

Community Empowerment as The Corporate's Social Responsibility: Case Study of PT. Tirta Investama Plant Solok, Indonesia

Yulia Risa

Faculty of Law, Universitas Dharma Andalas, Padang, Indonesia

*email: yuliarisa24@gmail.com

Date received: April 2019, Revised: July 2019, Accepted: August 2019

ABSTRACT

This study aims to investigate the involvement and implementation of the Corporate Social Responsibility (CSR) of PT. Tirta Investama Solok Aqua Plant Factory in community empowerment in Solok Regency. The company not only prioritizes the company's financial condition (single bottom line) but also pays attention to the concept of sustainable development and is beneficial for community empowerment, namely the social principles, environmental, and ethical principles (triple bottom line). The approach used in this research is qualitative, with primary data obtained from interviews, observations, and field studies. The data obtained are then analyzed with relevant laws, theories, and expert opinions, while secondary data are obtained from various literature, laws, and regulations. The results showed that in 2014, the implementation of social responsibility at PT. Tirta Investama Danone Aqua is carried out by a non-governmental organization (NGO) of the Indonesian Family Planning Association (PKBI) of West Sumatra Province and the Field Indonesia Foundation. Social responsibility is implemented through social mapping programs, the creation of clean water and sanitation facilities. In the economic field, the activities carried out, namely the school program (sekolah lapangan alpukat), while in the environmental field, PT. Tirta Investama Danone Aqua built the Biodiversity Park (KEHATI) and the Community-Based Total Sanitation Program. Secondly, CSR involvement of PT. Tirta Investama in Community Empowerment is through the Community Based Total Sanitation Program (STBM).

Keywords: Community Empowerment, Corporate Social Responsibility, NGO

DOI: <https://doi.org/10.31603/variajusticia.v15i2.2940>

1. INTRODUCTION

In recent years, the business has become a value that has brought about fundamental changes, namely the concept of Corporate social responsibility (CSR). Through CSR, companies expand their role beyond the use of resources and engage in activities designed to increase profits under existing regulations (Zulfiqar, Sadaf, Popp, Vveinhardt, & Máté, 2019). The welfare of the Indonesian people is not the responsibility of one party, but the responsibility of all stakeholders such as the state and entrepreneurs. One form of entrepreneurial responsibility towards the community is CSR (Moore, 2000). CSR is a commitment of the company or business world to contribute to sustainable economic development by paying attention to corporate social responsibility and focuses on the balance between attention to economic, social and environmental aspects (Alhaddi, 2015). The company will not survive if only profit-oriented without involving the environment and society (Niño, 2015). However, companies can argue that they do not carry out CSR programs if no laws are governing them. Fortunately, there are laws governing CSR obligations through the Company Law and Government

Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Companies (PP CSR). Article 74 UUPT states that:

1. Companies that carry out their business activities in the fields related to natural resources are required to carry out social and environmental responsibilities.
2. Social and environmental responsibility, as referred to in paragraph (1), is a corporate obligation that is budgeted and calculated as a company expense whose implementation is carried out with due regard to propriety and fairness.
3. Companies that do not carry out the obligations referred to in paragraph (1) are subject to sanctions under the provisions of the legislation.
4. Government Regulation regulates further provisions regarding social and environmental responsibility.

The implementation of CSR by natural resource management companies has not matched between expectations and reality, due to resistance from the company. On the other hand, the UUPT and PP CSR have not yet set the mechanism for implementing CSR comprehensively. The Government of West Sumatra Province issued Local Regulation No. 7 of 2015 concerning Social and Environmental Responsibility. The purpose of the issuance of these regulations is to be able to know the CSR programs carried out, both SOEs, BUMDs, and other companies in West Sumatra so that communication and synergy between the Government and companies are made that make CSR programs right on target and do not overlap.

Solok is a regency in West Sumatra Province, which has a large company called PT. Tirta Investama plant. The company produces bottled drinking water under the Aqua brand name. As a company, PT. Tirta Investama plant has CSR obligations. This CSR concept becomes vital for the company because it is engaged in natural resource processing, which is adjacent to the surrounding community. Environmental conditions greatly influence the availability of water for the sustainability of the company's business. The company realizes the importance of a balance between water sources, the company, and the community in the surrounding environment as one of the conditions for creating sustainable growth. The company must commit to carrying out various programs in order to create a balance and form of Corporate Social Responsibility. The company can implement a community-based approach in carrying out its social programs by partnering with communities, local governments, and other stakeholders. Based on this description, it is interesting to examine the implementation of CSR by PT. Tirta Investama plant in Solok Regency and the CSR linkages of PT. Tirta Investama Plant Solok to empower the community.

