

# The Role of the Corporate Penalty System Environmental Regulation



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## ABSTRACT

Criminal acts Indonesia's environmental law has numerous issues and has long been regulated in Indonesia. However, the question is whether the Corporate Penalty System on Environmental Regulation can implement this policy. This research aims to analyze the role of the corporate penalty system in environmental regulation. This is normative legal research with secondary data from primary, secondary, and tertiary legal materials. The research results show, first, that the Corporate Penalty System on Environmental Regulation has overlapping regulations and the need for more clarity regarding corporate punishment, substantive issues, and law enforcement. The Indonesian government must focus on this to achieve an integrated corporate punishment system. In environmental regulations, the overlapping provisions of administrative and criminal law contribute to the unjust nature of the corporate punishment system. Therefore, it tends to vary from one location to the next. Second, the threat of punishment is not proportional to the heinousness of the act. Third, the absence of harmonization with prior legal arrangements resulted in disparate sentences. The best way to enforce environmental crimes committed by corporations is to have adequate regulations to work from; encouraging harsher penalties for social and economic losses will be detrimental to environmental justice; and implementing an integrated system of corporate punishment requires a variety of measures, such as enacting new regulations and focusing on ecological criminal law enforcement.



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## 1. Introduction

The environment encompasses everything related to the survival of humans and other organisms, making it a vital resource that must be preserved. This demonstrates the need for stringent arrangements that can serve as a standard for everyone, both individuals and legal entities, so that they can heed and abide by every provision of positive law, *ius, constitutum*, norms, and societal customs

about the environment<sup>1</sup>. Law No. 32 of 2009 concerning Environmental Protection and Management (*PPLH Law*) specifies environmental law provisions governed by specific regulations.

Environmental concerns are becoming increasingly pragmatic, conceptual, economic, social, and business-ethical. Criminal law safeguards natural flora and fauna (ecological approach) and the future of humanity, which may be imperiled by environmental degradation (anthropocentric approach)<sup>2</sup>. The regulation of corporations against ecological crimes in Article 116 of Law Number 32 of 2009 concerning Environmental Protection and Management and Supreme Court Regulation (*PERMA*) No. 13 of 2016 concerning Procedures for Handling Criminal Cases by Corporations are examples of normative arrangements in Indonesian legislation. Administrative ecological law, civil environmental law, and criminal environmental law have been separated due to the existence of legal substances. In actuality, environmental issues cannot be separated from problems in Indonesia. One problem is Court Decisions concerning corporate environmental offenses, such as Number 526/Pid.Sus-Lh/2017 PN, in which PT Indominco Mandiri is subject to fundamental and additional criminal sanctions. A further criminal case about the environment concerns the violation of air quality regulations by a company engaged in the oil palm plantation business. Case No. 256/Pid.Sus/2021/PN; Case No. 1554 K/PID.SUS/2015; Attorney No. Decision Number 1554 K/PID.SUS/2015 demonstrates the positive, progressive effort to use criminal law to prosecute and penalize the corporation<sup>3</sup>.

Criminalizing environmental infractions is challenging. Forest and land fire indictments are unclear between Decision Nos. 277 K/Pid.Sus-LH/2016 and 340/Pid.B-LH/2018/PN.Bkn. Decision No. 277 K/Pid.Sus-LH/2016 found the defendant guilty of burning his land, violating Article 108 of the Environment Law. In Decision No. 340/Pid.B-LH/2018/PN.Bkn, the defendant, was charged with similar Plantation Law Article 108 violations. Environmental criminal law ambiguity is difficult. This environmental law must be passed because complex scientific and industrial cultures require criminal law to preserve the environment. Economic growth often harms the environment. This requires constitutional, legal, and penal measures to manage environmental damage<sup>4</sup>.

Environmental issues result from pressure exceeding the environment's capacity to withstand it. The existence of absolute limits for artificial pollution of the

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<sup>1</sup> Illan Barriola, Bruno Deffains, and Olivier Musy, 'Law and Inequality: A Comparative Approach to the Distributive Implications of Legal Systems', *International Review of Law and Economics*, 75 (2023), 106139 <https://doi.org/10.1016/j.irle.2023.106139>

<sup>2</sup> Alice Hughes and others, 'Determining the Sustainability of Legal Wildlife Trade', *Journal of Environmental Management*, 341 (2023), 117987 <https://doi.org/10.1016/j.jenvman.2023.117987>

<sup>3</sup> Angus Nurse, 'Contemporary Perspectives on Environmental Enforcement', *International Journal of Offender Therapy and Comparative Criminology*, 66.4 (2022), 327–44 <https://doi.org/10.1177/0306624X20964037>

<sup>4</sup> Md. Zafar Mahfooz Nomani, 'The Access and Benefit-Sharing Regime: An Environmental Justice Perspective', *Environmental Policy and Law*, 49.4–5 (2020), 259–63 <https://doi.org/10.3233/EPL-190172>

atmosphere with greenhouse gases such as CO<sub>2</sub> and CH<sub>4</sub> has gained scientific and widespread political acceptance in recent years<sup>5</sup>. Environmental legislation comprises legislation No. 32 of 2009 on Environmental Protection and Management, Law No. 05 of 1990 on Conservation of Living Natural Resources and Ecosystems, and Law No. 41 of 1999 on Forestry. Environmental law enforcement is the final arrangement in the cycle of ecological policy planning. The procedure contains legislation, norms, permission to grant, and application<sup>6</sup>. If only legal certainty is involved in law enforcement, according to Mertokusumo, the other elements suffer<sup>7</sup>. Likewise, focusing solely on the advantages undermines legal certainty and justice. Consequently, implementing environmental legislation requires certainty, promptness, and justice. This requires a proportionally balanced focus on all three while administering it, which is occasionally straightforward<sup>8</sup>.

Indonesia's Environmental Protection and Management Law No. 32 of 2009 (*UU PPLH*) controls environmental protection and mitigates these issues. The social importance of the environment is recognized in the rule. Preserving environmental functions and preventing pollution and harm requires planning, utilization, control, maintenance, supervision, and enforcement<sup>9</sup>. Further criminal penalties that can be applied to recognized and regulated business actors are found in the following documents: Civil Code (*KUHPer*), Criminal Code (*KUHPP*), Law No. 32 of 2009 on Environmental Protection and Management, Law No. 18 of 2013 on Prevention and Eradication of Forest Destruction, Law No. 4 of 2009 on Mineral and Coal Mining, and Law No. 3 of 2020 on Amendments to Law No. 4 of 2009. Legal norm violations result in the imposition of administrative, criminal sanctions, which are criminal sanctions that are public in nature and include additional criminal sanctions related to the use of power. According to this definition, administrative law sanctions cover the use of government, public law, means of control, and responses to improper behavior<sup>10</sup>.

