

THE IMPACT OF IMPLEMENTING A COAL MINING COMPANY'S CSR PROGRAM ON THE ACHIEVEMENT OF SUSTAINABLE LIVELIHOOD

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ABSTRACT

This research aims to determine the implementation of the CSR program at coal mining companies at PT X and PT Y and its impact on sustainable livelihoods. This research uses qualitative methods to produce data and information that is reliable and valid. Data collection techniques use observation and discussion. Primary data sources are informants from the company, government, and community as well as secondary data in the form of social mapping results and sustainability reports from PT X and PT Y. The results of this research show that the implementation of CSR programs carried out by PT SustainableLifee for communities living around operational areas includes the dimensions of social capital, human capital, natural capital, physical capital, and financial capital so that communities not only have power but also have independence from all aspects of life.

Keywords: CSR, sustainable livelihood, mining coal

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INTRODUCTION

As a country with quite a large coal potential (143.73 billion tons of resources and 38.80 billion tons of reserves, 2020 status), Indonesia faces challenges in developing and utilizing coal. On the one hand, coal is relied on as the basic capital for development, namely as the main energy source in power plants and as a foreign exchange earner, while on the other hand, the use of coal is hampered by environmental issues, because burning coal directly produces CO₂ emissions which cause climate change (Fatah et al., 2007). Currently, the coal industry in Indonesia also tends to be synonymous with mining and sales business activities. Apart from that, Indonesian coal is mostly used as an energy source in power plants and has not been used much to support other industrial activities, even though research shows that coal can be a raw material for various types of industry, including advanced materials industry, petrochemicals and also the agricultural industry (Endri et al., 2021).

As companies and coal production develop, each company has a responsibility to develop the surrounding environment through social and environmental programs (Pratiwi et al., 2021). This responsibility is called CSR or Corporate Social Responsibility. Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies states that a company is obliged to carry out Corporate Social Responsibility (CSR). The article states that "companies that carry out their activities/businesses in the field of and/or related to Natural Resources are obliged to carry out their social and environmental responsibilities" (Irsan & Utama, 2019). The article also states that companies that do not carry out their social and environmental responsibilities will be subject to sanctions by statutory regulations. The issuance of this regulation simultaneously sparked controversy among the company (Atteridge, 2018).

Overall, CSR can also be said to be an action that is voluntary or regulated by law to show the caring nature of a company or institution towards employees, the community around the company, the wider community, the environment around the company/the environment at large as a commitment to sustainable corporate responsibility by setting aside a certain amount of funds to be used for humanitarian activities (Citta & Fattah, 2020). Implementing a CSR program is also a form of implementation of the concept of good corporate governance, where the better the relationship between a company and its stakeholders, the greater the company's opportunity to develop (Bond, 2014). The good relationship between the company and its stakeholders can be seen in how the company carries out CSR. In carrying out CSR itself, a company is guided by the Triple Bottom Line (TBL) concept, also known as 5P (Prosperity, Partnership, Peace, Planet, People) (Joni, 2021).

Now Corporate Social Responsibility (CSR) is no longer just a company obligation, but has become a strategy developed by the company. This is because so much effort, time, and funds are spent on activities such as community development. Providing aid funds to communities around the company, which are issued by the company in large amounts, and are often labeled as community development programs, are used as indicators that the company has carried out its responsibilities (Radyati, 2014). There should also be reciprocity for the company as a business institution. So, running a CSR program is not just about carrying it out with full awareness but also with the right calculations and strategies. Both strategies for the community being built and strategies for the company itself (Abdullah et al., 2023; Strand et al., 2015).

Sustainability initially concerned concerns about habitat preservation. Land, water, air, and natural energy sources as well as flora and fauna life often become victims of development. One side of human welfare and lifestyle appears to be increasing in quality. On the other hand, clean water and air, soil fertility, and even open space are increasingly narrowing. Even with biodiversity becoming increasingly rare (Christensen et al., 2021). Apart from development promoted by the state, companies are actors that have many economic, social, political, cultural, and environmental impacts. Both in the form of positive impacts and negative impacts. Both in the form of blessings and in the form of disasters. Sustainable development ultimately became a term that denotes social and environmentally friendly change practices (Ira, 2019). The agenda for economic growth and development is not the only goal. However, it must be balanced with systematic efforts to maintain the integrity of social life and environmental conservation (Lutfi & Kurniawati, 2023; Sánchez-Teba et al., 2021).

However, currently, many CSR programs are carried out only to fulfill reporting obligations to ministries, so that the impact on society is not optimal, instead of empowering the community, they become dependent on the company (Christensen et al., 2021). This of course shows that the CSR program implemented by the Company can be said to have not been successful, because it has not achieved sustainable goals, only solving social problems in the short term. Apart from that, CSR programs are often made uniformly in all work areas without paying attention to the needs and characteristics of each region. This is ultimately in vain because local communities do not get big benefits from the implementation of the CSR program (Endri et al., 2021).

