

The Politics of Virtue for Capital Accumulation: CSR and Social Conflict in the Construction of the Indocement Factory in Pati, Indonesia

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Abstract

Discourses about Corporate Social Responsibility (CSR) are generally understood as goodwill and social virtue. Using a case study of CSR Indocement in Pati, Central Java – Indonesia, this research shows that the CSR activities of Indocement since 2012 are not based on a business or corporate social virtue model but was primarily aimed at facilitating the accumulation of capital through an expansion of a cement factory. First, most of the CSR Indocement programs in Pati failed to bring about empowerment to the local communities. Second, CSR Indocement programs primarily involved the village elites in order for them to influence the communities to accept the expansion of the cement factory in their locality. Third, even though CSR Indocement programs failed in terms of empowerment programs, they were able to weakened the opposition from the communities regarding the expansion of cement factory using the funding from the CSR programs.

Keywords: capital accumulation, CSR programmes, social conflict, politics of virtue

Introduction

The Corporate Social Responsibility (CSR) paradigm began to emerge and become part of the public discourse in Indonesia in the mid-2000s (Rosser & Edwin, 2010, p. 3). Earlier, however, the concept had been debated lengthily. First operated by multinational companies in

1995, CSR is defined by Smith (2003) as companies' environmental and social responsibility towards the outside world. Businesses have become the richest and most powerful institutions in the world, according to Korten (2001), and thus their every decision must take responsibility for the common interest. The European Union

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Commission, meanwhile, defines CSR as a concept through which companies voluntarily integrate social and environmental concerns into their business operations and interactions with stakeholders (Chrowter & Aras, 2008, p. 11).

In its development, CSR has become a widely discussed part of a public discourse. Indonesia became the first country to regulate CSR through its laws and regulations (Rosser & Edwin, 2010). After that, governments at the provincial and district/city levels sought to create regulations governing the implementation of CSR for every company in their region.

Before CSR discourses became common among stakeholders, throughout the 1970s liberal and neo-liberal academics debated the concept of corporate social responsibility. Friedman (1970), who represented the liberal position, opposed the initial concept of CSR. He argued that companies did not require virtue, and CSR programmes went against companies' interest of reaping profits. This is because companies' operations contribute directly to local society through their taxes, job creation, economic growth, and, ultimately, community welfare. When regulations require CSR activities, he argued, it would endanger the free market.

CSR programmes began to be implemented by multinational corporations in the mid-1990s, due not only to internal company virtues but also pressure exerted by international Non-Government Organizations (NGOs). Throughout the 1980s and 1990s, international NGOs campaigned against the social and environmental impacts of multinational companies such as Nike, Nestle, and Shell, especially in third world countries. For

example, Shell faced strong criticism from activists and NGOs about its involvement with the Nigerian government regime in suppressing the Ogoni people and the execution of human rights leader Ken Saro-Wiwa. In 1997, Shell made a public commitment to social and environmental responsibility as well as sustainable development (Angelis, 2005). CSR has thus been used by companies to deflect the criticism of activists and NGOs, restore companies' reputation, and reduce government threats (Haufler, 2001; Florini, 2003).

Criticism of CSR has also highlighted the fact that companies only focus on the issues and stakeholders that they consider important for their activities and their interests (Banerjee, 2011; Scherer & Palazzo, 2007). Companies' decisions when making CSR decisions are considered dangerous "because managers are assumed to know what is best for society" (Buchholz & Rosenthal, 2004, p. 145).

In the above-described context, CSR becomes legitimate if its use is to maximise profits and value for shareholders (Mackey et al., 2007). Friedman's fear that CSR would interfere with the maximization of profits has not come to fruition. Rather, CSR has helped these companies earn a higher profit as it has allowed more diverse actors in society (state, private, and civil society) even as it has brought new challenges to the process of capital accumulation. De Angelis (2005) revealed that capital accumulation in the neoliberal era requires a new regulatory system for managing conflicts between actors, such as through governance and CSR. It seeks to use these mechanisms to create social stability and encourage

lasting capital accumulation, facilitate capital expansion, and deal with the social conflicts caused by the production process.

In its concepts and practices, CSR—rather than stemming from the intent to improve things—is actually used to advance capital interests, as can be seen in the conflict over the construction of a cement factory in Pati, Central Java, Indonesia. CSR programmes generally target communities affected by business processes. However, in the case of PT Indocement Tunggal Prakarsa, a cement producing company that was acquired by the German company Heidelberg Cement (hereinafter abbreviated as PT Indocement), the CSR programme has been operated in an area designated for extractive industries. PT Indocement operates twelve cement factories in various parts of Indonesia, and since 2010 it has had plans to construct a factory in the Pati District (*Kabupaten*), Central Java. However, this plan has yet to come to fruition, as it is still in the planning stage and working to attain a license (Novianto, 2016). Nevertheless, it has developed various CSR programmes in preparation for and anticipation of the new venture. This has happened in two sub-districts, Tambakromo and Kayen. PT Sahabat Mulya Sakti (SMS), which is a subsidiary of PT Indocement Tunggal Prakarsa, is likewise trying to expand.

Indocement's CSR programmes in Tambakromo and Kayen began at the end of 2012, two years after the planned expansion first faced massive community rejection. A social movement was established in Pati to thwart the expansion efforts of PT Semen Gresik (PT SG) in Sukolilo Subdistrict. There has been a

lengthy history of resistance, near Tambakromo and Kayen Subdistricts between 2006 and 2010 (Novianto, 2016), and against PT SMS between 2010 and 2020.

