

The Role of Corporate Social Responsibility in Improving the Quality of Social Life and Environmental Sustainability and its Implications for National Political Dynamics

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Abstract: Corporate Social Responsibility (CSR) is a company's commitment to implementing business practices that are not only profit-oriented but also social and environmental aspects. This study aims to analyze the role of CSR in improving the quality of social life in the community and its contribution to environmental sustainability. In addition, this study also highlights how the implementation of CSR can influence national political dynamics, both through improving the company's image in the public eye and through pressure on policymakers to be more responsive to sustainability issues. Well-integrated CSR can create harmonious relationships between companies, communities, and governments. The implementation of CSR that focuses on education, health, local economic empowerment, and environmental preservation has been proven to improve social welfare and minimize the negative impacts of industrial activities on the environment. On the other hand, CSR activities also have political potential because they can shape public opinion, influence policy direction, and even be used as a tool for corporate diplomacy. Thus, CSR is not only an ethical instrument in the business world but also has a strategic impact on the social and political order at the national level. This study recommends a more holistic and sustainable CSR approach so that its benefits can be widely felt by all stakeholders.

Keywords: Corporate Social Responsibility, Social Life, Environmental Sustainability

INTRODUCTION

Sustainable development is now a central issue in modern business practices (Muhammad Wali, 2023). As global awareness of limited natural resources and social inequality increases, businesses can no longer pursue financial gain alone (Hasid, 2022). Demands from society, government, and consumers increasingly encourage companies to consider the social and environmental impacts of their business activities (Irawan, 2025). In this case, Corporate Social Responsibility (CSR) is no longer seen as an additional form of concern, but as an integral part of a responsible corporate strategy. CSR serves as a bridge between economic growth and the creation of fair, sustainable, and future-oriented social welfare (Rahman, 2024).

The concept of "profit with purpose" is now starting to replace the traditional business paradigm that only focuses on increasing profits. The business world is increasingly understood not only as an economic engine but as a social actor that can drive positive change in society (Khairin, 2024). This shift shows that sustainability is no longer just a moral choice, but rather part of the existential demands for the sustainability of the company itself. Modern consumers are more likely to establish relationships with companies that have a clear social mission, while governments and international institutions continue to raise expectations for corporate involvement in supporting sustainable development goals (Anggraeni, 2025).

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So that CSR practices do not stop at voluntary commitments alone, the existence of legal regulations is an important instrument that provides a clear and binding framework. Without regulation, there is a risk that CSR will only become a means of image building without real contribution to society (Laurencia, 2023). Legal regulations set minimum standards, encourage accountability, and create an ecosystem in which corporate social contributions can be measured and accounted for. Thus, the law plays a vital role in ensuring that CSR is not just a sweet slogan, but contributes to the quality of social life and environmental sustainability (Rohadi, 2024).

To understand CSR conceptually, reference to ISO 26000:2010 is important. This standard defines CSR as the responsibility of an organization for the impact of its decisions and activities on society and the environment, which is manifested through ethical and transparent behavior (Syach, 2022). ISO 26000:2010 outlines various dimensions of CSR, including economic, social, and environmental aspects, which must be implemented in an integrated manner. The economic dimension requires companies to create sustainable added value; the social dimension encourages respect for human rights and community development; while the environmental dimension directs companies to maintain ecological balance (Ayyash, 2023).

Within the framework of legal theory, CSR is rooted in the Theory of Corporate Social Responsibility, which emphasizes that companies must pay attention to the interests of all stakeholders, not just shareholders (Yudarwati, 2023). This concept rejects the classical idea that the only responsibility of a corporation is to maximize profits. Instead, companies are seen as having moral and legal responsibilities to the surrounding community, to their employees, and to environmental sustainability (Achmad, 2023). Through this perspective, CSR is positioned as a legal and ethical obligation that cannot be ignored.

Apart from that, the theory of Social Justice and Sustainable Development also enriches the understanding of CSR. According to this theory, justice is not only measured by the fair distribution of wealth but also by the protection of the rights of future generations (Santoso, 2021). Sustainability-oriented development demands that today's business activities do not damage the capacity of future generations to meet their needs (Nugraha, 2024). In the CSR context, it suggests that companies must design policies and programs that not only provide short-term benefits but also consider their impacts over a longer time horizon (Amyulianthy, 2025).

