

Corporate Social Responsibility Optimization as Collaborative Funding Innovation to Support Sustainable Development

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Abstract

During the pandemic, development progress is hindered by budget constraints. Meanwhile, the business sector's contribution to development is minimal and charitable, with no significant impact. A program called "Kembang Jawa" has been introduced to optimize Corporate Social Responsibility (CSR) funding for development programs to address this issue. This study aimed to explore the innovation of funding called "Kembang Jawa" through a case study. The primary data was gathered through focused group discussions and interviews with the Regional Development Planning, Research and Development Agency of Subang Regency. The secondary data was sourced from proposals, work plans, reports, and policies related to Kembang Jawa. The analysis was conducted in four stages: data collection, data reduction, data presentation and visualization, and conclusion drawing. The program involves compiling an inventory of development programs, coordinating with regional apparatus and the provincial government, socializing with potential CSR partners, and hosting a CSR Awards ceremony. In 2020, 13 companies contributed Rp4.930 billion to the program; in 2021, this increased to 15 companies, contributing Rp8.565 billion. This innovative initiative is in line with SDG 17 and has the potential to be replicated by other local governments. However, areas of improvement include enhancing communication with the business sector, providing detailed information on development programs and CSR schemes, and recording program activities through a website-based application.

Keywords: *Corporate Social Responsibility, Development Program, Regional Government, Innovation*

JEL Classification: H72, O29, O38

INTRODUCTION

Subang, located near the provincial and state capital of West Java Province in Indonesia, is a regency with a diverse geography. The southern region is made up of highlands and mountains, the middle section is a plain, while the northern region leads directly to the Java Sea. Agriculture is the dominant economic sector, with 84,570 hectares of rice fields, accounting for 41.21 percent of the total area of Subang Regency. Chilli is the major horticultural crop, with an average annual yield of over 2,464 tons. The region also has potential in plantations, forestry, and fisheries, both marine and land-based. Subang Regency plays a vital role in the national food supply and has been designated a priority area for developing the beef cattle industry. Its strategic location and favorable environmental conditions make it an essential region for the country's overall agricultural growth (Statistics of Subang Regency, 2022; Presidential Regulation Number 18 of 2020 on the 2020-2024 National Medium-Term Development Plan, 2020).

The issue of community welfare remains a significant development concern in Subang Regency. Despite efforts to address poverty, the percentage of impoverished individuals has not decreased significantly, and the Human Development Index (HDI) remains low. As of 2017, Subang Regency's HDI was ranked 18th out of 27 regencies/cities in West Java Province. Unemployment rates in the region exceed 80,000 individuals, and there are 63,567 underprivileged families face economic hardship (Subang Regency Government, 2019).

Subang Regency is facing limitations in providing development resources due to financial constraints. The local-own source revenue of 18 percent (Directorate General of Fiscal Balance of the Ministry of Finance, 2020) indicates a heavy reliance on balancing funds or allocating funds from the central government (Putra, 2018). The regional budget realization evaluation result also highlights that some development programs could not be implemented due to insufficient financial support. The business sector's contribution to development is minimal and needs more impact, making adopting a different approach to overcome the financial constraint necessary.

To address this issue, the *Kembang Jawara* innovation, which stands for the Development Program Catalogue and the flagship development program in Subang Regency, respectively, aims to enhance financing support for Subang Regency's development programs. The approach optimizes the Corporate Social Responsibility (CSR) scheme and synchronizes CSR activities with development programs in Subang Regency. The goal is to increase the efficiency of financing support for the development programs in Subang Regency.

Previously, no mechanism summarised the community's needs or information regarding development programs that could be supported by CSR funding and can be used as a basis by companies in implementing CSR programs. The government, companies, and the community worked independently and did not coordinate the implementation of development in the Subang Regency: the government carries out its duties in regional development, companies carry out their obligations in implementing CSR, and the community accepts programs provided by local governments and companies. The objective of this study was to provide a comprehensive overview of the planning, implementation, and evaluation stages of collaborative innovation in development funding within

Subang Regency, specifically Kembang Jawara. The findings of this study can serve as informative insights and valuable knowledge for replicating innovative practices within other local governments.

METHOD

Theoretical Framework

Many governments have taken initiatives to promote and collaborate on CSR activities. Legitimacy owned by the government tends to influence CSR activities to align with development programs. The collaborative governance theory describes the government's role in encouraging and collaborating on CSR activities. The private sector is dedicated to making valuable contributions towards development accomplishments through its corporate social responsibility initiatives (Albareda, Lozano, Tencati, & Midttun, 2009; Knudsen & Moon, 2022; Darwis, Resnawaty, & Hassanah, 2019).

