

Social Responsibility in the Development of the Community's Seven Tribes in the Region of the PT. Freeport Papua, INDONESIA

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Abstract:- This type of qualitative research approach through Phenomenology, the results showed that CSR activities conducted by the company is not optimal is done, the company hasn't been paying attention to the interests of the community in particular and the seven tribes communities in General, we can see that the company should pay attention to the balance in the intense lebin surroundings, currently seven tribes accept the fact that the presence of Freeport in the life and activity of their . Freeport has entered the lives of seven tribes in depth and presents new problems for them, for example the loss of customary rights over the land, the destruction of socio-economic system, destruction of the environment and natural resources resulting from changes in the ecosystem, including the occurrence of various acts of violence which could be categorized as prolonged human rights violations. Society of seven tribes have different local wisdom in every area of indigenous land, so that Corporate Social Responsibility programs must be tailored to local conditions. This has as a consequence the company *keberdayaan* as "Agents of Development" amongst the people is thus very important for the company to know the social, economic and cultural conditions of the local community.

Keywords:- Land.

I. INTRODUCTION

In the global context, the term Corporate Social Responsibility began to be used since the 1970 's and has become increasingly popular, especially after the presence of the book *Cannibals With Forks: The Triple Bottom Line in 21st Century Business* (1998), by John Elkington. Develop three essential components of sustainable development, namely, economic growth, environmental protection, and social equity, which was initiated by the World Commission on Environment and Development (WCED) in the Brundtland Report (1987), Elkington Pack the CSR into three focus: 3 p, stands for profit, the Earth and the people. Good companies do not only hunt down a mere economic profit (profit) but also has a concern for environmental sustainability and the well-being of the community.

The obligation for companies to implement a Corporate Social Responsibility (CSR), in the last few years is an important issue that has become a contentious

and much attention by various circles. These issues not only in the homeland, Corporate Social Responsibility has become a global issue that got widespread attention from among the market participants, the heads of State of the United Nations (UN), financial institutions and international business. The emergence of the Global Compact, the Global Reporting Inisiatives (GRI), and ISO 26000 on CSR indicated that CSR is becoming crucial issues as well as global business activities that should be serious attention from business and the corporate world.

In General, the company was founded with the goal to achieve optimum profit or advantage. To achieve that goal, the company is always trying to find opportunities and a chance to do something that can provide added value, so that the company's goals are achieved. If it cannot be controlled, it is likely to appear negative impacts that can harm the environment and the community. It can happen, because in general the company still runs the capitalist principle, in carrying out its activities, namely, achieving maximum profits with minimum cost with justifies all means, so that not a few impact negative thereof.

Negative impacts include adverse environment and difficult to control, such as: air pollution, noise pollution, water pollution, soil pollution, poisoning, massive exploitation of natural resources, against discrimination, arbitrariness, products unclean until the fraud-fraud against consumers and others. So the magnitude of the negative impact in the life of the community, then masyarakatkan else wants so that the negative impact is controlled, so that the negative effects inflicted is not getting bigger. These negative effects could cause social cost or social costs.

When analyzed the company's actual existence in addition to inflicting social cost, can also cause social benefit. Social benefit is the positive contribution of the company's existence or benefits to society. Form of social benefit can be realized in some physical and non-physical activities. Social benefit appears as a manifestation of corporate social responsibility (social responsibility or CSR corporate) on environment or known to stakeholders.

The assortment of the company's social responsibility realizing way on the environment, among others: investing in environmentally friendly sectors, sewage treatment or increase spending-social expenditure (social cost)

aretujuanya to keep the balance of existence between companies with the social environment.

Along with the growth of the magnitude of the negative effects of business activity, then many community awareness efforts for environmental sustainability, such as activist environmentalist, and so on. Where this is not happening only in Indonesia but also in all parts of the world. The U.S. expressed by the Minister of environment of the Republic of Indonesia (about 196 u.s. countries that long as it has several times following the meeting to restrict the utilization of chemicals or chemical compounds that could result in its hole or depletion of the ozone layer (Minister of the ozone protection Conference Open Kambuaya, AntaraNews.com., Wednesday, November 23, 2011).

Disclosure of environmental accounting Environmental Accounting Disclosure (hereinafter abbreviated as (EAD) in developing countries are still very less. A lot of research in the area of Social Accounting Disclosure (SAD) General and EAD in particular shows that the company's environmental performance reporting Parties that are still very limited. In the field of accounting ever contributed in the environmental preservation efforts, namely through a voluntary disclosure in financial reports related to the environmental costs or environmental costs. Accounting system that accounts associated with the environmental cost is referred to as green accounting or environmental accounting.

