

# The Role of Indigenous Communities and Entrepreneurs in Developing Village with an Ecological Insight in Bali by Implementing CSR

I Made Arjaya<sup>1,\*</sup>, I Nyoman Putu Budiarta<sup>2</sup>, Ni Made Jayasenastri<sup>3</sup>

<sup>1,2,3</sup> Faculty of Law, Universitas Warmadewa, Denpasar, Bali

\*Corresponding author. Email: imd.arjaya@gmail.com

## ABSTRACT

The object of this research refers to the temples in the indigenous community at the research location, as well as the potential that exists and allows it to be collected by indigenous peoples to repair existing damage, maintain and preserve and finance ceremonies that must be carried out routinely in each temple in the community Balinese customs. This research is preliminary research that will continue to be developed according to existing needs. Starting in Badung Regency, research will then be carried out in all districts and cities in Bali to achieve the stated research objectives. The research method used is empirical through statutory social approaches. Data collection was carried out through interviews with stakeholders, namely rulers, entrepreneurs, and community leaders. The collected data were analyzed using induction and deduction analysis, and the analysis results were presented descriptively. The Local Government of Badung Regency has made a Regional Regulation on Corporate Social Responsibility. The Badung Regent has drafted a Badung Regent Regulation on the Implementation regarding Corporate Social Responsibility. The Regent of Badung also provides direct social assistance to indigenous people to repair damage in the temple and finance ceremonies that must be held regularly every six months or twice a year.

**Keywords:** CSR, Ecotourism, Indigenous people, Village development.

## 1. INTRODUCTION

One or more Banjar supports villages in Bali. Each Banjar is supported by members of the Banjar who are indigenous people. The implementation of the daily life of indigenous peoples is colored by habits originating from Hinduism. Tourism in Bali lives and develops by utilizing the habits that live of predominantly Hindu people. Tourism in Bali is known as cultural tourism because it sells culture that lives and develops in daily lives of Balinese people. However, the foreign exchange generated from tourism is not directly enjoyed by indigenous peoples in Bali. Although so much foreign exchange is obtained from the tourism sector in Bali, and the Indigenous Peoples do not directly enjoy the foreign exchange, the indigenous peoples in Bali continue to carry out their traditional life in their daily life without caring about the results obtained by Tourism Entrepreneurs and Regional Authorities from their activities. Indigenous people's daily activities are paid for by tourists, both domestic tourists, and foreign tourists.

Every village in Bali has the duty and obligation to maintain the ceremony's sustainability and sustainability that must be carried out in every temple in the village. Each village in Bali is responsible for carrying out a minimum religious ceremony for the Pura Kahyangan Desa or Pura Kahyangan Tiga, which consists of Pura Desa, Pura Puseh, and Pura Dalem. Even in several villages in Bali, there are other temples besides the Kahyangan Desa Temple or the Kahyangan Tiga Temple, such as the Sad Kahyangan Temple and the Kahyangan Jagat Temple. The Regional Government of Badung Regency has made a Regional Regulation on Corporate Social Responsibility. The Badung Regent also provides direct social assistance to indigenous peoples to repair the damage in the temple and finance ceremonies that must be carried out regularly every six months or twice a year. From the background of the problem above, there are two legal issues are: How does the Government organize the implementation of Corporate Social Responsibility in Badung, and What is the role of Indigenous Peoples in encouraging the implementation of corporate social responsibility in Badung.

## 2. RESULT AND DISCUSSION

### 2.1 *The Regulate of Corporate Social Responsibility in Badung Regency*

#### 2.1.1 *Law Number 40 in 2007 regarding Limited Liability Companies*

Corporate Social Responsibility is regulated in Article 1 point 3: "Social and Environmental Responsibility is the company's commitment to participate in the development of sustainable economic to increase the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general." CHAPTER V Environmental Social Responsibility Article 74 paragraph (1), (2), (3), and (4), as follows: (1) The Limited Liability Company Law states that companies that conduct their business activities in the field of and/or related to all-natural resources are obliged to conduct social and environmental responsibilities. (2) The social and environmental responsibilities, in the paragraph (1), is the Company's obligation, which is budgeted and calculated as the expense of company, the implementation of which is done due to propriety and fairness. (3) The Limited Liability Company does not carry out the obligations as referred to in paragraph (1) is subject to the sanctions by the provisions of the legislation. (4) Further provisions regarding social and environmental responsibilities are regulated by government regulations. Law Number 40 in 2007 with regard to Limited Liability Companies explains that paragraph (1) of Article 74 contains the intent: This provision aims to continue to create the harmonious, balanced, and appropriate Company relationship with the environment, values, norms, and culture of the local community. What is meant by "Companies that carry out their business activities in the field of natural resources" are Companies whose business activities manage and utilize natural resources. What is meant by "Companies that run their business activities related to natural resources" are Companies that do not manage and do not utilize natural resources but whose business activities impact the function of natural resource capabilities.