Collaborative Governance

Effective collaboration requires a comprehensive and strategic approach to knowledge sharing among all involved parties. Trust, integrity, and consensus-building are integral to establishing a foundation for successful cooperation. To achieve breakthroughs, it is essential to promote ownership and unite all aspects of the organizations involved (Muhammad, 2017). Collaborative governance is a governing arrangement that involves public agencies and non-government stakeholders in a collective decision-making process. This formal and consensus-oriented approach aims to create and implement public policies or manage public programs and assets.

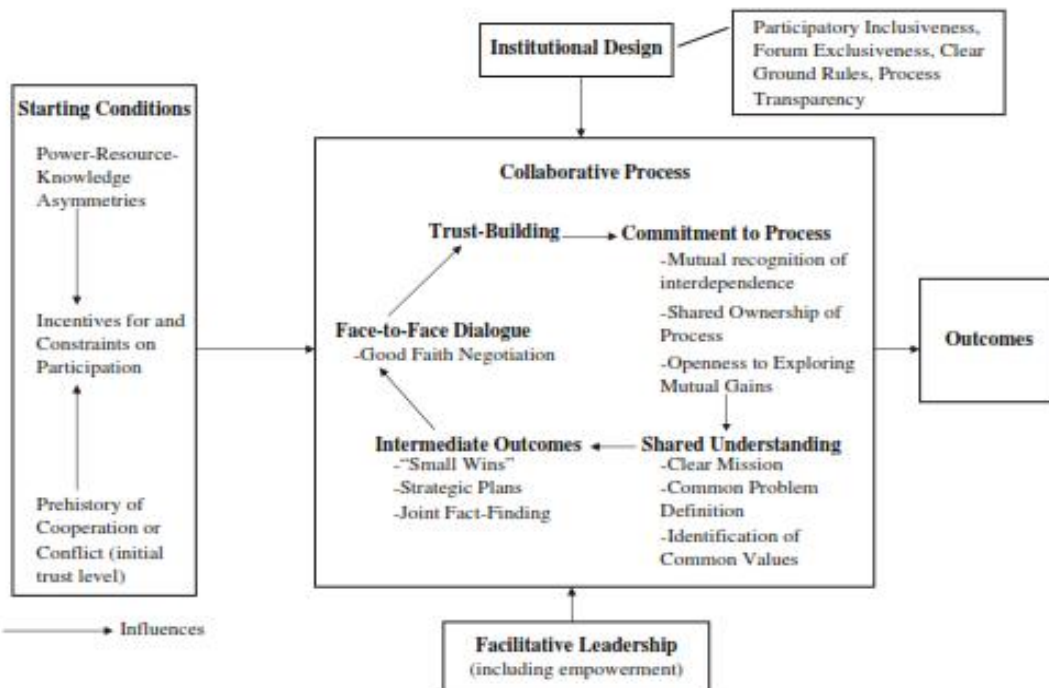


Figure 1. Model of Collaborative Governance
Source: Ansell & Gash, 2007

Successful collaborative governance hinges on several critical criteria, including the ability to reach a mutual agreement. While the negotiation process may be more complex, collaborative governance has the potential to solve a more significant number of problems than conventional processes. Additionally, the efficiency level of the collaborative process is a crucial factor. Though this approach may require more resources than traditional rulemaking, the benefits outweigh the costs. Stakeholder satisfaction is also a critical aspect of collaborative governance. This process tends to be more responsive and yields better results than traditional methods, which often fail to consider stakeholder input. Moreover, collaborative governance can yield other benefits of social capital, such as allowing participants to learn something new and gain a deeper understanding of the issues. Organisations can ensure that their collaborative governance efforts are successful and effective by prioritising these criteria (Ansell & Gash, 2007).

Corporate Social Responsibility

The regulations pertaining to Corporate Social and Environmental Responsibility Provisions in Indonesia are governed by Law Number 40 of 2007 on Limited Liability Companies. It is strengthened by the Constitutional Court Decision Number 53/PUU-VI/2008, which requires that the provisions of Article 74 of Law Number 40 of 2007 be implemented in the operation of a limited liability company (Christiawan, 2021). CSR is part of the corporate structure. If well managed, CSR programs can benefit the company's reputation in terms of employee recruitment, motivation, and retention, as well as establishing and maintaining valuable partnerships. Amidst the challenge in CSR is how best to optimise social benefits from the resources for social projects. The company has three basic support options: cash or in-kind donations, the creation of the company's functional operations to assist the social efforts of external parties, and the development of a collaborative approach (Pearce II & Robinson Jr., 2014).

There are several principles for a successful CSR, as follows: (1) identify a long-term sustainable mission; (2) contribute to "what we do"; (3) contribute large-scale specialised services; (4) consider the influence of the government: government support for CSR participation can foster the participation and contribution of companies to the success of CSR; and (5) compiling and evaluating the benefits of its social contributions (Pearce II & Robinson Jr., 2014).

