POTENTIAL ADVERSE IMPACTS OF SEA SAND EXPORT POLICY ON ECOLOGICALLY SUSTAINABLE DEVELOPMENT IN INDONESIA

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Abstract: After a 20-year hiatus in sand exports, Indonesia has reinstated the practice through Republic Indonesia Government Regulation Number 26 of 2023 (GR 26/23). GR 26/23 has stirred controversy due to its perceived conflict with Ecologically Sustainable Development (ESD) and Indonesia's green constitution outlined in Articles 28H and 33 of the 1945 Constitution. In response to this relatively new regulation, this research aims to provide a focused perspective on the legal implications of GR 26/23. Previous studies have predominantly explored ecological consequences, leaving room for legal analysis. Employing normative juridical research methods, this study examines the provisions of GR 26/23 and their legal impacts on the environment. The findings indicate incongruence between the sand export provisions in GR 26/23 and the principles of the Indonesian environmental law regime. Articles 9 and 18 of GR 26/23 suggest inadvertent support for environmental exploitation. Supported by Maritime Law and the Job Creation Law, GR 26/23 exhibits relative permissiveness toward sea sand exploitation. Consequently, GR 26/23's objective in managing sea sedimentation has paradoxical effects on achieving sustainable development, as business and ecological goals are misaligned. Therefore, stemming from the Green Contract Theory, this research advocates for the implementation of environmentally friendly incentive schemes for sand export stakeholders to achieve practical policy outcomes. Thus, policymakers are encouraged to reconsider GR 26/23 provisions through the development of incentive schemes, aligning sea sand export activities with ecologically sustainable development, and promoting harmony between economic activities and environmental preservation.

Keywords: export policy, sea sand exploitation, ecologically sustainable development

Introduction

After twenty years of banning sand export activities, on 15 May 2023, the Government of Indonesia issued Government Regulation Number 26 of 2023 concerning the Management of Sedimentation Products in the Sea (GR 26/23). One of the provisions that occupy public attention in GR 26/23 is the provision that allows the export of marine sedimentation management products, especially sea sand, abroad. On the one hand, the Government reasoned that the export policy of sedimented sea sand in the sea would have a positive impact and not damage natural ecosystems or life. However, this was responded skeptically by the Indonesian people, especially environmentalists. The public expressed contrary views to the government's beliefs. On the contrary, the public assumes that GR 26/23 policies have the potential to harm the environment. The reason is, the sedimentation results referred to in GR 26/23 include sedimentation results in the form of sea sand and mud. Although the regulation has provided normative boundaries and lines to ensure environmental protection, potential violations, and non-compliance related to qualifications and procedures for managing marine sedimentation products in GR 26/23 still cause controversy.

The controversy that circulated included two things, namely concerns about the potential for overlapping regulations due to sea sand export regulations regulated by the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia, and concerns that the sea sand export policy resulting from sedimentation management has the potential to have a negative and counterproductive impact on efforts to implement sustainable development in Indonesia. These concerns are not without reason. If the reasons behind the moratorium on sea sand exports twenty years ago are reviewed, it will be found that the Government at that time asserted that sea sand exports had a real impact on the environment. This is stated in the Decree of the Minister of Trade and Industry concerning the Temporary Suspension of Sea Sand Exports. As a result, the government has enforced a moratorium on sea sand exports for the past two decades. The main purpose of

such termination is to prevent large-scale environmental damage, especially irreversible. The urgency of environmental damage referred to at that time was related to the risk of the disappearance of small islands located in the Riau Islands territorial boundary. Especially because these small islands are one of the centers of *sand mining*. The potential harm is further complicated by the challenge of delineating territorial boundaries between the Indonesian Sea and the Singapore Sea within this maritime region. By enacting GR 26/23, the Indonesian government not only facilitates investment opportunities but also potentially allows for the exploitation of sea sand, raising concerns about its alignment with sustainable development and environmental standards.