Conceptually explained several aspects that can be used as a reference to measure CSR programs already well are how much wages and compensation for workers and the management of the environment around the company. Freeport Indonesia's SCR program implementation is not merely to erase the mistakes of what was done in the past by giving a gift program to the surrounding community (seven tribes) who were considered successful if they were able to empower the community. In carrying out a CSR program, it must be understood whether the implementation has been on the right track, then also whether the investment has been running well.

Freeport has grown to become a company with an income of 2.3 billion US dollars per year, its existence has provided direct and indirect benefits of Indonesia where 33 billion US dollars from 1992-2004 have been given to the Government of Indonesia. According to the New York Times in December 2005, the amount that Freeport had paid to the Indonesian government between 1998-2004 reached almost 20 billion US dollars. The Indonesian government, the people of Papua and Freeport have agreed to renew the Freeport Papua investment contract with the signing of an investment contract for the next 30 years.

The company has carried out social responsibility to the community and its environment, this is proven by employing Papuans in the mining area and doing conservation for the environment. Actually, when viewed from a company perspective, the huge investment made in

Papua must be financially profitable for the long term because it is related to the interests of the company's shareholders.

The signing of the contract means that all parties involved understand and understand the contents of the contract, so Freeport must carry out its obligations to the government, society and the environment in accordance with the contents of the contract. Freeport has compensated the Papuan people, but it cannot be denied that there are some other Papuapeople who have not received compensation.

On the other hand, impoverishment also took place in the Mimika region, whose income was only around \$ 132 / year, in 2005. The well-being of the Papuan population did not automatically increase with the presence of Freeport in the area they lived in. In the Freeport operations area, most of the indigenous people are below the poverty line and are forced to live scavenging for the remaining gold from Freeport's waste. In addition to the problem of economic inequality, Freeport's mining activities also damage the environment massively and cause violations of human rights.

Those who did not receive compensation supported by those who rejected the existence of Freeport and / or those seeking personal benefits, always tried to disrupt the operational activities of the company either through the mass media or by carrying out attacks directly into the mining area, so that many of their innocent employees had fell victim to the attack Freeport has a commitment to manage and minimize the impact of its operational activities on the environment and to reclaim and revegetate affected land. Through environmental policy, Freeport is committed to implementing good environmental management and practices, providing sufficiently viable resources to fulfill these responsibilities and making continuous improvements to environmental performance at each activity location. Freeport also has a strong commitment to support scientific research to understand the environment around where Freeport operates, and carry out comprehensive monitoring to determine the effectiveness of management practices.

In addition, Freeport also works with government agencies, local communities, and responsible non-governmental organizations to improve environmental performance. In this case Freeport adheres to the principles of the sustainable development framework of the international council on mining and metals Sustainable Development Framework of the International Council Mining and Metals (ICMM), where Freeport includes its members: (1) Implementation of Environmental Audits. The environmental audit conducted by Freeport produces information for managers about current environmental performance and helps identify opportunities for improvement. (2) Trailing Management Program.

Modified deposition, which is a system that is engineered and managed for tailings deposition and control. Extensive sampling of water quality in tailings management shows that water in rivers carrying tailings from Freeport processing plants in the highlands to deposition areas in the lowlands meets clean water quality standards. for dissolved metals according to the regulations of the Government of Indonesia and USEPA (US Environmental Protection Agency). (1) Reclamation and Re-greening (a) Upland areas. International scientists and Freeport staff have studied the ecology of the alpine ecosystem in the Freeport working area, and developed reliable ways to produce native plant species. Studies that have been carried out to date include ethnobotany, biodiversity in the su-alpin and alpin ecosystems, utilization of native species of mosses and bacteria for pioneering reclamation strategies and tissue cultivation for the development of native alpine plants. Until the end of 2005, more of the 10 hectares of land disrupted at the mine in the successfully reworked highland area in order to fulfill Freeport's commitment to the Indonesian government. (b) Lowlands. The goal of Freeport's reclamation and reforestation program in low-lying areas is to convert tailings deposits in deposition areas into agricultural land or to be used as other productive land, or to re-grow them with native plants after mining activities end.

Management of Overburden and mine acid water. Freeport handle overburden through a comprehensive pengelolaan overburden plan which has been disetujui by the Government of Indonesia. Freeport conducts management and monitoring to water mine acid generated by its activities. According the overburden management plan has been approved by the Government, Freeport put overburden on managed areas around Grasberg open mine.

The management and recycling of waste. Environmental management programs Freeport covers all aspects of its activities not only related to mining. Minimilisasi programmes implemented include waste reduction and the Exchange with eco-friendly products. The recyclable materials such as aluminum, scrap metal, and the former battery recycling in accordance with the Government of Indonesia. The quality of liquid waste from the whole of the liquid waste processing installations are monitored periodically for parameters pH (alkaline levels), BOD (Biological Oxygen Demand), TSS (Total Suspended Solids suspended solids/total) as well as oils and fats suitable raw quality.

