

## **The Implementation of Public Policies in Increasing the Community Empowerment (Case Study of Corporate Social Responsibility Policy of PT. Semen Bosowa Maros)**

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**Abstract:** CSR or corporate social responsibility is a form of community empowerment that is implemented on an ongoing basis by the private sector which is believed to be a strategic approach to poverty alleviation in Indonesia. The implementation of community-based CSR policy has been also carried out by PT. Semen Bosowa Maros (SBM). The major area which targeted by CSR community based is the operational area of PT. SBM in Baruga village, Bantimurung district, Maros Regency. This research aims to analyze the implementation of CSR policy of PT. SBM in improving the community empowerment in Baruga village, Bantimurung district, Maros regency. The location of research is in the area of operation of PT. SBM in Baruga village, Bantimurung district, Maros Regency. This type of research is qualitative research with case study approach. The data source in this study consisted of primary and secondary data. The research result of the implementation of CSR policy PT. SBM in Baruga village, Bantimurung district, Maros Regency that analyzed based on the content and context of the policy shows that the implementation of CSR policies PT. SBM has not been able to empower and independence the community of Baruga village because the CSR of PT. SBM activities is still a charity and philanthropy. But there is a hope because now the CSR activities of PT. SBM has begun to lead to the concept of community empowerment where the CSR activities aims to empower and independence the communities of Baruga village in sustainable manner.

**Key words:** The implementation of CSR policy, community empowerment, poverty alleviation, Semen Bosowa Maros (SBM), Maros Regency

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### **INTRODUCTION**

Companies are actually a part of the society and the environment that its existence will not be separated from society and the environment. So, it should be, the development of a company observing the development of society and the environment in the surrounding area of the company's operations, not just the pursuit of profit alone. The concept of Triple Bottom Lines or 3P (Profit, Planet, People) initiated by Elkington in 1998 in his book *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, said that companies are not only the pursuit of economic benefits (profit) alone but also have concern for the environment (planet) and social welfare (people) in a sustainable manner (sustainability) (Suharto, 1997). Strong linkage between the company, the community and the environment is the background of the birth of the Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Company and the Indonesian Government Regulation No. 47 of 2012 on Social

Responsibility and Environmental Limited Liability Company, in which the environmental and social responsibility of limited liability company is better known by the term Corporate Social Responsibility (CSR). The expectations of the enactment of this policy for the company is to run its business activities not only for pursue profit entity but also is obliged to take social responsibility and sustainable environmentally, especially in the area of the company's operations. CSR or Corporate Social Responsibility is also a form of community empowerment that are implemented on an ongoing basis by the private sector (Dobers and Halme, 2009; Wahyuningrum, 2014) which is believed to be a strategic approach to poverty alleviation in Indonesia (Suharto, 1997). However, in fact, the results of policy implementation CSR in Indonesia has not been so encouraging when it comes to the aspect of empowerment of communities around the company's operations. There are still many large companies expend funds for various social activities without focus, direction and sustainability

of the clear program (Suharto, 1997). Ironically, there were a lot of programs or activities of community empowerment were turned into fields of manipulation and corruption. Many companies claim have practiced community empowerment, when all they did was patch-up programs, charitable, not empowering and not more than shed any obligation (Suharto, 1997). The implementation of CSR community-based policy has been also carried out by PT. Semen Bosowa Maros (SBM) as one of the private sector in East Indonesia since 1990 in the form of community development (Comdev). The major area which targeted by CSR community based is the operational area of PT. SBM in Baruga village, Bantimurung district, Maros Regency. The implementation of CSR policy of PT SBM has not seen yet able to increase the community empowerment in the area of significant operations, in which the number of families in the underprivileged category in Baruga village, Bantimurung district, Maros Regency until 2013 is still quite large which amounted to 107 heads of families (KK).

The Coalition Chairman of the Non-Governmental Organization (NGO) Maros revealed that the implementation of CSR policies of PT. SBM through community development program only does social activities, not to empower the community in the form of environmental economics program based on the situation and conditions of the area and the needs of the local environment and also the inclusion of stakeholders is not maximized in the community development program. The phenomenon in the field also revealed that PT. SBM does not allocate special funds for the implementation of the company's CSR activities every year so that, the amount of CSR funds of PT. SBM always vary each year depending on the activities carried out in the field. The implementation of CSR policy of PT SBM in communities around the company is also still a charity and humanitarian aid (philanthropy) such as the activities of mass circumcision, free treatment and religious events, even people who perform marriages granted a donation of 20 boxes of glass size mineral water.