Research Method

This research study employs a qualitative approach and a case study method. Case studies aim to reveal the case's uniqueness or distinctive characteristics (Assyakurrohim, Ikham, Sirodj, & Afgan, 2023). The case itself is the cause of the research, so the primary purpose and focus of the case study research is on the case that is the object of the research—in this context, Kembang Jawara Innovation. This research involves various data collection techniques to provide a comprehensive and systematic picture of the Kembang Jawara and CSR practices in the Subang Regency. Primary data was collected through focused group discussions (FGD) and interviews with the Regional Development Planning, Research and Development Agency (BP4D) of Subang Regency, which

served as the regional apparatus organization that initiated and managed Kembang Jawara.

The informants were carefully selected through purposive sampling, as follows: (1) The Head of BP4D Service acts as the secretariat coordinator of the Corporate Social and Environmental Responsibility Forum (TJSLP Forum), acknowledges the business processes and dynamics in TJSLP Forum; (2) The innovator who initiated and conceptualized the Kembang Jawara innovation; (3) The finance and government division plays a role in compiling regional development planning documents in the government sector (RPJPD, RPJMD, and RKPD). These documents are sources of information in compiling development catalogs in the Subang Regency, and (4) The research and development division that plays a role in coordinating, monitoring, evaluating, and reporting innovation activities within the Subang Regency government.

In addition, secondary data was acquired from proposals, work plans, reports, and policies related to Kembang Jawara. The analysis technique was carried out in several stages, including data collection, reduction, presentation and visualisation, and conclusion drawing. Overall, this approach provides a detailed and insightful understanding of the practices and implementation of Kembang Jawara and CSR in Subang Regency.

RESULTS AND DISCUSSION

Results

Subang Regency Regional Development Plan, Subang Jawara, and Kembang Jawara

As stipulated in Article 264 Paragraph (4) of Law Number 23 of 2014, the elected Regent and Deputy Regent must prepare the Medium-Term Regional Development Plan (RPJMD). This document must be drafted within six months of the elected regional head's inauguration. It should provide an in-depth account of their vision, missions, programs, objectives, targets, strategies, policy directions, development and finance, and regional and cross-regional apparatus programs. Additionally, it presents an indicative funding framework for five years, aligned with the guidelines outlined in the Long-Term Regional Development Plan (RPJPD) and the National Medium-Term Development Plan (RPJMN). Such information is essential in ensuring that the regional head's plans are effectively communicated and implemented and that the region's development trajectory aligns with national priorities (Subang Regency Government, 2019).

The Vision of Subang Regency 2018-2023 is Clean, Advanced, Prosperous and Distinctive, with five missions consisting of (1) governance that is free from corruption, collusion and nepotism, open, and serves the community; (2) increased infrastructure development, spatial planning with local cultural characteristics, and equitable distribution of rural development; (3) increased the quality of education to create reliable and competitive human resources and expand employment opportunities; (4) increased community welfare through the development of agriculture, populist economy, creative industries, fisheries and marine affairs, trade and exploration of tourism potential based on culture and local wisdom; and (5) the quality improvement of public health services and the environment (Subang Regency Government, 2019).

The medium-term vision and mission for 2018-2023 are being developed through the flagship program, Subang Jawa. This program is intended to embody the values of Jaya (Glorious), Istimewa (Eminent), and Sejahtera (Prosperous). Its implementation is aimed at achieving the desired outcomes professionally and respectfully (Subang Regency Government, 2019).

The Subang Jawa program consists of nine subprograms. Each subprogram covers different areas as follows:

- 1) Jawa Nata: in charge of spatial planning, housing and settlements, infrastructure, and transportation;
- 2) Jawa Niaga: in charge of industry, trade, cooperatives, and MSMEs;
- 3) Jawa Wisata: in charge of tourism, arts and culture;
- 4) Jawa Raga: in charge of population, employment, social and health;
- 5) Jawa Daya: in charge of religion and education;
- 6) Jawa Miara: in charge of fisheries and livestock;
- 7) Jawa Pakaya: in charge of agriculture, plantation and forestry;
- 8) Jawa Riksa: in charge of the environment, mining, and energy; and
- 9) Jawa Nagara: in charge of bureaucratic and legal reform.

The RPJMD is a vital framework for the annual Regional Government Work Plan (RKPD). During the preparation phase of the RKPD, the priorities and objectives of the yearly regional development align with the programs outlined in the RPJMD. The program targets and ceilings stated in the RPJMD are indicative and are subject to adjustments based on the prevailing conditions and needs at the time of RKPD preparation.

Within the context of regional budgeting and expenditure planning, the government employs a mechanism for allocating resources and expenditures that is comprised of three essential elements. These elements include revenue, which encompasses local own-source revenue (such as regional taxes, regional levies, results of separated regional wealth management, and other legitimate local own-source revenue), balancing funds (including profit-sharing funds, general allocation funds, and special allocation funds), as well as other legitimate regional income (such as grants, emergency funds, and other income determined by the government). Additionally, the mechanism includes expenditure, which can be further categorised into mandatory and optional affairs and financing (Putra, 2018).

