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PUBLIC ADMINISTRATION PERSPECTIVE ABOUT CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

Various problems faced by the public cannot only be handled by state or government authority. This is because it relates to various limitations faced by the state / government so that it requires the participation and support of business actors. This is a form of ethical and social responsibility of business actors in supporting state / government policies or programs to achieve state / government goals. In this context, public administration establishes public policies regarding corporate social responsibility. As one of the strategic dimensions of public administration, this policy is at the national level in the form of Law Number 19 of 2003 concerning State-Owned Enterprises, Law Number 40 of 2007 concerning Limited Liability and Number 25 of 2007 concerning Investment, Government Regulation Number 47 of 2012 and BUMN Minister Regulation Number Per-05 / MBU / 2007.

With normative juridical research methods and literature studies, it appears that the existence of these five laws and regulations is a political decision of state institutions or the government to answer the real challenges and problems faced by society. With the legality inherent in the policy on corporate social responsibility, this becomes the basis for the stipulation of various technical policies used by the central and regional government bureaucratic apparatus to implement them. The regulation of corporate social responsibility needs to be integrated in one law, and needs to be firm about the nature of obligations for employers and the formulation of sanctions to be imposed.

Keywords: public administration, public policy, corporate social responsibility.

A. INTRODUCTION

In order to realize national ideals as set out in the Preamble of the 1945 Constitution, the state with its main organs, namely the government and all its apparatuses, carried out a series of national development programs systematically. In this context, the role of the public administration apparatus at various levels of government is very strategic and decisive. However, of course, it is not possible for all of these national development burdens to be borne by the government, including the ability of the budget. Within this framework, the role of non-state elements in all stages of development becomes very important.

One manifestation of the involvement of non-state elements is the real role of business people in corporate social responsibility programs. The discussion about corporate social responsibility will not be separated from the discussion about the government / state in national development, one of which requires community participation, especially the business actors. Within this framework the government views the need for the involvement of business actors both in the domain of the government (BUMN and BUMD) and the private sector in supporting development programs by setting aside a portion of the funds in their companies.



Therefore, in the context of public administration, a state policy in the form of Law Number 40 of 2007 concerning Limited Liability Companies was issued. In Article 74 of the law, among others, it is stated that the company is carrying out the activities his efforts in the field of and / or relating to natural resources must carry out social and environmental responsibility, which is the company's obligation that is budgeted and calculated as the company's costs which are carried out by observing propriety and fairness. This policy was then followed up with the issuance of derivative regulations in the form of Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibilities of Limited Liability Companies.

In addition, in the context of investment activities, business actors are also demanded by government regulations to show their responsibility for community development. This is explicitly stated in the Elucidation of Article 15 letter b of Law Number 25 of 2007 concerning Investment that Corporate Social Responsibility is the responsibility inherent in every investment company to continue to create harmonious, balanced and appropriate relationships with the environment, values, norms, and the culture of the local community.

Based on the provisions of Article 1 point 3 of Law Number 40 of 2007, Social and Environmental Responsibility is the company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general. In addition, with regard to the role of SOEs, the government has also issued Minister of BUMN Regulation Number Per-05 / MBU / 2007 concerning BUMN Partnership Programs with Small Businesses and Community Development Programs.

Conceptually, corporate social responsibility, explained by Visser et al. that "the concept of corporate social responsibility' has a responsibility to society that extends beyond their obligations to investors or investors in the firm" (2007: 122). From the perspective of the science of public administration, the presence of several regulations regarding corporate social responsibility is one manifestation of public policy.

The publication of various public policies is certainly not something that comes suddenly. Between companies with various types of environments and their stakeholders including the state / government, interdependence relationships occur. Therefore, the presence of various public policies as the dynamics of public administration whose substantive area is related to the company's social responsibility program in the current national development and its implementation by implementing agents consistently becomes very important.

This study aims to elaborate various aspects related to corporate social responsibility from the perspective of public administration. The public administration perspective about this refers to the view of Lane (1993: 2), Thoha (1992: 34) and Keban (2004: 10), among others:

- a. The tasks of public institutions are decided by politicians but executed by order to satisfy the model of rational decision-making,
- b. Administration is based on written documents and this tends to make the office (bureau) the heart of modern government,
- c. In providing services to the general public, public administrators and administrators are relatively based on laws and regulations.
- d. State administration is an activity that cannot be avoided (unavoidable).
- e. State administration requires compliance.
- f. Policy and ethics as a strategic dimension of public administration.

