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**Corporate Social Responsibility (CSR) in Perspective of Public Administration
(A Study of Governance)**

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Abstract

The Implementation of CSR in Indonesia, most of them are not running in accordance with the existing theory because the government and society in CSR activities are not fully authorized to engage in these activities, due to the company directly manages the CSR fund. Thus, the theory of governance put three pillars as a principal provider of public service life, those are, (1) the state, (2) the civil society and (3) the private sector. CSR has to involve all parts or elements which know about CSR, with a focus on (1) Implementation of CSR has to be published and transparent. (2) CSR Fund is administered by a forum / team through a memorandum of understanding facilitated by the government in accordance with its role as mandating, facilitating, partnering, and endorsing. (3) CSR forum / team consists of; government, corporate (private), and society. (4) The form of regional regulation on CSR by reference to Constitution Number 40 of 2007 on the Limited Liability Companies and Government Regulation Number 47 of 2012 on Corporate Social Responsibility so that CSR is considered as one of the important instruments in public administration.

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Keywords: Corporate Social Responsibility (CSR), Governance, Mandating, Facilitating

Introduction

Background

Good governance management, or better known as the good governance is considered not only able to open the greater possibilities for the development of democratic principles and values such as transparency, public participation, plurality and accountability but it is also because of the management and economy side which is considered being more efficient and responsive in public service. The effectiveness of government here does not just mean the ability of government to fulfill or achieve the policies and targets that have been predetermined, but also and mainly the ability of government to anticipate trends, developments and changes that occur in the future.

The implementation patterns of a government which is centralized becoming less actual, so we need government which is decentralized emphasizing the role of government as a regulator and facilitator to create a conducive climate in facilitating the interaction process of public social, political, economic in order to run orderly, controlled, democratic and effective.

In essence, the various developments and changes occurring today has led to strategic environmental of good governance either in social, politics or economics, it becomes very dynamic and full of surprises, turbulence and uncertainty. Such conditions make all organizations, either in the public sector, the private sector or the social sector to making the various fundamental changes and increasing its capacity to keep pace with developments and changes that occur so it remains to sustain the existence and usefulness for the benefit of large society.

The powerless of society in facing the changes and problems was accumulated and caused the social frustration seen by the increasing of social unrest, riot, as well as the symptoms of social disintegration. The facts also showed the existence of crisis on the society those are the improvement of poor, backward, isolated, and worse population. This condition was exacerbated by hunger, malnutrition, which led to the loss of social function and the

loss of potential in fulfilling basic needs, such as food, clothing, shelter, health and education (Goeritno, Ariel et al, 2003).

The existence of constitution on obligation of company to implement CSR greatly assists the regional development, especially Kolaka so that the company is able to carry out its social responsibility well. The government or public organizations have to be able to provide "enabling environment" for CSR. World Bank (2002) classified four roles of public sector in CSR: mandating, facilitating, partnering, endorsing. The appropriate technology was an alternative to overcome the problems encountered in the management of CSR. The technology had the potential to meet several criteria includes:

- a. converting natural resources,
- b. absorbing labor,
- c. stimulating domestic industry, and
- d. increasing society incomes.

Nationally, that is in order to accelerate the recovery of national economy, accelerate the progress of village and face the global competition, it is necessary to accelerate rural development through the utilization of the CSR programs of companies in various fields supported by the application and development of the appropriate technologies.

The Concept of CSR Theory

CSR was born as an answer (positive response) of development actors in the region, those are, government and society in the development of science, technology, needs and challenges of life. CSR implements modern management concepts into practice (real world and society behavior) as an effort to optimize the production / income of a company in realizing the regional development where the company is operating, CSR have to be managed professionally.

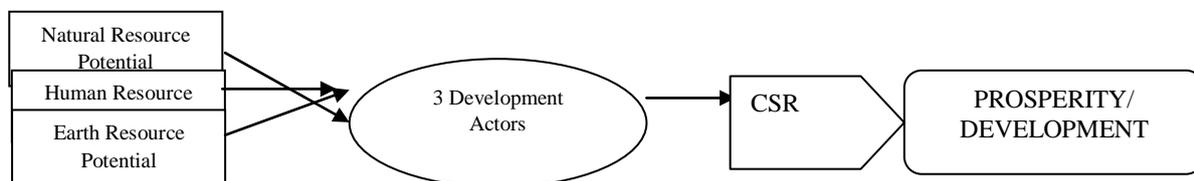


Figure 1: The Engagement Flow of Development Actors

Its philosophy:

Humans need to live in prosperity, therefore, need to cultivate Resources (SD) provided optimally.

The problem, CSR Program has not had the standard rules on the real management so that the stakeholders are still looking for the concept of thought that can be generally accepted by all parties. This condition demands the need for participation of college to facilitate the establishment of CSR program implementation by involving the three (3) development actors.

It is necessary to provide some things to achieve the optimal results:

1. Supported Facilities and Infrastructure,
2. Techniques / procedures (how the concept)
3. Trained Human Resources,
4. Ability to detect the phenomenon surrounds the CSR implementation process which is being running by the company
5. Etc.

CSR in the Governance Concept

CSR implementation in Kolaka in perspective of governance with the involvement of CSR activities among government, corporations (private) and society as agents of development in the governance concept and public service is in sight. Because the governments, corporations (private), and society join together to form a CSR team / forum facilitated by the government as the owner of authority that governs a country / region has been in conformity with its

role, those are, mandating, facilitating, partnering and endorsing. Then the CSR team / forum is going to work in conducting the planning, implementation, and evaluation of development, how the essence of science and implementation of the CSR concept in perspective of public administration science towards the results of the engineering science and technology. As an illustration, depicted as follows:



Figure 2: CSR in the Governance Concept

The Company (private) in the model of application as the image is certainly going to reduce the workload of the company. The Company (private) is the private sector not the public sector that has to manage and focus on the profit management improvement. On the other hand the public (civil society) is also going to keep the company from the outside encroachments of his involvement in CSR activities.

CSR Team / forum has been formed to function doing the planning, implementation and evaluation of CSR activities that is going to result a joint program in realizing the regional development in Kolaka in accordance with the governance concept. However, in the formation of CSR team, it must be set forth in a memorandum of understanding without including the CSR funds into the budget. It is feared if it is included in the budget, the budget can be changed by the manager of the budget.

The model is very clearly reference to the principles of the governance theory which holds that state or government in the global era is no longer believed to be the only institution or actor who are able to efficiently, economically and fairly provide various forms of public services, so that the governance paradigm considers the important of partnership and network among many stakeholders in the administration of public affairs, especially in the implementation of CSR

Conclusion

Referring to the description above it is able to be concluded as follows:

1. CSR aims to apply modern management concepts into practice (real world and society behavior) as an effort to optimize the production / income.
2. CSR is a government policy through the Constitution of the Republic of Indonesia Number 40 of 2007 on Limited Liability Company (PT) on article 74 and the Indonesian Government Regulation Number 47 of 2014.
3. CSR is a government program that fits with the needs of society, able to answer the problems of society
4. The resources has to be managed professionally and the company does not damage the environment, and it is able to be easily utilized by the society and generates some extra values from social, economic and environmental aspects
5. CSR is as an important instrument in public administration
6. The Government and corporate / private is one of the success determinant in the adoption and development of appropriate technologies to the society.

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