2. RESEARCH METHODS

The approach used in this research is qualitative, with primary data obtained from interviews, observations, and field studies. The data obtained are then analyzed with relevant laws, theories, and expert opinions, while secondary data are obtained from various literature, laws, and regulations.

3. RESULTS AND DISCUSSION

3.1. CSR implementation by PT. Tirta Investama Aqua Plant in Solok Regency

Globally, CSR is not only meant as a philanthropic activity carried out by the company. At present, the new paradigm of CSR leads to a commitment of a company to be responsible to society and the environment and sustainable economic development in a sustainable manner (Pranoto & Yusuf, 2014). CSR is closely related to the concept of Community Development (CD). Community Development is a process designed to create progress in the economic and social conditions of citizens through active participation that fosters community initiative and independence (Isidiho, 2016).

Community development is a community activity carried out systematically, planned, and directed to increase community access to improve social, economic, and better quality of life (Nurbaety, Ratnasih, & Ramdan, 2005). The link between community development and CSR can be seen in Figure 1.

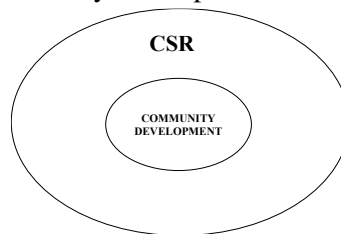


Figure 1. Link between community development and CSR

Changes in the company's paradigm have a positive impact on the existence of companies that can provide the welfare of the surrounding community. This condition is linear with the Government of Indonesia's policy in realizing good governance. Likewise, with PT. Tirta Investama, better known to the broader community by the name of AQUA, which has several branch factories in Indonesia, one of which is the Solok Plant. PT. Tirta Investama Plant Solok located in Nagari Batang Barus, Solok Regency, which has been operating since 2013. The plant was founded by Danone, which occupies a land area of 9.23 Ha. PT. Tirta Investama Plant Solok produces bottled water measuring 600 ml and gallons (18 liters/gallon). The source of water used by this limited liability company comes from underground water.

Implementation of PT. Tirta Investama started from Riboud's thinking about the company's dual commitment. A dual commitment is a way of running a business that puts a balance between economic success and social progress (Danone, 2004). This thinking is in line with the thoughts of the founder of PT. Tirta Investama, Tirto Utomo, which has a principle that business must contribute socially to the community. All of the above thoughts are actualized in a program called AQUA Lestari, which was developed since 2006 as a form of sustainability by using Danone Way and ISO 26000 as a reference. AQUA Lestari is realized by carrying out various social and environmental initiatives that cover the integrated Sub-Watershed (DAS) areas of the upstream, middle and downstream areas in which the AQUA Group operates, which is adjusted to the local context. These initiatives are under the four pillars, namely: Water and Environmental Conservation, Environmentally Friendly Company Practices, Product Distribution Management, and Community Engagement and Empowerment. The implementation of CSR at PT. Tirta Investama can be seen in figure 2.