Despite being prohibited, data indicates that sand exports from Indonesia to other countries have continued over the past two decades. From 2003 to 2019, sand export activities were recorded by the Central Bureau of Statistics. It is important to emphasize that sand exports since 2003 have been unlawful. The peak of illicit Indonesian sand exports occurred from 2003 to 2006, totalling 3.3 million tons in 2006. The exported sand excludes silica and quartz sand falling under HS code 2505.90.000. This raises concerns about potential infringements and non-compliance with marine product management qualifications and procedures. The prohibition, notably from preventing sand exports, failed to mitigate environmental damage. Consequently, the issuance of GR 26/23, permitting sand exports, is a significant threat to environmental sustainability. GR 26/23 holds the potential to impede ecologically sustainable development and hinder environmental preservation. The current government policy, emphasizing expedited licensing services and enhanced investment under the Job Creation Law, may inadvertently facilitate widespread issuance of permits inconsistent with sustainable development goals. This includes licenses for the export of sea sand sediment, as regulated by GR 26/23.

The study of sustainable development from the perspective of environmental law has been rife by academics from various parts of the world, especially in the last three decades. In

1995, Boer provided a comprehensive description of the development of the term *sustainable development* and concepts often associated with it, such as *sustainable growth.* Boer also coined the concept of *ecologically sustainable development,* which contributes to the norms of ecologically sustainable development in Indonesia's national legal landscape. However, there is a research gap on the impact of the issuance of GR 26/23 on sustainable development, especially in Indonesia's national legal landscape which is considered inconsistent in applying sustainable development principles in concrete and non-normative operationalization. This is due to the recent emergence of this regulation. Consequently, this research aims to bridge the existing gap in the literature, aspiring to be at the forefront of studies on sand mining within the realm of environmental law. Specifically, it focuses on research directly connected to ecologically sustainable development.

The government has affirmed its dedication to implementing sustainable development policies and environmental protection measures, as evidenced in various development policy documents, laws, and regulations, particularly concerning the exportation of sedimented sea sand. Despite these efforts, public apprehensions persist. Departing from the ongoing debate surrounding the sea sand export policy, which carries the potential for detrimental consequences, and recognizing existing research gaps related to Government Regulation (GR) 26/23, this paper aims to identify policy mitigation strategies. The article, titled "Potential Adverse Impacts of Sea Sand Export Policy on Ecologically Sustainable Development," is structured in three parts. Part (1) provides an introduction that outlines the background, problem formulation, and research methods. Subsequently, part (2) delves into an analysis, elucidating the substance of the sea sand export policy in GR 26/23 and its potential adverse impacts. The paper concludes with part (3), which encompasses responses to the problem formulations and draws conclusions based on the analysis results.

The research method used in this study is normative juridical research by conducting literature research. Literature

research is a research method that collects library materials and uses them as basic data which in research science is classified as secondary data. Using secondary data involves information that focuses on its inherent strengths. These materials are referred to as legal sources, and categorized into three groups: primary, secondary, and tertiary legal sources. The data collection method used in this study is by analyzing written legal sources and providing meaning to the norms and nature of relevant written legal sources. By utilizing this research approach, this study seeks to address the following problems: (1) What is the substance of the sea sand export policy in Government Regulation Number 26 of 2023 concerning Management of Sedimentation Products in the Sea; and (2) To what extent can the sea sand export policies be discerned as potential impediments to the realization of ecologically sustainable development?

The Substance of Sea Sand Export Policy in GR 26/2023

Management of sedimentation products in the sea is a holistic effort in planning, controlling, utilizing, and supervising Products from Marine Sedimentation (PMS) to maintain the resilience of the carrying capacity of ecosystems, especially coastal and marine. The main objective of the GR 26/23 determination is to control natural processes that reduce the carrying capacity of coastal and marine ecosystems and marine health and optimize PMS in the context of coastal and marine ecosystem conservation. GR 26/23 is prepared to control a series of natural processes that have the potential to disrupt the implementation of marine resource management and also to implement the provisions of the Coastal Area Management Law. GR 26/23 is based on considerations of environmental protection and preservation. Normatively, this is explicitly stated in the articles of the Government Regulation. States play a key role in the protection and preservation of the ocean.

