

## The Implementation of Administrative Sanctions Under the Environmental Protection and Management Law (PPLH Law) for MSMEs Committing Environmental Pollution

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Keywords: Administrative sanctions, PPLH Law, Environmental Pullution	<b>Abstract</b>
Submitted: 01/11/2025	Environmental pollution caused by the activities of Micro, Small, and Medium Enterprises (MSMEs) is a major challenge in environmental protection efforts in Indonesia. To encourage compliance with regulations, Law Number 32 of 2009 on Environmental Protection and Management (PPLH Law) stipulates administrative sanctions such as written warnings, government coercion, license suspension, and administrative fines. However, the implementation of these sanctions still faces several obstacles, including weak supervision, lack of inter-agency coordination, and limited human resources and infrastructure. This study evaluates the effectiveness of the implementation of administrative sanctions on MSMEs that cause environmental pollution and offers solutions through educational approaches, cross-sector collaboration, and the use of technology. The research findings reveal that an integrated approach is necessary, including capacity building for government officials and outreach to MSME actors. In addition, providing incentives for MSMEs that adopt environmentally friendly technologies is recommended to support more sustainable business practices.
Revised: 25/12/2025	
Accepted: 31/12/2025	
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## INTRODUCTION

Environmental pollution has become one of the global challenges that is increasingly urgent to address. In the context of micro, small, and medium enterprises (MSMEs), this issue is particularly important in Indonesia. Small and medium businesses, which form the backbone of the national economy, play a vital role in driving economic growth and creating jobs. However, on the other hand, this sector often faces limitations in managing the environmental impacts of its activities. These limitations including lack of access to technology, financial resources, and knowledge often cause MSME actors to unintentionally become significant contributors to environmental pollution. Liquid, solid, and gaseous waste produced is often not properly managed, resulting in contamination of the surrounding environment (Yolanda & Hasanah, 2024).

One of the main challenges is the low level of compliance among MSMEs with environmental management regulations. Several factors contribute to this issue, such as a lack of awareness about environmental regulations among business actors, limited funds to adopt environmentally friendly technologies, as well as weak supervision and law enforcement by authorities. Under Law Number 32 of 2009 concerning Environmental Protection and Management (UU PPLH), one of the instruments designed to enforce compliance is the application of administrative sanctions (Law (UU) Number 32 of 2009 concerning Environmental Protection and Management, n.d.). These sanctions include various measures, such as written warnings, temporary suspension of business activities, and even revocation of business licenses for violators. However, the effectiveness of implementing administrative sanctions against MSMEs is often hampered by a lack of inter-agency coordination, limited supervisory resources, and technical challenges in the law enforcement process (Ni'mah, 2022).

Previous research has proposed several solutions to address environmental pollution by MSMEs. One key approach is to increase the capacity of MSMEs to understand and comply with environmental regulations. This effort involves providing training, outreach, and technical assistance to business actors on waste management and the implementation of environmentally friendly technologies. Previous research has shown that sustainable education can increase MSME awareness of the impacts of environmental pollution and encourage the adoption of more sustainable business practices (Setiawan, 2022).

The method used in applying administrative sanctions for environmental violations by MSMEs, as regulated in Law No. 32 of 2009 has several advantages and disadvantages. One advantage is the more flexible nature of administrative sanctions compared to criminal sanctions. By using an administrative approach, businesses that violate environmental regulations can be subject to warnings or financial sanctions without having to go through a lengthy and expensive legal process. This method is considered capable of accelerating environmental law enforcement efforts, especially for administrative or non-criminal violations.

However, previous research has also highlighted several shortcomings of this method. One major weakness is the lack of coordination between government agencies in implementing administrative sanctions, which often leads to inconsistencies in law enforcement. Furthermore, the lack of human resources and oversight infrastructure in the regions poses significant obstacles, especially when overseeing thousands of MSMEs with limited capacity (Laksamana, 2024).

Based on the weaknesses identified in previous research, the solution proposed in this study is to strengthen the implementation of administrative sanctions through a

more integrated and education-based approach. This approach encompasses several important aspects, namely increasing the capacity of government officials in the supervision and implementation of administrative sanctions (Hapsari, 2024). Intensive outreach to MSMEs about the importance of compliance with environmental regulations, as well as the development of digital-based monitoring technology to monitor the environmental impact of MSME activities in real-time.

