

Building and Empowering Community Through CSR Program In Indonesia: A Case Study of Waste Problem

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ABSTRACT

The problem of waste in Cilacap district is still a serious problem and Independent Waste Bank CSR Program by PT Holcim Indonesia Tbk Cilacap Plant is one of the solutions. This study used the case study method and was included into qualitative descriptive research. Research was conducted on Independent Waste Bank CSR Program by PT Holcim Indonesia Tbk Cilacap Plant which is located in the Family Empowerment Post (Posdaya) Ketapang Damai RW X, Village Kebonmanis, Northern District of Cilacap Central Java Indonesia.

The result of this research is that Independent Waste Bank CSR Program can help local government Cilacap in addressing the waste problem in Cilacap district in Indonesia. The other than Independent Waste Bank CSR has been able to build and empower community in local communities by promoting self-reliance and creativity of local communities and improve the welfare of the household using the process of empowerment through human development, business development, institutional development and community development especially for the people in Ketapang Damai RW X, Village Kebonmanis, Northern District of Cilacap Central Java Indonesia.

Keywords: Waste, Community, Empowerment, Corporate Social Responsibility (CSR)

Journal of Economic Literature (JEL) Classification : Q55

1. INTRODUCTION

Based on data from the Central Statistics Agency (BPS) in 2015 that the number of poor people in March 2015 period rose as much as 28.59 million when compared to 2014 and then, the number of poor people increased to 27.73 million people. While based on data from the Central Statistics Agency (BPS), the number of poor people in Central Java province as much as 4.704.870 people or 14.44% of the total population of Central Java. The poverty rate in Cilacap regency is still quite high at around 17 percent more than the total population of Cilacap which is now recorded over

2 million inhabitants. The poverty rate of Cilacap still falls in higher category when compared with the 23.975 inhabitants of Central Java Province poverty rate at 16 percent and the national average of more than 12 percent. If seen from the number of poor people, Cilacap regency ranks the third highest in Central Java after Brebes and Banyumas regencies. (BPS, 2013).

The reduction of poverty in Central Java province particularly Cilacap regency in 2013 the government implement the program the Acceleration and Expansion of Social Protection (P4S) and other specialized programs in an effort to tackle the problems of poverty arising from subsidy reduction of fuel oil (BBM). P4S program is implemented in the form of *Raskin*, Poor Students Assistance and Program Family Planning. While other specialized programs such as Temporary Direct Assistance for Community (BLSM) and Infrastructure Development Acceleration and Expansion Program (P4I).

Although it has many poverty reduction programs undertaken by both the government and private parties in Cilacap regency but in fact the number of poor people is not decreased significantly. This is because the efforts to reduce poverty are concerted efforts that must be made by all parties not only of the government and the private sector alone but also from the community.

Poverty reduction efforts must also be followed by poor community awareness process itself to have the mindset and mental attitude to want to change tackling poverty independently with community empowerment approach to achieve sustainable development. Hatipler (2011) found that Sustainable development approach in its essence is a movement appeared pertaining to the idea of preserving the rights of future generations with the concern of posterity's devastation of circumstances rather than the present situation and can be done through a cooperative organization. While Mohapatra (2012) found that the intimate interaction between communities and neighborhood open space can not be replicated or sustained solely by government intervention, but community involvement is necessary for its effective and sustainable management in this regard to sustainable development is required intimate interaction between communities and government. Thus that sustainable development can be done if there is good cooperation between the government, enterprises (private) and public. In this case the company contributes through its Corporate Social Responsibility (CSR).

According to Trinidad and Tobacco Bureau of Standards (TTBS) that the corporate social responsibility or Corporate Social Responsibility (CSR) related to the values and standards are made with regard to the operation of a company, the Corporate Social Responsibility (CSR) is defined as the commitment of business to act ethically, operating legally and contribute to economic improvement, along with improved quality of life of employees and their families, local communities and society more broadly (Azheri, 2011).

The Indonesian government insists that any company that manages natural resources have an obligation to take responsibility for the welfare and improvement of living standards for people in the vicinity. This was stated in the Decree of the Minister of SOE Nomor.KEP-236 / MBU / 2003 dated June 17, 2003 and Law Number 40 Year 2007 on Limited Liability set in July 2007. In Article 74 it is stated:

- 1) The Company conducting its business activities in the field and / or related to the natural resources is required to carry out social and environmental responsibility;

- 2) The social and environmental responsibility as referred to in paragraph (1) an obligation of the Company which is budgeted and accounted for as an expense of the Company which are carried out with due regard to decency and fairness.

