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**| RESEARCH ARTICLE**

## The Partnership between Local Government and Corporations in Optimizing Public Services in Paser Regency

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**| ABSTRACT**

The Corporate Social Responsibility (CSR) program is the social responsibility of every company operating in the Paser Regency. However, not all companies carry out CSR programs. This qualitative research explores and fully describes the problems of regional government and company partnerships in implementing CSR programs. Primary data collection is carried out by in-depth interviews and observation. Secondary data collection techniques are data collection techniques carried out through the collection of library materials and other documentation. The research results show that (1) a CSR program partnership in the form of increasing community capacity, community development, and community service/social assistance has been implemented by PT. Kideco Jaya Agung with a relatively large budget allocation. Meanwhile, PT. Gunatama's prediction is more dominant in the form of social and religious assistance (charity) and small budget allocations; (2) Program synchronization is carried out between the Paser Regency Government and PT. Kideco Jaya Agung through the implementation of CSR Musrebang in the sub-district. Meanwhile PT. Gunatama Prediction does not carry out program planning mechanisms with the community before the CSR program is implemented. Distribution of responsibilities is carried out by dividing responsibilities in the CSR program between the Paser Regency Government and PT. Kideco Jaya Agung. Meanwhile, with PT. Gunatama's predictions have not been implemented optimally; (3) The strategic partnership model between the Regional Government and companies offered based on the theory of cross sector partnership and New Public Service is by synchronizing planning through the CSR Musrebang followed by signing a written agreement. Implementation of CSR programs places greater emphasis on community empowerment. Monitoring, evaluation and reporting are carried out periodically. Furthermore, awards are given to companies that make positive contributions to CSR programs, and conversely, sanctions are given to companies that do not carry out CSR programs well.

**| KEYWORDS**

Corporate Social Responsibility, Cross Sector Partnership, New Public Service, Kabupaten Paser.

**| ARTICLE INFORMATION**

**ACCEPTED:** 01 May 2024

**PUBLISHED:** 31 May 2024

**DOI:** 10.32996/ijaas.2024.3.1.8

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### 1. Introduction

There are several laws and regulations that regulate the implementation of CSR programs, including Law Number 40 of 2007 concerning Limited Liability Companies (PT) and Law Number 25 of 2007 concerning Capital Investment, which emphasizes the obligations of companies, especially those managing natural resources to fulfill its social and environmental responsibilities.

Even though it has been regulated in various laws and regulations, in reality, only a small number of companies fulfill their social and environmental responsibilities. According to data from the Paser Regency CSR Forum in 2022, there are around 265 companies operating in Paser Regency consisting of 107 mining companies, 78 plantation companies, 3 companies in the energy and clean

water sector, 20 hotels and restaurants, 8 banking, 4 companies in the field of infrastructure and buildings, 42 in the trade and services sector and 3 in the telecommunications sector.

Of the total 265 companies operating in Paser Regency, only 41 companies or 15.47 percent, are actively carrying out their obligations in the CSR program from 2016 to 2022.

Furthermore, of the 107 mining companies, only 24 companies actively implement CSR programs or only 22.42%. Meanwhile, only 13 plantation companies or 16.67 percent, are active out of a total of 78 plantation companies operating in Paser Regency.

Mining and plantation companies are two types of companies that have quite a large number of operations in Paser Regency. These two types of companies are also included in the category of companies that are required to carry out CSR programs. This research will focus on two companies; one is a mining company, namely PT. Kideco Jaya Agung, which is located in Batu Sopang District and is one of the plantation companies, namely PT. Gunatama Prediction which operates in Pasir Belengkong District. Both of these companies have open status (tbk).

Law Number 25 of 2009 concerning Public Services states that *Public Services are activities or series in order to fulfill service needs in accordance with statutory regulations for every citizen and resident for goods, services and/or administrative services provided by public service providers.*

Public services can be defined as efforts to provide all elements of basic services required by the community in accordance with applicable regulations. Public services involve the provision of quality and professionally conducted services to citizens, including services, goods, and administrative matters, as an integral part of society's needs (Nurdin, 2019). Meanwhile, according to Sinambela, public service refers to fulfilling the desires and needs of the community through the provision of services by the state. The main objective of establishing a state is to improve the welfare of its people (Sinambela, 2017).

