CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE REMEDY OF AFFECTED PEOPLE IN CRIMES AGAINST HUMANITY CASE IN NORTH ACEH, INDONESIA

Ainal Zahra Nabila, Lena Farsia
Faculty of Law, Syiah Kuala University, Indonesia
Jl. Putroe Phang, No. 1, Darussalam, Banda Aceh – 23111
Tel./Fax: +62-651-7552295 e-mail: ainalzahra98@gmail.com

ABSTRACT

This paper examines ExxonMobil's Corporate Social Responsibility (CSR) programs for the remedy of affected people in the crimes against humanity cases that occurred in North Aceh, Indonesia. The method applied to this paper is normative research that describes the case, gathers, and organizes a wide variety of data from the document to produce a report about the role of CSR programs for the remedy of the affected people in crimes against humanity cases committed by the party that is affiliated with the ExxonMobil, (Indonesian National Armed Forces). This paper found that the role of CSR for the remedy of affected people in ExxonMobil crimes against humanity case can be handled by corporate citizenship, which is a limited concept of CSR that comply with international guidance and standard of CSR.

Keywords: Corporate Social Responsibility; Crimes Against Humanity; ExxonMobil; United Nations Guiding Principle on Business and Human Rights, Aceh.

A. INTRODUCTION

Indonesia has a lot of natural resources, one of its natural resources is oil and gas scattered all over Indonesia. Multinational Enterprises (MNEs)\(^1\), especially those that engage in the natural resources field, often see it as something that can generate profit. Therefore, it is not uncommon for several MNEs to choose to invest and resides in Indonesia.\(^2\) MNEs indeed have a significant impact on the community’s economic growth, but on the other hand, they can also cause serious problems. There is an unavoidable tendency to ignore the environment and social communities while maintaining such businesses. As a consequence, social and environmental problems are exacerbated.\(^3\) As a means to reduce these negative

\(^1\) Hereinafter referred to as MNEs

Open access: [http://www.jim.unsyiah.ac.id/SJIL](http://www.jim.unsyiah.ac.id/SJIL)
impacts, business can develop what is known as Corporate Social Responsibility (CSR), which means business continuously commits to contributing to society’s economic and social development.\(^4\)

CSR is defined in many international organizations and business departments. However, one simple definition comes from the European Commission on Renewed EU Strategy 2011-2014. They defined CSR as a business enterprise's responsibility to address its economic, social, and environmental impacts.\(^6\) It can be seen that CSR is a form of soft law. As the definition, the regulation of CSR is also not uniform; that is why the guidelines and standard of CSR are spreading through many international organizations. There are Organizations for Economic Co-Operation and Development (OECD) Guideline for Multinational Enterprises, United Nations Global Compact, the 1998 International Labor Organizations (ILO) Declarations on Fundamental Principle and Rights at Work, Global Reporting Initiative (GRI), Global Sullivan Principle, United Nations Guiding Principle on Business and Human Rights (UNGPs)\(^7\) and companies’ codes of conduct.

Since UNGPs were the last and most relatable to social responsibility, this guideline is used as the primary regulation in this research. John Ruggie created UNGPs, the United Nations Special Representative on Business and Human Rights, in 2011. There are 31 guidelines for states and companies to help prevent, direct, and correct human rights violations committed by business enterprises.

This guiding principle included three principles: Protect, Respect, and Remedy. Protect means a company should protect human rights from violation. Respect is the company obligation to respect human rights at all internationally recognized human rights. Remedy means that company should provide a remedy if the violation of human rights is committed directly or indirectly.

\(^4\) Hereinafter referred to as CSR


\(^7\) Hereinafter referred to as UNGPs

Open access: [http://www.jilm.unsyiah.ac.id/SJIL](http://www.jilm.unsyiah.ac.id/SJIL)
On the other hand, there are also international standards that have been CSR guidance. Those are ISO 26000 Guidance on Social Responsibility and ISO 14001 for Environmental Management Systems (EMS). ISO 26000 describes what social responsibility is, supports businesses and organizations in translating principles into action, and highlights best practices in social responsibility around the world. Meanwhile, ISO 14001 has been developed as an international standard to help organizations demonstrate a continuous commitment to improving their environmental performance.