The process for creating and finalizing the APBD is rigorous, involving multiple phases of deliberation and planning. The first step is the Musrembang, held at the village, sub-district, and regional working unit (SKPD) consolidation forum levels between January and March of the previous budget year. This phase results in a draft of the RKPD, further discussed at the regency level. The determination of the RKPD takes place in May of the previous budget year, followed by the preparation of the draft General Budget Policy (KUA) and Priority and Temporary Budget Ceiling (PPAS) documents in June of the previous budget year. Discussions on KUA and PPAS with the Regional Representative Assembly (DPRD) occurred in October of the previous budget year. Preparing the Work Plans and Budgets for Regional Government Work Units are then carried out and drafting the APBD regulation. An agreement or mutual agreement document between the regional head and the DPRD is then stipulated by November of the previous budget year. Finally, the APBD for the planned budget

year is stipulated no later than December of the previous budget year. It is a comprehensive and detailed process that ensures transparency and accountability in allocating funds for development work plans (Putra, 2018).

Local governments must establish and maintain sources of tax and non-tax revenues to fulfil their mandated responsibilities in a fiscally responsible manner. Achieving self-sufficiency in revenue generation is crucial in enhancing the government's capacity to provide essential public services. In addition to regional funding, intergovernmental transfers are necessary to bridge the expenditure requirements and fiscal capacity disparities among regions and support central government programs' implementation. To effectively address the challenge of mobilizing adequate financial resources, developing countries' local government authorities require various financing instruments for infrastructure development capital, which may include grants and loans from multiple sources.

Considering the systemic deficiency in conventional sources of income, local governments globally have begun exploring innovative and non-traditional financing avenues, such as government-private sector partnerships (PPP) and CSR. The limited capacity of traditional financing sources is the primary issue at hand. Regarding local government funding sources, there are three distinct financing models: the conventional model, the transition model, and the ideal model focused on budget sustainability. Achieving the latter requires a collaborative approach and synergy among various parties, carefully considering three critical aspects: partner-to-partner dynamics, the form of cooperation, and the implementation period (Kurniati & Suryanto, 2021).



Figure 2. Kembang Jawaara: Collaborative Funding Innovation in Subang Regency
Source: Regional Development Planning, Research and Development Agency of Subang Regency, 2020

The BP4D of Subang Regency has undertaken an innovative approach, namely Kembang Jawaara, to augment financing support for development programs. The initiative involves the private and industrial sectors, creating a collaborative ecosystem for sustainable development (Regional Development Planning Research and Development Agency of Subang Regency, 2020a). From a legal perspective, corporate social and environmental responsibility entails a company's unwavering commitment to promoting sustainable economic development to enhance the quality of life and environment. This commitment results in benefits that extend beyond the company itself, positively impacting the local community and society (Christiawan, 2021).

The process of implementing Kembang Jawara involves several stages: (1) Compiling an inventory of development programs which can be financed through CSR, (2) Coordinate with the relevant regional apparatus and the provincial government to ensure the smooth execution of the CSR initiatives, (3) Socialising and reaching out to prospective CSR partners is essential in order to garner support for the program, and (4) Holding a CSR Awards ceremony to recognise and appreciate the contributions of the CSR partners who have participated in the initiative.



Figure 3. Government and Private Sector Synergy through CSR Forum

Source: Regional Development Planning, Research and Development Agency of Subang Regency, 2020

Planning Stage of Kembang Jawara

The Kembang Jawara, also known as the development catalogue, is a compilation of regional development programs that are determined in the RPJMD of Subang Regency. This catalogue is updated annually by the regional apparatus of Subang Regency and follows the RKPD preparation (Regional Development Planning Research and Development Agency of Subang Regency, 2020b). The identification of programs and activities is conducted simultaneously with the regional development planning at the deliberation on development work plans forum, from the village to the district level. Whether using the regional budget or a CSR scheme, the financing scheme is determined during the same activities as preparing the RKPD. As such, the information in Kembang Jawara is continually updated and follows the development needs of the Subang Regency (Regional Development Planning Research and Development Agency of Subang Regency, 2020a).

Developing a catalogue menu for regional development programs in Kembang Jawara is critical, as these programs directly impact the Key Performance Indicators of Regional Heads. The categorisation or grouping of programs in Kembang Jawara also aligns with the sub-programs in Subang Jawara. The Kembang Jawara allows the private sector to contribute to achieving regional development performance indicator targets through CSR schemes. Companies can select the activities/development programs included in Kembang Jawara as a form of CSR. Kembang Jawara bridges the private sector's concerns, contributions, and responsibilities in funding/financing regional development in the Subang Regency and provides the private sector with essential information related to regional development programs in Subang Regency.

