

FROM SYMBOLIC SUSTAINABILITY TO SUBSTANTIVE JUSTICE: STRENGTHENING LOCAL GOVERNMENT OVERSIGHT OF GREENWASHING IN INDONESIA

I Gusti Ayu Eviani Yuliantari

Faculty of Law, Universitas Pendidikan Nasional, Jalan Bedugul No. 39, Denpasar City, Bali
80225, Indonesia

Email: ayueviani@undiknas.ac.id

Abstract

Greenwashing has emerged as a significant challenge in environmental governance, as sustainability claims made by business actors do not always reflect their actual environmental performance. In Indonesia, this problem is further complicated by regulatory gaps, fragmented environmental oversight, and the changing distribution of authority between central and local governments. This study examines how the principle of substantive justice can provide a normative foundation for strengthening local governments' authority to oversee greenwashing practices and analyses its implementation within Indonesia's regional autonomy framework. The research employs a doctrinal legal method employing statutory, conceptual, case, and interpretive approaches. Primary and secondary legal materials are analysed qualitatively by examining constitutional principles, environmental legislation, regional government regulations, and theories of substantive justice, responsive law, and environmental governance. The study finds that greenwashing is not merely a problem of misleading corporate communication, but also represents a distortion of environmental information that may undermine the constitutional right to a good and healthy environment. From the perspective of substantive justice, environmental supervision should extend beyond formal and administrative compliance toward factual verification of environmental claims, ecological impacts, and corporate practices. Local governments possess strategic advantages because of their proximity to local communities, ecosystems, and business activities, yet their supervisory role remains constrained by increasingly centralised environmental approval mechanisms. Strengthening local authority should therefore be pursued through functional decentralisation and collaborative governance rather than a complete transfer of regulatory power. Local governments should be empowered to conduct on-site verification, validate environmental information, assess socio-ecological impacts, involve affected communities, and issue binding technical recommendations within environmental supervision processes. The study contributes a legal framework that integrates substantive justice, regional autonomy, and greenwashing oversight – positioning local governments as key actors in ensuring environmental transparency, accountability, and the substantive protection of ecological and community interests.

Keywords: *Greenwashing; Substantive Justice; Regional Autonomy; Environmental Governance; Local Government.*

A. Introduction

Environmental issues have become a global concern as ecosystem damage caused by increasing industrial activities.¹ The latest global assessment indicates that the flow of funding supporting economically destructive activities remains at a very high level. The State of Finance for Nature 2026 report notes that approximately US\$7.3 trillion is still allocated annually to economic sectors that directly contribute to environmental degradation, particularly in the fields of energy, industrial production, agriculture, and infrastructure development.² Environmental issues represent a persistent global challenge – increasing international attention to sustainable development in recent years.³ The magnitude of these investments indicates that the global economic system continues to provide significant financial support for activities that have the potential to accelerate ecosystem degradation, while funding specifically directed toward environmental protection and restoration remains far smaller. This situation reveals a structural imbalance in global development governance, where activities that impose significant ecological pressures actually receive greater financial support than efforts aimed at conservation and environmental sustainability. These findings underscore that the environmental costs associated with modern economic activities are frequently not internalised by industry actors, but are instead passed on to society and the environment.

In addition, the United Nations Environment Programme (UNEP) report also notes that global air pollution causes approximately seven million mortality each year, indicating that environmental degradation impacts not only ecosystem damage but also human health and well-being. The global environmental report also indicates that land degradation has reached alarming levels – estimated at nearly 40% of the world's land area is experiencing a decline in ecosystem quality, whether due to changes in land use, the exploitation of natural resources, or the pressures of unsustainable economic activities. Such situation not only impacts ecological balance but also

¹ Michael J. Kennish, "Environmental Threats and Environmental Future of Estuaries," *Environmental Conservation* 29, no. 1 (2002): 78–107, Cambridge Core, <https://doi.org/10.1017/S0376892902000061>; Björn Malmqvist and Simon Rundle, "Threats to the Running Water Ecosystems of the World," *Environmental Conservation* 29, no. 2 (2002): 134–53, Cambridge Core, <https://doi.org/10.1017/S0376892902000097>; Ram Lakhan Singh and Pradeep Kumar Singh, "Global Environmental Problems," in *Principles and Applications of Environmental Biotechnology for a Sustainable Future*, ed. Ram Lakhan Singh (Springer Singapore, 2017), https://doi.org/10.1007/978-981-10-1866-4_2.

² UNEP, *Harmful Investments Outpace Nature Protection by 30 to 1 – New UNEP Report*, 2026, <https://www.unep.org/news-and-stories/press-release/harmful-investments-outpace-nature-protection-30-1-new-unep-report>.

³ Yan Ma and Wang-Zhe Han, "How False-Disclosure Greenwashing Affects Corporate Financial Sustainability," *Discover Sustainability* 7, no. 1 (2025): 136, <https://doi.org/10.1007/s43621-025-02465-2>.

poses significant risks to global economic stability. Various analyses indicate that this damage has the potential to threaten economic activities valued at approximately US\$44 trillion, demonstrating that ecosystem sustainability is closely intertwined with the sustainability of global economic development.⁴ As Environmental, Social, and Governance (ESG) information increasingly influences capital flows, the negative consequences of greenwashing have become more severe.⁵ In this context, greenwashing often occurs when companies project an eco-friendly image through sustainability claims or specific communication strategies, even though their operational practices do not yet fully reflect sustainability principles. Such conditions expose a significant gap between normative sustainability claims and the reality of ecological impacts on the ground. Therefore, strengthening oversight mechanisms based on the principle of substantive justice is essential to ensure that environmental protection policies extend beyond administrative compliance and effectively promote corporate responsibility towards both the environment and society.

In the Indonesian context, the protection and management of the environment are the responsibility of the State, as mandated by Article 28H(1) of the 1945 Constitution of the Republic of Indonesia, which affirms that every person has the right to a good and healthy environment. This constitutional mandate is further clarified through Law No. 32 of 2009 on Environmental Protection and Management, which designates the central government and local governments as the primary actors in the implementation of environmental law enforcement.⁶ This is driven by the increasingly evident impacts of climate change, deforestation, peatland ecosystem degradation, and pollution stemming from industrial activities on the quality of life and public health. These

⁴ UNEP, *Solutions for a Healthy, Prosperous and Resilient People and Planet: The UNEP Medium-Term Strategy for 2026–2029* (United Nations Environment Programme (UNEP), 2026), <https://www.unep.org/resources/solutions-healthy-prosperous-and-resilient-people-and-planet-unep-medium-term-strategy>.

⁵ Qi Chen and Xin Wang, “Integrating Market Structure and Supervisory Efficacy: A Game-Theoretic Model of Strategic Greenwashing in ESG Governance,” *Journal of Management Science and Engineering* 11, no. 2 (2026): 207–26, <https://doi.org/10.1016/j.jmse.2026.02.001>.

⁶ Yogi Setya Permana et al., “Post-Politicizing the Environment: Local Government Performance Assessments in Indonesia,” in *Environmental Governance in Indonesia*, ed. Annisa Triyanti et al. (Springer International Publishing, 2023), https://doi.org/10.1007/978-3-031-15904-6_4; Simon Butt and Prayekti Murharjanti, “The Constitutional Right to a Healthy Environment in Indonesia,” *Journal of Environmental Law* 33, no. 1 (2021): 33–56, <https://doi.org/10.1093/jel/eqaa031>; Dian Agung Wicaksono and Bimo Fajar Hantoro, “Struggle for Eco-Constitutionalism: The Role of the Constitutional Court in Realising the Right to a Good and Healthy Environment in Indonesia,” in *Judicial Responses to Climate Change in the Global South: A Jurisdictional and Thematic Review*, ed. Shuma Talukdar and Valéria Emília de Aquino (Springer Nature Switzerland, 2023), https://doi.org/10.1007/978-3-031-46142-2_3; Tommy Firman, “Multi Local-Government Under Indonesia’s Decentralization Reform: The Case of Kartamantul (The Greater Yogyakarta),” *Habitat International* 34, no. 4 (2010): 400–405, <https://doi.org/10.1016/j.habitatint.2009.11.005>; Masaaki Okamoto et al., “Introduction,” in *Local Governance of Peatland Restoration in Riau, Indonesia: A Transdisciplinary Analysis*, ed. Masaaki Okamoto et al. (Springer Nature Singapore, 2023), https://doi.org/10.1007/978-981-99-0902-5_1.

conditions have prompted the government, businesses, and consumers alike to conduct sustainability as a key foundation for gaining social legitimacy for their economic activities.

While ESG disclosures are intended to support sustainable business practices and inform regulatory oversight and investment decisions, their increasing volume and narrative complexity have also heightened the risk of selective reporting and symbolic compliance. Recent empirical evidence indicates that extensive sustainability reporting may improve firms' perceived sustainability performance without producing corresponding improvements in their environmental or social performance, thereby amplifying rather than mitigating greenwashing risk.⁷ Consumers often express positive intentions to buy eco-friendly products; however, their actual purchasing behaviour does not always correspond with their stated intentions.⁸ However, growing global demands for sustainable development practices have also prompted some businesses to project an eco-friendly image as part of their business legitimacy strategy. In practice, this trend is often exploited through a practice known as "greenwashing" – companies' efforts to display sustainability claims or symbols via labels, certifications, or marketing communication strategies that appear to demonstrate a commitment to environmental protection, even though their operational practices do not fully reflect sustainability principles. Such phenomenon essentially reflects a mismatch between the normative representations presented to the public and the reality of the ecological impacts generated by industrial activities. From a legal philosophy perspective, this situation raises ethical issues in business practices and obscures the purpose of environmental law, which should be oriented toward protecting ecological interests and the public's right to a good and healthy environment. Therefore, the practice of greenwashing may be understood as a distortion of the fundamental objectives of environmental governance, as symbolic sustainability claims tend to prioritise formal compliance over the realisation of genuine justice for the environment and society. Within this framework, substantive justice demands that policies, regulations, and oversight mechanisms extend beyond mere compliance to ensure that economic activities are truly conducted in a genuinely responsible manner and do not cause ecological harm on either current or future generations.

⁷ Adriana Ana Maria Davidescu et al., "Detecting Greenwashing in ESG Disclosure: An NLP-Based Analysis of Central and Eastern European Firms," *Sustainability (Switzerland)* 18, no. 3 (2026): 1–38, <https://doi.org/10.3390/su18031486>.

⁸ Ta Thi Nguyet Trang et al., "Sustainability Starts with the Consumer: How Green Consumption Shapes Business Model Transformation a COM-B Analysis of Green Purchase Behavior in Vietnam's Agriculture," *Sustainable Futures* 11 (2026): 101664, <https://doi.org/10.1016/j.sfr.2026.101664>.

A study entitled “Greenwashing in Indonesia: Deceptive Claims and Corporate Social Responsibility (CSR)” shows that Indonesia’s regulatory framework remains insufficient to address unsubstantiated environmental claims.⁹ The weakness in oversight of greenwashing stems not only from the absence of specific legal norms, but also from the failure to fully utilise regional autonomy in the functions of environmental oversight and enforcement. Under Law No. 23 of 2014 on Regional Government, environmental affairs are mandatory responsibilities of local governments. This indicates that local governments have the legal authority to oversee businesses within their jurisdictions, including taking action against greenwashing practices as a form of public deception regarding environmental claims.

Furthermore, a study entitled “Regional Rights, Environmental Wrongs: Unpacking the Paradox of Autonomy in Indonesia’s Environmental Governance” reveals that the devolution of authority to local governments often creates a paradox: regions with strong capacity succeed in managing the environment, while others experience regression due to economic priorities that dominate environmental decision-making.¹⁰ From a theoretical perspective, the concept of substantive justice demands that the law not only be procedural in nature but also produce just outcomes for society and the environment. In the Indonesian context, this is also in line with the mandate of Article 33, paragraph (3) of the 1945 Constitution, which states that the earth, water, and natural resources are controlled by the State and utilised for the greatest possible prosperity of the people. Thus, oversight of greenwashing practices through the authority of local governments is not merely a matter of enforcing regulations, but of realising sustainable environmental justice.