Environmental law enforcement paradigm It's noteworthy that Law No. 11 of 2020 on Job Creation proposes replacing criminal sanctions for environmental

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<sup>5</sup> Michael Z. Hauschild, Sami Kara, and Inge Røpke, 'Absolute Sustainability: Challenges to Life Cycle Engineering', *CIRP Annals*, 69.2 (2020), 533–53 <https://doi.org/10.1016/j.cirp.2020.05.004>

<sup>6</sup> Lego Karjoko, Zaidah Nur Rosidah, and I Gusti Ayu Ketut Rahmi Handayani, 'Refleksi Paradigma Ilmu Pengetahuan Bagi Pembangunan Hukum Pengadaan Tanah', *BESTUUR*, 7.2 (2020), 1 <https://doi.org/10.20961/bestuur.v7i1.42694>

<sup>7</sup> Qiang He and Brian R. Silliman, 'Climate Change, Human Impacts, and Coastal Ecosystems in the Anthropocene', *Current Biology*, 29.19 (2019), R1021–35 <https://doi.org/10.1016/j.cub.2019.08.042>

<sup>8</sup> Suwari Akhmaddhian, 'Discourse on Creating a Special Environmental Court in Indonesia to Resolve Environmental Disputes', *BESTUUR*, 8.2 (2020), 129 <https://doi.org/10.20961/bestuur.v8i2.42774>

<sup>9</sup> Sulistya Ekawati and others, 'Policies Affecting the Implementation of REDD+ in Indonesia (Cases in Papua, Riau and Central Kalimantan)', *Forest Policy and Economics*, 108. September 2018 (2019), 101939 <https://doi.org/10.1016/j.forpol.2019.05.025>

<sup>10</sup> Robert Solomon, Lauren MacLeod, and Eric Dumschat, 'The Increasing Role of Provincial Administrative Sanctions in Canadian Impaired Driving Enforcement', *Traffic Injury Prevention*, 21.5 (2020), 298–302 <https://doi.org/10.1080/15389588.2020.1748605>

violations with administrative penalties—article 23 number 37 changes Article 102 of Law 32 of 2009 on Environmental Protection and Management. Law Number 11 of 2020 on Job Creation (Job Creation Law) changed Indonesian lawmaking. The Job Creation Law has caused problems in practice. Several overlapping restrictions hinder Indonesia's investment climate. Thus, this law simplifies them<sup>11</sup>. When environmental restoration violates criminal environmental law, there is a challenge to criminal ecological law. Environmental restoration will dissuade other actors and enterprises tempted to engage in activities that could harm the environment. The obstacles and associated costs highlight the need for continued dedication and support from all stakeholders<sup>12</sup>. The transboundary effects of peatland restoration demonstrate that its advantages outweigh its costs. Gaps in restoration governance needed to be filled to fully support peatland restoration and policy measures in three areas: roles and capacities of regional actors, overlaps in some restored areas, and restoration within concession areas bridged to be helpful<sup>13</sup>.

To understand deeply how injustice-applied environmental law manifests in other cases and regulations in Indonesia. Job Creation Law No.11/2020 Jo No.6/2023 will result in regulatory capture, where the power of capital can "hostage" laws and regulations to favor corporate interests over public interests. For instance, the controversies surrounding regulatory capture and conflicts of interest in the Indonesian legislative process of the Mining Law of 2020 and the Job Creation Law of 2020. The Mining Law of 2020 is allegedly advantageous to some companies whose licenses have expired. In the meantime, some ministers were company shareholders, so it was executed hastily and declared non-compliant with the carry-over mechanism. In contrast, the Job Creation Law of 2020 uses the omnibus method for the first time in Indonesia, whereas the omnibus method and technique are not governed by the Law-Making Law of 2011. This method is intended to defend the interests of large investors in light of the simplification of 79 other sector laws<sup>14</sup>.

Environmental Protection and Management Law No. 32 of 2009 (*UU PPLH*). The Environment Law (Law 32/2009) outlaws burning regardless of land type or vegetation. All of these laws prohibit burning without specifying conditions. Thus, forest and land burning are illegal regardless of the hazards of fire materials (peatlands or mineral soils, intact forests, shrublands) and climate and weather

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<sup>11</sup> Rini Astuti and others, 'Making Illegality Visible: The Governance Dilemmas Created by Visualising Illegal Palm Oil Plantations in Central Kalimantan, Indonesia', *Land Use Policy*, 114 (2022), 105942 <https://doi.org/10.1016/j.landusepol.2021.105942>

<sup>12</sup> Dyah Puspitaloka and others, 'Analysis of Challenges, Costs, and Governance Alternative for Peatland Restoration in Central Kalimantan, Indonesia', *Trees, Forests and People*, 6 (2021), 100131 <https://doi.org/10.1016/j.tfp.2021.100131>

<sup>13</sup> Rizky Januar, Eli Nur Nirmala Sari, and Surahman Putra, 'Dynamics of Local Governance: The Case of Peatland Restoration in Central Kalimantan, Indonesia', *Land Use Policy*, 102 (2021), 105270 <https://doi.org/10.1016/j.landusepol.2020.105270>

<sup>14</sup> Ibnu Sina Chandranegara and Dwi Putri Cahyawati, 'Conflict of Interest Prevention Clause in the Constitution: The Study of the Indonesian Constitution', *Heliyon*, 9.3 (2023), e14679 <https://doi.org/10.1016/j.heliyon.2023.e14679>

circumstances. The Environment Law exempts traditional activities (Article 69.2), and burning during dry seasons is strictly prohibited.<sup>15</sup> Another relevant law is the Criminal Code (Penal Code). The reality is that there is legal ambiguity, as evidenced by the number of laws used to criminalize forest and land burning, as well as the uncertainty regarding which laws are employed. The inability to comprehend the social environment is a problem caused by UUPPLH. The concept of the social environment as a subsystem of a comprehensive ecosystem needs to be described immediately, as the operational management and protection of the environment have legal ramifications that must be synchronized with other concepts such as pollution, environmental impact analysis, and so on<sup>16</sup>.

