

The Optimization Role of Corporate Social Responsibility (CSR) In a Nickel Mining Company Improving the Welfare of the Communities in North Konawe

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Abstract: *The potential natural content of nickel ore in Konawe come across an abundance of the northern Konawe made it regarded much by dividing the valley by a company to invest in the mining sector. The have significant potential for having two sides. The first, for local governments, investment to increase local revenue and the welfare of the community taxes and the utilization of corporate social responsibility (CSR) the second side the management of which is not in accordance with the policy of delivery problems that impact to the residents. The reality, mining production in North Konawe is still not maximum so they were not been a significant contribution to the people around the mine in particular. This research as descriptive research to the emphasis on the role of the community in the economic development around the mine in North Konawe which still just a drop on an obligation, his point is the implementation of CSR not in conformity with expectation. The methodology with a qualitative approach by interviewing to informants from several people from local governments, the community, and the mining companies. Data collection is done with survey and interview spring structure of mining companies, regional government, and people living in the concession nickel. The result showed that CSR management compliance with wishes of the community. They hope that transparency, information access and accountability CSR should be optimal. Otherwise, the company just only provide compensation, as a result, the exploration activity by the mining. The CSR program needs a framework and management guidelines empowerment a holistic involving stakeholder.*

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I. Introduction

Southeast Sulawesi as one region the country mines in solidarity has been transformed become of million tons of nickel in attempting to balance their in Indonesia at this time this. Since the reforms went in, the mining sector in this area could become a the local revenue that matter other than in the plantation sector the and agriculture. In this area based on rocks that covered in Kolaka district, North Kolaka district, East Kolaka district, Konawe District, Konawe Regency, South Konawe, North Konawe, Bombana district, Buton district, and the city of Baubau. Widely reaching 313.788,77 hectare are, where 185,135,374 hectare or 59 percent are in the area of areal (apl) other development, 109.826,07 hectare 35 percent and 5 percent 15.689,44 in forest area conservation (HK) (respect, February 2015).

The number of result the country mines in solidarity in southeast Sulawesi uneven in each district or city and most has the potential of the greatest of all based on the nickel content located in Kabupaten Kupang Konawe the north northern (konut) who had reached the 46.007.440.653 wmt (respect magazine, February 2015). For that reason it is great potential that is in the strength of her comeback by the districts Konawe Utara north that many investors who had come to invest better than local as well as foreign investors began to withdraw.

Meanwhile, one district nickel largest producer southeast, Kabupaten Konawe Utara contributed regional income from the mining. The northern this southeast, nickel processing has increased significantly despite being stopped even some mining companies should be closed because the government issued law Minerba No. 4 Year 2009 that mengaruskan purification nickel ore (ore was) before in exports. But the mines in Konawe northern back pulsate with investors and foreign companies build smelter in some places in Konawe northern. Some companies who founded smelter including PT. Twins Mas, PT. BMS, PT. Jian Metal, PT. Elite Kharisma Main, and PT. Love Jaya (Respect, editions February 2015: 16).

Mining activity was in general make a huge impact for income negara. ini look from the contribution of the state revenues increased. Based on the data central bureau of statistics, 2012), mining and quarrying sector growing 1.4 percent in the past in 2011 and also has been an increase in the role of pertambangan sector and digging to gross domestic product which (gross domestic product, 11.3 percent up at 11.9 dai. Smelter in mining growth increased. To manage own nickel mine in this case, the development of production in the year

2009 to reach 467.275,07 metric tons from four persons who made data mining companies from the local office of dkk mining (fiat , 2014)

Increased mine management in North Konawe especially North North Konawe not because the determinants of politics and economics. Political factor is local government and the owners of capital transactions by ignoring the social conditions, culture in North Konawe Utara. Banyak found that nickel mines in operation does not have a business license from the ministry of natural resources and mineral. Sedangkan economic factor is the local government to see nature as a commodity that can diperjualbelikan. Kekayaan natural resources in North Holland Konawe seen as an entity that has a high selling power. Robert Siburian mention, because it is so abundant economic resources were so encouraging and the desire to exploit the region in line with the efforts of local governments to increase local revenue (PAD), either through a levy collected from the owners of capital and which produces agricultural commodity (Siburian: 214 -215).