According to ISO 26000, implementing social responsibility should be an integrated part of all activities covering seven main topics: organizational governance; human rights; labor practices; environmental responsibility; fair operation issues; customer service; and community participation and development.8

ISO 14001 also helps prevent future conflicts between employers and workers by promoting a dignified, healthy work environment, cost-reductions and greater worker productivity. Companies may experience positive social changes when they implement ISO 14001, including improved morale, loyalty and environmental awareness, enhanced relationships with their communities and a better public image.9

In Indonesia, CSR is required as one of mandatory activities in companies’ performance. It is explained in Article 74 of Law No. 40 of 2007 concerning the Limited Liability Company Act10 and Article 15 paragraph b of Law No. 25 of 2007 concerning Investment.11
Besides that, there is also Article 11 paragraph 3\textsuperscript{12} and Article 40 paragraph 5\textsuperscript{13} of Law No. 22 of 2001 concerning Petroleum and Natural Gas that explained an obligatory of companies that working in the field of Oil and Gas to develop the surrounding community and guarantee the rights of indigenous peoples. It also explicates the mandatory environmental development. All those international guidance, standards, and regulation about CSR exist as idealistic laws or \textit{das sollen}.

Furthermore, to be effective or \textit{das sein}, CSR is also needed to mitigate risk, contribute to a positive business reputation, and improve results. Thus, it is not only a social and environmental responsibility. Hence, if a breach or company’s activity directly or indirectly damages the social and environmental, CSR can play its role.

In this study, one of the MNEs cases is an example to see if CSR can play its role in managing company risk, which has also affected the communities around the operations. The case was coming from ExxonMobil Indonesia. In Indonesia, this company has been operating since 1898 in some of the province in Indonesia, including North Aceh, specifically in Arun in 1971.\textsuperscript{14}

This company has caused a huge social problem in Arun, North Aceh. It was because of the affiliation of ExxonMobil with the Indonesian National Armed Forces. ExxonMobil has paid over US$500.000 to Indonesian National Armed Forces for the protection of their operation. However, this affiliation between ExxonMobil and the Indonesian Armed Forces

\textsuperscript{11} Article 15 paragraph b of Law No. 25 of 2007 concerning Investment: Every investor shall have obligations; (a) to apply the principle of good corporate governance. (b) to implement corporate social responsibility

\textsuperscript{12} Article 11 paragraph 3 of Law No. 22 of 2001 concerning Petroleum and Natural Gas: Every joint cooperation contract already signed shall contain at least the following principal provisions; state revenue; working area and reversion; obligation to disburse funds; transfer of ownership of production results of petroleum and natural gas; period and conditions of the extension of contract; settlement of any dispute; obligation to supply petroleum and/or natural gas to meet the domestic need; expiration of contract; post-mining operation obligations; working safety and security; environmental management; transfer of right and obligation; necessary reporting; plan for the development of field; prioritization of the use of domestic goods and services; development of surrounding communities and guarantee for rights of communal society; prioritization of recruitment of Indonesian workers.

\textsuperscript{13} Article 40 paragraph 5 of Law No. 22 of 2001 concerning Petroleum and Natural Gas: Business entities or permanent establishments undertaking the petroleum and natural gas-related business activities as meant in Article 5 shall be responsible for the development of the environmental and local communities.

made the local residents feel inequable. It is because the Indonesian National Armed Forces committed crimes against humanity against the local residents suspected of having a relationship with the Free Aceh Movement (GAM).  

