Partnership Scheme Analysis on Plasma Plantation as a Corporate Social Responsibility (CSR) Program in Oil Palm Plantation (Case Study in the Affiliated Company of PT. Astra Agro Lestari Tbk)

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Abstract
A company cannot be separated from the social contract with the society in running its operations. The company is not only responsible to the shareholders, but they are also responsible to the stakeholders. Therefore, the company needs to look for a partnership scheme with all the stakeholders in order to contribute in the nation’s development, while improving its performance in order to maintain and even to develop into a company that can compete with other companies. Corporate Social Responsibility (CSR) is now no longer voluntary, but it is mandatory for every company in doing it’s social responsibility. Moreover, with the issuance of Law No. 40 of 2007 on Limited Liability Company (Company Law), companies are required to pay serious attention on their social responsibilities. The purpose of this study is to determine 1) The types of CSR conducted by PT. Agro Lestari Tbk, 2) The plasma partnership scheme in PT. Agro Lestari Tbk. The research method used in this study is descriptive qualitative method analysis. Data collection techniques are interviews, observation and documentation. The results of this study indicate that PT Astra Agro Lestari Tbk has run various CSR programs, including environmental management programs such as Astra Green Company, PROPER Environmental Performance Indicators, waste utilization, energy saving and biodiversity conservation. There are also employee benefits, security and safety programs, social programs in education, health and economy. One of the CSR in the economic sector that is being run is the (Primary Cooperative Credit for Members) in accordance with the Regulation No. 26 / Permentan / OT.140 / 2/2007 Article 11. The company has been running the plantation program by forming a partnership with farmers around plantations who are affiliated in the cooperative farmers. Of the total 480 ha of land, the plasma plantation is divided into two cooperatives, the KSU Sumber Sejahtera with 292 ha of land for 202 farmers, and KSU Tamungku Indah with 188 ha for 176 farmers. The financing scheme in the plasma plantation commonly use bank financing, the company does not provide funds so the interest rate follow the prescribed rate. But in contrast, the plasma program applied by the affiliated companies of PT. AAL conduct its own financing with financial support from the company. This pattern seem to ease farmers because of the lower interest rates.

Keywords: Corporate Social Responsibility (CSR), Partnership

1. Introduction
1.1 Background
Corporate Social Responsibility (usually referred to as CSR) is a concept that is being developed. CSR has a broad implementation of not only in the industrial sector that are directly related to environmental pollution, but has also expanded into other industry sectors that look “environment-friendly” such as the banking industry, where provision of credit for projects that could harm the environment is now becoming a focus of attention.

Implementation of CSR in Indonesia is growing with the enactment of the No.40 of 2007 Law on Limited Liability and Government Regulation No. 47 of 2012 which was published in April 2012. It was stated in the 74th Clause in the first paragraph of the Law that “the Company is conducting its business activities in the field and/or related to the natural resources required to carry out social and environmental responsibility”. Although each company has been required to perform its CSR activities, the perception of CSR it self has not been the same, so that the term of CSR has various interpretations and has many names.

CSR narrowly construed or perceived as a donation activities undertaken by the company (corporate philanthropy) while the broad interpretation of CSR is not only philanthropy, but also about how to integrate social issues and the environment into the company’s operations, and further more, to communicate with the stakeholders . Therefore, CSR is as a new strategy to increase the competitiveness and the corporate image which can help to achieve a successful sustainable business. A company which succeed to implement the CSR program has three basic values (core values), that is toughening economic, environmental responsibility and social accountability (Darwin, 2006 ). The financial performance of the company will be reflected in the financial statements whereas CSR activities will be reflected in a report called "sustainability reports". Sustainability report basically has three aspects that must be reported; the economic, the social, and the
environmental aspects.

