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Topic: *Strengthening Legal Frameworks for Combating Human Trafficking and Enhancing Protection of Women and Children*

Corporate Civil Liability in Human Trafficking: Reconstructing Victims' Compensation under Indonesian Private Law

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Abstract. *Human trafficking has evolved into an increasingly complex transnational crime involving not only individual offenders but also corporate actors operating through labour recruitment, outsourcing arrangements, and global supply chains. Although Indonesia has strengthened its legal framework through Law Number 21 of 2007 concerning the Eradication of the Criminal Act of Human Trafficking, the existing legal regime remains predominantly oriented toward criminal prosecution, while the development of corporate civil liability and effective victims' compensation under Indonesian private law remains limited. This study aims to analyse the structural limitations of the current legal framework and to reconstruct a model of corporate civil liability capable of strengthening victims' compensation in Indonesia. Employing normative legal research, this study adopts statutory, conceptual, and comparative approaches by examining Indonesian legislation, international legal instruments, legal doctrines, and comparative legal developments concerning corporate accountability and business and human rights. The findings demonstrate that the principal weakness of Indonesia's anti-trafficking framework lies not in the absence of criminal sanctions but in the insufficient integration of corporate civil liability within victims' compensation mechanisms. To address this gap, this study proposes an Integrated Corporate Civil Liability Framework consisting of five interrelated pillars: Victim-Centred Justice, Corporate Accountability, Integrated Private Law Remedies, Institutional Coordination, and Business and Human Rights Integration. This framework contributes to the development of Indonesian private law by integrating anti-trafficking legislation with corporate accountability principles and restorative justice, thereby providing a more coherent legal basis for strengthening victims' access to effective compensation while promoting responsible corporate conduct.*

Keywords: *Business; Compensation; Corporate; Law; Trafficking.*

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1. Introduction

Human trafficking has long been recognized as one of the most serious forms of transnational organized crime and a grave violation of fundamental human rights. Despite sustained international efforts to combat trafficking through international conventions, regional cooperation, and domestic legal reforms, millions of individuals continue to be subjected to various forms of exploitation worldwide. Trafficking in persons extends beyond sexual exploitation to include forced labour, domestic servitude, forced marriage, child exploitation, organ trafficking, and other contemporary forms of modern slavery. These practices generate substantial economic benefits for criminal networks while causing profound physical, psychological, social, and economic harm to victims. Consequently, human trafficking is no longer perceived solely as a criminal justice issue but has evolved into a multidimensional legal, social, economic, and human rights challenge requiring comprehensive responses from national governments, international organizations, and private actors.

The increasing complexity of human trafficking has transformed the understanding of how trafficking-related exploitation occurs within contemporary economic systems. Recent developments indicate that trafficking is frequently facilitated through legitimate commercial activities, including labour recruitment agencies, outsourcing companies, subcontracting arrangements, multinational enterprises, and global supply chains. Corporate entities may contribute directly or indirectly to trafficking-related exploitation through negligent recruitment practices, inadequate human rights due diligence, weak labour monitoring systems, or failures to prevent exploitative business relationships. Accordingly, recent scholarship has increasingly emphasized the importance of corporate accountability in addressing trafficking-related harm. This shift reflects the growing recognition that effective anti-trafficking strategies should extend beyond criminal prosecution and include preventive corporate governance, business and human rights principles, and legal mechanisms capable of ensuring meaningful remedies for victims. As one of the largest labour-sending countries in Southeast Asia, Indonesia continues to face significant challenges in preventing and addressing human trafficking. The country's strategic geographical location, extensive maritime borders, high levels of labour migration, socio-economic disparities, and increasing demand for low-cost labour have created conditions that expose many individuals to trafficking-related exploitation. Indonesian victims are trafficked both domestically and internationally for purposes including forced labour, sexual exploitation, domestic servitude, forced marriage, and exploitation within fisheries, plantations, manufacturing industries, and other labour-intensive sectors. These realities demonstrate that trafficking in Indonesia constitutes not only a criminal offence but also a complex legal and socio-economic problem requiring integrated legal responses.