Indocement's CSR programmes in Pati District, according to Christian Kartawijaya (President Director of PT Indocement), were intended to develop the community closest to the factory and adhere to applicable legal regulations (Jateng Post, 18 July 2016) so that the factory could be constructed. As Christian acknowledged, Indocement's successful CSR in Pati District has been recognised by stakeholders in Central Java, such as the Governor of Central Java, the Regent of Pati District, and the Central Java CSR forum. Its CSR programmes, like those of other companies, have been intended to facilitate community development in areas of environment, infrastructure, health, education, livelihood, local economy, and women's empowerment. CSR aims to present the company positively to stakeholders and consumers, to show itself as generous. It is thus an effective business strategy (Ganescu, 2012; Nakib, 2011; Porter and Kramer, 2006).

Instead of receiving the positive appreciation of the people of Tambakromo and Kayen Subdistricts, Indocement's CSR programmes have faced resistance. This has occurred in part due to communities' activities against Indocement, which have included deterrence, eviction, destruction, and even exclusion (social sanctions) of people who have accepted aid from the company (Novianto, 2016). Opponents to the company's CSR perceive it as a form of image politics, one used to seduce, influence, divide, and bribe the community to agree to the construction of a cement

factory. For that reason, they have rejected not only the construction of a cement factory but also its CSR programmes.

The company's CSR activities have provided it with a "social license to operate" and enabled it to show its stakeholders that its business management is accountable (Hilson, 2012. p. 34). CSR, therefore, has enabled the company to secure both acceptability and legitimacy from the local community and the government. It means that Indocement's CSR initiatives in Pati can be viewed as an effort to obtain a social license to operate. In this paper, we consider the process of capital accumulation through the dynamics of CSR. We seek to contribute to the theoretical meaning of CSR through Indocement's CSR programmes in both "unaffected areas" and "new areas to be built". Furthermore, it seeks to understand CSR programmes as weapons used by companies to counter local resistance or at least undermine and divide social movements, thereby facilitating the process of capital accumulation.

Theoretical Framework

The Accumulation of Capital and the Contradiction that Comes with It

From a political-economic perspective, the law of the motion of capital holds that companies will seek and find new spaces to accumulate profits. This happens because, in the market system, capital holders are forced to continuously accumulate capital; should they fail to do so, they may be defeated by their competitors or even fall into bankruptcy. Schumpeter (1942) describes the process as "creative destruction", that is, a competition that forces ineffective,

inefficient, and uninnovative capital out of the competition circuit. In contrast to Schumpeter, Shaikh (2016) argues that capitalism's competition process does not operate perfectly. Not all capital owners compete fairly; the competition process runs in real terms, with each actor seeking to lower prices, cut wages for workers, increase working hours, and obtain cheap raw materials, thus enabling them to win the competition and expand their market share. According to Shaikh (2016), competition is the central regulating mechanism of capitalism, which allows some capital to accumulate, some to stagnate, and some to lose.

Capital is accumulated not only to win inter-capitalist competition but also to respond to internal contradictions—the crisis of underconsumption, overproduction, and falling profit rates. According to Harvey (2001; 2006), it is necessary to employ a spatio-temporal fix to solve the crisis of capitalism through temporal suspension and geographical expansion. It goes through the production of space, the territorial organization of entirely new divisions of labour, the opening of new and cheaper resource complexes, and the opening of new areas as spaces for dynamic capital accumulation.

However, capital accumulation almost always faces limitations and obstacles. The movement of capital is always hindered by obstacles, such as societal rejection and natural boundaries (Li, 2007). Public rejection arises when the public judges capital expansion to be detrimental. Capital cannot discipline everyone, as all individuals have their distinct preferences. While nature has its limits, these are the limits at which

ecological destruction will destroy life on earth. Before reaching this absolute limit, it is therefore necessary for communities to resist potentially detrimental activities.

Faced with various limitations and obstacles, capital may use coercive power and discursive power to get rid of these barriers. Coercive power is a technique used to discipline and remove barriers, which may involve (for example) coercion through security forces or non-state actors. However, in a modern society that uses disciplinary power (rather than sovereign power), coercive power tends not to be the main method used (Foucault, 1991). Rather, discursive power tends to be prioritised by the ruling class due to its subtlety and ability to shape the behaviours of the public. However, in practice, these two powers intersect and move together. As written by Marx (1993) in his work *Grundrisse*:

"... capital will always strive to break down every spatial barrier, that is, to exchange and conquer the whole earth to become a market... it must destroy this space with time... to reduce the rotation time of capital."

Political strategies are the main tools used by the ruling social class to direct human behaviours and shape public awareness. Discursive power is built with narratives, discourses, and ideals of goodness, so that the targeted subjects voluntarily agree to the interests of capital accumulation, even though these interests are actually detrimental to them. However, because they are not aware that they have been harmed, those who are hegemonised produce and reproduce narratives, discourses, and discourses that harm them. One form of discursive power is the creation of positive images, for instance

through CSR programmes. Furthermore, CSR is used not only to build discourses of goodness but also to minimise social conflict by dividing political opponents and removing obstacles.

