

Partnership Program For Community Economic Empowerment (Study on Corporate Social Responsibility PT Telkom Indonesia)

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Abstract--This study examines the implementation of Corporate Social Responsibility Partnership Program at PT Telkom Indonesia in community economic empowerment. The type of study that is used is qualitative descriptive study with case study design. The object of this study is partnership program as one of the pillars of Corporate Social Responsibility at PT Telkom Indonesia, with the speakers chosen purposively. Data were collected through in-depth interviews, participant observation, and documentation study. The result of this study have shown that PT Telkom Partnership Program is a program to improve small business in order to become strong and independent through the utilization of funds from the company's profit plus interest on deposits and savings funds accumulated since the partnership program from 2001 until now. There are two forms of activity in PT Telkom Partnership Program, they are provision of a loan with a 6 percent annual administrative services, and grants in the form of coaching, training, apprenticeship, and exhibition for the partners. The response and participation of the partners in PT Telkom Partnership Program is really excellent. The drawback of implementing PT Telkom Partnership Program is the absence of BUMN database center that triggers potential duplication of aid loans to the partners, the paradigm of community that is not independent yet, and the attitude of trust partners who are still lacking discipline. Partnership Program as a community development program has significantly increased the progress and independence of the partners, which in turn can improve the economic welfare of community.

Keywords : corporate social responsibility, partnership program, community development

I. PRELIMINARY

The existence of micro, small and medium enterprises (SMEs) in Indonesia has great potential and has proved to be a safety net when the country's economic crisis struck in 2007. SMEs make a major contribution to the gross domestic product (GDP) and can absorb a lot of labor as shown in the table 1. In addition, the development of SMEs to be one indication of the economic growth of the region.

TABLE 1.
Development of SMEs in Indonesia
2010-2012

Indicators	Unit	2010	2011	2012
Total MSME		53	55	56
Units	Units	823	206	534
		732	444	592
Growth in Number of SMEs	Percent	2,01	2,57	2,41
Total Labor SMEs	Person	99	101	107
		401	722	657
		775	458	509
GDP contribution of SMEs (constant prices)	Rp. billion	1 282 571,80	1 369 326,00	1 504 928,20
Export value of MSE	Rp. billion	175 894,89	187 441,82	208 067,00

Source: Central Bureau of Statistics Page, 2015

Therefore, the presence of SMEs should be empowered and developed such that it can improve people's welfare and progress of the nation. The problem has become a common complaint, many SMEs often are not optimal in the operations due to various constraints. SMEs generally constrained by managerial problems and capital.

Related to the problem of capital for SMEs, in the international world we know lunge Mohamad Yunus of Bangladesh; who won the Nobel Peace Prize in 2006, and was awarded Doctor Honoris Causa from the London School of Economics (LSE) on November 24, 2011 in London, England .

Mohamad Yunus develop micro-credit through the Grameen Bank. Since the 1980s, Grameen Bank has disbursed US\$ 7.5 million loan to a group of poor people.

In the country, one of the efforts made to assist SMEs in improving their business, among others, through the Corporate Social Responsibility Partnership Program State-Owned Enterprises (SOEs).

In this paper, the authors focus the discussion on Corporate Social Responsibility Partnership PT Telekomunikasi Indonesia, Tbk (Telkom) with the consideration that the CSR activities of PT Telkom has a lot of gain respect and appreciation of society, including in 2010 Telkom get three awards for Best CSR for Indonesia in the event For Indonesian CSR Awards 2010. (PT Telkom Indonesia CSR Report 2010: 14-15). In addition, the credit that has been distributed also had relatively large and indicates an increasing trend each year. In CSR Report 2010 PT. Telkom Indonesia (24-25), For Year 2010 funding partnership program that has been distributed throughout Indonesia Rp.283.773.000.000.

II. LITERATURE REVIEW

Proponents of the concept of CSR argue that the company has a broader responsibility than just for profit and law-abiding to its shareholders. Corporate responsibility includes issues such as work environment, relations with the surrounding community, and environmental protection. (Whitehouse2003;vanMarrewiik2003;Zadek,2004)¹. Thus CSR should not merely an obligation that must be met by every company, but it should already be conscious of each company to implement.

A major breakthrough in the context of CSR, made John Elkington in 1997 in his book *Cannibals with Forks*, the Triple Bottom Line of the Twentieth Century Business Elkington developed the concept of the triple bottom line in terms of economic prosperity, environmental quality, and social justice. Through this concept Elkington suggested that companies that want to continue to run their business must pay attention to 3P of profit, people and planet².