CSR, in practice, plays an important role as a form of non-state contribution in organizing public welfare (Octaviani, 2022). Amidst the limited resources and capacity of the state to meet all the needs of the people, the presence of responsible corporations can become strategic partners for the government. Through CSR programs, companies can fill gaps in social services, accelerate the development of basic infrastructure, support education, expand access to health services, and create inclusive employment opportunities (Nurozi, 2024). This contribution reinforces the position of the private sector as one of the pillars of modern social welfare architecture.

In social relations, CSR forms a dynamic tripartite relationship between corporations, communities, and governments. Corporations, with their resources and capabilities, act as development agents that complement government efforts to create prosperity. Communities, as beneficiaries, not only play a passive role, but also actively contribute to designing, implementing, and supervising CSR programs so that they truly meet their real needs. Meanwhile, the government acts as a regulator and facilitator that directs all CSR initiatives to run in line with national interests and the principles of social justice (Aguinis, 2024).

In reality, the relationship between these three actors does not always run harmoniously. Sometimes, there is tension that arises due to imbalances of interests, low transparency, or different expectations. However, on the other hand, this relationship also opens up space for productive collaboration. When corporations can read social needs correctly, when communities are empowered to participate, and when governments carry out their supervisory functions fairly, CSR becomes a transformative force that can bring about significant social change. This is why CSR is not just a voluntary activity, but an integral part of social governance in the contemporary era.

Thus, CSR becomes one of the strategic instruments for building a just, prosperous, and sustainable society (Sakti, 2021). CSR practices that are oriented towards sustainability, based on strong legal regulations, and inspired by a philosophical understanding of social justice, have great potential to strengthen the foundations of living together. Ultimately, the business world and civil society are no longer seen as separate entities, but as equal partners in the long journey towards humane and sustainable development.

RESEARCH METHODS

This study uses a normative juridical method, namely a legal research approach that focuses on literature studies to examine positive legal norms governing Corporate Social Responsibility (CSR) in Indonesia. The data used in this study comes from primary legal materials, such as Law No. 40 of 2007 concerning Limited Liability Companies, Law No. 6 of 2023 concerning the Stipulation of Perppu No. 2 of 2022 concerning Job Creation into Law, Law No. 32 of 2009 concerning Environmental Protection and Management, and various implementing regulations such as Government Regulation No. 47 of 2012 and PP No. 22 of 2021. In addition, secondary legal materials such as books, journals, research reports, and official documents of international organizations such as ISO 26000:2010, UN Global Compact, and Sustainable Development Goals (SDGs) 2030 documents were also analyzed to enrich theoretical and conceptual understanding of CSR. This research was conducted by identifying relevant legal norms, examining the principles underlying the formation of regulations, and analyzing the relationship between CSR regulations and their impacts on social life, environmental conservation, and national political dynamics. Data analysis techniques were conducted qualitatively by describing and interpreting legal provisions and related documents, to produce a comprehensive understanding that can be the basis for arguments in formulating research conclusions and recommendations.

RESULTS AND DISCUSSION

Legal Regulations Regarding Corporate Social Responsibility in Indonesia in Sustainable Development

Legal regulations regarding Corporate Social Responsibility (CSR) in Indonesia have a strong foundation, starting from Law No. 40 of 2007 concerning Limited Liability Companies. Article 74 paragraph (1) stipulates that companies that carry out their business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibilities. This provision emphasizes that CSR is not just a voluntary activity, but a legal obligation that must be fulfilled by certain companies. Paragraph (2) even stipulates that this responsibility must be included in the company's General Meeting of Shareholders (GMS) as part of the annual report, showing that the fulfillment of this social obligation is an integral part of good corporate governance (Nuriyatman, 2024).

Strengthening CSR regulations continued with the enactment of Law No. 6 of 2023 concerning the Stipulation of Government Regulation instead of Law No. 2 of 2022 concerning Job Creation into Law. This Job Creation Law, which replaces Law No. 11 of 2020, still maintains provisions related to CSR, especially in the natural resource-based business sector. In the Appendix and several provisions related to the environmental and employment sectors, the importance of sustainability and management of social impacts as part of corporate obligations is emphasized. Although the terminology of CSR is not explicitly mentioned in the main text, the principle of social responsibility is internalized in various obligations of the new sectors.