The implementation of CSR policy of PT SBM in communities around the company particularly, in Baruga village, Bantimurung district, Maros regency is certainly not in line with actual CSR activities, i.e., activity-based community development (community development/ community empowerment) in a sustainable manner (sustainability). Chandler and Plano (1988), viewed public administration as an art and science that is intended to regulate and solve public problems through improvements mainly in the areas of organization, human resources and finance. Policy is an action that has a goal to do one's perpetrator or perpetrators to solve a number of problems

(Anderson, 1984). There are five matters relating to public policy. First, the purpose or goal-oriented activities should be a major concern random behavior or events that suddenly occur. Second, the policy is a model pattern of action of government officials regarding decisions separately discretion. Third, the policy should cover what is real government do or what they say will be done. Fourth, shape public policy in a positive form based on the provisions of law and authority. Fifth, the goal of public policy is the welfare of the community that can be achieved through policies that are made by the government.

The determination Act No. 40 of 2007 on Limited Liability Company and Government Regulation No. 47 of 2012 on Corporate Social Responsibility and Environmental Limited Liability Company is also known by the term Corporate Social Responsibility (CSR). CSR is a public policy established by the government to solve problems that occur in people who are in the area of operation of a company in which has summed up the purpose or activity-oriented objectives. The policy is an act of government officials. The policy reflects the real action of government. The forms the policy is based on the provisions of the law and authority and the public policy objectives are for the welfare of the people, especially those residing in the area of operations of a company.

Meter and Horn (1975), defines implementation as actions undertaken by either individuals or authorities or groups of governmental or private directed at achieving the objectives outlined in the policy. The implementation, influenced by four variables, namely communication, resources, disposition and the bureaucratic structure (Edward, 1980). There are five variables that affect the implementation of policies by Meter and Horn, namely: Standards and policy objectives; resources; Communication between organizations and strengthening activity; characteristics of the implementing agency and The conditions of social, economic and political. There are two major variables that affect the implementation of policies by Grindle (1980), namely the content of policy and the context of implementation. Variable content policy, including: interest affected (the influence of various interests); type of benefits (what kind of benefits); extent of change envisions (the degree of change to be achieved); site of decision making (the location of decision making); the implementer program (program managers) and resources committed (various resources deployed). Variable context of the implementation, including: power, interests and strategies of actors involved (power, interests and the strategy of the actors involved); institution and regime characteristic

(characteristic institutions and authorities) and compliance and responsiveness (level of compliance and response from executing). There are three groups of variables that influence the success of the implementation by Mazmanian and Sabatier (1983), namely: tractability of the problem; the ability to structuring the policy implementation process (ability of statute to structure implementation) and variable outside policy/environmental variables (non-statutory variables affecting implementation). Based on the description of the various models of implementation of policies that have been put forward, this study will use Grindle Model to analyze the implementation of Corporate Social Responsibility (CSR) policy of PT. Semen Bosowa Maros in promoting community empowerment in Baruga village, Bantimurung district, Maros Regency. The selection of Grindle model was based on their variable content and context of the implementation of policies that can cover all the variables that put forward by the other models of implementation policy.

CSR can be defined as the responsibility of a company that is not only the survival of the company itself but also to be responsible towards society and the environment by behaving ethically and morally, so it can create a better quality for longer life. The concept of empowerment includes the notion of community development and community-based development. Empowerment, in the context of society is the ability of individuals who fused in the community and build the community empowerment is relevant (Mardikanto and Poerwoko, 2013). The community empowerment is an economic development concept that summarizes the social values. This concept reflects the new paradigm of development, namely that are "people-centered, participatory, empowering and sustainable" (Chambers, 1995).

CSR, in the context of community empowerment is part of a company policy that is run professionally and institutionalized. The implementation of CSR policies in the form of community development or empowerment of the community (community empowerment) is a form of the implementation of CSR policies primary should be done by the company or companies, including in exploration of natural resources (Suharto, 1997). Various phenomena of the problems that occur in the field can be used as the initial basis for deeper researching in the implementation of the CSR (Corporate Social Responsibility) policy of PT. Semen Bosowa Maros (SBM). This study is important because it will analyze the implementation of CSR policies of PT. SBM both from internal and external aspects in promoting community empowerment in Baruga village, Bantimurung district, Maros Regency, so that the

implementation of CSR policies of PT. SBM in the future can enhance the empowerment of society. The purpose of this study was to analyze the implementation of CSR policies of PT. SBM in improving the community empowerment in Baruga village, Bantimurung district, Maros regency.

