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Analysis Of The Impact Of Mining Sector Companies' CSR Programs On Community Welfare Levels In South Konawe Regency

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Abstract: This study aims to analyze the influence of Corporate Social Responsibility (CSR) programs of mining companies on the level of community welfare in South Konawe Regency. The research method used is a mixed method (a combination of quantitative and qualitative) with a sequential explanatory design, namely the collection and analysis of quantitative data is carried out first, then continued with qualitative data to strengthen the research results. Data analysis was performed using simple linear regression using SPSS 26. The results showed that the CSR variable has a positive but insignificant effect on community welfare, with a regression coefficient value of 0.131 and a significance of 0.192 (> 0.05). This indicates that the CSR program implemented by mining companies in South Konawe Regency has not had a significant impact on improving community welfare. The lack of transparency and community involvement are factors that hinder the effectiveness of the program. This research is expected to provide input for local governments and companies in improving the implementation of CSR that is more oriented towards sustainable development.

Keywords: CSR, Community Welfare, Mining, South Konawe

A. Introduction

Companies play a vital role in supporting the national economy through production activities, employment creation, and increasing regional income. However, despite their economic contributions, industrial activities often have significant social and environmental impacts. Therefore, corporate social responsibility (CSR) is a crucial instrument for bridging economic interests with social and ecological sustainability.

South Konawe Regency, one of the mining-producing regions in Southeast Sulawesi Province, is a location with high levels of mining activity. While mining companies contribute to the economy through job creation and infrastructure development, social problems such as

economic inequality, environmental damage, and a low quality of life for communities surrounding the mines persist. This demonstrates a gap between the ideal implementation of CSR and the reality on the ground.

CSR is a legal obligation as stipulated in Law Number 40 of 2007 concerning Limited Liability Companies, specifically Article 74, which requires companies operating in the natural resources sector to implement social and environmental responsibilities. In practice, CSR implementation is not only interpreted as a financial obligation, but also as a sustainable development strategy that considers social, economic, and environmental aspects (the triple bottom line).



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This research is crucial to provide an empirical overview of the extent to which the implementation of CSR programs by mining companies in South Konawe Regency has impacted community well-being. The results are expected to provide strategic recommendations for local governments and businesses to improve the quality of CSR implementation to make it more effective and sustainable.

B. Materials and Methods

This research uses a mixed methods approach with a sequential explanatory design, meaning the analysis is conducted in two stages: the first quantitative and the second qualitative. The quantitative stage is used to measure the impact of CSR on community well-being, while the qualitative stage is used to deepen understanding of the results obtained through interviews and observations.

The population in this study was the community living around the mining area in South Konawe Regency. A purposive sampling technique was used to select 40 respondents who were beneficiaries of the CSR program. Primary data was collected through a Likert-based questionnaire, while secondary data was obtained from company reports, local government data, and academic literature.

The independent variable in this study is CSR, which consists of three main indicators: social, economic, and environmental. Meanwhile, the dependent variable is community welfare, measured through five indicators: income, consumption, education, housing, and health.

Data analysis was performed using simple linear regression with the help of SPSS version 26. The regression equation used is: $Y = 33.636 + 0.131X$, where Y is community welfare and X is CSR. The t-test was used to see the partial effect, while the

coefficient of determination (R^2) is used to measure how much the independent variable explains the variation in the dependent variable.

C. Result and Discussion

Based on the results of a simple linear regression analysis, a regression coefficient of 0.131 was obtained with a significance value of 0.192 (> 0.05). This indicates that CSR has a positive but insignificant influence on community welfare in South Konawe Regency. The coefficient of determination (R^2) of 0.045 shows that only around 4.5% of the variation in community welfare can be explained by CSR, while the rest is influenced by other factors outside the research model.

