

# **THE IMPLEMENTATION OF CSR PROGRAMS OF PT BHIMASENA POWER INDONESIA THROUGH THE ACTIVITIES TO SUPPORT ECONOMIC DEVELOPMENT IN BATANG REGENCY, CENTRAL JAVA (2013-2018)**

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## **Abstract**

*This study has main purpose to analyze the implementation of Corporate Social Responsibility programs of PT Bhimasena Power Indonesia. This study will focused on two CSR programs of PT Bhimasena Power Indonesia in the economic development field. The method that will used in this study is descriptive qualitative. This study used two concept, the first is Multinational Corporation, and the second is Corporate Social Responsibility. The result of this study will show the implementation of CSR program of PT Bhimasena Power Indonesia, start from program making until the evaluation of program. This study also discuss about the obstacle factor of the implementation of CSR program. Besides, the supporting factors of the implementation of CSR program such as the support from local government will also examine in this study.*

***Keyword(s): Multinational Corporation, Corporate Social Responsibility, Economic Development***

## A. BACKGROUND

PT Bhimasena Power Indonesia is a joint venture company that is built by three big companies. Those three companies are J – Power Company, PT. Adaro Power, and Itochu Corporation. This company is a form of significant scale cooperation between Indonesia and Japan, which works on the energy of the conservation industry. PT Bhimasena Power Indonesia builds the Steam Power Ed Electric Generator (PLTU), which is touted as the Largest Steam Power Ed Electric Generator in Southeast Asia where the capacity itself is 2x1000 Mega Watt, with a planned construction cost of US \$ 4.2 billion. (Bhimasena Power, 2016)

PT Bhimasena Power Indonesia was started to build on June 2015 and located in Ujung Negro Village, Tulis Subdistrict, Batang Regency, Central

Java, Indonesia. Batang is a district in Central Java, established since June 14th, 1965. As one of the youngest districts in Central Java, Batang needs development in many sectors. Under the leadership of a regent named Wihaji, Batang development will focus on raising the number of investments, tourism, and increasing Human Development Index. (Umar, 2016) Not only come from the government program but the role of the private sector, such as the company, is also needed in developing Batang Regency.

In line with that, as a company that bases in Batang Regency, PT Bhimasena Power Indonesia has its principle to support community development in Indonesia, especially in Batang regency. (Bhimasena Power, 2016) It was mentioned in their company vision and mission. Besides, as a

company that is working on the energy of the conservation industry that was automatically dealing directly with the empowerment of natural resources, they are required to carry out social and environmental responsibilities. It is based on Indonesian government regulation number 47 the year 2012 about social and environmental responsibilities for a Limited Liability Company (Perseroan Terbatas).

Meanwhile, in the article 3 paragraph 1, it was confirmed that social and environmental responsibility is an obligation for every Limited Liability Company which runs their business activities dealing directly with natural resources. The programs of social and environmental responsibility itself must be implemented through the program of Corporate Social Responsibility while the implementation of Corporate Social Responsibility program

itself regulated in the regulation of the Minister of State Enterprises Number PER-05/MBU/April 27th, 2007, about BUMN partnership program with a micro business and environmental development program.

Viewing the regulations and standards that have been created by the government, some corporations experienced a failure in implementing their CSR program. The problem of the Corporate Social Responsibility program not only comes from the corporation, but it could come from the community and environment. As a very young company that was officially established in 2015, in implementing its corporate social responsibility program, PT Bhimasena Power Indonesia faces many obstacles that come from the community and environment. The biggest challenge that they face is rejection from local people that do not agree about the

establishment of this company. Besides, the local people supported by Greenpeace since the end of 2011 until 2016, reject the establishment of PT Bhimasena Power Indonesia. (Pratama, 2015) As we know, Greenpeace is a Non-Governmental Organization that was focusing on an environmental issue. In this case, they thought that it is better to use renewable energy, which is eco-friendlier than building The Steam Power Ed Electric Generator. They believe that the establishment of The Steam Power Ed Electric Generator will supply more pollution and cause environmental damage in Indonesia. (Greenpeace, 2015)