One type of business that is definitely related to the Company's CSR program is Palm Oil. The development of Oil Palm Plantations is claimed to have a negative impact on the environment and the social aspects. Conversion of forest to clear land for oil palm plantation is considered to have a great contribution to deforestation of tropical forests. The justice issue related to social issues in oil palm plantations is the social conflicts between plantation companies and local communities. One type of CSR that is often run by a palm oil company is to establish a partnership with the surrounding community. The development and construction program of palm oil using a large-scale partnership scheme is very beneficial in various aspects, such as in the economic, the social and in the environmental aspects.

Research on CSR have been carried out relating with size, solvency, and profitability, such as Sembiring (2005), Sunarsih (2005), Anggraeni (2006), Yuliana et al. (2008), Fahrizqi (2010), Setyorini and Isaac (2012), as well as Khasharmeh and Desoky (2013) which examines the factors that influence disclosure of the CSR program. The objective in this study is to analyze the forms of partnerships undertaken by PT Astra Agro Lestari Tbk as one of its CSR programs.

One of the forms of partnerships in the oil palm plantations is often known as plasma. In Permentan No.26/2007 article 11 paragraph 1 of set construction small holdings are destined for the local population is a liability of the company who has the Plantation Business Permit (IUP) or cultivation of plantation permit (IUP-B) covering at least 20% (twenty percent) of the total area of plantations managed company. With the existence of the business partnerships, it is hoped it will be helpful in improving the access of small businesses as well as to prevent the occurrence of diseconomy scale so that the quality could also be maintained. Things like that can happen because of the commitment of both parties to cooperate.

1.2 Research Problem
Based on the background above, the researcher identified the problem as follows:
1. What are the types of Corporate Social Responsibility activities carried out by PT. AAL Tbk.
2. How is the Plasma Partnership Scheme carried out by PT. AALTbk.

1.3 Research Objectives
This study aims to determine the CSR activities and the Partnership Plasma Scheme that is done in PT. AAL Tbk.

1.4 Contribution to Research
This study is expected to contribute to the theoretical and practical aspects;
1. Theoretical Contributions
   The results of this study are expected to provide empirical evidences showing that not only do the financial statements are taken into consideration in decision-making, but also the sustainability report is as important in order to build the company's image.
2. Practical Contributions
   The management of the company is expected to have a good understanding of CSR so that the application is not just 'philanthropy', but how the management could integrate the social and the environment issues in to the company's operational business process and how they communicate with stakeholders in the sustainability report.

2. Theoretical Framework
2.1 Corporate Social Responsibility (CSR)
CSR is one of the activities undertaken by the company which is considered as one of the business ethics. CSR is a company's commitment as a continuing responsibility to the society and the environment and can be used as the company’s long term investment.

The WBCSD (World Business Council for Sustainable Development) defines CSR as: "The continuing commitment by business to be have ethically and Contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". From the above definition of CSR, it could be concluded that the company should be able to contribute to the economic development, while improving the quality of life of the workforce and their families as well as the local community and the society at large.

2.2 The importance of CSR for the company.
According to Wibisono (2007) there are several of important reasons why companies should conduct CSR activities, which include:
1. Company requires a conducive environment to be able to perform activities of sustainable production.
2. The shift in the business ownership, from private ownership into public ownership.
3. Law No.40 year 2007 concerning the Company Law (UUPT).
4. CSR became a new obligation in the business standards just like the ISO standard (ISO 26000 on Social Responsibility).
5. Awareness about the importance of implementing CSR, that become a global trend in line with the rise of global public awareness of the environmentally friendly products, with considering the social norms and principles of human rights.
6. European bank only lends fund to companies that implement CSR properly.
7. Another global trend in the CSR implementation in the capital markets is the application of an index that includes categories of stocks that have been practicing CSR. For example, the New York Stock Exchange has the Dow Jones Sustainability Index (DJSI), and the London Stock Exchange that has a Socially Responsible Investment (SRI).

