

## **DANONE RELATION WITH THE STAKEHOLDER IN MULTI-PARTY PARTNERSHIP PROJECT**

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**Abstract-** *Indonesia is one of the largest countries in South East Asia both in terms of population density and the width of territory. Unfortunately, the entrepreneurial percentage in this country represents only 1,56% of the total population while the ideal number of the entrepreneurial percentage is 2% or more. Indonesia is now ranked 115 in the world and 23 out of 41 countries in the Asia-Pacific region from the level of economy and entrepreneurial. PKBL is the BUMN Partnership Program that aims at empowering the society through the use of funds from the profits of BUMN that is set aside with the approval of the General Meeting of Shareholders of the BUMN. Total provision for income program funding is in the maximum of 2% (two percent) of the net profit for the Partnership Program (Program Kemitraan) and a maximum of 2% (two percent) of the net profit for the Community Development Program (Bina Lingkungan). PKBL is expected will increase the entrepreneur rate and also decrease the number of unemployment and poverty with its Partnership Program. The fund will use to help UKM to develop their business and became sustain. Because UKM in Indonesia has grown more and more, and has created a huge impact as a business unit in Indonesia as a business unit that has proportion about 98 percent of the total units in Indonesia and have absorbed approximately 88.6 million workers. The Purpose of this final project is to achieve evaluations for community development program of PT. Perkebunan Nusantara VIII which is Partnership program. This project purpose is to analyze the effectiveness of the program. The results of the program will also be analyzed to discover whether it is already accomplish its target or not.*

*Keyword: entrepreneur, corporate social responsibilities, small and medium enterprise*

### **Introduction**

This paper was made to evaluate the relation between stakeholders in multi-party partnership program in Nanggerang Village. The program's goal are to provide clean water system through pipe distribution system, to provide public sanitation which in the healthy standard level, to increase community capacity and local organization through the local government and private sector's empowerment and management efforts on providing clean water facility and sanitation, to encourage dues system from clean water consumers, and to shape and functioned clean water and sanitation management groups in the community.

The level prosperity of a nation can be measured from several aspects. Welfare and health of the country's population are also factors that affect the prosperity of the country. Indonesia is a developing country in the world, which is never independent of social problems. One of the social problems that exist in Indonesia is the distribution of welfare problems in many fields, not only in economics but also in health, education and environmental preservation. This is evident from the number of people of Indonesia are still living in areas with lagging development. Left the area with the construction of the territory inhabited by a community with a variety of social, economic and physical limitations such as the local economy, human resources and employment, productive business environment and infrastructure, natural resources and environment. One of the problems

that exist in the regions in Indonesia is that there is adequate supply of clean water. Clean water is an important factor that supports the life of a society.

Corporate leaders face a challenging task in implementing ethical standards for responsible business practices. The company strives to improve its performance for the optimal benefit in order to compete with other companies. However, in an effort to achieve the optimal benefits of this company should also pay attention to the environment around the company that the local community and government. Enterprise as a system, the sustainability and the balance cannot stand alone. The existence of an enterprise is indispensable to the community as the external environment. There is a reciprocal relationship (reciprocity) between the company and the community. Companies and the public is that each partner gives and takes. Companies other than the pursuit of economic gain for the welfare of themselves, also requires the resources of nature to dairy and other stakeholders to achieve its objectives. By using the approach of corporate social responsibility, companies not only benefit the economy, but also social benefits. Thus the sustainability of these efforts can be run well and will indirectly prevent harmful conflict. Corporate Social Responsibility or Corporate Social Responsibility (CSR) is a concept that organizations, in particular the company is having a responsibility towards customers, employees, shareholders, communities and the environment in all aspects of company operations.

CSR is closely linked to "sustainable development", in which there is an argument that a firm in carrying out its activities should not base their decision simply based on financial factors, such as profits or dividends, but also must be based on social and environmental consequences for current and long term. Today the greatest concern of the company's role in society has been enhanced is by increasing the sensitivity and concern for the environment and ethical issues. Government regulations in some countries regarding environmental and social problems of the firm, as well as standards and laws are often made up beyond the authority of state regulators. Several investor and corporate investment management has been started to observe the policies of CSR from the company in making investment decisions there, a practice which known as the "Investment are responsible socially" (Socially Responsible investing are).