However, several challenges have emerged alongside the phenomenon of greenwashing. First, there are no national regulations that specifically address and penalise greenwashing as a form of misleading environmental manipulation. Second, oversight and coordination capacities between levels of government (central and local) remain weak. Third, regional autonomy has not been fully optimised as an instrument of substantive justice in environmental management. These shortcomings indicate a gap between the regulatory framework, the implementation of regional authority, and the achievement of substantive justice.

⁹ Caecilia Patrice Yonandi, “Greenwashing in Indonesia: Deceptive Claims and Corporate Social Responsibility (CSR),” *Jurnal Ilmiah Wahana Pendidikan* <https://Jurnal.Unibrah.Ac.Id/Index.Php/JIWP> 11, no. 2.A (2025): 107–16, <https://doi.org/https://jurnal.peneliti.net/index.php/JIWP/article/view/9786>.

¹⁰ Grandini Dyah Sagita and Ervira Rahmasari Budi, “Regional Rights, Environmental Wrongs: Unpacking the Paradox of Autonomy in Indonesia’s Environmental Governance,” *Indonesian Journal of Environmental Law and Sustainable Development* 3, no. 1 (2024): 191–228, <https://doi.org/10.15294/ijel.v3i1.78890>.

The gap between normative regulations and environmental oversight practices can be identified through Gustav Radbruch's¹¹ theory of the three fundamental values of law: justice, certainty, and utility. Within this framework, the law is not only evaluated based on the existence of rules that provide formal certainty, but also on its ability in realising justice in practice within society. Therefore, the concept of Substantive Justice emphasises that the implementation of law should not stop at merely fulfilling procedures or administrative formalities, but must ensure that legal norms truly provide effective protection for the public interest and environmental sustainability.¹² In the absence of rigorous regulation and effective enforcement regarding greenwashing, legal framework risk yielding symbolic compliance, thereby failing to advance substantive environmental protection. In such a situation, strengthening the role of local governments through autonomy mechanisms becomes crucial to aligning legal implementation with local social and ecological conditions. With authority that is more responsive to the needs of local communities, local governments have the potential to carry out more effective oversight functions, thereby realising the principle of substantive justice in the practice of environmental management and protection.

This phenomenon implicates the right of access to environmental information guaranteed under Article 65(2) of Law No. 32 of 2009 on Environmental Protection and Management. Furthermore, it may conflict more directly with Article 68(a), which obligates business entities to disclose environmental information accurately, truthfully, openly, and in a timely manner. Ensuring access to reliable environmental information is an essential component of effective environmental governance as it enables meaningful public participation, informed decision-making, and governmental accountability.¹³ Greenwashing may undermine these objectives by

¹¹ Gustav Radbruch, *Rechtsphilosophie*, Gesamtausgabe (C.F. Müller), v. 3 (C.F. Müller Juristischer Verlag, 1987); Gustav Radbruch, "Statutory Lawlessness and Supra-Statutory Law (1946)*," *Oxford Journal of Legal Studies* 26, no. 1 (2006): 1–11, <https://doi.org/10.1093/ojls/gqi041>; Gustav Radbruch, "Five Minutes of Legal Philosophy (1945)*," *Oxford Journal of Legal Studies* 26, no. 1 (2006): 13–15, <https://doi.org/10.1093/ojls/gqi042>.

¹² Peter H. Sand and Jeffrey McGee, "Lessons Learnt from Two Decades of International Environmental Agreements: Law," *International Environmental Agreements: Politics, Law and Economics* 22, no. 2 (2022): 263–78, <https://doi.org/10.1007/s10784-022-09572-9>; Alexandra Aragão et al., "What's Law Got to Do with It? Why Environmental Justice Is Essential to Ecosystem Service Valuation," *Ecosystem Services* 22 (December 2016): 221–27, <https://doi.org/10.1016/j.ecoser.2016.09.012>; C. Stephens et al., "Environmental Justice and Health," in *International Encyclopedia of Public Health*, ed. Harald Kristian (Kris) Heggenhougen (Academic Press, 2008), <https://doi.org/10.1016/B978-012373960-5.00664-X>; Nicola Ulibarri et al., "Barriers and Opportunities to Incorporating Environmental Justice in the National Environmental Policy Act," *Environmental Impact Assessment Review* 97 (November 2022): 106880, <https://doi.org/10.1016/j.eiar.2022.106880>; John Sorabji, ed., "Substantive Justice and the RSC," in *English Civil Justice after the Woolf and Jackson Reforms: A Critical Analysis* (Cambridge University Press, 2014), Cambridge Core, <https://doi.org/10.1017/CBO9781107280113.005>.

¹³ Sean Whittaker, "Exploring a Right to Submit Environmental Information Under International Environmental Law," *Journal of Environmental Law* 35, no. 3 (2023): 401–18, <https://doi.org/10.1093/jel/eqad025>; Karen

creating a discrepancy between environmental representations and actual corporate performance, thereby reducing the reliability of sustainability information.¹⁴ In the Indonesian context, recent empirical evidence indicates that the expansion of mandatory sustainability reporting has increased the volume of corporate disclosure without consistently improving its substantive quality, revealing a risk of nominal rather than substantive compliance.¹⁵ This problem also concerns regional environmental governance because environmental affairs constitute mandatory governmental affairs unrelated to basic services under Article 12(2)(e) of Law No. 23 of 2014, within a broader system of authority distributed among the central, provincial, and regency or municipal governments.¹⁶

The implementation of regional autonomy in Indonesia continues to present institutional, legal, and administrative challenges that require further examination. Decentralisation has transferred significant governmental responsibilities to subnational authorities, but differences in institutional capacity, accountability, coordination, and local political conditions continue to influence the effectiveness of local governance.¹⁷ These challenges are particularly relevant to environmental governance. Permana et al.¹⁸ explained that local environmental governance in Indonesia remains characterised by uneven institutional capacity and performance assessment mechanisms that may emphasise administrative documentation without adequately reflecting

Morrow, "Informational Requirements and Environmental Protection," in *The Oxford Handbook of Comparative Environmental Law*, ed. Emma Lees and Jorge E. Viñuales. (Oxford University Press, 2019), <https://doi.org/10.1093/law/9780198790952.003.0043>.

¹⁴ Augustine Okeke, "Measuring Greenwashing: Validating Constructs for Corporate Environmental Misrepresentation," *Innovation and Green Development* 5, no. 3 (2026): 100363, <https://doi.org/10.1016/j.igd.2026.100363>; Célia Santos et al., "The Greenwashing Effects on Corporate Reputation and Brand Hate, Through Environmental Performance and Green Perceived Risk," *Asia-Pacific Journal of Business Administration* 16, no. 3 (2024): 655–76, <https://doi.org/10.1108/APJBA-05-2022-0216>; Célia Santos et al., "The Impact of Greenwashing on Sustainability Through Green Supply Chain Integration: The Moderating Role of Information Sharing," *Environment, Development and Sustainability* 27, no. 9 (2025): 21709–36, <https://doi.org/10.1007/s10668-024-05009-2>; Ellen Pei-yi Yu et al., "Greenwashing in Environmental, Social and Governance Disclosures," *Research in International Business and Finance* 52 (April 2020): 101192, <https://doi.org/10.1016/j.ribaf.2020.101192>.

¹⁵ Indah Fajarini Sri Wahyuningrum et al., "Has Mandatory Reporting Improved Environmental Disclosure Quality in Indonesia?," *World Development Perspectives* 39 (September 2025): 100718, <https://doi.org/10.1016/j.wdp.2025.100718>.

¹⁶ Irwanda Wisnu Wardhana and Amrie Firmansyah, "Indonesia," in *Local Government and Fiscal Transfers: Enhancing or Weakening Democracy?*, ed. Juraj Nemec et al. (Springer Nature Switzerland, 2026), https://doi.org/10.1007/978-3-031-95674-4_5; Permana et al., "Post-Politicizing the Environment: Local Government Performance Assessments in Indonesia."

¹⁷ Roy Valiant Salomo and Krisna Puji Rahmayanti, "Progress and Institutional Challenges on Local Governments Performance Accountability System Reform in Indonesia," *Sage Open* 13, no. 4 (2023): 21582440231196659, <https://doi.org/10.1177/21582440231196659>; Dennis Shoesmith et al., "Decentralised Governance in Indonesia's Disadvantaged Regions: A Critique of the Underperforming Model of Local Governance in Eastern Indonesia," *Journal of Current Southeast Asian Affairs* 39, no. 3 (2020): 359–80, <https://doi.org/10.1177/1868103420963140>.

¹⁸ Permana et al., "Post-Politicizing the Environment: Local Government Performance Assessments in Indonesia."

actual environmental conditions. Meanwhile, much of the existing greenwashing literature has concentrated on corporate practices, sustainability disclosure, supply chains, and sector-specific contexts – including fashion, tourism and hospitality, as well as environmentally sensitive industries.¹⁹ Research specifically connecting greenwashing oversight with Indonesia's decentralised structure of environmental governance remains comparatively underexplored. This gap is considered significant because local governments occupy an important intermediary position between national environmental policy, business activities, local ecosystems, and affected communities. Examining how regional authority is exercised, constrained, or underutilised in verifying environmental claims, therefore, provides an important basis for understanding whether decentralisation can contribute to more effective greenwashing oversight and the realisation of substantive environmental justice.

This study aims to fill this gap by highlighting the relationship between greenwashing practices, substantive justice, and local authority within the framework of regional autonomy. The author seeks to propose a reformulation of legal policy that not only emphasises normative regulation but also strengthens local capacity to detect, address, and prevent misleading environmental claims. Accordingly, this study offers a scientific novelty in the form of integrating greenwashing analysis with perspectives on substantive justice and the decentralisation of local authority as an approach that remains rare in environmental law studies in Indonesia.

Thus, an examination of greenwashing cannot be viewed solely through the lens of business ethics or regulatory shortcomings; rather, it must be situated within a broader framework—namely, how local authority can be optimised to achieve substantive justice in environmental law. This analysis is crucial for identifying the extent to which decentralisation has effectively supported environmental protection, while also identifying new policy formulations capable of addressing

¹⁹ Magali A. Delmas and Vanessa Cuerel Burbano, “The Drivers of Greenwashing,” *California Management Review* 54, no. 1 (2011): 64–87, <https://doi.org/10.1525/cmr.2011.54.1.64>; Thomas P. Lyon and A. Wren Montgomery, “The Means and End of Greenwash,” *Organization & Environment* 28, no. 2 (2015): 223–49, <https://doi.org/10.1177/1086026615575332>; Eun-Hee Kim and Thomas P. Lyon, “Greenwash vs. Brownwash: Exaggeration and Undue Modesty in Corporate Sustainability Disclosure,” *Organization Science* 26, no. 3 (2015): 705–23, <https://doi.org/10.1287/orsc.2014.0949>; Yu et al., “Greenwashing in Environmental, Social and Governance Disclosures”; Marta Pizzetti et al., “Firms Talk, Suppliers Walk: Analyzing the Locus of Greenwashing in the Blame Game and Introducing ‘Vicarious Greenwashing,’” *Journal of Business Ethics* 170, no. 1 (2021): 21–38, <https://doi.org/10.1007/s10551-019-04406-2>; Aayushi Badhwar et al., “Unraveling Green Marketing and Greenwashing: A Systematic Review in the Context of the Fashion and Textiles Industry,” *Sustainability* 16, no. 7 (2024): 2738, <https://doi.org/10.3390/su16072738>; Imran Rahman et al., “Consequences of ‘Greenwashing’: Consumers’ Reactions to Hotels’ Green Initiatives,” *International Journal of Contemporary Hospitality Management* 27, no. 6 (2015): 1054–81, <https://doi.org/10.1108/IJCHM-04-2014-0202>; Han Chen et al., “Greenwashing in Hotels: A Structural Model of Trust and Behavioral Intentions,” *Journal of Cleaner Production* 206 (January 2019): 326–35, <https://doi.org/10.1016/j.jclepro.2018.09.168>.

the challenges of greenwashing. An in-depth study on strengthening local authority within the framework of regional autonomy grounded in substantive justice and progressive law need to be conducted, so that the law serves as an administrative tool, liberation, and protection for communities against economic power imbalances and environmental exploitation.

