

## **Implementation Of Corporate Social Responsibility (CSR) Policy in Bogor City**

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**Keywords**

**Abstract**

Corporate Responsibility, Implementation, Development Nonconventional of Financing

Social Policy Financing, Sources

Corporate Social Responsibility (CSR) is a source of non-conventional financing that can be used as an alternative for local governments in providing infrastructure and development due to not maximizing regional income. The Bogor City Government realizes the importance of using CSR as a source of non-conventional financing by enacting Regional Regulation no. 6 of 2016 and Bogor Mayor Regulation No. 69 of 2017. This study aims to determine the implementation of CSR policies in Bogor City. Data collection was carried out through document review and in-depth interviews to then be analyzed using descriptive qualitative analysis techniques. The results of the study show that CSR regulations in Bogor City have not been fully implemented, especially those related to CSR financing, implementation mechanisms, monitoring and control, as well as awarding and administrative sanctions. The regulation, which should have been implemented gradually since 2016, has not yet been socialized optimally to all companies in Bogor City, one of which is due to the COVID-19 pandemic. When associated with the theory of policy implementation, Bogor City already has an organization according to CSR policies, with the establishment of a facilitation team and secretariat, as well as a CSR forum. However, there is not yet a common interpretation of CSR policies, especially among companies, so that the impact on the not yet optimal application of Bogor City's CSR policies. The incompatibility of the implementation of this CSR policy ultimately has an effect on the not maximal contribution of CSR to the development of Bogor City.

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### **INTRODUCTION**

Limited development financing remains a challenge for most local governments in Indonesia (Waskitaningsih et al., 2022; Artiningsih et al., 2019; Machmud, 2015). Population growth has led to increased demand for infrastructure and urban services, resulting in higher development costs. Meanwhile, development budgets tend to be limited, as most local governments still rely on conventional financing sources for development (Machmud, 2015). Therefore, it is crucial for local governments to seek non-conventional financing sources to reduce the burden of development financing (Gastaldi, 2025; Singh, 2024; Widodo et al., 2025).

Financing from the public and private sectors can be one solution for regional development financing (Danladi et al., 2023; Oyegbade et al., 2022). In addition to reducing dependence on conventional financing sources, involving the public and private sectors can also encourage both parties to participate in maintaining urban infrastructure and services through a sense of ownership (Machmud, 2015). One non-conventional financing source with significant potential for utilization is Corporate Social Responsibility (CSR), also known as corporate social responsibility (Waskitaningsih et al., 2022; Artiningsih et al., 2019; Machmud, 2015; Machmud, 2015).

CSR can be defined as a company's responsibility to contribute to improving public health and welfare, as well as sustainable development (Kurniawan et al., 2024; Sakir & Arni, 2023). This definition demonstrates that companies can contribute to improving community welfare through development if CSR is managed in an integrated manner and aligned with regional development programs (Ashurov et al., 2024; Fallah Shayan et al., 2022; Wirba, 2024). To ensure the implementation of Corporate Social Responsibility (CSR) policy in Bogor City, the government mandates CSR as an obligation through Law No. 40 of 2007 concerning Limited Liability Companies, Law No. 25 of 2007 concerning Investment, and Government Regulation No. These include Law No. 47 of 2012 concerning the Social and Environmental Responsibility of Limited Liability Companies, and Regulation of the Minister of State-Owned Enterprises No. Per-5/MBU/2007 concerning the SOE Partnership Program with Small Businesses and the Community Development Program. The establishment of these laws and regulations provides a basis for regional governments to develop more detailed CSR regulations and coordinate companies to implement CSR in accordance with regional government programs. This will reduce the burden on regional government budgets for development.

Research on CSR as a non-conventional source of development financing has been conducted. First, research focused on opportunities for CSR as a non-conventional source of financing in Semarang City in 2013 and 2019. The 2013 research discussed opportunities for implementing CSR to support Semarang City's development, given that there are no regional regulations on CSR, but the Semarang City Government already has a program encouraging companies to focus on it (Kurniawan et al., 2024; Sakir & Arni, 2023). Meanwhile, research on CSR in 2019 focused on opportunities to utilize non-conventional financing sources for infrastructure development, where CSR is one of the instruments (Rohyati & Suropto, 2021; Susanto & Ardini, 2016; Van Der Merwe & Al Achkar, 2022).

