

ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY AS LEGAL MANDATORY IN LIMITED LIABILITY COMPANIES

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Abstract

Background - Corporate social and environmental responsibility, known as CSR, which should be viewed as a legal mandatory, has in fact been implemented on a voluntary basis. However, there are provisions of the law and implementing regulations that are textually discriminatory and biased in their application.

Purpose - The purpose of this study is to provide assurance that CSR is an obligation of all companies, not only those engaged in and/or related to natural resources.

methodology - The research method used is through a normative juridical approach with a literature approach using secondary legal sources.

Findings - Based on the results of the research conducted, there are still articles in Law No. 40 of 2007 that are discriminatory and biased so as to provide opportunities for companies to avoid CSR obligations. For this reason, in an effort to enforce the law (law enforcement), it is necessary to revise Article 74 of Law Number 40 of 2007 and add or reinforce articles related to CSR programs as a mandatory requirement for a company and must be budgeted in the Company's RAB, so that there is legal certainty and has an impact on the welfare of the surrounding community.

Originality - This research is relevant to the legal and policy context of limited liability companies in Indonesia, especially related to corporate social and environmental responsibility. By analyzing CSR as a form of legal obligation, this research can provide useful recommendations for policy makers and other stakeholders.

Keywords: CSR, limited liability company, mandatory, and welfare
