Library Progress International
Vol.44 No. 3, Jul-Dec 2024: P.1732-1741

Print version ISSN 0970 1052
Online version ISSN 2320 317X

Original Article

Available online at www.bpasjournals.com

Islamic Business Ethics in Natural Resource Management: A Case Study of PT Pertamina in Central Java, South Sumatra, and Riau Regions

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How to cite this article: Asriani, Anas Malik, Faisal (2024). Islamic Business Ethics in Natural Resource Management: A Case Study of PT Pertamina in Central Java, South Sumatra, and Riau Regions. *Library Progress International,* 44(3), 1732-1741.

ABSTRACT

This study examines the strategy of implementing Islamic business ethics in natural resource management by PT Pertamina and its impact on community welfare and the environment in the regions of Central Java, South Sumatra, and Riau. The context of this research is crucial considering the strategic role of natural resources in the global economy and human sustainability. The research methodology employed is qualitative with a naturalistic approach, involving descriptive analysis of data obtained through observation, documentation, and interviews at PT Pertamina. The findings indicate that PT Pertamina has committed to fulfilling social and environmental responsibilities through various programs, such as the Partnership and Community Development Program (PKBL) and Corporate Social Responsibility (CSR). These programs, including "Pertamina Sobat Bumi," aim not only to improve social and environmental conditions but also to contribute to achieving the Sustainable Development Goals (SDGs). Thus, PT Pertamina's CSR activities have a significant impact on the welfare of communities around mining areas. The implications of these research findings highlight the importance of considering ethical values in business practices in natural resource management and contribute to the thinking of industry practitioners and policymakers in a broader context.

KEYWORDS

Islamic Business Ethics, Natural Resource Management, PT Pertamina, Community Welfare, Environment.

INTRODUCTION

Indonesia, as a country endowed with remarkable natural resources, particularly in terms of mining potential, has undergone an impressive economic journey since overcoming the Asian financial crisis in the late 1990s. Presently, Indonesia stands as the fourth most populous nation in the world and the tenth-largest economy in terms of purchasing power parity. Additionally, Indonesia has made significant strides in poverty reduction, cutting the poverty rate by more than half since 1999, to under 10 percent in 2019 before the COVID-19 pandemic struck (World Bank, 2023).

In pursuit of its 20-year development vision, Indonesia is implementing national medium-term development plans (RPJMN) that encompass different development priorities every five years. The latest plan, the final phase of the 20-year vision, aims to bolster Indonesia's economy by enhancing human capital and the country's competitiveness in the global market (World Bank, 2023).

The importance of environmentally conscious natural resource management is paramount in the context of sustainable development in Indonesia. Not only does Indonesia boast abundant natural resources, but it also is home to the world's third-largest tropical rainforest and hosts the largest tropical peatlands and mangrove forests. These natural resources are crucial not only for climate change mitigation but also for supporting the livelihoods of Indonesians and facilitating the country's long-term development (World Bank, 2023).

Thus, while Indonesia continues to pursue sustainable economic growth, it is essential to consider the environmental impacts of economic activities. Natural resource management, especially through the mining sector, must be conducted with a deep consideration of environmental aspects to ensure the sustainability of nature and ensure the welfare of society (World Bank, 2023).

The Indonesian government has regulated mining activities through the legal framework established in Law

Number 11 of 1967, which was later replaced by Law Number 4 of 2009 concerning mineral and coal mining (Republik Indonesia, 2009a). These laws serve as the primary legal foundation governing all mining activities in Indonesia, including licensing processes, environmental management, and occupational safety (Republik Indonesia, 2009a).

Law Number 4 of 2009 encompasses a wide range of regulations governing the mining sector in Indonesia. This includes various aspects such as mining permits, environmental management plans, exploration and exploitation procedures, as well as safety and health requirements. With a clear and comprehensive legal framework in place, it is hoped that mining activities can be conducted in a more organized and responsible manner (Republik Indonesia, 2009a).

