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## The Role of Corporate Social Responsibility (CSR) Programs in Economic Empowerment of Communities Around PT Semen Indonesia's Mining Areas

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### **Abstract**

*This study aims to analyze the role of Corporate Social Responsibility (CSR) programs by PT Semen Indonesia in empowering the local economy around its mining areas, as part of implementing Environmental, Social, and Governance (ESG) principles. Using a descriptive qualitative approach and content analysis of the company's CSR reports, the study identifies strategic programs such as MSME development, skills training, and the establishment of an U-17 Football School for local youth. The findings indicate that these CSR initiatives have positively impacted community welfare, economic independence, and youth development. CSR activities not only strengthen social and economic resilience but also align with the Sustainable Development Goals (SDGs). The study concludes that CSR serves as an integral part of the company's inclusive and sustainable social development strategy.*

**Keywords:** CSR, ESG, MSMEs, Skills Training, U-17 Football, Economic Empowerment

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### **INTRODUCTION**

In the modern business era, companies are not only required to pursue economic profits but also to be accountable for the social and environmental impacts of their operational activities. The Environmental, Social, and Governance (ESG) concept has become a crucial foundation for assessing a company's sustainability and responsibility toward stakeholders. One concrete form of ESG implementation is the execution of Corporate Social Responsibility (CSR) programs, which focus not only on environmental preservation but also on social and economic empowerment of surrounding communities. PT Semen Indonesia (Persero) Tbk, as the largest cement industry company in Indonesia, has a significant influence on the lives of communities around its operational areas, especially in regions where raw materials for cement are mined. Intensive mining activities have the potential to cause social impacts, such as reduced land access and changes in the socio-economic conditions of local communities. Therefore, the implementation of CSR by PT Semen Indonesia plays a strategic role in creating

harmonious relationships between the company and the community, as well as being part of sustainable social responsibility.

Economic empowerment of the community is one of the main pillars of PT Semen Indonesia's CSR program. This program is realized through various initiatives, such as entrepreneurship training, support for micro, small, and medium enterprises (MSMEs), development of sustainable agriculture, and enhancement of local human resource capacity. These efforts aim not only to improve the economic welfare of the community but also as a form of the company's contribution to fostering independence and competitiveness of local communities. This study aims to analyze the role of PT Semen Indonesia's CSR in the economic empowerment of communities around mining areas as a manifestation of ESG principle implementation. Using a descriptive analysis approach, this research is expected to provide a comprehensive overview of the effectiveness of CSR programs in creating sustainable socio-economic impacts.

## **METHOD**

This study employs a descriptive qualitative approach to analyze the role of PT Semen Indonesia's Corporate Social Responsibility (CSR) program in the economic empowerment of communities around mining areas. Research data were obtained through document analysis, specifically the CSR reports and sustainability reports of PT Semen Indonesia published officially on the company's website. This study focuses on CSR programs related to community economic improvement, such as MSME development, skills training, and community-based economic programs. The analysis technique used is content analysis, examining narratives, activity data, as well as the outcomes or impacts of CSR program implementation. This study does not involve field data collection but rather analyzes secondary information to assess the effectiveness and alignment of CSR programs with ESG principles, particularly the aspects of social and sustainable governance.

## **RESULTS AND DISCUSSION**

Based on the analysis of PT Semen Indonesia's CSR reports, it was found that the company has implemented several programs focused on improving the economic welfare of communities near its mining sites. These programs reflect the company's commitment to fulfilling the social aspect of ESG principles. Several strategic initiatives have played a role in fostering community economic independence and local business development, including:

### **Development of Micro, Small, and Medium Enterprises (MSMEs)**

PT Semen Indonesia has consistently implemented economic empowerment programs through strengthening the MSME sector around its mining areas. Through its CSR unit and the Partnership and Environmental Development Program (PKBL), the company provides support in the form of soft loans, business mentoring, as well as managerial and technical training. Capital assistance is distributed to small business actors such as food vendors, craftsmen, livestock farmers, and other home-based entrepreneurs spread across villages near the mining sites. Additionally, the company also facilitates training in financial management,



Keberhasilannya tidak terlepas dari peran Rumah BUMN Rembang melalui pendampingan hingga pelatihan seperti:

- ▲ Pembukuan keuangan yang efektif
- ▲ Peningkatan omzet
- ▲ Desain kemasan

digital marketing, and product packaging to enable MSMEs to compete in broader markets, including online marketplaces.