## **B. ANALYSIS**

### **SUPPORT FROM BATANG REGENCY GOVERNMENT**

Central Java  
Power Plant (PLTU) is a

project of international cooperation between Indonesia and Japan that will strengthen Indonesian conservation industry. The construction of PLTU which is expected to support the development of electricity needs in Indonesia experiences several obstacles. The construction of the PLTU has been delayed for four years due to the problem of land acquisition covering 226 hectares which has not been resolved. In addition, the existence of rejection from environmental-based Non Governmental Organizations and local communities is also a problem for the Government of Indonesia. However, after four years, a large project undertaken by PT Bhimasena Power Indonesia (BPI) can be restarted in the era of President Joko Widodo.

The location chosen for the construction of the power plant is Ujung Negoro Village, Tulis District, Batang Regency. Batang is one of the

youngest Regencies in Central Java. Under the leadership of a regent named Wihaji, Batang will focus on raising the number of domestic and foreign investments, tourism, and increasing Human Development Index. According to the Batang Regency government, the existence of the PLTU will grow the economy of the residents in Batang Regency especially in the villages around the project, such as Karanggeneng Village, Ujung Negro and Ponowareng Village. (Safuan, 2018)

Batang Regency Government sees that the existence of the PLTU will have a major impact to support the growth of industry in the Batang District area. In addition, the existence of the PLTU will increase employment opportunities for the people of Batang district, increase the pace of the economy quickly, open job vacancies, and revive MSME businesses. Not

only that, with the PLTU the community has a business opportunity to open restaurants, supermarkets, and boarding houses for project workers who reach thousands. (Putra, 2018)

The availability of electrical energy from the PLTU and Trans Java Toll Roads has encouraged the Batang Regency Government to prepare several locations to be used as industrial estates along the northern coast line from Gringsing District to Batang District. For the Regent of Batang, named Wihaji, the availability of energy, adequate transportation facilities and infrastructure, adequate labor and a safe and convenient location will make local and foreign investors come to Batang Regency whose impact will improve the economy in Batang Regency. (Putra, 2018)

In addition, according to the Batang

Regency Regional Secretary, the existence of the PLTU becomes a magnet for investors to invest their capital in Batang Regency. this has encouraged the District Government of Batang to continue to provide support for the acceleration of PLTU development because it is felt to have a broad positive impact on improving the economy of citizens and development in Batang. Now, the Batang regency government continues to prepare itself to welcome the operation of the PLTU and provides certainty for investors to remain interested in investing in Batang Regency. (Putra, 2018)

This is what drives the Kabuten Batang government to provide full support for the establishment of PT Bhimasena Power Indonesia. In an effort to support the existence of PT Bhimasena Power Indonesia to be better known by the community,

the Batang Regency Government invited PT Bhimasena Power Indonesia to join the annual exhibition event by the Batang Regency government, namely "Batang Ekspo 2019." In this activity, PT Bhimasena Power Indonesia introduced development Batang power plant, which has been known by some residents of Batang, Central Java by showing films in a mini cinema. To show their enthusiasm and support, the Regent of Batang Wihaji Regency and the Deputy Regent of Batang Suyono Regency on October 4, 2019 also watched the film. After watching the film, the pair of regional heads admired the screening of the latest documentary on the development project of the largest steam power plant in Southeast Asia. (Hanafi, 2019)

Besides, CSR senior manager of PT Bhimasena Power Indonesia has explained

that Batang government invite PT Bhimasena Power Indonesia to succeed and support Batang government project. For the example is to develop micro enterprise group and provide a healthcare to the community. In this case PT Bhimasena Power Indonesia made a collaborative programs between government and CSR of PT BPI to create micro enterprise group and to provide healthcare access to the community. (Pamungkas, 2020) By this statement we can see Batang government support the existence PT Bhimasena Power Indonesia and widely open an access for PT BPI to support government programs.