Until now, the problem of waste in Cilacap district is still a serious problem. This is due to the ratio of tonnage of waste produced per day, with the number of waste trucks that is not balanced. In a day, the volume of waste in the city of Cilacap shortly reach 646.5 cubic meters of waste which is equivalent to approximately 92 truckloads of garbage. Trash problems can not only be dealt with by local authorities, but need the participation of all elements of society, including the private sector (company) and the entire people of the city of Cilacap resulting in effective waste handling.

The waste management of Independent Waste Bank is a program of CSR PT Holcim Indonesia Tbk Cilacap Plant aiming to solve the waste problem in Cilacap district with the support of community participation. Based on the statement above, researchers are interested to know how the Independent Waste Bank CSR Program of PT Holcim Indonesia Tbk. Cilacap Plant based on Community Empowerment. The object of this study is the Independent Waste Bank CSR Program located in the Family Empowerment Post (Posdaya) Ketapang Damai RW X, village Kebonmanis, Northern District of Cilacap, Central Java.

2. GENERATION OF DATA

2.1. *Community Empowerment (Community Development)*

The conceptually, community empowerment is an attempt to increase the dignity of society which is in current state that can not afford to escape the trap of poverty and underdevelopment, thus empowering means enabling them and make them independent. (Mardikanto, 2010, p.36). Community empowerment delivery as a process that is the starting point for the community's independence in order to improve his own life by using and accessing local resources as possible. In other words, empowerment is the process of improving the ability and attitude of self-reliance. The process of this community empowerment puts community as the main party or the development center (people or community centered development).

Phillips and Pittman (2009) asserts that community development is intended to build capacity." In another part it is submitted that "community development build the capacity of a people when they encourage or teach others to create reviews for their own dreams, to learn new skills and knowledge. That community empowerment is intended to build the capacity of communities, and encourage or teach others to make their own dreams, to learn new skills and knowledge. " The general objective of community empowerment in development is to empower specific groups in society socio-economically. Thus, they can be more independent, able to meet the basic needs of their lives, and are able to participate in community development. Community empowerment as a process of community development has a sphere of community empowerment; according to (Mardikanto, 2010, p. 129-136) consisted of the following:

1. Human Development as the first and foremost effort in community empowerment based on the understanding that the purpose of development is to improve quality of life or well-

being. In this case the Human Development includes strengthening or development of human capacity.

2. Business Development is an important effort in each empowerment and as a result of human development that can provide benefits for welfare improvement so as to obtain support in the form of community participation.
3. Community Development which consists of the physical environment and the social environment. In this case the social environment also plays an important role in determining the sustainability of business and life.
4. Institutional Development is a form of healthy institutional social relations their very instrumental in the success of community empowerment process.

Thus, through community empowerment program, the community that once was not economically, socially and ecologically empowered become even more empowered, having strength and ability so that they can become agents of change in development.

2.2. Corporate Social Responsibility (CSR)

Their demands and the increasing awareness of the company associated with the obligation to be socially responsible and be ethical in its business, the concept of Corporate Social Responsibility (CSR) becomes an integral part to the company's survival in the future. Corporate Social Responsibility (CSR) is essentially the need for companies to be able to interact with the community as a whole to adapt and to obtain social benefits in the form of trust. (Rudito, 2013, p. 1). Kotler and Lee (2005) stated that CSR is a commitment to improve the welfare of society as a consideration of business practices and contributions of the company's resources. The core of this definition does not refer to a business activity that is governed by the legislation in force, but rather on the voluntary commitment of companies that have been selected and implemented in its business practices.

The concept of CSR by CSR Asia consists of "Triple bottom line" as outlined by Elkington. (1997), which states that if a company wants to survive then it must pay attention to "3 P" (Profit, People and Planet). Companies in the pursuit of profit (Profit) be concerned and involved in the fulfillment of public welfare (People) and contribute actively to protecting the environment (Planet).

In this case, the company is not just for profit, but more than that they also have an obligation to the welfare of the person (people) and ensure the sustainability of the planet (planet). "Profit" is defined as a form of economic aspects, "planet" as form environmental aspects and the "people" as a social or community aspect. The opinion by John Elkington concerning the concept of CSR provides more visibility for the company in its business practices. Companies are required to understand the needs of the environment as a resource conservation that must be preserved and sustained so that it can continue to be enjoyed by present generations and can still be enjoyed by the next generation. Or in other words as a form of reciprocity between the company and the community that has got the benefits of natural resources.