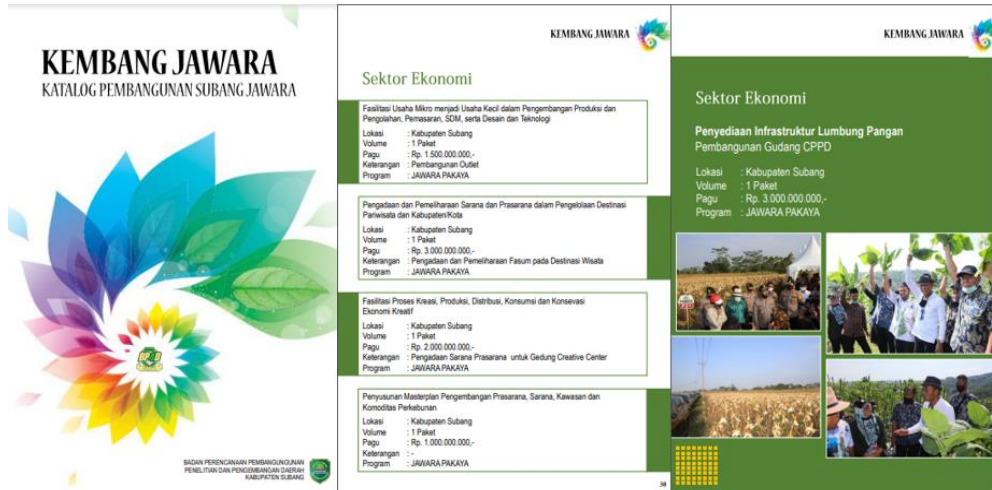


Figure 4. The Subang Jawaara Development Catalogue (Kembang Jawaara)
Source: Regional Development Planning, Research and Development Agency of Subang Regency, 2020

Legal basis

The implementation of Kembang Jawaara initiatives is bolstered by the backing of pertinent regulatory and legal frameworks, as follows:

- 1) Government Regulation Number 44 of 1997 concerning Partnerships (State Gazette of the Republic of Indonesia of 1997 Number 91, Supplement to the State Gazette of the Republic of Indonesia Number 3718);
- 2) Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies (State Gazette of the Republic of Indonesia of 2012 Number 89, Supplement to the State Gazette of the Republic of Indonesia Number 5305);
- 3) Government Regulation Number 12 of 2017 concerning Guidance and Supervision of Regional Government Administration (State Gazette of the Republic of Indonesia of 2017 Number 73, Supplement to the State Gazette of the Republic of Indonesia Number 6041);
- 4) West Java Provincial Regulation Number 2 of 2013 concerning Guidelines for Corporate Social and Environmental Responsibility and the Partnership and Community Development Program in West Java (West Java Province Regional Gazette of 2013 Number 2 Series E, Supplement to the Regional Gazette of West Java Province Number 138);
- 5) Regulation of the Governor of West Java Number 30 of 2011 concerning Facilitation of the Implementation of Corporate Social and Environmental Responsibility in West Java (West Java Province Regional Gazette of 2011 Number 29 Series E);
- 6) Subang Regent Regulation Number 86 of 2019 concerning Amendments to Subang Regent's Regulation Number 56 of 2017 concerning Implementation of Corporate Social and Environmental Responsibility; and

- 7) Subang Regent Decree Number: PR.14/KEP.217-BP4D/2020 concerning Subang Regency Corporate Social and Environmental Responsibility Forum 2019-2023 Period.

The Kembang Jawara delivery

To facilitate the successful implementation of CSR programs by companies and promote collaboration with development programs in the Subang Regency, a clear institutional structure, and protocols for managing collaborative activities are necessary. The Subang Regent has established the Corporate Social and Environmental Responsibility Forum (TJSLP Forum) to address this need. This forum serves as a platform for more extensive, complex, and long-term collaborations, ensuring that CSR programs are carried out effectively and synergistically. The management structure of the TJSLP Forum for the 2019-2023 period consists of the following:

- 1) Trustees: Regent and Deputy Regent of Subang, Head of Subang Resort Police, Commander of Military District Command 0605 Subang, Head of Subang Regency Attorney, Head of Subang Court, Chair of Subang Regency Regional People's Representative Council (DPRD);
- 2) Chairman: President Director of Limited Liability Company Dahana (Dahana is one of the state-owned enterprises in Subang Regency);
- 3) Vice-Chairman: Chairman of the Indonesian Employers Association (APINDO);
- 4) Secretary: Regional Secretary of Subang Regency; and
- 5) Secretariat Coordinator: Head of Regional Development Planning, Research and Development Agency of Subang Regency.