Research on policy implementation has also been conducted. Ponto et al. (2016) examined the implementation of environmental-based development program policies, comparing them to three main activities in policy implementation: organization, interpretation, and application. Pamungkas (2017) examined integrated CSR management arrangements linked to other regulations, including regulations on regional grants and government accounting standards. This study also examined the dynamics of implementation in the field and the associated problems. Kusuma and Ginting (2021) conducted research on local government strategies in CSR management, compiled using a SWOT analysis. Research on CSR management strategies by local governments was also conducted by Kurniawan (2019), who focused on regulatory implementation from the perspective of policy content and policy context, analyzing the application of local regulations on CSR. Meanwhile, Ngiu et al.'s (2021)

research focused more on the role of local governments as facilitators, regulators, and catalysts in managing CSR. These studies demonstrate that no research has focused on the substance of CSR policy implementation and compared it with the three main activities in CSR policy implementation.

The Bogor City Government has recognized the importance of CSR as an opportunity to become a source of non-conventional development financing by establishing Bogor City Regional Regulation No. 6 of 2016 and Bogor Mayoral Regulation No. 69 of 2017. Through these regulations, the Bogor City Government can coordinate corporate CSR activities and direct companies to implement CSR based on regional development programs. However, since the enactment of these regulations, the implementation of Corporate Social Responsibility (CSR) policy in Bogor City has not been studied.

This study aims to analyze the extent to which the implementation of Corporate Social Responsibility (CSR) policy in Bogor City can serve as a non-conventional source of development financing that supports local government priority programs. Specifically, the research focuses on the application of Bogor City Regional Regulation No. 6 of 2016 and Bogor Mayoral Regulation No. 69 of 2017 in directing and coordinating corporate CSR initiatives to align with regional development needs.

The benefits of this research are twofold: theoretically, it contributes to the academic discourse on CSR policy implementation at the local level; and practically, it provides strategic recommendations for the Bogor City Government to strengthen synergy with the private sector. Therefore, the findings are expected to optimize the role of CSR as an alternative development financing mechanism, reduce reliance on conventional funding sources, and enhance community welfare in a sustainable manner.

## **RESEARCH METHOD**

This research used document review and in-depth interviews as data collection techniques. Document review was conducted both online and through the Regional Development Planning Agency (Bappeda) to gather data and policy documents related to CSR (Kurniawan, 2019). In-depth interviews were conducted with Bogor City Bappeda, the institution managing CSR. These interviews aimed to obtain information not available from secondary data, such as CSR policy implementation and challenges faced in the field (Ngiu et al., 2021).

The research employed descriptive qualitative analysis to narratively describe and explain the facts and phenomena observed. This approach was used to analyze qualitative data from interviews and descriptive sources.

## **RESULT AND DISCUSSION**

### **CSR Policy**

Bogor City has regulations on CSR, also known as Corporate Social and Environmental Responsibility (CSR), namely Regional Regulation No. 6 of 2016 concerning CSRSR and Bogor Mayoral Regulation No. 69 of 2017 concerning Implementing Regulations of Bogor City Regulation No. 6 of 2016 concerning CSRSR. Regulation No. 6 of 2016 regulates CSR programs, CSR management, and the mechanisms and procedures for implementing CSR programs. Bogor Mayoral Regulation No. 69 of 2017 contains a more detailed explanation,

such as financing, programs, partners, CSR forums and managers, implementation mechanisms and procedures, implementation procedures, and the application of administrative sanctions.

In terms of substance, both regulations provide detailed explanations of CSR implementation rules in Bogor City. Adapting Machmud's statement (2015), the Bogor City Government has interpreted CSR as a liability, with regulations regulating CSR implementation obligations and binding sanctions. Furthermore, referring to Hakim et al.'s statement, (2019), the existence of these regulations demonstrates that the Bogor City Government has fulfilled its role and function in policy delivery by acting as a CSR regulator. Furthermore, the Bogor City Government has also sought to utilize CSR opportunities as an alternative source of development financing, based on Law No. 40 of 2007, Law No. 25 of 2007, Government Regulation No. 47 of 2012, and Regulation of the Minister of State-Owned Enterprises No. Per-5/MBU/2007.

