



Examining the Employment Dimension of Corporate Social Responsibility (Between Global Initiatives and Indonesia Statutory)

Budi Santoso¹; Safinaz Mohd. Hussein ²; Dina Mila Prasasti³; Sinta Lestari⁴,
Ummu Sulaem Syamsudin⁵

^{1,3,4,5} Faculty of Law Universitas Brawijaya, Indonesia

² Faculty of Law Universiti Kebangsaan Malaysia, Malaysia

Corresponding author's email: budi.santoso@ub.ac.id

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Abstract

This article examines the employment aspects of CSR regulations. Every company needs a reference to verify its CSR activities support economic, social, and environmental development. The government has enacted laws to encourage corporate social responsibility (CSR). Since CSR funds are in the company's income statement, they often conflict with fiduciary duty. The study reveals that business views on CSR's employment dimension have shifted. Initially, CSR managed risk and prevented reputational and financial damages. Labor was considered an expense, not an investment. Many companies now employ CSR as a key value and competitive advantage.

I. Introduction

The company has a responsibility towards not only its shareholders but also its stakeholders, which include consumers, workers, suppliers, and the owners of capital. Without stakeholders, there cannot be a company. In addition, broad stakeholders such as community subjects, governments, and special interest groups like indigenous peoples in areas where the company operates should also be considered, as they are affected by company activities (Shestack, 2005). The company should prioritize the interests of all stakeholders, not just those who provide capital. As a result, companies need to conduct their business with a strong sense of ethics that includes social responsibility and corporate social responsibility (CSR).

Martin (2005) argued that there are two approaches through which government intervention can encourage companies to implement CSR practices. The initial approach is a choice-based one, where guidelines are provided for the implementation of CSR. This approach aims to solve specific issues and is enjoyable for companies to collaborate with other business actors. The second approach is a legislative one, where regulations are imposed on companies in specific sectors to ensure the implementation of CSR.

The Indonesian government has opted for a legislative approach to encourage companies to engage in corporate social responsibility (CSR) practices. This can be seen through various legal provisions, including Law Number 25 of 2007 on Capital Investment (the Investment Law) and Law Number 40 of 2007 on Limited Liability Companies (the Limited Liability Company Law). Investors must carry out corporate social responsibility (CSR) as in Article 15 letter b of the Investment Law. Likewise, companies operating in the natural resources and/or related areas must also meet CSR obligations under Article 74 paragraph (1) of the Limited Liability Company Law.

CSR provisions have been formulated based on the two laws mentioned earlier to achieve a state of balanced and harmonious corporate relations following the interests of the local community's norms, values, customs, and environment. Additionally, as per the General Explanation of Government Regulation Number 47 of 2012 that pertains to the Social and Environmental Responsibility of Limited Liability Companies (referred to as *PP TJSI PT* henceforth), companies carry out CSR internally and externally. The company's implementation is founded on ownership, impartiality, and compliance with regulations. CSR initiatives undertaken by a company include measures to promote CSR in the workplace, as stipulated in Article 3, paragraph (1) of *PP TJSI PT*. CSR regulations do not cover all employment-related aspects that fall under its scope. Entrepreneurs must consider this factor while implementing CSR programs to attain their CSR objectives. This is particularly crucial in providing social development benefits. It has been observed from the literature review that the topic of employment in CSR has not been adequately addressed. On the other hand, considerable research is on the regulation and implementation of CSR in Indonesia. The study conducted by Riana explicitly explores the different interpretations of CSR in various laws and regulations, highlighting that it can be perceived as mandatory or voluntary, depending on the context (Susmayanti, 2014). According to the study conducted by Ridha Hidayat et al., it has been concluded that the CSR arrangements mentioned in different laws have not been synchronized (Hidayat et al., 2020).