This means that the government needs to control the management of marine resources, including natural and artificial processes that can disrupt the management of marine resources, in

the context of exploration, mining, and export of sea sand, is carried out through the implementation of policies related to PMS to improve marine health. This commitment has been crystallized by GR 26/23 which contains provisions that the government is:

a. responsible for the protection and preservation of the marine environment;
b. ensure that the protection and preservation of the marine environment is successfully carried out through the carrying capacity of healthy coastal and marine ecosystems so that ocean health improves; and
c. Supervise the implementation of marine resource management, including natural and artificial processes that can disrupt marine resource management.

Aligned with this dedication, the Indonesian Government has expressed its commitment to the Sustainable Development Goals (SDGs), internationally recognized as SDGs, within the National Medium-Term Development Plan ("RPJMN") for the 2020 to 2024 period, deeming it pertinent. The relevant points include (1) improving maritime and marine management; and (2) recovery of pollution, and damage to natural resources and the environment. However, provisions on mining and exporting sea sand in GR 23/26 can have contradictory effects on these commitments.

The incorporation of the "management of sedimentation products at sea" outlined in GR 23/26 carries the potential for detrimental effects on these commitments. This is mainly triggered by the formulation of Article 9 GR 23/26. This article caused controversy for two reasons. *Firstly*, this article is considered to cause potential ambiguous interpretations because it gives sand export authority under the supervision of the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia, not under the authority of the Ministry of Energy and Mineral Resources of the Republic of Indonesia (Ministry of Energy and Mineral Resources of the Republic of Indonesia) as stipulated in the Law on Mineral and Mineral Resources. Marine management and sea utilization are managed by at least four ministries, namely the Ministry of

Marine Affairs and Fisheries which manages *fisheries*, the Ministry of Energy and Mineral Resources which manages *marine mining*, the Ministry of Tourism and Creative Economy of the Republic of Indonesia which manages *marine tourism*, and Ministry of Transportation of the Republic of Indonesia which manages *sea transportation*. In addition, this article also allows for the export of sea sand which during the administration of President Megawati Soekarnoputri was prohibited from being carried out because it prevented the sinking of small islands due to uncontrolled sand exports.

Table 1. The substance of GR 23/26 Deep Sea Sand Mining and Export Policy

Article in GR 23/26	**Provisions on Sea Sand Mining and Export**
Article 9	Regulating that the sedimentation eligible for utilization encompasses not only sedimentation materials (such as silt deposits) but also *sea sand*. The intended utilization also includes activities in the form of exports.s
Article 18 Paragraph (6)	Regulating requirements for Business Actors who have obtained a Sea Sand Utilization Permit (IPPL). One of these requirements is to submit a work plan for approval by the Minister. If the Minister does not approve within 20 days, the work plan will automatically be considered approved (Section (6)).”

Secondly, GR 23/26 explicitly regulates that the conduct of sea sand export activities is restricted to business entities possessing the requisite permit for sea sand utilization. These entities are obligated to secure approval for their operational plans from the Minister. However, Article 18 of GR 23/26 introduces a potential loophole in these restrictions by stipulating that in the

event of non-approval by the Minister, the work plan is automatically deemed approved. This provision appears counterproductive to the intended goals of restriction and oversight. Instead of automatic approval, in line with the restriction efforts, it should logically result in automatic disapproval, necessitating a repetition of the application process. Consequently, the content of the sand export policy in GR 23/26 is not conducive to environmentally friendly practices. Hence, it can be asserted that the sand export policy contradicts the principles of the environmentally-conscious constitution that has been cultivated and advocated for development, especially over the past approximately three decades. Notably, regulations play a pivotal role in constraining and overseeing such risks, given that a substantial portion of environmental law is manifested in legislative form.