Several problematic cases in Indonesia can be observed on the website. In enforcing environmental crimes committed by a corporation or business entity, management is typically held criminally liable, while the corporation itself is rarely held criminally responsible. This is evident from the PT Citra Krida Baha case and the environmental pollution case involving Suryanto Bin Tjokrosantoso and Jahja Suriawinata, former directors of PT Pacific Paint. As suggested by the preceding definition of corporate crime, it is necessary to conduct additional research on the urgency of corporate criminal liability to realize the effectiveness of environmental crime law enforcement<sup>17</sup>. Several studies indicate that the settlement of environmental cases in Indonesia has not been carried out effectively because it takes a long time and does not provide legal certainty and justice for the community, particularly in terms of resolving environmental crime cases involving corporations, forms of additional sanctions that can be applied against corporations in various provisions of applicable laws and regulations, and analyzing the application of these provisions. However, the trial process is frequently complex, costly, and time-consuming, whereas the polluted and damaged environment requires prompt and adequate recovery<sup>18</sup>. This study examines the unjust nature of the corporate punishment system for environmental crimes, the contributing factors, and the fairness of the corporate punishment system for environmental crimes.

The issue of environmental law enforcement in Indonesia will be evident in 2020, as 116 environmental crime cases have been resolved as of P-21. The Indonesian Legal Aid Foundation or YLBHI and Legal Institutions issued a report

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<sup>15</sup> Nurpanca Sitorus and others, 'Environmental Management Law Policy in Indonesia Towards People's Prosperity', *Proceedings of the Second International Conference on Public Policy, Social Computing and Development (ICOPOSDEV 2021)*, 642.Icoposdev 2021 (2022), 78–84 <https://doi.org/10.2991/assehr.k.220204.013>

<sup>16</sup> Ida Aju Pradnja Resosudarmo, Luca Tacconi, and Efendi Agus Waluyo, 'Enforcement and Compliance with the No-Burning Policy on Villagers in Indonesia', *Forest Policy and Economics*, 151 (2023), 102968 <https://doi.org/10.1016/j.forpol.2023.102968>

<sup>17</sup> Virginia Comolli and Alastair MacBeath, 'Special Section Introduction: Exploring the Nexus between Human Vulnerabilities and Environmental Crime', *Journal of Illicit Economies and Development*, 4.1 (2022), 1–7 <https://doi.org/10.31389/jied.154>

<sup>18</sup> Chelsea Liu, 'Judge Political Affiliation and Impacts of Corporate Environmental Litigation', *Journal of Corporate Finance*, 64 (2020), 101670 <https://doi.org/10.1016/j.jcorpfin.2020.101670>



on environmental topics in 2021. Legal institutions in Indonesia are currently handling at least 37 environmental cases. In such instances, corporations cannot always be sentenced for criminal acts committed by corporations, which are frequently subject to administrative sanctions. Existing regulations only govern the types of criminal sanctions for corporations in the form of standard criminal fines and additional criminal sanctions in the state of the revocation of corporate rights<sup>19</sup>. In this instance, action is not an alternative form of sanction for corporations because, despite being a form of sanction, it is only applicable to individuals. The prosecution and punishment of these individuals are essential for achieving justice and exposing and condemning their crimes by the general public<sup>20</sup>.

Criminal law policy, also known as criminal law politics, can be utilized to combat corporate criminality in the environment. The policy of corporate criminal responsibility in environmental cases is a rational determination of authority by the community to regulate a crime. In enforcing environmental offenses committed by a corporation or business entity, criminal liability is frequently imposed on the company's management, whereas the corporation itself is rarely held criminally liable. Environmental covenants are more effective at minimizing toxic emissions when regulatory enforcement is increased<sup>21</sup>. In conjunction with the preceding explanation of corporate crime, it can be concluded that further research is required to determine the efficacy of environmental crime law enforcement in terms of the urgency of corporate criminal liability. Additionally, it is necessary to analyze the appropriate pattern of punishment to be applied to corporate crime in the environment to create economic justice (the economic conception of justice), which states that the law can create efficiency that regulates and produces justice<sup>22</sup>.

In the practice of the punishment system for environmental offenses committed by a corporation or business entity, there are numerous inequities, as criminal liability is frequently imposed on the company's management. In contrast, the corporation itself is rarely held criminally liable. Through a study titled "Reconstruction Of The Criminal System Against Corporations In A Just Environmental Crime," the author wishes to conduct a more in-depth analysis of the criminalization system for environmental crimes committed by corporations. Current and historical political crises emphasize the legitimacy of the financial sector and the legal and practical aspects of its analysis, justification, and

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<sup>19</sup> Navarro Ferronato and Vincenzo Torretta, 'Waste Mismanagement in Developing Countries: A Review of Global Issues', *International Journal of Environmental Research and Public Health*, 16.6 (2019), 1060 <https://doi.org/10.3390/ijerph16061060>

<sup>20</sup> Yuliya Zabyelina, 'Revisiting the Concept of Organized Crime through the Disciplinary Lens of Economic Criminology', *Journal of Economic Criminology*, 1 (2023), 100017 <https://doi.org/10.1016/j.jeconc.2023.100017>

<sup>21</sup> Stacey Choy and others, 'Public Environmental Enforcement and Private Lender Monitoring: Evidence from Environmental Covenants', *Journal of Accounting and Economics*, 2023, 101621 <https://doi.org/10.1016/j.jacceco.2023.101621>

<sup>22</sup> Vadim Dukhanin and others, 'Integrating Social Justice Concerns into Economic Evaluation for Healthcare and Public Health: A Systematic Review', *Social Science & Medicine*, 198 (2018), 27–35 <https://doi.org/10.1016/j.socscimed.2017.12.012>

regulation, such as the commission of primary and/or highly technical environmental crimes.<sup>23</sup> In such situations, companies frequently face administrative sanctions for criminal acts. Existing laws only address corporate criminal penalties, such as fines and rights revocation. However, banks and other lending institutions take environmental administrative penalties into account when making loan decisions.

## 2. Research Method

This research applies a normative juridical approach conducted through a literature review. Primary legal sources include the 1945 Constitution of the Republic of Indonesia, various laws, and government regulations relevant to the research topic. Meanwhile, secondary legal materials consist of literature, papers, articles, and other research results pertinent to the research topic. Tertiary legal materials, such as the General Indonesian Dictionary and Legal Dictionary, were also used to explain further and guide primary and secondary legal materials. The data collection method used in this research is a literature study, where information is obtained through a literature review as the primary source in this writing. Materials collected from literature research are then analyzed qualitatively, namely the method of analyzing materials by classifying and selecting legal materials obtained from analysis according to their quality and truth, then connected with theories from literature studies to answer the problems in this study. In analyzing this legal material, an inductive way of thinking is used, namely, concluding the research results from specific things to draw general conclusions.