### **Methodology**

First thing that has to be done when doing a research is to build research design. Research design contains an overview about each step and illustration about what writer do from the beginning of the thesis until the end. Research design created as a guideline to be followed by writer in order to achieve the report objectives. In this thesis, the research design is formed as follow:

The second step after determining research design is problem identification. in this step, The author do direct observation with PKBL division employee of PT. Perkebunan Nusantara VIII, visited in the main office in Jl Sindang Sirna no 4, Bandung. It leads to discussion about which division should the author research for the thesis. From the discussion finally identify current issues in PT. Perkebunan Nusantara VIII, about the PKBL.

Next step of this research and evaluation is collecting all the data that the author needs by spreading questionnaires to PKBL participants to achieve the information regarding to the research. For the PKBL Program, the data can be collected also from the annually report of PT. Perkebunan Nusantara VIII "*Rencana Kerja dan Anggaran Program Kemitraan dan Bina Lingkungan (PKBL)*" Those data contains about the annual CSR Program of PT. Perkebunan Nusantara VIII, and also, author added another book for the references "*Pedoman Pengelolaan Program Kemitraan dan Bina Lingkungan*" and "*Laporan Tahunan Program Kemitraan & Bina Lingkungan 2011 and 2010*".

After data collection, those data need to be analyzed in order to get result that can sole the research problems. These are those steps that will be done in order to analyze data. To analyze and to

evaluate the execution of the PT. Perkebunan Nusantara VIII CSR program, the Author uses the 4 steps of analyzing and evaluating data:

1. After collecting all of the questioner data, the author gathers the data and then using it to evaluate and analyze the effective of PKBL Program to the Company and the Participants.
2. Secondary data collected are use to support the data that collected from observation and interview. Secondary Data obtained from PT. Perkebunan Nusantara VIII CSR employee, participants, books and other sources (e.g. internet, etc.)
3. Interview is used to gather the information or opinion from the sources by doing face-to-face chat or interview with the participants in the project's area. The sources of this interview are people who can give deep information about the Authors Project.

### Literature Review

Although the term of Corporate Social Responsibility or CSR has been translated into Indonesian by the term "Tanggung Jawab Social Perusahaan" but the term CSR has been widely accepted in Indonesia and for a long time, which is part of the company's mandatory obligation to assist in improving the quality of social and environmental. This program is also an attempt to raise value positive (image building) of the a company in the eyes of its stakeholders.

CSR is a concept that connected with treatment of stakeholders, both inside and outside of company. CSR can also be defined as the company's commitment to contribute to sustainable economic development in order to improve the quality of life for all stakeholders to participate and address the problems of workers and their families and communities, so as to improve their quality of economy and education in general.

The concept of CSR are based on three fundamental principles that are known by the term Triple Bottom Lines (John Elkington,1997) known as the 3 p (People, Planet, Profit) which concern companies that set aside a portion of the profit for the fulfillment of the welfare society (people) and maintaining environmental sustainability (planet) in order to be able to grow the company's existence and ongoing.



Picture 1: 3P Planet, People, and Profit

At least there are three important reasons why the business society must respond to CSR in order to guarantee sustainability in line with the company's operations.

First, the company is part of the community and therefore only natural that companies pay attention to the interests of society. Companies must realize that they operate within a community order. This serves as a social activity or effort reciprocal compensation for the control of natural resources or economic resources by the companies that sometimes are expansive and exploratory, as well as social compensation for the inconvenience arising (discomfort) in the community.

Second, businesses and communities should have a relationship that is symbiotic mutualism to get support from the community. Naturally, companies are required to make a positive contribution to society, so that they can create harmony and even leverage to the company's image and form.

Third, CSR is one ways to reduce or even prevent social conflict. Potential conflicts that may come due from the company's operations or due to the impact of structural and economic disparities that arise between the community and enterprise components. (Wibisono, 2007)

In recent years, in our country is like being compulsive CSR, which stands for Corporate Social Responsibility. CSR originally departing from the concept of stakeholder management efforts by the company that became a part also in the GCG (Good Corporate Governance) them. That CSR is also initially conducted with the aim to improve the welfare of the surrounding environment in order to return a positive impact on corporate sustainability.

