

# Commitment to Care CSR More than Mining in the Activities of Mineral and Coal Mining Industry in Indonesia

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# Commitment to Care CSR More than Mining in the Activities of Mineral and Coal Mining Industry in Indonesia

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**Abstract:** This writing aims to describe and describe the implementation of Regional Regulation of East Kutai No. 1 of 2017 on mineral and coal mining business activities of PT Kaltim Prima Coal. The method used in this paper is a qualitative method with case study approach. The author obtained data through secondary data by collecting data through literature study method. Furthermore, the data were analyzed by qualitative descriptive method. The results of this writing indicate that the implementation of corporate social responsibility or CSR conducted by PT Kaltim Prima Coal (KPC) has been in accordance with the provisions of Regional Regulation of East Kutai No. 1 of 2017 on Corporate Social Responsibility and Environment, both in terms of principle and program activities. This study recommends further research on community involvement in the application of regional regulations.

**Index Terms:** Corporate, Social Responsibility, Environmental Responsibility, Mineral and Coal Mining.

## I. INTRODUCTION

In order to facilitate business or business activities, every company is required to always pay attention to aspects of society and its external environment. The establishment of a company is not only faced with responsibility in obtaining profits, but the company must also pay attention to social aspects, namely maintaining relations with the community and the surrounding environment, because the contribution and harmonization between the two can determine the success of the company. In addition, aspects of the community and the external environment of the company must also be considered as creating a synergistic condition between the two, so that the existence of the company brings a change towards improvement and improvement in the standard of living of the community. This needs to be done in maintaining the existence and sustainability of the business undertaken by the company. If this is being ignored, then the balance of the relationship between the companies and the surrounding community can be disrupted and subsequently will lead to social inequality between the two (Sriviana and Asyik, 2013).

The community has different local wisdom in each region,

so that corporate social responsibility programs must be adapted to the conditions of the local community. This is as a consequence of the existence of the company as an Agent of Development in the midst of society. Thus, it is very important for companies to know the socio-cultural conditions of the surrounding community (Budiarti and Raharjo, 2014). Stepping on the 20th century, many companies are increasingly aware of the importance of corporate social responsibility or better known as Corporate Social Responsibility (CSR). Therefore, every company has now incorporated CSR programs into their company's strategic business issues (Muhadjir and Qurani, 2012).

The importance of implementing CSR for every company, especially mineral and coal mining companies, is motivated by the emergence of a Sustainable Development (SD) concept formulated by the World Commission on Environment and Development, namely "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. With the acceptance of the CSR concept from the understanding of the SD concept, all the activities of mineral and coal mining companies related to the economy, social and environment must be reported in the company's annual Sustainability Report (SR), because this SR is an assessment that describes the extent of responsibility corporate social responsibility towards stakeholders (Jesi Trilia Sovani, Achmad Fauzi Dh, 2016).

In the current era of industrialization, several issues that deserve attention are the exploitation of the industry towards natural resources (SDA) which causes social inequality to damage the environment. 75% of social and environmental problems are caused by industrial companies. This makes the community aware and asks for social responsibility (SR) for the problems caused by the company. In 2007 the Government of the Republic of Indonesia issued Law Number 40 of 2007 concerning Limited Liability Companies which obliged companies, especially companies that exploit natural resources to issue corporate social responsibility (SR) funds (Manurung, 2017). This is expressly stated in Article 74 paragraph (1) that "The Company that carries out its business activities in the field of and / or related to natural resources must carry out Social and Environmental Responsibility".

Corporate Social Responsibility (CSR) or corporate social responsibility

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is one thing that is considered quite also in Law Number 4 of 2009 concerning Mineral and Coal Mining (Minerba) listed in Article 108 and Article 109. Mining business activities in development which explains that social, economic and environmental aspects are aspects of CSR which are a form of corporate responsibility in conducting mining business. The principles contained in the CSR concept above are also in line with the concept of good mining practices. As a type of unrenueable resources, minerals including coal must be able to be utilized optimally including being able to protect the functions of the environment, the community, and protect the safety and health of the workers (Suhardiman Gumanti, Restu Juniah, 2016).

Until the end of 2017, in the province of East Kalimantan, especially in East Kutai Regency there have been many mineral and coal mining companies. This will have a negative impact on the nature and life of the people around the company's area. Therefore, the East Kutai Regent issued a CSR policy through the Regional Regulation of East Kutai Regency Number 1 of 2017 concerning Corporate Social and Environmental Responsibility. The regulation clearly stipulates that companies built in the East Kutai Regency are required to carry out social and environmental responsibilities. The social and environmental responsibility program includes: 1) environmental and social development; 2) micro-business partnerships and cooperatives; 3) direct assistance programs to the community; 4) development programs for public facilities and infrastructure facilities; and 5) other social and environmental assistance programs (Article 9 paragraph (2) Regional Regulation of Kutai Timur Regency Number 1 of 2017).