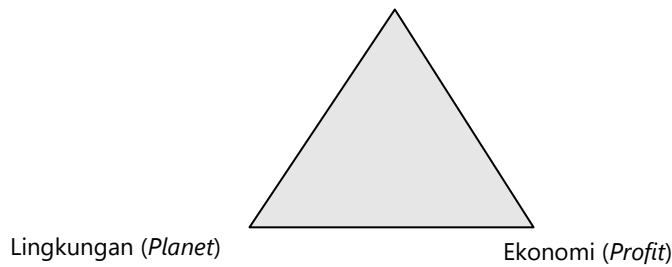
To improve the quality of public services, the concept of New Public Service (NPS) emerged, which was initiated by Janet V. Denhardt and Robert B. Denhardt with their work *The New Public Service: Serving Not Steering* in 2003 in New York (Janet V. Denhardt and Robert B. Denhardt, 2015). This concept proposes an innovative approach to the duties and responsibilities of government, emphasizing services that focus on community needs and ethical values in managing public affairs.

The main points in the NPS concept are as follows: NPS emphasizes that the government should focus more on services to the community, not just on aspects of bureaucratic management and control. Better service to the community is the main goal of government action. Second, encourage active community involvement in the decision-making process. Partnerships between government and communities are considered important to achieve better results and be more responsive to local needs. Third, it emphasizes the importance of ethical values in managing public affairs. Emphasis is placed on integrity, fairness and accountability as principles that must be upheld in public services. Fourth, encourage community empowerment, giving citizens the power to participate in making decisions that affect their lives. The government is considered a facilitator who supports community initiatives. Fifth, the NPS emphasizes the importance of focusing on positive outcomes for society. Performance evaluation and social change are considered important elements for measuring the effectiveness of public services.

CSR is a social and environmental responsibility that must be fulfilled by companies as regulated in statutory regulations. The CSR concept described by John Elkington, according to Hakim, 2019 is known as the triple bottom line. This concept holds that if a company wants to maintain its survival, then the company must pay attention to what is called "3P". Apart from gaining economic benefits (profit), companies must also pay attention and be directly involved in fulfilling the welfare of the community (people) and actively participate in preserving the environment (planet).

Wibisono and Suharto in Hakim, 2019 illustrate the relationship between these three things as follows:

Figure 1: Illustration of the relationship between society, environment and economy  
 masyarakat (People)



Sumber: Yusuf Wibisono, dalam Hakim, dkk (2019)

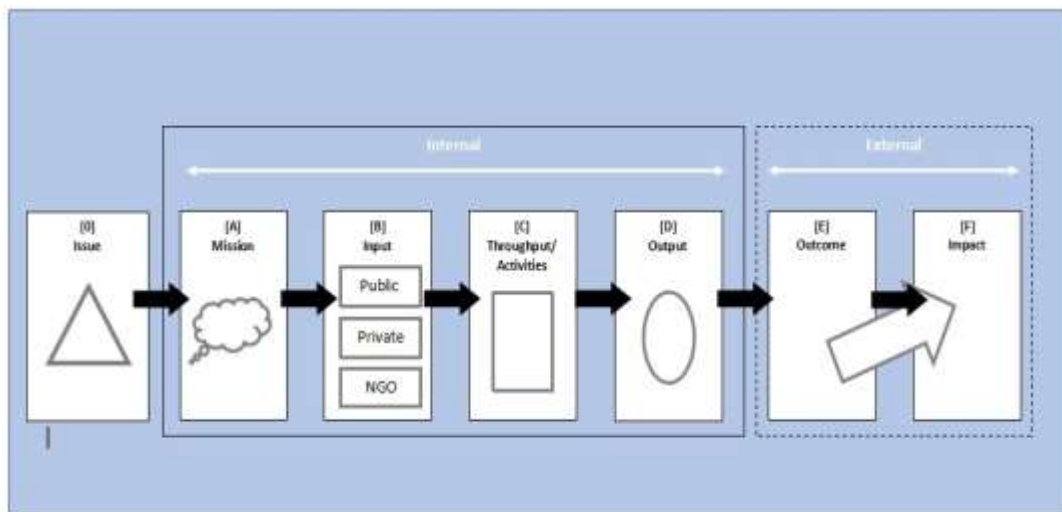
*Triple bottom line* is a sustainable development concept that explicitly connects elements of goals and responsibilities to stakeholders, shareholders and the planet. The concept of profit (economics) is one of the responsibilities that must be achieved by corporations; in fact, the economic concept is the main basis for the operating philosophy of a company. However, companies must also carry out their responsibilities to other elements, namely society (people) and the environment (planet), to achieve sustainable development. (*sustainable development goals*) (Nugraha *et al.*, 2015).

*Cross sector partnership* is a very interesting and dynamic aspect both in research and in practice in business and social relations. Partnerships that bridge various stakeholders have penetrated the world and experienced significant development in management and policy literature (Van Tulder, R., Seitanidi, M. M., Crane, A., & Brammer, 2016).

