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# THE EFFECT OF THE IMPLEMENTATION OF PARTNERSHIP AND COMMUNITY DEVELOPMENT (PK AND BL) AND SELF-RELIANCE OF COMMUNITY PARTNERS ON COMMUNITY INCOME

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#### **ABSTRACT**

#### **KEYWORDS**

BUMN PKBL, Comdev Department PT. Antam, Tbk UBPE Pongkor, Corporate Image Formation Strategy The focus of this research is the implementation of one of the company's PKBL, namely the Partnership and Community Development Program (PKBL) as an effort to shape the corporate image of PT. Antam, Tbk (PERSERO) Pongkor Gold Mining Business Unit, Bogor Regency. The development of this research aims to find out how the Effect of the Implementation of the PK and BL Programs and the Independence of Foster Partners on Community Income in the Nanggung District, Bogor Regency in formulating and implementing development policies in their regions, especially rural poverty alleviation programs. It is also hoped that it can be used as an academic document as reference material for small business development. The research design applies a case study pattern. From the discussion of research results, it can be concluded several things as follows: (1). There is a very real influence on the implementation of the PK and BL programs on people's income in Nanggung District, Bogor Regency. The better and more effective the implementation of PK and BL will correlate with increasing people's income with a correlation value (r) = 0.819, the coefficient of determination (r2) = 0.671, and the regression equation Y = 5.163 + 0.238X1, (2). There is a real influence of group independence in Nanggung District, Bogor Regency. It can be said that the increasing independence of the group will further increase the income.

#### **INTRODUCTION**

One of the business entities that organizes social welfare businesses is a State-Owned Enterprise (BUMN), namely (Bimo Walgito, 2004). The basis for efforts to implement BUMN social activities is in the form of the Partnership and Community Development Program (PKBL) which is stated in the Regulation of the Minister of BUMN Number Per-05/MBU/2007 concerning the Partnership Program for State-Owned Enterprises with Small Businesses and the Community Development Program (Nuryana, 2005). The partnership program itself is a micro and/or small business empowerment program carried out by BUMN in the form of providing loans in the context of strengthening business capital accompanied by mentoring activities. Assistance activities are provided in the form of managerial assistance, production assistance and marketing assistance and facilitating exhibition activities (Oktaviani, 2011).

The Partnership Program, as previously explained, has provided capital assistance to small entrepreneurs so that they have the ability to run their businesses and meet their daily needs (Ruslan, 1995). So far the Partnership Program that has been carried out by various BUMNs has shown positive results. If accumulated until 2019, the Ministry of

SOEs noted that PKBL funds provided by all BUMNs reached IDR 14.67 trillion. If further broken down, Partnership Program funds reach IDR 12 trillion and an allocation for the Community Development Program worth IDR 2.17 trillion with a reach of 690,417 fostered partners (Ismail, 2009). As of 2019, PKBL funds have increased by IDR 4.92 trillion, so it is estimated that by the end of this year the total PKBL funds will reach IDR 19.59 trillion. Based on data for the first half of 2019 collected from 50 BUMNs, the Ministry of BUMN noted that the realization of PKBL funds reached IDR 680 billion, with details of IDR 470 billion for the partnership program and IDR 210 billion for the Community Development Program (Saidi & Abidin, 2004).

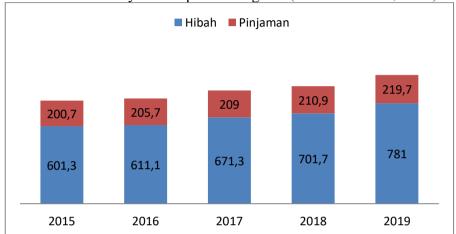


Figure 1
Distribution of Partnership Program Funds (PK) 2015 – 2019
Source: SOE Master Plan 2015-2019

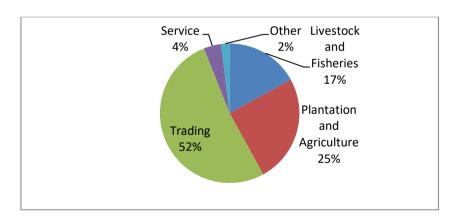


Figure 2
Realization of Loan Distribution (BL) by Business Sector in 2015-2019
Source: SOE Master Plan 2015-2019

Based on the graphic in Figure 1 above, it can be seen that the Partnership Program (PK) has provided many benefits each year for the small entrepreneurs who become its fostered partners. The increasing number of fostered partners and loans shows that the program provides very significant benefits (Suprianto, 2009).

