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Extensive interpretation of state financial losses in tin sector corruption: A comparative study of emerging economies

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Abstrak: The precedent of state losses in regulations is still limited to the paradigm of nominal losses, which is clearly different from the type of corruption in natural resources, particularly when considering environmental damage benchmarks in ecological, economic, and environmental recovery aspects. Unfortunately, Article 2, Paragraph 1, and Article 3 of the Eradication of Criminal Acts of Corruption Law, which defines the term "state financial losses," creates confusion in interpretation because it is different from other regulations, such as Minister of Environment Regulation No. 7/2014. In this regulation, state economic losses due to environmental damage and recovery costs are included as non-tax state revenue. It's unfortunate that government's right to sue in civil realm is used for compensation, and not for environmental restoration. This practice creates a conflict between corruption losses in the environmental aspect and the paradigm of state finances. This research is based on a doctrinal method that refers to legislation as the basis for hypothesis testing to dichotomize the interpretation of state losses, accompanied by a comparison with other countries. The results show that state financial losses interpretation needs to be seen casuistically through multi-regime investigation paradigm, namely by combining formulation unlawful acts between regulations. In fact, the practice of natural resource corruption is rampant in developing countries due to a lack of determination regarding losses and appropriate environmental corruption sanctions for perpetrators.
Keywords: Corruption; Environment; Natural Resources; Tin.

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Introduction

The dichotomy of corruption in its various discourses has also taken root in extractive projects, giving rise to environmental corruption, which carries all the risks of violence and threats not only to the surrounding community but also to environmentalists. Corruption among business actors in the natural resources sector is rampant, resulting in financial losses to the state, calculated based on the Indonesian Budget (APBN) as the cost of damage and recovery. This impacts the dimensions of ecological damage as a paradigm of state losses and degrades the quality of human life, landscapes, and biodiversity. Simply put, ecological damage is considered part of state losses if the resulting losses stem from behaviors that reflect corruption (Aiman, 2024).

The estimated value of natural resources in the dichotomy of calculating economic costs considers the extent to which natural resources are deemed valuable, rather than solely in the present. The perceived worthlessness of nature, even in the smallest scope, must be included in the state's losses, as it neglects holistic intergenerational aspects. This is part of the strong sustainability paradigm, which emphasizes the importance of considering non-renewable natural resources and the need to inherit them for future generations. This legal phenomenon brings to mind the veil of ignorance, a doctrine of justice proposed by John Rawls, which acknowledges human ignorance regarding the negative impacts on the environment caused by today's actions. While the detrimental effects may be generally predictable, the uncertainty of future losses leads adherents of this doctrine to prefer preserving the environment to mitigate potential damage from harmful actions (Patty, 2024).

John Rawls' thought reflects the idea that continuously depleted natural resources will degrade the quality of life in the present, with impacts lasting well into the future. This intergenerational concern has increasingly become the focus of public attention, triggered by the excessive exploitation of nature that disregards the principle of accountability, solely for the sake of short-term business interests. The complexity of environmental corruption crimes, or in the term "Green Corruption", is evidence of the lack of seriousness of state officials in terms of operations at the highest level, for example, the absence of policy formulations related to the significance of state losses definitively as environmental corruption crimes (Riyanto et al., 2024).

Such normative implications resulted in one of the recent cases in early 2024, involving several celebrity names, such as Harvey Moeis, for alleged corruption in the tin sector as part of a commodity trading system. This case revolves around the Mining Business License (IUP) owned by PT Timah Tbk, which has been operating from 2015 to 2022, and serves as evidence of the rampant practice of unlicensed mining in Indonesia. The Attorney General's Office in this case has estimated the total number of ecological losses at Rp. 271 Trillion, an estimated loss calculated to be part of the category of state losses due to IUP corruption (Putra et al., 2024).

With regard to the ecological damage caused by the mining of PT Timah Tbk, amounting to 271 trillion, the estimated environmental damage calculated refers to the concept of compensation based on the loss of environmental quality in forest and non-forest areas, including economic losses, ecological losses, and the costs of environmental restoration. The calculated impact of corruption is charged to the perpetrator as a form of asset recovery and recovery of the affected environment (Wiraguna, 2024).

The assets of corporate actors in court decisions will later be confiscated. For example, there are currently smelters along with 51 excavator units and 3 bulldozer units that have been confiscated by the Attorney General's Office. The practical confiscation of assets, starting from the estimation of state losses, is based on the Minister of Environment Regulation Number 7 of 2014 concerning losses due to environmental pollution and/or damage (La Antrag et al., 2024). Simply put, losses to the environment caused by environmental damage and/ or pollution become the provision of monetary value, where the monetary value in the amount of environmental economic losses is entirely something that must be paid by corporate actors based on indicators of the economic value of environmental losses (Rachmawati, 2022).