The research questions based on this condition include How can the principle of substantive justice serve as a normative basis for strengthening local governments' authority to oversee greenwashing practices? How is the principle of substantive justice actually implemented in the exercise of local governments' authority to oversee greenwashing practices under Indonesian law?

This study employs a doctrinal legal research method, which views law as a written and systematic body of norms analysed through a literature review of both primary and secondary legal sources. In this approach, law is understood as a social phenomenon, a prescriptive, and binding system of norms.²⁰ The analysis of legal materials was also conducted using a descriptive qualitative approach, which involved describing, interpreting, and constructing legal norms to identify the underlying principles and the alignment between the principles of substantive justice, regional autonomy policies, and oversight of greenwashing practices.

This study adopts statutory, conceptual, and the case approaches. The statutory approach involves examining the relevant normative provisions, while the conceptual approach is employed to analyse the legal doctrines and theoretical foundations underpinning the principle of substantive justice as the basis for strengthening regional autonomy in the oversight of greenwashing. In addition, legal analysis is also conducted through an interpretive approach, by assessing the extent to which positive law aligns with the goals of substantive justice as articulated by Satjipto Rahardjo, who believes that law must be dynamic and uphold humanistic values.

B. The Principle of Substantive Justice Can Serve as a Basis for Strengthening Local Governments' Authority to Monitor Greenwashing Practices

The practice of greenwashing constitutes a form of environmental information manipulation that substantially conflicts with the principle of substantive justice in environmental law. Substantive justice requires that every policy and legal action be directed toward achieving a genuine balance between economic interests and ecological protection. In the context of Indonesian positive law, the obligation to provide accurate and transparent environmental

²⁰ Peter Mahmud Marzuki, *Penelitian Hukum* (Kencana, 2017).

information as stipulated in Article 68(a) of Law No. 32 of 2009 on Environmental Protection and Management reflects the implementation of this principle. This provision embodies the moral and legal value that the integrity of information is not merely an administrative matter, but an aspect of ecological justice that protects the public's right to a good and healthy environment, as guaranteed in Article 28H(1) of the 1945 Constitution of the Republic of Indonesia.

This aligns with Jimly Ashiddiqie's view that environmentally conscious sustainable development can be defined as a conscious and planned effort that integrates the environment—including its resources—into the development process, thereby ensuring the capabilities, well-being, and quality of life for both current and future generations.²¹ From the perspective of substantive justice, transparency in environmental information becomes a crucial tool for ensuring that the public not only receives formal legal protection but also gains meaningful access to information that affects the quality of their environment.²² Thus, if environmental information is manipulated or presented in a misleading manner through greenwashing practices, this not only violates the normative obligations of business actors but also undermines the principle of substantive justice, as the public loses the opportunity to know the true State of the environment and cannot meaningfully participate in the oversight of business activities.

Furthermore, the concept of sustainable development—which positions the environment as an integral part of the development process—also underscores the dimension of intergenerational justice. This concept emphasises that the present generation is not merely to utilise environmental resources but is simultaneously obligated to conserve their ecological integrity so that future generations can enjoy comparable opportunities to satisfy their own needs.²³ This understanding is also consistent with the conception of sustainable development, which seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs.²⁴ Within the Indonesian context, Jimly Asshiddiqie similarly argues that sustainable development

²¹ Hario Danang Pambudhi and Ega Ramadanti, "Menilai Kembali Politik Hukum Perlindungan Lingkungan Dalam UU Cipta Kerja Untuk Mendukung Keberlanjutan Ekologis," *Jurnal Hukum Lingkungan Indonesia* 7, no. 2 (2021): 297–322, <https://doi.org/10.38011/jhli.v7i2.313>.

²² Katrine Soma et al., "Introduction Article: Informational Governance and Environmental Sustainability," *Current Opinion in Environmental Sustainability* 18 (February 2016): 131–39, <https://doi.org/10.1016/j.cosust.2015.09.005>.

²³ Matt W. Hayward et al., "Intergenerational Inequity: Stealing the Joy and Benefits of Nature From Our Children," *Frontiers in Ecology and Evolution* 10 (February 2022): 830830, <https://doi.org/10.3389/fevo.2022.830830>.

²⁴ Otto Spijkers, "Intergenerational Equity and the Sustainable Development Goals," *Sustainability* 10, no. 11 (2018): 3836, <https://doi.org/10.3390/su10113836>.

must consciously integrate economic, social, and environmental interests to ensure the welfare of both present and future generations.²⁵

When linked to local governments' authority within the framework of autonomy, the principle of substantive justice demands that local governments not merely perform administrative functions in environmental management but also actively ensure that environmental information provided by businesses reflects actual conditions. Therefore, local governments' authority to conduct oversight, evaluate environmental documents, and regulate business activities within their jurisdictions becomes a crucial instrument for preventing greenwashing practices.²⁶ By closely monitoring local, social, and ecological conditions, the local governments are in a strategic position to ensure that sustainability claims made by businesses are not merely symbolic; rather, are genuinely aligned with responsible environmental management practices, thereby ensuring that the principle of substantive justice is realised in environmental governance.

When considered in the context of monitoring greenwashing practices, the national development planning system, as stipulated in Law No. 25 of 2004 on the National Development Planning System, provides an important legal and political instrument to ensure that regional development is not reduced to the rhetoric of superficial "green development." Article 3 of the Law No. 25 of 2004 on the National Development Planning System stipulates that development planning must ensure the efficient, effective, equitable, and sustainable use of resources. This principle is directly correlated to substantive justice, as it is oriented toward outcomes that genuinely benefit people and the environment, rather than merely meeting economic or administrative targets. In the context of regional autonomy, this perspective implies that every region must prioritise environmental considerations in the formulation of the Regional Medium-Term Development Plan and the Regional Spatial Plan. Consequently, regional authorities' oversight of environmental matters, including addressing instances of greenwashing can be exercised in a manner consistent with the direction of equitable sustainable development.

Local authorities should not be understood solely within an administrative framework, but also in terms of its substantive role in protecting the public interest and the environment. Local governments have a moral and constitutional responsibility to ensure that all economic activities

²⁵ Pambudhi and Ramadayanti, "Menilai Kembali Politik Hukum Perlindungan Lingkungan Dalam UU Cipta Kerja Untuk Mendukung Keberlanjutan Ekologis."

²⁶ Xiaoyu Zheng and Wenzhen Li, "Government Environmental Attention and Enterprise Greenwashing Behavior: Evidence from China," *Journal of Asian Business and Economic Studies* 31, no. 5 (2024): 392–403, <https://doi.org/10.1108/JABES-03-2024-0144>.

within their jurisdictions do not violate the principles of transparency and environmental accountability. Therefore, local governments can utilise the scope of authority granted by Articles 12 and 13 of Law No. 23 of 2014 on Regional Government to strengthen their factual oversight functions over business entities suspected of engaging in greenwashing. Furthermore, from a substantive justice perspective, greenwashing can be viewed as a form of violation of the right to truthful public information. Hartanto emphasises that the manipulation of environmental information distorts public policy and undermines the effectiveness of environmental law, as decisions by the public and local governments are no longer based on accurate data. Within this framework, the principle of substantive justice demands that law enforcement extend beyond the formal requirements of regulatory compliance to consider the actual ecological consequences of permitted activities for communities and the environment.²⁷

This authority should be understood as a means of ensuring that environmental law achieves not only procedural compliance but also its substantive objectives of protecting society and the environment. Gustav Radbruch's theory regarding the three fundamental values of law—justice (*Gerechtigkeit*), legal certainty (*Rechtssicherheit*), and purposiveness (*Zweckmäßigkeit*)—suggests that legal decision-making should seek an appropriate balance among these values rather than prioritising one in isolation.²⁸ Within environmental governance, legal certainty remains essential because businesses and public authorities require clear and predictable regulatory standards. At the same time, as Robert Alexy explains in his interpretation of Radbruch's Formula, legal certainty cannot serve as the sole criterion of legality – where formal compliance masks serious distortions of justice.²⁹ In the context of greenwashing, businesses may satisfy procedural requirements while disseminating misleading environmental information that undermines the public's constitutional right to accurate environmental information. Such conduct does not necessarily undermine the validity of legal framework; but it demonstrates that formal legality is insufficient to realise the substantive objectives of environmental law.

²⁷ Wenda Hartanto, "Kesadaran Hukum Sebagai Aspek Dasar Politik Hukum Legislasi: Suatu Tinjauan Filsafat," *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional* 4, no. 3 (2015): 469, <https://doi.org/10.33331/rechtsvinding.v4i3.17>.

²⁸ Robert Alexy, *Law's Ideal Dimension*, 1st ed. (Oxford University Press, 2021), <https://doi.org/10.1093/oso/9780198796831.001.0001>; Marijan Pavčnik, "Radbruch's Formula and the Concept of Law," in *Encyclopedia of the Philosophy of Law and Social Philosophy*, ed. Mortimer Sellers and Stephan Kirste (Springer Netherlands, 2017), https://doi.org/10.1007/978-94-007-6730-0_218-1; Seow Hon Tan, "Radbruch's Formula Revisited: The *Lex Injusta Non Est Lex* Maxim in Constitutional Democracies," *Canadian Journal of Law & Jurisprudence* 34, no. 2 (2021): 461–91, <https://doi.org/10.1017/cjlj.2021.12>.

²⁹ Tan, "Radbruch's Formula Revisited"; Alexy, *Law's Ideal Dimension*.

Accordingly, strengthening the supervisory role of local governments should not be interpreted as expanding discretionary authority beyond statutory limits. Rather, it enhances the purposiveness of environmental law by enabling authorities that possess closer knowledge of local ecological conditions to verify whether environmental claims genuinely reflect factual compliance with statutory obligations. Greater governmental attention to environmental governance also creates institutional incentives for business operators to align environmental disclosures with their actual environmental performance. Rather than functioning as an enforcement mechanism, sustained governmental oversight encourages firms to internalise environmental responsibility and reduces opportunities for impression management through misleading sustainability claims.³⁰ Such verification is particularly important because greenwashing frequently manifests through selective, incomplete, or misleading environmental disclosures that create an artificial appearance of sustainability while concealing actual environmental performance. Effective supervision therefore requires more than reviewing documentary compliance; it also needs verifying whether environmental disclosures accurately correspond to factual environmental practices.³¹

The implementation of substantive justice principle can strengthen regional autonomy by reinforcing due diligence and verification functions regarding business operators' environmental claims. Although environmental permitting currently falls largely under central government authority through the environmental approval mechanism (Government Regulation No. 22 of 2021 on Environmental Protection and Management), local governments may nevertheless continue to play an important role during the post-permit monitoring phase. They have the legal authority to ensure that businesses fully comply with their environmental commitments as outlined in the Environmental Management Plan and Environmental Monitoring Plan. This can be achieved by optimising substantive oversight tools, such as periodic evaluations, local environmental audits, and community engagement in the monitoring process.

In response to greenwashing indications, local governments may take administrative corrective actions – such as issuing written warnings, temporarily suspending activities, or recommending the revocation of permits to the central government. These measures constitute a concrete implementation of substantive justice, as they prioritise the protection of public interests and environmental sustainability over short-term economic interests. The essence of regional

³⁰ Zheng and Li, “Government Environmental Attention and Enterprise Greenwashing Behavior.”

