

Ineffective Environmental Law Enforcement Against Corporations in Indonesia's Natural Resource Management

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Abstract

Environmental law enforcement against corporations engaged in natural resource management remains a significant challenge in Indonesia, contributing to persistent environmental degradation despite the existence of comprehensive environmental regulations. Although Indonesia has developed a legal framework for environmental protection and corporate accountability, its implementation remains ineffective due to regulatory, institutional, and governance-related constraints. This study aims to analyze the factors influencing the ineffectiveness of environmental law enforcement against corporations and to identify legal and institutional strategies to strengthen corporate environmental responsibility. The research employs a normative juridical method using statutory and conceptual approaches, supported by an analysis of selected cases involving corporate environmental violations. The findings indicate that weak regulatory oversight, inconsistent enforcement, inadequate sanctions, and conflicts between economic development interests and environmental protection are the main obstacles to effective enforcement. Furthermore, establishing corporate criminal and civil liability remains challenging due to complex corporate structures, difficulties in proving violations, and limitations in identifying responsible corporate actors. These conditions weaken the deterrent effect of environmental regulations and reduce public confidence in environmental governance. Therefore, strengthening environmental law enforcement requires regulatory reform, improved institutional capacity, consistent and impartial enforcement, and more effective corporate accountability mechanisms to promote sustainable natural resource management and environmental protection in Indonesia.

Introduction

Indonesia is endowed with abundant renewable and non-renewable natural resources, including minerals, forests, plantations, marine resources,

and energy reserves, all of which constitute strategic assets for national economic development. Article 33(3) of the 1945 Constitution of the Republic of Indonesia mandates that natural resources shall be controlled by the State and utilized for the greatest benefit of the people. Nevertheless, the exploitation of these resources has frequently resulted in severe environmental degradation attributable to corporate activities, including deforestation, water contamination, land degradation, biodiversity loss, and ecological disasters such as floods and landslides. These environmental impacts are particularly evident in extractive industries, including mining, oil palm plantations, and other natural resource based sectors, where economic interests often prevail over environmental sustainability.

Indonesia has established a comprehensive legal framework for environmental protection, particularly through Law No. 32 of 2009 on Environmental Protection and Management, which provides administrative, civil, and criminal mechanisms for addressing environmental violations while recognizing corporate liability for environmental harm. Despite this relatively robust legal framework, environmental degradation caused by corporate activities remains widespread. This condition suggests that the principal challenge lies not in the absence of legal norms but in the ineffective enforcement of environmental law. Weak implementation across the dimensions of legal substance, institutional structure, and legal culture has significantly reduced the effectiveness of environmental governance. Numerous cases involving forest fires, industrial pollution, illegal mining, and environmental contamination have demonstrated that sanctions are frequently limited to administrative measures or are implemented inconsistently, thereby failing to produce meaningful deterrent effects or ensure environmental restoration.

The ineffectiveness of environmental law enforcement is further aggravated by the unequal relationship between corporations and regulatory institutions.¹ Corporations often possess substantial financial, political, and organizational resources that enable them to influence regulatory processes and legal proceedings, thereby contributing to a pattern of corporate impunity. Consequently, environmental violations frequently remain

¹ Nadia Astriani et al., "Identifying the Use of Smart Enforcement in Citarum River Environmental Law Enforcement," *Padjadjaran Jurnal Ilmu Hukum* 10, no. 1 (2023), <https://doi.org/10.22304/pjih.v10n1.a3>; I. Gusti Bagus Suryawan et al., "Reinforcing The Ultimatum Remedium Principle In Environmental Law Enforcement: A Three-Layered Approach Under Law No. 32 Of 2009," *Jurnal Hukum Unissula* 41, no. 2 (2025), <https://doi.org/10.26532/jh.v41i2.43298>; Netty S.R. Naiborhu and Dekie Gg Kasenda, "Environmental Law Enforcement Through State Administrative Legal Instruments In Environmental Cases In Indonesia," *Journal of Sustainability Science and Management* 19, no. 1 (2024), <https://doi.org/10.46754/jssm.2024.01.012>.

unresolved or result in sanctions that are disproportionate to the magnitude of the environmental damage. Furthermore, although Indonesian environmental legislation recognizes corporate criminal liability, establishing corporate responsibility remains legally complex due to sophisticated corporate structures, difficulties in identifying decision-makers, and challenges in proving the causal relationship between corporate conduct and environmental harm. Institutional weaknesses, including fragmented coordination among government agencies, overlapping regulatory authority between central and regional governments, and inadequate environmental supervision, further undermine the effectiveness of environmental law enforcement.

