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The Implementation of Corporate Social Responsibility Based on Innovation at Renewed Electric Energy Sector

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ABSTRACT

The energy dependability issue is a problem which is usually faced by the developing countries such as Indonesia. Setting the policy about the renewed energy is very important. Many companies have a specific role in energy which is related to a social responsibility to the community and its immediate environment. The implementation of Corporate Social Responsibility (CSR), especially by the renewed energy sector, is based on the community development goal for the future environmental conservation. Therefore, a specific organization is then needed to accommodate the organizational pattern for ensuring the obligation of CSR Company for the community and immediate environment. The objective of this research is to describe, identify, and analyze the implementation of innovation-based on public policy at renewed electric energy sector. Research method is qualitative. Data analysis technique is as interactive model. Result of research indicates that the implementation of CSR concept at renewed electric industry is affected by: (1) the policy anatomy of CSR renewing in Indonesia; (2) the organizational aspect to realize the policy; (3) many alternatives of CSR fund utilization policy in the renewed energy source development in Indonesia; and (4) the implementation of CSR model in the innovation-based public policy perspective. Some recommendations are given as follows. The implementation of CSR in the innovation-based public policy perspective at renewed electric energy must be based on the policy anatomy of CSR, the existence and the acceptance of CSR, the form of CSR activity, the organizational and managerial patterns of CSR, and public policy made by government. The government needs an intervention to reduce the dependence of community on not renewable energy. The use of not renewable energy is prevailing for all parties. The government remains as a primary manager and also as a management to upgrade the energy source. It is necessary to anticipate the transition by majority from using not renewable energy to renewable energy and then to renewable energy. The application of innovation-based public policy in the CSR implementation at renewable sector is difficult to realize at short term. Many transitions and further policy adaptations are needed to economize the future expense.

Keywords: CSR, Public Policy, innovation, renewed energy

INTRODUCTION

In the era of the whole today's modern society increasingly dependent on the source of electrical energy. Not only to meet the personal and household needs, dependence on electrical energy is also very strongly felt by economic actors on a large scale, including the manufacturing industry. Therefore, the electricity industry became the backbone of not only the joints but also the economic life of society as a whole social life of the joints. Electricity industry is a vital need for society to require fuel (in bulk) to produce energy. To move the machinery to generate electric power, fuel is needed.

Based on available data, fossil fuel is still the primary fuel for engines driving electrical generators. Fossil fuels include petroleum, coal and natural gas. At the global level, natural gas and coal became the major fossil fuels in power plants. The question that arises then is how CSR funds collected in conjunction with the institutional patterns that will be developed as a container. In addition, renewable energy is urgently needed. Government is necessary to intervene to reduce the level of dependency on not renewable energy, while also doing not renewable energy usage restrictions that apply to all. If you look at the current condition of many companies is purely private and state-owned air-tagline 'green', but if there is no impact because there is no institution that embodies. Next is, government subsidies and funds of funds.

Implementation of public policy in the implementation of CSR-driven innovation in the renewable sector is not going to be realized in a short time. Need for transitions and adaptation policies further to save money in the future, then the next title of the study is "CSR IMPLEMENTATION IN PUBLIC POLICY BASED perspective SECTOR INNOVATION IN THE RENEWABLE ENERGY ELECTRICITY" is expected to find a formula to settle the issue of cooperation in the energy field. Public policy-driven innovation is also expected to complement the policies that already exist.

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The study is expected to answer several issues, namely:

1. How is the implementation of the concept of CSR, especially in the renewable electricity sector in Indonesia?
2. How is the public policy based on the utilization of CSR funds innovation in an effort to accelerate and expand the use of renewable energy sources in the electricity sector?

MATERIALS AND METHODS

According to data released by British Petroleum [1], the growth rate of consumption of natural gas are concentrated in the electricity sector, namely by 2.6% per year, defeating the natural gas consumption by industrial sector by 2% per year. In addition to natural gas, coal is also a major fuel for electricity generation. However, the data show that there is a tendency of consumption of coal as fuel for electricity generation has declined. According to British Petroleum [1], the natural gas replaced coal as fuel for electricity generation. Figure 1 below shows the trend of the results of the analysis and prediction of British Petroleum [1] against the percentage of the three fossil fuels as fuel for electricity generation.

