

Implementation of corporate social responsibility in the field of economics and environmental conservation at Chevron pacific Indonesia, Ltd. in Riau province

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ABSTRACT

The implementation of Corporate Social Responsibility (CSR) is a commitment by the company. This article discusses the implementation of CSR Chevron Pacific Indonesia (CPI). Ltd in Riau Province. CSR in Indonesia is authorized under government constitution number 40 year 2007 on Limited Company and constitution number 25 year 2007 on Capital Investment and Regional Regulation of Riau Province number 6 year 2012 on Corporate Social Responsibility in Riau Province. CSR is a company's commitment to creating a better quality for life together with many stakeholders (inside and outside the company) to contribute to the social, economic and environmental sustainability. The methodology used in this research is descriptive qualitative methods to solve the problem by depicting subjects and research objects at present based on the facts that appear in the field. Meanwhile, the techniques are literature studies and observation. The result of this research is the appearance that the implementation of sustainable CSR conducted by CPI. Ltd in Riau Province is made a social investment in the social sector. The example implementations of the program are in education and vocational field, program Health and infrastructure program. Furthermore, there is a social investment in the economic field, such as Community assistance and business assistance for local communities. Lastly, it accomplishes social investment programs in the environment such as Garbage Bank Program, Climate Village Program, Tiger Conservation Program, and Sumatran Elephant and Adiwiyata School Program. Sustainable development and community empowerment are important commitments in CSR implementation.

Key words : Implementation, CSR, Sustainable development, CPI. Ltd, Social investment, Community development

Introduction

Corporate Social Responsibility (CSR) is an idea that fabricates the company on longer faced with the responsibility based on the appearance of profit merely, namely the value of the company is re-

flected in the financial condition, yet also must allowance attention to the social and environmental indicator.

CSR development is not operated from the sustainable development concept. The CSR concept states that the corporate responsibility is not only to

the owner or the shareholders yet also to the stakeholders are related and impacted by the company's existence.

Companies running CSR will show their impact on social and environmental conditions and aim to have a positive impact. The development of CSR is also related to the worsening environmental damage that occurs in Indonesia and the world, ranging from forest aboloration, air pollution, and water, and climate change. The disclosure of social responsibility is one of the selected media to demonstrate the company's concern for the surrounding community (Reza and Rahman, 2009).

The development of CSR practices and disclosures is also backed by the Government's support in Indonesia, particularly by the issuance of regulation on the obligation of practice and disclosure of CSR by limited constirtution number 40 year 2007 about company liability, article 66 and 74. In article 66 paragraph (2) of part C mentioned threere is in addition to delivering financial statements, the company is also obliged to report on the implementation of social and environmental responsibility.

While in article 74 describes the obligation to carry out social and environmental responsibilities for companies whose business activities are related to natural resources. In addition, the implementation of CSR obligations is also regulated in the Investment law No. 25 year 2007 Article 15 of section B, article 17, and article 34 which governs the investment is obliged to participate in corporate social responsibility.

One of the regions in Indonesia that has a number of companies both locally and foreign companies is Riau province. The development of the company is increasing especially in the field of mining oil and gas and plantation sector of palm oil in Riau province. The impact of the company can certainly increase the economy and the local revenue, the company has a social responsibility to the community, especially the local community that is located near the location of the company operation.

Therefore, the government of Riau Province issued a policy for the company to conduct corporate social responsibility activities based on the regional regulation of Riau Province number 6 year 2012 about CSR in the Riau Province. The regulation of this area turns into one of the legal reference in the implementation of corporate social responsibility in Riau Province on ordering to synergy with the development program by the government of Riau.

CSR is closely related to "sustainable development", there is an argument that a company in carrying out its activities should base not only decisions based on financial factors, such as Profit or dividend yet also must be based on social and environmental consequences for the time being and for the long term (Wibisono, 2007).

The implementation of corporate social responsibility is expected to the company other than having a financial commitment to the owner or shareholder, also has a social commitment to other stakeholders, since CSR is one of the Of the company's business strategy in the long term.

Disclosure of CSR is not a voluntary thing yet, it has become an activity that must be stated in the annual report. The bigger the company then the more obliged the company to reveal its social activities. The disclosure of CSR expressed in the annual report to provide information to users of annual financial statements and social activities undertaken to mitigate the negative impacts that the company has experienced such as Social gaps or environmental damage.