## **MATERIALS AND METHODS**

The location of research in the area of ??operation of PT. Semen Bosowa Maros (SBM) is in Baruga village, Bantimurung District, Maros regency. This type of research is qualitative research with case study approach. There are two data sources in this study, namely: primary data and secondary data. The focus research in this study is the implementation of CSR policies of PT. SBM in improving community empowerment in Baruga village, Bantimurung district, Maros regency. The technique of data collection is through in-depth interviews, observation and documentation. The data validation is done by the extension of observation, increased persistence of researchers and triangulation source. The main instrument in this study is the researchers themselves who are the key instrument. The technique of data analysis used in this study is the technique of interactive analysis by Huberman and Michael (2007), namely: data reduction; Presentation of data (data display); and Withdrawal conclusion (verification).

## **RESULTS AND DISCUSSION**

**Profile of PT. Semen Bosowa Maros (SBM):** PT. Semen Bosowa Maros (SBM) is one of the subsidiaries of Bosowa Investama founded by H.M. Aksa Mahmud on April 6, 1978. The background of the elections of Bosowa name comes from the abbreviation Bone, Soppeng, Wajo based on the historical background of the Bugis kingdom known as name "Telle Poccoe" (Tiga Serangkai), namely the Kingdom of Bone, Soppeng and Wajo. PT. SBM is one of the national private cement factory located in Baruga village, Bantimurung district, Maros regency, South Sulawesi province. Since March 1999, the company had started the production but with capacities far below the target, so the management set the start of commercial production on January 1, 2000. The areas of marketing of Semen Bosowa are South Sulawesi province and other provinces in eastern Indonesia region. The marketing of cement is destined for the domestic market by 60%. When the domestic cement demand has been met, then 40% is marketed for export. The production capacity of 1.8 million tons per year can be optimized up to 2 million tons per year with a total investment of 537 billion. Since earlier,

PT. SBM committed to the communities by establishing the Division of Community Development as a proactive approach to anticipate and overcome the various problems that arise as a result of the company's activities. The Community Development is a breakthrough that is very effective in minimizing clash with local culture and socio-economic gap that always maintained a harmonious relationship with the surrounding community.

**The implementation of csr policies of PT. Semen Bosowa Maros (SBM):** The implementation of CSR policy of PT. SBM in improving the community empowerment in Baruga village, Bantimurung district, Maros regency, in this study were analyzed based on the model of policy implementation according to Grindle (1980).

**Variable content policy:**

**Interest affected (the interests of the target group):** This aspect is related to how big the interest of the target group in the policy. A policy must accommodate all the interests of the target group. The implementation of CSR policy in improving the community empowerment in Baruga village, Bantimurung district, Maros regency is very expected in accommodating as much interest as possible to the community. The implementation of CSR policy through Environment and Community Development Department has been trying to carry out its social responsibility to the community and make efforts to accommodate the interests of the target group, namely the citizen of Baruga village. The Environment and Community Development Department of PT. SBM that were initially only serve the interests of the community in the form of donation, nowadays, began intensively focused on the interests of the communities associated with the ongoing empowerment. There were some CSR activities that have been done and were expected to empower the community in Baruga village such as: giving scholarships for outstanding students at the elementary school level, fostering community-based total sanitation program and the planting of crops by exploiting the public's yard.

**Type of benefits (what kind of benefits):** This aspect associated with the various types of benefits which gained by target group for the implementation of a policy. A policy can provide a variety of positive benefits to the target group. The implementation of CSR policy in improving the community empowerment in Baruga village, Bantimurung district, Maros regency has certainly highly expected to give benefit as much as possible to the community in Baruga village. The implementation of CSR policy implementation through Environment and

Community Development Department has been trying to carry out its social responsibility to the community but social responsibility has yet able to provide a number of benefits to the villagers in Baruga. The benefits of implementing CSR policies in Baruga village are still very tentative, not empowering and unsustainable. This happens because the CSR activities are still charity and humanitarian assistance. But, now a days, there is a great hope that Baruga village will get the benefits through CSR activities because the activities of CSR began intensively focused on the interests of the communities associated with the ongoing empowerment. The great benefit can be seen in CSR activities in the form of planting crops organically by exploiting people's yard to the creation of Liquid Organic Fertilizer (LOF) and bio-pesticides pet poison.

**The extent of change envision (the degree of change that want to be achieved):** This aspect is related to how big changes are expected for the implementation of a policy. Ideally, a policy must bring the better change. The implementation policy of CSR through the Division of Community Development (Community Development) has been trying to carry out its social responsibility to the community but social responsibility has yet to give effect meaningful change to Baruga village community, especially related to the aspect of ongoing empowerment. The implementation of CSR policy to Baruga village community has not been able to lift and transform the degrees of Baruga village community's life. This happens because the CSR activity is still a charity and humanitarian assistance. But now, the degree of change in the communities in Baruga to become independent and empowered society will soon be realized because the CSR activity of PT. SBM has begun focusing in sustainably community-based activities.