As the largest mineral and coal mining company that has long been established in East Kutai Regency, PT Kaltim Prima Coal has carried out CSR programs around the mine operational area as a form of responsibility for the company's operational impacts. The CSR program that has been carried out involves physical and non-physical programs, including R in the environmental field. The main objective of the CSR program that has been carried out by PT Kaltim Prima Coal is to overcome the social, economic and environmental impacts and issues that arise in disadvantaged rural communities around the mining area, so that they will ultimately provide positive benefits to the community. both during mining activities and after (Rahayu, 2014: 9).

Based on the background of the above problems, the problems discussed in this journal are "How is the implementation of the Regional Regulation of East Kutai Regency Number 1 of 2017 on mineral and coal mining activities of PT Kaltim Prima Coal?"

## II. LITERATURE REVIEW

In the circle of Indonesian CSR studies, CSR is defined as a genuine effort of business entities to minimize negative impacts and maximize the positive impact of their operations on all stakeholders in the economic, social and environmental spheres in order to achieve sustainable development goals. Implicitly, this definition means inviting

companies to be serious in their efforts to benefit their present presence for mankind. Minimizing negative impacts is part of the business of providing benefits in the future (Nurdizal, Rachman, Efendi and Wicaksana, 2011). Therefore, corporate social responsibility or CSR is often understood as a commitment of companies that build a better quality of life together with related parties, especially the surrounding communities and the social environment in which the company is located (Mardikanto, 2014).

According to Philip Kotler (Nurdizal M. Rachman, Efendi and Wicaksana, 2011), CSR is said to be a discretionary which in a broad sense means something that needs to be done. If not done, it will result in self-harm. Meanwhile, according to the World Business Council for Sustainable Development (Nurdizal M. Rachman, Efendi and Wicaksana, 2019), CSR is not just a discretionary, but a commitment that is a necessity for the company that is good as an improvement in quality of life. Philosophically, if the company tries to be useful for humanity, then in the long run it will certainly still exist.

The company's obligation to carry out CSR is accommodated in Law Number 40 Year 2007 regarding Limited Liability Company Article 74 which reads as follows (Said, 2015):

1. The Company runs its business activities in the field and is related to the natural resources required to implement social and environmental responsibility.
2. Implement social and environmental responsibility as ordered in paragraph (1) an obligation of the company's budgeted and accounted for as the company's implementation costs calculated by taking into account the decisions and fairness.
3. Companies that do not carry out the obligations as ordered in paragraph (1) are subject to sanctions in accordance with the provisions of the legislation.
4. Further provisions regarding social and environmental responsibility are regulated by government regulations.

At present, the implementation of CSR no longer refers to the single bottom line (company value reflected in finance or finance only), but the company's responsibility rests on the triple bottom line proposed by John Elkington (Nurdizal M. Rachman, Efendi and Wicaksana, 2011) in the following picture:



Fig 1. Integrative Linkage of the Triple Bottom Line

Based on the picture above, there are 3 pillars in a sustainable development, namely profit, people, and the planet. It is imperative for companies to see the linkages



between all the elements that make up the CSR system. Because changes in one element will greatly affect the system as a whole. With good implementation, it will be easier to obtain a balance to achieve sustainability (Nurdizal M. Rachman, Efendi and Wicaksana, 2011).

According to David(Hadi, 2011), there are 3 main principles of CSR, including:

1. Sustainability

Sustainability is a way for companies to take into account the sustainability of resources in the future for every activity they do.

2. Accountability

Accountability is the company's effort to be open and responsible for all the activities carried out. This can be used as a company as a medium to build images and networks of stakeholders.

3. Transparency

Transparency plays a role in reducing information asymmetry, misunderstanding, especially information and accountability that have an impact on the environment.

Furthermore, Post (Ismail, 2009)explains that simultaneously the company will carry out 3 different types of responsibilities that are different to stakeholders, where the three types of responsibilities must be carried out in a balanced manner. Emphasis on one type of responsibility alone will cause the company to run optimally. These three types of responsibilities include:

1. Economic Responsibility

Corporate companies are formed with the aim of optimally generating profits.

2. Legal Responsibility

Corporate companies are established to generate profits, but in carrying out their operations corporate companies must comply with various laws and regulations that apply as a form of corporate responsibility.

3. Social Responsibility

The third responsibility that must be carried out by the company is Corporate Social Responsibility (CSR).