Furthermore, this law also classifies mineral resources based on mining business sectors, namely mineral mining and coal mining. Mineral mining is categorized into four main types: radioactive mineral mining, metal mineral mining, non-metal mineral mining, and rock mining. This classification serves as the basis for regulating mining activities and implementing relevant standards in the mining industry.

The approach that takes environmental value into account in economic decision-making plays a crucial role in maintaining environmental sustainability (World Bank, 2024). Integrating environmental values into economic decision-making can help create a balance between sustainable economic growth and environmental preservation (Suparmoko & Maria, 2012).

Natural resources provide jobs for millions of people and sustain billions more, but the triple environmental crises of climate change, nature loss, and pollution are reversing decades of development progress (World Bank, 2024). Addressing environmental degradation is essential for ending poverty on a livable planet and ensuring healthy and productive lives for people. Achieving sustainable growth requires better integrating environment, climate, and development actions, as highlighted in global commitments like the Kunming-Montreal Global Biodiversity Framework (GBF) (World Bank, 2024).

The Indonesian government has prioritized sustainable natural resource management policies. Environmental conservation and sustainable natural resource management are the government's main focus. The implementation of Law Number 32 of 2004 concerning Regional Governments is a concrete step in empowering regional governments to manage natural resources in their respective areas (Republik Indonesia, 2004). This includes aspects of licensing, supervision, and environmental management aimed at improving the welfare of local communities.

One of the weaknesses arising from decentralization or regional autonomy in natural resource utilization is the tendency to increase regional income without taking into account sustainable environmental impacts. This phenomenon often occurs in various regions in Indonesia that experience decentralization in forest and land management (Nurkin, 2006). Policies authorizing local governments are often driven by local economic interests to increase local revenues without considering the long-term consequences on the environment (Barr et al., 2006; Nurrochmat et al., 2021; Sahide et al., 2016).

The increase in regional revenue can serve as a strong incentive for local governments to permit unsustainable exploitation of natural resources, such as excessive deforestation or uncontrolled mining. This is supported by data from the Indonesian There has been a significant increase in the contribution of the extractive sector to regional revenue in several provinces implementing regional autonomy (Gellert, 2010; Putri & Lujala, 2023; Yanuardi et al., 2021).

In an effort to earn a livelihood and increase income, communities engage in various endeavors. Amidst this, the relationship between miners and their surrounding communities becomes crucial. A continuous increase in the degradation of natural resources, both in scale and distribution across certain regions. Physically, this degradation is attributed to high levels of exploitation by individuals, not only within production areas with limited natural resource carrying capacities but also within previously designated conservation areas.

Human dependence on nature has led to excessive exploitation of Earth's resources, leaving behind gaping holes, air and water pollution, and mining remnants that require significant restoration costs. This signifies that human interaction with their natural environment not only yields economic impacts but also has serious implications for ecosystem balance and environmental sustainability.

Natural Resources have a very important role in achieving the prosperity of the people while still paying attention to environmental sustainability. In this context, Natural Resources have an inevitable dual role. First, as capital for economic growth, which often leads to what is known as a "resource-based economy" where a country's economy is highly dependent on the exploitation and utilization of its natural resources. Second, Natural Resources also function as a life support system, providing clean water, fresh air, and various ecosystems that support the survival of humans and other creatures.

Natural resources play a key role as the backbone of Indonesia's national economy. Mining, forestry, agriculture and fisheries are the main sectors that rely on natural resources as the main basis of economic activity. Despite efforts to develop other more sustainable sectors, such as manufacturing and services, natural resources are still considered one of the most important assets for Indonesia's economic growth in the medium term.

As a crucial source of financing for development, natural resources today are still not being utilized to their full potential, with many communities yet to reap their tangible benefits. The management of these resources often falls short of principles of justice and sustainability. Moreover, environmental pollution remains high due to the utilization of natural resources and other human activities that neglect environmental preservation.

In economics, the general principle is how to fulfill human needs that tend to be unlimited with limited or scarce resources. This concept of scarcity includes several dimensions, namely quantity, quality, place, and time. Something is considered scarce if its availability is insufficient to meet all human needs, or if it does not meet the desired quality standards, is not available in all places, or is not available whenever it is needed (Mankiw, 2021).