*Partnership is the content of the policy community of visionary ideas that contain brilliant spiritual values.* The roots of all problems can be resolved with a common vision and action by building a policy community. Policy communities in partnership make it possible to develop common values, norms and rules and open opportunities to build a shared vision, communicate action plans and pool resources and energy in situations of more intense relationships and communication (Nur, A. C., Niswati, R., & Aslindah, 2020).

According to Clarke & Crane (2018), cross-sector partnership is a collaboration between at least two different institutions in the social sector, such as companies, government, and community groups, that work together with the aim of overcoming social and environmental problems.

A framework was developed by Van Tulder to analyze cross sector partnerships and their impacts using a systems approach (Van Tulder, R., Seitanidi, M. M., Crane, A., & Brammer, 2016) seperti yang pada gambar berikut ini:



Gambar 2: Kerangka kerja *cross sector partnership* Van Tulder

Issues refer to social problems faced by society, which are then addressed by cross-stakeholders. The mission is a connecting line between issues and input. When partnerships are problem-based, the partnerships are managed more strategically and long-term. On the other hand, if the partnership is opportunity and solution based, the partnership can be established more briefly and tactically. Furthermore, the input dimension is the resources and capacity used in establishing cross-sectoral partnerships. In a cross-sector partnership, there are at least three input stakeholders: the government, the business world, and civil society/community.

*Throughouput* is the implementation of a cross sector partnership. In this stage, stakeholders focus on the activities carried out to achieve the stated goals. In implementing activities, it really depends on the number of participants involved and the role played by each stakeholder, setting the level of independence of each stakeholder, which is influenced by the position of each partnership participant as the main or complementary stakeholder in the activities carried out.

*Outputs* are the output obtained from a combination of input and implementation of activities. Outcomes are the benefits or changes experienced by society or communities as a result of the cross-sectoral partnerships carried out. Impacts are fundamental changes resulting from cross-sectoral partnerships. This dimension looks at the positive and negative impacts resulting from partnerships and specifically looks at the long-term impacts resulting from partnerships, both directly and indirectly.

This research aims to examine and explain partnerships between the Regional Government and companies with a research problem formulation, namely, what are the forms of partnership between the Regional Government and companies in implementing public services in Paser Regency? How is the implementation of synchronization and distribution of responsibilities as a dimension of partnership between local governments and companies in the implementation of public services in the Paser Regency? And what is the strategic partnership model between the regional government and companies in implementing public responsibility in Paser Regency?

## 2. Methods

This research uses qualitative research methods because the researcher examines the partnership between the Regional Government and Companies in implementing CSR programs in Paser Regency. This research is intended to obtain a complete picture of the partnership using a perspective approach to *cross-sector partnership*.

According to Mishra & Alok (2017), qualitative research refers to qualitative phenomena that are more natural and descriptive. The results of qualitative research emphasize meaning rather than generalization.

Informants in this research are people who are used to providing information about the research background situation. Informants are people who really know the problem to be researched (Creswell and Creswell, 2018).

The research informants who are the objects of this research are: Head of the Regional Development Planning Agency, Research and Development of Paser Regency, the Head of Development Planning, Control and Evaluation at the Regional Development Planning Agency, and Head of PT. Kideco Jaya Agung, Chairman of PT. Pradik Gunatama, Chair of the CSR Forum and Head of Samurangau Village, Batu Sopang District.

The focus of this research is to analyze the implementation of government and company partnerships in carrying out CSR programs in the Paser Regency. The research focused on two companies with open status, namely PT. Kideco Jaya Agung is a mining company located in Batu Sopang District and PT. Pradik Gunatama is a plantation company located in the Batu Engau District. This research will also identify forms of partnership, dimensions of partnership, and partnership models implemented in CSR programs in the context of optimizing public services.

Primary data is a data collection technique carried out directly at the research location. Primary data collection will be carried out by In-depth interview observations. Secondary data collection techniques are data collection techniques carried out through collecting library materials and documentation studies that can support primary data (Hasan dalam Sinaga, 2018).

## 3. Results and Discussion

### 3.1 Forms of partnership between Regional Government and companies in implementing public services in Paser Regency.

The results of the interviews show that in the context of development and public services, a close partnership pattern has been successfully established between the Regional Government (Regional Government) and PT. Kideco Jaya Agung. This partnership is reflected in the implementation of the CSR program run by the company, which is funded by the company itself. In practice, various

forms of partnership have been implemented, with a focus on three main aspects, namely increasing community capacity, community development and providing social assistance to the community. This shows that PT. Kideco Jaya Agung is actively involved in supporting development and public services in Paser Regency through its CSR program.