Methods

This research is a case study that uses qualitative and quantitative post-positivistic thinking. We used a post-positivist approach to emphasize the argumentative nature of the critical method, as well as its more deliberative-discursive style, a continuous openness to criticism and movement toward a deeper truth. The post-positivist approach is supported by qualitative methods such as ethnography, participant observation, semi-structured interviews, group interviews, informal interviews, and policy review. To address the research problem, the researchers combined in-depth interviews and participant observation with a literature study. The researchers lived in and spent forty days in the community, twenty days amongst those who accepted Indocement's CSR and twenty days with those who rejected it, in both Tambakromo and Kayen, Pati. Other key informants in this research were a representative of Indocement in Pati and local government officers in the village, subdistrict, and district level. We used an ethnographic approach to collect data and information as an attempt to develop "ethnographic sensitivity" (Yanow & Geuijen, 2009, p. 254). Following Pader (2006), we used ethnographic sensibility to obtain a better understanding of the action and actor dynamics involved.

For forty days the researchers fed, slept, and worked together with



communities in the conflict area. To make it easier to obtain data, consider the pros and cons and ongoing social conflict, the researchers divided the data collection period into two periods. During the first period, the researchers lived in the homes of people who received Indocement's CSR programme for about twenty days. During this period, the researchers conducted formal and informal interviews and conducted participant observation. During this period, we conducted formal interviews with 32 respondents. During the second period, the researchers lived in the homes of opponents of the factory in Pati Regency for twenty days. During this period, the researchers conducted formal and informal interviews with informants who opposed the continued development of PT SMS. The researchers also observed participants during their community actions against the cement factory, made notes on the results of their deliberations and daily activities, and conducted participant observation.

After the data collection process was completed, the researchers collected, sorted, and analysed the collected data. Cross-checking was used to verify data, with reference to the pertinent literature. The researchers visited key respondents multiple (two, three, or even four) times to triangulate data. Informants were asked follow-up questions, consulted for clarification, or asked to confirm discrepancies. In this study, researchers conducted formal interviews with fifty-eight informants:

- A. Government Actors: 10 people
- B. PT Indocement Actors (involved in Indocement CSR): 3 people
- C. CSR recipients: 20 people

D. Community Opposed to Factory Construction: 19 people

E. Ordinary Community Actors: 6 people

For research and publication purposes, we disguised the informants' names and villages/hamlets of origin, as well as the name of several organizations in Tambakromo and Kayen Subdistricts.

Results

a. Background of Indocement CSR in Pati

Planning and preparation for Indocement's CSR programme in Tambakromo and Kayen began in early 2012, when the company's CSR field team conducted mapping and sought individuals who would accept its programme. PT Indocement assigned the team from its Bogor factory to handle its CSR programmes in Pati, as the factory was not yet completed. Between 2010 and 2017, PT SMS sought to fulfil the legal requirements for factory construction, which included the need to build a consensus in the affected community. Novianto (2016) explained that, during the licensing process, PT SMS obtained Environmental Permit No. 660.1/4767 from the Government of Pati District on 8 December 2014, after it completed a four-year Environmental Impact Analysis. At the time, PT SMS was cooperating with PT Mitra Adi Pranata even as it faced strong rejection from the community. After the permit was released, members of JMPPK (*Jaringan Masyarakat Peduli Pegunungan Kendeng / Community Network Concerned for the Kendeng Mountains*) filed a lawsuit in the Semarang State Administrative Court, which ruled in favour of the plaintiffs. Afterwards, the Regent of Pati and PT SMS appealed at the Surabaya Superior Court (PTTUN). On 14



July 2016, the PTTUN Surabaya Judges Council accepted the appeal. This, in turn, was appealed by the plaintiffs, and the Supreme Court ultimately rejected the appeal on behalf of the public.

In running its CSR programme in Pati, PT Indocement argued that such activities were part of their social responsibility. PT Indocement and its team stated that CSR was used for community empowerment, and thus stemmed solely from the company's benevolence and desire for sustainable development. PT Indocement dismissed the idea that its CSR activities were motivated by a desire to achieve a community consensus and reduce resistance. According to PT Indocement, the company's development is necessary to not only improve its economic well-being but also ensure the company's social and environmental responsibility. In that context, CSR was a form of goodwill, akin to a divine benevolence given only to help humanity.

To show its virtue, CSR Indocement highlighted various awards as a measure of goodwill and success. Comparative studies and mass-media reports were used to convince the public of the company's goodwill. It listed its awards, such as the 2015 and 2016 Indonesia Green Awards, held by the La Tofi School of CSR (a consultant institution), as well as its workshops and training activities (PT Indocement, 2015 & 2016). It also referenced an award it received from the Ministry of Industry in 2015, i.e. the Green Industry Award, as well as recognition of its Water Preservation Programme given by

the Ministry of Social Affairs – Corporate Forum for Community Development (CFCD) on 10 August 2015. The Women Farmers Group (KWT) received an award from the Pati Regency Government for its efforts to inspire female farmers and the Kaligawe Flat Farmers Group in Semarang was awarded first and second place for the Healthiest Flats in Semarang.

Prapto⁴, who was part of the Indocement CSR field team, said that the company is always required to benefit the environment (Interview, 23 May 2017). As such, although the cement factory in the Kendeng Mountains of Pati District has not been completed, the CSR programme has nonetheless provided evidence of corporate goodwill and social responsibility. Even the failure to expand operations was no problem, the main thing goal was community empowerment and public betterment. A similar view was expressed by Barkah (a member of Indocement's CSR team), who said that he ran the CSR programme solely to empower the community (Interview, 19 May 2017).

When we contacted Subejo, a member of Indocement's CSR Field Team, he said that the CSR programme was intended to express PT Indocement's sincerity (Interview, 14 May 2017). According to Subejo, PT Indocement did not ask recipients to support the cement factory after these communal improvements were made. He shared a slogan that he thought represented the reality of CSR: "Always give without remembering". He argued that both Tambakromo and Kayen Subdistricts were

security for the respondents, because social conflicts still occur at the research site.

