

Corporate Social and Environmental Responsibility in SOE Mining Sector in Indonesia: Commitment of Social-Legal Awareness

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Abstract

Through its Corporate Social and Environmental Responsibility (CSER), the company actively contributes to addressing social vulnerability issues in communities. However, when we know that companies are financially impacted, it is interesting to do research on the motivation of companies in providing CSER funds, especially State-Owned Enterprises (SOE), continue to run their CSER programs, whether it is merely an obligation due to regulatory orders or whether there are other motives. This research was conducted from the perspective of the sociology of law. The result shows that the obligation of CSER in several regulations is not merely the lawgiver's desires but comes from social awareness, given that kinship has existed for a long time. Even though there are no explicit restrictions addressing requirements or sanctions to implement CSER in the SOE Law, SOEs in the mining sector demonstrate their commitment to social awareness by continuing to carry out their CSER program in 2020 and 2021.

Perusahaan memegang peran strategis untuk menanggulangi permasalahan kerentanan sosial yang terjadi di dalam masyarakat, salah satunya melalui Program Tanggung Jawab Sosial dan Lingkungan (TJSL). Namun demikian, apabila memperhatikan perusahaan juga terdampak secara finansial, maka menjadi hal yang menarik untuk melakukan penelitian mengenai motivasi perusahaan untuk mengeluarkan dana TJSL, khususnya BUMN, untuk tetap mau berkomitmen menjalankan Program TJSL, apakah hanya semata-mata kewajiban karena perintah peraturan atau ada motif lain. Penelitian dilakukan dengan perspektif sosiologi hukum. Hasil dari penelitian ini adalah bahwa kewajiban TJSL dalam beberapa peraturan bukan semata-mata keinginan pembentuk peraturan, namun bersumber dari kesadaran sosial, mengingat bahwa bahwa kekeluargaan merupakan nilai yang telah ada sejak dulu. Komitmen kesadaran sosial ini ditunjukkan BUMN sektor pertambangan yang tetap menjalankan Program TJSL di tahun 2020 dan 2021 dengan nilai realisasi cukup besar, walaupun dalam UU BUMN tidak ada pengaturan tegas mengenai kewajiban maupun sanksi untuk melaksanakan TJSL.

Keywords: Corporate Social and Environmental Responsibility; development law theory; sociology of law; State-Owned Enterprises

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Introduction

As one of the major societal elements, the company can play a strategic role by being prepared to respond to unpredictable negative social events, like the COVID-19 pandemic. Active efforts that are truly possible to support, such as through corporate 's social and environmental responsibility (Tanggung Jawab Sosial dan Lingkungan; CSER) initiative, or more commonly referred to as corporate social responsibility (CSR).

However, since the COVID-19 pandemic has become increasingly vicious and prolonged and it is not clear when it will end, the company also needs to recalculate the planning and implementation of its CSR program, because the company itself is also financially affected.

According to a survey by the Indonesian Institute of Sciences (Lembaga Ilmu Pengetahuan Indonesia), there was a wave of layoffs and pay cuts during the PSBB period in Indonesia. The number of workers who experienced layoffs in Indonesia at the end of April 2020 was 15.6%, consisting of dismissals with severance pay (1.8%) and those without severance pay (13.8%) (Ngadi, Meliana, and Purba 2020).

According to data from the Indonesia Central Agency on Statistics (Badan Pusat Statistik), the number of poor people in Indonesia has increased by around 1.13 million since the COVID-19 pandemic, from 26.42 million in March 2020 to 27.55 million in September 2020 (BPS RI 2022). As is known, March 2020 was the start of the COVID-19 pandemic in Indonesia.

The author is interested in conducting this research to examine the motivation of the company, particularly for SOEs in the mining

sector, to spend on CSER, which is sometimes allocated at a relatively high nominal, despite the fact that their financial condition is also deteriorating. In an effort to ensure the fulfillment of CSER obligations as mandated by laws and regulations, it is also interesting to look further into the implementation of CSER obligations within mining sector SOEs.

