

Corporate Responsibility on the Fulfillment of Community's Rights around a Mining Site Post Mining Activities

Teng Berlianty*

*Phd Student Postgraduate Hasanuddin University.

Jl. Perintis Kemerdekaan Km. 10 Tamalanrea, Makassar South Sulawesi, Indonesia 90245

Email: tengbarlianty@yahoo.co.id.

Abstract

Corporate responsibility basically is commitment of the corporate to stakeholders' interests in the broad sense more than merely corporate interest. Even though morally it is important for a company to pursue profit, not necessary that a company is allowed to sacrifice other parties' interests. Therefore, to bridge the gap, the company can be responsible for people in the form of welfare and social responsibilities.

Keywords: Corporate responsibility, community's rights fulfillment, mining.

1. Introduction

In accordance with principle, corporate responsibility is commitment of the corporate to stakeholders' interests in the broad sense more than merely corporate interest. Even though morally it is important for a corporation to pursue profit, it does not mean that a corporation is allowed to sacrifice other parties' interests. Therefore, every company shall be responsible for its acts and activities of its business that have positive impacts directly or indirectly on its stakeholders and environment where a company runs its business.¹ Positively, it means that every company in running its business in the end can increase its stakeholders' welfare by paying attention to the quality of the environment to become better².

In regard of the issue, John Elkington's popularized the term "Triple Bottom Line (3BL)" in 1997 in his book "Cannibals with Forks, the Triple Bottom Line of Twentieth Century Business". Elkington developed *triple bottom line concept* in the terms *economic prosperity, environmental quality and social justice*. Through the book, Elkington gave a view that a company that wants to maintain shall notice "3p". Aside from pursuing profit, a company shall also notice and be involved in community's prosperity fulfillment and actively contribute in preserving environment (*planet*)³. In this idea, the company is no longer faced with responsibility based on *single bottom line* that is economic aspects, which merely reflected in finance. However, it shall concern on social and environmental aspects as well. In this context, corporate responsibility on community's rights fulfillment within mining side post mining activities addressed not only to fulfill the responsibility in prosperity context, but also social responsibility on environment.

2. Research Methods

2.1 Type of Research

This research is normative (legal) research or dogmatic law research or doctrinal research. The used method approaches in the issue of this research are Statuta Approach, Conceptual Approach, Case Approach through deductive and/or inductive reasoning to obtain or find objective truth. The Normative legal research is used by focusing on law interpretation and construction of law to obtain legal norms, legal concepts, legal documentation, and its legal application *in concreto* to underlying assessment deeply regarding people around mining side post mining. To support and complete the result of the normative legal research, socio-legal approach is also conducted through field observation in order to obtain concrete data.

2.2 Research Sites

This research was conducted in Gebe sub-district, Central Halmahera North Maluku Province. Gebe is a good sample with the consideration that it is in progress mining and post-mining activities.

2.3 Population and Sample

Population is the entire or compilation of objects with same characteristics. The population in this research is the entire community in mining area, mining company leaders, and the government officials who are authorized to issue mining policy. The sample in this research consists of the government officials who directly involved in post mining activities.

¹ Sonny Keraf, *Business Ethics, Demands and Its Relevances*, Kanisius, Yogyakarta, 1998, p. 122.

² Busyra Azheri, *Corporate Social Responsibility from Voluntary to Mandatory*, RajaGrafindo Persada, Jakarta, 2012, pp. 34-35.

³ Yusuf Wibisono, *Dissecting Concept and CSR Application*, FaschoPublishing, Gresik, 2007, p.32.

2.4 Type and Source of Data

Type and source of data that are used in this research consist of two types of data; *inter alia*, primary data and secondary data.

1. The primary data is data that is directly obtained from the field research which get from main resource or research object through interview.
2. The secondary data is data that is extracted from library research that sourced from text books, research reports, and other related written documents.

2.5 Data Collection Method

In accordance with types and sources of data, the methods that are used by the researcher, as follows:

1. Interview

The interview is data collection method in debriefing form with response that directly involved with community's rights on post mining activities in Gebe Island. It uses also interview guidance as the instrument of the interview in order to focus on the issues.

2. Document Study

The document study is data collection method through library information or library materials. The researcher will use documents such as books of Essential Rights of People, corporate responsibility, and the government policy.

