

## **Redefining Government Roles for a Fresh Perspective on Corporate Social Responsibility**

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### **Abstract**

This study investigates the urgency of rethinking the responsibilities that central and local governments play in developing corporate social responsibility and the various shapes that this rethinking might take. Corporate social responsibility aims to strike a balance between profit, environmental sustainability, and community welfare, also known as the “triple bottom line.” The central government and the local government each play an essential part in this context. This investigation uses a normative-empirical legal method, with the primary attention being directed toward transitioning corporate social responsibility from moral duty to legal accountability. The paper discusses the difficulties of attaining social justice by implementing corporate social responsibility. Using a conceptual approach, the research is descriptive-analytical and investigates various views and theories within legal studies. The findings point to the necessity of rethinking the kinds of obligations that fall under the purview of the government. The coordination of programs for corporate social responsibility, the formulation of policies, standards, and guidelines, as well as the supervision and assessment of these programs, must be carried out by both the central government and the local governments. Through the implementation of legislation, social justice must be realised to establish a mutually beneficial relationship between corporations, society, and the environment.

**Keywords:** Corporate Social Responsibility, Reconceptualization, Central Government, Local Government, Social Justice, Triple Bottom Lines.

### **Introduction**

Bribery It is not the firm responsible for advancing the common welfare, enlightening the nation's life, and contributing to maintaining a world order founded on freedom, eternal peace, and social justice; instead, it is what the state is responsible for doing (Prastowo & Huda, 2011). Although corporations are partners of the state, it is evident that if the concept of corporate social responsibility is solely understood as an expense for the firm, then the application

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of this concept will not benefit the company, resulting in frequent limits. As a result, it is essential to investigate the limitations of implementing corporate social responsibility to accomplish social justice, as well as how the ideal model of corporate social responsibility construction can be rethought from a philosophical, juridical, and technical standpoint within the context of the legal framework to achieve social justice (Safa'at, 2016). In Indonesia, the concept of justice is portrayed in the Pancasila as the basis of the state, specifically social justice for the entirety of the Indonesian population (Putri & Naili, 2023).

The fifth principle outlines a set of ideals that serve as objectives for cohabitating individuals. Specifically, justice in the interaction between individuals and themselves, persons and other individuals, individuals and society, nation and state, as well as justice in the relationship between humans and their God, is the foundation upon which this justice is built and is filled with the essence of human justice (Dewi & Shamira, 2021). Social responsibility for corporations ought to be a collaborative process that forms social capital for cooperative development based on social fairness (Asmara et al., 2023). This indicates that all stakeholders, whether they are internal or external, have rights and obligations that are in a balanced state. To ensure that the execution of corporate social responsibility does not place an undue burden on any individual or group, which would lead to the ineffectiveness of the concept, the existence of corporate social responsibility must be founded on the principles of social justice (Waagstein, 2011). Based on this topic, this research aims to investigate the urgency of rethinking the government's obligations and the different ways in which it can be done in the future when it comes to establishing programmes for corporate social responsibility.

### **Research Methodology**

This research employs a normative-empirical legal research strategy, which involves doing two stages of study simultaneously. This methodology is used for the research itself. The first focuses on normative law, highlighting the philosophical foundations of the shift from corporate social responsibility as a moral responsibility to legal responsibility, the challenges of implementing corporate social responsibility to achieve social justice, and ultimately, constructing an ideal model of corporate social responsibility in the process of achieving social justice at the end of the day. This research is descriptive-analytical, meaning that it seeks or discovers data necessary to answer the questions. This data will then be extended or explained to present a thorough and holistic perspective of the issues discussed. A strategy that departs from the perspectives and doctrines often found in legal studies is utilised to address the

challenges being investigated in this research. By examining various perspectives and doctrines within the field of legal studies, the researcher will be able to discover notions that give rise to legal understandings, legal concepts, and legal principles pertinent to particular issues.

### **The urgency of reconceptualizing Corporate Social Responsibility (CSR)**

A consistent commitment by businesses to behave ethically and contribute to the economic development of the local community or broader society while simultaneously improving the living standards of workers and their families is the essence of what is known as corporate social responsibility (CSR). Corporate social responsibility (CSR) is a means by which a corporation can achieve a balance or integration of economic, environmental, and social challenges while simultaneously meeting the expectations of its shareholders or its stakeholders. According to the perspective presented above, corporate social responsibility (CSR) ought to concentrate on three aspects: profit, people, and the planet (often known as the “triple bottom lines” in CSR) (Wamitu, 2014).