### III. METHODOLOGY/MATERIALS

This writing uses qualitative methods with a case study approach. The reason the author uses this approach is because this paper aims to picture and describe the implementation of the KutaiTimur District Regulation Number 1 of 2017 in the mining and mineral mining activities of PT Kaltim Prima Coal. The data in this article is a library of material that includes official documents, library books, legislation, scientific works, articles, and documents related to writing material. Furthermore, the collection of writing data is done through the library study method, which documents documents that are closely related to the object of study raised in this journal, such as literature, scientific research, legislation, and other scientific records, in order to obtain a theoretical foundation and obtain information in the form of formal provisions.

Data analysis in this journal uses descriptive qualitative methods, namely by interpreting and discussing the results of writing material based on understanding, norms and rules of law, and theories relating to the subject matter. Regional Regulation of KutaiTimur Regency Number 1 of 2017 is required as a major premise, then correlated with relevant facts (legal facts) which are used as minor premise and through a syllogism process conclusions will be drawn on these problems, namely regarding the implementation of Regional Regulations East Kutai Regency Number 1 of 2017 in mineral and coal mining activities of PT Kaltim Prima Coal (KPC)

### IV. RESULTS AND FINDINGS

The long journey of PT Kaltim Prima Coal (KPC) in participating in building the area together with the East Kutai Regional Government (Kutim) and the community has shown great results. From the beginning, it was still in the form of donations in the early 1990s until now better known as Corporate Social Responsibility (CSR), in which the implementation of community involvement both in planning and implementation was prioritized through the Village and District Governments.

Various multi-stakeholder collaborations have been established in implementing various programs, and have given many colors in the course of development in East Kutai. Aside from being physically in the form of various infrastructures, improving the quality of Human Resources has become an important focus in various scheme programs carried out by KPC. Various interrelated and mutually supportive programs have also been built in harmony with the direction of the development of the East Kutai Regional Government.

The community development approach is focused on supporting regional independence, especially the villages around the mining area by encouraging an increase in the role of the community and village government in the development process. The post-mining area utilization program is focused on being able to become a tipping point for several economic sectors outside the mining sector. To support this independence, the seven fields of community empowerment programs that have been running continue to be harmonized so that village independence and related institutions can continue to be improved. The seven program areas, namely Agribusiness Development, Local Economic Development and SMEs, Health and Sanitation, Education and Training, Infrastructure Improvement, Capacity Building for Village and Community Governments and Nature and Culture Conservation. The reference criteria used include:

1. Development Agenda of District and Village Governments (RTRW, RPJPD, RPJMD and RPJMDes)
2. AMDAL and Postmining Plan
3. Has strategic value for companies, governments and communities in

supporting sustainable development

The implementation of the seven program fields, as mentioned earlier, is focused on supporting villages to improve their productivity socially, economically and environmentally. In general, the welfare of rural communities will increase if basic needs and public facilities can be available and served properly. To fulfill it, the planning, budgeting and implementation of village development processes must meet good governance including community involvement in the process. The acceleration of the productivity of design will also automatically increase with the improvement in public services, this will also reduce the cost of production so that prices will be more competitive.

In 2017, the East Kutai Regent issued a new policy related to CSR that must be carried out by companies in the region, namely the Regional Regulation of East Kutai Regency Number 1 of 2017 concerning Corporate Social and Environmental Responsibility. In the provisions of Article 2 of the Perda it is stated that companies must implement social and environmental responsibility programs based on 11 principles, namely:

1. Principle of legal certainty
2. Principle of accountability
3. The principle of public interest
4. Participatory and aspirational principle
5. The principle of openness
6. Principle of continuous
7. Environmental principle
8. Principle of independence
9. Principle of concern
10. The principle of cohesiveness
11. The principle of partnership

In addition, social and environmental responsibility programs that must be carried out by the company according to article 9 paragraph (2) of the Regional Regulation include:

1. Environmental and social development
2. Micro-business partnerships and cooperatives
3. Direct assistance program to the community
4. The program for development of infrastructure community facilities
5. Other social and environmental assistance programs.

Based on the 2016 Sustainability Implementation Report, PT Kaltim Prima Coal (KPC) has implemented a CSR program in accordance with the provisions in the Regional Regulation of East Kutai Regency Number 1 of 2017.

