

Legal Policy Analysis of CSR Obligations for Palm Oil Companies in Bangka Belitung as a Sustainable Effort

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² Abstract

The palm oil industry plays a crucial role in Indonesia's economy, including in Bangka Belitung. However, the sustainability of this industry depends on the implementation of Corporate Social Responsibility (CSR) in accordance with applicable regulations. This study aims to analyze the implementation of CSR policies by palm oil companies in Bangka Belitung, identify obstacles and challenges faced, and evaluate the effectiveness of legal policies governing CSR obligations. The research employs an empirical juridical approach, utilizing data collection techniques such as interviews with stakeholders, direct field observations, and analysis of relevant regulations. The findings indicate that the implementation of CSR in palm oil companies in Bangka Belitung still faces various challenges, including limited resources, lack of supervision, and differing interpretations of existing regulations. Furthermore, although legal provisions on CSR have been established in various Indonesian laws and regulations, their effectiveness needs to be improved through stronger monitoring and law enforcement mechanisms. Therefore, closer collaboration between the government, companies, and communities is recommended to ensure a more optimal and sustainable implementation of CSR.

Keywords: CSR, palm oil companies, legal policy, Bangka Belitung, sustainability.

1. INTRODUCTION

The development of the palm oil industry in Indonesia has made a significant contribution to national economic growth, including in the Bangka Belitung region¹. However, behind its positive economic impact, this industry has also raised various social and environmental issues, ranging from land degradation and agrarian conflicts to ecosystem damage². To address these challenges, Corporate Social Responsibility (CSR) has become one of the key instruments expected to bridge business interests with sustainable development³.

The optimal implementation of CSR, especially by palm oil companies, is not only a form of moral compliance but also a legal obligation regulated by various national and regional policies⁴. Legal policies related to CSR play a strategic role in ensuring that companies are not solely profit-oriented but also contribute to community welfare and environmental

¹ Badan Pusat Statistik Provinsi Kepulauan Bangka Belitung. (2023). *Produk Domestik Regional Bruto Provinsi Kepulauan Bangka Belitung Menurut Lapangan Usaha 2018–2022*.

² Greenpeace Indonesia. (2021). *Jejak Deforestasi Industri Sawit di Indonesia*.

³ Carroll, A. B., & Shabana, K. M. (2010). *The business case for corporate social responsibility: A review of concepts, research and practice*. *International Journal of Management Reviews*, 12(1), 85–105.

⁴ Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas, Pasal 74.

preservation⁵. In Bangka Belitung, with its unique geographical and social characteristics, the effectiveness of CSR obligations carried out by palm oil companies has become an increasingly relevant issue to be examined in depth.

This research aims to analyze the legal policies governing CSR obligations for palm oil companies in Bangka Belitung and to evaluate the extent to which the implementation of these policies supports efforts toward sustainable development. By understanding the dynamics between regulation and on-the-ground practices, this study is expected to contribute to the formulation of a more responsive and contextual legal approach to the challenges of sustainable development in the palm oil sector.

2. METHOD

This study employs a normative juridical method with a qualitative approach. The normative juridical approach is used to analyze the legal norms that govern Corporate Social Responsibility (CSR) obligations for palm oil companies, both within national legislation and regional policies in Bangka Belitung⁶. The main focus of this approach is the examination of primary and secondary legal materials to understand the legal basis and normative concepts related to the implementation of CSR in the context of sustainable development⁷.

Primary legal materials used include national legislation such as Law Number 40 of 2007 concerning Limited Liability Companies, Law Number 25 of 2007 concerning Investment, as well as sectoral regulations and regional policies governing the palm oil industry and CSR obligations in Bangka Belitung⁸. Secondary legal materials consist of academic literature, journals, books, and previous research relevant to this topic⁹.

In addition, an empirical juridical approach is also employed complementarily to examine how these legal policies are implemented in practice. Empirical data is obtained through document studies of CSR activity reports from palm oil companies operating in Bangka Belitung, as well as data from local government institutions and civil society organizations involved in the issue¹⁰. The data analysis technique is conducted qualitatively by examining the relationship between existing regulations, CSR implementation, and the principles of sustainability in practice¹¹.

Through this method, the study is expected to provide a comprehensive overview of the extent to which legal policies related to CSR in the palm oil sector can drive the achievement of inclusive and sustainable development in the Bangka Belitung region.

⁵ Susanti, E., & Budianto, A. (2020). *Analisis Yuridis Terhadap Implementasi CSR di Sektor Perkebunan Sawit*. *Jurnal Hukum dan Pembangunan*, 50(2), 217–232.