2.6 Data Analysis

This research is using qualitative analysis data technique that describes data from statement, review, and response of each of subjects who will be interviewed. Afterwards, the data will be analyzed. Therefore, the phenomenons occurring and things behind which in the end will produce clear, focus, and thorough picture from the research object, can be concluded.

3. Findings and Discussion

3.1 Prosperity Responsibility

In considering of the Law of Mineral and Coal point (b), the mineral mining and coal activities are mining activities outside geothermal, oil, natural gas, and groundwater that has important role in giving real additional value to the growth of national economy and sustainable regional development.

Gebe Island has been one of the important areas of mining exploitation in North Maluku Since 1979. The mining exploitation on this island devoted to Nickel. This specialization was conducted because Gebe was alleged has potential mineral resource to be processed. This started from a research⁴, which centralized in Halmahera that most North Maluku area have quite amount of Nickel sediment. However at that time, exploration was not conducted explicitly. According to this research, during 1969-1975, INDECO⁵ (Indonesia Nickel Development Co. Ltd) conducting survey and Nickel ore exploration on islands around Halmahera successfully found Nickel sediment that was quite potential in Gebe Island.

This exploration further explicitly proceeded by PT Aneka Tambang⁶ since 1975. After two years of exploration, precisely in 1977, it was known that the the amount of high and low level of nickel ore reserves and low in Gebe were 40 million tons. With the result of the exploration and the permit, in 1979 PT Aneka Tambang officially started Nickel mining exploration in Gebe Island. In the same year, working contract agreement between Indonesian Government and PT. Aneka Tambang, Tbk (Persero) as the manager that has authority to process and exploit all nickel reserves in Gebe Island Central Halmahera Regency. The agreement can be found in Decree of the Directorate General of Mining No: 2627/SK-DJ/354 DUP of 1981 concerning Authorization Given to Exploit Mining (D.U. 286/Maluku).⁷

⁴ Bemmelen, *Mining Closure Plan Report and Post Mining*. Jakarta, 2003.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ In the Decree of General Director of Public Mining No: 2627/SK-DJ/354 DUP of 1981 on Authorization of Exploitation (D.U. 286/Maluku, which was agreed that PT. Aneka Tambang (Antam), Tbk (Persero) is given authority to exploit nickel in Gebe Island for 30 years. However, the mining process stopped in 2004, after the mining area has entered protected forest area. Thus, pursuant to the provision in the same decree, PT. Aneka Tambang (Antam), Tbk (Persero) shall stop mining activity in Gebe Island. This explicitly described in Halmahera Regent Decree Tengah No. 540/KEP/400/2007 on the Change of the Extent and Border of Mining Exploitation DU 286 Ubulie Gebe Island. In this decree, the government refuses the demand of PT. Aneka Tambang (Antam), Tbk (Persero) to proceed mining process in protected forest area.

Indonesia as a state through the Mining and Energy Department gave permit to PT. Antam, Tbk (Persero) to exploit nickel in Gebe Island.

The essence of the exploitation is to earn profit. Profit is the main element and becomes the main purpose of each mining activities. Thus, the main focus of the whole activities in company is to earn profit or increase stock price as much as possible, directly or indirectly. This is the most essential economic responsibility form to shareholders.⁸ Economic sector of mining becomes dominant sector in several areas because it increases Budgets Revenue and Expenditure (APBD - *Angaran Pendapatan dan Belanja Daerah*) and local revenue (PAD - *Pendapatan Asli Daerah*). The total number of mining business license (IUP) in Central Halmahera was 34 IUP (Mining Permits) of the entire IUP in North Maluku with the total 228 IUP (2010).

The profit itself is additional income which can be used to ensure company sustainability (PT. Antam, Tbk (Persero). Furthermore, activities that can be taken to increase profits are increasing productivities and cost efficiency. Thus, the company will have competitive advantage to provide additional value as much as possible.⁹

In the Article 3 of the Laws of Mineral and Coal Mining defined that in regards to national sustainable development, the aims of mineral and coal process are:

1. To ensure implementation and control effectiveness of the mining activities efficiently, effectively, and competitively;
2. To ensure benefits of the mineral and coal mining sustainably and environmentally;
3. To ensure availability of the mineral and coal as the raw material and/or as the energy resources for state;
4. To support and develop national ability to compete in national, regional, and international level;
5. To increase local community, regional, and state income; and to create jobs for the amount of people prosperity;
6. To ensure legal certainty in mineral and coal activities implementation.