In addition to institutional constraints, legal culture remains an important determinant of enforcement effectiveness. Environmental awareness among corporations, public institutions, and society has not yet developed sufficiently to support effective compliance with environmental regulations. At the same time, law enforcement agencies frequently encounter limitations in technical expertise, investigative capacity, and institutional integrity when handling complex environmental cases involving corporate actors. These deficiencies weaken the implementation of environmental legislation and diminish public confidence in the environmental justice system.

The consequences of ineffective environmental law enforcement extend far beyond ecological degradation. Environmental destruction directly threatens biodiversity conservation, public health, community livelihoods, food and water security, and long-term economic sustainability. Consequently, effective environmental law enforcement should be viewed not merely as a legal obligation but as an essential instrument for achieving sustainable development, protecting constitutional environmental rights, and ensuring intergenerational equity. Strengthening environmental governance therefore requires a comprehensive approach that combines consistent law enforcement, stronger corporate accountability, enhanced institutional capacity, effective inter agency coordination, and the systematic application of internationally recognized environmental law principles, including the precautionary principle, the polluter-pays principle, and sustainable development.²

Despite the growing body of scholarship on environmental governance in Indonesia, existing studies have predominantly focused on environmental policy, corporate social responsibility, or natural resource management.

² Liza Wood, Francesca Pia Vantaggiato, and Tyler Scott, "Tracing the Path of Knowledge on 'Environmental Governance Processes' for Theory-Building," *Environmental Policy and Governance* 35, no. 3 (2025), <https://doi.org/10.1002/eet.2151>.

Comparatively limited attention has been devoted to examining the persistent ineffectiveness of environmental law enforcement against corporations from the perspective of environmental law and institutional accountability.³ Addressing this gap, the present study analyzes the factors contributing to the ineffective enforcement of environmental law against corporations in natural resource management and proposes legal and institutional reforms aimed at strengthening corporate accountability and improving environmental governance in Indonesia. By doing so, this study seeks to contribute to the development of environmental law scholarship while providing policy recommendations for enhancing the effectiveness of environmental protection and promoting sustainable natural resource management.

Methods

This study employs a normative juridical research method⁴ using a statutory approach to examine legal principles, concepts, and regulations governing environmental law enforcement against corporations in natural resource management. The research relies on library based research, utilizing primary, secondary, and tertiary legal materials, including legislation, legal doctrines, scholarly publications, official documents, and relevant reports. These legal materials were analyzed qualitatively to evaluate the adequacy of Indonesia's environmental legal framework and to identify the legal and institutional factors influencing the effectiveness of corporate environmental law enforcement.

Results and Discussion

Juridical Obstacles and Factors Contributing to Ineffective Environmental Law Enforcement

Environmental law enforcement against corporations in Indonesia continues to face significant juridical and institutional challenges that undermine environmental protection and corporate accountability. Although Law No. 32 of 2009 on Environmental Protection and Management recognizes corporations as subjects of criminal liability, practical difficulties remain in determining responsibility within complex corporate structures. The separation between corporate decision-makers and operational personnel

³ Krista Botsford, "Environmental Compliance Documentation," *Specialized and Legacy Electronics Manufacturing Conferences* 8, no. 2 (2026), <https://doi.org/10.37665/legttwz52684>.

