



Corporate Social Responsibility (CSR) Governance in Encouraging Village Independence: A Case Study of Luwe Hulu Village

Hidayat Tusolihin; Tomi Oktavianor

Universitas Lambung Mangkurat, Banjarmasin, Indonesia

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Abstract

This study aims to analyze the governance of Corporate Social Responsibility (CSR) funds in Luwe Hulu Village, West Lahei Sub-district, North Barito Regency, and the inhibiting factors in the village's independence efforts. The method used was a qualitative approach with a descriptive design, involving direct observation and in-depth interviews with informants from the government, related agencies, and the local community. The results showed that CSR governance based on the village head's vision and mission has successfully improved village facilities and infrastructure, education, and economic empowerment. Nonetheless, the challenge of program sustainability is a major concern, requiring long-term plans and periodic evaluations to ensure sustained positive impacts.

Keywords: *CSR Governance; Village Independence; Community Empowerment*

Introduction

Law No. 32/2004 on Local Government replaced Law No. 22/1999 by granting wider autonomy to local governments to manage local affairs, to improve people's welfare through public services, empowerment, and increasing regional competitiveness. However, regional problems such as poverty and unemployment cannot be solved only by the APBD, so there needs to be a partnership between local governments, the private sector, and the third sector.

Local governments should not only focus on increasing budget volumes but also on improving community welfare and public participation in development. By involving the private sector and communities, local governments can create a climate conducive to investment and local development.

One way to encourage such participation is through corporate social responsibility (CSR), which requires companies to pay attention to the welfare of the surrounding community. CSR in Indonesia has been regulated in various regulations, including Law No. 40/2007 on Limited Liability Companies, which states that companies must play a role in sustainable development to improve the quality of life and the environment.

In sustainable development, CSR can also play a role in supporting the achievement of village SDGs, which are important for achieving national SDGs. CSR support can increase regional economic

independence, improve infrastructure, improve the welfare of rural communities, and create self-sufficient communities.

Villages have great natural resource potential, so many companies set up their businesses in rural areas. However, many villages are still lagging in terms of education, health, and economy. Therefore, the implementation of CSR by companies operating in villages is expected to improve local community empowerment.

Community empowerment aims to alleviate poverty by giving people the freedom and ability to fulfill their basic rights, access health and education services, and increase participation in public decisions. In the implementation of CSR, it is important to involve the community as a subject, not an object, to ensure the program is well-targeted and in line with the community's needs.

The existing phenomenon shows that many business actors still see the community as an object, not a subject, in the implementation of CSR, so many programs are not on target. Village community empowerment should be the main focus so that local potential can be optimally developed.

Community participation in CSR programs is very important so that the programs run can be right on target and provide real benefits. Village development today must make community empowerment the main focus so that local potential and resources can be maximized.

To make empowerment programs successful, four principles must be adhered to equality, participation, self-reliance, and sustainability. The principle of participation is very important so that CSR programs can be right on target and have a positive impact on the community.

Therefore, this study was conducted to analyze the governance of CSR funds by the village government and the inhibiting factors that exist in the village's self-reliance efforts.

Metode Penelitian

This research uses a qualitative approach because the data collected is descriptive of relevant writings, words, and documents. Researchers observed and understood the phenomena that occurred in Luwe Hulu Village, West Lake District, North Barito Regency, Central Kalimantan, to describe the strategies and inhibiting factors in the management of CSR funds by the village government. This field research was conducted directly in the community to obtain accurate and reliable data.

The research method used is descriptive qualitative because this method allows researchers to cover more aspects compared to other methods. Descriptive qualitative also makes a significant contribution to science by providing information on the current state of affairs and helping to identify important factors for the conduct of research. This research aims to describe the strategies and inhibiting factors in the partnership between the government and companies in managing CSR funds in the village.

The main instrument in this study was the researcher himself, who was supported by tools in data collection to ensure the research process was systematic. A total of ten informants from various related parties, including the local government, related agencies, and the community of Luwe Hulu Village, became the main data sources for understanding in-depth CSR management in the village.

Hasil Dan Pembahasan

Each Village Head has a vision and mission that is used as a guideline in developing development programs offered to the community. This is the basis for the community in choosing a Village Head who can bring positive changes, as happened in Luwe Hulu Village for the period 2020-2026. The vision and mission carried by the elected Village Head aim to improve the government system, continue unfinished development, and direct village development towards better welfare.

The research shows that the governance of CSR funds in Luwe Hulu Village refers to the vision and mission of the Village Head, which focuses on improving facilities and infrastructure, health, economy, education, and village governance. The Luwe Hulu Village Government also pays special attention to the education of students, by providing free dormitories in Muara Teweh and fighting for scholarships to alleviate education costs. These efforts demonstrate the village government's commitment to improving the quality of life through education and sustainable development.