The issue of compensation is crucial for damage to natural resources and the environment; often, conflicts arise due to a lack of data and validation from strong scientific testing. Conflicts based on proof must rely on objective calculations so that compensation claims by corporate actors are grounded in strong evidence (legal proof), consisting of research results, field identification, laboratory analyses, and other data reinforced by doctrines and expert opinions that can be scientifically accounted for. (Al Hazmi, 2024).

The ambiguity surrounding the meaning of state losses, especially in the environmental sector, raises speculation about whether ecological losses are included in the category of state losses, as well as corruption offenses such as bribery, gratuities, and others. When examining Law No. 31 of 1999 concerning the Eradication of Criminal Acts of Corruption, along with Law No. 20 of 2001, the author does not find a concrete definition; the explanation validating "state losses" is only described in the classification of types of corruption without any expertise that truly addresses it.

State losses in the ecological context, when linked to corruption in the field of administration, do not adequately address the problem. The lack of connection can be seen in the nature of tort in the administrative realm, where it is more likely to involve an abuse of authority born from negligence or intent that harms individuals or groups through factual or legal actions based on Law No. 30 of 2014 that violate the principle of discretion. Meanwhile, corruption in the ecological realm should not be because it is carried out by a business actor who destroys nature itself, it might be possible to enter the civil realm using Article 1365 of the Civil Code, but the context is the public realm so it should have its own space in the of Eradication of Criminal Act of Corruption Law (Pattiwael, 2021).

The term "state loss" is mentioned in the explanation several times, but it does not provide a precise definition. Instead, the concept of loss is represented only by the terminology of "state financial losses" and "state economic losses." Can we equate the perception of loss between these

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two phrases, given that the objects and sectors are very different and do not lead to the meaning of ecological loss? Other regulations also define state losses, as found in Article 1 Point (22) of Law Number 1 Year 2004 concerning State Treasury, which classifies losses on a national and regional scale as shortages of money, securities, and goods whose nominal value and quantity are certain and real, resulting from intentional or negligent unlawful acts. The interpretation of the meaning of state losses based on the two regulations both refer to losses in the state financial sector, so this analogy does not answer anything about the true paradigm of natural resources of corruption (Fernanda et al., 2023).

The precedent for state losses in laws and regulations is primarily based on nominal values, or the amount of monetary loss associated with the corruption crimes committed. Meanwhile, state losses in the green corruption paradigm emphasize environmental damage and the erosion of natural resources. Furthermore, environmental losses are currently not imposed on the state but on the perpetrator, who is obligated to carry out environmental restoration. This perspective has not been fully accommodated in Indonesian legislation. When referring to the two regulations of the Eradication of Criminal Acts of Corruption Law and the State Treasury Law, state losses in the environment should represent a new paradigm that is not only conceptual but also validated through a multi-regime investigation. This includes special regulations outside of the two laws, whether incorporated into Law Number 32 of 2009 concerning Environmental Protection and Management or established as new rules within an ecological corruption regime, utilizing the concept of strong sustainability.

Beside of the Environmental Protection and Management (PPLH) Law and the State Treasury Law, especially the green corruption paradigm has not received its own space in the of Eradication of Criminal Act of Corruption Law, it is only limited to Article 2 Paragraph 1 using the phrase "corporation" as an adressat (legal subject), the interpretation of corporations in the environmental field may be justified, however, it continues that there is a phrase "detrimental to state finances or the state economy" which clearly has nothing to do with ecological damage which is not in the financial sector but the environment, of course the calculation is no longer looking at how much the financial context is, but the destructive power to plants, or animals referring to Ministry of Environment No. 17/2014 should be included in the of Eradication of Criminal Act of Corruption Law paradigm. 17/2014 should be included in the paradigm of the Eradication of Criminal Act of Corruption Law.

State financial losses in calculating damage to public sector natural resources are outlined in Minister of Environment Regulation No. 17 of 2014, which includes variables for state loss costs, such as ecological environmental loss funds, environmental economics, and environmental restoration. This regulation encompasses the functions and management of water systems, erosion control, soil formation, waste decomposition, genetic resources, and carbon release. Before calculating environmental losses, there are rules to qualify the requirements for tin mining sites with damaged conditions. When conducting field verification of tin mining areas, the results of laboratory sample analyses will confirm the existence of environmental damage. Satellite observations and data verification in the field have resulted in an estimated state financial loss due to tin management cases temporarily reaching 271.06 trillion.

The of Eradication of Criminal Act of Corruption Law is limited to covering the prohibition of unlawful corrupt acts. If all acts of environmental damage are considered part of criminal act of corruption only because they contain aspects of unlawful acts that benefit themselves or others, then the use of the corruption offenses article becomes too broad and there is no demarcation limit. There are questions regarding both the Anti-Corruption Law and Permen LH 7/2014, as the calculation of environmental losses still relies on the paradigm of environmental economic losses based on scientific methods. A close examination of the preamble reveals that Permen LH No. 7/2014 is an implementing regulation for the government's right to sue for environmental losses under Article 90, Paragraph (2) of the PPLH Law.

