

Implementation of PT Asia Forestama Raya's CSR on Community Economic Empowerment During The Covid-19 Pandemic

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Abstract. PT Asia Forestama Raya is a forest product processing factory for the wood industry's raw materials. Based on Article 74 Paragraph (1) of Law Number 40 of 2007 concerning Limited Liability Companies, it is stipulated that companies that carry out their business activities in the natural resources sector and / or fields related to natural resources are required to implement CSR. In Article 10 of Riau Provincial Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, it is stated that CSR programs can take the form of community economic empowerment. This research aims to explain the implementation of PT Asia Forestama Raya's CSR on community economic empowerment during the Covid-19 pandemic. The method used in this research is socio-legal research. During the Covid-19 pandemic, the public really expected a real contribution from PT Asia Forestama Raya. PT Asia Forestama Raya's obstacle in implementing community economic empowerment in Limbungan Village is that the financial condition of PT Asia Forestama Raya is currently in an unstable state. Efforts that can be made by the people of Limbungan Village if PT Asia Forestama Raya doesn't carry out a CSR program are to convey their aspirations to Commission IV of DPRD Pekanbaru City. Based on Article 32 of Riau Provincial Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, it is stated that if PT Asia Forestama Raya doesn't carry out CSR towards empowering the community's economy, the company can be subject to administrative sanctions by the Pekanbaru City Government.

Keyword: CSR; Community Economy; Covid-19

INTRODUCTION

In general, the principles that apply in real business activities cannot be separated from our lives as humans. These principles are closely related to the value system adopted by society. The principles in business ethics include the principle of honesty, the principle of doing good and not doing evil, and the principle of justice (Ridwan Khairandy, 2009).

In terms of business law, there are two responsibilities that must be applied in business ethics, namely legal responsibility and social responsibility to the community (Andrew Shandy Utama & Rizana, 2017).

Social responsibility is basically a derivation of business ethics that arises from the existence of business interactions between humans that complement each other to fulfill their needs as a result of the unlimited complexity of human needs (Fahmi, 2015). Business ethics can bridge the interests between the company and the community, both people who are directly affected or indirectly affected by the company's operational activities (Andrew Shandy Utama, 2018).

Based on Article 74 Paragraph (1) of Law Number 40 of 2007 concerning Limited Liability Companies, it is regulated that companies carrying out their business activities in the field of natural resources and/or fields related to natural resources are obliged to carry out social and environmental responsibilities (Andrew Shandy Utama & Rizana, 2018). This provision aims to create a balanced relationship between the company and the community (Andrew Shandy Utama, 2018).

In Indonesia, the term corporate social responsibility is better known as Corporate Social Responsibility (CSR). The issuance of Riau Province Regional Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province has further strengthened the legal basis for implementing CSR for companies operating in the Riau Province (Fahrial, Andrew Shandy Utama & Sandra Dewi, 2019). In Article 10 of Riau Province Regional Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, it is stated that corporate social responsibility programs can take the form of community empowerment and/or partnerships and community development and/or investment and/or donations, and/or or promotion. Furthermore, Article 11 of the regional regulation also states that the fields of work for corporate social responsibility can be carried out in the fields of education, health, infrastructure, sports and arts and culture, social and religion, environmental conservation, people's economic efforts, empowerment of indigenous peoples, as well as the fields of other work that has a real impact on improving the quality of society.

In the last few months the spread of the Covid-19 outbreak in Pekanbaru City has continued to increase from time to time (Hasnati, Sandra Dewi & Andrew Shandy Utama, 2020). The Pekanbaru City Government's policy of closing crowd centers and imposing Large-Scale Social Restrictions (PSBB) to Micro-Scalable Social Restrictions (PSBM) in several sub-districts to prevent the spread of the Covid-19 outbreak has greatly impacted the community's economy, including the community of Limbungan Village. The public certainly really expects a real contribution from PT Asia Forestama Raya in the midst of the Covid-19 pandemic.

From research observations conducted in Limbungan Village, researchers obtained information from the community that PT Asia Forestama Raya's CSR program was very minimally felt by the community, especially in terms of empowering the community's economy.

CSR is an obligation that must be carried out by every company in order to create a good relationship between the company and the community, especially the people who live around the company (Suhendro & Andrew Shandy Utama, 2019).

Based on the background of the problems described above, the problems discussed in this study are how is the implementation of PT Asia Forestama Raya's CSR towards community economic empowerment during the Covid-19 pandemic?

METHOD OF RESEARCH

Legal research is a scientific activity based on certain methods, systematics, and thoughts that aim to study one or several certain legal phenomena by analyzing them (Soerjono Soekanto, 2007). The method used in this research is sociological law research. Sociological legal research is a research conducted by explaining the implementation of laws and regulations on problems that exist in society.

Sources of data used in this study are primary data and secondary data. Primary data are data obtained directly from the results of observations, interviews, and questionnaires at the research site; while secondary data is data obtained from scientific journals, legal literature, and legislation. Data collection techniques used in this study were observation, interviews, questionnaires, and literature study. The data analysis technique used in this research is qualitative analysis.

RESULTS OF RESEARCH AND DISCUSSIONS

In 2007, there was a significant change regarding CSR in Indonesia after the enactment of Law Number 25 of 2007 concerning Investment and Law Number 40 of 2007 concerning Limited Liability Companies (Andrew Shandy Utama, 2018).