## 3. Results and Discussion

### *The Punishment System for Environmental Crimes Regulations*

The environment includes everything related to the survival of humans and other organisms, so it is a vital resource that must be protected. Since conservation guarantees a decent living for its citizens, this must be reflected in the organization of state power<sup>24</sup>. About 75% of differences in average satisfaction between countries are due to the quality of public policing, and these differences are related to differences in necessary actual living conditions such as safety, health services, shared governance, and ecological requirements. Article 28H paragraph 1 of the 1945 Constitution of the Unitary State of the Republic of Indonesia (1945

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<sup>23</sup> Nicholas Lord and Michael Levi, 'Economic Crime, Economic Criminology, and Serious Crimes for Economic Gain: On the Conceptual and Disciplinary (Dis)Order of the Object of Study', *Journal of Economic Criminology*, 1 (2023), 100014 <https://doi.org/10.1016/j.jeconc.2023.100014>

<sup>24</sup> Rahul and others, 'Encompassing Environment Synthesis, Characterization and Photovoltaic Utilization of Cadmium Sulphide Quantum Dots', *Materials Today: Proceedings*, 34 (2021), 767-70 <https://doi.org/10.1016/j.matpr.2020.04.776>

Constitution) guarantees every citizen access to a safe and healthy living environment.<sup>25</sup>

The paradigm for implementing environmental criminal law enforcement policies in Indonesia has undergone several changes, especially since the amendments to the *PPLH* Law and the Job Creation Law. The Job Creation Law also stipulates that most implementing regulations are Government Regulations and several Presidential Regulations. This primarily marginalizes the function of previous Ministerial Regulations, which, as previously mentioned, required a clear position in the legal hierarchy<sup>26</sup>. Several problems (the Job Creation Law) affect achieving sustainable development goals, especially environmental protection indicators in Indonesia.

This paradigm causes several problems with environmental enforcement, where there are several reasons why the criminal system for corporations involved in environmental crimes cannot be justified due to substantive factors and inadequate law enforcement. The lack of clarity regarding criminal acts in the *PPLH* Law and Job Creation Law and the absence of law enforcement by authorized officials shows that there are essential factors. Before delving into this topic, it would be a good idea for us to understand how the substance of the scanning system and accountability regulations in the Environmental Law are implemented simultaneously with the revision of the Job Creation Law. These problems have resulted in Indonesia's lack of a just criminal system.

The profound factor regarding the criminal system in Indonesia is that it is unfair because the illegal regulations in the Job Creation Law have problems that lie in at least 3 (three) things. First, the provisions of administrative law and criminal law overlap. So, it tends to differ from one setting to another. Second, the threat of punishment is not commensurate with the criminal impact of the act. Third, the lack of harmonization with previous legal arrangements has resulted in disparities in the threat of punishment. These three things are problems that exist in the criminalization of the Job Creation Law.

The punishment regulations in the Job Creation Law substantially overlap with Article 62 of Law Number 26 of 2007 concerning Spatial Planning, which coincides with Article 17 number 33 of Law Number 11 of 2020 concerning Job Creation. This overlap is due to criminal and administrative threats with unclear specific segmentation regarding the articles that apply to violators. Thus, the application of the law becomes ambiguous because of its basis. As a result, the government needs more competent policymakers, decision-makers, and legislative legislators.

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<sup>25</sup> Mariangela Bonasia and others, 'Environmental Protection and Happiness: A Long-Run Relationship in Europe', *Environmental Impact Assessment Review*, 93 (2022), 106704 <https://doi.org/10.1016/j.eiar.2021.106704>

<sup>26</sup> Petra Mahy, 'Indonesia's Omnibus Law on Job Creation: Legal Hierarchy and Responses to Judicial Review in the Labour Cluster of Amendments', *Asian Journal of Comparative Law*, September 2021, 2022, 1-25 <https://doi.org/10.1017/asjcl.2022.7>



Constantly in jeopardy is the quality of laws and regulations, and some argue that the creation of the Omnibus Law was itself tainted by corruption.<sup>27</sup>

The substance in the omnibus law regulation must be aimed at Indonesia facing overlapping legal issues due to its hyper and obese regulatory environment. One of the primary factors inhibiting Indonesia's competitiveness is the incoherence and discord caused by excessive regulation<sup>28</sup>. However, the overlapping omnibus substance creates uncertainty and injustice. This aligns with the effect of the stickiness of spatial planning as it can now be revised anytime to accommodate national strategic projects/policies. National strategic projects/policies can overrule the spatial plan with a recommendation letter from the central government, even though the project/policy differs from the spatial plan<sup>29</sup>.

The substance of the Job Creation Law needs to be commensurate with its impact. The author has observed how the importance of reality, culture, and systems shape the Indonesian environment. Various environmental applications produce criminal backgrounds. We must understand how to influence environmental law enforcement. We must realize that the punishment given is not commensurate with the seriousness of the violation. The Job Creation Law changes the Environmental Law by adding Article 82B and neglecting to exceed ambient air quality standards, water quality standards, seawater quality standards, or standard criteria for environmental damage that violates business permits. Implementing the latest national standards for wastewater treatment quality is stricter than the previous standards (Minister of the Environment Regulation No. 112 of 2003)<sup>30</sup>. According to the author, criminal sanctions are more appropriate than administrative sanctions for these three violations. This is because the impact of this action is detrimental to the permit giver and the surrounding community, causing health problems and damage to the ecological ecosystem. This combination of substances means that the criminal system in Indonesia cannot achieve justice.