However, these activities are not directly proportional to the economic improvement of society. Based on research Distamben North Konawe (2014) that the social and economic life of society around the mine is not increased even some people sell their farm land for land clearing mines. Linked to the political economy it became clear that the mine management policies only benefit a handful of people. As a result, one of the management of natural resources, either directly or no impact on the destruction of the environment resources, the rights of indigenous forests, land conflict and marginalization of local communities (Hidayat, 2011: 7).

The description set forth above implies that; (1) Management of the nickel is considerable potential for both domestic and export markets as it will impact on local revenue and foreign exchange for the State's development activities and welfare of the people but a reality in North Konawe not had a major impact on the lives of social economy of local communities. (2). Management of nickel can create jobs for local people, but the uptake of local labor in the mining sector had no significant impact compared with other industry sectors (3). Management of nickel mining need to consider socio-economic factors and the environment so that the impact can be minimized (4). Management of CSR mine in North Konawe not run properly due to the cessation of production of some mining companies due to the enactment of domestic policies nickel refining.

II. Method

The method used in this research is descriptive qualitative. Much of the research on CSR chose qualitative research as they relate to communities in mining areas. One of them Jenskins research and mining location Obara Ghana (2008). According Sugiono, qualitative research is research that examines the natural objects, carried triangulation, data analysis and emphasizes the nature of inductive generalizations (Sugiyono, 2008). This study considers the community can not be separated from the environment and history. Focus in this research is the implementation of CSR programs by the manager of the mine for the people in North Konawe. Location of the research done by involving members of the company, local pemerintah officials, NGOs, village offices and the local community who live in the village Puriala sekitar such mines and Motui. Data sourced from primary and secondary data, while data obtained and collected through field observations, surveys, documentation. Analysis of data using a narrative approach.

Nickel Mining Potential in North Konawe

As one district in Southeast Sulawesi province, Konawe is in mainland Southeast Sulawesi and is geographically located in the northern part. Location of astronomical cross from North to South between 02 ° 97 'and 03 ° 86 south latitude and between 120 ° 41'16' and the longitudinal daribarat to 49 east between 121 ° and 122 ° 49' east longitude. North Konawe has several large rivers with huge potential for the development of agriculture, irrigation and power generation such as; Lasolo river, river Kokapi, Reforma river, creek and river Andomowu Molawe.

The existence of the Watershed (DAS) causes some areas of North Konawe prone to landslides and flooding as was the case at the point of confluence of the river estuary and river Lasolo Landawe border-Asera Molawe sub-district is the area that has become the annual floods. North Konawe as one district in Southeast Sulawesi province were in mainland southeast Sulawesi and is geographically located in the northern part. Location of astronomical cross from north to south between 02 ° 97 'and 03 ° 86 south latitude and between 120 ° 41'16' and the longitudinal daribarat to 49 east between 121 ° and 122 ° 49' east longitude. North Konawe has several large rivers with huge potential for the development of agriculture, irrigation and power generation such as; Lasolo river, river Kokapi, Reforma river, creek and river Andomowu Molawe.

Mining Sector Role in Improving Community

Wellbeing Corporate Social Responsibility (CSR) or corporate social responsibility is a basic obligation of the company to carry out its responsibilities to the community and other elements that are in the mining area. CSR implementation in nickel mining company in North Konawe refers to the regulation of the Limited Liability Company Act 40 of 2007 where: (a) the Company carries on business in the field and / or

bersangkutan with natural resources required to implement social and environmental responsibility. (b) Social and environmental responsibility is the obligation of the company's budgeted and accounted for as cost of the company's implementation is done with due regard to decency and fairness. (c) liability company that does not fulfill the obligation penalized in accordance with the provisions of the legislation.