³¹ Chao Feng et al., “Local Governmental Environmental Responsibility and Corporate Greenwashing: Quasi-Experimental Evidence from China,” *Journal of Asian Economics* 100 (October 2025): 101990, <https://doi.org/10.1016/j.asieco.2025.101990>.

autonomy lies in the distribution of authority and the region's capacity to utilise the interests of its people. Should indications of greenwashing be identified during oversight practices, local governments have the discretion to take administrative corrective actions as part of their environmental oversight functions. Such actions may include issuing written warnings to business operators, temporarily suspending operational activities, or recommending the revocation of permits to the central government if the violations have serious impacts on the environment. This mechanism reflects the exercise of administrative authority and constitutes a form of legal intervention oriented toward the tangible protection of public interests.

From the perspective of substantive justice, these measures contain deeper significance as they prioritise the protection of communities and the sustainability of ecosystems, rather than merely maintaining the short-term stability of economic activities. This indicates that law enforcement does not stop at the formalities of administrative compliance, but is directed toward ensuring that business activities do not cause ecological harm with far-reaching impacts on people's lives. As a result, corrective actions taken by local governments serve as instruments to restore the balance between economic interests and environmental protection. Substantive regional autonomy demands the courage and legitimacy for local governments to make decisions that prioritise ecological justice, including in addressing practices that potentially harm communities, such as greenwashing. Therefore, strengthening local oversight authority and functions becomes the crucial component so that autonomy is not merely formal but truly functions as a responsive legal protection mechanism addressing social and environmental needs.

The principle of substantive justice plays an important role in the development of environmental law, particularly when the law is confronted with the tension between economic interests and ecological protection. In regional autonomy, this principle can serve as a foundation for asserting that regional authority is not merely administrative in nature, but must also be directed toward efforts to achieve tangible justice for the community and the environment. The concept of substantive justice demands that every policy and legal action embody a sense of justice that can be directly felt, rather than merely fulfilling the formalistic elements of legal certainty. In line with Radbruch's view, justice holds the highest position among other legal values, as justice becomes the ultimate goal of law itself.³² In this regard, it can be argued that substantive justice can serve as a basis for local governments to interpret autonomy progressively by prioritising ecological and

³² Heather Leawoods, "Gustav Radbruch: An Extraordinary Legal Philosopher," *Washington University Journal of Law & Policy* 2 (2000): 489–515, https://openscholarship.wustl.edu/law_journal_law_policy/vol2/iss1/16.

humanitarian interests over formal and procedural ones. Thus, in monitoring greenwashing practices, local governments may apply the principle of substantive justice to assess the substance of corporate behaviour, rather than merely its compliance with administrative regulations.

Substantive justice serves as a relevant foundation for strengthening the role of local governments in overseeing greenwashing practices. As a form of moral and legal misconduct, it occurs when businesses exploit environmental issues to build a positive image without a genuine commitment to sustainability. This practice harms the public, misleads consumers, and erodes the credibility of sustainable development policies. Therefore, the presence of local governments as the implementers of autonomy becomes the key to ensuring that every environmental claim conducted by businesses is truly grounded in evidence and concrete actions – not merely a marketing strategy.

Although local governments serve a crucial role in environmental management, the strengthening of local authority is currently facing new dynamics within the framework of regulatory reform implemented through Law No. 6 of 2023 on the Enactment of the Job Creation Government Regulation in *Lieu* of Law into Law. Through this regulation, the environmental permitting system has undergone fundamental changes with the introduction of an environmental approval mechanism integrated into a risk-based business licensing system. Within this framework, the assessment of environmental documents, such as the Environmental Impact Analysis (EIA) and the Environmental Management and Environmental Monitoring Plans, are conducted through a more centralised and nationally integrated system. Consequently, some strategic authority in the process of assessing and issuing environmental approvals rests with the central government, while local governments, in many cases, act as technical implementers or facilitators in these administrative processes.³³

This situation has increasingly limited the scope for local governments to conduct a more comprehensive assessment of the environmental impacts of a business activity. Within the framework of decentralised governance, such situation underscores the importance of strengthening the oversight functions of local governments so that environmental protection policies do not rely entirely on regulatory mechanisms at the central level. By undertaking oversight that is responsive to the social and ecological realities of their regions, local governments

³³ Nurul Khoirotul Hijriah and Fauzi Syam, “The Impact of Omnibus Law on Local Government Authority in the Management Environment,” *Mendapo: Journal of Administrative Law* 5, no. 1 (2024): 29–42, <https://doi.org/10.22437/mendapo.v5i1.28813>.

are well-positioned to address environmental challenges in a context-specific manner while ensuring that economic activities are carried out in a way that is consistent with the principle of environmental sustainability.

The practice of utilising the “eco-hotel” label in Bali indicates a potential for greenwashing, where sustainability claims do not always align with actual environmental performance. An evaluation through the Public Disclosure Program for Environmental Compliance (PROPER) by the Ministry of Environment indicates that not all hotels achieve a good environmental performance rating, particularly regarding waste management and resource efficiency. This situation is reinforced by industry reports indicating that the hospitality sector in Bali still faces pressure to demonstrate tangible commitments to sustainability.³⁴ This phenomenon aligns with the findings in Tourism Management that the tourism industry is highly susceptible to greenwashing practices due to market-driven reputational pressures regarding eco-friendly imagery. Such situation effectively undermines local governments’ ability to apply the principle of substantive justice, particularly in monitoring greenwashing practices. Local governments, which should best understand the social, cultural, and ecological conditions in their regions, actually lack full authority to assess the substantive validity of environmental claims made by businesses. Consequently, potential violations or irregularities such as greenwashing often escape oversight because local governments lack the authority to deny or delay permits even when they find indications of sustainability violations.

The use of “eco-hotel” or “green resort” labels in Bali can be understood as a form of marketing strategy that capitalises on tourists’ growing awareness of environmental sustainability issues. Many hospitality businesses adopt an eco-friendly narrative by highlighting the use of natural materials, the reduction of single-use plastics, and specific conservation programs as part of their corporate image. However, upon closer examination, not all of these claims are supported by consistent and measurable environmental management performance. In this context, such practices have the potential to fall into the “greenwashing” category —that is, when the sustainability image being promoted does not align with actual conditions on the ground. This can be seen in the results of the PROPER evaluation conducted by the Ministry of Environment,³⁵

³⁴ Mimi Hudoyo, “Bali’s Hotel Industry under Pressure to Prove Commitment to Sustainability,” 2025, <https://www.ttgasia.com/2025/10/07/balis-hotel-industry-under-pressure-to-prove-commitment-to-sustainability/>.

³⁵ Imran Rahman et al., “Evidence of Green Signaling in Green Hotels,” *International Journal of Hospitality Management* 85 (February 2020): 102444, <https://doi.org/10.1016/j.ijhm.2019.102444>.

which indicates that some hotels in Bali still face fundamental challenges in environmental management – particularly regarding wastewater management, excessive groundwater use, and suboptimal waste management systems. In some cases, hotels that actively promote themselves as eco-friendly actually lack adequate wastewater treatment systems or still rely on waste disposal practices that have the potential to pollute the surrounding environment. This situation highlights a discrepancy between the sustainability claims communicated to the public and the operational practices actually implemented.

Furthermore, greenwashing practices in the context of eco-hotels in Bali can also be analysed from the perspective of information transparency. Many sustainability claims made in promotional materials are not backed by measurable data or independent verification mechanisms. For example, the term use of “eco-friendly” or “sustainable” often lacks clear definitions of the underlying indicators, leading to ambiguity for consumers. In such situations, tourists as consumers lack a sufficient basis to assess whether a hotel genuinely implements sustainability principles or merely uses the label as a marketing tool. This aligns with the primary characteristic of greenwashing: the presence of partial, incomplete, or potentially misleading information.

The case of eco-hotels in Bali not only highlights ethical issues in tourism business practices but also underscores the challenges of enforcing fair environmental laws. Greenwashing practices in this sector demonstrate that without robust verification mechanisms and effective oversight, sustainability claims risk becoming tools of false legitimacy that actually undermine environmental protection goals. Therefore, strengthening local governments’ authority to oversee and verify environmental claims is crucial to ensuring that the principle of substantive justice is effectively realised in environmental management within the tourism sector.

In this context, a potential solution involves fostering synergies in the division of authority between the central and local governments, positioning local governments as administrative implementers and decision-makers based on substantive evaluations. This can be achieved through two approaches. First, the collaborative governance approach – permitting local governments to actively participate in the environmental approval process through joint review or shared authority mechanisms.³⁶ This model allows local governments to provide binding substantive assessments of local ecological and social aspects before environmental approvals are issued by the central government. Such collaborative arrangements are particularly important for reducing information

³⁶ Muhammad Noor et al., *Collaborative Governance: Suatu Tinjauan Teoritis Dan Praktik* (Bildung, 2022).

asymmetry between regulators and project proponents. Because local governments and affected communities possess first-hand knowledge of ecological conditions, environmental risks, and local socio-economic dynamics, they are able to verify information that may not be fully captured through centralised administrative review or corporate environmental submissions.³⁷

Furthermore, a collaborative approach to environmental management can improve the quality of decision-making by incorporating diverse perspectives, including local knowledge, which is often overlooked in top-down approaches.³⁸ Rather than treating local governments and the public as passive consultees, collaborative governance recognises them as integral partners in environmental supervision whose participation strengthens transparency, accountability, and the credibility of environmental decision-making.³⁹ Such cooperation enables central governments to establish institutional frameworks and common regulatory objectives while allowing local governments to perform frontline functions of supervision, verification, and coordination based on their proximity to environmental conditions and affected communities.

Furthermore, social oversight has become an increasingly important dimension in environmental governance. The media, non-governmental organisations, and civil society have an active role in exposing and criticising sustainability claims that do not align with reality. The media spotlight, naming-and-shaming campaigns by NGOs, and amplification through social media have proven to be effective tools in pressuring companies to act more responsibly.⁴⁰ These mechanisms not only strengthen external oversight of companies but also raise public awareness related to the importance of environmental transparency and accountability.

The governance framework for combating greenwashing also indicates that the effectiveness of prevention measures depends on formal legal instruments and the interaction of various multidimensional oversight mechanisms. In this context, government regulations and legal approaches remain the primary foundation through binding disclosure requirements. In

³⁷ Jin Guo and Junhong Bai, “The Role of Public Participation in Environmental Governance: Empirical Evidence from China,” *Sustainability* 11, no. 17 (2019): 4696, <https://doi.org/10.3390/su11174696>.

³⁸ Zhaomin Wang et al., “Green Finance Reform, Multifaceted Collaborative Governance, and Corporate Greenwashing: Evidence from Double/Debiased Machine Learning Method,” *Journal of Environmental Management* 383 (May 2025): 125466, <https://doi.org/10.1016/j.jenvman.2025.125466>.

³⁹ Weihua Qu et al., “Analysis of Multi-Agent Greenwashing Governance in China: A Stochastic Evolutionary Game Perspective,” *Journal of Cleaner Production* 492 (February 2025): 144729, <https://doi.org/10.1016/j.jclepro.2025.144729>.

⁴⁰ Xin Yun and Yang Hu, “Can Media Attention Reduce Greenwashing? Insights from China’s Polluting Industries,” *Applied Economics Letters* 33, no. 13 (2026): 2375–80, <https://doi.org/10.1080/13504851.2025.2472031>; Tereza Balcarová et al., “Disentangling Greenwashing Discourse: A Topic and Sentiment Analysis of Public Engagement on Twitter,” *Challenges in Sustainability* 13, no. 2 (2025): 295–315, <https://doi.org/10.56578/cis130210>.

instruments such as the Sustainable Finance Disclosure Regulation and the Corporate in the European Union, the importance of transparency as a means to limit the scope for corporate manipulation of information has been emphasised.⁴¹ These reporting requirements not only enhance accountability but also establish minimum standards that businesses must meet when making sustainability claims.