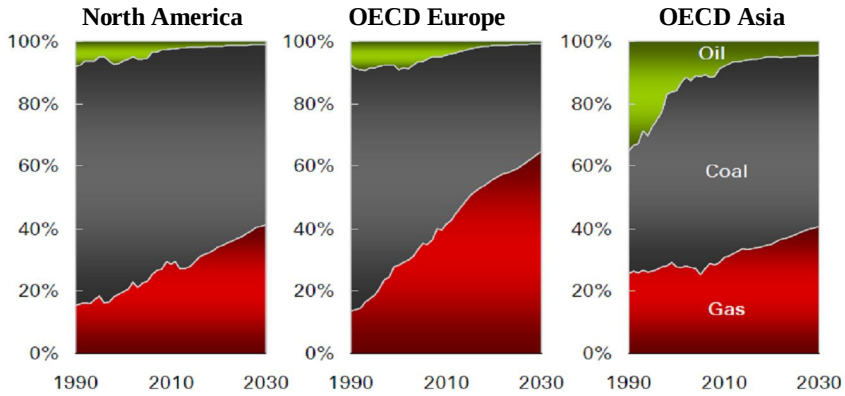

Figure 1. Percentage of electricity generated from fossil fuels
Sources: British Petroleum [1]

The picture above shows that in developed countries which are energy consuming countries of the world's largest, both in North America, Europe and Asia, the percentage of oil as fuel for electricity generation is much smaller when compared with the percentage of coal and natural gas .The same pattern was also seen at the global level as a whole. Figure 2 shows the share of multiple sources of energy as fuel for power generation at the global level.

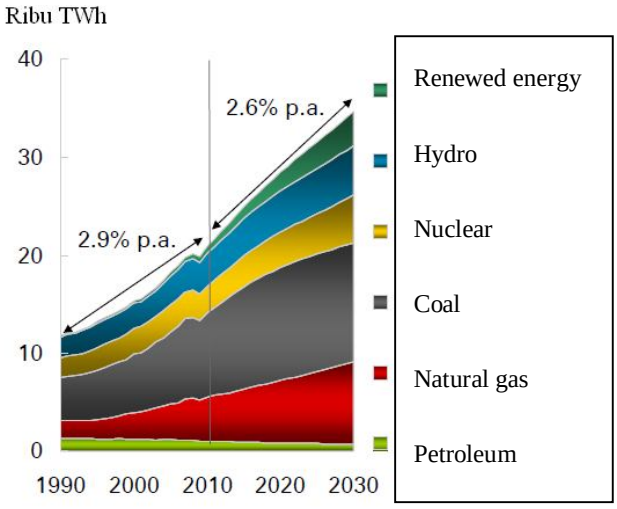

Figure 2. Some Sources of Energy as a share of Fuel Power Plant at Global level
Source : British Petroleum [1]

Figure 2 above shows that at the global level, fossil fuels still the primary fuel for electricity generation. British Petroleum [1] predicted it would last until 2030. Only, fossil fuels are used as the primary fuel power plants is not petroleum, but natural gas and coal.

The picture above also shows the analysis and prediction that the share of renewable energy is increasing as new fuel power plants. This is related to have begun intensive developed countries to take advantage of renewable energy sources to fuel its power plants. According to Katrin Jordan-Korte [2], this time almost all industrialized countries and many developing countries to promote renewable energy because of the background (a) the increasing demand for energy worldwide, (b) the concentration of reserves of fossil fuels in some of them vulnerable countries are likely to cause conflict so that a supply disruption, and (c) the threat of climate change.

The third background is certainly not a background that is only valid for certain countries only, but an objective reality, the background of all countries in the world. All countries in the world can not escape from the three background contexts. Third countries that do not take into account the background in energy policy would be faced with various risks in its energy consumption.

In Indonesia, the energy source to fuel power plants are concentrated in petroleum. Figure 3 below shows the portion of multiple energy sources to fuel power plants in Indonesia.