In implementing PT's Corporate Social Responsibility (CSR) program, Gunatama predicts that social activities will seem to be more dominant than community empowerment programs. PT. Gunatama's predictions in the 2022 annual report show that of the 190 million budget, all of it will be allocated for social and religious assistance. This is caused by a lack of policies that direct CSR program priorities towards community empowerment.

### ***3.2 Implementation of synchronization and distribution of responsibilities as a dimension of partnership between regional governments and companies in the implementation of public services in Paser Regency***

Implementation of synchronization and distribution of responsibilities as a dimension of partnership between local government and companies in the implementation of public services in Paser Regency. In this context, it focuses on how collaboration between local governments and companies in managing CSR programs, especially in terms of synchronization and division of responsibilities.

The research results show that PT. Kideco Jaya Agung carries out a CSR Musrenbang involving related agencies and villages in the mining permit area of PT. Kideco Jaya Agung.

During the CSR Musrenbang, the program synchronization process was underway; this was intended so that the proposed programs did not overlap. This is reinforced by the results of interviews, which reveal that in the implementation of the Corporate Social Responsibility (CSR) Development Plan Deliberation (Musrenbang) by PT. Kideco Jaya Agung, serious efforts are made to ensure that the proposed CSR programs do not overlap and can run smoothly. PT. Kideco invited around 84 villages within its working area to participate in this CSR Musrenbang. This effort indicates the company's commitment to collaborating with local governments and communities in planning and implementing CSR programs appropriately.

In the Musrenbang process, villages work together to sort out the proposed programs, ensure that there is no duplication, and propose programs that require support from the company's CSR. PT. Kideco also involves Bappedalitbang and the Community and Village Empowerment Service (DPMD) to ensure better program coordination and synchronization. Although there is limited time to implement comprehensive program synchronization, these steps illustrate a serious effort to avoid program overlap, which can reduce the effectiveness of CSR programs.

Besides that, it is important to note that PT. Gunatama Prediction does not yet have a similar forum, which shows the differences in approaches to CSR programs between these companies. Based on the interview results, it was found that PT. Gunatama Prediction has not yet carried out a musrenbang as PT did. Kideco Jaya Agung. This could be an area that needs to be considered when developing a more optimal partnership model for the implementation of public services in the Paser Regency.

In the aspect of distribution of responsibilities, the Paser Regency Government issues regulations relating to CSR programs and prepares planning documents that can serve as guidelines for companies in preparing CSR programs.

The results of the interviews show that the distribution of responsibilities between the Paser Regency Government and companies has gone well in accordance with their respective authorities.

In implementing special programs for the Paser Regency regional government, responsibilities are distributed between the Paser Regency Government and companies so that both parties can synergize in solving problems and meeting their needs.

As a concrete example, the construction of a drinking water management system (SPAM) with a Water Treatment Plant (WTP) in Batu Sopang District is a collaboration between the company and the government. PT. Kideco is willing to finance the construction of the SPAM because there is no budget allocation in the Regional Revenue and Expenditure Budget (APBD) for the project.

This collaboration process includes land acquisition and provision of water sources from the Setiu river by the government, while PT. Kideco is responsible for the construction of the WTP. Thus, this SPAM project is a clear example of joint efforts between

companies and the government to meet community needs in terms of providing clean water. At the end of the project, SPAM will be handed over to the local government to manage, demonstrating the long-term contribution to public services produced through partnerships between the private sector and government. This distribution of responsibilities has not been implemented with PT. Gunatama Predictions.

### 3.3 Model of strategic partnership between regional government and companies in implementing public responsibilities in Paser Regency

In understanding the pattern of strategic partnerships between local governments and companies in implementing public responsibilities in Paser Regency, it is important to note that this kind of partnership is an important element in supporting development and effective public services. This strategic partnership model includes a number of factors that influence its level of success, such as supportive regulations, synergy in planning, implementing and evaluating CSR programs, effective communication between government and companies, as well as company awareness of the social and environmental impacts of its operations.

The research results show that the existing partnership program also has several weaknesses, so it requires a strategic model. The interview results highlight the importance of coordination, intensive communication, and preventive actions in carrying out company activities; in the context of a strategic partnership model between companies and local governments, these factors can help create sustainable cooperation and have a positive impact on the environment and local communities. Strong coordination, a shared understanding of responsibilities, and an effective law enforcement system will be important elements in implementing a successful partnership model.

The results of this interview show several important aspects that need to be considered in implementing a strategic partnership model between local governments and companies in implementing CSR programs.