Second, the functional decentralisation approach should be adopted, under which local governments are granted limited delegated authority to undertake on-site verification, validate environmental documents, and oversee the accuracy of “environmentally friendly” claims.⁴² This authority can be established through a revision of Government Regulation No. 22 of 2021 on Environmental Protection and Management or through a Ministerial Regulation of the Ministry of Environment that outlines the technical role of local governments in ensuring the integrity of environmental claims. From the perspective of environmental administrative law, functional decentralisation is not intended as a full transfer of authority, but rather as a form of limited delegation that allows local governments to carry out oversight functions more effectively based on their proximity to local social and ecological conditions. This model reflects the principle that decentralisation should be function-specific, enabling local governments to exercise clearly defined supervisory responsibilities while preserving the central government's authority over environmental policy and permitting.⁴³ Their proximity to local communities and ecosystems enables more accurate site verification, validation of environmental information, and early identification of potential environmental violations than would be possible through centralised administration alone.

Study indicates that decentralisation, coupled with a clear division of responsibilities, can improve the quality of environmental policy implementation, as local governments have direct access to on-the-ground information and are able to respond more quickly to potential violations.⁴⁴ Such an arrangement is most effective when the central government retains strategic regulatory authority, while local governments undertake operational functions of supervision, verification,

⁴¹ Qi Chen, “Achieving Collaborative Governance: A Tripartite Evolutionary Game Model for Curbing Greenwashing,” *Journal of Management and Sustainability* 16, no. 1 (2026): 41, <https://doi.org/10.5539/jms.v16n1p41>.

⁴² Irfan Maksum, “Memahami Desentralisasi Fungsional (Perbandingan Praktek Di Belanda, Jepang, USA, Dan Jerman),” *Indonesian Journal of International Law* 4, no. 3 (2007), <https://doi.org/10.17304/ijil.vol4.3.156>.

⁴³ Cong Zhanget al., “Legislative Decentralization and Regulatory Dilution: Evidence from Air Pollution Control in China,” *World Development* 191 (July 2025): 107002, <https://doi.org/10.1016/j.worlddev.2025.107002>.

⁴⁴ Karin M. Gustafsson et al., “Science-Policy-Practice Interfaces: Emergent Knowledge and Monarch Butterfly Conservation,” *Environmental Policy and Governance* 27, no. 6 (2017): 521–33, <https://doi.org/10.1002/eet.1792>.

and environmental governance based on their proximity to local conditions.⁴⁵ This functional division enables environmental information to be evaluated through continuous interaction between central oversight and local verification rather than relying on centralised administrative review. Through this authority, local governments can take corrective action against indications of greenwashing through administrative mechanisms, such as recommendations to suspend activities, environmental audits, or reporting to the central government, indeed sanctions through public retractions and imprisonment.⁴⁶

This model of central-local synergy aligns with the concept of collaborative environmental governance, in which the effectiveness of environmental management depends on trust, participation, and coordination across levels of government.⁴⁷ In the Indonesian context, this kind of synergy represents the realisation of substantive justice, as it provides local governments with the opportunity to fulfil their roles based on local empirical conditions, rather than merely carrying out administrative instructions from the central government.

Besides strengthening local legitimacy, this approach can also serve as a means to improve the quality of national environmental law, making it more responsive to socio-ecological dynamics. Regional autonomy must be understood as a mechanism for the decentralisation of justice that is, a distribution of authority that enables the equitable distribution of legal protection and well-being across various regions.⁴⁸ Thus, the synergy between central and local government authorities not only strengthens the effectiveness of oversight over greenwashing practices but also embodies substantive justice in sustainable environmental governance.

Thus, the principle of substantive justice implementation within the scope of regional autonomy contains three key implications: first, expanding the understanding of regional autonomy as an instrument of justice, not merely administrative decentralisation; second, ensuring public participation in environmental oversight as an embodiment of ecological justice; and third, strengthening the legitimacy of regional policies through the integration of justice values at every stage of decision-making. This principle positions the law as a means of liberation and restoration,

⁴⁵ Yuntao Wu et al., “Vertical Decentralization, Environmental Regulation, and Enterprise Pollution: An Evolutionary Game Analysis,” *Journal of Environmental Management* 349 (January 2024): 119449, <https://doi.org/10.1016/j.jenvman.2023.119449>.

⁴⁶ Zico Junius Fernando et al., “Greenwashing as a Crime and the Urgency of Redesigning the Environmental Criminal Law Paradigm,” *Jurnal Kajian Pembaruan Hukum* 5, no. 1 (2025): 55–90, <https://doi.org/10.19184/jkph.v5i1.53693>.

⁴⁷ Chris Ansell and Alison Gash, “Collaborative Governance in Theory and Practice,” *Journal of Public Administration Research and Theory* 18, no. 4 (2008): 543–71, <https://doi.org/10.1093/jopart/mum032>.

⁴⁸ Hasanul Mulkan and Serlika Aprita, *Hukum Otonomi Daerah* (Penerbit Mitra Wacana Media, 2023).

not merely an instrument of control, so that regional autonomy truly functions to protect the rights of the community and environmental sustainability.

C. An International Comparison of Greenwashing Oversight Based on Substantive Justice within the Framework of Decentralised Authority

The substantive justice approach to regulating greenwashing practices has not only evolved in the national context, but is also reflected in various legal and policy practices at the international level. This comparison demonstrates that the effectiveness of greenwashing controls depends on the balance between central regulations and the authority of local or sectoral bodies to conduct substantive verification of environmental claims.

In the European Union, the efforts to strengthen environmental transparency and accountability are implemented through instruments such as the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD).⁴⁹ Both of these regulations emphasise the obligation to disclose comprehensive and verified sustainability information, thereby limiting the scope for companies to manipulate environmental data. Interestingly, however, the implementation of these regulations is not entirely centralised; rather, it involves national authorities in each member state to carry out oversight and enforcement. This model reflects a substantive justice approach, as it not only regulates formal reporting obligations but also ensures that sustainability claims are tested against real-world conditions through oversight mechanisms closely aligned with local contexts. Meanwhile, the CSRD strengthens corporate accountability through sustainability reporting obligations integrated into the corporate reporting framework.⁵⁰ Strengthening accountability through the Corporate Sustainability Reporting Directive (CSRD) not only enhances the transparency of sustainability reporting but also has measurable economic implications for companies. This aligns with the findings in the article entitled “Shareholder Wealth Effects of Corporate Sustainability Reporting Regulations,” which demonstrates that sustainability reporting regulations influence a company’s value in the capital markets. The study found that stricter reporting requirements tend to increase investor confidence by reducing information asymmetry and sustainability-related risks, thereby having a positive impact on shareholder value in the long term.

⁴⁹ Danny Busch, “EU Sustainable Finance Disclosure Regulation,” *Capital Markets Law Journal* 18, no. 3 (2023): 303–28, <https://doi.org/10.1093/cmlj/kmad005>.

⁵⁰ Jiyuan Dai et al., “Mandatory Investor Disclosure, Sustainability Commitments, and Portfolio Decarbonization,” *Journal of Accounting and Economics* 81, no. 1 (2025): 101817, <https://doi.org/10.1016/j.jacceco.2025.101817>.

CSRD can be understood as an instrument that not only strengthens formal accountability but also encourages substantive changes in corporate behaviour. With the obligation of standardised and verifiable reporting, companies no longer have ample room to make symbolic or misleading sustainability claims. This is directly related to efforts to prevent greenwashing practices, as the information conveyed to the public and investors must be supported by verifiable data. Furthermore, these findings indicate that the market responds positively to the improvement in the quality of sustainability information, reflecting a shift in investor preferences toward companies with credible environmental performance. From the perspective of substantive justice, this condition is important as it shows that transparency serves as an administrative obligation and a mechanism capable of creating economic incentives for companies to genuinely implement sustainability practices.

Thus, the correlation between the CSRD and empirical findings regarding the impact of sustainability reporting on shareholder value shows that regulations based on transparency and verification not only strengthen corporate governance but also contribute to the formation of a more equitable and ecologically responsible market system. However, the key characteristic of this system lies in its enforcement mechanism, which is not fully centralised. A study in the *European Business Organisation Law Review*⁵¹ reveals that the enforcement of sustainability reporting obligations fundamentally depends on the national laws of each member state, including in terms of the imposition of sanctions and oversight mechanisms. This model reflects a substantive justice approach because it not only emphasises the formal obligation to report but also ensures that sustainability claims are tested through contextual and empirically-based oversight mechanisms. By involving national authorities that are closely connected to local social and ecological conditions, the verification process becomes more responsive and adaptive to local dynamics.

If compared to the Indonesian context, the European Union's approach provides an important lesson that strengthening regional autonomy in environmental supervision is not a form of authority fragmentation, but rather part of a governance design aimed at improving the quality of supervision. From the perspective of substantive justice, involving local governments in the process of verifying and monitoring environmental claims is crucial, as local governments have

⁵¹ Tania Pantazi, "The Introduction of Mandatory Corporate Sustainability Reporting in the EU and the Question of Enforcement," *European Business Organization Law Review* 25, no. 3 (2024): 509–32, <https://doi.org/10.1007/s40804-024-00320-x>.

direct access to field information and a deeper understanding of the ecological and social conditions in their regions. As a result, this comparison affirms that strengthening the authority of local governments in monitoring greenwashing aligns with international practices. The integration between central regulations and local-based supervision not only enhances the effectiveness of law enforcement but also ensures that environmental laws truly function as instruments to achieve substantive justice, namely real protection for society and the environment.

D. The Principle of Substantive Justice as an Orientation for Environmental Law

The shift in the principle of justice from procedural to substantive is inspired by the idea that not only formal provisions or legal rules should be used to determine justice, but also other social values referred to as substantive justice.⁵² According to Nonet and Selznick's concept of responsive law, legal institutions should not apply rules mechanically but remain subordinate to fundamental principles and public policy, pursue socially desirable outcomes, and evaluate legal action in light of the substantive harms or benefits it produces.⁵³ In this perspective, legality derives from procedural correctness and the law's capacity to protect public interests, thus realise social justice. Consequently, environmental law should not be limited to ensuring procedural compliance in environmental approvals but must also protect ecological integrity and the rights of affected communities.

This orientation is reflected in contemporary environmental law through legal principles that support environmental protection and sustainable development, including the recognition of the human right to a healthy environment, intergenerational equity, environmental impact assessment, the precautionary principle, and obligations to provide timely environmental information regarding potential environmental risks.⁵⁴ The right to a good and healthy environment, as well as the obligation to maintain environmental sustainability, reflects a balance and harmony between the rights and obligations of society toward the environment. This concept falls within the value of substantive justice, which prioritises the balance between the fulfilment of rights and the implementation of societal obligations.

This shift also receives normative legitimacy from the Indonesian constitution. Article 28H paragraph (1) of the 1945 Constitution of the Republic of Indonesia emphasises that everyone has

⁵² Soetandyo Wignjosoebroto, *Hukum Konsep dan Metode* (Setara Press, 2020).

⁵³ Philippe Nonet and Philip Selznick, *Law & Society in Transition: Toward Responsive Law*, with Robert A. Kagan (Routledge, Taylor & Francis Group, 2017).

⁵⁴ Muhammad Akib, *Hukum Lingkungan Perspektif Global Dan Nasional* (Raja Garfindo Persada, 2014).

the right to live with a prosperous life, both physically and mentally, have a place to live, and obtain a good and healthy living environment. This provision signifies that the right to a good and healthy environment is not only a formal legal right but also a human right inherent to every citizen. Furthermore, Article 33 paragraph (4) of the 1945 Constitution emphasises that the national economy is organised based on economic democracy with sustainable and environmentally conscious principles, which demonstrates a direct relationship between socio-economic justice and ecological justice.

These principles are operationalised in Law No. 32 of 2009 on Environmental Protection and Management. In Article 2, it is stated that the protection and management of the environment are based on, among other things, justice, participation, integration, and intergenerational responsibility.⁵⁵ This means that Indonesian environmental law explicitly recognises that substantive justice applies at the individual level but also in the context of intergenerational and social interest relations. Articles 67 and 68 of the Law No. 32 of 2009 on Environmental Protection and Management even emphasise the right and obligation of every person to participate in preserving the environment and to provide accurate, truthful, and transparent information. These provisions serve as a moral and legal basis to reject misleading greenwashing practices.

