

Corporate Social Responsibility (CSR) Program For Empowering Cardamom Farmers In Banyumas, Central Java

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ABSTRACT

Cardamom is one of the agricultural products in the form of a spice which has high economic value. This is supported by the high commodity prices of cardamom in the international market. The high price of cardamom has no implications for the welfare level of farmers. The farmer's exchange rate (NTP) for horticultural crops as an indicator of the welfare level is 91.89, which means that the NTP is <100, indicating that horticultural farmers are not prosperous [1]. The low NTP has resulted in farmers not being independent and still depending on outsiders to improve their welfare. The problems faced by farmers are price, market, capital and technology factors. The development of CSR until now has not provided a common definition. The company's main goal is profit so that CSR is considered a program that will reduce the value of profits. Through CSR the company only fulfills stakeholder expectations and aims to improve reputation [2]. CSR programs have an impact on society if the program is sustainable, one of which is through empowering farmers. After the empowered farmers are continued with farmer-company partnerships so that the partnerships are mutually beneficial because farmers are no longer objects but subjects or actors in the program. The company PT Sido Muncul has a CSR program that aims to increase the capacity of farmers through community development programs . This study aims to analyze PT Sido Muncul's CSR program in empowering farmers. The research was conducted at PT Sido Muncul Tbk from January to March 2023. Using the case study method and qualitatively analyzing it using the interactive model according to Miles and Huberman. Primary data was obtained through in-depth interviews with CSR division employees including Public Relations, Comdev and partnerships. Secondary data includes PT Sido Muncul's 2020, 2021 and 2022 sustainability reports, BPS and other

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supporting documents. Implementation of the CSR program includes: the planning stage, namely social mapping activities and Focus Groups Discussion (FGD) with relevant stakeholders. The implementation stage of the program is by empowering and assisting farmers through the spice village program. The Spice Village program in Banyumas is a partnership program between the company and partner farmers as cardamom suppliers for the raw material for the herbal medicine industry in the form of simplicity. Prior to becoming partner farmers, they were given capacity building through training and mentoring in cardamom cultivation so they were able to produce raw materials according to company standards . Program evaluation stages are carried out at the end of each year to see the success of the program. The empowerment of cardamom farmers carried out by PT Sido Muncul's CSR has been able to increase farmers' income through the turnover of cardamom shipments to factories which continues to increase.

INTRODUCTION

The agricultural sector is a sector that absorbs a lot of labor especially in rural areas, the supply of food and industrial raw materials. Agricultural development has a strategic role in economic growth. Cardamom is an export commodity that is in great demand in the international market with high prices but has not provided welfare for cardamom farmers. This is because farmers as producers lack market access, their technology in cardamom drying is still traditional and their capital is very limited. Data shows NTP as one of the welfare indicators <100, and the greatest poverty is in rural areas. Rural areas are producers of agricultural products, but most of the farmers in Indonesia are not prosperous. Mastery of technology is still low and difficulties in accessing capital and markets, so farmers need to be empowered to be able to increase their capacity [3], [4] . The goal of sustainable development or what is known as

Sustainable Development Goals (SDGs) there are 17 goals to be achieved, the first goal is to be without poverty and end poverty in all its forms. Agricultural development, especially in the field of increasing human resources, is regulated in government policy through Law Number 16 of 2006 concerning the extension system and Law Number 19 of 2013 concerning the protection and empowerment of farmers. Empowerment of farmers is not only carried out by the government through extension programs but can be carried out by companies through CSR programs. *Corporate Social Responsibility* is a company activity with policies regulated by the government and implemented in the community in order to reduce the negative impacts caused by its business activities through CSR which are expected to be able to contribute to sustainable development through improving the economy of local communities [5] . In developing countries CSR contributes to the achievement of SDGs, this can

be seen from the long-term socio-economic impact on poverty alleviation and job creation [6]. According to [7] the motivation of companies to carry out CSR is described in a pyramid which includes economic, legal, ethical and philanthropic responsibilities. This study aims to analyze PT Sido Muncul's CSR program in empowering cardamom farmers in Banyumas Regency. In addition to empowering farmers, the company also conducts partnerships. Farmers are not only objects but actors in the partnership program after their capacity is increased through empowerment or the Community Development (Comdev) program. Several previous studies have stated that CSR programs carried out by companies can contribute to improving people's welfare by collaborating with both the government and other stakeholders. On the one hand, CSR which only provides direct assistance without assistance will only be temporary and will have less impact on the community [8]. Therefore it is necessary to do research on CSR programs that have been carried out by companies, especially companies engaged in the agricultural sector to increase the capacity of farmers to be more prosperous.