The actions were torture, arbitrary detention, extrajudicial killings, sexual violence, and kidnapping. This action was included in the element of Article 7 of the Rome Statue of International Criminal Court and Article 9 of Law No. 26 of 2000 concerning Human Rights Court. While ExxonMobil itself did not carry out the action, the International Labor Rights Fund (ILO), nevertheless filed a lawsuit on behalf of the 11 members who were proven as the victims of these extraordinarily brutal crimes to the Federal district court in Washington, D.C. 

According to one of the affected victims, they and their family members were tortured and arrested at ExxonMobil's gas plant in Arun. In court documents filed in the *John Doe V case against ExxonMobil Corporation*, it is stated as such. Additionally, 11 other victims were also alleged to have confessed. Despite the dispatch of ExxonMobil, specifically ExxonMobil Corporation and ExxonMobil Indonesia (EMOI) to the Federal district court in Washington, D.C, the negative impacts on the affected people around the operation area also needs to be considered.

Based on the problems mentioned above, this study aims to examine the role of CSR for the remedy of affected people in crimes against humanity case and how ExxonMobil’s CSR behavior addresses such impact on the affected people in Arun, North Aceh.

**B. RESEARCH METHOD**

---


Student Journal of International Law. Fakultas Hukum Universitas Syiah Kuala, Banda Aceh. 23111.
Open access: [http://www.jim.unsyiah.ac.id/SJIL](http://www.jim.unsyiah.ac.id/SJIL)
This research uses library research to obtain data and cite and analyze data relevant to the topic. The type of research conducted in this writing is a Case Approach, which aims to analyze and discuss cases with legal issues that are relevant to a writing. Hence, this method was used to gain data on CSR and crimes against humanity, as well as the ExxonMobil case.

C. FINDINGS AND ANALYSIS

1. The CSR for the Remedy of Affected People in Crimes Against Humanity Case

CSR consists of four responsibilities, those are legal responsibility, ethical responsibility, economic responsibility, and social responsibility. The meaning of ethical responsibility is to ensure that a business practices ethical and transparent business practices across the board, including respect and dignity for its employees, stakeholders, and customers. Provide all employees with competitive pay and comprehensive benefits while treating them with respect, for example, by establishing a higher minimum wage and ensuring all materials are ethically sourced. As a result, businesses also fulfill their philanthropic duties. Companies can fulfill their philanthropic responsibilities on a small scale, such as by sponsoring a nonprofit's annual fundraiser or donating a percentage of their annual revenues to an important cause.\(^{19}\)

On the other hand, the concept of economic responsibility means that companies choose to do good over simply making more money to strengthen their bottom line. For example, the business could sign a contract with a supplier who offers sustainable materials, even if the supplier charges more. In addition, taking action to correct past pay gaps based on gender or race can also demonstrate economic responsibility.\(^{20}\)

In legal responsibility, companies as part of society are obligated to fulfill formal legal requirements, as required by power holders, in this case, governments. When conducting operations, companies should comply with the law.\(^{21}\) Lastly, there is social responsibility. A company's existence depends on the environment and society; it requires greater legitimacy

---


\(^{20}\) Ibid.

from the community's environment. This is because a company is a party that uses resources that can cause social and environmental problems as a result of the utilization.  

Throughout the year, the company implements these four core values through its CSR program, and it will release a community report to let them know how they did economically, socially, environmentally, and ethically. As a matter that responsibility, crimes against humanity cannot be dealt with or solved solely by CSR, due to crimes against humanity being categorized as international crimes under international customary law and falling under the jurisdiction of the International Criminal Court or national human rights courts.

Nonetheless, CSR can provide a remedy to the consequences of crimes against humanity. This is proven by corporate citizenship, a slender concept of CSR, that's visible as a term of citizenship that applies to groups in a nation. Corporate citizenship is an acknowledgment that an enterprise, organization, or enterprise-like business enterprise, has economic, social, cultural, and environmental obligations to the community for which the corporation seeks to acquire a license to perform. The term implies a greater responsibility towards all stakeholders, directly or indirectly, to build and maintain sustained success for the organization and society.