These could be seen since the mining process started in 1979, the PT. Aneka Tambang Tbk (Persero) as business unit of Nickel Gebe Mining has become central and source of the greatest and main economy in Gebe Island. Since 1979, PT. Aneka Tambang has been playing the important role in running middle to low economic cycle.

The economic prosperity with this mining activity affected economic sector in Gebe Island. It gave a result in people economic prosperity. This can be seen from a number of supporting infrastructure and financial savings and PT. Antam mining company profit increase. Such as markets, access to transportation (road), airports, seaports, and bring a lot of employees that have an impact on the velocity of the fast medium exchange (money).

Jalaluddin Ramalan also confirms that between PT Antam needs and local community needs shall be separated. PT. Antam build hospital, housing barracks, worship places, schools, airport, golf field, tennis court and swimming pools because the needs of PT Antam employees not for the local community's needs. This can be proved during post mining in 2004; facilities that were built by PT Antam could not be operated anymore except for airport, schools, housing, and worship places. During the post mining in 2004, income per kapita of local community in Gebe Island declined dramatically and it was more influential to local community. Therefore, the existence of PT. Antam was really expected by people in Gebe Island in regards to support economy. Post mining of PT Antam affected on unclear economic sector, which was expected to support prosperity of the local community.

Since PT. Antam started its activities in Gebe Island in 1978 and post mining in 2004 with total of the ships were 905 ships. It carried out 299 million tons of nickels out from Gebe Island. The exploitation conducted by PT Antam in Gebe Island has destroyed forest and the environment around mining area is polluted whether on the land, at sea, and in the air. Furthermore, PT. Antam's failure in conducting post mining program in Gebe Island also conducted during 2009-2010 related to CSR program. PT. Antam cooperated with IPB to distribute its program which operated in Agricultural, Animal Husbandary and Aquacultural sector, failed due to the lack of quality control at the field though they spent a lot of budgets¹⁰. Thus, to fulfill their economic needs, the local community carried away some PT. Antam goods, such as wires and several iron and steel transportation. A number of assets of PT Antam (old metal) later put in the auction or sale and the results were given to the villages.

However, in the exploitation process, PT Aneka Tambang Tbk lost. As the vice chief of the House of Representative of the Republic of Indonesia Coordinator of Industry and Development, Agus Hermanto who accepted ex-employee of PT Aneka Tambang Tbk of Gebe Island, Halmahera North

⁸ Yusuf Wibisono, *Op.Cit*, p.33.

⁹ *ibid.*

¹⁰ *Ibid.*

Maluku at meeting room of DPR chief, as many as 319 PT Antam employees of Gebe Island district, Halmahera North Maluku in 2005 fired with a reason of the production declined. The 319 ex-employees just received their salary for 32 months even though they had been working for a long time. Chief of IX Commission of DPR RI, Dede Yusuf, who also accompanied DPR chief to meet ex-employee representative of Antam, Tbk, admitted that PT Antam Tbk has a loss for more than 700 billion due to the poor management of the company caused the company stock price declined. Thus, PT Antam executed massive fire in several areas including Gebe Island.¹¹

In accordance to fact show above, Budin states that there were more than 370 ex-employees received early retirement policy in 2005, following the production of PT Antam Unit Operation being stopped due to nickel reservation depletion. The policy was not rational according to Budin because they were not contracted employees. Furthermore, the retirement was still 5-20 years later. Nickel Production Unit of PT Antam is not only in Gebe Island. Thus, the end of nickel production in Gebe Island is not necessary to give early retirement the employees, they could be transferred to another operating sites. The policy aimed to overcome the loss. However, the policy was not the only way because activity progress can be reached by fixing work management through process simplification, reducing not efficient activities, saving time process and service, including using materials efficiently and cutting the budget as low as possible¹².

3.2 Social Responsibility

Community is the *stakeholders* who have important part in the company in supporting the existence, sustainability, and development of company. In this matter, the company is a part that can be separated from community and environment. The company needs to commit to give maximum benefit to them.¹³ It can be denied that social responsibility is not the main activity for the businessmen. The main focus it to earn profit. However, it is believe that the adherent of this thought a little more because unreasonable and does not match reality. The impacts of business on society needed to be anticipated and counted.