**Site of decision making (the location decision):** This aspect is related to how big the capacity of policy makers. The capacity policy making is essential to create the right policy to play a role in policy implementation. The CSR policies made by the government through the enactment of Law No. 40 of 2007 on Limited Liability Company and Government Regulation No. 47 of 2012 on Corporate Social Responsibility and Environmental Liability Limited Company is a public policy to solve problems that occur in the society around the company operational site. This policy is welcomed by PT. SBM by forming the Community Development Division (Community Development) under the Ministry of General Affairs (GA) which later on October 1, 2015 evolves into Environment

and Community Development Division for more focus on CSR activities based on community empowerment.

**Implementer program (program managers):** This aspect is related to how much the level of clarity of implementers program. There must be an explanation to the target group about who is the implementer policy. The implementation policy of CSR had been entrusted to a special division, namely, the Environment and Community Development Department. To support the implementation of the CSR program for more leverage and optimal, the Environment and Community Development Department had been formed a partnership forum called Social Project Management Team Bosowa Baruga (TPKS-BB).

**Resources committed (a variety of resources deployed):** This aspect is related to how much adequate support resources in the implementation of a policy. The support of adequate resource is needed in the implementation of public policy. The policy implementation of CSR through Environment and Community Development Department has been trying to carry out its social responsibility to the community but the support for human resources and financial resources are still not maximal and optimal. The Environment Personnel and Community Development Department together with TPKS-BB are not maximal to plan the CSR program to empower the community in Baruga village sustainably. This happens because the social mapping process is less accurate in the pre-implementation phase. The material support from PT. SBM is more dominant in the form of cement.

#### **Variable context of implementation**

**Power, interests and strategies of actors involved (power, interests and the strategy of the actors involved):** This aspect is related to how much authority, interests and the strategy of the actors involved in policy implementation. The implementation of CSR policy of PT. SBM through Environment and Community Development Department has begun to show high concern about social responsibility and strategy to the community of Baruga village. Although, all this time, the interests and strategies of the actors involved in the implementation of CSR policies PT. SBM has not been able to provide a number of benefits to Baruga villagers but now, the synergies of environment personnel and Community Development Department of PT. SBM with TPKS-BB, government officials, agencies and the public has become an effective strategy in the process of policy implementation of CSR. This effective strategy can be seen in the CSR activities of PT. SBM in the form of planting crops organically

utilizing society's yard with a strategic approach to the women who are members of the Group of Women Farmers (GWF).

**Institution and regime characteristic (characteristic institutions and authorities):** This aspect is related to the characteristics of the ruling institutions. Alignments ruler of the policy will encourage the successful implementation of the policy. The implementation of CSR policy of PT. SBM through Environment and Community Development Department has been seen showing partiality to the social welfare and environmental community in Baruga village. The CSR program of PT. SBM was mostly just donation at first and now starting to show partiality of PT. SBM to the surrounding community through sustainability community development program. The party top management of PT. SBM fully supports the CSR programs based on empowerment proposed by Environment and Community Development Department.

**Compliance and responsiveness (the level of compliance and response of the target group):** This aspect is related to the level of compliance and responsiveness of the target group. The responsiveness and compliance with the target group is very important in policy implementation. The implementation of CSR policy of PT. SBM through Environment and Community Development Department has received a very good response. Most of Baruga villagers enthusiastically welcome the implementation of various programs of CSR of PT. SBM, although it was originally just a donation program such as the construction of footpaths, mass circumcision, the construction of mosques and others. In the CSR program of PT. SBM-based empowerment, it also got enthusiasm and very well active role from the public, especially from women who are members of the Group of Women Farmers (GWF) in activities like planting crops organically by leveraging the yard of society as well as the manufacture of Liquid Organic Fertilizer (LOF) and toxins bio-pesticide pest.

#### **CONCLUSION**

The research result of the implementation of CSR policy PT. SBM in Baruga village, Bantimurung district, Maros Regency that analyzed based on the content and context of the policy shows that the implementation of CSR policies PT. SBM has not been able to empower and independence the community of Baruga village because the CSR of PT. SBM activities is still a charity and philanthropy. But there is a hope because now the CSR activities of PT. SBM has begun to lead to the concept of

community empowerment where the CSR activities aims to empower and independence the communities of Baruga village in sustainable manner. Now, it's time for the government, society and related elements to keep motivating and encouraging PT. SBM to keep improving its CSR activities based empowerment from year to year, in order to increase self-reliance and community empowerment in Baruga village, Bantimurung district, Maros regency.

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