‘The immoral, the illegal and the criminal. Exploring the relationship between law and corporate harm in Indonesia’

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Abstract: This paper will draw on two separate case studies in Indonesia. The first case study, development of a REDD+ scheme in West Kalimantan, illustrates the challenges involved in a business attempting to comply with all legal requirements to set up its operations. Ultimately, this attempt failed. The second case study, palm oil in Indonesia and the specific case of Wilmar, also comes from West Kalimantan. Here, the business model involved ignoring many legal requirements and then only addressing illegality after the plantation was operational. However, close attention to the details of this case caution against drawing easy conclusions about the connection between illegality and corporate crime. Certainly, there were significant harm wrought by Wilmar in its operations most particularly in the form of pushing people off their land, intimidation and illegal deforestation. However, there were reasons why breaking the law took place. The case studies demonstrate a different dimension in challenges to use law to shape business activity that allows socially responsible, ecologically sustainable and commercially viable business to flourish. Ultimately, the analysis supports the notion that business harm often involves illegality but also reveals a deeper antagonism between law and business that can fuel impunity.

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