⁶ Soekanto, S., & Mamudji, S. (2001). *Penelitian Hukum Normatif: Suatu Tinjauan Singkat*. Jakarta: RajaGrafindo Persada.

⁷ Marzuki, P. M. (2017). *Penelitian Hukum*. Jakarta: Kencana.

⁸ Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas; Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal.

⁹ Raharjo, S. (2012). *CSR dan Hukum Perusahaan*. *Jurnal Hukum Bisnis*, 32(4), 45–60.

¹⁰ Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches (4th ed.)*. Thousand Oaks: SAGE Publications.

¹¹ Moleong, L. J. (2018). *Metodologi Penelitian Kualitatif*. Bandung: PT Remaja Rosdakarya.

3. RESULTS AND DISCUSSION

1. Legal Policies on CSR in Indonesia and Bangka Belitung

The implementation of Corporate Social and Environmental Responsibility (CSR) by companies in Indonesia is supported by a clear legal foundation. Law Number 40 of 2007 concerning Limited Liability Companies, particularly Article 74, stipulates that any company engaged in business activities in the field of and/or related to natural resources is legally obligated to carry out CSR. This makes CSR not merely a voluntary activity or a form of philanthropy, but a legal duty¹².

At the regional level, the Province of Bangka Belitung Islands has adopted sustainable development policies through Regional Regulation No. 3 of 2020, which indirectly supports the implementation of CSR in strategic sectors, including the palm oil plantation sector¹³. However, this regional regulation remains general in nature and does not specifically regulate the palm oil sector in terms of implementation, reporting, or sanction mechanisms.

Legal instruments such as the Governor's Regulation on CSR have indeed been issued, but they are not yet supported by implementing regulations that provide technical guidelines, success indicators, and a systematic evaluation system¹⁴. As a result, many companies lack concrete references for designing and implementing CSR programs that align with the goals of sustainable development.

2. Implementation Practices of CSR by Palm Oil Companies

Field studies indicate that most palm oil companies in Bangka Belitung still carry out CSR in the form of short-term and charitable activities, such as distributing basic food packages, constructing religious facilities, and supporting religious or social events in the community¹⁵. While these activities provide direct benefits, their impact on local economic empowerment and environmental preservation tends to be limited¹⁶.

Furthermore, there is a tendency for CSR reporting to lack transparency. Many companies do not publish their CSR reports regularly and fail to conduct consultations with the communities who are the primary beneficiaries¹⁷. This reflects weak public accountability in CSR implementation and suggests that such activities are more symbolic than strategic.

In addition, the absence of an incentive system for companies that optimally implement CSR, and the lack of strict sanctions for non-compliance, has led to CSR not being treated as a priority in corporate management¹⁸. Some companies even view CSR merely as an administrative obligation that can be fulfilled with a formal annual report.

3. Analysis of Policy Effectiveness

From a policy perspective, Indonesia normatively possesses a strong legal framework to encourage CSR implementation. However, in practice, there remains a gap between *law in*

¹² Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas, Pasal 74 ayat (1).

¹³ Pemerintah Provinsi Kepulauan Bangka Belitung. (2020). Peraturan Daerah No. 3 Tahun 2020 tentang Pembangunan Berkelanjutan.

¹⁴ Marzuki, P. M. (2017). *Penelitian Hukum*. Jakarta: Kencana, hlm. 102.

¹⁵ Laporan CSR PT Sawit Bangka Lestari Tahun 2022.

¹⁶ Wibowo, A., & Nurhadi, M. (2020). CSR Berbasis Keberlanjutan: Studi Kasus Perusahaan Sawit. *Jurnal Sosial dan Lingkungan*, 15(3), 45–58.

¹⁷ Observasi dan studi dokumentasi penulis terhadap laporan CSR perusahaan sawit di Bangka Belitung (2023).

¹⁸ Nurcholis, H. (2021). *Tata Kelola CSR: Regulasi dan Praktik di Daerah*. Bandung: Fokus Media, hlm. 88.

the books and *law in action*, as articulated by Lawrence M. Friedman¹⁹. In Bangka Belitung, although regulations are in place, their implementation and supervision remain weak and have yet to establish a system that effectively encourages companies to act in socially and ecologically responsible ways.

The lack of synergy between the central and regional governments in formulating sectoral and contextual policies also hinders the implementation of sustainable CSR. Regional governments often lack the necessary resources and institutional capacity to evaluate and monitor CSR implementation on the ground²⁰. To enhance policy effectiveness, the following measures are necessary:

- Synchronization of central and regional regulations
- Development of sector-based CSR implementation guidelines (specifically for the palm oil sector)
- Strengthening of institutions responsible for CSR monitoring and reporting
- Increased community involvement in the planning and evaluation of CSR programs
- Provision of incentives for companies that make genuine contributions to sustainable development

Thus, CSR is no longer viewed as a mere administrative burden, but rather as an integral part of a responsible and sustainable business strategy²¹.