B. THEORETICAL FRAMEWORK

1. The company and its environment



In the understanding of people in general, it is known that in various forms of business organizations basically it will not be separated from efforts to seek profits. This is in line with what Griffin and Ebert argued that business “is an organization that seeks to earn profits by providing goods or services” (1993: 1). In the perspective of organizational theory, business as an entity will be in an interdependent relationship with a variety of environments. Life, death, dynamic ripples and the sustainability of a business organization will be influenced by the environment in which they move. Various experts have introduced the existence of this environment with various perspectives. Ebert and Griffin called “it the six-dimensional external environment (the external environment), namely domestic business environment, socio-cultural environment, technological environment, economic environment, political-legal environment, and global business environment” (2007: 6).

In this framework interactive relationships between business organizations and their environment become academic studies from various fields of science, including the science of public administration. The attention of public administration scholars who focus their analysis on the role of business organizations / companies in interacting with the environment of society and government seems to be increasingly frequent and will continue to grow. From the perspective of business ethics, according to Siagian “one of the very basic top management responsibilities is conducting business in which he is involved based on moral norms and ethics” (1995: 8). In Boone and Kurtz's formulation “business ethics refers to standards of conduct and moral values involving right or wrong actions arising in the work environment” (2006: 30). In the Madura formula, “A firm's responsibility to customer goes beyond the provision of products or services. Firms have a social responsibility when producing and selling their products. Social responsibility is a recognition of how its business decision can affect society” (2007: 38).

The Institute for Corporate Culture Affairs as quoted by Manfred Pohl defines ‘it as the ongoing commitment by businesses to behave ethically and contribute to economic development, while improving the quality of life of our employees and the community within which it operates as well as society at large’ (Henningfeld et al., 2006: 52). According to Griffin and Ebert “social responsibility affects how business behaves toward other businesses, customers, employees, investors, and society at large” (1993: 81). Related to this, Boone and Kurtz mentioned that “the social responsibilities of business can be classified according to their relationship to the general public, customers, employees, and investors, and other members of the financial community” (2006: 52).

In connection with the company's responsibility to the community Madura stated that “when establishing a base in a community, they become part of the community and rely on it for customers and employees. Firms demonstrate their concern for the community by sponsoring local events or donating to local charity (2007: 56). In Boone and Kurtz's view, he stated that the business to the general public include dealing with public health issues, protecting the environment and developing the quality of the workforce (2006: 52).

Every company as a legal subject according to Article 2 of Government Regulation Number 47 Year 2012 has social and environmental responsibilities. The explanation of this article emphasizes that basically every company as a manifestation of human activities in the business field, is morally committed to being responsible for the continued creation of a harmonious and balanced corporate relationship with the environment and the local community in accordance with the values, norms and culture of the community.

Referring to the views of the experts and the normative description, it is clear that the program or policy of corporate social responsibility is one of the instruments of a state that establishes itself as a welfare state. Through this program, the state through the government with the participation of business people will provide the best for the people. On the other hand, of course the people as the owners of sovereignty will enjoy various tangible



manifestations of well-being in various fields of life. Constitutionally, in Indonesia this is contained in Article 33 of the 1945 Constitution.

2. Public Administration

The presence of arrangements regarding corporate social responsibility programs certainly cannot be separated from state administration or public administration. According to Dwight Waldo, public administration is 'the organization and management of man and material to achieve the purpose of government' (Rosenbloom et al., 1994: 4). Public administration is so very important in the existence and achievement of the goals of a state. There are several principles of public administration as stated by Lane (1993: 2) as follows: "The tasks of public institutions are decided by politicians but executed by order to satisfy the model of rational decision-making; Administration is based on written documents and this tends to make the bureau the heart of modern government; Public services are organized on a continuous, rule-governed basis; The rules may be either technical or legal. In both cases trained individuals are necessary; Each task is furnished with the functionally distinct spheres, each furnished with the requisite authority and sanctions; Officers as well as tasks are arranged hierarchically, the rights of control and complaint being specified; The resources of the organization are unique from the members as private individuals; The office holder cannot appropriate his office for private aims; Public employees orientate towards the public tasks within the sector of terms of vocation or the duty to fulfill the obligations of their roles; and in public sector there is dominant interest, the public interest, which sets the limits of the influence of self-interests in politics and administration".