Conception of Sustainable Development in Indonesian National Law

The conception of sustainable development departs from the occurrence of The *Stockholm Conference* in 1972 which was attended by representatives from 113 nations from all over the world. *The Stockholm Conference* produced two instruments, namely *The Declaration of Human Environment* and *The Action Plan for the Human Environment*. These two instruments provide the framework for an "embryonic concept" of ecologically sustainable economic development. Subsequently, the Our Common Future program emerged from the World Commission on Environment and Development (WCED), an autonomous entity created by the United Nations, used the forum to define sustainable development, characterizing it as a form of progress that satisfies the present generation's requirements without diminishing the capacity of future generations to fulfill their own needs. The term is seen as vulnerable to anthropocentric and utilitarianist interpretations. Considering the environment solely as a supporting element for human needs, Boer initiated a discourse on sustainable development, aiming to shift towards a culture of

sustainability. Boer introduced the term "ecologically sustainable development," which he deemed more fitting. This term reinforced the environment's influence and asserted a more robust stance within the development framework, departing from the traditionally anthropocentric concepts.

In the environmental law regime, there are three paradigms in the concept of sustainable development, namely the paradigm (1) *triple bottom line* initiated through the Stockholm Principles on Human and Environmental (1972), (2) the principles of *sustainable development* covered in the Rio Principles on Sustainable Development (1992), and (3) the 3P principles consisting of *Production, Prosperity,* and *Protection* which was introduced through the *G-14 Principles on Sustainable Ocean Economy* (2020). In the context of Indonesian national law, the three paradigms remain mainly theoretical and have yet to be implemented in practical terms.

The concept of sustainable development in Indonesian national law is known as “ecologically sustainable development.” This term lies at the heart of environmental management principles, as stipulated in the Law on Environmental Protection and Management (Law No. 32 of 2009). Article 1 Paragraph 3 of Law No. 32 of 2009 defines sustainable development as "a conscious and planned effort that integrates environmental, social, and economic aspects into development strategies to ensure the integrity of the environment as well as the safety, ability, welfare, and quality of life of present and future generations." Therefore, Law No. 32 of 2009 establishes sustainable development as the bedrock of national development, reinforced by the principles of environmental protection and management.

The foundation has commenced and is implicitly acknowledged in the Indonesian constitution. Article 28 H and Article 33 Paragraphs (3) and (4) of the Constitution of the Republic of Indonesia Year 1945 (“UUD 1945”) can be criticized as an article that contains seeds of ecologically sustainable development. However, these articles are somewhat inadequate for not stipulating that the principle of sustainable development

should be the bedrock of the national economy, particularly in Article 33 Paragraph (4) of the 1945 Constitution. The criticism of being "inexplicit" arises from the distinct separation of the terms "*berkelanjutan*" (sustainable) and "*berwawasan lingkungan*" (ecologically conscious).

The word separation method is also used by Fisher in analyzing concepts and principles in environmental law by identifying whether a thing includes general/specific principles, norms, or degrees. As a result of the separation of words, the concept of ecologically sustainable development becomes incomplete. Even so, the existence of this article is a good indication of the existence of a "*green constitution*" in Indonesia's national legal landscape.

However, the recognition of the concept of sustainable development in the Indonesian constitution does not necessarily guarantee that its derivative laws and regulations will automatically be in line with the concept of sustainable development. This also does not seem to guarantee that the implementation of development will be environmentally sound. This is reflected in the recently passed regulation related to GR 23/26, namely the Job Creation Law. Article 34A of the Job Creation Law grants the central government the authority to issue Business Permits, irrespective of the inclusion of a work plan in the spatial plan and zoning plan. This discretion also extends to sea space.

The Regulation on Spatial Implementation also provides for the Approval of Conformity of Marine Space Utilization Activities in the Marine Conservation Core Zone Area for "activities of a national strategic nature." With the ratification of GR 23/26 as a form of sea sand export management policy, sand exploitation actions carried out by the Government of Indonesia have the potential to provide a legal basis for environmental exploitation efforts, especially sea sand. Finally, this opens up opportunities to hurt ecologically sustainable development efforts, as outlined by the constitution of the Republic of Indonesia. Dissecting the legal apparatus related to ecologically sustainable development is not simply an obsession with what Fisher calls "*an abstract ideal*." It is a

genuine effort to achieve environmental justice. By basing national development on the principles of ecologically sustainable development, it is hoped that the anthropocentric nature of development can change its mecca to sustainable development that is more ecocentric, prioritizes the environment, and prioritizes ecological justice.

