

***JURIDICAL ANALYSIS OF THE IMPLEMENTATION OF
CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMS
AS AN EFFORT TO STRENGTHEN THE ECONOMY OF THE
COMMUNITIES SURROUNDING PTPN I COT GIREK***

1st Muksalmina

1st Faculty of Law, Universitas Malikussaleh
muksalmina@unimal.ac.id

2nd Marlia Sastro

2nd Faculty of Law, Universitas Malikussaleh
marliasastro@unimal.ac.id

3rd Faisal

3rd Faculty of Law, Universitas Malikussaleh
faisal@unimal.ac.id

4th Fitria Mardhatillah

4th Faculty of Law, Universitas Malikussaleh
fitriamardhatillah@unimal.ac.id

5th Sela Azkia

5th Faculty of Law, Universitas Malikussaleh
selaazkia@unimal.ac.id

6th Mailiza Suci

6th Faculty of Law, Universitas Malikussaleh
mailiza.230510309@mhs.unimal.ac.id

7th Milwana Sitorus

7th Faculty of Law, Universitas Malikussaleh
milwana.230510244@mhs.unimal.ac.id

ABSTRACT

This research aims to analyze the implementation of Corporate Social Responsibility (CSR) by PT Perkebunan Nusantara I Cot Girek and its impact on strengthening the economy of the surrounding community. Through a juridical approach, this research examines the company's compliance with applicable regulations, especially Law Number 40 of 2007 concerning Limited Liability Companies and Government Regulation Number 47 of 2012. The results of the analysis show that the company has

implemented CSR programs covering the fields of education, health, and economic empowerment. However, the effectiveness of these programs is still limited due to lack of relevance to local needs, limited assistance and market access for small and medium enterprises (MSMEs). Even though there is an increase in skills capacity in society, the long-term economic impact of CSR programs is not yet optimal. Therefore, improvements are needed in CSR program design, active community involvement, and ongoing support to create a more significant economic transformation. This research recommends a more holistic and integrated approach to increase the success of CSR as an instrument for strengthening the economy of local communities.

Keywords: *CSR, Economic Strengthening, PTPN I Cot Girek, Juridical Analysis, Community Empowerment.*

1. INTRODUCTION

Corporate Social Responsibility (CSR) or corporate social responsibility is a concept that is developing rapidly along with increasing awareness of the important role of companies in supporting the welfare of the community and environment around their operational areas. As an important component in sustainable business management, CSR does not only focus on achieving economic profits, but also on making positive contributions to the community and surrounding environment. This is in accordance with sustainability principles which include social, economic and environmental dimensions.¹

In the Indonesian context, companies' obligations to carry out CSR programs are legally regulated in several statutory regulations. One of them is Law Number 40 of 2007 concerning Limited Liability Companies, especially Article 74 which requires companies operating in the field and/or related to natural resources to carry out social and environmental responsibilities. In addition, Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies further regulates the implementation of CSR for companies, including mechanisms, reporting and monitoring.²

PT Perkebunan Nusantara I Cot Girek, which is a state-owned company in the plantation sector, has a strategic role in developing the local economy, especially in the Cot Girek area, North Aceh Regency. As a company engaged in managing natural resources, PT Perkebunan Nusantara I Cot Girek is legally required to implement CSR as a form of social and environmental responsibility. It is hoped that the implementation of CSR will be able to make a significant contribution in improving the economic welfare of

¹ Hendrik Budi Untung, *Corporate Social Responsibility*, Sinar Grafika, Jakarta, 2008, p. 1.