2.3 Benefits for the Company's CSR
Still according Wibisono (2007) there are 10 benefits that could be gained if the company implement the CSR programs, such as:
1. Maintain and boost the company's reputation and image.
2. Decent to gain Social License to Operate.
3. Reduce the Company’s Business Risk.
4. Expanding the Access of the Resources.
6. Reduce Costs.
7. Improving Relationships with Stakeholders.
8. Improving Relationships with Regulators.
9. Improve employee morale and productivity.
10. Opportunities to Get Award.

3. Research Methods
3.1. Type and Data Research
The method used in this study is the qualitative method with descriptive analysis. The data taken in this study are primary and secondary data.

3.2 Data Collection Method
Data collection in this study was done by noting the type of documentation that is found on the CSR activities of sustainability reports, while the determination of the plasma partnership was done by a field study, by conducting an observation and interview with the boards of Koperasi Sumber Sejahtera, Head of Community Development PT. CAN, Head of Administration, and the Head Office Accounting Department PT. AAL Tbk. This research was conducted at PT AAL Tbk by sampling one of its subsidiaries, named PT. Cipta Agro Nusantara (CAN).

4. Results and Discussion
4.1 CSR program in PT. Astra Agro Lestari Tbk.
PT. AAL Tbk. is one of the largest oil palm plantations in Indonesia take into concern the continuity of the company's CSR program. Some CSR program implemented by PT. AAL Tbk. through its subsidiaries, among others:
1. Environmental Management Program
PT. AAL Tbk. committed to be an environmentally friendly company that is sustainable. The Programs are:
   a) Astra Green Company (AGC)
      A management system on the environmental occupational health and safety that contains requirement from the ISO 14001 and OHSAS 1800. The AGC system assessment ratings are distinguished by color; gold, green, blue, red and black. In 2013, the company occurred an increase in achievement. 18 subsidiary companies were rated green, 16 subsidiaries were rated blue, 1 subsidiary were rated red, and 2 subsidiaries were rated black.
   b) PROPER Environmental Performance Indicators
      PROPER or Company Performance Program, is an instrument of the environmental management supervision conducted by the Ministry of Environment towards the industry in Indonesia. The control system uses the same color as AGC assessment. In 2013, PT AAL Tbk. increased to 18 companies from 14 companies in the year 2012. Some subsidiaries of PT AAL Tbk. achieved a green rank for the fifth time, and one had even achieved to be a nominee on the gold rank.
   c) Use of Materials, Waste Management and Utilization
In managing and cultivating oil palm plantations, PT. AAL Tbk. Uses fertilizers and herbicides that have been proven to be safe for the environment. In addition, the company also uses recycled compost produced internally from the company’s waste water plants and also from the empty fruit bunches (FFB). The company manages and utilizes waste from the operational process of the plantation based on principles; protect and recover the environment, economically fit, and socially acceptable in accordance with the laws and regulations.

d) Energy Saving and Efficiency
The use of electrical energy derived from Genset (Generator set/diesel-fueled power plant) is only done at the beginning of the production process in the palm oil mill. The electrical energy is generated from the power plant turbine driven by steam generated from the boiling station of fired shells and palm oil fibers. In generating electricity, the use of shells and fibers conserves solar energy. The electrical energy generated is used for the purpose of plant production processes, office activities, as well as for the employee housing. Total electrical energy generated from the use of shell and fiber reaches up to 25,368,629 Mega Joule.

e) Preserving Biodiversity
The company is committed to provide sustainable benefits for our shareholders and stakeholders through preservation biodiversity programs that can support the sustainability of the company. The conservation programs developed by the company focuses on the area as categorized as local protected area in accordance with the Presidential Pronouncement No.32 of 1990 of protected areas, such as river banks, protection of water sources, and hills. By the end of 2013 the company has managed more than 26,000 ha of conservation area.

2. Employee Benefit Programs
Companies agree that innovation, competence, and professionalism of the labor influence the business performance. Employees are important assets of the company. Until December 31, 2013, the company has 29,766 employees who are mostly located at the site. In addition to salaries, there are also benefits such as; life insurance, retirement fund, maternity leave, funeral and natural disaster benefits, death and fire benefits. Shelter allowance for employees in the site, free school for children of employees up to junior high school, there are also facilities such as places of worship, sports facilities, daycare centers, health clinics, and doctors, as well as recreational facilities.