At the end, we can said that Batang Government believe that the existence of Corporate Social Responsibility program of PT Bhimasena Power Indonesia in the economic development field will support Batang

Government in empowering the communities in Batang. Besides, the CSR program will help the community in financing their economic activities. Which finally the programs can support the economic development in Batang Regency, Central Java.

## **THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY PROGRAM OF PT BHIMASENA POWER INDONESIA**

PT Bhimasena Power Indonesia, as a corporation, sees that Corporate Social Responsibility is essential to implement in the community as an essential stakeholder around the construction of a power plant. (BPI, 2019)

Since the beginning of the establishment of PT Bhimasena Power Indonesia (BPI) in 2011,

located in Ujung Negro Village, Tulis Subdistrict, Batang Regency, Central Java, PT. Bhimasena Power Indonesia has a strong commitment to be the right partner for the community and build cooperation with the local Government to realize sustainable community development. To achieve this commitment, PT. Bhimasena Power Indonesia has implemented a Corporate Social Responsibility (CSR) program and community engagement program. PT Bhimasena Power Indonesia, as a corporation, sees that Corporate Social Responsibility is essential to be implemented in the community. In performing their CSR program, PT. Bhimasena Power Indonesia used a comprehensive CSR program based on ISO 26000 and SDGs and implemented it with the highest priority to the Community Empowerment Program. (Pamungkas, 2020)

In implementing their CSR program, PT Bhimasena Power Indonesia complies with the government regulations related to the implementation of Social and Environmental Responsibility. The rule is written in Law No. 40 of 2007 that concerning about Limited Liability Companies and Government Regulation No. 47 of 2012 concerning Limited Social and Environmental Responsibility. Social and Environmental Responsibility, according to Company Law Article 1 number 3, it is the company's commitment to participate in sustainable economic development to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general.

Meanwhile, the regulation about the implementation of the CSR program was written on Article 74 of the Company Law on Corporate Social



Responsibility. The Article 74 of the Company Law on Corporate Social Responsibility states that every company that carries out their business activities in the field and or related to natural resources are required to carry out social and environmental responsibilities. That's why the Government has required companies that are engaged in processing natural resources to carry out activities that benefit the community in the area and the environment around the area of the Company's operations. Whereas in paragraph 2 of this article states that the obligation is calculated as a company expense whose implementation is carried out with due regard to compliance and fairness.

PT Bhimasena Power Indonesia's vision in carrying out its CSR program is having an active role in realizing an independent community around the Company. To support this vision, PT Bhimasena Power Indonesia has three

missions. The first mission is to identify the needs, potential, and feasibility of the program through multi-stakeholder partnerships and in harmony with government programs. The second is to develop institutions of empowering and empowering local communities through the involvement of local leaders, while the third mission is to support sustainable development through good program governance (transparent, accountable, documented, and participatory). (BPI, 2019)

To reach its vision and mission, PT Bhimasena Power Indonesia uses some principles in implementing the Corporate Social Responsibility program. The first principle used in implementing PT BPI's CSR program is to adjust needs, local socio-cultural conditions, based on regional potential and support government policies. The second principle that will be used in implementing CSR

programs is transparent, accountable, documented, and sustainable, and prioritizes a participatory approach. The third principle that will be used is to implement programs that are in line with government programs, urgent priorities, strategic partnerships, and resource sharing. The final result that wants to achieve is fostering the independence soul of the community after joining the programs. (BPI, 2019)

The independent soul of the community expected to create a group of communities that has three main characteristics. The first character is economically empowered to be able to meet the basic needs of the family, without being dependent on other parties, while the second character is to have adequate intellectual abilities to be able to overcome the problems of the family/community independently, and the third character is to have optimal resources to be able to compete and

collaborate with other community groups. The final goal of PT Bhimasena Power Indonesia in implementing its CSR program is to realize sustainable development. (Saepudin, 2020)

