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Regulation Model of Southeast Sulawesi Provincial Government on Community Empowerment and Development Through Corporate Social and Responsibility (CSR) in Mining Sector

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ABSTRACT

Southeast Sulawesi Province has abundant natural resources, especially the mining sector. This is proven by the number of mining business permits in Southeast Sulawesi, but they have not made a positive contribution to the community's economy. The implementation of Corporate Social and Responsibility (CSR) in Southeast Sulawesi is still partial in the form of local and stimulus. That it has not had a long-term impact. This study aims to describe the regional government regulation model of Southeast Sulawesi province in community empowerment and development through the CSR of mining sector companies. This study is a qualitative descriptive analysis and used purposive sampling to select informants at the Energy and Mineral Resources Ministry of Southeast Sulawesi. This study showed the Provincial Government of Southeast Sulawesi make a program framework (Blue Print) which became a mandatory document for implementing community empowerment by mining companies in Southeast Sulawesi. The community development and empowerment program is part of the vision and mission governor of Southeast Sulawesi as listed in the RPJMD 2018-2023. The PPM program aims to develop community life be better. They can be sovereign, safe in fields economy, hardiness food, education, health, environment, politics, have faith and piety.

INTRODUCTION

In Indonesia, Corporate Social Responsibility (CSR) is an obligation imposed on Limited Companies through Law Number 40 of 2007. Paragraph (1) chapter 74 concerning Limited Companies explains Companies that carry out their business activities in the field and/or related to natural resources are obliged to carry out Social and Environmental Responsibilities. This law number regulates social and environmental responsibilities aimed to materialize economic development. Furthermore, to build the life level preferable, and the environment that is helpful for the local residents as well as the corporate to establish a harmonious, balanced, relationship as the environment, values, norms, and culture of the community.

Every corporate is an obligation to implement CSR, especially companies whose business activities are related to natural resources. Furthermore, mining business activity such as coal exploitation includes the stages of general investigation mining materials, mineral exploration, feasibility study, construction, mining processing and refining, transportation and sales, and post-mining activities. The main source of the corporate's CSR implementation policies is affirmed in constitution 1945 law number 33 on paragraphs (1), (2), (3), (4), and (5) clearly implying, that economic control related to natural wealth products must be in favor of common interests and for the prosperity of the people based on justice. Efforts to improve the welfare of the community in the mining sector management area are carried out through a corporate awareness program for the surrounding

community. It shows, that Corporate Social Responsibility (CSR) for companies is an important issue in the world including Indonesia related to natural environmental impacts, sustainable development, and also the socio-economic community.

Furthermore, CSR programs are made for the welfare of the community and will eventually reverse direction, namely to provide profits back to the corporate. It is hoped that the corporate and all stakeholders can work together to develop CSR so that the corporate's sustainability, both economic benefits (financial benefits) and profits. The form of Corporate Social Responsibility (CSR) program is actually a corporate governance unit, such as, for example, a consciousness of the surroundings corporate, assurance for employees and workplace conditions, corporate relations with society or local community, corporate social investment such as corporate philanthropy, as well as other things are really needed for progress. The elaboration can be in the form of things that are implementable, such as partnership programs, Community Development in the form of Public Facilities Assistance, Education and Training Assistance, Worship Facilities Assistance, Community Health Assistance. The success of a corporate in implementing CSR lies in the positive change in the results of the corporate programs that have been implemented.

The positive benefits of CSR programs as reported in the president post-indonesia.com are that CSR has tremendous potential in supporting government programs. The form of CSR or the design must be coordinated so that it supports one another. For example, the construction of schools to support the education sector, the construction of health centers to support the health sector, the construction of roads for the infrastructure sector, reforestation of bare lands to support the environmental sector.

