevant and effective. Ultimately, the shared commitment of all stakeholders to implement adaptive regulations is the main foundation for the actualization of the ideal of collective prosperity as stipulated in Article 33 of the 1945 Constitution through effective competition policies.

Obstacles and Opportunities in Enforcing Competition Law against Monopolies in the Natural Resources and Extractive Industries

The enforcement of competition law in dealing with monopolies in the natural resources and extractive industries in Indonesia is in a unique position between constitutional demands and the implementation of sectoral regulations (Jusmadi, 2023). Within the normative legal framework, the main obstacle stems from the strategic position of natural resources as emphasized in Article 33 of the 1945 Constitution, which mandates state control for the prosperity of the people (Sari & Setiawan, 2022). The implication of this control is often the dominance of the state or large business actors, both in the form of state-owned enterprises and private companies through strategic cooperation agreements (Widodo, 2021). This dominance hinders the realization of equal business competition, as it tends to be characterized by the formation of exclusive rights with minimal competition (Prasetyo & Hidayat, 2020; Ferdiansyah, 2022).

Another obstacle arises when sectoral regulations in the mining and energy sectors grant special authority over the management, distribution, and marketing of natural resources to certain entities. Law No. 4 of 2009 concerning Mineral and Coal Mining and Law No. 22 of 2001 concerning Oil and Gas and its amendments create space for policies that are sometimes not fully in line with the principles of fair competition as stipulated in Law No. 5 of 1999 (Saleh, 2019). This lack of synchronization causes overlap and increases the opportunity for anti-competitive practices in vital sectors of the state.

Institutionally, the Business Competition Supervisory Commission (KPPU) faces challenges in enforcing the law in the realm of natural resources (Putri et al., 2019). The KPPU's authority is often limited, especially when it has to penetrate layers of strategic contracts that are kept confidential by state institutions with authority over oil and gas and mineral and coal. Another obstacle is political resistance due to the significant influence of large business actors, who often intersect with policy makers or are part of the power system.

Technical obstacles arise from the characteristics of the extractive industry itself. The licensing and management processes, which are dominated by large investments, make it difficult for small businesses to enter or survive in the market. The existence of long-term contracts, concessions with high requirements, and the need for large amounts of capital automatically preclude healthy competition. In addition, the level of transparency in licensing and supervision is not evenly distributed across all

natural resource management areas in the country.

In addition to obstacles rooted in regulatory and institutional structures and mechanisms, global technological adaptation also poses its own challenges. Multinational companies, for example, often use their capital and technological power to regulate extractive market structures, thereby reducing opportunities for domestic actors and small businesses. The complexity of inter-country relations, fiscal incentives, and the management of export-import markets add another layer of challenge to the enforcement of anti-monopoly principles.

However, despite these obstacles, opportunities for the enforcement of competition law against monopolies remain open. The principles of transparency, accountability, and market openness can still be strengthened as steps towards healthy competition. A commitment to information disclosure and clear reporting is a tool for the government and the KPPU to monitor and decide on alleged monopolistic or collusive practices in the licensing and marketing processes. A market environment free from monopolies and collusion creates a level playing field for business actors. In this healthy arena, companies' efforts to win consumers and gain a competitive advantage through legitimate means can be directed towards strategic and productive aspects, as studied in the context of marketing strategy. In line with this, Darmawan and Grenier (2021) explain how competitive advantage can be built through effective management of the marketing mix for services. Thus, competition law enforcement not only prevents fraudulent practices, but also positively opens up space for innovation and legitimate business strategies as the basis for healthy competition.