#### *Program Kemitraan dan Bina Lingkungan is BUMN CSR*

As a concept, Program Kemitraan dan Bina Lingkungan (PKBL) conducted by Badan Usaha Milik Negara (BUMN) applies similar principal as the best practices of CSR conducted by private companies. It may be fair to say that PKBL is a branch of CSR practice conducted by BUMN. Aside implementing the PKBL, Badan Usaha Milik Negara (BUMN) also implement CSR as required by the prevailing law.

Role of PKBL has much deeper coverage than CSR practice conducted by private companies because PKBL is also expected to focus on the three main pillars of development (triple tracks) that has been launched by the government and its political promises to the community namely:

- (1) Reducing unemployment;
- (2) Reducing the number of poor people; and
- (3) Increasing economic growth.

1) PKBL is expected to increase the participation of Badan Usaha Milik Negara (BUMN) to empower the potential and economic condition, social and environmental with focus at community economic to create equitable development to wider society.

PKBL is the responsibilities of Badan Usaha Milik Negara (BUMN) to its surrounding community and is carried out on the basis of Law No. 19 year 2003 on BUMN as well as Decree of Minister of BUMN No. Per-05/MBU/2007 on Optimization of PKBL Funds Distribution (Optimalisasi Penyaluran Dana PKBL) not only targeting in gaining profit but to actively provide guidance and assistance to the economically weak entrepreneurs, cooperatives and communities.

PKBL is the BUMN development program and the empowerment of the environment by the state through the use of funds from the profits of BUMN that is set aside with the prior approval of the General Meeting of Shareholders of the Badan Usaha Milik Negara (BUMN). Total provision for income program funding is in the maximum of 2% (two percent) of the net income for the Partnership Program (Program Kemitraan) and a maximum of 2% (two percent) of the net profit for the Community Development Program (Bina Lingkungan).

Regulations	
CSR	PKBL
<ul style="list-style-type: none"> <li>Article 74 Law No. 40 Year 2007</li> <li>Draft Government Regulation</li> </ul>	<ul style="list-style-type: none"> <li>Article 2 paragraph (1) e and Article 88 paragraph (1) of Law No.19 Year 2003 and Minister of State Owned Enterprise Regulation No.PER-05/MBU/2007</li> </ul>

<b>Objectives</b>	
<b>CSR</b>	<b>PKBL</b>
<ul style="list-style-type: none"> <li>To create continuing balance of relationship and harmony in accordance with the environment, values, norm and culture of the society (Penjelasan Ps.74 ayat (1))</li> </ul>	<ul style="list-style-type: none"> <li>Partnership Program: To develop the entrepreneurial skill of the small scale entrepreneur to become more independence and competitive</li> <li>Program Bina Lingkungan : To enhance the social condition of the society</li> </ul>
<b>Who should implement the program</b>	
<b>CSR</b>	<b>PKBL</b>
<ul style="list-style-type: none"> <li>Companies (Limited Liability) that engage in natural resources business (Article 74 paragraph (1))</li> <li>Any other company than the above but which business affect the function of the natural resources (Elucidation of Article 7 paragraph (1))</li> </ul>	<ul style="list-style-type: none"> <li>State Owned Company (including a listed State Owned Company) and General Firms (Peru (Articl.2 paragraphs (1) and (2) of Minister of State Owned Entreprize Regulation No.PER-05/MBU/2007</li> </ul>
<b>Enforceability of the regulation</b>	
<ul style="list-style-type: none"> <li>Mandatory to companies engage in the natural resources business and other company that engage which business affect the function of the natural resources. Sanction apples if not implemented (Article 74 paragrap (3))</li> </ul>	<p>Mandatory for Persero and Perum as this program is used as one on the indicator of financial health of Persero and Perum (Article 2 paragraph (1) and Article 30 paragraph (1) Minister of State Owned Entreprize Regulation No.PER-05/MBU/2007</p>
<b>Scope of Responsibility</b>	
<ul style="list-style-type: none"> <li>Limited to the surrounding community where the company conducts its business (Elucidation of Article 7 paragraph (1))</li> </ul>	<ul style="list-style-type: none"> <li>Wider society and not only to surrounding community</li> </ul>
<b>Budget</b>	
<ul style="list-style-type: none"> <li>To be treated as company's expense subject to reasonable judgment (Article 74 paragraph (2))</li> </ul>	<ul style="list-style-type: none"> <li>Maximum of 2% from the net profirt allocated to Partnership Program</li> <li>Maximum 2% from the net profit allocated to Program Bina Lingkungan.</li> </ul>