Materials and Methods

The research method is a qualitative method of descriptive research that is the problem solving process to investigate by depicting the state of the subject and the object of research at the present time based on the facts that appear in the field. So with the picture of the relationship of the subject and the object of problems will be clearly drawn the phenomenon of the problem (Nawawi, 1990).

Descriptive research method is a method used to earn an overall picture of the research object accurately and thoroughly based on what the researcher saw and researched based on the empirical phenomenon.

The implementation of a descriptive research method is not limited only to the collection and preparation of data yet includes analysis and interpretation of the meaning of the data, other than that all that is conducted is likely to be the key to what Researched. Remarkably, that everything has a correlation and contributes to the research problem can be used as a research reading material (Moleong, 2000).

Throughout it claims that the descriptive research method aims to obtain and convey the facts clearly and thoroughly. Descriptive study should be

complete, without much detail that is not important by spectating what is important or not. In the concept of Grounded Research that a way of research is qualitative becomes influential with a different view of the relationship between theory and observation (Sugiyono, 1998).

Based on the explanation above, this research refers to the purpose of writing that is to describe the implementation of social responsibility by CPI. Ltd in Riau Province, then the method used in this research is the Qualitative research Method.

Results

CPI. Ltd is an oil and mining company that has one of the operating areas in Riau. In the act of a mining company, CPI. Ltd directly interacts with the environment and the communities around the area of mines and office complex. Therefore, the company must conduct the community as its partners where it will also be beneficial for the sustainable operational of the company itself.

In order for mining companies to function as CPI. Ltd is always supported by the community, doing CSR programs is mandatory. The importance of CSR programs in addition to the community, also provides a positive impact for the company. The sustainable CSR Program will provide a positive image of the company in the eyes of the community and good support in the operational aspects of the company.

Throughout constitution Number 40 year 2007 about the limited company liability reads "That company conducts business in the field and/or concerned with the SDA must carry out social and environmental responsibilities" (article 74, paragraph 1). Another regulation governing CSR is under law constitution Number 25 year 2007, i.e. "every investor is obliged to carry out corporate social responsibility" (Section 15 (b)).

Structurally, CSR of CPI. Ltd is under General Manager Government and Public Affairs (PGPA). At corporate level, CSR operations are implemented by CRCE Manager, Communication Manager and Government Relation Manager and assisted by four CR specialists who help to provide and implement Community Relation (CR) functions. While at the operational level of the CSR field is implemented by the Manager Public Affair that is in the unit PGPA at the operating site CPI. Ltd For operational purposes, SRCE Corporation works with the PGPA

manager at production site CPI. Ltd refers to CSR with the term social investment that is a capital investment that is taken advantage in the future or called with feedback. (Interview with Winda Damelia as caretaker of PGPA CPI. Ltd Branch Tasel in the place of office of Chevron Rumbai, on the day and date Wednesday, 19 April 2017 at 02.00 PM).

The social investment program that CPI. Ltd currently runs is as follows:

Social Investment Program

Educational and Vocational Training. CPI. Ltd has one of the operational areas in Riau Province. As a form of concern about the area around the company's operations, CPI. Ltd conducts social investment activities that one program is to give attention to the development of human Resources (SDM). Attention to the issue of HUMAN resources arise because of the awareness of the reality of the Natural Resources (SDA) Riau abundant but not balanced with the quality of its community resources. Therefore, CPI. Ltd actively conducts various activities of educational programs that refer to the curriculum, to contribute to improving the quality of life of the young generation through a formal education process. Some of the social investment programs of CPI. Ltd in the field of vocational education and training, including:

(1) Darmasiswa Chevron Riau (DCR)

The DCR Program is intended for students of high-performance to Senior High School in the entire Riau province to continue college in college. DCR Scholarship Program Since 2001 was received by 1,100 senior high students. The DCR Program aims to assist talented senior high students to continue their education to the university. The Program itself has been working with the education service at the local district/city and provincial level.

(2) University Partnership Program (UPP)

The university's partnership Program collaborates with more than 100 colleges and university partners around the world to help attract interest and develop student and lecturer talent. This Program can create a reliable workforce and have a global competitiveness. The program provides strategic support in various aspects including scholarship, funding assistance, course accreditation, Faculty assistance, and laboratory repairs.