Economic development in Indonesia shows an increase in the number of Micro, Small, and Medium Enterprises (MSMEs) which are the backbone of the national economy. However, behind the contribution of MSMEs to economic growth, these business activities have the potential to cause environmental pollution if carried out without adequate management standards. Environmental pollution occurs when the entry of substances, energy or other components into the environment exceeds the set quality standards so as to interfere with the functioning of the environment and endanger public health and ecosystems. This phenomenon is a serious challenge in sustainable development efforts.

Although MSMEs are small-scale, the impact of pollution carried out continuously and cumulatively can cause extensive environmental degradation, requiring an effective legal response, including through a firm and measurable sanctions system. The research aims to create a balance between environmental regulatory compliance and the operational sustainability of MSMEs. It is hoped that the proposed approach can address existing obstacles in the application of administrative sanctions and provide recommendations that can be practically implemented in the context of environmental management in the MSME sector (Rahayu, 2023).

## RESEARCH METHODS

In addition, this study uses a normative method to evaluate the application of administrative sanctions in accordance with Article 76 paragraph (2) of the Environmental Protection and Management Law (UU PPLH) Number 32 of 2009 against MSMEs who pollute the environment. The normative approach is by examining the legal regulations contained in the PPLH Law regarding administrative sanctions, as well as their implementing regulations. This study also uses library research by collecting information from legal literature and related regulations.

## RESULTS AND DISCUSSION

### Legal Regulations on Administrative Sanctions in the Environmental Management and Management Law

Environmental Protection Law Number 32 of 2009 (PPLH Law) is the main legal basis for environmental management in Indonesia. Administrative sanctions, one of the key instruments stipulated in this law, are a law enforcement measure to prevent and eliminate violations of environmental management and protection regulations. In this article, we focus on the mechanisms, types, and objectives of administrative sanctions stipulated in the Environmental Management and Protection Law (Law (UU) Number 32 of 2009 concerning Environmental Protection and Management, n.d.).

According to Zulkifli, administrative sanctions play a crucial role in enforcing environmental law and are intended to restore environmental conditions damaged by permit violations. However, there are inconsistencies in the regulation of administrative sanctions, particularly regarding confiscation as a form of state coercion. According to Article 76 paragraph (1) of the Environmental Management and Management Law, administrative sanctions are imposed after a violation occurs (Zulkifli, 2019).

The permit holder provided incorrect or incomplete data when applying for a permit. Types of businesses requiring environmental permits include housing development, mining, healthcare facilities, and even plantation development. Supporting documents, such as an Environmental Impact Assessment (AMDAL) and Environmental Management and Liaison (UKL-UPL) are required to ensure environmental suitability before permits are issued. This is intended to control potential significant impacts, such as land use changes, natural resource exploitation, pollution, or the use of potentially environmentally damaging technologies (Hadjon, 2008).

#### 1. Administrative Fines

The Ministerial Regulation defines an administrative fine as an obligation to pay a certain amount of money imposed on parties responsible for a business and/or activity due to their inability to implement government coercion. If the deadline for implementing government coercion has not been met, this fine will take effect. The term "administrative fine" in this Ministerial Regulation, which in Dutch is called administrative fine, emphasized that the fine is a sanction for delays in implementing government coercion. According to the Environmental Management Law (UUPPLH), those responsible for businesses and/or activities that fail to comply with government coercion may be fined for such delays. (Regulation of the Minister of Environment Number 5 of 2012 concerning Types of Business Plans and/or Activities that Must Have an Environmental Impact Analysis, n.d.) The government has the authority to determine the amount of fines associated with this delay, according to the Minister of Environment Regulation.

### **Analysis of The Implementation of Administrative Sanctions**

Article 76 of Law Number 32 of 2009 concerning Environmental Protection and Management provides the legal basis for the use of administrative sanctions in environmental law enforcement. The analysis of the application of administrative sanctions in this article covers several important aspects: the legal basis, the form of the sanction, the procedures for implementation, and the legal consequences.

#### 1. Legal basis

Article 76 of Law Number 32 of 2009 stipulates the imposition of administrative sanctions on parties who violate the provisions of the Environmental Law, particularly those related to licensing, governance, or activities that impact the environment. We are implementing this. Administrative sanctions are intended to provide a deterrent effect and correct illegal behavior. (Law of the Republic of Indonesia Number 32 of 2009 concerning Environmental Protection and Management, n.d.)