The results of research in the field indicate that the presence of nickel mining company in North Konawe not contribute positively to the local economy. In their rapidly developing in recent years to manage these people feel their economy is still unstable and does not show signs of improvement. The results showed that the average economy of the community with the presence of the company and managed CSR suggest that the economy is still running stable society but there was no increase. A total of 41 percent explain less increase, but 54 percent said there was a significant increase. While saying increased only about 5 percent. This issue raised the issue of the economic life of society. Furthermore, after the opening of the mine, people feel the economy is mediocre and they feel less good economy.

The percentage of people who were asked about economic life after opening of mine feels that the unfavorable economic life (89 per cent), good (11 per cent). The percentage of people who said there was no change in the economy after a very large mine opening. They feel that the economy actually declined after the opening of the mine or after some mining companies closed because of government policy to manage domestic raw materials before export so many local communities around the mine in freely suspended from his job, resulting in unemployment.

Meanwhile, the management of CSR is not a major impact on people's income. This is evident from the data field menunjukkan that people feel there is no improvement of the management of CSR. The percentage saying no very large increase (95%), while that was increased only by 5.5%. This case shows that the opening of the mine in North Konawe not make economic improvement and increase in incomes. Analysis of the income and economic improvement shows that the communities around the mine was disappointed with mining activity because it does not show a great contribution to the economy of the community. Mining communities want that management can contribute to local economic activities so as to encourage an increase in welfare. Program management policies set forth in outline in the form of program activities. CSR programs usually philanthropic and capacity building. Rahmatullah explain (Rahmatullah.net/2015), in formulating sebaagai CSR program can do the following:

Character	Type	Sectors	Characteristics
Philanthropists (Derma)	Infrastructure Development, Assistance Tool, and the provision of financial assistance.	Education, health, transport, infrastructure, water, sport, income generation, and religious facilities	<ul style="list-style-type: none"> The program is not intended to prepare the public post-extraction Coordination between the company and the government is not done properly Implementation of the program is closed
Capacity Building	Assistance and Training	Agriculture and industrial housekeeping	<ul style="list-style-type: none"> in general the program designed by the company program participatory society actors Design holistic less structured and systematic

Rahmatullah proposed program (2015) in his study did not look at CSR program conducted by the Company in North Konawe. The results showed that the knowledge of the program by the public company in North Konawe still very weak. Society, in general, has not been or is not familiar with programs adapted empowerment company.

Analysis of the data in the field, the public's knowledge about the management of CSR by companies undertaking exploration is still lacking. This is evident from the public's understanding of CSR. Only 14% percent of the people who know, do not know at 2.7% while the less know is big enough that 84%. This indicates that CSR conducted by the company did not appear in the public eye. This shows that CSR is not going well.

After the search for one nickel mining companies still operating in North Konawe suggested that. People still misunderstand the community development undertaken by the company. During this time conducted by mining companies in North Konawe which manages the mine only to provide compensation is not CSR. So far, what is done by the company are in the form of compensation due as a result of exploration. During this time some nickel mining company in North Konawe still use the public highway to send concentrate or raw

material ore to Konawe (Morosi) to be processed so that seems very real damage to roads. Besides damage to the environment is one of the few public concern. The results showed that CSR companies expressed wishes of the community such as the amount of compensation and the programs undertaken. Ketidakesuaian people feel the program run the company. They feel just replace the loss of activity rather than empowering. The interesting thing is the transparency of CSR management companies in North Konawe. People feel less transparent CSR management and do not seem open. The research result shows that 95 percent of people feel management of CSR is not open, only 5.4% felt CSR management is open to the public.

More companies orient programs to attempt solving socio-economic problems through compensation. Such options according to the company is quite rational for not maximal production of nickel. In a theoretical level and at a practical level in the field to solve the problems faced by the community around the mine needs a theoretical and practical approach. Theoretically, the most crucial stage of community empowerment is the resolution of issues associated with no income and employment. Difficulties have also seen from the programs of community development public companies have not been able to lift the economy of the community around. If observed carefully, these programs do not cover other aspects such as the community wanted access to capital, employment generation, and training. the namely environmental problem-solving program that involves community participation. Though elements of society in the management of vital (Yaw Brew, 2015).