The TJSLP Forum plays a critical role in facilitating the planning and execution of programs, activities, locations, and targets that support the Subang Jawara programs. Additionally, it coordinates and synergises the implementation of CSR in Subang Regency, while also monitoring and evaluating its implementation. Ultimately, the TJSLP Forum reports the results of these efforts to the Regent through the Regional Secretary (Regional Development Planning, Research and Development Agency of Subang Regency, 2020).

The Kembang Jawara initiative was established in 2019, with Rp8 billion in CSR participation. However, in 2020, the impact of the Covid-19 pandemic resulted in a decrease in the realisation of CSR funds to Rp4.930 billion, with only 13 companies participating. In contrast, in 2021, 15 companies participated, providing total funding of Rp8.565 billion, marking a significant increase of 73.3 per cent from the previous year. Despite this progress, an evaluation determined that the quantity of CSR realisation still falls short of the total financing needs for 2021, which amount to Rp32.8 billion (Rp17.2 billion for the spacial program, Rp2.9 for the social-cultural program, and Rp12.7 for the economic development program). The Covid-19 pandemic's effects, including national restrictions on community activities and a multidimensional crisis, have contributed to this deficit in funding. Nonetheless, it is worth noting that CSR activities have improved in quality, shifting from charity-based initiatives to more sustainable and community-impacting endeavours (Regional Development Planning Research and Development Agency of Subang Regency, 2022a).

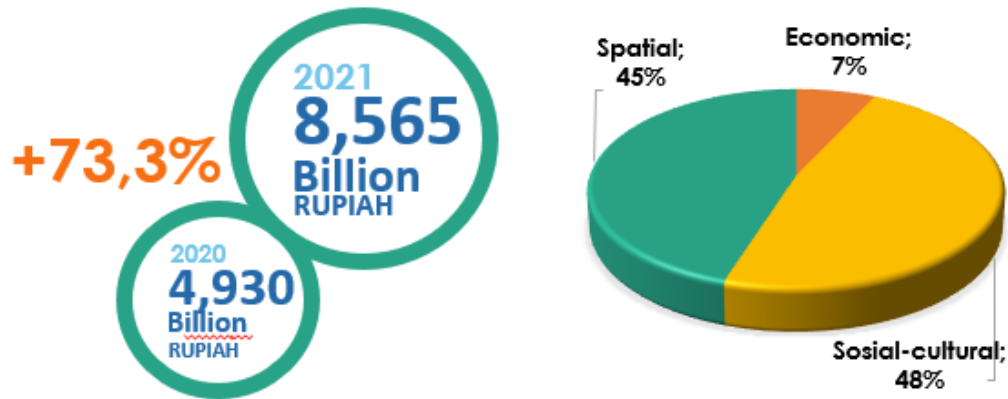


Figure 5. Kembang Jawa Realisation in 2021

Source: Regional Development Planning, Research and Development Agency of Subang Regency, 2021

The Kembang Jawa can establish a robust collaboration network between local government bodies, the business sector, and the community while fostering a sense of ownership among companies operating within their territories. It is crucial as it mitigates the marginalisation felt by these entities. The volunteers participating in CSR activities contribute to the promotion of social solidarity as well. Additionally, economic empowerment programs under the umbrella of CSR have the potential to bolster the local economy and promote greater community welfare.

The following are several forms of CSR activities conducted by PT Dahana (one of the state-owned companies in Subang Regency), which won the CSR Awards in the Jawa Niaga category (industry, trade, cooperatives, and MSMEs) in 2021. The company has been actively contributing to handling the Covid-19 pandemic by providing essential food assistance, distributing masks, and extending capital assistance to MSMEs in the region. Additionally, PT Dahana has facilitated the participation of its foster partner, Hofland Coffee, in an international coffee exhibition held at the World Trade Center Dubai, United Arab Emirates. As a result of this opportunity, Hofland Coffee secured a contract to export 18 tons of Arabica Java Preanger Coffee to Saudi Arabia.

PT Dahana has demonstrated its commitment to the local community in the education sector by providing facilities and funding for educational initiatives. The Edu Park Nursery, for example, has been made available to Agricultural Vocational School students as a laboratory. At the same time, Taman Canda has been established to offer reading materials and educational aids to students in Subang. These initiatives reflect PT Dahana's dedication to promoting social responsibility and community development.

Monitoring and Evaluation

The Subang Regency government annually hosts the CSR Awards to recognise companies that actively implement CSR as a moral obligation towards the local community, particularly those affected by the company's operations. Additionally, to enhance the quality of Kembang Jawa, BP4D Subang Regency

conducts a yearly evaluation following the CSR Awards, signifying the culmination of CSR activities for the current year. The evaluation involves relevant regional apparatus, CSR partners, and the beneficiary community. Various indicators are employed during the evaluation, including the number of participating CSR partners, the amount of CSR funds disbursed, the number of development programs financed by CSR, and the communities that have benefited from the initiatives.