Another opportunity arises from international demands for better and more open governance of the extractive industries (Yuniar & Pratama, 2022). Initiatives such as the Extractive Industries Transparency Initiative (EITI) encourage transparency in transactions and the management of natural resources, in line with the principles of openness and publication of management data, which can help create healthy business competition both globally and domestically (Nugroho, 2021). These principles of transparency and healthy competition, as discussed by Hardyansah et al. (2021), not only serve to build consumer trust, but also form the foundation for a dynamic and equitable business climate. The study shows that a transparent and competitive market structure can reduce exploitative practices and encourage innovation that is oriented towards the public interest. Consistent implementation of transparency

standards will narrow the space for corruption, collusion, and nepotism in strategic sectors (Wibowo & Sari, 2023). Ultimately, commitment to these global standards not only enhances competitiveness but also ensures that the economic benefits of the extractive sector are managed more fairly and sustainably (Kurniawan & Dewi, 2022).

In addition, audit and reporting mechanisms that follow international best practices provide assurance to investors and business actors that they will obtain accurate and reliable information before making investments. Policy adaptations in order to adjust to global dynamics make the extractive industry sector more responsive to contemporary challenges and demands for transparency. Furthermore, increasing human resource capacity in the areas of supervision and data management further supports the optimization of economic benefits and responsible management. The comprehensive integration of EITI principles into national policy reinforces Indonesia's commitment to accountable and integrity-based natural resource governance, thereby ensuring the continuity of healthy business competition at both the national and international levels.

The harmonization of sectoral regulations and competition law also presents opportunities for the future. If the mining and oil and gas sector laws can be brought more into line with Law No. 5 of 1999, legal certainty, space for new business participation, and effective supervision can be achieved. Strengthening the role of the KPPU through regulatory revisions that expand its supervisory authority can also increase the effectiveness of competition law enforcement. There is also room for collaboration between supervisory agencies, central and regional governments, and civil society to strengthen the extractive industry oversight system. Community involvement in the process of evaluating natural resource governance can provide moral pressure on business actors to avoid practices that harm the people and the state.

Public participation is further strengthened through transparent reporting requirements for both the government and business actors. With open data, investigations into alleged monopolies and collusion can be carried out more easily, with the principles of openness and accountability as the main guidelines for policy formulation. Community involvement in the evaluation and oversight process encourages the creation of an honest and accurate governance climate, thereby minimizing the potential for abuse of authority from the outset. The involvement of civil society organizations and the use of information

technology to access and publish reports adds to the strength of external oversight, which is increasingly difficult to ignore. Increased transparency expands the space for participation by interest groups that are relevant to resource management, so that the aspirations and input of various elements of society can be accommodated proportionally. With the existence of a systematic open reporting principle supported by credible data verification mechanisms, policy effectiveness will be achieved along with the creation of multi-layered accountability, which ultimately strengthens the position of the public as the main guardian in the creation of healthy and fair business competition.

The next opportunity is the development of an integrated licensing system and digitization of supervision, which will reduce the potential for fraud and minimize the scope for cartels. This system can minimize overlapping authorities and accelerate the detection of monopolistic practices at both central and regional levels. The application of information technology in the licensing process provides easy access, administrative efficiency, and increases the transparency of all stages of business license management. Cross-agency data integration enables real-time information exchange so that action against violators of regulations can be taken more quickly and accurately. The digitization of supervision strengthens the digital evidence-based audit system, so that each procedure can be traced and verified objectively. In addition, information disclosure through the digital licensing system provides opportunities for the public and other stakeholders to conduct independent monitoring, adding a layer of oversight that serves as a deterrent to the formation of cartels and corrupt behaviors in industry governance.

Global pressure to improve governance and prevent monopolistic practices in the extractive sector is also an incentive for the government to continue innovating in the field of regulation. Healthy competition in the natural resources sector will spur innovation, new business growth, and increase investor and public confidence in the governance of state resources. This international push creates additional motivation for the government to design legal instruments that are adaptive and responsive to industry developments, so that they are able to accommodate the needs of business actors without neglecting the protection of the interests of the wider community.