In the program of Corporate Social Responsibility (CSR) conducted by Freeport, USAID and the Diocese of Timika then obtained a model that will develop an advanced to the life of the fishermen. The heaviest fishing constraints is if there is no ice factory, where adequate fish auction including fishing port, means the provision of fuel oil (FUEL) and cold storage. Along vibizconsulting built a CSR model that has never been applied before. Fishermen will be able to compete because of the development of human resources becomes the starting point of the

establishment a tough fishing communities. (www.vibislearning.com).

Based on the CSR activities conducted there actually being a company, the company's effort to pay attention to stakeholders but still sounded some events related to the opposition of the community with the company. As 21 February 2006 took place against the expulsion of locals who do the gold planning from the remnants of waste production of Freeport at times Blurred Wanamon.

The expulsion is carried out by a joint police and security apparatus of Freeport. A result of this expulsion happened clashes and shooting. The population is about knowing the incident later occupied and shut down the main street of Freeport in RidgeCamp, at Mile 72-74, for a few days, which is the main road (access only) to the location of Grasberg mining and processing. After that many demos done by communities to close Freeport.

On 17 March 2006, three citizens of Abepura, Papua, was wounded by a bullet Ricochet exposed after some members of the brimob firing senjata into the air in front of Kodim Abupura, some television journalists who covered the persecuted and undermined the tool works by brimob. On March 22, 2006, the mountain slopes in the area of mining in Grasberg, Freeport open avalanche and stockpiling a number of workers, 3 people died and dozens of others injured. On 23 March 2006 the Ministry of environment publishes the findings of monitoring and environmental quality in the Setup area of the mining of Freeport.

The result does not meet the limits of rated Freeport wastewater and corrupts the sea water and marine life. April 18, 2007 approximately 9,000 employees of Freeport mogok to demand welfare improvement. The negotiations were finally completed on April 21, after having reached an agreement that included about salary increases low. (Wikipedia)

CSR activities carried out by the company have not completely hit the target. This means that the company has not really paid attention to the interests of stakeholders such as the Papuan people, has not paid attention to the balance of the surrounding environment, and seems to only make the implementation of CSR for the interests of company activities, especially in attracting the sympathy of the government and the UN, these activities can be indicated that the company only pleases shareholders by increasing company profits from year to year. At present seven tribes inevitably have to accept the reality that they cannot refuse anymore, namely Freeport's presence in their lives and activities. Freeport has entered the recesses of the lives of seven tribes in depth and presented new problems for them.

New problems such as loss of customary rights to land, damage to the socio-economic system, damage to the environment and natural resources due to changes in ecosystems, including the occurrence of various acts of

violence that can be categorized as prolonged human rights violations.

The problems above have devastated the traditional seven-tribe cosmology and deeply shaken their socio-cultural and economic order. The problem is further aggravated by the forced displacement of residents, cultural and social impoverishment and cultural disintegration.

The community of seven tribes has different local wisdom in each customary land area, so the Corporate Social Responsibility programs must be adapted to the conditions of the local community. This is as a consequence of the company's empowerment as an "Agent of Development" in the midst of society, so it is very important for companies to know the socio-economic and cultural conditions of the local community.

Local or traditional wisdom is actually a part of ethics and morality that helps humans to answer moral questions what must be done, how to act specifically in the field of environmental management and natural resources. These good habits are then standardized in the form of rules, rules, norms that are disseminated, known, understood and taught in society. Therefore ethics is understood as a teaching that contains rules about how humans must live both as humans and also ethics is understood as a teaching that contains commands and prohibitions about the merits of human behavior, namely orders that must be obeyed and prohibitions that must be avoided. Local or traditional wisdom not only concerns the knowledge and understanding of people about humans and how good relations between humans, but also concerning knowledge, understanding and customs about humans, nature and how relationships between residents of this ecological community must be built.

➤ *Problem*

- *What is the social responsibility of the PT Freeport to the seven tribes community ?*

II. LITERATURE REVIEW

Corporate Social Responsibility (CSR) is an approach where companies integrate social care in their business operations and in their interactions with stakeholders (stakeholders) based on the principle of voluntary and partnership (Nuryana, 2005). Some other names that have similarities or even often identified with CSR include Corporate Giving / Charity, Corporate philanthropy, Corporate Community Relations, and Community Development.) The four names can also be seen as dimensions or approaches to CSR in the context of Corporate Social Investment (Investing) which are driven by a spectrum of motives ranging from "charity" to "empowerment" (Brilliant, 1988: 299-313).

