

## Cooperation between Local Governments and Private Parties through Corporate Social Responsibility (Csr) Programs (Study on the Government of North Halmahera Regency with PT. Nusa Halmahera Minerals through Program (CSR)

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### Abstract

*The results showed that cooperation between the North Halmahera government and the private sector (PT. NHM) through the corporate social responsibility program has not run smoothly and has no impact on the lives of the people of Kotruk. This can be caused by several factors, namely the relationship between the government and the company (PT. NHM) with poor community, difficulty communication and openness between companies or organizations that manage it. Csr program is an obstacle to cooperation, the plan is unsustainable and the impact of the plan does not improve the quality of life of the people of Telok Ferringhi. In addition, the power of provincial governments to control CSR activities, such as the Minerba Law on mining permits, appears to undermine regional autonomy and the freedom of local governments to control their domestic operations. This is limited by the Minerba Law which regulates the authority and permits of companies authorized by the provincial government, and limits on the authority of local governments in North Halmahera to support PT. HNM promotes the development and welfare of the community in telok ferringhi area through collaboration..*

### Keywords

Cooperation; local government; private; CSR



## I. Introduction

Indonesia is a developing country, so the development policies implemented by Indonesia are getting more advanced from year to year. Development is carried out in various aspects such as economic, material, social, cultural and industrial development. Sustainable synergy between the government and the private sector. The state urgently needs private intervention in development, especially in our country. One way is to implement human empowerment, namely by recruiting employees or employees. Recruitment is one of the criteria for corporate social responsibility programs. Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

Corporate Social Responsibility (CSR) is the social responsibility that a company performs to the community, especially to the surrounding environment, the community and

employees who work in the company, with regard to its own well-being. In summary, everything that the company's management does through the Public Relations department is to conduct various activities and social and development programs to image or hope that the wider community will give a good response to the company..

Kao Teluk regency has natural resources comparable to other areas. There are many resources such as gold, nickel etc. Because of its rich natural wealth, Koteluk district has the largest gold mine in North Maluku. Jalan Kao Teluk is rich in natural resources, namely coastal areas rich in biological and non-biological resources, the diversity of natural resources contained in it can provide enormous ecological and economic benefits and ensure the survival of surrounding communities such as mangroves and natural resources. . Jamannya marine potential, Teluk Ferringhi area has other natural resources, including mining materials such as gold and silver. Environment rich in natural resources, PT. Nusa Halmahera Mining (NHM) has been managing gold in the region since 1998...

With mining, indirectly PT. Nusa Halmahera Minerals (NHM) is an environmentally friendly and socially responsible company whose mining activities are regulated by the Social and Environmental Responsibility Act (TJS) No. 40 of 2007 concerning Limited Liability Companies (PT) Bagian 66 Part 2c Payment and This Report contains a report on the fulfillment of social and environmental responsibility. With the existence of corporate social responsibility, it is expected that this project can support the Kotoluk community and have a positive impact. The role of government in the company is not as a regulator or supervisor, but as a partner.

## **II. Review of Literature**

### **2.1 Sector Corporate Social Responsibility (CSR)**

Today, corporate social responsibility (CSR) has become a global issue. In Indonesia, the term corporate social responsibility (CSR) is a concept of corporate social responsibility, which means companies that are environmentally responsible, especially where they do business. Broadly speaking, the responsibilities here include consumers, employees, local residents and all aspects of the company's operations. Often referred to as corporate citizenship, this effort aims to encourage business people to do their activities more ethically so as not to negatively impact society and the environment. Allowing the business world to finally survive sustainably, for the sake of the economy, is the goal of building a corporate business world.

According to Eddie Suharto, the social responsibility of organizations is to ensure that corporate profits are permanently neglected for the benefit of human development and the environment. Not only for the economic and legal obligations of shareholders or stakeholders, but also for other social groups, including the surrounding community. Therefore CSR is an ethical value that must be applied in accordance with the conscience of the owner or company leader to improve the safety of the company's stakeholders. The company's stakeholders include shareholders, leaders, employees, suppliers (partners or suppliers), competitors, consumpents, governments and the public..

The presence of CSR becomes important considering that every company or company operating in one location often only attaches importance to the welfare of its business and not its employees or the community around the company's business activities. It is expected that through this CSR activity, the gap between business owners and employees, as well as the surrounding community affected by their business activities can be minimized.

## 2.2 CSR and Stakeholders

In conducting business activities strive to interact with as many interested parties as possible with the company, expect the company to act in accordance with its expectations, and at the same time for the commercial interests of the company, the company must also consider that it may affect its operations..

Stakeholders can include employees and their families, clients, suppliers, companies around companies, NGOs, media, and governments as regulators. Types and priorities of stakeholders vary according to the organization's core business (Supomo, Masduki, 2015:183).

