

**THE ROLE OF PT UNILEVER IN INCREASING
ENVIRONMENTAL MANAGEMENT IN
INDONESIA THROUGH UNILEVER
SUSTAINABLE LIVING PLAN IN 2017 (THE
CASE STUDY IN YOGYAKARTA)**

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Abstract

This thesis explains how PT Unilever's efforts in dealing with environmental problems in Indonesia. The environmental problems that are intended are plastic waste produced by multinational companies that are not other than PT Unilever. As one of the multinational companies in Indonesia, PT Unilever also gives the impact of waste generated from the use of products used by consumers. From year to year the products produced by these private companies are increasing and diverse. This also increases the use of products from PT Unilever. The increasing use of products has an impact on the environment because there will be an increase in waste from the products used. Most of the waste generated from the community is plastic. Increasing plastic waste in Indonesia directly made PT Unilever aware of forming a commitment. The Unilever Sustainable Living Plan is a commitment established by PT Unilever. In this commitment there are various programs, one of which is the waste bank program. The garbage bank program has

become a mainstay program for this private company. The presence of the program is expected to overcome the problems caused by PT Unilever.

Keywords: PT Unilever, Environment, Waste, Unilever Sustainable Living Plan, Waste Bank

Preliminary

PT Unilver is a multinational company founded in 1885 under the name Lever Brothers. The founders of the multinational company are two brothers from England, they are William and James Lever. The first product produced by this multinational company is sunlight-based laundry soap. The laundry soap product aims to help popularize health and hygiene in Victorian Britain. To further advance the company, this multinational company joined a Dutch company founded by Jurgens and Van Den Bergh in 1927. The product they produced at the beginning of the merger between two large multinational companies in Europe was margarine.

PT Unilever established its subsidiary in Indonesia. On December 5, 1933, PT Unilever Indonesia was officially established in the city of Batavia which is now better known as Jakarta. The initial name when PT Unilever Indonesia was founded at that time was Lever's Zeepfabrieken N.V, and the initial product they produced was Blue Band Margarine and Lux bath soap. Up to year to year, the products produced by PT Unilever are not only that, but also to household needs, food and skincare (Grha Unilever, 2017).

Every company that operates must produce waste from its production activities. Likewise, like PT Unilever as one of the multinational companies in Indonesia, the increasing number of products is produced so that the waste is increasing. The waste is not only from PT Unilever but also from consumers who consume products from the company. The waste produced is in the form of plastic waste which is certainly difficult to decompose and if it can decompose it requires a long period of time. So that can be said that this is one of the negative effects of multinational companies to host country.

Environmental pollution is a major concern for PT Unilever, therefore this multinational company made a commitment namely USLP (Unilever Sustainable Living Plan). The USLP commitment was established in 2010 by PT Unilever with the aim of overcoming the problems faced by Indonesia such as environmental pollution. This commitment has three main pillars, namely the health, environment and also community welfare. With the existence of USLP it can also be said to be a positive impact of PT Unilever to the host country or in Indonesia. The existence of Social Responsibility Corporation (CSR) as a forum to connect reciprocity between companies and host countries and / or their communities.

The USLP commitment has been implemented in several major cities in Indonesia such as in Yogyakarta. As a large city with a fairly dense population, it also produces a lot of waste by its residents. Waste that is left alone for a long period of time will have an adverse effect on environmental conditions. Although there is a final landfill (TPA), it will not be enough to

accommodate the continuous waste generated from the community.

Waste bank is an activity that occurs regarding services to garbage savers carried out by garbage bank officers. Garbage bank savers are all citizens individually or in groups who are members of garbage savers as evidenced by the existence of a waste savings book and entitled to saving their waste (Suwerda, 2010). In the garbage bank program there is collective dry waste management that has been accommodated by officers so that it can be of economic value from saving garbage. The garbage saved to the bank is in the form of dry waste, which is usually in the form of plastic, which is of course from the product packaging produced by PT Unilever. The plastic packaging will be made into something that can be of economic value.