In addition, substantive justice can also be viewed in the principles of openness and environmental accountability contained in Articles 65 and 66 of Law No. 32 of 2009 on Environmental Protection and Management, which guaranty the public's right to obtain information, participate in decision-making, and achieve justice in the environment.⁵⁶ This principle shows that environmental oversight is an administrative task of the government and a shared moral and legal responsibility between the state and society to ensure the truthfulness of claims and transparency in development practices.

From the perspective of regional autonomy, the principle of substantive justice requires local governments to exercise their authority not merely through formal compliance with statutory procedures, but through substantive assessments of the socio-ecological consequences of proposed activities. In accordance with the responsive law perspective, administrative decisions should remain subordinate to the broader principles and purposes of environmental protection, social

⁵⁵ Tulus Mampetua Lumban Gaol and Irwan Triadi, "Implementasi Penegakan Hukum Lingkungan Untuk Mewujudkan Keadilan Lingkungan Hidup," *Causa: Jurnal Hukum Dan Kewarganegaraan* 4, no. 5 (2024): 52–62. <https://doi.org/52–62.10.3783/causa.v4i5.3613>

⁵⁶ Ibid.

responsibility, and sustainable development.⁵⁷ Accordingly, local governments should not treat compliance with administrative requirements as determinative where credible evidence demonstrates that a proposed activity is likely to undermine environmental justice or ecological sustainability.

Within this framework, the authority of local governments extends beyond administrative verification to evaluating whether development genuinely serves the public interest while respecting environmental limits. Such authority enables local governments to recommend delaying environmental approvals, requiring additional environmental assessments, or referring identified risks to the central government whenever environmental claims appear inconsistent with actual ecological conditions. Rather than functioning as a regulatory instrument, environmental law operates as a purposive legal system directed toward protecting collective welfare, ecological sustainability, as well as the rights of present and future generations. Strengthening regional authority on this basis therefore contributes to a responsive environmental legal system that emphasises substantive justice over procedural formalism while maintaining accountability within Indonesia's environmental governance framework.

E. The Ideal Form of Regional Government Authority

The principle of substantive justice provides the normative foundation for determining how regional government authority should be exercised in environmental governance. Rather than limiting regional governments to administrative compliance, substantive justice requires local authorities to protect ecological sustainability, community welfare, and the integrity of environmental information. In this framework, substantive justice serves as a bridge between the ideal values of justice and empirical reality, so that law does not stop at mere normative certainty, but is able to provide tangible benefits and protection for society, including in the management and protection of the environment.

Substantive justice also provides direction that the implementation of regional autonomy should not only focus on bureaucratic efficiency but also on the protection of humanitarian and environmental values. In the monitoring greenwashing, this can be realised through transparent environmental verification and certification policies that involve the community and academics. Local governments can establish independent oversight bodies or cross-sector verification teams

⁵⁷ Nonet and Selznick, *Law & Society in Transition*.

with the authority to assess the truthfulness of environmental claims made by businesses. Furthermore, public participation-based oversight can be an important instrument for achieving substantive justice, as it provides space for the community to control and evaluate regional policies. Thus, the principle of substantive justice encourages the transformation of regional autonomy from merely a technical executor to a protector of ecological justice values.

When applied to environmental governance, the principle of substantive justice requires environmental decision-making to move beyond procedural compliance and evaluate whether proposed activities genuinely protect ecological sustainability and community welfare. Consistent with the responsive law perspective, environmental law should be assessed according to its capacity to prevent substantive environmental harm rather than merely ensuring compliance with administrative procedures.

In the context of regional autonomy, local governments should not only perform administrative functions as implementers of central policies but also actively ensure that every business activity in their area truly adheres to the principles of ecological justice. Strengthening the oversight function against greenwashing practices, for example, becomes a concrete manifestation of the implementation of substantive justice. Local governments can develop evaluation mechanisms that are not only document-based but also involve factual verification of environmental impacts and the accuracy of sustainability claims made by business actors. Thus, the law functions as a tool for administrative legitimisation and a normative instrument that ensures economic development aligns with environmental protection and community rights. In this framework, substantive justice becomes the philosophical foundation for transforming the function of law from merely a system of rules into a means to achieve sustainable ecological justice. Law is no longer understood narrowly as a normative text, but rather as a system of values that must be realised in practice, thereby capable of addressing the complex challenges in environmental management in the modern era.

The implementation of substantive justice principle also has strategic significance in the context of sustainable development. By strengthening the oversight function against greenwashing practices, local governments are actually protecting the public's right to accurate information and a healthy environment as stipulated in Articles 28H and 28F of the 1945 Constitution. This indicates that substantive justice is not only morally relevant but also constitutionally. Substantive justice thus becomes the foundation for the implementation of responsible autonomy, where regional policies must align with the public interest and not be subject to short-term economic pressures.

To accomplish this, there is a need for the reformulation of regional policies that place the principle of substantive justice as the ethical and operational foundation. Regional governments should formulate Regional Regulations or Regional Head Regulations establishing transparent environmental verification procedures, independent verification mechanisms, public participation requirements, and administrative sanctions against misleading environmental claims. The regulation should clearly stipulate the criteria for environmental claims, the mechanism for green audits, and administrative sanctions for businesses proven to engage in greenwashing. This approach strengthens regional authority from a legal standpoint and enhances the moral legitimacy of regional policies in the public eyes.

The ideal form of regional government authority in environmental supervision based on the principle of substantive justice essentially demands the strengthening of the region's role as an administrative executor and an actor with the capacity for independent assessment and decision-making. In this context, substantive authority in environmental evaluation and validation becomes a key element that must be reconstructed. Local governments should be entrusted with delegated substantive authority to conduct on-site verification, validate environmental information, assess socio-ecological impacts, and recommend the approval, revision, suspension, or reconsideration of environmental approvals whenever factual findings contradict environmental claims submitted by business actors. Final licensing authority may remain with the central government, but regional findings should constitute a mandatory consideration in environmental decision-making.⁵⁸

The government plays a role in: (1) formulating and developing environmental management policies; (2) regulating the availability, utilisation, and management of the environment and genetic resources; (3) regulating legal relationships between individuals and other parties regarding natural and artificial resources, including genetics; (4) controlling activities that provide social impact; and (5) developing funding sources for environmental preservation in accordance with applicable regulations. Local governments need the authority to assess, verify, and provide binding technical recommendations regarding environmental documents based on specific local social and ecological conditions. So far, the administrative responsibility of local governments in monitoring environmental permits has tended to be technical and subordinate to central policies,

⁵⁸ Annisa Sephia Jannah et al., "Tanggung Jawab Administratif Pemerintah Daerah Dalam Pengawasan Izin Lingkungan," *CONSTITUO: Journal of State and Political Law Research* 4, no. 1 (2025): 99–115, <https://doi.org/10.47498/constituo.v4i1.5009>.

so regions do not have strong legal legitimacy to reject or review permits when indications of ecological violations are identified, including greenwashing practices.

For example, in the case of using the “eco-hotel” label in Bali, several hotels promote themselves as environmentally friendly, but based on the PROPER program evaluation by the Ministry of Environment, waste and resource management performance is still found under standard.⁵⁹ This condition indicates that the fulfilment of formal documents does not necessarily reflect substantive compliance with environmental protection principles. An urgent need to reformulate regulations grant local governments with the authority to directly assess the validity of environmental claims submitted by business actors. In the constitutional framework, the management of natural resources is based on the principle that these resources are controlled by the State for the greatest prosperity of the people, operationalised thru the role of the government in formulating policies, regulating the utilisation and management of resources, forming legal relationships between legal subjects, controlling activities with socio-ecological impacts, and developing environmental financing. However, the principle of state control can no longer be interpreted in a centralistic manner, but must be realised through substantive regional autonomy, where local governments actively play an important role as guardians of environmental justice, ensuring that development is not only oriented toward economic growth but also toward ecological sustainability and the social welfare of the community.

Therefore, strengthening the authority of local governments in assessing and verifying environmental claims becomes crucial as part of efforts to prevent greenwashing. Local governments, which are closely connected to the social and ecological conditions of their regions, are in a more strategic position to directly oversee business activities, including assessing the consistency between environmental documents, operational practices, and sustainability claims made to the public. In this framework, reformulating the regulatory framework to enable local governments to reject, review, or even revoke environmental permits based on substantive findings becomes an important step to ensure that the principle of state control over natural resources is truly realised in the form of protection for community interests.

Thus, the transformation of regional autonomy toward substantive autonomy has administrative implications and serves as a strategic instrument for achieving ecological justice. Local governments as guardians of environmental justice are not only responsible for economic

⁵⁹ Hudoyo, “Bali’s Hotel Industry under Pressure to Prove Commitment to Sustainability.”

growth in their regions, but also for the integrity of environmental information, ecosystem sustainability, and the protection of the community's right to a good and healthy living environment. In this context, strengthening regional authority in monitoring and verifying greenwashing practices becomes an integral part of efforts to ensure that development proceeds in a fairly, transparently, and sustainably manner.

Strengthening regional authority should be implemented through functional decentralisation rather than a complete transfer of regulatory power. Within this arrangement, the central government retains strategic regulatory and licensing authority, whereas local governments perform delegated functions of environmental verification, factual assessment, field supervision, and early detection of misleading environmental claims. Such vertical coordination preserves national regulatory consistency while allowing environmental decisions to benefit from local ecological knowledge and continuous on-site monitoring.

In practice, government oversight of environmental protection and management becomes a crucial preventive instrument in environmental law enforcement, as it functions to ensure compliance before broader violations occur. Where environmental oversight is weakened, the effectiveness of administrative environmental law enforcement is correspondingly diminished. Besides preventive measures, there are also repressive efforts in the form of sanctions, which will be effective if carried out comprehensively and intensively with objective and analytical oversight reports delivered promptly.⁶⁰ Moreover, the effectiveness of law enforcement also depends on a repressive mechanism in the form of consistently imposed sanctions, supported by objective, analytical, and timely supervision reports. Thus, the granting of substantive authority to local governments cannot be understood as administrative devolution, but rather as a transfer of trust from the central government to the regions to realise socio-ecological justice as mandated in Article 18A of the 1945 Constitution and Law No. 23 of 2014 on Regional Government.

F. Conclusion

Based on these findings, local governments should strengthen the legal framework for preventing greenwashing by adopting Regional Regulations or Regional Head Regulations that require independent verification of environmental claims as part of the environmental supervision

⁶⁰ Averin Dian Boruna Sidaauruk, "Interdependensi Kewenangan Pemerintah Daerah Dengan Otonomi Daerah dalam Perlindungan dan Pengelolaan Lingkungan Hidup di Indonesia," *Neoclassical Legal Review: Journal of Law and Contemporary Issues* 4, no. 1 (2025): 11–19, <https://doi.org/10.32734/nrljolci.v4i1.20190>.

process. Such regulations should establish transparent verification procedures, define clear criteria for assessing environmentally friendly claims, and provide administrative mechanisms to address misleading environmental information. In addition, environmental supervision should be supported through collaborative governance involving academics, environmental non-governmental organisations, Indigenous communities, and other relevant stakeholders. Such collaboration enables environmental verification to incorporate local ecological knowledge, strengthens public participation, and ensures that environmental decision-making reflects the principles of substantive justice rather than merely formal administrative compliance.

This research is limited by its reliance on a doctrinal legal approach, which primarily examines legislation, legal principles, and academic literature through normative analysis. Consequently, it does not comprehensively capture the empirical realities of greenwashing practices across different industrial sectors or evaluate the practical effectiveness of regional governments in exercising environmental supervisory authority. The proposed reconstruction of regional authority is therefore conceptual in nature and requires empirical validation through future studies. Moreover, the researches should employ empirical, socio-legal, or mixed-methods approaches to examine the implementation of environmental supervision in practice – particularly in sectors with a high potential for greenwashing, such as tourism, energy, manufacturing, and natural resource extraction. Further studies are also required to investigate the institutional, political, and administrative factors that influence the effectiveness of regional government authority in preventing greenwashing, including the interaction between central and regional governments under Indonesia's decentralised environmental governance system.