If, in the Test of Normality table using the Kolmogorov–Smirnov test, the significance value (sig) is greater than 0.05, then the data are normally distributed. The Normality Test in this study is presented as follows:

Normality Test of Kolmogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters ^{a,b}	Mean	.0E-7
	Std. Deviation	7.95992263
Most Extreme Differences	Absolute	.109
	Positive	.109
	Negative	-.106
Test Statistic		.109
Asymp. Sig. (2-tailed)		.200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: Output of SPSS (2023)

Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.211 ^a	.044	.019	8.06398	1.691

- a. Predictors: (Constant), CSR
- b. Dependent Variable: Kesejahteraan Masyarakat

Source: Output of SPSS (2023)

Analysis of Simple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.636	7.696		4.371	.000
	CSR	.131	.099	.211	1.329	.192

a. Dependent Variable: Kesejahteraan Masyarakat

Sumber: Output SPSS data diolah (2023)

Based on the table above, the regression equation can be expressed as follows:

$$Y = a + bx + e$$

$$Y = 33.636 + 0.131x + e$$

Where:

Y : Dependent variable (Community Welfare)

a : Constant

b : Regression coefficient

x : Independent variable (CSR)

e : Error term

Based on the results of the simple regression coefficient calculation above, the constant value is 33.636, and the coefficient of the independent variable (X) is 0.131. Thus, the regression equation obtained is $Y = 33.636 + 0.131X + e$.

The constant value of 33.636 indicates that when CSR (X) is zero, the community welfare level (Y) is 33.636.

Furthermore, the positive value (0.131) of the regression coefficient shows that the relationship between the independent variable (CSR) and the dependent variable (Community Welfare) is positive (direct), meaning that every one-unit increase in CSR will lead to an increase of 0.131 units in community welfare.

Correlation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.211 ^a	.044	.019	8.06398	1.691

a. Predictors: (Constant), CSR
b. Dependent Variable: Kesejahteraan Masyarakat

Source: Output of SPSS (2023)

Based on the data analysis results above, the correlation value is 0.211. To interpret the strength of the relationship between the two variables, the correlation

coefficient (r) obtained from the calculation can be interpreted according to the following guideline:

Coefficient Interval	Scale
0,00 – 0,199	Very Low
0,20 – 0,399	Low
0,40 – 0,599	Netral
0,60 – 0,799	Strong
0,80 – 1	Very Strong

Data source: Sugiyono (2013)

Hypothesis

The partial test (t-test) is used to determine the effect of the independent variable on the dependent variable by comparing the t-statistic value from the regression results with the t-table value to decide whether to accept or reject the hypothesis. The model is considered significant if the significance value (p-value) $\leq \alpha$.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.636	7.696		4.371	.000
	CSR	.131	.099	.211	1.329	.192

a. Dependent Variable: Kesejahteraan Masyarakat

Source: Output of SPSS (2023)

Based on the results of the partial t-test (Coefficients test), it can be explained that the CSR variable has a positive but not significant effect on community welfare, as indicated by a positive regression coefficient of 0.131 and a significance value of 0.192, which is greater than $\alpha = 0.05$ (5%).

Qualitatively, interviews with the community indicate that mining companies' CSR programs have not addressed all aspects of community needs. Assistance provided tends to be short-term, such as basic food supplies and small infrastructure, while economic empowerment and job training remain limited. Communities also expect transparency in the distribution of CSR funds and active community involvement in program planning.

The findings of this study demonstrate the importance of coordination between companies, local governments, and communities to improve the effectiveness of CSR programs. With more participatory planning and a focus on sustainable development, CSR can play a strategic role in significantly improving the well-being of local communities.

D. Conclusion

This study concludes that mining companies' CSR programs in South Konawe Regency have a positive but insignificant impact on community welfare. CSR implementation has not been optimal in supporting increased income, education, and public health. Lack of transparency, non-participatory planning, and a program focus that fails to address the root causes of socioeconomic problems are hindering factors.

To increase the effectiveness of CSR, companies are advised to develop community needs-based programs (need assessments), improve communication and coordination with local governments, and expand aspects of economic and environmental empowerment so that the benefits are felt more sustainably.

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