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<sup>27</sup> Muhamad Rosyid Jazuli, Maimanah Mohammed Idris, and Penlope Yaguma, 'The Importance of Institutional Quality: Reviewing the Relevance of Indonesia's Omnibus Law on National Competitiveness', *Humanities and Social Sciences Communications*, 9.1 (2022), 334 <https://doi.org/10.1057/s41599-022-01343-w>

<sup>28</sup> Wicipto Setiadi and Beniharmoni Harefa, 'Regulatory Reform: An Idea to Arrange Regulations in Indonesia', *Proceedings of the 1st International Conference on Law and Human Rights 2020 (ICLHR 2020)*, 549. *ICLHR 2020* (2021), 375–83 <https://doi.org/10.2991/assehr.k.210506.049>

<sup>29</sup> Agung Indrajit and others, 'Implementation of the Spatial Plan Information Package for Improving Ease of Doing Business in Indonesian Cities', *Land Use Policy*, 105 (2021), 105338 <https://doi.org/10.1016/j.landusepol.2021.105338>

<sup>30</sup> Mohamad Rangga Sururi and others, 'Performance Evaluation of Domestic Waste Water Treatment System in Urban Indonesia', *Case Studies in Chemical and Environmental Engineering*, 8 (2023), 100507 <https://doi.org/10.1016/j.cscee.2023.100507>

The main problem in applying environmental criminal law is the lack of clarity of strict liability standards<sup>31</sup>, where elements are omitted without the need to prove guilt in court. This will undoubtedly complicate the ability of law enforcement officials or individuals whose rights have been violated to prosecute violators, who must prove the elements of their wrongdoing, whether intentional or negligent. Law enforcement in Indonesia intersects with environmental law challenges in Indonesia: We must know how to enforce environmental law in other countries. The Basic Law on Environmental Pollution Control was passed in 1967, the Air Pollution Control Law was passed in 1968, the Environmental Conservation Law was passed in 1972, and several other environmental laws<sup>32</sup>. Compared to Japan, the Basic Environmental Law regulates environmental law by establishing the basics of general policy and providing guidelines for developing environmental policy. Like environmental regulations in Indonesia, the Japanese government prioritizes administrative sanctions over criminal penalties when enforcing environmental laws. Criminal provisions regarding environmental damage will continue to apply to all individuals.

This still needs to be implemented in Indonesia. In reality, the omnibus law substantially reduces the effectiveness of implementing the environmental responsibility system through strict liability. The substance of punishment is law enforcement in the environmental sector through the criminal system, which the government can already carry out through the stringent liability mechanism implemented by the government. In Indonesia, a method of law enforcement and corporate criminal responsibility already exists because of strict regulations and liability. Environmental Management and Protection Law No. 32 of 2009 (*UU PPLH*) heavily burdens environmental damage in Indonesia. To ensure that environmental laws in urban areas are complied with, government and social regulatory systems are continually being improved, and penalties for violations of these laws are becoming more severe<sup>33</sup>. Strict liability for hazardous activities or substances is a form of liability that originates from common law. Environmental responsibility law, in terms of motivating optimal reduction and improvement of abatement technologies, if the level of compensation is different from the level of ecological damage, private decision-making due to carelessness can be improved

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<sup>31</sup> Andri G. Wibisana, 'The Many Faces of Strict Liability in Indonesia's Wildfire Litigation', *Review of European, Comparative & International Environmental Law*, 28.2 (2019), 185–96 <https://doi.org/10.1111/reel.12284>

<sup>32</sup> Tatsuki Inoue and others, 'Particulate Air Pollution, Birth Outcomes, and Infant Mortality: Evidence from Japan's Automobile Emission Control Law of 1992', *SSM - Population Health*, 11 (2020), 100590 <https://doi.org/10.1016/j.ssmph.2020.100590>

<sup>33</sup> Bingbing Zhang, Yuan Wang, and Chuanwang Sun, 'Urban Environmental Legislation and Corporate Environmental Performance: End Governance or Process Control?', *Energy Economics*, 118 (2023), 106494 <https://doi.org/10.1016/j.eneco.2022.106494>

by modifying the standards of behavior accordingly. In contrast, policymakers cannot make modifications based on strict liability (within the limits of this rule)<sup>34</sup>.

The enforcement of punishment against perpetrators. PPLH) essentially determines criminal sanctions for actions that pollute or harm the environment. The acceptable amount must be assessed based on the lost damages measured by the judge in each case<sup>35</sup>. In essence, law enforcement in the criminal justice system that causes environmental pollution and/or damage requires perpetrators, individuals, and corporations to take responsibility for destroying the environmental ecosystem<sup>36</sup>. The reaffirmation of the Job Creation Law regarding reducing corporate criminal liability is diminished so that administrative law enforcement mechanisms are utilized first. If it is not optimal, criminal law enforcement mechanisms are used. Administrative law enforcement is only optimal if administrative sanctions are paid. We need to concentrate on the definition of "corporate misconduct." it has been rightly stated that a single instance of misconduct cannot prove the allegation, as this would result in strict liability<sup>37</sup>.

As previously explained, problems that influence various factors, such as environmental law enforcement, apply legal instruments by providing legal sanctions to ensure compliance with environmental laws and regulations and encourage the protection of ecosystems and environmental functions<sup>38</sup>. Monitoring and administrative penalties prevent and enforce environmental laws. The Environmental Management Law (*UU PPLH*) supports law enforcement, emphasizing strict responsibility as an absolute obligation "without the need to prove fault." Liability is strict because proving guilt in an offense that endangers many people is burdensome. The legal system cannot anticipate high-risk environmental operations if responsibility is based on error or conventional evidence.

Thus, enforcement of environmental criminal law is not yet in line with community expectations. Environmental crimes such as water pollution due to

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<sup>34</sup> Alfred Endres and Tim Friehe, 'R&D and Abatement under Environmental Liability Law: Comparing Incentives under Strict Liability and Negligence If Compensation Differs from Harm', *Energy Economics*, 33.3 (2011), 419–25 <https://doi.org/10.1016/j.eneco.2010.11.001>

<sup>35</sup> Qianxun Xu and Mehran Idris Khan, 'Reflections on the Environmental Damage Compensation Regime in Chinese Civil Legislations', *Heliyon*, 9.4 (2023), e15154 <https://doi.org/10.1016/j.heliyon.2023.e15154>

<sup>36</sup> Carlos de Miguel Perales and George Wilkinson, 'Criminal Enforcement of Environmental Law in the European Union and the United States', in *Reference Module in Biomedical Sciences* (Elsevier, 2022) <https://doi.org/10.1016/B978-0-12-824315-2.00051-8>

<sup>37</sup> Thomas Schröder, 'Corporate Crime, the Lawmaker's Options for Corporate Criminal Laws and Luhmann's Concept of "Useful Illegality"', *International Journal of Law, Crime and Justice*, 57 (2019), 13–25 <https://doi.org/10.1016/j.ijlcrj.2019.01.004>

<sup>38</sup> Brittany Novick and others, 'Understanding the Interactions between Human Well-Being and Environmental Outcomes through a Community-Led Integrated Landscape Initiative in Indonesia', *Environmental Development*, 45 (2023), 100791 <https://doi.org/10.1016/j.envdev.2022.100791>

illegal dumping of toxic waste, forest destruction, destruction of coral reefs, coastal erosion due to sand mining, and forest burning are increasing and can lead to transnational organized crime<sup>39</sup>. Government policies detrimental to environmental interests, legal mafias, criminal law instruments that are not appropriately implemented, sanctions chosen and determined at the implementation stage are inappropriate, lack of consensus from law enforcement officials regarding environmental crimes, and lack of legal awareness of entrepreneurs regarding ecological conservation. All of which contribute to cases like those mentioned above<sup>40</sup>.