Thus, a writing about donations from PT. Antam for several infrastructures in Gebe Island, *inter alia*: hospital, airport, public harbor, 267 housing units, 2 units of Gensets, worship places (Mosque and Church), Soccer field, Golf Field, Swimming pool, etc., the writing was written by one of the CSR management Post Mining staffs in Gebe Island¹⁴.

Post mining activity is planned, systematic, and sustainable activity after a part or the entire mining activities to restore functions of nature and social in accordance with local condition of mining area¹⁵. The Law No 40 of 2007 on Limited Liability Company, the definition of CSR can be seen in the Article 74 that states:

1. Company that running its business in the field and/or related to natural resources required implementing social and environmental responsibility.
2. The social and environmental responsibility as referred to in paragraph (1) is an obligation of the Company budgeted and accounted for as expenses of the Company that the implementation is conducted with regard to decency and fairness.

This provision aims to keep creating harmonious, balanced, and in accordance with the environment, values, norms, and local culture relationships of the Company. "Company that runs its business activities in the field of natural resources" is a company whose business is to manage and exploit natural resources. "Company runs its business activities relating to natural resources" further is a company that is not managing and utilizing natural resources, but its operations have an impact on the ability function of natural resources. Regulation of CSR pursuant to the Law No 25 of 2007 on investment can be seen in Article 15 (b). It defined that every investement obliged to implement company social responsibility. The explanatory of the Article 15 (b) defined that "company social responsibility" is responsibility that adhered in each of investment company to still create harmonious, balanced, and in accordance with the environment, values, norms, and local culturerelationships¹⁶.

Those laws as mentioned above give obligation to PT. Antam to implement its social responsibility. The social responsibility has been going on since the company exploited mining in Gebe

¹¹ DPR Chief Received Former Employees of PT Antam, accessed on 23 April 2015, <http://www.dpr.go.id/berita/detail/id/1994>.

¹² Yusuf Wibisono, *Loc. Cit.*

¹³ *Ibid*, hlm.33-34

¹⁴ Masgul Abdullah, *Glancing at Post Mining Activity in Gebe*. Malut Post.

¹⁵ Article 1 point 27 of the Law No 4 of 2009 on Mineral and Coal Mining

¹⁶ Definition of Article 15 (b) of the Law No 25 of 2007 on the Investment.

Island until post mining. The amount of care and concern given by PT. Antam to the community during the activity in Gebe Island would bring significant changes to people's lives in Gebe Island. The island becomes progressive and developing region. Unfortunately, changes and little development did not stay long because it only occurred during mining process.

Social responsibility is merely instrumental aspect. Social responsibility is merely a tool to reach maximum profit as the main purpose. This has brought company to take social responsibility as external in business activity, or merely more as lipstick or accessories, not as activity that included in "heart" of business. Ironically, various foundation caused the adherent of this thought is dominant at this time¹⁷. In the law of mineral and coal mining in the Article 39 (1) (j) defined that IUP Exploration as mentioned in the Article 36 (1) (a) obligation to include provision at least: development plan and community; whilst point (2) (n) that Production Operation of IUP as defined in the Article 36 point (1) (b) shall contain provisions at least development plan and community empowerment around mining area. Likewise in the Article 78 (j) defined that IUPK Exploration as defined in the Article 76 (1) (a) at least shall contain development plan and community empowerment around mining area; as well as in the Article 79 (n) that Production Operation of IUPK as defined in the Article 76 (1) (b) at least shall contain provision on the development and community empowerment of community around mining area;

Therefore, mining company shall have empowerment plan for community around mining area. However, CSR of PT. Antam post mining management in Gebe Island, reaped many oblique responses from several parties. Nearly half of the parties whom interviewed, rated that Antam's programs were not maximal yet, particularly the productivity and the sustainability of the program. According to Parjono, employee of Antam in Gebe Island, there were several CSR of Antam post mining program had been planned in all villages in Gebe, such as seeds allocation in agricultural sector (Nutmeg, Cocoa, and Coconut), livestock distribution in farming sector (Cows), and the help of fishing gear for the fishery sector (fish cages, seaweed farming, fishing gear nets, boats and engines, as well as *kating-ting* machine). Moreover, implementation of the program that involved housewives through home industry, cassava chips agriculture activities¹⁸.

The programs must relate and synergy each other. In particular for isolated areas, thus, the existence of the company shall be able to open access. It means that post closing mining, these areas were expected to develop through other potential develop because the exploitation is not renewable, and this was the chance for community to obtain prosperity that came only once¹⁹.