The following are CSR programs that have been implemented by PT Kaltim Prima Coal (KPC):

#### A. Empowerment in the Social Sector

##### 1) Enhancing the Capacity of Village and Community Governments

Capacity building for the village government and the community was carried out by KPC through the Mandiri Village program. The initiation of the Mandiri Village Program began since the graduation of the recipient of a full scholarship from the Village Community Empowerment School in 2009. In 2016, a long journey of assistance in the village administration together with various parties resulted

in the formulation of indicators for measuring village independence referring to the Law Number 6 of 2014 concerning Villages includes Government Implementation, Development Implementation, Community Development and Community Empowerment. The target of achieving the seven fields of empowerment programs that have been carried out by KPC has been harmonized to support the village in increasing its independence. The initiation and development of Village-Owned Enterprises (BUMDesa) continues to be carried out to manage village assets, carry out community service functions and as a source of village income. BUMDesa has also managed a number of village assets from various parties in accordance with the village development plan including various assistance from KPC.

As of December 2016, there have been 20 BUMDesa in RantauPulung, Bengalon, Sangatta Utara and Sangatta Sub-Districts. The types of business carried out include treatment of drinking water, village electricity management, savings and loan services, saprota sales, ecotourism management, compost processing, freshwater fish spawning, transportation services, culinary services, parking retribution withdrawal services, oil palm cultivation, production bottled mineral water, digital printing services, palm nurseries, and multi-purpose building management services. In addition to businesses that are directly managed by BUMDesa, in the course of a number of other businesses that grow and develop in the presence of BUMDesa, especially those related to the availability of electricity such as the sale of refill water, restaurants, mobile phone credit, photocopy and stationery services, and product business household scale food.

The following is a table of the development of business units under the direct management of BUMDesa and partner business units in 2015 and 2016:

**Table 1.** Development of BUMDesa

The development of BUMdesa in 4 districts 2016						
Descrip tion	Total		Sub-Districts			
	2015	2016	Rantau Pulung / 8	North Sangatt a/ 3	South Sangat ta/ 3	Benga lon/ 6
Business unit in BUMDesa	32	45	16 units	12 units	5 units	12 units
Business unit that grows in the community	116	150	47 units	64 units	15 units	24 units
Labor absorption	169	228	76	98	24	30

#### B. Improvement of Community Health and Sanitation



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### 1) Prevention of Infectious Diseases

KPC representing the private sector also participates in multi-stakeholder partnerships to improve community health and sanitation. The activities carried out included facilitating the training of cadres of PMOs (Supervisors of Drugs), health cadres, and community leaders and assisting health cadres in conducting counseling with Puskesmas officers. KPC also participated in providing and distributing brochures, supporting the Health Office and Puskesmas in the discovery and handling of cases of TB patients.

In 2016, together with the Health Office and the Indonesian Tuberculosis Eradication Association (PPTI), KPC conducted:

**Table 2.** Tuberculosis (TB) Controlling

No.	Activities	Location	Receiver	Information
1	TB Counseling-32 times	4 sub-districts	2095 people	From PMO cadres and PPTI administrators
2	"How to become a good counselor" and "Technical public speaking" training	Main Sepaso village, South Sepaso, East Sepaso and West Sepaso	32 cadres	
3	Commemoration of TB Day 22 May 2016 Healthy walks, gymnastics and TB socialization	Sangatta	300 people	TB cadres and the community
4	Public Speaking Training for Posyandu cadres and drug-taking supervisors (PMO) for TB patients while providing routine counseling to the community	Sangatta	50 people	Implemented by the KPC Learning and Development Department

Furthermore, in collaboration with the East Kutai District Health Office, the Puskesmas and the East Kutai AIDS Commission, KPC actively contributed to the implementation of programs to prevent HIV / AIDS transmission from high-risk groups to the general public. Activities carried out include:

**Table 3.** HIV/AIDS Controlling

No	Activities	Receiver	Information
1	Counseling and socializing HIV / AIDS in the community 27 times	1253 people	The speakers came from KPC staff, health center cadres, Posyandu, Oase NGOs and East

2	Counseling / Dissemination of HIV / AIDS and VCT examinations in high-risk groups, namely pregnant women, Commercial Sexual Workers (CSWs) and other risk groups carried out 17 times	730 people	Kutai KPAD A total of 687 people underwent VCT examinations and found 4 people who were HIV positive
3	The 4th HIV and AIDS discussion forum was held on Monday October 31 in the Resin Room of the Bukit Pelangi Multipurpose Building by PLWHA Wijayanto who gave testimony about HIV AIDS		
4	Commemoration of World AIDS Day by screening films about PLWHA with the title "Diary of Sara" on December 18 and 19 2016 and semina "HIV AIDS in terms of health and the religious side"	249 people	Discussion forums were held in Sangatta and Bengalon

### 2) Improving Maternal and Child Health

Maternal and child health is still a concern of KPC, considering there are still cases of malnourished children under five and lacking in monitoring data, especially at the Puskesmas nutrition clinic. This nutrition clinic serves the examination and monitoring of malnourished children under five and is less affordable for Posyandu implementing the Pergizi Program. Puskesmas that already have nutrition clinics are TelukLingga Health Center, Sangatta Selatan Health Center, Sepaso Health Center, and Sangatta North Health Center whose nutritional clinics began operating in November 2016.

