

Community Participation In Corporate Social Responsibility Program Arrangement

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Abstract

Corporate Social Responsibility (CSR) is a mandatory obligation for companies in Indonesia to balance economic, social, and environmental interests, particularly for communities living around production areas that often experience negative impacts from industrial activities such as air pollution, economic inequality, and health problems. This study aims to explain the extent of community involvement in CSR implementation in Biring Ere Village, Pangkep Regency. The research employed a qualitative method using interviews and observations conducted in 2025. The forms and levels of community aspirations were analyzed based on Arnstein's ladder of participation. The findings reveal that, in the early stages, community participation in CSR program planning was limited to village officials. However, there is now a growing trend of broader participation involving people from diverse backgrounds. These results indicate a shift toward a more participatory CSR model, which contributes to greater program effectiveness and sustainability for local communities.

Keywords: Participation, Corporate Social Responsibility, Community Involvement

Abstrak

Kegiatan Corporate Social Responsibility (CSR) merupakan kewajiban perusahaan di Indonesia untuk menyeimbangkan kepentingan ekonomi, sosial, dan lingkungan, terutama bagi masyarakat sekitar wilayah produksi yang sering terdampak negatif oleh aktivitas industri, seperti polusi udara, ketimpangan ekonomi, dan masalah kesehatan. Penelitian ini bertujuan menjelaskan sejauh mana keterlibatan masyarakat dalam pelaksanaan CSR di Desa Biring Ere, Kabupaten Pangkep. Penelitian menggunakan metode kualitatif dengan teknik wawancara dan observasi yang dilakukan pada tahun 2025. Bentuk serta tingkat aspirasi masyarakat dianalisis berdasarkan model partisipasi Arnstein. Hasil penelitian menunjukkan bahwa pada tahap awal, partisipasi masyarakat dalam penyusunan program CSR masih terbatas pada aparat desa. Namun, kini terdapat peningkatan keterlibatan masyarakat dari berbagai latar belakang. Temuan ini menunjukkan pergeseran menuju model CSR yang lebih partisipatif, yang berimplikasi pada peningkatan efektivitas dan keberlanjutan program bagi masyarakat sekitar.

Kata Kunci: Partisipasi, Corporate Social Responsibility, Partisipasi Masyarakat

Introduction

The state is an institution whose goal is to promote social welfare. To achieve this, the state has implemented various policies and made multiple efforts to improve the well-being of its citizens in all aspects of life. One effort undertaken by developing countries, such as Indonesia, to boost the welfare of their people is through extracting natural resources via mining activities. The Central Statistics Agency (BPS) recorded that the mining sector contributed 81.89% to the total gross regional domestic product (GRDP). It indicates that the mining sector has potential for enhancing public welfare.

Based on the idea that mining can enhance community welfare, it is assumed that one group that will benefit from the trickle-down effect of mining development is the community around the mining site. Mining companies' extraction activities directly affect these communities. However, several studies have shown that communities often live in areas with less than adequate prosperity.

The state has an obligation to guarantee and promote the welfare of all citizens. The reality of mining activities, which are expected to bring prosperity, instead becomes a cause of welfare problems in the lives of surrounding communities and has drawn government attention. The government must continually strive to find win-win solutions to these problems.

To protect communities around mining operations from the negative impacts of mining operations and ensure that companies can continue operating their businesses, the government has issued regulations regarding the social responsibility of liability companies. Law Number 40 of 2007 concerning Limited Liability Companies stipulates that companies have social responsibility related to their impact on society. This law later served as the basis for the issuance of Government Regulation of the Republic of Indonesia Number 47 of 2012 concerning the Social and Environmental Responsibility of Limited Liability Companies. These regulations represent further efforts by the government to promote community welfare.

Through these regulations, companies are obligated to allocate 2.5% of their annual profits to activities related to corporate social responsibility. In this regard, the recipients of CSR programs should be the communities surrounding mining operations, as the company's activities have a direct impact on them.

The assumption is that, with the funds disbursed by the company, the surrounding communities of the mine will become prosperous. However, in reality, there has been no visible improvement in the lives of these

communities toward greater prosperity as expected. It is evident in Biring Ere Village in Pangkep Regency, South Sulawesi Province. Biring Ere Village is directly next to the factory and headquarters of PT. Semen Tonasa. PT. Semen Tonasa produces cement through blasting in certain areas. The fallout from this activity is that dust from the blasting is carried into residential areas, contributing to the high rate of respiratory infections (ARI) among the village residents.