2.3. Methodology

This study is included into qualitative descriptive research. Descriptive study by Whitney (in Nazir, 1988, p. 63) is the research for facts-finding with proper interpretation. Studying problems in the society, as well as public customs and specific situations, including relations of activities, attitudes,

views and ongoing processes and effects of a phenomenon. The purpose of this research is to create a description, illustration or drawing of the facts, characters, natures, as well as the inter-phenomenon relations being investigated (studied) in a systematic, factual and accurate way. The technique of informants determination through purposive sampling techniques (informant determination by the destination). While data collection techniques were done using interviews, documentation and literature.

The data in this study will be analyzed qualitatively. Qualitative research is a procedure that produces descriptive data in the form of written words or spoken form by people or observed behaviors (Moleong, 2001, p. 103). The data analysis that is qualitative in nature requires the researchers to undertake activities simultaneously with data collection, data interpretation and the writing of the research reports. (Creswell, 2009, p. 145). Thus the data analysis is not done in isolation with data collection, but it is an activity performed jointly. During data collection, the researchers engaged interactively in the three analysis components which are data reduction, data presentation and final conclusions / verification (Sutopo, 2002, p. 186).

The informants in this study are as follows: (1). Mz. Susi Sumanti as the advisor of CSR program Independent Waste Bank PT Holcim Indonesia Tbk Cilacap Plant, (2). Mr. Moh Nurhidayat as the CSR program Director of Independent Waste Bank PT Holcim Indonesia Tbk Cilacap Plant, (3). Mz. Sri Lasmini as the CSR Program Manager of Independent Waste Bank PT Holcim Indonesia Tbk Cilacap Plant and (4). Mz. Rustono as a customer of Independent Waste Bank CSR program PT Holcim Indonesia Tbk Cilacap Plant.

3. RESULTS

Since 2001 until now PT Holcim Indonesia Tbk Cilacap Plant has done CSR Program as a form of private sector participation in development and efforts to the public welfare. The Independent Waste Bank CSR Program is an initiative of residents in RW X Ketapang Damai Kelurahan Kebon Manis Cilacap Utara. The pioneer of Independent Waste Bank CSR Program is Mr. Muh Nurhidayat who becomes the major thinker on the need for a good waste management system in order to reduce the negative impact of garbage. The Independent Waste Bank CSR Program is a form of community participation to provide active solutions for the waste problem in Cilacap, it is related to the increasing volume of waste and landfill capacity was already unable to accommodate waste in Cilacap. In addition, the existence of Independent Waste Bank CSR Program is a form of public participation in the contribution related to the obligations contained in the Act No. 18 of 2008 concerning waste management in which the public are obliged to reduce the volume of waste generated by way of organic and inorganic waste separation at the level of households. In this case, Independent Waste Bank CSR Program itself exists to collect inorganic waste; while for organic waste management will be carried out by the Environment Agency (BLH) Cilacap using existing facilities at the Integrated Waste Management (TPST).

Since December 2012 PT Holcim Indonesia Tbk Cilacap Plant participate actively to provide solutions to the waste problem in Cilacap through Independent Waste Bank CSR Program CSR Program where the program is community empowerment synergy between PT Holcim Indonesia Tbk Cilacap plant, the Cilacap government and PNPM Mandiri. As for the location of empowerment is in

Family Empowerment Post (Posdaya) Ketapang Damai RW X, Village Kebonmanis, Northern District of Cilacap, Central Java. The purposes of the Independent Waste Bank CSR Program are:

1. Helping Cilacap Government of in overcoming and reducing waste in Cilacap
2. Enabling community participation ranging from the lower level of RT / RW, the institutions that exist in Cilacap particularly schools, markets / trade, offices and other - to reduce waste and make the trash beneficial from environmental, social and economic aspect.
3. Helping to address environmental health problems caused by littering by involving the public directly
4. Create new jobs for the community / household
5. Build awareness in the community about the importance of sorting, managing waste and making them economically valuable goods to provide additional income
6. Giving out loans or purchasing groceries to the people in need with the return and payment in the form of waste that is worth selling to joint Independent Waste Bank CSR Program. (Independent Waste Bank CSR Program Documents, 2014).

Waste is unwanted residual material after the end of a process. Today people still think the rest of the waste as useless, so much to dispose of waste without a proper management and has resulted in the pollution of the environment. The increasing population of Indonesia, followed by consumption patterns will increase the volume of waste by the day and more diverse types of waste such as packaging waste that is hazardous and / or are not easily decomposed by natural processes. As a result, the accumulation of waste that cause odor, can reduce the level of soil fertility and inhibit circulation of soil, waterways and ultimately the environment to become damaged and unhealthy. Thus the problem of waste not only needs to be dealt with by local authorities, but need the participation of all elements of society, including the private sector (companies) and the entire people of the city of Cilacap so that the waste handling becomes more effective.