Framework

In this study the theoretical framework that will be used by the author in this study is the concept of multinational corporations, the concept of sustainable development and the concept of corporate social responsibility.

The concept of Multinational Corporations

Discussion of the relationship between multinational Corporation (MNC) and a country requires an explanation of the concept of MNC and its characteristics. After that, there will be relevance between the MNC and the national building process. Many definitions of MNC are presented by several experts, the presentation is aimed at further understanding the intended meaning. Here first the author writes the meaning of MNC according to Joan Spero as follows:

"A multinational corporation with foreign subsidiaries that extend the firm's production and marketing beyond the boundaries of any one country. Multinational corporations are not simply large corporations that market their products abroad, they are firms that have sent a package of capital, technology, managerial talent, and marketing skills to carry out products in foreign countries. In many cases, the multinational production is truly worldwide, with different stages of the production carried out in different countries (Sepro, 2010)"

Then the understanding described in the book Introduction to International Political Economy is a national company that operates over national borders or is said to be abroad. MNC also has a large influence that has an impact on policies in a country. The influence is caused by the characteristics possessed by the MNC, while the characteristics of MNC are:

- a. MNC as a business company that operates in two or more countries which are often referred to as host countries but are still under the supervision of a home country.
- b. Research and development activities are often carried out in the host country.
- c. Operate the company in a cross-country manner.
- d. The occurrence of foreign investment activities (David Balaam, 2001).

Multinational companies also often build subsidiaries in other countries for several reasons. There are four reasons why companies need to build subsidiaries in other countries, including: obtaining natural resources in other countries, protecting or expanding sales in profitable markets, looking for low-cost production for export platforms and finally getting strategic assets (Cohen, 2007).

The presence of MNCs in a country does not always have a positive or only negative impact. Both will continue to go hand in hand with time. As was done by PT Unilever, they tried to implement the Unilever Sustainable Living Plan in their company. Because these multinational companies are aware of the waste they have produced from the products produced. So the existence of MNC concepts here will help in answering the analysis.

Concept of Sustainable Development

The purpose of sustainable development is to improve people's welfare, namely to meet the needs of human life. Basically, sustainable development is intended to seek equitable development from time to time or in the future. Sustainability development can be measured by three criteria, namely; (1) Absence of disposal of natural resources, (2) No environmental impacts and also pollution, (3) Activities carried out must increase useable resources or replaceable resources. According to KLH (1990) development (which is basically more economically oriented) sustainability can be measured based on three criteria, namely: (1) There is no waste of natural resource use or depletion of natural resources; (2) No pollution and other environmental impacts; (3) Activities must be able to increase useable resources or replaceable resources (Jaya, 2004).

The existence of this sustainable development concept can identify the ways and processes of USLP's journey in Indonesia. Because in this concept there are three achievements that must be done if you want to do a program about sustainable.

Concept of Corporate Social Responsibility (CSR)

Corporate Social Responsibility according to the World Business Council and Sustainability Development

(WBCSD) is a continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of workers and their families and the local community and society in general. The four focuses in CSR include; environment, people, procurement and community. First, the environment is one of the most important things in this world. The second focus that exists in CSR programs is people, which people are referring to here are human resources, health and well-being. Third, procurement that discusses finance and purchases. Looking for the most profitable procurement routes for the life of a project. The last is community, in this case multinational companies will do a number of positive things which are also known by CSR (House, 2018).

With the concept of Corporate Social Responsibility, it can help people get feedback from multinational companies and can also provide a positive role for multinational companies in the host country. This Corporate Social Responsibility plays a role as the person in charge of the existence of multinational companies whose CSR programs are also in accordance with what the people want. Like, the company must pay attention to the surrounding environment and also its social.

Research methods

Nature of Research

This writing uses explanatory research which will aim to facilitate answering the existing hypothesis. This explanatory research will function to explain, predict and control an event or condition that occurs. Therefore this study was written to explain the role that has been carried out during the formation of USLP by PT Unilever and also the obstacles faced when conducting the program.