Data shows, related to CSR management policies, people feel less aware (89%). The lack of socializing Local Governments as well as the company makes the uneven information to the public. On average people do not know about the policies issued by local governments. This community every policy issued by local governments need to socialize the society. There is a reluctance to involve community participation in the management of CSR activities or programs related to CSR. More companies involve the role of local governments so impressed elitist resulting in lack of access to information related to management of empowering communities so that people do not become antipasti towards CSR programs by companies. In addition, local communities received less attention and involvement in the management of CSR so that people do not know whether or not the management of CSR because it is closed. Community involvement in managing CSR is almost non-existent. Figures percentage of the results showed that community involvement is at the low point of only 2.7%, involved 5.5%, while the less involved are very large, namely 92%.

Low community involvement occurs in some form of activity. The program was designed by the company because only in the form of compensation. Stages of program implementation activities are one-way. Society simply knows no help during the activity. As a result of what happens is that the coordination in the realization of the program between the company and local government both provincial and district governments running is not good. Ideally practiced CSR program is integral to regional development programs carried out by local governments (Rahmatullah.net/2015). The objective conditions in the field occurred misunderstanding public about CSR.

1. Role of CSR Company to Support Empowerment

In results in the field, the perception of the community in Northern Konawe in implementing CSR policies is still far from expectations. The results of field data point to the fact that most people assume that the CSR programs are not touched the issue or less in favor of the community. It is marked on the results of field data, namely, as much as 84% considered appropriate not appropriate while only approximately 8% and the remaining below 5%. However, if viewed from the support of the community, that if there is a policy related to the management of CSR, the level of support likely to be positive. The trend shows that the numbers were significant, namely 59 percent would support the policy while not only at 2.7 percent. This marks the community always supports the efforts made by the government and companies related to the management of CSR.

The high public support to local governments in the management of CSR indicates that people still believe to local governments to manage CSR. This is evident also from the results of research on the ground that the respondent said very need for regulation related to the management of the mines. The results showed that there was 95 percent of the public thinks the need for regulation of mineral product management in North Konawe. While the remaining 5.4 percent considered that the regulation issued by the Government has not important.

III. Conclusion

Based on the research that has been presented, the study concluded that the implementation of corporate social responsibility or CSR in North Konawe is not worked well because of the maximal negotiation process and project development/plant. The presence of nickel mining company in North Konawe does not have a major impact on the economy and earnings in the surrounding communities. CSR mining companies have not been able to improve the socio-economic life of the local community. Instead, mining only provides compensation as a result of mining activities. CSR management has not been established. The absence of

cooperation of local governments, companies, and society in formulating policies for the management of CSR in the mining sector. The public has not felt more involved in CSR management process more transparent and accountable. CSR in North Konawe, yet have a framework and a model of empowerment/guidelines for the management of CSR so as if every company implementing CSR walk on their own. CSR management has not sided with the desires of the communities around the mine.

IV. Discussion

General knowledge of the community discussions about mining in North Konawe CSR is still very low. As a result, people are unaware of the programs carried out by the company. The percentage is large enough for almost 60 percent while only 38 percent were aware. Ideally practiced CSR program is integral to regional development programs carried out by local governments (Rahmatullah.net/2015). The objective conditions in the field occurred misperception public about CSR. People consider it a form of CSR, while the company it is a form of compensation. In general, programs that do not systematically designed seen in a long period of time with the achievement of clear clarity. Some programs seen implemented separately from each other and are offset is not empowerment. Program conducted a nickel mining company in North Konawe yet to implement CSR programs to the fullest in the field. This program does not contribute significantly to improving the local economy. Economically people are not experiencing significant revenue increase. Society does not have sufficient access to participate in the determination of the program. As a result, programs that do to society as a whole does not touch related problems faced. Companies carry out activities or programs at will. While people are only waiting for compensation without the need to know the problems that need to be resolved to improve their welfare. A difficult situation for people to rely on an enterprise's CSR program in North Konawe mine.

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