In addition to the Law, technical regulations on CSR are outlined in Government Regulation No. 47 of 2012 concerning the Social and Environmental Responsibility of Limited Liability Companies. Article 3 of this Government Regulation reaffirms that social and environmental responsibility is a corporate obligation that must be planned, implemented, and accounted for in the annual report. Not only that, PP No. 47/2012 also broadens the understanding of CSR by emphasizing the need to implement CSR activities proportionally to the company's capabilities and in line with the principles of sustainable development. This regulation is a critical instrument in ensuring that the concept of CSR is not just jargon, but is truly realized in concrete actions.

The environmental dimension of CSR in Indonesia is further regulated in Law No. 32 of 2009 concerning Environmental Protection and Management (UU PPLH). Article 67 emphasizes that everyone is obliged to maintain the sustainability of environmental functions and control environmental pollution and/or damage. For corporations, this provision means that business activities must pay attention to the principles of prudence and sustainability. CSR in the environmental sector is realized through various initiatives, such as reforestation, conservation, carbon emission reduction, and industrial waste management. This approach shows that environmental protection is not only the government's responsibility but also an integral part of corporate social obligations.

In the context of more specific environmental obligations, Government Regulation No. 22 of 2021 concerning the Implementation of Environmental Protection and Management strengthens the principle of corporate social responsibility. This regulation emphasizes that every activity and/or business that has the potential to cause significant impacts on the environment is required to prepare an AMDAL (Environmental Impact Analysis) document. This AMDAL document must include an environmental management and monitoring plan, which substantially intersects with CSR programs in the environmental sector. Thus, companies are not only required to manage negative impacts but are also expected to contribute positively to the quality of the environment.

In the management of the natural resources sector, companies are required to allocate funds for the implementation of CSR, especially if their business activities have the potential to cause significant damage or environmental change. This funding is not only used to mitigate impacts but also to empower communities around the operational area. This reflects the principle that companies must provide real benefits to communities affected by their operations. This practice also shows that CSR is part of the mechanism for distributing social-ecological justice in national economic development.

In addition to domestic regulations, international standards also play an important role in shaping the CSR framework in Indonesia. One of them is the principles of the UN Global Compact, which includes commitments to human rights, labor standards, the environment, and the eradication of corruption. Companies that adopt these principles voluntarily commit to integrating these principles into their business and operational strategies. The UN Global

Compact serves as a moral and operational reference in expanding the scope of CSR to the realm of global responsibility while strengthening the position of Indonesian corporations in international market competition.

Furthermore, the 2030 Sustainable Development Goals (SDGs) agenda is also an important pillar in CSR practices. The SDGs, which consist of 17 global goals, encourage corporations to contribute to the achievement of sustainable development goals, such as poverty eradication, gender equality, clean energy, decent work, and action on climate change. In the national context, various CSR programs are aligned with the SDGs targets, showing that companies are no longer operating in a vacuum, but rather within a concrete framework of global responsibility. Implementing SDGs-based CSR enables companies to not only build a good reputation but also ensure long-term business sustainability.

The Role of CSR in Improving Social Life, Environmental Sustainability, and National Political Dynamics in Society

Corporate Social Responsibility (CSR) programs have a real contribution to improving the quality of social life in society, especially in areas directly exposed to the company's business activities. Through educational programs such as providing scholarships, building school facilities, and skills training, companies expand community access to better opportunities. In the health sector, CSR is present in the form of free health services, building health centers, and providing clean water. Meanwhile, in the community-based economic empowerment sector, CSR programs encourage the formation of local cooperatives, training for small and medium enterprises, and providing business capital assistance. All of these efforts show that CSR is not just a matter of momentary charity activities, but rather part of a strategy to strengthen the social capacity of the community in a sustainable manner.

The implementation of targeted CSR can also be aligned with the national legal framework, as regulated in Law No. 6 of 2014 concerning Villages. This law emphasizes the importance of development based on village community participation and local economic empowerment. CSR programs that support village development, such as road infrastructure, irrigation, and village-based tourism development, not only help companies build a positive image but also support the achievement of national goals in strengthening village independence. This synergy proves that collaboration between the business world and village governments can be an effective driver in realizing equitable development.

In environmental conservation, CSR functions as an important instrument to minimize the negative impacts of industrial activities. Reforestation programs on ex-mining land, conservation of water catchment areas, and rehabilitation of natural habitats are a manifestation of the company's commitment to ecosystem restoration. Not only that, many companies have initiated renewable energy development programs, such as the construction of Solar Power Plants (PLTS) in remote areas, as a form of contribution to the clean energy transition. Through this approach, CSR takes an active role in supporting the reduction of carbon emissions and maintaining the sustainability of natural resources for future generations.