The CSR arrangements are unclear and fully established (Sudirman & Disemadi, 2021). CSR regulations have not demonstrated regulatory clarity and legal certainty regarding sanctions arrangements due to the lack of sanctions and supervisory procedures (Andrini, 2016). Companies are required to distribute their CSR funds fairly and appropriately. However, the lack of a clear limit on the percentage of CSR funds to be expended creates uncertainty in legal compliance (Dakhoir, 2019). Regarding the use of CSR funds, the results of research by Candra Yusuf and Endang Purwaningsih found that the implementation of CSR is often considered to clash with the principle of fiduciary duty since CSR funds are placed in the company's income statement, which will reduce the shareholders' dividend earnings (Yusuf & Purwaningsih, 2020).

Research on CSR funds has also found a correlation with corporate promotional activities. In cases where CSR objectives are not compromised, CSR funds may be utilized from a company's promotional expenses (Hariyanto & Humaidy, 2019). Amalia's findings suggest that limitations should be placed on CSR practices in modern businesses. These restrictions include a company's involvement in community-oriented social initiatives, as well as the company's commitment to advancing local communities' progress and well-being through CSR activities that prioritize economic justice rather than solely focusing on generating profits (Amalia, 2020). Kusuma and Ginting's research aligns with Amalia's research (2021), CSR affects economic activities, society, workers, and their families. However, having no dedicated CSR unit can lead to unprofessionalism due to inadequate support, planning, guidance, facilities and a lack of cooperation with relevant stakeholders (Kusuma & Ginting, 2021).

This paper aims to uncover the extent or size of employment in CSR based on the description. It is crucial to establish a point of reference for businesses that intend to undertake CSR initiatives, particularly those in the workplace, to ensure that the programs align with the primary objective of CSR, which is to contribute to economic, social, and environmental progress.

This legal research examines primary and secondary legal materials with a starting point on the substance of regulations regarding CSR. This study explores the labor dimension of CSR regulations in Indonesia by analyzing legislative and conceptual approaches. The research seeks answers on how these approaches can inform and shape CSR-related policies in Indonesia. The primary legal materials that need to be considered include various laws such as Law Number 22 of 2001 on the Oil and Gas, Law Number 13 of 2003 on the Manpower (Manpower Law), Law Number 19 of 2003 on the State-Owned Enterprises (SOE Law), Law Number 21 of 2000 on the Trade Unions, Investment Law, Limited Liability Company Law, Law Number 4 of 2009 on the Mineral and Coal Mining, Law Number 32 of 2009 on the Environmental Protection and Management, and *PP TJSL*. Secondary legal materials such as books, scientific articles, international standards on CSR, and opinions of CSR experts can also be collected through literature search. The legal documents acquired are analyzed through hermeneutic and systematic interpretation. Hermeneutic interpretation is utilized to study the significance of the laws and regulations pertaining to CSR that are considered legal documents for this research. Systematic interpretation is used to examine the connections between the legal materials concerning CSR.

II. Global CSR Initiatives on Employment

The purpose of every company established is to obtain a profit from the investment it makes, even though otherwise there is a risk of loss on the investment. To achieve this goal, the company will optimize all its resources in carrying out its business operations while still adhering to the principle of efficiency. Production costs are kept as low as possible while still paying attention to product standards to produce competitive prices and product quality. Competitive prices and product quality have the potential to increase sales, which will ultimately increase the company's profit margins. Which benefits will be enjoyed by the owners of capital (*shareholders*). So, in this paradigm, the company is managed solely for the benefit of capital owners.

However, it is common for the activities of companies to have a negative effect on social development, or at the very least to its advancement. Economy, environment, and community in its vicinity. Additionally, the company should strive to provide benefits to its stakeholders. Stakeholders refer to individuals or groups who have a vested interest in the company's success (Arif et al., 2008). They can influence or be influenced by the company's activities, including investors, workers, consumers, suppliers, and local communities (Arif et al., 2008). Companies must treat stakeholders ethically and responsibly, not damaging or harming (Hopkins, 2012). It is important for businesses to act in a socially responsible manner when conducting their operations. This is commonly known as Corporate Social Responsibility (CSR).