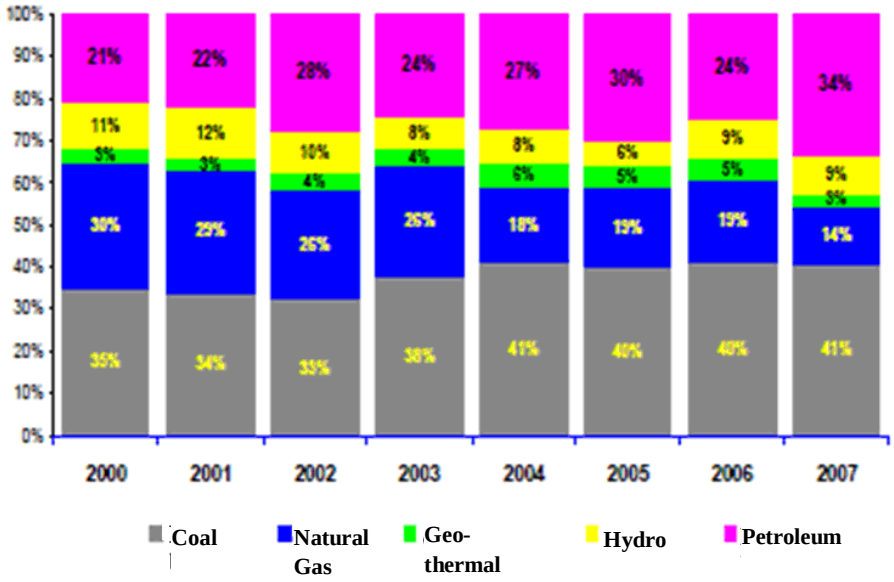

Figure 3. Serves as a source of energy fuel power plant in Indonesia in 2000 - 2007
Source : Kumara [3]

The need for oil to generate electricity are set in revenue expenditure budget (Budget) 2010 of 6.3 million kilo liters (Reuters 5/16/10). Fuel (BBM) still dominates the national electricity producer. Until the first semester, poorer PT PLN (Persero) is burning fuel to 4.7 million kiloliters (kl), or 21 percent of total national electricity production of 83.3 TWh (Terra watts per hour) (www.pln-prodki.co.id). From the above it was clear that Indonesia's dependence on oil to supply electrical energy to the community is still very large. This becomes particularly ironic when other reality shows that Indonesia's oil production capacity from time to time also decreased. It can be seen in Table 1 below:

Table 1. Indonesia Oil Production Data

Year	Oil	Condensate	Total
2005	339.253.904,00	46.454.875,00	385.708.779,00
2006	315.919.775,00	43.369.562,00	359.289.337,00
2007	304.897.012,00	43.417.933,00	348.314.945,00
2008	311.103.057,00	45.333.729,00	356.436.786,00
2009	293.287.023,00	43.973.814,00	337.260.837,00
2010	141.491.674,00	21.480.341,00	162.972.015,00

(In barrels) 1 barrel = 158.98 liters
Sources: Central Dept of data and information. Energy and Mineral Resources [4].

Judging from these data, it can be seen oil production has decreased from year to year, while demand for electricity will increase continuously. It can be assumed with the increase of population and industrial growth and domestic demand for electricity (electronic products). Not to the increasing number of national transportation every year and have not found a means of transportation that does not use fuel (fuel oil) is quite significant as the driving energy.

Currently the Indonesian government to provide subsidies for fuel by 70 trillion per year and imported 350 thousand barrels per day. When using the average price of oil at USD 50 per barrelnya, then the cost to import only about 15 trillion (www.bi.go.id [5]. Dependence on petroleum fuels to make electricity generation in Indonesia is very vulnerable to fluctuations in world oil prices. Experience shows that when the government raised fuel prices in 2008, many industries that transfer electricity to PLN consumption. Increased consumption was unfortunately not matched by an increase in electricity production capacity by PLN due to the limited ability to purchase energy. As a result, the policy was enforced blackouts. In Padang, because of power outages 2-4 times a day, small and medium businesses to lose millions of dollars per day (Regarding Indonesia, July 21, 2008). While Compass [6] reported that the business sector of medium and large industries in North Sumatra complained rising production costs to 20 percent of normal during the past three weeks. At least 20 SMEs to stop production due to power crisis.