For example, water is an important and critical resource for human life. While water is overall abundant on Earth, its availability can become scarce in some situations. For example, in areas experiencing drought, water can become scarce in terms of quantity as the supply is limited. Also, if the available water is polluted and unfit for consumption, it is considered scarce in terms of quality. Similarly, even if water is available in most parts of the Earth, if it is not accessible to the people who need it, it is considered scarce in terms of its place. Finally, if water is only available at certain times, for example during the rainy season in certain regions, then it is considered scarce in terms of time.

The scarcity of natural resources is a key factor in environmental economics studies, and it necessitates prudent and wise resource management. The level of resource availability and scarcity indicates how scarce resources should be managed to avoid threatening their sustainability and minimize environmental degradation. The types and characterization of resources not only illustrate their importance but, more importantly, how they should be managed to meet the needs of not only the present but also future generations (Solihin & Sudirja, 2007).

The issue of natural resources cannot solely revolve around how to exploit them effectively and efficiently, as traditionally discussed by economists. Given the strategic position of natural resources for the overall economic sustainability of humanity, the discussion should focus more on the most fundamental issue: the existence of natural resources themselves for development and societal well-being.

In managing natural resources, aside from enhancing societal welfare, mining activities should also adhere to business ethics. Ethical business in resource management is about maximizing benefits to the environment rather than disrupting environmental harmony (Ernawan, 2016). Ethics highlight the conception of truth and knowledge as locally situated, produced, and respectful of the claims of specific individuals with whom we share real relationships (Xu & Smyth, 2023).

Generally, the production orientation prioritizes material profits for entrepreneurs (producers) with little or no regard for the interests of affected parties. At the macro level, this leads to losses experienced by the populace due to government policies in the exploration and exploitation of natural resources, whether for government or private business interests. Ironically, these actions also serve the interests of foreign investors (Mughits, 2012).

The oil and gas company studied in this research is PT Pertamina, one of the State-Owned Enterprises (SOEs) regulated by the government. PT Pertamina has exploration and production licenses throughout Indonesia. There are several types of licenses and cooperation in the oil and gas mining industry that are still valid today, such as Joint Operating Body (JOB), Technical Assistant Contract (TAC), and Production Sharing Contract. In response to the Oil and Gas Law No. 22 of 2001, on September 13, 2005, PT Pertamina EP was formed as a subsidiary of PT Pertamina (Persero) in charge of the upstream oil and gas sector to manage Pertamina's Mining Authorization Area (WKP), except for the Cepu Block and Randu Gunting Block.

Exploration activities aim to find new oil and gas reserves to replace previously exploited hydrocarbons. This effort is made to ensure the continuity of oil and gas production can be maintained. Oil and gas exploitation through own operations is carried out in seven Upstream Operating Areas (DOH). The seven operating areas include North Sumatra DOH Aceh (NAD) centered in Rantau, Central Sumatra DOH centered in Jambi, South Sumatra DOH centered in Prabumulih, West Java DOH centered in Cirebon, East Java DOH centered in Cepu, Kalimantan DOH centered in Balikpapan, and Papua DOH centered in Sorong.

The management of natural resources is paramount for enhancing both socioeconomic welfare and environmental sustainability. However, there exists a notable gap in understanding how Islamic business ethics can be effectively integrated into resource extraction practices, particularly in regions where such activities are prevalent. This research aims to address this gap by focusing on the operational areas of PT Pertamina in Hulu Jawa Tengah, Sumatera Selatan, and Riau. Despite various studies exploring aspects of resource management, there is limited research specifically on the application of Islamic business ethics within the context of natural resource extraction in these regions. The primary objectives of this study are to investigate current practices and challenges in resource management, analyze the potential benefits and drawbacks of incorporating Islamic business ethics principles, assess the impact on socioeconomic welfare and environmental preservation, and propose practical recommendations for stakeholders. By offering a comprehensive analysis and practical recommendations, this research seeks to provide novel insights into aligning business operations with ethical considerations and promoting sustainable development and community well-being in resource-rich regions like Hulu Jawa Tengah, Sumatera Selatan, and Riau.