3. Public Policy as the Dynamics of Public Administration

Not much different, with the emphasis on the choice of the government, according to Dunn, public policy is "a long series or more less related choices (including the decision not to act) made by governmental bodies and officials, which are formulated in issues which range from defense, energy and health to education, welfare and crime control "(1981: 47). Another public policy expert, Anderson said that public policy is the "policies developed by governmental bodies and officials'. Nongovernmental actors and factors may, of course, influence policy development" 1978: 3). It appears that the state or government is very strategic in the formation of this public policy.

"There are five components of public policy", according to Gerston, namely "issues, actors, resources, institutions and levels of government. It was further stated that issues that appeared on the public agenda; actors who present, interpret, and respond to those issues; resources affected by those issues; institutions that deal with issues; and the levels of government that address issues" (2010: 8).

Based on the views of these experts, public policy is a series of decisions set by officials and / or state / government institutions that previously involved various parties and continued with concrete actions in accordance with the authority they have to deal with public problems. In the context of the corporate social responsibility program, one form or form of public policy is Law Number 40 of 2007 and its derivatives, namely Government Regulation Number 47 of 2012. In addition, the content of corporate social responsibility is also contained in Law Number 19 of 2003 concerning Business Entities State Owned and Law Number 25 of 2007 concerning Investment.

It was said as public policy because everything was born from the authority of public institutions in this case the DPR, the President, and the Minister to deal with public issues regarding various demands and expectations of the public regarding the company's role and responsibility for its environment. Thus it is clear how important and strategic public policy



is in the framework of public administration, especially in the form of corporate social responsibility programs.

C. RESEARCH METHODS

Based on its type and function, this research is included in what Marzuki mentioned as ‘legal research or normative legal research or library law conducted by examining library materials or mere secondary data’ (Soekanto and Mamudji, 2015: 13), or “library research and documentary” (Nazir, 2011: 55). Research is conducted on documented information in the form of regulations so that it is commonly known as document analysis or content analysis research.

Referring to the opinions of the experts and in accordance with the objectives of the study to examine the various aspects contained in the legislation as policy content regarding corporate social responsibility. The documents that are the focus of this research are public policy products at the national level namely Law Number 19 Year 2003 concerning State Milk Enterprises, Law Number 25 Year 2007 concerning Investment, Law Number 40 Year 2007 concerning Limited Liability Companies, Government Regulation Number 47 Year 2012 concerning Social and Environmental Responsibilities of Limited Liability Companies, and State-Owned Enterprises Regulation Number Per 05 / MBU / 2007 concerning BUMN Partnership Program with Small Business and Community Development Program.

D. RESEARCH RESULTS AND ANALYSIS

1. Research Results

a. Profile of Corporate Social Responsibility Policy

Public policies related to Corporate Social Responsibility in this study are Law Number 19 Year 2003, Law Number 25 Year 2007, Law Number 40 Year 2007, Government Regulation Number 47 Year 2012, and State-Owned Enterprise Regulation Number Per-05 / MBU / 2007. Law Number 19 of 2003 consists of 95 articles. The substance related to corporate social responsibility is seen in Article 88 Paragraph (1) which states that SOEs can set aside part of their net income for the purpose of fostering small businesses / cooperatives as well as fostering communities around SOEs.

Law Number 25 of 2007 consists of 40 articles. The substance related to corporate social responsibility is seen in Article 15 letter b which states that one of the obligations of investors is to carry out corporate social responsibility. Explanation of Article 15 letter b states that Corporate Social Responsibility is the responsibility inherent in every investment company to continue to create harmonious, balanced relationships in accordance with the environment, values, norms and culture of the local community.

Law Number 40 of 2007 consists of 161 articles. Specifically the provisions governing corporate social responsibility are in Article 1 point 3 which states that Social and Environmental Responsibility is the Company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the Company itself, the local community, and society in general. In addition to Article 74 paragraph (1) that the company that runs its business activities in the field and / or related to natural resources is obliged to carry out social and environmental responsibilities.

PP No. 47 of 2012 consists of 9 articles. This public policy product is a derivation of the provisions of Article 74 Paragraph (4) of Law Number 40 of 2007. Substances relating to corporate social responsibility are found in Article 2 which states that every company as a legal subject has social and environmental responsibilities. Explanation of Article 2 states that basically every company as a manifestation of human activities in the field of business, is morally committed to being responsible for the continued creation of a harmonious and

balanced corporate relationship with the environment and the local community in accordance with the values, norms and culture of the local community. This provision is then sharpened in Article 3, Article 4, Article 5 and Article 6.