#### 2. Implementation Procedure

- a. Identification of Violations: Environmental authorities conduct inspections and document violations.
- b. Warning: The first step taken is to issue a written warning to the violator to stop or correct the violation.
- c. Follow-up assessment: If the perpetrator does not comply with the warning, the authorities can impose further sanctions (state enforcement, freezing or revocation of the permit).
- d. Prosecution: If the perpetrator continues to fail to comply, we may apply more severe sanctions or other legal action.

#### 3. Goals and Impacts of Preventing Environmental Damage:

- a. Push perpetrator economy and public general to comply with environmental regulations.
- b. Deterrent Effect: Helping offenders understand the consequences of their actions.

- c. Environmental remediation: Efforts to repair damage that has occurred.
  - d. Legal Certainty: Providing clear and measurable environmental law enforcement mechanisms.
4. Challenges in implementing inter-agency coordination:
- a. Enforcement of administrative sanctions often involves multiple government agencies working together.
  - b. Consequences of Implementation: Lack of courage or clarity in imposing sanctions can reduce the effectiveness of deterrence.
  - c. Community Involvement: Adequate monitoring of violations requires community awareness and support.

Administrative sanctions may be imposed on companies and/or those responsible for activities that violate environmental permits according to Article 76 of Law Number 32 of 2009 concerning Environmental Protection and Management. Administrative sanctions such as written warnings, state enforcement, freezing of environmental permits, and revocation of environmental permits are used to repair damaged or polluted environments. For example, PT. Nuansa Coal Investment previously received administrative sanctions from the mayor of Samarinda. The mayor requested the company to carry out environmental management in accordance with the Environmental Management Plan (RKL) and Environmental Management Plan (RPL) documents and to avoid land reclamation after mining. Increasing routine environmental monitoring (Law of the Republic of Indonesia Number 32 of 2009 concerning Environmental Protection and Management, n.d.)

### **Obstacles To The Implementation Of Administrative Sanctions For MSMEs**

#### **1. Inconsistencies and Weaknesses of Legal Regulation**

The environmental legal system in Indonesia, including the PPLH/PPHL Law, is still experiencing disharmony and a lack of legal materials that expressly regulate the mechanism and types of administrative sanctions as well as the relationship between administrative and criminal sanctions. Unclear determination of the order of sanctions or criteria that must be met before imposing sanctions often creates multiple interpretations of the rules among law enforcement officials. This affects the consistency of the application of sanctions against business actors, including MSMEs (Shalima Safitri, 2023)

In addition, in practice, there is a void or incompleteness of implementing regulations that specifically regulate administrative sanctions, including the context of MSMEs, so that officials often experience difficulties in establishing technical guidelines for the implementation of sanctions fairly and evenly (Marpaung, 2023).

#### **2. Weak Law Enforcement and Apparatus Capacity**

One of the significant obstacles is the weak enforcement of environmental laws by the authorized agencies. This includes:

- a. There is a lack of competent human resources, such as environmental experts and special law enforcers who understand the nature of the pollution carried out by MSMEs.
- b. The limited number of supervisors, so that the frequency and scope of supervision of MSMEs spread across many locations is not optimal.
- c. The uncertainty of imposing administrative sanctions makes officials tend to avoid firm decisions in order to minimize potential legal conflicts (Utami Ningrum, 2025)

As a result, administrative sanctions are often not applied consistently even for violators who are clearly proven to be polluting the environment

#### **3. Low Environmental Awareness Among MSMEs**

MSMEs in general have a limited understanding of environmental legal obligations and the impact of pollution resulting from their business activities. Many MSME actors do not see environmental management as an integral part of business operations, so legal compliance behavior is low. This factor hinders the effectiveness of administrative sanctions because sanctions will be less effective if business actors do not understand what constitutes a violation (Utami Ningrum, 2025).

#### 4. Limited Technical Facilities and Resources

MSMEs often face limited capital and technical facilities in meeting environmental standards, such as waste treatment or compliance with environmental documents (e.g. Environmental Impact Analysis / UKL-UPL). Without adequate technical support or guidance from the government, violations are becoming more frequent. This obstacle also has an impact on the sanctioning process because the authorities often find violations that are structural, not just semi-conscious behavior (Utami Ningrum, 2025).