### 3) Increasing Public Awareness of Health Issues

Based on the recommendations of the health survey conducted in 2015, KPC implemented a Health Education Program through Radio. In collaboration with GemaWana Prima (GWP) radio, KPC broadcasts information about health every Wednesday and Saturday. Health information that is submitted is not only a health issue that is being warmed up in the community which is also in line with the program carried out by KPC. In addition, every Wednesday KPC also broadcasts radio talkshows that discuss one health topic each week with speakers from the International SOS doctor. Some of the topics discussed include DBD, Tuberculosis, the dangers of smoking, hepatitis B vaccine, filariasis, HIV / AIDS, gout, water consumption, and

diabetes.

#### 4) Medical Assistance for the Poor

Supporting government programs, namely vision 2020 which was proclaimed by WHO and National Strategy for the Management of Vision Disorders and Blindness in accordance with the Republic of Indonesia Minister of Health no.1473 / Menkes / SK / X / 2005, KPC again held free Cataract Surgery for people in East Kutai. This operation is a collaboration between KPC and the Community Health and Eye Health Center (BKMOM) and the East Kutai Health Office. On May 25, 2016, free cataract surgery was held at the Sangatta North Health Center. This time, the number of patients operated on was 48 people from 4 ring 1 sub-districts and from MuaraWahau District.

#### 5) Blood Donation Social Service

The annual routine is in the form of a Blood Donation Social Service Service to commemorate KPC Anniversary, again on the steps of March 6, 2016. In this activity 362 blood bags collected from 5 activity areas at KPC namely M4 Minesite, P16 Tanjung Bara, Tango Delta, Pit Hatari, and the Sta. Pit.

#### 6) Improvement of Health Facilities and Infrastructure

Increasing the quality and quantity of health facilities and infrastructure continues to be carried out, in order to support local governments in providing health services to the community. In 2016, KPC collaborated with the government and the community to provide Tulip Posyandu (Swarga Bara, North Sangatta) and Posyandu Dahlia (RantauPulung), as well as assistance with health service equipment for SepasoPuskesmas and 9Poskesdes in 6 Villages.

#### 7) Sanitation for the Community

In addition to the above, KPC also provided support for local government programs that had plans to establish a water management unit at the village level. The support is in the form of Community Based Rural Water Management training for 11 village representatives in East Kutai. The training was conducted in Banyusoco Village, Playen, GunungKidul Regency, Yogyakarta. The training held on 26-29 August 2016 was also attended by the East Kutai Regent, East Kutai Regional Secretary, BPMPD Chair, representatives from the Public Works Agency, representatives of East Kutai PDAM, and MSH CSR Forum representatives.

### C. Education and Training Improvement

#### 1) Scholarship

KPC continues its Asa Color Hacking Program, which is a scholarship program for people in the East Kutai region. On December 20, 2016 at SMAN 002 Sangatta Utara, KPC symbolically handed over a new scholarship to 77 people consisting of:

**Table 4.** Number of scholarships

Level of education	Number of Scholarship receiver
D3/S1	50
S2	22

#### 2) Student Skills Competition (LKS)

The 2016 Student Skills Competition (LKS) in Kutai East was held on 28-30 March 2016 in Sangatta. LKS 2016 this time held 16 fields of competition attended by 67 students from various Vocational Schools in Kutai East. KPC participated by sending 7 employees as a jury team for 6 fields of competition in the field of Agronomy, Building CADD, CADD Mechanical Engineering, Electrical Installation, PLC (Programmable Logic Control), and Networking Support.

#### 3) Competency Test of Vocational Students

In 2016, SMK Negeri 1 Bengalon, Muhammadiyah 1 Sangatta Vocational School, North PersadaSangatta Vocational School, and HasanuddinSangatta South Vocational School again collaborated with KPC in implementing the Expertise Competency Test for class XII students. A total of 31 KPC employees were involved as the testing team for a total of 448 female students in the Vocational School. The subjects tested include light vehicle engineering, computer and network engineering, software engineering, mining geology, geometric, electromagnetic, and electrical engineering.

#### 4) Superior Teacher Training

KPC held a Superior Teacher Training for SDN 001 Sangatta Selatan on November 26, 2016 in Kampung Pinang / BumiPercontohan and Conservation Farming Training (BPPUTK). The training and outbound activities were attended by 27 people consisting of principals, teachers, and administrative staff. The training was organized by the Learning and Development Dept. team as part of KPC's internal collaboration.