To organize their CSR programs, PT Bhimasena Power Indonesia has a systematic structural organization. The highest instructor of Corporate Social Responsibility in PT Bhimasena Power Indonesia is COO Director. Meanwhile, the COO director will give direct instruction to the CSR Section Senior Manager. After that, the CSR Section Senior Manager will provide direct guidance to the CSR Assistant Manager, and the CSR Assistant Manager will give direct instruction to The CSR Senior Officer. In the end, the CSR Senior Officer will do coordination to the CSR Junior Staff and CSR Officer. This systematic structure aimed to create a

great program that can be applied in the community. (BPI, 2019)

Furthermore, PT Bhimasena Power Indonesia uses five strategies to strengthen its CSR program and realize their sustainable development program. These strategies based on ISO 26000 Guidance for Social Responsibility, where it provides some important guidance for PT BPI in planning, implementing, monitoring, evaluating, and reporting their CSR programs. The first strategy is behaving socially responsible, and the second strategy is to work with local champions to empower community members. Next, the third strategy is to explore and utilize prospects and local resources available. While the fourth strategy is to provide sophisticated equipment and a wealth of technical knowledge from expert partners, while the fifth strategy is to collaborate with local governments and stakeholders. (BPI, 2019)

To succeed, their CSR programs PT Bhimasena Power Indonesia implementing four types of CSR programs. The first program is the economic development program. The second program is a support program to improve the quality of health. While the third program is a support program to improve the quality of education. The fourth program is the infrastructure assistance program for public facilities to support social, cultural, and environmental activities. (Pamungkas, 2020)

In implementing its economic development program, PT Bhimasena uses a strategy of financial responsibility orientation. Economic responsibility orientation means the CSR will give the communities socialization, guidance, and training before implementing the program. In this case, PT Bisamena Power Indonesia giving advice and training to the community in

Batang regency to build the economic creative, which used to improve the tourism sector. (Saepudin, 2020)

Economic creative is useful for creating a business climate and creating job fields, where the community can be a self-reliant and improving the economy by themselves. That is why economic responsibility orientation is an excellent strategy to faster the economic development in Batang Regency. PT Bhimasena Power Indonesia was implementing two programs of economic growth, which aimed to build the economic development in Batang Regency, Central Java (2013-2018) by creating Micro Enterprise Group and Micro Finance Institution. (Pamungkas, 2020)

The first program designed by the CSR of PT Bhimasena Power Indonesia to support economic development is Micro Enterprise Group

(MEG). Micro-Enterprise Group is an institution that will help the community to build and to develop micro-enterprise activities. The members of MEG come from various circles, such as fishermen, housewives, students, farmers, carpenter, etc. The member of MEG will be invited to joining every training that held by the CSR of PT Bhimasena Power Indonesia, and they will get the full guide to implementing the result of the training that they get. (BPI, 2019)

Not only developing Micro Enterprise Group, but the program created by CSR of PT Bhimasena Power Indonesia to support economic development is also Microfinance Institution (MFI). Microfinance Institution is a financial institution that developed for giving help to the community in financing every business making that they want to build. The existence of MFI expected to increase the interest of the

community to develop new business activities. (BPI, 2019)

## **MICRO ENTREPRISE GROUP**

Micro-Enterprise Group (MEG) is one of the economic development programs own by CSR of PT Bhimasena Power Indonesia. This program was established to build a micro-business for the communities around the construction site of PT Bhimasena Power Indonesia. This program aimed to support the economic development of the community by creating various micro-businesses and increasing employment opportunities for the community. (BPI, 2019)

The application of MEG was developed based on the community needs, availability of market access (off-taker), and supply chain feasibility to ensure business continuity opportunities. Meanwhile, the members of MEG are the communities around

the construction site of PT Bhimasena Power Indonesia that come from various circles such as fisherman, housewife, students, farmer, carpenter, etc. (BPI, 2019)

The member of Micro Enterprise Group will be invited to joining every training. In the training, the member of MEG will get full information about how does the strategy to build, run, and manage their micro-enterprise well. Besides, they will also get a complete guide from CSR officers to run their micro-enterprise. (BPI, 2019) This aimed to make significant progress on the development of the micro-enterprise, which finally their microenterprise could be succeed, and it could be a sustainable micro-enterprise. (Saepudin, 2020)

There are four main steps to implement Micro Enterprise Group. The first step is to take input from the community, the second is assessing input from the community after that run the micro-enterprise group

program, and the last one is monitoring and evaluation. (BPI, 2019) These four programs aimed to create a great and sustainable micro-enterprise business.