Herein lies the importance of the regulation of CSR in Indonesia, in order to have control, binding power and thrust. CSR that was originally voluntary needs to be

increased to a more mandatory CSR. Therefore, a measurable and systematic contribution of the business world can be expected to contribute to improving community welfare. Pro-community and environmental policies like this are very much needed in the current flow of neoliberalism. On the other hand, on the other hand, the community also cannot arbitrarily make demands on the company, if the expectations are outside the limits of the applicable rules.

The issue of CSR can be said as a parameter of the closeness of the civil society era. Therefore, CSR should not only move in the philanthropic aspects (ie humanitarian encouragement which usually comes from universal norms and ethics to help others and fight for social equality) or the level of strategy, but must increase upward to more policy levels. macro and real. Implementation of Corporate Social Responsibility (CSR) The existence of CSR in community development is more meaningful than just charity activities (Ambadar 2008), often doubted the usefulness. Many parties argue that the company has been regarded as a cause of environmental damage, exploitation of natural resources, and only concerned with profit. Even though the company can be regarded as one of the economic actors in a region, be it the village, sub-district, district, province, or even the region. As one of the economic actors, companies are required to produce maximum profits as a basic economic principle, but it does not mean ignoring the interests of other parties, including the surrounding community.

According to Suharto (2005) community development is a model of social work whose main aim is to improve the quality of life of the community through the utilization of the resources available to them and emphasize the principle of social participation. Hosmer (1995) states that "in the long run, CSR can increase trust and responsibility to reduce transaction costs". Kotler (2005) also argues that corporate participation in various forms of social responsibility can provide many benefits for the company (Orlitzky and Waldman 2009). There is a symbiotic relationship between mutualism between the company and the surrounding community. Prihatiningtias (2012) argues that current corporate social responsibility has become a crucial issue because companies are expected by the community to be able to demonstrate their commitment through concrete actions. The bigger the stone is thrown into the pool, the bigger the waves it causes. The narrower the width of the pool, the bigger the waves crash to the edge of the pool. This is the result that can be drawn from mining large projects in remote communities (Salim, 2003), (Ondi, 2003). Extractive industries produce waste in the form of land and mineral deposits in the form of tailings from copper, gold and silver mines. The deeper the hole is excavated, the more waste usually discharged through rivers or special pipelines into the sea.

Furthermore (Salim, 2003) said that initially in each model of development "economy" was a system with the environment as its system. The dominant determinant is "economic interests", consequently environmental interests

are placed under economic interests. Riyaldi (2002), so far Indonesia has forgotten to include environmental costs in calculating economic benefits. "The calculation of economic benefits must take into account the environmental costs caused by pollution, waste and the costs needed to improve the environment damaged by the area utilized for the economy".

➤ *Sustainability Development*

Sustainability has a broad understanding and does not exist until now. When translated, sustainability means sustainable. However, many experts stated that there was a common perception between the notion of sustainability and sustainability development.

Experts define sustainability with different perceptions. Definition of sustainability development according to Brundland Report (1987) in: "Sustainable development of development that meets the needs of the present without compromising the ability of future generations to meet their own needs" Or if translated, sustainable development is development that can meet current needs. Without having to sacrifice the ability of future generations to meet their needs. Szekely (2005) states that sustainability is how to build a society where economic, social and ecological goals must be balanced. One of the most frequently used approaches to measuring corporate sustainability is the triple bottom line approach. The approach involves three dimensions, namely:

- Environmental (environment); measuring impacts on resources such as air, water, waste emissions.
- Social (social); relating to corporate governance, motivation, incentives, security and health, human resource development, human rights and ethical behavior.
- Economic (economy); refers to measuring the maintenance or improvement of company success for example, technology and innovation, collaboration, knowledge management, purchasing, sustainability processes and reporting. In these various definitions, it can be concluded that in the concept of sustainability the most important thing is how we utilize existing environmental resources effectively, efficiently and economically.

In addition, we must also avoid things or expenditures, unnecessary risks and avoid waste so that we do not use up reserves of environmental resources, improve material and energy efficiency for future generations. The concept of sustainability is a concept that is interpreted through three dimensions, namely economic sustainability, environmental sustainability, and social sustainability. Given that this concept provides many benefits for the company, it is expected that company companies in Indonesia must implement sustainable reporting to add value to the company.

Because the importance of this report should get the attention of the regulator. So far there have not been many arrangements made by regulators. The arrangements made are only persuasive. Disclosure of CSR in annual reports

and / or sustainability issues is a report on social responsibility activities that have been carried out by the company, both related to the concern of social and environmental impacts. The report becomes an inseparable part of the annual report that is accountable to the directors in front of the General Meeting of Shareholders (GMS). This report contains reports on the company's social and environmental programs that have been carried out during the last fiscal year (Hadi, 2011).