CSR has been a well-known concept since the beginning of the 21st century (Lambooy, 2014). The concept of CSR pertains to the connection between a business and the community that is based on ethical principles. Ethical values should be an integral part of the company's operations and should not be disregarded (Freeman et al., 2006). Companies have an ethical obligation to consider social responsibility. This means that they should conduct their operations in a responsible manner that does not harm society or the environment. Companies have a responsibility to advance the well-being of society and help improve the community. By allocating a portion of their profits towards community development, it is expected that there will be a positive impact on the economy, as well as improvements in the quality of life for both the community and its employees. This includes considering the environment and other important factors (Bissoon, 2018). Wheeler has identified three reasons for this phenomenon. These are: 1) individuals from the community form and manage companies; 2) society, which is the market or consumer of the company, is necessary for the accumulation of corporate capital; and 3) the operations of a company have an impact on society (Wheeler, 2007).

It is challenging to compile a comprehensive overview of the various aspects encompassed within the realm of CSR. Each organization has a distinct set of priorities that determine the focus of their CSR initiatives. John Elkington believes that CSR can be categorized into three dimensions, which are economic prosperity, social justice, and environmental quality. These three dimensions are commonly referred to as the "Triple bottom Line" (Wahyudi & Azheri, 2011). He believes that it is insufficient to hold companies accountable solely for improving corporate value, which includes achieving good financial standing and increasing profits. This is because such actions are not considered robust enough to guarantee the company's long-term progress.

The implementation of CSR bears the responsibility of enhancing the company's performance and resources compared to before. This is reflected in the company's social role towards its internal environment, particularly in terms of the welfare of its workers (Zunaidah & Heryani, 2013). Ernawan stated in his research that Corporate Social Responsibility (CSR) is not restricted solely to providing financial aid to the community, but also how the company provides treatment for workers without discrimination, relates well to suppliers, and also runs sustainable programs (Ernawan, 2014). The welfare of the surrounding community (people) should also be a concern for the company, and it should also ensure the preservation of the environment (planet).

Numerous initiatives in corporate social responsibility (CSR) at the global level center on matters associated with workers. Such initiatives are put forth by international organizations, specific groups of countries, and clusters of corporations. This demonstrates how CSR has evolved to encompass not only the responsibility of businesses, but also the accountability of nations and worldwide institutions. The employment dimension of CSR has been addressed by the International Labour Organization (ILO) through some universal tools. The ILO has provided various tools, including The Tripartite Declaration of Principles concerning Multinational Enterprises (referred to as the ILO Tripartite Declaration) and the ILO Declaration on Fundamental Principles and Rights at Work (referred to as the ILO Fundamental Declaration) (ILO, 2006).

An international instrument has been released by the United Nations (UN) regarding corporate social responsibility (CSR), which has a general nature but also pertains to employment. The UN Global Compact is the name of an instrument that aims to guide companies in carrying out Corporate Social Responsibility (CSR) related to labor aspects. This instrument is known as The OECD Guidelines for Multinational Enterprises, which is also available from the Organization for Economic Cooperation & Development (OECD). Both the UN Global Compact and The OECD Guidelines serve the same purpose and are intended for use by advanced economic countries (ILO, 2008).

In 1977, the ILO adopted the Tripartite Declaration which outlines instructions for multinational corporations, employers' organizations, trade unions, and governments. These instructions relate to various aspects of employment, including terms and conditions of work, job training, and industrial relations. Multinational organizations are encouraged to participate in a country's economic and social progress through this statement. Additionally, the ILO Fundamental Declaration, passed in 1998, exemplifies the commitment of ILO member governments, employers' associations, and trade unions to promote human rights, particularly in economic and social endeavors. Member States are obligated by the Declaration to uphold and promote the fulfillment of rights and principles in the workplace, which are categorized into four groups: 1) the liberty of workers to form associations and the acknowledgement of the right of workers or labor unions to negotiate; 2) the prohibition of all types of coerced labor; 3) the ban on child labor; and 4) the prohibition of discrimination in employment and occupation (ILO, 2010).