3. Security and Safety Programs
The company makes regulations on occupational health and safety by installing a variety of signs and also provide a means of protection for all employees in order to avoid accidents. In the year 2013 there were 11 subsidiary company stated zero workplace accidents by the Ministry of Manpower and Transmigration.

4. Social Educational Program
The company helps public education through Astra Agro Lestari Foundation (YAAL), specifically created to manage education. YAAL currently manages 58 schools inside the site, consisting of 32 kindergarten(TK), 20 elementary schools (SD) and 6 Junior High School (SMP). In 2013, the company involved 445 educators that consisted of 120 teachers for kindergartens, 238 elementary school teachers, and 87 junior high school teachers. The number of students was 12,160 students consisting of 3,055 kindergarten students, 7,860 elementary students and 1,245 junior high school students. The whole school ran by YAAL opened to people living in the surrounding site. The company also maintains 79 schools that are outside the site, consisting of 57 elementary, 17 junior high schools, and 5 high schools (SMA) and equivalent schools, both public and private schools. In 2013 the company has distributed 1,010 scholarships to students from elementary, junior high and high school. In addition to regular scholarships, companies also provide special scholarships to employees' children who died during the task.

5. Social Programs for the Health Sector
In the health sector the company provides a clinic in every garden and also make posyandu revitalization program. This program has been implemented since 2010 with as many as 433 units built posyandu and cadres were 1,628 people who provide health care on a regular basis every month to 22,714 in fants and toddlers and 1,584 pregnant women.

6. Social Programs Economy
1) Partnership Program
CSR Partnership Program is the earliest form of social programs adopted by the company. The company involves community around the plantation to become labors as well as suppliers of goods and services for the plantation. This company policy aims to boost the community's economy, regional development and social support to the Existing plantations. The transaction values between company and community partnerships in 2013 amounted to Rp 7.3 trillion, a 45% increase from 2012 values of Rp 5 trillion.
2) Plasma and KKPA Programs

Through Plasma and KKPA programs, the company built oil palm plantations as income sources for community around the plantation. In 2013, the company has assisted 30,678 of family farmers to participate in this program with a total area of 61,357 hectares reached. Plasma and KKPA program succeeded in improving the welfare of their participants and surrounding communities.

3) Income Generating Activity (IGA)

This program is intended for people who are not participants of plasma and KKPA program and have an area of two hectares of land for oil palm planted, aims to increase the income of surrounding communities. Through this program, the company helps communities to have oil palm plantations by providing loans in the form of oil palm seedlings, production facilities and technical guidance.

During 2013, the company has supported and developed 8,138 heads of families who are members of 429 famer groups. The Company has distributed aid By loaning palm seeds and fertilizer worth more than USD 45 Billion. The area of oil palm plantations Public Revenue Enhancement program participants reached 15,988 hectares.

4) Farmers Organization Development Program

The company provides services and assistance to non-farmers, such as: education and training, financial facilitation through the establishment of Micro finance Institutions by providing incentives for farmer groups who excel. During 2013, the company has assisted 14,947 heads of non-farm families with a total area of oil pam plantations reached 79,479 hectares.

4.2 Patterns of partnership Plasma PT. Astra Agro Lestari Tbk.

In Permentan No.26/2007 article 11 paragraph 1 of set construction smallholdings are destined for the local population is a liability of the company who has the Plantation Business Permit (IUP) or-cultivation of plantation permit (IUP-B) at least 20% of the total are a plants Managed by the company. Later, the Minister of Forestry also has issued decision No.P.17/Menhut-Ii/2011 on the Amendment to the Regulation of the Minister of Forestry No. Q33/Menhut-Ii/2010 on Procedures for Release of Production Forest Areas That Can Be Converted, that will not Release license of Forest Area (IPKH) The PBS who does not provide at least 20% plasma for public to the public.