III. RESEARCH METHODS

Type of qualitative research through phenomenology approach.

IV. DISCUSSION

In the Work Area of PT. Freeport Indonesia is known as the "seven tribes" in slang called "seven tribes" namely employees from local communities who inhabit the work area of giant companies located in Timika, the seven tribes in question include the Amungme, Kamoro, Mee, Moni tribes. , Dani, Damal, Nduga, they are 7 of the 250 tribes that inhabit seven customary areas of Papua. The Kamoro tribe is located in the southern coast of Papua, if it enters the company area, namely Amamapare port "a place for shipping gold and copper taken from underground and Grasberg, then drop to the mile⁷⁴ smelting plant and flow through the mine pipe, exit at portsite and export overseas according to needs from 33 countries that have received goods from Freeport Indonesia "if they enter the government area, the port is called Paumako, this place looks like the houses of Kamoro people are lined up on the coast, heavy waves every day hit the pillars of stilts that stand on sand, they live without a steady income, not many work at PTFI and civil servants, even if they can count on their fingers. While the Amungme tribe is included in the other five tribes, behind the mountain Nemangkawai, the company says "Grasberg" while the government calls "tembagapura" which crosses wide in the central mountains of Papua, Papua which other people commonly call "a small paradise that falls to earth" because it will abundantly the natural wealth that God gave to the people of Papua in general and specifically the seven tribes.

The question of seven tribes is not the name of ridicule and not the insinuation of certain parties, according to the originator of the term Seven Tribe, Nicodemus Kadepa, saying seven tribes are the name of an employee's identity from the local community working at PTFI, and they are also holders of mountain rights containing "Gold and copper" which Indonesia claims are "kitchens" that feed dozens of countries in the world.

"Seven tribes" are not only limited to the identities of a number of tribes in the mining operations area, but seven tribes have a special status that has been recognized in Freeport-McMoRan's work guidelines before nationalization to Freeport Indonesia, "7 tribal status has been registered in the freeport basic guidelines Newsletter through the foreign operating license policy in Indonesia

number (FM-2003.05) which was updated by Freeport Indonesia by number (FM-2003.16) and approved by MCMoran's Freeport board of directors and PTFI's Board of Commissioners on April 1, 2003 approved on December 7, 2004). "In the basic guideline, there are five fields, one of which is regulated" Special status of seven tribe employees "while the other four programs are" employee and company affairs, protection of human rights and business relations with the government and economic development. However, "the recruitment, training and promotion of seven tribal employees in accordance with the summary contained in PTFI's work guidelines has not yet been implemented.

The company seemed to be neglecting my status in the midst of a company policy that was hit by all employees with Papuan employees and non-Papuan employees, in the case that seven tribesmen were specifically regulated in the guidelines, but the question was why Freeport Indonesia had not implemented guidelines on the special status of the seven tribes which was set to McMoran's port until now it takes decades.

Empowerment of seven tribes is present in the company environment to run the two main goals, first "to cover the lack of companies, second to protect the dignity of seven tribes" 7s empowerment is present to cover the lack of companies because "other parties who have been contradicting PTFI are not working conducted by companies against seven tribal employees "the parties usually lay down allegations by threatening the existence of companies namely environmental issues, human rights issues and other sensitive issues related to local communities.

Secondly, the empowerment team was present to protect the dignity of the seven tribes because, according to him, so far the seven tribes seemed to be ignored by the company and were considered to be utilizing other parties in the name of seven tribes until now it took decades, therefore the empowerment team was ready to reclaim statutes seven tribes and will apply the ideal concept by updating the system.

According to the empowerment team initiator, NikodemusKadepan, accompanied by JekyAmisim, the media explained that for the recruitment of employees, I would implement a "one door" for non-staff employees or staff employees to enter through the "door to empowerment", unlike so far. by the company through various doors without considering the local workforce, it is evident that the employees of seven tribes are not many even at all departments (try to see, how many employees of Papua? How many employees are there sevingg tribe??Even though there are only developing clerk positions, Kuli positions or technicians, while the foreman or Officer position until the Manager and Vice President are controlled by amber people and others. Do not realize where the company is.? do not realize the company is draining Papua's wealth? Do not realize there are seven tribes in this area? in fact it is considered not compotent or

unable to provide an opportunity to try, and is considered not capable without seeing the extent to which opportunities are given for training.