The concept of corporate citizenship is based on the idea that a company has rights and obligations as part of a country's community, just as citizens do. By doing this, a company can benefit from many opportunities. A company can, for instance, develop products that use less raw materials or provide suitable work environments for its employees and society as a whole in order to reduce the negative impact their products have on the environment.

According to the research conducted by Amnesty International, there are five recommendations for the company, especially MNEs, that engage in violations to provide the remedy:

22 Ibid. Page 53
24 Ibid.
1. As an important component of respecting human rights, corporations must respect effective remedies.

2. Provide guidance within the UNGP framework to states and companies on how to address systemic problems that undermine the right to effective remedy.

3. As the UNGP’s framework divides information into three pillars, we urge that access to information - as well as gathering, disclosing and making it accessible - is a prominent concern. In nearly all cases, information is the key to improved protection of human rights, including accountability and access to remedies.

4. A law should prescribe elements of human rights due diligence, including corporate due diligence, as well as due diligence by state investment support mechanisms. While it is crucial to ensure access to information, critical information on social, environmental, and human rights impacts should also be subject to independent verification.

5. Transparency should be improved in the international investment framework, and parliaments and civil society should examine carefully legal frameworks and investment clauses that are relevant to human rights.

As set out above, it is clear that applying international standards and guidance to corporate citizenship can be beneficial for the remedy of the adverse impacts of human rights violations, particularly in cases of crimes against humanity. Furthermore, corporate citizenship, as a narrow concept of CSR, can be used to impact crime against humanity.

Fundamentally, this kind of remedy follows principle 27 of the UNGPs, which states that:26 “States should provide effective and appropriate non-judicial grievance mechanisms, alongside judicial mechanisms, as part of a comprehensive State-based system for the remedy of business-related human rights abuse. In light of this gaps in redress for business-related human rights violations could be addressed by expanding non-judicial mechanisms and/or creating new ones. By including those means combined with mediation or other culturally appropriate and rights-compliant processes -or some combination thereof.27 Furthermore, corporate citizenship can also be used as a remedy for those affected by crimes against

---

26 Guiding Principle 27 of UNGPs
27 Commentary of Guiding Principle 27 of UNGPs
2. The Experience of ExxonMobil CSR to the Affected People of Crimes Against Humanity Case in North Aceh

The affected people of these crimes against humanity, telling their story on the accusations alleged to the ExxonMobil in 2000. There are three representations story of crimes against humanity that affected these people. First, a plaintiff lives near ExxonMobil operations, John Doe IV, was approached, beaten, handcuffed, and his eyes were closed by the Exxon Mobil Indonesian National Armed Forces, at which point he was blindfolded. John Doe IV was taken to ExxonMobil. As soon as he arrived, the Indonesian National Armed Forces began berating and threatening him and accused him of being a member of the Free Aceh Movement. Doe denies being a member of the movement. However, they continued to throw him to the ground and with a knife, engraved the word "Gerakan Aceh Merdeka" on his back. He was subjected to torture and severe injuries by Exxon Mobil Indonesian National Armed Forces for several weeks. In the end, he was released. 28

Second, an Exxon Mobil Indonesian National Armed Forces stopped plaintiff John Doe II while riding his motorcycle in August 2000. At that moment, the motorbike of John Doe II was loaded into the truck, which struck his head and body. His hands were tied behind his back, his eyes were covered with cloth, and he was put in a truck and taken to an area called Kampung Rencong. John Doe II was detained and tortured by Exxon Mobil Indonesian National Armed Forces while wearing a blindfold for three months. As a result of the torturing, John Doe II was seriously injured and had his genitals electrocuted. After about three months of detention and torture, the Exxon Mobil Indonesian National Armed Forces removed the blindfold and uncovered an extensive collection of heads. During this time,