PT Semen Indonesia's annual CSR reports indicate that more than 500 MSME actors have directly benefited from this program. In several cases, mentored MSMEs have been able to expand their market reach to a regional level and create new jobs within their communities. Business mentoring is conducted sustainably by involving local experts and consultants, ensuring that MSMEs develop not only in terms of production but also in aspects such as business legality, branding, and product certification. This program is considered a tangible manifestation of ESG implementation, particularly in the social and governance aspects that support inclusive economic growth. Beyond



Selama empat tahun, Rumah BUMN Rembang telah membantu lebih dari 400 mitra UMKM dan mencatatkan transaksi senilai Rp3,9 miliar.

Salah satu mitra UMKM tersebut adalah Ahmad Soffa, pemilik usaha sirop buah kawista dengan merek Sonaya.

strengthening local economic resilience, the program also contributes to reducing social inequality, fostering community economic independence, and reinforcing harmonious relationships between the company and the community. This strategy aligns with the principles of sustainable development (SDGs), specifically Goal 8 (Decent Work and Economic Growth) and Goal 10 (Reduced Inequalities). The success of this program demonstrates that CSR is not merely a charitable activity but an integral part of a local potential-based regional development strategy.

### ***Training and Community Skill Development***

In addition to supporting MSMEs, PT Semen Indonesia also implements job training and skill enhancement programs for communities near mining sites as part of a long-term human resource development strategy. This program targets productive age groups, including youth, women, and vulnerable individuals without access to formal employment. Training materials cover technical skills such as welding, mechanical workshops, sewing, handicrafts, organic farming, and agricultural product processing. The training is conducted in collaboration with Vocational Training Centers (BLK), educational institutions, and professional instructors.

In addition to technical training, participants also receive soft skills development, including leadership and financial literacy. Evaluation results show that many participants have successfully applied the acquired skills to start businesses or secure formal employment. As a follow-up, some participants receive assistance in the form of work tools, business promotion support, and internship opportunities. This program strengthens ESG implementation in the social aspect and fosters a sustainable empowerment ecosystem. Beyond enhancing community self-reliance and reducing unemployment, this initiative also helps prevent

urbanization by creating local job opportunities. Overall, the program drives social transformation based on local competencies.

#### ***U-17 Football Academy for Indonesian Youth***

As part of its CSR program focused on social and human resource development, PT Semen Indonesia established a U-17 Football Academy (SSB) for children and adolescents in its operational areas. The initiative aims not only to nurture sports talent from an early age but also to build character, discipline, and physical health among youth. The program is professionally managed in collaboration with certified coaches and local football associations, supported by training facilities meeting national standards. Participants come from underprivileged families, ensuring equal opportunities for economically disadvantaged yet talented children. In addition to regular training, the academy includes nutrition classes, leadership training, and character education. Outstanding students have the opportunity to compete at national levels and receive sports scholarships.

This program reflects CSR's role in shaping youth futures through sports as a means of national character building. From an ESG perspective, the initiative



strengthens social aspects, creates long-term value, and promotes healthy lifestyles and social integration. Furthermore, it supports SDG Goals 3 (Good Health and Well-being) and 4 (Quality Education), demonstrating the company's commitment to inclusive and sustainable social investments.

#### **CONCLUSION**

PT Semen Indonesia's Corporate Social Responsibility (CSR) program has demonstrated tangible contributions in supporting economic and social empowerment of communities surrounding its mining operations as part of its ESG principle implementation. Through its support for MSMEs, vocational training programs, and social initiatives such as the establishment of the U-17 Football School, the company has not only enhanced community welfare but also strengthened local social and economic resilience. The MSME program plays a crucial role in fostering economic independence, while skills training creates new employment opportunities and encourages local entrepreneurship. Meanwhile, the football school serves as a platform for youth character development and talent nurturing. Collectively, PT Semen Indonesia's CSR strategy reflects a targeted and inclusive sustainability approach that aligns with the Sustainable Development Goals (SDGs). However, maintaining and expanding these positive impacts requires ongoing evaluation and active community engagement to ensure long-term sustainability.

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