The global community has shown its readiness to address the challenges of globalization through the successful implementation of the ILO Fundamental Declaration. The Declaration aims to connect economic growth with social progress. It sets guidelines for responsible corporate behavior, making it a valuable resource for stakeholders in CSR practices. The UN Global Compact, which was launched in 2000, frequently references the Declaration due to its clear parameters (ILO, 2009). The initiative known as the UN Global Compact comprises of ten fundamental principles that pertain to human rights, the environment, labor, and the fight against corruption.

The goal of the UN is to bring together the business world and the global community through its initiative. With more than 12,000 business actors and stakeholders in 170 countries, the UN Global Compact is the largest CSR initiative (United Nations Global Compact, 2022). The goal of the UN is to bring together the business world and the global community through its initiative. With more than 12,000 business actors and stakeholders in 170 countries, the UN Global Compact is the largest CSR initiative. Businesses are encouraged by the UN Global Compact to incorporate the principles of the Global Compact into their operations in a sustainable manner and to play a leading role. Additionally, these principles are expected to be followed by other business partners and actors (ILO, 2009).

The UN Global Compact's ten principles cover various areas, including labor, which has four principles. These principles are: 1) Acknowledging the freedom of association and bargaining for workers, 2) Abolishing forced labor, 3) Eliminating child labor, and 4) Eliminating employment and employment discrimination. The following principles are derived from the fundamental rights of workers, which are outlined in various ILO Conventions, including: 1) ILO Convention Number 111 on Discrimination in Employment and Occupation; 2) ILO Convention Number 87 on Freedom of Association and Protection of the Right to Organize; 3) ILO Convention Number 105 on the Abolition of Forced Labour; 4) ILO Convention Number 138 on Minimum Age for Admission; and 5) ILO Convention Number 98 on the Entry into Force of the Fundamentals of the Right to Organize and to Collective Bargaining. Based on these four labor principles, it is recognized by the United Nations that freedom of association and collective bargaining, the elimination of forced labor, the elimination of child labor, and the prohibition of discrimination against employment and occupation are fundamental principles of labor that fall under the dimensions of corporate social responsibility in the field of labor.

The OECD guidelines, adopted in 1976 are recommendations made by member countries to multinational companies. The guidelines describe the condition and development of social life that need to be implemented and developed by multinational companies in accordance with applicable law and are aimed at: 1) ensuring that the activities of multinational companies are in line with local government policies; 2) strengthen the basis of trusting relationships between business actors and the communities in which the company operates; 3) help increase foreign investment; and 4) increase contribution to sustainable development carried out by multinational companies (ILO, 2008). The social conditions and developments in the OECD Guidelines include: 1) information disclosure; 2) human rights; 3) employment and industrial relations; 4) environment; 5) eradication of corruption; 6) consumer protection; 7) science and technology; 8) business competition; and 9) taxation.

The fundamental principles and rights of employees regarding employment and industrial relations issues are recommended to be upheld by multinational corporations as per the OECD guidelines. It is recommended that multinational businesses follow labor and industrial relations guidelines that are comparable to those of similar companies in their home countries.

When it comes to creating job opportunities, multinational corporations should prioritize hiring workers from the local community. Additionally, companies must provide training to their employees to enhance their skills. Companies are advised to work with worker representatives, trade unions, and local governments to establish positive and fair industrial relations. Companies must ensure that they respect the rights of workers to join and engage in collective bargaining with the goal of achieving a safe and healthy working environment. Additionally, companies should be committed to eradicating child labor and forced labor, preventing discriminatory practices against employees in hiring and job opportunities, and promoting equal opportunities in the workplace (OECD, 2011). The OECD Guidelines share similarities with the Tripartite, UN Declaration and Global Compact in terms of promoting workers' right to freedom of association and collective bargaining, the eradication of forced labor and child labor, and the elimination of discrimination in employment and occupation. These are all aspects of corporate social responsibility (CSR) related to labor that multinational corporations are encouraged to implement by the OECD.