CSR that comes out is community development, or developing local communities. There are 3 types of community development include community relations, community services and community empowering.

Community services; is a corporate service to meet the community needs or general interests, such as the construction of public facilities including the construction or improvement of transportations/roads, educational facilities, health facilities, worship facilities, enhancement/improvement of environmental sanitation, quality development of education, health, religion, etc.

- Community empowering; is a related program that provides a wider access to the community to support its independence. Related to this program is like the development of self-help groups in the community, local community, professional organization as well as increasing the capacity of community efforts based on the local resources.
- Community relation; is the activities related to the development of understanding through the communication and information to the relevant parties such as public consultation, counseling, etc

Any company would want to implement community empowerment, this is due to implement community empowerment will be able to follow the government program called proper conducted by KLH. Proper is an award from the government for companies that have to better manage the environment in this case KLH for an industry performance

Small and Medium Enterprises SMEs (UKM) abbreviated is a term that refers to a type of small businesses that have a net worth of Rp 200,000,000, excluding land and buildings and a stand-alone business. According to Presidential Decree no. 99 of 1998 Small Business sense is the economic activity of the people that small-scale business sectors which constitute the majority of small business and need to be protected to prevent unhealthy competition. The growth of UKM in Indonesia brings good impact for economic development.

One thing that should be of concern is the ratio of non-performing loans (NPL). In addition, UKM are also able to increase the amount of state revenue. Besides beneficial to the growth of the Indonesian economy, UKM also unwittingly been able to reduce unemployment in the community and increase the welfare. UKM development in Indonesia experienced some obstacles in operation. Knowledge producers or owners of UKM in Indonesia regarding the technology are still far from enough. Most manufacturers in Indonesia are still using equipment that is still traditional. So the cost of production actually is higher than if the producers use modern machinery. Besides, Indonesia is also faced with the quality of human resources is far from standard. Constraint is the factor that many experienced fund. Many would-be entrepreneurs who complained about the lack of funding. To overcome these obstacles there are some solutions that can be done, is to provide debriefing and counseling to address the issues of human resources, so as to increase the quality of human resources.

Meanwhile, to solve the problem of shortage of funds, the government has issued a program from prospective UKM owners who have difficulty financing issues. Government gives assistance in the form of business credit (KUR) that is distributed by several banks in Indonesia who has been appointed by the government. Besides state-owned PKBL programs that have been implemented for the provision of program to BUMN has helped many entrepreneurs to develop their business to more advanced and developing countries.

### **Importance of UKM**

Small and Medium Enterprises (UKM) play an important role in the Indonesian economy. Due to these UKM, unemployed due to the labor force that is not absorbed in the world of work is reduced. UKM sector has been promoted and used as the main agenda of economic development in Indonesia.

The UKM sector has proved resilient during Economic Crisis 1998, only the UKM sector that survived

the collapse of the economy, while the larger sector actually fell by crisis. Mudradjad Kuncoro in *Bisnis Indonesia* on October 21, 2008 stated that UKM proved resilient to the crisis and was able to survive because, first, has no foreign debt. Secondly, there is a lot of debt to banks because they are considered unbankable. Third, the use of local inputs. Fourth, export-oriented.

During 1997-2006, the number of company that has UKM scale is reach at 99% of all business units in Indonesia. Contribution of SMEs to GDP reached 54% -57%. Contribution of UKM to absorb employee reach approximately 96%. A total of 91% of UKM do export activities through a third-party exporters / middlemen. Only 8.8% were in direct contact with buyers / importers abroad.