In 2021, the evaluation of CSR activities and the subsequent CSR Awards in Subang Regency were carried out in conjunction with deliberating development work plans (Musrembang) and the consolidation forum of the regional working unit (SKPD). The CSR Award was presented to companies that contributed significantly to the implementation of the Subang Jawara Program, namely: (1) Jawara Nata - Bank BRI, (2) Jawara Niaga - PT Dahana, (3) Jawara Wisata - PT BPR Subang, (4) Jawara Riksa - PT Pertamina, (5) Jawara Raga - PT Taekwang Industrial Indonesia, and (6) Jawara Daya - PT Subang Autocomp Indonesia. The series of activities, including Musrembang, CSR Awards, the launching of public service innovations, and the recognition of regional apparatus with the best planning awards, demonstrated the Subang Regency government's efforts to effectively synergise development planning activities with regional innovations and various stakeholders, including the community, academics, and private sectors.



Figure 6. Deliberation of Development Work Plans (Musrembang) and CSR Awards
Source: Regional Development Planning, Research and Development Agency of Subang Regency, 2021

As of 2021, 730 companies are operating within Subang Regency. However, the number of companies that have actively engaged in CSR activities and reported on them is less than ten per cent. More concerted efforts are necessary to raise awareness and foster communication with the business sector regarding development programs and CSR schemes. Additionally, the current recording and reporting of Kembang Jawara activities are conducted using a manual system, which may lack accuracy, completeness, and accountability. To address this, the local government is developing a website-based application, e-Kembang Jawara, to enhance the implementation of Kembang Jawara by enabling academia, communities, and companies to access information on the program, its indicators and achievements, program details, and the realisation and reporting of Kembang Jawara activities in Subang Regency. Interested stakeholders may access the e-Kembang Jawara platform through csr.subang.go.id (Regional

Development Planning Research and Development Agency of Subang Regency, 2022b).

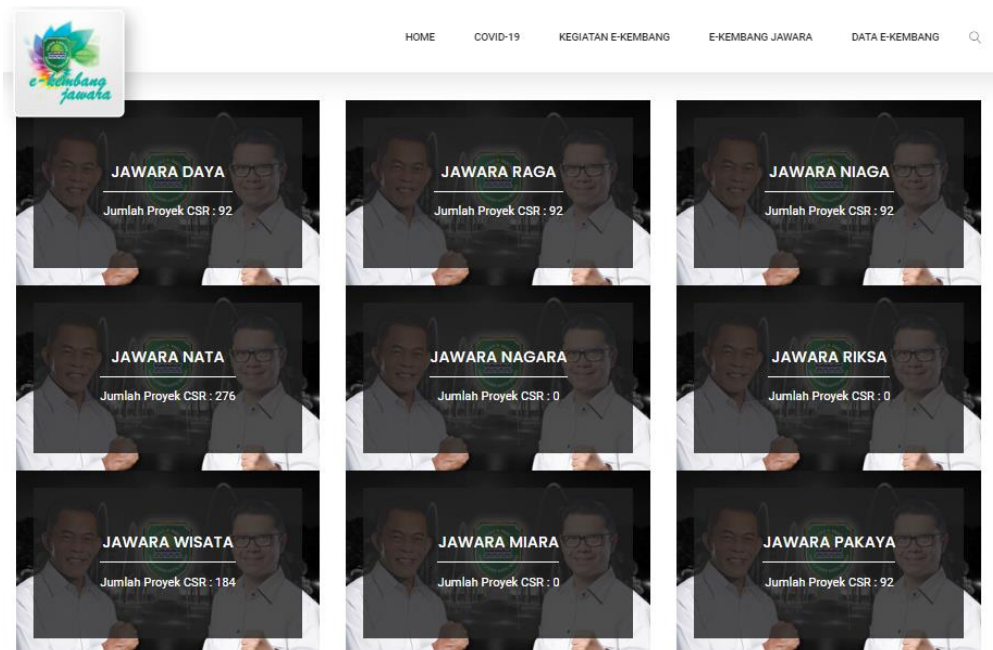


Figure 7. E-Kembang Jawara
Source: csr.subang.go.id

Discussion

The government is critical in stabilising, innovating, modernising, pioneering, and executing developmental initiatives. In the participatory model, the people become critical actors in managing, strengthening, and empowering their capacities (Jamaludin, 2016). In Kembang Jawara, the Subang Regency government combines top-down strategies with participatory development, fostering collaborative action to deliver development.

Collaboration is an essential activity that centres around the management of social networks. These networks are composed of communication nodes that connect the stakeholders involved (Astuti, Warsono, & Rachim, 2020). Collaborative actions are driven by the understanding that achieving development goals is a formidable challenge when pursued by just one group or organisation. By working together, collaboration creates a new capacity for each element to function as a cohesive unit within a specific timeframe. This capacity is often perceived as the outcome of shared principles and motivations that have been mobilised (Arrozaq, 2016).