METHODOLOGY

This study employs a qualitative approach, often referred to as the naturalistic research method, focusing on description and in-depth understanding of natural resource management practices by PT Pertamina (Creswell, 2013). The primary objective of this research is to explore the implementation of Islamic business ethics principles in natural resource management and its impact on community welfare levels and environmental sustainability.

The scope of this research is limited to Cilacap Regency (Central Java) and Dumai (Riau), where PT Pertamina has significant operations and activities in natural resource management. By concentrating on these two locations, the research aims to provide deeper insights into the natural resource management practices of the company.

Data collection is conducted through various methods, including observation, documentation, and interviews. Direct field observations are made to understand PT Pertamina's operational practices and their environmental impacts (Denzin & Lincoln, 2018). Additionally, data is gathered through the analysis of official documents, such as company activity reports and policy documents related to natural resource management. Interviews with various stakeholders, including company management, employees, and local communities, are also conducted to gain a comprehensive understanding of related issues (Bogdan & Biklen, 2006).

The selection of qualitative methods is based on their relevance in understanding the social and cultural context surrounding natural resource management. With this approach, the research aims to provide a deeper understanding of the complexity of practices and impacts of natural resource management by PT Pertamina.

RESULTS

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Table 1: PT Pertamina's Social and Environmental Development Programs (2019-2020)

No.	Refinery Unit	Program	Implementation Period	Description
1	RU II Dumai	Empowerment of Fishermen Communities	Jan 2020 - Jul 2020	This program targets the Joint Business Group of Tuna Fishermen located in RT. 02, Tanjung Palas Village, East Dumai District, Dumai City, Riau Province. It includes strengthening the group's capital and the cultivation of catfish in pond systems, as well as training and provision of fish finder tools to increase fishermen's income.

2	RUU II PLAJU	Pertamina Self-Sufficient Village	2019	This program is carried out in Saruan Village, Merbau Hamlet, Banding Agung District, South Sumatra. The Pertamina Self-Sufficient Village program includes various activities such as micro-hydro power plant construction, local product development, and the initiation of river basin area schools.
3	RUU III PLAJU	Let's Create (Mari Berkreasi)	2019	Located in RT. 02, Mari Lane, Talang Bubuk Village, Plaju District. This program aims to address slum issues, dropouts, unemployment, and criminality through various activities such as the arrangement of a green village area, empowerment-based PPE manufacturing, and non-formal education for early childhood and school-age children.
4	RU IV Cilacap	Development of Local Food Processing	Q1 2019 - Q2 2019	This program consists of two activities: the development of cultivation and processing of aloe vera in North Cilacap and the development of local food products through mokaf flour in South Cilacap. The aim is to increase the value of local products and support the local economy.
5	RU IV Cilacap	Non-Hazardous Waste Management	Q1 2019 - Q2 2019	This program includes the procurement of digital embroidery machines and sewing machines, as well as the expansion of space for business groups. The aim is to increase production capacity and assist in the efficient management of non-hazardous waste.
6	RU IV Cilacap	Kemiren Asri (Creative Economic Village)	Q2 2019 - Q3 2019	This program focuses on the economic development of the community in RW 14, Tegalkamulyan Village. It includes the development of local businesses, entrepreneurship training, and the formation of group institutions.
7	RU IV Cilacap	Integrated Farming System Innovation	Q2 2019 - Q3 2019	This program aims to increase agricultural productivity and implement integrated farming systems. It includes the construction of agricultural infrastructure and training in agricultural pest control.
8	RU IV Cilacap	SEHATI (Safe, Orderly, and Beautiful Life School)	Q2 2019 - Q4 2019	This program focuses on the development of hydroponics, stunting socialization, and the development of a delivery order system for food through vegetable gardens. The aim is to improve community welfare through access to quality food and better health services.
9	RU IV Cilacap	Empowerment of Fishermen	Q3 2019 - Q4 2019	This program focuses on the development of biofloc product

				processing and fish processing training to increase fishermen's income. It also includes monitoring and training in biofloc development.
10	RU IV Cilacap	Mamaku (Independent Community)	Q2 2020 - Q3 2020	This program aims to build infrastructure and group businesses in Menganti Village, Kesugihan District. It includes the construction of group meeting huts, the development of group fishing businesses, and training in pond product processing to improve the welfare of the local community.
11	RU IV Cilacap	Family Planning Village Development	Q1 2020 - Q4 2020	This program focuses on building community capacity to manage the family planning village program. It includes entrepreneurship training, infrastructure development, and health education to improve community self-reliance.