The corporate's involvement in CSR programs is motivated by several interests. According to Mulyadi (2003), at least three motives for corporate involvement can be identified, namely: the motive for maintaining the security of production facilities, the motive for complying with work contract agreements, and the moral motive for providing social services to the local community of the corporation, which is a group of a member who has

the same purpose and strive to achieve the high-level purpose as a side of the society in an extensive environment. Its availability is largely earned by society, both of which mutually influence each other. Therefore, this reason for equality to develop become necessary to have a social contract (social contract) both explicitly and implicitly. Consequently, there are terms to protect each other's interests. Social contracts are formed and developed to guide the intercourse between the corporate and the community (society). Next, the corporate (or any other form of organization) has an obligation to the community to provide benefits to the local community. This relationship of the corporate (organization) with the community will always try to fulfill and comply with the rules and norms in the community (community norm) so that the corporate's activities can be seen as legitimate. Policies that are pro-society and environmental like this are very much needed amid neoliberalism like today. On the other hand, the public cannot make demands on the corporate arbitrarily if their expectations are outside the limits of the applicable regulations.

Through this "grand design" structure, the government can determine which sectors can be provided for CSR programs, which areas need CSR the most. The community in this case is both the object and subject of its empowerment. So the success of the corporate is not solely determined by the discipline of carrying out financial obligations to the state, but more than that is its contribution to empowering development and development for the community and the surrounding area (Sudirman, et al., 2021). Herein lies the importance of regulating CSR in Indonesia, so that it has regulatory, binding, and driving power. CSR, which was originally voluntary, needs to be upgraded to a more mandatory CSR. Thus, it can be expected that the contribution of the business world is measurable and systematic in participating in improving the welfare of the community. This study aims to describe the model of local government regulation in the empowerment and development of CSR in mining sector managers in Southeast Sulawesi.

METHODS

The research design in this study used descriptive qualitative. Qualitative research is research that intends to understand the phenomenon

of what is experienced by research subjects holistically, and by way of description in the form of words and language (Asaka & Awarun, 2020). This research was conducted at the Office of Energy and Mineral Resources of Southeast Sulawesi Province. Determination or determination of informants in this study was carried out using a purposive sampling technique, namely the selection of informants based on research needs or the selection of informants intentionally. as much information as possible to answer the research problem.

The informant in this study was the Head of the Department of Energy and Mineral Resources (ESDM) of the Southeast Sulawesi provincial government. Head of the Mineral and Coal Division of the ESDM Office of the Southeast Sulawesi provincial government and staff of the Southeast Sulawesi provincial government's ESDM service. This study uses primary and secondary data sources obtained through observation, interviews, and literature searches. The data were compiled and analyzed both during the research in progress and after the field research. Miles and Huberman (Upe, et al., 2019) suggest that activities in qualitative data analysis are carried out interactively and continue until they are complete until the data is saturated. These activities are data reduction, data presentation, and data verification to be able to make conclusions.

RESULTS AND DISCUSSION

The provincial government of Southeast Sulawesi is very open to the entry of investment in the province of Southeast Sulawesi, but the investment must be in accordance with the provisions of the applicable laws and regulations, and the investment must provide real contributions and benefits for the progress of the region and the people of Southeast Sulawesi. The Southeast Sulawesi provincial government is actively pursuing CSR to support the implementation of its development program through the mining business sector. For ease of coordination, between the provincial government of Southeast Sulawesi and the holder of a mining business permit, IUP holders are required to place their head office in the province of Southeast Sulawesi, as well as the taxpayer identification number (NPWP), because apart from being able to absorb workers, it can also

increase the number of employees. local income from corporate income tax. However, according to the Head of the Mining Service of the Southeast Sulawesi Provincial Government, Buhardiman (2019), "Regarding the management of CSR funds that bind mining companies and the governance of mining CSR implementation in Southeast Sulawesi, it has not been regulated in the form of a regional regulation by the regional government of Southeast Sulawesi. Mining corporate CSR is managed by the corporate and given voluntarily to communities around mining areas" (27 November 2019).