### **CSR Management and Forum**

To implement CSR regulations, the Bogor City Government has established a CSR management team consisting of a facilitation team and a secretariat. The facilitation team consists of elements from the regional secretariat or regional apparatuses handling the areas of planning, education, health, religion and social affairs, infrastructure, the environment, the economy, arts and culture, sports, as well as control, evaluation, and reporting. In its implementation, this team consists of elements from the regional secretariat and is under the coordination of the Regional Development Planning Agency (Bappeda). In 2017, based on an interview with the Head of the Sub-Division of Government Research and Development and Regulatory, Social, and Population Assessment of the Bogor City Regional Development Planning Agency (Bappeda), CSR was managed by the Economic Planning, Research, and Development Division of the Bogor City Bappeda. However, in 2021, CSR became the responsibility of the Funding and Evaluation Division of the Bogor City Bappeda Development Program.

The Bogor City Government also established a CSR forum. This forum consists of CSR partners, including companies engaged in CSR, academics, NGOs, and other institutions/organizations. This forum serves as a platform for outreach, communication, and coordination between CSR partners and the facilitation team and was only established in 2018. Based on the interview, this forum will also host annual "Coffee Morning" and "CSR Celebration" events. "Coffee Morning" is held at the beginning of each year to promote the Bogor City Government's development programs implemented through CSR, while "CSR Celebration" is held at the end of the year as a platform to recognize and reward companies engaged in CSR. This event was originally scheduled to begin in 2020, but was postponed due to the COVID-19 pandemic. Furthermore, the Bogor City Government created the website [csr.kotabogor.go.id](http://csr.kotabogor.go.id) as the primary platform for companies to implement CSR. This website was completed in 2019.

### **CSR Financing**

Based on Regional Regulation No. 6 of 2016 and Bogor Mayoral Regulation No. 69 of 2017, CSR funds can be allocated from a portion of net profit after tax or from other budget

items determined by the company. Companies are also required to submit a report on the proportion of funding allocated to CSR activities annually to the facilitation team.

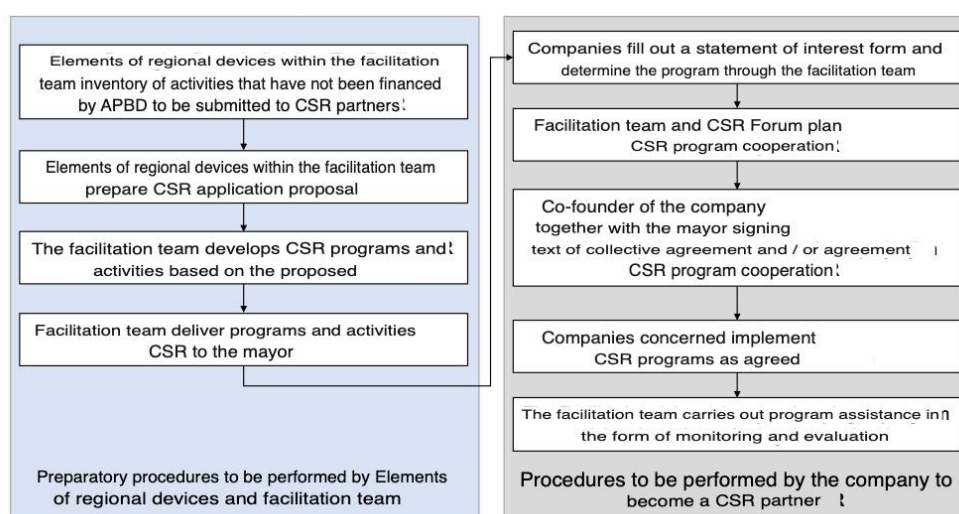
In practice, not all CSR companies report their proportion of funding. According to interviews, this is difficult to achieve, especially during the COVID-19 pandemic, which has resulted in a decline in companies' contributions to CSR. The continued willingness of companies in Bogor City to implement CSR during the pandemic is a positive step that deserves appreciation.

### CSR Implementation Mechanism

Bogor Mayoral Regulation No. 69 of 2017 explains that the CSR implementation mechanism is under the coordination of the Bogor City Regional Development Planning Agency (Bappeda), as illustrated in Figure 1. In practice, this mechanism has not been fully implemented. There are two CSR implementation mechanisms in Bogor City, including:

Companies implementing CSR follow procedures established by the Bogor City Government through regulations (as shown in Figure 1). This is typically done by large companies. For example, the 2020 city park development and village improvement programs are programs of the Bogor City Housing and Settlement Agency and implemented through CSR by BTN, Telkom, BJB, and Bank Mandiri.