Table 1. Names of Listed Companies in the West Lahei Sub-district Area

No	Company Name
1	PT. PADA IDI
2	PT. MEDCO ENERGI INTERNASIONAL TBK (MEDCOENERGI)
3	PT. WANA INTI KAHURIPAN INTIGA (WIKI)
4	PT. VICTOR DUA TIGA MEGA (VDTM)
5	PT. KIMIA YASA
6	PT. DEPRIWANGGA
7	PT. ARSY NUSANTARA
8	PT. GRAHA PRIMA ENERGI (GPE)
9	PT. LUMBUNG MAKMUR ABADI (LMA)
10	PT. PRIMA SARANA GEMILANG (PSG)
11	PT. BELENGKONG MINERAL RESOURCES (BMR)
12	PT. BUDI PERKASA ALAM (BPA)
13	PT. PLN (PERSERO)-PEMBANGKIT LISTRIK TENAGA MESIN GAS (PLTMG) BANGKANAI
14	PT. PLN (PERSERO)- COMPRESSED NATURAL GAS (CNG) BANGKANAI
15	PT. MIRAH GANAL ENERGY (MGE)
16	PT. HANWA INDONESIA
17	PT. TAMBANG BERKAH UTAMA (TBU)
18	PT. HEXINDO ADIPERKASA TBK
19	PT. DWI MAKMUR PRIMATAMAS
20	PT. ALAM BAHTERA BARITO RAYA (ABBR)
21	PT. PERMATA INDAH SINERGI (PIS)
22	PT. TIMUR Satria PERKASA (TSP)
23	PT. HILLCON JAYA SAKTI (HJS)
24	PT. TAMTAMA PERKASA
25	PT. KTC COAL MINING & ENERGY (KTC GROUP)

Vision-Mission Based Governance

Luwe Hulu Village, a remote village with various development challenges, is now transforming thanks to the implementation of Corporate Social Responsibility (CSR) governance based on a clear vision and mission. The Luwe Hulu Village Government realizes that to achieve equitable welfare, collaboration with the private sector through CSR programs is a strategic step that needs to be taken. The village's vision to become a developed and independent village, as well as its mission to improve community welfare through infrastructure development and quality of life improvement, is the basis for every step taken.

One of the main partners in the implementation of CSR in Luwe Hulu Village is Ophir Indonesia Bangkanai, Ltd. The company has run various programs aimed at supporting village development, ranging from basic infrastructure development to community economic empowerment.

However, the success of these programs is inseparable from effective CSR governance. This governance is based on the principles of transparency, accountability, and active community participation.

Transparency is manifested in the form of periodic reports submitted to the community and other stakeholders regarding the progress and impact of the CSR programs implemented. Accountability is realized through evaluation mechanisms that involve third parties, such as independent non-governmental organizations (NGOs). In addition, active community participation in the planning and implementation of CSR programs is key to the success of this governance. Village communities are involved from the planning stage to ensure that the programs are in line with their needs and priorities.

One example of successful CSR governance based on this vision and mission is the clean water facility construction project. Previously, Luwe Hulu villagers had to walk long distances to get clean water. However, through a partnership between the village government and Ophir Indonesia Bangkanai, Ltd. a clean water treatment system has been built and can now serve the entire village. This project not only improves the quality of life of the community but also reduces the time required to obtain clean water, leaving the villagers with more time for other productive activities. In addition, good CSR governance is also seen in the community's economic empowerment efforts. The job skills training program organized by the company has successfully increased the capacity and skills of villagers, enabling them to create new business opportunities. This is in line with the village's mission to improve the community's standard of living through economic empowerment.

However, there are still challenges in implementing CSR governance in Luwe Hulu Village. One of the biggest challenges is ensuring the sustainability of the programs that have been implemented. To address this, the village government together with partner companies have developed a long-term plan that includes the maintenance and further development of existing infrastructure and empowerment programs. In addition, regular monitoring and evaluation are also conducted to ensure that the programs remain relevant to the evolving needs of the community.

Another key to successful CSR governance in Luwe Hulu Village is the strong commitment of all parties involved. The village government, partner companies, and the village community all have equally important roles in ensuring that the vision and mission that have been set can be achieved. With this harmonious collaboration, Luwe Hulu Village has successfully demonstrated that well-managed CSR can have a significant positive impact on village development. This success also serves as an example for other villages looking to utilize CSR programs to accelerate development in their areas.

CSR governance based on vision and mission not only helps Luwe Hulu Village in improving the quality of infrastructure and the welfare of its people but also builds a strong foundation for sustainable development in the future. With a strong commitment from all parties involved and the active participation of the community, Luwe Hulu Village can transform into a more advanced, independent, and prosperous village. The collaboration not only provides short-term benefits but also creates long-term impacts that will be felt by future generations. Luwe Hulu Village's experience in managing CSR can be an inspiration and model for other villages that want to advance their area through good cooperation with the private sector.