That is why the empowerment team will move to renew the training system, which previously will transform into development empowerment, with the concept of empowerment will make employees feel that they have a big company, which during this time, employees developed from what he has, developed from what he understands but surgery with the concept of empowerment, where employees are empowered and able to do, are empowered so that they become smart and empowered to be ready to do anything without any direction from others. Thus the employee feels that his personality is changed by the system, so the employee feels he has this company as a place where he earns a living which he must protect, is not considered a place where he feels he is treated not as the owner of the land,that is why the empowerment team acts as a mediator between seven tribal employees and companies to jointly see existing problems and fix them, even see external threats addressed to the company by utilizing one of the two described above namely "promotion" for my 7s employees . the leaders of each department were considered not running optimally, where in assessing all employees (Papua and non-Papua) they were equated without specificity to my employees, so that when the test was carried out the potential had not been able to reach the target set by the company so that it was only pressured 7 for me not to be promoted.

This action was considered discriminatory in terms of promotions where Papuan and non-Papuan employees went smoothly and were even given exemptions while seven-tribe employees walked in the place of alias traffic jams. exceptions are also rare even though seven-tribe employees seem to be pegged only to the status of employees and do not have to level up and grade. thus, again asking, to the companies and employees of seven tribes, are we united to leave this company from threats that come from outside who are not pro with the company's policy towards seven tribal employees ...? Or do we together overcome the problem that the other party has made seven tribes as objects to attack Freeport? The company should accommodate complaints from seven tribes employees, besides helping the company to ward off attacks from outside with allegations of tilt and seven tribesmen who want to protect self-esteem implied in the basic guidelines for the Freeport report. This business is all the same, where do you not see? don't see what your position is? we are the same employees who must carry out the rules, the company also obeys its obligations, employees also get what they are entitled to, including the rights of the seven employees who are demanding this. Responding to the condition of PT Freeport Indonesia (PTFI) which has never been normal, community leaders from seven tribes with customary rights and also the Customary Consultative Institution (LMA) agreed and were ready to unite to support the United States-owned company to resume normal operations. With the hope that all the servant activities of the partnership to the

community can proceed as before from Freeport chaos about the certainty of investment from the Work Contact regime (KK) which is transferred to IUPK and fiscal and legal guarantees.

The statement of support was revealed at a joint meeting of the Papua Central Mountains Indigenous Peoples Control Center (P2MA-PTP) of the MimikaMee-Pago District - Papua Province at the residence of Amungme figure, Silas Natkime in Kuala Kencana, Friday (21/4). Present at the meeting at that time, including the Chairperson of the LMA, YakobusKogoya and their administrators, namely the Deputy Chairperson, Rev. Lukas Hagabal, Deputy Chairperson 2, Silas Natkime, Secretary, PondinusAlom and Treasurer of LMA, HermanusKogoya.Others, Chairperson of LMA, Hamkora, SE, Organizational Division for LMA Government Relations, WakerwaPilemon, Customs, Arts and Culture, FransTimang, Ulayat Rights, Anton Niliwingame, Youth, OktoMurib, Women's Empowerment, TeminaKum, Education Sector, LeonardusTumuka, and Representative of Development Planning, YulianusHagabal.

In addition, there were also a number of seven tribal community leaders, representatives from the Moni Tribe and representatives from PT Freeport Indonesia, AgustinusSomau. Silas Natkime opened the meeting and invited all local elements, including two traditional institutions in Mimika, Lemasko and Lemasa, to stay solid with the community to support PTFI to resume normal operations.Support for Freeport, because the gold and copper mining company in the world since its establishment until now has contributed so much to the seven tribal communities in all aspects of life.

Be it health, education and economy. Therefore, the problems faced by PT Freeport are a problem for the Papuan people."Many of the development projects in Mimika have been carried out by PT Freeport. There is no solution to date. Right now the company is not working so we are all victims. "Health, education, economy and other joints of life for community service are constrained and this condition has been very worrying," Silas said. As a form of real support, continued Silas, next May, it will consolidate all elements of the community of the seven tribes to organize Freeport's caring actions.He said, indigenous people should not be silent about the problems faced by Freeport, if the government is inconsistent. We have gold and we have land but the government does not respect us. Papua and non-Papuans are victims, who eat meat from central people, who eat our bones in Papua. The law only benefits the central government, "said Silas, who is also one of the top officials at PTFI.

Meanwhile, the Chief Executive of the Seven Heads of the Central Papua Customary Tribe P2MA-PTP, AgustinusSomau added that he urged the central government to immediately provide a wise solution so that Freeport could resume normal operations.The only hope is that Freeport will return to normal operation, said Agus,becoming a big desire for the seven tribes as a

community with customary rights Because of this, Agustinus appealed to organizations urging Freeport to close to paying customary rights to local customary owners.B. PT Freeport Indonesia's CSR Program In the large 50-page report book and printed with a pretty interesting design, there is a description of the program that has been carried out complete with documentation of pictures of related activities as well as the testimonies of the people involved in it. In his remarks, AdriantoMachribie, President Director & CEO of PT Freeport Indonesia conveyed that by working to achieve sustainable development in business activities and programs, PT Freeport Indonesia helped guarantee the environment and healthy communities in the PT Freeport Indonesia work area which became very important for the success of PT Freeport Indonesia in the future.