This study has only two research questions to answer 1) What is the legal sociology perspective on CSER of SOEs in the mining sector in Indonesia? 2) How is the implementation of the obligations of CSER of SOEs in the mining sector in Indonesia? These two questions can provide answers regarding the reasons why the mining sector SOEs in Indonesia comply with their CSER obligations even though there is no application of penal sanctions in the laws and regulations that bind them.

This article is built on the argument that the implementation of legal obligations by a company in society must arise from the legal awareness of the company itself, and not by prioritizing the application of penal sanctions. Penal sanctions should still act as an *ultimum remedium*, not as a *primum remedium*.

The research was conducted from the perspective of the sociology of law. This study employs a normative juridical research method, with legal materials gathered through document studies such as Law Number 40 of 2007 concerning Limited Liability Companies (LLC Law) and Law Number 19 of 2003 concerning State-Owned Enterprises (SOE Law) and its derivative regulations, as well as literature studies such as books, journals, theses, and the internet. The results of the document study and literature study are then used to analyze the problems being studied. In a pandemic condition, data collection techniques are carried

out online with data analysis techniques starting from collecting, sorting data, displaying data and drawing conclusions on the data so that an analysis is created in this study.

Some previous research related to CSER and/or CSR of SOEs, for example, has been conducted by Sufyati HS (2017), Putra, Dani, and Sinaga (2020), Kurniawan, Umiyati, and Pangestu (2021), Nur'aqil and Rohman (2022), and Rachma (2022). These five studies have different focuses. Sufyati HS research about implementation of CSR programs in Islamic banking carried out with an economic, social and environmental approach. Nur'aqi, Putra and Wijaya focused their research on evaluating the implementation of CSER obligations by the SOEs, namely PT Angkasa Pura II (Persero), PT Kereta Api Indonesia (Persero) and PT Dahana (Persero). As for Rachma focused her research to determine the effectiveness of PT PLN (Persero)'s public relations communication in implementing CSER programs in the community of Koto Mesjid Village, Kampar Regency. The five research are still not sufficient to answer questions regarding "the reasons why companies are still willing to carry out CSER obligations even though these obligations are not accompanied by the imposition of penal sanctions."

The novelty of this study compared to studies that have been conducted by previous researchers is that this research takes a sociological approach to analyzing why SOEs are still willing to carry out CSER obligations, despite the fact these obligations are not accompanied by the imposition of penal sanctions, as regulated by LLC Law and SOE Law. So, it is hoped that CSER can still be carried out by the SOEs with full legal awareness and in

the future, no penal sanctions are needed for violations of this CSER obligation.

The CSER of SOEs in Mining Sector: A Sociological Overview

A. Javier Trevino, a professor of sociology from Wheaton College, Massachusetts, formulated a definition that "The sociology of law, or legal sociology, is an academic speciality within the general discipline of sociology that attempts to theoretically make sense of, and explain, the relationship between law and society, the social organization of the legal institution (order or system), the social interactions of all who come in contact with the legal institution and its representatives (police officers, lawyers, judges, legislators, etc.), and the meaning that people give to their legal reality." (Javier 2017). From this formulation, law and society are two entities that influence and strengthen each other in realizing the ideals of human life. Law will exist if society exists. On the other hand, the public interest can be realized if the law is respected.

Although law and social movements are intellectual products of the progressive era, the theoretical foundations in the sociology of law can be traced back to classical social theory, such as John Austin's theory of analytical jurisprudence (Liu 2015). According to theory of analytical jurisprudence, that "Law is command of a lawgiver". The legal system is considered rational, fixed, and closed, which means it is rigidly separated from justice and is not based on good or bad moral principles (Artadi 2016).

Furthermore, Roscoe Pound argues that "Law as a tool of social engineering and social control", which means law as a tool for change

in society. The law is expected to change the social values that apply in society (Lathif 2017). In line with that, Rudolf von Relhing argues that "Law were only one way to achieve the end namely social control", or that the law is the only means by which the community's objectives, namely enforcing social control, may be achieved (Idayanti 2020).