Based on the research results that have been described, the partnership model offered in this research is as follows:

Figure 3 Strategic Partnership Model for Regional Governments and Companies

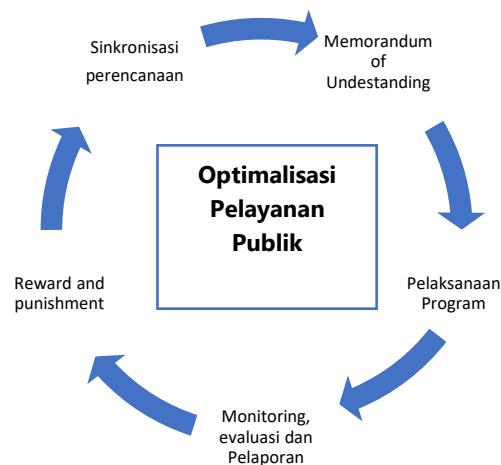


Figure 7 shows the strategic partnership model offered by considering the Paser Regency context between companies and the Paser Regency government in implementing public responsibility (CSR).

1) Planning Synchronization. Synchronization of planning is carried out by holding a CSR Development Planning Deliberation (Musrenbang) forum at the Paser Regency level involving the Regional Government, all companies and the community. In this activity, the Regional Government, through Bappedalitbang, conveys regional government priority programs that can be funded by the Regional Government and priority programs that have the potential to be financed by companies through CSR funds.

2) Memorandum of Understanding (Mou). After there is an agreement on the CSR program between the Regional Government, the company and the community, a Memorandum of Understanding (MoU) or Memorandum of Understanding regarding the CSR program, which will be implemented in the current year, is signed. This MoU is intended to bind both parties in implementing the program so that the CSR program is more focused and in line with development goals.

3) Program Implementation. In implementing the program, the company allocates a budget of at least 2 percent of its total profits for the CSR program as mandated in Paser Regency Regional Regulation Number 3 of 2023 concerning Corporate Social and Environmental Responsibility in the Region. The program that was implemented places greater emphasis on aspects of community empowerment.

4) Monitoring, Evaluation and Reporting. There is a mechanism for regular monitoring and evaluation of CSR programs to ensure that these programs run according to plan. The impact of the program must also be measured, and the evaluation results must be the basis for improvement. Furthermore, reporting is carried out to provide information about the achievements of CSR program implementation each year and as a form of implementation of the principles of transparency and accountability, which are dimensions of implementation of *good corporate governance*.

5) Rewards and Punishments. The Paser Regency Government provides regular awards to companies that have implemented CSR programs well and provided benefits and positive impacts on society. On the other hand, companies that do not carry out CSR programs properly can be given penalties as regulated in Regional Regulation Number 3 of 2023, namely administrative sanctions in the form of written warnings, sanctions for limiting business activities, freezing business activities and/or investment facilities in accordance with the regional authority. Before enforcing sanctions, a written warning is given three times and announced in the mass and electronic media.

#### **4. Conclusion**

Based on the research results that have been described, it can be concluded that the form of partnership between the Regional Government and companies in implementing public services in Paser Regency, especially partnerships in CSR programs, includes the implementation of community capacity building activities, community development and community service. PT has implemented this form of partnership. Kideco Jaya Agung has allocated a fairly large budget for the CSR program by implementing these three forms of partnership. Meanwhile, PT. CSR budget allocation. Gunatama's prediction is relatively smaller and focuses more on forms of social assistance or charity. In the implementation of program synchronization in planning, the Paser Regency Government and PT. Kideco Jaya Agung through the implementation of CSR Musrenbang in several sub-districts. Meanwhile PT. Gunatama Prediction does not have planning mechanisms for its CSR programs. Distribution of responsibilities between the Paser Regency Government and PT. Kideco Jaya Agung has been running well for certain programs, meanwhile, with PT. Gunatama's predictions have not run optimally. The recommended strategic partnership model involves concrete steps such as implementing District CSR Musrenbang to synchronize programs, a Memorandum of Understanding (MoU) program as a form of commitment to implementing CSR programs, implementing CSR programs that focus more on community empowerment, monitoring, evaluation and periodic reporting mechanisms, to ensure the program runs well and as an effort to implement the principles of transparency and accountability. Furthermore, important awards are given to companies that excel in carrying out CSR programs, and sanctions are given to those that do not carry out CSR programs. These steps create a solid foundation for sustainable partnerships in CSR programs to support community development and welfare in Paser Regency.

**Funding:** This research received no external funding.

**Conflicts of Interest:** The authors declare no conflict of interest.

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