

The Role of the East Kalimantan Provincial Government in the Sustainability of the CSR Program of Coal Mining Companies for the Community Around Mining

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Abstract

Corporate Social Responsibility (CSR) is a concept or action undertaken in the business or industrial world as a form of responsibility for surrounding communities' social and environmental well-being. The East Kalimantan Provincial Government plays a critical role in ensuring the sustainability of CSR programs by coal mining companies to enhance the quality of life for communities around mining areas. Through strategic policies, the provincial government integrates corporate CSR programs with regional development agendas to ensure that contributions from the mining industry sector have optimal and sustainable impacts. In fulfilling its role, the local government collaborates with various stakeholders to supervise, evaluate, and improve the implementation of CSR programs. The main focus is on improving infrastructure, education, health, and local economic empowerment. Additionally, the provincial government also acts as a mediator between the companies and the community, ensuring that the aspirations and needs of the community are accommodated in each program implemented. Thus, the role of the East Kalimantan Provincial Government is crucial in creating synergy between industrial growth and the welfare of local communities, facilitating an inclusive and sustainable socio-economic transformation in the coal mining region.

Keywords: Corporate Social Responsibility (CSR), East Kalimantan Provincial Government, Supervision and Evaluation.

Introduction

Indonesia is a country rich in natural resources, stretching from the West to the East into a unit, namely the Unitary State of the Republic of Indonesia (NKRI). In the 1945 Constitution of the Republic of Indonesia, Article 33 paragraph 3 states that "The earth, water and natural resources contained therein are controlled by the State and used for the greatest possible prosperity of the people". The article regulates the natural resources contained in the earth of Indonesia (Nurmiyati, Rahmawati, and Efendi 2021). All sectors of economic potential are the result of wealth from the abundance of natural resources owned such as agriculture, plantations, fisheries, marine, forestry, livestock, mining, and energy available in Indonesia can be used as well as possible which is then expected to provide welfare to its people. The government as the implementer of government activities is fully responsible in terms of planning, policy making, and policy implementation in the field (Ramdhani and Ramdhani 2017).

According to Ahmad Kamil and Antonius Herusetya, the issue of environmental problems in Indonesia is hotly discussed by the community today, especially on the

impact caused by the activities of a company. As a result of the issue of environmental problems, the company realizes how important it is to implement the Corporate Social Responsibility (CSR) program "corporate social responsibility" which then becomes a business strategy of the company (Hakim, Hermanto, and Fikri 2019).

Based on several definitions related to CSR, it can be concluded that the CSR program is a commitment by business actors or companies to always act ethically, operate legally and contribute to economic improvement, improving the quality of life of the workforce and improving the quality of local communities and society at large (Hadisurja 2020).

In carrying out its business activities, a company cannot be separated from the community and the environment around the company, in order to create a mutually beneficial relationship between the company and the local community. The company needs a good response from the community. This is because the community is the part that is able to determine the success of a company's business. The response from the community is obtained based on what a company implements to stakeholders, including from the local community and the environment around the company. One of the efforts that can be made by the company to get a good response from the community is to provide community empowerment programs to the community in the environment around the company or several other programs that are expected to be able to be a solution to the problem of poverty alleviation in the environment around the company area. Community empowerment programs in general can be implemented with CSR program policies by companies.

Corporate Social Responsibility is a mandatory responsibility not only by the rules made by the government but also based on moral attitudes, the company is required to be able to make efforts in building its environment both in the form of service assistance provided to the surrounding community and community empowerment programs such as training, capital, assistance with production equipment that supports community productivity and others with the aim of society can improve their ability to fulfill their basic rights to life (Nabilla and Hamid 2021).

Based on the Law of the Republic of Indonesia Number 40 of 2007 concerning Social and Environmental Responsibility, based on the content of the law, companies that operate with natural resources are obliged to carry out programs related to social and environmental responsibility. If the company does not carry out these obligations, sanctions will be given by the law.

The regulations given to the company regarding limited liability companies regulated in Law of the Republic of Indonesia Number 40 of 2007 aim to realize sustainable economic development to improve the quality of life and the environment that is beneficial to the company itself, the local community, and the community.

In this case, one of the efforts to increase the economic growth of the community requires the role of the company to be able to consider environmental issues. Therefore, based on this, it is hoped that companies that are oriented to carry out social and environmental responsibilities will not only pay attention to the profit side but also be able to consider various social and environmental aspects so that these three elements can be balanced and synergized so that they can create a sustainable development

concept. Corporate social responsibility is a strategy in the business world for the long term for companies to operate ethically, and legally and is expected to make a wise contribution to improving the welfare and the quality of life of the surrounding community, it also needs to be paid attention to from the environmental side. This social responsibility is a form of the process to review stakeholders and all demands on the environment to be able to implement social programs (Syarifuddin 2020)

The presence of companies engaged in coal mining not only provides a positive impact on the community around the company's area but also has a negative impact, especially on the environmental side such as the number of former mining pit excavations, carbon dioxide (CO) gas emission pollution₂) and also acid rain. This raises a feeling of dilemma for the Government of Indonesia because, on the one hand, the government is committed to implementing a Green Economy by reducing carbon emissions by 26 percent by 2020. (Habibi 2022).

According to Kotler and Lee, "Corporate Social Responsibility (CSR) is an activity that is solely a voluntary commitment of the company to improve the welfare of the community and contribute to the company's resources." The company's obligation to carry out this CSR program is contained in the Berau Regency Regional Regulation Number 6 of 2018 concerning Corporate Social Responsibility. By the regional regulations, the implementation of CSR in East Kalimantan province has a program with 3 indicators that aim to encourage community welfare, environmental maintenance, improve the social and economic development of the community, especially in the mining area, and prepare the next generation to excel for a bright future. (Nasution 2022)

Therefore, this study will discuss the Role of the East Kalimantan Provincial Government in the Sustainability of the CSR Program of Coal Mining Companies for the Community Around Mining.