All parties, whether directly or indirectly under the influence and influence of the company, are internal and external (Dobera, Masduki, 2015 : 183). Stakeholders are thus communities around governments, companies, institutions outside the company (NGOs, etc.), environmentalists, corporate staff, ethnic minorities, etc., and their existence has a major impact on the company.

To fulfill its social contract in society, the company simultaneously faces various social responsibilities to its stakeholders. Stakeholders are groups that are influenced by various decisions, policies or companies (Solihin, Masduki, 2015 184) and these stakeholders are divided into two categories, namely:

- 1) Indigenous stakeholders, including those with an interest and need of corporate resources, within the corporate organization. Categories of internal stakeholders, including shareholders, managers, and employees.
- 2) Decisions and actions taken by the company by external stakeholders, including non-company owners, non-corporate leaders, non-company employees, but individuals and parties (constituents) who have interests and are influenced by the company. The categories of external stakeholders include government (governance), local community (local community), and society in general (public).

## 2.3 Collaborate

According to the Great Dictionary of Indonesian (2008 704), cooperation is a multifaceted thing. Cooperation is the willingness to cooperate regardless of the background of the invitation. Concerns and win-win solutions related to the efficiency and effectiveness of public services. Regions may cooperate with other regions, third parties and/or foreign entities or state governments in accordance with the provisions of Chapter XVII of the First Section of the Regional Cooperation and Disputes Legislation. Number 23 of 2014 on Local Government.

The law states that in addition to cooperation, local governments must support community participation in government. By supporting the capacity building of the community, local governments encourage community groups and organizations to play an active role in local government. The participation of the community, among others, in the management and general management of regional wealth and/or natural resources can be in the form of public consultation, consultation, cooperation, and exchange of wishes, supervision, or other necessary participation.

### **a. Cooperation by local governments**

With regard to state government, state cooperation is contained in Law No. 23 of 2014, which states that in addition to cooperation, local governments should encourage community participation. By supporting the capacity building of the community, local governments encourage community groups and organizations to play an active role in local government. There are several meanings related to the environment, including: With regard to state government, state cooperation is contained in Law No. 23 of 2014, which states

that in addition to cooperation, local governments should encourage community participation. By supporting the capacity building of the community, local governments encourage community groups and organizations to play an active role in local government. There are several meanings related to the environment, including:

#### **Article 1 Number 2**

Local governments implement a single national system and principle, and in accordance with the principles of autonomy and joint government, and based on the principle of maximum autonomy, local governments and the Regional People's Congress (DPRD) organize government affairs. The Unitary State of the Republic of Indonesia as referred to in the Constitution of the Republic of Indonesia of 1945.

#### **Article 1 Number 3**

The autonomous regional government is the head of the autonomous region, as an integral part of the organizer of the autonomous regional government leading the implementation of government affairs and becoming the authority of the otonom region.

#### **Article 1 Number 12**

Autonomous regions hereinafter referred to as regions are the unity of legal communities with geographical boundaries in one national system, and the right to organize and manage the affairs of government and local government according to the will of the people and their own will. The will will will. Republic of Indonesia.

### **2.4 Good Corporate Governance (GCG)**

"Good Corporate Governance Management and Control Systems Processes and value-added structures that create value for all stakeholders are the company's core objectives and the main objective is to focus on stakeholders and the needs of other communities.

The concept of good governance requires four key elements: fairness, transparency, accountability, and responsibility. These four components are important because the application of the principle of good corporate governance improves the quality of financial reporting and can be an obstacle to performance engineering activities..

## **III. Research Method**

This research is based on qualitative research methods used by Bogdan and Taylor in Sugiyono (2014), namely: The type of descriptive research that presents data through qualitative methods, this study aims to provide a direct, systematic, factual and accurate picture in the field of data. Related to cooperation between the Government of North Halmahera Regency with PT. Mineral Channel Program (CSR) Nusa Halmahera. As a type of qualitative research, this study attempts to use existing theories to explain the development of the research subject.

Descriptive information is collected when a general and meaningful description of an event or activity is applied. The information is obtained from in-depth interviews with interested parties. After obtaining the information, the researcher compiles and analyzes the data. Next, explain and summarize. Analyze and collect data for structured answers in question formulations.

## IV. Result and Discussion

### 4.1 Cooperation of local governments with PT. NHM through CSR Program

North Halmahera Regency has the potential of cultural and natural wealth, and its development is carried out systematically to provide benefits to the community through the mining industry in its territory and become the main capital of community welfare. In this context, the role of mining services is related to identifying CSR /CSR work plans that need to be achieved through the community. Swingly Kalimbe, Corporate Social Responsibility Manager PT. NHM, said: "We certainly carry out our CSR function to give back to the community because we care deeply about our surroundings. People, so pt. NHM has been operating since 1999 since the operation of The Strong Commitment to Local Communities pt. NHM invests heavily in community project areas that share mining revenue, support community needs and promote socio-economic development.