It is the intention of the provisions of corporate social responsibility (CSR) to establish a harmonious and balanced connection between the corporation and the environment, values, norms, and culture of the local community. Following its attainment of independence, Indonesia prioritised enhancing the standard of living of its whole population, as outlined in Article 4 of the preamble to the Constitution of 1945. This commitment is further controlled in Article 33, which governs the control of land, water, and natural resources by the state to ensure the prosperity of the people (Santoso et al., 2023).

Even though Article 33 of the Constitution of 1945 has been subjected to modifications, its fundamental purpose has remained unchanged: to safeguard the whole people of Indonesia, particularly regarding commercial sectors associated with minerals and other natural resources. The amendments stated that economic activity must be based on the ideals of efficiency and justice. Therefore, the state must put these rules into effect as soon as possible in the legislation that controls the management of natural resources (Kadir & Murray, 2019).

The objectives of the Republic of Indonesia are outlined in the opening of the Constitution of 1945. These objectives include establishing a government that safeguards the well-being of all Indonesian citizens and advancing the welfare of the entire population. The right of every individual to have a flourishing life in both their body and their soul, in an environment that is good and healthy, and to get medical care is affirmed in Article 28H(1), which clarifies this matter. Natural resources, which include land, water, and the wealth contained within them, are

under the state's sovereignty in accordance with Article 33(3) to ensure the greatest possible prosperity for the people (Mutaqin, 2017).

The control of natural resources by the state is intended to bring about social fairness and the greatest possible extent of wealth for the people (Luper-Foy, 1992). Article 34(2) stipulates that the state is responsible for developing a social security system for all people and empowering those who are weak and incompetent by human dignity, providing more support for this idea. Furthermore, Article 33(4) emphasises that the national economy is organised based on economic democracy, with principles of togetherness, efficiency, fairness, sustainability, environmental awareness, independence, and maintaining the balance of national economic progress and unity (Hoessein et al., 2020). This includes the concepts of sustainability, environmental awareness, and independence. When it comes to achieving these objectives, it is essential to have the participation of all levels of society, including commercial organisations (Mariani et al., 2022).

The passage of time causes society to become more critical and conscious of its fundamental rights, hence expressing demands for developing the business world in Indonesia. Because of this, businesses are required to conduct their operations more responsibly, not just increasing their profits and expanding their enterprises but also making beneficial contributions to the social context in which they operate.

Corporate social responsibility (CSR) continues to be a crucial concept for businesses to embrace despite the numerous tensions surrounding national CSR rules (Wirba, 2023). The goal is to establish a relationship between the company and the community and environment that surrounds it that is mutually beneficial to their respective parties. Not only are businesses accountable for the advancement of the economy and the preservation of the viability of their operations, but they are also accountable for their social obligation towards the community and the environment. The concept of Corporate Social Responsibility (CSR) expresses a corporation's concern for its stakeholders and the necessity of working with them. A firm's compliance with human rights, labour, consumer protection, and environmental conservation are all examples of corporate social responsibility (CSR) in a larger sense. In a more limited sense, corporate social responsibility (CSR) is meant to foster the improvement of the community around the corporation. Therefore, corporate social responsibility (CSR) is a concrete embodiment of the involvement of the entire nation in the realisation of the common welfare, which is the national goal of the Republic of Indonesia.

### **Reconceptualization of Government Responsibility**

Even though the government has already included the responsibility of Corporate Social Responsibility (CSR) in various legislative legislation, it does not inevitably bring about social justice for businesses and the community in which the company operates. While entrepreneurs work hard to make employment opportunities available to as many people as possible with the maximum amount of capital, the efforts of entrepreneurs, who are one of the primary drivers of the economy, are increasingly burdened by rules imposed by the government. When businesses participate in exploration, the local community negatively perceives the activity. They believe the company is profitable even though it is still in the preliminary stages of exploration (Tamvada, 2020).