Method

This research was developed through a descriptive analysis method involving literature studies. The data collection technique is carried out through observation, namely by observation of the object being studied, as well as through observation with objects that have relevant expertise. The data obtained comes from qualitative data by finding and narrating, an activity carried out from an action related to the CSR program to the life of the community around the company's area. The object of this study is the provincial government of East Kalimantan, company employees, and the community living near the coal mining area.

The method applied in writing this article is to use descriptive-based grand theory or descriptive research using normative juridical. Descriptive research is a type of research that aims to provide a comprehensive overview of social settings or to explore and clarify a phenomenon or social reality, by explaining a number of variables related to the problem and research unit between the phenomena tested (Suwendra 2018).

Results and Discussion

The impact of corporate practices in developing countries and their implications Human rights also remain a major concern for international and CSR-oriented

organizations (Idris et al. 2023). The substance of the existence of the Principle of Social and Environmental Responsibility for the Company is to be able to strengthen the company's ability to adapt to its environment, the community and stakeholders related to it, both local, national, and global. In the implementation stage, it is hoped that elements such as the company, the government and also the community will be able to interact with each other and also support each other so that the goals of the CSR program can be realized comprehensively, so that in decision-making, when decisions are implemented, and when the responsibility can be implemented together. Although the implementation of CSR programs in Indonesia only began in the early 2000s, although activities with the same basic essence have been running since the 1970s, with varying levels, ranging from the simplest in the form of donations to comprehensive ones such as being integrated into the company's strategy in operating its business (Marthin, Salinding, and Akim 2018).

In the implementation of CSR, a law enforcement is needed that aims to be able to regulate the provisions of its implementation. The following are the regulations that support the implementation of CSR in Indonesia, namely: a. Law Number 40 of 2007 concerning Limited Liability Companies (UUPT) The company's social and environmental responsibility is regulated in Article 74 which explains as follows; (1) The Company that carries out its business activities in and/or related to natural resources is obliged to carry out social and environmental responsibilities; (2) Social and environmental responsibility as intended in paragraph (1) is the Company's obligation which is budgeted and calculated as the Company's expense whose implementation is carried out with due regard to propriety and fairness; (3) The Company that fails to carry out its obligations as intended in paragraph (1) shall be subject to sanctions in accordance with the provisions of laws and regulations; (4) Further provisions regarding social and environmental responsibility are regulated by Government Regulations (Hakim et al. 2019).

In the implementation of the social and environmental responsibility program of PT. Berau Coal is based on the concept of community development programs. In the community development program, companies engaged in coal mining place CSR programs along with several other activities, this is an effort from the company to be able to maintain the sustainability of the company's business by focusing on the unity of aspects such as safety, economic, social, and worker aspects.

The implementation of the company's CSR program has been carried out since the 2000s with the strategy of "Giving, Involving, Sharing, Participating and Sustaining" and an aspect approach. This strategy was created to help the community develop themselves when mining activities end in 2025.

The CSR program begins with social mapping conducted by experts. Based on the results of the mapping, Berau Coal invites stakeholders both from the government and the community to prepare a community action plan "CAP". Implementation of CAP through community empowerment programs by coal mining companies. The program has a four-pillar strategy, namely: programs for education and knowledge, programs for health and nutrition, programs for the environment and culture and programs for socio-economic contribution, which are supported by social infrastructure. The education

program, which is one of the CSR programs of coal mining companies, is aimed at improving the quality of human resources and also becoming an access for the community to get formal and informal education. To implement this program, the company works closely with the government and related offices, as well as educational advisors. The following comdev activities outline the works on the pillars of education and knowledge, namely: The 12-Year Compulsory Learning Program aims to provide supporting facilities for students to be able to get 12 years of compulsory education, School Facilities Repair Program, Early Childhood Education (PAUD), Scholarship Program for Students, Smart Home Program, Dayak Punan KAT Education (Remote Indigenous Community).

The social responsibility that has been carried out by coal mining companies in the province of East Kalimantan has been quite felt by the community, this is based on the answers from the respondents where for questions related to health, education, and also the environment and economy of the community, the answers from the respondents feel very prosperous and the community answers that they strongly agree with the programs that have been implemented by the company to prospering the people of East Kalimantan.

Examples are as follows: Providing scholarship programs to the community, providing public health centers, providing means of transportation, the existence of public libraries, providing loans or cooperatives, providing free health counseling and treatment provided by the company to the local community. In addition to being aimed at the people of East Kalimantan, the company also always strives to prosper employees, such as providing convenience to have a place to live. (Mustari et al. 2023)

Conclusion

The East Kalimantan Provincial Government plays an important role in ensuring the sustainability of the Corporate Social Responsibility (CSR) program implemented by coal mining companies, which aims to improve the quality of life of the community around the mining area. Through strategic policies, the provincial government not only integrates this CSR program with regional development plans, but also supervises and evaluates its implementation to ensure that the resulting impact is optimal and sustainable. The government's active involvement in regulating and reconciling the interests of local companies and communities, as well as focusing on improving infrastructure, education, health, and local economic empowerment, demonstrates the government's strong commitment to supporting inclusive and sustainable socio-economic development in East Kalimantan. Thus, the role of the East Kalimantan Provincial Government is crucial in facilitating a symbiotic relationship between the mining industry and community welfare, bringing far-reaching benefits to all parties involved.

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