METHODS

This research was conducted in January - March 2023. The research took a case study on the CSR of PT Sido Muncul Tbk because this company has carried out CSR in the field of empowering farmers. In addition, PT Sido Muncul is the only private company in Indonesia with a *core business* in agriculture which has succeeded in obtaining gold proper in 2020, 2021 and 2022.

The research method uses a qualitative interactive model approach according to Miles and Huberman. The data analysis phase includes: *Data Collection*, both primary data and secondary data. Primary data obtained through interviews, observation and documentation. In-depth interviews with PT Sido Muncul Tbk CSR division employees covering Public Relations (2 informants), Comdev (1 informant) and partnerships (1 informant). Secondary data includes PT Sido Muncul's sustainability reports for 2020, 2021, 2022, BPS data and other supporting documents. Presentation of data, namely the process of selecting, focusing, simplifying, making data abstractions from field notes, interviews, transcripts of various documents. Data reduction is the process of selecting, focusing and simplifying records from the field that have been obtained from data collection. Conclusion / Verification can be given when researchers have understood various things that have been encountered in the field.

RESULTS AND DISCUSSION

1. PT Sido Muncul's CSR Program Motives

As a form of social responsibility to the community, PT Sido Muncul has conducted a CSR program. This program is in line with company policy which is the operationalization of the company's vision and mission.

The form of PT Sido Muncul's CSR is *Charity*, *Capacity Building* and *Community Empowerment* which includes the following activities :

Table 1. Sidomuncul CSR Activities

No.	Form of CSR Program	Description
1.	Charity	-Educational Scholarships - Help for the poor -Free cataract surgery -Free commuting -Disaster relief - General infrastructure assistance -House of worship assistance
2.	Capacity Building	-Educational factory visit -Training on durian cultivation -Avocado cultivation training - Farmer Field School - Cardamom cultivation training - Machine maintenance training
3.	Community Empowerment	-Fruit tourism village -Spice tourism village -Rice Inspiration Village - Mbok snack program -Cow communal program -Partner farmer program

Source: [9]

This research is focused on the *Community Empowerment program* for cardamom partner farmers. Banyumas Regency is the largest cardamom producer in Central Java. Banyumas Regency contributes 23.46 percent to cardamom production in Central Java with production reaching 6.23 thousand tons and a harvested area of 515.87 hectares [10]. The need for raw materials for the herbal medicine industry, one of which is cardamom, makes PT Sido Muncul

partner with farmers. Before partnering, the company empowered farmers so that the cardamom production produced was in accordance with the company's standard quantity and quality. Since 2000 PT Sido Muncul has established partnerships with farmers to meet industrial raw material needs. Apart from Banyumas, PT Sido Muncul conducts partnerships with farmers in Semarang, Wonogiri, Karanganyar, Boyolali, Magelang, Kendal and Pati regencies with different types of biopharmaceutical commodities according to the potential of each region. In general, farmers are still cultivating their agricultural businesses traditionally. With this CSR program, farmers gain increased knowledge and skills through the *Community Empowerment program*. Some of the policies that underlie CSR implementation include: guidelines on CSR implementation through ISO 2600, Law no. 40 article 74 of 2007 concerning the obligation to carry out CSR for Limited Liability Companies that carry out business activities in the natural resources sector. Implement Law No. 39 of 1999 concerning Human Rights, especially Law No. 11 of 2005 concerning Ratification of the International Convention on Economic, Social and Cultural Rights.

2. Cardamom Farmer Empowerment Program

2.1 Planning Stage

The initial stage in planning the program is carried out with social mapping activities and Focus Groups Discussion (FGD) with relevant stakeholders. The results of social mapping are the problems and needs of the target group related to cardamom cultivation in Sambirata Village,

Cilongok District, Banyumas Regency. Sambirata Village is a village on the southwest slope of Mount Slamet with an altitude of 400 meters above sea level, so it is very suitable for cardamom cultivation. In addition to the natural potential that supports cardamom cultivation, Sambirata Village also has the potential for human resources, namely cardamom farmers and socio-cultural potential, namely the level of community cooperation is high and still has an agrarian culture which is the main livelihood of the majority of the population. Prior to CSR entering Sambirata Village, problems The problems faced by farmers related to cardamom cultivation include: the low selling price of cardamom, because farmers sell cardamom in wet form. Farmers have difficulty doing post-harvest cardamom, especially in drying cardamom because Sambirata Village is in a mountainous area so humidity and rainfall are high. Mastery of agricultural technology is still low and difficulties in accessing the cardamom market. The results of the social mapping by the Comdev Sido Muncul team were presented in the FGD by inviting relevant stakeholders. Focus Group Discussion (FGD) was attended by village government officials, the Agriculture Service, the Forestry Service and members of the Gapoktan cardamom farmers' association. The solution provided by the company to cardamom farmers in Banyumas is to conduct training and mentoring cardamom farmers, providing assistance with cardamom drying machines. The company also accommodates cardamom harvests from Sambirata Village farmers by conducting farmer partnerships.