Data collection technique

The data collection technique used in this paper is by using library research. Data is obtained from sources in the form of interviews, books, trusted news, internet articles, and other scientific references that are considered relevant to the problems raised by the author. Data obtained from interviews directly, becomes a core part that serves as a supporter in analyzing problems.

Discussion

The history of PT Unilever

In 1885, William and James Lever were brothers from England who started managing a company called Lever Brother. The first product they produced was Sunlight brand laundry soap. The founder of this company has a goal in creating its first product, which is to campaign for handwashing to make a healthier life. Marketing marketing carried out by the two brothers is attractive packaging and good advertising.

In this way, it will increase product sales from the company. After succeeding with Sunlight branded laundry soap, Lever Brother started producing Lux and Lifebouy soap. After success and began to be known as Unilever, multinational companies began to spread their wings to other countries such as Indonesia. On December 5, 1933, PT Unilever was established in Indonesia, located in the Angke area, Jakarta. This company was founded under the name Lever's Zeepfabrieken N.V. which is a subsidiary of PT Unilever located in London and Rotterdam.

Multinational companies are established with the aim of being successful, but to achieve this requires a high standard of behavior towards anyone who works

with this company, the community involved and also the environment that accepts these multinational companies. So with that, PT Unilever works in an integrity manner, as much as possible to have a positive impact and also implement sustainable living through the commitments made by this company.

Socializing sustainable life has been at the heart of PT Unilever's company since it was first built. Therefore, the company began to form one of the commitments that are in line with its vision, namely the commitment of the Unilever Sustainable Living Plan. This is done to support the achievement of the objectives of the establishment of PT Unilever (Unilever, 2018).

Unilever Sustainable Living Plan

To achieve the desired goals, the company uses methods that are related to sustainable and integrity work. Basically, since the beginning of the establishment of PT Unilever sustainable life has been implemented in the company. Continuous life cannot be done with only talk, so there must be real action carried out by all employees of the company, consumers and society. The real action given by PT Unilever to the community is in the form of programs related to the environment. The program is known as the Unilever Sustainable Living Plan (USLP).

The Unilver Sustainable Living Plan was established in November 2010 during the leadership of Paul Polman, who at that time served as CEO. The Unilever Sustainable Living Plan is a commitment established by PT Unilever with the aim of achieving the goals of this company, which is success by using sustainable life. The presence of this commitment can

help PT Unilever in reducing the environmental impact by achieving half of the waste produced and also living the lives of one billion people around the world (Kaye, 2012).

This USLP commitment is applied throughout the PT Unilever companies that are in various countries in the world. The Unilever Sustainable Living Plan also contains PT Unilever initiatives throughout the world to achieve the vision and objectives applied by this company. Because basically this company really wants a company based on environmental care around its company. In other words USLP is global because it is applied not only in several countries. It's like an obligation to expect this commitment within the PT Unilever company.

The Sustainable Living Plan Unilver has three pillars that focus on the company to change. The first is to improve the health of more than one billion people. It is realized that health is one of the important things for everyone. The health improvement carried out by PT Unilever focuses on cleanliness carried out by consumers and then increases the nutrients consumed by consumers and / or the public.

PT Unilever realizes that health has not been completely evenly distributed throughout the world, there are still some areas with low levels of health. This can be caused by the quality of drinking water consumed by the community and also the cleanliness that is not maintained by the community itself. Through PT Unilever brands such as Lifebuoy, Domestos, Vaseline, Signal and Pureit they improve health through a clean life. The

handwashing campaign using Lifebuoy is one of the ways to improve health.

The second pillar reduces the environmental impact by half. Already since 1885 two brothers namely William and James Lever founded this company. The company's awareness of the waste given to the community has become an obligation. This pillar focuses on greenhouse gases, water use, the purchase of sustainable raw materials and packaging waste. Extreme climate change can occur due to human hands and can also cause prolonged droughts and floods.