In graph 1.2 it can also be seen that the types of businesses that are partners of SOEs are increasingly diverse, no longer in the trade and service sector (Rodríguez & LeMaster,

2007). This means that the PKBL program carried out by various BUMNs has attracted entrepreneurs engaged in various fields. Not only trade and services can take advantage of this program, entrepreneurs engaged in fisheries and plantations also have the opportunity to develop their businesses (Smith, Wokutch, Harrington, & Dennis, 2001).

While the Community Development Program, according to the Regulation of the State Minister for BUMN Number Per-05/MBU/2007 concerning the Partnership Program for State-Owned Enterprises with Small Businesses and the Community Development Program, is a program to empower the social conditions of the community by BUMN through the utilization of funds from the BUMN profit share which consists of several sectors, such as natural disaster assistance, assistance for public facilities, assistance for community education and training, assistance for religious facilities, and others (Radyati, 2008). Just like the partnership program, the environmental development program carried out by BUMN is also able to provide benefits for MSMEs in developing their businesses. Based on data released by the Ministry of BUMN (2015) it shows that in the period 2015-2019, the type of community development assistance has increased both in terms of distribution and accumulation of funds provided (Pitaloka, 2009).

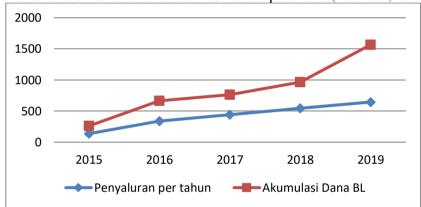


Figure 3

# Annual Community Development Program Fund Distribution and Fund Accumulation Community Development Program until 2019 Source: BUMN Masterplan 2015-2019 (2015)

In research conducted by (Leimona & Fauzi, 2008) stated that >75% of MSMEs in the Nanggung District, Bogor Regency experienced business progress, especially in the form of management or business management from the Partnership and Community Development Program (PKBL) from PT. Antam, Tbk (PERSERO) UBP Emas Pongkor, where around 92.5% of MSMEs stated that their business had become more advanced after being given venture capital (Saripudin, 2011: 3). This shows that the partnership program carried out by PT. Antam, Tbk (PERSERO) UBP Emas Pongkor has a positive influence on the development of MSMEs, especially in the form of business capital assistance (McWilliams, Siegel, & Teoh, 1999).

Meanwhile, through research conducted by the Faculty of Human Ecology IPB (2006, p. 6-1) shows that the PK and BL programs managed by PT. Antam, Tbk (PERSERO) UBP Emas Pongkor and the communities around the operations that receive the benefits of the program in order to prepare a post-mining community that is healthy, prosperous and independent. While the results of LMP IPB research (2007, p. 18) the utilization of the PK and BL loan program in Nanggung District, Bogor

Regency, stated that 92.5% was very useful.

In Musrifah-Undip's 2010 study entitled IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN THE HOUSING FIELD IN THE DEVELOPMENT AREA OF PT. VARIOUS MINES TBK. IN NANGGUNG DISTRICT, BOGOR DISTRICT, it was concluded that the CSR program in the housing sector of PT. Aneka Tambang Tbk. The Pongkor Gold Mining Unit (UPBE) Pongkor was designed based on the health conditions of the community in 10 villages of the Nanggung District and the elaboration of the main CSR programs in terms of increasing access and public health services (Elkington & Rowlands, 1999).

#### RESEARCH METHODS

The research method used is a case study pattern. Case study research methods are research that outlines a thorough explanation of the aspects of an individual, a group, an organization so that in this research the researcher must process as much data as possible about the subject under study (Mulyana, 2018, p. 201). A case study is also an exploration of "a bound system" or "a case/various cases" which from time to time goes through indepth data collection and involves various sources of information that are "rich" in a context.

This bound system is bound by time and place while cases can be studied from a program, event, activity or an individual. In other words, a case study is research in which the researcher explores a particular phenomenon (case) at a time and activity (program, event, process, institution or social group) and collects detailed and in-depth information using various data collection procedures over a period of time. certain.