The first step that MEG does is take input from the community. First of all, the MEG officer will come to the community and join the community activities. When the officer comes to the community, they will see and learn about the most potential and possible micro enterprise business that could be well developed. Besides, the officer also will take people's aspirations about the micro enterprise business that they want. Meanwhile, joining the community activities, they also come to the village administrator to get some data about the village potential. (BPI, 2019)

After the MEG officer successfully takes input from the community, they will be assessing input from the community. In this time, the MEG officer

will do coordination with other CSR stakeholder of PT Bhimasena power Indonesia to assess what they got from the community. The result of this assessment is a feasible and not feasible micro-enterprise business. (BPI, 2019)

The third step takes by the MEG officer is to run the micro-enterprise group program in the community. First of all, they will do socialization and introduction to the community about the program. After that, they will give training, production facilities, and the capital to run the micro-enterprise business. Besides, they will also help the community to get market access. (BPI, 2019)

After the micro enterprise business running, then the MEG officer will do the fourth step. The fourth step is monitoring and evaluation. In this step, the MEG officer will do monitoring by coming to the place of the micro-enterprise business. They will

periodically visit every microenterprise business. By that activity, they will get some data about the application and management of its micro-enterprise business. Finally, they can use the data to evaluate the micro-enterprise business. The data that they get will be used as an input to build other micro-enterprise business. (BPI, 2019)

In the Micro Enterprise Group, the program is divided into six categories. These six categories are Home Industry, Saving, and Loans, Service of Production, Service, Farm, and Fishery. (BPI, 2019) The division of the program is based on the community potential and the social culture that developed well in the Batang district. However, between 2013 and 2018, the growth of the six categories of MEG is different.

In implementing Micro Enterprise Group, PT Bhimasena Power Indonesia choose some

villages near the company that affected by the company activities. Based on the graphic above, PT Bhimasena Power Indonesia implements Micro Enterprise Group in 14 villages around the company. (BPI, 2019) In every village, there is a different number of MEG members.

The majority of the members of Micro Enterprise Group come from Ujungnegoro village, where the number reaches 29 percent of total MEG member. Karanggeneng is the second place of the village with the most member of MEG, and it reaches 16 percent of MEG member. The third position is Ponowareng Village, with the number of members reaches 13 percent of total MEG members. In the fourth place is Kedungsegog village with entire member 6 percent, and its followed by Kenconorejo, Tulis, and Wonokerso village, where those villages have 5 percent member of total member of MEG member

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Not only developing micro-enterprise business, but PT Bhimasena Power Indonesia also held some training for MEG members to support the MEG program. This aimed to increase their soft skills of MEG members and finally can drive them to have a willingness to build a new micro-enterprise business. (BPI, 2019) These nine training are the training of motivation and entrepreneurship, training of prime service, training of emotional, spiritual quotient, training of team

building, training of making wedding gift, practical training in making freshwater fish croquettes, practical culinary training (processed salak), practical makeup/makeup training, other training.

From the beginning of its establishment in 2013 until 2018, Micro Enterprise Group programs are developed well. Counted up to December 2018, 173 Micro Enterprise Group was developed, and it had 2,536 members with various types of businesses. (BPI, 2019)

Micro Enterprise Group has significant development from 2013 to 2018. The number of Micro Enterprise Group in 2013 was only 33, and it increased to 173 in December 2018. Meanwhile, the number of MEG members developed from 516 in 2013 to become 2536 in December 2018.