---


Student Journal of International Law. Fakultas Hukum Universitas Syiah Kuala, Banda Aceh. 23111.
Open access: http://www.jim.unsyiah.ac.id/SJIL
Exxon Mobil Indonesian National Armed Forces threatened to kill John Doe II. However, John Doe II was ultimately released. Shortly thereafter, ExxonMobil security personnel came to John Doe II’s home, but he had already fled. Finally, Exxon Mobil Indonesian National Armed Forces burnt down his house.29

The third was Jane Doe I, in March 2001. She was pregnant during that time. One of the Exxon Mobil Indonesian National Armed Forces suddenly attacked her. Jane Doe I and her unborn child were threatened to be killed by the personnel when they forced their way into his home. Although the threat was not carried out in the end, Jane Doe I was still beaten and sexually assaulted.30

In knowing all the stories, it is seen that apparent of PT. Arun and ExxonMobil are controversial to the locals who live near the operations. It is also evident that there have been many losses. ExxonMobil and the people of North Aceh living near ExxonMobil Indonesia had poor relations in this area, which brought disharmony between the two.

In that case, ExxonMobil has designed a campaign that emphasizes social responsibility and corporate citizenship in general, and commitment to present human rights specifically. The activities carried out by a company as part of CSR refer to a good citizenship model. In the first place, ExxonMobil developed a guiding principle for the communities that declares that: 31

“We commit to being a good corporate citizen in all the places we operate worldwide. We will maintain high ethical standards, obey all applicable laws, rules, and regulations, and respect local and national cultures. Above all other objectives, we are dedicated to running safe and environmentally responsible operations.”

In its speech at the CSR conference at Columbia University, where ExxonMobil’s social responsibility was revealed to the public, the company detailed that it is responsible for finding, producing, and storing oil and gas safely, environmentally, and economically. However, it is undeniable that the main benefit to local communities varies in developing

---

29 Ibid.
30 Ibid.
countries. These countries have different traditions and viewpoints than the West. Following this statement, ExxonMobil's business practices in developing countries can be summarized as follows:\(^{32}\)

- In accordance with local laws and regulations, ExxonMobil considers itself an invited guest of the country where it will reside;
- As part of the legal process, the company requests legal protection of its investments;
- Local nationals are trained based on their abilities rather than their ethnicity, race, gender, etc.;
- Through its projects, ExxonMobil will involve the local society, which will be affected by the operations, and, thus, contribute to citizens' involvement in the operation;
- In developing countries, the company claims it is not shifting existing technology, but instead introducing advanced, competing technologies;

In addition to this, ExxonMobil also extended their CSR activities by publishing Corporate Citizenship in a Changing World after one year of the allegations in 2002. This report examines CSR through the company’s involvement in society. In one of the contents, it enacted the commitments to governments, communities, and the larger society in a wide range. Although this report does not significantly alter ExxonMobil's CSR strategy, one of the key topics discussed in this report is the communities. ExxonMobil has been working on this issue for years and believes that their efforts will improve local lives.\(^{33}\)

According to ExxonMobil, the Diversity and Equal Work Program involves the establishment of an Operations Integrity Management System (OIMS), which serves as a self-regulatory system for maintaining safety, health, and environmental standards that are compliant with ISO 14001 and ISO 26000 guidelines; as well as social impact assessments.


\(^{33}\) Ibid.
before investing in projects. Community awareness was an important component of this management system. As part of CSR implementation, ExxonMobil also adheres to UNGPs.\textsuperscript{34}

The OIMS consists of 11 points. In each point, the criteria that must be satisfied in every operation were outlined. In this particular case, point 9 and 10 is the most relevant. It pertains to incident investigation, analysis, community awareness, and emergency preparedness. A report by ExxonMobil called "Caring Neighbors" was also released. This report explains what ExxonMobil is doing in the areas of public policy, health, environment, education, and community development. In order to carry out the projects ExxonMobil has created, ExxonMobil collaborates with the International Committee of the Red Cross (ICRC), Cooperative for Assistance and Relief Everywhere (CARE), and the United Nations International Children's Emergency Fund (UNICEF), as well as the US agencies.\textsuperscript{35}