Minister of BUMN Regulation Number Per-05 / MBU / 2007 consists of 35 articles. Substances related to corporate social responsibility include Article 2 which states that the company and the company must implement partnership programs and community development programs by fulfilling the provisions stipulated in this regulation. In addition, in Article 1 number 6 states that the Partnership Program with Small Businesses is a program to improve the ability of small businesses to become resilient and independent through the use of funds from the portion of BUMN profits. The Community Development Program according to Article 1 number 7 is an empowerment program for community social conditions by BUMN through the use of funds from the SOE profit section.

b. Policy as a Political Decision

In accordance with the provisions of the 1945 Constitution, the law is a product of mutual agreement between the President and the DPR. Before being agreed upon and passed into law, a draft law has gone through a series of political processes both at the level of political infrastructure and political superstructure.

In the context of the political system, with reference to David Easton's view of the political system, the existence of corporate social responsibility which factually gets the legality in the form of political institution products as a policy or decision can be visualized in the scheme as follows:

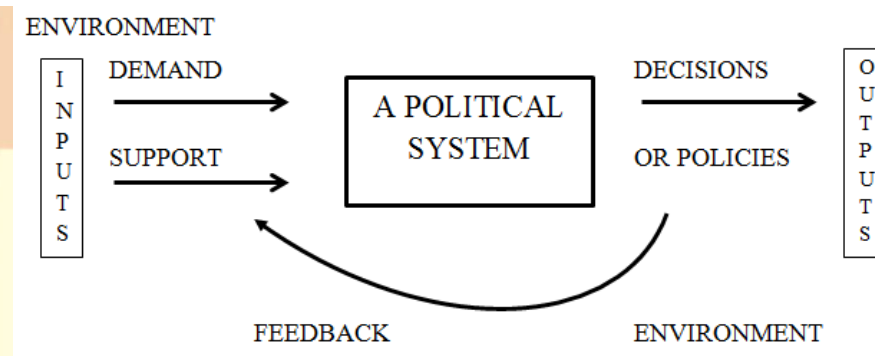


Figure 1.

Public Policy in the Framework of Political Systems

Therefore, three laws relating to this corporate social responsibility, namely Law Number 19 of 2003 concerning SOEs, Law Number 25 of 2007 concerning Investment and Law Number 40 of 2007 concerning Limited Liability Companies is a political decision. Likewise, PP Number 47 of 2012 and Permen Number Per-05 / MBU / 2007 which although in the process does not involve the legislature, but in a broader political perspective, in essence it is also a political decision.

c. Written Documents of State Administration

From the perspective of public administration, these three laws were promulgated in the State Gazette in accordance with the provisions of the 1945 Constitution. Law Number 19 of 2003 was promulgated on June 19, 2003 with the State Gazette of 2003 Number 70. Law Number 25 of 2007 was promulgated on April 26, 2007 in the Gazette The State of 2007 Number 67, while Law Number 40 of 2007 was promulgated on August 16, 2007 with the State Gazette of 2007 Number 106. The Government Regulation Number 47 of 2012 was



promulgated on April 4, 2012 with the State Gazette of the Year 2012 Number 89, while the State-Owned Enterprise Number Per 05 / MBU / 2007 determined on April 27, 2007.

d. Legality of Activities

Every step and decision of the organs and state administrative apparatus is always demanded based on the laws and regulations. In the context of the rule of law, this concerns the nature of the legality of state administrative policies which is one of the important aspects for the existence of institutional products public administration. The public administration apparatus in carrying out all its activities will get legal certainty because it gets a solid legal basis.

This is in line with the provisions of Article 7 Paragraph (1) of Law Number 12 Year 2011 concerning the Establishment of Legislation Regulations that the types and hierarchies of legislation consist of : a. The 1945 Constitution of the Republic of Indonesia; b. Decree of the People's Consultative Assembly; c. Government Substitution Laws / Regulations; d. Government regulations; e. Presidential decree; f. Provincial Regulation; and g. Regency / City Regulation. In this study the policy or program regarding corporate social responsibility is judicially contained in the form of three laws, one government regulation, and one ministerial regulation.

e. The Nature of Activities That Cannot Be Avoided

Various activities carried out by public administration apparatus, especially those directly related to broad public interests, are something that cannot be avoided. Various basic needs of citizens such as education, health, security and transportation in reality often manifest in problems that are directly felt by the community. In this context the involvement of business people in helping the government to alleviate the burden on citizens becomes part of the public administration. It is said that because their involvement in the form of corporate social responsibility gets its legality in the form of legislation. In other words, this corporate social responsibility activity is actually something that cannot be avoided.

