

Mapping the Potential of Corporate Social Responsibility (CSR) Programs in Palm Oil Plantations

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ABSTRACT

The oil palm plantation industry adheres to the concept of sustainability paradigm on 3 main principles, namely profit, people (social society) and planet (environment). One of the social issues is to keep community involvement in running the oil palm plantation business process stable. With the existence of social problems in the community regarding oil palm plantations, the company as a stakeholder seeks to implement Corporate Social Responsibility (CSR) programs with the hope of establishing a harmonious relationship between the company and the local community and the establishment of cooperation so that the community benefits both socially, economically and culturally. This potential mapping program is expected to be the foundation for oil palm plantation companies to determine appropriate coaching programs to improve the welfare of the community around the company by analyzing the description of production aspects, market aspects, administrative & financial aspects, human resource aspects, sustainability aspects in each potential business. The research is focused on 2 sub-districts and 1 district in the province of Central Kalimantan. From the results of the analysis, it was concluded that the potential for CSR for horticulture committees and fisheries and livestock commodities became a priority program due to limited needs and supplies.

Keywords: potential, visualization, CSR, empowerment

INTRODUCTION

The oil palm plantation industry adheres to the concept of sustainability paradigm on 3 main principles, namely profit, people (social society) and planet (environment). The principle of sustainability is a combination of industrial dynamics to build the economy and society and maintain environmental balance so that it has an impact on business sustainability in the long term. The ideal organization has a strong vision, which is to integrate commercial values, social and environmental values so that they are able to build solutions to social problems (Gallagher, 2018) (Pereira & Martins, 2021). This concept of sustainability urges the agricultural sector to realize ecological responsibility and higher profits without neglecting the content of social welfare and climate change (Gbejewoh et al., 2021). The perspective of oil palm plantation sustainable development is that the palm oil industry is able to generate foreign exchange, regional development, play a role in rural development, increase income, reduce poverty, equitably distribute economic development, and improve income inequality and development. Oil palm is able to absorb CO₂ and produce O₂ thereby reducing greenhouse gas emissions, maintaining biodiversity (Purba & Sipayung, 2017) (Tang & Al Qahtani, 2020). Program program of CSR activities covering the fields of community economic empowerment, education, health, environment, and religion with a claim of 100% achievement. The largest funds were channeled to the education sector and the smallest to the religious sector. CSR funds come from company administration, not from company profits (Fatimah & Ghalib, 2024)

The existence of the oil palm plantation industry certainly has a social, economic and environmental impact on the surrounding community. The expansion of oil palm has led to an increase in the number of fruits, fish, vegetables, and game animals as well as a decrease in the quantity of groundwater, especially during the dry season. In the economic aspect, the economic gap between the upper, middle and lower classes is increasingly visible. Meanwhile, the social impact of changing

customary norms, the practice of rent seeking, and the emergence of new conflicts (Suryadi et al., 2020). The development of coconuts causes deforestation, water pollution, soil erosion, and air pollution. In terms of social impact, many stakeholder groups, namely employees, outside farmers, and investor households, gain significantly, but unevenly. Customary land owners experience restrictions on land use rights and land loss. Increasing land scarcity, rising land prices, and conflicts over land in some locations (Obidzinski et al., 2012). Oil palm plantations can lead to land alienation, loss of livelihoods, social conflicts, exploitative labour relations and degraded ecosystems (Colchester & Jiwan, 2006). Social issues in oil palm plantations are land acquisition by plantations and environmental damage. the degradation of customary institutions and the collapse of customary authority. *The* shortcomings of smallholder farmers are related to land acquisition and allocation, road maintenance, prices, credit and dishonest transactions by companies and corporate cooperatives. The presence of unemployment among former landowners, wage payments below the provincial minimum, insufficient minimum wage for a decent standard of living and the prevalence of freelance, subcontract, temporary and part-time jobs (Tania Murray Li, 2015).