Friedrich Carl von Savigny, on the other hand, contends that law develops through internal silently operating powers, not through the desire of legislators (Aulia 2020). In line with that, according to Eugen Ehrlich, positive law will be effective if it is in accordance with the laws that already exist in society or with prevailing cultural patterns (Soekanto 1980).

In the context of Indonesian law, Mochtar Kusumaatmadja argues that applying the theory stated by Roscoe Pound above is difficult. Because the law is strongly tied to the sociological, anthropological, and cultural facets of society, it must be applied carefully to avoid harming the community (Kusumaatmadja, Salman, and Damian 2013). The basic idea behind Mochtar's theory of development is that development and renewal efforts want and even absolutely require order and obedience, where legal norms are intended to guide and provide direction in the community's activities (Mulyadi 2019).

Soekanto and Abdullah argue that the legal aspect of the environment has been neglected, although it must be acknowledged that there are certain legal activities to participate actively and steadily (Soekanto and Abdullah 1982).

Article 1 point 3 of LLC Law does not use the term "Corporate Social Responsibility" but uses the term "Social and Environmental Responsibility", which defined as: "the commitment of

the company to participate in sustainable economic development to improve the quality of life and the environment in a way that is beneficial, both for the company itself, the local community, and society in general". Philosophically, Indonesia's CSER practices embody the objectives of the State as expressed in the Preamble's fourth paragraph of the Constitution of the Republic of Indonesia, particularly the goal of promoting the public welfare.

Philip Kotler and Nancy Lee define CSR as a commitment to improve community well-being through discretionary business practices and contributions of corporate resources (Kotler and Lee 2011).

In addition to fulfilling the company's obligations to stakeholders as regulated in various regulations, the CSER concept expands the scope of the company's obligations to include concern for the development and prosperity of society.

One theory regarding CSR is the Social Contract Theory, which says that a company must be responsible for the local community. This attitude results from the company's responsibility to act according to community expectations of how it conducts business and its strong drive to maximize profits. In addition, the stakeholder theory contends that businesses have social obligations in addition to their obligations to shareholders (Sudirman and Disemadi 2021).

The CSER commitment of a business entity should ideally take the form of various activities that are in accordance with the company's main business activities, for example, empowerment of micro, small and medium enterprises or provision of public facilities, in addition by providing donations for various social activities.

Companies can actively contribute to environmental cleanliness by planting trees or recycling industrial waste.

The Harvard Business Review publication explains that due to resource constraints, companies cannot be held accountable for all social problems. Therefore, CSR should be implemented by first identifying the shared values between the community, the company, and the government. This will enable the community to develop its own solutions without further reliance on subsidies from the company or the government. With an integrated shared values approach, CSR can be more than just a charity for the company; it can instead generate opportunities, innovations, and competitive advantages for the company while simultaneously being able to solve social problems in society (Porter and Kramer 2007).

The benefits of implementing CSR will not only be felt by the community as recipients but will also be felt by the government and the company concerned, as described in Table 1.

The spirit of Indonesia's economic activities, as referred to in Article 33 of the Constitution, is a joint effort based on the principle of kinship. This was explained by Supomo in a session at a meeting of the Investigative Agency for Preparatory Work for Indonesian Independence (BPUPKI) on May 31, 1945, that "The basis of this unity and kinship is very much in accordance with the style of Indonesian society and the social structure of the original Indonesian people".

As stated by Mohammad Hatta, the Pancasila economic system has three sectors with three business actors, namely the cooperative sector, the state business sector, and the private business sector. Hatta further explained that

control by the state as referred to in Article 33 of the Constitution does not directly mean that the State itself must be the entrepreneur (*ondernemer*), but the State can also act as a regulator (Hatta 1977).