⁴ Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana, 2024).

frequently complicates the attribution of liability, making corporate prosecution less effective.⁵

Corporate environmental crime has become one of the most serious forms of corporate misconduct due to its extensive ecological, social, and economic consequences. Despite the availability of administrative, civil, and criminal sanctions, enforcement has generally failed to produce a meaningful deterrent effect.⁶ Criminal penalties are often disproportionate to the economic benefits obtained from environmental violations, while the strict liability principle, which is intended to facilitate proof in environmental cases, has not been applied consistently.⁷ Furthermore, overlapping regulations governing forestry, mining, and plantation activities create legal uncertainty and jurisdictional conflicts between central and regional authorities, weakening supervision and delaying enforcement actions. Administrative sanctions, including permit suspension, revocation, and monetary fines, are also applied inconsistently, with many violations resulting only in warnings that fail to discourage future misconduct.⁸

The effectiveness of environmental law enforcement is further constrained by limited institutional capacity. Environmental cases require specialized legal, scientific, and technical expertise that many law enforcement agencies continue to lack. Institutional weaknesses are compounded by regulatory inconsistencies, insufficient inter agency coordination, and concerns regarding the integrity of enforcement officials when dealing with economically influential corporations. At the same time, low environmental awareness among both corporations and the public reduces compliance with environmental regulations and limits community participation in monitoring corporate activities. Economic and political

⁵ Mia Amiati, Adhryansah, and Iman Prihandono, "Human Rights Violations and Corporate Criminal Liability: An Analysis of the New Indonesian Criminal Law," *Sriwijaya Law Review* 8, no. 2 (2024), <https://doi.org/10.28946/slrev.Vol8.Iss2.3687.pp230-248>; Misbahul Huda, "Legal Politics Of Corporate Crime In Indonesia," *Iblam Law Review* 1, no. 2 (2021), <https://doi.org/10.52249/ilr.v2i2.16>; Wawan Setiawan and Yusuf Muhammad Said, "Liability and The Basis for The Elimination of Corporate Crime in Indonesia Reviewed Under The 2023 Criminal Code," *FOCUS* 6, no. 1 (2025).

⁶ Bina Yumanto, "Memahami Konsep Dan Subjek Pertanggungjawaban Pidana Dalam Pasal 39a Undang-Undang Nomor 28 Tahun 2007 Tentang Perubahan Ketiga Undang-Undang Nomor 6 Tahun 1983 Tentang Kup," *Scientax* 3, no. 1 (2021), <https://doi.org/10.52869/st.v3i1.250>; Lalu Saipudin et al., "The Concept of Corporate Criminal Liability in the Indonesian Criminal Law System," *Jurnal IUS Kajian Hukum Dan Keadilan* 13, no. 2 (2025), <https://doi.org/10.29303/ius.v13i2.1817>.

⁷ Emily M. Homer and Michael O. Maume, "The Deterrent Effect of Federal Corporate Prosecution Agreements: An Exploratory Analysis," *Journal of White Collar and Corporate Crime* 5, no. 1 (2024), <https://doi.org/10.1177/2631309X221120003>.

⁸ Kristīne Strada-Rozenberga and Ārija Meikališa, "Corporate Prosecutions – on Some Relevant Issues Related to the Criminal Procedural Status of Legal Entities," *Law: Journal of the University of Latvia* 2022, no. 15 (2022), <https://doi.org/10.22364/jull.15.02>.

interests also influence enforcement priorities, as the natural resource sector remains a major contributor to national revenue, often creating tensions between environmental protection and economic development.

Another major challenge concerns the evidentiary process. Environmental damage is frequently cumulative and long term, making it difficult to establish a direct causal relationship between corporate activities and ecological harm. Limited scientific evidence and expert testimony often weaken prosecution and judicial decision making. Overall, these findings indicate that the ineffectiveness of environmental law enforcement results from the interaction of legal, institutional, and sociopolitical factors. Accordingly, strengthening corporate criminal liability, ensuring the consistent application of strict liability, improving institutional capacity, and reinforcing the integrity of law enforcement agencies are essential to enhancing environmental justice and corporate accountability.