With several social problems in the community regarding oil palm plantations, companies as stakeholders are trying to implement *Corporate Social Responsibility (CSR) programs* in the hope of establishing a harmonious relationship between the company and the local community and building cooperation so that the community benefits socially, economically and culturally (Witasari & Heriyanto, 2022). The company's CSR program has responded positively and benefited the community, although there are still many aspects of attention to establish closer relationships (Hotmauli, 2021). The relationship between CSR implementation and conflict is certainly very related, if the form of implementation of a CSR is not carried out properly, of course the community

feels that there is no social assistance or social bond between the company and the community. This causes the public to feel less attention from the Company (Irawan et al., 2023).

However, there are challenges in implementing community social development through the SCR program in a sustainable manner, namely (1) unresolved land conflicts; (2) determine the right program; (3) building community capacity rather than providing irrelevant training; (4) lack of company field staff and facilitators; and (5) managing community expectations. In this realm, this research was carried out as an effort to identify and map the potential of villages and communities around oil palm plantations as a form of concern for increasing economic value by raising superior programs and local wisdom. At the same time, it

aims to assess superior potential in the context of preparing human resource development programs and potential that has the opportunity to be a source of increasing income and the community's economy. With this mapping program, it is expected to benefit business actors/MSMEs, farmer groups/cooperatives to get human resource development programs through training and mentoring as well as production facilities and capital programs, market expansion and to develop businesses to have a greater impact. With CSR programs through a participatory approach and programs that focus on capacity building, strengthening farmer institutions, and providing production facilities, the company has succeeded in creating a positive impact that is not only short-term but also leads to long-term sustainability (Fitriani, Syaifullah, 2025).

MATERIALS AND METHODS

Analysis of CSR potential assessment in oil palm plantations at PT. Bumitama Gunajaya Agro Central Kalimantan, East Kotawaringin Regency, in Telang Antang & Antang Kalang Districts uses a qualitative descriptive approach that aims to capture several potential village opportunities in the agriculture, livestock, fisheries, MSME sectors that are managed either by groups (cooperatives, poktan, or others) or managed individually.

Deepening of potential analysis is carried out by interview, observation (field portrait) methods on business actors, administrators or sub-district/village apparatus. The deepening of the analysis includes production aspects, market aspects, administrative & financial aspects, human resource aspects, sustainability aspects in each potential business.

RESULT AND DISCUSSION

Tabel 1. Potential based on population and food needs

No	Districts	Antang Kalang	Antang Kalang
1	Number of Villages	21.781	13.357
2	Number of Households	6.143	4.352
3	Potential Stores	192	164
4	Potential of Restaurants	44	24

Tabel 2. Agricultural production potential

No	Vegetables / Fruits	Telaga Antang Production (quintal)	Telaga Antang
1	Spinach	204	371
2	Buncis	222	123
3	Big Chili	174	
4	Cayenne Pepper	464	1.845
5	Long Beans	592	1.433

6	Kangkung	310	126
7	Cucumber	510	247
8	Sawi	107	132
9	Watermelon	336	145
10	Eggplant	580	785
11	Tomatoes	36	235
12	Durian	1.385	630
13	Manggo	11	315
14	Bananas	2.492	1.073
15	Duku	35	
16	Orange	73	
17	Jackfruit/Cempedak	893	
18	Pineapple	92	
19	Papaya	1.392	
20	Soursop	20	
21	Breadfruit	61	

Tabel 3. Potential based on livestock production

No	Livestock	Telaga Antang		Telaga Antang	
		Populasi	Production (kg)	Populasi	Production (kg)
1	Cow	130	6.117	397	-
2	Goat	159	2.387	548	2.301
4	Pig	837	6.208	5.152	27.603
5	Chicken	18.597	2.740	55.802	2.614
6	Broiler	1.603	831	89.866	37.409
7	Duck	130	6.117	7.200	2.644