However, rather than acting as a partner or mediator in resolving these difficulties, the government has directly addressed them. There needs to be evidence that the government has enacted legislation or formal regulations that can serve as a guide for promoting socially responsible and just behaviours in the general population. Therefore, the fulfilment and perception of fairness in social relations between citizens and between citizens and pre-existing social institutions are impossible to achieve and experience proportionally. When injustice is present in various facets of life, it transforms into a structural issue that impacts not just individual business owners but also the community, whether individuals or groups (Gallardo-Vázquez et al., 2019).

Because of the constraints imposed by the budget, the government programmes sponsored by either the national or the local budget only meet some of the community's requirements. That being said, a few of these pressing communal demands play a strategic role and ought to be satisfied. As a result, the government, particularly local governments, must make every effort to maximise the potential of businesses to meet these requirements, mainly through corporate social responsibility funds. For corporate social responsibility (CSR) programmes to be more efficient and focused, the government has the jurisdiction to coordinate and direct them. Assisting the CSR Forum, which ultimately results in forming a CSR consortium, is one method of coordination (Sipahutar et al., 2022).

Not only does justice consist of the things that citizens can or ought to get, but it also incorporates the processes and mechanisms in place. Both the tactics that are employed to accomplish justice and the system that is currently in place are important factors. This type of justice is frequently utilised when evaluating the government's policies about the people. The fundamental structure of society and the many social positions, which are in part established by the political system and the prevalent socio-economic conditions, may raise questions regarding whether justice itself is reflected in these structures. The answer can be found in

the consciousness and conscience of those held in positions of authority, particularly as individuals. The moral concerns that officials take into account as human beings who have social ties with other people cannot be divorced from the many decisions they make in the public domain about various matters.

The cultivation of a sense of concern for other people's lives is an issue that must not be overlooked. Because of this concern, the individual develops a sense of obligation towards other people, mainly if they are official. When you care about other people, you ensure that no one is subjected to injustice within the current system and procedures. In Radbruch's (1950) view, the concept of law as a cultural conception cannot be reduced to a simply formal level. As an alternative, it is geared towards "rechtsidee", another word for justice.

It is necessary to fill the concept of justice with specific material; to do so, it is necessary to examine its finality. It is necessary to have clarity to complement justice and its finality. Justice, finality, and certainty are the three components that Radbruch identifies as inherent to the legal system. While the first two aspects represent the ideal framework of law, the third feature, known as certainty, is the framework of law applicable in practice.

On the one hand, individuals with the status of citizens are members of a community that can no longer freely interpret their responsibilities. On the other hand, they take on and perform responsibilities outlined by their community and that they have internalised within themselves. As a result, personal identity is lost. This indicates that every citizen is entitled to the same rights and responsibilities. On the other hand, individuals continue to play a role as exceptional beings with mental and emotional lives that are distinct from those of others. Equality, which acknowledges the singularity of each person, is the foundation upon which relationships with other people are built. Therefore, two values are ingrained in social relationships at the individual and social levels: fairness (in the sense of justice and fair treatment) and caring. Both of these values are found in social interactions.

In contrast to distributive justice, which refers to the equitable allocation of a society's income to individuals or groups, social justice encompasses a broader range of concepts. What we mean when we talk about social justice in its larger concept is a condition that enables every individual or group in society to flourish to their full potential. Not only does justice in social relations involve distributive fairness, but it also needs to be supplemented with caring values founded on trust, mutual recognition as fellow human beings, and the very nature of humanity itself.

### **Conclusion**

In the context of re-conceptualising the tasks of the central and regional governments, as well as the urgency of corporate social responsibility, it is possible to conclude that there is a close relationship between the aspirations of the Indonesian nation's well-being and the endeavours of corporations to fulfil their social responsibility obligations. Following the triple bottom line concepts, corporate social responsibility considers the economic aspects of a company's operations and its stakeholders' environmental and social perspectives. A significant part of the duty for organising and supervising the execution of corporate social responsibility lies with the central and regional governments. This is done in order to make the programme more efficient and targeted. Nevertheless, it is essential to remember that laws imposed by the government should guarantee social justice, not impose an undue burden on business owners, and should foster a mutually beneficial relationship between businesses and the community. Furthermore, the realisation of justice and concern is essential to the execution of corporate social responsibility, which ultimately results in the formation of a society that is both just and good.

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