The employment dimension of CSR has been well-defined by the four international instruments mentioned above. These dimensions comprise, among others, acknowledging freedom of association and the right to collective bargaining, eliminating forced labor and child labor, eliminating discrimination in employment and position, and improving worker competence. It can be inferred that these instruments have provided a clear understanding of CSR's employment aspect.

The 7th ASEAN Labour Inspection Conference was held on 27-28 September 2018 in Ho Chi Minh City, Vietnam to address the issue of the right to decent work in the ASEAN region. The conference recommended measures to ensure the fulfillment of this right as follow (ASEAN, 2018):

1. Realizing standards in ILO conventions;
2. Maximizing limited resources can be achieved by prioritizing issues and targets through strengthening strategic inspection planning.;
3. Engage relevant stakeholders in identifying priorities and implementing strategic compliance interventions;
4. Promoting compliance in the workplace by raising awareness of national labor laws and international labor standards
5. Promote responsible business conduct and private sector compliance initiatives.
6. Utilizing the capabilities of technology to enhance the effectiveness of strategic planning.
7. Take appropriate measures, such as access to grievance mechanisms, to improve the working conditions of the most vulnerable workers.
8. Provide recognition to companies that have outstanding initiatives to promote labor law compliance.
9. Consider developing joint labor monitoring initiatives among ASEAN member states.
10. Encourage the development of regional initiatives within ASEAN with the aim of strengthening the capabilities of labor inspectors. These initiatives should focus on sharing strategies, exchanging best practices, and discussing experiences related to labor law reform, labor supervision, and compliance with labor laws in key sectors.

The meaning of the employment dimension of CSR has undergone a shift in business perspective. Initially, companies focused on CSR as a tool for risk management, to avoid the risk of reputational damage and financial losses. This approach viewed labor merely as a cost, rather than an investment. However, as CSR has evolved, many companies are now proactively using it as a core element of corporate value and as a competitive advantage in the market. Companies now view workforce performance as an investment. Therefore, implementing CSR in the employment aspect can be a valuable investment for companies to generate measurable returns, either by preventing damage to their reputation or by increasing productivity and sales (IFC, 2010).

III. Employment Dimensions and Its Challenges on CSR in the Indonesian Regulations

There are various regulations and laws that govern CSR provisions. While some CSR provisions are compulsory, others appear to be optional as companies are not penalized for not complying. CSR provisions are covered by laws and regulations such as the Oil and Gas Law, SOE Law, Investment Law, Limited Liability Company Law pursuant to PP TJS/PT, Mining Law, Environmental Law, Manpower Law, and Trade Union/Trade Union Law.

Provisions regarding CSR in the Oil and Gas Law can be found in Article 11 paragraph (3) point p and Article 40 paragraph (5). According to Article 11 paragraph (3) point p, every cooperation contract must include provisions related to the following obligations: after the mining operation ends, health and work safety, environmental management, development of surrounding communities, guarantee of the rights of indigenous peoples, and prioritization of the use of Indonesian labor. Article 40, paragraph (5) states that companies or entities involved in oil and gas businesses are subject to regulations.

The main objective of the cooperation contract, as per Article 11 paragraph (3) of the Oil and Gas Law, is to ensure that legal entities who enter into business agreements are provided with legal certainty. This is particularly important in the development of the community surrounding the company, and in safeguarding the rights of the local communities who should have been obtained. Article 40 paragraph (5) defines responsibility as the active involvement of the company in utilizing and developing the potential and capabilities of the local community. For instance, this can be achieved by employing workers in specific quantities and qualities and improving community housing standards. The main aim is to foster a harmonious relationship between the company and the local community. The Oil and Gas Law's CSR regulations also encompass the labor dimension. As such, companies operating in the oil and gas sector have a social responsibility to prioritize the recruitment of workers from local communities while ensuring that specific quantities and qualities are considered.