For example, this includes the State of BUMN Ministerial Regulation Number Per-05 / MBU / 2007 Article 11 Paragraph (2) letter e, that the scope of the BUMN Community Development program includes assistance for victims of natural disasters, education and / or training assistance, health improvement assistance , assistance in the development of infrastructure and / or public facilities, assistance in the form of religious facilities and natural conservation assistance.

f. Compliance in Public Administration

The issuance of three laws, one government regulation and one ministerial regulation relating to corporate social responsibility in the context of a legal state certainly requires compliance. As a product of public administration that has legality and is authoritative, the compliance of government officials as implementers of policy, compliance of employers who are subject to the obligation to carry out corporate social responsibility as well as citizens affected by the policy / program is of course very important. In this context the existence of sanctions in the implementation of policies or programs is also important.

In this regard, Article 34 Paragraph (1) of Law Number 27 of 2007 states that a business entity or individual business that does not fulfill obligations can be subjected to administrative sanctions in the form of written warnings, restrictions on business activities, freezing of business activities, and / or investment facilities or revocation business activities and / or investment facilities. In Article 74 Paragraph (3) of Law Number 40 of 2007 it is



stated that companies that do not carry out social and environmental responsibility are subject to sanctions in accordance with the provisions of the legislation. In the article explanation, it is stated that the sanctions referred to are sanctions stipulated in the relevant laws and regulations.

In addition, Article 7 of Government Regulation Number 47 of 2012 states that companies that do not carry out social and environmental responsibilities are subject to sanctions in accordance with the laws and regulations. The explanation of this article states that the sanctions in question are subject to all forms of sanctions stipulated in the relevant laws and regulations.

g. Policy and Ethics-Morality As Strategic Dimensions of Public Administration

In the practice of government and state administration in general, the role of public policy will give its own color and label to a country's public administration. Therefore, it can be understood when the public administration studies experts refer to this public policy as one of the prime dimensions of public administration. In line with that, Keban also stated that this policy "is one of the strategic aspects or dimensions of the six strategic dimensions or that most determine the dynamics of public administration, namely in the form of responding correctly to the needs, interests and aspirations of the community in the form of decision making or policy public "(2004: 9).

Thus it can be said that public policy is the dynamics of public administration. Public policies, especially those that can be implemented effectively will have a positive impact on the reputation of the government. In this context it can be understood when some public administration experts define public administration as a process for implementing public policy. According to Gerstons, public policies are "the basic decisions, commitments, and actions made by those who hold government positions of authority" (2010: 7). Post et al. put it forward as "a plan of action taken by government officials to achieve some broad purpose affecting a substantial segment of a nation's citizens" (1999: 172). This policy on corporate social responsibility was born in the form of laws, namely Law Number 19 of 2003, Law Number 25 of 2007 and Law Number 40 of 2007. Other policies are Government Regulation Number 47 of 2012 and BUMN Ministerial Regulation Number 05 / BMU / 2007.

This policy on corporate social responsibility is closely related to ethics and morality. Ethics is usually equated with moral, moral or morality. Speaking of morals means talking about human behavior and also human thoughts or convictions about what is good and bad or which is appropriate and inappropriate to do. This is in line with what was stated by Frans Magnis Suseno that "moral norms are benchmarks used by society to measure one's goodness. Thus, with our moral norms we really judge whether we are good or bad "(Hertati et al., 2010: 6.10).

The ethics and morals of The Liang Gie are not contradicted by their use, because it is based on his belief that "both refer to the same problem, even though it comes from two different terms, but the epistemological meaning is the same" (Kumorotomo, 1992: 6). According to Suseno, "ethics is different from moral teachings. Ethics is a science, not a teaching, whereas moral teachings are teachings, sermons, sermons, standards, a collection of rules and regulations whether oral or written, about how humans must live and act so that they become human beings well. So ethics and moral teachings are not at the same level. That says how we must live not ethics but moral teachings" (1987: 14).