4. Analysis of Policy Effectiveness

Normatively, Indonesia has developed a progressive legal framework for CSR. However, in practice, there is a significant gap between *law in the books* and *law in action*, as stated by Lawrence M. Friedman²². This gap is primarily due to weak political will, a lack of implementation tools at the regional level, and the limited integration of CSR into long-term development frameworks.

In Bangka Belitung, the ineffectiveness of current policies is reflected in the absence of a structured oversight system, lack of impact measurement, and low levels of transparency. Although the palm oil sector holds significant potential to contribute to social and environmental progress, this potential has not been optimally mobilized by the existing legal system.

5. Barriers and Challenges in Implementing CSR Obligations

The implementation of CSR obligations by palm oil companies in Bangka Belitung faces several complex structural and technical challenges. The main obstacles identified include:

• Lack of internalization of CSR values in corporate policy

¹⁹ Friedman, L. M. (1975). *The Legal System: A Social Science Perspective*. New York: Russell Sage Foundation.

²⁰ Suryana, A. (2022). *Evaluasi Pelaksanaan CSR Daerah*. *Jurnal Pemerintahan Daerah*, 10(2), 73–85.

²¹ Sutedi, A. (2011). *Tanggung Jawab Sosial Perusahaan*. Jakarta: Sinar Grafika, hlm. 75.

²² Hermanto, R. (2021). *Dinamika Pelaksanaan CSR di Sektor Perkebunan*. *Jurnal Hukum dan Pembangunan Berkelanjutan*, 9(1), 12–25.

Many companies view CSR merely as a cost or legal obligation, rather than as a tool to build long-term relationships with surrounding communities²³.

- **Absence of multi-stakeholder forums**

The lack of communication platforms between companies, local governments, and communities leads to CSR programs that are not based on real community needs and often overlap with government initiatives²⁴.

- **Weak institutional capacity at the local level**

Relevant government agencies at the regency/city level do not have dedicated units that professionally handle CSR in terms of planning, reporting, and evaluation²⁵.

- **Lack of a regional CSR information system**

Without an integrated database, it is difficult to coordinate, verify, or ensure accountability in the implementation of CSR obligations²⁶.

- **Low legal literacy and public participation**

Communities, as the primary beneficiaries of CSR programs, are often not involved from the planning stage, resulting in a mismatch between CSR initiatives and the actual needs of the community²⁷. These challenges reflect a fundamental gap between the national legal framework and the realities of implementation at the regional level. CSR has not yet become an embedded corporate culture but is still viewed merely as an external obligation.

6. Legal Policy Recommendations to Strengthen CSR Implementation

To improve the effectiveness of CSR implementation in the palm oil sector in Bangka Belitung, the following legal policy recommendations may be considered:

1. **Formulation of a Regional Regulation specifically on CSR in the palm oil sector**, which regulates the types of programs, reporting systems, administrative sanctions, and incentives for companies that carry out CSR strategically.
2. **Development of technical guidelines for CSR implementation**, including success indicators based on the Sustainable Development Goals (SDGs), and the establishment of region-based CSR support units composed of government representatives, community members, and academics.
3. **Strengthening oversight and evaluation functions** through the formation of a Regional CSR Council, tasked with verifying program implementation, evaluating corporate reports, and providing policy recommendations to the government.

²³ Hermanto, R. (2021). *Dinamika Pelaksanaan CSR di Sektor Perkebunan*. *Jurnal Hukum dan Pembangunan Berkelanjutan*, 9(1), 12–25.

²⁴ Yuliani, E. (2020). *Stakeholder Engagement dalam Pelaksanaan CSR Daerah*. *Jurnal Manajemen Pembangunan Daerah*, 7(3), 88–97.

²⁵ Bappeda Provinsi Kepulauan Bangka Belitung. (2022). *Laporan Kinerja Evaluasi Program CSR Daerah Tahun 2022*.

²⁶ Rahayu, D. S. (2023). *Sistem Informasi CSR Berbasis Web: Studi Kasus Kabupaten Bangka Tengah*. *Jurnal Sistem Informasi Daerah*, 4(2), 44–53.

²⁷ Sudaryanto, H. (2019). *Pendidikan Masyarakat dan Partisipasi dalam CSR*. *Jurnal Sosial Humaniora*, 15(2), 63–70.