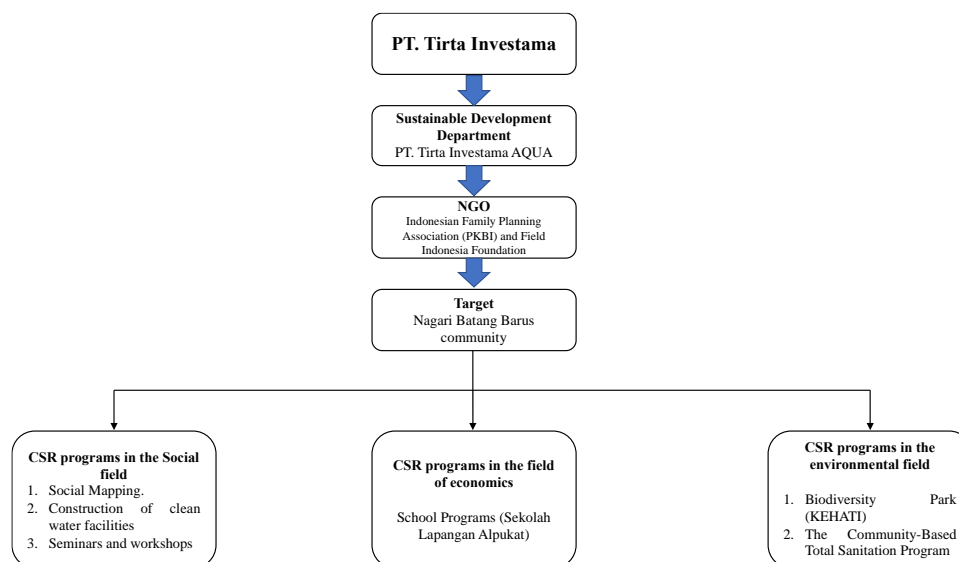


Figure 2. CSR Implementation at PT. Tirta Investama

Implementation of CSR by PT. Tirta Investama has been conducted since 2010 and provides benefits for the people of Nagari Batang Barus, Solok. CSR strategies carried out in Nagari Batang Barus can be categorized into four fields:

1. Social Fields

a. Social Mapping

This activity was carried out from March to July 2017 in Nagari Batang Barus, Solok Regency. Social mapping is the first step to see the situation and state of Nagari Batang Barus. This Social Mapping activity aims to:

- 1) To obtain information about the composition of the company's stakeholders;
- 2) Obtain information on issues, problems, and potential environment and society;
- 3) Obtain information about community development needs and opportunities based on local conditions;
- 4) Obtain recommendations for the development of social and environmental programs that are in line with community needs and the company's mission.

b. Development of Clean Water Access and Environmental Sanitation Facilities

To increase public awareness of the importance of clean and healthy living behaviors, PT. Tirta Investama Plant Solok contributed to the development of community-based clean water access facilities. This activity is part of the community-based total Sanitation Program (STBM) in Nagari Batang Barus before the establishment of PT. Tirta Investama Plant Solok. This clean water facility development activity also begins with community empowerment activities and forms a clean water management group in Kelok Batuang, Jorong lubuk lasiah. The same activity was also carried out in Tabek Jorong Kayu Aro Hamlet and Nagari Kayu Jao which are described in table 1.

Table 1. Development of Clean Water Access and Environmental Sanitation Facilities

Name of Areas	Years	Form of Cooperation
Kayu Aro	2010	Cooperation with the Indonesian National Solidarity Foundation (YASABI) 1. Construction of 12 toilets 2. 3 reservoirs 3. 3 Stand tab 4. 5,600 m main network pipe
	2012	Collaboration with community groups 1. Construction of 1,300 m of main network pipeline 2. 2 reservoir tanks
	2016 – 2017	1. Cooperation with the West Sumatra Indonesian Family Planning Association (PKBI) a. Development of 1,100 m of main network pipeline b. 2 reservoirs c. 22 house connections, mushalla and Elementary School (SD) 40 2. Cooperation with the FIELD Indonesia Foundation a. Development of 1,100 m of main network pipeline b. STBM

VARIA JUSTICIA

Name of Areas	Years	Form of Cooperation
Lubuk Selasih and Kayu Jao	2014-2017	Collaboration with the West Sumatra Indonesian Family Planning Association (PKBI) <ol style="list-style-type: none"> 1. Construction of 2,300 m main network pipe 2. 1 reservoir 3. 1 public faucet 4. 60 connections to the house From this program at least 489 people have received it benefits of programs that have been implemented for 2 year or 76 households that have been confirmed to have healthy latrines, managing household waste and waste or 100% of households have implemented 5 STBM pillars from before only a part of the household. <ol style="list-style-type: none"> 1. STBM 2. Construction of 2,300 m main network pipe

c. Training on Adolescent Reproductive Health

Some of the reasons for this training are the emergence of problems faced by adolescents in Nagari Batang Barus such as rape, the murder of high school children, sexual harassment, early marriage, illegal racing, and other teenage issues. Facing the above problems, PT. Tirta Investama Plant Solok, in collaboration with the Indonesian Family Planning Association (PKBI), to organize adolescent reproductive health training held on May 19, 2016.