2. Analysis



Terminologically, from these three laws which explicitly mention corporate social responsibility are Law Number 25 of 2007 and Law Number 40 of 2007, while Law Number 19 of 2003 is more implicit. Nevertheless, it is clear that the substance of corporate social responsibility is contained in the three laws. For the effectiveness of the policy at the implementation level, it is better to arrange this corporate social responsibility in one law, there is a uniformity of terms and of course this becomes an integral comprehensive reference for stakeholders of corporate social responsibility programs.

Adopting Bromley's view (1989: 32-33), in a policy framework that is and at the national level, the three laws are at the policy level, then specifically Law Number 40 of 2007 is explained by the government in PP No. 47 of 2012 which is at organizational level. In accordance with its authority, the Minister of BUMN issued Regulation No. Per-05 / MBU / 2007 as a description of Law Number 19 of 2003, in operational level.

Law Number 40 Year 2007 as a substitute for Law Number 1 Year 1995 concerning Limited Liability Companies is an important part of efforts to increase the participation of business people in national development. This can be seen in the general explanation of the law that the regulation on corporate social responsibility aims to achieve sustainable economic development to improve the quality of life and the environment that benefits the company itself, the local community, and society in general. This provision is intended to support the establishment of a harmonious, balanced, and in accordance with the environment, values, norms and culture of the local community, it is determined that the company whose business activities are in and / or related to natural resources must carry out corporate social responsibility . To carry out the company's obligations, this activity or program must be budgeted and calculated as the company's costs carried out by observing propriety and fairness.

From the perspective of the public policy hierarchy, the issuance of three laws, one government regulation and one ministerial regulation are basic guidelines for the regulation of corporate social responsibility programs established by government officials at various levels and binding on all stakeholders. In addition, it is also in line with the principle of hierarchy as stipulated in Article 7 Paragraph (2) of Law Number 12 Year 2011 concerning the Establishment of Legislation which stipulates that any type of legislation is based on the principle that lower laws and regulations may not conflict with higher legislation. This is also in line with what was stated by public policy experts, Anderson, that one of the characteristics of public policy is "in its positive form is based on law and is authoritative" (1978: 4).

The issuance of Government Regulation Number 47 of 2012 is imperative based on the provisions of Article 74 Paragraph (4) of Law Number 40 of 2007. In addition to these laws, those relating to corporate social and environmental responsibility are also regulated in two other laws, namely Law Number 19 Year 2003 concerning BUMN as a substitute for Indonesische Bedrijvenwet, Law Number 10 Prp Year 1960, and Law Number 9 Year 1969, and Law Number 25 Year 2007 concerning Investment as a substitute for Law Number 1 Year 1967 and Law Number 6 Year 1968. Revised both regulations show the interaction between public institutions and their environment, and this is in line with what Robert Eystone explained that public policy is "the relationship of a government unit to its environment" (Anderson, 1978: 2). The issuance of BUMN Number Per-05 / MBU /

2007 concerning BUMN with Small Business Partnership Program and Community Development Program is a derivation of the provisions of Article 88 of Law Number 19 of 2003. These three laws, and Government Regulation Number 47 Year 2012 and BUMN Number 05/2005 / MBU / 2007 is part of the institutional arrangement in accordance with the authority of state / government institutions at the central level.

In its implementation, all policy products give rise to patterns of interaction that take place at the level of implementing policies and to the public as policy targets. In this phase, of course, there will be many valuable notes on various aspects of the implementation of the policies or programs delivered by the policy targets to the program organizers. One of the input notes pertains to the procedure and substance of the program or policy arrangements in its implementation. Furthermore, careful assessment of the aspects of its implementation includes input from program or policy stakeholders as a basis for improving policies in the future. Schematically, this hierarchy and the process of policy or corporate social responsibility programs can be visualized as follows:

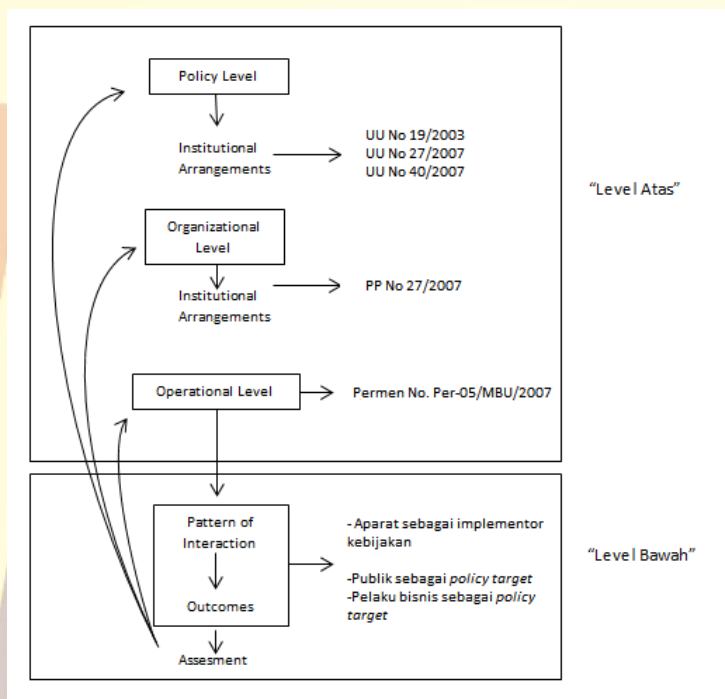


Figure 2. Hierarchy of Corporate Social Responsibility Policies

Source: Adaptation from Bromley (1989, 22-23)

The issuance of all these regulations is due to the role of stakeholders (stakeholders) of corporate social responsibility programs, which consist of institutions and state / government actors (governmental actors) and actors in society (nongovernmental actors). State actors such as state officials, legislators, government bureaucrats and actors in the community, including entrepreneurs / business people are all in the political system (Political System / Political and Governmental Institutions, Processes, and Behaviors). The position of policy makers (policy maker) which is at the level of the legislative and executive institutions which in the context of the policy system is part of the political system is regulated duties, authority and obligations in various regulations that govern it. Between the regulation of corporate

social responsibility as a public policy and a political system there is a mutual relationship of influence.

The birth of various state or government policies regarding or related to corporate social responsibility is not in a vacuum. This means that there is a relationship of interdependence between state / government institutions with various policy products and the surrounding environment. This is in line with what was stated by Dye about the policy system (The Policy System) as a relationship or linkages between social and economic conditions, characteristics of political systems, and the content of public policy (1987: 6). The issuance of Law Number 40 of 2007 and two other laws relating to corporate social responsibility, Government Regulation Number 47 of 2012, State-Owned Enterprises Regulation Number Per-05 / MBU / 2007 are basically forms of public policy. This is a response to the policy environment (Society / Social and Economic Conditions / Environmental Forces and Conditions) in the form of growing conditions of awareness and demands of the community towards the form of business participation in national development. On the contrary, the issuance of various regulations will affect the policy environment. Schematically, this can be seen in the following picture :