As the implementation of these regulations, PT AAL created Plasma partnership program, in which companies conduct investment funding Start from the development of plantations until plantations handed over to the farmers. The obligation of plasma farmers is sending the entire production of the garden to the company's processing plant. From the sale of fresh fruit bunches (FFB) that farmers get, farmers repay the funds to the company as consideration for plantation development costs in accordance with the collective agreement.

4.2.1 Mechanisms and forms of Plasma partnership Agreement

Stages in partnership plasma is generally as follows:

Stages in partnership plasma starts from the determination of the plasma. Lands selected for plasma are usually the best lands which contours are flat, not hills, and fertile. Then continue to the stage of developing land where all land developments fund, where all land development fund administered and issued by the company which usually in collaboration with a third party that is a bank as a provider of funds for the construction of the plasma plantation. The third stage of of the pre-conversion stage which is the conversion process of plantation handover from the company to plasma farmers, but the management of plantation is still in entirely in the hands of the company. In this stage, company do discussions and data collections to communities around the plantations in collaboration with the village government to determine farmers who will participate in the plasma which then formed the partnership Prospective Farmers plasma (CPP). At this stage the role of banks needed which will enter into agreements with farmers to finance the construction and repayment of smallholdings. Also, the involvement of disbun which will provide counseling and guidance in the implementation of the partnership plasma.

The last stage is the stage of conversion or post-conversion. At this stage, there are only three parties involved, which is the company, plasma cooperative, and bank. At this stage partnership has been running normally until the end of the partnership after the settlement of debts of farmers to the company.

The government has introduced several types of partnerships plasma, including PIR-Trans (NES - Migrants), IGA (Income Generating Activity), and KKPA (Primary Cooperative Credit for Members), based on the three types of partnership, KKPA is the most recently introduced partnership and considered as more appropriate in the oil palm plantation company. In general, KKPA patterns involve three parties, namely the bank as a provider of investment funds for the construction and management of smallholdings, the company that will manage the smallholdings and plasma farmers as plasma plantation owner. Bank as a fund provider will then charge interest to farmers. While farmers in a cooperative plasma obliged to sell all their crops to the core which in turn will cut the operating costs and interest expense, until the debt is repaid plasma.

Implementation KKPA PT. AAL Tbk. Is slightly different from the commonly held by other palm oil
companies. If another company involves the Bank as a third party, then PT. AAL does not involve executing banks, but by providing estate investment fund's own plasma. Funding requirements for the construction and operation of smallholdings supported by the parent company in this case PT. AAL Tbk. which is dropped to PT. CAN. With this work flow process becomes much simpler, which PT. CAN as the company and cooperatives representing plasma farmers.

The agreement is that the company credit funds pledged for the construction and operation of smallholdings, manage smallholdings, and handing some of the crops to the plasma farmers. While the promised farmers sell their crops to the company, to pay interest costs and pay off debt for plasma each month. Although it does not involve executing banks, but the company needs to take into account the percentage of the interest on loans for the farmers of the developing plasma plantation. The interest expense which would then be paid by PT. CAN to the parent company which is PT. AAL Tbk.

since the opening of plasma land, the company separates cost records for primary plantation and plasma plantation. 80% of the land is primary plantation that recorded as CAN1 site, while the remaining 20% is plasma plantation that recorded as CAN2 site. The plasma plantation divided into two cooperative plasma, which are KSU Sumber Sejahtera and KSU Tamungku Indah. PT. CAN has signed the debt ceiling deal on February 27, 2014 in Palu, which was attended by representatives of the management of PT. CAN and some representatives of the two cooperative participants. In the agreement was stated that debt ceiling for both cooperatives in accordance with the total cost of the site code CAN2 which is Rp. 40.8 billion,-for a total land area of 480 hectares plasma. Thus the cost per hectare was Rp85,000,000,. The debt ceiling for KSU Sumber Sejahtera with a land area of 292 hectares is Rp. 24.82 billion,- and KSU Tamungku Indah with a land area of 188 Ha is Rp15.98 billion. The total 40.8 billion which was originally the value of crop yield account, then the account is reclassified to other receivables creditor, after the debt ceiling agreement with the cooperative.