Article 2 paragraph (1) letter e of the State-Owned Company (SOE) Law stipulates that SOEs must actively contribute to guiding and assisting business actors of weak economic groups, cooperatives, and the community. This provision serves as the foundation for SOEs to implement CSR.

SOEs are authorized to finance their aims and objectives by allocating a portion of their net profit, as per Article 88 paragraph (1). To regulate the implementation of CSR obligations for SOEs under the SOE Law, the Minister of State-Owned Enterprises has issued Regulation Number 5 of 2021, which outlines the Social and Environmental Responsibility Program for State-Owned Enterprises. Paragraph (1) of Article 20 states that the funding for CSR programs may be derived from a portion of the company's net profit from the previous fiscal year, or from the budget allocated for company expenses in the current fiscal year. The funds for CSR may also come from other sources that comply with the relevant regulations.

Article 10 paragraph (1) of the *BUMN JTSL* Regulation grants SOEs the power to implement their CSR program through various forms of assistance. This can include financing and mentoring for micro and small businesses, as well as other forms of aid. It is important to note the ways in which BUMN CSR programs are implemented. The CSR form related to labor is not mentioned in the SOE Law and SOE TJSL Regulation. However, the SOE Law's Article 87 paragraph (1) implies that SOEs have a social responsibility to acknowledge the right of workers to form and manage trade unions.

The Investment Law contains regulations regarding CSR in Articles 10, 15, 16, 17, and 34. According to Article 10, companies must give preference to local workers (*WNI*) when it comes to hiring employees to meet their human resource requirements. Furthermore, companies are obligated to enhance the skills and knowledge of Indonesian workers by providing them with job training. Investment firms that hire foreign workers are obligated to provide training and transfer technology to local Indonesian workers. The 15th article explicitly mandates that all investors must engage in corporate social responsibility (CSR), submit reports on their investment activities to the Investment Coordinating Board that include details on the implementation of CSR, and show respect for the culture of the community surrounding their business operations. As per the 16th article, investment companies are responsible for preserving the environment and ensuring the safety, health, comfort, and welfare of all individuals involved.

It is mandatory for companies dealing with non-renewable natural resources to allocate costs over time for the restoration of their business locations, as per Article 17. Additionally, Article 34 outlines penalties for entrepreneurs who fail to fulfill their corporate social responsibility obligations. These regulations demonstrate that corporate social responsibility (CSR) in investment involves the obligation of investors to give priority to Indonesian workers in fulfilling their labor requirements. It also includes the responsibility of enhancing the skills of Indonesian workers through job training, providing technology transfer training to Indonesian workers in companies that hire foreign workers, and ensuring the health, safety, and welfare of workers.

Companies that give priority to workers from Indonesia are making efforts to enhance the quality of life of the community. The implementation of Corporate Social Responsibility (CSR) programs is aimed at improving the living standards of the population residing in the vicinity of the company's location. The program targets the community around the company's location and is meant to uplift their standard of living. It is important to focus on various aspects of promoting a thriving society through corporate social responsibility (CSR).

Moreover, employees can play an active role in community empowerment as social workers, extending the company's reach to manage and implement CSR initiatives within the community (Rahmadani et al., 2019). The implementation of CSR programs by companies is becoming more defined in the Limited Liability Company Law. As per Article 74, companies are obligated to conduct CSR activities, which are considered as a part of the company's expenses. Companies implementing CSR must ensure that their actions are ethical and just. The CSR provisions outlined in this law aim to promote sustainable economic development, which in turn can enhance the quality of life and environment for both communities and businesses. However, while the SOE Law outlines specific forms of CSR that must be adopted, there are no such regulations specified in the Limited Liability Company Law. Similarly, the implementing regulations outlined in PP TJSJL PT do not provide any guidance on the forms or scope of CSR that should be implemented by companies.