DISCUSSION

Exploitation refers to large-scale operations in agriculture, mining, or utilization of natural resources for self-profit. These activities often have the potential to cause environmental damage, especially in the context of large-scale mining. The use of natural resources for future interests must be balanced with the population's needs. If the population requires too many goods and services, increased exploitation of natural resources is necessary, both in extractive and environmental service capacities like open spaces, recreational areas, and clean air.

The impacts of exploiting natural resources often result in worsening global environmental conditions. Unfortunately, communities often lag in finding solutions to arising issues (Suparmoko, 2006). Several reasons contribute to this delayed adjustment (Snodgrass & Wallace, 1975). First is the concept of private ownership and market mechanisms, which hinder the understanding that the environment is a collective asset that requires collective protection. In economic systems based on private ownership, natural resources are often treated as assets that can be individually owned and utilized for personal gain, potentially leading to excessive exploitation without considering sustainability or common interests.

Moreover, market mechanisms often fail to adequately account for environmental values. In free markets, natural resources are often traded like any other commodity, without considering potential negative impacts from over-exploitation or environmental degradation. This results in negative externalities, where the costs of environmental damage are not reflected in market prices, thereby failing to incentivize producers or consumers to act responsibly towards the environment.

The uncertainty surrounding societal needs and required technologies presents a significant challenge in natural resource management. Societies often have complex and diverse needs, but it's not always clear how these needs can be effectively met without harming the environment. Additionally, in the context of evolving technology, it's often difficult to ascertain which technologies are appropriate for meeting societal needs sustainably.

This uncertainty can lead to misguided decision-making in natural resource management. For example, the increasing demand for energy may drive the development of industries reliant on fossil fuels, without considering more environmentally friendly renewable energy alternatives. Lack of understanding about available technologies can also hinder the adoption of more sustainable resource management solutions.

The ambiguity in the costs of producing goods and services is often linked to the presence of externalities, which are impacts from production or consumption activities not reflected in market prices. Externalities can be positive, such as unvalued environmental benefits in product prices, or negative, such as air pollution or water contamination not factored into production costs.

In the context of natural resource management, externalities often occur when the costs of environmental management or damage are not fully accounted for in the production costs of natural resources. For example, mining companies may not include the costs of rehabilitating land damaged by mining activities in their production cost calculations, resulting in the selling price of mined products not reflecting the full costs involved.

This ambiguity in production costs can lead to inefficient and unsustainable resource allocation. Companies may be inclined to overlook the environmental impacts of their production activities if the costs of rehabilitation or environmental management are not factored into their production costs. As a result, natural resources may be overexploited, or the environment may suffer unpaid damages.

Effective natural resource management enhances human welfare, while poor management adversely affects humanity. Therefore, the fundamental challenge in natural resource management is how to manage these resources to maximize benefits for humanity without sacrificing the preservation of the resources themselves (Fauzi, 2004). Natural resource utilization must be felt by surrounding communities, especially with their increasing prosperity.

According to Law Number 10 of 1992, a prosperous family is one formed based on a legitimate marriage, capable of fulfilling spiritual and material needs, devout to the One Almighty God, and maintaining harmonious relationships among family members and with the community and environment (Republik Indonesia, 2009b). Prosperous family is one able to meet the needs of its members, including clothing, food, housing, social interaction, and religious practices; a family that maintains a balance between family income and the number of family members; a family capable of meeting the health needs of its members; living alongside the surrounding community; and engaging in worship, along with the fulfillment of basic needs.