The final pillar of USLP's commitment is to improve the livelihoods of millions of people. In the last pillar of this commitment the focus is on justice for the workforce working in the PT Unilever company. Justice workers must always be a consideration for a company because if there is a gap between workers it will give effect to the company itself. This is one reason why PT Unilever is thinking about the fairness of workers. Another thing PT Unilever does in the justice of workers is to apply principled human rights principles to the UN guidelines. Which increases nutrition, health and well-being is a must to do with this focus.

All the pillars that exist in the commitment of the Unilever Sustainable Living Plan become a benchmark for the success in achieving all the initial objectives of the establishment of PT Unilever. These commitments are not only found in the parent company, but are found in all subsidiaries around the world. Not looking at developed or developing countries, this commitment will continue to run in tandem with achieving the goals of the company. An example of the application of USLP in

developing countries is the country of Indonesia. Since 1933, Indonesia has officially become a subsidiary of PT Unilever. So that it has become reasonable if USLP is also applied in Indonesia.

This Unilever Sustainable Living Plan (USLP) is also a Corporate Social Responsibility (CSR) program from PT Unilever. Every company has the right and has an obligation to give reciprocity to the company's children. Indonesia as a subsidiary of PT Unilever has regulated this in Article 74 of the Limited Liability Company Law. That all multinational companies operating in subsidiaries will provide reciprocity in the form of programs that benefit the community and the environment voluntarily. Although it is said voluntarily, the CSR of a multinational company must be done or obligatory (Suharto, 2008).

This commitment has been implemented in several major cities in Indonesia. Like Jakarta, Surabaya, Yogyakarta, Tangerang, Medan and other big cities. This commitment is carried out with various programs but still based on commitment. Because basically there are a number of programs incorporated in USLP's commitment. The application of the program depends on the problems faced in a city or region itself.

Waste Bank

The waste bank program which is one of the mainstays in USLP's commitment is often applied. PT Unilever is aware of the waste produced from the plastic used to wrap its products. This waste bank program is community based, so there are some people who run this program. Waste bank is a program carried out by PT

Unilever that is in line with USLP's commitment. This program is carried out with the help of people who are aware of the importance of cleanliness that must be maintained in the surrounding environment. This waste bank activity has been carried out since the establishment of the USLP commitment.

Waste that can be managed in a waste bank is dry plastic waste that is still good. This program is not only based on environmental cleaners but also of economic value. Because in the activities of the waste bank, it has a savings book about garbage banks, so that every time depositing goods to the garbage bank officer is there, it will be recorded and then collected to become money (Cecep, 2012).

The CSR program from Pt Unilever implemented in the city of Yogyakarta is a waste bank. There are 20 more garbage banks under the auspices of PT Unilever in this student city. One of the waste banks that was used as material for analysis by the author was the garbage bank Suryo Resik. This garbage bank was established on September 8, 2013, but began saving activities on September 13, 2013. The name of the Suryo Resik garbage bank was taken from the word "Suryo", which is the prefix of the kelurahan name Suryodiningratan and the word "Resik" is taken from Javanese means clean. In this way, the garbage bank Suryo Resik wants the village to be clean. The location used for waste bank activities Suryo Resik can be said to be strategic because it is in the house of the RT head. Which is located at RT 44 RW 13, Suryodiningratan, Mantrijeron 2/822, Yogyakarta. Waste Bank Suryo Resik has a management organization such as in general consisting of a chairman, vice chairman, treasurer, secretary and other administrators.

The Suryo Resik garbage bank is established under the guidance of a private company, PT Unilver. The establishment of the waste bank is inseparable from the role given by PT Unilever. As one of the garbage banks fostered by PT Unilever, the garbage bank Suryo Resik has several roles. Every month PT Unilever provides training, socialization or assistance to waste banks that work with the company. On November 26, 2018, PT Unilever conducted training on batik with materials deposited by members of the waste bank Suryo Resik. The cement cement used paper is the main topic for batik training in November 2018. This training is given voluntarily by PT Unilever, this is also a form of social responsibility that it provides.