2. Economics

a. Community-Based Conservation (Sekolah Lapangan Alpukat)

The form of activities in the economic field carried out by PT. Tirta Investama is Community-Based Conservation (Sekolah Lapangan Alpukat). This activity has been carried out since July 2015, the FIELD Indonesia Foundation as one of the corporate social responsibility (CSR) program partners of the AQUA Solok factory has assisted the residents of Jorong Kayu Aro to learn together about sustainable agriculture. According to CSR Coordinator Tirta Investama Solok, Jon Betrit, Sekolah Lapangan Alpukat are a form of a community learning process that meets once a week to attend the learning process. The forms carried out by the learning community such as analyzing plant development from phase by phase and exploring various principles related to the development of plant dynamics due to natural factors such as insect populations, plant physiology, and compensation, maintenance of soil fertility, influence of water and weather, selection of varieties through their experiments. Furthermore, the main activities are carried out by mitigating the problems faced by the community. In this process, the community is expected to participate fully in learning and decision making.

b. Assistance, Economic Empowerment, and Healthy Lifestyle Behavior Program through Integrated Service Post (Posyandu)

The form of this activity is assisting women's groups, and posyandu cadres in developing goat farms, freshwater fish farming to improve the nutrition of farming families. This activity is carried out in various forms, including:

- 1) Training on livestock management, goat and freshwater fish farming
- 2) Training the skills of group residents in animal health or Animal Health Volunteers (Sukakeswan)

3) Field Schools (SL) the use of manure for agriculture to reduce the use of artificial fertilizers.

3. Environmental

a. Building a Biodiversity Park (KEHATI)

In the environmental field, the contribution of PT. Tirta Investama Plant Solok is building a Biodiversity Park (Kehati). Taman Kehati or Taman Kota is one of the programs developed by all AQUA Solok plants. The main objective of the Kehati Park development program is the establishment of green open space facilities, as a collection of local endemic plants, as in-situ and ex-situ conservation areas to save and develop various types of flora and fauna. In addition, biodiversity also functions to support life systems such as maintaining soil quality, storing groundwater, and maintaining carbon and nutrient cycles. The management of PT Tirta Investama Solok Plant has prepared more than 2 hectares of land as the location of the development of the AQUA Solok Plant Forest Park. This activity was carried out in order to meet the requirements for achieving green mill properions, where construction has been carried out since mid-2014. The construction was carried out in collaboration with local vendors involving the local community, starting from planning, structuring, planting, and managing them.

b. Environmental Health Program

AQUA's CSR activities are carried out in all factories in Indonesia, one of which is the Kayu Aro Solok area. The environmental preservation process in Solok has been started since the factory was built. The reasons for the formation of this program are:

- 1) There are still many people defecating randomly (BABS) into rivers that cause river water to be contaminated with the E.coli bacteria.
- 2) Nagari Batang has to be located in the Upper Sulu Sub Sumani, where the headwater is from Nagari Batang Barus, and its downstream is in Singkarak.
- 3) The high rate of environmental-based diseases in Nagari Batang Barus.

This activity has been carried out since the company was founded in 2012. The form of its activities is the creation of clean water and sanitation facilities for several hamlets, the development of sustainable agriculture programs, planting of trees around the factory, renovation of washing latrines (MCK), construction of ablutions for several mosques and prayer rooms in 5 jorong in Kayu Aro, providing drinking water assistance to flood victims in Padang, and several community environmental activities in Kayu Aro and its surroundings. In its implementation, CSR of PT. Tirta Investama aqua Solok plant received an award that was presented at the event to appreciate the commitment of companies running CSR programs. The activity was organized by the Corporate Forum for Community Development (CFCD) in collaboration with the Coordinating Ministry for Human Development and Culture (Kemenko PMK) of the Republic of Indonesia in 2014.

3.2. PT. Tirta Investama Involvement in Empowering Communities in Solok Regency

CSR is related to efforts to empower and prosper the community around the company. CSR is the responsibility of an organization for the impact of decisions that are realized in the form of transparent and ethical behavior that is in line with sustainable development and community welfare. These responsibilities are considered based on stakeholder expectations in line with established laws and international norms of behavior that are integrated with the organization as a whole.

Companies that have believed CSR as an obligation for the company automatically carry out the social investment. In essence, development is a process of change that takes place consciously, planned, and sustainable. Public participation is needed as a means of checks and balances for the Government, overseeing the misuse of government social authority, and influencing government policy. The success

of a CSR program is related to the positive impact on the lives of communities around the company area. The West Sumatra Indonesian Family Planning Association (PKBI) is supported by PT. Tirta Investama has empowered Nagari Batang Barus since 2014. PKBI is a non-governmental organization (NGO) engaged in reproductive health and family planning that was established in Indonesia since 1957. The aim is to create responsible families with the fundamental values of volunteerism, leadership, professionalism, and independence. Since 1978, PKBI has carried out various community empowerment programs.