Vocational Training for Employment and Entrepreneurship (VOTEE)

The VOTEE Program is the cooperation of CPI. Ltd with its partners namely government, NGOS, vocational schools, community and youth organizations. The VOTEE Program is intended for the community, especially younger generations, underprivileged students and women. The program aims to improve the economic development of local communities and to open employment opportunities for the community by providing Softskill training and enhancing skills for the younger generation to be able to compete with others. The training offered include welding, automotive, heavy equipment operation, timber, rigging, electrical, motor technician, audio technician, air conditioner, entrepreneurial, handicraft and batik, salon, sewing, and Cooking.

Cooperative Academic Education Program (COOP) and Sakai Scholarship

COOP Program gives students the opportunity to know more about the working world in CPI in internship activities. By gaining the rights and obligations of employees, students can learn to work to equip them with various abilities. In addition, CPI. Ltd also supports education for the community of Sakai, the indigenous people in Riau. CPI. Ltd provides books, provides incentives for teachers and offers scholarships to thousands of children of Sakai through the Asuh Sakai Children Scholarship Program.

Social Investment on Healthcare

CPI. Ltd conducts TJSP activities in the field of health in collaboration with Society Health Clinic among others in the area especially once in the area of operating areas. To address the poor nutrition suffered by infants and children under five years of age as per the request of the community. In addition to health services, CPI. Ltd also conducts mass treatment activities, handling patients suffering from birth defects, clean water sanitation and environmental sanitation improvement for approximately 3,000 KK. One of the activities of clean water sanitation is intended for schools located in the area around the company's operations CPI. Ltd also conducts mobile health services. One form of treatment for patients with birth defects is to perform a free cleft lip surgery against 250 people in Riau. Conducting and conducting mass circumcision activities

for children in villages that need it such as in Bangkojaya Village, District Bangko Pusako, Rokan Hilir District.

Social Investment in Infrastructure CPI. Ltd allocates TJSP's budget for social investment activities in infrastructure such as road building physical infrastructure, building a crossing bridge of people on Sudirman Road and Bridge of Pekanbaru-Dumai, Siak I Bridge and II. CPI. Ltd not only builds but also repairs the damaged roads. Although some of them are the way themselves are also used by the company it self and can be used by the community.

Social Investment Program in Economic Development

Economic Affairs This economic program for example creates jobs for the community, especially for local communities and coaching programs. The coaching Program is for example coaching to the farmer group in various types of agricultural enterprises. Among them are the vegetable farmer group in Pekanbaru, the Sakai people's palm oil in Kandis and Libo Jaya in Minas, citrus in Minas, banana and the intercropping plant at Muara Fajar Village, Pekanbaru City, Chili at Muarabesung in Bengkalis District and in Lubuk Ganung, Rupert Island in Dumai City, as well as other farming ventures. Purwo Farm has even managed to convert 20 hectares of barren land into fertile land so as to supply corn and papaya to a number of supermarkets in Pekanbaru city which has been coming from other regions. Construction of fish breeder and the faith in Duri.

Local Business Development (LBD)

The LDB Program was first launched in 2001. This Program can advance local business and develop entrepreneurs. LBD Program For example provides grant assistance, training, technical assistance, and offers loan assistance through microfinance institutions to farmer groups, small businesses, and cooperatives in 11 regencies and cities in Riau, such as assistance to batik craftsmen in Tassel, aid to the seven daughters weavers who produce traditional woven fabrics Siak and others

Social Investment Program in Environment

Waste Bank The objective of the Waste Bank program is to invite all parties to be active in managing waste and preserving the natural environment. Waste Bank Program is carried out in the region of

Pematang Pudu, Mandau subdistrict of Bengkalis district. One form of the program is to manage and recycle household waste so as to increase the revenue of citizens.

Climate Village Program (PROKLIM)

Proklim as an effort to encourage communities to increase adaptation capacity to the impacts of climate change and change in greenhouse gas emissions and to reward efforts for adaptation and mitigation of climate change has been implemented locally in accordance with the conditions of the region, this program is done in cooperation with the Government of Riau province and the community.

Sumatran Tiger and Elephant Conservation - The Sumatran tiger and Elephant conservation Program is conducted by CPI. Ltd in cooperation with the Biodiversity Foundation (Kehati) and one of them is carrying out conservation workshops of Sumatran tiger and elephant, activities centered and implemented in The Lodge by-by Thorn Street Rose, Kelurahan Balik Alam, Mandau subdistrict, Bengkalis Regency, Riau Province (Chevron Pacific Indonesia. Ltd).

Adiwiyata School - This program is one of the support of CPI. Ltd on environmental Conservation Program launched by the KLH. Adiwiyata Program in the Environment of Sandalwood Education Foundation (YPC) has achieved many achievements. Cendana Senior High School, Pekanbaru City and Cendana Elementary School in Minas have been crowned Adiwiyata School of Provincial level (Nurjanah, *et al.*, 2016).