#### **RESULTS AND DISCUSSION**

The discussion in this study consists of three (3) main sub-chapters which will be analyzed and interpreted. In the first sub-chapter it can be seen how PT. Antam, Tbk (PERSERO) UBP Emas Pongkor implemented a strategy in shaping its corporate image. Furthermore, in the second sub-chapter the researcher explains how the PKBL program has a role as a strategy for forming the corporate image of PT. Antam, Tbk (PERSERO) Pongkor Gold UBP. The third sub-chapter, the researcher describes the implementation of PKBL for companies during the program's creation.

#### PKBL as a strategy for forming corporate image at PT. Antam, Tbk (PERSERO)

VP Corporate Social Responsibility as program implementer and person in charge under the Director of Human Resources, PT. Antam, Tbk (PERSERO) was formed with one of the goals being to find out the state of the environment regarding the needs of the community, and to function as a counterweight to information for the community. Community Development Manager as a mediator between the needs of PT. Antam, Tbk (PERSERO) and the community, so it is hoped that there will be a harmonious relationship. The purpose and function of public relations at PT. Antam, Tbk (PERSERO) is in accordance with (Cutlip, Center, & Broom, 2006), that Public Relations (PR) is a management function that builds and maintains good and beneficial relationships between organizations and the public that influence the success or failure of the organization.

Comdev Department PT. Antam, Tbk (PERSERO) seeks to form a corporate image more towards empowerment or empowerment of the surrounding community. This is a manifestation of the Directors' Decree regarding ANTAM's CSR Master Plan as outlined

in Directors' Decree No KD 252.K/0045/DAT/2011 Regarding ANTAM's CSR Master Plan and Directors' Decree regarding ANTAM's organizational structure in accordance with Directors' Decree No 215.K/0251/ DAT/2008 which regulates the Implementation of ANTAM's PKBL is carried out by the PKBL Management Unit both at the Head Office and Business Units/Units formed based on a Directors Decree.

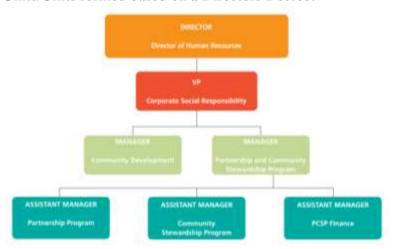


Figure 4
Governance and organizational structure of Corporate Social Responsibility

The implementation of ANTAM's Partnership and Community Development Program (PKBL) is implemented as a manifestation of the implementation of the principles of Good Corporate Governance (GCG) and Corporate Social & Environmental Responsibility (TJSL) based on the Limited Liability Company Law No. 40 of 2007 and in line with one of the goals of establishing a BUMN, namely participate actively in providing guidance and assistance to entrepreneurs from economically weak groups, cooperatives, and the community as stipulated in the Law of the Republic of Indonesia No. 19 of 2003 concerning State Owned Enterprises. PKBL management refers to the Minister of BUMN Regulation No. PER-02/MBU/7/2017 dated 5 July 2017 concerning the Second Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 concerning the Partnership Program and Community Development Program for State-Owned Enterprises.

PT. Antam, Tbk (PERSERO) UBP Emas Pongkor through the Comdev Department as program executor, makes PKBL a means for companies to gain good will, trust, mutual understanding, and a good image from the public. Two important aspects must be considered in order to create synergistic conditions between the company and the community, namely from the economic aspect, the company must be profit-oriented and from the social aspect, the company must contribute directly to society, namely improving the quality of life of the community and its environment.

PKBL as the formation of corporate image, is directed at realizing the three main pillars of development (triple tracks), namely reducing the number of unemployed (projob), reducing the number of poor people (pro-poor) and increasing economic growth (pro-growth). The PKBL program is divided into 2 parts, namely:

# a. Partnership Program:

Forms of partnership programs PT. Antam, Tbk (PERSERO) Pongkor Gold

Mining Business Unit, among others, in the form of investment capital loans. There are five sectors that become partners, namely agriculture, livestock, trade, industry and services. The target area covers ten villages namely Malasari Village, Parakan Muncang Village, Kalong liud Village, Cisarua Village, Sukaluyu Village, Pankgkal Jaya Village, Bantar Karet Village, Curug Bitung Village and Nanggung Village in Bogor Regency.

#### b. Community Development Program

Community Development Program activities carried out by PT. Antam, Tbk (PERSERO) Pongkor Gold UBP consists of natural disaster assistance, community education, public infrastructure & facilities, worship facilities, public health, nature conservation.