#### 5. Low Community Participation and Support

Public participation in the supervision and reporting of environmental violations by MSMEs is still minimal. The lack of community involvement makes potential violations not detected early. In fact, public participation is an important aspect of effective environmental law enforcement, including in providing preliminary evidence before administrative sanctions are applied (Husna, 2024).

#### 6. Institutional and Political Barriers

Institutional barriers are also found in the form of low political commitment and inter-agency coordination related to environmental protection. For example, there is a difference in priorities between agencies that focus on local economic growth and environmental agencies that focus on preservation, so that the enforcement of administrative sanctions becomes non-optimal or is ignored for the sake of "ease of doing business" or local socio-economic considerations (A'zizah Zahroh, 2022).

#### 7. Socio-Cultural Barriers

Legal culture factors in society that are less critical of environmental pollution also slow down the enforcement of administrative laws. Many violations go unreported due to indifference or fear of social impacts such as conflicts with local business actors. This further reduces the social pressure necessary for the effectiveness of the implementation of sanctions (Alauddin, 2022).

## CONCLUSIONS AND SUGGESTIONS

### Conclusion

The implementation of administrative sanctions must be balanced with an educational approach and incentives that encourage voluntary compliance from MSMEs. This research emphasizes the importance of cross-sector collaboration to strike a balance between environmental sustainability and MSME business continuity. Environmental Pollution Issues by MSMEs: MSMEs are important contributors to the Indonesian economy, yet many become sources of environmental pollution due to limitations in technology, knowledge, and funding. This leads to poorly managed waste, which pollutes the environment.

Obstacles to the Implementation of Administrative Sanctions, although the UUPPLH provides administrative sanction instruments, the implementation of these sanctions is often hampered by: Weak supervision and law enforcement, lack of coordination between government agencies, limited human resources and supervisory infrastructure. Various administrative sanctions are regulated in the Environmental Management Law (UUPPLH), including written warnings, government coercion, permit suspension, environmental permit revocation, and administrative fines. Each sanction



has a different role, ranging from warnings to the complete cessation of business activities that pollute the environment.

### **Suggestion**

Based on the results of research and analysis regarding the application of administrative sanctions under the Environmental Protection and Management Law (UU PPLH) to Micro, Small, and Medium Enterprises (MSMEs) that cause environmental pollution, the author offers the following suggestions:

#### **1. Strengthening Coaching and Preventive Approach to MSMEs**

The central and regional governments are advised to prioritize environmental development and education for MSMEs before imposing administrative sanctions. Socialization of environmental legal obligations, environmental quality standards, and waste management procedures must be carried out in a sustainable and easy-to-understand manner. This preventive approach is important so that MSMEs are not only afraid of sanctions, but also have high legal and environmental awareness.

#### **2. Implementation of Administrative Sanctions in Stages and Proportions**

In the application of administrative sanctions, environmental law enforcement officials need to pay attention to the principles of justice, proportionality, and the ability of MSMEs. A written reprimand should be used as a first step, followed by government coercion if the violation is not corrected. The freezing or revocation of environmental permits should be implemented as a last resort for MSMEs that commit serious or repeated violations. Thus, administrative sanctions can function as a corrective tool, not merely a repressive one.

#### **3. Simplification and Assistance in Environmental Document Fulfillment**

The government is advised to simplify the procedure for fulfilling environmental documents for MSMEs, such as environmental approvals or UKL-UPL, without reducing environmental protection standards. In addition, technical assistance is needed for MSMEs in the preparation of documents and the application of environmentally friendly technology so that legal compliance can be achieved in real terms.

#### **4. Strengthening the Capacity of Environmental Supervisory Apparatus**

To increase the effectiveness of the implementation of administrative sanctions, it is necessary to increase the capacity of human resources in environmental supervisory agencies, both at the central and regional levels. Special training on MSME supervision, pollution assessment techniques, and the application of administrative sanctions professionally needs to be carried out so that environmental law enforcement runs consistently and objectively.

#### **5. Improved Inter-Agency Coordination**

Closer coordination is needed between environmental agencies, licensing agencies, and local governments in the supervision and implementation of administrative sanctions against MSMEs. Inter-agency synergy will prevent overlapping authority and ensure that environmental protection policies do not conflict with MSME development policies.

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