Nevertheless, the implementation of Antam Post Mining CSR Program in Gebe Island accompanied by regional government of Central Halmahera and two universities (IPB and Unkhair) the field condition did not show any success and sustainability. For example, the house of cassava chips home industry where owned by Kacapi Village Housewives, dormant and unused. The same condition appeared in Sanafi Mamin Village.²⁰ Similarly, the community of Sanafi Mamin stated that there used to be woman grup that run cassava chips productin however, they were not producing anymore due to the market. The woman grup has stopped the production. Usually, officers from government come when there is an order and until now there is only one grup that produces the cassava chips²¹.

Program implementation process was not taken seriously by the companion, when the CSR post mining participant receivers were not trained seriously in particular for the strengthening the capacity of beneficiaries. Capacity strengthening was not conducted by companion at all. The participants were only taken to Jawa to see several successful business grup, as stated by Kapaleo Village Secretary²²;

"While the public comparative study was conducted in 2012, but no training, there was only a marathon, we look at this and look at that, no serious training. However, there were some young men whom trained in fishing but until now we haven't heard the information "

"After the post-mining, Antam in general, has a responsibility, Antam still has social responsibility, including environmental reclamation, and as well as the agreement Antam with several universities including the University of Khairun in Ternate and IPB in Bogor, local community wasalso invited to Bogor to conduct a comparative study in there associated with a number of business people, therefore, Antam has a provision of post-mining community.

¹⁷Yusuf Wibisono, *Op.Cit*, pg 34

¹⁸Interview with Parjono, Antam employee in Gebe Island, on 25 October 2014.

¹⁹ Suyartono, et.al, *Good Mining Practice*, Studi Nusa, Semarang, 2003, p. 171

²⁰Interview with Idris Zakaria, the chief of Kacepi Village, on 11 October 2014.

²¹Interview with Djabid Nelayan Desa Sanafi Mamin, on 13 October 2014.

²²Interview with Ukri Hi Hasan, people of Desa Kapaleo, on 9 Oktober 2014.

Nevertheless, as the time went, society became apathetic, they regard it merely as ceremonial, so there is no result.”

According to Saiful Samad, Assistant I of the Government of Center of Halmahera (Secretary of Antam Post Mining - Pokja CSR in Gebe) that PT Antam allocated its grant as much as Rp 33,67 billion to rehabilitate Gebe Island, Central Halmahera, North Maluku. The grant will also be used for community empowerment program, after the end of nickel exploitation in there²³.

Secretary of PT Antam, Bimo Budi Satriyo, stated Rp 33,67 billion of grant was used for post mining activities from 2011 to 2013 and community empowerment until 2013. Particularly for community empowerment program, PT Antam tried to develop fishery, farming, and agricultural sector. Besides in training form, PT Antam also donated one ton of seaweeds, 3.000 of nutmegs, 1.200 patchouli seeds, and 24 cows, and built three cow cages as well. A number of citizens' agricultural and fishery, such as sago, fish, and bananas, also processed thus there shall be additional value, for example to process into flour, noodles, and cakes from sago. Floss, fish chips, and banana chips production as well. According to Bimo Budi, the attempt of community empowerment has been conducted. In 2002, PT Antam started developing fishery sector. However, this was not success because there were no buyers, fish thieves, and the increase of fuel price incriminated fishing operation²⁴.

Post mining CSR aid distribution was also considered as unfair where several groups were formed and received the aid, apparently had a family closeness. Usually, one group consisted of one particular family. Besides that the distribution is emphasized by the local community who want assistance merely given to villages where mostly occupied by the indigenous people of Gebe, while villages predominantly occupied by immigrants (of Patani) should not get aid from CSR, such as in the Elfanun and Kapaleo village²⁵.