⁴ All respondents' names and village names in this article are anonymized or not their real names. This is what the author did to provide

chosen because of the potential for empowerment therein. Wonokromo Village has the resources to potentially meet the needs of the community, while Banyuadem Village in Kayen Subdistrict has significant tourism potential. Subejo also said that the CSR program team chose to implement the programmes in Tambakromo and Kayen Subdistricts because of the community's demands.

b. Resistance to CSR Indocement

Indocement's CSR programme, though labelled as goodwill, sincerity, and social virtue, did not always result in community openness. The community has exercised acts of deterrence, eviction, destruction, and even exclusion (social sanctions) against Indocement. Opponents of Indocement's CSR activities have seen them as tools for seducing, bribing, and pitting people against each other, thereby facilitating the construction process.

Between 2012 and 2014, PT Indocement used "crawling strategies" to conduct CSR stealthily and secretly. Locals were not open to livestock programmes, infrastructure development, or anything explicitly labelled CSR. Based on our review of online mass media coverage, in 2012 and 2013, information about Indocement's CSR in Pati was not readily available. After 2015, however, information about Indocement's CSR programmes in Pati became widely available on online news portals. There have been changes in public options.

Prapto said that, when they first tried to socialize the CSR programme, they did so in secret due to the community's strong rejection. Rini, a resident of Wonokromo Village, Tambakromo Subdistrict, who received a water pump, said that when the

team first came to her home in 2013 they did so secretly. Rini revealed that:

"Initially, when the CSR team in Wonokromo Village first entered my house, nobody wanted to accept them. No one. When they wanted to walk here, enter the village of Kertajaya, they were chased by people. The people brought pointed bamboo spears. Really... Then finally, I was okay with that. I met them in Semarang, and then at Java Mall... Then, at the meeting place, there were only three people invited (Interview, 16 May 2017)."

When planning and implementing CSR programmes with community members, the first discussions are often held elsewhere due to the strong resistance. Only after beneficiaries are convinced to be brave can they facilitate CSR programmes and pave the way for their implementation in their respective villages.

Tarmin, a resident of Karanganom Village, Tambakromo, revealed something similar to Rini (Interview, 2 June 2017). Tarmin, who served as the representative of Karanganom Village, was the first person who dared to bring the Indocement CSR team into his village. Previously, he had been recruited by Broto, a thug who was hired by PT Indocement to recruit residents of Tambakromo and Kayen Districts to support the factory. Tarmin first met the PT Indocement Team at Hotel Pati in 2014, after which he was offered the programme. Not long afterwards, the Indocement CSR team was invited to visit his home. His house was soon surrounded and attacked by people who knew that a CSR person from Indocement was visiting.

One of Rini's neighbours, Sulisningsih, also a resident of Wonokromo

Village, said that Indocement's CSR was rejected because the community rejected the cement factory. They did not want their living space threatened and damaged by the mining corporation (interview, 3 June 2017). The same thing was expressed by Poniman (a resident of Wonokromo Village), who described Indocement's CSR as a political game and described it as being designed to undermine the opponents of the factory.

Mulyo, a resident of Kertajaya Village, Tambakromo, said that he would continue leading efforts to expel Indocement from the village if she found out that someone was working with them (Interview, 7 June 2017). For him, the CSR activities in Pati were inappropriate. The cement factory had yet to begin operations, yet its CSR programmes were ongoing, seemingly to bribe the community to support the cement factory—or at the very least not openly oppose it.

The crawling strategy used by Indocement's CSR team allows it to infiltrate the community, which created a strong basis for opposition to the cement factory. The strategy was to minimize community opposition to the cement factory, thereby ensuring that its programmes worked optimally. Some programmes were recognized by opponents of the factory, as explained by Novianto (2016, pp. 301–304):

"(...) On 16 December 2014, there was tension in the Tambakromo Subdistrict Government Office because there appeared in front of a banner containing an invitation to join the Indocement CSR program. The Counter-Cement Factory Movement (CCFM) was conducting hearings with the Head of Tambakromo Subdistrict, so the banner was lowered.

Then, on 7 June 2015, the CCFM from Karanganom Village rejected the making of cages for peacocks (a CSR Indocement programme). The community blocked the truck carrying the peacock cages and went to the Karanganom Village hall to meet the Village Chief to cancel the planned peacock breeding.

On 25 September 2015, the community opposed the opening of a factory in Bangunrejo Village. This was voiced by Formaba (Bangunrejo Community Forum), which was involved in the Bangunrejo Village Hall. Information showed that the head of Bangunrejo Village received CSR from Indocement—three sacrificial goats—on 24 September 2015.

At the grand recitation programme in Kertajaya Village on 20 December 2015, Tambakromo was protested by community members who opposed the building of the cement factory. The prayer recitation programme, which brought together four religious leaders, was allegedly funded through Indocement's CSR programme.

Then, on 19 March 2016, opponents came to the Tambakromo police station and Kebonwangi Village office because there was information that an annual member meeting of the Ambararum Cooperative—which had been funded by PT Indocement through its CSR programme—would be held in Kebonwangi Village. According to the annual report of PT Indocement Tunggal Prakarsa Tbk, the Ambararum Cooperative was used as an indicator of PT Indocement's successful CSR management in Pati. However, it turned out that many local community members did not agree with and even rejected the Ambararum Cooperative, which was funded through Indocement CSR funds (Boemi Mahardika, 03/20/2016)."