Not only the Cilacap government who had to intervene to solve these environmental problems, but all elements of society, both public and private parties (companies) should also participate to help providing solutions to the waste problem. Waste problems require solutions specifically how to educate people to adopt healthy behaviors to cultivate a clean and healthy living behavior by reducing the negative impacts of littering. One way of doing this is to make a good waste management system through Independent Waste Bank CSR Program.

Independent Waste Bank CSR Program is a solid waste management system in the collective that encourages people to participate actively in it to maintain the cleanliness of the environment. Independent Waste Bank CSR Program system is accommodating sort, and distribute trash economic value on the market so that people get the economic benefit of saving trash.

Independent Waste Bank CSR Program system which is the CSR program of PT Holcim Indonesia Tbk Cilacap Plant begins with: Sorting the waste according to its type conducted from the source (domestic) carried by each household. This is where the household waste sorted into two groups: organic and non-organic waste. Organic waste is processed into compost for the greening of the environment. While non-organic waste is then divided further into three sub-groups: plastic, paper and bottles and metal is deposited then be processed into crafts (souvenirs) that can be sold so as to increase the cash / income group Independent Waste Bank CSR Program also can improve the economy household customers.

Most households in Indonesia are environmentally friendly and they store three trash cans or large waste bags. Once the third dustbin is full, its contents can then be "saved" in the trash of Independent Waste Bank CSR Program. Just as a commercial bank, we can open an account in Independent Waste Bank CSR Program. Periodically, we can fill our savings with non-organic waste is weighed and given a monetary value, according to the price set by the collectors. The monetary value of savings, and as well as a commercial bank, the contents of these savings can be withdrawn at any time.

The following are the illustration of waste management conducted by Independent Waste Bank PT Holcim Indonesia Tbk Cilacap Plant.

Figure.1. Waste Management Of Independent Waste Bank CSR Program



The principal activities of Independent Waste Bank is waste savings activities, where people sort their household waste each according to its kind then collected and sent the waste to the bank to be weighed and the results incorporated into the passbook. For the customers of Independent Waste Bank CSR Program savings can also use the card as a means of payment for buying groceries, paying electricity and telephone bills, as well as paying laundry by using trash as a means of payment in waste shops.

Based on disaggregated data, the male customers of Independent Waste Bank CSR Program are fewer than the female ones. According to the results of the interviews with Mz. Susi Sumanti as the advisor of Independent Waste Bank CSR Program PT.Holcim Indonesia Tbk Cilacap Plant.

"The beneficiaries are mostly older women, especially housewives who tend to be more thorough and meticulous in sorting waste and afterwards depositing the waste in Independent Waste Bank CSR Program. It is strongly associated with the characteristics of the communities where Independent Waste Bank CSR Program operates, which in both

socially and economically are most included in middle income class and many of old women in RWX who work as housewives.” (Interview of Mz.Susi Sumanti, February 19,2016).

The Independent Waste Bank CSR Program of PT Holcim Indonesia Tbk. Cilacap Plant, has been able to empower them with the process of development activities that are:

1. Human Development

Community development in the field of Human Development is done through quality improvement program of Human Resources (HR) by providing knowledge, insight and experience to the management of Independent Waste Bank CSR Program. The activities are conducted by organizing a training program for the managers of Independent Waste Bank CSR program on the organic and inorganic waste management, manufacture training of handicrafts made of plastic-paper, Motivation Training, Leadership Training and Comparative Study studied together at the Gemah Ripah Waste Bank in Bantul regency, Yogyakarta. As we all know, that the managers of Independent Waste Bank CSR program are mostly housewives who initially did not have the skills in the field of waste management. Thus through the human development community empowerment program it is expected that the citizens especially the managers can improve their capacity of knowledge, insight and experience.

As in the following interview with Mz. Sri Lasmini:

“With CSR program Waste Bank Mandiri, the housewives at this Kebon Manis be more clever, able to talk coherently and dare to speak in front of people and more creative as well as more productive because we were given a lot of training and mentoring by PT Holcim Indonesia Tbk. Cilacap Plant.”(Interview of Mz. Sri Lasmini, February 20,2016).