The same statement was also made by Muliadi, the head of community institutional empowerment at the Southeast Sulawesi Provincial Government's Community Empowerment and Village Administration (DPMD) which was conveyed in the socialization activity of the blueprint for community development and empowerment (ppm) in the province's coal mining and mineral exploitation activities on 27 November 2019 that "the socialization of the CSR forum blueprint which functions as a forum for coordinating the corporate and the community in the implementation of CSR should be immediately established. This is considering that the existence of this forum is very necessary for the smooth running and achieving the right CSR targets as mandated by the regulations. Basically, all companies want to pay, but the problem is where the funds are to be distributed, the less than optimal implementation of CSR and cooperation between the parties involved should be an important note and evaluation basis for the government. there needs to be a regulation that binds companies to serve as a solid basis for "collecting" social and environmental obligations from companies, however, the implementation measure is still very weak. Therefore, the Southeast Sulawesi government as a public servant must immediately make regulations, because enforcing this rule will actually benefit all related parties and not harm the corporate at all, even though it is the corporate that bears all the funds for the CSR program".

Another statement was added by the Head of Minerba section of the Mining Service of the Provincial Government of Southeast Sulawesi, he said: "The ESDM office does not regulate and manage CSR". Regarding mining companies in the Southeast Sulawesi region, there is a program that

must be carried out by IUP holders, namely the Community Empowerment Development Program (PPM).

Based on the statements of the three informants above, strengthened by the results of observations and online searches, the authors show that there is no regulation from the Southeast Sulawesi provincial government that regulates the management of CSR in the mineral and coal mining sector. Regulations related to corporate responsibility (CSR) had previously been regulated in Regional Regulation Number 7 of 2014. However, the regulation was canceled by the Ministry of Home Affairs in 2016.

Furthermore, in managing the mineral and coal sector in Southeast Sulawesi, the results of which are expected to provide welfare to the community, based on the Minister of Energy and Mineral Resources regulation number 25 of 2018 requires the governor to prepare and determine community development and empowerment (PPM) based on the considerations of the director-general and guidelines for the preparation of blueprints. and the master plan for the mineral and coal mining sector ppm has been regulated in the Minister of Energy and Mineral Resources Decree no. 1824 k/30/mem/2018.

The PPM legal guidelines are:

1. Minerals and Coal of Law number 4 on 2009
2. Government regulation number 23 of 2010 concerning the implementation of mineral and coal mining business activities
3. Government regulation number 55 of 2010 concerning the guidance and supervision of the management of mineral and coal mining business
4. Minister of Energy and Mineral Resources Regulation number 25 of 2018 concerning mineral and coal mining concessions
5. Minister of Energy and Mineral Resources Regulation number 26 of 2018 concerning the implementation of good mining rules and supervision of mineral and coal mining
6. Decree of the Minister of Energy and Mineral Resources Number 1824 K/30/MEM/2018 regarding the implementation of community development and empowerment.

That Community Development and Empowerment program (PPM) is an integral part of the vision and mission of the governor of Southeast

Sulawesi as listed in the Regional Medium-Term Development Plan (RPJMD) for 2018-2023. The Regional Medium-Term Development Plan is to be implemented in five (5) years according to the period of government of the Provincial and Regency/Municipal Regional Heads. The guidelines for the preparation of the framework (blueprint) and the ppm master plan for the mineral and coal mining sector have been regulated in the Minister of Energy and Mineral Resources Decree no. 1824 k/30/mem/2018. The decree of the Minister of Energy and Mineral Resources contains several important aspects that need to be considered in determining the implementation of community development and empowerment.

The provincial government in this case the governor stipulates a framework (blueprint) for community development and empowerment by involving district/city governments, mining business license holders, academics, and the community as well as considering the results of the planning and development deliberations (Musrembang) of the national medium-term development plan (RPJM) and regional, national and regional spatial and regional planning (RTRW).