From a systemic perspective, welfare can be positioned as the output/result of a process of managing available inputs (resources), where welfare as an output at one point can become a resource or input to be processed to produce the level of family welfare in the next stage. Family welfare essentially has two dimensions: material and spiritual.

Family welfare can also be distinguished into economic welfare, measured by the fulfillment of family inputs (such as income, assets, and family expenditures), and material welfare (family material welfare), measured by various forms of goods and services accessed by the family. The measurement of material welfare is relatively easier and involves the fulfillment of the family's material needs, including clothing, food, and housing, as well as family needs that can be measured materially. In general, the measurement of material welfare can be done by assessing the income level. There are six categories of welfare (quality of life or individual welfare), namely: 1) physical, 2) psychological, 3) level of independence, 4) social, 5) environmental, and 6) spiritual (Suhartini, 2006).

Economic well-being refers to the level of financial fulfillment by a family. Inputs may include income, family asset value, or expenditures, while output indicators provide an overview of the direct benefits of these investments at the individual, family, and population levels. A family's economic well-being is typically defined as the level of satisfaction or fulfillment achieved by the household.

The goal of household economic management is satisfaction and utility, where utility refers to the usefulness or benefit obtained. Satisfaction and utility are terms often used interchangeably with well-being in sociology and household economics but refer to the same thing. Economic behavior analysis discusses how household resources, both material and time, are managed, expenditures for various purposes (food consumption, health, education, vacations) to maintain household balance. It also addresses the impact of prices and price changes, as well as the impact of future income expectations on current expenditures. This discussion also includes the family's views (household) on work and leisure, the concept of savings, human capital as savings, the economic value of fertility, the economic value of marriage, and divorce.

In effective natural resource management, morality and ethics are crucial to maintaining environmental sustainability, especially for stakeholders who play a crucial role in the business. Business ethics encompass a set of values about what is good, bad, right, and wrong in the business world, based on principles of morality. There are several common goals of business ethics studies: (1) Instilling awareness of ethical dimensions in business, (2) Introducing moral dimensions in economics and business fields and their compilation, and (3) Helping determine the appropriate moral attitudes in carrying out a profession.

Business ethics is critically important in conducting business activities professionally. According to Syahata, business ethics has substantial functions, including: (1) Establishing an Islamic code of ethics that regulates, develops, and embeds business methods within the framework of religious teachings, (2) The Islamic code of ethics can serve as a legal basis in determining the responsibility of business actors, especially in the presence of Allah, and (3) The code of ethics can be seen as a legal document that can resolve various issues, rather than having to be left to the judiciary (Solihin & Sudirja, 2007).

Scarcity of natural resources is a key factor in environmental economics studies. Wise management of natural resources is necessary to prevent environmental degradation. The importance of this management is not only related to the level of resource availability but also to how these resources are managed to meet the needs of future generations.

The issue of natural resources extends beyond effective and efficient utilization; it also concerns the existence of these resources for overall community development and welfare. In managing natural resources, besides enhancing community welfare, business ethics must also be considered. Ethical business in natural resource management is one that maximizes benefits to the environment without disrupting environmental harmony (Ernawan, 2016).

Production orientations that prioritize material profit for entrepreneurs often overlook the interests of involved and affected parties (Mughits, 2012). This loss is also experienced by communities due to government policies in the exploration and exploitation of natural resources, both for government and private business interests, including those of foreign entrepreneurs.

For example, in the mining and oil and gas industries, PT Pertamina is one of the state-owned enterprises with exploration and production permits throughout Indonesia. Oil and gas management is carried out in several Operating Areas (DOH) scattered across various regions in Indonesia. Exploration efforts are made to obtain new oil and gas reserves to maintain production sustainability. It is important to emphasize that these activities must be carried out with consideration for business ethics and environmental sustainability.

In Islam, the exploitation of natural resources is viewed as humanity's responsibility to preserve the environment and ecosystem balance. Although natural resources are vital assets for human and other living beings, they must be safeguarded and preserved. The management of natural resources should prioritize conservation and environmental preservation, rather than solely economic orientation.