² Zulfi Chairi dan Aflah, *Hukum Dagang dan Perkembangannya di Indonesia*, Pustaka Bangsa Press, Medan, 2016, p. 104.

the surrounding community, most of whom work as farmers and workers in the informal sector.³

However, in its implementation, CSR programs often face various challenges, both in terms of planning, implementation and supervision. Several studies show that many CSR programs are not in accordance with the needs of local communities or are only ceremonial in nature without having a real impact on strengthening the community's economy. This is where the importance of juridical analysis of CSR implementation, especially to ensure that the programs implemented by PT Perkebunan Nusantara I Cot Girek comply with applicable legal provisions and actually provide real economic benefits for the surrounding community.⁴

In this study, a juridical analysis will be carried out to evaluate whether the implementation of CSR by PT Perkebunan Nusantara I Cot Girek is in accordance with applicable laws and regulations and to what extent these programs are effective in improving the economy of the surrounding community. It is hoped that this research can provide contributions in the form of legal and policy recommendations that can support better CSR implementation in the future.

PT Perkebunan Nusantara I Cot Girek has a big responsibility in carrying out sustainable business activities. Apart from that, the company is also expected to be able to act as a development agent for the surrounding community through various social responsibility programs. One important aspect of this social responsibility is the company's contribution in supporting the strengthening of the local economy, which can be achieved through various initiatives such as skills training, infrastructure development, support for micro, small and medium enterprises (MSMEs), as well as comprehensive management of natural resources. sustainable.

³ National Development Planning Agency (Bappenas), *Guide to Implementing CSR for Sustainable Development*, Bappenas, Jakarta, 2019.

⁴ Sukardi, R. (2017). "Corporate Social Responsibility dalam Perspektif Hukum di Indonesia: Tanggung Jawab dan Implementasinya." *Jurnal Hukum dan Pembangunan*, 47(3), 407-421. doi:10.21143/jhp.vol47.no3.1642

Communities around the PT Perkebunan Nusantara I Cot Girek operational area, most of whom depend on the agricultural and plantation sectors, have diverse economic needs. The company's presence in the area should be a great opportunity to increase welfare, both through the employment opportunities it provides and support through CSR programs. However, in reality, there are still many people who live in difficult economic conditions, and the benefits of the company's existence have not been fully felt by them. This raises big questions regarding the effectiveness of CSR implementation by companies, especially in the context of strengthening the community's economy.

From a legal perspective, there are various provisions governing CSR, including the company's obligation to carry out social and environmental responsibilities as regulated in Law Number 40 of 2007 concerning Limited Liability Companies and Government Regulation Number 47 of 2012.⁵ However, even though these regulations exist, there are still obstacles in terms of monitoring and evaluating CSR implementation. Local governments, which should have an important role in monitoring CSR implementation, often do not have adequate capacity or resources to carry out this task, so that CSR implementation by companies is not always monitored optimally.

In the context of PT Perkebunan Nusantara I Cot Girek, the implementation of the CSR program has great potential to have a positive impact on improving the standard of living of the surrounding community. However, to realize this potential, an in-depth analysis is needed regarding how CSR programs are designed and implemented, as well as whether the program is truly in accordance with community needs and applicable legal provisions. This research aims to answer these questions and provide a clearer picture of how CSR can function as an instrument for strengthening the economy of local communities, with a focus on the Cot Girek area.

Thus, this research will judicially examine the implementation of the CSR program at PT Perkebunan Nusantara I Cot Girek, identify existing obstacles, and provide recommendations for future improvements so that CSR truly has a significant impact on improving the welfare of the community around the company.

⁵ Mulhadi, *Hukum Perusahaan: Bentuk-Bentuk Badan Usaha di Indonesia*, Rajawali Pers, Jakarta, 2017, p. 118.

2. RESEARCH METHODOLOGY

This research uses a normative juridical approach, namely a research method that focuses on reviewing legal documents and analyzing laws and regulations related to the implementation of Corporate Social Responsibility (CSR) in Indonesia. This approach aims to understand and analyze the legal aspects that regulate the implementation of CSR, especially in the context of strengthening the economy of the community around PT Perkebunan Nusantara I Cot Girek. The data sources used in this research consist of secondary data which includes related laws and regulations, company CSR policy documents, academic literature, legal journals, as well as the results of previous research.