Companies that run their business is not justified only pursue advantage (profit), but they also need to be involved in the fulfillment of social welfare (people), and actively participate in protecting the environment (planet).

CSR in general can be understood as the company's efforts to balance between the needs or goals of economic, environmental, and social. At the same time also be able to meet the wishes of the shareholders and stakeholders. In other words, CSR is how companies can interact with shareholders, employees, customers, suppliers, governments, NGOs, and others takeholders. In practice, an activity called CSR as have a number of characteristics which are as follows (Rahman, 2009: 13-14):

- 1) Continuity and sustainability or sustainable and sustainable which is a vital element of CSR.
- 2) Community empowerment or community empowerment
- 3) Two ways communication means CSR program is a two-way communication.

According to Gunawan, Alex (2008: 17-18) forms of CSR in the field is divided into three perspectives, namely 1) CSR-based caricature (charity), 2) CSR-based charity (philanthropy), and CSR-based community development (local development community).

Caricature (charity) program is usually a starting point for a company to carry out CSR programs. This program is purely charitable nature. Caricature program realized by providing assistance desired by the community. Caricature of a program that is giving (giving) very many weaknesses, among others: can not guarantee prosperity in the long term, people have a habit of getting results without the process, and if appropriate in assessing not just biased trigger horizontal conflicts that are very dangerous. Program caricature of the most visible among other companies through doing groceries division, build mosques, building custom homes, build bridges, etc. Philanthropy comes from the Greek, *philein* meaning "love" and *anthropos* meaning "man". Philanthropy is the act of a person who loves others (humans) to donate time, money, and energy to help others. This term is generally given to people who give a lot of money for charity. One is usually a wealthy who of tend on ate the poor.

In the world of CSR, philanthropy program (philanthropy) is a form of CSR that is based on the awareness of ethical norms and universal law of the need to redistribute wealth. The program is usually done by rich people with the mission of addressing the problem until keakarnya. This program grants for the development of both tangible infrastructure and human resource development. Target program is wider community not only the poor alone.

In a community-based CSR, one implementation is through corporate citizenship. Corporate citizenship is an enterprise perspective in attitude and behavior when dealing with other parties, such as customers, suppliers, communities, governments and stakeholders (stakeholders) other. The objective of Good Corporate Citizenship (GCC) is as one way to improve the company's reputation, increase competitive advantage and help improve the quality of human life.

Community development programs in Indonesia can be divided into three categories³:

- 1).Community Relations.
Activities related to the development of understanding through communication and information to the parties yang terkait. In this category, the program is more likely to lead to forms charity (charity) company.
- 2).Community Services.
Is a service of the company to meet the interests of the public or general interest. The core of this category is to provide the needs that exist in community and problem solving is done by the people themselves, while the company is only as facilitators of solving the problem.
- 3).Community Empowering.
Are the programs related to providing wider access to the public to support their independence, such as the formation of other small industries that are naturally members of the

¹ www.media Indonesia.com, accessed, 7-24-2007

² www.csrindonesia.com, accessed, 12-25-2009

³ Op.cit

community already has a supporting institutions and companies provide access to existing social institutions in order can continue.

In this category, the main goal is the independence of the community. Of the community, a good CSR practices will increase the value added of firms in an area because it will create employment, improve social quality in the area. Strictly speaking, the existence of CSR is in order to strengthen the sustainability of the company itself by building cooperation among stakeholders that the company facilitated by arranging community development programs around.

It must be admitted that the motive of a company to organize CSR can vary from one company to another. At least, Nielsen and Thomsen, 2009 (in *Bisnis Indonesia* February 13, 2011) mapped the four perspectives that form the basis of looking at the company's motives for conducting CSR programs, ie. The first perspective view of CSR activities are instrumental. The objectives of CSR activity is as a means to achieve business objectives, namely profit (profit). Many companies, or the owners of capital, skeptical of the social role of CSR, but they still do it. He merely see CSR as an instrument to increase sales. The survey reported by Goodpurpose in 2010 that states 80% of customers in developing countries (China, India, Brazil, and Mexico) wanted a brand that also explain the tendency of social care retail companies are increasingly active in CSR activities. The second perspective view CSR as a tool to influence the legitimacy of the company and perspective views of stakeholders and the public. Companies do CSR because they want to gain power over the stakeholders. The third perspective express companies do CSR with a motive to obtain a license to operate. Permission from community activities without interruption. This perspective is also called integrative view as the leader company sees oneness with the communities. The fourth perspective argues the company's CSR activities for ethical reasons. Is the moral responsibility of the company to carry out CSR programs. The Company, as part of a social entity, together with the public should be subject to ethics. They do not live in a vacuum, but its activity is tangent to the need for morality and ethics that over shadow his actions.