Sarijo, a resident of the Sidomulyo Hamlet, had been actively involved in opposition to the cement factory, including boycotts and efforts to expel Indocement's CSR programmes. He believed that CSR was part of the company's efforts to divide the community. The same view was voiced by Junaedi (a resident of Banyuadem Village):

"That is the right of Indocement's CSR, [to decide] where the money will be poured. However, what we need to ask is, whose money is that? The company has not yet constructed its factory in Pati, yet a large amount of money has flowed. It certainly has a purpose. The point is, it is clear that they aim to pit us against each other. Who can be influenced by these CSR funds? Automatically, those who receive it will assume that those who reject it are his enemy. Moreover, Indocement will create enmity between those who receive CSR assistance and those who don't; it has colonized them (Interview, 31 May 2017)."

Members of society who reject Indocement's CSR believes that this programme is not an act of goodwill, one intended to improve society and promote prosperity. Rather, they see CSR as giving the company regulative power, making a positive image, and causing conflict. They rejected Indocement's CSR, likening it to a dangerous disease outbreak. Indocement's CSR, they argue, is meant to poison the community and facilitate its capital expansion.

c. Five Years of Indocement CSR Programmes

Tarmin, who was one of the representatives in Karangnom Village, admitted that he was surprised by Indocement's CSR activities. He was

simply offered and accepted CSR support. Nevertheless, he felt that some programmes were quite strange, with unclear importance and benefits, including the catfish, biogas, and tree nursery programmes. Tarmin was asked by Indocement's CSR team to find twenty people who were willing to make catfish ponds, dig biogas wells, and install tree nurseries, and work them for fifteen days. Each female worker received Rp 60,000 per day, while men received Rp 75,000 per day. Tarmin had difficulty finding people who wanted to work, but after five days interest increased. "After all, how does it work? Just chill, relax, and play. There's only a need to be serious if someone from Indocement's CSR team comes. Then, they take pictures. After that, we relax again. At 2 p.m., we go home," said Tarmin (Interview, 2 June 2017). According to him, it was like paid unemployment, which made many people finally want to join and work, including former members of CCFM.

According to Indocement's CSR report, the programme referred to by Tarmin was the Centre for Training, Research, and Community-Based Empowerment (*Pusat Pelatihan, Penelitian, dan Pemberdayaan Berbasis Masyarakat, P4BM*). This programme consisted of five main activities: counselling, agriculture, livestock, fisheries, and biogas. In the CSR report, PT Indocement (2016) stated that it was designed to promote "community empowerment by maintaining the value of togetherness and cooperation."

Claims of the P4BM programme's "community empowerment" and "cooperation" were voiced by Indocement CSR when problems emerged. Conditions in the field were different. The community participated in P4BM's five activities not to

improve cooperation but to access the money made available by Indocement. "Community empowerment" did not occur, as the P4BM programme eventually stalled and was enjoyed only by a handful of people (such as Tarmin).

Tarmin was the first person in Karanganom Village, a village that became the basis of CCFM, who dared to openly accept the Indocement programme. Courage is what made him privileged in the eyes of Indocement's CSR team. He did not need to make proposals, plan activities and budgets, calculate program challenges, or map targets, as he was the one who was offered the programme. Tarmin received funds from Indocement in 2014 and 2015; in 2016, he no longer received any money.

In 2017, Indocement's CSR field team changed, being made the responsibility of those at the Bogor and Cirebon factories. In early 2017, these new teams visited Tarmin's house to introduce themselves and photographed the results of the previous programme. After selling two of the cows received through Indocement's CSR programme, Tarmin bought two cows for himself. These cows were also photographed by the Indocement CSR team. Tarmin said with a laugh that the cows had been sold, but it would be acceptable if the new cows were identified as coming from the CSR programme.

The last of the P4BM programmes involved biogas. Indocement's CSR team sought to utilise the goats and cattle owned by community members for integrated activities. Goat and cow dung could be used as an alternative energy source and as a fertilizer. Indocement's CSR team recruited a professional from Semarang to manage the biogas programme. They worked with various equipment, building

two wells for livestock manure on each side of the catfish ponds on Tarmin's land. Within a week, it was clear that the programme was not working. The biogas programme had failed for many reasons, but mainly because the fire from the biogas could not be ignited.

In addition to the P4BM programme, Tarmin also benefitted from a *musholla* (prayer site) development programme. Regarding this programme, Tarmin felt cheated by Indocement. In September 2015, Tarmin was appointed by Indocement's CSR to support the completion of the *musholla* in his village. He then bragged to his fellow villagers that he would build a mosque. Astuti, a CCFM member in Karanganom Village, learned that a new mosque was being built using Indocement funds, and shared this information with his community. Residents who refused to support the cement factory would not assist in the building of the mosque (Interview, 2 June 2017).

In September 2015, Tarmin was provided Rp 7 million in programme funds; he was promised that he would receive an equivalent amount at the end of the year. However, these funds never arrived. "However, until the twelfth month, it was nothing but a promise. Wow, what if it doesn't happen, even after I've boasted about it," said Tarmin. Finally, Tarmin used his own funds to finish the mosque, as well as a little from his friends. Other members of the community were unwilling to help, due to their different views. Tarmin supported the cement factory, while the surrounding community mostly rejected it. The total amount spent constructing the 5 x 7-metre *musholla* was Rp 70 million, while Indocement only provided Rp 7 million in CSR support.