The establishment of Micro Enterprise Group by CSR of PT BPI brings a



significant impact on the economic development in the Batang district. The most significant effect is Micro Enterprise Group successfully increase the number of job fields for the community and open job opportunities for the community. This condition can reduce the unemployment rates in Batang District and stop the problem of jobless. The reason is that MEG supports the city to build a micro enterprise business and giving them capital to develop their business. So, MEG makes hope for the community to start their own business. The other impact of MEG is the community can get additional income. This condition will reduce the number of poverty in the Batang district. Finally, the economic development in Batang Regency will develop rapidly from time to time.

## **MICROFINANCE INSTITUTION**

The biggest power plant in Southeast Asia,

with a capacity of 2x1000 Mega Watt, the construction of Central Java Power Plant (CJPP), needs a vast land area. The location chosen by the government to build this power plant is Ujungnegoro village, Tulis Sub-district, Batang district, Central Java. Whereas the site was chosen is an agricultural area own by Ujungnegoro peoples. This condition makes some local people lose their agricultural area because they have to sell it to the government. At the same time, some local people who work as a farmer also have to lose their job.

The condition makes the company needs to strengthen the community economy, especially for those who lose their job. However, this condition is not easy because not all people have enough money to build a new business that is able to replace their previous job and make money to meet their needs. Finally, PT Bhimasena

Power Indonesia initiated to create Micro Finance Institution (MFI) as their CSR program on economic development for the villagers. This program has the primary purpose of supporting the development of community businesses around the company. PT Bhimasena Power Indonesia, through the MFI program, will help the community to meet the needs of capital to build a new job field. Besides, at the same time, the program will be used to supporting a culture of saving in the community. (Pamungkas, 2020)

Running the Micro Finance Institution program, PT Bhimasena Power Indonesia carries out the establishment of microcredit and other financial services for communities affected by the company construction process through 2 MFI development schemes. The first scheme is by forming and developing saving and loan cooperative in three villages, namely

Ujungnegoro, Karanggeneng, and Panowareng villages. The second scheme that was carried out is to build partnerships with Mitra Dhuafa Cooperative. (BPI, 2019)

The Micro Finance Institution will take part in member capacity building activities that continuously conducted by the MFI. The activities carried out include increasing public understanding through education and training to build teams, motivational training, training in making standard operating procedures (SOP), and operations management training such as financial management, and accounting. (Pamungkas, 2020)

To add more knowledge to the members, the members will take part in comparative study activities that are carried out regularly every year. Furthermore, to increase economic independence, MFI members will also

receive entrepreneurship training. (Saepudin, 2020) In its development, nowadays, the total assets owned by the MFI program significantly increase. In addition, the interest and trust of the public to become members of the Micro Finance Institution is growing from time to time. (BPI, 2019)

From 2013 until 2018, to succeed in forming three cooperatives in Ujungnegoro, Karanggeneng, and Ponowareng village, CSR of PT Bhimasena Power Indonesia run four main steps. The four steps are starting from pre-establishment, licensing, inauguration, training, and mentoring in collaboration with the Professional Training Institute (KJK-LDP) Bina Mandiri, Batang Regency. The process was carried out to succeed in creating a cooperative that will use by the community. (BPI, 2019)

The first step is pre-establishment. In the

step of pre-establishment, the MFI officer will introduce the cooperative to the communities. They will do socialization from one village to another village around PT Bhimasena Power Indonesia. This step aimed to get support from the community toward the cooperative establishment and increase public willingness to become the members of the cooperative created by Micro Finance Institution.

The second step is licensing. In this step, the MFI officer will be asking for permission to the Batang government and makes a license about the establishment of the cooperative. They have to fulfill the procedure for the establishment of cooperatives that regulated in Article 12 of the Minister of Cooperatives and Small and Medium Enterprises (SMEs) Regulation Number 9/2018 regarding Cooperative Management and Development. This step

aimed to legalize the cooperative itself.