In addition, state financial losses in the natural resources sector are rampant in developing countries. Thus, the analysis will include an explanation of trends in natural resource corruption, reinforced by the practical implementation in various developing countries, including Zambia, Kenya, Zimbabwe, the Philippines, Mexico, Nigeria, Colombia, Sierra Leone, Madagascar, Namibia,

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and Botswana. One country that has shown significant impacts due to rampant corruption in the natural resources sector to the detriment of the state is the Philippines on Negros Island, which lost a lot of biodiversity due to land conversion into sugar plantations in the mid-19th century.

The uncertainty among jurists in integrating corruption cases into environmental contexts can actually be inspired by the thoughts of Kelsey Landau and Joseph Glandof. In this scenario, the government deliberately allows several companies with harmful interests to be included as part of strategic development planning, viewed as a form of sustainable support. Whereas behind it all there has been real pollution and damage to the environment in a structured manner, unfortunately due to the conspiracy of legal substance even though it does not accommodate environmental protection, a culture of corrupt behavior is inherent in an organized manner with a smooth way of providing requirements for companies. The special characteristics of developing countries, or those still in the transition stage, are often limited to focusing on economic and social progress, which are prioritized over environmental issues. In this context, environmental concerns occupy the lowest position in the national development agenda.

Method

This research is based on the doctrinal research method (normative juridical), which refers to the applicable laws and regulations as the basis for testing the author's hypothesis to dichotomize the interpretation of state losses within the environmental paradigm, accompanied by supporting data in the form of books, journals, and other literature. Comparative studies are used as comparisons in several developing countries that experience similar problems to later conclude the existence of a corruption paradigm in developing countries such as Zambia, Kenya, Zimbabwe, the Philippines, Mexico, Nigeria, Columbia, Sierra Leone, Madagascar, Namibia, and Botswana. Data analysis employs a qualitative descriptive approach to illustrate legal phenomena in tin cases. The final result will produce a statement emphasizing the theoretical aspects of textually problematic state losses, which will later be accommodated in Indonesian legislation.

Results and Discussion

Extensive Interpretation of Ecological Damage as State Financial Loss Under the Corruption Law

We can also relate the interpretation of state financial losses to expansive thinking, which offers a broad analysis by expanding the meaning of words in the regulation. In this context, it adheres to a normative order that provides terminology to produce meanings relevant to the development of society. This is not only intended as an understanding of when the formulation was made but also regarding the understanding of each element of the terms clarified objectively based on current situations and conditions. Extensive interpretation can be used to analyze a framework that is limited to the Eradication of Criminal Acts of Corruption Law alone, but it also applies to other laws and regulations that adhere to norms aimed at producing harmonization. In other words, an extensive interpretation of state financial losses will be linked to other norms to identify ecological losses as part of state financial losses. (Hadiwiyoso et al., 2023).

The discourse of ecological damage as part of state losses can be observed from the normative provisions present in Law Number 31 of 1999 concerning the Eradication of Corruption, precisely in Article 2 Paragraph (1) and Article 3 which defines the terminology "state financial losses", which often causes problems related to its interpretation which is also contained in other laws and regulations related to the context of state losses, some regulations actually interpret differently by using the phrase "state losses" or others with the phrase "state financial losses or the state economy" such as the Financial Audit AgencyLaw, the State Treasury Law, to the derivative rules of the Environmental Protection and Management Law. Even in the academic realm, the debate is still floating regarding how the original intent in the interpretation of state financial losses for the natural resources sector. Regarding this loss, we can find it in the material content of the Anti-Corruption Law, specifically in Article 32 Paragraph 1, which defines that the context of state financial losses is a loss that can be quantified as a nominal amount based on

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findings from an institution responsible for state financial losses that has the authority to calculate or appoint a public accountant.

The elements contained in this regulation are designated as objects of criminal acts relevant to Article 2 and Article 3 of the Eradication of Criminal Acts of Corruption Law. In this context, the main object is state finances or those that significantly influence the state economy. This can be equated with actions aimed at self-enrichment, which are considered illegal acts under Article 2 of the Eradication of Criminal Acts of Corruption Law.