In Indonesia, CSR is aggressively campaigned by various interested parties. In this case, there are five pillars of CSR activities, namely:

- 1) Building human capital
In connection with the company's internal human resources to create reliably, on the other hand, companies are also required to empower society.
- 2) Strengthening economies.
Companies must empower the surrounding community economic, to enable the distribution of welfare.
- 3) Assessing social cohesion.
Efforts to maintain harmony with the surrounding community, so as no conflict.

- 4) Encouraging good governance.
The company in its business refers to the Good Corporate Governance (GCG)
- 5) Protecting the environment.
Requires companies to maintain the surrounding environment.
(Wahyudi and Azheri in Rahman, 2009: 13)

III. RESULTS AND DISCUSSION

Based on the results of the research were collected by interview, observation and documentation can be explained as follows:

According to the policy of PT Telkom, "Partnership Program is a program to improve the ability of small businesses to be strong and independent through the use of funds from the profits of SOEs. The point is that the partnership program is a program designed to improve the ability of small businesses to be strong and independent. Policies PT Telkom stated that, "the source of the partnership program funds obtained from the use of funds from the SOE profits". Within the policy, explicitly stated how many or what percentage of funds set aside from net profit SOEs.

According to the Regulation of the Minister of State Enterprises No. Per-05 / MBU / 2007 dated 27 April, 2007 (CSR Report 2009 PT Telkom, 2009: 37), the source of funds derived from the partnership program:

- Elimination profit after tax up to 2% (two percent).
 - Administrative-services loans, interest on deposits and current accounts of the fund or partnership program.
 - Devolution partnership program funds from another state, if there is
- Following the development of PT Telkom Partnership Program funds collected from 2008 to 2010.

TABLE 2.
Fund Partnership Program 2008-2010

Year	Value Distribution (IDR)
2008	267.607.815.953,-
2009	365.344.226.912,-
2010	396.694.008.641,-

Source : PT Telkom CSR Report 2009 and 2010

In addition to the allowance for net profit of the company, partnership program also accumulates funds from administrative fees. For those who receive assistance loan program funds partnerships charged fees of 6% per year. This problem is in accordance with the provisions of Telkom that, "The magnitude of Loan Administration Service Partnership Program Fund per year by 6% (six percent) of the loan limit or otherwise determined by the

Minister (PER MEN-05 CHAPTER IV Pasal.12 paragraph (3))".

Small businesses that can participate in the partnership program are as follows:

- It has a net worth of at most Rp.200,000,000, - (two hundred million dollars), excluding land and buildings; or
- Have an annual sales revenue of Rp. 1,000,000,000, - (one billion dollars);
- Owned Indonesian citizen;
- Stand alone, not subsidiaries or branches of companies owned, controlled by, or affiliated directly or indirectly with Medium or Large Enterprises;
- Shaped individual business, business entity that is not a legal entity, or a business entity with legal status, including cooperatives.
- Has been conducting business at least 1 (one) year and have the potential and prospects for development.

According to the RPI, the criteria of small businesses that can follow a partnership program:

- Have a business that has been running for at least one year,
- It has assets of less than 200 Million (outside the building + land),
- Turnover of not more than one billion a year.

Small businesses who apply for loans, and otherwise meets the requirements set called trained partners. Partners have the following obligations:

- Carry out business activities in accordance with the plans that have been approved by state trustees;
- Organizing recording / bookkeeping order;
- Pay back the loan in a timely manner in accordance with the agreements that have been agreed;
- Delivering business progress report every three months to the SOE Trustees.

Small businesses are required in the partnership program is actually a micro business. In our society, this micro enterprises which are numerous, and most in need of financial aid and guidance. So with the partnership program, they can raise capital and expand its business, in the middle a situation in which many small businesses are difficult to develop because of a lack of capital and entangled by moneylenders.