The project development policy taken in this research is the policy of the local government to serve the mining industry in this regard. How to cooperate between local governments and PT. NHM is through the CSR program itself which means actions taken by local governments to develop the natural and cultural potential of the region, especially Telok Tinggi Subdistrict so that it is more responsive to the government, business and choices contribute to the industry to the region itself? The implementation of local government in accordance with the position, responsibility, and function of mining and energy services. In this study, the variables studied relate to how local governments interact with stakeholders with PT. NHM through corporate social responsibility programs.

Technical objectives and strategies, including steps to achieve certain objectives when mining services take action. Mining Service develops a work plan according to its responsibilities and functions, with the aim of maximizing efficiency and focusing more on predetermined goals. In theory (Mardikanto, 2014. p. 135) CSR can play a role in overcoming social problems, such as CSR, community development, scholarship, empowerment of the poor, development of sanitation facilities, and so on.

### 4.2 Impact of CSR Program PT. NHM On People's Lives

As Irawan and Suparmoko (1992) pointed out, if the growth of industry in a region is not really associated with the local economic sector, it actually does not have a positive impact on the people in the region.

The program has been implemented by PT. NHM is associated with corporate social responsibility initiatives in the field of education and infrastructure in the communities around the company and around the mine. The realization is the existence of scholarships, road construction, construction of public facilities.

Determining the classification of community beneficiaries pt. NHM continues to run in accordance with the programs that will be offered, such as educational scholarship assistance, and of course PT must have outstanding students and social assistance. The NHM looks at categories prepared for those in need, and of course they do.

as a form of corporate responsibility to the communities affected by mining activities. The following is the Sustainability Program of the Social Performance Sector / Corporate Social Responsibility conducted by PT Nusa Halmahera Minerals.

- 1) Agricultural Economics Course
- 2) In the implementation of this program, PT. NHM has partnered with Bina Tani Sejahtera Foundation and Hobata Farma through Social Performance (SP) to provide technical assistance to farmers. This horticulture development program focuses on the following activities:



- (1) Conduct a technical survey of the potential of land, the potential of farmers, and commodities that are likely to be developed by the village.
- (2) Promote the development of rural vegetable plantations and farms.
- (3) Practice training or farming (Good Agricultural Practice)
- (4) Assist in land management, weeding, planting, fertilization, maintenance, pest and disease control, irrigation implementation, products and sales in each village.
- (5) Farmers' Airy Day Display Activities (FFD)
- (6) Comparative research (exchange of visits).

For Jalan Kao Teleuk, the social status of the project was implemented in all villages (13 villages) by bina Tani Sejahtera Foundation partners but only 8 villages participated in the demplot project. There are several reasons why the village does not want to participate:

- (1) A farmer does not want to.
- (2) The village government is inactive
- (3) There is no land near the village
- (4) Educational Program
  - 1) Assisted in the construction of a pilot elementary school in Bobaneigo Village, Jalan Kao Teluk. The school was built in 2017 and is now in use.
  - 2) Helping State Junior High School 16 North Halmahera In Daru Village, North State High School built 2 RKB (new classrooms) and mobile power.
  - 3) Help revitalize it laboratory cages (completed) and the development of digital libraries in SMP Negeri 4 North Halmahera Desa Ngofakiaha District Malift. The pilot library is designed to introduce students to information technology and various infrastructures to allow students to take computer-based national exams.
  - 4) Cooperation with BLK Ternate, providing training to the community in specialized fields such as motorcycle workshops, hydroponics and traditional agriculture, the manufacture of carpentry operator cabinets and wood finishing using Oles (furniture) technology in a computerized MTU-based format. A total of 20 trainees from various professions in Kao, Courtruk and Maryfoot participated in this training, as many as 95 people, and training time for 15-35 days. In this cooperation, it is expected that participants who have been trained and obtained a certificate of qualification can open their own business.

## V. Conclusion

Based on the results of the research, it can be concluded that the cooperation between local and private governments through CSR programs, the Study of cooperation between the Government of North Halmahera Regency and PT Nusa Halmahera Minerals through this (CSR) program has provided.

1. Community empowerment through CSR programs for the development of human resource (HR) quality, the realization of its implementation has not been maximal.
2. The scholarship program for specifically Kao Teluk Subdistrict has no equalization at the village level, between one village and another village.
3. One of the several CSR programs in the field of health that was successfully built at the sub-district level was the construction of puskesmas.
4. In addition, CSR programs are still less effective in the field of health and education both planning and realization in the field.
5. For community empowerment both physical and non-physical through The Village Government's ComDev fund has not utilized it to the maximum, because the status of ComDev funds is the same as village funds (DD) and village fund allocation (AAD).

The village government program is still "top down," so that the community is used as an object of development not a subject, as well as a lack of community participation in the development of Village Community Empowerment or, due to the lack of understanding of the Village Law, namely Law No. 6 of 2014 on Villages and Village Minister Regulation No. 4 of 2017 paragraph 1 changes to Village Minister Regulation No. 22 of 2016 on Prioritization of Village Fund Use.

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