Law Number 32 of 2009 concerning Environmental Protection and Management is expected to balance using natural resources with environmental functions. Therefore, development policies, strategies, and programs must prioritize ecological protection and sustainable development. Local community self-governance is very important to preserve forest ecosystems in the region. Current regional governments adhere to knowledge that is inherited and utilized locally. This is an optimal combination of local wisdom and self-government.<sup>41</sup>

The realize that district and village governments, companies, and communities are involved in most activities to address issues related to the cultural scale, such as the need for community involvement to improve law enforcement. Burung Indonesia established a community forum for landscape concerns and a village resource management agreement with twenty-seven Mbeliling communities. Stakeholder alliances have improved resource management. Implementation must often be enhanced by other elements critical to effective governance. Due to government inaction and community conflict, forest restoration efforts have failed<sup>42</sup>. Socially and economically, large-scale non-renewable resource extraction initiatives will inevitably impact ecological systems and indigenous communities. The socio-demographic characteristics of the local population around the proposed nickel smelter influence the perspective of the program offered by the proponents of the nickel smelter project<sup>43</sup>.

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<sup>39</sup> Cristina Barazzetti Barbieri and Jorge Eduardo de Souza Sarkis, 'Estimating the Uncertainty from Sampling in Pollution Crime Investigation: The Importance of Metrology in the Forensic Interpretation of Environmental Data', *Forensic Science International*, 288 (2018), 14–22 <https://doi.org/10.1016/j.forsciint.2018.04.005>

<sup>40</sup> Paul Atagamen Aidonojie and others, 'Bioenergy Revamping and Complimenting the Global Environmental Legal Framework on the Reduction of Waste Materials: A Facile Review', *Heliyon*, 9.1 (2023), e12860 <https://doi.org/10.1016/j.heliyon.2023.e12860>

<sup>41</sup> Agung Wicaksono, Irni Yunita, and Gede Ginaya, 'Living Side by Side with Nature: Evidence of Self-Governance in Three Local Communities in Indonesia', *Heliyon*, 8.12 (2022), e12248 <https://doi.org/10.1016/j.heliyon.2022.e12248>

<sup>42</sup> Jeffrey Sayer and others, 'Governance Challenges to Landscape Restoration in Indonesia', *Land Use Policy*, 104 (2021), 104857 <https://doi.org/10.1016/j.landusepol.2020.104857>

<sup>43</sup> Ali Rahmat Kurniawan, Takehiko Murayama, and Shigeo Nishikizawa, 'Appraising Affected Community Perceptions of Implementing Programs Listed in the Environmental Impact Statement: A Case Study of Nickel Smelter in Indonesia', *The Extractive Industries and Society*, 8.1 (2021), 363–73 <https://doi.org/10.1016/j.exis.2020.11.015>

The government's presence in preserving the environment is delegated to the regions based on their respective regional wisdom. The fundamental aim of law enforcement is to realize the objectives of the law<sup>44</sup>. Justice is very important for the law itself. Environmental crimes committed by corporations are a violation of the principles of Pancasila. Because the formulation of the law is based on the values of Pancasila, the nation's guiding ideology. So, society gets fair legal arrangements

### ***The role of the Corporate Penalty System on Environmental Regulation***

Law is a last resort when other legal sanctions are deemed ineffective. In the spectrum of environmental criminal law enforcement in efforts to control environmental pollution and destruction, the substance of punishment (imposing, imposing, or applying criminal sanctions) is a reaction to ecological criminal acts that aim to provide legal protection for the quality of the environment as part of control efforts. Environmental pollution and destruction. The nature of "environmental protection" for society<sup>45</sup>. The role of criminal law sanctions in regulating the environment in Indonesia must be appropriate considering several things, especially in the certainty that it must the perpetrator is guilty. Therefore, using certainty considerations to justify harsher sentences for repeat offenders seems arbitrary<sup>46</sup>.

The formulation of criminal sanctions in applicable laws and regulations facilitates the functionalization of criminal law to address the problem of environmental damage due to development<sup>47</sup>. The reasons for the need for criminal sanctions are twofold: criminal sanctions are intended to protect not only human interests but also the interests of the environment. Humans can only enjoy their property and health to the maximum if the basic requirements for good environmental quality are met. The use of criminal sanctions is intended to create fear in potential polluters. Criminal sanctions can be imprisonment, fines, mandates to restore polluted and/or damaged environments, closure of business premises, and publicity that can tarnish the good name of affected business actors.<sup>48</sup>

It is essential to formulate criminal sanctions to achieve accountability punishment in the system. Indonesian scanning must be fair. Achieving this concept of justice is a must comprehensive from all societal elements. However, there needs to be more data for measuring the demographics of environmental

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<sup>44</sup> Ken Yahagi, 'Law Enforcement with Motivated Agents', *International Review of Law and Economics*, 66 (2021), 105982 <https://doi.org/10.1016/j.irle.2021.105982>

<sup>45</sup> Nina Persak, 'Beyond Public Punitiveness: The Role of Emotions in Criminal Law Policy', *International Journal of Law, Crime and Justice*, 57 (2019), 47-58 <https://doi.org/10.1016/j.ijlcj.2019.02.001>

<sup>46</sup> Shmuel Leshem and Avraham Tabbach, 'The Option Value of Record-Based Sanctions', *Games and Economic Behavior*, 137 (2023), 1-22 <https://doi.org/10.1016/j.geb.2022.10.014>

<sup>47</sup> J. J. Prescott, 'Criminal Sanctions and Deterrence', in *Encyclopedia of Law and Economics* (New York, NY: Springer New York, 2019), pp. 498-510 [https://doi.org/10.1007/978-1-4614-7753-2\\_19](https://doi.org/10.1007/978-1-4614-7753-2_19)

<sup>48</sup> Aaron Chalfin, Shooshan Danagoulian, and Monica Deza, 'More Sneezing, Less Crime? Health Shocks and the Market for Offenses', *Journal of Health Economics*, 68 (2019), 102230 <https://doi.org/10.1016/j.jhealeco.2019.102230>



justice communities or the environmental impacts they face. The primary challenge we face in our area is that we work with many tribal governments, and we do not have an effective way to quantify or clearly express many of the values they hold dear through environmental analysis<sup>49</sup>. This makes the importance of a system punishment that is fair to society. An essential role in discipline integrated into the system of punishment corporation must enforced because the more significant the enterprise, the more production resources it has available, and the more potent its economic standing. Such a large and powerful organization can endure the environmental costs of complying with environmental regulations and even increase environmental protection investment to gain a competitive advantage in the same industry. Businesses invest substantially more in emission reduction when confronted with stringent environmental regulations. The central environmental protection inspection system has been instrumental in enhancing environmental quality<sup>50</sup>.