The elements involved are very important because they form the basis for determining the imposition of criminal sanctions on the alleged perpetrators of the criminal act of corruption. If all the elements in the article have been fulfilled, then such perpetrators face criminal sanctions, which may include either imprisonment or restitution. However, if one of the elements contained in the above provisions is not fulfilled, it will have the consequence that the perpetrator of corruption is released from all legal charges, either through the termination of the investigation or a judge's decision that is onslaagh. Apart from the tin corruption case currently being discussed in Indonesia, several similar cases can also be found, such as the procurement case related to the Sisminbakum access fee involving corruption by PT Texmaco, which received a termination of investigation because it was not proven to contain elements of state losses. Even so, many perpetrators of corruption have been caught under the Eradication of Criminal Acts of Corruption Law and have been imprisoned due to proven harm to state finances. This phenomenon seems to give us confirmation that the phrase "harming state finances" needs to be further examined and disseminated to several corruption sectors, especially for issues in the environment (Kharisma & Dkk, 2019).

The context of state losses can be clarified by separating interpretations found not only in the Eradication of Criminal Acts of Corruption Law but also in Law Number 15/2006 concerning the BPK, which definitively defines that losses at the national and regional levels are losses resulting from a lack of money, securities, and goods that are tangible and have a certainty of value as part of unlawful acts involving negligence or intent. Meanwhile, Law 17/2003 states only the concept of state finances, which are the rights and obligations of the state that can be calculated in the form of money or all things related to goods and money that can be categorized as part of state ownership that has relevance to the implementation of these rights and obligations (Eddy O.S. Hiariej, 2000).

In reviewing the meaning of ecological loss, we refer to Article 90, Paragraph 1 of the Environmental Protection and Management Law, which emphasizes that it is permissible for government agencies to file a lawsuit for compensation regarding activities or businesses that result in environmental damage or pollution that harms the environment. Then continued in Paragraph 2 regulates how the formulation of the loss is spelled out more specifically in Ministry of Environment No. 7 of 2014. The definition of ecological loss is provided by the Ministry of Environment, as outlined in Article 1, Paragraph 2. This article defines ecological or environmental loss as a loss arising from environmental damage or pollution that is not confined to a private context. There are two aspects that need to be considered in Article 1, Paragraph 2, among others: (a) Losses arising from environmental damage or pollution can be proven through two methods of analysis. The first method involves pollution, whose variable size is determined by the Environmental Quality Standards, while the second method assesses environmental damage based on the Environmental Damage Standard Criteria; (b) Loss cases are not included in the private sector because the polluted environment is publicly owned, so it can be concluded that the use of this candy is only intended for environmental losses in the public sector (Pardede, 2020).

Based on the explanation above, several rules have actually provided different conceptions related to the phrases "state losses", "state financial losses", and "state finances" which certainly have their own paradigms, so the interpretation of the context of state financial losses in the Eradication of Criminal Act of Corruption Law is still limited and narrow, so there needs to be a broadening, especially how to place corruption in the sector environmental law by judges when finding related cases so that it can contain certain values of justice.

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Rationality of State Financial Losses in the Alleged Tin Corruption Case Based on MultiRegime Investigation

The chronology of natural resource corruption cases in the tin management sector begins with mining activities in the PT Timah Tbk Mining Business License (IUP) area over a period of seven years. The accumulated losses calculated from 2015 to 2022 are estimated to temporarily reach IDR 271.06 trillion, as reported by the Attorney General's Office. The calculation of these losses encompasses all types of environmental losses that must be borne by business actors, specifically losses from environmental, economic, and recovery perspectives regarding the two aspects of these losses. So far, 16 individuals have been named as suspects in the illegal tin mining corruption case. The context of the loss arises from mining excavation activities, with a total excavation area of 170,363.064 hectares divided into seven districts in the Bangka Belitung Islands. Of this area, 75,345.751 hectares are located in forested regions, resulting in accumulated environmental losses of around IDR 223.37 trillion. Additionally, 95,017.313 hectares are situated outside forest areas, with environmental losses estimated at IDR 47.7 trillion. (Capri et al., 2021).

The widespread practice of mining without an IUP in the area has resulted in environmental damage that adversely affects both the community and the state economy. The detailed calculation of limited state losses is guided by Ministry of Environment Regulation No. 7 of 2014, which defines environmental losses in the public sector in Article 1, Paragraph 2. These losses are categorized into five calculation aspects, including the following: (a) The existence of losses that exceed the quality standards of the environment as part of the non-performance of part or all of the treatment obligations of wastewater, hazardous waste management, and emissions; (b) The existence of losses to reimburse the costs of implementing environmental dispute settlement in the form of field verification costs, experts and supervision of the implementation of loss payments, as well as laboratory analyses; (c) The existence of losses to bear all costs related to the countermeasures of an environmental damage or pollution and its recovery efforts; (d) Losses that result in damage to the ecosystem; (e) Losses from the community itself for the existence of environmental damage