As part of its standards of business conduct, ExxonMobil also conforms to the principles of the Universal Declaration of Human Rights and to the Voluntary Principle on Security and Human Rights, an initiative initiated by companies, governments, and NGOs in 2000 to address violations of human rights related to security.\textsuperscript{36}

ExxonMobil has also published a statement that affirms its commitment to the principles of the ILO's 1998 Declaration on Fundamental Principles and Rights at Work. To ensure the effective implementation of such statement throughout all of ExxonMobil's programs, all stakeholders must actively participate.\textsuperscript{37} Although ExxonMobil developed CSR programs and declared clearly that they respect human rights, the affected community in North Aceh has not been satisfied with these programs. Communities in North Aceh have experienced a lack of social equality between ExxonMobil and its employees. This is evident from the uninhabitable settlements near ExxonMobil's factory, which have gone unnoticed by

\textsuperscript{35} Op. Cit. Note 36. Page 14
\textsuperscript{36} Op. Cit. Note 38
ExxonMobil. This gap does not necessarily disappear because ExxonMobil employees have a different standard of living than the local community in North Aceh.  

According to H. Muhammad Thaib, regent of North Aceh, the operations of ExxonMobil and PT Arun in North Aceh have not yet contributed to the community's development, especially for residents living near the refinery. As proof, there are still a significant number of uninhabitable houses in the area of the ExxonMobil facility. Moreover, poverty, ignorance and crime continue to persist in Aceh North after the gas was cut off. One more proof is found in Paya Bakong, the area where gas is taken. There are still homes that do not have electricity there.  

He also said that ExxonMobil and Arun's CSR programs are not yet known to local governments. He only knows about receiving a parcel of land, which was assigned to the district government in accordance with the law, and community involvement through the company's subsidiaries, but it is not much. According to his statement, he assessed that ExxonMobil did not manage the funds in coordination with the district government. As a result, he does not know what contribution ExxonMobil has made to North Aceh's development. He conveyed all of this in an interview with Cakrawala Serambi Radio.

**D. CONCLUSION**

CSR is used as a strategy to gain legitimacy from the community, allowing corporations to carry on with their business activities and to resolve disputes in the community. In this particular case, the role and implementation of the CSR program aims to minimize the crimes against humanity impacts experienced by related parties. According to this research, ExxonMobil has pledged to implement and play an active role in their CSR to remedy the repercussions of their complicity to the crimes against humanity case. Although CSR programs and activities have been developed and implemented, the North Aceh communities

---


40 Ibid.
and government do not recognize their efforts. In other words, the role of ExxonMobil CSR remains not effective. Therefore, to provide help by their CSR programs, the researcher recommends that ExxonMobil collaborate more with other institutions, especially public institutions and government. Companies should also dedicate themselves to ensuring human rights are respected. In addition, researchers recommend ExxonMobil increase its community involvement that needs to respect civil and political rights and the rights of vulnerable groups. As a result, the community can see a greater impact of the company's CSR efforts.

BIBLIOGRAPHY

A. Books and Journals


**B. Laws**

Article 7 of Rome Statute of International Criminal Court

Article 9 of Law No. 26 of 2000 concerning Human Rights Court

Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies

Article 15 paragraph b of Law No. 25 of 2007 concerning Investment

Article 11 paragraph 3 of Law No. 22 of 2001 concerning Petroleum and Natural Gas

Article 40 paragraph 5 of Law No. 22 of 2001 concerning Petroleum and Natural Gas

Guiding Principle 27 of UNGPs

Commentary of Guiding Principle 27 of UNGPs

**C. Articles with online sources**


Student Journal of International Law. Fakultas Hukum Universitas Syiah Kuala, Banda Aceh. 23111.

Open access: http://www.jim.unsyiah.ac.id/SJIL