In Islam, natural resources are considered as God's gifts sufficient to fulfill the needs of humans and other creatures. However, excessive and greedy exploitation can result in environmental damage. Principles in the management of natural resources, especially in mining, include:

1) **Belief in God's Creation:** Natural resources are regarded as God's creation to be respected and safeguarded. This belief emphasizes human responsibility in managing natural resources with awareness of the trust given by God.
2) **Utilization of Resources for Human Welfare:** While natural resources are intended for humans, their use must align with Sharia principles emphasizing justice, sustainability, and balance. This ensures that resource exploitation does not harm society and the environment.
3) **Balance in Environmental Management:** The concept that everything in nature is subdued for humans does not imply unrestricted freedom to exploit natural resources. Instead, resource management should align with human needs while maintaining ecosystem balance.
4) **Moral Responsibility of Humans as Stewards**: Humans are entrusted by God to manage the earth responsibly. This underscores the moral responsibility of humans in preserving the environment and treating natural resources with respect.
5) **Managing the Environment for the Future:** As stewards, human's duty is to manage the environment while considering the well-being of future generations. This emphasizes the importance of sustainable natural resource management to pass on a good environment to the next generation.
6) **Non-Wasteful Management:** In Islam, extravagance is not permitted, even in goodness. Natural resource management should be conducted wisely, avoiding wastefulness and ensuring that resources are available for future generations.
7) **Maintaining Balance and Environmental Sustainability:** Natural resource management should consider the balance and sustainability of the environment. Damage caused by humans must be accounted for in both the worldly and afterlife, emphasizing the importance of maintaining harmony between humans and nature.
8) **Principle of Stewardship:** This principle emphasizes that humans must maintain the balance of nature because every human action will impact the survival of humans and other creatures. This reminds that humans as stewards must act wisely in managing natural resources.

These principles provide guidance for the management of natural resources in accordance with Islamic values and consideration for environmental sustainability and human welfare.

CONCLUSION

Pertamina has reaffirmed its commitment to fulfilling social and environmental responsibilities (SER) through the Partnership and Community Development Program (PKBL) and corporate social responsibility (CSR) programs. In 2019, the focus of the Community Development Program was on poverty alleviation, provision of worship facilities, and disaster management with over 30 disaster relief programs throughout Indonesia. Through the "Pertamina Sobat Bumi" initiative, the company implements CSR programs with four pillars: Smart Pertamina, Healthy Pertamina, Green Pertamina, and Self-Reliant Pertamina. This also represents the company's support for achieving Sustainable Development Goals (SDGs), enabling the benefits of CSR programs to be directly felt by communities around mining areas.

The principles of Islamic business ethics in exploiting natural resources must consider the following elements: (1) Natural Resources as God's Blessing: It is believed that natural resources are a gift from God for human welfare. (2) Utilization of Resources for Human Welfare: Natural resources, especially mines, are intended for human benefit. (3) Subjugation of Nature for Humanity: Nature and its contents are subjugated for human benefit, but with appropriate responsibility. (4) Trust in Managing Nature: Humans are entrusted with managing the Earth, including natural resources, responsibly. (5) Duty as Khalifah: Humans have a responsibility as stewards to manage nature for the welfare of human beings. (6) Maintaining Balance and Stability: Management of natural resources must be done without waste and maintaining environmental balance. (7) Principle of Goodness: In managing natural resources, humans must maintain the balance of nature, considering that every action impacts the survival of humans and other beings.

However, it should be noted that there are still some limitations in implementing these recommendations. First, regulations that are more pro-people may face challenges in implementation due to various economic and political interests involved. Second, monitoring of illegal mining can be difficult without strong support from local communities and effective law enforcement. Third, although corporate social responsibility programs like PKBL have been implemented, their impact may not be evenly distributed across all areas affected by mining.

Further research can focus on evaluating the effectiveness of new regulations in reducing excessive exploitation of natural resources in the mining sector. Additionally, studies can be conducted to evaluate the specific impacts of corporate social responsibility programs on local communities and the surrounding environment. Further analysis can also be done to identify barriers and solutions in implementing the principles of Islamic business ethics in the context of natural resource management.

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