The concept of sustainable development places environmental preservation as one of its main pillars. CSR that is integrated with the principles of sustainable development requires companies to not only focus on economic growth but also on ecological balance and social justice. When companies implement CSR programs that are oriented towards environmental conservation, they contribute to strengthening the resilience of local ecosystems while maintaining the environmental carrying capacity for future economic activities. This shows

that true economic success is no longer measured solely by growth rates, but also by the extent to which ecosystems remain sustainable and communities receive sustainable benefits.

In the context of national politics, CSR is often used as an image-building instrument, both by companies and political actors affiliated with the company. Through the publication of CSR programs, companies build narratives about social concern and moral responsibility, which can ultimately increase legitimacy in the eyes of the public. This positive image, indirectly, influences political dynamics because actors connected to the company can gain public sympathy. In this case, CSR is not only a tool to strengthen the corporate brand, but also part of a strategy to expand socio-political influence.

In addition to being an image-building instrument, CSR also functions as an advocacy tool to encourage changes in public policy. Through the implementation of programs that raise strategic issues such as inclusive education, clean energy, or public health, companies are able to demonstrate the importance of government attention to these sectors. In some cases, real experiences of CSR implementation are even used as advocacy materials for policymakers, to introduce new models of more effective social management. Thus, CSR becomes an indirect channel to strengthen private sector participation in the national policy formulation.

CSR practices also pave the way for the birth of corporate diplomacy, a corporate strategy for building political relations with the government, civil society organizations, and the international community. Through cooperation in social or environmental programs, companies can strengthen relations with key stakeholders who play a role in determining the direction of regulations and policies. CSR-based corporate diplomacy prioritizes a partnership approach, not just transactional business relations, thus strengthening the company's position in the national and global power map. On the other hand, this also creates opportunities for broader dialogue about sustainable and inclusive business practices.

The relationship between CSR and national politics is ultimately dynamic. CSR can strengthen the social legitimacy of companies, but at the same time opens up opportunities for the emergence of community demands for broader participation in decision-making. When the public sees that companies can manage social responsibility well, pressure on the state to adopt higher sustainability standards also increases. In situations like this, CSR is no longer just a complement to business activities, but part of a social movement that demands changes in the public policy system and the relationship between the private sector and the public sector.

CSR that is carried out seriously, consistently, and transparently has great potential to improve relations between corporations, the state, and civil society. However, it is important to remember that the success of CSR in bringing about positive socio-political change is highly dependent on the integrity of its implementation. If CSR is only used as a cosmetic tool without real changes in business orientation, then the risk of public disappointment will be greater. On the other hand, when CSR truly becomes a long-term commitment to sustainable development, it can be a transformative force that strengthens democracy, social justice, and environmental sustainability at the national level.

CONCLUSION

The role of Corporate Social Responsibility (CSR) in improving the quality of social life, preserving the environment, and influencing national political dynamics is increasingly showing an urgency that cannot be ignored in the modern development landscape. CSR has evolved from merely a moral obligation to an integral part of a sustainable and ethical corporate strategy. Through community empowerment programs, strengthening village capacity, education, health, and natural resource conservation, CSR contributes directly to achieving sustainable development goals as stated in the national and international agendas. In addition

to improving relations between companies and communities, CSR can build a more inclusive political climate, where the private sector plays a role not only as an economic actor but also as part of a collective solution to social and environmental challenges. In the context of Indonesian law, the existence of regulations such as Law No. 40 of 2007, Law No. 6 of 2023, and various derivative regulations have become an important foundation to ensure that CSR is not just an option, but part of a corporate obligation that makes a real contribution to the life of the nation and state. For the benefits of CSR to be felt more widely, the approach taken by companies needs to be holistic, consistent, and long-term oriented. Companies are required to not only run CSR programs as a means of image building but to truly build a sustainable partnership model with the community and government. On the other hand, the state also needs to strengthen supervision and encourage innovation in the implementation of CSR so that it is more directed at the real needs of the community and environmental preservation. Increasing transparency, expanding the space for public participation in the planning and evaluation of CSR programs, and encouraging harmonization with national development policies are important steps to maximize CSR's contribution to Indonesia's social and political transformation. With solid collaboration between companies, communities, and government, CSR can be a driving force for change toward a more just, sustainable, and dignified future for all levels of the nation.

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