This study serves as a foundation for developing more comprehensive interdisciplinary research integrating legal studies, public policy, environmental governance, and environmental science. Such interdisciplinary approaches would facilitate a deeper understanding of the relationship between legal institutions, ecological sustainability, and environmental information integrity. Furthermore, future scholarship may develop a more comprehensive regulatory framework governing the prevention, verification, and enforcement of greenwashing within Indonesia's regional autonomy system – including the institutional design of collaborative governance, functional decentralisation, and substantive environmental verification mechanisms.

REFERENCES

- Akib, Muhammad. *Hukum Lingkungan Perspektif Global Dan Nasional*. RajaGarfindo Persada, 2014.
- Alexy, Robert. *Law's Ideal Dimension*. 1st ed. Oxford University Press, 2021. <https://doi.org/10.1093/oso/9780198796831.001.0001>.
- Ansell, Chris, and Alison Gash. "Collaborative Governance in Theory and Practice." *Journal of Public Administration Research and Theory* 18, no. 4 (2008): 543–71. <https://doi.org/10.1093/jopart/mum032>.
- Aragão, Alexandra, Sander Jacobs, and An Cliquet. "What's Law Got to Do with It? Why Environmental Justice Is Essential to Ecosystem Service Valuation." *Ecosystem Services* 22 (December 2016): 221–27. <https://doi.org/10.1016/j.ecoser.2016.09.012>.
- Badhwar, Aayushi, Saniyat Islam, Caroline S. Tan, Tarun Panwar, Stephen Wigley, and Rajkishore Nayak. "Unraveling Green Marketing and Greenwashing: A Systematic Review in the Context of the Fashion and Textiles Industry." *Sustainability* 16, no. 7 (2024): 2738. <https://doi.org/10.3390/su16072738>.
- Balcarová, Tereza, Adéla Mráčková, Michal Prokop, Lucie Kvasničková Stanislavská, Lucie Pilařová, and Ladislav Pilař. "Disentangling Greenwashing Discourse: A Topic and Sentiment Analysis of Public Engagement on Twitter." *Challenges in Sustainability* 13, no. 2 (2025): 295–315. <https://doi.org/10.56578/cis130210>.
- Busch, Danny. "EU Sustainable Finance Disclosure Regulation." *Capital Markets Law Journal* 18, no. 3 (2023): 303–28. <https://doi.org/10.1093/cmlj/kmad005>.
- Butt, Simon, and Prayekti Murharjanti. "The Constitutional Right to a Healthy Environment in Indonesia." *Journal of Environmental Law* 33, no. 1 (2021): 33–56. <https://doi.org/10.1093/jel/eqaa031>.
- Chen, Han, Shaniel Bernard, and Imran Rahman. "Greenwashing in Hotels: A Structural Model of Trust and Behavioral Intentions." *Journal of Cleaner Production* 206 (January 2019): 326–35. <https://doi.org/10.1016/j.jclepro.2018.09.168>.
- Chen, Qi. "Achieving Collaborative Governance: A Tripartite Evolutionary Game Model for Curbing Greenwashing." *Journal of Management and Sustainability* 16, no. 1 (2026): 41. <https://doi.org/10.5539/jms.v16n1p41>.
- Chen, Qi, and Xin Wang. "Integrating Market Structure and Supervisory Efficacy: A Game-Theoretic Model of Strategic Greenwashing in ESG Governance." *Journal of Management Science and Engineering* 11, no. 2 (2026): 207–26. <https://doi.org/10.1016/j.jmse.2026.02.001>.
- Dai, Jiyuan, Gaizka Ormazabal, Fernando Penalva, and Robert Raney. "Mandatory Investor Disclosure, Sustainability Commitments, and Portfolio Decarbonization." *Journal of Accounting and Economics* 81, no. 1 (2025): 101817. <https://doi.org/10.1016/j.jacceco.2025.101817>.
- Davidescu, Adriana Ana Maria, Eduard Mihai Manta, Ioana Bîrlan, Alexandra Mădălina Miler, and Sorin Cristian Niță. "Detecting Greenwashing in ESG Disclosure: An NLP-Based Analysis of Central and Eastern European Firms." *Sustainability (Switzerland)* 18, no. 3 (2026): 1–38. <https://doi.org/10.3390/su18031486>.

- Delmas, Magali A., and Vanessa Cuere Burbano. "The Drivers of Greenwashing." *California Management Review* 54, no. 1 (2011): 64–87. <https://doi.org/10.1525/cmr.2011.54.1.64>.
- Feng, Chao, Ying Wang, and Xi Cheng. "Local Governmental Environmental Responsibility and Corporate Greenwashing: Quasi-Experimental Evidence from China." *Journal of Asian Economics* 100 (October 2025): 101990. <https://doi.org/10.1016/j.asieco.2025.101990>.
- Fernando, Zico Junius, Wevy Efticha Sary, Ahmad Wali, and Ariesta Wibisono Anditya. "Greenwashing as a Crime and the Urgency of Redesigning the Environmental Criminal Law Paradigm." *Jurnal Kajian Pembaruan Hukum* 5, no. 1 (2025): 55–90. <https://doi.org/10.19184/jkph.v5i1.53693>.
- Firman, Tommy. "Multi Local-Government Under Indonesia's Decentralization Reform: The Case of Kartamantul (The Greater Yogyakarta)." *Habitat International* 34, no. 4 (2010): 400–405. <https://doi.org/10.1016/j.habitatint.2009.11.005>.
- Gaol, Tulus Mampetua Lumban, and Irwan Triadi. "Implementasi Penegakan Hukum Lingkungan Untuk Mewujudkan Keadilan Lingkungan Hidup." *Causa: Jurnal Hukum Dan Kewarganegaraan* 4, no. 5 (2024): <https://doi.org/52–62>. 10.3783/causa.v4i5.3613.
- Guo, Jin, and Junhong Bai. "The Role of Public Participation in Environmental Governance: Empirical Evidence from China." *Sustainability* 11, no. 17 (2019): 4696. <https://doi.org/10.3390/su11174696>.
- Gustafsson, Karin M., Steven A. Wolf, and Anurag A. Agrawal. "Science-Policy-Practice Interfaces: Emergent Knowledge and Monarch Butterfly Conservation." *Environmental Policy and Governance* 27, no. 6 (2017): 521–33. <https://doi.org/10.1002/et.1792>.
- Hartanto, Wenda. "Kesadaran Hukum Sebagai Aspek Dasar Politik Hukum Legislasi: Suatu Tinjauan Filsafat." *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional* 4, no. 3 (2015): 469. <https://doi.org/10.33331/rechtsvinding.v4i3.17>.
- Hayward, Matt W., Ninon F. V. Meyer, Niko Balkenhol, et al. "Intergenerational Inequity: Stealing the Joy and Benefits of Nature From Our Children." *Frontiers in Ecology and Evolution* 10 (February 2022): 830830. <https://doi.org/10.3389/fevo.2022.830830>.
- Hijriah, Nurul Khoirotul, and Fauzi Syam. "The Impact of Omnibus Law on Local Government Authority in the Management Environment." *Mendapo: Journal of Administrative Law* 5, no. 1 (2024): 29–42. <https://doi.org/10.22437/mendapo.v5i1.28813>.
- Hudoyo, Mimi. "Bali's Hotel Industry under Pressure to Prove Commitment to Sustainability." 2025. <https://www.ttgasia.com/2025/10/07/balis-hotel-industry-under-pressure-to-prove-commitment-to-sustainability/>.
- Jannah, Annisa Sephia, Najmi Fauziatus Salma, Atikah Salma, and Muhammad Viras Maulana. "Tanggung Jawab Administratif Pemerintah Daerah Dalam Pengawasan Izin Lingkungan." *CONSTITUO: Journal of State and Political Law Research* 4, no. 1 (2025): 99–115. <https://doi.org/10.47498/constituo.v4i1.5009>.
- Kennish, Michael J. "Environmental Threats and Environmental Future of Estuaries." *Environmental Conservation* 29, no. 1 (2002): 78–107. Cambridge Core. <https://doi.org/10.1017/S0376892902000061>.
- Kim, Eun-Hee, and Thomas P. Lyon. "Greenwash vs. Brownwash: Exaggeration and Undue Modesty in Corporate Sustainability Disclosure." *Organization Science* 26, no. 3 (2015): 705–23. <https://doi.org/10.1287/orsc.2014.0949>.

- Leawoods, Heather. "Gustav Radbruch: An Extraordinary Legal Philosopher." *Washington University Journal of Law & Policy* 2 (2000): 489–515. https://openscholarship.wustl.edu/law_journal_law_policy/vol2/iss1/16.
- Lyon, Thomas P., and A. Wren Montgomery. "The Means and End of Greenwash." *Organization & Environment* 28, no. 2 (2015): 223–49. <https://doi.org/10.1177/1086026615575332>.
- Ma, Yan, and Wang-Zhe Han. "How False-Disclosure Greenwashing Affects Corporate Financial Sustainability." *Discover Sustainability* 7, no. 1 (2025): 136. <https://doi.org/10.1007/s43621-025-02465-2>.
- Maksum, Irfan. "Memahami Desentralisasi Fungsional (Perbandingan Praktek Di Belanda, Jepang, USA, Dan Jerman)." *Indonesian Journal of International Law* 4, no. 3 (2007). <https://doi.org/10.17304/ijil.vol4.3.156>.
- Malmqvist, Björn, and Simon Rundle. "Threats to the Running Water Ecosystems of the World." *Environmental Conservation* 29, no. 2 (2002): 134–53. Cambridge Core. <https://doi.org/10.1017/S0376892902000097>.
- Marzuki, Peter Mahmud. *Penelitian Hukum*. Kencana, 2017.
- Morrow, Karen. "Informational Requirements and Environmental Protection." In *The Oxford Handbook of Comparative Environmental Law*, edited by Emma Lees, and Jorge E. Viñuales. Oxford University Press, 2019. <https://doi.org/10.1093/law/9780198790952.003.0043>.
- Mulkan, Hasanah, and Serlika Aprita. *Hukum Otonomi Daerah*. Penerbit Mitra Wacana Media, 2023.
- Nonet, Philippe, and Philip Selznick. *Law & Society in Transition: Toward Responsive Law*. With Robert A. Kagan. Routledge, Taylor & Francis Group, 2017.
- Noor, Muhammad, Falih Suaedi, and Antun Mardiyanta. *Collaborative Governance: Suatu Tinjauan Teoritis Dan Praktik*. Bildung, 2022.
- Okamoto, Masaaki, Takamasa Osawa, Wahyu Prasetyawan, and Akhwan Binawan. "Introduction." In *Local Governance of Peatland Restoration in Riau, Indonesia: A Transdisciplinary Analysis*, edited by Masaaki Okamoto, Takamasa Osawa, Wahyu Prasetyawan, and Akhwan Binawan. Springer Nature Singapore, 2023. https://doi.org/10.1007/978-981-99-0902-5_1.
- Okeke, Augustine. "Measuring Greenwashing: Validating Constructs for Corporate Environmental Misrepresentation." *Innovation and Green Development* 5, no. 3 (2026): 100363. <https://doi.org/10.1016/j.igd.2026.100363>.
- Pambudhi, Hario Danang, and Ega Ramadanti. "Menilai Kembali Politik Hukum Perlindungan Lingkungan Dalam UU Cipta Kerja Untuk Mendukung Keberlanjutan Ekologis." *Jurnal Hukum Lingkungan Indonesia* 7, no. 2 (2021): 297–322. <https://doi.org/10.38011/jhli.v7i2.313>.
- Pantazi, Tania. "The Introduction of Mandatory Corporate Sustainability Reporting in the EU and the Question of Enforcement." *European Business Organization Law Review* 25, no. 3 (2024): 509–32. <https://doi.org/10.1007/s40804-024-00320-x>.
- Pavčnik, Marijan. "Radbruch's Formula and the Concept of Law." In *Encyclopedia of the Philosophy of Law and Social Philosophy*, edited by Mortimer Sellers and Stephan Kirste. Springer Netherlands, 2017. https://doi.org/10.1007/978-94-007-6730-0_218-1.