#### 5) Productive Teacher Training for East Kutai Vocational Schools - Light Vehicle Engineering Expertise

This training is a follow-up to the application of IBengalon Vocational High School to get an automotive training speaker at the end of 2015. After identification of training and equipment needs that are in the Bengalon 1 Vocational Workshop by the Maintenance System team, a training module with 9 materials was prepared. This training was held with the support of the Maintenance System Department as well as support from the East Kutai District Education Office, and Bengalon 1 Vocational School as the host and other SMKs in East Kutai who participated.

#### 6) Cultural Schools in SegadingBaru

This program was carried out as a follow-up from the relocation of the residents of Old Segading to SegadingBaru (Keraitan) which was agreed to become a cultural village. The education sector is one of the efforts in realizing the cultural village that is meant by developing schools that incorporate elements of Dayak Basaf culture in the Elementary School curriculum. The expected

outcome of this program is the availability of access to educational facilities with minimum service standards for the people in the cultural village of Keraitan Village to preserve and improve the welfare of Dayak Basaf residents.

#### 7) Development of SMK 2 Fisheries and North Sangatta Marine

As a catalyst for development, KPC has participated in supporting the relatively new SMKN 2 Oceanic and Fisheries, especially in the process of improving school quality management programs including curriculum, teaching and education and training programs. KPC also facilitated Fish Spawning Training activities and direct freshwater fish farming practices at Telaga Batu Arang (TBA) as part of a collaboration between KPC and the Bogor Agricultural Institute (IPB) of the Fisheries Faculty which is conducting a feasibility trial of fish species to be cultivated in TBA. Teachers and students of Sangatta Fishing Vocational High School 2 are participants of this training. The activity was carried out since November 2016 and continues.

#### 8) Entrepreneurship Program in Schools

KPC provided assistance to the East Kutai Student Company winners from SMAN 1 Sangatta, to take part in the Indonesia Student Company Competition (ICCI) held by Prestasi Junior Indonesia (PJI) Jakarta on August 19-20 2016 in Jakarta. Mentoring by the PRIMA NGO (Youth Inspiration Society) includes presentation techniques, promotion techniques, report making, interview techniques, product booth preparation, and mental preparation. This activity aims to encourage students' interest in the entrepreneurship sector by providing direct experience through this program.

#### 9) Educational Infrastructure

The assistance provided by KPC generally requires schools and the community to contribute in the form of funds and other forms. This collaboration is intended so that schools are also actively involved in the development and maintenance.

### D. Infrastructure Improvement

Realizing the importance of infrastructure and the fact that infrastructure development is still very much needed in East Kutai, KPC participated in supporting various government programs to meet infrastructure needs in four sub-districts around KPC's operational area. In its implementation, KPC continues to encourage multi-stakeholder involvement and it is hoped that in the process the community will be able to continue to build a network of cooperation in increasing access to existing resources, in accordance with government development plans from the village level to the district level.

### E. Social and Religious Aid

Throughout 2016, KPC provided various assistance for social, youth, sports and religious activities. The assistance provided is a form of KPC's support for various activities proposed by the community in the environment around the mine.

### F. Empowerment in the Economy

#### 1) Agribusiness Development, including:

##### a) Utilization of Integrated Cattle Farming Post-Mining Land - PESAT

PESAT has a vision of "Becoming an example for Post-Mining Land Use through Integrated Cattle Farming for Sustainable Development". From 2008 to 2016, PESAT continued to carry out various improvements and various innovations to optimize its presence for all of KPC's interests. In 2016, expansion of the cattle breeding area in the former Jupiter Pit mine area continued. This expansion is part of the collaboration between Sangatta Baru Foundation representing KPC with the Provincial Government represented by the Provincial Animal Husbandry Service signed in 2015. Planting grass for pastures, pruning gardens and making 3 reservoirs is carried out to support the availability of animal feed and drink. Until the end of 2016, there are 102 total cattle population in PESAT consisting of 6 saplings, 36 dairy, and 60 fattening. The number of fattening cows sold throughout 2016 was 55, while the average milk production from 4.7 liters / day of lactating dairy cows was still low compared to the national average of 10 liters / day / head. However, there was an increase compared to the previous year. Maintenance of breeding cattle was carried out in two locations, namely in PESAT and in Jupiter's pit. The total population at the end of 2016 was 6 at PESAT and 47 at Pit Jupiter.