- 1) When linked to the CSR model proposed by Bahri (2016) and Saidi & Abidin (2004) in Machmud (2015), this CSR implementation mechanism is categorized as a partnership model with other parties, namely government agencies (the Bogor City Regional Development Planning Agency), although the Bogor City Regional Development Planning Agency only serves as a facilitation team in developing plans and providing assistance with CSR programs.
- 2) Companies implementing CSR independently carry out CSR activities and report to the facilitation team after the activities are completed. This is generally done by multinational companies that have their own CSR policies at the central level, as well as local and small companies/business units in Bogor that only implement small-scale CSR within their business premises.



**Figure 1. CSR Implementation Mechanism Under the Coordination of the Bogor City Government**

Source: Bogor City Government (2017)

In relation to the CSR models of Bahri (2016) and Saidi & Abidin (2004) in Machmud (2015), this CSR implementation mechanism is classified as a direct involvement model, with the company organizing its own activities or handing over donations to the community without intermediaries.

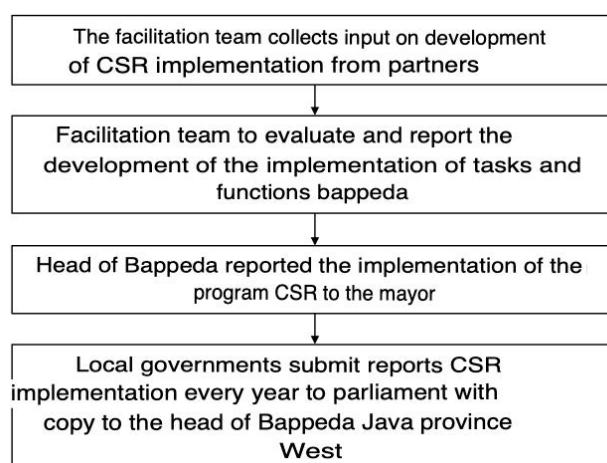
### **CSR Monitoring and Control**

In its monitoring and control, the facilitation team can: (1) request reports and data on the progress of CSR programs and partners every three months and/or after each CSR program is completed; (2) conduct audits of CSR program implementation before and after the CSR program is implemented; and (3) provide recommendations for the implementation of sanctions. In its implementation, CSR monitoring and control have not been fully implemented, particularly regarding the provision of recommendations for the implementation of sanctions.

### **CSR Evaluation and Reporting**

In Bogor Mayoral Regulation No. Regulation No. 69 of 2017 explains that CSR evaluation and reporting are conducted through the procedures shown in Figure 2.

CSR evaluation and reporting have essentially been carried out in accordance with regulations, with the preparation of annual monitoring and evaluation reports on CSR activities since 2019 as a form of accountability to the Mayor and the Bogor City Council (DPRD). However, the reporting process has not yet fully complied with regulations. Several reporting methods used by CSR companies include: (1) through the official channel, namely the website [csr.kotabogor.go.id](http://csr.kotabogor.go.id), and (2) through report documents submitted directly to the Regional Development Planning Agency (Bappeda). Furthermore, it is possible that some CSR companies do not report because their CSR activities are carried out by small, micro-scale companies. For example, CSR activities carried out by small cafes in the surrounding area are not documented by the facilitation team.

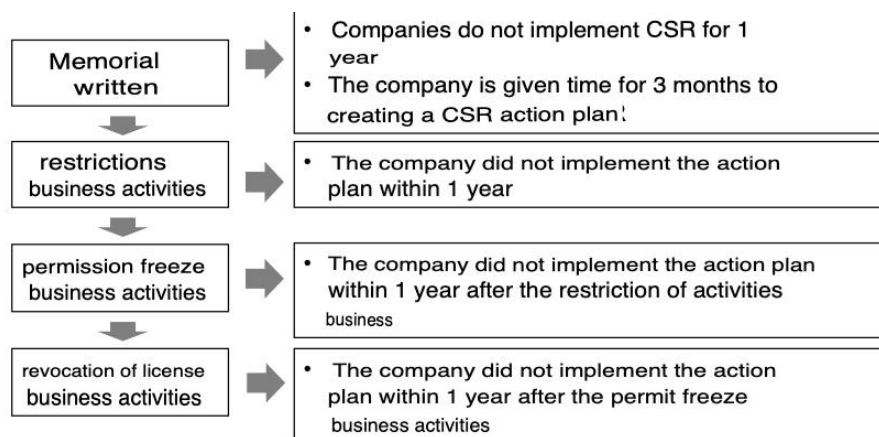


**Figure 2. CSR Evaluation and Reporting**

Source: Bogor City Government (2017)

### Awards and Administrative Sanctions

According to CSR regulations, the Bogor City Government can award awards to companies implementing CSR in the form of certificates, plaques, medals, and/or other forms in accordance with statutory provisions. The Bogor City Government can also impose sanctions (punishments) on companies that fail to implement CSR, in the form of written warnings, restrictions on business activities, suspension of business permits, and revocation of business permits (Figure 3).