From the beginning, Indocement's CSR team sought to not assist in the development of the mosque directly. However, in the company's documentary video, it claimed that the mosque built by Tarmin had been fully the fruit of the company's programme. For community members, *musholla* are public places, and they will not use anything built with Indocement funds. Although Tarmin had used mostly his own funds, few were willing to use the *musholla*. Residents who were close to the mosque preferred going elsewhere, no matter the distance.

Staggering Cooperatives from Indocement

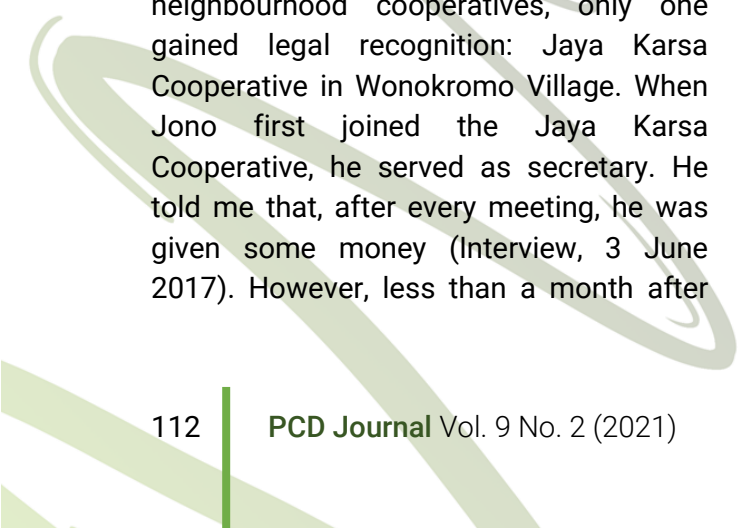
Wonokromo Village in the Tambakromo Subdistrict has a quite interesting pattern of social relations. Neighbourhoods typically have funds that can be borrowed by residents if there is an urgent need. Indocement's CSR team assessed this as providing the potential for cooperatives. The "Cooperative Village" programme was launched by Indocement to develop this potential. The CSR team brought together representatives of thirty-two neighbourhoods in Wonokromo Village for training to teach them about cooperative principles and governance. The training involved experts on cooperatives from Yogyakarta.

To accommodate these potential cooperatives, Indocement's CSR team sought to develop a cooperative that is engaged in savings and loans. Of these neighbourhood cooperatives, only one gained legal recognition: Jaya Karsa Cooperative in Wonokromo Village. When Jono first joined the Jaya Karsa Cooperative, he served as secretary. He told me that, after every meeting, he was given some money (Interview, 3 June 2017). However, less than a month after

starting this position, he chose to leave. Jono considered the cooperative to be used for the interests of PT Indocement, to facilitate its efforts to build its factory in Pati and to manage its public image. According to company records, the Jaya Karsa Cooperative has a hundred members; however, only three are active. Others are listed simply because they are members of neighbourhood associations that are involved in savings and loans (with a principal savings of Rp 50,000 and mandatory savings of Rp 5,000 per month).

The process of legally developing a cooperative (one incorporated and registered in the Pati Cooperative Office) was supported with Rp 2.5 million from Indocement's CSR team; another Rp 4 million was provided for the construction of a cooperative office. This did not mean, however, that these efforts resulted in active membership. Around 2014, thirty-two neighbourhoods in Wonokromo Village were given Rp 3 million by Indocement's CSR team with the purpose and objective of establishing a revolving fund. This is one part of the "Cooperative Village" programme initiated by Indocement. Several neighbourhoods rejected the money, as it came from PT Indocement. Others protested because they received less than Rp 3 million; some of the money had been taken by village elites.

After almost three years, the "Cooperative Village" programme did not work. The three million rupiah received from Indocement was used in several neighbourhoods for infrastructure development rather than for establishing a cooperative. Prpto stated that the cooperative programme's ultimate goal was to make the community independent, and this had yet to be achieved until 2017



(Interview, 23 May 2017). Production cooperatives such as Jaya Karsa Cooperative have been unable to be independent, and thus they continue to feed on funds from Indocement. Meanwhile, the Sartika Cooperative in Simolawang Village, Tambakromo, began making itself into a production cooperative in 2017, after previously involving itself solely in savings and loans. However, the cooperative ultimately collapsed. Two other cooperatives have likewise failed to transform themselves into production cooperatives. Catur (the advisor for the Sartika Cooperative) argues that funding was still lacking. While Indocement's CSR team was faced with a tighter budget in 2017, they sought to improve the sustainability of the programme.

In Indocement's annual CSR report document and presentation documents (PT Sahabat Mulia Sakti, 2016), the company wrote that Dalimin (the chairperson of the Ambararum Cooperative) had achieved the highest level of success in the CSR programme, becoming what was termed a "local hero"—one who had successfully developed a CSR programme and has shared its virtues with the wider community. The Ambararum Cooperative, thus, was identified by Indocement CSR as its most successful programme.

When we first met, Dalimin talked about the goodness and virtue of Indocement's CSR as if there were no gaps. This was also true when we met him for a second time. At our third meeting, about two weeks later, Dalimin was joined by Nurahman, an advisor to the Ambararum Cooperative and a wealthy businessman in Kebonwangi Village whose land was used by Indocement's CSR team for its trial

plantation. In a rather elevated voice, Nurahman said that he had expelled Indocement's CSR team at the end of 2016; as such, Indocement's CSR team did not dare set foot in his house (Interview, 9 June 2017). Nurahman considered the Indocement's CSR team as interested only in "making a name", giving minimal funds to the Ambararum Cooperative while claiming to have built it from the beginning. Nurahman said that Indocement was stingy but asked more from the community, especially after the team from PT Indocement's factory in Cirebon took over. Dalimin additionally denied that he was called a local hero by Indocement's CSR team, especially since the Ambararum Cooperative had been established even before the company's arrival.