The Effectiveness of Environmental Law Enforcement Against Corporations

Indonesia's environmental legal framework provides administrative, civil, and criminal mechanisms for addressing corporate environmental violations, including the application of the strict liability principle under Law No. 32 of 2009 on Environmental Protection and Management. In principle, these legal instruments are intended to ensure corporate accountability, facilitate environmental restoration, and prevent future environmental harm. Nevertheless, the effectiveness of these regulations depends largely on their implementation, which remains inconsistent across sectors and government institutions.⁹

Applying Soerjono Soekanto's theory of legal effectiveness demonstrates that weaknesses exist across all essential components of law enforcement, including legal substance, law enforcement institutions, supporting facilities, public awareness, and legal culture. Corporate accountability provisions remain insufficiently clear, institutional capacity and integrity are uneven, and technological and scientific resources for investigating environmental cases remain limited. As a result, sanctions frequently fail to produce an effective deterrent effect. Administrative penalties are often regarded by corporations as operational costs, while criminal sanctions are imposed

⁹ Aldona Kipāne and Andrejs Vilks, "Legal Framework for Environmental Protection in the Context of Sustainable Development," *European Journal of Sustainable Development* 11, no. 4 (2022), <https://doi.org/10.14207/ejsd.2022.v11n4p169>; Marcelo Kokke, Maraluce Maria Custódio, and Lyssandro Norton Siqueira, "Brazil's Environmental Legal Framework: Environmental Goods Regulation," *Beijing Law Review* 14, no. 04 (2023), <https://doi.org/10.4236/blr.2023.144119>.

relatively infrequently and their execution is not always effectively implemented.

The effectiveness of environmental law enforcement is further weakened by regulatory fragmentation across forestry, mining, and plantation sectors, resulting in overlapping institutional authority and legal uncertainty. Although environmental law recognizes important principles such as the polluter-pays principle, the precautionary principle, and sustainable development, their implementation remains inconsistent. In many cases, environmental restoration costs continue to be borne by the government rather than by the corporations responsible for environmental damage, illustrating the gap between legal norms and practical enforcement.¹⁰

The judiciary also plays a strategic role in strengthening environmental governance. Progressive judicial decisions have the potential to reinforce corporate accountability and establish important legal precedents. However, judicial approaches remain inconsistent, with some decisions placing greater emphasis on procedural formalities than on substantive environmental justice. Overall, the findings indicate that Indonesia possesses a relatively comprehensive environmental legal framework, yet its implementation remains ineffective due to persistent juridical, institutional, and socio-political constraints. Strengthening environmental law enforcement therefore requires integrated institutional reform, enhanced law enforcement capacity, stronger judicial commitment, and greater public participation to ensure effective corporate accountability and sustainable environmental protection.

Conclusions

Environmental law enforcement against corporations engaged in natural resource management in Indonesia remains largely ineffective despite the existence of a comprehensive legal framework, particularly under Law No. 32 of 2009 on Environmental Protection and Management. The findings indicate that this ineffectiveness is driven by both juridical and nonjuridical factors, including unclear provisions on corporate criminal liability, inconsistent application of legal sanctions, regulatory fragmentation, and overlapping institutional authority, as well as limited institutional capacity, weak integrity among law enforcement officials, low environmental legal awareness, and the influence of economic and political interests on enforcement practices. Consequently, environmental sanctions have failed to generate a meaningful

¹⁰ Ling Zhu and Xinwei Li, "Identifying Key Polluters: The Feasibility of Applying the Polluter Pays Principle to Marine Greenhouse Gas Emissions," *Transnational Environmental Law* 14, no. 2 (2025), <https://doi.org/10.1017/S2047102524000372>; Erwin Syahrudin et al., "Carbon Trading as a New Paradigm for Indonesia's Polluter Pays Principle," *Journal of Law and Legal Reform* 5, no. 1 (2024), <https://doi.org/10.15294/jllr.vol5i1.2090>.

deterrent effect, with penalties often remaining disproportionate to the environmental harm caused and many violations inadequately addressed. These findings demonstrate that an effective environmental governance system requires not only comprehensive legislation but also consistent law enforcement, stronger institutional capacity, enhanced corporate accountability, and coordinated regulatory implementation to ensure sustainable natural resource management and effective environmental protection in Indonesia.

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