The procedure to obtain a loan fund partnerships through the following steps:

- 1) Small businesses target potential partners submitted a proposal to the SMEs PT Telkom. The proposals describe the type of business you run, where his place of business, for what the loan will be used (reasons lending), and how much the loan.
- 2) Fill out the form provided by PT Telkom and the necessary requirements. The form contains the data bio candidates trained partners.

The requirements that need to be attached:

- Certificate of effort from RT / RW

- A statement has not become another trained partners
- Financial statements / business last at least 3 months
- Card (KTP)
- Family Card (KK)
- Marriage Certificate
- Collateral (for a loan of 10 million and above) whose value is 1.5 times of large loans
- Power of attorney from the heirs.

3) Survey to the location. Officers in the sub-area partnership program conducted field surveys with prospective business partners come to the location of the target. They did recheck the data submitted by the state in the location, for example right there's no business, really not concerned who have a business page etc.

4) Analysis of the survey results and evaluation to determine the feasibility of potential partners in the target; to be approved or not loan funds of candidates trained partners.

In this case there are four categories of decisions:

- Accepted
- Received over the proposed loan
- Received less than the proposed loan
- Rejected

The reason the loan is rejected, can be due to:

- Fiktip efforts.
- Dishonest / no hidden information.

Based on the evaluation results of the survey, the officer told the prospective the partners of the filing of the proposed loan. The first was delivered by telephone, followed by a formal letter.

- 5) Loan disbursement and meetings with the partners.
- Disbursement of loan funds is done every 3 months (4 times a year)
 - Distribution is done by way of transfer of Bank BNI '46
 - Meeting with the partners made to explain how the loan is approved, the manner of
 - payment of installments beginning at the start of .
 - Repayments (no grace period / grace period of 1 month installment payment), the obligations established partners to create business reports (3 months),
 - the signing of the loan agreement (contract), and the handover of collateral.
 - In meetings. also often filled with business motivation and religious Tausyiah.

Based on the procedures for borrowing funds partnership program as described above, the procedure can be described as follows:



Fig 1. Partnership Program Fund Loan Procedure PT Telkom
Source : PT Telkom Indonesia CSR report (2010:24)

Forms of partnership program activities include:

- 1). Assistance loan
 - Working capital and or
 - Purchase of capital goods (productive fixed assets).
 - special loans are short term (maximum 1 year).
- 2). Grant (Development) in the form of education, training, and apprenticeship, with the aim of:
 - Improving the managerial skills and techniques of production / processing.
 - Improve the quality control of production.
 - Improving compliance technology standardization.
 - Improve the design and engineering.
- 3). Marketing products trained partners:
 - Assist the sales of products MB.
 - Helps promote products MB through the exhibition and the provision of showrooms.

Based on the survey results of the partnership program in 2010, the response and partisipasi the partners in the Partnership Program PT Telkom can be explained as follows:

- Benefits of the national average is at 90.01%, including the criteria very useful (according to criteria of 75-100% is very useful).
- Opinion national average is 93.23% is included in the criteria very satisfied (according to criteria of 75-100% were very satisfied).
- The effectiveness of lending and development partnership program assessed effective at 92.32% (according to criteria of <50.0% declared effective).
- Image Telkom according to the respondents amounted to 88.27% and the otherwise excellent (75-100% according to the criteria stated very good image).

(Report CSR PT Telkom, 2010: 27)

Other data related to the response and partisipasi the partners in the Partnership Program PT.Telkom can be seen from the following testimonies (PT Telkom Indonesia CSR report 2010):

Brotoseno (Artisans Batik, Sragen, Central Java).
 “We have become the target of Telkom (CSR) Solo during the one-year loan of Rp 25 million. Many of the benefits that we feel. In addition to soft capital interest, we are also given the opportunity to participate in exhibitions both at home and abroad. That in the country that exhibit at JCC Jakarta and abroad, namely in Brunei. For pamen us and in our country can be a good sales and we can the buyer, which is still running, being abroad we can also pretty good sales. In the exhibition, we, guided Telkom, always facilitated both accommodation and transportation as well as pocket money. The exhibition is very helpful in promoting our products, so our products are well-known both at home and abroad. Therefore, in this occasion, we would like to thank profusely to Telkom that has helped our business, and last but not least we also have created a community of fellow partner Telkom, with the communities we keep each other informed about the development of fashion , and the trend is up to date. For the future, we always expect the need for training in quality management and export procedures, and management of business management”.