The calculation of losses serves as the foundation for assessing ecological damage, which includes economic, environmental, and restoration aspects. This effort to interpret state financial losses within the context of natural resources has established a new precedent for the KPK to redefine the concept of state financial losses. Because so far the paradigm of state financial losses in the realm of criminal act of corruption is limited to the amount of money that can be estimated and attached to the act. Meanwhile, corruption cases in the environmental realm itself include natural resources which also accommodate losses along with recovery so that an obligation to compensate for the estimated losses is attached (Muhdar, 2020). When assessed in terms of its normative development, Indonesia has not integrated natural resource corruption into the Eradication of Criminal Act of Corruption Law. Consequently, when referencing Law No. 1/2004, environmental losses are viewed separately from state losses. This creates a need for a legal breakthrough through the application of multi-regime investigations, utilizing other laws outside the scope of the Eradication of Criminal Act of Corruption Law, specifically the PPLH Law and other relevant regulations.

In the ecological loss calculation mentioned above, environmental losses from tin mining activities are categorized into losses within forest areas and those outside forests, including other areas or land use areas (APL). The estimated environmental losses total IDR 25.87 trillion, with economic costs amounting to IDR 15.2 trillion, along with environmental recovery costs of up to IDR 6.62 trillion. Consequently, the total accumulated costs outside the forest area have reached IDR 47.70 trillion. The details of the above losses are of course based on Article 6 of Ministry of Environment No. 7/2014 with the following details: (a) The results, in the form of calculations covering environmental losses based on data provided by experts, serve as an initial assessment to resolve disputes either outside of court or within the judicial system; (b) Changes in the amount of the scope of environmental damage; (c) Technical factors include the duration of damage or pollution, such as the volume of pollutants that exceed quality standards and parameters, as well

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as the condition of the affected land; (d) Non-technical factors such as government policies and inflation. (Lee et al., 2020).

This type of calculation is undoubtedly regarded as part of a broad interpretation of value for measuring environmental damage. The extensive economic framework outlined in Ministry of Environment Regulation No. 7/2014 characterizes ecocentrism through environmental valuation. This kind of view provides an impetus for the construction of critical thinking about how the intersection of extensive economic values shifts into the realm of corruption, of course at the same time leaving the culture of anthropocentrism in every policy based on human needs above all else. The philosophical value of extensive economics rooted in ecocentrism encompasses the limitless value of ecosystems as recognized by humans. Consequently, values that are often overlooked may be destroyed or ignored, leading to inevitable and irreversible environmental damage. (Hoinaru et al., 2020). Valuation Extensive economics in classical thinking is limited to knowledge only, while in the modern era it has certainly shifted towards the value of the environment which is also projected to be valuable in the future will be included as a determinant of the loss variable in Ministry of Environment No. 7/2014.

It is important to note that Article 4 of Ministry of Environment Regulation No. 7/2014 outlines the requirements for experts related to economic valuation. This article mandates a calculation that is divided into economic value, environmental value, and recovery, taking into account the duration and destructive impact of tin mining activities. Based on the calculation formulation described, environmental losses are imposed on business actors and the government that grants exploration license decisions. This has broad implications not only for the state's financial aspects but also for environmental damage caused by mining activities associated with illegal IUPs (Habib et al., 2020). This burden is analyzed through the causality aspect of criminal law, which connects the burden of state losses to the government. (Leitão, 2021).

If all acts of environmental damage are considered part of criminal acts of corruption solely because they involve aspects of unlawful actions that benefit individuals or others, then the application of corruption laws becomes too broad, lacking clear demarcation limits. This raises concerns that all violations of environmental law could fall under the category of criminal acts of corruption, requiring environmental restoration for even minor infractions. It is conceivable that throwing garbage in a river might also be classified as a criminal act of corruption.

There is a need to question whether both the Eradication of Criminal Act of Corruption Law and Ministry of Environment Regulation No. 7/2014 should be reviewed, as the calculation of environmental losses continues to rely on the paradigm of environmental economic losses based on scientific methods. We can see carefully in the preamble that Ministry of Environment No.7/2014 is an implementing regulation for the government's right to sue for environmental losses based on Article 90 Paragraph (2) of the PPLH Law.

When calculating the extent of environmental loss, the PPLH Law has indeed mandated the Ministry of Environment to formulate Ministry of Environment Regulation No. 7/2014. However, in the case of tin corruption, which falls under the category of criminal acts of corruption, the application of these regulations is inappropriate, as they are limited to civil disputes related to the right to sue. Actually, calculating environmental losses can use other scientific methods outside the regulation, the most important thing is how the state takes responsibility for it by carrying out the recovery of the costs imposed by the perpetrator. Indeed, the state with the right to control as Article 33 Paragraph (3) of the 1945 Constitution not only regulates or supervises, but also ensures that environmental restoration is actually carried out.

Environmental losses must be reviewed to assess the extent of recovery implementation, which should not solely focus on Non-Tax State Revenue (PNBP) or even state economic losses. The paradigm of environmental loss should emphasize how costs are intended to benefit the environment. Unfortunately, it is not uncommon for the government to divert compensation provided by companies to other budgets.