4. **Fiscal and non-fiscal incentives**, such as regional tax deductions, priority in licensing, and sustainable company certification (green company) for companies that implement CSR in a transparent and participatory manner²⁸.
5. **Mandatory public disclosure of CSR reports**, whether through websites, digital annual reports, or corporate social responsibility forums attended by the public and other stakeholders²⁹.

With more operational, collaborative, and locally-oriented regulations, CSR implementation in Bangka Belitung is expected to become a strategic instrument for promoting sustainable development, strengthening corporate-community relations, and holistically preserving environmental carrying capacity.

4. CONCLUSION.

The legal framework governing Corporate Social Responsibility (CSR) for palm oil companies in Indonesia, including in the Province of Bangka Belitung Islands, has a relatively clear normative basis, particularly through Law No. 40 of 2007 on Limited Liability Companies³⁰. However, the implementation of these regulations at the regional level has not yet been fully effective in promoting CSR practices aligned with sustainability principles.

Field evidence shows that CSR implementation by palm oil companies in Bangka Belitung remains dominated by philanthropic and short-term activities and has yet to address more strategic aspects such as community empowerment and environmental conservation³¹. This reflects the continued weakness in the monitoring system, the absence of technical guidelines, and the suboptimal role of local governments in ensuring corporate compliance and transparency³².

Therefore, there is a need for a reformulation of CSR legal policies that are more operational in nature, including the development of derivative regulations at the regional level that specifically target the palm oil sector. Furthermore, strengthening the role of local institutions, both in terms of supervision and facilitation, is essential to ensure that CSR becomes a truly strategic instrument in supporting sustainable development in the Bangka Belitung region³³.

ACKNOWLEDGMENTS

The author would like to express sincere gratitude to all parties who have provided support throughout the process of preparing this article. Special thanks are extended to the Provincial Government of the Bangka Belitung Islands, the Plantation and Environmental

²⁸ Direktorat Jenderal Pajak. (2021). *Kebijakan Pajak dan CSR: Implikasi serta Insentif*. Jakarta: DJP.

²⁹ Kementerian Koordinator Bidang Perekonomian. (2022). *Panduan Nasional CSR untuk Sektor Prioritas*. Jakarta: Kemenko Perekonomian.

³⁰ Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas, Pasal 74.

³¹ Laporan CSR PT Sawit Bangka Lestari Tahun 2022; Wibowo, A., & Nurhadi, M. (2020). *CSR Berbasis Keberlanjutan: Studi Kasus Perusahaan Sawit*. *Jurnal Sosial dan Lingkungan*, 15(3), 45–58.

³² Friedman, L. M. (1975). *The Legal System: A Social Science Perspective*. New York: Russell Sage Foundation; Sutedi, A. (2011). *Tanggung Jawab Sosial Perusahaan*. Jakarta: Sinar Grafika.

³³ Marzuki, P. M. (2017). *Penelitian Hukum*. Jakarta: Kencana; Pemerintah Provinsi Kepulauan Bangka Belitung. (2020). *Peraturan Daerah No. 3 Tahun 2020 tentang Pembangunan Berkelanjutan*.

Agency, as well as the various palm oil companies that generously shared the data and information necessary for this research.

The author also appreciates the valuable input from academics, research partners, and fellow colleagues who have contributed to the writing and refinement of this paper. It is hoped that the findings of this study will make a meaningful contribution to the development of a fairer and more sustainable legal policy framework in the palm oil sector.

NOVELTY

study offers a unique contribution through a contextual legal analysis of Corporate Social Responsibility (CSR) obligations for palm oil companies in the Bangka Belitung region using a sustainability approach. Unlike previous studies that tend to be general or focused on national-level normative aspects, this research specifically evaluates the effectiveness of CSR legal policies at the regional level and links them to the social, economic, and environmental realities of Bangka Belitung.

Key novel contributions of this research include:

1. **Integrated Analysis of National and Regional Policies** – The study highlights the gap between central regulations and local implementation, emphasizing the need for policy harmonization that is more responsive to local dynamics.
2. **Emphasis on CSR Implementation in the Palm Oil Sector** – By focusing on the practices of palm oil companies, the research reveals how current CSR implementation provides minimal contributions to sustainable development principles in palm oil-producing regions.
3. **Contextual CSR Policy Reform Recommendations** – This study offers concrete proposals for the development of technical regulations and the strengthening of local government roles in overseeing and facilitating sustainable CSR implementation.

Thus, the results of this study are expected to serve as both an academic and practical reference for policymakers, business actors, and civil society in building a more equitable, transparent, and sustainability-oriented CSR governance system.

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