#### 2.1.2 *Government Regulation Number 47 in 2012 of Social and Environmental Responsibilities on Restricted Liability Companies*

As has been regulated in the Law Number 40 in 2007 concerning Restricted Liability Companies, furthermore regarding SER/TJSL, it is regulated in Government Regulation Number 47 in 2012 concerning Social and Environmental Responsibility of Restricted Liability Companies where this regulation is specifically on CSR from companies, as regulated in the regulations of this government, among others: Article 2 Every company as a legal subject owns social and also environmental responsibilities. Article 3 (1) Social and environmental responsibility in the Article 2 become obligation for the Company which runs its business activities in the field of

and/or related to natural resources based on the Law. (2) The obligations in paragraph (1) are conducted both inside and outside. The Board of Directors carries out article 4 (1) Social and environmental responsibility based on the Company's annual work plan after getting approval from the Board of Commissioners or GMS/RUPS by the Company's articles of the association unless otherwise stipulated in the laws and regulations. (2) The Company's annual work plan, as referred to in paragraph (1), contains the activity plan and budget required to implement social and environmental responsibility. Article 5 (1) Companies that runs business activities related to natural resources, in stipulating activity plans and budgets as stated in Article 4 paragraph (2) must pay attention to propriety. (2) The realization of the budget for implementing social and environmental responsibility carried out by the Company as referred to in paragraph (1) is calculated as the Company's expense.

#### 2.1.3 *Badung Regency Regulation Number 6 in 2013 with regard to Corporate Social Responsibility*

In carrying out the contribution to the social sustainability of the local community by a Limited Liability Company engaged in the tourism sector as described in the Badung Regency Regulation Number 6 in 2013 on Corporate Social Responsibility, namely as stipulated in the Article 1 paragraph 5: "Corporate Social Responsibility, hereinafter abbreviated as CSR, is the obligation of every company to finance and/or facilitate Regional Government Programs related to improving the quality of community life in the social, economic and natural environment based on the principles of equality and justice." In implementing CSR as stipulated in the Regional Regulation of Badung Regency number 6 in 2013 concerning Corporate Social Responsibility, the Company must a. Prepare for implementing CSR activities by the principles of social responsibility in the business world with the local government policies and also applicable laws. b. Cultivate, establish and develop a network system of cooperation and partnership with other parties, and carry out studies, monitoring, and evaluation of CSR implementation by always paying attention to the interests of companies, local governments, the community, and environmental sustainability. Cultivate, establish and develop a network system of cooperation and partnership with other parties, and carry out studies, monitoring, and evaluation of CSR implementation by focusing on the interests of companies, local governments, the community, and environmental sustainability as well. c. Establish a commitment that CSR is an integral part of company regulations' management policies and company development programs.

#### 2.1.4 *Badung Regent Regulation Number 39 in 2018 on Facilities for the Implementation of Corporate Social and Environmental Responsibility in Badung*

This discusses the mechanisms, procedures, and procedures for the implementation and reporting of the

CSR program as enacted in Regional Regulation Number 6 of 2013 concerning the Implementation of Corporate Social Responsibility, to realize the synchronization and synergy of the implementation of the CSR program with the work program of the Regional Government. Purpose and Objectives Article 2 of this Regent's Regulation is intended to provide direction and guidance in the CSR program in the regions, including 1. poverty alleviation; 2. socio-cultural problems; 3. use of space and the environment; and 4. infrastructure development. The Regional Government coordinates the mechanism for implementing CSR in the regions, wherein Article 5 the Regent appoints the Team for implementing the CSR Forum in charge of synergizing and integrating the implementation of CSR based on the priority scale of Regional Development, as explained below: Article 5 (1) The mechanism for implementing CSR shall regulate the procedures for implementing CSR, Evaluation, and Reporting. (2) The implementation of CSR in the Regions is coordinated by the Regional Government. (3) In the implementation of coordination as referred to in paragraph (1), the Regent shall appoint an Implementing Team for the CSR Forum in charge of synergizing and integrating CSR implementation based on the priority scale of Regional Development to the CSR forum in the regions. (4) For the smooth implementation of the duties of the CSR Forum Implementation Team as referred to in paragraph (2), the CSR Forum Implementation Team is assisted by the Secretariat of the CSR Forum Implementation Team, which is based in the Development Section of the Badung Regency Regional Secretariat.

## ***2.2 The Role of Indigenous Peoples in Supporting the Enforcement of Corporate Social Responsibility in Badung***

### ***2.2.1 Role of Indigenous Law Communities in Sustainable Environmental Management***

Making policies and laws and regulations that reflect justice, democracy, and sustainable use of natural resources, by integrating at least 5 (five) Principles as follows:[\[i\]](#) a) Natural resource management must be more humane and in favor of environmental conservation and oriented to provide people's welfare and prosperity as well as ecological sustainability; b) Natural resources must be used and allocated equitably and democratically for present and future generations in a sustainable manner; c) Natural resource management must be able to create community cohesiveness in various layers and groups and be able to protect and maintain the existence of traditions and culture as well as legal instruments of customary law communities as living law institutions in local communities; d) Natural resource management must be carried out with an ecological system approach (ecosystem) to prevent exploitative, ego-sectoral, ego-regional management practices, do not integrate the balance of economic interests, ecological conservation, and preserve the social and cultural institutions of the community. Customary Law in the region; and (e) Natural resource management policies must be locally