This particular policy governs the internal and external implementation of CSR within a company's environment. The implementation must be carried out with fairness and due regard. The application of CSR within the company comprehensively includes CSR in the workplace. However, the policy does not specify the dimensions of employment in CSR. The CSR provisions in the Mining Law are governed by Articles 96, 97, 106, 107, and 108. According to Article 96, Mining Business Permit (IUP) holders must comply with the following when implementing good mining practices: 1) mining safety provisions, 2) Management mining environment; 3) mineral and coal conservation activities and management of mine residue from a mining activity. Article 97 mandates that holders of IUPs must ensure the implementation of environmental quality and site-specific standards. Article 107 requires IUP holders to engage local business actors while conducting their production operations. Article 108 mandates IUP holders to formulate local community empowerment programs. Additionally, Article 106 outlines the labor aspect of CSR in this Law, which obliges IUP holders to prioritize the employment of local workforce and the use of domestic goods or services.

Article 68 of Environmental Law mandates that individuals or entities engaged in business or other activities must fulfill certain obligations related to corporate social responsibility. These obligations include: 1) providing accurate, timely, and transparent information about environmental protection and management; 2) preserving the environment's functionality; and 3) adhering to regulations governing environmental quality standards and/or criteria for environmental damage. As this legislation is intended for legal entities in general and not specifically for corporate entities, Corporate Social Responsibility (CSR) does not encompass the labor aspect. However, by regulating the right to a clean environment as a part of human rights in the laws and regulations, a more comprehensive analysis of this topic leads to the adoption of sustainable development and environmentally friendly human rights in the Indonesian Constitution. This indicates that the legislation contains green undertones or a green constitution (Asshiddiqie, 2010). It is essential that the implementation aligns with the principles of sustainable development and is environmentally sound. This is in accordance with the mandate of the 1945 NRI Constitution, which is commonly referred to as the green constitution. The company's responsibilities are not limited to seeking profits but also encompass considering the interests of the local natural environment and all stakeholders, including the labor force.

After reviewing the aforementioned discussion, it can be comprehended that CSR's labor aspect in some of the aforementioned regulations encompasses, among other things, the company's social responsibility to: 1) give priority to local community labor in their business operations; 2) acknowledge workers' rights to form and manage trade unions; 3) enhance workers' proficiency through job training; 4) transfer technology to Indonesian citizens for companies that employ foreign workers; and 5) establish and uphold the safety, health, and well-being of employees at work (Disemadi & Prananingtyas, 2020).

The Labor Law and Trade Union Law is a specific regulation that governs labor, and it also includes provisions for the labor dimension in CSR. Article 12 paragraph (1) of the Manpower Law states that employers are responsible for improving and/or developing the competence of their workers through job training, which is a part of CSR that aims to enhance worker skills. For investment companies that employ foreign workers, CSR involves the transfer of technology to Indonesian citizens. Employers who hire foreign workers are required by Article 45 paragraph (1) to designate Indonesian workers as companions for their foreign workers to facilitate the transfer of skills and technology. To fulfill their corporate social responsibility to promote occupational safety and health and safeguard the welfare of their employees, employers are obligated by Article 86 paragraph (1) to ensure that their workers are provided with safety and health protection, basic moral and ethical treatment, and treatment that respects human dignity and religious values. Every worker has the right to create and join a trade union, as stated in Article 5 paragraph (1) of the Trade Union Law. Moreover, Article 28 of the same law prohibits any party from preventing or coercing workers to form or abstain from forming a union, becoming, or not becoming administrators, being or not being members, and engaging or not engaging in trade union activities. Employers' visions imply that employers have an obligation to acknowledge and respect the workers' right to establish and manage trade unions.