**Figure 3. Gradual Imposition of Sanctions on Companies**  
 Source: Bogor City Government (2017)

In practice, awards and administrative sanctions have not been implemented as intended. The Bogor City Government appears to be less than firm and reluctant to implement administrative sanctions, especially during the COVID-19 pandemic. According to interviews, implementing sanctions during the pandemic seems unethical. The awards were originally planned in 2020 through the "CSR Festival" event held by the CSR forum at the end of each year. However, this event has not yet taken place due to the COVID-19 pandemic.

### Issues in CSR Policy Implementation

Overall, CSR policy in Bogor City has not been fully implemented. Of the several components stipulated in Regional Regulation No. 6 of 2016 and Bogor Mayoral Regulation No. 69 of 2017, only the CSR management/facilitation team and forum, as well as CSR evaluation and reporting, have been fully implemented according to regulations. The financing components, implementation mechanisms, monitoring and control, and CSR evaluation and reporting have also begun to operate according to regulations, although not all CSR companies have complied. Meanwhile, the awarding of awards and administrative sanctions has not been implemented at all.

There are two underlying reasons: (1) the lack of socialization of CSR policies to all companies and the Bogor City community, and (2) the Bogor City Government's lack of firmness in implementing CSR policies. Regulations passed in 2016 and 2017 required a support system for policy implementation, such as the formation of a facilitation team, a CSR forum, and a CSR website, which was completed in 2019. Socialization, originally scheduled to begin in 2020, was delayed due to the COVID-19 pandemic. Furthermore, the Bogor City

Government was also deemed insufficiently firm and reluctant to socialize and implement CSR policies during the COVID-19 pandemic. Beyond ethical concerns, the pandemic required the Bogor City Government's focus to shift to the health sector and economic recovery. However, despite these challenges, the willingness of companies to continue implementing CSR during the pandemic is commendable.

When linked to the policy implementation theory proposed by Charles O. Jones and cited by Ponto et al. (2016), of the three main activities, namely organization, interpretation, and application, only the organization has been running well. Bogor City has an organization to implement the Bogor CSR policy. This organization includes CSR management, namely the facilitation team and secretariat, as well as a CSR forum that has an organizational structure with adequate resources, while the website is a method to facilitate the operationalization of the CSR policy. In terms of interpretation, there is no shared understanding and perception among stakeholders, namely the government, companies, and the community regarding the Bogor City CSR policy. This is evident from (1) the continued absence of companies that have not followed the CSR implementation mechanism according to the rules; and (2) the continued absence of many companies that have not reported the proportion of funding for their CSR implementation and activities. This lack of shared interpretation may be caused by the lack of comprehensive socialization of the CSR policy, which ultimately impacts the less than optimal application of the Bogor City CSR policy. The Bogor City Government has provided services related to the CSR policy, both through the website and the CSR forum, but these services are considered less than optimal. The lack of awards and the application of sanctions for companies, as well as the less than optimal CSR monitoring and control mechanisms are another reflection of the lack of commitment of policy implementers. Therefore, a more optimal role for the Bogor City Government is needed, considering that the government does not only play a role as a policy maker, but also as a facilitator and dynamic agent for the business world in carrying out social responsibility towards the community.

## **CONCLUSION**

The Bogor City Government has formally recognized CSR as a non-conventional development financing source through Regional Regulation No. 6 of 2016 and Mayoral Regulation No. 69 of 2017, which detail various aspects of CSR implementation. However, only the CSR management and forum, along with evaluation and reporting components, have been effectively implemented; other components, including awards and administrative sanctions, remain unimplemented due to limited socialization and weak enforcement by the government. While CSR policies are well managed organizationally, a lack of shared understanding among stakeholders has led to suboptimal application, limiting CSR's potential to alleviate development financing burdens in Bogor City. Future research should investigate strategies to improve stakeholder engagement and enforcement mechanisms to maximize CSR's impact on regional development financing.

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