RESULTS AND DISCUSSION

Proposition minor:

1. If the anatomy of the enactment of policies that exist in Indonesia csr goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
2. If the existence and acceptance of CSR of the industry (particularly in the electricity sector) in Indonesia related to ISO 26000 goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
3. If the forms of CSR activities in the electricity sector goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
4. If the pattern of organization and management of existing CSR management in various activities actualization goes well, it resulted in the implementation of CSR public policy perspective on innovation in the renewable electricity sector.
5. If public policy is made by the government (especially the Ministry of Energy and Mineral Resources) in terms of encouraging the use of renewable energy sources goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
6. If the institutional aspects in order to achieve the policy objectives goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
7. If the reality of the field (actual performance) on resource utilization in the field goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
8. If the response of policy makers on the government's efforts in the use of sources of renewable energy that goes well, then the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
9. If the policy alternatives CSR utilization of funds for the development of renewable energy sources in Indonesia goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
10. If the right model for the management of CSR funds for the purpose in accordance with the ISO 26000 goes well, then the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.
11. If built operational policy implementation strategy in the implementation model on field as part of public policy innovation goes well, the resulting implementation of CSR in the perspective of public policy-driven innovation in the sector of renewable electrical energy.
12. If the identification mapping policy actors as the main actors in the implementation of innovative policy models goes well, then the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector

Proposition major:

If the anatomy of the imposition of CSR policies, existence and acceptance of CSR, CSR activities forms, patterns of organization and management of CSR, public policy made by the Government in promoting the use of renewable energy sources, institutional aspects in order to achieve the policy objectives, the ground reality the utilization of resources in the field, the response of policy makers on the government's efforts in the use of

sources of renewable energy, the use of various policy alternatives CSR funds, the right model for the management of CSR fund management, operational policy implementation strategies in the implementation of the model in the field as part of public policy innovation, identification mapping policy actors as the main actors in the implementation of innovative policy models goes well then the resulting implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector.

CONCLUSION

With reference to the anatomy of the imposition of CSR policies, existence and acceptance of CSR, CSR forms, patterns of organization and management of CSR, public policy made by the government in terms of encouraging the use of renewable energy sources, institutional aspects in order to achieve the policy objectives, the fact field for the utilization of sources in the field, the response of policy makers on the existence of the government's efforts in the use of sources of renewable energy, various policy alternatives CSR utilization of funds, the right model for the management of CSR fund management, operational policy implementation strategies in the implementation of a model in the field as part of public policy innovation, identification mapping policy actors as the main actors in the implementation of innovative policy models, thus resulting in the implementation of CSR public policy perspective on innovation in the renewable electricity sector.

SUGGESTION

- In the implementation of CSR in the perspective of public policy-driven innovation in the renewable electricity sector, should involve all stakeholders in decision-making and soliciting input from academics, community leaders and other institutions for the implementation of CSR excellence in public policy perspective on innovation in the energy sector renewable electricity.
- Propose to the government to implement CSR in the perspective of public policy-driven innovation in the renewable energy sector electricity pro-people.
- Government is necessary to intervene to reduce the level of dependency on not renewable energy, while also doing not renewable energy usage restrictions that apply to all. Institutions that later would become the main managers and the management to upgrade the energy sources that will be a shift from being the majority of the use of energy sources not renewable transition to renewable energy and then continue the transition to renewable energy.
- Implementation of public policy in the implementation of CSR-driven innovation in the renewable sector is not going to be realized in a short time. Need for transitions and adaptation policies further to save money in the future.
- Policy makers to make the PP (Government Regulation) relating to: Finding funds and determining the CSR funds from employers or companies in the field of fossil energy.
- Establish an independent institution and managed by people who have the ability in the art, professional and transparent.
- Distribute funds properly and profitably through the way of funds and a large clear gradually replace the use of fossil energy with renewable energy in the electricity workforce in Indonesia, which started from remote, underdeveloped, isolated and border areas to the interests and sovereignty of the Republic of Indonesia which in turn is expected to be large and in the national electricity system

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