In line with the interpretation of Article 33 of the Constitution, referring to several decisions on judicial review of the Act by the Constitutional Court, including Decision Number: 03/PUU-08/2010 regarding judicial review of Law 27/2007 concerning Management of Coastal Areas and Small Islands; Decision Number: 36/PUU-X/2012 regarding judicial review of Law 22/2001 concerning Oil and Gas; and Decision Number: 85/PUU-XI/2013 regarding judicial review of Law 7/2004 concerning Water Resources, it can be understood that the implementation of control by the State through the functions of regulation (*regelendaad*), management (*beheersdaad*), policy (*beleid*), administration (*bestuursdaad*), and supervision (*toezichthoudensdaad*) cannot be separated from the purpose of Article 33 paragraph 3 of the Constitution (Arizona 2011), which is to be used for the greatest prosperity of the people. For this reason, the state is present as a business actor by forming state-owned enterprises (Badan Usaha Milik Negara; SOEs).

According to Article 2 paragraph (1) letter e of Law Number 19 of 2003 concerning SOEs, the government establishes SOEs not only intending to make a profit (profit-oriented motive), but also for SOEs to serve as agents of development, particularly by actively guiding and assisting entrepreneurs from economically under-privileged groups and fostering communities around SOEs through the implementation of CSER activities.

Table 1
The Advantages of Implementing CSR

No	For Companies	For Society	For Government
1.	The company's image will be well known	The welfare of the community around the company increases	The government does not only work alone in building people's welfare
2.	The form of the Company's contribution is in the form of social investment, in addition to contributions to the State in the form of taxes and dividends.	Public facilities are guaranteed maintenance	Changes in society for the better
3.	Impact on the value of the company on the stock exchange	There are social activities in the form of building public facilities for the community around the company	Created a relationship between the government and companies in overcoming various social problems, such as poverty, low quality of education, lack of access to health and so on.
4.	Prevent conflict with the community.	Availability of scholarships for underprivileged children who are around the company	

Source: Surif (2019)

For companies engaged in natural resources, CSR is a legal obligation that must be obeyed. Similar to Indonesian rules and regulations, this legal obligation is backed by the enforcement of penalties for violating it. Daniel S. Lev, a professor of political science at the University of Washington, formulated that, from an economic perspective, political leaders and intellectuals tend to emphasize the superiority of supervision offered by the legal process (Lev 2018), so that the mechanism for monitoring the implementation of CSER obligations in the legal setting is related to the imposition of sanctions.

Formulated from several laws, including the SOE Law, Law Number 25 of 2007 concerning

Investment, LLC Law, Law Number 4 of 2009 concerning Mineral and Coal Mining, and Law Number 32 of 2009 concerning Environmental Protection and Management, several references can be found regarding sanctions for violations of CSER obligations, as described in Table 2.

There is a uniqueness in the regulation of CSER in the SOE Law as well as in the implementing regulations that have existed since 2003, including the Decree of the Minister of SOE KEP-236/MBU/2003 concerning the SOE's Partnership Program with Small Businesses and the Community Development Program, Regulation of the Minister of SOE PER-05/MBU/2007 concerning the SOE's Partnership Program and Community Development