Divided into three chapters which include Economic Benefits, Change and Social Development and Environmental Management. In the chapter on economic benefits, PT Freeport claims to have paid a sum of money for taxes, royalty fees and other payments in 2005 of US \$ 1.2 billion and the amount of direct and indirect benefits of US \$ 7 billion. If payment is calculated during 1992-2005 PT Freeport has 'contributed' to taxes and others worth 3.9 billion US dollars. While the multiplier effect of PT Freeport Indonesia's contribution is 40 billion dollars.

In the field of social change and development as a form of PT Freeport Indonesia CSR, there are several activities carried out, including:

- Social and Cultural Commitments Providing opportunities in the fields of social development, education and economics, including special efforts to train and employ local residents in the company's area. Support the implementation of the Cultural, Language and Economic Arts Festival for the Ammese and Kamoro people
- Fostering mutually beneficial relationship Establish ongoing dialogue with local leaders who produce important agreements with the Amungme and Kamoro community. Establish trust funds for the Amungme and Kamoro community and a partnership fund for community development that has received around 194 million US dollars from the company's operations since 1996 to invest in community development projects determined by a council consisting of all elements of the community have an interest.
- Human Rights Commitments and Initiatives In 2005 PT Freeport had a new position, namely Senior Human Rights Compliance Officer and assigned a Papuan figure, Jansen Joku, to fill the position. held. training on Social, Employment and Human Rights Policy for 1,000 employees, in addition to the expansion of education that was underway in 2006.
- Audit of Social and Human Rights Performance. The company's commitment to increasing male employees of the Papua region, both in terms of number and position of the authorities, as well as appreciation and protection of the human rights of employees and their dependents and communities around PT Freeport

Indonesia. Freeport • McMoran Copper & Gold Inc. and PT Freeport Indonesia has appointed the International Center for Corporate Accountability (ICCA) to conduct a comprehensive audit of the effectiveness of PT Freeport's policies and measure the extent of PT Freeport Indonesia's compliance with compliance with the policy.

- Freeport partnership funds for the development of Papuans Since 1996, PT Freeport Indonesia and its joint venture partners have set aside a portion of their income to benefit local communities through the Freeport Partnership Fund for community development. The funds are managed and distributed by an organization called the Amungme and Kamoro Community Development Agency, which amounts to US \$ 42 million for activities such as the operationalization of hospitals and health clinics, partnership programs with local governments for the prevention and care of malaria, tuberculosis and HIV / AIDS, scholarships, and .
- Papuan Training, Education and Development Concentrate on increasing the number of employees from Papua who are increasing from year to year through the holding of training, continuing education and development through the Nemangkawi foundation which is the driving force for these activities.
- Entrepreneurship Development Economic survey data in Mimika Regency which is the area where PT Freeport Indonesia operates, shows that 500 of the 650 small and medium businesses have direct links to PT Freeport Indonesia's activities
- Customary Rights Recognition Program There are two major programs, namely, the Kamoro village recognition program that focuses on economic development and creating employment, health education and outreach of health facilities, nutrition education, further education for post-secondary students, development of village and social institutions, and preservation of Kamoro culture . And also the development program of three villages, namely a similar program for the three Amungme villages located in the highlands.

The focus of the program is infrastructure that includes the construction of bridges, roads, barrier embankments, housing, clean and dirty water services, and hydroelectric power plants.

- Making business ethics a priority Freeport-McMoran Copper & Gold Inc., PTFI. and Atlantik Cooper, S.A. has issued a policy of Ethics and Business conduct that requires all employees to follow ethical standards set by the company and in line with applicable laws, including the US Foreign Corrupt Practices Act - FCPA (US Law on the Practice of Foreign Corruption) and the Sarbanes-Oxley Act.
- Corporate governance Freeport-McMoran Copper & Gold Inc. employees and officials run a corporate business under the direction of the Uturn Leadership Office, which consists of General Leaders and High-level Executive officials, under the supervision of the

Board of Directors. Shareholders choose Board members to oversee management and to ensure that the long-term interests of shareholders are always taken into account.