specific, adapted to local communities' ecosystem conditions and socio-cultural systems. Thus, the five principles above as a unit mean that the management of natural resources and the environment with Indonesian characteristics reflects the recognition and protection of the environmental wisdom of the Indonesian people by prioritizing conservation and sustainable management performance to realize the mandate of the people's welfare and prosperity in a just and fair manner. Sustainable development based on cultural pluralism and living law in the nation and state within the Unitary State of the Republic of Indonesia. Thus, the essence of the principles referred to above is as follows:[\[ii\]](#) 1. Natural resource management policies are not oriented to exploitation (use oriented) but prioritize the interests of conservation and sustainability of the environment and natural resources (sustainable natural environment and resources management); 2. Natural resource management is decentralized, prioritizing a holistic and comprehensive-integral approach because the environment is a living space and living system, an ecological system, and a source of human life; 3. Providing space for public participation and transparency in policy and law-making by providing genuine protection and recognition for the existence and rights of indigenous peoples over control and access to natural resources as a source of life, and Providing living space and recognition and protection of customary law institutions that reflect the community's ecological wisdom which has proven to be more effective in conservation performance and maintaining environmental capabilities and sustainability.

### ***2.2.2 The Role of Traditional Villages in Water Management as a Local Potential based on Ecotourism***

It is essential to explore community empowerment based on traditional villages by remembering that most natural resources such as tukad water sources and water sources developed as new tourist destinations are in villages within the customary village environment. All districts/cities in Bali are actively encouraging villages to empower water resources as a source of village income and local community survival that does not depend on foreign tourists.[\[iii\]](#) Through innovation on water resources in the form of exchanged water and water sources that are combined with cultural resources nicely, the appearance of local potential with its characteristics will inevitably be able to be highly competitive to be used as a source of strength to achieve mutual prosperity.[\[iv\]](#) The management of exchanged water and water sources by indigenous peoples in a container called an ancestral village is conservation in the sense of restoring the function of exchanged water as a source of life and at the same time as an economical source to lead to the mission of preserving the function and protecting it sustainably. The packaging is still developing new tourism destinations with their respective economics according to their location by coexisting religious and secular communal aspects, state law and customary Law,

between Traditional Villages and Service Villages and Local Governments. The success of conservation through education raises awareness of the importance of restoring the function of exchanged water and water sources that can be utilized for welfare by empowering local communities, which impact traditional villages. To strengthen traditional villages through the creation of new tourism destinations, public awareness is needed of the importance of innovation in exploring local potentials and conserving exchange water and water sources, so that the educational aspect becomes the most critical part to support environmental conservation, either to protect water sources or the riverbank park and integrated with other activities such as culinary, art market, jogging track, water attractions.

### 2.2.3 *Community Strengthening and Empowerment in Source-based Waste Management in Kedonganan Traditional Village*

The Kedonganan Traditional Village has an area of 1.91 Km<sup>2</sup>. The number of Banjar Adat is 6. The population consists of 1,852 families, 7,034 people, natives, 1,228 families, 4,600 people, and immigrants and immigrants, 624 families, 2,434 people.<sup>[v]</sup> It has a coastline of 1020 meters, with west coast activities as a place for fishing activities and café businesses and the potential for developing mangrove tourism on the east coast of the Kedonganan traditional village. Three important points of community empowerment in environmental management in the Kedonganan Traditional Village are the Seafood Café Area Arrangement, Ecomangrove Development, and source-based waste management.<sup>[vi]</sup> All three are regulated in customary rules in the traditional village of Kedonganan. Starting in August 2020, the 2022 clean Kedonganan was declared to realize the program in collaboration with Donors (CSR Pertamina, Rotary Club, Village Enterprises).

### 3. CONCLUSION

CSR regulation in Bali, especially in Badung Regency, is regulated by Law no. 40 of 2007, then further regulated by Government Regulation no. 47 of 2012. In Badung, Regency CSR is regulated by Regional Regulation Number 6 of 2013 and regulated by Badung Regent Regulation No. 39 of 2018. The role of the Indigenous Law Community in the Implementation of Corporate Social Responsibility in the Kedonganan Traditional Village, Badung Regency, Bali is by regulating community participation in customary law regulations and collaboration with donors in the form of Pertamina CSR, Rotary Club, and Village Enterprises.

### REFERENCES

[1] Nurjaya I Nyoman, “Sustainable Environmental Management Based on Indigenous Law Community in Legal Anthropology Perspective, Denpasar, 2021.

- [2] Suwitra I Made, “Water Management as Local Potential in Strengthening Ecotourism-Based Traditional Villages, Denpasar, 2021.
- [3] Mertha I Wayan, “Community Strengthening and Empowerment in Environmental Management”, Denpasar, 2021. Mertha I Wayan, “Community Strengthening and Empowerment in Environmental Management”, Denpasar, 2021