Skill training was also given to the waste bank Suryo Resik, the training was in the form of making waste creations caused by PT Unilever. This can also improve the economy of the members of the waste bank. The garbage collected by the depositors is in the form of plastic material that is generally known to take hundreds of years to break down into the soil. Plastic waste that is made will be more useful if it is used as a function, for example a member of the waste bank Suryo Resik makes bags made from used plastic products from PT Unilever. Not only making bags, other items made by members of the Suryo Resik garbage bank are hats, sandals, fake flowers and fruit plates. The presence of the Suryo Resik waste bank, which is fostered by PT Unilever, can make the environment healthier. Because of the reduction in waste that was realized from this company.

Not only plastic waste can be collected in the garbage bank Suryo Resik. There are a number of other dry waste that depositors can collect into the waste bank.

Cans, used paper, newspapers, paper, iron, glass, beverage bottles and other materials that can be deposited by the waste bank. The payment system carried out by the waste bank Suryo Resik is by recording in the savings book provided by PT Unilever.

The role of PT Unilever in the other Suryo Resik waste bank is stimulant in the form of money given to the garbage bank. Every private company that establishes a subsidiary in a country such as Indonesia naturally makes a Corporate Social Responsibility program. The stimulant role given to the garbage bank in collaboration with PT Unilever can be said to be the company's social responsibility program.

The giving of money by PT Unilever is not only given once at the beginning of the establishment of a garbage bank. Even now, the garbage bank Suryo Resik still gets the money earned from winning the race. PT Unilever always runs competitions once a year to give rewards to program members. Like the results obtained by the garbage bank Suryo Resik, they got Rp. 5,000,000 as the third winner of the waste bank competition conducted in the Special Region of Yogyakarta. The money earned is always included in the waste bank cash and if you need to buy equipment, the money will be used (Munjiyah, 2018).

Conclusion

Through USLP's commitments and programs, PT Unilever seeks to help Indonesia in dealing with problems that are mainly caused by this company. It not only helps deal with problems but also instills a sustainable spirit in the company. The program used as a

mainstay program is a waste bank. The garbage bank program has been implemented in several major cities in Indonesia with a significant increase in the number of waste banks in 2017.

The Suryo Resik is one of the garbage banks in Yogyakarta that is fostered by PT Unilever. This waste bank was established in 2013 and was founded by PKK mothers who were aware of the importance of a healthy environment. The garbage that is deposited is not only plastic waste, but also other household waste. Each waste has a different price value depending on the scales that apply in the waste bank Suryo Resik. The activity of depositing garbage is carried out in two weeks once, so every month there are two deposits. Payment system carried out by the waste bank Suryo Resik is by recording the number of waste scales that are dietor by members. Members until November are fairly large, amounting to 153 members. Membership in a waste bank Suryo Resik does not look at age, social status or region.

PT Unilever's role in the waste bank in collaboration with them is in the form of training, mentoring and stimulants. This training seeks to increase the creativity of citizens who are members. Assistance from PT Unilever is conducted once a month by visiting waste banks and also conducting socialization. Then this stimulant is in the form of money that is not only obtained at the beginning of the establishment of the garbage bank. This stimulus is still carried out until now by the way PT Unilever held a cleaning competition. Winners will be given aspirations in the form of money which will be used together for the needs of the waste bank.

The benefits of writing this paper in the International Relations study (HI) that Unilever as a Multinational Corporation (MNC) is able to help deal with environmental damage. So the existence of an environment-based program carried out by PT Unilever can improve a healthy environment for the people of Indonesia. Seeing the waste bank program made by Unilever turned out to have a lot of contribution in dealing with waste problems in Indonesia, because the program created could continue until now.

The results obtained from the existence of this program are in addition to the skills acquired by the community also helps improve the cleanliness of slum or dirty areas, increases greening, and the public is increasingly aware of the importance of maintaining environmental cleanliness and community independence in sorting out waste. Even though this private company is one of the causes of the outstanding plastic waste and a big problem for Indonesia, PT Unilever has a high awareness to handle it. Handling the problem is not done individually by the company but also involves participation in the community to deal with it.

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