Table 2
Laws Regarding CSER Obligations

No	Regulations	Article References	Violation Sanctions
1.	Law Number 19 of 2003 concerning State-Owned Enterprises	<p>Article 88 SOEs can set aside a portion of its net profit for the purposes of fostering small businesses /cooperatives as well as fostering the community around the SOEs.</p> <p>Article 90 SOEs within the proper limits can only make donations for charity or social purposes in accordance with the provisions of laws and regulations.</p>	-NA-
2.	Law Number 25 of 2007 concerning Investment	Article 15 Letter (b) Every investor is obliged to carry out corporate social responsibility	Article 34 Paragraph (1) Administrative sanctions in the form of: a) written warning; b) limitation of business activities; c) suspension of business activities and/or investment facilities; or d) revocation of business activities and/or investment facilities.
3.	Law Number 40 of 2007 concerning Limited Liability Companies	Article 74 Paragraph (1) Companies that carry out their business activities in the field and/or related to natural resources are required to carry out Social and Environmental Responsibility	Article 74 paragraph (3) Companies that do not carry out the obligations as referred to in paragraph (1) are subject to sanctions in accordance with the provisions of laws and regulations.
4.	Law Number 4 of 2009 concerning Mineral and Coal Mining	Article 108 paragraph (1) Holders of Mining Business License (IUP) and Special Mining Business License (IUPK) are required to formulate community development and empowerment programs	Article 151 Paragraphs (1) and (2) Administrative sanctions to The IUP, Community Mining Business License and IUPK, in the form of a) written warning; b) temporary suspension of part or all of exploration activities or production operations; and/or c) revocation of The IUP, Community Mining Business License or IUPK.
5.	Law Number 32 of 2009 concerning Environmental Protection and Management	Article 23 Criteria for businesses and/or activities with significant impacts that must be accompanied by an Environmental Impact Analysis	<p>Article 76 paragraphs (1) and (2) Administrative sanctions to the person in charge of the business and/or activity, in the form of a) written warning; b) government coercion; c) suspension of environmental permits; or d) revocation of environmental permit.</p> <p>Article 78 Administrative sanctions do not relieve the person in charge of the business and/or activity from responsibility for recovery and punishment.</p>

Program, Regulation of The Minister of SOE PER-09/MBU/07/2015 concerning SOE's Partnership Program and Community Development Program, and Regulation of The Minister of SOE Number PER-05/MBU/04/2021 concerning the SOE's CSER Program, that SOEs are not expressly required to carry out CSER, unlike other regulations. Additionally, there are no provisions in the SOE Law outlining sanctions for SOE's non-compliance with CSER duties. However, based on the LLC Law and other statutory provisions, SOEs operating in the natural resources sector are still obliged to implement CSER.

Article 4 point 3 of the Regulation of the Minister of SOE Number: PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in SOEs, stipulates that the decisions and actions of SOEs are based on awareness of social responsibility, both towards stakeholders and environmental sustainability. The author argues that the Government intends to put more emphasis on the implementation of CSER by SOEs to grow as awareness and business ethics of the SOEs themselves, rather than through regulation-based compulsion.

Recognizing that kinship is a value that has existed in Indonesian society since the beginning of time, the author believes that the CSR regulation in Article 74 of the LLC Law is consistent with the cultural patterns of the community, as suggested by Eugen Ehrlich, and that the CSR or CSER obligation for companies, including SOEs, will be effectively implemented.

The author argues that the regulation of CSER in the SOE Law is not the result the unilateral desire of the governments or the legislature, it results from the social awareness of all relevant parties, including those from all tiers of society (such as local governments,

business actors, environmental activists, etc.), who were represented by members of the House of Representatives. This is consistent with Friedrich Carl von Savigny's idea.

Taking into account the Theory of Development Law from Mochtar Kusumaatmadja, the author argues that the obligation of CSER in laws and regulations as a legal norm is intended as a direction and guidance from the government for SOE in particular, and also for private companies in general, as one of the pillars of Indonesia's economic development, to cooperate with the government in achieving national development goals.

In the context of SOEs, paying attention to the principles of balance and harmony, SOEs' business activities must be able to realize the interests of individuals, communities, and the state as well as relationships that must also be harmonious, balanced, and in accordance with the environment, values, norms, and culture of the community. In addition, as stated in the General Elucidation of Paragraph VI of the SOE Law, the implementation of the GCG principle requires SOEs to consider, among other things, social and environmental aspects in their operational activities.

Considering the principles of togetherness and kinship, SOEs as legal entities and business entities have social responsibilities, both in the context of national economic development and environmental preservation.

Reciprocal relationships in the community, for example, ties in the interaction between SOEs and local communities, are one of the characteristics of the *Gesellschaft* community group. Ferdinand Tönnies (1855-1936), a sociologist from Germany, formulated that members of the *Gesellschaft* society could not know each other, relations were rational, social

life was more based on competition and conflict for achievements to be obtained and based on the principles of bargaining and power, except in family and community life in the community (Nugraha 2005).