These principles of governance and enforcement of fair competition law are not only crucial for the extractive sector, but also universally applicable to

various strategic national industries, including those based on living natural resources. In line with this, a study by Karmono et al. (2023) shows how the implementation of competition law aims to create a similar market ecosystem, namely one that is innovative, fair, and protected from harmful practices. The basis of this healthy ecosystem is the creation of trust among all stakeholders. In a broader context, this element of trust is also at the core of competitiveness at the corporate level, as research by Gani and Darmawan (2022) shows a causal relationship between brand authenticity and increased consumer trust and loyalty in market competition. The application of transparency standards and periodic evaluation of policies, which are important in the framework of good governance, will provide room for continuous improvement, which in turn supports the creation of a credible management system. The positive implication of accommodative policies is the creation of legal certainty that increases long-term investment interest in this industry. Within an increasingly transparent governance framework, public trust in the management of the extractive sector can be progressively built, enabling the strengthening of the industry's contribution to inclusive and equitable national economic development.

With various opportunities that can be utilized, there are high hopes that the natural resource industry will be more equitable, open, and competitive in the future without limiting the potential for national prosperity. The enforcement of business competition law must continue to adapt so that the main objective of Article 33 of the 1945 Constitution, namely the greatest prosperity for the people, is truly realized in the national economy. Regulatory reforms oriented towards fairness and transparency are believed to be capable of creating an inclusive business ecosystem and spurring equitable economic growth. Optimizing supervision by the competent authorities and collaboration with civil society will strengthen the accountability of this sector, thereby significantly reducing the potential for abuse of power. Improvements to the incentive system for ethical and responsible business actors will motivate the creation of an industrial culture oriented towards the public good. The implementation of consistent and credible policies must be an absolute prerequisite for increasing public trust in natural resource management. Thus, inclusive, sustainable and equitable national economic growth can be achieved in the lives of the wider community.

CONCLUSION

The regulation and enforcement of competition law against monopolies in Indonesia's natural resources and extractive industries is a combination of constitutional foundations, competition law, and sectoral regulations. The state asserts control over natural resources for the prosperity of the people as mandated by Article 33 of the 1945 Constitution. Although instruments for monitoring monopolies are available through Law No. 5 of 1999 and sectoral regulations such as the Minerba and Migas Laws, challenges still arise in terms of the dominance of large businesses, institutional integration, the limited authority of the KPPU, and overlapping regulations. However, opportunities for legal dynamics are open through the strengthening of the principles of transparency, accountability, and regulatory harmonization so that the benefits of the extractive industry can truly be enjoyed by all people.

This study provides new insights into the importance of a solid regulatory system and strict supervision in preventing market domination that is detrimental to society. The implementation of the principle of fair business competition can create a fair, efficient, and socially just business climate in the management of strategic natural resources. The push to increase the authority of the KPPU, public participation, and the adaptation of global transparency practices have a direct impact on the quality of extractive industry governance in Indonesia.

The government and legislators are expected to harmonize all sectoral regulations with the principles of business competition as stipulated in Law No. 5 of 1999. This step is important to eliminate overlaps and legal loopholes that have been exploited by business actors to weaken fair competition. The KPPU's authority needs to be strengthened, the digitization of the monitoring system accelerated, and public involvement in the monitoring of natural resource industry governance increased in order to create greater transparency and accountability.

This strengthening must include improving the KPPU's investigative and economic analysis capabilities, particularly in dealing with increasingly complex and cross-jurisdictional anti-competitive practices. The active involvement of civil society, academics, and the media as monitoring partners can be an additional force in detecting potential violations and promoting public accountability. In addition, regulatory harmonization must be accompanied by faster and more decisive dispute resolution mechanisms to prevent covert monopolistic practices. With these measures, a more robust and adaptive governance foundation will be established.

Ultimately, efforts to harmonize regulations and strengthen oversight will promote the vision of prosperity and justice in the management of the

extractive sector. Thus, the benefits of natural resource management can be enjoyed sustainably, both for current and future generations.

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