The enactment of Law Number 25 of 2007 concerning Investment is the legal basis for the implementation of CSR in Indonesia. Provisions regarding CSR are regulated explicitly in Article 15 Letter b of Law Number 25 of 2007 concerning Investment, which confirms that every investor is obliged to carry out CSR (Andrew Shandy Utama & Rizana, 2018). Based on Law Number 25 of 2007 concerning Investment, it is explained that CSR is the responsibility inherent in every investment company to continue to create harmonious, balanced, and in accordance with the environment, values, norms, and culture of the local community.

In line with that, the enactment of Law Number 40 of 2007 concerning Limited Liability Companies completes the legal basis for implementing CSR in Indonesia. Provisions regarding CSR are explicitly regulated in Article 74 Paragraph (1) of Law Number 40 of 2007 concerning Limited Liability Companies, which confirms that companies carrying out their business activities in the field of natural resources and/or fields related to natural resources are required to implement CSR (Andrew Shandy Utama & Rizana, 2018). Based on Law Number 40 of 2007 concerning Limited Liability Companies, it is explained that CSR is the company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general.

PT Asia Forestama Raya is a forest product wood processing factory for the wood industry raw materials (Suhendro, Andrew Shandy Utama & Ade Pratiwi Susanty, 2019). PT Asia Forestama Raya started operating in Pekanbaru City in 1986 under the name PT Rantau Jaya Sakti, which is domiciled in Limbungan Village. At first the company stood on an empty land in the form of forest on the banks of the Siak River on the outskirts of Pekanbaru City. However, along with the development and progress of Pekanbaru City as the capital of Riau Province, currently Limbungan Village has turned into a densely populated area.

From research observations conducted in Limbungan Village, researchers obtained information from the community that PT Asia Forestama Raya's CSR program was very minimally perceived by the community, especially in terms of empowering the community's economy. In 2017, PT Riau Crumb Rubber Factory also did not carry out CSR to the community in Rumbai District, but there was no firm sanction from the Pekanbaru City Government to the company (Andrew Shandy Utama & Rizana, 2017).

PT Asia Forestama Raya has actually implemented CSR to empower the community's economy. In 2008, PT Asia Forestama Raya provided a plot of land located in Limbungan Village for the construction of a traditional market managed by the community and the market still exists today (Andrew Shandy Utama, Rizana, & Tri Anggara Putra, 2019).

The Integrated Farming System Program and the MSME Program as one of the CSR programs of PT Riau Andalan Pulp and Paper have a positive impact on improving the economy of the people of Pelalawan Regency (Andrew Shandy Utama, 2018). The success of an area in improving the welfare of its people can be realized if all components of the community are involved, including real participation from companies operating in the area (Fahrial, Rini Fatriani & Andrew Shandy Utama, 2020).

In the last few months the spread of the Covid-19 outbreak in Pekanbaru City has continued to increase from time to time. The Pekanbaru City Government's policy of closing crowd centers and imposing Large-Scale Social Restrictions (PSBB) to Micro-Scalable Social Restrictions (PSBM) in several sub-districts to prevent the spread of the Covid-19 outbreak has greatly impacted the community's economy, including the community of Limbungan Village. The public certainly really expects a real contribution from PT Asia Forestama Raya in the midst of the Covid-19 pandemic.

The obstacle in the implementation of PT Asia Forestama Raya's CSR towards empowering the community's economy in Limbungan Village from the company side is that the financial condition of PT Asia Forestama Raya is currently in an unstable condition so that it has been three years since there has been no community economic empowerment program. Meanwhile, the obstacle in implementing PT Asia Forestama Raya's CSR to empowering the economy of the community in Limbungan Village from the community side is the lack of public knowledge regarding Riau Province Regional Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province.

The CSR program is actually not only beneficial for the community, but also useful for shaping the company's image if it is packaged with the right publications (Hasnati & Andrew Shandy Utama, 2020).

In order to maintain the effectiveness of the implementation of Riau Province Regional Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, intensive supervision is needed from the government (Andrew Shandy Utama, 2020).

Efforts that can be made by the community of Limbungan Village if PT Asia Forestama Raya does not carry out the community economic empowerment program are conveying their aspirations to Commission IV of the Pekanbaru City DPRD so that the company is recommended to receive strict sanctions from the Pekanbaru City Government.

Based on Article 32 of the Regional Regulation of Riau Province Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, it is emphasized that if PT Asia Forestama Raya does not implement CSR for community economic empowerment, the company may be subject to administrative sanctions in the form of a written warning from the Pekanbaru City Government and restrictions. the company's business activities, the suspension of the company's business license, to the revocation of the company's business license.

CONCLUSION

PT Asia Forestama Raya is a wood processing factory for forest products as raw materials for the wood industry. Based on Article 74 Paragraph (1) of Law Number 40 of 2007 concerning Limited Liability Companies, it is regulated that companies carrying out their business activities in the field of natural resources and/or fields related to natural resources are obliged to carry out CSR. In Article 10 of Riau Province Regional Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, it is stated that CSR programs can take the form of empowering the community's economy. During the Covid-19 pandemic, people really hope for a real contribution from PT Asia Forestama Raya. The obstacle for PT Asia Forestama Raya in implementing community economic empowerment in Limbungan Village is that the financial condition of PT Asia Forestama Raya is currently in an unstable condition. Efforts that can be made by the community of Limbungan Village if PT Asia Forestama Raya does not carry out the CSR program are to convey their aspirations to Commission IV of the Pekanbaru City DPRD. Based on Article 32 of Riau Province Regional Regulation Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province, it is emphasized that if PT Asia Forestama Raya does not implement CSR for community economic empowerment, the company may be subject to administrative sanctions by the Pekanbaru City Government.

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