Several of the CSR show their sustainability, agricultural sector in particular, whilst, fisheries and livestock sectors do not indicate the seriousness of the members of the group to process them. There are several boat and engine donation, even the cattle was sold by the group. One of the aspects that constrains the implementation of Post Mining CSR programs is the lack of marketing, as presented by a farmer from the village of Yam, who is also member of the group of beneficiaries of Antam Post Mining CSR;

“Previously, we received cow donation, however we have only received viber boat so far, that's all I know. First donations were 25 kating-ting boats, the second were nutmeg seeds and cattle, and the last one was a viber boat. Whether it's good or no, I do not know. We should see what the future would be. But I think the good program is agriculture, such as nutmeg and coconut, in the future if we take care them well, the results will be good. ”

“The last three-year program, the results have not been there for agriculture, in the village there are 12 people in one group. If our group is the way in this regard is still farming, and the farm is complicated, what our animals will eat, then the fishermen do not know where to sell their fish if there is no market, if it is agriculture for example nutmeg wijar can be harvest in one week, whilst annual plants if we take care them well, will be harvested successfully”.

The unsuccessful implementation of Antam Post Mining CSR was influenced by obscurity of track marketing and different understanding of people Gebe on natural conditions that spoil the local communities. The people formed their paradigm who understand that nature provides everything needed. Like what was mentioned by the chief of Kacepi village²⁶;

“Types and characters of people in this village were different, yet my view was the same. There were several programs, but they were just unsuccessful perhaps because people could not understand the aim of the program. In Kacepi Village, there were livestock program, agricultural program, and fishery program. There was plantation, at first all the products were put into company. However, after this post, the marketing was difficult. So, we failed again. If Antam CSR program existed, the tradition in Gebe Island was different. In the past, if we were hungry and intended to eat fish, we just went to beach, and after that we harvested again and so on. Thus, the maintenance of Post Mining CSR program has not existed yet.”

²³ Interview with Saiful Samad, Assistant I of Halmahera Regional Government, on 14 September 2014

²⁴ Kompas.com, PT Antam Preparing Rp 33,67 Billion, accessed on 23 April 2013, <http://nasional.kompas.com/read/2011/05/02/03105295/PT.Antam.Siapkan.Rp.33.67.Miliar>

²⁵ Elfanun and Kapaleo village at first were the location of Antam employee housing, building a house made of boards, but currently occupied by former employees of Antam, the housing location already divided into villages namely Elfanun and Kapaleo.

²⁶ Interview with Idris Zakaria Kepala Desa Kacepi, on 11 October 2014.

The implementation of Antam Post Mining CSR program in Gebe Island does not show any maintenance and success even though the implementation has been conducted since 2010. From the information that has been obtained that the failure of this program due to unclear marketing channel, particularly fruit commodity from Post Mining CSR program. The issues are being faced by the community in Gebe Island are electricity and clean water needs. The information that obtained, community needs for electricity and clean water while Antam still running its activities, were fulfilled and were not be a problem. However, after post mining, the basic needs have become an urgent problem in Gebe.

Complains come from several parties, whether from policy decision maker of district and village, or people. The people must spend Rp. 30.000 - Rp. 200.000 to get clean water, which distributed by one of the sub contractors of post mining Antam. The clean water distribution was conducted every week in each of houses in the village that suffering from clean water crisis. The crisis almost took place in all the villages in Gebe Island. The location of the clean water carried in the Eblue bay that provided clean water source. This then carried out by car and distributed to houses that needed. They only asked the assigned officer. According to the testimony of the new citizens came during post mining of Antam, the water crisis never happened on the Gebe Island before. Installation of water distribution from the beginning has been conducted by Antam by using diesel power, but started to create problems since the post mining of Antam.

From the results of the visit at the water location, it has been seen some water sources that have dried up. There are some locations that are used as a dry clean water upstream. From the testimony of local residents this condition is common. In regards of CSR program, a lot of public opinion suggests Antam to take basic needs of people in Gebe Island, seriously, in particular the needs of clean water and electricity. As revealed by society in a number of conducted interviews;

As stated by Ukri H. Hasan, Secretary of Kapaleo Village that:

“In my opinion, Antam CSR aids were not on target. I have a simple wish, when Antam was here. We had good electricity and water but after post mining, the machines can not even run. They have not been fixed either. Antam does not even think about it as well. Before that, the aids ran well, but at the moment, post mining management of Antam is in Jakarta. So we have to send the proposal to fix the machine and electricity to Jakarta.