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In response, Indonesia enacted Law Number 21 of 2007 concerning the Eradication of the Criminal Act of Human Trafficking, complemented by legislation on migrant worker protection, witness and victim protection, labour law, and Indonesia's commitments under international legal instruments such as the Palermo Protocol. Collectively, these instruments reflect Indonesia's commitment to combating trafficking and protecting victims.

Over the past decade, scholarly attention to human trafficking has expanded considerably, reflecting the growing recognition of trafficking in persons as a multidimensional legal issue. Existing studies have examined trafficking from diverse perspectives, including criminal law, international human rights, migration governance, labour protection, gender-based violence, and transnational organized crime. These studies have substantially contributed to understanding trafficking networks, victim vulnerability, state responsibility, and legal protection mechanisms.

Another important strand of scholarship has focused on corporate involvement in trafficking-related exploitation. The emergence of Business and Human Rights (BHR) scholarship has shifted attention toward corporate responsibility within global production systems, labour recruitment mechanisms, and international supply chains. Existing research argues that corporations may contribute to trafficking-related harm not only through direct participation but also through inadequate human rights due diligence, ineffective labour monitoring, negligent recruitment practices, and failures to identify human rights risks within commercial operations.

2. Research Methods

This study employs normative legal research to examine the adequacy of the Indonesian legal framework governing corporate civil liability in cases of human trafficking and to formulate a reconstructed framework for victims' compensation under Indonesian private law. Normative legal research is appropriate because the primary objective of this study is to analyse legal norms, principles, doctrines, and regulatory frameworks rather than empirical social behaviour. Accordingly, the research focuses on evaluating the consistency, coherence, and effectiveness of existing legal rules while proposing normative legal improvements capable of strengthening corporate accountability and victims' access to effective remedies. The research adopts three complementary legal approaches. First, the statutory approach is employed to examine the relevant Indonesian legislation, including Law Number 21 of 2007 concerning the Eradication of the Criminal Act of Human Trafficking, the Indonesian Civil Code, legislation concerning witness and victim protection, labour-related regulations, and relevant international legal instruments such as the Palermo Protocol. This approach enables the study to evaluate the extent to which existing legislation regulates corporate responsibility and victims' compensation.

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3. Result and Discussions

3.1. Existing Legal Framework Governing Human Trafficking and Corporate Liability in Indonesia

Indonesia has progressively developed its legal framework to combat human trafficking by integrating criminal law, human rights protection, labour regulation, and international legal commitments into a comprehensive anti-trafficking regime. This legal development reflects the growing recognition that trafficking in persons is not merely an ordinary criminal offence but constitutes a serious violation of human dignity, fundamental human rights, and social justice. As the scale and complexity of trafficking have expanded across national borders and economic sectors, Indonesian lawmakers have increasingly sought to establish legal mechanisms capable of preventing trafficking, prosecuting offenders, and protecting victims. Consequently, the current Indonesian legal framework represents the product of both domestic legal reform and international legal obligations, particularly following Indonesia's commitment to implementing internationally recognised standards on trafficking in persons.

The cornerstone of Indonesia's anti-trafficking legislation is Law Number 21 of 2007 concerning the Eradication of the Criminal Act of Human Trafficking. The enactment of this legislation marked a significant transition from fragmented legal regulation toward a comprehensive statutory framework specifically addressing trafficking in persons. Prior to the enactment of Law Number 21 of 2007, trafficking-related offences were prosecuted through scattered provisions contained in the Indonesian Criminal Code and several sectoral regulations that primarily focused on individual criminal conduct. Such fragmented regulation proved inadequate for addressing increasingly sophisticated trafficking networks operating through organised criminal groups, labour recruitment agencies, transnational migration channels, and commercial enterprises. The enactment of a specialised anti-trafficking statute therefore represented an important legislative response to the evolving characteristics of trafficking and Indonesia's broader commitment to strengthening human rights protection.

The formulation of Law Number 21 of 2007 was substantially influenced by Indonesia's participation in international legal instruments, particularly the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, commonly referred to as the Palermo Protocol. The Protocol introduced internationally accepted standards regarding the definition of trafficking, the protection of victims, and international cooperation in combating trafficking-related crimes. By incorporating these principles into domestic legislation, Indonesia aligned its legal framework with globally recognised norms while adapting them to national legal institutions and socio-economic conditions. This harmonisation demonstrates that the

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Indonesian anti-trafficking regime is not developed in isolation but forms part of an international legal movement seeking to establish coordinated responses against transnational trafficking networks.