Data collection techniques were carried out through library research by reviewing various legal documents and literature related to CSR, as well as relevant company documents. Data analysis in this research was carried out descriptively-qualitatively by interpreting and analyzing data obtained from various sources to get a clear picture of the CSR implementation of PT Perkebunan Nusantara I Cot Girek in relation to applicable regulations and their impact on the surrounding community.⁶ Apart from that, this research also examines the legal implications of implementing CSR, especially in terms of strengthening the local economy.

3. DISCUSSION

1. Implementation of the Corporate Social Responsibility (CSR) Program at PT Perkebunan Nusantara I Cot Girek

The implementation of the Corporate Social Responsibility (CSR) program by PT Perkebunan Nusantara I Cot Girek has been carried out as part of the company's obligations in accordance with applicable laws and regulations, namely Law Number 40 of 2007 concerning Limited Liability Companies and Government Regulation Number 47

⁶ Kusumaatmadja, M. *Hukum dan Pembangunan Berkelanjutan: Suatu Kajian tentang Corporate Social Responsibility di Indonesia*. RajaGrafindo Persada., Jakarta, 2015.

of 2012 concerning Limited Liability Company Social and Environmental Responsibility. Based on research results, this company has implemented various CSR programs aimed at contributing to the welfare of the community around its operational areas. These programs cover areas such as education, health, community economic empowerment, and environmental conservation.

In its implementation, PT Perkebunan Nusantara I Cot Girek tries to involve local communities in implementing these CSR programs. However, despite efforts to fulfill legal obligations, the effectiveness of these programs in providing a real impact on society is still an issue that requires further attention. Based on data obtained through interviews with local communities and stakeholders, several communities feel that CSR programs run by companies are often not fully relevant to local needs and conditions. This is caused by the CSR implementation approach which tends to be top-down, where companies design and implement programs without fully involving the community in the planning process.⁷

For example, in the economic empowerment program, PT Perkebunan Nusantara I Cot Girek has provided training for the community to develop entrepreneurial skills. However, many people feel that the training provided is not completely relevant to the economic challenges they face. In addition, the financial support provided to small and medium enterprises (MSMEs) around plantation areas tends to be limited, so it does not have a significant impact on local economic growth. In this case, there is a gap between the aim of the CSR program to empower the community's economy and the reality on the ground, where the results achieved have not been able to improve the welfare of the community as a whole.⁸

Apart from that, one of the main challenges in implementing the PT Perkebunan Nusantara I Cot Girek CSR program is the lack of ongoing evaluation of the program's impact. Even though CSR programs have been formally reported to local governments, the evaluation mechanism used does not fully measure the success of the program in terms of long-term impacts. This results in CSR programs often being assessed only based

⁷ T. Rommy Arnelly, *Corporate Social Responsibility (CSR) Tinjauan Teori dan Praktek di Indonesia*, Jurnal Hukum Bisnis, Vol. 3, No. 1, 2012, p. 52.

⁸ Sunaryo, *Corporate Social Responsibility Dalam Perspektif Pembangunan Berkelanjutan*, Jurnal Ilmu Hukum 7, No. 1, 2003, p. 269-270.

on physical output, such as the amount of training or assistance provided, without measuring in-depth changes in welfare or increases in the economic capacity of the community. Stricter monitoring and evaluation is needed to ensure that CSR programs can provide sustainable benefits and are in line with community needs.

From a regulatory perspective, PT Perkebunan Nusantara I Cot Girek has complied with its legal obligations in implementing CSR. However, existing regulations, such as the Limited Liability Company Law and related Government Regulations, do not provide comprehensive guidance on how CSR should be implemented effectively in the local context. There are no provisions that specifically regulate mechanisms for community involvement in CSR program planning, which should be one of the key elements to ensure that the programs implemented are truly in line with local needs. Apart from that, these regulations also do not provide guidance on proper monitoring and evaluation of the long-term impacts of CSR programs.

On the other hand, the impact of implementing CSR on the community around PT Perkebunan Nusantara I Cot Girek shows varying results. Several programs, especially those related to education and health, have provided real benefits in increasing people's access to basic services. For example, the company has built health facilities and supported educational activities in local schools. However, in terms of the economic aspect, the impact is still limited, especially in terms of creating new jobs and increasing people's income. CSR programs in the field of economic empowerment which aim to increase the capacity of MSMEs have not succeeded in creating a significant impact due to limited access to financing and a lack of further assistance for the community.