Providing assistance in PKBL is carried out in 2 ways, namely:

#### 1. Centralized

Is an activity originating from the company's initiative, the company will try to cooperate with the government through the village musrenbang, sub-district musrenbang and district musrenbang in an effort to find out the real needs of the community based on the rankings made by the community.

#### 2. Decentralized

In Law Number 5 of 1974 concerning the principles of governance in the Regions, decentralization is the handing over of government affairs from the higher level government or regions to the regions to become their household affairs. In a decentralized system, the central government gives authority to regional governments to carry out development. PT. Antam, Tbk (PERSERO) UBP Emas Pongkor together with the village government carried out a discourse proposal activity from the community, where the company would periodically communicate with the community to find out and update regional superior program data according to the current needs of the community. An approach in which companies integrate social concerns into business operations and company interactions with stakeholders (stakeholders) based on the principles of volunteerism and partnership (Nuryana, 2005).

Based on the explanation regarding PKBL as a strategy for building the image of PT. Antam, Tbk (PERSERO) UBP Emas Pongkor above, then researchers will implement the program into theory related to the method of forming corporate image (Scott M. Cutlip and Allen, 1971 Scott M. Cutlip, Allen H. Center and Colem M.broom Op. Cit. p. 69).

H. Center (2006) in his book entitled "Effective Public Relations" states the strategy for forming 7 circle Public Relations which will be explained in figure 1 regarding the Circle Public Relations Programming and Communication method as follows:

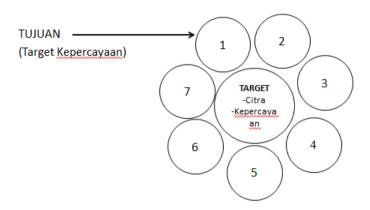


Figure 5

# Method of Program and Communication of Public Relations Activities Circle Source: Scott M. Cutlip and Allen H. Center (2006)

Activating the goals and targets of a series of plans in the Circle PR Programming and Communication method will be achieved in the form of "image" or trust from the target public or the general public. These goals and objectives can be binding both for the benefit of the organization and the internal public and external public and the feedback is to create a positive image for the company. An explanation of the Circle PR Programming and Communication series of planning and activities is as follows:

# 1. Situation Analysis and Communication Stage

PT. Antam, Tbk (PERSERO) UBP Emas Pongkor acted by conducting direct surveys related to the interests of the community (external) in accordance with the SOP for Distribution of PK and BL Loan Funds. The company has always reviewed PKBL activities in the past, in the past it was more on assistance or donations in the form of physical, buildings and others, infrastructure and others, but in the end the company also realized the need for empowerment, community empowerment so that people can explore the talents they have so that in the future they can be developed, especially if it can open new jobs for the community.

#### 2. Formulate goals and set a time

Comdev hopes that by becoming a community partner, the company wants to become a mediator for the interests of community and company communication, in the sense that companies and communities can go hand in hand, companies can operate well and the community also benefits from the company's presence by obtaining these facilities when they need help.

#### 3. Determine the public and personnel involved

There are five sectors that become fostered partners that have been determined by the center, namely agriculture, livestock, trade, industry and services. The target area covers ten villages in the Nanggung District, the area where PT. Antam, Tbk (PERSERO) UBP Emas Pongkor carries out operational activities that are determined based on the proximity of the area to the company's operations (ring), namely Malasari Village, Parakan Muncang Village, Kalong liud Village, Cisarua Village, Sukaluyu Village, Pankgkal Jaya Village, Bantar Karet Village, Curug Bitung Village and Nanggung Village in Nanggung District, Bogor Regency.

The company conducts surveys and mapping for the benefit of ranking priority assistance, but the company has a policy that the community around the company will

take precedence, these communities are very close to the impacts and exposure resulting from the company's operations. After all the needs in the surrounding area, namely the Ring I area, have been met, then it will be continued with communities that are more far-reaching.

### 4. Determine the media (media planning)

PT. Antam, Tbk (PERSERO) UBP Emas Pongkor establishes communication with the community by making regular schedules to visit areas, which of course contains information as a form of updating the latest data from the community. Then, from this data data and information will be obtained in the form of transitions experienced by the community and changes in ranking in society. So that later in the activities of such visits, information will appear on the training activities carried out in the area, according to what the community needs.