Under Law Number 21 of 2007, trafficking in persons is defined broadly to encompass acts of recruitment, transportation, transfer, harbouring, or receipt of persons through the use of violence, threats, coercion, abduction, fraud, deception, abuse of authority, debt bondage, or other forms of exploitation. The legislation recognises that trafficking extends beyond sexual exploitation and includes forced labour, slavery or practices similar to slavery, servitude, organ removal, child exploitation, and other exploitative practices that deprive individuals of their fundamental rights and freedoms. Such a comprehensive definition reflects an important legislative understanding that trafficking constitutes a multidimensional phenomenon involving criminal conduct, economic exploitation, abuse of vulnerability, and violations of internationally protected human rights.

Recognising this development, Indonesian legislation acknowledges that corporations may, under certain circumstances, become subjects of criminal liability in cases of human trafficking. Law Number 21 of 2007 provides a legal basis for imposing criminal sanctions upon corporate entities when trafficking offences are committed for or on behalf of a corporation or where corporate management exercises control over activities resulting in trafficking-related exploitation. The inclusion of corporate criminal liability represents an important legislative development because it reflects an understanding that modern trafficking frequently operates through institutional structures rather than merely through individual perpetrators. By recognising corporations as potential offenders, the legislation attempts to respond to increasingly sophisticated forms of trafficking that exploit commercial relationships and organizational resources.

The foregoing discussion demonstrates that Indonesia has established an increasingly comprehensive legal framework for combating human trafficking through criminal legislation, victim protection mechanisms, and recognition of corporate criminal liability. Nevertheless, the legal architecture remains predominantly oriented toward criminal prosecution, while the development of corporate civil liability and effective compensation mechanisms under Indonesian private law remains comparatively underdeveloped. These structural characteristics raise important questions regarding the adequacy of the current legal framework in ensuring meaningful remedies for victims and provide the foundation for a more critical examination of its normative and institutional limitations in the following section.

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3.2. Structural Limitations in Victims' Compensation under Indonesian Private Law

Although Indonesia has established a relatively comprehensive statutory framework for combating trafficking in persons, the effectiveness of victim protection cannot be assessed solely by the existence of criminal legislation. Contemporary anti-trafficking governance increasingly requires legal systems to ensure not only the prosecution of offenders but also the availability of effective remedies capable of restoring victims' rights and addressing the multidimensional harm resulting from trafficking-related exploitation. In this respect, significant structural limitations remain within the Indonesian legal framework, particularly concerning the integration of corporate civil liability and victims' compensation under private law. These limitations are not merely technical deficiencies in legislative drafting but reflect broader structural characteristics of the Indonesian anti-trafficking regime, which continues to prioritise criminal punishment over comprehensive victim recovery.

The first structural limitation concerns the criminal justice orientation of Indonesia's anti-trafficking framework. Law Number 21 of 2007 was primarily designed to criminalise trafficking offences, strengthen law enforcement institutions, and impose sanctions upon perpetrators. This legislative orientation is understandable given the serious nature of trafficking as a transnational organised crime. Nevertheless, the predominance of criminal law has resulted in a legal framework in which victims' compensation remains largely dependent upon criminal proceedings. In practice, victims frequently obtain access to restitution only after criminal investigations, prosecutions, and judicial proceedings have been successfully completed. Consequently, compensation becomes contingent upon procedural outcomes rather than being recognised as an autonomous civil right that may be pursued independently of criminal liability.

The cumulative effect of these structural limitations demonstrates that Indonesia's anti-trafficking framework remains primarily offender-centred rather than remedy-centred. Criminal sanctions undoubtedly play an essential role in deterring trafficking and punishing perpetrators; however, punishment alone cannot fully restore victims who have suffered prolonged exploitation, loss of income, psychological trauma, physical injury, and social exclusion. Effective access to justice requires legal mechanisms capable of combining criminal accountability with comprehensive civil remedies that address both economic and non-economic losses. Without such integration, victims remain vulnerable to secondary injustice whereby legal recognition of their rights does not result in meaningful compensation or long-term recovery.