The third step is inauguration. After the cooperative finished its pre-establishment step and got the license, the cooperative will officially be opened. The community can register and join the institution by becoming a member. The community will get a full guide to join the cooperative. After following this step, the community was officially becoming a member of cooperatives.

The last step is training and mentoring in collaboration with the Professional Training Institute (KJK-LDP) Bina Mandiri. In this step, the cooperative member will be invited to join the training about the cooperative work system, starting from the savings and loan activities to the distribution of the remaining business results. Besides, the member of the cooperative will get training about entrepreneurship. This

training aimed to give information to the community about how to build an entrepreneurial activity and manage their finances.

The number of cooperative members in Ujungnegoro, Karanggeneng, and Ponowareng villages has increased from year to year. In 2013 the number of members-only reached 2,655 people. Then, the number increased to three times after running for five years. In 2018, there were 6,182 cooperative members in the three villages. (BPI, 2019)

The number of member deposits reached by three cooperatives in three villages in 2018 is 12,132,719,668 rupiah. Meanwhile, three cooperatives managed to distribute a total of 8,945,778,000 rupiah to the borrowers in the same year. In addition, the remaining results of operations owned by the three cooperatives in 2018 reached 226,313,362

rupiah.

The existence of these cooperatives helps the community to manage their finances in business activities and help the community to get business capital. Not only that, the cooperative program in three villages also teaches the culture of saving to the community.

To complete the existence of three savings and loan cooperatives in Ujungnegoro, Karanggeneng, and Ponowareng villages, Micro Finance Institution of PT Bhimasena Power Indonesia established KOMIDA. KOMIDA or commonly known as Koperasi Mitra Dhuafa, is a replication of the Grameen Bank program created by Prof. Muhammad Yunus from Bangladesh. Grameen Bank is a micro-credit organization started in Bangladesh that provides small loans to underprivileged people without the need for collateral. This system was

also implemented by KOMIDA. (BPI, 2019)

Informing KOMIDA or Koperasi Mitra Dhuafa, MFI have to go through four steps. The first step is field survey and asking for local government permits while the second is a general meeting and group formation, while the third step is a feasibility test and compulsory training, and the fourth step is group ratification and center meeting. These steps should be fulfilled to legalize KOMIDA.

The first step is a field survey and asking for local government permits. In this step, MFI will do a survey in the community to know about the community response about the program. Meanwhile, MFI was also asking for permission from the government to build KOMIDA. This step aimed to get a license for KOMIDA itself. After getting its license from the government, KOMIDA was officially established.

The second step is the general meeting and group formation. In this step, KOMIDA will come to the villages and invite the community to come in a general meeting to get some information about KOMIDA. After that, those who have the willingness to be a member of KOMIDA will join the temporary group formation. Those who already have a temporary group will join the third step. The third step is the feasibility tests and compulsory training. In this step, KOMIDA will see every group commitment and its feasibility to be a member of KOMIDA.

After the first, second, and third steps are passed, there will be the fourth step. The fourth step is group ratification and center meeting. In this step, the member of KOMIDA will be invited to join a center meeting with all members of KOMIDA from many villages. At the same time, they officially became a

member of KOMIDA in the form of a group. This group formation used as a coordination center for the members of KOMIDA in every village.

Mitra Duafa Cooperative has successfully become a community partner, especially for the poor in improving the welfare of life. (Saepudin, 2020) The data shows an increase in the number of borrowers from 937 in 2013 to 10357 borrowers in 2018. Meanwhile, the number of women's group members increased from 184 in 2013 to 1429 in 2018. Besides, a significant change was shown by the number of KOMIDA members in 2013, which reached 921 people and increased by 65 percent to 6980 members in 2018.

The increase is certainly not without reason. With the number of members, the woman's group, and borrowers who always increase from year to year, it shows that the trust of the community towards

KOMIDA is immense. The community chose KOMIDA as an alternative to support their financial needs, as well as a place to invest. Of course, this will create prosperity for the community and promote economic development in the Batang district.

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