This study investigates community participation in Biring Ere Village, which is directly affected by natural resource extraction activities. Participation is a vital part of community empowerment efforts, supported by Indonesia's democratic system, which has expanded opportunities for community involvement and participation in various aspects of life.

Method

This study used a qualitative approach conducted in Biring Ere Village, Pangkep Regency, in May 2025. The research aimed to understand the types and levels of community involvement in implementing Corporate Social Responsibility (CSR) programs by companies operating in the area.

The data included both primary and secondary sources. Primary data were collected through in-depth interviews with various community groups, such as village officials, youth organizations, and women's groups, reflecting the social diversity of Biring Ere Village. Secondary data were obtained by reviewing documents like the company's CSR policies, program reports, and relevant previous studies.

Data collection was conducted gradually and interactively, beginning with field observation, semi-structured interviews, and source triangulation to ensure data validity. The collected data were analyzed using Miles and Huberman's interactive analysis model, which includes data reduction, data display, and conclusion. Additionally, the forms and levels of community aspirations and participation were examined using Arnstein's ladder of participation to identify the community's position, ranging from tokenism to citizen power in the CSR process.

Result and Discussion

Community Participation

Participation is a broad concept; therefore, its definition depends heavily on the context in which it occurs. Rubin (2014) defines participation as a means of educating citizens and enhancing their competencies. Thus,

participation is a way of influencing decisions that affect citizens' lives and transferring political power.

Citizen participation is a process by which citizens demonstrate behavior in response to public issues, voice their opinions on decisions that affect them, and take responsibility for community changes¹. Participatory programs involve community participation in initiatives aimed at enhancing well-being.² Community participation can be defined as the active involvement of the community in the decision-making, planning, implementation, monitoring, and evaluation of a policy or development program that impacts their lives.

This definition implies that community participation extends beyond the physical presence of the community at a stage of the policy-making process that impacts their lives. Furthermore, participation in this context implies community influence in the decision-making process and community control over decisions made. Cohen and Uphoff (1977) then explained that participation can be understood as the involvement of society in four main dimensions.³

- a. Decision-making: This dimension indicates the community's involvement in the initial stages of the decision-making process. Therefore, the community will be involved in the stages of problem formulation, priority setting, and establishing activity plans for implementation. In the decision-making dimension, community participation can be seen in various forms, such as the preparation of community-based development plans. The community needs to participate in the initial stages of decision-making, as this allows them to determine the direction of programs that align with their needs. It aligns with the concept of bottom-up policy, where the government or those in power listen to community input as a direct entity addressing existing conditions or problems.
- b. Implementation: The implementation dimension relates to community involvement in implementing programs or activities that have been prepared or planned. Community involvement in program implementation

¹ Obot, V.O., Afia, U.U., Johnson, N.I. (2022) Community Participation and Empowerment in Promoting Healthy Communities, *International Journal of Public Health, Pharmacy and Pharmacology*, Vol. 7, No.4, pp.15- 30

² Akintobi, T. H., Yancey, E. M., Daniels, P., Mayberry, R. M., Jacobs, D. and Berry, J. (2012). Using evaluability assessment and evaluation capacity-building to strengthen community-based prevention initiatives. *Journal of Health Care for the Poor and Underserved*, 23(2), 33-48

³ Cohen, J. M., & Uphoff, N. T. (1977). *Rural Development Participation: Concepts and Measures for Project Design, Implementation, and Evaluation*. Cornell University.

is another important aspect because it creates a sense of ownership among the community towards the program. It is ultimately expected to guarantee and improve program sustainability.

- c. **Benefit sharing:** Benefit sharing refers to community involvement in obtaining, experiencing, and distributing the results of a program or development project. This dimension relates to the equitable access that communities have to development, economic, and social benefits. By enabling communities to benefit from ongoing programs or development, social inequality and the potential for conflict between social groups can be reduced, thereby fostering social cohesion.
- d. **Evaluation:** In a program, it is essential to conduct evaluations regularly. In this assessment process, the community plays a key role in identifying the program's successes and shortcomings and offering feedback for improvement. The significance of community participation in program evaluation comes from the fact that the community faces the problems firsthand and is directly involved in executing the program. Therefore, the community also gains a clear understanding of the program's weaknesses. However, involving the community in the evaluation process makes the program more adaptable and accountable.