These structural weaknesses also reveal a broader normative imbalance within the Indonesian legal system. While criminal law has undergone significant development in response to evolving trafficking patterns, private law has not experienced a corresponding evolution capable of

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accommodating contemporary forms of corporate involvement in trafficking-related exploitation. This imbalance creates an important gap between international developments concerning corporate accountability and domestic mechanisms governing victims' compensation. Accordingly, addressing these deficiencies requires more than legislative amendment; it requires a systematic reconstruction of Indonesian private law capable of integrating principles of corporate civil liability, human rights protection, and victim-centred justice into a coherent legal framework.

3.3 Comparative Perspectives on Corporate Civil Liability in Human Trafficking Cases

Comparative legal analysis serves an important function in normative legal research by identifying alternative legal approaches capable of addressing shortcomings within domestic legal systems. In the context of human trafficking, comparative analysis is particularly valuable because trafficking has evolved into a transnational phenomenon involving cross-border recruitment, multinational corporations, global supply chains, and complex commercial relationships that frequently extend beyond a single jurisdiction. Consequently, many countries have gradually expanded their legal responses beyond criminal prosecution by developing legal mechanisms capable of strengthening corporate accountability and improving access to effective remedies for victims. Examining these developments does not imply that foreign legal models should be transplanted directly into Indonesian law. Rather, comparative analysis enables the identification of legal principles and institutional practices that may be adapted to Indonesia's constitutional framework, legal traditions, and socio-economic conditions.

One of the most influential developments in this area can be observed in the United Kingdom, where corporate accountability has progressively shifted from a narrow criminal law perspective toward broader corporate governance and human rights obligations. Modern Slavery legislation requires commercial organisations to increase transparency regarding labour practices within their supply chains and to identify risks associated with forced labour and trafficking-related exploitation. Although the legislation primarily focuses on corporate disclosure rather than establishing comprehensive civil liability, it reflects an important legal principle: corporations should bear responsibility not only for unlawful conduct occurring within their direct operations but also for risks arising throughout their commercial activities. This preventive approach represents a significant evolution from traditional legal models that relied almost exclusively upon criminal prosecution after exploitation had already occurred.

From a theoretical perspective, the proposed framework contributes to the development of Indonesian private law by expanding the interpretation of corporate civil liability beyond conventional commercial disputes into the broader field of human rights protection. At the

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same time, it contributes to anti-trafficking governance by demonstrating that victim protection should not terminate with criminal conviction but must continue through accessible and effective civil remedies. Accordingly, the framework developed in this study represents a normative model capable of strengthening Indonesia's legal response to trafficking while remaining consistent with existing principles of civil law, restorative justice, and corporate accountability.

4. Conclusion

This study demonstrates that Indonesia has established a comprehensive criminal law framework to combat trafficking in persons through Law Number 21 of 2007 and related legislation. Nevertheless, the existing legal regime remains predominantly oriented toward criminal prosecution, while the development of corporate civil liability and effective victims' compensation under Indonesian private law remains comparatively underdeveloped. As a result, victims continue to face significant legal barriers in obtaining comprehensive remedies, particularly where trafficking-related exploitation involves complex corporate structures operating through recruitment agencies, subcontracting arrangements, and global supply chains. These findings confirm that the principal weakness of Indonesia's anti-trafficking framework lies not in the absence of criminal sanctions but in the insufficient integration of corporate civil liability into mechanisms designed to ensure meaningful compensation for victims. Building upon these findings, this study proposes a reconstruction of corporate civil liability by integrating Indonesian private law, anti-trafficking legislation, and internationally recognised business and human rights principles into a coherent legal framework. Unlike previous studies that primarily examine criminal liability or victim protection separately, this research develops an Integrated Corporate Civil Liability Framework that positions victims' compensation as an independent legal objective supported by complementary criminal and civil law mechanisms. The framework is structured around five interrelated pillars: Victim-Centred Justice, Corporate Accountability, Integrated Private Law Remedies, Institutional Coordination, and Business and Human Rights Integration. Collectively, these pillars provide a normative foundation for strengthening corporate accountability while expanding victims' access to effective legal remedies within the Indonesian legal system.

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