Based on the way companies view the implementation of CSR, they can be grouped into three, namely Dianti and Mahyuni (2018): 1) It's just small talk and pushing; CSR is implemented based on external factors, whether social, environmental, or reputation-driven. 2) To fulfill obligations (compliance); CSR is implemented because there are coercive regulations, laws, and regulations or because there is a market drive in the form of beginning to raise market awareness for the environment. 3) CSR is implemented based on internal factors, such as the emergence of awareness that the CSR program is an investment in business growth and sustainability.

Implementation of the CSER Program for SOEs in the Mining Sector

The CSER Program of the SOEs is being implemented to meet the Sustainable Development Goals, and as ISO 26000 serves as the program's implementation standard, it is hoped that this implementation will be measurable, significant, and sustainable.

SOEs implement the CSER Program by referring to the Regulation of the Minister of SOEs Number PER-05/MBU/04/2021 concerning the CSER Program of the SOEs. Several important articles in the Ministerial Regulation, among others, are described in Table 3.

SOEs can implement the CSER Program by providing funding support or by fostering entrepreneurs on a micro and small scale

(SME), and/or in the form of donations or support in the form of other activities. The SOEs shall establish the SME Funding Program (PUMK Program) by giving funding with a maximum value of IDR250 million intended as working capital for the SMEs. Meanwhile, in the context of short-term financing to fulfill orders, MSEs can receive additional funding with a maximum value of IDR100 million.

Given that sustainable environmental management is one of the pillars of the SOE CSER Program, SOEs must plan their CSER initiatives in accordance with the requirements of Presidential Regulation Number 59 of 2017, which addresses the implementation of achieving the Sustainable Development Goals, as described in Figure 1.

SOEs in the mining sector include PT Antam, PT Bukit Asam, and PT Timah, which are members of the Mind ID Holding Company (Mining Industry Indonesia), with PT Indonesia Asahan Aluminum (Persero) as the holding parent. In accordance with Article 23 of the Regulation of the Minister of SOEs Number PER-05/MBU/04/2021, every SOE is required to compile a report on the implementation of the SOE CSER Program.

Based on the Audited Sustainability Report of PT Antam, PT Bukit Asam, and PT Timah in 2021, it is known that the SOEs in the mining sector has contributed CSER worth a total of IDR327,64 billion during 2021, which is smaller than the contribution of CSER in 2020 of IDR 336,83 billion, as described in Table 4 below.

Additionally, it is known that all SOEs operating in the mining industry have implemented CSER for each of the 17 SDGs, with details as described in Table 4.

Table 3
Important Articles in Regulation of the Minister of SOEs
Number PER-05/MBU/04/2021

No	Purpose (Article 4)	Main Pillar (Article 5)	Source of Funds (Article 20)
1.	Providing benefits for economic development, social development, environmental development as well as legal and governance development for companies.	Social, to achieve the fulfillment of quality basic human rights in a fair and equal manner to improve the welfare of the community.	Activity budget that is calculated as a cost to SOEs in the current budget year
2.	Contribute to the creation of added value for the company with the principle of being integrated, directed and measurable and accountable.	Environment, for the sustainable management of natural resources and the environment as a support for all life.	Provision for part of SOE's net profit in the previous fiscal year
3.	Fostering micro and small businesses to be more resilient and independent as well as the community around the company.	Economy, to achieve quality economic growth through sustainable employment and business opportunities, innovation, inclusive industry, adequate infrastructure, affordable clean energy and supported by partnerships.	Other legitimate sources
4.		Law and governance, for the realization of legal certainty and effective, transparent, accountable and participatory governance to create security stability and achieve a state based on law.	

Source: Regulation of the Minister of SOEs Number PER-05/MBU/04/2021; processed.