Potential Adverse Impacts of Sea Sand Export Policy

Examining the sea sand export policy through the lens of environmental law reveals its direct implications for the realization of sustainable development, particularly within the context of Indonesia. The introduction of GR 23/26 aligns with existing literature that contends Law Number 6 of 2023 regarding Job Creation lacks a pro-environment stance. This perspective arises because GR No. 26/2023, by amalgamating environmental approvals with business permits, appears to downplay the significance of environmental considerations. This is evident in Article 17, Paragraph 6 of GR 23/26, which stipulates that if the Minister does not make a decision (either approval or rejection) regarding the work plan submitted by business actors within twenty days, the work plan is automatically deemed approved.

As a manifestation of environmental law, environmental law tools must be able to become instruments that contribute to the preservation of the earth so that it is always in a safe condition. However, this must be implemented in sync with other legal instruments, especially economic law. about sea sand exports should ideally serve a reconciliatory role. In other words, they should clarify the alignment of prerequisites within environmental law, demonstrating the interconnection between prevailing legal frameworks (including norms, treaties, principles, and concepts) in fulfilling this reconciliatory function. When these elements conflict, the reconciliatory function of a legal norm is likely to be ineffective and will likely result in adverse environmental consequences.

To further illustrate, the concept *of sustainable development* is a form of conceptual matrix that articulates requirements in an environmental legal regime that are often inconsistent with the

prerequisites present in an economic regime or economic development. In terms of sea sand exports, the existence of GR 23/26 is a form of inconsistency between sustainable development efforts and environmental insights which are the mecca of national development in Indonesia. The potential negative impacts of sea sand exploitation that threaten the operationalization of ecologically sustainable development concepts. This potential can be formulated in several important points, namely the presence of (1) environmental pollution, (2) damage to the carrying capacity of natural ecosystems, and (3) social and economic impacts.

1. Environmental pollution

Sea sand refers to sand excavation in Indonesian waters that are free from mineral elements, both group A and/or group B. In the context of mining economics, overseeing the extraction of sand from water areas, specifically, the quantity of sea sand mining necessitates specialized tools due to the unique locations where sea sand is found—typically along the coastline and in offshore areas. The exportation of sea sand is deemed to carry numerous detrimental effects that can swiftly impact the local community. Referring to a journal published by the United Nations Environment Program, sea sand mining has been associated with pollution, erosion, and the risk of natural disaster

Sand exploration can increase the risk of environmental pollution, especially water and air. Pollution not only occurs from significant loss of sand lines but also water pollution due to exploration and mining activities of sea sand. The reason is, that exploration activities often leave traces of pollution that can damage water quality and endanger marine life. One indicator can be seen from the turbidity of sea water which has a negative impact on the beauty and also the life of marine life in it. In the Indonesian context, sea sand exports were banned during the reign of President Megawati Soekarnoputri because they avoided

massive and irreversible negative impacts. The cessation of sea sand exports is a concrete action in preventing the emergence of more massive and difficult-to-recover environmental impacts, namely the disappearance of small islands, especially the location of adding sea sand. The action is accompanied by the consideration that, if the damage prevention program to small islands has been seriously established, then the revocation will be reviewed.

2. Damage to the carrying capacity of natural ecosystems

Extensive mining of sea sand (particularly land-adjacent sand and river sand) substantially alters the physical, chemical, and biological environment of nature—particularly rivers. The presence of GR 23/26 which opens the tap for sea sand exports is feared to result in an exponential rate of sand exploitation. If this happens, the a higher the risk of significant and irreversible damage to natural habitats. Sand mining that is again legally enabled by the existence of GR 23/26 has a counterproductive impact on Article 22 of GR 23/26 which expects that supervised sand mining will maintain the carrying capacity of natural ecosystems, especially coastal and marine. This will be difficult to implement. It is said so because sand mining does provide direct economic value to the surrounding community. Once this potential is recognized by the community, particularly the residents, the rate of restoration and oversight is likely to outpace the efforts aimed at sustaining the carrying capacity of natural ecosystems.