2.2 Program Implementation Stage

The company has been coaching cardamom farmers in Banyumas since 2019 . The implemented program is the result of social mapping and FGDs carried out in planning.

The number of cardamom assisted farmers is 270 farmers spread across Cilongok District. The program implementation phase begins with program socialization, forming farmer groups and empowering farmers. Empowerment aims to increase the capacity of farmers to change their mindset from traditional farmers to modern farmers by utilizing technology and commodity markets.

The training and assistance provided by the company aims to improve the quality of crop yields so that they comply with industry standards. Assistance is given starting from land preparation, fertilization, post-harvest processing so that quality industrial raw material *simplicia* is produced.

The next stage is for the company to establish partnerships with cardamom farmers. The partnerships formed are mutually beneficial with the principles of commitment, equality, trust, participation and sustainability. Companies get supplies of raw materials from farmers and farmers get commodity markets and reasonable prices. This CSR program is known as the Spice Village program, which is a partnership program between the company and partner farmers as raw material suppliers for the herbal medicine industry in the form of *simplicia*. According to [11] honesty, transparency, trust, and the involvement of various parties support the

establishment of sustainable partnerships . Farmers not only use rice as their main commodity, but also use Perhutani's vacant land around the village to plant cardamom. Perhutani has given farmers permission to use vacant land with a production sharing system. Cardamom is a plant that can grow with it shade canopy or shade of at least 70% to maintain humidity so it can grow well. Thus, the risk of land clearing by logging can be avoided and the forest remains sustainable. This CSR program has an economic impact on increasing farmers' income, a social impact on opening a network of business relations with companies, strengthening local institutions (Bumdes and Gapoktan) and the impact of participating in preserving the environment by utilizing Perhutani's vacant land. The participation of various stakeholders greatly supports the sustainability of farmer empowerment and partnership programs so that CSR programs are not only in the form of direct assistance and are temporary in nature. According to [12] states the participation of the parties involved significantly affects the income of farmer households.

2.3 Program Evaluation Stages

Program evaluation is routinely carried out by the company at the end of each year. This is done to determine the achievement of the program and the impact received by the community due to CSR. Overall the Spice Village program in Sambirata Village, Cilongok District, Banyumas Regency has been running well. This can be seen from the benefits received by farmers, including: (1) an increase in knowledge, attitudes and skills of farmers in cardamom cultivation; (2) the certainty of harvest prices; (3) farmers can develop business networks with industry. The Spice Village program is in accordance with the needs of farmers. Farmers have difficulty post-harvest drying cardamom. With this program, farmers can utilize drying technology so that they get moisture content according to company standards. The cardamom farmer empowerment program is sustainable because after the farmers increase their capacity, the company enters into partnerships. Farmers as raw material suppliers for the herbal medicine industry.

2.4 Impact of CSR Program for Cardamom Farmers

The spice village program in Sambirata Village has had a significant impact on farmers.

Farmers not only use rice as their main commodity, but also use Perhutani's vacant land around the village to plant cardamom. Perhutani has given farmers permission to use vacant land with a production sharing system. Cardamom is a plant that can grow with it shade canopy or shade of at least 70% to maintain humidity so it can grow well. Thus, the risk of land clearing by logging can be avoided and the forest remains sustainable. This CSR program has an economic impact on increasing farmers' income, a social impact on opening a network of business relations with companies, strengthening local institutions (Bumdes and Gapoktan) and the impact of participating in preserving the environment by utilizing Perhutani's vacant land. The participation of various stakeholders greatly supports the sustainability of farmer empowerment and partnership programs so that CSR programs are not only in the form of direct assistance and are temporary in nature. According to [12] states the participation of the parties involved significantly affects the income of farmer households.

CONCLUSION

CSR programs to be sustainable need to empower the target so that it is not just in the form of direct assistance. The implementation of the cardamom farmer empowerment program includes program planning, implementation and evaluation. The result of empowering farmers is in the form of capacity building so that after empowered farmers it is continued with a partnership program through the spice village program. Farmers become suppliers of herbal medicine industry materials so

that they have an economic, social and environmental impact on farmers.

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