Currently, after post mining started, Antam has conducted independent power program; unfortunately, it does not work anymore because it has been moved to Weda. At that time people had studied before PLN came, however, people thought that as long as Antam still in here, everything became the responsibility of Antam, because Antam has been here for more than thirty years. Antam has taken natural resources in Gebe and built the other units. Why Antam just left us alone? The people in here intended that before Antam left, all the people’s needs might have been fulfilled, particularly, people’s vital needs such as water and electricity”

Abd. Hakim S Supiat, public figure in Kapaleo Village and Chief of Community Empowerment Institution of Gebe Island, said, “We were planning to manage CSR funds from PT. Fajar. We also hoped that Antam could take electricity and water issue was more seriously. If this issues were already resolved, then Antam had completed its job.” As well as stated by Idris Zakaria, Kacepi Village Chief:

“It was clear that we had plenty of needs. There were rules that must be obeyed but there were more priority needs. There was no harm for company to buy electricity for the other villages such as Umera and Yoi Village. They understood that there were many of their children go to school here. The people also asked for electricity need becomes primary, through village chief forum in Gebe. We hoped through this forum, CSR funds from PT Fajar and Antam could be used to buy power machine, though it violated the regulations but this was what we needed. How to empower them? How to realize them? The CSR program needed to be fixed as what they had explained on their reports. Indeed, there were companions but the people in here merely needed an instant. The people only wanted simple things such as beautify worship places, pave the street, creat water reservoirs, and supply electricity. Thus, our people could see concrete works of CSR. This all came from our people. We did not want another company comes and made the same CSR then they were just gone”.

In accordance with Gafur Jauhar, farmer in Kecapi Village, “If this is success, Antam should work as it used to. However, we have no water and electrical supplies. Can it take success? If it are success, the water and electrical supplies would have been fulfilled. If it is so, Antam can leave this place. When Antam first came to this place, our people forced Antam to fulfill our needs, particularly

the electricity. After we get electricity, they charged to the electricity every month. I have 10 bulbs at home and I pay Rp. 7.800/ month. However after post mining, there is no more electricity.”

Djabid, farmer in Sanafi Mamin Village said that “our rights have not been fulfilled by Antam, for example electricity, road, and even a dock. From my point of view, Antam is not success, even though Antam is a big company. The people cannot enjoy their work. We do not have electricity now, before that electricity ran all day long. If we did not urge them to put electricity, they would never put it here.”

It shows that post-mining era is a ‘nightmare’ that takes people on Gebe Island back to underdevelopment as what they have faced before. This is because all the facilities that are provided by company to make people complacent and does not encourage people to think further about what their life would be after post-mining of PT. Antam, Tbk (Persero) on Gebe Island.

For thirty years of Antam existence in Indonesia, Antam has not been able yet to run Comodity Development/ Corporate Social Responsibility (CSR) which is defined in the Law of PT NO. 40 of 2007 that regulates corporate social responsibility to make people more prosperous, thus, through Himpunan Pelajar Dan Mahasiswa Pulau Gebe (HPMPG) dan and the people of Gebe Island conducted massive demonstration to Antam Gebe on February, 22-27, 2010 to ask transparency of CSR budget. This was considered as taking less side to community around mining. However, this was answered by Antam by bringing Sat-Brimob which consisted of 40 personnels under the command of Central Halmahera Kapolres to explain CSR budgeting issues with tear gas and rubber bullets. The incident caused 15 victims, 4 people suffered from serious injuries and 11 people suffered from minor injuries.

A company should have good community relationship. The facts have shown that most people do not like if the company does not communicate with them; arrogant; and does not contribute to or give benefit to the environment. Society does not want company harm the employees; has no concern on health and safety; damage the environment; not respect and serve the consumer; ignores the social problems and so forth²⁷.

In this matter, corporate social responsibility form is necessary condition based on their own choice. It is not because of "forced" by the rules or "pressure" of society and come from good intentions and sincere. To strengthen its commitment to social responsibility, the company does need to have a view that CSR is an investment in the future. It means that CSR is not merely seen as cost centre, but profit centre in the future.²⁸

4. Conclusion

According to the explanation above, corporate responsibility on the fulfillment of community’s rights within a mining site on post-mining activities can be seen from welfare responsibility and social responsibility view. The welfare responsibility requires the activities of the company that should have impacts on the increase of people’s welfare. In this context, the company is part of the community and environment. The company must commit to give benefit as much as possible to the people. Therefore, the welfare responsibility and social responsibility are related to each other, which packaged in various forms of activities as mandated in the Law on the Limited Liability Company and the other related regulations as well.

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²⁷ Yusuf Wibisono, *Op.,Cit*, p. 35.

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