This PPM blueprint can be evaluated and amended every 5 (five) years. The PPM blueprint is a policy direction document for the mineral and coal sector PPM set by the governor as a guide for holders of exploration IUP, exploration IUPK, production operation IUP, and production operation IUPK in fulfilling obligations in the preparation of the master plan for community development and empowerment programs. After the PPM blueprint is stipulated, the mining business license holder is required to prepare a PPM master plan by referring to the PPM blueprint that has been determined by the governor.

The priority programs in this PPM include eight fields, there are of education, health, level employment in real income, economic independence, culture and social, giving opportunities to society participate in sustainable management of the mine environment, the establishment of social institutions to support this PPM independence, and development of infrastructure to support PPM programs. Furthermore, the governor of Southeast Sulawesi, Ali Mazi (2019), stated in particular to the mining business permit holders, that after the blueprint for

community development and empowerment is stipulated by the governor, the mining business license holder should prepare a master plan for community development and empowerment with reference to the This blueprint and what needs to be underlined to the mining business permit holders in preparing the master plan must be synergized between the vision and mission of the provincial government and district/city governments as well as the five pillars in the GARBARATA (the pillar of Sultra smart, Sultra healthy, Sultra cares about poverty, Sultra cultured and have faith, and are highly productive). So that the master plan can assist local governments in efforts to accelerate the improvement of the capacity and quality of human resources, economic independence, socio-cultural, environmental, institutional, and sustainable infrastructure by utilizing the potential of local resources in the region.

The synergy between the Southeast Sulawesi provincial government, district/city governments, and mining business license holders operating in the Southeast Sulawesi province, unites our perceptions and goals in developing this area we love through PPM around the mining area. From the total number of IUPs in Southeast Sulawesi, both metallic minerals and coal as well as for non-metallic minerals and rocks, 385 IUPs consist of 374 IUP PMDN and 11 IUP PMA/KK/BUMN spread over 14 regencies and 1 city, we hope that with this PPM Mining business license holders can assist government programs in accelerating the improvement of sustainable community welfare around mining areas during post-mining.

The formulation of priority programs for the development and empowerment of communities around mining areas is carried out using the method of synchronizing regional development programs financed by the APBN/APBD and collecting data and information directly to the community regarding their needs so that later this PPM priority program does not overlap with other government programs. Furthermore, the implementation of this PPM will not be optimal, if it does not get full support from various parties, especially from the district/city government, the community, and mining business permit holders.

The regulations of the Southeast Sulawesi provincial government in the perspective of contemporary management, social contract theory

which explains the rights of freedom of individuals and groups including society, which are formed based on mutually beneficial agreements for their members. In the context of the corporate and its stakeholders, the social contract implies that the corporate should strive to ensure that its operations are in congruence with the expectations of society so that it can be said to be legitimate. This is in line with the concept of legitimacy theory that legitimacy can be obtained when there is a match between the existence of the corporate that does not interfere or is in accordance with the existence of the existing value system in society and the environment.

CONCLUSION

The community development and empowerment program (PPM) is an integral part of the Southeast Sulawesi governor's vision and mission in the 2018-2023 RPJMD. The PPM program is expected to improve the quality of life of the community so that they can be sovereign, safe in the fields of economy, hardiness food, education, health, environment, politics, and have faith and piety. The Provincial Government of Southeast Sulawesi has issued a framework document (Blue Print) for the orderliness of the Community Development and Empowerment Program (PPM) in the Mining and Coal Sector which is a mandatory document for mining entrepreneurs in Southeast Sulawesi so that companies refer to this blueprint to implement community empowerment programs. The CSR of mining companies in Southeast Sulawesi is still short-term so it has not had a significant impact on the lives of the surrounding community. The community empowerment program from mining companies has not provided positive benefits in the long term. But still in the form of stimulus and local.

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