During the prolonged economic crisis, SMEs can survive and have the potential to grow. Thus, SMEs can be a mainstay for the foreseeable future and should be supported by conducive policies, as well as issues that hamper SMEs empowerment efforts should be eliminated. Constitutional Government economic policies have put SMEs as a priority in economic recovery, to open up employment opportunities and reduce unemployment.

Quality of services can also be maximized by the mastery of technology. Mastery of this technology can make a positive contribution to the management, so organizations can more easily controlled. Therefore, organizations must always follow the dynamics of technological change that was happening

#### **Data Collection and Analysis**

As part of the BUMN, PT Perkebunan Nusantara VIII, which the primary business is in plantation business in West Java and Banten province, has the obligation to implement the Partnership Program which aim at enhancing the economy for its surrounding community, in order to develop works opportunities, equitable growth and community development through the Partnership Program.

Partnership Program is a program that the primary task is to increase the capability for the UMKM to grow bigger and sustainable through the funding and business assistance of BUMN.

Sektor usaha	Cluster	Individu	Jumlah unit
Industri	0	84	84
Perdagangan	0	258	258
Pertanian	12	21	33
Peternakan	17	52	69
Perkebunan	2	13	15
Perikanan	0	16	16
Jasa	0	87	87
Lain-lain	0	7	7
<b>Total</b>	31	538	569

Until the third quarter of 2012, PT Perkebunan Nusantara VIII records 569 PKBL participants, consisting of 538 individual participants and 31 participants in a form of cluster.

Individual participant is an individual entrepreneur which directly own the business and borrow money from PT Perkebunan Nusantara VIII for the purpose of developing its business.

Cluster participant is a group of borrowing, in which the member consist of several individual entrepreneurs which business are interrelated, for example: PKBL for development of agriculture (*gabungan kelompok tani (Gapoktan)*), with the following type of business:

1. Commodity: *tanaman pangan, hortikultura*, plantation, farm
2. Fungsi kegiatan:
  - Downstream (agriculture facility and capital)
  - Middlestream (business management)
  - Upstream (pengolahan hasil, marketing and distribution)

Purpose:

- To stimulate the development of product/primary commodity in the area. With the 10% increase of BUMN profitability, it is expected that the growth of the product/primary commodity in the area reach 7%-10%
- To grow new participants/partner up to 50,000 annually
- To create cooperation and partnership as well as networking between the participants
- To maximize PKBL funds through a synergy various business within certain area
- To develop economic growth
- To support National Program for distributing community business credit.

Type of business and length of membership

Participant	Type of Business	Source of Information about PKBL	duration of membership
1	Sandal Gunung (Sabertooth)	Melalui koperasi	Sejak 2010
2			
3	Peternakan sapi perah	Dari dinas peternakan	Sudah 3 tahun
4	Pengrajin Kulit	Event PKBL di garut	Sejak 2009
5	Konveksi	Tetangga	3 tahun
6	Jaket dan Tas kulit (Alano)	Ketika datang ke pameran BUMN	Sejak 2011
7	Pembuatan batik	Mencari tahu sendiri	Sejak 2011
8	Kerajinan	Dari saudara	Sejak 2011
9	Konveksi	Dari koperasi	3 tahun
10	Peternakan	Dinas peternakan	Sejak 2010

From the data above we can see the diversity of bussines carried out by the participants of PKBL, and it shows that PKBL not only focus on limited business activity. We also can see that promotion of PKBL was effective because this program now well known and has many help from media to promote this program

Keefektifan Program

Respondent	Total Revenue before joining PKBL (in Rupiah)	Total Revenue before joining after joining PKBL (in Rupiah)
1	2,5 – 4 million	80 million
2		
3	10 million	approximately 80 million
4	Uncertain, depends on the incoming order	3 times increase in revenue
5	uncertain	3-5 increase in revenue
6	uncertain	75-100% increase in revenue



7	2-5 million	9 times increase in revenue
8	Limited to the order received	Slight improvement in revenue
9	uncertain	slight improvement
10	5 million	approximately 30 million

Respondent	Number of employee before joining PKBL	Number of employee after joining PKBL
1	3 persons	8 persons
2		
3	5 groups (where in 1 group consist of 7-8 persons)	13 groups and hopefully another 5 groups will join
4	2 persons	15 persons
5	5 persons	17 persons
6	2 persons	4 persons
7	0	7 persons
8	6 persons	6 persons
9	2 persons	4 persons
10	5 persons	15 persons

It looks like most of the participants Program Kemitraan are able to increase their amount of revenue and asset and number of employees. Even though only several participants stagnant on their assets, revenue and employees.