Ana Nuryana, (Entrepreneur "Kelom Geulis" Tasikmalaya, West Java)

“Business development before and after becoming trained partners Telkom. The initial production of 900 pairs per month to 2,000 pairs per month. Sales turnover originally Rp. 45,000,000 million per month to Rp. 100 million per month. The number of employees is now the first 22 people 50 people. Business profits initially Rp. 6.75 million per month to Rp. 15,000,000 per month.

Bahrudin, (Entrepreneur Craft and Gems, Martapura, South Kalimantan).

“Since obtaining the help of Telkom in 2007, our business is growing rapidly. With the help we can add the type and number of craft items, buy materials for the manufacture of the ring so that a lot of customers who come to our place”.

Eko Suharyono (Instant Herbal Beverage Employers Hijriah).

“Before the Partnership Telkom our efforts as the saying goes, life did not want to shrink from death. Small entrepreneurs like us find it difficult to expand the market and the difficulty of capital because our business products only absorbed by the local market only. Let alone for the development of

the market, could pay the salaries of our employees have been lucky. But since the Partnership Telkom and capital assistance and training, mindset we become more open. The trainings are given Telkom already I feel the benefits, and so assist in this effort. We often participate in various exhibitions, and the results are very positive, our products have been marketed throughout Indonesia. We learned to make the financial statements and making a good marketing strategy. In the near future we are trying to make a sachet to facilitate marketing. Thanks Telkom”

Muliadi,(Entrepreneur Shoes, Binjai)

“I really helped with the loan funds for business development of Telkom. Previously the number and types of shoes that I created is still very limited, because I do not have sufficient funds to develop, whereas my shoe enthusiasts that time more and more alone.

Since I get a loan from Telkom amounting to Rp 50 million, I could increase the number and type of shoe production to meet customer demand. I was employee number, which is used only 2 people, Now had 8 people and my marketing areas that used to only be able to meet around Binjai, Medan and Aceh alone, but now it is up to the area, Riau, Palembang, Jakarta, Java, Borneo, and even Manado. To get new ideas and new models, I always immediate access through speedy internet at home, even for marketing was already a lot of orders that come through the blog ([http // sepatubinjai.blogspot.com /](http://sepatubinjai.blogspot.com/)) that I created on the internet .Thanks Telkom, Telkom hopefully getting ahead so that it can help people more”.

Therefore, based on the above information can be stated that the Partnership Programme PT Telkom has significantly can empower businesses established partners, which in turn can improve the local economy. But still there is a sense in the community, bahwasannya CSR activities of companies that everything is grant alias free. This is causing problems role in the implementation of the partnership program.

Various constraints faced by Telkom in implementing the partnership program are:

The absence of a database center SOEs which raised the potential for duplication of aid loans to the partners.

- Attitude trustful partners who still lack the discipline, leading to problems in the mortgage payments.
- Micro small have not a property that can be pledged.
- Do not get used to prepare financial statements.
- Unusually used to the bank minded considered to make complicated and costly.

- Problem assisted partner participation in development activities are considered a waste of time because they leave their business so do not get revenue.

Conclusions and Recommendations

Conclusions

Based on the results of research and discussion of conclusions can be drawn as follows:

1. Partnership Program PT Telkom is a program to increase small business in order to become strong and independent through the use of funds from the company's profit plus interest on deposits and savings funds accumulated since the partnership program from 2001 till now.
Process Partnership Program activities PT Telkom through three stages, namely lending of funds, loan repayment with administrative services 6 percent per year, and in the form saresehan coaching, training, apprenticeship, and product exhibitions trained partners.
2. Response and participation of the partners in the Partnership Program Telkom rated excellent.
3. Constraints faced in implementing the Partnership Program Telkom them is the absence of a database center SOEs which raised the potential for duplication of aid loans to the partners, the paradigm dependent communities, and the attitude of trust partners who are still lacking discipline.
4. The partnership program as one of corporate social responsibility activities increased community economic welfare.

Recommendations

Based on the conclusions stated that the Partnership Programme PT Telkom has done well, although there are still shortcomings. For the partnership program should continue to be implemented and has significantly improved since the progress of the business can increase the established partners.

To enhance the business success of the partners in addition to coaching and training have been implemented, as well as appropriate given the technical guidance or mentoring activities, which can cooperate with universities.

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