Potensi Horticulture

Production Aspects	The pundu area and its surroundings are suitable areas for horticultural plants of soil type and fertility Along the way there are many farmers who try to grow vegetables but they do not group in one organization Farmers' work without using tractors (<i>only cages</i>) to cultivate land At certain times, the owner of the plantation is assisted by 1 person (freelance employee) with HR 150,000 / day
Market Aspects	For vegetables, long beans, tomatoes, etc., harvested products are sold at local vegetable stores/grocery stores. Some of them are also taken from the tengkulat when there is a lot of harvest,. For melon, it is usually sold to 1 collector in Palangka at a price of 10,000/kg. with an average fruit of 1.8 – 2 kg / melon There is no vehicle for prices and markets so far
Administrative & Financial Aspects	No logging - Profits are used as necessities and savings for the replanting cycle

HR Aspects	- The owner, already understands and is skilled in mastering farming - Assisted by 1 member (HK 150,000)
Sustainability Aspects	- There is still a lot of land that has not been cleared and cultivated - Plan to establish groups for access to assistance and market linkage
Potential of Processed SMEs	
Production Aspects	- Raw materials are all available in the region, from soybeans, flour, bananas etc. The current production capacity can reach 3000 packs with 8 variants of various. Daily production with variants varying according to stock and needs
Market Aspects	- Most of the markets in UPS BGA companies, other companies and stores with a consignment system with monthly payments. Some of the concussions came to be used by. The product packaging is still simple, standing clear poch and sticker with a weight of 100 – 125 gr, Product price variations 11,000 – 12,000/packaging. The market demand is large and has not been able to meet all of them. There are several competitors for the same processed products, including products (football) from Java. Some agents/competitors ask for work (colab) for the outside market, but there is no agreement yet
Administrative & Financial Aspects	- Currently, administrative and financial records already exist, but they have not been neatly and clearly arranged between income and income and profit. The profits are still used as savings and basic necessities and others. The initial capital is sourced from the private but not recorded. The average turnover can reach above 20,000,000 with a profit margin of 5-6 million a month
HR Aspects	- All production – marketing work is done by yourself without any employees - Location human resources ask for wages equal to daily wages for work in oil palm plantations. For partner opportunities to small neighborhood mothers for reasons that there is a busy schedule
Sustainability Aspects	- There are several UPS companies that ask to be supplied. The demand for time ahead of Eid is too much

Potential of Freshwater Fish Cultivation

Production Aspects	There is no harvest or fish ready to sell yet, sales planning is targeted at local residents and markets with a price of 32,000 – 35,000 following the market price but still calculating production costs
Market Aspects	There is no clear recording and administration. For the profit sharing plan, 20% for managers, 40% for business turnover, 40% for group
Administrative & Financial Aspects	The business/business is only managed by 1 person (group administrator) without any other group roles/members. Manager's share of 20% of profits
HR Aspects	The nearest plan is to renovate the tarpaulin pond due to the overload of the existing pond capacity. No cooperation with any supplier/market yet

Potential of Laying Hen Livestock

Production Aspects	The initial plan is targeted to produce 1000 chicken seeds. Manufacture of cages waiting drawings covering a capacity of 1000 heads, feed warehouse and installation. Group desires; shortage of kandan materials, DOC, Feed, Medicine, Tools supported by BGA CSR for the first cycle, then it will be managed together
Market Aspects	The main target is to supply UPS with a price agreement and a suitable payment system. Local markets, nearby groceries with the hope that the price can be cheaper because it does not bear the cost of long transport
Administrative & Financial Aspects	The team must prepare the management of the business regarding the feasibility of the business. Develop and train financial administration and systems to be transparent and sustainable
HR Aspects	The team must prepare trainers, as a forum for training, member consultation for the science and techniques of laying hen cultivation. Each member is given a jobdisc must be active in joint business management
Sustainability Aspects	Every production period of the cycle must be planned for an additional target of increasing the number of chickens/cages. On the way to find formulas/ways to make your own feed

CONCLUSIONS

Based on the results of the analysis of the assessment of CSR potential in oil palm plantations in two sub-districts with the formulation of several potentials that have been running from the production aspect, market aspect, administrative & financial aspect, human resource aspect, and sustainability aspect, it is concluded that the CSR potential for the horticultural committee and the fisheries and livestock commodity committee is a priority program due to the limited needs and supply.

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