##### b) Prima Agri

Prima Agri, located on Rantau Pulung, is the representative of KPC's office which in its daily activities also facilitates various activities and visits from the community and local government. This facility is also a place to socialize various programs and information on KPC activities. In 2016, the number of visitors reached 953 people with various objectives such as research, training and recreation.

##### c) Development of Food Crops and Annual Plants

The long dry season in the previous year which continued until the beginning of 2016 was an obstacle to this program. Only a few farmer groups plant according to the planting season because they have adequate irrigation facilities. Therefore, KPC provided assistance to overcome this by providing assistance with agricultural production facilities in the form of pump accessories, suction hoses, drilling wells, cultivators, sprayers and other supporting equipment to increase annual crop cultivation capacity.

##### d) Cultivation of Annual Plantations

Support from KPC. The development of oil palm, rubber, durian, rambutan, langsung and citrus cultivation in several villages such as Muara Bengalon, Sekerat, Keraitan, Tepian Indah, Tepian Baru and Tepian Langsung. The main challenges faced throughout 2016 are the prolonged dry season. Technical assistance continues to be provided as

supporting development in the agribusiness sector. In addition to technical assistance, in 2016 KPC also provided a stimulant to continue to encourage the development of various agribusiness commodities in question.

**Table 5.** CSR Activities Program in Development Plantation Cultivation

KEGIATAN	LOKASI	PENERIMA MANFAAT
penanaman bibit karet – 12 ha	Desa Keratan	Warga Segeping
perbaikan jalan pertanian dan normalisasi drainase	Desa Sepano Timur	Kelompok Tani Asam Payang
pengadaan 8.500 bibit kelapa sawit	Desa Sekerat	Kelompok tani
dua unit motor tiga roda untuk sarana pengangkutan hasil kebun kelapa sawit	Desa Tepian Indah	
bibit durian sebanyak 150 pokok	Desa Keratan	Kelompok Tani Gagai
bibit langsat sebanyak 625 pokok	Desa Tepian Langsat	Kelompok pemuda
pupuk dan sarana produksi pertanian	Desa Muara Bengalon	Kelompok Tani Berkah, Putra Pantai, Teluk Jaya, Sator Jaya dan Lembah Hijau

*e) Development of Freshwater Fisheries Cultivation Business*

On May 18-20 2016, KPC provided training in catfish spawning to Gethsemane Farmers Group along with giving stimulants 3 pairs of catfish brooders and 7 tarpaulin pools. This activity was attended by 30 participants with resource persons from mainstay fish farmers from Sangatta Utara District. Then, on December 7–9, 2016, KPC facilitated four farmers from Bengalon District to take part in catfish spawning training, the material provided by the teaching staff of the Faculty of Fisheries of IPB. In the training the teaching staff provided the knowledge of catfish spawning and seed management techniques. In addition to training, KPC also provided stimulants to assisted farmer groups. Stimulants were given in the form of fish seeds to five groups spread across four villages in Bengalon District. The total stimulant assistance of fish seeds reached 40,000 tilapia seeds and 60,000 catfish seeds. The assistance was also accompanied by assistance with cultivation facilities such as tarpaulins, cages, and feed a total of 55 sacks.

*f) Development of Livestock Cultivation Business*

In October 2016, KPC together with the East Kutai District Agriculture and Animal Husbandry Office, Indonesian Local Farmers Association (HIMPULI), East Kutai Agricultural College, and the Indonesian Ministry of Agriculture held a one-day workshop to discuss strategic plans to face the challenges of local poultry farming in East Kutai Regency, specifically responding to challenges related to the issue of bird flu, post-harvest, marketing and product certification. One of the points from the results of the workshop discussion was that KPC and HIMPULI and East Kutai Regency would support the construction of a local breeding farm so that the Kutim could produce their own DOC.

*g) Agricultural Infrastructure Assistance*

In line with the Regional Government Program of the Madu Village Gate (Integrated Integrated Village Development Movement), KPC again provided assistance to build a tapioca flour factory in RantauPulung. This tapioca flour mill is owned by 7 BUMDesa in RantauPulung with a maximum production capacity of 5 tons / hour. The assistance provided in 2016 in the form of making sunbathing floors was a continuation of assistance from the

previous year.

*2) Development of Micro, Small and Medium Enterprises (MSMEs)*

*a) Olsabara*

Olsabara which was inaugurated in May 2013 continues to improve its services as Sangatta's outlet center, business clinics, container houses, and trading functions. In 2016, the total transactions that occurred amounted to Rp 1,108,906,678, with the large sales being AmplangBengalon. The total visits were 7,430 or an average of 619 people / month and the percentage that made transactions was 55% of the total visits. Total product suppliers of 95 food businesses and 66 non-food businesses.