- Security handling aspects PT Freeport Indonesia has its own internal security department that serves to maintain company facilities, monitor shipments of company property through airports and terminals, help regulate traffic and assist rescue operations. In addition to the security provided by the National Police, it also involves the important role of the TNI to protect the area of corporate activity. In terms of environmental management, PT Freeport Indonesia has a commitment to the environment by always conducting environmental audits which lead to work plans based on proposals submitted by auditors. In addition, the reclamation or reforestation program on disturbed land which is no longer used for operations also continues. By making a scientific study and conducting a comprehensive program. Seeing the huge amount of funds that have been budgeted and disbursed by PT Freeport Indonesia through its CSR program, at a glance there has been a very perfect CSR program. This when referring to a theoretical study of matters which is seen as part of corporate concern based on Chambers' research on the practice of corporate social responsibility in 7 Asian countries includes 3 aspects, namely, a) involvement in the community, b) making products that can be accounted for social, and c) employee relations (Iriantara: 2004). Involvement in the community include community development, environmental conservation, education and training, religious activities and sports. Whereas what is included in the manufacture of products that can be accounted for socially is the environment, occupational health and safety, human resources and ethics. What is included in employee relations is the welfare of workers and involvement of workers As mentioned at the beginning of this paper, PT Freeport Indonesia entered Indonesia through the Contract of Work (KK) program as a follow-up to the government's program at that time was attractive for foreign investment to manage resources nature.

Started in 1967, first generation KK for 30 years of concession. During that time, PT Freeport Indonesia may import all of its equipment (not required to use domestic production) and the Indonesian government did not receive any compensation. After Indonesia's political and economic conditions began to stabilize, the Indonesian Government provided tax incentives and royalties that were not too large, so that there were 16 foreign companies participating in KK II. Next to KK III, the Government of Indonesia began implementing an export tax of US \$ 0.025-0.7 per metric ton of copper ore, 35% income tax and had to set aside 10% of shares for local partners. During the period 1977-1985 there were around 13 companies receiving KK III. In KK IV the government began to relax the re-requirements, including not having to set aside shares to local partners. In KK IV there are 95

companies that have entered (SWA Sembada at Ismail Yusanto: 2002).

In 1988, PT Freeport Indonesia unexpectedly found a very large gold deposit in Grasberg, estimated at 72 million tons. Then they submitted a renewal of the CoW for 30 years and can be extended twice by 10 years. So the total PT Freeport Indonesia KK will end in 2041 when Tainbang is already empty because of the gold content that has been depleted or even exhausted because gold is not a renewable mining material or can be renewed. If what PT Freeport Indonesia has done is contrasted with the facts found in the field that 50% of the population of Jaya Wijaya lives below the poverty line; 35% of them live in dumping areas (tailings) which are full of hazardous substances. Coupled with Papua's human development index with health and education indicators ranked 27th, the lowest serial number in Indonesia (Walhi, SCTV 11/21/2006 in Al Waie: 2007). The most severe, as the earth that has the largest gold reserves in the world is actually classified as a province with the largest poorest population in Indonesia.

Then the question is, which population has been the target of PT Freeport Indonesia's CSR program? If we review the report book described above, the target of PT Freeport Indonesia's CSR is mostly on the Amugme tribe as a tribe that inhabits directly the land which later became the Ersberg mine. In fact, Papua is not only the Amugme tribe. It is recorded that there are around 255 tribes that inhabit Papua and although they are not tribes that occupy land directly filled with mining wealth, they are also entitled to prosperity and prosperity. A little description of the imbalance in the profit sharing between PT Freeport Indonesia and Indonesia as the land owner of natural resources. Every year Indonesia only gets royalties of around 9.4% plus tax. In fact, Freeport's total income in 2005 was US \$ 4.2 billion with a contract for 2041 (Kompas 11/21/2006 in the journal Al-Waie 2007). If you can be a little guessing, you can imagine the amount of funds that can be allocated for the CSR program of the Papuan people if the management of the gold mine in Papua is not handed over to foreign companies but is directly managed by the state. Not only 9.4% of the profits will go but far more than that. However, the takeover of mining management by the state is like still far from being burned. The realization is still very difficult if the state has not (read: no) willing to take revolutionary steps such as those taken by for example Venezuela and Bolivia by nationalizing national assets, especially mining materials. Not only will the Papuan people prosper, but also other regions in Indonesia who will feel it.

So, CSR in the case of PT Freeport Indonesia, is still far from perfect in terms of its implementation. It's just like a little reciprocation for wealth that has changed hands from Indonesia to the United States, the country of origin of this company for 42 years. 32 years into the future PT Freeport will be free to operate until later they leave the land of Papua with a former gold mine giant that may have run out no more. Leaving the Indonesian government with

homework to return Papua's land that has been contaminated and full of harmful substances to the environment.

V. CONCLUSION

From year to year Freeport continues to benefit from the world's largest gold, silver and copper mines. Freeport officials continue to get facilities, benefits and benefits, which amount to 1 million times the annual income of Timika, Papua. Freeport's profits did not immediately bring prosperity to the local people. CSR activities carried out by the company have not been optimally carried out, the company has not been maximal in paying attention to the interests of the seven tribes in particular and the people of Papua in general.

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