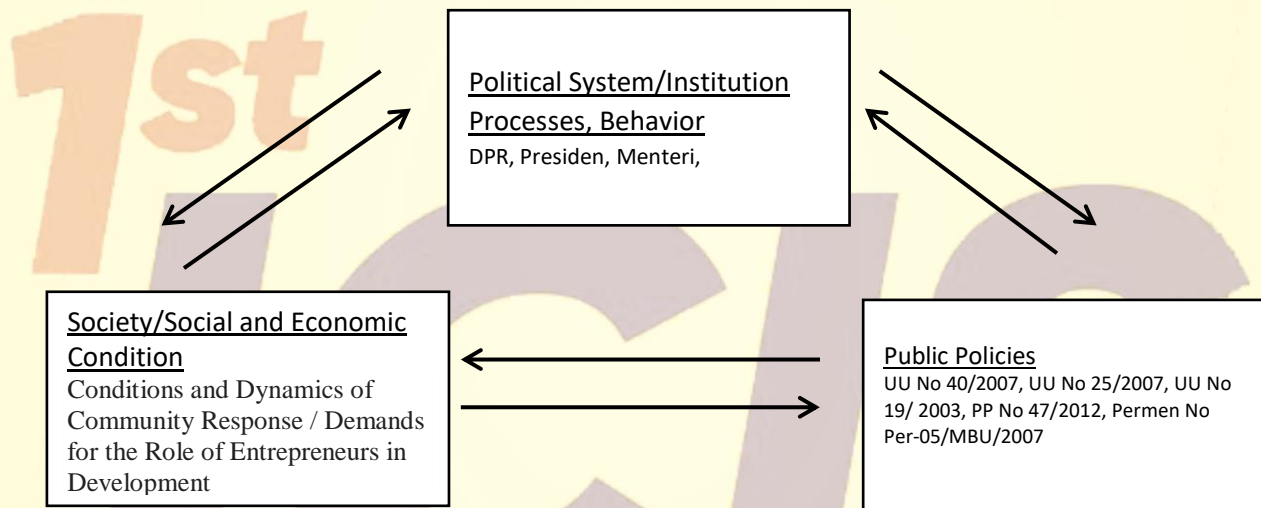


Figure 3. Corporate Social Responsibility Policy in the Policy System

Source: Adaptation of Dye (1987: 6)

The clarity and firmness of the nature of the regulation of corporate social responsibility in legislation will determine its effectiveness when implemented. Terma "can" in the provisions of Article 88 Paragraph (1) of Law Number 19 Year 2003 in the perspective of state administration, one of which is authoritative legality is something that is not strong, because this can be meaningful as something that must be done or not to do. In other words, the formulation of the sentence in Article 88 Paragraph (1) with regard to corporate social responsibility is not something imperative. However, the provisions of Article 15 paragraph letter b of Law Number 25 of 2007 explicitly state that corporate social responsibility is one of the obligations of the five obligations of investors. Thus, the term "obligation" provides a single certainty of meaning, not multi-interpretation, so that it will facilitate implementation.

Because this policy or program of corporate social responsibility demands compliance, especially from business people as a target of policy, the regulation of sanctions becomes very important. Even though the type of sanction to this business entity or individual is mentioned in detail, but the term "can" in Article 34 Paragraph (1) of Law Number 25 Year 2007 indicates something that is not imperative. Whereas as a form of regulation that regulates sanctions for the birth of compliance, Article 34 Paragraph (1) should be firm, explicit and imperative in giving sanctions.

In Article 74 Paragraph (3) of Law Number 40 of 2007 it is stated that companies that do not carry out social and environmental responsibility are subject to sanctions in accordance with the provisions of the legislation. In the article explanation, it is stated that the sanctions referred to are sanctions stipulated in the relevant laws and regulations. This is something that is inadequate as a regulation that regulates sanctions that require compliance from employers / business people as policy targets. Ideally this formulation of sanctions in order to have strong implementation power should be detailed, explicit and operational.

Article 7 of Government Regulation Number 47 of 2012 which states that companies that do not carry out social and environmental responsibilities are subject to sanctions in accordance with the provisions of legislation, it is not sufficient to be referred to as regulations governing sanctions that require compliance from employers / business people as targets policy. This formulation of sanctions should have a strong implementation power, the substance should be detailed, explicit and operational. Likewise, the Explanation of the Article which states that what is meant by sanctions is subject to all forms of sanctions stipulated in the relevant laws and regulations, which are formulations of expressive and ambiguous policy sentences.

From the perspective of the legality of corporate social responsibility as a public policy that requires certainty of norms, the existence of "related laws and regulations" is not something that strengthens in the policy implementation phase. Because the parties who become policy evaluators or law enforcers will be constrained when faced with the fact that these corporate social responsibility obligations are not fulfilled

E. CONCLUSION AND RECOMMENDATIONS

Based on the description above, it can be concluded that from the perspective of public administration, various issues or problems faced by the public, after going through a series of processes in the infrastructure and superstructure structures of politics, are determined to be public policies. One of them is public policy about corporate social responsibility. There is a close relationship between public administration, public policy and corporate social responsibility as one of the substantive areas of public policy. Its implementation is greatly influenced by the capabilities of the public administration apparatus.

Whereas public policy products regarding corporate social responsibility as a dynamic of public administration at the national level include Law Number 40 Year 2007, Law Number 25 Year 2007, Law Number 40 Year 2007, Government Regulation Number 47 Year 2012, and State-Owned Enterprise Regulation Number Per-05 / MBU / 2007. Everything is a product of political decisions, has legality, is in the form of written documents, involves



government officials as public servants, requires compliance, and as a public policy with ethical values.

This study recommends that public policy regarding corporate social responsibility needs to be packaged in one law to facilitate its implementation. It is necessary to formulate a policy on corporate social responsibility as an obligation of entrepreneurs who are not multi-interpretative. It is necessary to form clear, detailed and explicit sentences about sanctions for employers who do not meet the requirements.

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