**Fig 2.** Scheme of Olsabara's Role and Function in Local Business Development

*b) Wakaroros Batik Development*

Mentoring for the development of the wakaros motif originating from the Dayak Basap community continues to be developed in the form of batik crafts. Until 2016, facilitation in the development of this activity is still being given to Manunggal Jaya Village by the Masri Batik Studio and in Swarga Bara Village by Sanggar Batik MajuBersama. Sanggar Batik MajuBersama besides producing batik, it also organizes training for the general public and especially for school students. To facilitate the development of this activity KPC provided assistance for the expansion of the workshop area from 36 m2 to 60 m2.

*c) Development of Food and Non-Food Industries*

KPC seeks to grow the activities of small and medium micro enterprises (MSMEs) as one of the non-mining economic business initiatives. Most of KPC's assisted SMEs are home industry businesses that are engaged in processing local food and handicrafts. The development of this business is based on the local potential of the community which traditionally has a tradition of making woven handicraft products, carvings, and having cultural wealth in the form of a variety of motives. KPC's support for the development of local handicraft businesses, in addition to encouraging the creation of non-mining livelihoods, is also KPC's effort in cultural conservation.

d) *Local Vendor Capacity Development*

The involvement of local vendors (contractors and suppliers) has always been an important agenda in the mining operations process at KPC, because this involvement will have an impact on the absorption of local labor while simultaneously increasing the economic impact of local businesses. In 2016, there were 61 local vendors who became active partners with this type of work, including the provision of uniforms, stakes, souvenirs, seeds, various printed materials, road paving work, road repairs, fencing and others.

G. **Empowerment in the Field of Environment and Culture**

1) *Nature Tourism Telaga Batu Arang*

In the KPC Mine Closure Plan (RPT) document, this area is included in the buffer zone of Kutai National Park so that its utilization is adjusted to indicators that have been approved by the government in the intended RPT document. In collaboration with the Sangatta Baru Foundation (YSB) a number of activities and additional facilities continue to be carried out to prepare Telaga Batu Arang so that later the public can enjoy it comfortably and safely.

2) *Development of East Kutai Ecotourism*

The MSH CSR Forum where KPC as its members also encouraged the formation of 6 Tourism Awareness Groups (Pokdarwis) in Sekerat Village, Sangkulirang, Sandaran, and Karangan where the potential of these tourism objects was located. In early 2016, representatives of the 6 Pokdarwis conducted a comparative study to Gubuk Kelakah, Malang, East Java with the aim of studying the ins and outs of ecotourism management at the local level. In February, KPC participated in the holding of the Belian custom event in Karangan Village. This event is expected to attract the interest of local and foreign tourists to come to East Kutai Regency with a variety of available tourist objects.

3) *Mitra Kutai National Park*

As a member of the Mitra Kutai National Park since 1995, together with other partner members, KPC continues to provide support to the Kutai National Park Hall (Balai TNK) in carrying out its role and function in preserving the Kutai National Park area. In 2016, KPC had the turn to become the Chair of the TNK Mitra Operating Committee. In addition to guarding the implementation of the KNP Partner program planning, it was agreed that all partner members could make reports on all activities carried out which could be categorized as contributing to the support of the preservation of the KNP area.

4) *Movement of Clean Healthy and Independent Communities – GERAH BERSEMI*

The spirit of GERAH BERSEMI continues to be encouraged in various mentoring activities which basically invite the community to further enhance their roles and responsibilities in actively participating in increasing awareness of the surrounding environmental issues. KPC continues to support various greening movements carried

out throughout 2016, including: reforestation with various types of local fruit trees in Hatari housing, reforestation at Northta SDN 013, in Kutai National Park (KNP), in the water folder area in collaboration with the Environmental Agency (BLH), at Garuda Field SingaGewe Village, planting langsung and sawo plants on RT 26 SingaGembara and RT 04, RT 03 Margomulyo Village and reforestation on Jalan Poros Kenyamukan in collaboration with KODIM 0909 Sangatta.

5) *Contributions in Art and Culture Activities*

In addition to the programs mentioned above, KPC also contributed to several arts and cultural activities that took place around the East Kutai region.

V. **CONCLUSION**

Based on the results and discussion above, the authors conclude that the implementation of corporate social responsibility or CSR carried out by PT Kaltim Prima Coal (KPC) has been in accordance with the provisions of the East Kutai Regency Regulation Number 1 of 2017 concerning Corporate Social and Environmental Responsibility, both in terms of principles and program activities.

The CSR programs implemented by PT Kaltim Prima Coal (KPC) include: Empowerment in the Social Sector, Empowerment in the Field of Economics, and Empowerment in the Field of Environment and Culture.

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