Ladder of Participation

Understanding community participation in a program can be observed using the community participation model introduced by Sherry R. Arnstein through her article "A Ladder of Citizen Participation".⁴ This model emphasizes that community participation encompasses not only physical presence or involvement but also deeper aspects of how the community can influence decision-making. In her article, Arnstein explains eight levels of community participation, which are based on the degree of community power to influence or demonstrate their involvement in a plan. These eight levels are then grouped into three main categories.

a. Non-Participation Category

In the non-participation category, the community becomes the object of a program. There are two levels of participation in this category:

- **Manipulation:** In this ladder, the community is only involved in formal aspects and is used as a means of legitimation. The government fully controls the participating institutions. Therefore, in this context,

⁴ Arnstein, S. R. (1969). A Ladder of Citizen Participation. *Journal of the American Institute of Planners*, 35(4), 216–224.

community participation is limited to their presence in a process, which can then be used as a justification for community involvement or participation.

- Therapy uses participation as a way to "calm" or "educate" people into accepting a program. It emphasizes efforts to change people's behavior rather than focusing on existing programs. In this step, community involvement seeks to foster community acceptance of a program by engaging them in the process.

b. Tokenism Category (Symbolization of Participation)

In the second category, the community gets involved in the process. This involvement consists of inviting the community to attend, but participation is mainly ceremonial. This category includes three of Arnstein's eight levels of participation.

- Informing: In this case, the public only receives information regarding policies without being allowed to influence a policy or program.
- Consultation: Public participation is realized by gathering opinions through surveys, meetings, or public hearings. However, the results of these efforts to gather public aspirations do not guarantee changes in policy or programs. Collected public opinions are not considered a primary aspect of program development, resulting in programs or policies that are often not aligned with the aspirations gathered.
- Placation: At this level, the public is allowed to provide input and participate in official forums, but the final decision regarding policy remains with the government or elite.

c. Citizen Power Category (Meaningful Participation)

Public participation in this category is expected in the context of a democratic state. In this category, the public has substantial bargaining power and authority, not just formal power, as in the previous two categories. Some of the steps in this category are as follows:

- Partnership: This situation demonstrates a fair distribution of power between the government and the community. It is evident in the participatory planning process that involves both the government and the community.

Delegated Power: At this level, the community has more authority than in the previous stage. This power is seen in how the community can exercise significant control over certain decisions made by the government. However, government power is not as extensive as in the earlier stage. At this level, the government mainly facilitates community participation in policy-making.

- **Citizen Control:** The public has complete control over decisions, policies, and the management of resources within a country. In this case, the public is involved in the planning, implementation, and evaluation of specific programs without elite intervention.

Corporate Social Responsibility Conception

Mining activities are directly linked to environmental management, which can have implications for the lives of communities surrounding mining areas. Mining activities impact groundwater conditions, air quality, and land availability. It, in turn, has consequences for the lives of the communities directly affected by mining activities. Air and water pollution threaten the well-being of communities surrounding mining areas, and significant economic disparities exist between companies and these communities. This situation places communities surrounding mining areas and companies at odds, often triggering conflicts.

These conflicts indicate problems in the management of mining activities. It can have negative implications for the sustainability of mining operations in the region. Therefore, companies must develop their businesses and pay attention to the well-being of the communities surrounding their mining areas.

Companies often have positive and negative impacts on the lives of the communities surrounding their operations. CSR then emerges as a form of corporate responsibility for the conditions experienced by these community members. Thus, the relationship between the company and the surrounding community can be maintained.

Corporate Social Responsibility (CSR) is a way for companies to manage their businesses not only for the benefit of stakeholders but also for others outside the company, such as the environment, society, workers, and local communities (Cahya, 2022). CSR is a company's social responsibility to actors outside the company. It is motivated by the fact that company activities have various implications for the conditions of actors outside companies. In this case, the impact caused primarily by mining companies on the lives of communities in the surrounding areas is emphasized.