Similar challenges have arisen in the Amaravathy Chettipalayam River in India and the Kelani River in Sri Lanka. This is a clear illustration that sand mining when conducted without due consideration for environmental factors or done recklessly, can render an area susceptible to flash floods. The underlying cause is the deepening of riverbeds and depletion of groundwater resulting from sand mining activities. The consequences, including edge erosion

and channel deepening, may extend to the detriment of nearby bridges and other engineering structures. If unaddressed, sea sand mining can escalate the vulnerability to natural disasters, primarily due to the reduction of mainland land resulting from significant coastal shrinkage.

The loss of the carrying capacity of coastal ecosystems leads to the region becoming vulnerable to flash floods or coastal abrasion. However, the high economic value of sand mining and export is one of the main causes of the difficult implementation of the ban on sand mining in rivers. At the micro level, this is due to the dependence of coastal communities on sand mining as a source of livelihood. In addition to causing water shortages and disruption of agricultural processes, sand mining has considerable implications for food security. Such activities can also damage coral reefs, mangroves, and grasslands. Coral reefs, for example, are very important habitats for several marine species including fish, crabs, and shrimp.

This exploration activity can damage the landscape and change the visual environment. Uncontrolled sand exploration activities can produce large dunes and pits that can change the anatomy and landscape of the environment, including aesthetic and historical values full of traces of the past. As a result, disruption of the landscape can negatively affect the attractiveness of tourism and other economic activities that depend on natural beauty. Especially if small islands disappear as a result of sea sand exploitation activities. Thus, the operationalization of ecologically sustainable development accompanied by continuous and holistic planning, supervision, and implementation plays a very crucial role in maintaining marine ecosystems, especially related to the integrity of Indonesia's land and sea areas.

3. Economic and Social Impact

In identifying the negative impacts of sea sand mining and export on the environment, it is necessary to also identify

economic and social impacts to get to the root of the problem. The dependence of the community on the economic value of *sand mining* activities is the cause of public resistance to the ban on sea sand mining. The opening of sand export taps will be positively correlated with increasing sand mining activities in coastal areas in various regions in Indonesia. The exploitation of sea sand is a trigger for marine area economic activity which has an impact on shifting the demographic characteristics of local communities. In one point of view, increasing sand mining activities can directly improve the welfare of related communities, because it opens up job opportunities other than being fishermen and farmers. Community habits or basic economic activities carried out by the community change along with the massive sand mining from fishermen to workers in sand mining companies. These new economic activities in a relatively short time provide an increase in income or economic level of the community.

It should be underlined that "community" refers not only to sand miners but primarily to fishermen and farmers. If sand exploration and mining are not regulated, fishermen disrupt fishermen's activities and affect their livelihoods with damage. The evident deterioration in visual aesthetics significantly impacts tourism activities, as the resultant damage affects the inherent natural beauty. The long-term impact of sand mining activities is found on the coast of Galesong Beach, Takalar, South Sulawesi. Sand mining activities carried out since 2017 on the coast of Galesong Beach have caused the loss of fish catchment areas. Thus, fishermen who initially took 12 to 24 hours to go to sea as far as 1 to 10 miles to fish, due to the sand mining activity must make extra efforts to go to deep water. Going to deep water takes about 15 days to fish. This means that Galesong Beach fishermen take 15 times longer to go to sea.

These findings could further encourage farmers and fishermen to abandon farming and go to sea to switch to sand mining. In certain communities in Bantul, Yogyakarta, there is

empirical evidence indicating the recognition of the economic prospects associated with sand mining. Some individuals from these communities assert that, in comparison to rice production, sand mining is more lucrative and requires less labor.