After Nurahman spoke bluntly, Dalimin also began to open up. He said that, although the funds provided by Indocement's CSR team were not much, the company subjected him to significant pressure and he was viewed negatively by his community. He was labelled an agent of PT Indocement, and it was claimed that all of his assets were provided by Indocement through its CSR team. On 23 July 2015, his house was assaulted by hundreds of people, many of whom were CCFM members. His garden and yard were ravaged, and he was threatened with death if continued to work with the Indocement CSR team.

Indocement's claim to the Ambararum Cooperative's success makes one question the true story. The Ambararum Cooperative was first formed as a savings and loan unit in 2011, entering production (agriculture and plantation) in 2015; one of these activities was supported by Indocement through its CSR

programme. As of 2017, the Ambararum Cooperative's plantation unit remained dependent on the company, as it was still trying to work on new vegetables (such as butternut squash and okra). Through its CSR programme, Indocement provided them with assistance in the form of training and research. In its efforts to become a production cooperative, the Ambararum Cooperative is still lagging; large-scale production has yet to occur.

To further develop the Ambararum Cooperative, Indocement's CSR team has sought to integrate it with other CSR recipients, such as the Wonokali Cave development programme. In 2016, the Ambararum Cooperative made paving blocks to be purchased by Indocement and used to repair infrastructure facilities in the Wonokali Cave. The paving block was marked with PT Indocement's logo in the centre: three circles, representing Semen Tiga Roda (PT Indocement's business branch).

No Programme Sustainability

During the five years that the Indocement has operated its CSR programme in Pati, approximately ninety programmes have been initiated. Of these, data from Indocement shows that only two have been sustainable: the Ambararum Cooperative and the Kusuma Bangsa Football Academy.

"Two people have appeared on the sustainable empowerment track, Mr Dalimin (Ambararum Cooperative, with 400 members in eleven villages and even Pati Township) and Mr Martono, the manager of the football training group (100 members) (PT Sahabat Mulia Sakti, 2016)."

Dalimin and Nurahman rejected the claim that the Ambararum Cooperative's

progress was due to Indocement's CSR activities.

Meanwhile, Martono is the main manager of the Kusuma Bangsa Football Academy, which began to take shape in 2010. Between 2012 and 2015, Bagas was a member of the Academy and a student at State Junior High School 1 Tambakromo. He said that he attended the Kusuma Bangsa Football Academy because the school required its students to participate in extracurricular activities, including Scouts (Interview, 29 May 2017). Since its inception in 2014, Kusuma Bangsa Football Academy has relied on contributions to fund continued operations. Martono said that he and two other trainers, who work as sports teachers at State Junior High School 1 Tambakromo, were not paid and trained students as a form of dedication (Interview, 17 May 2017). Contributions are sought when members seek to join tournaments out of town or to buy training equipment.

Between August and September 2014, Indocement's CSR team collaborated with the Regency Association (*Asosiasi Kabupaten, ASKAB*) of the Football Association of Indonesia (*Persatuan Sepak Bola Seluruh Indonesia, PSSI*), Pati to hold an association football tournament on the Tambakromo District field. The Kusuma Bangsa Football Academy was involved in the tournament. During planning sessions, representatives from Pati were treated with food and received pocket money.

After the 2014 ASKAB tournament concluded, the Kusuma Bangsa Football Academy began to communicate with Subejo, a representative of Indocement's CSR team. The company provided assistance in the form of balls (branded with Indocement's logo), strategy boards, costumes, training vests, and cones; each

member received an Indocement CSR shirt emblazoned with the words "Community Empowerment Cadre." Kusuma Bangsa Football Academy received funds to attend three football tournaments. First, in February 2015 participated in the tournament in Trangkil, Pati. The Kusuma Bangsa Football Academy first used its new uniforms. After finishing the tournament, Martono was interviewed by several journalists, who asked why he was wearing a shirt branded with Indocement's logo. This was the first time that Martono had been interviewed by many journalists simultaneously. Indocement also provided participants with vehicles, accommodations, food, and pocket money.

Second was the Aditya Cup tournament in Semarang, the capital of Central Java. This tournament was organised by Indocement, and the Kusuma Bangsa Football Academy was invited to participate. In this tournament, players again wore uniforms bearing the logo of PT Indocement. The Aditya Cup Tournament provided players with a new experience. Bagas said that, for the first time he slept in a luxurious hotel, ate at a restaurant where he could choose his food, and, when the tournament was over, he received Rp 100,000 in spending money. Usually, when participating in tournaments, players must pay for their own accommodations. During the Aditya Cup tournament, Martono was again interviewed by reporters, who again asked questions about the Indocement's logo. "When asked about using the logo, I answered the question. How come it was not different? Why must it first be about the CSR?" asked Martono.

The third tournament, the ASKAB U-16 trophy tournament, was held at Joyo Kusumo Pati stadium. At the tournament,

the Kusuma Bangsa Football Academy again wore uniforms emblazoned with Indocement's logo. Martono said that the local community began to recognise that the academy had been supported by Indocement through its CSR activities.