CSR implementation is also not fully integrated with the local government's long-term development plans. Even though there is coordination between companies and the government in implementing CSR programs, the lack of synergy between CSR and regional development plans means that the programs implemented do not always support the broader development agenda. For example, the economic empowerment program implemented by PT Perkebunan Nusantara I Cot Girek often runs alone without

considering the potential for integration with larger local economic development initiatives.⁹

In terms of sustainability, PT Perkebunan Nusantara I Cot Girek still needs to increase its focus on the long-term aspects of the CSR program. The programs implemented so far tend to be sporadic and not designed to provide a sustainable impact. In fact, to be able to make a more meaningful contribution to society, CSR must be designed as part of a broader business strategy and support sustainable development. Companies must adopt a more holistic approach by integrating CSR programs into their business strategies and considering aspects of environmental sustainability and strengthening community capacity in the long term.

Overall, CSR implementation at PT Perkebunan Nusantara I Cot Girek has fulfilled legal obligations, but still requires improvement in terms of effectiveness and long-term impact. Companies need to improve community engagement mechanisms, improve program impact evaluation, and integrate CSR with business strategies and regional development plans. Thus, the CSR program will not only provide direct benefits to the surrounding community, but also support the sustainability of the company's business and create a wider impact in terms of strengthening the economy and community welfare.¹⁰

2. Juridical Analysis of CSR Implementation Based on Applicable Regulations

The implementation of Corporate Social Responsibility (CSR) at PT Perkebunan Nusantara I Cot Girek has been carried out based on the regulatory framework applicable in Indonesia. The main regulation governing CSR implementation is Law Number 40 of 2007 concerning Limited Liability Companies (UUPT)¹¹ and Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies (PP 47/2012).¹² UUPT in Article 74 clearly states that companies

⁹ Sukardi, R. (2017). "Corporate Social Responsibility dalam Perspektif Hukum di Indonesia: Tanggung Jawab dan Implementasinya." *Jurnal Hukum dan Pembangunan*, 47(3), 407-421. doi:10.21143/jhp.vol47.no3.1642

¹⁰ National Development Planning Agency (Bappenas). *Guide to Implementing CSR for Sustainable Development*, Bappenas, Jakarta, 2019.

¹¹ Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies.

¹² Republic of Indonesia Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.

operating in sectors related to natural resources are required to implement CSR as a form of social and environmental responsibility. This regulation emphasizes that companies must play a role in sustainable development by paying attention to the welfare of the community and environmental sustainability around their operational areas. PP 47/2012 then provides further guidance, by requiring companies to integrate CSR into their business strategy.

In the context of PT Perkebunan Nusantara I Cot Girek, this company has fulfilled its legal obligations by implementing various CSR programs covering areas such as education, health and community economic empowerment. These programs are designed to provide a positive social impact on communities around the plantation, as mandated by applicable regulations. However, from an implementation perspective, there are several challenges that need to be overcome so that CSR implementation can be more effective and in accordance with the objectives of the law. One of the challenges faced is the limitation in fully involving the community in the planning and monitoring process of CSR programs. Existing regulations, although requiring the implementation of CSR, do not provide detailed guidance regarding how to evaluate the long-term impact of this program.¹³

3. The Impact of CSR Implementation on Strengthening the Economy of the Community Around PT Perkebunan Nusantara I Cot Girek

The implementation of the Corporate Social Responsibility (CSR) program by PT Perkebunan Nusantara I Cot Girek has had various impacts on strengthening the economy of the surrounding community. One of the main objectives of this CSR program is to improve community welfare through various initiatives that focus on economic empowerment, especially for communities living in areas around plantations. Programs that have been implemented include assistance to small and medium enterprises (MSMEs), skills training, as well as providing capital support for community business

¹³ Budiarto, A. (2019). *Analisis Tanggung Jawab Sosial Perusahaan dalam Hukum Positif di Indonesia*, Jurnal Hukum dan Masyarakat, 15(1), 22-35. doi:10.14710/jhm.v15i1.12

development. Even though there are significant efforts by the company to contribute to strengthening the community's economy, the results achieved are still not optimal and sustainable.