CSR is the obligation of business owners to formulate policies, make decisions, and follow a desired course of action in terms of societal goals and values. Therefore, CSR often involves business actions and decisions taken for reasons that go beyond the immediate economic or technical interests of the company.

Corporate social responsibility (CSR) is a program mandated by Indonesian law and is mandatory for all companies operating in Indonesia.

This CSR program is emphasized for implementation by limited liability companies. Article 1, paragraph (3) of the 2007 Law Number 40 concerning Limited Liability Companies states that CSR, or social and environmental responsibility, is a company's commitment to participate in sustainable economic development to improve the quality of life and the environment, benefiting the company itself, the local community, and society in general.

Thus, CSR can benefit related stakeholders. First, for companies, implementing CSR programs can help create a positive corporate image in the community and facilitate risk management. Second, for the community, CSR programs can increase the protection of workers' rights, and CSR practices can also respect the existence of local traditions and culture in a region. Third, CSR programs can reduce the potential for excessive exploitation of natural resources, thereby better controlling pollution. Fourth, for the state, well-implemented CSR can prevent the occurrence of "corporate misconduct," which can manifest in the form of bribery of state officials, and has the potential to increase the level of corruption in a country.

Community Participation in Corporate Social Responsibility Program

Natural resource management is one of the efforts undertaken primarily by developing countries to promote economic growth. Indonesia is rich in non-biological natural resources, consisting of oil and natural gas reserves of 2.2 billion barrels and 41.6 trillion cubic feet of gas⁵. Furthermore, Indonesia is rich in coal, with reserves of approximately 39.9 billion tonnes. Other abiotic natural resources include nickel, copper, tin, bauxite, and gold. Indonesia's abiotic natural resources have implications for the number of mining companies operating locally, nationally, and internationally. The management of natural resources is expected to provide a trickle-down effect on the economic growth of the country and society. However, on the other hand, the impacts brought by the company's extraction activities are not only positive but also have negative impacts on people's lives. Some of the adverse effects of company extraction activities on people's lives include environmental problems such as decreased soil quality, loss of vegetation, sedimentation, and landslides.⁶ In addition to ecological impacts, there are also economic impacts, mining activities have a positive effect on the economic life of the community where there is a tendency to increase income and open employment opportunities for the community, but on the other hand, mining

⁵ BP Statistical Review of World Energy (2022)

⁶ Saptawartono, Murati, F., Iashania, Y. ., & Wijaya, D. A. K. (2024). Dampak Negatif Kegiatan penambangan Emas tanpa Izin (PETI) Terhadap Lingkungan dan Sosial Ekonomi Masyarakat di Provinsi Kalimantan Tengah. *Jurnal Teknik Pertambangan*, 24(2), 66-73

company extraction activities create economic dependency, increased living costs and disparities in community welfare⁷, mining activities also harm health, pollution in the area around the mine results in increased respiratory disorders in the community⁸.

The government then issued a policy in the form of legislation specifically regulating corporate social responsibility obligations related to the impact they have on the lives of communities around mining areas. Various regulations govern companies' commitment to implementing corporate social responsibility (CSR) programs in Indonesia. Some of these include Law No. 40 of 2007 concerning Limited Liability Companies in Article 74, which states that companies whose business activities are related to natural resources are required to implement social and environmental responsibility (TJSL)⁹. In this regulation, CSR is a legal obligation that companies must implement; thus, companies budget for CSR activities.

Another regulation governing CSR obligations for companies operating in Indonesia is Law No. 1 of 2025. It explicitly states that Government Companies have an obligation to implement Social and Environmental Responsibility, and that this implementation must be carried out in a structured and integrated manner with the company's strategy, which aims to support sustainable development. Companies have responded to CSR regulations in Indonesia by implementing multiple CSR programs.

Companies are obligated to implement CSR programs under applicable regulations. Companies have implemented these programs across various aspects of community life, including health, education, the environment, the economy, and social issues. Initially, CSR programs were implemented sporadically in response to community requests or demands, particularly in mining areas closest to the company.