2. Business development

Results of human development that is given to the public, generating a positive development for Independent Waste Bank CSR Program for now it is not only savings unit which manages waste but other micro business units such as junk shop, laundry, home craft business even Innel Recycling Creative Handicraft which is a trash craft center unit being very financially supportive towards the income of the household economy.

As presented by Mz. Rustono :

“Mothers here now so productive and have their own income from junk made crafts such as flowers , bags, plastic grocery etc so they can help their families economically at least, can meet their own needs and can add an allowance for school her children” (Interview of Mz. Rustono, February 20, 2016).

3. Institutional Development

The development of institutions by providing assistance, facilities, support and institutional strengthening through training, mentoring so that in 2013 it got nominated for the best Development Posts in Indonesia (Damandiri Award) and in 2015 received an award as a community development program with the best SME product of UNS Surakarta.

4. Community Development

The Independent Waste Bank CSR Program gives out positive impact for clean environment with the Independent Waste Bank CSR Program, the public is increasingly

aware of the importance to have clean and healthy life behavior (PHBs) can be created from family.

"Independent Waste Bank CSR Program gives positive impact on the environment, the environment becomes clean and healthy, not a lot of rubbish strewn anymore because people are aware and in the family now there seems to be "titen" culture in observing trash carefully, sort them especially for inorganic waste (plastic, cans, bottle caps, newsprint, etc.) then collect the waste to be deposited in the Independent Waste Bank"(Interview with Mr. Moh Nurhidayat, February 20, 2016).

The Independent Waste Bank CSR Program is a CSR program that can help Cilacap district government programs, especially in waste handling. In addition Independent Waste Bank CSR Program program has been able to empower local communities by promoting self-reliance and creativity of local communities and improve the welfare of the family economy of local communities and also a solution to the problem of garbage happening in the local area, so that people participate actively in the implementation of the Independent Waste Bank CSR Program CSR programs.

The Independent Waste Bank CSR Program gives positive impact on society in RW X Kebon Manis Kecamatan Cilacap Utara. The Independent Waste Bank CSR Program is able to help increasing family income; the waste that had no economic value and was usually only thrown away now saved and cherished its every kilogram that has economic value. Besides that Independent Waste Bank CSR Program is able to create entrepreneur life, organize and create new jobs for people, especially for mothers who do not work, by joining in craft group Innel Creative Handicraft Recycling which is one of the activities in Independent Waste Bank CSR Program. Here the housewives can learn to organize and learn creative and innovative waste recycling into valuable craft costs such as handbags, purses, brooches, and flowermade from plastic wastes, bottle caps, beverage cans, newspapers etc.

Thus the housewives become productive and have their own income so as to assist the household economy. Moreover, with Independent Waste Bank CSR Program, housewives that were once only spending their spare time watching television after doing domestic chores such as washing, cooking, ironing and picking up children from school now have more free time to productively gather with the other housewives in the Independent Waste Bank CSR Program, they could learn to sew, create patterns bags, flowers etc., discussion and public speaking practice can be done here so the mothers also have additional insight, knowledge, and organizational experience. In fact there are some women who used to feel embarrassed to speak in public, with the Independent Waste Bank CSR Program Program, which is the CSR program of PT Holcim Indonesia Tbk Plant Cilacap is able to make some housewives become an informant who provided trash craft training in various places in the district of Cilacap.

Although it is still also necessary to conduct socialization related to Act 18 of 2008 on waste management in which the public are obliged to reduce the volume of waste generated by way of sorting organic and inorganic waste at the level of households. Thus, the entire community, especially the household level can support and participate actively in Independent Waste Bank CSR Program CSR program.

4. DISCUSSION AND CONCLUSION

The following are conclusions in this study:

1. The Independent Waste Bank CSR Program is a community empowerment program that can help local governments cilacap in addressing the waste problem in Cilacap district.
2. The Independent Waste Bank CSR Program is also one solution to play an active role in handling the waste matter in Cilacap regency to enable community participation to reduce waste and make the waste useful in the environmental, social, economic aspects and build awareness in the community about the importance of sorting, managing waste and making it an economically valuable goods to provide additional income.
3. The Independent Waste Bank CSR Program has managed to build and empower local communities by promoting self-reliance and creativity of local communities and improve the welfare of the household economy of the local community, using the process of empowerment through Human Development, Business Development, Institutional Development and Community Development.
4. It is also still needed socialization related to Act 18 of 2008 on waste management in which the public are obliged to reduce the volume of waste generated by way of sorting organic and inorganic waste at the level of households. Thus, the entire community, especially at the household level can support and participate actively in the Independent Waste Bank CSR Program.

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