Form of cooperation between PKBI and PT. Tirta Investama Plant Solok is implemented through a contract agreed by both parties. As a vendor, PKBI carries out community empowerment activities according to the rules set forth in Danone's code of conduct for business partners. In the first and second years, PKBI West Sumatra empowered the clean water program, while the third and fourth years focused on empowerment in the Clean and Healthy Behavior Improvement Program (PHBS) with the Community-Based Total Sanitation Approach (STBM). In the fourth year, the target area of the STBM program in Andaleh, Dusun IV Jorong Kayu Jao Nagari Batang Barus, the duration of implementation ranges from 9 months from May 2017 to February 2018. Empowerment and support from local and Nagari governments produce health-conscious communities. Evidenced by the existence of documents that are free from open defecation in 2017 and all people have healthy latrines.

4. CONCLUSION

PT. Tirta Investama Plant Solok took CSR strategic steps by entrusted to NGOs, namely the Indonesian Family Planning Association (PKBI) West Sumatra Province and the Field Indonesia Foundation. The role of NGOs is defined as implementing, assisting, mentoring, and controlling CSR programs. Forms of activity in the social sector include social mapping, the creation of clean water and sanitation facilities, and youth reproduction seminars. In the economic field, the activities are the avocado field school program, donation program in three Nagari Batang Barus, community economic empowerment through posyandu cadres. In the environmental field is building a Biodiversity Park (KEHATI) and a Community-Based Total Sanitation Program. CSR involvement of PT. Tirta Investama in Community Empowerment in Nagari Batang Barus is through the Community Based Total Sanitation (STBM) program. As a vendor, PKBI carries out community empowerment activities according to the rules outlined in Danone's code of code for business partners.

5. REFERENCES

- Alhaddi, H. (2015). Triple Bottom Line and Sustainability: A Literature Review. *Business and Management Studies*, 1(2). <https://doi.org/10.11114/bms.v1i2.752>
- Danone. (2004). Mexico embraces. Retrieved April 20, 2019, from http://media.corporate-ir.net/media_files/irol/95/95168/annualreports/04_indexed/Engagements_DoubleProjet.pdf
- Isidiho, A. O. (2016). Evaluating the Top-Bottom and Bottom-Up Community Development Approaches: Mixed Method Approach as Alternative for Rural Un-Educated Communities in Developing Countries. *Mediterranean Journal of Social Sciences*, 7(4), 266–273. <https://doi.org/10.5901/mjss.2016.v7n4p>
- Moore, M. H. (2000). Managing for value: Organizational strategy in for-profit, nonprofit, and governmental organizations. *Nonprofit and Voluntary Sector Quarterly*, 29(SUPPL.), 183–204. <https://doi.org/10.1177/089976400773746391>
- Niño, A. C. S. (2015). Social Entrepreneurship and Corporate Social Responsibility : Differences and Points in Common. *Journal of Business & Economic Policy*, 2(2), 85–93.
- Nurbaety, A., Ratnasih, R., & Ramdan, H. (2005). Analisis Implementasi Corporate Social Responsibility PT. Bio Farma di Desa Sukamulya Kabupaten Sukabumi. *Jurnal Sosioteknologi*,

14(2), 141–153.

Pranoto, A. R., & Yusuf, D. (2014). Program CSR Berbasis Pemberdayaan Masyarakat Menuju Kemandirian Ekonomi Pasca Tambang di Desa Sarijaya. *Jurnal Ilmu Sosial Dan Ilmu Politik*, *18(1)*, 39–50.

Zulfiqar, S., Sadaf, R., Popp, J., Vveinhardt, J., & Máté, D. (2019). An examination of Corporate Social Responsibility and employee behavior: The case of Pakistan. *Sustainability (Switzerland)*, *11(13)*, 1–15. <https://doi.org/10.3390/su11133515>

Regulations

Undang-Undang Republik Indonesia Nomor 40 Tahun 2007 Perseroan Terbatas (Law of the Republic Republic Number 40 Year 2007 concerning Limited Company)

Peraturan Pemerintah Nomor 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas (Government Regulation Number 47 Year 2012 concerning Limited Corporate Social and Environmental Responsibility)

Peraturan Daerah Nomor 7 Tahun 2015 Tentang Tanggung Jawab Sosial dan Lingkungan di Sumatera Barat (Regional Regulation Number 7 of 2015 concerning Social and Environmental Responsibility in West Sumatra)