Legalizing this practice is highly inappropriate, as it creates a conflict between the paradigms of environmental corruption losses and state financial losses. The provisions of Ministry of Environment Regulation 7/2014 clearly represent a loss to the state economy, as the costs of environmental loss and restoration charged to the perpetrator are categorized as Non-Tax State

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Revenue (PNBP). It is unfortunate that the government's right to sue in the civil sphere is used for aspects of criminal act of corruption, and is not aimed at environmental restoration, but only compensation.

The multi-regime investigation paradigm provides the perspective that placing the natural resources corruption framework within the Eradication of Criminal Act of Corruption Law is not always a viable solution. Therefore, an effective approach and legal breakthrough is the utilization of laws outside the Anti-Corruption Law while still addressing corrupt acts against the law. (Asongu & Odhiambo, 2021).

In the recent tin case, it is essential that every business actor wishing to conduct mining activities obtains a permit from the authorized official. If they operate without a permit, their activities will be categorized as illegal mining, which is clearly contrary to the provisions outlined in the legislation. Therefore, the role of criminal law regarding illegal mining is to classify it as a criminal act of corruption due to the context of unlawful acts in the public sector. (Amoah et al., 2022). Philosophically, the public sector itself requires that every mining activity must contribute to the quality of life of the community by not ignoring aspects of sustainable and environmentally sound environmental development, namely by not giving adverse consequences to the environment itself based on what is contained in Article 3 by not having a negative impact on the environment as stipulated in Article 3 of Law No. 4/2009 concerning Mineral and Coal Mining whose implementing rules are contained in PP No. 75/2000 (Zhou & Li, 2021).

In this context, it is important to note that corruption cases incorporating aspects of environmental losses as considerations for compensation are often annulled through judicial decisions. Therefore, the legal breakthrough of multi-regime investigations needs to be closely monitored. A case that has been annulled through its own decision has occurred in the corruption of an oil palmbased plantation business by PT Duta Palma Group and finally named Surya Darmadi as a suspect with an estimated loss of IDR 73.9 trillion along with the cost of restoring forest areas that have suffered systemic damage (Yao et al., 2021).

However, the Panel of Judges at the Jakarta Corruption Court recognized the state economic loss based solely on its calculation of IDR 2 trillion, which is highly inconsistent with the obligations of the convict in relation to the damage that has occurred. A similar case has also occurred related to the granting of IUPs that eventually ensnared Nur Alam as the former Governor of Southeast Sulawesi, where the judge at the trial did not consider the cost of environmental losses calculated by the expert at all, resulting in the perpetrator being solely free from the imposition of compensation obligations for the state financial losses (Khan et al., 2022). Thus, the author believes that Permen LH is still grounded in the Anti-Corruption Law, which views state losses solely in the financial sector. Consequently, law enforcement focuses only on financial losses calculated as compensation costs and recovery as non-tax state revenue. It is unfortunate that this represents a form of the government's right to sue in the civil sphere for compensation from the perpetrator, primarily concerning the corruption aspect, and does not adequately address the context of environmental restoration.

Paradigm Trends in Natural Resource Corruption in Developing Countries

Relaxing the development of corruption in the environmental sector provides a new view of the world of Corruption in developing countries, which has fundamental differences compared to the financial sector relating to the integrity of official authority. Building on Clark Gibson's insights regarding state revenues derived from both formal and informal aspects of environmental products, such as timber, minerals, wildlife, and gems in the extractive sector, this corruption phenomenon is rampant in developing countries whose income largely depends on natural resources and an economy based on extraction and distribution in export and import activities. Thus, it is not surprising that the management process becomes a space for practices that foster corrupt behavior. (Yilanci et al., 2021).

Clark Gibson explained in his 1999 book "Politicians and Hunters" that the trend of natural resource corruption in developing countries can be observed in Zambia, Kenya, and Zimbabwe, which are rich in natural resources but whose political institutions intervene in every policy made by the bureaucracy to legalize the sale and purchase of rare wildlife. This regulatory configuration

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certainly creates controversy in the community (Wang et al., 2020). In addition to the lack of local and national budget funding, these governments are often unable to finance their own programs and grant authority and permission to government agencies to oversee the management of natural resources in commercial activities such as logging and mining. Consequently, the government opens up opportunities for arbitrary legitimacy, allowing state officials to commit acts of corruption. (Gisladottir et al., 2021).