Figure 1
Sustainable Development Goals

Table 4
Realization of CSER in SOEs Mining Sector

in billion Rupiah (IDR)	CSER 2021			CSER 2020		
	TOTAL	PUMK Program	Non-PUMK Program	TOTAL	PUMK Program	Non-PUMK Program
PT Inalum	-NA-	-NA-	-NA-	28,897	0,45	28,492
PT Antam	101,633	14,80	85,84	87,289	82,12	5,17
PT Bukit Asam	171,699	5,495	166,204	189,964	24,962	165,002
PT Timah	54,31	22,44	31,87	59,58	19,12	40,46
TOTAL	327,642	42,74	283,914	336,833	126,202	210,632

Source: PT Antam, PT Bukit Asam, and PT Timah Audited Sustainability Report 2021; processed.

Table 5
CSER Implementation in SOEs Mining Sector Related to 17 SDGs

Sustainable Development Goals	PT Antam	PT Bukit Asam	PT Timah
1 No Poverty	√	√	√
2 Zero Hunger	X	√	√
3 Good Health and Well-being	√	√	√
4 Quality Education	√	√	√
5 Gender Equality	X	X	√
6 Clean Water and Sanitation	√	√	√
7 Affordable and Clean Energy	X	√	√
8 Decent Work and Economic Growth	√	√	√
9 Industry, Innovation and Infrastructure	X	√	√
10 Reduced Inequality	√	√	√
11 Sustainable Cities and Communities	X	√	√
12 Responsible Consumption and Production	X	√	√
13 Climate Action	√	X	√
14 Life Below Water	X	X	√
15 Life on Land	√	√	√
16 Peace, Justice, and Strong Institutions	√	√	X
17 Partnerships for the Goals	√	√	X

Source: PT Antam, PT Bukit Asam, and PT Timah Audited Sustainability Report 2021; processed.

Conclusion

Taking into account that kinship is a value that has been present in Indonesian society since the beginning of time, the obligation of CSER for companies that is stated in Article 74 of the LLC Law will be effectively carried out by companies, including by SOE, because the regulation of CSER is in line with the cultural pattern of the community, as Eugen Ehrlich's theory suggests. The author argues that the regulation of CSER in the SOE Law is not the result of the government's or the legislature's exclusive desire; rather, it results from the social awareness of all relevant parties, including those from all tiers of society (such as local governments, business actors, environmental activists, etc.), who were represented by members of the House of Representatives. This is consistent with Friedrich Carl von Savigny's idea. Taking into consideration Mochtar Kusumaatmadja's Theory of Development Law, the author argues that the obligation of CSER in various laws and regulations as a legal norm is intended as a direction and guidance from the government to business actors as a pillar of Indonesia's economic development, to work together with the government to realize national development goals. This is because the author believes that the obligation of CSER in various laws and regulations as a legal norm is intended as a direction and guidance from the government to business.

Although the SOE Law does not explicitly require SOEs to perform CSER, and there are no provisions for sanctions for non-compliance with CSER by SOEs, the mining sector SOEs (PT Antam, PT Bukit Asam, and PT Timah) have implemented the CSER Program, with a total realized value of IDR327,64 billion in 2021 and

IDR336,83 billion in 2020. The CSR program's accomplishments have been aimed at all 17 SDGs.

It is possible for corporate actors to violate ethics and moral principles, including the implementation of CSR commitments, to pursue maximum profit under the conditions of escalating economic competitiveness. However, the author thinks it would be challenging to set up a disciplinary mechanism in the form of a criminal or coercive one, emphasizing that the adoption of CSR for businesses is an ethical imperative. The authors contend that additional research is required to develop a control and supervisory mechanism against company infractions of this CSR commitment, or even law enforcement if necessary.

This article is limited to the object of research in the form of companies engaged in the mining sector, located in Indonesia, and with the ownership status of a State-Owned Enterprise. Other research can be seen on companies operating in other sectors, located in other countries, or with non-State-Owned Enterprise status. Therefore, further studies are needed to determine the relationship between these differentiating variables (industrial sector, share ownership status, and company location) on compliance with corporate social responsibility and/or corporate social and environmental responsibility obligations. It is expected to have a more comprehensive study.[]

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