The company has implemented various CSR activities, including scholarships, health promotion and free medical treatment, MSME assistance, natural disaster relief, community training, and the development of public and religious facilities. These programs fall under the company's CSR framework, which, when linked to the concept of CSR, is a form of corporate social

⁷ Hadi, S., Djimar, S., & Mane, H. (2025). Dampak Sosial Ekonomi Pertambangan Terhadap Masyarakat di Desa Kubung Kecamatan Bacan Selatan Kabupaten Halmahera Selatan. *Jurnal Ilmiah Wahana Pendidikan*, 11(1.B), 290-294

⁸ Dahlan, M., Surdin, S., & Kasmianti, S. (2025). Dampak Keberadaan Tambang Nikel PT JAM Terhadap Lingkungan Sosial Masyarakat. *Jurnal Penelitian Pendidikan Geografi*, 10(1), 60-68.

⁹ Law Number 40 of 2007 concerning Limited Liability Companies, State Gazette of the Republic of Indonesia 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756.

responsibility towards the community for the impacts of the company's operational activities. Therefore, programs implemented as CSR programs must be designed by carefully examining the problems faced by the community. Based on these conditions, it is crucial to make efforts to involve the community in the process of preparing a CSR program. It is essential that the implemented CSR program can solve existing problems in the community as an implication of the company's operational activities.

So far, the community has been involved in preparing the CSR program. Community involvement in the initial process of preparing the program has been implemented. Still, based on the research done, it appears that the level of community participation in the three categories of Arnstein's model still needs to be further developed. There is a tendency for community participation in preparing the CSR program to remain in the non-participation category. This condition illustrates that community involvement is still not optimal; the community involved in preparing the CSR program tends to remain formal. Thus, the community does not have a large space to influence the decisions that will be taken.

The implication of community participation remaining in the non-participatory category is that CSR programs tend to be unable to maximize their impact on the lives of communities affected by corporate extraction activities. It clearly demonstrates that the implemented CSR programs have not fully met the company's initial objectives for its obligations. However, a shift in community participation is now evident. Communities are becoming increasingly aware of their role in developing CSR programs.

This change in community participation is evident in the Biring Ere Village community in the Pangkep Regency. The community is beginning to take part in preparing CSR programs, and the company is also starting to open up greater participation opportunities for the community. Previously, the community involved in program preparation was represented only by the village government; currently, there is a tendency toward broader community involvement in preparing CSR programs and PT. Semen Tonasa's CSR program no longer involves only the village government; it is also starting to provide space for community involvement from various segments or groups.

The participation space provided by PT. Semen Tonasa is utilized by the community, demonstrating their active participation in the initial process of program preparation. The community involved provides input to PT on the CSR program. Semen Tonasa, based on the conditions they experience or their needs. This participation category by Arnstein has shifted from non-participatory participation to tokenistic participation. Participation in the tokenism category, where the community begins to be involved in the

preparation process, but is still at the formal level. Village community participation in PT preparation. Semen Tonasa's CSR program is at the consultation ladder (consultation), where the community is given space to participate by expressing their opinions. Still, the company is not bound to implement the input provided by the community.

The community of Biring Ere Village, Pangkep Regency, when participating in the development of or providing input on the CSR program to be implemented by PT. Semen Tonasa will provide feedback based on their respective group's interests. It is evident in the program input supplied by the women's group of the Islamic study group (Majelis Taklim), who provided feedback on religious development programs, which were realized through assistance with primary and secondary needs for their activities, such as sound system equipment and clothing.

This situation, in which community involvement in the development process and program input focuses on their own or their group's needs, often results in program input that is fundamentally inconsistent with CSR objectives. Furthermore, the program input from the community tends to be less aligned with the direct impacts of the company's extraction activities, including environmental, health, and economic impacts on the community.

Conclusion

Corporate Social Responsibility (CSR) plays a crucial role in improving the well-being of communities affected by a company's mining operations. Therefore, community involvement, as the entity most affected by a company's extraction activities, is crucial. It is based on the assumption that the community is the entity best positioned to understand the problems arising from the company's activities and to provide appropriate input for the CSR program to be implemented. In relation to this condition, there is a tendency for broader community involvement in the preparation of CSR programs by PT. Semen Tonasa. Communities from various segments, not just village governments, are involved in the program preparation process. However, there appears to be a tendency for program input from the community to remain partial, shaped by each group's interests, which are often less relevant to directly solving the community's existing problems as a result of the company's extraction activities.

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