In addition to the main reasons mentioned above, corruption in the natural resource sector arises due to the lack of accountability and transparency in the decision-making process, which is clearly disproportionate, especially in favor of external interests. This is due to rules that fail to accommodate the need for financial transparency in institutions. Public officials are granted the widest possible authority but are not accompanied by adequate supervision and accountability. Svetlana Winbourne dichotomizes the level of corruption in the natural resource sector as follows:

Table 1. Classification of Natural Resource Corruption Levels in Developing Countries

Corruption Level	Activities Vulnerable to Environmental Corruption
Large-scale corruption	Environmental and natural resources development policies and regulations
Mid-level Corruption	1. Distribution and assignment of natural/environmental resources and areas for specific uses (including through public procurement). 2. Licensing and certification, issuing permits and certificates for various utilization of areas and natural resources, and operation of industrial sites including permits for emissions, discharge, and solid waste. 3. Environmental assessment,including EIAEnvironmental Impact Analysis (EIA).
Petty Corruption	Enforcement (including inspections and compliance measures) refers to assessments conducted by environmental protection agencies and other relevant organizations to determine whether established environmental standards have been met. This includes actions taken against violations, such as poaching, illegal logging, natural resource trafficking, and emissions.

Surce: Section Book "Corruption and the Environment" 2002

Mid-level corruption is more prevalent, and therefore those working in the environmental and natural resources sectors can provide more examples. This type of corruption is termed "mid-level corruption" because, similar to grand corruption, large amounts of money can be at stake, especially if the activity generates significant profits. Alternatively, it can involve smaller amounts of money but still be widespread. (Wang et al., 2020). At the same time, this type of corruption typically involves mid-level officials at both national and local levels, rather than national leaders. Corruption at this level manifests in various forms, ranging from bribery, gifts, influence peddling, favoritism, nepotism, and facilitation payments to kickbacks and embezzlement. Key drivers of this type of corruption include loopholes in laws and regulations that permit overly broad interpretations, broad powers granted to public officials with minimal accountability, and a lack of transparency in decision-making processes. (Tacconi & Williams, 2020).

One country that has experienced significant negative impacts from rampant corruption in the natural resource sector is the Philippines, particularly on Negros Island, which has lost considerable biodiversity due to land conversion for sugar plantations in the mid-19th century (Bahoo et al., 2020). The situation was further exacerbated after independence when the Philippines was predominantly an oligarchic sugar business, so the national political system built a powerful lobby known as the "sugar bloc", but managed to build power over economic policy abroad to meet their short-term goals. One controversial policy in the Philippines during Joseph Estrada's leadership was the construction of the San Roque Dam in Pangasinan, which proceeded despite strong warnings from environmental experts. (Li et al., 2023).

The development of regulations and policies in the natural resources sector presents an initial potential for corruption, as explained by the World Bank. This corruption arises from actions taken by individuals, groups, and companies in both the public and private sectors who exert sufficient influence on legal formulations in laws and regulations, seeking personal benefits that are illegal and lack transparency for public officials. (Wen et al., 2023).

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As mentioned, the environmental sector will always be at the bottom of the list of national development priorities in developing and transitional countries. In this context, leaders often ignore the quality of clean water, air, biodiversity, and forests by transforming them into a business sector that provides immediate benefits and supports short-term political agendas, sacrificing profits in the medium and long term economic aspects. The lack of oversight also creates the potential for aggressive and structured corruption (Aziz, 2024). At least in the environmental sector itself, there are several triggering factors, among others: (a) Affordability of access for state apparatus to directly manage valuable natural resources; (b) Lack of supervision from institutions engaged in the environment; (c) High level of bureaucracy but low professionalism of employees; (d) Lack of management transparency and accountability

Several theoretical and empirical studies demonstrate how fertile corrupt behavior is in countries abundant in natural resources, which is often treated as a separate variable when assessing a country's corruption index. Usually the community is also involved because the main income is obtained from profits or royalties for managing natural resources and not from their added value, so that the uniformity of income in most regions expands the culture of corruption. The royalty in question refers to the profits generated from participating in the extraction of natural resources, serving as capital for political party leaders to maintain their base or legitimacy through patronage funding. This typically involves rewarding the followers of political party leaders while imposing punishment on those who betray them. (Chen et al., 2022). This kind of regime does not depend on state income from tax revenue from the people, so the people in legitimacy are no longer needed and the implication is that they do not feel pressured in making decisions and are responsible for the positions occupied (Satria, 2020).

Ecological damage, as part of corruption in developing countries, is inseparable from the thoughts of Kelsey Landau and Joseph Glandof in their article entitled "Corruption is a Threat to Planet Earth," which dichotomizes the paradigm of corruption in the field of natural resources into four aspects. The first aspect begins with actors who engage in corrupt behavior by formulating policies that negatively impact the environment, creating maximum loopholes for corruption that harm other officials and result in widespread environmental damage across various affected areas.This policy is present due to the many conflicts of interest from corporations that are involved in the business sector and have direct relations to the highest government, of course, relying on any weak environmental regulations to obtain as much surplus as possible (Mahmood et al., 2021).

