

# ***Community Empowerment through CSR in Public-Private Partnership Perspective in Pasuruan***

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**Abstract**—Public-private partnership perspective can be used to see the implementation public sector project. Public sector project risks can be minimized by effective management and control through public-private partnership. Effective communication between two parties in the exploration of needs, facilities and community empowerment play an important role to overcome conflicts of interest. Various community empowerment programs are finally be able to provide optimal benefits for all parties. Discussion as a forum for various parties can resolve the failure by formulating an appropriate empowerment model through corporate social responsibility program. The purpose of this research is to describe public-private partnership in community empowerment. This descriptive qualitative research presents the data as a result of observation, interview and documentation. There are 9 informants determined purposively from government, private and public. The data has been collected, reduced, presented (data displayed) and verified and then analyzed using interactive model. The result of the research shows that Pasuruan Government only rely on one company, that is PT. HM Sampoerna as a supporters of activities through corporate social responsibility (CSR) program. The government has not optimally explored the potential of CSR from other companies spread in pasuruan. CSR Program in the form of physical community empowerment is established Training Center for Entrepreneurship (PPK), while non-physical community empowerment is training and assisting to the public. Other result shows that the partnership of both parties is apparent, there is no formal agreement based on a written agreement, intensive and active communication both two parties is informal, also the private sector more dominant in exploring public needs.

**Keywords**—community empowerment; corporate social responsibility; public-private partnership

## I. INTRODUCTION

The government's effort in realizing the equalization of public welfare can not be achieved without involvement and cooperation with others. The government strives to hold various parties, especially the private sector to actively participate in order to increase economic growth. So that, the government seeks to create a conducive business climate.

As stated by the State Administration Institution that in good governance there is a synergistic, participative, and constructive relationship between all stakeholders (government, public and private) [1]. The role of government in the development not only as a regulator also market participants, but also actively create a variety of opportunities and conducive climate also develop facilities and infrastructure investment for business support.

Public-private partnership is a form of government cooperation with private sector in implementing a project or activity. The partnership is dynamic and there are various obstacles or risk. The partnership should be based on trust, supported by effective communication in order all corporate social responsibility (CSR) programs can be effective, synchronous and sustainable according to the public needs [2].

To know the implementation of community empowerment program through CSR, this research purposed to describe partnership pattern in Sukorejo Pasuruan viewed from public-private partnership perspective.

Public-private partnership (3P) perspective motivated by awareness of government limitations in providing various forms of public service and solve social problems that arise in public. Supported by good governance concept, public and private participation can maximally help the government in implementing development. 3P perspective underline the importance of shifting government role become facilitator or enabler [3].

Meanwhile, Yescombe said that 3P perspective should be viewed as the overall context of public sector reform movement known as New Public Sector Management. With this 3P perspective various groups encourage existence of: 1) government decentralization, 2) separating responsibility for the purchase of public services from what is required, 3) measurement of results or the basis of public services performance, 4) making public service partner to the private sector and 5) privatization of public services [4].

There are various partnership model as stated by Sulistyani in Pratiwi *et al.*, they are: 1) pseudo partnership (*kemitraan semu*) with the characteristics of unequal cooperation between

one another, 2) mutualism partnership (*kemitraan mutualistik*) characterized by awareness of parties that cooperate to benefit each other, and 3) conjunction partnership or partnership through widening and development analogous as paramecium that doing conjunctions to get energy [5].

CSR is a concept that dominated business report as a company responsibility to the environment also compliance with regulations. However, CSR programs often overlooked by the public due to lack of precise information. Public assumes that companies are more concerned with profit than social environment. For that in developing CSR program, companies should pay attention to three principles they are accountability, transparency and sustainability [6].

There are various forms of CSR that can be developed by the company in realizing the responsibility to the public and environment. Archie Carroll ; formulate of four forms of CSR they are: responsibility that focuses on economics, legal, moral and philanthropy [7].

The real form of CSR in many programs is community empowerment activities. CSR in the form of community empowerment is efforts to establish the public through realization potential ability of the public in determining the choice of activities that most appropriate for the progress of each self [8].

Community empowerment has two basic principles they are, efforts to improve public ability through the implementation of various policies and development programs and provide a power, divert power or delegate authority to the public in order public have independence to make decisions to build themselves and their environment independently [9].

## II. METHODS

Research pattern of public-private partnership in Sukorejo Pasuruan is a descriptive research type which is presented qualitatively using data from observation, documentation and interview with selected informant. The focus of research on synergy of community empowerment program include synchronization, accuracy, suitability of program, and partnership pattern in unifying community empowerment program including cooperation, trust and communication.

The information comes from 9 informants consisting of government elements they are Head of Social and Culture Affairs BAPPEDA and Head of Sub Division of Agriculture BAPPEDA, private element that is Head of Coordinator of PPK PT. HM Sampoerna, also the public elements of the trainees and the general public involved in PPK training.

The analytical technique to conclude the research result using an interactive model from Miles and Huberman which is a qualitative analysis activity interactively and continuously until completed, starting from the data collection until the conclusion and verification process.

## III. RESULTS

The results of research showed that the community empowerment program by the Psuruan Government covers social culture, economy and infrastructure development in physical and non physical form. The empowerment includes the *Program Penanggulangan Kemiskinan Perkotaan* (P2KP), *Program Nasional Pemberdayaan Masyarakat* (PNPM),

*Program Peningkatan Kualitas Kawasan Permukiman* (P2KKP), *Program Pembangunan dan Pemberdayaan Masyarakat Desa* (P3MD), also *KoTaKu* (Kota Tanpa Kumuh) program. Implementation of the program is done by involving the *kecamatan* and *desa* apparatus, so that information about public needs can be obtained clearly.