#### 5. Budget (budget)

In 2019 PT. Antam, Tbk (PERSERO) UBP Emas Pongkor distributed PKBL funds of 4.90 billion, the funds were divided into fostered partner loans of 4.51 billion and development of fostered partners of 0.40 billion. In each current year there will be changes according to company profits. The allocation of these funds has been determined on the basis of the results of the review of updating the needs of the local community. In efforts to empower the community, the company provides more assistance so that the efforts carried out by the community can be perfect, these efforts can improve the company's image in the community.

## 6. Program and Planning (Programming and Planning)

Preparation for the basic food assistance program, in this case the comdev communicates with the local area through institutions, if in the village of course through the respective village heads, then data collection is carried out on the people who need assistance. The internal comdev held meetings to adjust the funds to the number of community submissions in several villages. Then the goods are sent to areas where there must be officers from comdev and PKBL to ensure everything runs smoothly and according to the rules. The theory of the CSR pattern model (Saidi and Abidin, 2004) is direct involvement, through foundations or corporate social organizations, and/or partnering with other parties. In this case PT. Antam, Tbk (PERSERO) UBP Emas Pongkor has implemented the second point which is the implementation of assistance through local village officials, namely the village head as the community leader of a village.

#### 7. Final result analysis (evaluation)

PT. Antam, Tbk (PERSERO) UBP Emas Pongkor reports at the corporate management level and at the central level. PT. Antam, Tbk (PERSERO) audits all programs by the SPI (Internal Oversight Unit), as a control function regarding the use of funds and programs rolled out so that the PKBL program is closely monitored by the company in an accountable manner. Realizing the importance of the PKBL report, PT. Antam, Tbk (PERSERO) always prepares PKBL reports separately. Through PKBL reports, it is expected that companies can publish PKBL activities in a more optimal, effective and efficient manner, reports can be viewed by the public every year through the website https://www.antam.com/en/reports/csr-related-reports).

According to Soewarno (2009, 60) in his journal states that the company will carry out CSR and then issue a CSR report, and as a result the company will gain an image as a company that pays attention to environmental needs and is socially

responsible. The further impact is that customers will become more loyal, potential investors will be happy to invest their funds, creditors and suppliers will be happy to cooperate with the company, environmentalists have no reason to protest, and the surrounding community will support the company's existence. In the long term, the company will earn profits because its products are loved by customers, as a result of a good corporate image.

#### **CONCLUSION**

Based on the findings and data analysis, PKBL is a PT program. Antam, Tbk (PERSERO) UBP Emas Pongkor which is run by VP Corporate Social Responsibility and Comdev Manager who is fully responsible for the PKBL program and plays an active role in community development, the function of the Comdev Department as a mediator between company and community needs, and the company's CSR objectives to increase quality of life and independence of the surrounding community. This embodiment is implemented with the aim of forming a positive image for the company.

Providing assistance in the PKBL Program of PT. Antam, Tbk (PERSERO) UBP Emas Pongkor to form a corporate image can be done in 2 ways, namely centralized and decentralized. Strategies for providing assistance through centralization and decentralization can be built in a PKBL unit where partnerships are decentralized and community development is centralized. PKBL can shape the company's image if the program compiled can be beneficial to the company and the community, in order to create public trust in the company which will ultimately improve the image of PT. Antam, Tbk (PERSERO) in the eyes of the public. Implementation of PKBL PT. Antam, Tbk (PERSERO) UBP Emas Pongkor in the formation of corporate image, from the partnership side, is socialization to the areas that are the target areas. Whereas for environmental development, it is a company initiative to meet the needs of the community, for example: mass circumcision, community health, there is a healthy village, during the month of Ramadan social services are held for orphans, for Islamic boarding schools, orphanages, and then scholarships.

As for the implementation of PKBL PT. Antam, Tbk (PERSERO) UBP Emas in the formation of corporate image through centralized environmental development program activities, by seeking information on the need for assistance from the relevant local government, then PT. Antam, Tbk (PERSERO) UBP Emas Pongkor through the Comdev Department will communicate with institutions/equipment in the area to distribute assistance to the local community. However, the nature of the distribution of centralized assistance was not limited to providing assistance, but the Comdev Department of PT. Antam, Tbk (PERSERO) UBP Emas Pongkor also actively conducts socialization which then establishes interaction between the company and the community, so that a positive image for the company can be built. The forms of interaction that are established are generally discussions and then a discourse emerges in the form of activities according to the needs of the community originating from ideas from the community itself.

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