Although sea sand mining activities have relatively positive economic value for the welfare of coastal communities, it should be underlined that the reduction of coastlines and the sinking of small islands is a form of irreversible environmental damage. That is, the profit from sand exports lasts only temporarily. On the other hand, the perceived environmental impact will last forever. If this happens and the characteristics of the Socio-Economic Structure (SSE) of coastal communities have already switched from fishermen and farmers to sand miners, there will be disruptions to the chain of life and welfare in the demographics of coastal communities. Returning to sea also requires more resources and retraining, because the coastline has been reduced so that fishing areas are farther from land. The community should put in additional efforts to explore deeper waters where the conditions remain conducive to fish ecosystems. Longer fishing distances are certainly positively correlated with the capital (cost, time, and effort) that must be spent on fishing which will ultimately reduce the income of people who are again dependent on fish catches. In addition, the human rights of coastal communities to live in a healthy and comfortable environment are also threatened due to the reduction of coastlines. The shrinkage is due to the high rate of mining and exploitation of sea sand which is not balanced with appropriate and ecologically intelligent monitoring and restoration measures.

Until now, the export of sedimented sea sand that many people fear has not been implemented, because it is waiting for several regulations that are currently being prepared by the Government. This means that there is still an opportunity and space for public participation to criticize and

express aspirations so that the management of sedimented sea sand, including sea sand export permits, can be reviewed. If there is urgency and urgency to be carried out, the Government must be consistent with its commitment to environmental protection and ecologically sustainable development.

Harmonizing Business and Environment: Implementing an Incentivised Green Practices as a Form of Green Contract

In response to the imperative need for a paradigm shift in environmental governance, this study proposes a novel approach to steer policymakers towards reconsideration and enhancement of the provisions delineated in GR 26/23. It is crucial to reflect in the policy that both business objectives and ecological goals can be achieved sustainably. Stemmed from "Green Contract Theory," this can be accomplished through the implementation of an "Incentivized Green Policy." Implementing incentivized eco-friendly practices within the regulatory framework entails the establishment of a system that rewards businesses engaging in environmentally responsible methods, specifically in the context of sand extraction governed by regulations like GR 26/23. This initiative seeks to encourage entities to adopt sustainable practices by offering tangible benefits such as tax incentives, preferential treatment in government procurement processes, or eligibility for green certifications. By integrating economic incentives, policymakers aim to steer industries towards practices that minimize ecological impact, aligning with the principles of GR 26/23 and broader sustainability objectives. This approach not only fosters a more eco-conscious business environment but also acts as a positive reinforcement mechanism, contributing to the overall success of environmentally responsible initiatives in the long term.

For example, the government can explore the feasibility of introducing tax incentives for sustainable sand extraction practices. Companies that adopt sustainable sand extraction practices, such as employing eco-friendly equipment or implementing reclamation measures, could be eligible for tax incentives. This

scenario encourages businesses to invest in environmentally responsible methods, reducing their ecological footprint and contributing to the overall sustainability of sand mining operations. The government can also introduce some form of "Green Certification" which allows eligibility for preferential treatment. Businesses adhering to environmentally friendly sand extraction practices, as verified through independent assessments, could receive a green certification. This certification not only recognizes their commitment to ecological sustainability but also makes them eligible for preferential treatment in government procurement processes.

Conclusion

This study advocates a fundamental transformation in environmental governance, urging policymakers to reassess and strengthen the provisions within GR 26/23. The proposed "Incentivized Green Policy" serves as a strategic framework to harmonize business objectives with ecological sustainability. By offering tangible benefits such as tax incentives and preferential treatment, this policy aims to encourage environmentally responsible practices, particularly in the domain of sand extraction. The incorporation of economic incentives is envisioned to guide industries towards sustainable practices, aligning with GR 26/23 principles and broader sustainability objectives. This holistic approach not only fosters an environmentally conscious business environment but also acts as a positive reinforcement mechanism, fostering the enduring success of initiatives committed to environmental responsibility. The specific examples, including tax incentives and a "Green Certification" program, underscore the practical implementation of economic incentives to steer industries toward sustainability and contribute significantly to environmental conservation efforts.

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