Meanwhile, community empowerment program by PT. HM Sampoerna in the form of non physical establishment of *Pusat Pelatihan Kewirusahaan* (PPK). PPK activities includes training, mentoring and market expansion. PPK also provide supporting facilities for implementation of community empowerment program.

The results of this research are similar with research [10],[11],[12] which states that the 3P model aims to formulate a model of community empowerment that includes processes, products, resources, mechanisms and constraints or problems that may occur in cooperation between the government and private sector.

Community empowerment program by government and private sector are synchronized. The establishment of PPK by the company as a training center and community empowerment becomes one of the evidence of private commitment in community empowerment program. PPK is useful in saving the cost of community empowerment programs and can be used to fulfill the other public needs.

All parties need to underline the importance of reality in the field that community empowerment program should be clear and directed. So that, the role of apparatus in *Kecamatan* and *Desa* should be maximized to find information about public needs. In other hand, private sector as government partners establish Public Development Forum to run the program through CS according to the public needs around. This results refer to the research, which suggests that program monitoring according to 3P in governance transparency should be a major concern because it is related to its sustainability. The involvement of independent parties within monitoring can be alternative to increase the objectivity of work evaluation [13]. Public Development Forum is the answer to monitoring problems that have been neglected, especially in public-private partnership.

Community empowerment program conducted through an applied research program and training in horticultural agriculture, fisheries, cultivation, and the results of waste treatment are also considered appropriate. The public which is originally limited their knowledge about how to produce an agricultural yields (quantitative) now, they also able to improve the quality of the resulting product (qualitative). The public is helped by the applied research.

Community empowerment program was not only felt by the surrounding people, but also felt by the general public even to the people in Surabaya that away from the business location of private parties. The community empowerment program is very useful because it can inspire the public in starting new business and opportunity to become PPK partners.

The growing number of people become an entrepreneurs and able to entrepreneurship shows that PPK making people more empowerment. This research results is relevant with research conclude that empowerment should be done through clear concept, relevant, and positive. Strategy in

implementation the program should be appropriate, managed professionally, and give a prioritizing the principle of humanity [14].

Community empowerment program through training assessed in accordance with public needs and government policy. Community empowerment program through CSR considered as development of local government's strategic plan in realizing their vision and mission. Private training is more complete because it covers a variety of materials ie, strategic management and planning that are not obtained from government training. The private sector committed to innovate in training through updated Master Plan every five years. This intended to be able to fulfill the public needs especially related with the training.

In addition, private also trying to align training program with policy and local government program. Suggest that leadership role in participatory empowerment can be a positive power to implemented all of policies effectively and advantageous others [15]. This empowerment also purposed in order public role can give a long-term effect.

Partnership pattern between government and private implemented as a tool to help development program based community empowerment. More companies involved through cooperation, the community empowerment development program can be achieved. However, that cooperation not yet has a strong base. Cooperation between government (*Kabupaten* Pasuruan) with private sector (PT. HM Sampoerna) so far does not have a Memorandum of Understanding (MoU) which is stated in formal agreements.

The absence of such formal agreements indicates a weakness in any government activity involving others. This matter suitable with research which suggest that partnership pattern in Indonesia still not organized formally so it does not have a clear legal framework. This resulted in a cooperation program that did not have an impact for wider public or community [16].

Meanwhile, communication and synergy of the preparation and implementation of training programs both by government and private sector should be prioritized with the intention that the training materials are complementary and not overlapping.

From the trust aspect, partnership pattern between government and private sector there has been mutual trust on both sides who cooperate. Through this program the company reputation is increased. Trust the public around the company become better than before.

In the relation with regulation, partnership pattern with government is a form of private obedience to regulation and policies issued. While for the government, the partnership pattern with private sector through CSR program can support the planned work program.

However, it should be noted that there is no record about exact number of companies that cooperate. Pasuruan Government does not have an officers in charge to collecting data. As a result, there are risks, especially the loss of potential funding to support government programs. State that implementation of public-private partnership should be pay attention to all possible risks that will happen includes risk identification and risk allocation. The ability to reduce and solve some risks can build mutual trust [17].

Observation results shows that the company that do CSR cooperation with the government is divided into two types they are, company with CSR management and without CSR management. Company with CSR management tend to productive, directed and targeted. While company without CSR management tend to charity ie just by handing some funds to the public based on request. In this public-private partnership context, elements of CSR cooperation program has been well appreciated by the Pasuruan government by giving an award.

Partnership pattern between government-private in communication aspect is a form of problem solving which has not been written and without MoU. Private sector actively communicated with government especially about training to agricultural empowerment. This program can be done well because of the intensive interaction between two parties. Government involvement in CSR activities by private community empowerment is a proof that government seeks to maintain harmony and benefit.

#### IV. CONCLUSION

The conclusion of the research shows that there has been a government-private synergy in the implementation of community empowerment programs. While the pattern of partnership has been run effectively even though it needs to be optimized based on potential and opportunities that exist in Pasuruan. There needs to be proactive efforts especially from local government to improve the implementation of community empowerment. After that, government needs to make a Public Development Forum to monitoring and evaluating the implementation of public-private partnership and to record or list potential and prospective companies in community empowerment.

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