Advantages and disadvantages of PKBL:

Advantages:

The following is the summary of feedback from the participants on the advantages of PKBL that is gathered during the interview session.

Respondent	Benefit of the program and utilization of borrowing
1	This program is very helpful, besides obtaining fund aid for my capital, I also get the opportunity to go abroad to participate in the exhibition as well as business seminars
2	
3	Because of this program, I successfully increase my farm to 156 sapi perah, and always get business guidance and training annually. I also get a marketing assistance from PTPN VIII to market the fresh milk
4	I can increase my stock for the production and get a marketing assistance and exhibition
5	I can increase my production and machineries, and other than that I get a chance to participate in the seminar which I find it very useful
6	To purchase additional sewing machine, textile and the website. I feel financially assisted, as I can join the promotion program to many countries, including Jordania. I also joined several seminars.
7	To purchase additional material such as silk or cotton. We benefit from the national promotion and exhibition program as it increased our production.
8	Extra capital and promotion assistance, and is able to joint big events
9	The borrowing can be used to buy raw material. We get promotion assistance from PTPN VIII
10	The borrowing fund is used to buy more hewan ternak. We find the training and the partnership program is very helpful, as there will be a constant buyer for the milk from the farm.

According to the participants, the program is effective enough, because it was very helpful to the development of the business, especially the borrowing as well as the promotion program. Although not all kind of business gets the training but they said that PKBL program help the small enterprise in many ways.

#### Disadvantages:

The following is the summary of feedback from the participants on the disadvantages of PKBL that is gathered during the interview session.

Respondent	Disadvantage of program
1	In general I feel the program is very helpful to the development of the business. I do hope that the program can help to promote my business abroad. There have been some interest from the market in my products, but there has not been any significant sales so far.
2	
3	I do not see any disadvantages of the program, I am very thankful that I can continuously benefit from the program.
4	Sometimes the timing for exhibition is not right and we feel forced to join the exhibition. As a result, we do not feel that we can promote our program fully.
5	Most of the training program are only focused on the certain business, such as plantation and farming, as most of the participants engage in those business. Garment business like what I do does not get any training
6	In general the program is good, but need more publication so that more small enterprise can join the program.
7	The benefit that I got is limited to the borrowing program. I independently seek for business training from other sources.
8	I do not see any disadvantages
9	I feel that the program should provide more business training, although in general I feel the PKBL is very helpful for my business.
10	No disadvantages as I get what I need from this program,.

Although PKBL is seen by its participant as a program that give more advantages than the disadvantages,, there is still room for improvement in order to enhance the quality of the program.

The Minister of State Owned Enterprise announced that the estimate profit of all BUMN reached Rp.113 trillion by the end of 2011.

As earlier explained, PKBL is the BUMN Partnership Program which aim at empowering the society through the use of funds from the profits of BUMN, that is set aside with the approval of the General Meeting of Shareholders of the BUMN. Total provision for income program funding is in the maximum of 2% (two percent) of the net profit for the Partnership Program (Program Kemitraan) and a maximum of 2% (two percent) of the net profit for the Community Development Program (Bina Lingkungan). Therefore, approximately Rp.4,04 trillion of funds have been set aside by the BUMN for the development of Partnership Program with the approximately total participant reaching 690.417 participants from all around Indonesia in 2011. The accumulated funds that has been allocated for Partnership Program until end of 2010 is Rp14,67 trillion.