Discussion

CSR is an integral part of the company's activities, as a form of commitment and responsibility to stakeholders (which are directly or indirectly related) and the surrounding environment. CSR activities are carried out with the direct involvement of the company so that the balance of economic, social and environmental aspects can be done.

There are many activities that are detrimental to the social and environmental aspects within the period since the CSR rules have entered into force. This indicates weak law enforcement, no system monitoring and evaluation (in this case done by the government) and the practices of corruption and collusion because there are parties who better pri-

oritize the personal interests or Even groups or classes.

CSR constraints lies in the commitments, the company. If the company does not have a commitment to the environment, then the responsibility and social care is also not there. In addition, the problem of the program also becomes the constraints of the company in conducting social care. Many companies have a high commitment to social issues, but the programs that are implemented are not based on sincerity, but only for the sake of popularity.

CSR is a must for companies that want to continue to thrive. Commitments implemented in the form of CSR programs can prevent the emergence of social friction that can harm the company or society. CSR is well implemented, will positively impact the sustainability of the business. In addition, CSR can also be part of the company's image development. In developed countries, CSR is one of the prerequisites for a company to obtain loans from banks. Nowadays there are still many companies that do CSR only as a dampening reducer, and this has many risks such as creating dependence, the psychology 'is never enough', and not educating, unprogrammable, and will not be sustainable.

Planning a CSR program requires a correct understanding of community conditions, as well as the objectives that the company wants to achieve. Wrong approach will cause peace and security of the company. Some findings on the cause of the less successful CSR: 1) low corporate commitment; 2) Confusion of scaffolding programs and misconceptions; 3) improper placement of personnel; 4) The placement of functions in the organizational structure of the company (the double is), so that it becomes marginal and decision making is very slow.

CSR is still more limited to good news, but its implementation is still rare. Three conditions faced in the implementation of CSR is 1) costs incurred by the CSR can be unknown; 2) Decisions relating to the competencies that are not owned by the company; and 3) CSR may be related to broader social sphere, government and society. This makes the company to be re-thinking in the implementation of CSR (Robin, 2008).

Nowadays, a company is not only concerned with the sheer benefits but should think about the community or conduct social responsibility sustainably. Companies that view CSR as a cost that then make the company's operational costs increase.

Thus the view is certainly different from the meaning of CSR that emphasizes the responsibility of the company rather than just good deeds preparation stage, stakeholder mapping as a partner was also carried out in the implementation of empowerment. In increasing community participation in preparation, the involvement of relevant agencies, community leaders and environmental practitioners is needed.

The Implementation Phase, fostering the community the importance of protecting the environment and how to solve it Environmental problems are carried out through the provision of information, knowledge and skills so that remote indigenous communities can protect the environment and solve environmental problems. This activity was accompanied by escort officers from community empowerment, assistants from environmental practitioners, social assistants and psychologists. The partners that can be carried out in providing such guidance include; Environmental Agency, Forestry and Environment Agency, Social Service and Village Community Empowerment Agency and Universities. To increase the participation of remote indigenous communities in the coaching program carried out through a series of activities Focus Group Discussion and Participatory Rural Appraisal.

The Evaluation Phase, at this stage, formulated indicators and instruments as a measure to evaluate the success of the community development program on the importance of protecting the environment and ways to solve environmental problems. Evaluation is carried out in each process of implementing the coaching program carried out by the evaluation team that has been prepared by involving escort officers and related agencies. The partners that can be carried out in carrying out the evaluation phase are the Inspectorate and Bappeda. To increase the participation of remote customary communities in the evaluation phase, this was carried out with surveys, discussions and the final results of the workshop conducted as a result of the implementation of the development of remote indigenous communities

Conclusion

Implementation of CSR Program by CPI. Ltd is ap-

plied in the form of social investment consisting of three things: social investment, social field, economic and social investment in the field of environment. Social investment in social fields such as programs in the field of vocational education and training, health programs and infrastructure programs. Social investment programs such as economic aid for community and local business development assistance. The social investment programs of environmental field such as Garbage bank program, Climate Village program, Tiger Conservation Program and Sumatran Elephant and Adiwiyata school program. This CSR implementation is carried out by CPI. Ltd for the community with the aim to establish harmonious social relations with citizens and governments as a manifestation of the existing regulations.

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