- Permana, Yogi Setya, Septi Satriani, Imam Syafi'i, Pandu Yuhsina Adaba, Sari Seftiani, and Dini Suryani. "Post-Politicizing the Environment: Local Government Performance Assessments in Indonesia." In *Environmental Governance in Indonesia*, edited by Annisa Triyanti, Mochamad Indrawan, Laely Nurhidayah, and Muh Aris Marfai. Springer International Publishing, 2023. https://doi.org/10.1007/978-3-031-15904-6_4.
- Pizzetti, Marta, Lucia Gatti, and Peter Seele. "Firms Talk, Suppliers Walk: Analyzing the Locus of Greenwashing in the Blame Game and Introducing 'Vicarious Greenwashing.'" *Journal of Business Ethics* 170, no. 1 (2021): 21–38. <https://doi.org/10.1007/s10551-019-04406-2>.
- Qu, Weihua, Haojie Wu, Guohua Qu, Jie Yin, and Jianhua Cao. "Analysis of Multi-Agent Greenwashing Governance in China: A Stochastic Evolutionary Game Perspective." *Journal of Cleaner Production* 492 (February 2025): 144729. <https://doi.org/10.1016/j.jclepro.2025.144729>.
- Radbruch, Gustav. "Five Minutes of Legal Philosophy (1945)*." *Oxford Journal of Legal Studies* 26, no. 1 (2006): 13–15. <https://doi.org/10.1093/ojls/gqi042>.
- Radbruch, Gustav. *Rechtsphilosophie*. Gesamtausgabe (C.F. Müller), v. 3. C.F. Müller Juristischer Verlag, 1987.
- Radbruch, Gustav. "Statutory Lawlessness and Supra-Statutory Law (1946)*." *Oxford Journal of Legal Studies* 26, no. 1 (2006): 1–11. <https://doi.org/10.1093/ojls/gqi041>.
- Rahman, Imran, Han Chen, and Dennis Reynolds. "Evidence of Green Signaling in Green Hotels." *International Journal of Hospitality Management* 85 (February 2020): 102444. <https://doi.org/10.1016/j.ijhm.2019.102444>.
- Rahman, Imran, Jeongdoo Park, and Christina Geng-qing Chi. "Consequences of 'Greenwashing': Consumers' Reactions to Hotels' Green Initiatives." *International Journal of Contemporary Hospitality Management* 27, no. 6 (2015): 1054–81. <https://doi.org/10.1108/IJCHM-04-2014-0202>.
- Sagita, Grandini Dyah, and Ervira Rahmasari Budi. "Regional Rights, Environmental Wrongs: Unpacking the Paradox of Autonomy in Indonesia's Environmental Governance." *Indonesian Journal of Environmental Law and Sustainable Development* 3, no. 1 (2024): 191–228. <https://doi.org/10.15294/ijel.v3i1.78890>.
- Salomo, Roy Valiant, and Krisna Puji Rahmayanti. "Progress and Institutional Challenges on Local Governments Performance Accountability System Reform in Indonesia." *Sage Open* 13, no. 4 (2023): 21582440231196659. <https://doi.org/10.1177/21582440231196659>.
- Sand, Peter H., and Jeffrey McGee. "Lessons Learnt from Two Decades of International Environmental Agreements: Law." *International Environmental Agreements: Politics, Law and Economics* 22, no. 2 (2022): 263–78. <https://doi.org/10.1007/s10784-022-09572-9>.
- Santos, Célia, Arnaldo Coelho, and Beatriz Lopes Cancela. "The Impact of Greenwashing on Sustainability Through Green Supply Chain Integration: The Moderating Role of Information Sharing." *Environment, Development and Sustainability* 27, no. 9 (2025): 21709–36. <https://doi.org/10.1007/s10668-024-05009-2>.
- Santos, Célia, Arnaldo Coelho, and Alzira Marques. "The Greenwashing Effects on Corporate Reputation and Brand Hate, Through Environmental Performance and Green Perceived Risk." *Asia-Pacific Journal of Business Administration* 16, no. 3 (2024): 655–76. <https://doi.org/10.1108/APJBA-05-2022-0216>.

- Shoesmith, Dennis, Nathan Franklin, and Rachmat Hidayat. "Decentralised Governance in Indonesia's Disadvantaged Regions: A Critique of the Underperforming Model of Local Governance in Eastern Indonesia." *Journal of Current Southeast Asian Affairs* 39, no. 3 (2020): 359–80. <https://doi.org/10.1177/1868103420963140>.
- Sidauruk, Averin Dian Boruna. "Interdependensi Kewenangan Pemerintah Daerah Dengan Otonomi Daerah Dalam Perlindungan Dan Pengelolaan Lingkungan Hidup Di Indonesia." *Neoclassical Legal Review: Journal of Law and Contemporary Issues* 4, no. 1 (2025): 11–19. <https://doi.org/10.32734/nlrjolci.v4i1.20190>.
- Singh, Ram Lakhan, and Pradeep Kumar Singh. "Global Environmental Problems." In *Principles and Applications of Environmental Biotechnology for a Sustainable Future*, edited by Ram Lakhan Singh. Springer Singapore, 2017. https://doi.org/10.1007/978-981-10-1866-4_2.
- Soma, Katrine, Bertrum H. MacDonald, Catrien Jam Termeer, and Paul Opdam. "Introduction Article: Informational Governance and Environmental Sustainability." *Current Opinion in Environmental Sustainability* 18 (February 2016): 131–39. <https://doi.org/10.1016/j.cosust.2015.09.005>.
- Sorabji, John, ed. "Substantive Justice and the RSC." In *English Civil Justice after the Woolf and Jackson Reforms: A Critical Analysis*. Cambridge University Press, 2014. Cambridge Core. <https://doi.org/10.1017/CBO9781107280113.005>.
- Spijkers, Otto. "Intergenerational Equity and the Sustainable Development Goals." *Sustainability* 10, no. 11 (2018): 3836. <https://doi.org/10.3390/su10113836>.
- Stephens, C., R. Willis, and C. Church. "Environmental Justice and Health." In *International Encyclopedia of Public Health*, edited by Harald Kristian (Kris) Heggenhougen. Academic Press, 2008. <https://doi.org/10.1016/B978-012373960-5.00664-X>.
- Tan, Seow Hon. "Radbruch's Formula Revisited: The *Lex Injusta Non Est Lex Maxim* in Constitutional Democracies." *Canadian Journal of Law & Jurisprudence* 34, no. 2 (2021): 461–91. <https://doi.org/10.1017/cjlj.2021.12>.
- Trang, Ta Thi Nguyet, Pham Thi Hanh Lan, Phan Quynh Anh, and Khanh Bao Nguyen. "Sustainability Starts with the Consumer: How Green Consumption Shapes Business Model Transformation a COM-B Analysis of Green Purchase Behavior in Vietnam's Agriculture." *Sustainable Futures* 11 (2026): 101664. <https://doi.org/10.1016/j.sftr.2026.101664>.
- Ulibarri, Nicola, Omar Pérez Figueroa, and Anastasia Grant. "Barriers and Opportunities to Incorporating Environmental Justice in the National Environmental Policy Act." *Environmental Impact Assessment Review* 97 (November 2022): 106880. <https://doi.org/10.1016/j.eiar.2022.106880>.
- UNEP. *Harmful Investments Outpace Nature Protection by 30 to 1 – New UNEP Report*. 2026. <https://www.unep.org/news-and-stories/press-release/harmful-investments-outpace-nature-protection-30-1-new-unep-report>.
- UNEP. *Solutions for a Healthy, Prosperous and Resilient People and Planet: The UNEP Medium-Term Strategy for 2026–2029*. United Nations Environment Programme (UNEP), 2026. <https://www.unep.org/resources/solutions-healthy-prosperous-and-resilient-people-and-planet-unep-medium-term-strategy>.
- Wahyuningrum, Indah Fajarini Sri, Sriningsih, Annisa Sila Puspita, Mochamad Arief Budihardjo, Amin Chegenizadeh, and Hamid Nikraz. "Has Mandatory Reporting Improved

- Environmental Disclosure Quality in Indonesia?” *World Development Perspectives* 39 (September 2025): 100718. <https://doi.org/10.1016/j.wdp.2025.100718>.
- Wang, Zhaomin, Aiping He, and Shijing Nan. “Green Finance Reform, Multifaceted Collaborative Governance, and Corporate Greenwashing: Evidence from Double/Debiased Machine Learning Method.” *Journal of Environmental Management* 383 (May 2025): 125466. <https://doi.org/10.1016/j.jenvman.2025.125466>.
- Wardhana, Irwanda Wisnu, and Amrie Firmansyah. “Indonesia.” In *Local Government and Fiscal Transfers: Enhancing or Weakening Democracy?*, edited by Juraj Nemec, Michal Plaček, and Purshottama Sivanarain Reddy. Springer Nature Switzerland, 2026. https://doi.org/10.1007/978-3-031-95674-4_5.
- Whittaker, Sean. “Exploring a Right to Submit Environmental Information Under International Environmental Law.” *Journal of Environmental Law* 35, no. 3 (2023): 401–18. <https://doi.org/10.1093/jel/eqad025>.
- Wicaksono, Dian Agung, and Bimo Fajar Hantoro. “Struggle for Eco-Constitutionalism: The Role of the Constitutional Court in Realising the Right to a Good and Healthy Environment in Indonesia.” In *Judicial Responses to Climate Change in the Global South: A Jurisdictional and Thematic Review*, edited by Shuma Talukdar and Valéria Emília de Aquino. Springer Nature Switzerland, 2023. https://doi.org/10.1007/978-3-031-46142-2_3.
- Wignjosoebroto, Soetandyo. *Hukum Konsep dan Metode*. Setara Press, 2020.
- Wu, Yuntao, Jin Hu, Muhammad Irfan, and Mingjun Hu. “Vertical Decentralization, Environmental Regulation, and Enterprise Pollution: An Evolutionary Game Analysis.” *Journal of Environmental Management* 349 (January 2024): 119449. <https://doi.org/10.1016/j.jenvman.2023.119449>.
- Yonandi, Caecilia Patrice. “Greenwashing in Indonesia: Deceptive Claims and Corporate Social Responsibility (CSR).” *Jurnal Ilmiah Wahana Pendidikan* <https://jurnal.Unibrah.Ac.Id/Index.Php/JIWP> 11, no. 2.A (2025): 107–16. <https://doi.org/https://jurnal.peneliti.net/index.php/JIWP/article/view/9786>.
- Yu, Ellen Pei-yi, Bac Van Luu, and Catherine Huirong Chen. “Greenwashing in Environmental, Social and Governance Disclosures.” *Research in International Business and Finance* 52 (April 2020): 101192. <https://doi.org/10.1016/j.ribaf.2020.101192>.
- Yun, Xin, and Yang Hu. “Can Media Attention Reduce Greenwashing? Insights from China’s Polluting Industries.” *Applied Economics Letters* 33, no. 13 (2026): 2375–80. <https://doi.org/10.1080/13504851.2025.2472031>.
- Zhang, Cong, Ran Tao, and Fubing Su. “Legislative Decentralization and Regulatory Dilution: Evidence from Air Pollution Control in China.” *World Development* 191 (July 2025): 107002. <https://doi.org/10.1016/j.worlddev.2025.107002>.
- Zheng, Xiaoyu, and Wenzhen Li. “Government Environmental Attention and Enterprise Greenwashing Behavior: Evidence from China.” *Journal of Asian Business and Economic Studies* 31, no. 5 (2024): 392–403. <https://doi.org/10.1108/JABES-03-2024-0144>.