Furthermore, Kelsey Landau and Joseph Glandof foreshadowed the potential for national-level corruption beginning with a government that deliberately and intentionally integrates several interested companies into its development strategy by providing continuous support, despite obvious environmental damage on a broad scale. Even though the substance of the law effectively accommodates provisions for environmental protection, its implementation can differ significantly due to a culture of corrupt behavior that leads to complex environmental damage. Meanwhile, at the local level, environmental corruption begins with bribery by companies to local governments to smooth out the requirements for regulations, as well as law enforcement when caught in a case (Fu & Jian, 2021).

In addition, the government in each region has a system that tends to facilitate the extraction of natural resources due to a lack of local revenue and a shortage of qualified employees who understand and properly implement regulations in the environmental sector. This situation exacerbates environmental conditions and increases opportunities for corruption. For example, in Indonesia, there is a lack of human resources to review company licenses, which is only capable of about 25% of the total 285 mining companies in the coal domain (Nguyen & Su, 2021).

Developing countries such as Indonesia, Nigeria, Colombia, Sierra Leone, and others with similarly high levels of corruption and over-reliance on natural resource revenues serve as examples of this issue. According to Transparency International's Annual General Meeting on corruption in the natural resources industry, revenues of approximately US$35 billion per year for Mexico, US$30 billion for Venezuela, and US$22 billion for Nigeria highlight the enormous potential for good, as well as the temptation to abuse these resources. While the abundance of natural resources has the potential to lead to corrupt behavior, the scarcity of natural resources

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can also be a trigger for corruption. The scarcity of natural resources presents a lucrative opportunity as it drives imports to increase value through the black market, creating a temptation for public officials to benefit personally or for other parties. For example, corrupt officials may issue fake licenses for illegal shipments of wildlife species in exchange for bribes (Romano et al., 2021).

The unique characteristics of developing countries, or those still in the transition stage, involve struggling against various obstacles in the economic and social fields, which are prioritized over environmental issues. In this context, environmental concerns occupy the lowest position in national development priorities. Of course, this is due to the lack of attention to environmental issues structured on the issue of corruption in the environmental domain and the lack of priority of state institutions engaged in the environment and international organizations on the anticorruptive behavior agenda (Reda et al., 2020).

One example of a developing country that applies a holistic environmental policy is a solution to reduce corruption and provide greater benefits to society. In this case, the country in question is Madagascar, where the government positions the environment as a national priority, outlined in a policy that ultimately creates transparency and good governance in natural resource management. This approach is particularly evident in Namibia and Botswana, which also implement similar policies for the gold and diamond sectors, often targeted for exploitation. As a result, there has been a reduction in corruption cases among state officials in these developing countries.

Conclusion

Ecological damage as part of state losses is not clearly regulated in the Eradication of Criminal Act of Corruption Law, mainly because that law is only limited to interpreting the terminology of losses in the financial aspect.Other regulations, such as the Financial Audit Agency Law, the State Treasury Law, and Ministry of Environment Regulation No. 17/2014, also use similar phrases but do not interpret state financial losses in the environmental sector. So far, environmental corruption law enforcement is still limited to an extensive interpretation that views the Anti-Corruption Law as not always a baypass in solving problems, so that an effective step as well as a legal breakthrough is the use of laws outside the Anti-Corruption Law, namely the derivative rules of the PPLH Law in Environmental Protection and Management No. 7/2014. This burden is analyzed through the aspect of causality in criminal law, which links the burden of state losses to the government. The formulation of loss calculation is based on three valuations: economic, environmental, and recovery values, determined by the duration and destructive impact of mining activities. These valuations are solely imposed on business actors through the review of permit decisions related to environmental exploration. However, Environmental Protection and Management is still based on the Corruption Eradication Law, which considers state losses solely in the financial sector. The implication is that law enforcement focuses primarily on financial losses calculated as compensation costs and recovery as non-tax state revenue. Unfortunately, this represents the government's right to sue in the civil sphere for compensation from the perpetrator, utilized within the context of corruption (tipikor), but it lacks a specific focus on environmental restoration. Moreover, it is often observed that the compensation provided by the perpetrator is not always used to restore the environment. The next implication is that state financial loss under the Corruption Eradication Law lacks a clear demarcation limit, which may lead to overly broad interpretations. It is feared that all violations of environmental law could fall into the category of corruption (tipikor) and require environmental restoration for even minor offenses, such as littering. This practice is deemed inappropriate, as it may create a paradigm conflict between state losses due to environmental corruption and losses in the financial realm. Currently, the practice of natural resource corruption is rampant in developing countries due to the same problem: the absence of specific rules that classify environmental corruption losses as a new category of corruption crime, which arbitrarily extracts natural resources without a clear business license.

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