Based on the sample yields KSU Sumber Sejahtera in April 2014, a 478 230 kg harvest with a total nominal value of Rp734,881,694, a total cost of care, harvest and transport the harvestof Rp305,047,790. deduct 20% of the harvest to farmers which is Rp 146,976,339. Thus, the residual value is USD 282,857,564 while interest cost is Rp260,261,667 (12.75% interest rate per year). This means the remains used to repay debt is Rp 22,595,897.

Based on the above calculation, It can be seen that with plants that were still relatively small, Koperasi Sumber Sejahtera which consisted of 202 farmers get Rp 146,976,338.8 in a month. If divided equally, each farmer will get Rp727,605.64. This value is not a small value for the farmers, especially the extra income is just outside the original in come from their respective jobs. By getting additional revenue from this plasma, the standard of living and economic growth of surrounding community become more prosperous. If a 4 year old plant alone could generate USD727,605.64 per farmer, Then 5-10 years from now the yields could increase doubled. The bigger plants will result bigger fruits and even greater harvest.

To date, PT. Astra Agro Lestari through its subsidiaries remain consistent run programs plasma plantations. Aside from full filling government demands, the company also concerns to improve the standard of living for the community around the plantation. The Company also value plasma plantation program as one form of appropriate CSR because it is last long and mutually beneficial. The company is not harmed But getting TBS supplies of plasma, while farmers get additional income from plasma yields, thus forming a symbiotic mutualism. But the KKPA plasma partnership are considered less reflects the real partnership, because farmers only become a passive partner, because the whole construction, maintenance and management of small holdings done by the company.

5. Conclusion

1. One of the keys of growing company is sustainability that applied in the form of community programs or commonly referred to as CSR. PT CAN as subsidiary of PT. AAL Tbk. has run various CSR programs, including environmental management programs such as astra green company, PROPER, waste utilization, energy saving and conservation of biodiversity. The were also employee welfare program, security and safety programs, social programs in education, health and economy.

2. One of the CSR in Economy is KKPA plasma partnership (Primary Cooperative Credit for Members) in accordance with the rules to Regulation No. 26 / Permentan / OT.140 / 2/2007 Article 11 of the obligations of any oil palm plantation companies to provide plasma plantation to the surrounding community for a minimum 20% of the total plantation area. PT.CAN which is a subsidiary of PT. AAL Of the total 480 ha. has a plasma, which divided into two cooperatives, the KSU Sumber Sejahtera with an area 292 hectares, to 202 farmers, and KSU Tamungku Indah with an area 188 ha. to 176 farmers. The common pattern of financing plas plantation is using support from banks, then the company does not provide funding, so the interest bank rates follow the prescribed rate. On the other side, the subsidiaries of PT. AAL apply different approach by funding plasma with financial support from the PT. AAL. This pattern is more relieving for farmers because of lower interest rates.
3. The cost to build the Plasma plantation is issued by the company which then the total cost will be accounted into farmers’ debt ceiling. After the debt ceiling agreement, farmers must sell their crops to the company every month which results 10% - 20% of the value of crop delivered to the cooperative, later reduced by operating costs for a month as maintenance costs, harvest, transport crops, and RM techniques. Further reduced by the cost of a new interest rate that has been determined by the company which is equal to 12.75%. The remaining will be used to reduce debt ceiling, but if its less then it will add to the debt of farmers. From the sample data from April, KSU Sumber Sejahtera harvest can be seen that in a month on average each farmer can earn an additional minimum of Rp. 727,605, - with the condition of a young plant. And will continue to increase with increasing age of the plant and crop yields.

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