Realize that changes in various ways of segmentation in regulation and enforcement law must accompany integrated and fair punishment. However, the reality is that the problem of penalties in the environmental sector, especially the Job Creation Law regulations, affects the direction and achievement of sustainable development goals in Indonesia. Therefore, it is necessary to strengthen sanctions and law enforcement against environmental clusters in the Job Creation Law<sup>51</sup>. Various efforts have been made to achieve this result. We must rewrite the Job Creation Law to include changes to Article 62 of Law Number 26 of 2007 concerning Spatial Planning, which states that people who violate Article 61 will be subject to administrative sanctions. This includes changes to how environmental groups are criminalized, and laws are enforced. Article 62 was omitted because it overlapped with the criminal provisions for violations of Article 61. The imposition of criminal sanctions for violations of Article 82B of the Environmental Law, which was added to the Job Creation Law. This article formulates three actions that result in pollution, quality standards, and environmental protection, subject to administrative sanctions<sup>52</sup>.

Reach system Integrated and fair punishment is very difficult to implement due to several factors that hinder achieving natural justice for society. The author

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<sup>49</sup> Nicola Ulibarri, Omar Pérez Figueroa, and Anastasia Grant, 'Barriers and Opportunities to Incorporating Environmental Justice in the National Environmental Policy Act', *Environmental Impact Assessment Review*, 97 (2022), 106880 <https://doi.org/10.1016/j.eiar.2022.106880>

<sup>50</sup> Di Zhu and others, 'The Effect of Environmental Regulation on Corporate Environmental Governance Behavior and Its Mechanisms', *Sustainability*, 14.15 (2022), 9050 <https://doi.org/10.3390/su14159050>

<sup>51</sup> Rizki Zakariya, 'Questioning the Sentencing Aspects of the Environmental Cluster in the Employment Law on the Direction of Sustainable Development', in *Proceedings of the International Conference on Law Studies (INCOLS 2022)* (Paris: Atlantis Press SARL, 2023), pp. 191–204 [https://doi.org/10.2991/978-2-494069-23-7\\_19](https://doi.org/10.2991/978-2-494069-23-7_19)

<sup>52</sup> Muhayatun Santoso and others, 'Long Term Characteristics of Atmospheric Particulate Matter and Compositions in Jakarta, Indonesia', *Atmospheric Pollution Research*, 11.12 (2020), 2215–25 <https://doi.org/10.1016/j.apr.2020.09.006>

concludes that in the realm of the Job Creation law's legal system, the author finds two factors that cause the need for further clarity in applying strict policy in the Job Creation Law. First, the interpretation that strict liability still requires an element of illegal action must be corrected. Second, equating strict liability with a disclaimer of liability must be revised. This accountability is related to the system of punishment with strict liability. Criminal liability for environmental crimes cannot be separated from the policies contained in statutory regulations<sup>53</sup>. The criminal provisions in Article 116 emphasize that in environmental crimes, there is criminal responsibility for corporations and business leaders and activities that give orders for environmental crimes to occur. Therefore, if a corporation commits an environmental crime, criminal sanctions will be imposed on the corporation and the leader or person responsible for the business and/or activity.

In strict liability, agents are responsible for losses caused by insufficient effort or poor luck, whereas, in assistance, an official may transfer these losses to all other participants. The officials are provided with a (vaguely stated) standard instructing them to assist only those contestants whose actual effort exceeds an optimally determined threshold<sup>54</sup>. Strict liability arrangements as enforcement law must be done because some research shows that under strict liability, a person should be held liable if, despite not committing an illegal act (in the sense of violating a duty or precaution), they engage in a dangerous activity that gives rise to <sup>55</sup>harm. Application using strict liability must be present to enforce the Company that violates or causes damage to the environment.

The government must immediately overcome these obstacles in several ways. A second method to make a liability regime more claimant-friendly is moving away from fault-based liability rules, requiring claimants to attest to different conditions. Under a strict liability regime, claimants are only required to prove the wrongdoers' default or the risks they assumed, which is more straightforward to establish than the wrongdoer's intent or negligence. When the likelihood of injury is linked to the unpredictability of specific risk groups, it is justifiable to implement a strict liability standard<sup>56</sup>. The role of strict liability in the system punishment environment is necessary and must be implemented to achieve enforcement of just law.

The role of the justice environment in improving environmental regulations by carrying out environmental monitoring is crucial to ensure that business actors

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<sup>53</sup> Krzysztof Szczucki, 'Ethical Legitimacy of Criminal Law', *International Journal of Law, Crime and Justice*, 53 (2018), 67–76 <https://doi.org/10.1016/j.ijlcrj.2018.03.002>

<sup>54</sup> Rostislav Staněk, Ondřej Krčál, and Katarína Čellárová, 'Pull Yourself up by Your Bootstraps: Identifying Procedural Preferences against Helping Others in the Presence of Moral Hazard', *Journal of Behavioral and Experimental Economics*, 98 (2022), 101851 <https://doi.org/10.1016/j.socec.2022.101851>

<sup>55</sup> Vaia Karapanou, 'Strict Liability Versus Negligence', in *Encyclopedia of Law and Economics* (New York, NY: Springer New York, 2022), pp. 1–8 [https://doi.org/10.1007/978-1-4614-7883-6\\_528-2](https://doi.org/10.1007/978-1-4614-7883-6_528-2)

<sup>56</sup> Miriam Buiten, Alexandre de Streel, and Martin Peitz, 'The Law and Economics of AI Liability', *Computer Law & Security Review*, 48 (2023), 105794 <https://doi.org/10.1016/j.clsr.2023.105794>

comply with environmental permits and legal requirements<sup>57</sup>. Therefore, it is necessary to strengthen environmental monitoring efforts, especially by PPLH, by optimizing PPLH capacity through a merit monitoring system based on transparent and accountable rules, policies, strategies, and programs. Documents or information that are easily accessible to supervisors, business actors, and the general public are required, which outline the supervisory process, the consequences of violations, and how to report or take action effectively, as well as being easily accessible, up-to-date, and up-to-date—Accountable and integrated information regarding the results of supervision of PPLH. The author has arranged more with the calculation of environmental costs, which shows that natural resources are critical in the context of sustainable development in Indonesia<sup>58</sup>. Therefore, optimizing the monitoring system can prevent potential environmental violations immediately. Apart from that, it guarantees realizing sustainable development goals in Indonesia.