Efforts are being made to enlist the support of the private sector in promoting development in Subang Regency. CSR funds are being optimized and synchronized as an additional financing option to facilitate development programs. The legal obligation to implement CSR is outlined in Law Number 40 of 2007 on Limited Liability Companies. However, many companies are still reluctant to implement CSR programs because they consider CSR a burden. Even if they carry out CSR, many companies conduct it as a "formality" or release obligations without paying attention to sustainability and benefits for the

community. Greater awareness is required that regional development is a collective responsibility, which the government should share with private entities and the community.

CSR is a valuable tool that enables companies to identify and address the needs of the communities they serve while fostering strong relationships between the company and the community (Barić, 2017). The implementation of CSR entails several vital considerations, including economic benefits, which directly impact the well-being of individuals and society. In addition, the preservation of the environment surrounding the company is a critical aspect of CSR. Companies often initiate CSR voluntarily as part of a broader government strategy to promote social responsibility and sustainable development (Sudarsana, 2018).

The effectiveness of CSR, whether provided voluntarily or mandated, is reliant upon the government's involvement. The government plays a crucial role in ensuring that CSR benefits the community through its authoritative power in formulating and enforcing regulations, active participation in CSR initiatives, and corporatism (Vallentin, 2015). Therefore, innovative governance approaches are necessary to address this matter. The Kembang Jawara innovation was developed by the BP4D of Subang Regency to tackle this issue.

The public sector's innovation initiatives aim to identify novel approaches and solutions that meet the needs of citizens and contribute to the greater good of society (Ministry of Home Affairs, 2018; Sidow & Yasin, 2014; Government Regulation Number 38 of 2017 on Regional Innovation, 2017; Trivellato et al., 2020). As an innovator, the government assumes the responsibility of spearheading these novel changes (Jamaludin, 2016).

Incorporating innovation into public policies can result in a more comprehensive and targeted approach to meeting citizens' needs (Alfaro-García et al., 2017; OECD, 2017). Innovation projects should align with strategic objectives, provide organisational value, and support internal procedures to ensure successful integration (Ministry of Research and Technology/National Research and Innovation Agency, 2019). Effective innovation management is critical to organisational strategies and activities, leading to the development of new and impactful strategies (Gama & da Silva, 2007).

The Kembang Jawara initiative necessitates the involvement of stakeholders beyond government agencies, namely the private and community sectors. This approach offers the private sector the opportunity to actively engage in achieving regional development objectives and facilitating their concerns, contributions, and responsibilities in financing regional development in Subang Regency. Furthermore, it encourages all stakeholders to adopt sustainable development practices in Subang Regency. It is reflected in the nine sub-programs of Subang Jawara, which comprise three primary pillars: economic, social, and environmental, all of which are interdependent and mutually reinforcing. It is imperative to recognise that these three pillars cannot be separated as they create a causal relationship. Additionally, the initiative facilitates access to information regarding regional development programs in Subang Regency, further supporting sustainable development practices (Jamaludin, 2016).

Kembang Jawara is aligned with Sustainable Development Goal 17, emphasising the importance of partnerships. The local government serves as a facilitator to connect the community's interests with the company's objectives.

The local community surrounding the company contributes by providing proposals for development programs in the Musrenbang and assumes the supervisor role for the development program. Meanwhile, the company is responsible for fulfilling its CSR obligations to the community within its vicinity.

CONCLUSION

Budgetary constraints pose a common challenge for many local governments. One effective strategy to address this challenge is to explore alternative funding sources beyond the local government budget, such as CSR funds. To this end, the Kembang Jawara innovation aims to synchronise CSR initiatives with development programs in Subang Regency and includes regional development programs that have been established in the RPJMD of Subang Regency. Additionally, regardless of whether the funding is derived from regional budget allocations or through a CSR scheme, the financing structure is determined in the same activities as the preparation of the RKPD.

To facilitate the implementation of CSR programs by companies and to synergise the execution of these programs with development programs in the Subang Regency, the Subang Regent established the TJSLP Forum. This forum coordinates the planning of programs, activities, locations, and targets to support the Subang Jawara programs and facilitate and synergise the implementation of CSR in the Subang Regency. Furthermore, the TJSLP Forum conducts monitoring and evaluation of the implementation of CSR activities and reports the results to the Regent through the Regional Secretary.

Since its implementation in 2019, Kembang Jawara has made significant progress in terms of CSR activity quality, which has transitioned from charity-oriented initiatives to programs with more substantive impacts on the community and that are more sustainable. The evaluation of CSR activities and the CSR Awards are conducted alongside deliberations of development work plans (Musrenbang) and the consolidation forum of the regional working unit (SKPD).

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