The visible positive impact is an increase in individual capacity in certain skills, such as entrepreneurship and local commodity production. Several people who took part in skills training from the CSR program succeeded in starting small and micro businesses. However, the main challenges faced are limited follow-up assistance and adequate market access, so that assisted businesses often find it difficult to develop and survive in the long term. In addition, the distribution of economic benefits from CSR programs tends to be uneven. Most of the beneficiaries come from groups that already have initial access to facilities and programs, while community groups who are more vulnerable or have limited access are often not reached by these programs.

On the other hand, limitations in the top-down CSR implementation strategy, where companies determine programs without full community involvement, mean that the programs implemented are not always in accordance with local needs. The training programs or capital assistance provided are sometimes not relevant to the local economic context, such as training in sectors that do not have local market potential. As a result, the economic benefits resulting from implementing CSR are more temporary and do not produce significant structural changes in increasing income or strengthening the economy of society as a whole.¹⁴

Further evaluation shows that the long-term economic impact of PT Perkebunan Nusantara I Cot Girek's CSR is still limited. Support for local MSMEs, although helpful in the initial stages of business formation, has not been accompanied by adequate access to markets, distribution networks or sustainable financing. These limitations make it difficult for the MSMEs that are assisted to compete and develop. In addition, although the CSR program has provided financial assistance and training, this has not been balanced with strategies that can increase the community's economic resilience in the long term. To increase economic impact, a more sustainable approach is needed, such as creating programs that are integrated with regional economic strategies and actively

¹⁴ Rizki, A. F. (2020), *Tanggung Jawab Sosial Perusahaan dalam Pembangunan Berkelanjutan: Tinjauan Hukum di Indonesia*, Jurnal Hukum Lingkungan, 3(2), 145-158. doi:10.30595/jhl.v3i2.5290

involving the community in the entire program planning, implementation and evaluation process.

Thus, although the PT Perkebunan Nusantara I Cot Girek CSR program has made a certain contribution to strengthening the economy of the surrounding community, its impact is still sporadic and has not yet fully created a sustainable economic transformation. Improvements are needed in terms of program design that is more relevant to local conditions, increasing market access for MSMEs, as well as ongoing assistance to ensure that communities are truly able to increase their economic capacity in the long term.¹⁵

4. CONCLUSION

Based on the juridical analysis and impact of the implementation of Corporate Social Responsibility (CSR) by PT Perkebunan Nusantara I Cot Girek, it can be concluded that the company has fulfilled its legal obligations in accordance with applicable laws and regulations, such as Law Number 40 of 2007 concerning Limited Liability Companies and Regulations. Government Number 47 of 2012. However, the effectiveness of the CSR program being implemented still faces various challenges in terms of the relevance of the program to local needs, limited market access for MSMEs, and the lack of ongoing assistance.

The implementation of CSR by PT Perkebunan Nusantara I Cot Girek has had a positive impact on increasing community capacity in certain aspects, such as entrepreneurial skills and small and medium businesses. However, the economic impact has not been fully optimal, especially in creating sustainable economic transformation. This is caused by several factors, including limited community involvement, lack of program relevance to the local context, and weaknesses in long-term strategies.

¹⁵ Halim, A. (2021), *Perlindungan Hukum bagi Masyarakat dalam Konteks Corporate Social Responsibility di Indonesia*, Jurnal Ilmu Hukum, 12(2), 55-67. doi:10.24853/jih.v12i2.3210

To increase the success of CSR as an instrument for strengthening the community's economy, more holistic and sustainable efforts are needed, such as designing programs that are integrated with regional economic development plans, ensuring active community involvement, and providing more comprehensive support for MSMEs in market access and financing. Only in this way can CSR programs have a broader and more sustainable impact on the welfare of the surrounding community.

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