The research conducted by Muhammad Adil and Muhammad Nur Abdi (Adil & Abdi, 2023; Adiwarmar, 2022), emphasizes the importance of certain rules related to CSR, especially in relation to the labor dimension. Implementing CSR programs can make employees feel proud to be a part of their company and also improve the company's image in the community. To encourage employee participation, companies should regularly convey clear information about CSR activities through various channels such as social media, email, posters, and WhatsApp groups (Falaah et al., 2018) conducted research on Internal CSR programs and found that these programs have a significant positive impact on workers' job satisfaction. Particularly, these programs are most effective in enhancing job satisfaction in the following areas:

1. The policy of supporting the economic development of the community by companies helps the community to manage their economy in a more advanced way. This leads to the fulfillment of the needs of employees and the community. In the present era of high globalization and rapid economic competition, companies are expected to be more responsible towards the requirements of their employees and the modern society.

2. There is a policy in place within the company that pertains to working with employees and their families. The employees feel supported and cared for as a result of the company's sense of responsibility towards them, not just while they are at work, but also in regard to their families. The company views this as a form of corporate social responsibility, which in turn fosters a sense of loyalty among its employees. As a result, employee relationships are maintained in the long term.
3. The policy of the company is to enhance the quality of life for both the local and wider community. This policy helps to improve the community and make it a more productive and qualified workforce. As a result of the care and responsibility given by the company, the community develops a sense of responsibility which has a positive impact on the company's productivity and profitability.

The Manpower Law has regulated various aspects of labor in CSR initiatives, including employment regulations. Several international instruments related to CSR initiatives have also addressed these dimensions. For instance, Article 6 ensures that all workers are entitled to equal treatment without any form of discrimination. Article 31 guarantees that all workers have the same rights and opportunities to choose their employment, switch jobs, and earn a fair income (Qori'atul, 2023). This article also implies that no employer can employ workers against their will or without their consent. Additionally, according to Article 68 and Article 74 (1), it is illegal for employers to hire children. In cases where hiring a child is necessary, the employer must meet specific requirements and may not assign them to hazardous work.

Workers and their trade unions have found that their rights and interests are ultimately enhanced or safeguarded by adhering to effective rules and regulations or by organizing themselves for activities like collective bargaining. Trade unionists understand that paternalism cannot replace the essential function of government. They believe legislative structures are necessary to ensure commercial operations adhere to social responsibility. The challenge for trade unionists is to ensure that CSR does not supplant the essential responsibilities of governments and trade unions. Trade unionists have the chance to utilize Corporate Social Responsibility (CSR) as a means to foster a culture of adherence to legal requirements and norms, as well as to enhance positive industrial relations and acknowledge the significance of trade unions. Trade unions should adopt a nuanced approach to corporate social responsibility (CSR) concerns, much as they currently do with codes of conduct that firms unilaterally create and apply to their suppliers. The positive impacts of these regulations are indirect and contingent upon their ability to facilitate the efficient functioning of governments and labor unions.

The use of CSR by businesses to escape regulation or to promote privatization of government operations should be discouraged. The more important issue is the application of CSR by governments on a global scale. Governments aim to balance, on the one hand, their own legally binding commitments in trade and investment treaties with, on the other, encouraging voluntary activities by businesses to protect human rights.

IV. Conclusion

Corporate Social Responsibility (CSR) encompasses a global aspect that necessitates a global reaction. This response can encompass active participation in global corporate activities and the implementation of diverse international strategies as deemed suitable. The International Labour Organization (ILO) has a significant role in the discussion around the social obligations of corporations and the corporate social responsibility (CSR) movement. The legal aspect of CSR pertaining to labor involves various responsibilities that corporations have towards society. Given that CSR is rooted in voluntary actions, it is crucial to employ an alternative word, such as "the social responsibilities of business," to denote the valid societal expectations about company conduct, regardless of whether they are obligatory. Businesses should not use Corporate Social Responsibility (CSR) to redefine or misinterpret their obligations. Corporate Social Responsibility (CSR) should not be seen as a replacement for the essential roles and responsibilities of the government. The business sector needs more political authority to determine its obligations or act as a replacement for the government.

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