In addition to covering accommodations and training equipment, Indocement's CSR team also provided the Kusuma Bangsa Football Academy's trainers with pocket money. Beginning in April 2015, trainers were provided with an allowance of Rp 50,000 each after every training session. The academy practised three times a week, on Tuesdays, Thursdays, and Saturdays. As such, on average twelve practices were held every month, and trainers received an average of Rp 600,000 per month. However, Martono stated that, after Indocement's CSR managers changed in April 2016, trainers were no longer provided pocket money. This was acceptable, he said, as the academy was already running well before the company became involved. When corporate funding ceased, he found alternate funding to ensure the academy's continued operations. The dynamics of its trips illustrate how Indocement's CSR team only became involved when the Kusuma Bangsa Football Academy was already established, and it operated relatively well with informal management. Having provided pocket money, accommodation costs, and training equipment, Indocement's CSR team claimed that it had transformed Kusuma Bangsa into a successful empowerment cadre—even though the situation on the ground was not that simple. Indocement only provided financing, and thus the continued existence (or absence) of CSR funding did not affect their ability to continue to operate.



Failure of the Livestock Programme

The livestock programmes conducted by Indocement, through which goats, cows, ducks, and catfish were provided to residents through CSR activities, have not been successful. These programmes thrive when recipients benefit directly. Data from Indocement's 2016 CSR presentation shows that the livestock programme was unsustainable (PT Sahabat Mulya Sakti, 2016). We met five people who had received livestock from Indocement's CSR team. Tarmin and Ringgo said that the catfish programme failed due to flooding; Indocement doubted this, as they did not believe that floods could occur in highland areas. While Yuwono was able to benefit from his cattle, the results of the nursery program were negligible.

The goat, duck, and cow programme experienced a similar fate. Most participants identified this livestock as being for them as individuals, failing to recognize their social responsibilities. Individuals thus used the animals as they saw fit: eating them, selling them, or doing whatever they pleased. When providing livestock to residents, Indocement's CSR team did not emphasize that these animals were to be used for the benefit of the community. Livestock was given to people who wanted it, and thus part of the company's crawling strategy for dealing with public resistance.

Indocement's CSR programme did not realize noble goals. Rather, the company used pragmatic approaches that ultimately advanced the goal of capital expansion in Tambakromo and Kayen Subdistrict. The CSR team did not consider programme sustainability as the main goal

but sought mainly to obtain public support for its factory.

Discussion

Indocement's CSR consciously sought to create goodwill and contribute social virtue. In the document "Plan for the Construction of a Cement Factory in Pati: PT Sahabat Mulya Sakti 2016", five stakeholders were identified as supporting this CSR discourse: the mass media, local government, academics, NGOs, and the community (PT SMS, 2016). Good relationships and ongoing discourse were constructed by involving these stakeholders, with PT Indocement as the controller or coordinator.

These CSR activities were part of PT Indocement's discursive power. In discursive power, virtue discourses are used mainly to shape the behaviour of targeted groups. Discourse construction serves as a "mask", one created to shape the interests, habits, and ideals of target groups. This process is based on the belief that, as individuals are artificially organised, they "do what they should do" (Scott, in Li, 2007). Discursive power is attained when the target group internalises and reproduces discourses that reflect the interests of the authorities, even when it harms them and threatens their futures.

Indocement's CSR team sought people who were willing to accept their programme using a persuasive approach. They did not contractually require recipients to become pro-cement agents, or at least leave CCFM. They sought to ensure that prospective recipients would accept their programme sincerely. Indocement's CSR team wanted to create the impression that its programmes had no



interest other than community empowerment.

In terms of their political attitudes, Indocement's CSR recipients fall into three categories. First, those who do not, and thus are apathetic. Recipients in this category did not know that the programme came from Indocement, as the company's CSR team tacit and unspoken tactics—what we identified as a "crawling strategy"—between 2012 and 2014. Second, those who knew that they had benefitted from Indocement's CSR programme but remained apathetic. Third, those who knew about Indocement's CSR activities, asked to be involved, and positioned themselves as supporters of the cement factory. It is members of this last category who became involved in discursive conflict with those who opposed the factory, at times recruiting citizens to become pro-cement factory agents.

Indocement's CSR programme in Pati Regency contradicts its narratives of goodwill. On the one hand, they talk about goodwill, sincerity, and social virtue; on the other hand, they talk about the intent to expand their cement operations. Their selection of Tambakromo and Kayen Subdistricts for CSR was also closely related to their goal of expanding their capital.

Finally, we conclude that, in the five years that Indocement's CSR programme operated in Pati District, it failed to empower the community. It was unable to create local heroes, even as it faced strong resistance from the community. The company thus used particular strategies and tactics to cultivate support. Ultimately, however, most supporters were village officials, village leaders, and thugs, or individuals who were motivated not by

efforts to empower the surrounding community but by the desire to improve their own situation. They recognise that they are being used by Indocement, and thus seek to use it to their benefit.

Conclusion

Indocement's main goal with CSR was to build a consensus so that the community would approve the expansion of its capital. On that basis, its main goal is not to create a prosperous and empowered community. Indocement's CSR team sought to implement programmes in each of the eleven villages closest to the planned factory. Programmes have begun operations in nine villages; the remaining two, Swakarso and Banyuurip, are strongly associated with CCFM and have been unwilling to accept the company. There has been little concern for whether the person who runs the programme has the intention and social responsibility to advance the welfare of the community. There is instead a desire to ensure that the community accepts the programme and reduce horizontal conflict.

From the explanation above, it shows that Indocement's CSR programme—which has nearly ninety programmes in total—has been unable to empower the community. However, Indocement has successfully used its CSR to divide its opponents or at least minimize resistance. Politically, Indocement's CSR programme has been intended mainly to remove barriers to capital accumulation.

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