This research aims to determine the impact of implementing the Corporate Social Responsibility (CSR) program on coal mining companies PT X and PT Y and its impact on sustainable livelihoods.

METHOD

This research adopts a qualitative descriptive approach to produce reliable and valid data and information, by the methodology described by (Sugiyono, 2007). The qualitative descriptive approach allows researchers to explore an in-depth understanding of the phenomenon under study. In this case, the research aims to explore the sustainability practices carried out by PT X and PT Y companies and their impact on society.

The data collection technique used in this research involves observation and discussion. Observations were carried out to observe the sustainability practices that occur in these companies, while discussions were used to gain insight from key informants from the company, government, and community.

The main primary data sources in this research are key informants who have relevant knowledge and experience in the context of corporate sustainability. They provide valuable insight into the sustainability practices undertaken by PT X and PT Y and their impact on local communities.

Apart from primary data, secondary data was also obtained from social mapping and sustainability reports published by PT X and PT Y. This secondary data provides further context about the sustainability practices that have been implemented by these companies and how these companies measure their impact on the environment and society.

By combining primary data and secondary data, this research aims to provide a comprehensive understanding of sustainability practices at PT X and PT Y and their impact on local communities. It is hoped that the results of this research can make a positive contribution to efforts to improve the company's sustainability practices and the welfare of the surrounding community.

RESULTS AND DISCUSSION

Social problems at PT X and PT Y based on the results of social mapping

1. Community conflict with the company

The results of interviews with communities around the mine led to a conclusion that often occurs

- (a) Land acquisition;
- (b) Recruitment of local workers;
- (c) Business opportunities (suppliers);
- (e) People's skills are inadequate to work in the company
- (f) Many people do not pass the MCU during the job entrance test

2. Community-community conflict.

Conflicts that occur between communities around mining areas often occur. Data obtained

- (a) Overlapping land struggles;
- (b) Local communities and immigrants;
- (c) Job opportunities;
- (d) Business opportunities;
- (e) Social jealousy;
- (f) Unequal company assistance;

3. Company conflict with the environment.

The existence of mining companies causes several environmental problems, namely

- (a) noise;
- (b) Drinking, washing and bathing water is contaminated;
- (c) creating large holes in several mine areas;
- (d) loss of flora and fauna in mining areas;
- (e) increased dust pollution and

Implementation of Community Empowerment CSR in PT X and PT Y Companies

Implementing a CSR program is a form of implementation of the concept of good corporate governance. CSR programs are investments for companies for the company's growth and sustainability and are no longer seen as a means of cost but as a means of achieving profits (Sánchez-Teba et al., 2021)

The following are the CSR programs of PT X and PT Y (Corporate Communication, 2022a):

PT X		PT Y	
Program	Description	Program	Description
Adaro Nyalakan Raga	is a community empowerment program in the health sector with the following activities: 1. Convergence in Handling Stunting 2. Community-Based Total Sanitation 3. UMA Posyandu (For mothers and children) 4. Rumah Dahsyat (Healthy Kitchen to Overcome Stunting)	Kemas (community health)	Is a community empowerment program in the health sector with the following activities: 1. Health education for mothers and children 2. Prevention and Control of Non-Communicable Diseases 3. Drizzle (movement for medical examination of pregnant women by specialist doctors)
Adaro Nyalakan Sejahtera	is an economic empowerment program with activities namely: 1. Cultivation of patchouli and essential oils 2. Cultivation of laying ducks 3. Kalulut bee cultivation 4. Tilapia cultivation 5. Eco-Integrated Farming	Exis (Creative, Prosperous, Inclusive and Synergistic Economy)	is an economic empowerment program with activities namely: 1. Sasirangan House (safirangan training and development center) 2. Bale Ecorpint (decor print and sacoprint development and training center) 3. Village creative youth

PT X		PT Y	
Program	Description	Program	Description
			4. Integrated agricultural center
Adaro Nyalakan Ilmu	is an empowerment program in the education sector with activities namely: <ol style="list-style-type: none"> 1. Increasing the capacity of teachers and students 2. Assistance for educational infrastructure 3. PAUD Development (Character-based Holistic Education) 4. Support the implementation of the School Merdeka 	Gempita (asamasam smart mining generation)	This is an empowerment program in the education sector with activities namely: <ol style="list-style-type: none"> 1. Gem Generation (young generation development) 2. Creative teachers (increasing teacher capacity) 3. PKBM Permata (pursue packages B and C)
Adaro Nyalakan Lestari	is an environmental empowerment program with activities namely: <ol style="list-style-type: none"> 1. Coffee plantation management 2. Support the provision of clean water 	Pelita (Care for the Acid mining environment)	is an environmental empowerment program with activities namely: <ol style="list-style-type: none"> 1. Clean water support 2. Proclim of one heart
Adaro Nyalakan Budaya	is an empowerment program in the field of Culture with activities namely: <ul style="list-style-type: none"> - Support repairs to houses of worship - Support the implementation of major religious holidays <ol style="list-style-type: none"> 1. Assistance to local dance studios 2. Annual "Besei Kambe" Event 	Solid (Social, Infrastructure, and Culture)	is an empowerment program in the fields of Social, Infrastructure and Culture: <ol style="list-style-type: none"> 1. Facilitate improvements to worship facilities and infrastructure 2. Facilitate the implementation of religious holidays 3. Facilitation of traditional activities (babalian and mappandre tasi)