Transparency and Accountability

Transparency and accountability play an important role in the governance of Corporate Social Responsibility (CSR) at the village government level, particularly in promoting self-reliance in Luwe Hulu village in West Lahei sub-district, North Barito district. To achieve this goal, the village government must take concrete steps to ensure that CSR funds are properly managed.

Village governments should regularly compile detailed and itemized reports on the use of CSR funds. This report should include information on the amount of funds received, the projects supported, and the impact generated. The report should be openly accessible to the public, either through the village government's official website, announcements in public places, or other communication channels that are easily accessible to villagers.

In addition, it is important to provide easy-to-understand information to the community about the projects funded through CSR. Village governments can organize public meetings or open discussions to explain the objectives, benefits, and progress of each project. This will provide an opportunity for villagers to provide input, express their needs, and measure the positive impact that has been achieved.

Fund allocation decisions should also be made fairly and transparently. The village government should establish a mechanism that involves the active participation of the community in the decision-making process regarding the allocation of CSR funds. Community forums or discussion groups can be a forum to hear the aspirations of the community, prioritize common needs, and reach mutual agreements.

By implementing these measures, it is hoped that transparency and accountability in CSR governance can be an effective instrument in driving the growth of Luwe Hulu village's self-reliance, creating greater positive impacts, and building strong relationships between the village government, companies, or CSR activist organizations, and local communities.

A look at village financial governance conducted by public officials shows that during the planning process, village officials not only prepare development plans that use the Village Fund Allocation (ADD) independently but also involve various parties and are discussed in village meetings. This is certainly to the ADD management regulations stipulated in Permendagri Number 20/2018.

The implementation of deliberation is important in the discussion of village development planning because, through deliberation, village officials can directly hear the aspirations of the community and obtain approval for development planning for the common interest. Thus, the village government can better carry out the interests of the community.

By Law No. 6/2014 on Villages, village consultative meetings are held to break the deadlock or difficulty in decision-making and provide opportunities for the community to see development issues from various perspectives. Through village deliberation, decisions are expected to be made by the standards and perceptions of all participants.

Decisions made through deliberation will carry more weight because they include the opinions, thoughts, and knowledge of the participants. Village deliberations are conducted to obtain mutual agreement so that the decisions that are finally made can be accepted and carried out by all participants with a sense of responsibility.

In the implementation of village financial management, several general principles must be adhered to, including in terms of revenue and expenditure. One of them is that all village revenues and expenditures are made through the Village Cash Account. The disbursement of funds in the Village Cash Account must be signed by the Village Head and the Village Treasurer. This is by Masihad's (2018) research, which emphasizes the importance of all income and expenditure through the village account, such as ADD, which is a transfer income that enters through the village account.

The village has one account as the sole depository of funds owned by the village. In addition, in activities funded by ADD, the Village Head forms an Activity Implementation Team (TPK) in charge of implementing the activities. The implementation of activities is an important aspect of ADD management, and with good implementation, the planning targets that have been prepared previously can be achieved. The implementation of activities must be carried out as expected and transparently, to avoid miscommunication between the organizers and the community.

With the principle of transparency carried out by the village government, it is hoped that there will be no prejudice from the community against the organizers of the activities. In addition, this also aims to avoid abuse of authority and misuse of the budget that has been determined during the Village Development Planning Meeting (Musrebangdes).

The opinion of Bonaldy et al. (2018) emphasizes that transparency is an important thing that must be prioritized, because with transparency, clean government can be created, with the aim of a state based on the welfare of the people. Information disclosure on various matters in the implementation of government is one of the main principles of transparency, as stated in Law No. 14 of 2008 concerning Public Information Disclosure in Chapter 2 Article 2 Paragraph 1, that every public information is open and accessible to every user of public information. Public information, in terms of governance, includes the management of village funds.

Conclusions

Corporate Social Responsibility (CSR) governance based on the vision and mission of Luwe Hulu Village shows that the application of the principles of transparency, accountability, and active community participation is the key to success in encouraging village independence. The implementation of CSR based on the vision and mission of the village head, as seen in Luwe Hulu Village, has succeeded in improving village facilities and infrastructure, improving education, and economic empowerment. CSR programs carried out by partner companies, such as the construction of clean water treatment systems and skills training, have had a significant positive impact on the quality of life of village communities.

However, the challenge of program sustainability remains an important concern. To address this, a long-term plan that includes regular maintenance and evaluation is required. Strong commitment from all parties village government, partner companies, and communities is key to ensuring that the village's vision and mission can be effectively achieved. The application of transparency principles in the management of CSR funds and the active participation of communities in the planning and implementation of programs are important factors in creating a positive long-term impact.

Luwe Hulu Village's experience in managing CSR can be an inspiration for other villages that want to utilize CSR programs to accelerate development. With harmonious collaboration between the government, private sector, and community, as well as the application of transparency and accountability principles, other villages are expected to achieve better and sustainable development.

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