PKBL programs has helped the government to reduce unemployment and create a new job field, as it can be seen from the data that is formed by BPS whereby the number of UKM in Indonesia has grown more and more, and has created a huge impact as a business unit in Indonesia as a business unit that has proportion about 98 percent of the total units in Indonesia and have absorbed approximately 88.6 million workers. Also we can see from the increase in the national economy

about 6.5% growth in 2011, rising to 6.7% in 2012 and is projected to reach 7% to 7.7% in 2014. Proportional to these conditions, the unemployment rate has been decreasing from 6.36% in 2011 to 6.32% in 2012 and is projected to be only about 6% in 2014. Realization of distribution Partnership Program from 1989 to 2011 amounted to around Rp. 44,069,841,000 to the 2,403 target partners, while the distribution of the Community Development Program from 2002 to 2011 is Rp.13,026,994.000.

Partnership Program is expected to enhance the growth of businesses in the region and also to inspire would-be entrepreneurs who want to run their businesses. In this case government through Kadin and cooperatives is expected to have target potential partners to be developed. as well as proactive visits to centers of small businesses to get prospective target potential partners to develop and provide the opportunity for a decent target partners, to participate in the exhibition and other related activities in the interest of the target partner. From the data above we can see that the program is effective as it creates 2,403 partners. if we compare with all the UKM that create from PKBL program that exist in Indonesia that is 690,417. The PKBL of PTPN VIII successfully created 0,34% of total UKM that have become the participants of PKBL programs.

The general view that SMEs that have the nature and spirit of entrepreneurship (entrepreneurship) is less precise. There are sub-groups of SMEs which have the entrepreneurship but others do not show the trait. Using the criteria of entrepreneurship then we can divide SMEs into four sections, namely:

1. Livelihood activities  
UKM in this category are generally aimed at finding employment for a living. The perpetrators have not grouped entrepreneurial spirit. This group is referred to as the informal sector. In Indonesia, the number of UKM is the largest category.
2. Micro enterprise  
This UKM is more tend "artisan" (craftsman) and has not entrepreneurship nature. The number of SMEs in Indonesia is also relatively large.
3. Small dynamic enterprise  
SMEs often have the entrepreneurial spirit. Many large and medium scale entrepreneurs come from this category. If nurtured properly then most of the SME category will go into four categories. The number of groups from this UKM is much smaller than the number of UKM in the category one and two. SME group has been able to accept sub-contract jobs and exports.
4. Fast moving enterprise  
This is a genuine UKM that have a true entrepreneurial spirit. From this group will then appear large and medium scale enterprises. This group was also less than the number of UKM category one and two.

Although it has donated 0.34 percent target in the development partners of all partners that have been built target of PKBL activities is not incorrect to say that there has been a lot of entrepreneurs are made of this view of the nature of the activities mentioned above. Partnership Program is more correct to say has an impact on the development of new jobs to absorb the labor force.

## **Conclusion and Recommendation**

### **Conclusion**

The existence of community development program in one area that has its own problems and dynamics, both externally an internally. Lack of communication system between PTPN VIII and its PKBL participants causes the incomplete updated information or data about the participants, especially related to business growth records, difficulty or problems faced by the participants and even the borrowing installment, despite a requirement for having participants to submit regular report, normally every quarter, to PTPN VIII.

On the other hand, some participants consider that the training and business assistance ran by PTPN VIII do not reach all participants equally, hence those participants who do not get the business training feel that they lose the opportunity to improve the business because of lacking the business knowledge. Although PT. Perkebunan Nusantara VIII has targeted that its PKBL program will benefit all the participants by provision of borrowing as well as business training that has continuously been performed by it, the result from the interview with the participants showed a slight deviation that certain participants are not yet within the monitoring of PTPN VIII, hence they have not enjoyed the benefit of PKBL fully.

### **Recommendation**

1. Improvement of chain of control and monitoring system in all level by PTPN VIII by way of strengthening and intensifying the communication with the participants, not only through emails and telephones, but also through announcement in local newspaper from time to time and in some cases make a direct inspection to the area where the participants, especially those living in remote area, do their business.
2. Strengthening the database system which include the detail information on the participants, its business and products, number of employees, amount of borrowing and installment schedule as well as the difficulty faced by the participants so that PT. Perkebunan Nusantara VIII can identify the sort of training and assistance needed by the participants.
3. Improving development program, particularly in the training the PKBL participant because it is the most important in order to create a UKM to be independent and do not require support from a PKBL program again. And PKBL programs of PT Perkebunan Nusantara VIII becomes community empowering.

### **References**

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