The companies PT X and PT Y are very concerned about the impact of mining activities and community empowerment to achieve sustainable living and self-reliance without erasing

local culture, as well as to address social issues. The Community Development program implemented by PT X and PT Y is in line with ISO 26000, which covers Human Rights, Labor Practices, Environmental Responsibility, Fair Operating Practices, Consumer Issues, and Community Involvement and Development. By following the principles of ISO 26000 and integrating these aspects into their Community Development programs, PT X and PT Y are striving to achieve sustainable economic growth and have a positive impact on the local community without erasing local culture and the environment (Irsan & Utama, 2019; Wirahayu et al., 2022).

Impact of CSR Program Implementation on Achieving Sustainable Livelihood

Sustainable livelihood describes community activities which include capabilities, assets, and activities needed for a means of living (Natarajan et al., 2022). Sustainability has many dimensions altogether. Livelihoods are said to be sustainable if:

1. Elastic in facing surprising events and external pressures.
2. Not dependent on external aid and support (or if dependent, the aid itself must be economically and institutionally sustainable);
3. Maintaining long-term productivity of natural resources;
4. Do not harm livelihoods, or compromise livelihood options open to others.
5. Another way to conceptualize the various dimensions of Sustainability is to differentiate between environmental, economic, social, and institutional aspects of sustainable systems (Tabares et al., 2022)

The empowerment program implemented by PT, the operational areas of PT Based on the results of monitoring and evaluation conducted at PT X and PT Y, the implementation of the CSR program has had a positive impact on (Corporate Communication, 2022):

1. Human Capital: Implementation of the CSR Program at PT Then there is also improvement in health and well-being, which is the impact of implementing health programs that focus on changing community behavior patterns and improving nutritional status to support the productivity and quality of life of the surrounding community. This also has an impact on community empowerment, where every CSR program carried out will involve the community in the planning to implementation stages thereby increasing the independence and sustainability of the program.
2. Social Capital: The positive impact can also be seen in the social capital dimension where community social relations are improved, where CSR programs implemented in a participatory manner create a sense of togetherness and solidarity between the community, stakeholders, and the Company. This also has a big influence on the aspect of trust, through transparency, accountability, and integrity in implementing CSR programs, the community becomes increasingly confident that the Company not only takes natural resources around it but also empowers and pays attention to the surrounding community, this has an impact on engagement between the community and community. Then, capacity building or community events can have an impact on building strong social networks so that they can help each other in sharing resources, information, and support within the community.

3. Financial Capital: This is demonstrated by the changing mindset of the community towards empowerment and sustainability, represented by a 75% increase in the education rate for children in the operational area since the company started operating. Furthermore, there has been a 47% increase in the number of local community members who can work for the company (as owners, contractors, and subcontractors) over the past 5 years. This has had a significant impact on the lives of the community, as they have become more empowered and self-reliant, reducing their dependence on empowerment programs provided by the company. Additionally, the CSR program in the economic sector contributes to poverty reduction, the development of micro and small businesses, and provides financial education to the community to make wiser financial decisions (especially for employees' families and working partners).
4. Nature Capital: CSR programs at PT X and PT Y support a shift in the community's mindset towards a better environment through education and collaboration between the government, the company, and the community. The CSR programs implemented focus on water management and help ensure an adequate supply of clean water for the surrounding community. Furthermore, the company supports conservation programs to preserve biodiversity and unique ecosystems. Specifically, the company allocates resources to green land and restore degraded ecosystems.
5. Physical Capital: The implementation of CSR programs also has an impact on physical capital, referring to physical infrastructure and assets used. In the implementation of CSR by PT X and PT Y, there is a notable focus on improving facilities and services for the worship and religious needs of the surrounding community, as well as improving school facilities and healthcare services.

CONCLUSION

PT X and PT Y are companies that care about the impact of mining activities and community empowerment efforts. They are committed to creating a sustainable life for the community and supporting their independence without eliminating local culture. Thus, PT X and PT Y not only focus on economic growth through mining activities, but also aim to empower local communities, ensure human rights are protected, and protect the natural environment. This is a positive step towards sustainable business practices and supports inclusive and efficient development for all stakeholders involved.

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