Another way to create an integrated system in punishment \_ corporations must be varied methods by including new regulations and focusing on environmental criminal law enforcement. We must know how to improve Integrated Environmental Law Enforcement in a Fair Criminal Justice System for Corporations Involved in Environmental Crimes. They are enhancing corporate systems. To strengthen Indonesia's law enforcement system, we must identify problematic legal provisions, namely implementing strict responsibilities in the Job Creation Law<sup>59</sup>. It should be noted that an article will still be considered subject to strict liability even if strict liability and the absence of evidence of negligence are not explicitly stated. The administrative Job Creation Law will make strict accountability more ambiguous and confusing<sup>60</sup>.

Environmental law enforcement must be improved because. Enforcement law depends on the capacity of the apparatus and citizens' compliance with applicable regulations, both administrative, criminal, and civil law. Environmental crimes are broadly classified as crimes in the economic sector because the scope of environmental crimes and violations is broader than conventional crimes, resulting

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<sup>57</sup> Lin Wang, Azer Dilanchiev, and Mohammad Haseeb, 'The Environmental Regulation and Policy Assessment Effect on the Road to Green Recovery Transformation', *Economic Analysis and Policy*, 76 (2022), 914–29 <https://doi.org/10.1016/j.eap.2022.10.006>

<sup>58</sup> Viktor Pirmana and others, 'Environmental Costs Assessment for Improved Environmental-Economic Account for Indonesia', *Journal of Cleaner Production*, 280 (2021), 124521 <https://doi.org/10.1016/j.jclepro.2020.124521>

<sup>59</sup> Yizheng Chen, Jingkui Li, and Guoqiang Tian, 'Reputation and Liability in Experience Goods Markets with Imperfect Monitoring', *Economics Letters*, 220 (2022), 110854 <https://doi.org/10.1016/j.econlet.2022.110854>

<sup>60</sup> Maxime Charreire and Eric Langlais, 'Should Environment Be a Concern for Competition Policy When Firms Face Environmental Liability?', *International Review of Law and Economics*, 67 (2021), 105990 <https://doi.org/10.1016/j.irl.2021.105990>

in substantial economic losses and ecological damage to the country<sup>61</sup>. One of the causes of this failure is the lack of synchronization, coordination, integration, and harmony of the criminal justice system. Environmental laws violate the principle of proportionality because they do not consider the severity of the offense in determining the severity of the penalty<sup>62</sup>.

Structure and law enforcement (compliance and enforcement) are components of environmental law enforcement in Indonesia. In a broad sense, ecological law enforcement includes preventive and punitive measures. Efforts to enforce environmental law through criminal law are how the three main problems in criminal law are outlined in statutes that have a role in social engineering, which include the formulation of criminal acts, criminal liability, and disciplinary sanctions.<sup>63</sup> A lack of sanctions against social and economic harm would be detrimental to environmental justice, encompassing all aspects, including critical cultural norms and regulations—the influence of economic and political structures and prejudice against ecological injustice<sup>64</sup>.

To achieve scanning integrated into corporate criminal acts, if there are adequate regulations as a basis for law enforcement officials. Environmental violations committed by corporations will be enforced optimally. In addition, law enforcement officials, especially the Public Prosecutor and the Ministry of the Environment, must work together to increase role supervision.<sup>65</sup> This is essential for judging society and ensuring that decision from the court to the corporation is implemented. In line with sustainable development goals, it would be fairer for companies that violate environmental regulations to face legal sanctions if they are appropriately supervised and follow the correct rules. So, the system will continuously between regulation and enforcement law and therefore can create Environmental Law Enforcement Integrated into the System, Sentencing Corporations in Action Criminal Just Environment.

#### 4. Conclusion

This inequity in the environmental law enforcement system is constrained by overlapping administrative and criminal law provisions, among other factors. So

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<sup>61</sup> Grant Drawve and Susan McNeeley, 'Recidivism and Community Context: Integrating the Environmental Backcloth', *Journal of Criminal Justice*, 73 (2021), 101786 <https://doi.org/10.1016/j.jcrimjus.2021.101786>

<sup>62</sup> Mahrus Ali and M. Arif Setiawan, 'Penal Proportionality in Environmental Legislation of Indonesia', *Cogent Social Sciences*, 8.1 (2022) <https://doi.org/10.1080/23311886.2021.2009167>

<sup>63</sup> Francis Massé, 'Police Power in Green: Furthering Political Ecologies of the State', *Political Geography*, 97 (2022), 102627 <https://doi.org/10.1016/j.polgeo.2022.102627>

<sup>64</sup> Hanne Svarstad and Tor A. Benjaminsen, 'Reading Radical Environmental Justice through a Political Ecology Lens', *Geoforum*, 108 (2020), 1–11 <https://doi.org/10.1016/j.geoforum.2019.11.007>

<sup>65</sup> Subhan Ullah and others, 'Multinational Corporations and Human Rights Violations in Emerging Economies: Does Commitment to Social and Environmental Responsibility Matter?', *Journal of Environmental Management*, 280 (2021), 111689 <https://doi.org/10.1016/j.jenvman.2020.111689>

that it tends to vary from location to location. Second, the threat of punishment is disproportionate to the severity of the offense. Third, the lack of conformity with previous legal arrangements led to disparate sentences. These three factors are issues with the criminalization of the Job Creation Law. To overcome the barrier to achieving criminal justice, the purpose of the law itself places a premium on justice. By committing environmental crimes, corporations violate the Pancasila principles. Because the law formulation is based on Pancasila values as the nation's guiding ideology, the community receives a just legal arrangement, and the current local government adheres to locally inherited and utilized knowledge. This is the optimal combination of local expertise and autonomy. In addition, the role of environmental justice in corporate crime should be acknowledged so that large corporations can bear the environmental costs of complying with environmental regulations and even increase environmental protection investment to gain a competitive advantage in the same industry. In addition, Indonesia seeks economic growth through sustainable investment. Then, it is necessary to implement an integrated punishment system for corporate misconduct. Environmental justice will be harmed by the lack of sanctions for social and economic losses, and creating an integrated system for corporate punishment requires entering new regulations and focusing on environmental criminal law enforcement variably.

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